In 2003, Pontiac’s police, fire and municipal pension funds already faced a shortfall of $1.3 million. That meant every Pontiac household, on average, was on the hook for $318 in future taxes just to eliminate that shortfall.

Pontiac 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.

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City (taxpayer) contributions to pensions</td>
<td>$0.27 million</td>
<td>$1.01 million</td>
<td>Up 3.7X</td>
</tr>
<tr>
<td>Share of city general budget for pensions</td>
<td>7.4%</td>
<td>16.0%</td>
<td>Up 2.2X</td>
</tr>
</tbody>
</table>

Despite the ramp-up in city payments over those 16 years, Pontiac’s pension debts didn’t decrease. Instead, they jumped by 8.9 times!

By 2019, the shortfall in Pontiac’s police, fire and municipal pension funds totaled $11.8 million. That means each Pontiac household, on average, is now on the hook for $2,719 in debt.

Everyone loses under Pontiac’s pension crisis:

**Taxpayers are tapped out**
Pontiac 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 8.9 times larger.

**Pension costs are devouring the city’s budget**
Pontiac pension contributions have grown to consume 16.0% of the city’s budget, up from 7.4% in 2003. That’s crowded out spending on public safety, roads and other core services.

**Pontiac worker retirement security is collapsing**
The health of Pontiac’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 90.9% of the money they needed. By 2019, that had dropped to just 65.0%.

**Pontiac’s crisis will only get worse**
Pontiac has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.67 active workers for every pensioner. By 2019, there were 1.03 active workers per pensioner.
Pontiac received a “D” grade in 2019. The city’s total score dropped from 90 in 2003 to 64 in 2019, a decline of 26 points.

Pontiac was one of 64 cities to receive a “D” grade in 2019.

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).*

Communities in crisis: More than half of Illinois cities get “F” grades for local pensions