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US States Likely to Defy US Downgrade to Keep Top Credit Ratings.

US states from Florida to North Carolina and Texas would likely hold onto top-notch credit scores from Moody's Ratings, mostly because they're in better fiscal shape than the federal government itself.

More than a dozen states have pristine triple-A ratings from Moody's, according to Bloomberg-compiled data, ranking them higher than the US government, which was stripped of its last top credit rating on Friday. That's in part thanks to requirements for all but one, including the District of Columbia, to balance their operating budget in some form, according to a 2021 report by the National Association of State Budget Officers.

Analysts at JPMorgan Chase & Co. also suggested in a note on Friday that states should be relatively immune. They cited a Moody's report from 2023, when the ratings firm changed its outlook on the US government to negative, that few public finance issuers were directly affected by that revision.

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