

COMMUNITIES IN CRISIS

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

Skokie

2019 Grade: F

In 2003, Skokie’s police, fire and municipal pension funds already faced a shortfall of **\$36.4 million**. That meant every Skokie household, on average, was on the hook for **\$1,570** in future taxes just to eliminate that shortfall.

Skokie 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	\$2.07 million	\$11.06 million	Up 5.3X
Share of city general budget for pensions	5.2%	16.0%	Up 3.1X

Despite the ramp-up in city payments over those 16 years, Skokie’s pension debts didn’t decrease. Instead, they jumped by 5.0 times!

By 2019, the shortfall in Skokie’s police, fire and municipal pension funds totaled **\$182.8 million**. That means each Skokie household, on average, is now on the hook for **\$8,174** in debt.

Everyone loses under Skokie’s pension crisis:



Taxpayers are tapped out

Skokie residents are paying more and more into a broken system. City taxpayers in 2019 contributed 5.3 times more to pensions than in 2003, yet city debts are 5.0 times larger.



Pension costs are devouring the city’s budget

Skokie pension contributions have grown to consume 16.0% of the city’s budget, up from 5.2% in 2003. That’s crowded out spending on public safety, roads and other core services.



Skokie worker retirement security is collapsing

The health of Skokie’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 82.2% of the money they needed. By 2019, that had dropped to just 56.2%.



Skokie’s crisis will only get worse

Skokie has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.99 active workers for every pensioner. By 2019, there were 0.75 active workers per pensioner.

2019 GRADE



2003 GRADE



Skokie 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).*

Skokie received an "F" grade in 2019. The city's total score dropped from 73 in 2003 to 50 in 2019, a decline of 23 points.

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

Skokie Key Facts		
City demographics	2000	2019
Population	63,348	63,821
Households	23,208	22,366
Median household income	\$57,375	\$73,046
City budget	2003	2019
General revenues	\$40,047,778	\$69,103,095
Total revenues	\$81,329,235	\$130,532,799
Total property taxes	\$23,893,717	\$19,741,761
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$204,187,951	\$417,544,974
Total pension assets	\$167,754,787	\$234,718,204
Funded ratio	82.2%	56.2%
Total pension shortfall	\$36,433,164	\$182,826,770
Per household	\$1,570	\$8,174
Active public safety workers	224	221
Public safety pension beneficiaries	225	293
City pension contributions	2003	2019
City contributions	\$2,070,938	\$11,062,321
Per household	\$89	\$495
Percentage of city's general budget	5.2%	16.0%
Employees' contributions	\$1,989,875	\$3,219,416

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

Skokie Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	76.8%	58.1%	7	5
2. Firefighter pension funded ratio	74.1%	43.0%	7	4
3. Municipal (IMRF) pension funded ratio	106.4%	86.2%	10	8
4. City pension debts per household as a percentage of median household income	2.7%	11.2%	8	5
5. City contributions per household as a percentage of median household income	0.16%	0.68%	9	7
6. City contributions as a percentage of total budget	2.5%	8.5%	9	3
7. Ratio of city contributions to employee contributions	1.04	3.44	9	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-57.8%	-25.3%	1	4
9. Asset-to-payout ratio (Police & Fire only)	18.0	10.5	8	6
10. Worker-to-beneficiary ratio (Police & Fire only)	0.99	0.75	4	3
Total score			72	50
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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