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Chicago's Shaky Pension Funds Face New Hit From Looming Downturn.

- **City has advanced \$500 million to the funds since September**
- **Pensions could take bigger hit as economists warn of recession**

As 2022 unfolded, Chicago's long-troubled pension funds faced a new shortfall: A delay in property tax receipts left the system without enough money to pay the city's retirees.

Pension managers contended with the difficult decision of whether to sell off pension assets to raise cash quickly. Instead, they got an advance from Mayor Lori Lightfoot's administration to plug the gap. In the end, Chicago funneled in at least \$512 million that was earmarked for payments later in the year and early 2023.

The payout was the largest advance ever in one year in Chicago, a sign of just how fragile the pension system is, especially at a time when markets are headed for their worst annual return since 2008. Looking ahead, the third-most populous US city's pensions could take an even deeper hit in 2023 if the market rout continues to erode returns and the looming recession economists are warning of hurts Chicago's revenue.

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