

COMMUNITIES IN CRISIS

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

Rockford

2019 Grade: F

In 2003, Rockford’s police, fire and municipal pension funds already faced a shortfall of **\$101.4 million**. That meant every Rockford household, on average, was on the hook for **\$1,715** in future taxes just to eliminate that shortfall.

Rockford 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 | \$7.86 million | \$22.68 million | Up 2.9X |
| Share of city general budget for pensions | 9.7% | 14.4% | Up 1.5X |

Despite the ramp-up in city payments over those 16 years, Rockford’s pension debts didn’t decrease. Instead, they jumped by 4.0 times!

By 2019, the shortfall in Rockford’s police, fire and municipal pension funds totaled **\$406.9 million**. That means each Rockford household, on average, is now on the hook for **\$6,832** in debt.

Everyone loses under Rockford’s pension crisis:



Taxpayers are tapped out

Rockford residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.9 times more to pensions than in 2003, yet city debts are 4.0 times larger.



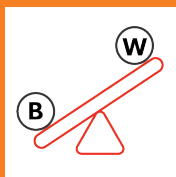
Pension costs are devouring the city’s budget

Rockford pension contributions have grown to consume 14.4% of the city’s budget, up from 9.7% in 2003. That’s crowded out spending on public safety, roads and other core services.



Rockford worker retirement security is collapsing

The health of Rockford’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 76.1% of the money they needed. By 2019, that had dropped to just 52.6%.



Rockford’s crisis will only get worse

Rockford has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.19 active workers for every pensioner. By 2019, there were 0.90 active workers per pensioner.

2019 GRADE



2003 GRADE



Rockford 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).*

Rockford received an “F” grade in 2019. The city’s total score dropped from 71 in 2003 to 47 in 2019, a decline of 24 points.

Rockford 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 |

| Rockford Key Facts | | |
|---|---------------|---------------|
| City demographics | 2000 | 2019 |
| Population | 150,115 | 147,070 |
| Households | 59,114 | 59,551 |
| Median household income | \$37,667 | \$44,252 |
| City budget | 2003 | 2019 |
| General revenues | \$81,299,117 | \$157,098,406 |
| Total revenues | \$243,543,090 | \$431,983,504 |
| Total property taxes | \$42,146,665 | \$59,089,527 |
| Pension health (police, fire & IMRF) | 2003 | 2019 |
| Total accrued liabilities (benefits owed) | \$423,382,456 | \$858,859,913 |
| Total pension assets | \$322,010,382 | \$452,006,419 |
| Funded ratio | 76.1% | 52.6% |
| Total pension shortfall | \$101,372,074 | \$406,853,494 |
| Per household | \$1,715 | \$6,832 |
| Active public safety workers | 554 | 571 |
| Public safety pension beneficiaries | 464 | 635 |
| City pension contributions | 2003 | 2019 |
| City contributions | \$7,856,230 | \$22,679,118 |
| Per household | \$133 | \$381 |
| Percentage of city’s general budget | 9.7% | 14.4% |
| Employees’ contributions | \$4,043,763 | \$6,134,609 |

| Rockford Score | | | | |
|--|--------|--------|-----------|-----------|
| Metric | 2003 | 2019 | 2003 | 2019 |
| 1. Police pension funded ratio | 74.2% | 52.4% | 7 | 5 |
| 2. Firefighter pension funded ratio | 69.2% | 45.9% | 6 | 4 |
| 3. Municipal (IMRF) pension funded ratio | 97.5% | 80.0% | 9 | 8 |
| 4. City pension debts per household as a percentage of median household income | 4.6% | 15.4% | 8 | 1 |
| 5. City contributions per household as a percentage of median household income | 0.35% | 0.86% | 8 | 6 |
| 6. City contributions as a percentage of total budget | 3.2% | 5.2% | 8 | 6 |
| 7. Ratio of city contributions to employee contributions | 1.94 | 3.70 | 8 | 5 |
| 8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only) | -25.2% | -30.8% | 4 | 3 |
| 9. Asset-to-payout ratio (Police & Fire only) | 17.6 | 9.8 | 8 | 5 |
| 10. Worker-to-beneficiary ratio (Police & Fire only) | 1.19 | 0.90 | 5 | 4 |
| Total score | | | 71 | 47 |
| 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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