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News Deserts Cost Local Governments \$1.1B a Year.

A [new analysis](#) from Rebuild Local News found that when local news outlets close shop, it leaves a gap in oversight, leading to government mismanagement.

Why it matters: The burden ultimately falls on taxpayers with increased taxes and reduced spending on public services.

What they found: Municipal bond lenders are more likely to ask for higher interest rates when lending to a city that doesn't have a local news outlet monitoring spending, increasing by \$650,000 per loan in areas where a newspaper has closed.

- Neighboring communities with active news coverage did not see an increase in municipal borrowing costs.

Case in point: In south suburban Harvey, "officials issued municipal bonds between 2008 and 2010 under false pretenses," misappropriating at least \$1.7 million while the city comptroller received approximately \$269,000 in undisclosed payments, Rebuild Local News reported.

- Harvey was \$164 million in debt last year and had reduced its public safety workforce by around 40% to meet debt obligations.

Yes, but: Amethyst J. Davis founded Harvey World Herald in 2021 to cover her hometown and shine a light on leadership and spending.

By the numbers: About 2,000 counties in the U.S. are considered news deserts, which means they have no newspaper.

- Two million of Illinois' 12 million population live in a town without a dedicated newspaper, according to Rebuild.
- Those counties were issued \$3.26 billion in bonds in 2025.

Between the lines: This analysis builds on a 2020 study about news deserts, so the authors say they may be underestimating the number of news outlets that have closed or cut staff. However, some digital news sources have stepped in where traditional newspapers have shuttered.

Zoom out: In brighter news for local media, 55 Illinois local news organizations operating 130 outlets have received \$4.3 million in state tax credits in 2026, Medill Local News Initiative reported last week.

The bottom line: Local news means oversight of the policymakers affecting our cities' future.

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Jul 13, 2026

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