

# Market Insights

## Sector Intelligence | U.S. Public Finance

S&P Global Ratings

July 8, 2024 | Data as of June 30, 2024

This report does not constitute a rating action.

### Key Takeaways

- There have been over 1,170 rating actions in U.S. public finance (USPF) year-to-date through June 30, 2024.
- Upgrades outpaced downgrades, primarily driven by rating activity in the local governments sector.
- Outlook activity was mixed across sectors.

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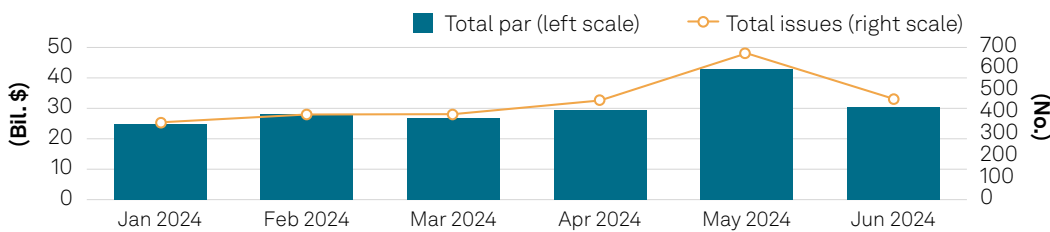
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## U.S. public finance at a glance

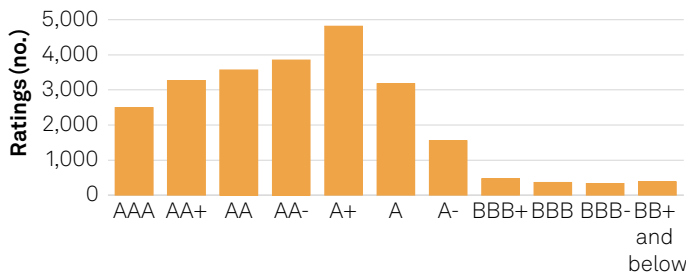
24,200+ Ratings 

Rating changes	June 2024 (no.)	2024 (no.)
<b>Upgrades</b>	62	317
<b>Downgrades</b>	43	199
<b>Outlook and CW changes</b>		
<b>Favorable</b>	25	165
<b>Unfavorable</b>	35	490

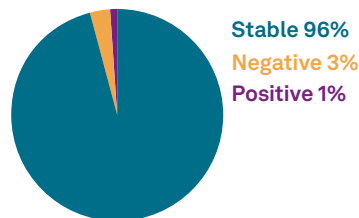
### S&P Global Ratings rated new issuance



### Rating distribution



### Outlook distribution



For more Research click here



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

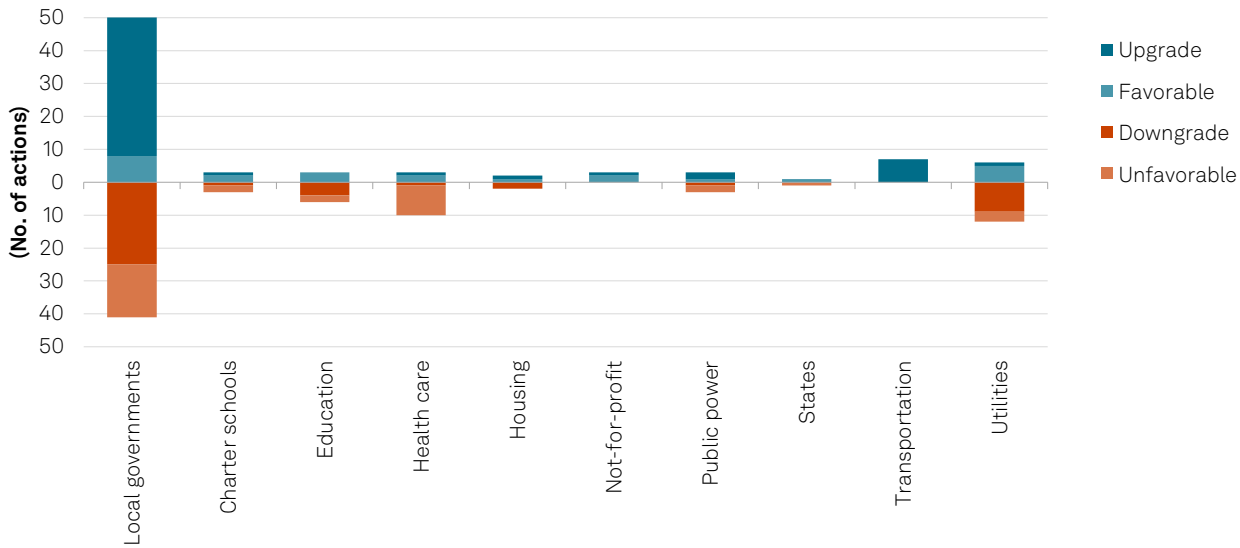
Source: S&P Global Ratings.

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

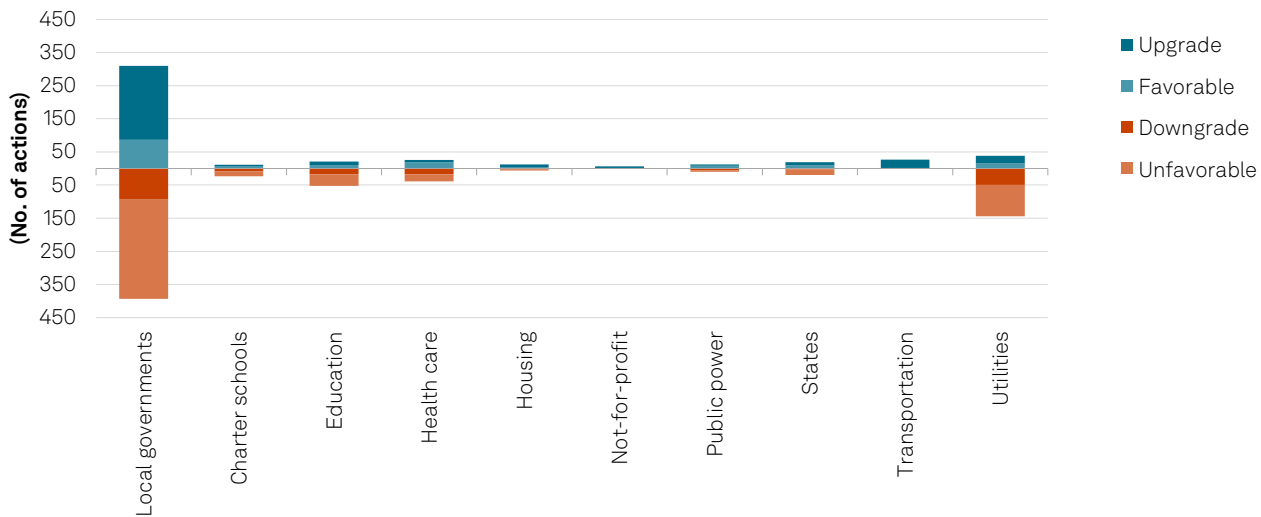
USPF June rating actions by sector



Source: S&P Global Ratings.

Chart 2

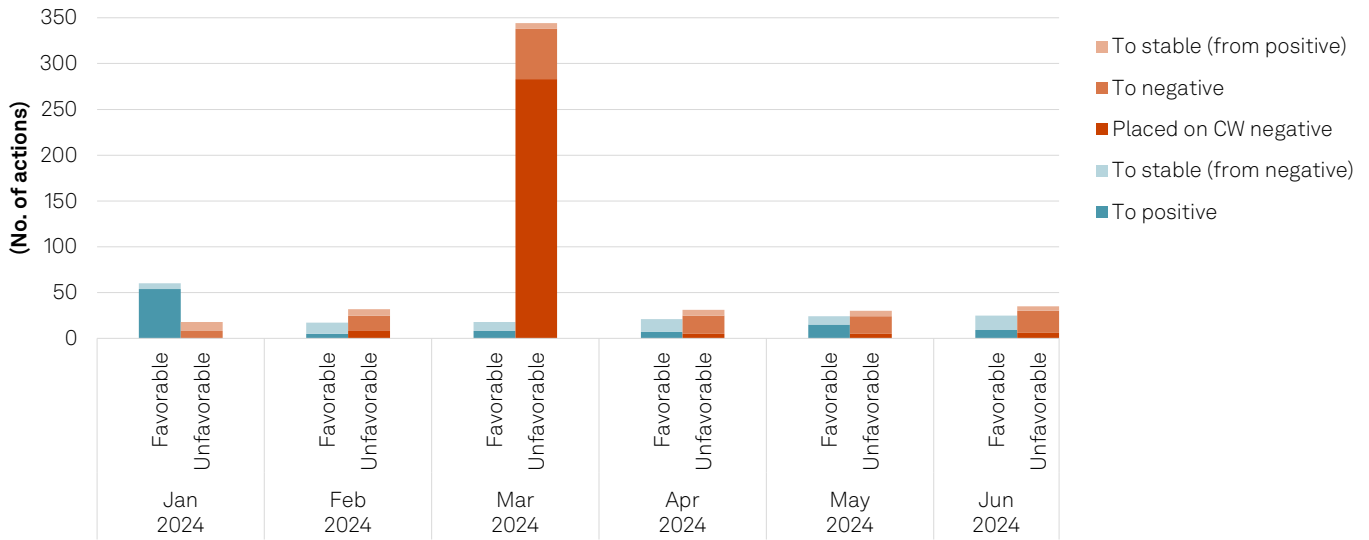
USPF rating actions by sector YTD 2024



Source: S&P Global Ratings.

Chart 3

USPF outlook and CreditWatch actions by month



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

## Sector Spotlight—Airports

Our sector view for airports remains stable.

Revenue growth remains balanced against increased operations and maintenance expenses, particularly labor and materials costs, as well as renewed capital spending for expanding capacity or modernizing facilities against a backdrop of higher financing costs.

Our economic outlook projects a transition to slower growth in 2025 and beyond, which could translate into softening airline travel for business and leisure passengers but we expect would have a benign impact on airport credit quality.

Chart 4

### What we're watching: U.S. airports



#### Staying power of demand indicators

Air travel has remained resilient despite macroeconomic headwinds. But how long can it last and what is the new baseline?



#### Capital spending adjustments

Capital spending to maintain airport assets or enhance capacity to accommodate future growth or upgauging aircraft is continuing at all airport sizes with need to balance higher financing costs along with sustainable development objectives as construction inflation persists.



#### Rising costs

Inflation-related cost increases for capital equipment and supplies remains historically high as do rising labor costs, rising airport rate base from increased capital expenses, rising fuel costs that airlines pass through to passengers, and the potential for sustainability cost increases as airports are asked to do more toward decarbonization.

Sources: S&P Global Ratings.

## Recent Research

[U.S. Transportation Infrastructure Airport Update: Air Travel Rides The Jetstream, For Now, June 18, 2024](#)

[U.S. And Canadian Airport And Special Facility Ratings And Outlooks: Current List And Year-To-Date Actions, June 14, 2024](#)

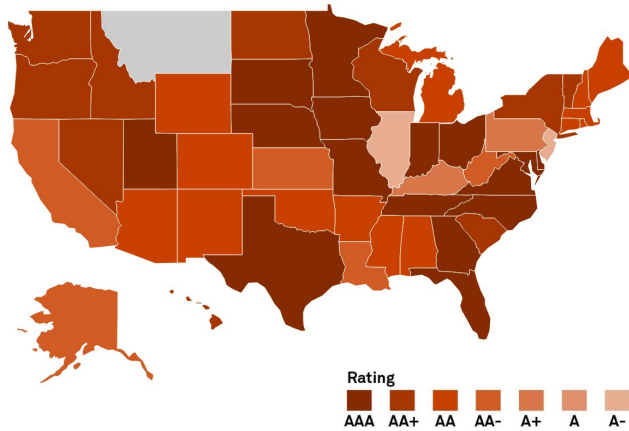
[U.S. Transportation GARVEEs Are Stable, Much Like Sector Funding, June 6, 2024](#)

# 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

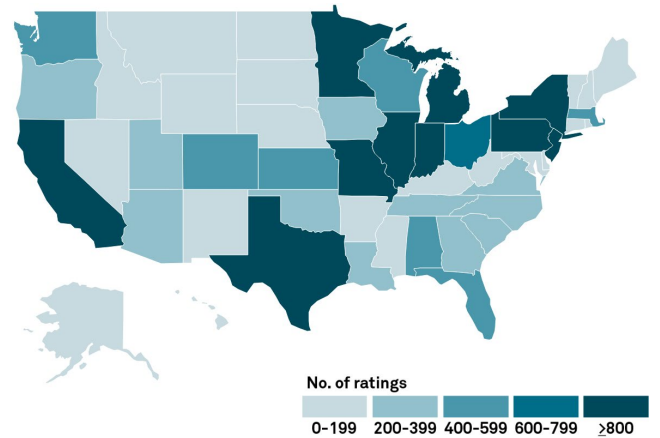
U.S. state ratings



Unrated states are in gray. 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 YTD 2024

State	Rating action	Outlook action	Current rating	Previous rating	Current outlook	Previous outlook	Date of rating action
Arkansas	Affirmation	Outlook to positive	AA	AA	Positive	Stable	May 2, 2024
Alaska	Upgrade	Outlook to stable	AA	AA-	Stable	Positive	April 30, 2024
Wyoming	Affirmation	Outlook to positive	AA	AA	Positive	Stable	April 19, 2024
New Hampshire	Upgrade	Outlook to stable	AA+	AA	Stable	Positive	March 25, 2024
Louisiana	Upgrade	Outlook to stable	AA	AA-	Stable	Positive	March 20, 2024
Mississippi	Affirmation	Outlook to negative	AA	AA	Negative	Stable	March 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 June 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	1	1	1	1	2	0	1
Education	0	4	1	1	3	2	0
Health care	1	1	0	6	3	2	0
Housing	1	2	1	0	0	0	1
Local governments	48	25	6	11	5	2	17
Not-for-profit	1	0	0	0	2	0	0
Public power	2	1	0	2	1	0	0
States	0	0	0	0	0	0	0
Transportation	7	0	0	0	0	0	0
Utilities	1	9	0	3	5	0	5

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	4	9	5	7	7	2	1
Education	11	18	5	25	11	5	4
Health care	7	18	6	14	17	3	3
Housing	7	3	3	1	2	2	2
Local governments	223	94	64	65	45	212	111
Not-for-profit	4	0	0	1	2	0	0
Public power	4	5	2	4	6	1	2
States	10	2	8	17	0	0	0
Transportation	25	0	1	0	1	1	0
Utilities	22	50	4	9	16	81	47

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 the 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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