

NEBRASKA

Key Findings

Benefits paid by state and local pension plans support a significant amount of economic activity in the state of Nebraska.

Pension benefits received by retirees are spent in the local community. This spending ripples through the economy, as one person's spending becomes another person's income, creating a multiplier effect.

In 2022, expenditures stemming from state and local pensions supported...

10,849 jobs that paid \$583.4 million in wages and salaries

\$2.0 billion in total economic output

\$315.4 million in federal, state, and local tax revenues

... in the state of Nebraska.

Each dollar paid out in pension benefits supported \$1.42 in total economic activity in Nebraska.

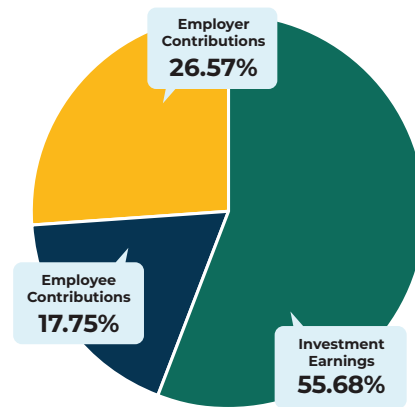
Each dollar "invested" by Nebraska taxpayers in these pension plans supported \$5.35 in total economic activity in the state.

Pensionomics 2025:

Measuring the Economic Impact of DB Pension Expenditures

Overview

Expenditures made by retirees of state and local government provide a steady economic stimulus to Nebraska communities and the state economy. In 2022, 47,564 residents of Nebraska received a total of \$1.4 billion in pension benefits from state and local pension plans.



The average pension benefit received was \$2,427 per month or \$29,128 per year. These modest benefits provide retired teachers, public safety personnel, and others who served the public during their working careers income to meet basic needs in retirement.

Between 1993 and 2022, 26.57% of Nebraska's pension fund receipts came from employer contributions, 17.75% from employee contributions, and 55.68% from investment earnings.* Earnings on investments and employee contributions—not taxpayer based contributions—have historically made up the bulk of pension fund receipts.

Impact on Jobs and Incomes

Retiree expenditures stemming from state and local pension plan benefits supported 10,849 jobs in the state. The total income to state residents supported by pension expenditures was \$583.4 million.

To put these employment impacts in perspective, in 2022 Nebraska's unemployment rate was 2.2%. The fact that DB pension expenditures supported 10,849 jobs is significant, as it represents 1.0 percentage points in Nebraska's labor force.

Economic Impact

State and local pension funds in Nebraska and other states paid a total of \$1.4 billion in benefits to Nebraska residents in 2022. Retirees' expenditures from these benefits supported a total of \$2.0 billion in total economic output in the state, and \$1.1 billion in value added in the state.

Impact on Tax Revenues

State and local pension payments made to Nebraska residents supported a total of \$315.4 million in revenue to federal, state, and local governments. Taxes paid by retirees and beneficiaries directly out of pension payments totaled \$72.6 million. Taxes attributable to pension expenditures in the local economy accounted for \$242.8 million in tax revenue.

Federal Tax	\$157.4 million
State/Local Tax	\$158.0 million
Total	\$315.4 million

Economic Multipliers

