

# Bond Case Briefs

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## S&P: Mounting Pressures Threaten Stability Of 20 Largest U.S. Cities' Pension Funding

### **Key Takeaways**

- The 20 largest U.S. cities' pension funded levels and medians were stable entering fiscal 2020, but we expect mounting economic pressures to negatively affect funded ratios over the next few years.
- Despite elevated costs, contribution sufficiency for most cities surveyed did not meet our minimum funding progress (MFP) metric, and a handful did not even reach static funding payments necessary to preserve their current funded status. If budgetary pressures persist, funding discipline will worsen in the near term.
- Fixed costs remain elevated for most of the largest cities and are likely to grow as a percentage of expenditures if revenue growth stalls.
- Social risks related to changing demographics and service needs could further pressure budgets as costs grow.

[Continue reading.](#)

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