

COMMUNITIES IN CRISIS

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

Blue Island

2019 Grade: F

In 2003, Blue Island’s police, fire and municipal pension funds already faced a shortfall of **\$17.2 million**. That meant every Blue Island household, on average, was on the hook for **\$2,104** in future taxes just to eliminate that shortfall.

Blue Island 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	\$0.78 million	\$3.43 million	Up 4.4X
Share of city general budget for pensions	6.8%	23.6%	Up 3.4X

Despite the ramp-up in city payments over those 16 years, Blue Island’s pension debts didn’t decrease. Instead, they jumped by 3.5 times!

By 2019, the shortfall in Blue Island’s police, fire and municipal pension funds totaled **\$60.1 million**. That means each Blue Island household, on average, is now on the hook for **\$7,648** in debt.

Everyone loses under Blue Island’s pension crisis:



Taxpayers are tapped out

Blue Island residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.4 times more to pensions than in 2003, yet city debts are 3.5 times larger.



Pension costs are devouring the city’s budget

Blue Island pension contributions have grown to consume 23.6% of the city’s budget, up from 6.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Blue Island worker retirement security is collapsing

The health of Blue Island’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 54.2% of the money they needed. By 2019, that had dropped to just 31.2%.



Blue Island’s crisis will only get worse

Blue Island has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.69 active workers for every pensioner. By 2019, there were 0.77 active workers per pensioner.

2019 GRADE



2003 GRADE



Blue Island 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).*

Blue Island received an "F" grade in 2019. The city's total score dropped from 71 in 2003 to 34 in 2019, a decline of 37 points.

Blue Island 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

Blue Island Key Facts		
City demographics	2000	2019
Population	23,463	22,611
Households	8,179	7,864
Median household income	\$36,520	\$48,398
City budget	2003	2019
General revenues	\$11,392,483	\$14,566,180
Total revenues	\$20,558,273	\$33,949,802
Total property taxes	\$5,739,788	\$10,328,027
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$37,604,253	\$87,416,194
Total pension assets	\$20,399,630	\$27,274,937
Funded ratio	54.2%	31.2%
Total pension shortfall	\$17,204,623	\$60,141,257
Per household	\$2,104	\$7,648
Active public safety workers	61	61
Public safety pension beneficiaries	36	79
City pension contributions	2003	2019
City contributions	\$778,344	\$3,430,784
Per household	\$95	\$436
Percentage of city's general budget	6.8%	23.6%
Employees' contributions	\$466,029	\$607,555

Blue Island Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	27.5%	28.7%	2	2
2. Firefighter pension funded ratio	53.2%	17.3%	5	1
3. Municipal (IMRF) pension funded ratio	100.2%	91.0%	10	9
4. City pension debts per household as a percentage of median household income	5.8%	15.8%	7	1
5. City contributions per household as a percentage of median household income	0.26%	0.90%	8	6
6. City contributions as a percentage of total budget	3.8%	10.1%	8	1
7. Ratio of city contributions to employee contributions	1.67	5.65	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	11.9%	-20.8%	10	5
9. Asset-to-payout ratio (Police & Fire only)	9.8	5.7	5	3
10. Worker-to-beneficiary ratio (Police & Fire only)	1.69	0.77	8	3
Total score			71	34
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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