We Predict $330 Billion of Municipal Bond Issuance for 2024, the Lowest Since 2018

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- Our municipal bond issuance forecast of only $330 billion is a result of the sector's (mostly) conservative budgeting philosophy, declining U.S. economic growth, and prohibitively elevated interest rates.
- We are assuming a "Slower-Trend Growth Scenario" where economic growth will be lower in 2024 compared to 2023. This will again pressure new money issuance, we expect. State and local government credit quality remains very strong and housing prices appreciated compared to pre-pandemic levels. These are key reasons we do not expect new money issuance to fall more sharply. Interest rates are likely to remain prohibitively high, this should cause refunding issuance to fall too.
- Monthly issuance is likely to average about $27.5 billion in 2024, down from the almost $30 billion average we are expecting in 2023. To see $400 billion of annual issuance in 2024 monthly activity would need to average about $33.3 billion.
- Pandemic related and post-pandemic fiscal policy has not and likely will not meaningfully add to municipal bond issuance in 2024.

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