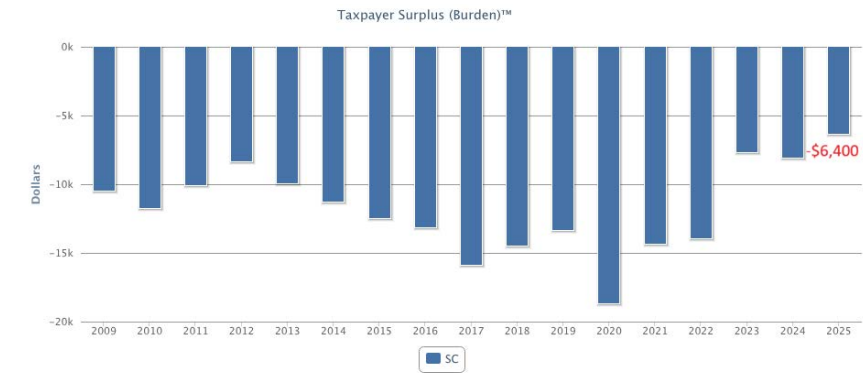


SOUTH CAROLINA'S FINANCIAL BREAKDOWN

Money Needed to Pay Bills	\$11.6 billion	Ranking (Out of 50)	35
Taxpayer Burden™	\$6,400	Financial Grade	D

In 2025, South Carolina's financial situation improved, but it still didn't have enough money to pay all of its bills and needed \$11.6 billion to fill the gap. That means each taxpayer would have to contribute \$6,400 to help pay off the state's debt. As a result, South Carolina earned a "D" grade from Truth in Accounting.

South Carolina experienced a financial improvement led by increases in individual income tax (\$772 million) and sales tax (\$890 million) collections. Its component units, including public institutions and authorities, also reported improved financial results driven by stronger operating performance and increased state support. Growth among component units was particularly evident at the South Carolina State Ports Authority and major universities. The state's unfunded pension liability also declined, largely because investment values increased by more than 11 percent.



South Carolina received approximately \$19.2 billion in federal grants, which represented 29 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. South Carolina relies heavily on spreadsheets and manual adjustments to prepare its annual financial report. Auditors found weaknesses in this process that increased the risk of errors and made the state's financial reporting less efficient and reliable.

The data in this report is derived from South Carolina's audited 2025 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](#).

SOUTH CAROLINA'S FINANCIAL FACTS

- FACT #1:**
South Carolina had \$36 billion available to pay \$47.6 billion worth of bills.
- FACT #2:**
The outcome was a \$11.6 billion shortfall, which breaks down to a burden of \$6,400 per taxpayer.
- FACT #3:**
South Carolina received 29 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.

THE STATE'S BILLS EXCEEDED ITS ASSETS

\$93,923,289,000

→ Total Assets

- \$40,912,079,000

→ Minus: Capital Assets

- \$16,989,399,000

→ Minus: Restricted Assets

= \$36,021,811,000

→ Assets Available to Pay Bills

- \$47,621,952,000

→ Minus: Total Bills*

= \$11,600,141,000

→ Money Needed to Pay Bills

/ Divide by the estimated number of taxpayers

= \$6,400

→ Each Taxpayer's Share of This Burden

*BREAKDOWN OF TOTAL BILLS

\$13,945,188,000

→ Bonds

+ \$19,363,364,000

→ Other Liabilities

- \$10,466,473,000

→ Minus: Debt Related to Capital Assets

+ \$13,249,512,000

→ Unfunded Pension Benefits

+ \$11,530,361,000

→ Unfunded Retiree Health Care Benefits

= \$47,621,952,000

→ Total Bills



Bottom line:
South Carolina would need \$6,400 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.