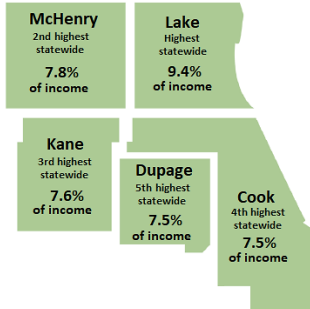


Pensions and Illinois' 7,000 governments drive up homeowner property taxes

Illinoisans pay the highest property taxes in nation...

Property taxes as a percent of household income, county rank, 2015



Source: Illinois Department of Revenue, U.S. Census Bureau

...fueled by the most units of local government in the nation...

Illinois has nearly 7,000 local governments

State	Local governments
Illinois	6,963
Texas	5,147
Pennsylvania	4,897
California	4,425
Kansas	3,826

Source: U.S. Census Bureau, 2013

...and administrators who receive executive-level compensation...

80% of Schaumburg workers receive \$100k or more in total compensation

Top compensated Village of Schaumburg workers, 2016

Worker	Total annual compensation*
Village Manager	\$313,076
Chief Of Police	\$230,506
Assistant Village Manager	\$227,280
Director Of Cultural Services	\$226,453
Director Of E.P.W.	\$225,479
Director Of Info Technology	\$212,533
Fire Captain	\$200,425
Director Of Finance	\$199,784
Fire Captain	\$197,813
Director Of Com. Develop Dept.	\$197,803

Source: Schaumburg Employee Compensation and Benefits database, 2016

*Defined as "position total" in database

...along with millions of dollars in lifetime pension benefits.

Many school district administrators will receive multi-million dollar pensions

Top compensated Schaumburg CCSD 54 administrators, 2016

Position	Name	Annual Total compensation	Estimated lifetime pension benefit*
Superintendent	Andrew Duross	\$252,992	\$7.5 million
Assistant Supt.	Nicholas Myers	\$204,311	\$7 million
Assistant Supt.	Peter Hannigan	\$180,104	\$6.7 million
Assistant Supt.	Paul Goldberg	\$175,862	\$7.5 million
Assistant Supt.	Erin Knoll	\$174,079	\$9 million
Assistant Supt.	Danette Meyer	\$172,712	\$5.4 million
Assistant Supt.	Cassandra Williams	\$172,712	\$5.8 million
School CBO	Fredric King	\$171,192	\$2.6 million

Source: ISBE Employment Information System database

*Assumes TRS salary increases until retirement, full career retirement at age 61, life expectancy based on available Social Security actuarial tables

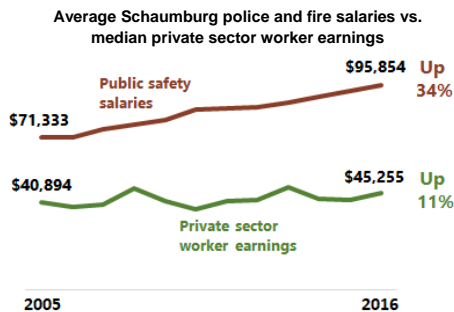
Public-sector compensation has become increasingly unaffordable to struggling Schaumburg residents.

Annual salaries in Schaumburg, 2016

Worker	Salary
HSD 211 & CCSD 54 Admin. salary	\$127,027
Schaumburg public safety salary	\$95,854
Township HSD 211 teacher salary	\$87,018
CCSD 54 teacher salary	\$60,773
Private sector worker earnings	\$45,255

Source: ISBE Employment Information System database, Illinois Department of Insurance, U.S. Census Bureau

Public safety salaries have grown faster than residents' ability to pay for them...



Source: Illinois Department of Insurance, U.S. Census Bureau

...and have exacerbated the city's local pension crisis, putting public safety retirements at risk.

Even though Schaumburg taxpayers have doubled their contributions to pensions...

Taxpayer contributions to public safety pensions

2005: \$4.5 million 2016: \$8.3 million

...they're on the hook for nearly double the pension debt.

Public safety pension debt

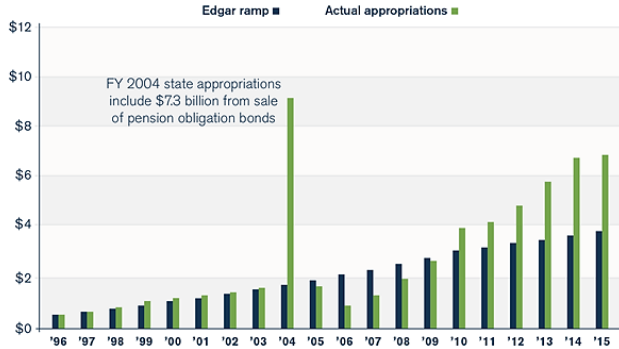
2005: \$70 million 2016: \$123 million

Source: Illinois Department of Insurance

The state pension crisis

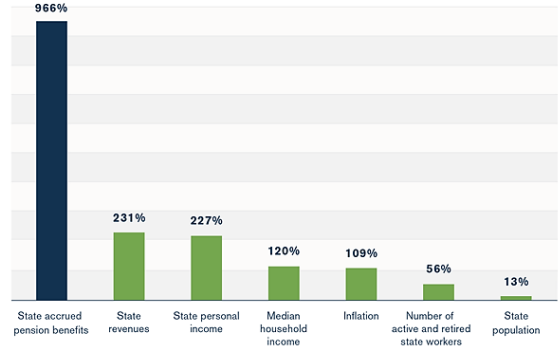
Benefits: too unrealistic for workers and too expensive for taxpayers.

Illinois taxpayers have contributed \$60B toward pensions since 1996, \$16B more than required by Edgar reform plan
 Appropriations schedule under 1994 Edgar ramp vs. actual appropriations (in billions)



Source: Commission on Government Forecasting and Accountability @illinoispolicy

State of Illinois' accrued pension benefits grow far faster than revenues, inflation, income, population
 Total growth in accrued state pension liabilities vs. other indicators, 1987 vs. 2015



Source: Illinois Department of Insurance, Illinois Comptroller, U.S. Bureau of Economic Analysis, U.S. Census Bureau, Federal Reserve Bank of St. Louis, Commission on Government Forecasting and Accountability @illinoispolicy

Pension benefits of recently retired, career pensioners* in Illinois

Pension fund	Average current pension	Average age at retirement	Average employee contribution	Average total pension payout**
TRS	\$73,300	59	\$153,900	\$2.2 million
SERS	\$50,000	59	\$63,000	\$1.6 million
SURS	\$71,600	58	\$145,200	\$2.3 million
JRS	\$174,600	70	\$196,700	\$2.9 million
GARS	\$134,400	67	\$187,900	\$2.1 million
Average	\$66,800	59	\$128,000	\$2.1 million

Source: Pensioner data obtained from the 5 state-run pension systems pursuant to a 2015 FOIA request
 *Retired since Jan. 1, 2013 (GARS and JRS since Jan. 1, 2008), with 30 years' creditable service
 Average total pension payout is based on approximate life expectancies from Social Security's available actuarial life tables. Current ages as of 2015 were used to determine pensioners' life expectancies.
 @illinoispolicy

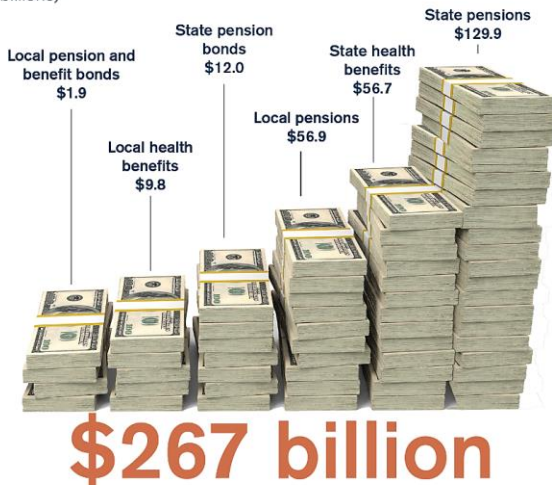
In Illinois, 60% of state pensioners began drawing benefits in their 50s Approximate ages at which state workers retired

Age at retirement	All state pensioners	% of total	Cumulative % of total
<50	2,499	1%	1%
50-55	41,421	19%	21%
55-59	83,244	39%	60%
60-64	62,605	29%	89%
65-70	18,522	9%	98%
>70	4,781	2%	100%
	213,072		

Source: Pensioner data obtained from the 5 state-run pension systems pursuant to a 2015 FOIA request @illinoispolicy

Total retirement debt across all Illinois governments grows to \$267B in 2016

Government-worker pension and retiree health care unfunded liabilities (in billions)



Source: Illinois state and local pension and health care actuarial reports @illinoispolicy

Illinois credit rating headed to junk, already lowest-rated in nation

State ratings by Moody's Investors Service (Illinois neighbors highlighted in green)

Investment grade	Rating	States
Highest quality, lowest credit risk	Aaa	Delaware, Georgia, Indiana, Iowa, Maryland, Missouri, North Carolina, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia
	Aa1	Alabama, Arkansas, Colorado, Florida, Hawaii, Idaho, Massachusetts, Michigan, Minnesota, Montana, New Mexico, New Hampshire, North Dakota, New York, Ohio, Oregon, Washington
	Aa2	Alaska, Arizona, Kansas, Kentucky, Maine, Mississippi, Nebraska, Nevada, Oklahoma, Rhode Island, West Virginia, Wisconsin
High quality, very low credit risk	Aa3	Connecticut, California, Louisiana, Pennsylvania
	A1	
	A2	
Upper medium grade, low credit risk	A3	New Jersey
	Baa1	
Medium grade, with some speculative elements and moderate credit risk	Baa2	
	Baa3	Illinois (current)
	Ba1	Illinois ?
Speculative grade "junk"		

Note: Wyoming is not rated by Moody's Investors Service. Source: Moody's Investors Service @illinoispolicy