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Mayor Brandon Johnson Announces the Upgrade of Chicago's Ratings by Fitch Ratings, Inc.

CHICAGO — Mayor Brandon Johnson announced Fitch Ratings, Inc. has upgraded the City of Chicago's General Obligation (GO) rating to 'A-' from 'BBB+,' and Chicago's Sales Tax Securitization Corporation's (STSC) senior lien bonds to 'AAA' from 'AA+. The ratings agency has also maintained its outlook for both STSC and GO at Stable.

"We are appreciative that Fitch Ratings has increased the City's rating on our bonds, which we use to fund needed investments in our infrastructure. These rating upgrades recognize our commitment to responsible fiscal management and the economic strength and vitality of Chicago," Mayor Brandon Johnson said. "It reflects the vibrancy of our economy and will lower our borrowing costs, supporting the hard work and dedication of our administration to build a stronger, more resilient Chicago for all residents."

The upgrades reflect the implementation of Fitch's new U.S. Public Finance Local Government Rating Criteria. Fitch cites the City's adherence to sound fiscal practices, as well as a commitment to solving budget gaps through structural solutions as contributing factors. The ratings agency noted that the City's demographic and economic profile remain an asset, and that Chicago's population in 2022 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

"For years, we have believed that rating agencies undervalue the strength and potential of Chicago," Chief Financial Officer Jill Jaworski said. "A big driver of this rating increase is the fact that the new criteria afford due recognition of Chicago's financial resilience and resources deriving from our large and diversified local economy."

Improved ratings lead to lower borrowing costs and broaden the pool of investors in the City's bonds. The savings, resulting from the upgrade, makes funds available to further invest in the City's programs. With a stronger financial position, the City of Chicago can enhance services such as education, public safety, and infrastructure, thereby improving the overall quality of life for all its residents.

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