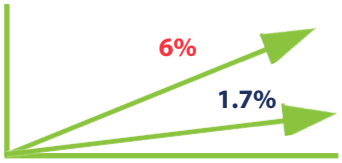
ADDRESSING MICHIGAN'S LEGACY COSTS

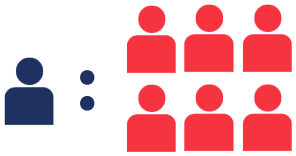
UNFUNDED LOCAL PENSION AND RETIREE HEALTH CARE COSTS



$18.8 billion: estimated legacy costs for Michigan's local units of government.

In 2016, health insurance prices rose **6%**, while general inflation rose **1.7%**.





In some communities, there are as many as **6** retirees to each active worker.

For many Michigan cities, roughly **20 cents** on the dollar go to legacy costs. That means 20 cents on every dollar spent is not available for direct services for residents, such as police and fire protection.



Why Michigan must act now

Michigan, and the nation as a whole, are facing the systemic problem of **mounting legacy costs** for pension and health care to employees and retirees. With unfunded pension liabilities estimated at $9.7 billion and retiree health care estimated at $9.1 billion, we must act now to address this issue crippling our local governments.

These costs crowd out **crucial municipal services** such as police, ambulance and sanitation, and could result in the potential loss of retiree benefits in the future. Residents and job providers could also face **tax increases, judgment levies, or local government bankruptcy** if these problems are not addressed.

It's imperative that Michigan legislators, state and local government officials, and employee representatives work together to ensure retiree support and the financial stability and effective delivery of local government services for Michiganders now, and for years to come.