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Chicago Wins Moody's Upgrade, Exiting Years in Junk Status.

- **Investment-grade rating may lead to lower borrowing costs**
- **Ratings lift comes as Lightfoot seeks re-election next year**

Chicago has shed its junk status for the first time in more than seven years marking a major win for Mayor Lori Lightfoot as she seeks re-election.

Moody's Investors Service on Tuesday raised the city's rating by one notch to Baa3, freeing Chicago from its one non-investment grade rating for the first time since 2015. The upgrade may allow the city to borrow at lower rates, saving taxpayers money. Moody's downgraded the city to junk in May 2015 amid rising pension costs.

The move "reflects the city's substantial increase in pension contributions, including an upcoming boost to comply with the city's new pension funding policy that targets contributing an amount sufficient to keep reported net pension liabilities from growing," David Levett, senior analyst at Moody's, said in a statement. Moody's also has the city's debt on a stable outlook.

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