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States Need to Spend on Infrastructure. Pension Shortfalls Are Getting In the Way.

The U.S. can have sound public pensions or sound infrastructure. Choose one.

States and municipalities face the twin crises of collapsing bridges and underfunded pensions and public-sector retirees' medical costs. The result is that those retirement expenses are crowding out critical infrastructure needs, according to Bank of America Merrill Lynch municipal-finance analysts.

The numbers are so huge that they numb the mind. Unfunded liabilities of state pension plans total \$5.96 trillion, or about six times the federal budget deficit, according to a 2018 estimate by the American Legislative Exchange Council, or ALEC, a group of conservative state legislators. At the same time, there are more than 47,000 structurally deficient bridges in the U.S., according to the American Road & Transportation Builders Association—and at the rate we're going, it would take over 80 years for us to make the needed repairs.

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Barron's

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