

COMMUNITIES IN CRISIS

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

Morton Grove

2019 Grade: F

In 2003, Morton Grove’s police, fire and municipal pension funds already faced a shortfall of **\$26.2 million**. That meant every Morton Grove household, on average, was on the hook for **\$3,192** in future taxes just to eliminate that shortfall.

Morton Grove 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	\$0.70 million	\$5.95 million	Up 8.5X
Share of city general budget for pensions	4.5%	20.3%	Up 4.5X

Despite the ramp-up in city payments over those 16 years, Morton Grove’s pension debts didn’t decrease. Instead, they jumped by 2.8 times!

By 2019, the shortfall in Morton Grove’s police, fire and municipal pension funds totaled **\$73.3 million**. That means each Morton Grove household, on average, is now on the hook for **\$8,729** in debt.

Everyone loses under Morton Grove’s pension crisis:



Taxpayers are tapped out

Morton Grove residents are paying more and more into a broken system. City taxpayers in 2019 contributed 8.5 times more to pensions than in 2003, yet city debts are 2.8 times larger.



Pension costs are devouring the city’s budget

Morton Grove pension contributions have grown to consume 20.3% of the city’s budget, up from 4.5% in 2003. That’s crowded out spending on public safety, roads and other core services.



Morton Grove worker retirement security is collapsing

The health of Morton Grove’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 61.0% of the money they needed. By 2019, that had dropped to just 53.0%.



Morton Grove’s crisis will only get worse

Morton Grove has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.33 active workers for every pensioner. By 2019, there were 0.84 active workers per pensioner.

2019 GRADE



2003 GRADE



Morton Grove 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).*

Morton Grove received an "F" grade in 2019. The city's total score dropped from 64 in 2003 to 54 in 2019, a decline of 10 points.

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

Morton Grove Key Facts		
City demographics	2000	2019
Population	22,451	23,089
Households	8,211	8,394
Median household income	\$63,511	\$85,360
City budget	2003	2019
General revenues	\$15,596,937	\$29,309,312
Total revenues	\$31,403,095	\$67,143,269
Total property taxes	\$10,701,595	\$14,038,228
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$67,289,694	\$155,784,541
Total pension assets	\$41,077,457	\$82,514,367
Funded ratio	61.0%	53.0%
Total pension shortfall	\$26,212,238	\$73,270,174
Per household	\$3,192	\$8,729
Active public safety workers	88	87
Public safety pension beneficiaries	66	104
City pension contributions	2003	2019
City contributions	\$700,923	\$5,945,880
Per household	\$85	\$708
Percentage of city's general budget	4.5%	20.3%
Employees' contributions	\$611,051	\$1,193,024

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

Morton Grove Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	65.3%	49.4%	6	4
2. Firefighter pension funded ratio	56.5%	52.9%	5	5
3. Municipal (IMRF) pension funded ratio	46.2%	85.0%	4	8
4. City pension debts per household as a percentage of median household income	5.0%	10.2%	7	5
5. City contributions per household as a percentage of median household income	0.13%	0.83%	9	6
6. City contributions as a percentage of total budget	2.2%	8.9%	9	3
7. Ratio of city contributions to employee contributions	1.15	4.98	9	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-64.4%	-0.1%	1	9
9. Asset-to-payout ratio (Police & Fire only)	17.0	10.5	8	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.33	0.84	6	4
Total score			64	54
Grade			D	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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