

# COMMUNITIES IN CRISIS

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

## Elmwood Park

2019 Grade: F

In 2003, Elmwood Park’s police, fire and municipal pension funds already faced a shortfall of **\$24.3 million**. That meant every Elmwood Park household, on average, was on the hook for **\$2,470** in future taxes just to eliminate that shortfall.

*Elmwood Park 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	\$1.51 million	\$4.65 million	Up 3.1X
Share of city general budget for pensions	12.3%	20.8%	Up 1.7X

*Despite the ramp-up in city payments over those 16 years, Elmwood Park’s pension debts didn’t decrease. Instead, they jumped by 2.5 times!*

By 2019, the shortfall in Elmwood Park’s police, fire and municipal pension funds totaled **\$62.0 million**. That means each Elmwood Park household, on average, is now on the hook for **\$6,877** in debt.

### Everyone loses under Elmwood Park’s pension crisis:



#### Taxpayers are tapped out

Elmwood Park residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.1 times more to pensions than in 2003, yet city debts are 2.5 times larger.



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

Elmwood Park pension contributions have grown to consume 20.8% of the city’s budget, up from 12.3% in 2003. That’s crowded out spending on public safety, roads and other core services.



#### Elmwood Park worker retirement security is collapsing

The health of Elmwood Park’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 47.5% of the money they needed. By 2019, that had dropped to just 42.4%.



#### Elmwood Park’s crisis will only get worse

Elmwood Park has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.24 active workers for every pensioner. By 2019, there were 0.86 active workers per pensioner.

2019 GRADE



2003 GRADE



# Elmwood Park 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).\*

Elmwood Park received an "F" grade in 2019. The city's total score dropped from 61 in 2003 to 44 in 2019, a decline of 17 points.

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

Elmwood Park Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	25,405	24,468
Households	9,852	9,017
Median household income	\$47,315	\$59,963
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$12,320,040	\$22,306,356
Total revenues	\$21,987,162	\$43,933,010
Total property taxes	\$8,271,484	\$15,374,295
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$46,345,386	\$107,716,279
Total pension assets	\$22,014,143	\$45,703,553
Funded ratio	47.5%	42.4%
Total pension shortfall	\$24,331,243	\$62,012,726
Per household	\$2,470	\$6,877
Active public safety workers	57	61
Public safety pension beneficiaries	46	71
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$1,510,004	\$4,648,021
Per household	\$153	\$515
Percentage of city's general budget	12.3%	20.8%
Employees' contributions	\$517,499	\$774,009

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

Elmwood Park Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	36.2%	33.3%	3	3
2. Firefighter pension funded ratio	30.7%	37.0%	3	3
3. Municipal (IMRF) pension funded ratio	105.7%	83.7%	10	8
4. City pension debts per household as a percentage of median household income	5.2%	11.5%	7	5
5. City contributions per household as a percentage of median household income	0.32%	0.86%	8	6
6. City contributions as a percentage of total budget	6.9%	10.6%	5	1
7. Ratio of city contributions to employee contributions	2.92	6.01	6	2
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-4.9%	-6.9%	9	8
9. Asset-to-payout ratio (Police & Fire only)	7.8	7.3	4	4
10. Worker-to-beneficiary ratio (Police & Fire only)	1.24	0.86	6	4
<b>Total score</b>			61	44
<b>Grade</b>			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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