

COMMUNITIES IN CRISIS

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

Beardstown

2019 Grade: D

In 2003, Beardstown’s police, fire and municipal pension funds already faced a shortfall of **\$0.6 million**. That meant every Beardstown household, on average, was on the hook for **\$276** in future taxes just to eliminate that shortfall.

Beardstown 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	\$0.15 million	\$0.33 million	Up 2.2X
Share of city general budget for pensions	6.6%	9.6%	Up 1.4X

Despite the ramp-up in city payments over those 16 years, Beardstown’s pension debts didn’t decrease. Instead, they jumped by 5.6 times!

By 2019, the shortfall in Beardstown’s police, fire and municipal pension funds totaled **\$3.4 million**. That means each Beardstown household, on average, is now on the hook for **\$1,544** in debt.

Everyone loses under Beardstown’s pension crisis:



Taxpayers are tapped out

Beardstown residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.2 times more to pensions than in 2003, yet city debts are 5.6 times larger.



Pension costs are devouring the city’s budget

Beardstown pension contributions have grown to consume 9.6% of the city’s budget, up from 6.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Beardstown worker retirement security is collapsing

The health of Beardstown’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 86.7% of the money they needed. By 2019, that had dropped to just 64.5%.



Beardstown’s crisis will only get worse

Beardstown has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.00 active workers for every pensioner. By 2019, there were 1.11 active workers per pensioner.

2019 GRADE



2003 GRADE



Beardstown receives a "D" 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).*

Beardstown received a "D" grade in 2019. The city's total score dropped from 81 in 2003 to 66 in 2019, a decline of 15 points.

Beardstown was one of 64 cities to receive a "D" grade in 2019.

Beardstown Key Facts		
City demographics	2000	2019
Population	5,766	5,682
Households	2,155	2,173
Median household income	\$29,104	\$40,750
City budget	2003	2019
General revenues	\$2,284,300	\$3,396,277
Total revenues	\$5,253,552	\$8,021,908
Total property taxes	\$998,156	\$1,555,224
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$4,466,208	\$9,443,253
Total pension assets	\$3,871,633	\$6,087,443
Funded ratio	86.7%	64.5%
Total pension shortfall	\$594,574	\$3,355,810
Per household	\$276	\$1,544
Active public safety workers	12	10
Public safety pension beneficiaries	6	9
City pension contributions	2003	2019
City contributions	\$151,545	\$325,731
Per household	\$70	\$150
Percentage of city's general budget	6.6%	9.6%
Employees' contributions	\$69,501	\$102,728

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

Beardstown Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	70.4%	43.1%	7	4
2. Firefighter pension funded ratio	74.1%	57.4%	7	5
3. Municipal (IMRF) pension funded ratio	105.8%	89.7%	10	8
4. City pension debts per household as a percentage of median household income	0.9%	3.8%	10	8
5. City contributions per household as a percentage of median household income	0.24%	0.37%	8	8
6. City contributions as a percentage of total budget	2.9%	4.1%	9	7
7. Ratio of city contributions to employee contributions	2.18	3.17	7	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-24.5%	-2.5%	5	9
9. Asset-to-payout ratio (Police & Fire only)	17.6	12.2	8	7
10. Worker-to-beneficiary ratio (Police & Fire only)	2.00	1.11	10	5
Total score			81	66
Grade			B	D

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

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