

COMMUNITIES IN CRISIS

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

Evanston

2019 Grade: F

In 2003, Evanston’s police, fire and municipal pension funds already faced a shortfall of **\$103.2 million**. That meant every Evanston household, on average, was on the hook for **\$3,478** in future taxes just to eliminate that shortfall.

Evanston 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	\$5.73 million	\$21.14 million	Up 3.7X
Share of city general budget for pensions	8.0%	19.5%	Up 2.4X

Despite the ramp-up in city payments over those 16 years, Evanston’s pension debts didn’t decrease. Instead, they jumped by 2.1 times!

By 2019, the shortfall in Evanston’s police, fire and municipal pension funds totaled **\$213.3 million**. That means each Evanston household, on average, is now on the hook for **\$7,523** in debt.

Everyone loses under Evanston’s pension crisis:



Taxpayers are tapped out

Evanston 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 2.1 times larger.



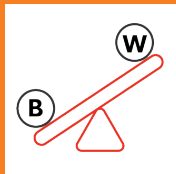
Pension costs are devouring the city’s budget

Evanston pension contributions have grown to consume 19.5% of the city’s budget, up from 8.0% in 2003. That’s crowded out spending on public safety, roads and other core services.



Evanston worker retirement security is collapsing

The health of Evanston’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 60.5% of the money they needed. By 2019, that had dropped to just 60.3%.



Evanston’s crisis will only get worse

Evanston has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.10 active workers for every pensioner. By 2019, there were 0.77 active workers per pensioner.

2019 GRADE

F

2003 GRADE

D

Evanston 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).*

Evanston received an "F" grade in 2019. The city's total score dropped from 67 in 2003 to 56 in 2019, a decline of 11 points.

Evanston 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

Evanston Key Facts		
City demographics	2000	2019
Population	74,239	74,587
Households	29,675	28,352
Median household income	\$56,335	\$78,904
City budget	2003	2019
General revenues	\$71,494,391	\$108,643,055
Total revenues	\$155,834,027	\$281,100,687
Total property taxes	\$30,778,890	\$52,072,325
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$261,230,775	\$537,610,729
Total pension assets	\$158,020,886	\$324,325,867
Funded ratio	60.5%	60.3%
Total pension shortfall	\$103,209,889	\$213,284,862
Per household	\$3,478	\$7,523
Active public safety workers	268	257
Public safety pension beneficiaries	244	335
City pension contributions	2003	2019
City contributions	\$5,726,396	\$21,142,756
Per household	\$193	\$746
Percentage of city's general budget	8.0%	19.5%
Employees' contributions	\$2,941,869	\$4,252,412

Evanston Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	42.4%	54.4%	4	5
2. Firefighter pension funded ratio	42.7%	47.3%	4	4
3. Municipal (IMRF) pension funded ratio	109.0%	93.9%	10	9
4. City pension debts per household as a percentage of median household income	6.2%	9.5%	7	6
5. City contributions per household as a percentage of median household income	0.34%	0.95%	8	6
6. City contributions as a percentage of total budget	3.7%	7.5%	8	4
7. Ratio of city contributions to employee contributions	1.95	4.97	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-10.2%	16.8%	7	10
9. Asset-to-payout ratio (Police & Fire only)	11.1	9.8	6	5
10. Worker-to-beneficiary ratio (Police & Fire only)	1.10	0.77	5	3
Total score			67	56
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

