



Chicago Mayor Lightfoot's Budget Avoids Major Tax Hikes but isn't Truly Balanced

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CHICAGO – The Chicago City Council approved Mayor Lori Lightfoot's [\\$11.65 billion budget](#) today, which on paper closed the largest budget deficit in the city's history. While Mayor Lightfoot successfully relieved residents from shouldering any major property tax hikes, she won't be able to truly balance the city's budget without pension reform.

The city budget alone will increase the median Chicago homeowner's 2020 property tax bill by \$47.89, increasing Chicago's 2020 property tax levy by roughly \$70 million compared to 2019. That's on top of an at least \$80 increase homeowners are expected to pay to fund the new Chicago Teachers Union contract.

Lightfoot used targeted tax hikes and modest spending cuts to balance the 2020 budget, most of which are creative gimmicks and one-time revenue solutions that won't be available to help close inevitable gaps in the future.

The Lightfoot administration has already projected budget gaps in excess of \$1 billion in fiscal years 2021 and 2022. By the end of Lightfoot's first term in 2023, pension contributions will be \$1 billion more expensive than they are right now.

What to know:

- The city started with an \$838 million budget deficit. After adding \$51.8 million in new spending, Lightfoot then identified \$352.2 million in increased revenue and \$537.6 million in savings and efficiencies.
- If the mayor had instead opted to close the entire \$838 million gap with property taxes, the median Chicago family could've seen a \$573 increase in one year.
- Chicago has more pension debt combined than 44 U.S. states.

- Chicago taxpayers just endured [\\$864 million in annual tax hikes](#), including property tax hikes, increased emergency 911 call fees and higher water and sewage taxes, during former Chicago Mayor Rahm Emanuel's administration.
- Chicago's high tax burden has contributed to [four straight years of population loss](#) for the city.

Statement from Adam Schuster, director of budget and tax research for the nonpartisan Illinois Policy Institute:

"Mayor Lightfoot is being creative and doing the best she can with an impossible situation. She has found some ways to save money, avoid major property tax increases, and make the government more efficient, and she should be applauded for that.

"However, this budget is not truly balanced. The city will spend more than it takes in, as it has since 2003, and the city's finances will continue to deteriorate. Lightfoot cannot fix Chicago's long-term structural deficit without a constitutional amendment to reform pensions. She should become the state's biggest advocate for true pension reform. Without it, city taxpayers will continue to see cuts to services and be faced with tax hikes year after year."

To read, "Chicago's 2020 budget proposal was never truly balanced," visit: illin.is/chibudget.

For bookings or interviews, contact media@illinoispolicy.org or (312) 607-4977.