

COMMUNITIES IN CRISIS

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

Princeton

2019 Grade: D

In 2003, Princeton’s police, fire and municipal pension funds already faced a shortfall of **-\$0.9 million**. That meant every Princeton household, on average, was on the hook for **-\$287** in future taxes just to eliminate that shortfall.

Princeton 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	\$0.50 million	\$1.55 million	Up 3.1X
Share of city general budget for pensions	15.8%	25.3%	Up 1.6X

Despite the ramp-up in city payments over those 16 years, Princeton’s pension debts didn’t decrease. Instead, they jumped by -17.9 times!

By 2019, the shortfall in Princeton’s police, fire and municipal pension funds totaled **\$16.9 million**. That means each Princeton household, on average, is now on the hook for **\$4,963** in debt.

Everyone loses under Princeton’s pension crisis:



Taxpayers are tapped out

Princeton residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.1 times more to pensions than in 2003, yet city debts are -17.9 times larger.



Pension costs are devouring the city’s budget

Princeton pension contributions have grown to consume 25.3% of the city’s budget, up from 15.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Princeton worker retirement security is collapsing

The health of Princeton’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 103.6% of the money they needed. By 2019, that had dropped to just 68.1%.



Princeton’s crisis will only get worse

Princeton has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.80 active workers for every pensioner. By 2019, there were 1.20 active workers per pensioner.

2019 GRADE

D

2003 GRADE

A

Princeton 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).*

Princeton received a “D” grade in 2019. The city’s total score dropped from 94 in 2003 to 65 in 2019, a decline of 29 points.

Princeton 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

Princeton Key Facts		
City demographics	2000	2019
Population	7,501	7,603
Households	3,285	3,406
Median household income	\$39,622	\$53,324
City budget	2003	2019
General revenues	\$3,181,556	\$6,109,019
Total revenues	\$42,706,814	\$70,537,821
Total property taxes	\$1,502,714	\$1,982,345
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$26,048,082	\$52,918,406
Total pension assets	\$26,992,341	\$36,013,830
Funded ratio	103.6%	68.1%
Total pension shortfall	-\$944,263	\$16,904,576
Per household	-\$287	\$4,963
Active public safety workers	28	30
Public safety pension beneficiaries	10	25
City pension contributions	2003	2019
City contributions	\$501,941	\$1,547,758
Per household	\$153	\$454
Percentage of city’s general budget	15.8%	25.3%
Employees’ contributions	\$352,954	\$673,370

Princeton Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	81.9%	71.4%	8	7
2. Firefighter pension funded ratio	101.3%	59.6%	10	5
3. Municipal (IMRF) pension funded ratio	109.2%	70.6%	10	7
4. City pension debts per household as a percentage of median household income	-0.7%	9.3%	10	6
5. City contributions per household as a percentage of median household income	0.39%	0.85%	8	6
6. City contributions as a percentage of total budget	1.2%	2.2%	10	9
7. Ratio of city contributions to employee contributions	1.42	2.30	9	7
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-4.0%	-25.6%	9	4
9. Asset-to-payout ratio (Police & Fire only)	30.8	15.7	10	8
10. Worker-to-beneficiary ratio (Police & Fire only)	2.80	1.20	10	6
Total score			94	65
Grade			A	D

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

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