

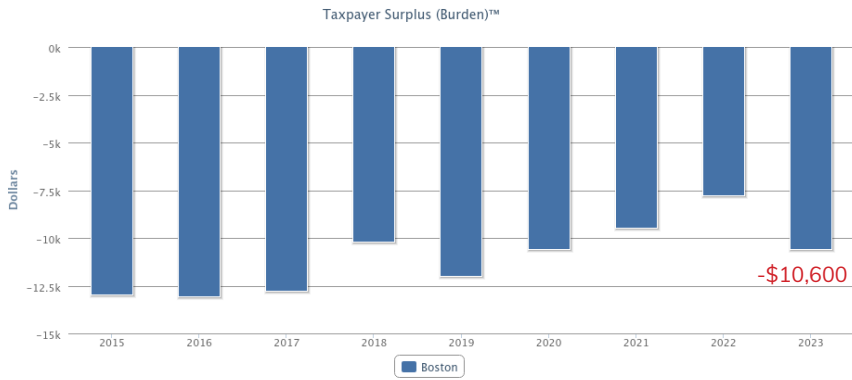
FINANCIAL STATE OF BOSTON



\$2.9 billion
MONEY NEEDED TO PAY BILLS

\$10,600
TAXPAYER BURDEN™

Boston's financial condition worsened. Based on our analysis of its audited financial report for fiscal year 2023, its financial hole deepened with a need for \$2.9 billion to cover its bills. This created a Taxpayer Burden™ of \$10,600, earning the city a “D” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



Boston's finances deteriorated by \$870.5 million, mainly due to an increase in the city's share of the Boston Retirement System and unrealized pension investment losses of 10.2%, measured as of December 31, 2022, when market values were down. In 2023, the city's unfunded pension liability doubled, indicating growing financial risks.

Boston's governmental activities reported a shortfall of \$3.53 billion, with expenses surpassing program revenues. This deficit was primarily offset by taxes and unrestricted grants. However, the city continues to face significant financial challenges, driven by escalating pension liabilities and its dependence on volatile investment markets. The risks associated with defined pension benefits and market fluctuations underscore the critical need for prudent financial management to safeguard Boston's long-term fiscal stability.

The data included in this report is derived from Boston's 2023 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other states' and cities' financial, demographic, and economic information, go to Data-Z.org.

FINANCIAL STATE OF BOSTON

D
FINANCIAL GRADE

62 out of 75
RANKING

FINANCIAL FACTS

- Boston had \$5.6 billion available to pay \$8.4 billion worth of bills.
- The outcome was a \$2.9 billion shortfall, which breaks down to a burden of \$10,600 per taxpayer.
- Boston's finances declined by \$870.5 million due to pension investment losses and rising liabilities, highlighting the risks of defined pension benefits.

The City's Bills Exceeded Its Assets

Total Assets	\$8,874,824,000
Minus: Capital Assets	-\$3,067,366,000
Restricted Assets	-\$243,184,000
Assets Available to Pay Bills	\$5,564,274,000
Minus: Total Bills*	-\$8,436,203,000
Money needed to pay bills	\$2,871,929,000
Each taxpayer's share of this burden	\$10,600

*Breakdown of Total Bills

Bonds	\$1,917,966,000
Other Liabilities	\$3,652,896,000
Minus: Debt Related to Capital Assets	-\$1,769,317,000
Unfunded Pension Benefits	\$2,210,294,000
Unfunded Retiree Health Care Benefits	\$2,424,364,000
Total Bills	\$8,436,203,000

Grade:	Bottom line:
D	Boston would need \$10,600 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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