

# **Bond Case Briefs**

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## **Investing with Impact: How Municipal Bonds Are Leading the Way**

**Issues like water scarcity are felt most intensely at the local level. That makes it incumbent on municipal bond issuers to lead the response.**

Municipal bond issuers are responsible for building and supporting the physical infrastructure and the public goods and services that enable citizens to participate more in an inclusive economy. That makes the roughly \$4 trillion US municipal bond market fertile ground for impact investing. Challenges like supplying clean water and improving access to quality healthcare can both be tackled through environmentally, socially, and financially productive investments in communities and institutions.

### **Leading When Water Is Lacking**

As we've seen over the past few years, access to water can't be taken for granted. The country faces historic drought conditions in the West and other regions. For instance, the Rio Grande, a river that countless Southwestern US communities depend on, faces persistent drought and increased water demand.

These challenges disproportionately impact low-income communities. In one study, 14% of respondents said a \$12 monthly increase in water bills would lead them to cut back spending on groceries and basic medical care.<sup>1</sup> Long-term investments in projects that diversify water sources, combined with water conservation strategies, can go a long way toward improving drought resiliency and reducing the financial burden communities face.

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