

Bond Case Briefs

Municipal Finance Law Since 1971

5 Things Wrong with Illinois Holding 30% of U.S. Pension Bond Debt.

Pension obligation bonds, like payday loans, are a sign of mismanaged finances. Illinois not only leads the nation for using that risky debt, it owes the bulk of it.

It is bad Illinois has the nation's worst pension crisis, but state politicians have made it worse by using risky debt to delay the day of reckoning, and done so to the point that Illinois now owes 30% of the nation's pension obligation bonds.

Pension obligation bonds are a form of debt used by state or local governments to fund their pension deficits. Illinois holds \$21.6 billion of the nation's \$72 billion pension obligation bond debt.

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Illinois Policy

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