

# **Bond Case Briefs**

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## **S&P Medians And Credit Factors: New Jersey Municipalities And Counties**

### **Overview**

New Jersey municipalities and counties (or local governments [LGs]) generally have high credit quality, and S&P Global Ratings expects credit quality for New Jersey LGs to remain stable in the near term despite the fact that they face several potential challenges. These challenges include actions at the state level that may affect local government finances (for more information, see “New Jersey’s State Budget Offers Flat Aid, Uncertain Revenue For Local Governments,” published Aug. 19, 2019, on RatingsDirect). The stability is supported by above-average wealth and income levels and access to strong, broad, and diverse metropolitan statistical areas (MSAs).

S&P Global Ratings maintains ratings on roughly 290 LGs in New Jersey. Overall, the LG portfolio retained stable credit quality in the last 12 months, with only 5.8% experiencing rating movement, including 11 positive rating actions and six negative rating actions. Nine of our positive rating actions reflected strengthening financial performance and reserve positions among the rated municipalities. All six negative rating actions were at least partly due to inconsistent budgetary performance. Nearly 98% of ratings carry a stable outlook, while 1% have negative and 1% have positive outlooks.

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