

# COMMUNITIES IN CRISIS

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

## Highland Park

2019 Grade: F

In 2003, Highland Park’s police, fire and municipal pension funds already faced a shortfall of **\$33.6 million**. That meant every Highland Park household, on average, was on the hook for **\$2,920** in future taxes just to eliminate that shortfall.

*Highland 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	\$2.05 million	\$8.79 million	Up 4.3X
Share of city general budget for pensions	8.2%	23.9%	Up 2.9X

*Despite the ramp-up in city payments over those 16 years, Highland Park’s pension debts didn’t decrease. Instead, they jumped by 2.9 times!*

By 2019, the shortfall in Highland Park’s police, fire and municipal pension funds totaled **\$95.9 million**. That means each Highland Park household, on average, is now on the hook for **\$8,360** in debt.

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



#### Taxpayers are tapped out

Highland Park residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.3 times more to pensions than in 2003, yet city debts are 2.9 times larger.



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

Highland Park pension contributions have grown to consume 23.9% of the city’s budget, up from 8.2% in 2003. That’s crowded out spending on public safety, roads and other core services.



#### Highland Park worker retirement security is collapsing

The health of Highland Park’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 68.3% of the money they needed. By 2019, that had dropped to just 57.2%.



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

Highland Park has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.32 active workers for every pensioner. By 2019, there were 0.82 active workers per pensioner.

2019 GRADE



2003 GRADE



# Highland 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).\*

Highland Park received an "F" grade in 2019. The city's total score dropped from 69 in 2003 to 57 in 2019, a decline of 12 points.

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

Highland Park Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	31,365	29,628
Households	11,500	11,477
Median household income	\$100,967	\$150,269
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$24,996,512	\$36,726,105
Total revenues	\$64,042,189	\$109,427,869
Total property taxes	\$12,761,565	\$19,073,660
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$105,897,410	\$224,073,370
Total pension assets	\$72,315,456	\$128,128,587
Funded ratio	68.3%	57.2%
Total pension shortfall	\$33,581,954	\$95,944,783
Per household	\$2,920	\$8,360
Active public safety workers	111	107
Public safety pension beneficiaries	84	130
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$2,051,822	\$8,791,751
Per household	\$178	\$766
Percentage of city's general budget	8.2%	23.9%
Employees' contributions	\$1,187,484	\$1,634,572

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

Highland Park Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	53.4%	46.2%	5	4
2. Firefighter pension funded ratio	58.3%	52.2%	5	5
3. Municipal (IMRF) pension funded ratio	102.7%	94.4%	10	9
4. City pension debts per household as a percentage of median household income	2.9%	5.6%	8	7
5. City contributions per household as a percentage of median household income	0.18%	0.51%	9	7
6. City contributions as a percentage of total budget	3.2%	8.0%	8	3
7. Ratio of city contributions to employee contributions	1.73	5.38	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-36.3%	15.6%	2	10
9. Asset-to-payout ratio (Police & Fire only)	15.1	9.8	8	5
10. Worker-to-beneficiary ratio (Police & Fire only)	1.32	0.82	6	4
<b>Total score</b>			<b>69</b>	<b>57</b>
<b>Grade</b>			<b>D</b>	<b>F</b>

\*Wirepoints analyzed 175 of Illinois' largest cities, excluding Chicago, that have a local police, firefighter and municipal (IMRF) pension fund.