First U.S. Public Finance ESG Report Card Discusses Tri-State Region

NEW YORK, Oct. 28, 2020 /PRNewswire/ -- S&P Global Ratings has published the first of a new series of "ESG report cards" in the U.S. public finance sector. The new report covers the New York, New Jersey, and Connecticut region and is titled "ESG U.S. Public Finance Report Card: Tri-State Region Governments And Not-For-Profit Enterprises."

"Our ESG report cards qualitatively explore the relative exposures (average, below, elevated) of UPSF issuers to ESG credit factors over the short, medium, and long term," said S&P Global Ratings credit analyst Nora Wittstruck. "Comparisons of ESG risks and opportunities are not an input to our credit ratings, rather they are descriptors reflecting what is already incorporated into our current forward-looking opinion of credit risks."

This report card lists ESG insights for select governments and not-for-profit entities, including how and why ESG factors may have had a more positive or negative influence on an entity's credit quality compared to sector peers or the broader sector. These comparative views of ESG factors are qualitative and established by analysts during analytic discussions and described in issuer-level credit reports, with the goal of providing more insight and transparency.

Among the takeaways are:

- Environmental: The region is exposed to elevated environmental risks when compared to other regions in the U.S., depending on an entity's proximity to the Atlantic Ocean.
- Social: The area was once the epicenter of the COVID-19 pandemic in the U.S. and continues to reel from health and safety social risks related to reducing the virus transmission. However, outside of health and safety social risks, we view declining population and affordability concerns as elevated long-term social risks.
- Governance: We view the statutory framework as we define it in our criteria as a governance opportunity for entities in New York, New Jersey, and Connecticut as each provide oversight for distressed issuers, which we believe supports credit quality in the Tri-State.

This report does not constitute a rating action.

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