

# [Bond Case Briefs](#)

*Municipal Finance Law Since 1971*

---

## [On the Horizon: America's Municipal Default Crisis](#)

*Advisor Perspectives welcomes guest contributions. The views presented here do not necessarily represent those of Advisor Perspectives.*

You are undoubtedly seeing in the news that high earners are leaving New York, Los Angeles, and other metro areas. This does not begin to address the magnitude of the problem. There are dozens of cities that are trending towards fiscal collapse. Indeed, taxpayers are leaving.

Businesses also are closing, or leaving. Municipal budgets are already deeply underwater. Liabilities are under-reported to the extent that auditors are raising flags. And then there is the fraud, which will lead to deep cuts in disbursements from the federal and state governments.

What we are observing is the very earliest signals of a broad-based collapse in the finances of major municipalities that would likely only be averted via federal bailouts. We estimate that within two years, dozens of metro areas will undergo significant layoffs of public employees, deep reductions in services, and restructurings of public retiree pensions. To envision what we expect for many of these metro areas, contemplate Detroit, and its erosion to eventual bankruptcy in 2013. From the peak, Detroit lost two-thirds of its population and 85% of its taxpayer base.

[Continue reading.](#)

**advisorperspectives.com**

by Paul Hill, 5/18/26

Copyright © 2026 Bond Case Briefs | [bondcasebriefs.com](http://bondcasebriefs.com)