



Chicago Finances Worsened by \$2 Billion During Pandemic Despite Federal Funds

Windy City Finances are Still Mired in Debt

CHICAGO, ILLINOIS, USA, July 27, 2021 /EINPresswire.com/ -- [Truth in Accounting](#) (TIA) has released its [newest analysis](#) of the city of Chicago's annual financial report. This analysis comes just one week after the city published its annual financial report and shows how the city fared during the brunt of the COVID-19 pandemic.

Chicago's annual financial report is due within 180 days of its fiscal year-end according to state law. The city was unable to produce the report on its June 30 deadline but made the report available to the public over the July Fourth holiday weekend. Chicago has a repeated history of tardiness but continually backdates the report so it appears timely. Chicago's late release of its Annual Comprehensive Financial Report indicates a lack of accountability at the city level.

Truth in Accounting's analysis found that despite an influx of federal funds, the city's finances continued to worsen during the pandemic. Although the city's grants and contributions increased from \$497 million in 2019 to \$1.17 billion in 2020 due to the CARES Act and other COVID-19 related grants, the city's pension and retiree health care debt also continued to increase. Chicago's other post-employment benefits, mainly retiree health care, more than doubled from the previous fiscal year due to a lawsuit that found the city must continue some benefits indefinitely, when these benefits were previously expected to end in 2022.

In reality, the city of Chicago needs \$38.7 billion to pay its bills. This breaks down to \$43,700 per city taxpayer. This enormous debt mostly stems from the city's pension and retiree health care liabilities. The city has been racking up pension debt by funding less than 50 percent of what is actuarially determined. In order to catch up on pension payments, the city of Chicago would have to lay off all city employees, firefighters, and police officers for eight years.

"Because of its dire financial condition going into the pandemic, aid from the federal government was needed to prop up the city's finances," says Sheila Weinberg, founder and CEO of Truth in Accounting. "Hopefully, elected officials in Chicago will recognize the importance of truly balancing their budgets and getting their fiscal house in order, so they can better weather a crisis in the future."

Founded in 2002, Truth in Accounting is dedicated to educating and empowering citizens with

understandable, reliable, and transparent government financial information. Sheila Weinberg is a Certified Public Accountant with more than 40 years of experience in the field.

All of the financial information in Truth in Accounting reports comes from the government's comprehensive annual financial reports and retirement plans' actuarial reports. TIA researchers use a thorough and holistic approach to determine the condition of government finances. View a breakdown of our [methodology here](#).

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