

COMMUNITIES IN CRISIS

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

Winnetka

2019 Grade: D

In 2003, Winnetka’s police, fire and municipal pension funds already faced a shortfall of **\$14.2 million**. That meant every Winnetka household, on average, was on the hook for **\$3,426** in future taxes just to eliminate that shortfall.

Winnetka 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	\$1.61 million	\$4.44 million	Up 2.8X
Share of city general budget for pensions	11.4%	17.2%	Up 1.5X

Despite the ramp-up in city payments over those 16 years, Winnetka’s pension debts didn’t decrease. Instead, they jumped by 2.5 times!

By 2019, the shortfall in Winnetka’s police, fire and municipal pension funds totaled **\$35.3 million**. That means each Winnetka household, on average, is now on the hook for **\$8,595** in debt.

Everyone loses under Winnetka’s pension crisis:



Taxpayers are tapped out

Winnetka residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.8 times more to pensions than in 2003, yet city debts are 2.5 times larger.



Pension costs are devouring the city’s budget

Winnetka pension contributions have grown to consume 17.2% of the city’s budget, up from 11.4% in 2003. That’s crowded out spending on public safety, roads and other core services.



Winnetka worker retirement security is collapsing

The health of Winnetka’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 77.2% of the money they needed. By 2019, that had dropped to just 69.9%.



Winnetka’s crisis will only get worse

Winnetka has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.98 active workers for every pensioner. By 2019, there were 0.76 active workers per pensioner.

2019 GRADE



2003 GRADE



Winnetka 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).*

Winnetka received a "D" grade in 2019. The city's total score dropped from 68 in 2003 to 64 in 2019, a decline of 4 points.

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

Winnetka Key Facts		
City demographics	2000	2019
Population	12,419	12,428
Households	4,150	4,107
Median household income	\$167,458	\$250,000
City budget	2003	2019
General revenues	\$14,113,555	\$25,837,226
Total revenues	\$34,812,001	\$69,396,946
Total property taxes	\$10,065,646	\$14,612,543
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$62,288,128	\$117,095,681
Total pension assets	\$48,071,590	\$81,794,534
Funded ratio	77.2%	69.9%
Total pension shortfall	\$14,216,538	\$35,301,147
Per household	\$3,426	\$8,595
Active public safety workers	53	52
Public safety pension beneficiaries	54	68
City pension contributions	2003	2019
City contributions	\$1,613,801	\$4,435,232
Per household	\$389	\$1,080
Percentage of city's general budget	11.4%	17.2%
Employees' contributions	\$644,971	\$965,874

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

Winnetka Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	74.5%	72.8%	7	7
2. Firefighter pension funded ratio	70.1%	68.4%	7	6
3. Municipal (IMRF) pension funded ratio	84.4%	67.4%	8	6
4. City pension debts per household as a percentage of median household income	2.0%	3.4%	8	8
5. City contributions per household as a percentage of median household income	0.23%	0.43%	8	8
6. City contributions as a percentage of total budget	4.6%	6.4%	7	5
7. Ratio of city contributions to employee contributions	2.50	4.59	6	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-20.7%	46.8%	5	10
9. Asset-to-payout ratio (Police & Fire only)	16.2	14.3	8	7
10. Worker-to-beneficiary ratio (Police & Fire only)	0.98	0.76	4	3
Total score			68	64
Grade			D	D

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

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