Austin, TX
Earned 'D' Grade for Fiscal Health

Truth in Accounting

The Truth

Money Needed to Pay Bills **$2.7 billion**

Taxpayer Burden™ **$9,400**

Financial Grade **D**

Ranking **60 out of 75**

Financial State of Austin

After the Covid-pandemic, in large part due to federal government stimulus money, Austin's financial condition appeared to improve. Despite apparent improvements, Austin had a Taxpayer Burden™ of $9,400, earning it a "D" grade from Truth in Accounting.

The city's pension liability is calculated by subtracting earned and promised benefits from the market value of pension assets. Based on an exceptionally good year in the markets in 2021, the pension assets' values were high. The result was a dramatic decrease in Austin's pension liability, but this decrease was offset by an increase in estimated retiree health care benefits. Even with inflated pension asset values, the city had set aside only 71 cents for every dollar of promised pension benefits and had no money set aside for promised retiree health care benefits.

Austin's elected officials have repeatedly made financial decisions that left the city with a debt burden of $2.7 billion. That burden came to $9,400 for every city taxpayer. Austin's financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. In 2022, markets produced negative market returns and federal COVID relief waned. These conditions may increase the per taxpayer Tax Burden. Austin could struggle to maintain current levels of government services and benefits without further negative impact on its financial health.

The data included in this report is derived from Austin's 2021 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other cities' financial, demographic, and economic information, go to Data-Z.org.

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Austin's Financial Breakdown

Fast Facts

- Austin needed $2.7 billion to pay its bills, which was $318.4 million less than it needed in 2020.
- While pension debt decreased mostly due to high, short-lived gains in the market value of pension plan assets, the estimated future retiree healthcare benefits increased.
- Austin was allocated $188.5 million through the American Rescue Plan Act.

The City's Bills Exceeded Its Assets	
Total Assets	$19,417,388,000
Minus: Capital Assets	-$13,007,873,000
Restricted Assets	-$1,415,301,000
Assets Available to Pay Bills	$4,994,214,000
Minus: Total Bills*	-$7,664,034,000
Money Needed to Pay Bills	$2,669,820,000
Each Taxpayer's Share of this Burden	$9,400

*Breakdown of Total Bills	
Bonds	$7,497,696,000
Other Liabilities	$1,990,808,000
Minus: Debt Related to Capital Assets	-$8,348,839,000
Unfunded Pension Benefits	$2,178,002,000
Unfunded Retiree Health Care Benefits	$4,346,367,000
Total Bills	$7,664,034,000

Grade: D

Bottom line: Austin would need $9,400 from each of its taxpayers to pay all of its bills, so it has 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.