Bond Case Briefs

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How $40 Trillion of Federal Debt Could Reach U.S. Infrastructure and Public Finance.

Summary

- Federal debt has reached $40 trillion, and rising interest costs could claim more federal resources, leaving policymakers with less room to support infrastructure, assist state and local governments, or respond to the next economic downturn or national emergency.
- Higher borrowing costs could force public entities to delay infrastructure projects, reduce their scope, or defer maintenance, threatening recent infrastructure gains.
- The municipal bond tax-exemption does not face an imminent threat. But as federal debt rises and Washington searches for budget savings, the exemption is more likely to return as a target.

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