

COMMUNITIES IN CRISIS

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

Calumet City

2019 Grade: F

In 2003, Calumet City’s police, fire and municipal pension funds already faced a shortfall of **\$24.7 million**. That meant every Calumet City household, on average, was on the hook for **\$1,631** in future taxes just to eliminate that shortfall.

Calumet City 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	\$2.03 million	\$6.60 million	Up 3.3X
Share of city general budget for pensions	8.1%	18.6%	Up 2.3X

Despite the ramp-up in city payments over those 16 years, Calumet City’s pension debts didn’t decrease. Instead, they jumped by 4.2 times!

By 2019, the shortfall in Calumet City’s police, fire and municipal pension funds totaled **\$102.6 million**. That means each Calumet City household, on average, is now on the hook for **\$7,443** in debt.

Everyone loses under Calumet City’s pension crisis:



Taxpayers are tapped out

Calumet City residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.3 times more to pensions than in 2003, yet city debts are 4.2 times larger.



Pension costs are devouring the city’s budget

Calumet City pension contributions have grown to consume 18.6% of the city’s budget, up from 8.1% in 2003. That’s crowded out spending on public safety, roads and other core services.



Calumet City worker retirement security is collapsing

The health of Calumet City’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 71.5% of the money they needed. By 2019, that had dropped to just 52.1%.



Calumet City’s crisis will only get worse

Calumet City has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.53 active workers for every pensioner. By 2019, there were 0.93 active workers per pensioner.

2019 GRADE



2003 GRADE



Calumet City 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).*

Calumet City received an "F" grade in 2019. The city's total score dropped from 74 in 2003 to 46 in 2019, a decline of 28 points.

Calumet City 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

Calumet City Key Facts		
City demographics	2000	2019
Population	39,071	36,551
Households	15,141	13,788
Median household income	\$38,902	\$44,456
City budget	2003	2019
General revenues	\$25,164,787	\$35,461,700
Total revenues	\$46,130,868	\$74,024,940
Total property taxes	\$12,912,400	\$25,672,194
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$86,582,444	\$214,109,671
Total pension assets	\$61,880,806	\$111,480,554
Funded ratio	71.5%	52.1%
Total pension shortfall	\$24,701,638	\$102,629,117
Per household	\$1,631	\$7,443
Active public safety workers	127	125
Public safety pension beneficiaries	83	135
City pension contributions	2003	2019
City contributions	\$2,029,497	\$6,599,663
Per household	\$134	\$479
Percentage of city's general budget	8.1%	18.6%
Employees' contributions	\$1,021,772	\$1,448,577

Calumet City Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	65.9%	46.9%	6	4
2. Firefighter pension funded ratio	62.1%	47.3%	6	4
3. Municipal (IMRF) pension funded ratio	103.4%	99.2%	10	9
4. City pension debts per household as a percentage of median household income	4.2%	16.7%	8	1
5. City contributions per household as a percentage of median household income	0.34%	1.08%	8	5
6. City contributions as a percentage of total budget	4.4%	8.9%	7	3
7. Ratio of city contributions to employee contributions	1.99	4.56	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-18.6%	-18.0%	6	6
9. Asset-to-payout ratio (Police & Fire only)	15.4	10.7	8	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.53	0.93	7	4
Total score			74	46
Grade			C	F

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

Communities in crisis: More than half of Illinois cities get "F" grades for local pensions

