

COMMUNITIES IN CRISIS

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

East Alton

2019 Grade: F

In 2003, East Alton’s police, fire and municipal pension funds already faced a shortfall of **\$4.0 million**. That meant every East Alton household, on average, was on the hook for **\$1,349** in future taxes just to eliminate that shortfall.

East Alton 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	\$0.24 million	\$0.88 million	Up 3.7X
Share of city general budget for pensions	23.5%	18.9%	Down 4.6%

Despite the ramp-up in city payments over those 16 years, East Alton’s pension debts didn’t decrease. Instead, they jumped by 4.5 times!

By 2019, the shortfall in East Alton’s police, fire and municipal pension funds totaled **\$18.0 million**. That means each East Alton household, on average, is now on the hook for **\$6,542** in debt.

Everyone loses under East Alton’s pension crisis:



Taxpayers are tapped out

East Alton 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 4.5 times larger.



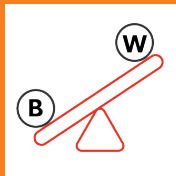
Pension costs are devouring the city’s budget

East Alton pension contributions consume 18.9% of the city’s budget, down from 23.5% in 2003. That’s still crowding out spending on public safety, roads and other core services.



East Alton worker retirement security is collapsing

The health of East Alton’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 62.5% of the money they needed. By 2019, that had dropped to just 33.3%.



East Alton’s crisis will only get worse

East Alton has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.19 active workers for every pensioner. By 2019, there were 0.70 active workers per pensioner.

2019 GRADE

F

2003 GRADE

D

East Alton 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).*

East Alton received an "F" grade in 2019. The city's total score dropped from 60 in 2003 to 31 in 2019, a decline of 29 points.

East Alton 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

East Alton Key Facts		
City demographics	2000	2019
Population	6,830	6,061
Households	2,991	2,755
Median household income	\$28,404	\$44,830
City budget	2003	2019
General revenues	\$1,037,708	\$4,652,085
Total revenues	\$5,259,540	\$8,735,777
Total property taxes	\$1,052,022	\$1,766,530
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$10,771,970	\$27,011,570
Total pension assets	\$6,737,241	\$8,987,395
Funded ratio	62.5%	33.3%
Total pension shortfall	\$4,034,729	\$18,024,175
Per household	\$1,349	\$6,542
Active public safety workers	19	16
Public safety pension beneficiaries	16	23
City pension contributions	2003	2019
City contributions	\$244,299	\$878,462
Per household	\$82	\$319
Percentage of city's general budget	23.5%	18.9%
Employees' contributions	\$122,338	\$189,566

East Alton Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	54.1%	23.8%	5	2
2. Firefighter pension funded ratio	59.0%	23.0%	5	2
3. Municipal (IMRF) pension funded ratio	78.9%	68.5%	7	6
4. City pension debts per household as a percentage of median household income	4.7%	14.6%	8	2
5. City contributions per household as a percentage of median household income	0.29%	0.71%	8	7
6. City contributions as a percentage of total budget	4.6%	10.1%	7	1
7. Ratio of city contributions to employee contributions	2.00	4.63	7	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-51.5%	-42.7%	1	1
9. Asset-to-payout ratio (Police & Fire only)	14.3	4.7	7	3
10. Worker-to-beneficiary ratio (Police & Fire only)	1.19	0.70	5	3
Total score			60	31
Grade			D	F

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

Communities in crisis: More than half of Illinois cities get "F" grades for local pensions

