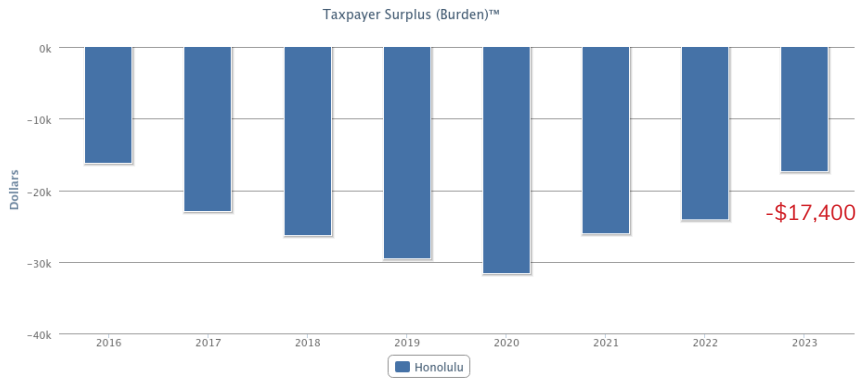




\$2.2 billion
MONEY NEEDED TO PAY BILLS

\$17,400
TAXPAYER BURDEN™

Honolulu’s financial condition showed some improvement. But based on our analysis of its audited financial report for fiscal year 2023, the city still needed \$2.2 billion to cover its bills, resulting in a Taxpayer Burden™ of \$17,400. This earned the city a “D” grade from Truth in Accounting, marking it as a Sinkhole City.



Honolulu’s financial condition improved as revenues outpaced expenses, and its unfunded retiree healthcare liability declined due to favorable actuarial adjustments. However, changes in actuarial assumptions highlight the uncertainty surrounding the future financial needs to fully fund promised benefits. This uncertainty could impact long-term planning for essential services and infrastructure investments.

Oahu’s tourism industry continues to drive economic growth, with visitor days rising 12.9%, arrivals up 16.6%, and expenditures increasing 3.9%. This steady recovery is boosting job creation and local business activity. However, despite these positive trends, Honolulu still faces a significant \$2.2 billion shortfall to cover its liabilities. Addressing this gap through effective financial management and strategic planning is essential for ensuring long-term fiscal stability and supporting critical services.

The data included in this report is derived from Honolulu’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.

D
FINANCIAL GRADE

71 out of 75
RANKING

FINANCIAL FACTS

- Honolulu had \$3.9 billion available to pay \$6.1 billion worth of bills.
- The outcome was a \$2.2 billion shortfall, which breaks down to a burden of \$17,400 per taxpayer.
- Honolulu’s finances improved with rising revenues, but uncertainty over the estimated value of its unfunded employee retirement benefits.

The City’s Bills Exceeded Its Assets

Total Assets	\$20,160,840,000
Minus: Capital Assets	-\$14,976,541,000
Restricted Assets	-\$1,285,372,000
Assets Available to Pay Bills	\$3,898,927,000
Minus: Total Bills*	-\$6,147,553,000
Money needed to pay bills	\$2,248,626,000
Each taxpayer’s share of this burden	\$17,400

*Breakdown of Total Bills

Bonds	\$7,194,689,000
Other Liabilities	\$1,870,222,000
Minus: Debt Related to Capital Assets	-\$7,009,852,000
Unfunded Pension Benefits	\$2,678,920,000
Unfunded Retiree Health Care Benefits	\$1,413,574,000
Total Bills	\$6,147,553,000

Grade:	Bottom line:
D	Honolulu would need \$17,400 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.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering you with understandable, reliable, and transparent government financial information so you can be a knowledgeable participant in your government and its budget process.