

COMMUNITIES IN CRISIS

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

Kankakee

2019 Grade: F

In 2003, Kankakee’s police, fire and municipal pension funds already faced a shortfall of **\$41.1 million**. That meant every Kankakee household, on average, was on the hook for **\$4,110** in future taxes just to eliminate that shortfall.

Kankakee 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	\$1.96 million	\$6.57 million	Up 3.4X
Share of city general budget for pensions	12.6%	21.4%	Up 1.7X

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

By 2019, the shortfall in Kankakee’s police, fire and municipal pension funds totaled **\$121.0 million**. That means each Kankakee household, on average, is now on the hook for **\$13,378** in debt.

Everyone loses under Kankakee’s pension crisis:



Taxpayers are tapped out

Kankakee residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.4 times more to pensions than in 2003, yet city debts are 2.9 times larger.



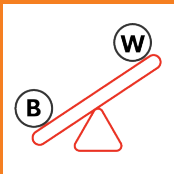
Pension costs are devouring the city’s budget

Kankakee pension contributions have grown to consume 21.4% of the city’s budget, up from 12.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Kankakee worker retirement security is collapsing

The health of Kankakee’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 45.6% of the money they needed. By 2019, that had dropped to just 30.0%.



Kankakee’s crisis will only get worse

Kankakee has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.03 active workers for every pensioner. By 2019, there were 0.82 active workers per pensioner.

2019 GRADE



2003 GRADE



Kankakee 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).*

Kankakee received an "F" grade in 2019. The city's total score dropped from 51 in 2003 to 29 in 2019, a decline of 22 points.

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

Kankakee Key Facts		
City demographics	2000	2019
Population	27,491	25,830
Households	9,995	9,047
Median household income	\$30,469	\$37,894
City budget	2003	2019
General revenues	\$15,607,432	\$30,665,180
Total revenues	\$38,462,111	\$71,045,859
Total property taxes	\$8,960,448	\$18,707,784
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$75,544,765	\$172,995,060
Total pension assets	\$34,466,356	\$51,960,937
Funded ratio	45.6%	30.0%
Total pension shortfall	\$41,078,409	\$121,034,123
Per household	\$4,110	\$13,378
Active public safety workers	121	111
Public safety pension beneficiaries	118	136
City pension contributions	2003	2019
City contributions	\$1,959,959	\$6,572,750
Per household	\$196	\$727
Percentage of city's general budget	12.6%	21.4%
Employees' contributions	\$764,453	\$1,186,476

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

Kankakee Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	31.8%	29.6%	3	2
2. Firefighter pension funded ratio	31.6%	16.6%	3	1
3. Municipal (IMRF) pension funded ratio	106.8%	80.5%	10	8
4. City pension debts per household as a percentage of median household income	13.5%	35.3%	3	1
5. City contributions per household as a percentage of median household income	0.64%	1.92%	7	1
6. City contributions as a percentage of total budget	5.1%	9.3%	6	2
7. Ratio of city contributions to employee contributions	2.56	5.54	6	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-25.7%	-28.8%	4	4
9. Asset-to-payout ratio (Police & Fire only)	6.7	5.6	4	3
10. Worker-to-beneficiary ratio (Police & Fire only)	1.03	0.82	5	4
Total score			51	29
Grade			F	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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