

Build America Bonds: An Economic-Stimulus Success

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[Build America Bonds: An Economic-Stimulus Success - TIME.](#)

When Congress wrote the Build America Bond program into February's \$787 billion economic-stimulus bill, many predicted a flop. Nine months later, the municipal-bond program, which provides a federal subsidy to help states and other local governments raise funds, looks to be one of the economic recovery effort's biggest successes. Earlier this month, the volume of BABs, as they have come to be called, crossed the \$50 billion mark.

"People originally said it would eliminate the issuance of municipal bonds," says John Cummings, who is head of muni-bond investments at money-management firm PIMCO. "Instead they have stabilized the market and helped to create jobs."

Which is exactly why we have promoted the idea of similar bonds for the UK in the [Green New Deal](#).

They work.

Isn't that good enough reason for adopting them?