

United States of America

Rating report

Rating rationale

Persistently high fiscal deficits, rising interest expenses and constrained budgetary flexibility drive a steady rise in general government debt-to-GDP. We expect the debt-to-GDP ratio to reach 140% by 2030 – well above most sovereign peers. The extension of previous tax cuts and the high share of mandatory spending constrain budgetary flexibility in the near term. Over the longer term, public debt challenges are compounded by large and unfunded contingent liabilities, particularly from Medicare and Medicaid, which, absent meaningful reform, remain far larger than those of sovereign peers.

The weakening of governance standards reduces the predictability of US policymaking, increases the risk of policy missteps, and reduces the capacity of Congress to address the country's structural fiscal challenges. This reflects the increasing consolidation of power within the executive branch – traditionally counterbalanced by the legislative and judicial branches – alongside the diminished effectiveness of Congress amid persistent political polarisation and sustained periods of legislative gridlock. This increases the risk of policy missteps, including by the Federal Reserve, and reduces the capacity of Congress to implement reforms to address the country's structural fiscal challenges and respond effectively to future economic shocks.

Rating strengths include: i) the wealthy, competitive, highly diversified and resilient economy – being the largest globally; ii) the US dollar as the world's primary reserve currency and US Treasuries as the global safe asset which anchor unparalleled advantages with respect to Treasury's funding flexibility; and iii) strong, transparent, and accountable economic institutions, including the Federal Reserve – widely regarded as the world's leading central bank – which underpins macroeconomic and price stability.

Foreign currency

Long-term issuer rating/Outlook

AA-/Stable

Senior unsecured debt/Outlook

AA-/Stable

Short-term issuer rating/Outlook

S-1+/Stable

Local currency

Long-term issuer rating/Outlook

AA-/Stable

Senior unsecured debt/Outlook

AA-/Stable

Short-term issuer rating/Outlook

S-1+/Stable

Figure 1: United States of America's sovereign-rating drivers

Risk pillars		Quantitative		Reserve currency*	Political risk**	Qualitative****	Final rating
		Weight	Indicative rating	Notches	Notches	Notches	
Domestic economic risk		35%	aaa	USD	United States	2/3	AA-
Public finance risk		20%	cc			- 1/3	
External economic risk		10%	c			2/3	
Financial stability risk		10%	aaa			1/3	
ESG risk	Environmental factors	5%	bbb	[+3]	[0]	- 1/3	
	Social factors	7.5%	b-			- 1/3	
	Governance factors	12.5%	aaa			- 1/3	
Sovereign Quantitative Model***		aa-				+0	
Additional considerations						0	

*The reserve-currency quantitative adjustment applies to currencies in the IMF's Special Drawing Rights (SDR) basket.

**The political-risk quantitative adjustment is based on the World Bank's Political Stability & Absence of Violence/Terrorism index.

***The Rating Committee approved an indicative rating of 'aa-'.

****The qualitative scorecard analyst adjustments, capped at one notch per rating pillar, are weighted equally with an aggregate adjustment rounded to the nearest integer. For details, please see Scope's [Sovereign Rating Methodology](#). Source: Scope Ratings.

Credit strengths and challenges

Credit strengths

- A large, diversified, competitive and very-wealthy economy
- Treasuries as the global safe asset and the dollar as the global reserve currency
- World-leading economic institutions
- Global financial institutions and deep capital markets

Credit challenges

- Sustained high budget deficits and structurally rising general government debt as a share of GDP
- Governance risks, heightened policy uncertainty
- Politicised use of the debt ceiling
- Financial system risks amid high rates and deregulation

Outlook and rating triggers

The **Stable Outlook** reflects Scope's view that risks to the ratings are balanced.

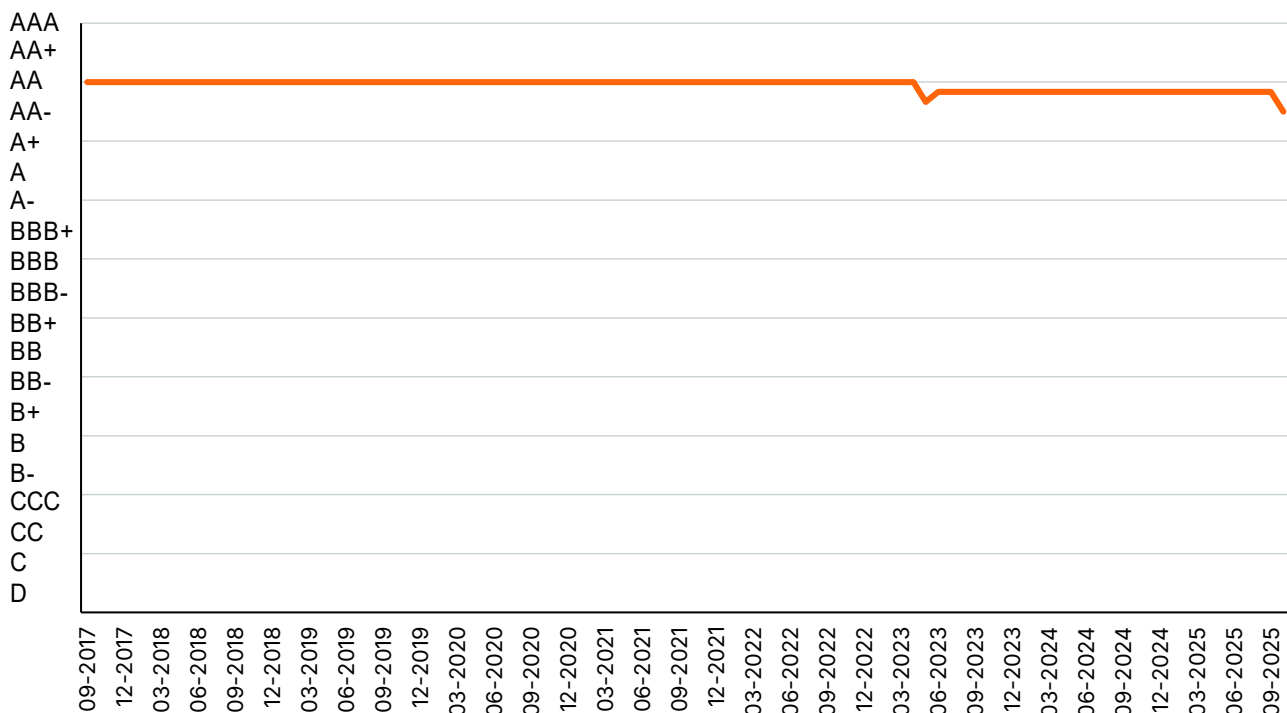
Positive rating-change drivers

- Stronger fiscal outlook including a significant improvement in the debt-to-GDP trajectory; and/or
- Stronger economic outlook over the medium term.

Negative rating-change drivers

- Evidence of a significantly reduced role for the US dollar as the global reserve currency, leading to lower global demand for US Treasuries;
- A significant increase in debt sustainability concerns due to prolonged increases in the debt-to-GDP ratio; and/or
- A material weakening in the fiscal and/or economic outlook resulting from a large shock such as a financial or prolonged debt ceiling crisis.

Figure 2: Rating history



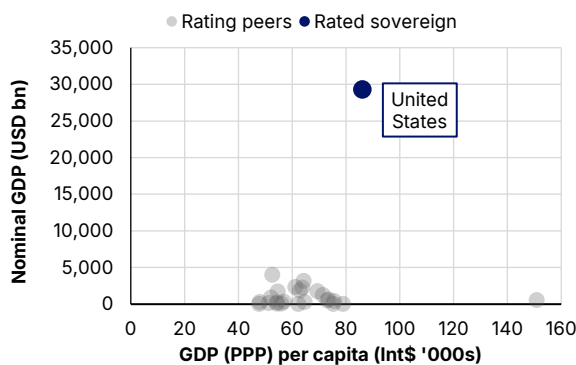
Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings.

Domestic economic risk

Overview of Scope's assessments of United States of America's Domestic Economic Risk

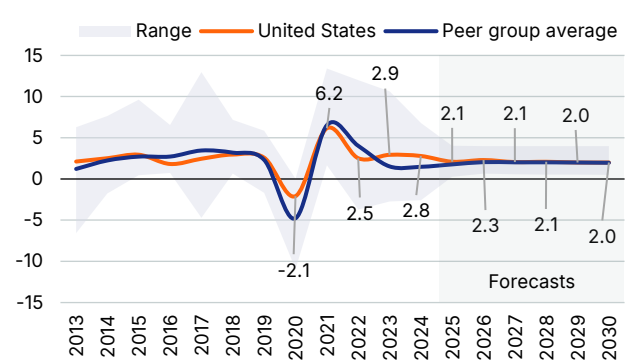
SQM ¹ indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Growth potential and outlook	Strong	1/3	Solid growth potential compared to G7-peers, supported by structural reforms, AI-investments, and expansionary fiscal policy
	Monetary policy framework	Neutral	0	The Federal Reserve is the globe's foremost central bank; rising challenges for the independence of the central bank; inflation above target for several years
	Macroeconomic stability and sustainability	Strong	1/3	The United States sustains the world's largest economy; competitive and highly-diversified economy; flexible labour markets

Figure 3: Nominal GDP and GDP per capita (2024)



Source: IMF World Economic Outlook (WEO), Scope Ratings

Figure 4: Real GDP growth, %



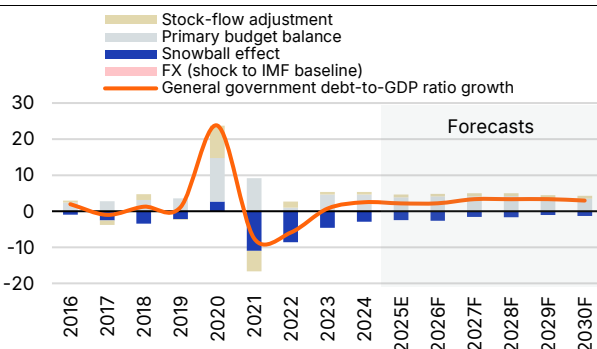
Source: IMF WEO, Scope Ratings forecasts

Public finance risk

Overview of Scope's assessments of the United States of America's Public Finance Risk

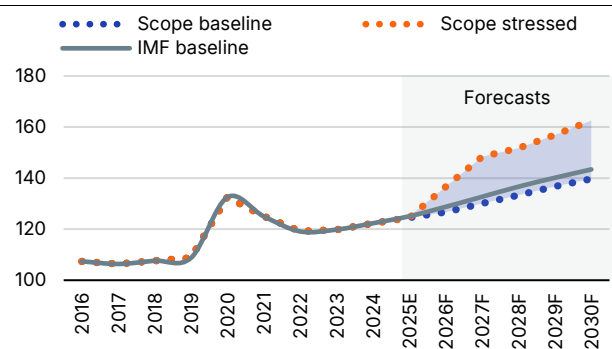
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
CC	Fiscal policy framework	Weak	- 1/3	Inadequate fiscal framework including the politicisation of the debt limit and inability to pass budgets on time; very large fiscal deficits
	Long-term debt trajectory	Weak	- 1/3	An elevated and structurally rising government debt ratio; challenges for long-run debt sustainability despite high debt tolerance; high contingent liabilities
	Debt profile and market access	Strong	1/3	Global benchmark issuer status and excellent market access; below-average maturity of treasuries; elevated financing rates alongside very-elevated yearly government gross financing requirements

Figure 5: Contributions to change in debt levels, pps of GDP



Source: IMF WEO, Scope Ratings forecasts

Figure 6: Debt-to-GDP forecasts, % of GDP



Source: IMF WEO, Scope Ratings forecasts

¹ Sovereign Quantitative Model

External economic risk

Overview of Scope's assessments of the United States of America's *External Economic Risk*

SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
C	Current account resilience	Neutral	0	Diversified export base; moderate current-account deficits but unparalleled capacity to fund annual trade deficits
	External debt structure	Strong	1/3	Relatively low external debt; most foreign assets being in foreign currency, whereas liabilities are benignly in the US dollar
	Resilience to short-term external shocks	Strong	1/3	The US dollar as the global reserve currency mitigates vulnerabilities to external-sector crises

Figure 7: Current-account balance, % of GDP

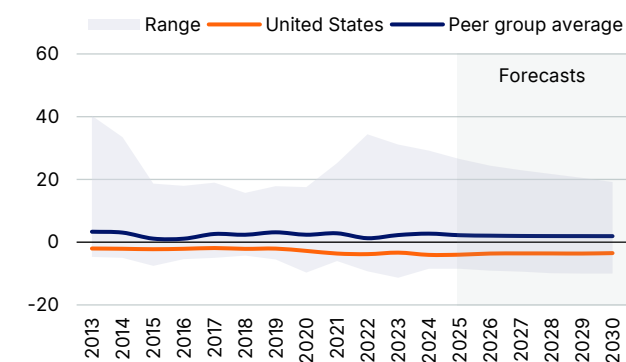
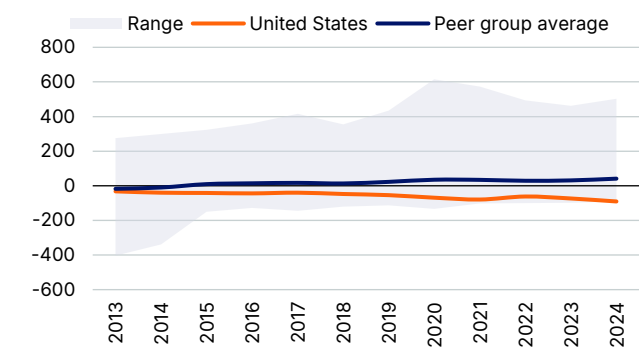


Figure 8: Net international investment position (NIIP), % GDP



Financial stability risk

Overview of Scope's assessments of the United States of America's *Financial Stability Risk*

SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Banking sector performance	Strong	1/3	A world-class banking system with more-moderate capital adequacy compared against that of many European banking systems but stronger profitability; low NPLs
	Financial sector oversight and governance	Neutral	0	A sophisticated financial-regulatory system and strong financial governance framework, but deregulation increases long-run financial risks
	Financial imbalances	Neutral	0	Significant financial-market risks given continued challenge from inflation and the conditions of higher steady-state rates for longer

Figure 9: Non-performing loans (NPLs), % of total loans

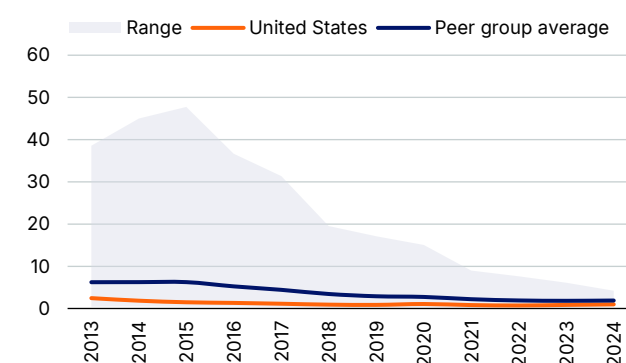
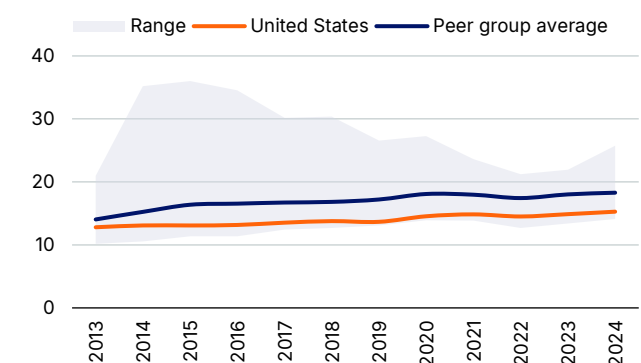


Figure 10: Tier 1 capital, % of risk-weighted assets

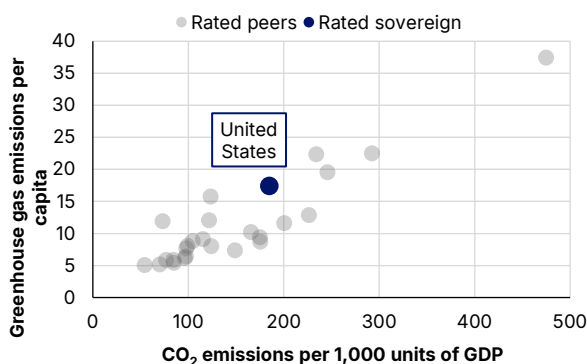


Environmental, Social and Governance (ESG) risk

Overview of Scope's assessments of the United States of America's ESG Risk

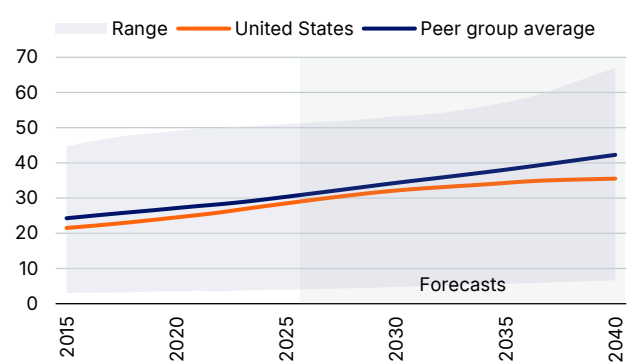
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
a	Environmental factors	Weak	- 1/3	Significant transition risks challenged by the government's pro-oil and gas policy; meaningful natural disaster risk exposure
	Social factors	Weak	- 1/3	The erosion of socio-economic mobility and elevated inequality; weakening demographics; roll-back of key healthcare provisions; rising societal polarisation
	Governance factors	Weak	- 1/3	Institutional risks persist – such as for the rule of law and the independence of the judiciary; political polarisation prevents bipartisan policy making

Figure 11: CO₂ emissions per GDP (2023), mtCO₂e



Source: European Commission (EC), Scope Ratings

Figure 12: Old-age dependency ratio, %



Source: United Nations (UN), Scope Ratings

Reserve-currency adjustment

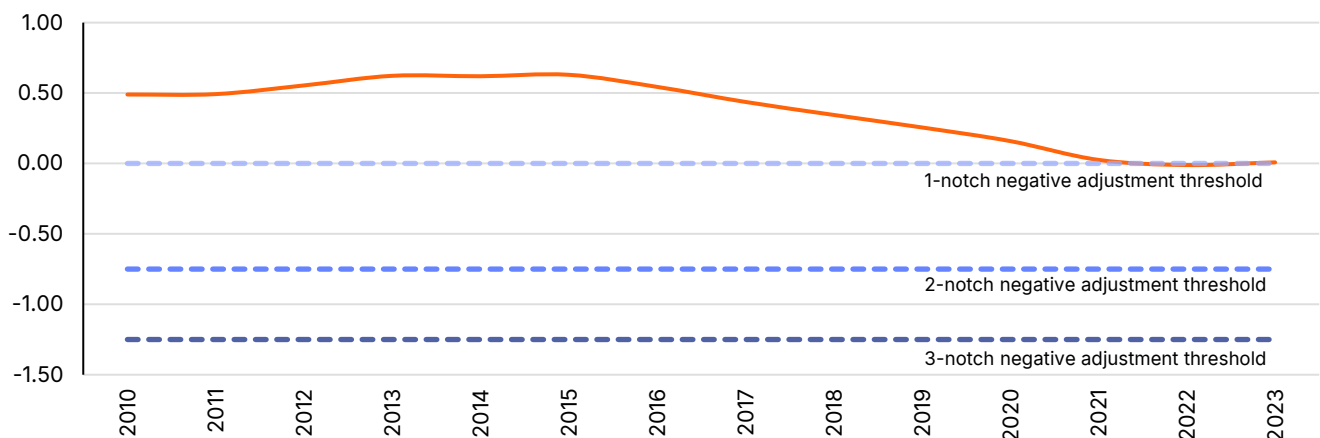
IMF SDR basket and Scope reserve-currency adjustment

Currency	U.S. dollar	Euro	Chinese yuan	Japanese yen	Pound sterling	Other
IMF SDR basket weights, %	43.4	29.3	12.3	7.6	7.4	0.0
Positive adjustment, notches	3	1	1	1	1	0

Source: IMF, Scope Ratings

Political-risk adjustment

Figure 13: WB Political Stability & Absence of Violence/Terrorism index, United States of America, 3-year moving average



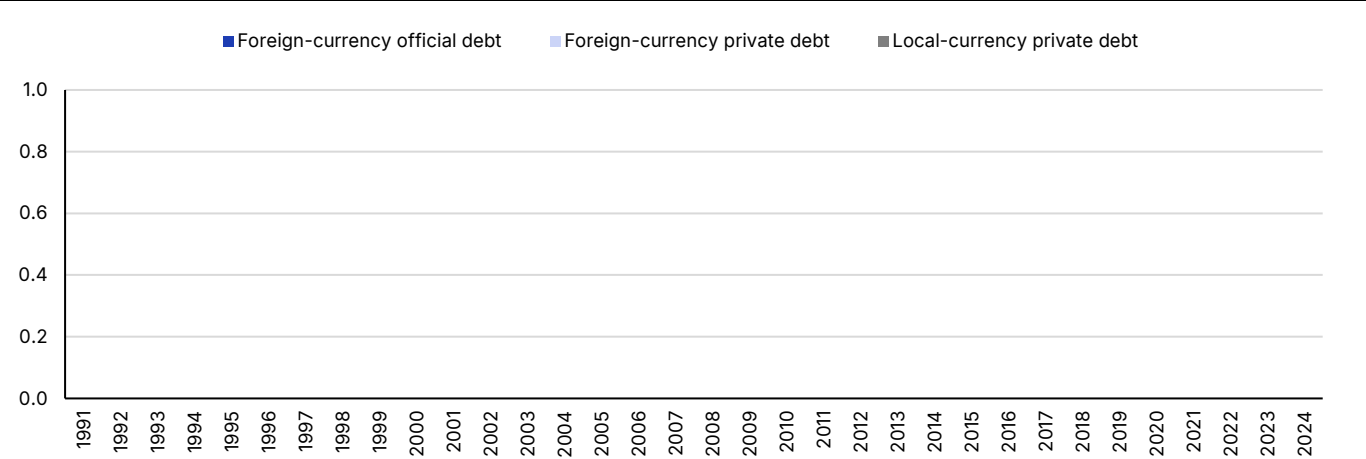
Source: WB, Scope Ratings

Additional considerations

No adjustment was applied to the rating from additional considerations.

Appendix 1. Sovereign default history

Sovereign default history, USD bn



Depicted private-debt defaults may not always constitute a credit event under [Scope's credit-rating definitions](#).
Source: [Bank of Canada-Bank of England Sovereign Default Database](#), Scope Ratings.

Appendix 2. Rating peers

Rating peers are related to sovereigns with an indicative rating in the same rating category or adjacent categories, as assigned by Scope's sovereign quantitative model after accounting for methodological reserve-currency and political-risk adjustments.

Peer group*
Austria
Belgium
Czech Republic
Finland
France
Japan
Spain
United Kingdom

*Select publicly rated sovereigns only; the full sample of sovereign-rating peers may be larger.

Appendix 3. Economic development and default indicators

IMF Development Classification	Advanced economy
5y USD CDS spread (bp) as of 24 October 2025	36.85

Appendix 4. Statistical table for selected SQM indicators

This table presents a selection of the indicators (24 out of 30 – with the governance indicator reflecting a composite of five indicators) used in Scope's quantitative model, in line with Scope's Sovereign Rating Methodology. The metrics and sources for the data presented here ensure comparability across global country peers and may therefore differ from data from national and other select international statistical series.

Pillar	Core variable	Source	2019	2020	2021	2022	2023	2024
Domestic Economic	GDP per capita (PPP), Int\$ '000s	IMF	65.6	64.5	71.4	77.9	82.5	86.1
	Nominal GDP, USD bn	IMF	21,540	21,375	23,726	26,055	27,812	29,298
	Real growth, %	IMF	2.6	-2.1	6.2	2.5	2.9	2.8
	CPI inflation, %	IMF	1.8	1.3	4.7	8.0	4.1	3.0
	Unemployment rate, %	WB	3.7	8.1	5.3	3.7	3.6	4.0
Public Finance	Public debt, % of GDP	IMF	108.8	132.5	125.0	119.1	119.8	122.3
	Net interest payment, % of government revenue	IMF	7.6	6.7	7.1	8.3	10.5	11.4
	Primary balance, % of GDP	IMF	-3.5	-12.1	-9.2	-1.0	-4.7	-4.6
External Economic	Current-account balance, % of GDP	IMF	-2.1	-2.8	-3.6	-3.8	-3.3	-4.0
	Total reserves, months of imports	WB	1.5	2.1	2.0	1.7	1.8	1.9
	NIIP, % of GDP	IMF	-54.2	-68.9	-79.4	-62.0	-73.4	-90.6
Financial Stability	NPL ratio, % of total loans	IMF	0.9	1.1	0.8	0.7	0.8	1.0
	Tier 1 ratio, % of risk-weighted assets	IMF	13.9	13.8	14.8	15.2	14.7	15.0
	Credit to the private sector, % of GDP	WB	194.7	217.9	220.4	188.0	192.6	198.2
ESG	CO ₂ per EUR 1,000 of GDP, mtCO ₂ e	EC	217.7	200.0	200.8	198.4	184.9	180.4
	Income share of bottom 50%, %	WID	13.6	13.7	13.5	13.3	13.4	-
	Labour-force participation rate, %	WB	73.0	71.9	72.2	72.8	73.6	73.7
	Old-age dependency ratio, %	UN	23.8	24.5	25.2	26.0	26.8	27.7
	Composite governance indicators*	WB	1.3	1.1	1.2	1.2	1.2	-
	Political stability, index	WB	0.3	0.2	0.0	0.0	0.0	-

*Average of the following five World Bank Worldwide Governance Indicators: Control of Corruption, Voice and Accountability, Rule of Law, Government Effectiveness, Regulatory Quality.

Applied methodologies

[Sovereign Rating Methodology](#), January 2025

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