

# COMMUNITIES IN CRISIS

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

## Oak Forest

2019 Grade: D

In 2003, Oak Forest’s police, fire and municipal pension funds already faced a shortfall of **\$11.5 million**. That meant every Oak Forest household, on average, was on the hook for **\$1,184** in future taxes just to eliminate that shortfall.

*Oak Forest 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	\$0.92 million	\$3.29 million	Up 3.6X
Share of city general budget for pensions	8.9%	15.4%	Up 1.7X

*Despite the ramp-up in city payments over those 16 years, Oak Forest’s pension debts didn’t decrease. Instead, they jumped by 3.3 times!*

By 2019, the shortfall in Oak Forest’s police, fire and municipal pension funds totaled **\$38.0 million**. That means each Oak Forest household, on average, is now on the hook for **\$3,696** in debt.

### Everyone loses under Oak Forest’s pension crisis:



#### Taxpayers are tapped out

Oak Forest residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.6 times more to pensions than in 2003, yet city debts are 3.3 times larger.



#### Pension costs are devouring the city’s budget

Oak Forest pension contributions have grown to consume 15.4% of the city’s budget, up from 8.9% in 2003. That’s crowded out spending on public safety, roads and other core services.



#### Oak Forest worker retirement security is collapsing

The health of Oak Forest’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 68.8% of the money they needed. By 2019, that had dropped to just 62.9%.



#### Oak Forest’s crisis will only get worse

Oak Forest has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.58 active workers for every pensioner. By 2019, there were 1.06 active workers per pensioner.

2019 GRADE

**D**

2003 GRADE

**C**

# Oak Forest receives a "D" 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).\*

Oak Forest received a "D" grade in 2019. The city's total score dropped from 75 in 2003 to 64 in 2019, a decline of 11 points.

Oak Forest was one of 64 cities to receive a "D" 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

Oak Forest Key Facts		
City demographics	2000	2019
Population	28,051	27,617
Households	9,722	10,275
Median household income	\$60,073	\$76,945
City budget	2003	2019
General revenues	\$10,373,636	\$21,303,349
Total revenues	\$18,550,972	\$39,714,988
Total property taxes	\$5,785,340	\$12,189,538
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$36,893,354	\$102,334,772
Total pension assets	\$25,386,014	\$64,354,057
Funded ratio	68.8%	62.9%
Total pension shortfall	\$11,507,340	\$37,980,715
Per household	\$1,184	\$3,696
Active public safety workers	67	67
Public safety pension beneficiaries	26	63
City pension contributions	2003	2019
City contributions	\$919,432	\$3,289,113
Per household	\$95	\$320
Percentage of city's general budget	8.9%	15.4%
Employees' contributions	\$455,977	\$790,651

Oak Forest Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	61.0%	54.9%	6	5
2. Firefighter pension funded ratio	70.3%	68.4%	7	6
3. Municipal (IMRF) pension funded ratio	97.3%	83.1%	9	8
4. City pension debts per household as a percentage of median household income	2.0%	4.8%	8	8
5. City contributions per household as a percentage of median household income	0.16%	0.42%	9	8
6. City contributions as a percentage of total budget	5.0%	8.3%	6	3
7. Ratio of city contributions to employee contributions	2.02	4.16	7	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-26.3%	5.2%	4	10
9. Asset-to-payout ratio (Police & Fire only)	22.5	13.6	9	7
10. Worker-to-beneficiary ratio (Police & Fire only)	2.58	1.06	10	5
<b>Total score</b>			<b>75</b>	<b>64</b>
<b>Grade</b>			<b>C</b>	<b>D</b>

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

Communities in crisis: More than half of Illinois cities get "F" grades for local pensions

