



THE TRUTH

Money Needed to Pay Bills

- \$4.5 billion

Taxpayer Burden™

- \$7,500

Financial Grade

D

Ranking

31 out of 50

New Mexico Received ‘D’ Grade for its Fiscal Health



September 2020

truthinaccounting.org | data-z.org

Financial State of New Mexico

This report shows that New Mexico went into the coronavirus pandemic in poor 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, New Mexico had a Taxpayer Burden™ of \$7,500, earning it a “D” grade from Truth in Accounting.

New Mexico’s elected officials have made repeated financial decisions that left the state with a debt burden of \$4.5 billion. That burden equates to \$7,500 for every state taxpayer. New Mexico’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$19.2 billion in retirement benefits promised, the state did not fund \$5.7 billion in pension and \$1.2 billion in retiree health care benefits.

New Mexico 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, New Mexico 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 New Mexico’s overall debt will most likely increase.

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

New Mexico Financial Breakdown

Fast Facts

- New Mexico had \$10.1 billion available to pay \$14.6 billion worth of bills.
- New Mexico’s overall financial condition improved by \$3.2 billion from the previous fiscal year partly due tax increases and service changes.
- Furthermore, New Mexico’s unfunded pension benefits decreased due to changes in actuarial assumptions.

THE STATE’S BILLS EXCEEDED ITS ASSETS

Total assets	\$50,082,191,000
Minus: Capital assets	-\$9,807,776,000
Restricted assets	-\$30,135,685,000
Assets available to pay bills	\$10,138,730,000
Minus: Total bills	-\$14,622,442,000
Money available (needed) to pay bills	-\$4,483,712,000
Each taxpayer’s share of this debt	-\$7,500

BILLS THE STATE ACCUMULATED

Bonds	\$6,014,315,000
Other liabilities	\$3,940,671,000
Minus: Debt related to capital assets	-\$2,170,678,000
Unfunded pension benefits	\$5,663,640,000
Unfunded retiree health care benefits	\$1,174,494,000
Total bills	\$14,622,442,000

Grade:

D

Bottom line: New Mexico needed \$7,500 from each of its taxpayers to pay all of its bills, so it received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”

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