Bond Case Briefs

Municipal Finance Law Since 1971

The Coronavirus Crisis is Costing States and Locals Hundreds of Billions, Analysis Finds.

State and local budget cuts aren't an abstraction to most Americans: libraries will close, class sizes will go up, potholes won't get filled, and forget improvements or expansion

Just how bad is the economic impact of the COVID-19 pandemic?

On the national and international level, things are tough, but perhaps a little more manageable than many analysts had feared at the onset of the crisis. Corporations are reporting earnings that are better than Wall Street expected, jobs were added, not lost, in May, and central banks and fiscal policymakers stepped up with robust aid packages.

On the state and local level, it's a whole different ballgame, and observers of public finance and the municipal bond market are bracing for a long, slow burn. States, counties, cities and towns are on the hook for most of the costs associated with the pandemic — health care, emergency responses, and so on — even as their tax revenues, mostly from income and sales taxes, dwindle. Even revenue streams often seen as safe, like usage fees for things like airports, toll roads, arena ticket charges, and so on, have swooned in line with economic activity.

Continue reading.

MarketWatch

By Andrea Riquier

Published: July 3, 2020 at 6:49 a.m. ET

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com