Minneapolis, MN
Finances Worsened Despite Federal Aid

The Truth

Money Needed to Pay Bills **$35.4 million**

Taxpayer Burden™ **$200**

Financial Grade **C**

Ranking **31 out of 75**

Truth in Accounting

Financial State of Minneapolis

After the Covid-pandemic, in large part due to unrealized gains in stock market valuation of its pension investments and federal government stimulus money, Minneapolis' financial condition appeared to improve. Despite apparent improvements, Minneapolis had a Taxpayer Burden™ of $200, earning it a "C" 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 Minneapolis' pension liability and a corresponding decrease in its money needed to pay bills. Even with inflated pension asset values, the city had set aside only 91 cents for every dollar of promised pension benefits and had set aside no money for promised retiree health care benefits.

Minneapolis' elected officials have repeatedly made financial decisions that left the city with a debt burden of $35.4 million. That burden came to $200 for every city taxpayer. Minneapolis' 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. Minneapolis 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 Minneapolis' 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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Minneapolis' Financial Breakdown

Fast Facts

- Minneapolis needed $35.4 million to pay its bills, which was $139.7 million less than it needed in 2020.
- Mostly due to high, short-lived gains in the value of pension plan assets, pension debt decreased significantly.
- These returns were offset by a 6% loss in 2022 as the pension asset market values decreased.

The City's Bills Exceeded Its Assets	
Total Assets	$5,044,823,000
Minus: Capital Assets	-$3,556,789,000
Restricted Assets	-$395,630,000
Assets Available to Pay Bills	$1,092,404,000
Minus: Total Bills*	-$1,127,851,000
Money Needed to Pay Bills	$35,447,000
Each Taxpayer's Share of this Burden	$200

*Breakdown of Total Bills	
Bonds	$774,856,000
Other Liabilities	$606,991,000
Minus: Debt Related to Capital Assets	-$739,943,000
Unfunded Pension Benefits	$436,939,000
Unfunded Retiree Health Care Benefits	$49,008,000
Total Bills	$1,127,851,000

Grade:

C

Bottom line: Minneapolis would need $200 from each of its taxpayers to pay all of its bills, so it has received a "C" for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between $0 and $4,999 receives a "C" grade.

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