Financial State of New Jersey

New Jersey's Financial Facts

Money Needed
$156.7 billion

Taxpayer Burden™
$42,500

Financial Grade
F

Ranking
49 out of 50

Truth in Accounting

New Jersey, like most other states, improved its financial condition in 2023. This is a positive development, and Truth in Accounting applauds the state's commitment to improving its fiscal solvency. The state increased its money available to pay bills by $22.5 billion. However, New Jersey still needed $156.7 billion to pay all its bills.

New Jersey reported higher revenues than expenses, and unfunded retiree healthcare benefits decreased primarily because of a change in the rate used to discount future benefit payments to today's values. Increasing this discount rate from 2.16 percent to 3.54 percent decreased the estimated liabilities of the State Health Benefits Plan and State Health Benefit Local Education Retired Employees Plan by $4.1 billion and $14.6 billion, respectively. Additionally, demographic and assumption changes reduced the State Health Benefit Local Government Retired Employees Plan's estimated unfunded retiree healthcare benefits by $2.1 billion.

Taxpayer Surplus (Burden)™ for New Jersey

−$42,500
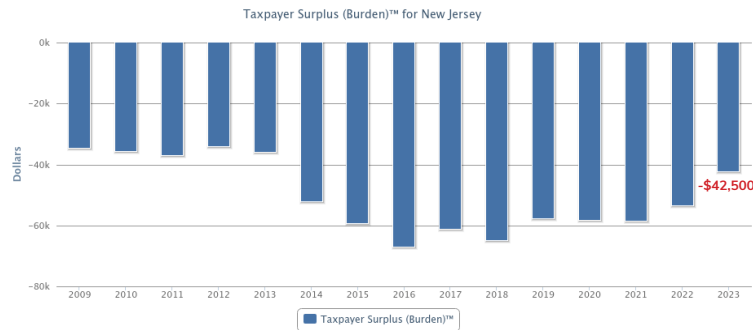
However, unfunded pensions and other post-retirement benefits continued to impair New Jersey's ability to pay its bills. As outlined in the comprehensive 2024 Financial State of the States report, inflation, market volatility, and other economic factors could further impact the state's financial situation. Based upon the state's latest audited financial report for the fiscal year 2023, New Jersey had a Taxpayer Burden™ of $42,500, earning it an "F" grade from Truth in Accounting.

- New Jersey had $57.2 billion available to pay $214 billion worth of bills.
- The outcome was a $156.7 billion shortfall, which breaks down to a burden of $42,500 per taxpayer.
- New Jersey's ranking improved mostly because of changes in the way the state estimated its unfunded retiree healthcare benefits.

The State's Bills Exceeded Its Assets

Total Assets	$143,541,081,000
Minus: Capital Assets	-$64,078,148,000
Restricted Assets	-$22,215,606,000
Assets Available to Pay Bills	$57,247,327,000
Minus: Total Bills*	$213,986,161,000
Money needed to pay bills	$156,738,834,000
Each taxpayer's share of this burden	$42,500

*Breakdown of Total Bills

Bonds	$59,729,091,000
Other Liabilities	$30,813,616,000
Minus: Debt Related to Capital Assets	-$39,092,495,000
Unfunded Pension Benefits	$84,443,912,000
Unfunded Retiree Health Care Benefits	$78,092,037,000
Total Bills	$213,986,161,000

Grade: F

Bottom line: New Jersey would need $42,500 from each of its taxpayers to pay all of its outstanding bills and received an "F" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden greater than $20,000 is given an "F" grade.

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