

# Philadelphia

## The Truth



Money Needed to Pay Bills  
**\$11.2 billion**



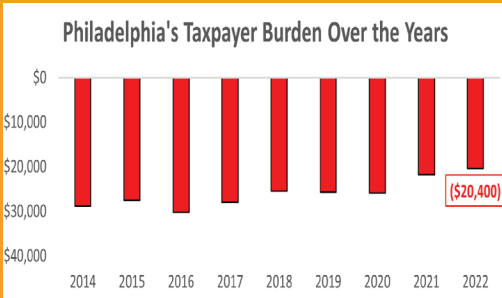
Taxpayer Burden™  
**\$20,400**



Financial Grade  
**F**



Ranking  
**72 out of 75**



## Financial State of Philadelphia

Philadelphia's financial condition appeared to improve due in part to increased tax collections and federal COVID relief funds. Despite the good news, they still had a Taxpayer Burden™ of \$20,400, earning it an “F” grade from Truth in Accounting.

According to the city's 2022 financial report, the city continued to spend federal COVID-19 relief funds, and as the U.S. economy reopened the city took in additional tax revenue. The city's pension debt increased due to the deterioration of pension investments, but this was offset by an excess of revenues over expenses. Over the past few years investment market values have swung dramatically. This volatility demonstrates the risk to taxpayers when their city offers defined pension benefits to its employees.

Philadelphia had set aside only 62 cents for every dollar of promised pension benefits and 14 cents for every dollar of promised retiree health care benefits.

It is important to note that continued market fluctuations, changing investment values, decreased COVID relief funds, and a stabilizing economy that may slow tax collections, could worsen the city's financial health. City officials should continue to try to reduce the Taxpayer Burden by following the recommendations in our 2024 Financial State of the Cities report, which would also bring greater transparency and accountability to city finances.

# Philadelphia's Financial Breakdown

## Fast Facts

- Philadelphia had \$9.9 billion available to pay \$21 billion worth of bills.
- The outcome was a \$11.2 billion shortfall, a decrease of \$757.6 million from the prior year, and a burden of \$20,400 per taxpayer.
- Philadelphia received COVID-19 relief funds and increased tax collections, reducing its Taxpayer Burden by \$1,400.

## The City's Bills Exceeded Its Assets

Total Assets	\$26,248,851,000
Minus: Capital Assets	-\$13,928,378,000
Restricted Assets	-\$2,462,005,000
Assets Available to Pay Bills	\$9,858,468,000
Minus: Total Bills*	\$21,034,503,000
Money needed to pay bills	\$11,176,035,000
Each taxpayer's share of this burden	\$20,400

## \*Breakdown of Total Bills

Bonds	\$10,211,500,000
Other Liabilities	\$10,225,276,000
Minus: Debt Related to Capital Assets	-\$10,660,530,000
Unfunded Pension Benefits	\$8,580,487,000
Unfunded Retiree Health Care Benefits	\$2,677,770,000
Total Bills	\$21,034,503,000

### Grade:

**F**

Bottom line: Philadelphia would need \$20,400 from each of its taxpayers to pay all of its outstanding bills and received an "F" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden greater than \$20,000 is given an "F" grade.

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