In 2003, Hoffman Estates’s police, fire and municipal pension funds already faced a shortfall of $29.6 million. That meant every Hoffman Estates household, on average, was on the hook for $1,732 in future taxes just to eliminate that shortfall.

Hoffman Estates 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>$2.71 million</td>
<td>$8.57 million</td>
<td>Up 3.2X</td>
</tr>
<tr>
<td>Share of city general budget for pensions</td>
<td>8.7%</td>
<td>13.9%</td>
<td>Up 1.6X</td>
</tr>
</tbody>
</table>

Despite the ramp-up in city payments over those 16 years, Hoffman Estates’s pension debts didn’t decrease. Instead, they jumped by 4.6 times!

By 2019, the shortfall in Hoffman Estates’s police, fire and municipal pension funds totaled $137.0 million. That means each Hoffman Estates household, on average, is now on the hook for $7,733 in debt.

Everyone loses under Hoffman Estates’s pension crisis:

**Taxpayers are tapped out**
Hoffman Estates residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.2 times more to pensions than in 2003, yet city debts are 4.6 times larger.

**Pension costs are devouring the city’s budget**
Hoffman Estates pension contributions have grown to consume 13.9% of the city’s budget, up from 8.7% in 2003. That’s crowded out spending on public safety, roads and other core services.

**Hoffman Estates worker retirement security is collapsing**
The health of Hoffman Estates’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 75.6% of the money they needed. By 2019, that had dropped to just 59.8%.

**Hoffman Estates’s crisis will only get worse**
Hoffman Estates has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.66 active workers for every pensioner. By 2019, there were 1.03 active workers per pensioner.
Hoffman Estates 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).*

Hoffman Estates received an “F” grade in 2019. The city’s total score dropped from 81 in 2003 to 58 in 2019, a decline of 23 points.

Hoffman Estates was one of 102 cities to receive an “F” grade in 2019.

### Hoffman Estates Key Facts

**City demographics**

- **2000**
  - Population: 49,495
  - Households: 17,096
  - Median household income: $65,937
- **2019**
  - Population: 50,841
  - Households: 17,717
  - Median household income: $91,917

**City budget**

- **2003**
  - General revenues: $31,074,702
  - Total revenues: $93,836,258
  - Total property taxes: $32,468,957
- **2019**
  - General revenues: $61,640,404
  - Total revenues: $165,047,216
  - Total property taxes: $43,358,801

**Pension health**

- **2003**
  - Total accrued liabilities (benefits owed): $121,582,280
  - Total pension assets: $91,967,280
  - Funded ratio: 75.6%
  - Total pension shortfall: $29,615,000
  - Per household: $1,732
  - Active public safety workers: 189
  - Public safety pension beneficiaries: 71
- **2019**
  - Total accrued liabilities (benefits owed): $340,431,729
  - Total pension assets: $203,434,203
  - Funded ratio: 59.8%
  - Total pension shortfall: $136,997,526
  - Per household: $7,733
  - Active public safety workers: 182
  - Public safety pension beneficiaries: 177

### Hoffman Estates Score

<table>
<thead>
<tr>
<th>Metric</th>
<th>2003</th>
<th>2019</th>
<th>2003</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Police pension funded ratio</td>
<td>64.4%</td>
<td>51.6%</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>2. Firefighter pension funded ratio</td>
<td>80.6%</td>
<td>63.0%</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>3. Municipal (IMRF) pension funded ratio</td>
<td>90.6%</td>
<td>77.8%</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>4. City pension debts per household as a percentage of median household income</td>
<td>2.6%</td>
<td>8.4%</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>5. City contributions per household as a percentage of median household income</td>
<td>0.24%</td>
<td>0.53%</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>6. City contributions as a percentage of total budget</td>
<td>2.9%</td>
<td>5.2%</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>7. Ratio of city contributions to employee contributions</td>
<td>1.60</td>
<td>3.61</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>8. Percentage surplus/shortfall in actuarially-required city contribution (Police &amp; Fire only)</td>
<td>-21.7%</td>
<td>-27.2%</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>9. Asset-to-payout ratio (Police &amp; Fire only)</td>
<td>28.1</td>
<td>13.6</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>10. Worker-to-beneficiary ratio (Police &amp; Fire only)</td>
<td>2.66</td>
<td>1.03</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

**Total score**

<table>
<thead>
<tr>
<th>Grade</th>
<th>2003</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>81</td>
<td>58</td>
<td></td>
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</tbody>
</table>

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