



Wayne County News Release

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Fitch Global Ratings Upgrades Wayne County to 'AA' Rating From 'A'

DETROIT – Just two months after S&P Global Ratings upgraded Wayne County’s credit from an ‘A’ to an ‘A+’ rating, Fitch Ratings has now upgraded Wayne County’s credit rating from ‘A’ to ‘AA’.

The key drivers under Fitch’s new methodology that contributed to the ratings increase are directly related to the economy and economic development. In its announcement release, Fitch recognized the notable strides Wayne County has made in the areas of job creation and development, stating: “We believe that economic development projects and well-paying jobs are important factors in support of population growth, which directly ties into Fitch’s rating methodology.” Additionally, “Educational attainment is stronger at 40th percentile which is not a surprise given the County’s relatively strong higher education institutions and the support that the County and other governmental units have provided over the years.”

“This is a powerful win for Wayne County and its residents that solidly demonstrates all the work my administration has been doing to stabilize and fortify the county’s financial situation,” said Wayne County Executive Warren C. Evans. “Wayne County is making investments that are improving our quality of life. Our continued financial improvements are a testament to our team’s commitment and dedication to fiscal responsibility.”

Wayne County also received high marks for size (most rating agencies tend to favor larger units of government over smaller units). Diversification, which is calculated in comparison to the distribution of jobs in the U.S. economy taken as a whole, is important as well.

Most importantly, however, was Wayne County’s Fund balance or “Financial Resilience”, which was identified as the strongest positive driver which offsets revenue volatility, over which the County has limited control. Fitch also noted that “the County’s historical practices during the current administration regarding Fund Balance are very strong, although they indicate that having a formal fund balance policy would be credit positive in the future (not now necessarily) as a way that the current administration could help ensure that future administrations maintain the same fiscal prudence as the current administration. It is important to note that Fitch is not saying that implementing a Fund Balance policy could improve the County’s current rating. Long-Term Liability Burden was also rated in the ‘strongest’ category and is in the 84th percentile which indicates a low liability burden relative to Fitch’s local government ratings.”

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