



THE TRUTH

Money Needed to Pay Bills

- **\$98.6 billion**

Taxpayer Burden™

- **\$38,100**

Financial Grade

F

Ranking

47 out of 50

Massachusetts Ranked In Bottom Five For Its Fiscal Health



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Financial State of Massachusetts

Despite receiving support from COVID relief grants and other federal programs, Massachusetts’ overall financial condition worsened during the onset of the pandemic. Based upon the commonwealth’s fiscal year 2020 audited financial report, Massachusetts had a Taxpayer Burden™ of \$38,100, earning it an “F” grade from Truth in Accounting.

Massachusetts’ elected officials have repeatedly made financial decisions that left the commonwealth with a debt burden of \$98.6 billion. That burden came to \$38,100 for every commonwealth taxpayer. Massachusetts’ financial problems stem mostly from unfunded retirement obligations that have over the years. The commonwealth had only set aside 56 cents for every dollar of promised pension benefits and 6 cents for every dollar of promised retiree health care benefits.

Massachusetts did not have enough money set aside to weather the pandemic and the commonwealth has been in dire fiscal shape for years. Like all other states, Massachusetts 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 commonwealth 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 commonwealth of Massachusetts’ 2020 audited Annual Comprehensive Financial Report and retirement plans’ reports. To compare states’ financial information go to Data-Z.org.

Massachusetts’ Financial Breakdown

Fast Facts

- Massachusetts had \$28.3 billion available to pay \$126.9 billion worth of bills.
- The outcome was a \$98.6 billion shortfall, which breaks down to a burden of \$38,100 per taxpayer.
- Massachusetts’ overall financial condition worsened by 22 percent during the pandemic mostly because the commonwealth’s unfunded retiree health care benefits increased by \$8 billion.

THE COMMONWEALTH’S BILLS EXCEEDED ITS ASSETS

Total assets	\$87,371,272,000
Minus: Capital assets	-\$51,884,385,000
Restricted assets	-\$7,205,068,000
Assets available to pay bills	\$28,281,819,000
Minus: Total bills	-\$126,858,581,000
Money available (needed) to pay bills	-\$98,576,762,000
Each taxpayer’s share of this debt	-\$38,100

BILLS THE COMMONWEALTH ACCUMULATED

Bonds	\$52,753,678,000
Other liabilities	\$14,513,630,000
Minus: Debt related to capital assets	-\$13,047,654,000
Unfunded pension benefits	\$49,617,600,000
Unfunded retiree health care benefits	\$23,021,327,000
Total bills	\$126,858,581,000

Grade:

F

Bottom line: Massachusetts would need \$38,100 from each of its taxpayers to pay all of its bills, so it 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” 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.