

COMMUNITIES IN CRISIS

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

South Holland

2019 Grade: D

In 2003, South Holland’s police, fire and municipal pension funds already faced a shortfall of **\$9.5 million**. That meant every South Holland household, on average, was on the hook for **\$1,239** in future taxes just to eliminate that shortfall.

South Holland 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	\$0.95 million	\$2.45 million	Up 2.6X
Share of city general budget for pensions	7.1%	9.8%	Up 1.4X

Despite the ramp-up in city payments over those 16 years, South Holland’s pension debts didn’t decrease. Instead, they jumped by 2.6 times!

By 2019, the shortfall in South Holland’s police, fire and municipal pension funds totaled **\$24.4 million**. That means each South Holland household, on average, is now on the hook for **\$3,440** in debt.

Everyone loses under South Holland’s pension crisis:



Taxpayers are tapped out

South Holland residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.6 times more to pensions than in 2003, yet city debts are 2.6 times larger.



Pension costs are devouring the city’s budget

South Holland pension contributions have grown to consume 9.8% of the city’s budget, up from 7.1% in 2003. That’s crowded out spending on public safety, roads and other core services.



South Holland worker retirement security is collapsing

The health of South Holland’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 74.6% of the money they needed. By 2019, that had dropped to just 70.2%.



South Holland’s crisis will only get worse

South Holland has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.48 active workers for every pensioner. By 2019, there were 1.48 active workers per pensioner.

2019 GRADE



2003 GRADE



South Holland 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).*

South Holland received a "D" grade in 2019. The city's total score dropped from 73 in 2003 to 68 in 2019, a decline of 5 points.

South Holland was one of 64 cities to receive a "D" grade in 2019.

South Holland Key Facts		
City demographics	2000	2019
Population	22,147	21,677
Households	7,701	7,080
Median household income	\$60,246	\$63,170
City budget	2003	2019
General revenues	\$13,427,628	\$24,998,774
Total revenues	\$25,496,283	\$47,543,650
Total property taxes	\$10,054,733	\$17,564,358
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$37,608,268	\$81,775,579
Total pension assets	\$28,063,437	\$57,420,279
Funded ratio	74.6%	70.2%
Total pension shortfall	\$9,544,831	\$24,355,300
Per household	\$1,239	\$3,440
Active public safety workers	67	71
Public safety pension beneficiaries	27	48
City pension contributions	2003	2019
City contributions	\$954,448	\$2,451,064
Per household	\$124	\$346
Percentage of city's general budget	7.1%	9.8%
Employees' contributions	\$522,933	\$904,055

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

South Holland Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	67.8%	65.2%	6	6
2. Firefighter pension funded ratio	72.5%	74.9%	7	7
3. Municipal (IMRF) pension funded ratio	88.2%	77.0%	8	7
4. City pension debts per household as a percentage of median household income	2.1%	5.4%	8	7
5. City contributions per household as a percentage of median household income	0.21%	0.55%	8	7
6. City contributions as a percentage of total budget	3.7%	5.2%	8	6
7. Ratio of city contributions to employee contributions	1.83	2.71	8	6
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-37.4%	-9.8%	2	8
9. Asset-to-payout ratio (Police & Fire only)	17.9	14.1	8	7
10. Worker-to-beneficiary ratio (Police & Fire only)	2.48	1.48	10	7
Total score			73	68
Grade			C	D

*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

