

COMMUNITIES IN CRISIS

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

Cicero

2019 Grade: F

In 2003, Cicero’s police, fire and municipal pension funds already faced a shortfall of **\$59.7 million**. That meant every Cicero household, on average, was on the hook for **\$2,584** in future taxes just to eliminate that shortfall.

Cicero 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	\$4.25 million	\$12.98 million	Up 3.1X
Share of city general budget for pensions	8.8%	13.8%	Up 1.6X

Despite the ramp-up in city payments over those 16 years, Cicero’s pension debts didn’t decrease. Instead, they jumped by 3.1 times!

By 2019, the shortfall in Cicero’s police, fire and municipal pension funds totaled **\$186.6 million**. That means each Cicero household, on average, is now on the hook for **\$8,352** in debt.

Everyone loses under Cicero’s pension crisis:



Taxpayers are tapped out

Cicero residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.1 times more to pensions than in 2003, yet city debts are 3.1 times larger.



Pension costs are devouring the city’s budget

Cicero pension contributions have grown to consume 13.8% of the city’s budget, up from 8.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Cicero worker retirement security is collapsing

The health of Cicero’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 53.3% of the money they needed. By 2019, that had dropped to just 46.0%.



Cicero’s crisis will only get worse

Cicero has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.09 active workers for every pensioner. By 2019, there were 1.00 active workers per pensioner.

2019 GRADE



2003 GRADE



Cicero 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).*

Cicero received an "F" grade in 2019. The city's total score dropped from 62 in 2003 to 46 in 2019, a decline of 16 points.

Cicero was one of 102 cities to receive an "F" grade in 2019.

Cicero Key Facts		
City demographics	2000	2019
Population	85,616	82,330
Households	23,124	22,346
Median household income	\$38,044	\$49,367
City budget	2003	2019
General revenues	\$48,051,315	\$94,311,712
Total revenues	\$106,244,290	\$175,926,386
Total property taxes	\$36,108,569	\$60,878,760
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$127,957,242	\$345,815,895
Total pension assets	\$68,210,735	\$159,179,484
Funded ratio	53.3%	46.0%
Total pension shortfall	\$59,746,508	\$186,636,411
Per household	\$2,584	\$8,352
Active public safety workers	209	228
Public safety pension beneficiaries	192	227
City pension contributions	2003	2019
City contributions	\$4,245,771	\$12,981,793
Per household	\$184	\$581
Percentage of city's general budget	8.8%	13.8%
Employees' contributions	\$1,808,839	\$3,435,553

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

Cicero Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	48.4%	47.3%	4	4
2. Firefighter pension funded ratio	34.5%	27.4%	3	2
3. Municipal (IMRF) pension funded ratio	119.9%	92.4%	10	9
4. City pension debts per household as a percentage of median household income	6.8%	16.9%	7	1
5. City contributions per household as a percentage of median household income	0.48%	1.18%	8	5
6. City contributions as a percentage of total budget	4.0%	7.4%	7	4
7. Ratio of city contributions to employee contributions	2.35	3.78	7	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-18.9%	-17.7%	6	6
9. Asset-to-payout ratio (Police & Fire only)	8.9	9.0	5	5
10. Worker-to-beneficiary ratio (Police & Fire only)	1.09	1.00	5	5
Total score			62	46
Grade			D	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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