

Illinois Earns Credit Rating Upgrade From Fitch

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CHICAGO - Governor Pritzker today celebrated the state's ninth credit rating upgrade in just over two years as Fitch Ratings elevated Illinois' rating for general obligation bonds. This fiscal progress comes as the result of five balanced budgets and years of responsible financial management and discipline under Governor Pritzker and Democrats in the General Assembly.

“We are continuing to right the past fiscal wrongs in our state with disciplined fiscal leadership, and credit rating agencies and businesses alike are taking notice of Illinois’ remarkable progress,” said Governor JB Pritzker. “Another credit rating upgrade means millions saved for Illinois taxpayers in interest—money back in the pockets of our state where it can better serve our residents.”

The rating of a state’s bonds is a measure of their credit quality. A higher bond rating generally means the state can borrow at a lower interest rate, saving taxpayers millions of dollars. Between 2015 and 2017, the State of Illinois suffered eight credit rating downgrades and sat at the top of many analysts’ lists of the worst managed states in the nation under the previous administration. At its worst, Illinois’ bill backlog hit nearly \$17 billion.

“In addition to building up reserves, the state has also actively reduced various long-term and budgetary liabilities, most prominently its unpaid bills, and laid a more sustainable fiscal foundation,” said Fitch’s report on the upgrade. “Illinois reduced its accounts payable balance by approximately \$1 billion over the course of fiscal 2023 to less than \$500 million, a level the state has not seen in more than two decades and continuing a pattern of using unappropriated surpluses to pay down bills.”

Across major credit rating agencies S&P Global Ratings, Fitch Ratings, and Moody’s Investors Service, the state has received nine upgrades since June of 2021. Illinois is now back in the “A” category for all three agencies. Prior to those upgrades, the state had not received an upgrade since June of 2000, over two decades. Agencies have cited the state’s actions in paying down bill backlogs, repaying debts, increased fiscal transparency, building financial reserves, and balancing the state budget as factors in the upgraded ratings.