

# COMMUNITIES IN CRISIS

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

**Decatur**

**2019 Grade: F**

In 2003, Decatur’s police, fire and municipal pension funds already faced a shortfall of **\$47.4 million**. That meant every Decatur household, on average, was on the hook for **\$1,391** in future taxes just to eliminate that shortfall.

*Decatur 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	\$3.33 million	\$11.89 million	Up 3.6X
Share of city general budget for pensions	9.3%	17.7%	Up 1.9X

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

By 2019, the shortfall in Decatur’s police, fire and municipal pension funds totaled **\$145.2 million**. That means each Decatur household, on average, is now on the hook for **\$4,663** in debt.

## Everyone loses under Decatur’s pension crisis:



### Taxpayers are tapped out

Decatur residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.6 times more to pensions than in 2003, yet city debts are 3.1 times larger.



### Pension costs are devouring the city’s budget

Decatur pension contributions have grown to consume 17.7% of the city’s budget, up from 9.3% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Decatur worker retirement security is collapsing

The health of Decatur’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 73.0% of the money they needed. By 2019, that had dropped to just 61.3%.



### Decatur’s crisis will only get worse

Decatur has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.33 active workers for every pensioner. By 2019, there were 0.90 active workers per pensioner.

2019 GRADE



2003 GRADE



# Decatur 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).\*

Decatur received an "F" grade in 2019. The city's total score dropped from 73 in 2003 to 53 in 2019, a decline of 20 points.

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

Decatur Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	81,860	72,359
Households	34,084	31,149
Median household income	\$33,111	\$42,701
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$35,909,854	\$67,210,296
Total revenues	\$77,439,980	\$169,616,642
Total property taxes	\$6,474,758	\$17,099,622
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$175,671,081	\$375,036,581
Total pension assets	\$128,249,427	\$229,800,489
Funded ratio	73.0%	61.3%
Total pension shortfall	\$47,421,654	\$145,236,092
Per household	\$1,391	\$4,663
Active public safety workers	271	248
Public safety pension beneficiaries	204	277
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$3,334,499	\$11,894,536
Per household	\$98	\$382
Percentage of city's general budget	9.3%	17.7%
Employees' contributions	\$1,846,157	\$2,730,670

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

Decatur Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	63.7%	59.9%	6	5
2. Firefighter pension funded ratio	63.8%	57.8%	6	5
3. Municipal (IMRF) pension funded ratio	113.8%	78.5%	10	7
4. City pension debts per household as a percentage of median household income	4.2%	10.9%	8	5
5. City contributions per household as a percentage of median household income	0.30%	0.89%	8	6
6. City contributions as a percentage of total budget	4.3%	7.0%	7	4
7. Ratio of city contributions to employee contributions	1.81	4.36	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-19.9%	-12.9%	6	7
9. Asset-to-payout ratio (Police & Fire only)	15.7	11.8	8	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.33	0.90	6	4
<b>Total score</b>			<b>73</b>	<b>53</b>
<b>Grade</b>			<b>C</b>	<b>F</b>

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

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