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U.S. Public Pension Funds Face Nearly $1 Trillion in Losses - Moody's

CHICAGO, March 24 (Reuters) – The market crash and the economic fallout from the coronavirus has led to nearly $1 trillion in investment losses for U.S. public pension funds, Moody's Investors Service said on Tuesday. The credit rating agency said the funds are generally facing an average investment loss of about 21% in the fiscal year that ends June 30, based on a March 20 snapshot of market indices.

"Without a dramatic bounceback of investment markets, 2020 pension investment losses will mark a significant turning point where the downside exposure of some state and local governments' credit quality to pension risk comes to fruition because of already heightened liabilities and lower capacity to defer costs," said Tom Aaron, a Moody's vice president, in a statement.

(Reporting By Karen Pierog Editing by Sonya Hepinstall)

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