



THE TRUTH

Money Needed to Pay Bills
- **\$6.1 billion**

Taxpayer Burden™
- **\$16,100**

Financial Grade
D

Ranking
34 out of 50

Rhode Island Received ‘D’ Grade for Fiscal Health



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Financial State of Rhode Island

Despite receiving support from COVID relief grants and other federal programs, Rhode Island’s overall financial condition did not improve during the onset of the pandemic. Based upon the state’s fiscal year 2020 audited financial report, Rhode Island had a Taxpayer Burden™ of \$16,100, earning it a “D” grade from Truth in Accounting.

Rhode Island’s elected officials have repeatedly made financial decisions that left the state with a debt burden of \$6.1 billion. That burden came to \$16,100 for every state taxpayer. Rhode Island’s financial problems stem mostly from unfunded retirement obligations that have over the years. The state had only set aside 53 cents for every dollar of promised pension benefits and 12 cents for every dollar of promised retiree health care benefits.

Rhode Island did not have enough money set aside to weather the pandemic and the state has been in poor fiscal shape for years. Like all other states, Rhode Island received federal assistance from the CARES Act and other COVID-19 related grants which came with stipulations on how the money could be spent. However, the state has not been properly funding its pension and retiree health care promises for years which places a burden on future taxpayers.

The data included in this report is derived from the state of Rhode Island’s 2020 audited Annual Comprehensive Financial Report and retirement plans’ reports. To compare states’ financial information go to Data-Z.org.

Rhode Island’s Financial Breakdown

Fast Facts

- Rhode Island had \$6.5 billion available to pay \$12.6 billion worth of bills.
- The outcome was a \$6.1 billion shortfall, which breaks down to a burden of \$16,100 per taxpayer.
- This means that each taxpayer would have to pay \$16,100 in future taxes for which they would receive no related services or benefits.

THE STATE’S BILLS EXCEEDED ITS ASSETS

Total assets	\$16,742,394,000
Minus: Capital assets	-\$7,347,899,000
Restricted assets	-\$2,895,399,000
Assets available to pay bills	\$6,499,096,000
Minus: Total bills	-\$12,590,320,000
Money available (needed) to pay bills	-\$6,091,224,000
Each taxpayer’s share of this debt	-\$16,100

BILLS THE STATE ACCUMULATED

Bonds	\$6,124,890,000
Other liabilities	\$3,861,697,000
Minus: Debt related to capital assets	-\$1,920,248,000
Unfunded pension benefits	\$3,976,549,000
Unfunded retiree health care benefits	\$547,432,000
Total bills	\$12,590,320,000

Grade:

D

Bottom line: Rhode Island would need \$16,100 from each of its taxpayers to pay all of its bills, so it received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D” grade.

Truth in Accounting is a 501(c)(3) nonprofit organization committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.