

# Honolulu

## The Truth



Money Needed to Pay Bills  
**\$2.8 billion**



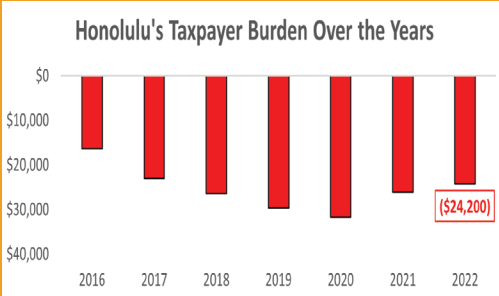
Taxpayer Burden™  
**\$24,200**



Financial Grade  
**F**



Ranking  
**73 out of 75**



## Financial State of Honolulu

Honolulu's financial condition appeared to improve due in part to increased tax collections and federal COVID relief funds. Despite the good news, they still had a Taxpayer Burden™ of \$24,200, earning it an "F" grade from Truth in Accounting.

According to the city's 2022 financial report, the city continued to spend federal COVID-19 relief funds, and as the U.S. economy reopened the city took in additional tax revenue. The value of pension investments deteriorated, but the city's pension liability did not increase because of changes in the way the pension debt was calculated, such as an increase in the discount rate. Over the past few years investment market values have swung dramatically. This volatility demonstrates the risk to taxpayers when their city offers defined pension benefits to its employees.

Honolulu had set aside only 63 cents for every dollar of promised pension benefits and 36 cents for every dollar of promised retiree health care benefits.

It is important to note that continued market fluctuations, changing investment values, decreased COVID relief funds, and a stabilizing economy that may slow tax collections, could worsen the city's financial health. City officials should continue to try to reduce the Taxpayer Burden by following the recommendations in our 2024 Financial State of the Cities report, which would also bring greater transparency and accountability to city finances.

# Honolulu's Financial Breakdown

## Fast Facts

- Honolulu had \$3.8 billion available to pay \$6.6 billion worth of bills.
- The outcome was a \$2.8 billion shortfall, a decrease of \$461.7 million from the prior year, and a burden of \$24,200 per taxpayer.
- Declines in the city's pension investment values were offset by obscure changes in the way the pension liability was calculated.

## The City's Bills Exceeded Its Assets

Total Assets	\$19,550,559,000
Minus: Capital Assets	-\$14,456,017,000
Restricted Assets	-\$1,322,557,000
Assets Available to Pay Bills	\$3,771,985,000
Minus: Total Bills*	\$6,613,435,000
Money needed to pay bills	\$2,841,450,000
Each taxpayer's share of this burden	\$24,200

## \*Breakdown of Total Bills

Bonds	\$7,462,567,000
Other Liabilities	\$1,903,356,000
Minus: Debt Related to Capital Assets	-\$7,046,298,000
Unfunded Pension Benefits	\$2,543,062,000
Unfunded Retiree Health Care Benefits	\$1,750,748,000
Total Bills	\$6,613,435,000

### Grade:

**F**

Bottom line: Honolulu would need \$24,200 from each of its taxpayers to pay all of its outstanding bills and received an "F" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden greater than \$20,000 is given an "F" grade.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering you with understandable, reliable, and transparent government financial information so you can be a knowledgeable participant in your government and its budget process.