



**THE TRUTH**

Money Needed to Pay Bills  
- **\$13.6 billion**

Taxpayer Burden™  
- **\$25,700**

Financial Grade  
**F**

Ranking  
**72 out of 75**

**Philadelphia Ranked Fourth-Worst for Fiscal Health**



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**Financial State of Philadelphia, Pennsylvania**

This report shows that Philadelphia went into the coronavirus pandemic in dire fiscal health, and it will probably come out of the crisis worse. Based upon the city’s fiscal year 2019 audited financial report, Philadelphia had a Taxpayer Burden™ of \$25,700, earning it an “F” grade from Truth in Accounting.

Philadelphia’s elected officials have repeatedly made financial decisions that have left the city with a debt burden of \$13.6 billion. That burden equates to \$25,700 for every city taxpayer. Philadelphia’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$23.5 billion in retirement benefits promised, the city has not funded \$9.9 billion in pension and \$2.5 billion in retiree health care benefits.

Philadelphia did not have enough money set aside to weather the current pandemic and fluctuations in the market. The city is expected to lose some revenue as a result of the pandemic. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but Philadelphia’s overall debt will most likely increase.

The data included in this report is derived from the city of Philadelphia’s 2019 audited Comprehensive Annual Financial Report and retirement plans’ reports. To compare cities’ financial information go to [data-z.org](http://data-z.org).

**Philadelphia Financial Breakdown**

**Fast Facts**

- Philadelphia had \$5.73 billion available to pay \$19.38 billion worth of bills.
- The outcome was a \$13.6 billion shortfall, which breaks down to a burden of \$25,700 per taxpayer.
- This means that each taxpayer would have to pay \$25,700 in future taxes for which they would receive no related services or benefits.

**THE CITY’S BILLS EXCEEDED ITS ASSETS**

|                                       |                   |
|---------------------------------------|-------------------|
| Total assets                          | \$20,042,114,000  |
| Minus: Capital assets                 | -\$12,225,030,000 |
| Restricted assets                     | -\$2,089,125,000  |
| Assets available to pay bills         | \$5,727,959,000   |
| Minus: Total bills                    | -\$19,376,048,000 |
| Money available (needed) to pay bills | -\$13,648,089,000 |
| Each taxpayer’s share of this burden  | -\$25,700         |

**BILLS THE CITY ACCUMULATED**

|                                       |                  |
|---------------------------------------|------------------|
| Bonds                                 | \$9,061,300,000  |
| Other liabilities                     | \$7,106,678,000  |
| Minus: Debt related to capital assets | -\$9,260,264,000 |
| Unfunded pension benefits             | \$9,942,453,000  |
| Unfunded retiree health care benefits | \$2,525,881,000  |
| Total bills                           | \$19,376,048,000 |

**Grade:**

**F**

Bottom line: Philadelphia would need \$25,700 from each of its taxpayers to pay all of its bills, so it has 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.”

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