

COMMUNITIES IN CRISIS

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

River Forest

2019 Grade: F

In 2003, River Forest’s police, fire and municipal pension funds already faced a shortfall of **\$12.0 million**. That meant every River Forest household, on average, was on the hook for **\$2,927** in future taxes just to eliminate that shortfall.

River 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	\$0.65 million	\$2.93 million	Up 4.5X
Share of city general budget for pensions	7.2%	19.1%	Up 2.6X

Despite the ramp-up in city payments over those 16 years, River Forest’s pension debts didn’t decrease. Instead, they jumped by 3.2 times!

By 2019, the shortfall in River Forest’s police, fire and municipal pension funds totaled **\$38.9 million**. That means each River Forest household, on average, is now on the hook for **\$9,796** in debt.

Everyone loses under River Forest’s pension crisis:



Taxpayers are tapped out

River Forest 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 3.2 times larger.



Pension costs are devouring the city’s budget

River Forest pension contributions have grown to consume 19.1% of the city’s budget, up from 7.2% in 2003. That’s crowded out spending on public safety, roads and other core services.



River Forest worker retirement security is collapsing

The health of River Forest’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 71.1% of the money they needed. By 2019, that had dropped to just 54.7%.



River Forest’s crisis will only get worse

River Forest has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.14 active workers for every pensioner. By 2019, there were 0.75 active workers per pensioner.

2019 GRADE



2003 GRADE



River Forest 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).*

River Forest received an "F" grade in 2019. The city's total score dropped from 68 in 2003 to 53 in 2019, a decline of 15 points.

River Forest was one of 102 cities to receive an "F" grade in 2019.

River Forest Key Facts		
City demographics	2000	2019
Population	11,635	10,970
Households	4,107	3,971
Median household income	\$89,284	\$129,928
City budget	2003	2019
General revenues	\$9,032,208	\$15,349,109
Total revenues	\$16,422,992	\$27,632,344
Total property taxes	\$6,879,828	\$6,781,417
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$41,642,858	\$85,887,272
Total pension assets	\$29,620,385	\$46,986,182
Funded ratio	71.1%	54.7%
Total pension shortfall	\$12,022,473	\$38,901,090
Per household	\$2,927	\$9,796
Active public safety workers	56	49
Public safety pension beneficiaries	49	65
City pension contributions	2003	2019
City contributions	\$653,341	\$2,932,961
Per household	\$159	\$739
Percentage of city's general budget	7.2%	19.1%
Employees' contributions	\$373,785	\$600,936

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

River Forest Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	63.5%	54.5%	6	5
2. Firefighter pension funded ratio	67.6%	48.7%	6	4
3. Municipal (IMRF) pension funded ratio	117.4%	79.3%	10	7
4. City pension debts per household as a percentage of median household income	3.3%	7.5%	8	7
5. City contributions per household as a percentage of median household income	0.18%	0.57%	9	7
6. City contributions as a percentage of total budget	4.0%	10.6%	7	1
7. Ratio of city contributions to employee contributions	1.75	4.88	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-38.0%	-3.0%	2	9
9. Asset-to-payout ratio (Police & Fire only)	14.9	10.0	7	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.14	0.75	5	3
Total score			68	53
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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