

The Truth



Pennsylvania's Financial Condition Improved

Financial State of Pennsylvania

Pennsylvania's financial condition improved in 2022, but the state still needed \$51.3 billion to pay its bills. Based upon the state's latest audited financial report for fiscal year 2022, it had a Taxpayer Burden™ of \$11,300, earning it a "D" grade from Truth in Accounting.

Even though Pennsylvania's financial report was for the fiscal year ending June 30, 2022, the State Employees Retirement System's liability was measured for the year ended December 31, 2021. In that fiscal year, the liability decreased because the system's investments experienced an unrealized gain of 17.2%, a \$5.7 billion increase. The calculated amount of the state's unfunded retiree health promises also decreased because of an increase in the discount rates used to calculate the current value of benefits to be paid in the future.

However, these positive economic factors did not change the fact that Pennsylvania needed more than \$51 billion to pay its outstanding bills, including unfunded retirement obligations.

The data included in this report is derived from Pennsylvania's 2022 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other states' financial, demographic, and economic information, go to Data-Z.org.



Pennsylvania's Financial Breakdown

- Pennsylvania had \$60.9 billion available to pay \$112.2 billion worth of bills.
- The outcome was a \$51.3 billion shortfall, which breaks down to a burden of \$11,300 per taxpayer.
- Pennsylvania's overall financial condition improved significantly as a result of federal COVID-related grants, yet it still did not have enough money to pay its bills.

The State's Bills Exceeded Its Assets

Total Assets	\$129,755,750,000
Minus: Capital Assets	-\$54,899,500,000
Restricted Assets	-\$13,958,296,000
Assets Available to Pay Bills	\$60,897,954,000
Minus: Total Bills*	\$112,245,441,000
Money needed to pay bills	\$51,347,487,000
Each taxpayer's share of this burden	\$11,300

*Breakdown of Total Bills

Bonds	\$38,854,703,000
Other Liabilities	\$35,585,831,000
Minus: Debt Related to Capital Assets	-\$17,638,728,000
Unfunded Pension Benefits	\$34,873,392,000
Unfunded Retiree Health Care Benefits	\$20,570,243,000
Total Bills	\$112,245,441,000

Grade:

D

Bottom line: Pennsylvania would need \$11,300 from each of its taxpayers to pay all of its outstanding bills and received a "D" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a "D" grade.

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