



## THE TRUTH

Money Needed to Pay Bills  
- **\$38.7 billion**

Taxpayer Burden™  
- **\$43,700**

Financial Grade  
**F**

## Despite Federal Funds, Chicago's Financial Position Worsened



July 2021

[truthinaccounting.org](http://truthinaccounting.org) | [data-z.org](http://data-z.org)

### Financial State of Chicago, Illinois

Despite reportedly spending less and receiving support from the CARES Act and other grants, Chicago's overall financial position worsened during the pandemic. Based upon the city's fiscal year 2020 audited financial report, Chicago had a Taxpayer Burden™ of \$43,700, earning it an "F" grade from Truth in Accounting.

Chicago's elected officials have repeatedly made financial decisions that have left the city with a debt burden of \$38.7 billion. That burden equates to \$43,700 for every city taxpayer. Chicago's financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$45 billion in retirement benefits promised, the city has not funded \$33 billion in pension and \$2 billion in retiree health care benefits.

Chicago did not have enough money set aside to weather the pandemic. Although the city's grants and contributions increased from \$497 million in 2019 to \$1.17 billion in 2020 due to the CARES Act funds and other COVID-19 related grants, the city's pension and retiree health care debt also continued to rise. COVID-19 related shutdowns suspended some governmental activities, which resulted in the city spending less money. But the city has not been properly funding its pension and retiree health care promises for years. In order to catch up on just pension payments, Chicago would have to lay off all city workers, police officers, and firefighters for nearly eight years and put their salaries towards the pension plans.

The data included in this report is derived from the city of Chicago's 2020 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare cities' financial information go to [Data-Z.org](http://Data-Z.org).

## Chicago Financial Breakdown

### Fast Facts

- Chicago had \$9.9 billion available to pay \$48.6 billion worth of bills.
- The outcome was a \$38.7 billion shortfall, which breaks down to a burden of \$43,700 per taxpayer.
- Chicago's retiree health care debt more than doubled from the previous fiscal year due to a court ruling that stated the city must continue some benefits indefinitely when these benefits were previously set to expire in 2022.

### THE CITY'S BILLS EXCEEDED ITS ASSETS

Total assets	\$42,486,362,000
Minus: Capital assets	-\$28,094,545,000
Restricted assets	-\$4,478,452,000
Assets available to pay bills	\$9,913,365,000
Minus: Total bills	-\$48,634,026,000
Money available (needed) to pay bills	-\$38,720,661,000
Each taxpayer's share of this burden	-\$43,700

### BILLS THE CITY ACCUMULATED

Bonds	\$28,420,909,000
Other liabilities	\$8,893,727,000
Minus: Debt related to capital assets	-\$23,602,202,000
Unfunded pension benefits	\$32,958,252,000
Unfunded retiree health care benefits	\$1,963,340,000
Total bills	\$48,634,026,000

### Grade:

# F

Bottom line: Chicago would need \$43,700 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden greater than \$20,000 receives an "F."

Truth in Accounting is a 501(c)(3) nonprofit 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.