

# COMMUNITIES IN CRISIS

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

## Elk Grove Village

2019 Grade: F

In 2003, Elk Grove Village’s police, fire and municipal pension funds already faced a shortfall of **\$34.7 million**. That meant every Elk Grove Village household, on average, was on the hook for **\$2,616** in future taxes just to eliminate that shortfall.

*Elk Grove Village 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	\$1.82 million	\$9.33 million	Up 5.1X
Share of city general budget for pensions	6.9%	16.0%	Up 2.3X

*Despite the ramp-up in city payments over those 16 years, Elk Grove Village’s pension debts didn’t decrease. Instead, they jumped by 3.4 times!*

By 2019, the shortfall in Elk Grove Village’s police, fire and municipal pension funds totaled **\$119.1 million**. That means each Elk Grove Village household, on average, is now on the hook for **\$8,983** in debt.

### Everyone loses under Elk Grove Village’s pension crisis:



#### Taxpayers are tapped out

Elk Grove Village residents are paying more and more into a broken system. City taxpayers in 2019 contributed 5.1 times more to pensions than in 2003, yet city debts are 3.4 times larger.



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

Elk Grove Village pension contributions have grown to consume 16.0% of the city’s budget, up from 6.9% in 2003. That’s crowded out spending on public safety, roads and other core services.



#### Elk Grove Village worker retirement security is collapsing

The health of Elk Grove Village’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 74.1% of the money they needed. By 2019, that had dropped to just 63.3%.



#### Elk Grove Village’s crisis will only get worse

Elk Grove Village has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.19 active workers for every pensioner. By 2019, there were 1.02 active workers per pensioner.

2019 GRADE

**F**

2003 GRADE

**C**

# Elk Grove Village 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).\*

Elk Grove Village received an "F" grade in 2019. The city's total score dropped from 75 in 2003 to 59 in 2019, a decline of 16 points.

Elk Grove Village 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

Elk Grove Village Key Facts		
City demographics	2000	2019
Population	34,727	32,942
Households	13,271	13,261
Median household income	\$62,132	\$81,895
City budget	2003	2019
General revenues	\$26,330,889	\$58,194,648
Total revenues	\$51,776,972	\$126,621,748
Total property taxes	\$12,561,749	\$34,502,556
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$134,165,817	\$324,248,641
Total pension assets	\$99,450,118	\$205,118,921
Funded ratio	74.1%	63.3%
Total pension shortfall	\$34,715,699	\$119,129,720
Per household	\$2,616	\$8,983
Active public safety workers	184	178
Public safety pension beneficiaries	84	175
City pension contributions	2003	2019
City contributions	\$1,820,657	\$9,325,336
Per household	\$137	\$703
Percentage of city's general budget	6.9%	16.0%
Employees' contributions	\$1,427,299	\$2,367,922

## Elk Grove Village Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	67.9%	63.5%	6	6
2. Firefighter pension funded ratio	72.1%	55.9%	7	5
3. Municipal (IMRF) pension funded ratio	91.5%	87.8%	9	8
4. City pension debts per household as a percentage of median household income	4.2%	11.0%	8	5
5. City contributions per household as a percentage of median household income	0.22%	0.86%	8	6
6. City contributions as a percentage of total budget	3.5%	7.4%	8	4
7. Ratio of city contributions to employee contributions	1.28	3.94	9	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-53.8%	-5.3%	1	8
9. Asset-to-payout ratio (Police & Fire only)	24.9	13.7	9	7
10. Worker-to-beneficiary ratio (Police & Fire only)	2.19	1.02	10	5

<b>Total score</b>	75	59
<b>Grade</b>	C	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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