This report shows that Virginia did not go into the coronavirus pandemic in good fiscal shape, and it will probably come out of the crisis even worse. Based upon the commonwealth’s latest audited financial report, which is dated before the crisis began, Virginia had a Taxpayer Burden™ of $800, earning it a “C” grade from Truth in Accounting.

Virginia’s elected officials have made repeated financial decisions that left the commonwealth with a debt burden of $2.5 billion. That burden equates to $800 for every commonwealth taxpayer. Virginia’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the $35.9 billion in retirement benefits promised, the commonwealth did not fund $7.5 billion in pension and $2.6 billion in retiree health care benefits.

Virginia 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, Virginia is projected to lose $11 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 Virginia’s overall debt will most likely increase.

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