Georgia Run-Offs Begin New Year, Important to Watch for Credit Quality

- The COVID-19 daily cases, deaths and hospitalization numbers continue to worsen. December saw a record 77,000 deaths in the U.S. Dr. Anthony Fauci says the COVID-19 backdrop will likely get worse before it gets better, or at best the numbers will stay "terribly high."
- Lockdown- and shutdown-related restrictions are tightening in Europe. President-elect Biden has said a national lockdown would be counterproductive. Fauci says targeted lockdowns would not be out of the question to contain the spread of the virus.
- The most important thing investors should be watching, which could impact municipal credit quality, to begin the new year are the results of the Jan. 5, 2021 Georgia Senate run-off elections.
- In November, the Georgia Republican candidates had a slight edge in the average polling data per FiveThirtyEight. In recent weeks, the Democrats have pulled ahead slightly. Ossoff now holds a 1.4 point lead over Purdue and Warnock holds a 2.0 point lead over Loeffler. These leads are well within the margin of error, so right now it is best to describe these races as neck-and-neck.
- If the Republicans keep control of the Senate, it would likely mean that a sixth phase of COVID-19 relief (one that would include direct aid to states and cities) is unlikely in the near term. Movement on infrastructure-related legislation would be slightly possible, but many roadblocks would exist. If the Democrats win both Georgia Senate elections and take control of the Senate, more aid for states and cities would be possible and infrastructure legislation coming out of Washington, D.C. could not only be substantial, but it could move quickly.

Download the full article

Read more Municipal Commentary

©2026 Hilltop Securities Inc. \ All rights reserved \ MEMBER: NYSE/FINRA/SIPC