

COMMUNITIES IN CRISIS

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

Canton

2019 Grade: F

In 2003, Canton’s police, fire and municipal pension funds already faced a shortfall of **\$4.2 million**. That meant every Canton household, on average, was on the hook for **\$741** in future taxes just to eliminate that shortfall.

Canton 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	\$0.47 million	\$2.05 million	Up 4.4X
Share of city general budget for pensions	8.6%	21.5%	Up 2.5X

Despite the ramp-up in city payments over those 16 years, Canton’s pension debts didn’t decrease. Instead, they jumped by 6.2 times!

By 2019, the shortfall in Canton’s police, fire and municipal pension funds totaled **\$25.8 million**. That means each Canton household, on average, is now on the hook for **\$5,098** in debt.

Everyone loses under Canton’s pension crisis:



Taxpayers are tapped out

Canton 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 6.2 times larger.



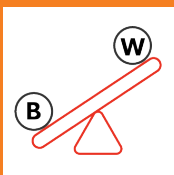
Pension costs are devouring the city’s budget

Canton pension contributions have grown to consume 21.5% of the city’s budget, up from 8.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Canton worker retirement security is collapsing

The health of Canton’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 80.9% of the money they needed. By 2019, that had dropped to just 55.6%.



Canton’s crisis will only get worse

Canton has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.23 active workers for every pensioner. By 2019, there were 0.67 active workers per pensioner.

2019 GRADE

F

2003 GRADE

C

Canton 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).*

Canton received an "F" grade in 2019. The city's total score dropped from 77 in 2003 to 50 in 2019, a decline of 27 points.

Canton 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

Canton Key Facts		
City demographics	2000	2019
Population	15,288	13,682
Households	5,646	5,064
Median household income	\$31,011	\$44,299
City budget	2003	2019
General revenues	\$5,449,504	\$9,546,472
Total revenues	\$12,156,851	\$22,247,513
Total property taxes	\$1,473,073	\$3,565,435
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$21,898,709	\$58,181,036
Total pension assets	\$17,717,710	\$32,362,844
Funded ratio	80.9%	55.6%
Total pension shortfall	\$4,180,999	\$25,818,192
Per household	\$741	\$5,098
Active public safety workers	38	34
Public safety pension beneficiaries	31	51
City pension contributions	2003	2019
City contributions	\$468,976	\$2,050,262
Per household	\$83	\$405
Percentage of city's general budget	8.6%	21.5%
Employees' contributions	\$244,380	\$376,481

Canton Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	88.1%	64.8%	8	6
2. Firefighter pension funded ratio	64.1%	36.9%	6	3
3. Municipal (IMRF) pension funded ratio	96.8%	69.9%	9	6
4. City pension debts per household as a percentage of median household income	2.4%	11.5%	8	5
5. City contributions per household as a percentage of median household income	0.27%	0.91%	8	6
6. City contributions as a percentage of total budget	3.9%	9.2%	8	2
7. Ratio of city contributions to employee contributions	1.92	5.45	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-7.0%	10.0%	8	10
9. Asset-to-payout ratio (Police & Fire only)	17.3	10.4	8	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.23	0.67	6	3

Total score	77	50
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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