

Market Insights

Sector Intelligence | U.S. Public Finance

May 13, 2024 | Data as of April 30, 2024

This report does not constitute a rating action.

Key Takeaways

- There have been over 850 rating actions in U.S. public finance (USPF) through April 30, 2024.
- Upgrades outpaced downgrades, driven primarily by rating activity in the local governments sector.
- Outlook activity was mixed across sectors.

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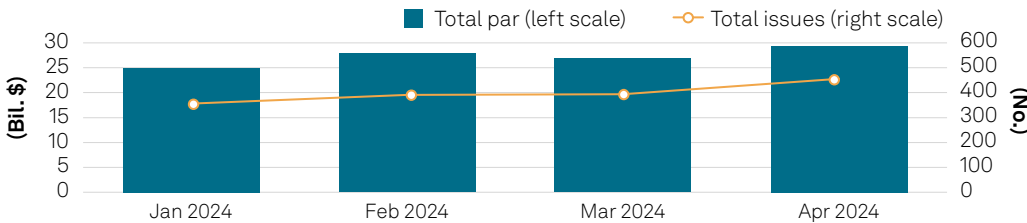
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U.S. public finance at a glance

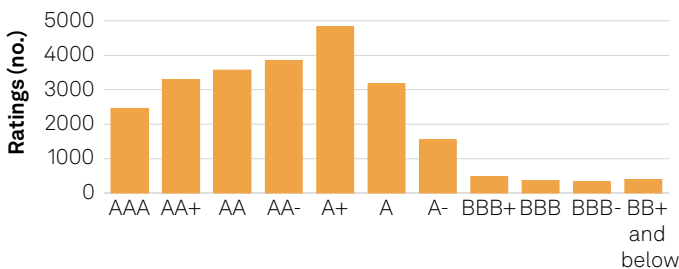
24,200+ Ratings 

Rating changes	Apr 2024 (no.)	2024 (no.)
Upgrades	70	205
Downgrades	40	116
Outlook and CW changes		
Favorable	21	116
Unfavorable	31	425

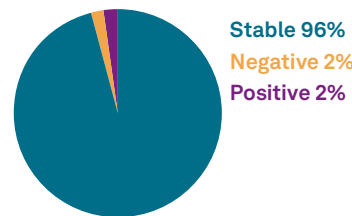
S&P Global Ratings rated new issuance



Rating distribution



Outlook distribution



For more Research click here



Source: S&P Global Ratings.

Recent Research

U.S. State Medicaid Transition: Stable Condition Near Term, With Outyears Demanding Care, May 2, 2024

Preliminary 2023 Medians For U.S. Acute Health Care Providers Indicate Continued Operating Pressures For Many, April 30, 2024

U.S. Not-For-Profit Health Care Covenant Violations Will Continue To Affect Pressured Issuers, April 29, 2024

Charter School Brief: North Carolina, April 23, 2024

Credit FAQ: S&P Global Ratings' Updated Approach For Convertible Option Bonds For U.S. Public Finance Housing Finance Agencies, April 1, 2024

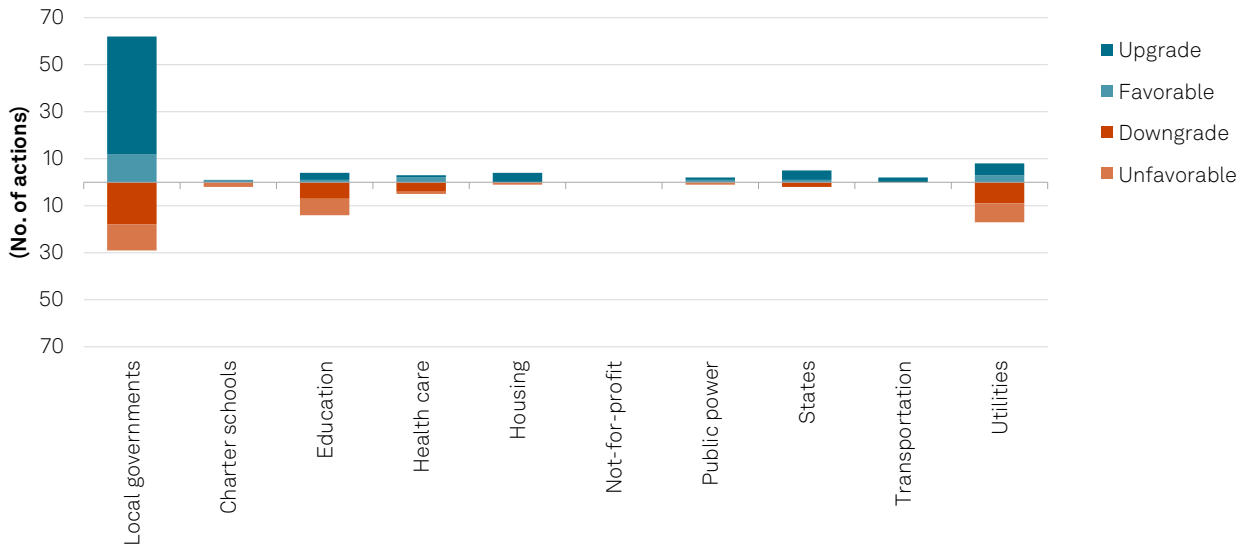
An Excel workbook containing a master list of rating actions by security type and by issues year to date can be downloaded [here](#).

Note: In this report, we define "rating changes" as rating upgrades and downgrades; "rating actions" as rating changes, in addition to outlook changes and CreditWatch assignments or resolutions; "favorable" actions as outlook changes to stable from negative and to positive from stable, or placement of a rating on CreditWatch with positive implications; and "unfavorable" actions as outlook changes to negative from stable and to stable from positive, or placement of a rating on CreditWatch with negative implications. For local governments, we exclude school program rating actions tied to state rating actions.

USPF Rating Activity

Chart 1

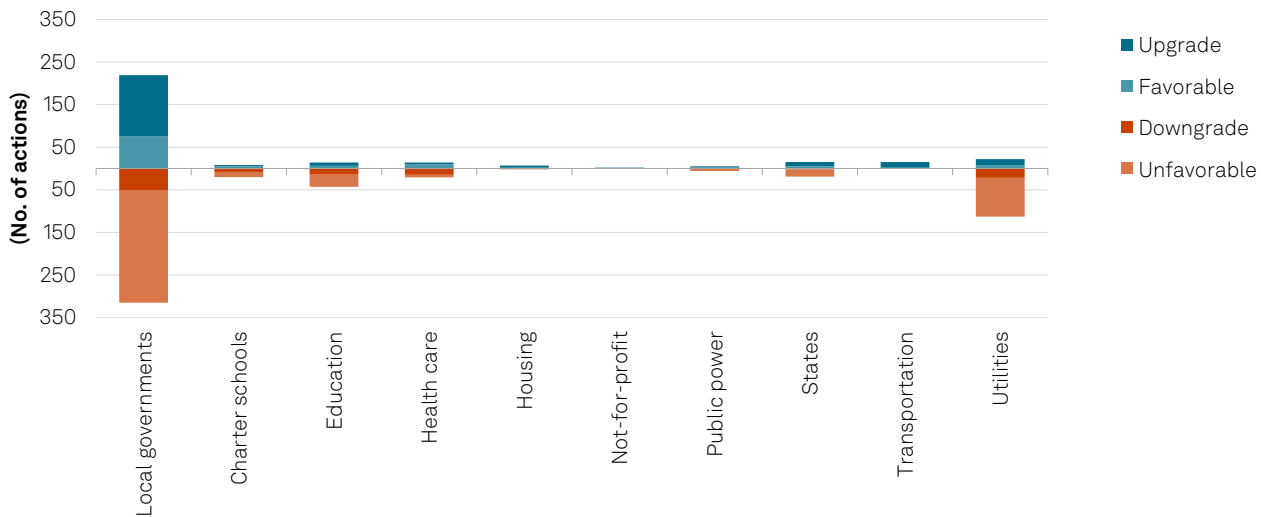
USPF April rating actions by sector



Source: S&P Global Ratings.

Chart 2

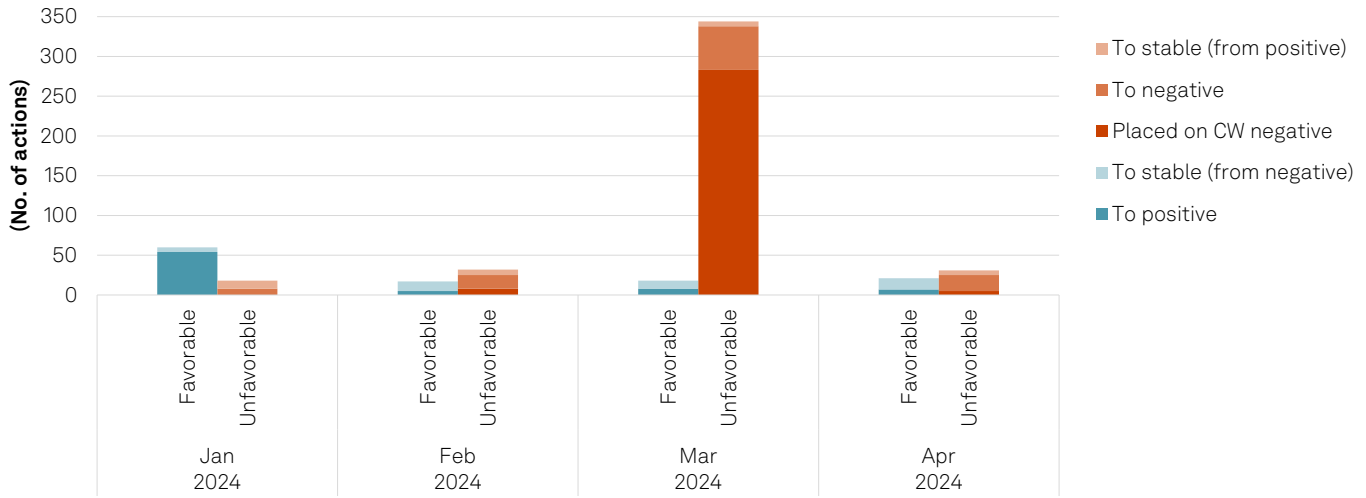
USPF rating actions by sector YTD 2024



Source: S&P Global Ratings.

Chart 3

USPF outlook and CreditWatch actions by month



CW—CreditWatch. Source: S&P Global Ratings.

Sector Spotlight—Commercial Real Estate Market

As U.S. cities continue to grapple with the transitional effects of remote work, S&P Global Ratings believes the medium-term credit outlook is marked by elevated economic and budgetary uncertainty. However, these challenges are not likely to be overwhelming or lead to significantly elevated negative rating bias.

We expect cities to see sluggish revenue growth in the coming few years rather than precipitous cliffs from falling tax collections tied to commercial real estate (CRE), and we have widely observed residential valuations supporting tax base stability even in cities seeing CRE values decline.

Cost pressures related to post-pandemic transition may ultimately prove as much, or even more, of a challenge as revenue underperformance, given the demands cities face to support downtown revitalization, public safety, housing, and homelessness amid upward wage pressure and higher interest rates.

Recent Research

[Credit Quality For U.S. Cities Holds Up Despite Challenging Commercial Real Estate Market, April 22, 2024](#)

[Updated 2023 Scores For U.S. Metropolitan Statistical Areas Based On Various Criteria, April 1, 2024](#)

Chart 4

By the numbers: Remote work challenges

U.S. share of days worked from home



U.S. office vacancy rate



Projected decline in demand for office space by 2030 (median city)

13%

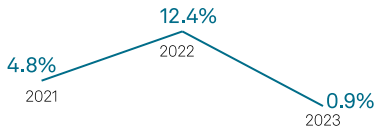


Estimated transit ridership recovery from pre-pandemic by 2026

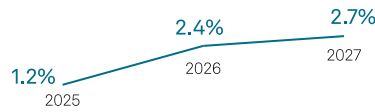
85%



Median general fund revenue growth for select U.S. cities (FY2020 – FY2022)



Median forecast revenue growth for select cities (FY2025 – FY2027)



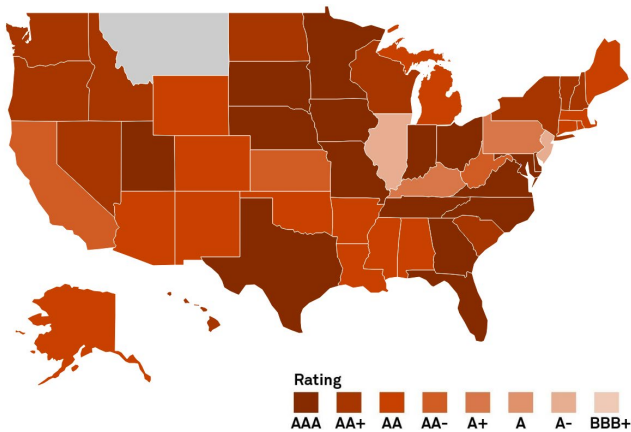
Sources: WFH Research – U.S. Survey Of Working Arrangements And Attitudes, Cushman and Wakefield, McKinsey Global Institute, city annual comprehensive financial reports and disclosure filings for U.S. cities surveyed for this report, city financial forecasts, S&P Global Ratings.

U.S. State Ratings

Ratings represented in table 1 are the state general obligation debt ratings or issuer credit ratings. Ratings on other debt issued by the state will vary based on the security backing the bonds. For more information, see our [History Of U.S. State Ratings](#) and [U.S. State Ratings And Outlooks: Current List](#).

Chart 5

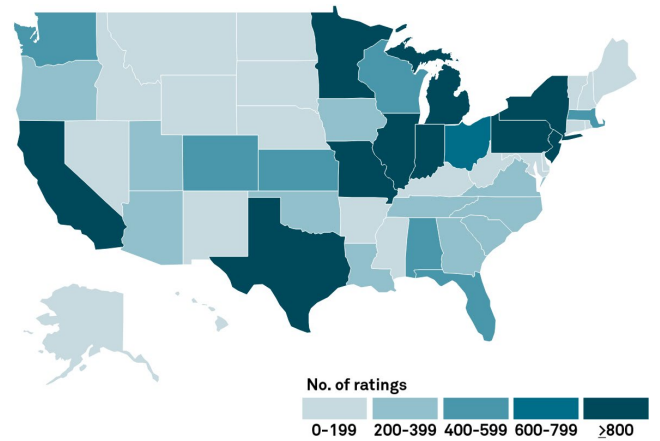
U.S. state ratings



Unrated states are in grey. Source: S&P Global Ratings.

Chart 6

No. of ratings by state



Includes all sectors. Source: S&P Global Ratings.

Table 1

U.S. state rating actions in YTD 2024

State	Rating action	Outlook action	Current rating	Previous rating	Current outlook	Previous outlook	Date of rating action
Alaska	Upgrade	Outlook to stable	AA	AA-	Stable	Positive	Apr. 30, 2024
Wyoming	Affirmation	Outlook to positive	AA	AA	Positive	Stable	Apr. 19, 2024
New Hampshire	Upgrade	Outlook to stable	AA+	AA	Stable	Positive	Mar. 25, 2024
Louisiana	Upgrade	Outlook to stable	AA	AA-	Stable	Positive	Mar. 20, 2024
Mississippi	Affirmation	Outlook to negative	AA	AA	Negative	Stable	Mar. 1, 2024
Washington	Affirmation	Outlook to positive	AA+	AA+	Positive	Stable	Jan. 11, 2024

Source: S&P Global Ratings.

Appendix

Table 2

Number of rating actions by sector April 2024

Sector	Rating changes		Outlook changes			CW changes	
	Upgrade	Downgrade	Outlook to positive	Outlook to negative	Outlook to stable	Placed on CW negative	Removed from CW
Charter schools	0	0	1	0	1	1	0
Education	3	7	0	5	3	0	0
Health care	1	4	1	0	1	1	1
Housing	4	0	0	0	0	1	0
Local governments	50	18	4	10	9	0	80
Not-for-profit	0	0	0	0	0	0	0
Public power	1	0	0	1	1	0	1
States	4	2	1	0	0	0	0
Transportation	2	0	0	0	0	0	0
Utilities	5	9	0	4	5	2	16

CW—CreditWatch. Source: S&P Global Ratings.

Table 3

Number of rating actions by sector YTD 2024

Sector	Rating changes		Outlook changes			CW changes	
	Upgrade	Downgrade	Outlook to positive	Outlook to negative	Outlook to stable	Placed on CW negative	Removed from CW
Charter schools	3	8	4	6	5	2	0
Education	8	13	3	22	8	3	2
Health care	4	15	5	4	6	1	2
Housing	5	1	0	0	2	1	1
Local governments	143	52	55	42	36	206	86
Not-for-profit	2	0	0	1	0	0	0
Public power	2	3	1	2	2	1	1
States	10	2	5	17	0	0	0
Transportation	13	0	1	0	1	1	0
Utilities	15	22	0	6	11	81	18

CW—CreditWatch. Source: S&P Global Ratings.

Editor's note

In this report we present rating actions at the debt type level (e.g., general obligation, sales tax, parking revenue, etc.) rather than at the issuer level. Therefore, an issuer may have multiple rating actions associated with it in different sectors in the tables and charts.

Because we present the rating actions at the debt level, the metrics presented in this above may not be comparable to other research published by S&P Global Ratings or by other S&P Global divisions.

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