

COMMUNITIES IN CRISIS

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

Cairo

2019 Grade: F

In 2003, Cairo’s police, fire and municipal pension funds already faced a shortfall of **\$1.0 million**. That meant every Cairo household, on average, was on the hook for **\$636** in future taxes just to eliminate that shortfall.

Cairo 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	\$0.04 million	\$0.59 million	Up 14.8X
Share of city general budget for pensions	1.6%	23.8%	Up 15.2X

Despite the ramp-up in city payments over those 16 years, Cairo’s pension debts didn’t decrease. Instead, they jumped by 5.1 times!

By 2019, the shortfall in Cairo’s police, fire and municipal pension funds totaled **\$5.2 million**. That means each Cairo household, on average, is now on the hook for **\$6,344** in debt.

Everyone loses under Cairo’s pension crisis:



Taxpayers are tapped out

Cairo residents are paying more and more into a broken system. City taxpayers in 2019 contributed 14.8 times more to pensions than in 2003, yet city debts are 5.1 times larger.



Pension costs are devouring the city’s budget

Cairo pension contributions have grown to consume 23.8% of the city’s budget, up from 1.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Cairo worker retirement security is collapsing

The health of Cairo’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 88.3% of the money they needed. By 2019, that had dropped to just 59.6%.



Cairo’s crisis will only get worse

Cairo has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.58 active workers for every pensioner. By 2019, there were 0.17 active workers per pensioner.

2019 GRADE

F

2003 GRADE

C

Cairo 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).*

Cairo received an "F" grade in 2019. The city's total score dropped from 70 in 2003 to 28 in 2019, a decline of 42 points.

Cairo 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

Cairo Key Facts		
City demographics	2000	2019
Population	3,632	2,120
Households	1,584	813
Median household income	\$21,607	\$26,439
City budget	2003	2019
General revenues	\$2,319,695	\$2,495,831
Total revenues	\$3,087,578	\$3,324,961
Total property taxes	\$371,692	\$852,082
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$8,618,410	\$12,764,007
Total pension assets	\$7,611,722	\$7,606,231
Funded ratio	88.3%	59.6%
Total pension shortfall	\$1,006,688	\$5,157,776
Per household	\$636	\$6,344
Active public safety workers	14	4
Public safety pension beneficiaries	24	24
City pension contributions	2003	2019
City contributions	\$36,359	\$594,036
Per household	\$23	\$731
Percentage of city's general budget	1.6%	23.8%
Employees' contributions	\$54,155	\$32,703

Cairo Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	47.1%	15.5%	4	1
2. Firefighter pension funded ratio	49.5%	6.2%	4	1
3. Municipal (IMRF) pension funded ratio	203.5%	246.1%	10	10
4. City pension debts per household as a percentage of median household income	2.9%	24.0%	8	1
5. City contributions per household as a percentage of median household income	0.11%	2.76%	9	1
6. City contributions as a percentage of total budget	1.2%	17.9%	10	1
7. Ratio of city contributions to employee contributions	0.67	18.16	10	1
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-5.4%	18.6%	8	10
9. Asset-to-payout ratio (Police & Fire only)	8.0	1.7	5	1
10. Worker-to-beneficiary ratio (Police & Fire only)	0.58	0.17	2	1
Total score			70	28
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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