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Chicago's Improved Finances Reflected in Bond Investor Sentiment.

- **City's bonds among top one-third in US since March, data show**
- **Mayor plans to pay \$242 million to four underfunded pensions**

Investors are more bullish on Chicago now than they have been in years as the city's fiscal outlook brightens, causing their outstanding bonds to perform better than those of other big cities.

The third-largest US city has long struggled with a poor credit rating, dragged down mostly by its underfunded pensions. But the city's financial picture has begun to turn around, with stronger-than-expected revenue and progress on payments to retiree benefits.

As Chicago gears up for a \$700 million to \$900 million bond sale later this fall — including its first ESG issuance — pricing data from secondary market trading bodes well for investors in Windy City debt. According to an index from the University of Chicago Center for Municipal Finance, in March 2022 Chicago's bonds moved into the top one-third of all large cities after lagging behind their peers from 2019 to 2021.

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