



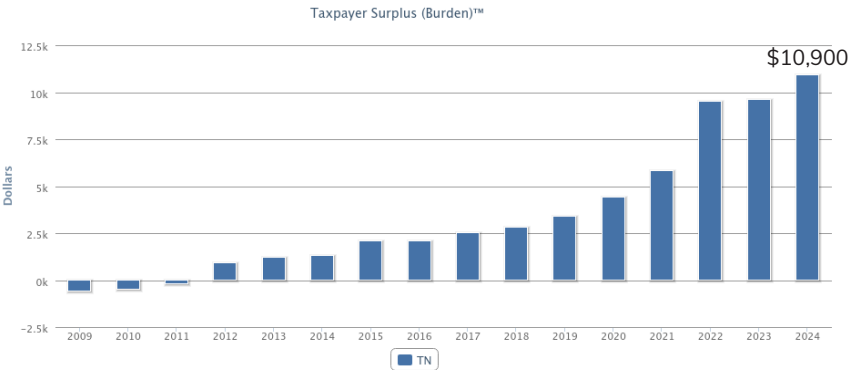


Tennessee's Financial Breakdown

| | | |
|------------------------------|----------------|---|
| Money Available to Pay Bills | \$25.3 billion |  |
| Taxpayer Surplus | \$10,900 |  |
| Ranking (Out of 50) | 5 |  |
| Financial Grade | A |  |

Tennessee made progress in 2024, improving its financial condition. It ended the year with \$25.3 billion more than needed to pay its bills. That means the state had a Taxpayer Surplus™ of \$10,900 and earned an “A” grade from Truth in Accounting.

Tennessee’s overall financial position improved in 2024 thanks to higher cash balances, capital assets, and strong investment returns. Business activities also helped with a new water and wastewater fund and better performance in the employment security fund. The state’s pension debt for a closed employee plan was cut in half after better-than-expected returns and extra state contributions. Now nearly 98 percent funded, the plan shows Tennessee’s focus on pension stability and responsible budgeting.



Tennessee has received substantial temporary federal aid since 2020 in response to the COVID-19 crisis. This additional funding contributed to improvements in the state’s financial condition and increased its money available to pay bills. However, as this aid diminishes and national budget tightening continues, future funding may return to more typical levels. This analysis models a return to 2019 federal grants and contributions, increased only by inflation. If so, Tennessee could see a \$4.3 billion reduction in federal funding, representing around 8 percent of projected expenses for the state’s primary government. This may present challenges for maintaining services and balancing the budget.

The data in this report is derived from Tennessee’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).

Tennessee's Financial Facts

- FACT #1:**
Tennessee had \$46.8 billion available to pay \$21.5 billion worth of bills.
- FACT #2:**
The outcome was a \$25.3 billion surplus, which breaks down to \$10,900 per taxpayer.
- FACT #3:**
Tennessee may lose \$4.3 billion in federal funding (8 percent of expenses) if allocations return to 2019 levels, adjusted only for inflation.

The State's Assets Exceeded Its Bills

| | |
|---------------------------------------|-------------------|
| Total Assets | \$99,079,381,000 |
| Minus: Capital Assets | -\$43,612,936,000 |
| Restricted Assets | -\$8,673,511,000 |
| Assets Available to Pay Bills | \$46,792,934,000 |
| Minus: Total Bills* | -\$21,470,784,000 |
| Money Available to Pay Bills | \$25,322,150,000 |
| Each Taxpayer's Share of this Surplus | \$10,900 |

*Breakdown of Total Bills

| | |
|---------------------------------------|------------------|
| Bonds | \$9,728,309,000 |
| Other Liabilities | \$12,754,713,000 |
| Minus: Debt Related to Capital Assets | -\$2,765,791,000 |
| Unfunded Pension Benefits | \$507,558,000 |
| Unfunded Retiree Health Care Benefits | \$1,245,995,000 |
| Total Bills | \$21,470,784,000 |

Grade:
A

Bottom line:
Tennessee had more than enough money to pay its outstanding bills and received an “A” grade for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Surplus greater than \$10,000 is given an “A” grade.



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