

# Municipal Market Facts

## STATE AND LOCAL GOVERNMENTS RELY ON MUNICIPAL SECURITIES TO FUND LOCAL PROJECTS

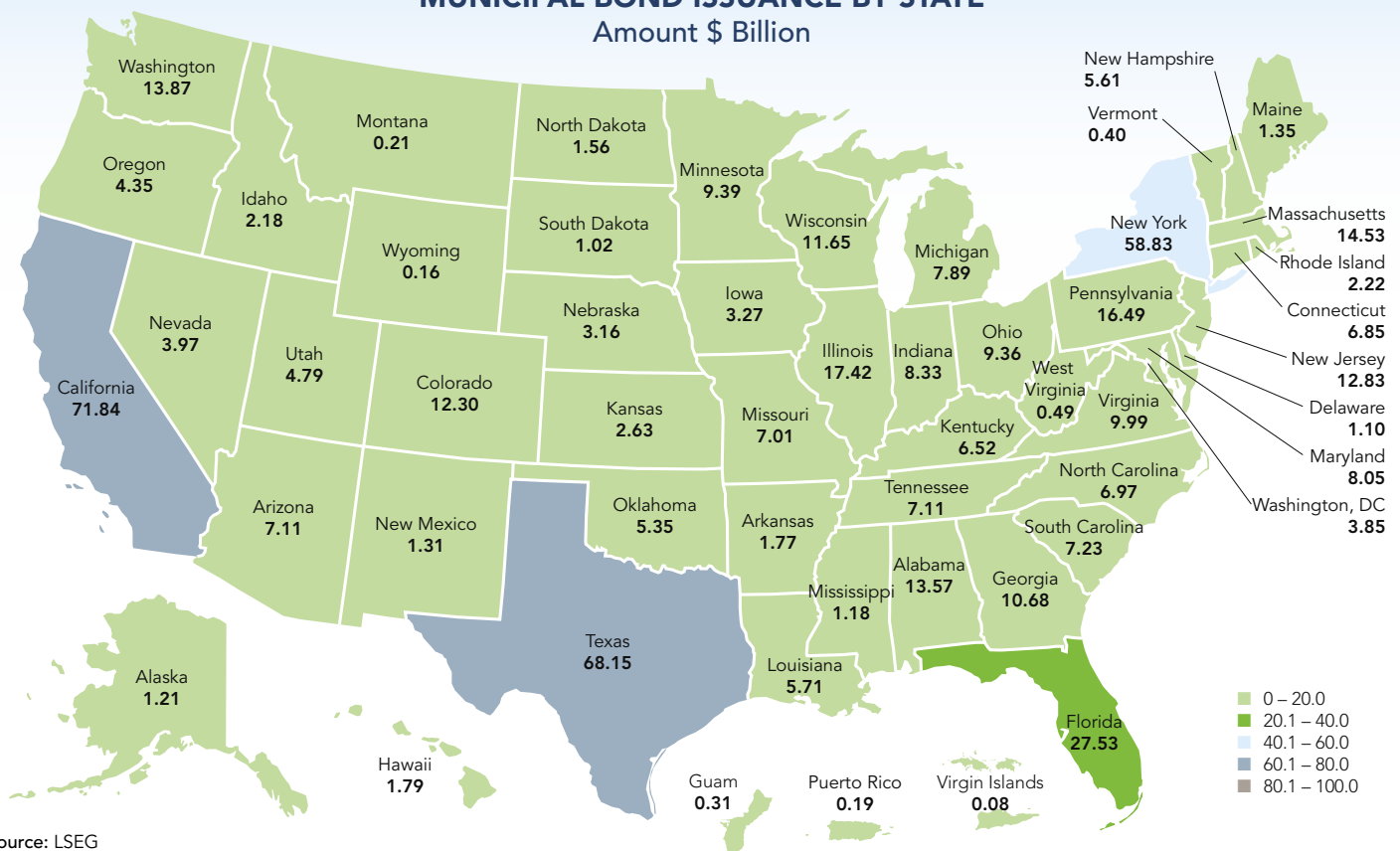


Nearly 50,000 state and local governments (and other issuing authorities) rely on municipal bonds to fund local projects, which provide essential services to local communities.



2024 had record bond issuance of \$513 billion, up 33% from 2023.

### MUNICIPAL BOND ISSUANCE BY STATE Amount \$ Billion



Source: LSEG

Overall Bond Issuance: <b>\$513 Billion</b>	Tax-Exempt Issuance: <b>\$450 Billion</b>	Taxable Issuance: <b>\$38 Billion</b>	Issuance Subject to Alternative Minimum Tax: <b>\$25 Billion</b>
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## MUNICIPAL SECURITIES MAKE CRITICAL PROJECTS POSSIBLE ACROSS SECTORS

### 2024 Issuance by Sector

Use of Bond Proceeds	Tax Exempt		Taxable	
	Amount (\$ Billion)	Percentage	Amount (\$ Billion)	Percentage
General Purpose/Public Imp	110.4	25%	9.8	26%
Primary & Secondary Education	73.0	16%	1.8	5%
Water & Sewer Facilities	44.9	10%	2.5	7%
Single and Multi Family Housing	36.9	8%	11.9	31%
Higher Education	34.1	8%	2.6	7%
General Acute Care Hospital	28.3	6%	1.4	4%
Public Power	26.1	6%	0.7	2%
Mass Transportation	22.9	5%	0.8	2%
Toll Roads, Highways & Streets	17.2	4%	<0.1	<1%
Other Proceeds	55.8	12%	6.3	17%
<b>Industry Total</b>	<b>449.8</b>		<b>37.9</b>	

Excluding issues subject to Alternative Minimum Tax  
Source: LSEG

## MUNICIPAL SECURITIES ARE ISSUED AT ALL LEVELS OF FUNDING

### 2024 Municipal Issues by Size

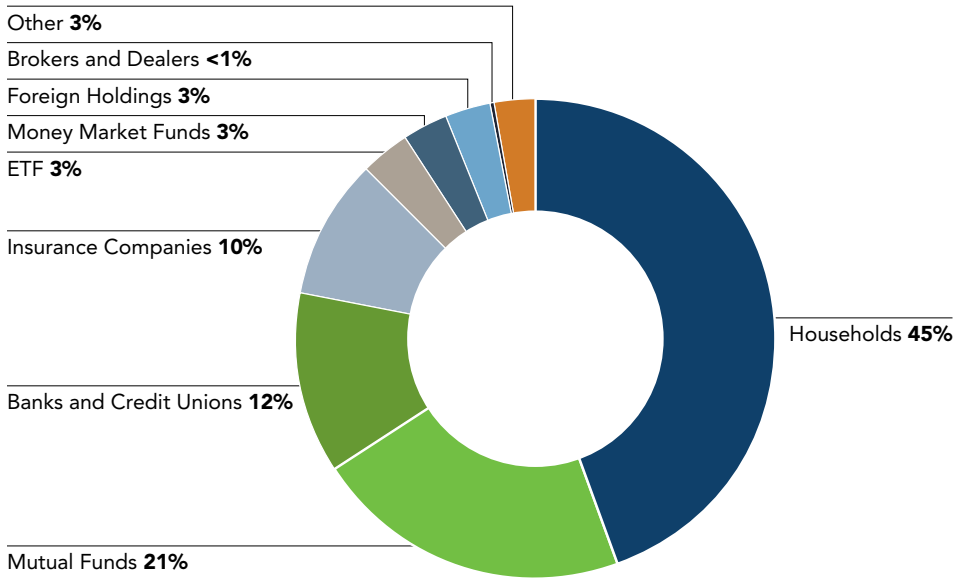
Bond Issue Size	Tax Exempt		Taxable	
	Number of Issues	Percentage	Number of Issues	Percentage
\$5 million or Less	2,080	25%	362	41%
>\$5 Million to \$25 Million	3,262	40%	238	27%
>\$25 Million to \$50 Million	1,139	14%	93	11%
>\$50 Million to \$100 Million	786	10%	76	9%
>\$100 Million to \$500 Million	804	10%	94	11%
>\$500 Million to \$1 Billion	104	1%	10	1%
>\$1 Billion	44	1%	–	–
<b>Grand Total</b>	<b>8,219</b>		<b>873</b>	

Excluding issues subject to Alternative Minimum Tax  
Source: LSEG

The loss of the tax exemption could make issuing municipal bonds cost prohibitive for small issuers. With the overwhelming majority of issuances being for small projects, a large swath of municipal bond issuers could lose access to the market.

## AMERICAN INVESTORS RELY ON MUNICIPAL SECURITIES AS A RELATIVELY SAFE WAY TO SAVE

Holder of Municipal Bonds—As of September 2024



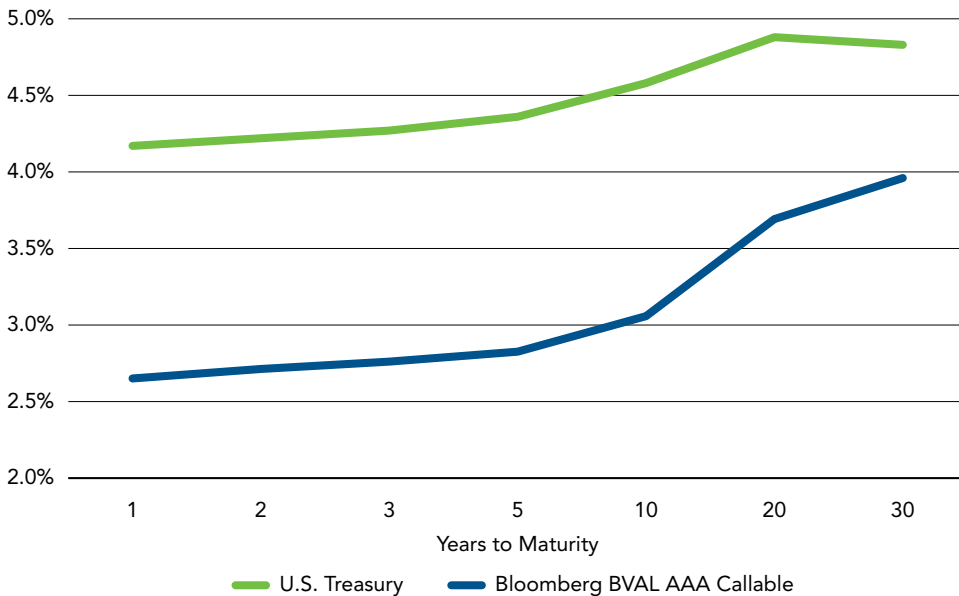
Individual investors are by far the largest holders of municipal bonds, holding nearly 66% of outstanding securities, 45% directly and approximately 21% through mutual funds.

Individual investors are drawn to municipal securities because of the tax exemption and their relative safety given historically low default rates.

Source: Financial Accounts of the United States, Board of Governors of the Federal Reserve System, December 2024

## BENCHMARK TAX EXEMPT AND TREASURY 10-YEAR YIELDS

As of January 31, 2025



The tax exemption enables highly rated municipal issuers to issue debt at rates even lower than the Treasury market and allows municipalities to provide essential services and projects cost effectively.

Source: Bloomberg Finance L.P., U.S. Department of Treasury

## ABOUT MSRB

The Municipal Securities Rulemaking Board (MSRB) was established by Congress in 1975 with the mission to protect investors, issuers and the public interest and to promote efficiency, competition and capital formation. MSRB is a private, self-regulatory organization governed by an independent board of directors with market knowledge and expertise. MSRB does not receive federal appropriations and is funded primarily through fees paid by regulated entities. MSRB is overseen by Congress and the Securities and Exchange Commission.



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