NEW Research

Public Pension Benefit Spending Provides Substantial Economic Impact on Small Towns and Rural America

Webinar
March 12, 2020 | 1:00 PM ET
Agenda

1. Introductions
2. Research Review
3. Q&A
Webinar Logistics

- Attendees in listen only mode.

- Questions welcome. Type question using “Question” function on control panel, and we will answer.

- Audio, technical issues during webinar, call GoToWebinar at 1-800-263-6317.

- Webinar replay will be available.
Speakers

Dan Doonan
NIRS Executive Director and Report Co-Author

Tyler Bond
NIRS Research Manager and Report Co-Author
About the Report

• Builds on previous research and adds a deeper level of data and analysis.

• Figures in report do not utilize economic multipliers.

• Examines data from nineteen geographically diverse states representing every region of the country.

• Utilizes data from a majority of public pension plans in those states and the data was collected directly from those plans to guarantee its accuracy.
About the Report

• Offers a major new element. In December 2018, U.S. Department of Commerce’s Bureau of Economic Analysis made available for the first time Gross Domestic Product (GDP) by county data.

• Study uses this new 2018 data, as it is the most recent data available.

• In addition to this economic data, the report examines changes in a county’s population from 2000 to 2018 to determine if there is a connection between the economic impact of pension benefit dollars and growth or loss of population in the county.
Key Findings

1. Public pension benefit dollars represent between one and three percent of GDP on average in the 1,401 counties studied.

2. Rural counties and counties with state capitals have the highest percentages of populations receiving public pension benefits.

3. Small town counties experience a greater relative impact both in terms of GDP and total personal income from public pension benefit dollars than rural or metropolitan counties.
Key Findings

4. Rural counties experience more of an impact in terms of personal income than metropolitan counties, whereas metropolitan counties experience more of an impact in terms of GDP than rural counties.

5. Counties with state capitals are outliers from other metropolitan counties.

6. While rural counties have lost population to small town counties and metropolitan counties between 2000 and 2018, the connection between population change and the relative impact of public pension benefit dollars is weak.
### Different Types of Counties

#### Table 1. Different County Types

<table>
<thead>
<tr>
<th>Type of County</th>
<th>Number of Counties</th>
<th>Average Population Density</th>
<th>% of Population Receiving</th>
<th>Benefits as Share of GDP</th>
<th>Benefits as Share of Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>19</td>
<td>406.2</td>
<td>4.31%</td>
<td>1.99%</td>
<td>2.36%</td>
</tr>
<tr>
<td>Metro</td>
<td>383</td>
<td>285.5</td>
<td>2.37%</td>
<td>1.17%</td>
<td>1.26%</td>
</tr>
<tr>
<td>Micro</td>
<td>605</td>
<td>23.0</td>
<td>3.90%</td>
<td>1.89%</td>
<td>1.98%</td>
</tr>
<tr>
<td>Rural</td>
<td>395</td>
<td>4.7</td>
<td>4.34%</td>
<td>0.92%</td>
<td>1.73%</td>
</tr>
<tr>
<td>Total</td>
<td>1,402</td>
<td>99.3</td>
<td>2.63%</td>
<td>1.25%</td>
<td>1.37%</td>
</tr>
</tbody>
</table>
Figure 3. National Trendline Pension Dollars as a Percentage of GDP

Sum of Population Density vs. sum of % of GDP. Color shows details about State. Details are shown for County. The view is filtered on State, which keeps 19 of 19 members.
National Finding: Pension Dollars as Percent of Total Personal Income

Figure 4. National Trendline Pension Dollars as a Percentage of Personal Income

Sum of Population Density vs. sum of % of Total Personal Income. Color shows details about State. Details are shown for County. The view is filtered on State, which keeps 19 of 19 members.
State Capital Counties: Pension Dollars as Percent of GDP

Figure 1. State Capital Counties: Pension Benefit Dollars as a Percentage of GDP

Sum of Population Density vs. sum of % of GDP. Color shows details about State Capital. Details are shown for State and County.
State Capital Counties: Pension Dollars as Percent of Total Personal Income

Figure 2. State Capital Counties: Pension Benefit Dollars as a Percentage of Personal Income

Sum of Population Density vs. sum of % of Total Personal Income. Color shows details about State Capital. Details are shown for State and County.

- State Capital
  - State Capital
  - County
# Methodology and Capture Rate

## Table A20. State Data Capture Rates

<table>
<thead>
<tr>
<th>State</th>
<th>Census Bureau: 2018 Pension Benefit Payments (in thousands)</th>
<th>Census Bureau: 2018 Pension Payees</th>
<th>Data Received: Total Amount of Pension Benefits (in thousands)</th>
<th>Data Received: Total Number of Benefit Recipients</th>
<th>Percentage of Payments Captured</th>
<th>Percentage of People Captured</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$54,684,659</td>
<td>1,458,658</td>
<td>$53,369,536</td>
<td>908,072</td>
<td>64.68%</td>
<td>62.3%</td>
</tr>
<tr>
<td>Idaho</td>
<td>$906,505</td>
<td>2,332</td>
<td>$788,959</td>
<td>41,819</td>
<td>87.00%</td>
<td>79.9%</td>
</tr>
<tr>
<td>Illinois</td>
<td>$19,846,770</td>
<td>527,973</td>
<td>$9,255,081</td>
<td>291,031</td>
<td>46.63%</td>
<td>55.1%</td>
</tr>
<tr>
<td>Iowa</td>
<td>$2,263,672</td>
<td>126,165</td>
<td>$2,014,491</td>
<td>113,488</td>
<td>88.99%</td>
<td>90.0%</td>
</tr>
<tr>
<td>Kansas</td>
<td>$1,829,330</td>
<td>105,449</td>
<td>$1,537,487</td>
<td>88,857</td>
<td>84.05%</td>
<td>84.3%</td>
</tr>
<tr>
<td>Maine</td>
<td>$946,934</td>
<td>45,287</td>
<td>$841,683</td>
<td>36,523</td>
<td>88.89%</td>
<td>80.6%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$4,979,363</td>
<td>230,438</td>
<td>$4,415,601</td>
<td>202,991</td>
<td>88.68%</td>
<td>88.1%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>$2,676,744</td>
<td>107,599</td>
<td>$2,539,847</td>
<td>99,909</td>
<td>94.89%</td>
<td>92.8%</td>
</tr>
<tr>
<td>Missouri</td>
<td>$5,270,982</td>
<td>227,715</td>
<td>$3,895,411</td>
<td>164,843</td>
<td>73.90%</td>
<td>72.4%</td>
</tr>
<tr>
<td>Nevada</td>
<td>$2,426,131</td>
<td>67,163</td>
<td>$2,006,500</td>
<td>51,385</td>
<td>82.70%</td>
<td>76.5%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>$2,237,114</td>
<td>90,097</td>
<td>$1,945,377</td>
<td>76,928</td>
<td>86.97%</td>
<td>85.4%</td>
</tr>
<tr>
<td>New York</td>
<td>$3,225,872</td>
<td>974,194</td>
<td>$2,229,378</td>
<td>704,719</td>
<td>69.11%</td>
<td>72.3%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>$417,269</td>
<td>22,103</td>
<td>$341,498</td>
<td>16,031</td>
<td>81.84%</td>
<td>72.5%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$11,580,247</td>
<td>444,709</td>
<td>$9,267,921</td>
<td>330,958</td>
<td>80.03%</td>
<td>74.4%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>$3,861,478</td>
<td>165,517</td>
<td>$3,756,040</td>
<td>162,287</td>
<td>97.27%</td>
<td>98.0%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>$575,017</td>
<td>29,210</td>
<td>$461,620</td>
<td>23,568</td>
<td>80.28%</td>
<td>80.7%</td>
</tr>
<tr>
<td>Texas</td>
<td>$17,522,383</td>
<td>732,284</td>
<td>$14,836,063</td>
<td>574,982</td>
<td>82.10%</td>
<td>78.5%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$5,822,553</td>
<td>225,857</td>
<td>$4,690,047</td>
<td>179,410</td>
<td>80.55%</td>
<td>79.4%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>$584,067</td>
<td>30,214</td>
<td>$497,180</td>
<td>23,556</td>
<td>85.12%</td>
<td>78.0%</td>
</tr>
</tbody>
</table>

1 This report is based on data for in-state pension benefit recipients only. It does not include data for pension benefit recipients who live outside of the state where the plan is located.
California: Pension Dollars as Percent of Total Personal Income

Figure A1. California County Type

Figure A3. California Pension Benefit Dollars as Share of County Total Personal Income
Pennsylvania: Pension Dollars as Percent of GDP
Pennsylvania: Pension Dollars as Percent of Total Personal Income

Figure A40. Pennsylvania County Type

Figure A42. Pennsylvania Pension Benefit Dollars as Share of County Total Personal Income
North Dakota: Pension Dollars as Percent of GDP

Figure A37. North Dakota County Type

Figure A38. North Dakota Pension Benefit Dollars as Share of County GDP
North Dakota: Pension Dollars as Percent of Total Personal Income

Figure A37. North Dakota County Type

Figure A39. North Dakota Pension Benefit Dollars as Share of County Total Personal Income
Texas: Pension Dollars as Percent of GDP

Figure A49. Texas County Type

Figure A50. Texas Pension Benefit Dollars as Share of County GDP
Texas: Pension Dollars as Percent of Total Personal Income

Figure A49. Texas County Type

Figure A51. Texas Pension Benefit Dollars as Share of County Total Personal Income
Iowa: Pension Dollars as Percent of GDP
Iowa: Pension Dollars as Percent of Total Personal Income
Missouri: Pension Dollars as Percent of GDP

Figure A25. Missouri County Type

Figure A26. Missouri Pension Benefit Dollars as Share of County GDP
Missouri: Pension Dollars as Percent of Total Personal Income

Figure A25. Missouri County Type

Figure A27. Missouri Pension Benefit Dollars as Share of County Total Personal Income
Questions