

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Pension Cash Dwindles, Risking Liquidity Crunch.**

**Cash allocations have dropped to a seven-year low, with pensions seeking greater returns in private markets**

Bigger private-market bets, inflation fears and a surge of retirees are putting public retirement funds at risk of a cash crunch that would force them to sell assets at losses to pay pension checks.

Cash allocations have dropped to a seven-year low at the funds that manage more than \$4.5 trillion in retirement savings for America's teachers, police and firefighters. Public pension funds, which have increasingly turned to illiquid private markets to drive up returns, are now aiming to keep about 0.8% of their holdings in cash, according to data from the Boston College Center for Retirement Research.

These funds are managing a juggling act faced by many institutional and household investors who want to put their money to work but also want easy access to it in a pinch.

[Continue reading.](#)

**The Wall Street Journal**

By Heather Gillers

Nov. 22, 2021 5:30 am ET

Copyright © 2024 Bond Case Briefs | [bondcasebriefs.com](https://bondcasebriefs.com)