

COMMUNITIES IN CRISIS

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

East St Louis

2019 Grade: F

In 2003, East St Louis’s police, fire and municipal pension funds already faced a shortfall of **\$43.3 million**. That meant every East St Louis household, on average, was on the hook for **\$3,889** in future taxes just to eliminate that shortfall.

East St Louis began contributing more money – taxpayer dollars – to pensions in an attempt to make the plans healthier. Today, the city is so broke it can no longer make the pension payments it used to.

	2003	2019
City (taxpayer) contributions to pensions	\$3.12 million	\$2.62 million
Share of city general budget for pensions	16.8%	14.6%

Despite increased city payments over most of those 16 years, East St Louis’s pension debts didn’t decrease. Instead, they jumped by 2.5 times!

By 2019, the shortfall in East St Louis’s police, fire and municipal pension funds totaled **\$109.9 million**. That means each East St Louis household, on average, is now on the hook for **\$10,044** in debt.

Everyone loses under East St Louis’s pension crisis:



Taxpayers are tapped out

East St Louis residents are paying into a broken system. Even though the city contributed millions more to pensions over the past 16 years, the city’s debts are 2.5 times larger.



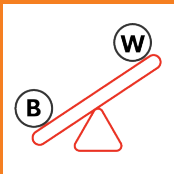
Pension costs are devouring the city’s budget

East St Louis pension contributions consume 14.6% of the city’s budget, down from 16.8% in 2003. That’s still crowding out spending on public safety, roads and other core services.



East St Louis worker retirement security is collapsing

The health of East St Louis’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 47.2% of the money they needed. By 2019, that had dropped to just 22.5%.



East St Louis’s crisis will only get worse

East St Louis has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.72 active workers for every pensioner. By 2019, there were 0.45 active workers per pensioner.

2019 GRADE



2003 GRADE



East St Louis 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 St Louis received an "F" grade in 2019. The city's total score dropped from 44 in 2003 to 30 in 2019, a decline of 14 points.

East St Louis was one of 102 cities to receive an "F" grade in 2019.

East St Louis Key Facts		
City demographics	2000	2019
Population	31,542	26,543
Households	11,144	10,945
Median household income	\$21,324	\$24,343
City budget	2003	2019
General revenues	\$18,541,711	\$17,907,807
Total revenues	\$41,301,538	\$25,644,788
Total property taxes	\$12,466,705	\$6,538,693
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$82,019,336	\$141,891,097
Total pension assets	\$38,676,765	\$31,962,888
Funded ratio	47.2%	22.5%
Total pension shortfall	\$43,342,571	\$109,928,209
Per household	\$3,889	\$10,044
Active public safety workers	127	74
Public safety pension beneficiaries	177	166
City pension contributions	2003	2019
City contributions	\$3,119,396	\$2,618,509
Per household	\$280	\$239
Percentage of city's general budget	16.8%	14.6%
Employees' contributions	\$614,078	\$565,373

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 St Louis Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	41.7%	28.4%	4	2
2. Firefighter pension funded ratio	29.1%	5.1%	2	1
3. Municipal (IMRF) pension funded ratio	161.0%	226.5%	10	10
4. City pension debts per household as a percentage of median household income	18.2%	41.3%	1	1
5. City contributions per household as a percentage of median household income	1.31%	0.98%	3	6
6. City contributions as a percentage of total budget	7.6%	10.2%	4	1
7. Ratio of city contributions to employee contributions	5.08	4.63	3	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	7.6%	-64.0%	10	1
9. Asset-to-payout ratio (Police & Fire only)	6.1	2.9	4	2
10. Worker-to-beneficiary ratio (Police & Fire only)	0.72	0.45	3	2
Total score			44	30
Grade			F	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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