

# San Diego, CA

## Raised Its Ranking to No. 41

### The Truth

Money Needed to Pay Bills **\$1.5 billion**

Taxpayer Burden™ **\$3,300**

Financial Grade **C**

Ranking **41 out of 75**



## Financial State of San Diego

After the Covid-pandemic, in large part due to unrealized gains in stock market valuation of its pension investments and federal government stimulus money, San Diego's financial condition appeared to improve. Despite apparent improvements, San Diego had a Taxpayer Burden™ of \$3,300, 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 San Diego's 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 83 cents for every dollar of promised pension benefits and 25 cents for every dollar of promised retiree health care benefits.

San Diego's elected officials have repeatedly made financial decisions that left the city with a debt burden of \$1.5 billion. That burden came to \$3,300 for every city taxpayer. San Diego's 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. San Diego 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 San Diego's 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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**Daniels College of Business**  
UNIVERSITY OF DENVER  
School of Accountancy

# San Diego's Financial Breakdown

## Fast Facts

- San Diego needed \$1.5 billion to pay its bills, which was \$1.5 billion less than it needed in 2020.
- This was an almost 50% reduction mostly due to short-lived increases in the market value of pension plan investments.
- This will likely reverse due to a 1.4% negative return on pension investments in 2022.

## The City's Bills Exceeded Its Assets

Total Assets	\$17,280,783,000
Minus: Capital Assets	-\$12,515,606,000
Restricted Assets	-\$2,123,352,000
Assets Available to Pay Bills	\$2,641,825,000
Minus: Total Bills*	-\$4,118,372,000
Money Needed to Pay Bills	\$1,476,547,000
Each Taxpayer's Share of this Burden	\$3,300

## \*Breakdown of Total Bills

Bonds	\$2,510,599,000
Other Liabilities	\$2,375,638,000
Minus: Debt Related to Capital Assets	-\$3,239,746,000
Unfunded Pension Benefits	\$2,042,162,000
Unfunded Retiree Health Care Benefits	\$429,719,000
Total Bills	\$4,118,372,000

**Grade:**

**C**

Bottom line: San Diego would need \$3,300 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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