How Many Illinois Public Safety Pension Systems Risk Running Out of Assets?

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Growing Gap Between Well and Underfunded Local Police + Fire Public Pension Systems

Average Funded Ratios for Selected Years by Group

- **Bottom Third**
  - 2007: 54%
  - 2012: 42%
  - 2018: 38%

- **Middle Third**
  - 2007: 67%
  - 2012: 58%
  - 2018: 56%

- **Top Third**
  - 2007: 79%
  - 2012: 71%
  - 2018: 74%

Graph showing the average funded ratios for selected years by group.
Liquidity Measures

• Operating Cash Flow = \( \frac{(\text{Income from Members} + \text{Income from Municipality} - \text{Total Expenses})}{\text{Net Present Assets Market Value}} \)

• Liquidity-to-Assets Ratio = \( \frac{(\text{Cash and Cash Equivalents} + \text{Income from Members} + \text{Income from Municipality} + \text{Other Income} - \text{Total Expenses})}{\text{Net Present Assets Market Value}} \)
Number of Illinois Public Safety Systems with Negative Liquidity Ratios, By Group

<table>
<thead>
<tr>
<th>Group (Based on FY2018 Funded Ratio)</th>
<th># Pension Systems</th>
<th>Systems with At Least One Negative Liquidity Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># of Funds</td>
<td>% of Group</td>
</tr>
<tr>
<td>Bottom Third</td>
<td>197</td>
<td>118</td>
</tr>
<tr>
<td>Middle Third</td>
<td>202</td>
<td>109</td>
</tr>
<tr>
<td>Top Third</td>
<td>197</td>
<td>71</td>
</tr>
<tr>
<td>Total</td>
<td>596</td>
<td>298</td>
</tr>
</tbody>
</table>