

# COMMUNITIES IN CRISIS

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

**Streamwood**

**2019 Grade: D**

In 2003, Streamwood’s police, fire and municipal pension funds already faced a shortfall of **\$12.6 million**. That meant every Streamwood household, on average, was on the hook for **\$1,039** in future taxes just to eliminate that shortfall.

*Streamwood 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	\$1.27 million	\$4.49 million	Up 3.5X
Share of city general budget for pensions	8.6%	14.9%	Up 1.7X

*Despite the ramp-up in city payments over those 16 years, Streamwood’s pension debts didn’t decrease. Instead, they jumped by 4.1 times!*

By 2019, the shortfall in Streamwood’s police, fire and municipal pension funds totaled **\$51.2 million**. That means each Streamwood household, on average, is now on the hook for **\$3,900** in debt.

## Everyone loses under Streamwood’s pension crisis:



### Taxpayers are tapped out

Streamwood residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.5 times more to pensions than in 2003, yet city debts are 4.1 times larger.



### Pension costs are devouring the city’s budget

Streamwood pension contributions have grown to consume 14.9% of the city’s budget, up from 8.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Streamwood worker retirement security is collapsing

The health of Streamwood’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 76.6% of the money they needed. By 2019, that had dropped to just 68.1%.



### Streamwood’s crisis will only get worse

Streamwood has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.51 active workers for every pensioner. By 2019, there were 1.08 active workers per pensioner.

2019 GRADE



2003 GRADE



# Streamwood 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).\*

Streamwood received a "D" grade in 2019. The city's total score dropped from 79 in 2003 to 69 in 2019, a decline of 10 points.

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

Streamwood Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	36,407	39,809
Households	12,146	13,125
Median household income	\$65,076	\$80,651
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$14,808,697	\$30,231,867
Total revenues	\$29,220,550	\$66,119,162
Total property taxes	\$5,382,972	\$12,559,722
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$53,986,664	\$160,340,481
Total pension assets	\$41,362,888	\$109,159,136
Funded ratio	76.6%	68.1%
Total pension shortfall	\$12,623,776	\$51,181,345
Per household	\$1,039	\$3,900
Active public safety workers	98	108
Public safety pension beneficiaries	39	100
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$1,268,474	\$4,492,785
Per household	\$104	\$342
Percentage of city's general budget	8.6%	14.9%
Employees' contributions	\$780,620	\$1,283,466

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

Streamwood Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	68.1%	63.9%	6	6
2. Firefighter pension funded ratio	74.1%	71.8%	7	7
3. Municipal (IMRF) pension funded ratio	102.0%	73.8%	10	7
4. City pension debts per household as a percentage of median household income	1.6%	4.8%	9	8
5. City contributions per household as a percentage of median household income	0.16%	0.42%	9	8
6. City contributions as a percentage of total budget	4.3%	6.8%	7	5
7. Ratio of city contributions to employee contributions	1.62	3.50	8	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-27.3%	0.0%	4	10
9. Asset-to-payout ratio (Police & Fire only)	24.1	16.2	9	8
10. Worker-to-beneficiary ratio (Police & Fire only)	2.51	1.08	10	5
<b>Total score</b>			<b>79</b>	<b>69</b>
<b>Grade</b>			<b>C</b>	<b>D</b>

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

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