Fortifying Main Street: The Economic Benefit of Public Pension Dollars in Rural America

Research Webinar

July 14, 2022
AGENDA

01. Introductions
02. Research Review
03. Q&A
Logistics

- Attendees in listen only mode.

- Questions are welcome. Submit using “Question” function on control panel.

- Audio/technical issues during webinar: call GoToWebinar at 1-800-263-6316.

- Webinar replay and slides will be posted at nirsonline.org/reports/mainstreet2022.
SPEAKERS

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Why This Research

- Previous NIRS research (*Pensionomics*) has focused on the downstream economic impact of the spending of pension benefits. This research focuses on the raw dollar amounts of pension benefits at the county level.

- New data on Gross Domestic Product (GDP) by county only became available in the past few years, enabling new areas of research.

- Previous research by other organizations had indicated that rural areas received a greater relative economic impact from the flow of pension benefit dollars than cities and other metropolitan areas.

- Cities likely receive a greater amount of pension benefit dollars in absolute terms, but these are dwarfed by the size of the economy in large cities.
States Included in This Research

- **2020 edition:** CA, IA, ID, IL, KS, ME, MN, MO, MS, ND, NM, NV, NY, PA, SC, SD, TX, WI, WY

- **2022 additional states:** AL, AR, CO, FL, GA, HI, IN, KY, LA, MD, MI, MT, NE, NH, OH, OK, OR, RI, TN, UT, VA, VT, WA, WV

- **States not included in this research:** AK, AZ, CT, DE, MA, NC, NJ
Key Findings

• Public pension benefit dollars represent between one and three percent of GDP on average in the 2,922 counties studied.

• Rural counties have the highest percentages of their populations receiving public pension benefits.

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

• **Rural counties** experience a greater relative impact in terms of total personal income than metropolitan counties.

• **Counties that contain state capitals** are outliers from other metropolitan counties, likely because there is a greater density of public employees in these counties, most of whom remain in these counties in retirement.

• **On average, rural counties have lost population** while small town counties and metropolitan counties have gained population in the period between 2000 and 2018.
## Summary of County Data Findings

<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>45</td>
<td>544.21</td>
<td>2.60%</td>
<td>1.29%</td>
<td>1.64%</td>
</tr>
<tr>
<td>Independent City</td>
<td>9</td>
<td>1350.97</td>
<td>N/A</td>
<td>0.67%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>822</td>
<td>281.44</td>
<td>1.87%</td>
<td>1.13%</td>
<td>1.15%</td>
</tr>
<tr>
<td>Micropolitan</td>
<td>1365</td>
<td>28.59</td>
<td>2.58%</td>
<td>1.86%</td>
<td>1.79%</td>
</tr>
<tr>
<td>Rural</td>
<td>681</td>
<td>5.01</td>
<td>3.02%</td>
<td>1.13%</td>
<td>1.76%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2922</strong></td>
<td><strong>103.49</strong></td>
<td><strong>2.02%</strong></td>
<td><strong>1.20%</strong></td>
<td><strong>1.25%</strong></td>
</tr>
</tbody>
</table>
Arkansas County Type

Figure A4. Arkansas County Type
Arkansas Percent of GDP

Figure A5. Arkansas Pension Benefit Dollars as Share of County GDP
Arkansas Percent of Total Personal Income (TPI)
California County Type

Figure A7. California County Type
California Percent of GDP

Figure A8. California Pension Benefit Dollars as Share of County GDP
California Percent of Total Personal Income (TPI)

Figure A9. California Pension Benefit Dollars as Share of County Total Personal Income
Colorado County Type
Colorado Percent of GDP

Figure A11. Colorado Pension Benefit Dollars as Share of County GDP
Figure A12. Colorado Pension Benefit Dollars as Share of County Total Personal Income

Colorado Percent of Total Personal Income (TPI)
Georgia County Type
Georgia Percent of GDP

Figure A17. Georgia Pension Benefit Dollars as Share of County GDP
Georgia Percent of Total Personal Income (TPI)

Figure A18. Georgia Pension Benefit Dollars as Share of County Total Personal Income
Indiana County Type
Indiana Percent of GDP

Figure A29. Indiana Pension Benefit Dollars as Share of County GDP
Indiana Percent of Total Personal Income (TPI)

Figure A30. Indiana Pension Benefit Dollars as Share of County Total Personal Income
Maryland County Type

Figure A46. Maryland County Type
Maryland Percent of GDP
Maryland Percent of Total Personal Income (TPI)

Figure A48. Maryland Pension Benefit Dollars as Share of County Total Personal Income
Missouri County Type
Missouri Percent of GDP

Figure A59. Missouri Pension Benefit Dollars as Share of County GDP
Missouri Percent of Total Personal Income (TPI)
Nebraska County Type

Figure A64. Nebraska County Type
Nebraska Percent of GDP

Figure A65. Nebraska Pension Benefit Dollars as Share of County GDP
Nebraska Percent of Total Personal Income (TPI)

Figure A66. Nebraska Pension Benefit Dollars as Share of County Total Personal Income
Ohio County Type

Figure A82. Ohio County Type

County Categories
- Capital-Metropolitan
- Metropolitan
- Micropolitan
Ohio Percent of GDP

Figure A83. Ohio Pension Benefit Dollars as Share of County GDP
Ohio Percent of Total Personal Income (TPI)

Figure A84. Ohio Pension Benefit Dollars as Share of County Total Personal Income
Oklahoma County Type

Figure A85. Oklahoma County Type
Oklahoma Percent of GDP

Figure A86. Oklahoma Pension Benefit Dollars as Share of County GDP
Oklahoma Percent of Total Personal Income (TPI)

Figure A87. Oklahoma Pension Benefit Dollars as Share of County Total Personal Income

% of Personal Income
0.47% 3.29%
Pennsylvania County Type

Figure A91. Pennsylvania County Type
Pennsylvania Percent of GDP

Figure A92.  Pennsylvania Pension Benefit Dollars as Share of County GDP
Pennsylvania Percent of Total Personal Income (TPI)

Figure A93. Pennsylvania Pension Benefit Dollars as Share of County Total Personal Income
West Virginia County Type
West Virginia
Percent of GDP
West Virginia Percent of Total Personal Income (TPI)

Figure A123. West Virginia Pension Benefit Dollars as Share of County Total Personal Income

National Institute on Retirement Security
Online Map with State Fact Sheets

https://www.nirsonline.org/resources/fortifying-main-street/
Conclusion

• Public pension benefit dollars represent a notable amount of GDP in many counties, especially small town counties.

• These benefit dollars also account for a fair amount of personal income, indicating their true purpose as a source of income for retired workers.

• The conversation around public pension plans too often focuses on the contributions made to the plans and ignores the benefits that are ultimately paid to retirees and other beneficiaries.
Questions
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