

COMMUNITIES IN CRISIS

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

Anna

2019 Grade: F

In 2003, Anna’s police, fire and municipal pension funds already faced a shortfall of **\$0.7 million**. That meant every Anna household, on average, was on the hook for **\$302** in future taxes just to eliminate that shortfall.

Anna 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	\$0.11 million	\$0.51 million	Up 4.6X
Share of city general budget for pensions	14.2%	57.6%	Up 4.1X

Despite the ramp-up in city payments over those 16 years, Anna’s pension debts didn’t decrease. Instead, they jumped by 11.1 times!

By 2019, the shortfall in Anna’s police, fire and municipal pension funds totaled **\$7.2 million**. That means each Anna household, on average, is now on the hook for **\$4,475** in debt.

Everyone loses under Anna’s pension crisis:



Taxpayers are tapped out

Anna residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.6 times more to pensions than in 2003, yet city debts are 11.1 times larger.



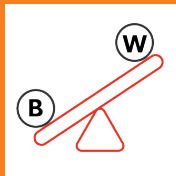
Pension costs are devouring the city’s budget

Anna pension contributions have grown to consume 57.6% of the city’s budget, up from 14.2% in 2003. That’s crowded out spending on public safety, roads and other core services.



Anna worker retirement security is collapsing

The health of Anna’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 86.6% of the money they needed. By 2019, that had dropped to just 46.3%.



Anna’s crisis will only get worse

Anna has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 4.33 active workers for every pensioner. By 2019, there were 0.67 active workers per pensioner.

2019 GRADE

F

2003 GRADE

B

Anna 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).*

Anna received an "F" grade in 2019. The city's total score dropped from 87 in 2003 to 49 in 2019, a decline of 38 points.

Anna 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

Anna Key Facts		
City demographics	2000	2019
Population	5,136	4,185
Households	2,160	1,616
Median household income	\$24,663	\$37,430
City budget	2003	2019
General revenues	\$807,352	\$887,831
Total revenues	\$4,765,253	\$7,338,715
Total property taxes	\$355,263	\$511,150
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$4,865,684	\$13,462,729
Total pension assets	\$4,213,582	\$6,230,342
Funded ratio	86.6%	46.3%
Total pension shortfall	\$652,102	\$7,232,387
Per household	\$302	\$4,475
Active public safety workers	13	8
Public safety pension beneficiaries	3	12
City pension contributions	2003	2019
City contributions	\$114,532	\$511,282
Per household	\$53	\$316
Percentage of city's general budget	14.2%	57.6%
Employees' contributions	\$77,983	\$88,738

Anna Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	67.0%	46.7%	6	4
2. Firefighter pension funded ratio	77.1%	41.4%	7	4
3. Municipal (IMRF) pension funded ratio	110.4%	53.2%	10	5
4. City pension debts per household as a percentage of median household income	1.2%	12.0%	9	4
5. City contributions per household as a percentage of median household income	0.21%	0.85%	8	6
6. City contributions as a percentage of total budget	2.4%	7.0%	9	4
7. Ratio of city contributions to employee contributions	1.47	5.76	9	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-3.0%	10.5%	9	10
9. Asset-to-payout ratio (Police & Fire only)	37.4	11.2	10	6
10. Worker-to-beneficiary ratio (Police & Fire only)	4.33	0.67	10	3

Total score	87	49
Grade	B	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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