

COMMUNITIES IN CRISIS

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

Oak Park

2019 Grade: F

In 2003, Oak Park’s police, fire and municipal pension funds already faced a shortfall of **\$50.4 million**. That meant every Oak Park household, on average, was on the hook for **\$2,180** in future taxes just to eliminate that shortfall.

Oak Park 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	\$2.85 million	\$12.95 million	Up 4.5X
Share of city general budget for pensions	7.8%	20.7%	Up 2.6X

Despite the ramp-up in city payments over those 16 years, Oak Park’s pension debts didn’t decrease. Instead, they jumped by 3.0 times!

By 2019, the shortfall in Oak Park’s police, fire and municipal pension funds totaled **\$153.3 million**. That means each Oak Park household, on average, is now on the hook for **\$7,098** in debt.

Everyone loses under Oak Park’s pension crisis:



Taxpayers are tapped out

Oak Park residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.5 times more to pensions than in 2003, yet city debts are 3.0 times larger.



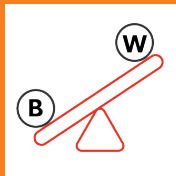
Pension costs are devouring the city’s budget

Oak Park pension contributions have grown to consume 20.7% of the city’s budget, up from 7.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Oak Park worker retirement security is collapsing

The health of Oak Park’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 72.1% of the money they needed. By 2019, that had dropped to just 56.8%.



Oak Park’s crisis will only get worse

Oak Park has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.82 active workers for every pensioner. By 2019, there were 0.70 active workers per pensioner.

2019 GRADE



2003 GRADE



Oak Park 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 Park received an "F" grade in 2019. The city's total score dropped from 65 in 2003 to 58 in 2019, a decline of 7 points.

Oak Park 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 Park Key Facts		
City demographics	2000	2019
Population	52,524	52,233
Households	23,107	21,603
Median household income	\$59,183	\$94,646
City budget	2003	2019
General revenues	\$36,354,433	\$62,590,823
Total revenues	\$91,131,914	\$171,693,157
Total property taxes	\$27,513,798	\$49,347,556
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$180,595,170	\$355,052,564
Total pension assets	\$130,211,446	\$201,722,086
Funded ratio	72.1%	56.8%
Total pension shortfall	\$50,383,724	\$153,330,478
Per household	\$2,180	\$7,098
Active public safety workers	182	174
Public safety pension beneficiaries	222	247
City pension contributions	2003	2019
City contributions	\$2,850,433	\$12,953,728
Per household	\$123	\$600
Percentage of city's general budget	7.8%	20.7%
Employees' contributions	\$1,673,752	\$2,478,620

Oak Park Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	67.4%	57.3%	6	5
2. Firefighter pension funded ratio	57.1%	42.1%	5	4
3. Municipal (IMRF) pension funded ratio	112.5%	92.2%	10	9
4. City pension debts per household as a percentage of median household income	3.7%	7.5%	8	7
5. City contributions per household as a percentage of median household income	0.21%	0.63%	8	7
6. City contributions as a percentage of total budget	3.1%	7.5%	8	4
7. Ratio of city contributions to employee contributions	1.70	5.23	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-44.0%	10.1%	1	10
9. Asset-to-payout ratio (Police & Fire only)	14.0	10.0	7	6
10. Worker-to-beneficiary ratio (Police & Fire only)	0.82	0.70	4	3
Total score			65	58
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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