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*Municipal Finance Law Since 1971*

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## [The Sustainability of State and Local Government Pensions: A Public Finance Approach](#)

What must state and local governments do to make their public employee pension plans sustainable? Less than many analyses conclude, according to a paper discussed at the Brookings Papers on Economic Activity (BPEA) conference on March 25.

The paper—by Jamie Lenney of the Bank of England, Byron Lutz of the Federal Reserve Board, Finn Schüle of Brown University, and Louise Sheiner of the Brookings Institution—suggests that, for the United States as a whole, state and local pension debt can be stabilized with relatively moderate fiscal adjustments. (They offer an important caveat: Plans vary significantly, and some do require very large funding increases.)

Their findings, however, imply that many state and local governments may be able to spend more than assumed on improving their educational systems and economically important infrastructure.

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### **The Brookings Institution**

by Jamie Lenney, Byron Lutz, Finn Schüle, and Louise Sheiner

Wednesday, March 24, 2021

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