

# COMMUNITIES IN CRISIS

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

**Granite City**

**2019 Grade: F**

In 2003, Granite City’s police, fire and municipal pension funds already faced a shortfall of **\$33.8 million**. That meant every Granite City household, on average, was on the hook for **\$2,631** in future taxes just to eliminate that shortfall.

*Granite City 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	\$2.60 million	\$6.85 million	Up 2.6X
Share of city general budget for pensions	15.1%	23.8%	Up 1.6X

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

By 2019, the shortfall in Granite City’s police, fire and municipal pension funds totaled **\$84.6 million**. That means each Granite City household, on average, is now on the hook for **\$6,882** in debt.

## Everyone loses under Granite City’s pension crisis:



### Taxpayers are tapped out

Granite City residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.6 times more to pensions than in 2003, yet city debts are 2.5 times larger.



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

Granite City pension contributions have grown to consume 23.8% of the city’s budget, up from 15.1% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Granite City worker retirement security is collapsing

The health of Granite City’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 57.1% of the money they needed. By 2019, that had dropped to just 45.6%.



### Granite City’s crisis will only get worse

Granite City has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.92 active workers for every pensioner. By 2019, there were 0.78 active workers per pensioner.

2019 GRADE



2003 GRADE



# Granite City 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).\*

Granite City received an "F" grade in 2019. The city's total score dropped from 51 in 2003 to 44 in 2019, a decline of 7 points.

Granite City 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

Granite City Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	31,301	28,612
Households	12,862	12,292
Median household income	\$35,615	\$51,469
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$17,270,064	\$28,763,997
Total revenues	\$30,595,601	\$57,941,674
Total property taxes	\$6,324,102	\$19,098,451
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$78,844,605	\$155,359,374
Total pension assets	\$45,003,756	\$70,771,034
Funded ratio	57.1%	45.6%
Total pension shortfall	\$33,840,849	\$84,588,340
Per household	\$2,631	\$6,882
Active public safety workers	108	109
Public safety pension beneficiaries	118	140
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$2,601,349	\$6,846,443
Per household	\$202	\$557
Percentage of city's general budget	15.1%	23.8%
Employees' contributions	\$707,687	\$1,086,927

## Granite City Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	44.0%	45.0%	4	4
2. Firefighter pension funded ratio	48.9%	34.3%	4	3
3. Municipal (IMRF) pension funded ratio	105.4%	87.9%	10	8
4. City pension debts per household as a percentage of median household income	7.4%	13.4%	7	3
5. City contributions per household as a percentage of median household income	0.57%	1.08%	7	5
6. City contributions as a percentage of total budget	8.5%	11.8%	3	1
7. Ratio of city contributions to employee contributions	3.68	6.30	5	2
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-58.5%	0.3%	1	10
9. Asset-to-payout ratio (Police & Fire only)	10.4	8.2	6	5
10. Worker-to-beneficiary ratio (Police & Fire only)	0.92	0.78	4	3
<b>Total score</b>			<b>51</b>	<b>44</b>
<b>Grade</b>			<b>F</b>	<b>F</b>

\*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

