



## Is Illinois the next Puerto Rico?

Brandon Richard

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WSIL -- With the state's financial situation growing more dire, especially without a state budget, could Illinois become the next Puerto Rico?

Illinois owes more than \$14.5 billion in unpaid bills, a number growing every day.

State officials also estimate Illinois has \$130 billion in unfunded pension liabilities. However, the credit rating agency, Moody's, said it's closer to \$250 billion.

Either way, Illinois is in a deep fiscal crisis, largely of its own making, experts say.

John Jackson, with the SIU Paul Simon Public Policy Institute, said don't count on Congress to come to the state's rescue, especially considering Illinois is a blue state.

"Republicans are not going to bail out Illinois and they control the entire federal government. There's not a chance of that happening," said Jackson.

Unlike cities and counties, states can't legally declare bankruptcy, although last year Congress created an avenue for Puerto Rico, a U.S. territory mired in recession for a decade, to essentially do just that.

Ike Brannon, an economist at the CATO Institute and an Illinois native, said Puerto Rico's problems are a lot worse.

"Puerto Rico's pension situation is much more dire," said Brannon. "Puerto Rico simply can't make their obligation and I'm not quite sure how Illinois is going to make its obligations in the next 10 years."

He says if Illinois doesn't get its act together, Congress may have to find a way to help, especially if there is another recession.

"Our pension system might actually go bankrupt and we're going to need the federal government to come in and figure out how to fix it," said Brannon, calling Illinois' fiscal nightmare "uncharted terrain."

Brannon said the last state to default on its bonds was Arkansas, in 1933.

Meanwhile, Jackson said he understands why people compare Illinois and Puerto Rico.

"Puerto Rico is a special case, however we are becoming more like them in every way, every day," he said.

Illinois has been without a budget for nearly two full years.