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S&P ESG Brief: ESG Pension And OPEB Analysis In U.S. Public Finance

Environmental, social, and governance (ESG) is integral to our public finance credit analysis and we continue to amplify our transparency efforts for market participants. This brief aims to identify when our view of pension analytics and governance as part of ESG intersects with credit rating analysis.

Credit rating analysis for pension and OPEB is built around cash flows, both current and future, and how contribution costs could negatively affect an issuer's willingness and ability to meet its debt obligations and operational expenditures. In our view, ESG factors begin to overlap with our credit rating analysis for pension and OPEB when prioritization of plan contributions, through forward-looking plan governance decisions, is viewed through the lens of risk management, culture, and oversight.

Continue reading. [Registration required.]

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