

# Annual Summary of the Survey of State and Local Public-Employee Retirement Systems: 2009

## INTRODUCTION

This report presents data on public pension finances collected from the 2009 Annual Survey of State and Local Public-Employee Retirement Systems. The survey provides revenues, expenditures, financial assets, and membership information for public-employee retirement systems.

Data in this report were collected from fiscal years that ended between July 1, 2008 to June 30, 2009, and do not reflect data for the entire calendar year of 2009. Public pension data have been collected annually since 1957, and a census is conducted quinquennially as part of the Census of Governments (CoG) in years ending in '2' and '7.' These surveys provide valuable knowledge about government finances for a number of data users ranging from federal agencies and research organizations to the general public and academic institutions.

There are several criteria a public retirement system must have in order to qualify for inclusion in the survey. As defined by the U.S. Census Bureau for statistical purposes, a public-employee retirement system is one that is financed by a separate accounting fund of the administering government, excluding pay-as-you-go insurance plans. It must have some type of assured revenue stream or dedicated revenue source other than appropriations from the administering government.

Other criteria exist for membership, such as funding and organization. A public pension system's members must consist of current or former public employees who are eligible for inclusion in the employment phase of the CoG. A retirement system must have at least one separate identifiable fund within a recognized government unit, and it must be funded completely or partially with public contributions. A pension system must also be recognized as a government unit (as defined by the Census Bureau) that provides revenues, expenditures, financial assets, and membership information for public-employee retirement systems.

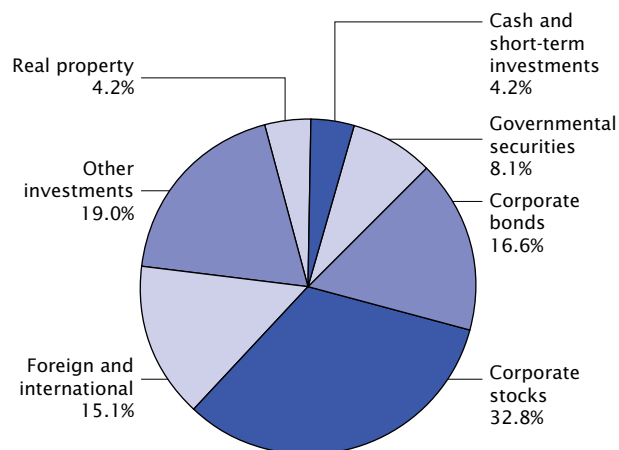
In addition to state governments, the Census Bureau defines five types of local governments: county, municipal, township, school district, and special

district. Each retirement system is considered an agency of one of these larger government units, but the information in this publication reflects only the retirement system portion of revenues, expenditures, and assets.

## TOTAL HOLDINGS AND INVESTMENTS

Total cash and investment holdings decreased by 22.7 percent, from \$3,192.1 billion in 2008 to \$2,466.0 billion in 2009. Most investment categories showed decreases, with increases only in cash and short-term investments, real property, and mortgages. Together, these categories comprised only 9.1 percent of total cash and investment holdings. Figure 1 shows the distribution of major holdings categories.

Figure 1.  
**Distribution of Total Cash and Investment Holdings in 2009**



Source: U.S. Census Bureau, 2009 Annual Survey of Public-Employee Retirement Systems.  
Data last revised: September 29, 2011.

For further information on public-employee retirement systems, please visit our Web site at [www.census.gov/govs](http://www.census.gov/govs) or contact Governments Division, U.S. Census Bureau, at 1-888-529-1963 or by e-mail at [govs.retire@census.gov](mailto:govs.retire@census.gov).

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Mortgages showed the largest increase, growing 52.0 percent, from \$10.2 billion to \$15.5 billion in 2009, but this category only comprised 0.6 percent of total holdings. Likewise, the largest decrease was in other nongovernmental securities, decreasing 57.0 percent and comprised 4.1 percent of total holdings.

Corporate stocks comprised the largest share (32.8 percent) of total holdings, declining by 29.8 percent, from \$1,152.2 billion in 2008 to \$808.9 billion in 2009. Corporate bonds declined by 20.3 percent, from \$514.9 billion in 2008 to \$410.2 billion in 2009, and comprised 16.6 percent of total holdings in 2009.

Other findings follow:

- Cash and short-term investments increased by 14.5 percent, from \$91.6 billion in 2008 to \$104.8 billion in 2009.
- Real property increased by 13.0 percent, from \$91.5 billion in 2008 to \$103.4 billion in 2009.
- Foreign and international securities declined by 20.6 percent, from \$467.5 billion in 2008 to \$371.4 billion in 2009.

## RECEIPTS

The Census Bureau collects three components of retirement system receipts: investment earnings, contributions from employees, and contributions from employers. The 2009 fiscal year was greatly affected by the market decline of 2008 because it covers the period from July 1, 2008, to June 30, 2009. Earnings on investments, which constitute the largest portion of system revenues, declined greatly. There were \$594.5 billion in additional losses compared to the prior year of losses on investments. Losses on investments totaled \$38.9 billion in 2008 and \$633.4 billion in 2009.

Employee contributions increased 7.0 percent, from \$36.9 billion in 2008 to \$39.5 billion in 2009. Government contributions increased 4.5 percent, from \$82.4 billion in 2008 to \$86.1 billion in 2009. This increase was driven by local government contributions, with an increase of 10.0

percent which offset the 2.6-percent decline in state government contributions. Local government contributions comprised 58.8 percent and state government contributions comprised 41.2 percent of government contributions in 2009. Employee contributions comprised 31.5 percent and government contributions comprised 68.5 percent of total contributions in 2009.

## PAYMENTS

Total payments increased by 4.0 percent, from \$193.7 billion in 2008 to \$201.5 billion in 2009. This increase was caused by an increase in benefit payments. Benefit payments increased by 6.7 percent, from \$175.3 billion in 2008 to \$187.0 billion in 2009.

## MEMBERSHIP

There are a total of 3,418 public-employee retirement systems at the state and local government level. While there are only 222 state administered retirement systems, these systems account for 89.8 percent of the total membership. There are 17,437,776 state retirement system members out of the total 19,420,047 public-employee retirement system members. Municipality-level retirement systems rank second with only 6.2 percent of total membership (1,196,701 members) and county-level retirement systems rank third with only 2.9 percent of total membership (570,430 members).

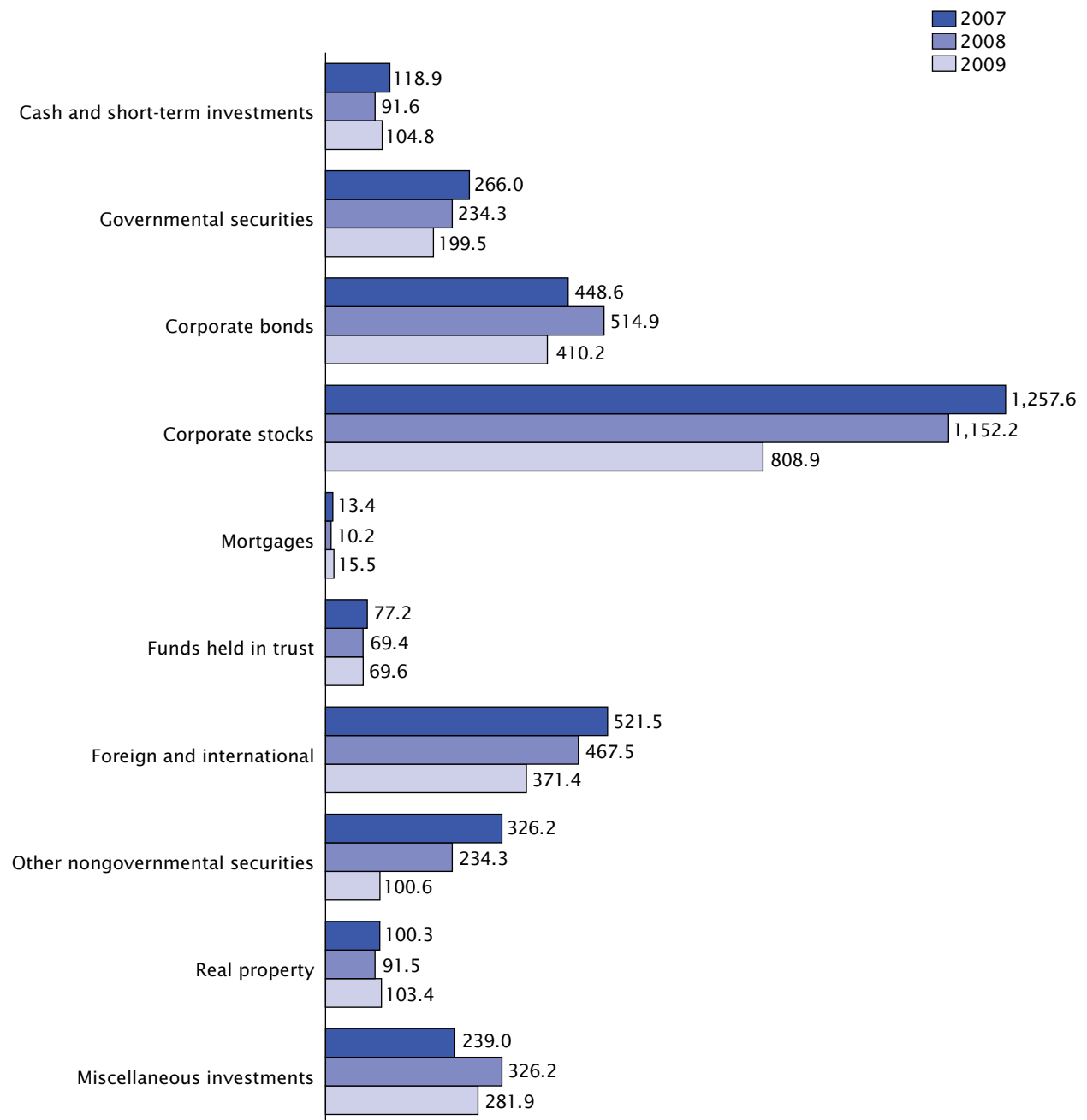
The increase in the number of systems from 2008 to 2009 is due to an increase in coverage of the retirement systems in Florida, Illinois, Minnesota, Pennsylvania, and Texas. A sample of these units was added in 2009. The coverage was improved through research and greatly impacted the local retirement systems universe. Any year-to-year comparisons should be exercised with caution. Local retirement systems increased from 2,332 systems in 2008 to 3,196 systems in 2009. The largest increases were for retirement systems for municipalities, townships, and special districts.

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Figure 2.

### Comparison of Asset Valuation by Category and Year: 2007 to 2009

(In billions of dollars)



Source: U.S. Census Bureau, 2009 Annual Survey of Public-Employee Retirement Systems.  
Data last revised: September 29, 2011.