



Rating Action: Moody's Ratings assigns Aa1 to the Commonwealth of Massachusetts' GO Bonds Consolidated Loan of 2025, Series G and GO Refunding Bonds, 2025 Series B; outlook stable

13 Nov 2025

New York, November 13, 2025 -- Moody's Ratings (Moody's) has assigned a Aa1 rating to the Commonwealth of Massachusetts' proposed issuance of \$750 million General Obligation Bonds Consolidated Loan of 2025, Series G and \$350 million General Obligation Refunding Bonds, 2025 Series B. We maintain the state's Aa1 issuer rating and its other outstanding ratings. The outlook is stable.

RATING RATIONALE

The Aa1 rating, the same as the state's issuer rating, is supported by Massachusetts' robust economy, with a highly educated workforce and strong personal income, that helps meet demands of a comparatively heavy long-term liability burden. The Commonwealth Stabilization Fund remains strong at \$8.2 billion, which should help offset revenue losses resulting from economic downturns or other factors. The commonwealth faces rapid spending growth, particularly for pension contributions, which will exert fiscal pressure in coming years. Massachusetts' governance framework is strong, including sound financial and budgetary management practices that serve it well during recessions.

RATING OUTLOOK

The stable outlook is based on Massachusetts' financial management strengths and its financial reserves, which will accommodate moderating revenue growth even if spending pressures intensify and will help address challenges that emerge in an unexpected economic downturn.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Leverage that moderates in relation to the sector median, reducing the gap by approximately one-third
- Fiscal sustainability measures that signal long-term capacity to maintain a Stabilization Fund balance equal to at least 15% of revenue

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Protracted structural budget imbalance reflected in repeated draws on financial reserves or other non-recurring measures
- Leverage that grows to more than 300% of revenue, combined with underperforming revenue and economic growth trends

PROFILE

The Commonwealth of Massachusetts is the 16th-largest state by population, with an estimated 7.14 million residents as of 2024, according to the US Census Bureau. Its gross domestic product, at \$778.5 billion in 2024, ranks 12th among the states, according to the US Bureau of Economic Analysis.

METHODOLOGY

The principal methodology used in these ratings was US States and Territories published in July 2024 and

available at <https://ratings.moodys.com/rmc-documents/425428>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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