



Webinar Series



Schedule & Materials

<https://live.moodys.io/us-public-finance-in-focus-channel>



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Live Q&A

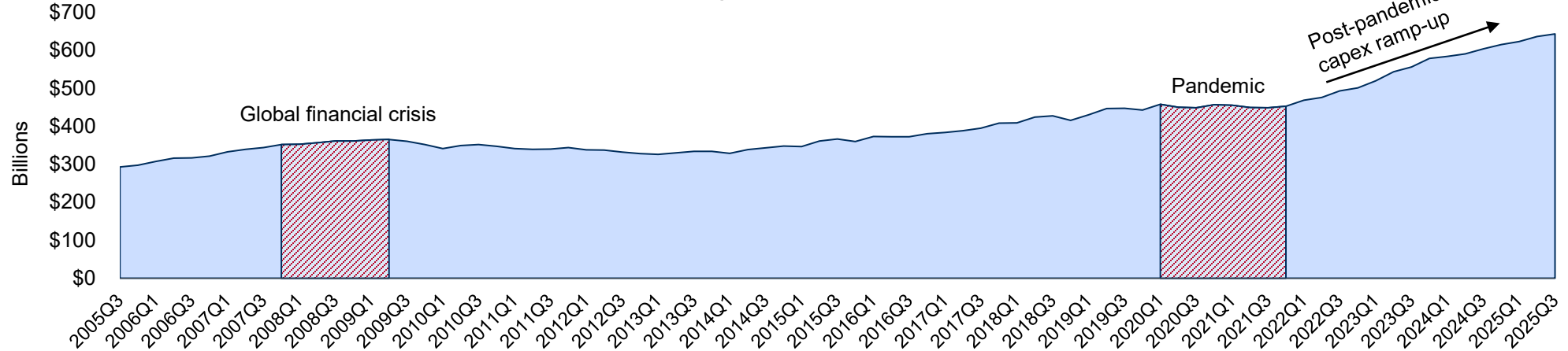
Engage with the analysts and get your questions answered

Moody's Ratings public infrastructure investment webinar

Capex Trend

State and local governments have ramped up capex since the pandemic ...

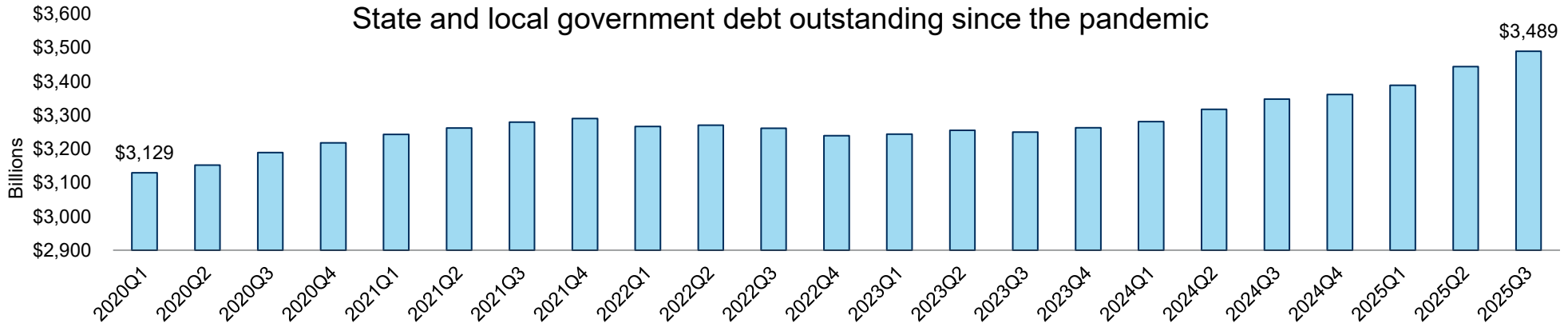
State and local government fixed investment



Note: Seasonally adjusted at annual rates, not adjusted for inflation
Source: Federal Reserve

... fueled by pandemic-era stimulus and more borrowing

State and local government debt outstanding since the pandemic

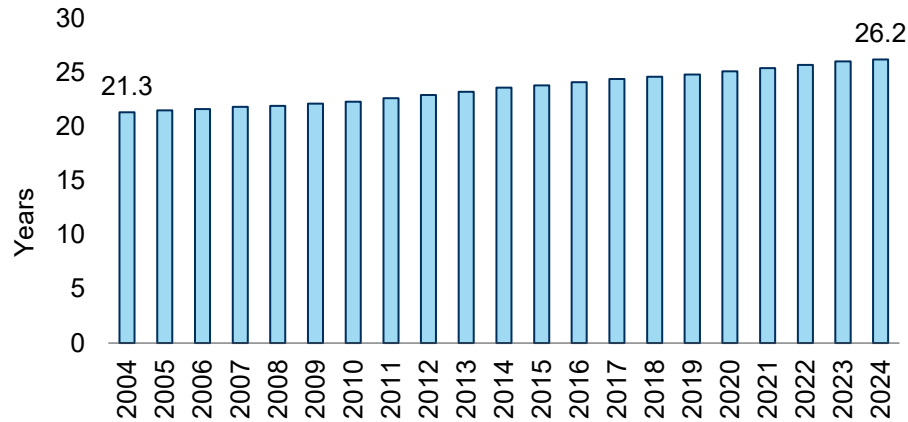


Source: Federal Reserve

Capital asset quality has worsened

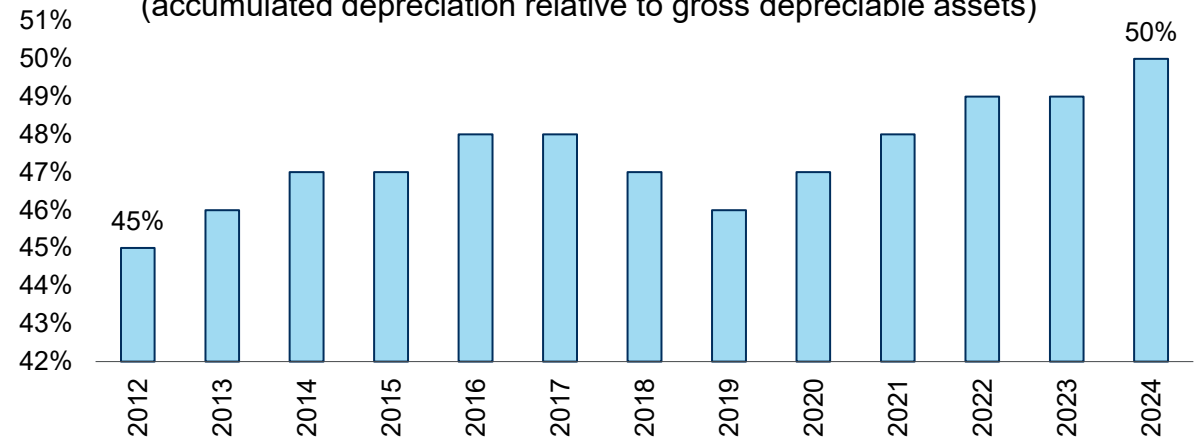
The pickup in capex comes amid a decline in state and local capital asset quality ...

Average age of state and local fixed assets



Source: Bureau of Economic Analysis

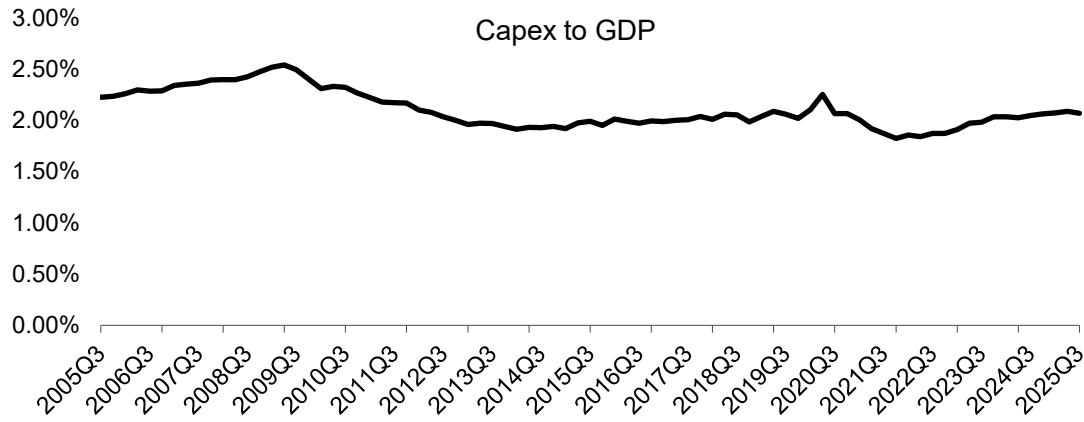
Capital asset depreciation ratio, median for US cities (accumulated depreciation relative to gross depreciable assets)



Source: Moody's Ratings

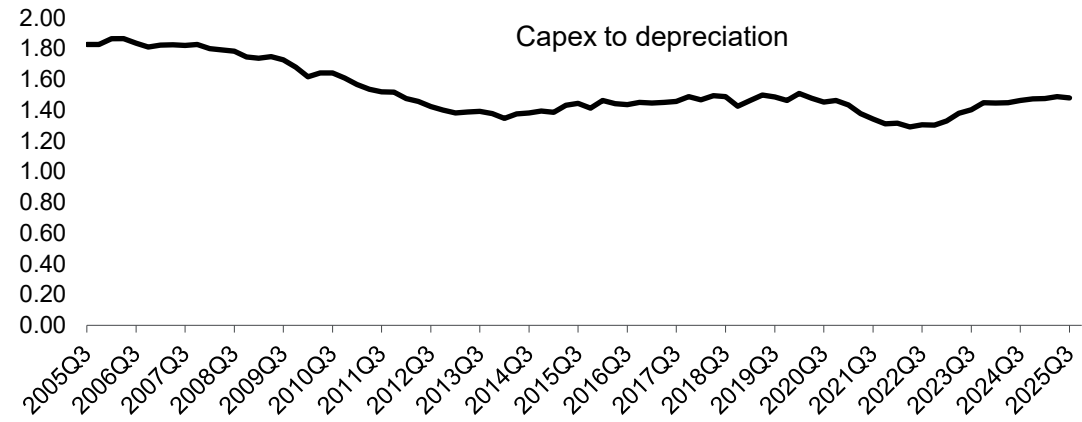
... yet capex remains moderate relative to GDP and depreciation

Capex to GDP



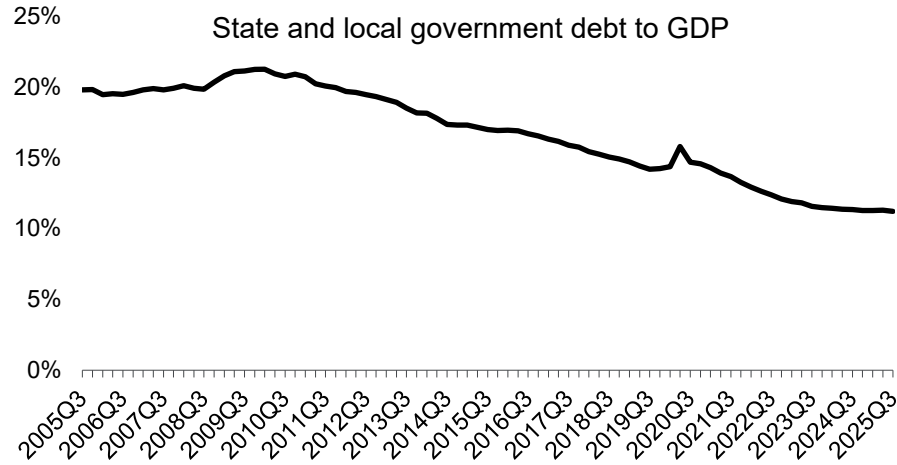
Source: Federal Reserve

Capex to depreciation

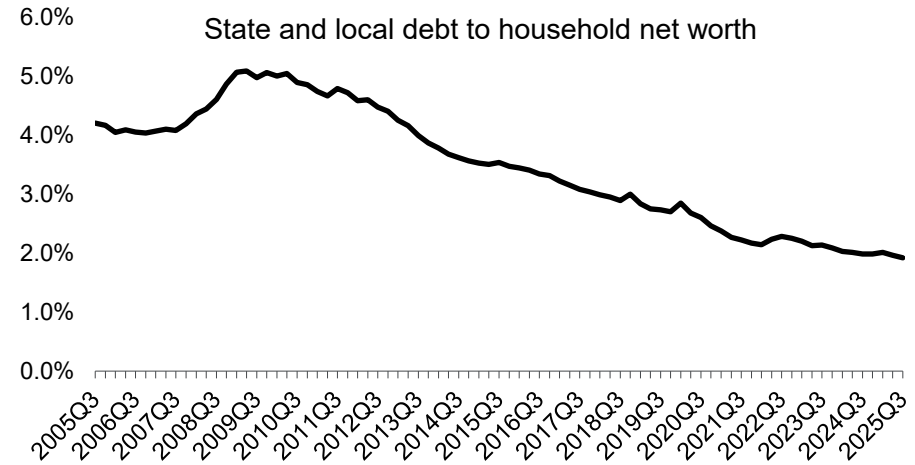


Source: Federal Reserve

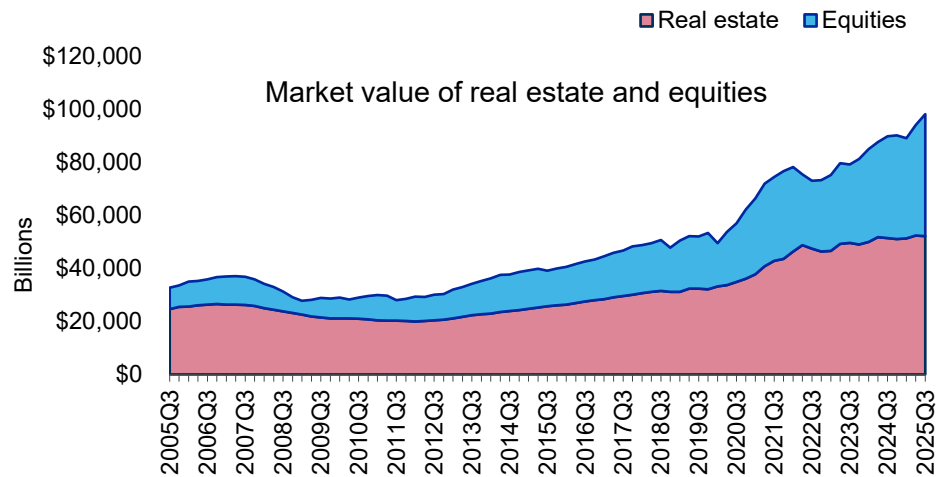
Do state and local governments have the economic capacity (and the willingness) to catch up?



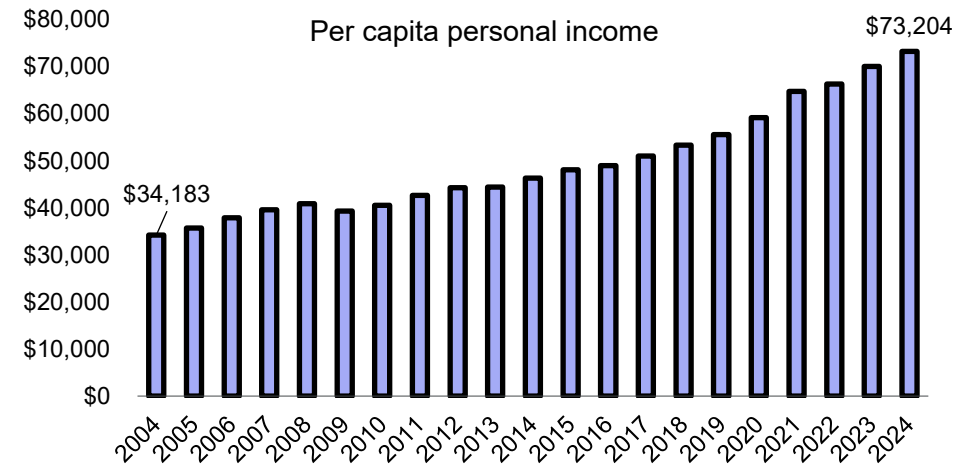
Source: Federal Reserve



Source: Federal Reserve



Source: Federal Reserve



Source: Bureau of Economic Analysis

Thank you

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