

COMMUNITIES IN CRISIS

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

Oak Lawn

2019 Grade: F

In 2003, Oak Lawn’s police, fire and municipal pension funds already faced a shortfall of **\$42.0 million**. That meant every Oak Lawn household, on average, was on the hook for **\$1,883** in future taxes just to eliminate that shortfall.

Oak Lawn 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	\$2.63 million	\$9.71 million	Up 3.7X
Share of city general budget for pensions	8.1%	18.3%	Up 2.3X

Despite the ramp-up in city payments over those 16 years, Oak Lawn’s pension debts didn’t decrease. Instead, they jumped by 4.5 times!

By 2019, the shortfall in Oak Lawn’s police, fire and municipal pension funds totaled **\$188.5 million**. That means each Oak Lawn household, on average, is now on the hook for **\$8,871** in debt.

Everyone loses under Oak Lawn’s pension crisis:



Taxpayers are tapped out

Oak Lawn residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.7 times more to pensions than in 2003, yet city debts are 4.5 times larger.



Pension costs are devouring the city’s budget

Oak Lawn pension contributions have grown to consume 18.3% of the city’s budget, up from 8.1% in 2003. That’s crowded out spending on public safety, roads and other core services.



Oak Lawn worker retirement security is collapsing

The health of Oak Lawn’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 75.9% of the money they needed. By 2019, that had dropped to just 50.5%.



Oak Lawn’s crisis will only get worse

Oak Lawn has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.31 active workers for every pensioner. By 2019, there were 0.75 active workers per pensioner.

2019 GRADE



2003 GRADE



Oak Lawn 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).*

Oak Lawn received an "F" grade in 2019. The city's total score dropped from 70 in 2003 to 48 in 2019, a decline of 22 points.

Oak Lawn 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

Oak Lawn Key Facts		
City demographics	2000	2019
Population	55,245	55,936
Households	22,293	21,248
Median household income	\$47,585	\$64,476
City budget	2003	2019
General revenues	\$32,500,723	\$53,104,193
Total revenues	\$80,891,240	\$167,920,891
Total property taxes	\$15,590,154	\$26,553,976
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$173,919,310	\$380,561,702
Total pension assets	\$131,952,617	\$192,080,006
Funded ratio	75.9%	50.5%
Total pension shortfall	\$41,966,693	\$188,481,696
Per household	\$1,883	\$8,871
Active public safety workers	198	175
Public safety pension beneficiaries	151	234
City pension contributions	2003	2019
City contributions	\$2,625,166	\$9,708,435
Per household	\$118	\$457
Percentage of city's general budget	8.1%	18.3%
Employees' contributions	\$1,728,592	\$2,665,605

Oak Lawn Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	65.8%	44.1%	6	4
2. Firefighter pension funded ratio	72.7%	49.1%	7	4
3. Municipal (IMRF) pension funded ratio	104.2%	81.3%	10	8
4. City pension debts per household as a percentage of median household income	4.0%	13.8%	8	3
5. City contributions per household as a percentage of median household income	0.25%	0.71%	8	7
6. City contributions as a percentage of total budget	3.2%	5.8%	8	6
7. Ratio of city contributions to employee contributions	1.52	3.64	8	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-48.8%	-33.9%	1	3
9. Asset-to-payout ratio (Police & Fire only)	16.8	9.6	8	5
10. Worker-to-beneficiary ratio (Police & Fire only)	1.31	0.75	6	3
Total score			70	48
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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