

# COMMUNITIES IN CRISIS

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

**Swansea**

**2019 Grade: C**

In 2003, Swansea’s police, fire and municipal pension funds already faced a shortfall of **\$2.3 million**. That meant every Swansea household, on average, was on the hook for **\$597** in future taxes just to eliminate that shortfall.

*Swansea 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	\$0.25 million	\$1.38 million	Up 5.5X
Share of city general budget for pensions	7.9%	18.9%	Up 2.4X

*Despite the ramp-up in city payments over those 16 years, Swansea’s pension debts didn’t decrease. Instead, they jumped by 2.1 times!*

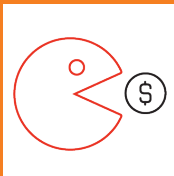
By 2019, the shortfall in Swansea’s police, fire and municipal pension funds totaled **\$5.0 million**. That means each Swansea household, on average, is now on the hook for **\$895** in debt.

## Everyone loses under Swansea’s pension crisis:



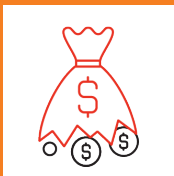
### Taxpayers are tapped out

Swansea residents are paying more and more into a broken system. City taxpayers in 2019 contributed 5.5 times more to pensions than in 2003, yet city debts are 2.1 times larger.



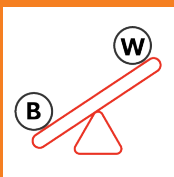
### Pension costs are devouring the city’s budget

Swansea pension contributions have grown to consume 18.9% of the city’s budget, up from 7.9% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Swansea worker retirement security is still at risk

The health of Swansea’s local pension plans have stagnated despite those increased taxpayer contributions. In 2003, the plans had 65.1% of the money they needed. By 2019, that had increased to just 77.3%, far from healthy.



### Swansea’s crisis will only get worse

Swansea has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 6.00 active workers for every pensioner. By 2019, there were 1.83 active workers per pensioner.

2019 GRADE

**C**

2003 GRADE

**B**

# Swansea receives a "C" 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).\*

Swansea received a "C" grade in 2019. The city's total score dropped from 80 in 2003 to 72 in 2019, a decline of 8 points.

Swansea was one of 8 cities to receive a "C" 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

Swansea Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	10,579	13,851
Households	3,922	5,587
Median household income	\$49,851	\$77,517
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$3,113,943	\$7,322,017
Total revenues	\$5,557,318	\$14,922,213
Total property taxes	\$581,800	\$4,023,349
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$6,715,209	\$22,037,712
Total pension assets	\$4,372,553	\$17,039,717
Funded ratio	65.1%	77.3%
Total pension shortfall	\$2,342,656	\$4,997,995
Per household	\$597	\$895
Active public safety workers	18	22
Public safety pension beneficiaries	3	12
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$245,673	\$1,380,582
Per household	\$63	\$247
Percentage of city's general budget	7.9%	18.9%
Employees' contributions	\$125,212	\$238,763

## Swansea Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	60.3%	78.5%	6	7
2. Firefighter pension funded ratio	87.9%	91.8%	8	9
3. Municipal (IMRF) pension funded ratio	76.6%	64.3%	7	6
4. City pension debts per household as a percentage of median household income	1.2%	1.2%	9	9
5. City contributions per household as a percentage of median household income	0.13%	0.32%	9	8
6. City contributions as a percentage of total budget	4.4%	9.3%	7	2
7. Ratio of city contributions to employee contributions	1.96	5.78	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-15.9%	131.7%	6	10
9. Asset-to-payout ratio (Police & Fire only)	33.2	23.2	10	9
10. Worker-to-beneficiary ratio (Police & Fire only)	6.00	1.83	10	9

<b>Total score</b>	80	72
<b>Grade</b>	B	C

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

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