

COMMUNITIES IN CRISIS

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

Pekin

2019 Grade: F

In 2003, Pekin’s police, fire and municipal pension funds already faced a shortfall of **\$30.6 million**. That meant every Pekin household, on average, was on the hook for **\$2,284** in future taxes just to eliminate that shortfall.

Pekin 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	\$2.00 million	\$5.67 million	Up 2.8X
Share of city general budget for pensions	12.6%	18.8%	Up 1.5X

Despite the ramp-up in city payments over those 16 years, Pekin’s pension debts didn’t decrease. Instead, they jumped by 2.5 times!

By 2019, the shortfall in Pekin’s police, fire and municipal pension funds totaled **\$75.7 million**. That means each Pekin household, on average, is now on the hook for **\$5,582** in debt.

Everyone loses under Pekin’s pension crisis:



Taxpayers are tapped out

Pekin residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.8 times more to pensions than in 2003, yet city debts are 2.5 times larger.



Pension costs are devouring the city’s budget

Pekin pension contributions have grown to consume 18.8% of the city’s budget, up from 12.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Pekin worker retirement security is collapsing

The health of Pekin’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 55.2% of the money they needed. By 2019, that had dropped to just 47.5%.



Pekin’s crisis will only get worse

Pekin has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.03 active workers for every pensioner. By 2019, there were 0.79 active workers per pensioner.

2019 GRADE

F

2003 GRADE

D

Pekin 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).*

Pekin received an "F" grade in 2019. The city's total score dropped from 61 in 2003 to 46 in 2019, a decline of 15 points.

Pekin 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

Pekin Key Facts		
City demographics	2000	2019
Population	33,857	32,846
Households	13,378	13,559
Median household income	\$37,972	\$50,973
City budget	2003	2019
General revenues	\$15,881,028	\$30,227,157
Total revenues	\$28,355,870	\$62,487,089
Total property taxes	\$4,356,929	\$7,295,771
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$68,186,385	\$144,114,807
Total pension assets	\$37,633,548	\$68,431,759
Funded ratio	55.2%	47.5%
Total pension shortfall	\$30,552,838	\$75,683,048
Per household	\$2,284	\$5,582
Active public safety workers	102	106
Public safety pension beneficiaries	99	134
City pension contributions	2003	2019
City contributions	\$2,003,952	\$5,671,256
Per household	\$150	\$418
Percentage of city's general budget	12.6%	18.8%
Employees' contributions	\$677,583	\$1,086,863

Pekin Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	58.5%	59.2%	5	5
2. Firefighter pension funded ratio	35.4%	35.9%	3	3
3. Municipal (IMRF) pension funded ratio	110.1%	65.0%	10	6
4. City pension debts per household as a percentage of median household income	6.0%	11.0%	7	5
5. City contributions per household as a percentage of median household income	0.39%	0.82%	8	6
6. City contributions as a percentage of total budget	7.1%	9.1%	4	2
7. Ratio of city contributions to employee contributions	2.96	5.22	6	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-11.9%	-6.9%	7	8
9. Asset-to-payout ratio (Police & Fire only)	10.4	9.7	6	5
10. Worker-to-beneficiary ratio (Police & Fire only)	1.03	0.79	5	3

Total score	61	46
Grade	D	F

*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

