



THE TRUTH

Money Needed to Pay Bills
- \$21.6 billion

Taxpayer Burden™
- \$7,800

Financial Grade
D

Ranking
28 out of 50

Washington's Financial Condition Worsened Despite Federal Funds



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Financial State of Washington

Despite receiving support from COVID relief grants and other federal programs, Washington's overall financial condition worsened during the onset of the pandemic. Based upon the state's fiscal year 2020 audited financial report, Washington had a Taxpayer Burden™ of \$7,800, earning it a "D" grade from Truth in Accounting.

Washington's elected officials have repeatedly made financial decisions that left the state with a debt burden of \$21.6 billion. That burden came to \$7,800 for every state taxpayer. Washington's financial problems stem mostly from unfunded retirement obligations that have over the years. The state had only set aside 74 cents for every dollar of promised pension benefits and has set aside no money for promised retiree health care benefits.

Washington 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, Washington received federal assistance from the CARES Act and other COVID-19 related grants which came with stipulations on how the money could be spent. The state has not been properly funding its pension and retiree health care promises for years which has led to its financial condition continuing to deteriorate.

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

Washington's Financial Breakdown

Fast Facts

- Washington had \$49.7 billion available to pay \$71.3 billion worth of bills.
- The outcome was a \$21.6 billion shortfall, which breaks down to a burden of \$7,800 per taxpayer.
- Washington's overall financial condition worsened by 26 percent during the pandemic mostly because pension plan liabilities increased faster than investment income.

THE STATE'S BILLS EXCEEDED ITS ASSETS

| | |
|---------------------------------------|-------------------|
| Total assets | \$109,586,474,000 |
| Minus: Capital assets | -\$46,895,549,000 |
| Restricted assets | -\$12,995,024,000 |
| Assets available to pay bills | \$49,695,901,000 |
| Minus: Total bills | -\$71,323,971,000 |
| Money available (needed) to pay bills | -\$21,628,070,000 |
| Each taxpayer's share of this debt | -\$7,800 |

BILLS THE STATE ACCUMULATED

| | |
|---------------------------------------|-------------------|
| Bonds | \$26,732,746,000 |
| Other liabilities | \$30,861,212,000 |
| Minus: Debt related to capital assets | -\$22,334,932,000 |
| Unfunded pension benefits | \$24,026,593,000 |
| Unfunded retiree health care benefits | \$12,038,352,000 |
| Total bills | \$71,323,971,000 |

Grade:

D

Bottom line: Washington would need \$7,800 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.