

New Report Finds U.S. Cities Face \$1 Trillion Infrastructure Replacement Obligation

America's cities are carrying a hidden \$1 trillion infrastructure burden—a financial obligation that's now larger than debt or pensions.

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EINPresswire.com/ -- Investortools, a leading provider of [fixed-income investment management and credit analysis solutions](#), today released a new research paper identifying an estimated \$1.03 trillion Infrastructure & Capital Asset Burden (ICA Burden) facing U.S. cities. This obligation significantly exceeds other long-term municipal liabilities such as bonded debt and unfunded pensions.

The [report](#), Infrastructure & Capital Assets Commitment Burden: Quantifying the Hidden Fiscal Risk, is authored by Richard A. Ciccarone, President Emeritus of Merritt Research Services, an Investortools company.

In the study, Ciccarone introduces a first-of-its-kind, accounting-based framework to quantify the cost of replacing and maintaining municipal infrastructure and capital assets that have already been consumed but remain in service.

Drawing on audited financial statements from nearly 2,000 U.S. cities, the analysis estimates the inflation-adjusted cost required to replenish roads, bridges, buildings, public safety equipment, and other governmental capital assets supported by tax revenues.

“With each passing year, the service life of a city’s infrastructure and other capital assets steadily declines.” says Richard A. Ciccarone. “Yet, the cumulative cost of this deterioration is often obscured by the difficulty of measuring its true extent. This study addresses that gap by using capital asset data reported in municipal audits to assess and illuminate the scale of this burden.”



Investortools

Infrastructure & Capital Assets Commitment Burden: Quantifying the Hidden Fiscal Risk



Richard A. Ciccarone
President Emeritus | Merritt by Investortools

This report uses Merritt data, available through Investortools' CreditScope™ product.



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The ICA is often overlooked because there is no legal funding requirement or balance-sheet liability associated with infrastructure replacement. Cities can defer maintenance without immediate accounting consequences; however, prolonged deferral increases the likelihood of service disruptions, emergency repairs, and sudden fiscal stress.

The report argues that depreciation-based metrics for capital-assets should play a more prominent role in

municipal credit analysis, capital planning, and long-term risk assessment.

Jon Anderson, Co-CEO and Chief Product Officer of Investortools, added, "For decades, the Merritt Research Services team has set the standard in municipal credit analysis, and this work exemplifies their long-standing commitment to bringing greater transparency, rigor, and insight to the risks that truly matter for investors."

The report also introduces a companion metric—ICA Burden Fiscal Ability—which evaluates a city's capacity to absorb infrastructure replacement costs based on population, wealth, debt levels, pension obligations, and economic trends.

Key Findings

- U.S. cities face an estimated \$1.03 trillion ICA Burden
- Large legacy cities tend to carry the largest relative burdens, while faster growing cities show lower levels of capital asset depletion
- The ICA Burden is 2.6x the total direct debt for U.S. cities (\$390 billion) and 4.1x the total unfunded pension liability shared across all single-employer, agent, and multiple-employer plans (\$255 billion)
- The ICA Burden is 1.8x the total municipal bond issuance in 2025 for all types of tax-exempt bonds (\$579.9 billion)

In conjunction with the report's release, the ICA Burden dataset and analytical model are now available within the Investortools platform, enabling users to apply the methodology directly to their own analysis.

The full report is available [here](#).

About Investortools

For more than four decades, Investortools has been a leading provider of solutions regarded by the industry as essential for fixed-income investment management. Its comprehensive product suite covers portfolio, order and execution management, performance analytics, 2a-7

compliance, and credit analysis. Trusted by over 200 firms managing more than \$1 trillion in assets, Investortools supports SMA managers, fund managers, broker-dealers, and other key market participants.

About Merritt Research Services

Merritt is an independent municipal bond data and research provider, distributed by Investortools's CreditScope software. Founded in 1986, Merritt Research is the first and the most established subscription based municipal bond credit database available in the municipal market.

Contact

Richard A. Ciccarone

President Emeritus, Merritt Research Services, an Investortools company

richard.ciccarone@merrittresearch.com

Jessica McDaniel

Marketing Lead, Investortools

jessica.mcdaniel@invtools.com

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