

Our 2022 Municipal Bond Issuance Forecast

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- We expect a record \$495 billion of municipal bond market issuance in 2022.
- Supply chain (imbalance) and employment (labor force participation) concerns are the key risks to our forecast. Financial resources are plentiful going into 2022, while materials and specialized workers are not. We are also assuming COVID-19 becomes less and less of an issue going forward.
- Aggressive monetary and fiscal policy decisions in 2020 and 2021 will positively influence economic growth in 2022 and are key reasons why issuance will move on an upward trajectory.
- The municipal friendly elements formerly included in the Democrats' Build Back Better (BBB) draft legislation will not resurface. We expect BBB to eventually become law in late 2021 or early 2022 without them.
- Significant fiscal policy (Rescue Plan Act, bipartisan infrastructure, and BBB) will continue to help municipal credit quality remain strong and will also support, not directly lead to or be an obstruction to, 2022 issuance.
- Year-in-Review (2021): If there is average issuance activity in Nov. and Dec. 2021, the calendar year will total close to \$460 billion, which was our revised forecast for 2021.

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