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## **Fitch Fiscal 2019 Median Ratios for U.S. Colleges and Universities (Performance Holds but Revenue Pressures Persist)**

Fitch Ratings sees steady margins amid pressured revenue for U.S. colleges and universities in fiscal 2019 amid thin prospects for growing student-fee revenue and persistent demand pressures. Credit gaps continue to widen, particularly for institutions rated in the 'BBB' rating category and below. Liquidity and leverage metrics were stable, marked by some growth in debt issuance countered by solid investment market performance. Median ratings were steady at 'AA' for public institutions and 'A-' for private institutions. Fiscal 2019 ratios do not show any effects from the coronavirus pandemic on university operations, but they are expected to be significant in fiscal years 2020 and 2021. We expect more rating and rating outlook pressure on both regional public and smaller, lower-rated private universities due to the pandemic. Operating Performance Stable Median operating results for public and private universities remained largely stable again in fiscal 2019, particularly on a cashflow basis and for institutions in the 'A' rating category and higher.

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