



Fact: Illinois is bleeding between \$28 billion and \$57 billion every single year. Illinois is a massive federal "donor state" — paying billions more in federal taxes than the state receives back in federal funds. It simply does not have to be this way. Over the past decade alone, this gap has cost our taxpayers hundreds of billions of dollars. Correcting our donor state status would provide financial flexibility to fundamentally help our depleted middle class, our most vulnerable residents, and our 315,000 CPS students. Oddly, it appears no one in local leadership is even talking about it.

According to the Rockefeller Institute of Government, Illinois has consistently ranked among the nation's biggest financial losers in its ratio of payments to Washington as compared to its receipts of federal dollars. Illinois captures roughly 80 cents back in federal outlays for every dollar sent. Compare that massive shortfall in Illinois to other high-GDP states across the country.

Texas, a traditional red state, has managed to secure a windfall return, getting back an annual \$80 billion federal surplus. Virginia, a purple state, has captured an astonishing \$145 billion surplus per year, which translates to over \$1.30 received per dollar sent. Pennsylvania, a traditional blue state, consistently finds itself a major net recipient, hauling in a \$62.8 billion annual federal surplus. Given the diverse political predisposition of these three states, politics itself doesn't seem to be the driving factor.

This multi-billion-dollar deficit in Illinois falls heaviest on the Chicago metropolitan area, which generates roughly 80 percent of our state's total tax revenue and economic output. City Hall has a projected \$1.15 billion corporate fund deficit, driven primarily by our contractual obligations. These include personnel costs to maintain basic city services and an estimated \$53 billion in unfunded legacy pension liabilities.

To be clear, the solution is not to squeeze the pay of hard-working municipal employees or cut the retirement security of workers who earned their pensions. If executed properly, they could receive even more. Rather, if our political leadership simply stopped treating the federal government as an ideological punching bag and successfully worked toward a break-even balance of payments, the extra \$30 to \$50 billion annually — an amount that approaches the entire State of Illinois's annual general fund budget — would result in a transformative windfall statewide, and for Chicagoans.

Even if the federal funds were earmarked, the resulting fiscal flexibility could effortlessly wipe out Chicago's shortfall and fully fund municipal pension systems. The flexibility could help bankroll a massive reduction in local property taxes, add universal three-year-old preschool options, and expanded summer job programs for teens. It could allow us to open additional mental health facilities and expand critical safety nets for our most vulnerable residents, while restoring public safety by putting more police officers on public transportation and completely dismantling predatory red-light and speed cameras. The credit rating of the state and city would see immediate rating agency upgrades and our borrowing costs would fall quickly. This would result in even further additional savings to reduce state and municipal taxes without making a single cut to programs.

Instead of capturing this windfall, political leadership often engages in adversarial and over-the-top rhetoric on national platforms attacking the executive branch. While this performance might win cable news ratings, create social media soundbites, raise campaign funds, and satisfy political bases during a campaign, it spills over into governing and severely damages our state's quiet, behind-the-scenes leverage for federal funds.

Illinois is a solidly blue state politically. It's time to realize the damaging effects of post-election hostilities and to acknowledge the financial result of that behavior is a luxury that working-class families can no longer afford. Performance politics doesn't pay our bills.

Campaigning requires tough rhetoric and it is expected both parties will hit below the belt. That said, once in office, leaders must best position our city and state financially. Illinois and Chicago must treat the office of the presidency not as a battlefield, but as a primary financial partner. Find fiscal common ground. It is time to make our city and state better for our middle class and struggling households, not better for political campaigns that never end.

As it pertains to pending state and city elections, every candidate promises structural reform. The real test is which candidates have a plan to secure the federal funding Illinoisans have already paid for.

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