Bond Case Briefs

Municipal Finance Law Since 1971

S&P: How Proposed Immigration Policy Could Affect U.S. Public Finance Issuers' Creditworthiness

Despite considerable uncertainty about President-elect Donald Trump's policy proposals for immigration reform, S&P Global Ratings believes it could be helpful to provide its preliminary views on how a stricter approach to immigration could affect certain sectors in U.S. public finance.

What's Happening
The incoming administration hasn't released details on how proposed immigration policies would be structured or enforced, and the timing and extent of any policy changes remain unclear. Nevertheless, Trump's first term, campaign priorities, and early cabinet appointments serve as a preliminary guide for gauging potential areas of credit impact.

Why It Matters
In addition to potential economic and workforce impacts, a proposed change in federal immigration policy could put financial pressure on some public finance sectors, although significant uncertainty remains around the timing, magnitude, and implementation that complicate making cost or economic projections. Tighter border policies could relieve some costs for governments that experienced higher social service expenditures to support new arrivals entering the U.S. during the past few years, even as they potentially raise costs for labor and construction.

Continue reading.

20 Nov, 2024