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> Why Detroit's Credit Rating Upgrade Matters To Residents

Why Detroit's credit rating upgrade matters to residents

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When the City of Detroit receives a credit rating upgrade, it doesn't just make headlines in financial circles. It has real impacts on the services, investments, and quality of life Detroiters experience every day.

---> **Detroit receives rating upgrades from S&P and Moody's agencies in one week**

Here's what it means in plain language.

The city is in a stronger financial position

Think of a credit rating like a financial report card.

When independent agencies like Moody's and S&P raise Detroit's rating, they're saying the city is managing its finances responsibly, planning for the future, and is in a better position to weather economic challenges.

For residents, that's important because a financially stable city is better equipped to continue delivering services and making investments over the long term.

Borrowing costs can be lower

Cities often borrow money to pay for major infrastructure projects that benefit residents for decades.

A stronger credit rating can mean lower interest rates when the city borrows, reducing the cost of those projects.

That means more taxpayer dollars can go toward improvements in neighborhoods instead of interest payments.

It helps support investments in neighborhoods

The upgrade comes as Detroit continues investing in services and programs residents use every day, including sidewalk repairs, neighborhood lighting, affordable housing, public safety, workforce development, and youth programs.

The rating agencies specifically pointed to Detroit's strong financial management and long-term planning as reasons for the upgrade.

It signals confidence in Detroit's future

Credit rating agencies look at more than budgets. They examine factors such as economic growth, property values, population trends, governance, and financial reserves.

Their decision to upgrade Detroit's rating reflects confidence in the city's direction and its ability to continue growing.

That matters because strong financial confidence can help attract investment, development, businesses, and jobs.

It shows Detroit's recovery is continuing

Just over a decade ago, Detroit was in bankruptcy and had a junk bond rating. Today, the city has earned rating upgrades for 12 consecutive years and has returned to the "A" category with Moody's for the first time since 1999.

While residents may not feel a credit rating directly, it is one of the clearest signs that Detroit's financial foundation continues to strengthen.

The bottom line

A credit rating upgrade is more than a financial milestone. It means Detroit is managing its finances responsibly while continuing to invest in residents, neighborhoods, and the city's future. Strong finances help create the stability needed to improve services today while building a stronger Detroit for years to come.