

COMMUNITIES IN CRISIS

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

Des Plaines

2019 Grade: F

In 2003, Des Plaines’s police, fire and municipal pension funds already faced a shortfall of **\$63.5 million**. That meant every Des Plaines household, on average, was on the hook for **\$2,841** in future taxes just to eliminate that shortfall.

Des Plaines 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	\$3.47 million	\$13.00 million	Up 3.7X
Share of city general budget for pensions	8.6%	18.2%	Up 2.1X

Despite the ramp-up in city payments over those 16 years, Des Plaines’s pension debts didn’t decrease. Instead, they jumped by 2.9 times!

By 2019, the shortfall in Des Plaines’s police, fire and municipal pension funds totaled **\$186.0 million**. That means each Des Plaines household, on average, is now on the hook for **\$8,329** in debt.

Everyone loses under Des Plaines’s pension crisis:



Taxpayers are tapped out

Des Plaines residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.7 times more to pensions than in 2003, yet city debts are 2.9 times larger.



Pension costs are devouring the city’s budget

Des Plaines pension contributions have grown to consume 18.2% of the city’s budget, up from 8.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Des Plaines worker retirement security is collapsing

The health of Des Plaines’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 64.0% of the money they needed. By 2019, that had dropped to just 52.0%.



Des Plaines’s crisis will only get worse

Des Plaines has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.18 active workers for every pensioner. By 2019, there were 0.78 active workers per pensioner.

2019 GRADE



2003 GRADE



Des Plaines 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).*

Des Plaines received an "F" grade in 2019. The city's total score dropped from 67 in 2003 to 52 in 2019, a decline of 15 points.

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

Des Plaines Key Facts		
City demographics	2000	2019
Population	58,720	58,673
Households	22,369	22,327
Median household income	\$53,638	\$69,760
City budget	2003	2019
General revenues	\$40,271,966	\$71,570,890
Total revenues	\$95,824,183	\$209,279,332
Total property taxes	\$21,238,667	\$37,264,986
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$176,522,268	\$387,017,979
Total pension assets	\$112,972,926	\$201,059,008
Funded ratio	64.0%	52.0%
Total pension shortfall	\$63,549,342	\$185,958,971
Per household	\$2,841	\$8,329
Active public safety workers	193	187
Public safety pension beneficiaries	163	240
City pension contributions	2003	2019
City contributions	\$3,466,568	\$12,998,222
Per household	\$155	\$582
Percentage of city's general budget	8.6%	18.2%
Employees' contributions	\$2,075,948	\$2,718,107

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

Des Plaines Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	50.5%	44.3%	5	4
2. Firefighter pension funded ratio	66.7%	48.8%	6	4
3. Municipal (IMRF) pension funded ratio	94.3%	86.1%	9	8
4. City pension debts per household as a percentage of median household income	5.3%	11.9%	7	5
5. City contributions per household as a percentage of median household income	0.29%	0.83%	8	6
6. City contributions as a percentage of total budget	3.6%	6.2%	8	5
7. Ratio of city contributions to employee contributions	1.67	4.78	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-25.3%	-9.8%	4	8
9. Asset-to-payout ratio (Police & Fire only)	14.8	9.5	7	5
10. Worker-to-beneficiary ratio (Police & Fire only)	1.18	0.78	5	3
Total score			67	52
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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