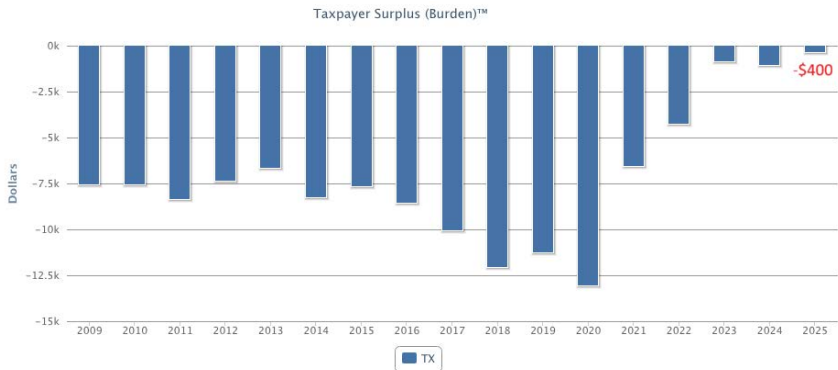


TEXAS' FINANCIAL BREAKDOWN

Money Needed to Pay Bills	\$3.9 billion	Ranking (Out of 50)	27
Taxpayer Burden™	\$400	Financial Grade	C

In 2025, Texas' financial situation improved, but it still didn't have enough money to pay all of its bills and needed \$3.9 billion to fill the gap. That means each taxpayer would have to contribute \$400 to help pay off the state's debt. As a result, Texas earned a "C" grade from Truth in Accounting.

As in each of the past ten years, except 2020, the state reported revenues that significantly exceeded expenses. In 2025, however, this improvement in the state's financial condition was largely offset by additional resources committed to capital assets and restricted for specific purposes. Despite high investment returns, the state's unfunded pension liability did not decrease significantly because legislation increased benefits for certain employees and educators, adding \$4.9 billion to the state's pension obligations.



Texas received approximately \$105.3 billion in federal grants, which represented 40 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. Auditors found repeated problems with how agencies monitored programs, kept records, reported information, and managed technology systems. These weaknesses made it harder to ensure requirements were followed and increased the risk that fraud could occur without being detected.

The data in this report is derived from Texas' 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](https://data-z.org).

TEXAS' FINANCIAL FACTS

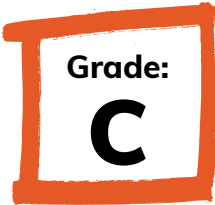
FACT #1: Texas had \$174.4 billion available to pay \$178.3 billion worth of bills.	FACT #2: The outcome was a \$3.9 billion shortfall, which breaks down to a burden of \$400 per taxpayer.
FACT #3: Texas received 40 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.	

THE STATE'S BILLS EXCEEDED ITS ASSETS

\$578,250,770,000	→	Total Assets
- \$218,409,902,000	→	Minus: Capital Assets
- \$185,404,076,000	→	Minus: Restricted Assets
= \$174,436,792,000	→	Assets Available to Pay Bills
- \$178,349,515,000	→	Minus: Total Bills*
= \$3,912,723,000	→	Money Needed to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$400	→	Each Taxpayer's Share of This Burden

*BREAKDOWN OF TOTAL BILLS

\$69,117,632,000	→	Bonds
+ \$60,754,461,000	→	Other Liabilities
- \$53,205,555,000	→	Minus: Debt Related to Capital Assets
+ \$52,239,351,000	→	Unfunded Pension Benefits
+ \$49,443,626,000	→	Unfunded Retiree Health Care Benefits
= \$178,349,515,000	→	Total Bills



Bottom line:
Texas would need \$400 from each of its taxpayers to pay all of its outstanding bills and received a "C" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a "C" grade.