

COMMUNITIES IN CRISIS

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

Murphysboro

2019 Grade: F

In 2003, Murphysboro’s police, fire and municipal pension funds already faced a shortfall of **\$3.4 million**. That meant every Murphysboro household, on average, was on the hook for **\$899** in future taxes just to eliminate that shortfall.

Murphysboro 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	\$0.32 million	\$1.04 million	Up 3.3X
Share of city general budget for pensions	12.6%	18.9%	Up 1.5X

Despite the ramp-up in city payments over those 16 years, Murphysboro’s pension debts didn’t decrease. Instead, they jumped by 4.0 times!

By 2019, the shortfall in Murphysboro’s police, fire and municipal pension funds totaled **\$13.4 million**. That means each Murphysboro household, on average, is now on the hook for **\$4,051** in debt.

Everyone loses under Murphysboro’s pension crisis:



Taxpayers are tapped out

Murphysboro residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.3 times more to pensions than in 2003, yet city debts are 4.0 times larger.



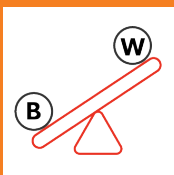
Pension costs are devouring the city’s budget

Murphysboro pension contributions have grown to consume 18.9% of the city’s budget, up from 12.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Murphysboro worker retirement security is collapsing

The health of Murphysboro’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 71.0% of the money they needed. By 2019, that had dropped to just 54.1%.



Murphysboro’s crisis will only get worse

Murphysboro has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.65 active workers for every pensioner. By 2019, there were 0.90 active workers per pensioner.

2019 GRADE



2003 GRADE



Murphysboro 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).*

Murphysboro received an "F" grade in 2019. The city's total score dropped from 70 in 2003 to 52 in 2019, a decline of 18 points.

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

Murphysboro Key Facts		
City demographics	2000	2019
Population	13,295	7,757
Households	3,742	3,307
Median household income	\$25,551	\$36,184
City budget	2003	2019
General revenues	\$2,555,296	\$5,475,920
Total revenues	\$5,756,365	\$10,501,474
Total property taxes	\$788,538	\$1,544,793
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$11,615,784	\$29,215,172
Total pension assets	\$8,250,460	\$15,817,550
Funded ratio	71.0%	54.1%
Total pension shortfall	\$3,365,324	\$13,397,622
Per household	\$899	\$4,051
Active public safety workers	28	26
Public safety pension beneficiaries	17	29
City pension contributions	2003	2019
City contributions	\$320,875	\$1,035,846
Per household	\$86	\$313
Percentage of city's general budget	12.6%	18.9%
Employees' contributions	\$153,938	\$204,938

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

Murphysboro Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	55.8%	41.9%	5	4
2. Firefighter pension funded ratio	59.5%	58.5%	5	5
3. Municipal (IMRF) pension funded ratio	107.3%	74.4%	10	7
4. City pension debts per household as a percentage of median household income	3.5%	11.2%	8	5
5. City contributions per household as a percentage of median household income	0.34%	0.87%	8	6
6. City contributions as a percentage of total budget	5.6%	9.9%	6	2
7. Ratio of city contributions to employee contributions	2.08	5.05	7	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-16.9%	2.0%	6	10
9. Asset-to-payout ratio (Police & Fire only)	12.7	10.5	7	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.65	0.90	8	4
Total score			70	52
Grade			C	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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