

COMMUNITIES IN CRISIS

More than half of Illinois cities get “F” grades for local pensions

Matteson

2019 Grade: F

In 2003, Matteson’s police, fire and municipal pension funds already faced a shortfall of **\$7.9 million**. That meant every Matteson household, on average, was on the hook for **\$1,751** in future taxes just to eliminate that shortfall.

Matteson began contributing more money – taxpayer dollars – to pensions in an attempt to make the plans healthier. Over the next 16 years, city contributions increasingly crowded out spending for public safety, roads and other core services.

	2003	2019	Change
City (taxpayer) contributions to pensions	\$0.97 million	\$3.34 million	Up 3.4X
Share of city general budget for pensions	6.4%	18.0%	Up 2.8X

Despite the ramp-up in city payments over those 16 years, Matteson’s pension debts didn’t decrease. Instead, they jumped by 6.5 times!

By 2019, the shortfall in Matteson’s police, fire and municipal pension funds totaled **\$51.1 million**. That means each Matteson household, on average, is now on the hook for **\$6,988** in debt.

Everyone loses under Matteson’s pension crisis:



Taxpayers are tapped out

Matteson residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.4 times more to pensions than in 2003, yet city debts are 6.5 times larger.



Pension costs are devouring the city’s budget

Matteson pension contributions have grown to consume 18.0% of the city’s budget, up from 6.4% in 2003. That’s crowded out spending on public safety, roads and other core services.



Matteson worker retirement security is collapsing

The health of Matteson’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 79.9% of the money they needed. By 2019, that had dropped to just 54.1%.



Matteson’s crisis will only get worse

Matteson has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 3.67 active workers for every pensioner. By 2019, there were 0.93 active workers per pensioner.

2019 GRADE



2003 GRADE



Matteson receives an "F" grade for its local pension crisis

Local officials handcuffed by state pension mandates.

Wirepoints quantified the negative impact of local pensions by examining the finances of Illinois' 175 largest cities from 2003 to 2019. The analysis was based on ten equally-weighted metrics. Cities were given an A through F grade based on a 100-point scale (10 points per metric).*

Matteson received an "F" grade in 2019. The city's total score dropped from 81 in 2003 to 54 in 2019, a decline of 27 points.

Matteson was one of 102 cities to receive an "F" grade in 2019.

175 Cities - Summary Scores			
Grade	Score	Number of cities	
		2003	2019
A	≥90	4	0
B	80-89	35	1
C	70-79	81	8
D	60-69	48	64
F	≤59	7	102

Matteson Key Facts		
City demographics	2000	2019
Population	12,928	19,385
Households	4,493	7,309
Median household income	\$59,583	\$83,729
City budget	2003	2019
General revenues	\$15,196,899	\$18,598,234
Total revenues	\$25,448,402	\$42,372,616
Total property taxes	\$7,122,150	\$5,288,804
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$39,140,743	\$111,283,906
Total pension assets	\$31,273,457	\$60,208,014
Funded ratio	79.9%	54.1%
Total pension shortfall	\$7,867,286	\$51,075,892
Per household	\$1,751	\$6,988
Active public safety workers	66	70
Public safety pension beneficiaries	18	75
City pension contributions	2003	2019
City contributions	\$973,622	\$3,344,586
Per household	\$217	\$458
Percentage of city's general budget	6.4%	18.0%
Employees' contributions	\$557,116	\$803,385

Matteson Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	71.4%	52.8%	7	5
2. Firefighter pension funded ratio	91.9%	46.7%	9	4
3. Municipal (IMRF) pension funded ratio	85.8%	80.7%	8	8
4. City pension debts per household as a percentage of median household income	2.9%	8.3%	8	6
5. City contributions per household as a percentage of median household income	0.36%	0.55%	8	7
6. City contributions as a percentage of total budget	3.8%	7.9%	8	4
7. Ratio of city contributions to employee contributions	1.75	4.16	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-23.8%	-18.7%	5	6
9. Asset-to-payout ratio (Police & Fire only)	36.8	11.3	10	6
10. Worker-to-beneficiary ratio (Police & Fire only)	3.67	0.93	10	4
Total score			81	54
Grade			B	F

*Wirepoints analyzed 175 of Illinois' largest cities, excluding Chicago, that have a local police, firefighter and municipal (IMRF) pension fund.

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