Hawaii in Dire Fiscal Health Prior to Pandemic

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Financial State of Hawaii

This report shows that Hawaii went into the coronavirus pandemic in dire fiscal health, and it will probably come out of the crisis even worse. Based upon the state’s latest audited financial report, which is dated before the crisis began, Hawaii had a Taxpayer Burden™ of $31,700, earning it an “F” grade from Truth in Accounting.

Hawaii’s elected officials have made repeated financial decisions that left the state with a debt burden of $16.1 billion. That burden equates to $31,700 for every state taxpayer. Hawaii’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the $32.7 billion in retirement benefits promised, the state did not fund $9.7 billion in pension and $9.4 billion in retiree health care benefits.

Hawaii did not have enough money set aside to weather the current pandemic and fluctuations in the market. According to rough estimates by Truth in Accounting, Hawaii is projected to lose $3 billion in revenue as a result of this crisis. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but Hawaii’s overall debt will most likely increase.

The data included in this report is derived from the state of Hawaii’s 2019 audited Comprehensive Annual Financial Report and retirement plans’ reports. To compare states’ financial information go to Data-Z.org.