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## **Every Municipality Is Struggling With Unfunded Pension Liabilities - What Is the Fix?**

**Almost every local and state government in the United States is currently struggling with their unfunded pension liabilities - which essentially means that local and state government workers have been promised far more in pension benefits than the monies set aside to meet those obligations.**

Furthermore, most states have strong constitutional protections for these pension benefits, which protect against any proposed reductions in originally promised pension benefits or increases in the employee contributions. According to a report published by the American Legislative Exchange Council - which uses more appropriate assumptions on investment returns than the plans use themselves - state and local governments' unfunded liabilities now exceed \$6 trillion.

In this article, we will take a closer look at the impact of unfunded liabilities on local governments and how local and state governments are preparing to meet these unfunded liabilities.

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