

# Financial State of Philadelphia

Money Needed to Pay Bills

**\$9.4 billion**



Taxpayer Burden™

**\$17,000**



Ranking (Out of 5)

**3rd**

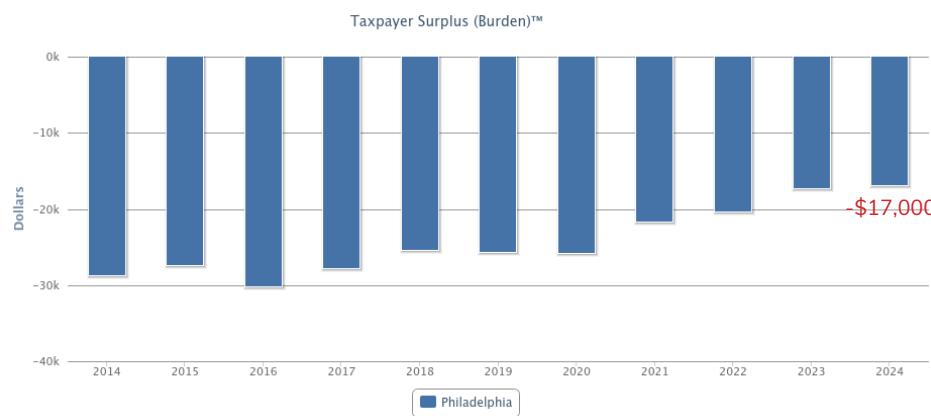


Grade

**D**



Philadelphia's financial condition improved in 2024, but the city still needed \$9.4 billion to pay all of its bills. Based upon the city's latest audited financial report for fiscal year 2024, it had a Taxpayer Burden of \$17,000, earning it a "D" grade from Truth in Accounting.



Philadelphia's financial condition improved in 2024, but the city still lacked enough resources to fully cover all obligations. Most of the city's reported gains in net position came from its business-type activities. Expenses grew faster than revenues, driven by rising costs for social services, public safety, sanitation, and water and wastewater operations. If this trend continues, the city could face long-term fiscal pressure, potentially requiring service adjustments or higher revenues, including taxes, to maintain stability.

The city's pension plan is only 66 percent funded, and its retiree health and other post-employment benefits are just 16 percent funded. These low funding levels highlight ongoing financial risks. Because these plans rely heavily on investment returns, market fluctuations could reduce their value, potentially requiring the city to raise taxes or find other revenue sources in order to make higher contributions in the future.

The data in this report comes from Philadelphia's audited 2024 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit [Data-Z.org](https://Data-Z.org).

# Philadelphia's Financial Facts

## FACT #1:

Philadelphia had \$10.7 billion available to pay \$20.1 billion worth of bills.

## FACT #2:

The outcome was a \$9.4 billion shortfall, which breaks down to a burden of \$17,000 per taxpayer.

## FACT #3:

Revenues were higher than expenses, but spending grew faster than income. Philadelphia's pensions remain underfunded, and continued growth in expenses could create serious future challenges.

## The City's Bills Exceeded Its Assets

|                                      |                   |
|--------------------------------------|-------------------|
| Total Assets                         | \$29,546,365,000  |
| Minus: Capital Assets                | -\$15,568,447,000 |
| Restricted Assets                    | -\$3,239,274,000  |
| Assets Available to Pay Bills        | \$10,738,644,000  |
| Minus: Total Bills*                  | -\$20,131,291,000 |
| Money Needed to Pay Bills            | \$9,392,647,000   |
| Each Taxpayer's Share of this Burden | \$17,000          |

## \*Breakdown of Total Bills

|                                       |                   |
|---------------------------------------|-------------------|
| Bonds                                 | \$10,342,900,000  |
| Other Liabilities                     | \$10,654,723,000  |
| Minus: Debt Related to Capital Assets | -\$11,153,635,000 |
| Unfunded Pension Benefits             | \$8,024,628,000   |
| Unfunded Retiree Health Care Benefits | \$2,262,675,000   |
| Total Bills                           | \$20,131,291,000  |

**Grade:**

**D**

## Bottom line:

Philadelphia, PA would need \$17,000 from each of its taxpayers to pay all of its outstanding bills and received a "D" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a "D" grade.