

Market Insights

Sector Intelligence | U.S. Public Finance

S&P Global Ratings

Jan. 8, 2025 | Data as of Dec. 31, 2024

This report does not constitute a rating action

Key Takeaways

- There were more than 2,300 rating actions in U.S. public finance (USPF) through Dec. 31, 2024.
- Overall, upgrades outpaced downgrades in 2024, primarily driven by rating activity in the local governments sector. Downgrades outpaced upgrades in the charter schools, health care, public power, and utilities sectors.
- Through the end of 2024, unfavorable outlook revisions exceeded favorable outlook revisions.

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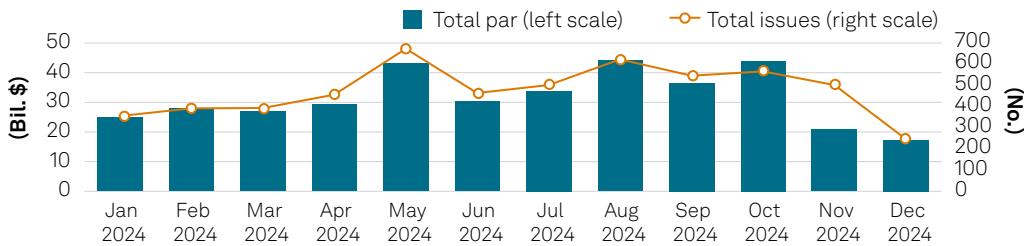
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U.S. public finance at a glance

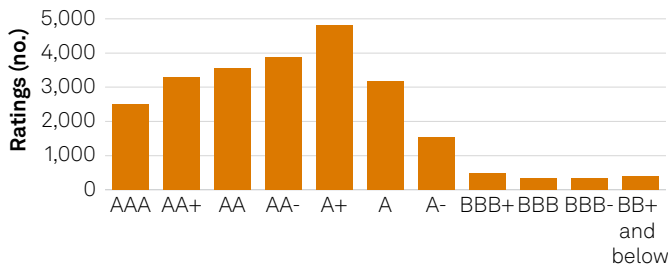
24,300+ Ratings

Rating changes	December 2024 (no.)	2024 (no.)
Upgrades	86	760
Downgrades	95	504
Outlook and CreditWatch changes		
Favorable	21	330
Unfavorable	20	710

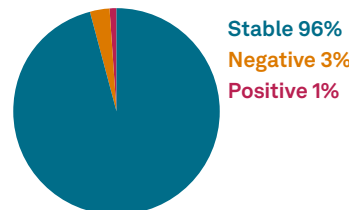
S&P Global Ratings rated new issuance



Rating distribution



Outlook distribution



Recent Research

Register: U.S. Public Finance 2025 Outlook Series

U.S. Housing Finance Agencies 2023 Medians: Fiscal Stability Reigns For Now With Some Uncertainty On The Horizon, Dec. 17, 2024

U.S. Not-For-Profit Health Care Rating Actions, November 2024, Dec. 11, 2024

Five Takeaways From U.S. Public Finance In 2024: Uneven Credit Trends Emerge Amid Rising Uncertainty, Dec. 9, 2024

U.S. Not-For-Profit Higher Education Outlook 2025: The Credit Quality Divide Widens, Dec. 5, 2024

U.S. Not-For-Profit Acute Health Care 2025 Outlook: Stable But Shaky For Many Amid Uneven Recovery And Regulatory Challenges, Dec. 4, 2024

For more research click here



Source: S&P Global Ratings.

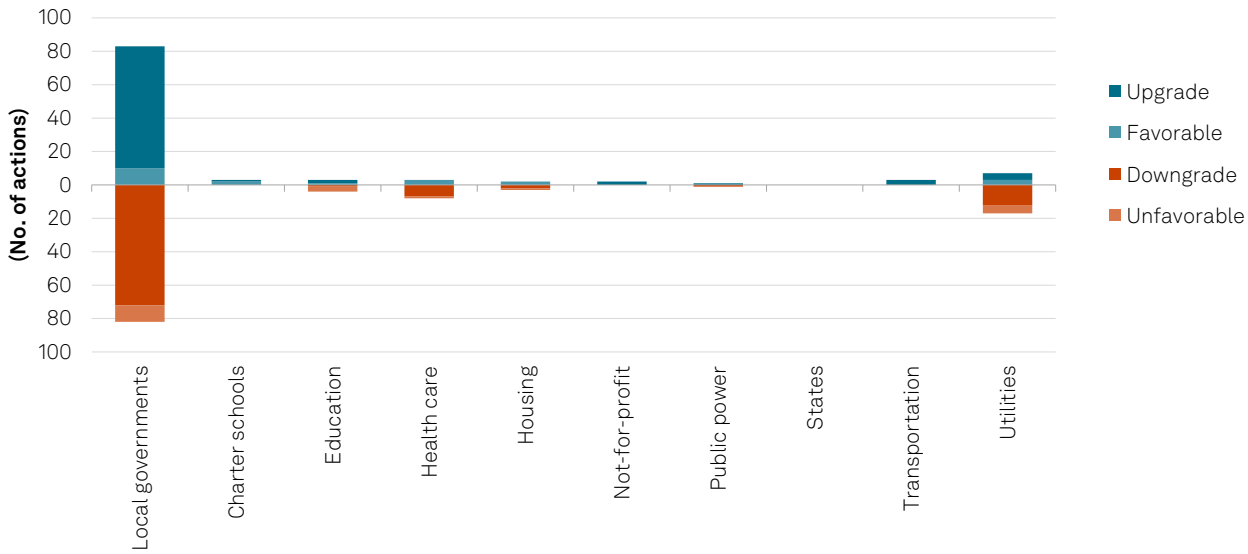
An Excel workbook containing a master list of rating actions by security type and by issues year to date can be downloaded [here](#).

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

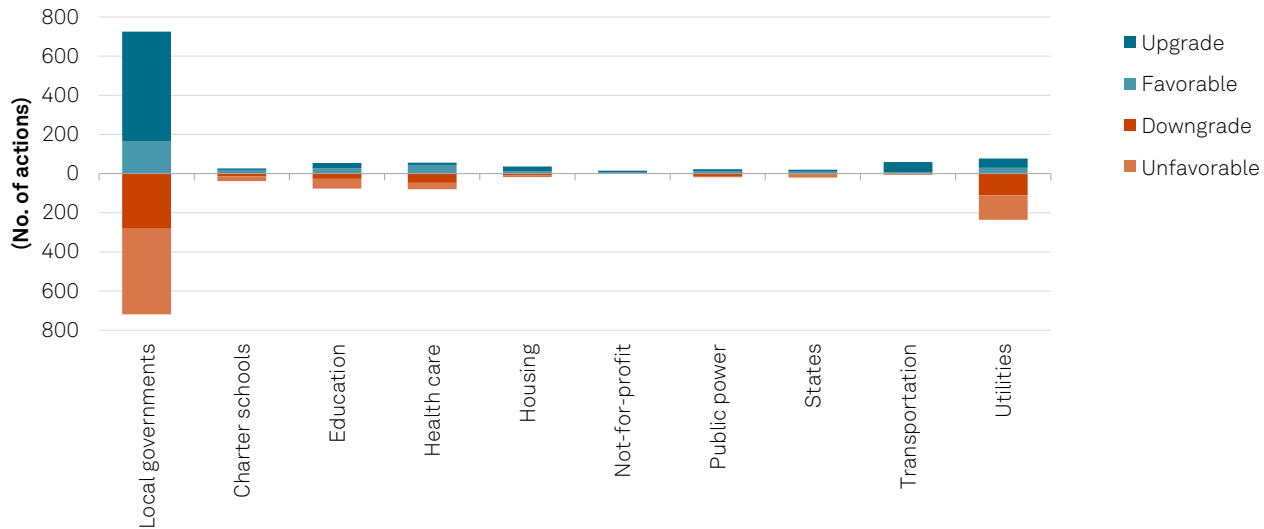
USPF December rating actions by sector



Source: S&P Global Ratings.

Chart 2

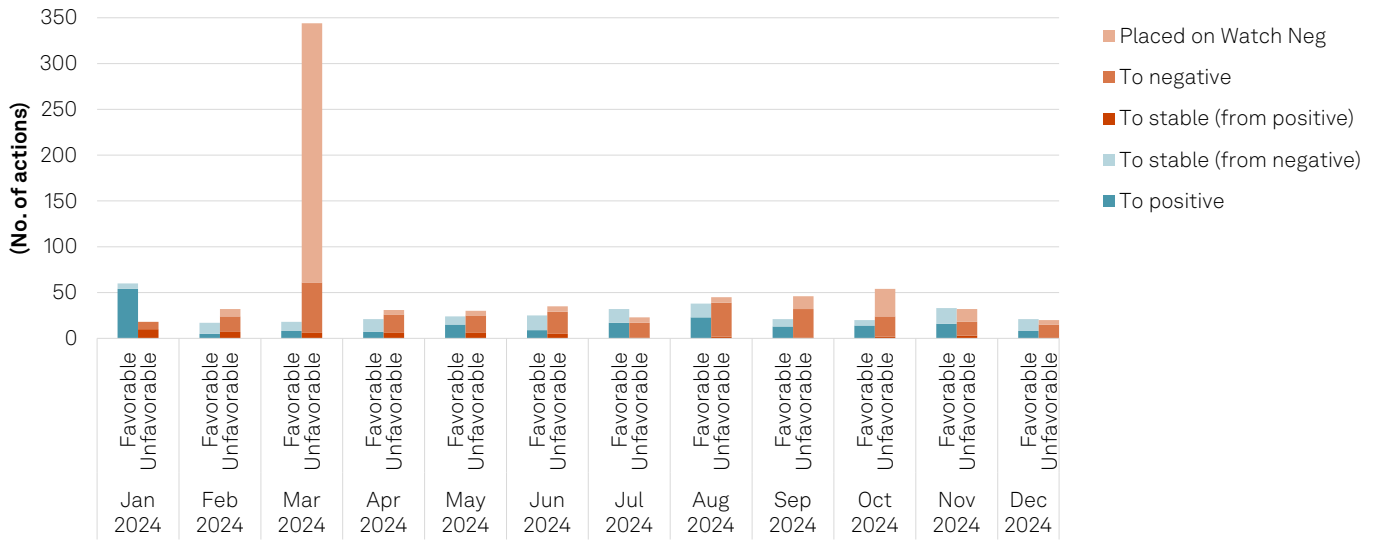
USPF rating actions by sector YTD 2024



Source: S&P Global Ratings.

Chart 3

USPF outlook and CreditWatch actions by month



Source: S&P Global Ratings.

Sector Spotlight—Retail Electric

S&P Global Ratings rates 189 not-for-profit retail electric utilities using its "U.S. Municipal Retail Electric And Gas Utilities: Methodology And Assumptions," published Sept. 27, 2018. These utilities are spread across the U.S. and range from systems with fewer than 10,000 customer accounts to those with more than 1 million.

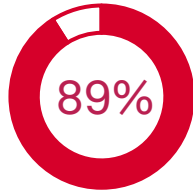
The medium-investment-grade rating on most utilities reflects our view of their generally healthy operations and finances amid utility-specific and industrywide challenges.

Chart 4

Rated not-for-profit (NFP) retail electric utilities: by the numbers



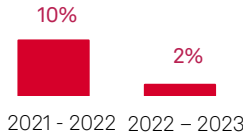
189
Rated NFP retail electric utilities, including combined utilities



1.5x
Median fixed-charge coverage in fiscal 2023



168
Median days' liquidity in fiscal 2023



10% average increase in electric rates from 2021 to 2022, 2% from 2022 to 2023*

*U.S. Energy Information Administration. Source: S&P Global Ratings.

Recent Research

[U.S. Rated Not-For-Profit Retail Electric And Natural Gas Utilities—Sector Update And 2023 Medians](#), Dec. 9, 2024

[Data Centers: U.S. Not-For-Profit Electric Utilities Explore Ways To Mitigate Risks From Load Growth](#), Nov. 21, 2024

[Gridlock: Interconnection Queue Backlog Adds Risks For U.S. Not-For-Profit Power Sector](#), Oct. 8, 2024

[Your Three Minutes In Electric Power: EPA Emissions Rules Could Hamper Power Production Economics And Utility Credit Metrics](#), May 16, 2024

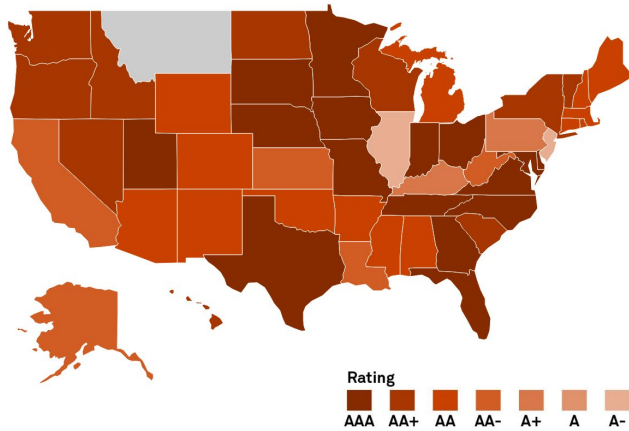
[U.S. Public Power Retail Municipal Utilities: 10 Rated Utilities With The Highest Debt Balances](#), Feb. 1, 2024

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

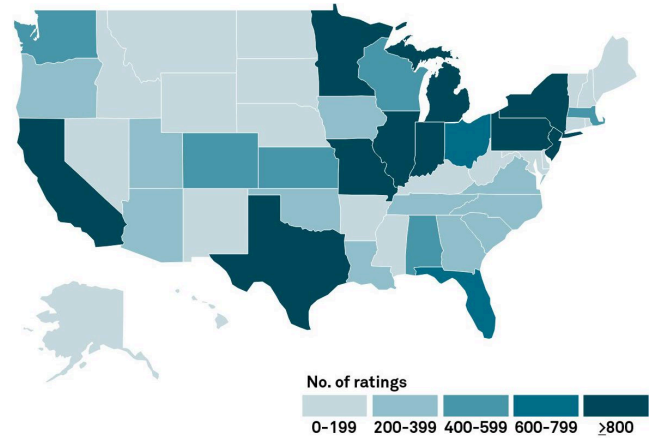
U.S. state ratings



States not rated 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
Arizona	Affirmation	Outlook to positive	AA	AA	Positive	Stable	July 25, 2024
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 December 2024

Sector	Rating changes		Outlook changes			CreditWatch changes	
	Upgrade	Downgrade	Outlook to positive	Outlook to negative	Outlook to stable	Placed on Watch Neg	Removed from CreditWatch
Charter schools	1	0	0	0	2	0	0
Education	2	1	0	3	1	0	1
Health care	0	7	1	1	2	0	2
Housing	0	2	2	0	0	1	0
Local governments	73	72	4	6	6	4	14
Not-for-profit	2	0	0	0	0	0	0
Public power	1	1	0	0	0	0	0
States	0	0	0	0	0	0	0
Transportation	3	0	0	0	0	0	0
Utilities	4	12	1	5	2	0	0

Source: S&P Global Ratings.

Table 3

Number of rating actions by sector YTD 2024

Sector	Rating changes		Outlook changes			CreditWatch changes	
	Upgrade	Downgrade	Outlook to positive	Outlook to negative	Outlook to stable	Placed on Watch Neg	Removed from CreditWatch
Charter schools	7	14	14	15	11	3	3
Education	27	27	18	39	14	6	5
Health care	12	47	15	21	34	7	7
Housing	25	8	9	6	2	4	3
Local governments	561	282	104	141	87	269	145
Not-for-profit	9	0	1	1	5	0	0
Public power	10	12	2	5	10	2	5
States	10	2	10	16	0	2	0
Transportation	52	1	3	2	6	1	0
Utilities	47	111	13	33	21	88	57

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.

Analytical Contacts

Eden Perry

New York
eden.perry
@spglobal.com

Nora Wittstruck

New York
nora.wittstruck
@spglobal.com

Charlotte Perry

Missouri
charlotte.perry
@spglobal.com

Research Contributors

Deegant Pandya

New York
deegant.pandya
@spglobal.com

Sahay Senathikagu

New York
sahayajayaseelan.sen
@spglobal.com

Bushra Dawawala

Mumbai
bushra.dawawala
@spglobal.com

Investor Contact

Heather McArdle

New York
heather.mcardle
@spglobal.com

Media Contact

Orla OBrien

Boston
orla.obrien
@spglobal.com

Commercial Contact

Kate Boatright

Dallas
kate.boatright
@spglobal.com

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