

# Municipal Bonds in Pennsylvania

This analysis is based on ICE municipal bond reference and geospatial data.



Municipal bonds are the primary financing tool that state and local governments use to build roads, schools, water and wastewater systems, affordable housing, public and non-profit hospitals and other public infrastructure. More than 50,000 individual governments have active municipal bonds today, and those bonds have made possible more than \$3.5 trillion of recent investments in public infrastructure.

In return for investing in public infrastructure, investors receive favorable tax treatment on the interest they earn from municipal bonds. According to one recent analysis, this tax advantage reduces borrowing costs for state and local governments by an average of 54%, compared to taxable debt.

## For Pennsylvania that means:

- Since 2015, state and local governments in Pennsylvania have invested **\$146.4 billion** in projects financed by tax-exempt municipal bonds.
- Pennsylvania taxpayers saved an estimated **\$3.1 billion** on projects financed with tax-exempt municipal bonds since 2015.
- A total of **1,214** state and local governments have tax-exempt municipal bonds outstanding today. Of them, **768** have borrowed less than \$30 million in the past decade. These smaller, less frequent borrowers are **63.3%** of Pennsylvania's total borrowers.

This brief was prepared by the Center for Municipal Finance at the University of Chicago. It is based on data from ICE municipal bond reference and geospatial data. For questions or comments, see [munifinance.uchicago.edu](http://munifinance.uchicago.edu) or contact Justin Marlowe ([jmarlowe@uchicago.edu](mailto:jmarlowe@uchicago.edu)).

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**Tax-exempt municipal bonds finance many types of infrastructure. As of January 23, 2025 in Pennsylvania there are \$120.43 billion of active municipal bonds. Those bonds financed many different types of infrastructure investments, including:**

| Use of Proceeds                     | Investment (\$ millions) |
|-------------------------------------|--------------------------|
| Airports                            | \$609.22                 |
| Bridges                             | \$731.20                 |
| Charter Schools                     | \$1,195.24               |
| Civic/Convention Centers            | \$267.80                 |
| Combined Utilities                  | \$52.18                  |
| Courts and Courtroom Facilities     | \$131.84                 |
| Economic Development                | \$160.59                 |
| Electric Utilities and Public Power | \$235.14                 |
| Fire Stations and Equipment         | \$0.82                   |
| Flood Control/Storm Drainage        | \$10.24                  |
| General Purpose/Public Improvements | \$23,225.26              |
| Government and Public Buildings     | \$183.11                 |
| Higher Education                    | \$23.00                  |
| Hospitals                           | \$20,983.84              |
| Human Services                      | \$88.95                  |
| Industrial Development              | \$613.30                 |
| Libraries and Museums               | \$31.69                  |
| Lifecare/Retirement Centers         | \$2,602.03               |
| Mass/Rapid Transit                  | \$1,117.54               |
| Multi-Family Housing                | \$582.35                 |
| Natural Gas                         | \$1,304.44               |
| Nursing Homes                       | \$21.25                  |
| Other                               | \$101.30                 |
| Other Health Care                   | \$38.66                  |
| Other Recreation                    | \$0.58                   |
| Other Transportation                | \$228.21                 |
| Parking Facilities                  | \$443.53                 |
| Parks, Zoos and Beaches             | \$208.48                 |
| Police Stations and Equipment       | \$23.21                  |
| Pollution Control                   | \$845.59                 |
| Primary/Secondary Education         | \$22,746.05              |
| Private Higher Education            | \$6,077.32               |
| Private Human Service Providers     | \$22.76                  |
| Public Higher Education             | \$3,683.54               |
| Redevelopment/Land Clearance        | \$373.88                 |
| Seaports and Marine Terminals       | \$93.68                  |
| Senior Housing/Independent Living   | \$156.42                 |
| Sewer                               | \$3,355.87               |
| Single Family Housing               | \$5,564.47               |
| Solid Waste/Resource Recovery       | \$182.20                 |
| Stadiums/Sports Complexes           | \$424.64                 |
| Streets and Highways                | \$1,954.80               |
| Student Housing                     | \$430.16                 |
| Telecommunications Equipment        | \$92.48                  |
| Toll Roads                          | \$12,965.26              |
| Water Utilities                     | \$887.49                 |
| Water/Sewer Utilities               | \$5,362.81               |
| <b>Total</b>                        | <b>\$120,434.44</b>      |