

Summary of the Quarterly Survey of Public Pensions for 2014:Q4¹

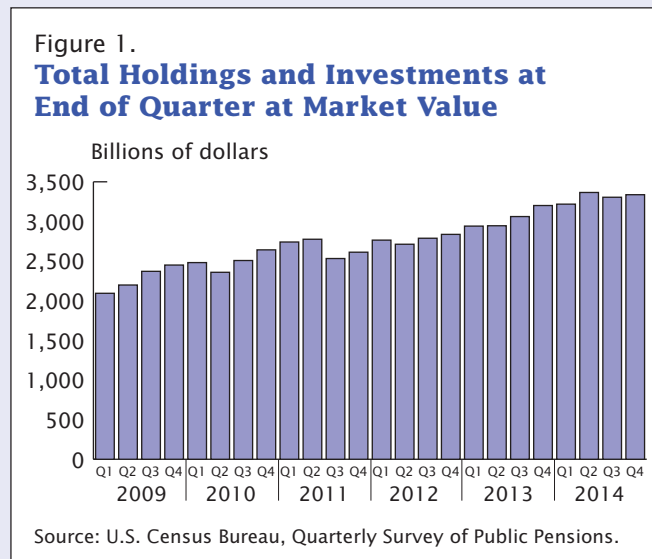
PENSION EARNINGS INCREASE IN FOURTH QUARTER OF 2014.

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G14-QSPP4

ASSETS GROW ON HIGHER EARNINGS

For the 100 largest public-employee pension systems in the country, cash and security holdings totaled \$3,337.1 billion in the fourth quarter of 2014, just short of the all-time-high of \$3,365.4 billion set in the second quarter of 2014. Compared to the same quarter 2013, assets for these major public pension systems increased 4.3 percent from \$3,200.8 billion. This increase in assets is due to higher earnings, which increased from \$5.8 billion in the third quarter of 2014 to \$46.4 billion in the fourth quarter. Earnings experienced a year-to-year decrease from \$167.4 billion in the fourth quarter of 2013.



CORPORATE STOCKS GROW TO NEW HIGH

Corporate stocks had a quarter-to-quarter increase of 6.1 percent, from \$1,156.6 billion to \$1,227.6 billion in the fourth quarter of 2014. Corporate stocks experienced a year-to-year increase of 8.7 percent from \$1,129.7 billion in the fourth quarter of 2013. Corporate stocks comprised about a third (36.8 percent) of the total cash and security holdings of major public pension systems for the current quarter.

CORPORATE BONDS QUARTERLY GROWTH CONTINUES

Corporate bonds had a quarter-to-quarter increase of 5.9 percent from \$377.3 billion to \$399.7 billion in the fourth quarter of 2014. Corporate bonds year-to-year increased 18.2 percent from \$338.2 billion in the fourth quarter of 2013. Corporate bonds comprised less than an eighth (12.0 percent) of the total cash and security holdings of major public pension systems for the current quarter.

INTERNATIONAL SECURITIES DECLINE FOR THIRD STRAIGHT QUARTER

International securities had a quarter-to-quarter decrease of 2.9 percent from \$626.8 billion to \$608.8 billion in the third quarter of 2014. International securities year-to-year decreased 8.0 percent from \$661.4 billion in the fourth quarter of 2013. International securities comprised about a fifth (18.2 percent) of total cash and security holdings of major public pension systems for the current quarter.

¹ This summary is based on the Quarterly Survey of Public Pensions, which consists of a panel of the 100 largest state and local government pension systems, as determined by their total cash and security holdings reported in the 2012 Census of Governments. These 100 systems comprised 88.4 percent of financial activity among such entities, based on the 2012 Census of Governments. Each of the 100 systems represents itself only. These data are not subject to sampling error, but are subject to various nonsampling errors, such as errors of nonresponse and respondent error.

For further information on public pensions, please visit our Web site at <www.census.gov/govs> or contact Economy-Wide Statistics Division, U.S. Census Bureau, at **1-800-242-2184** or by e-mail at <ewd.outreach@census.gov>.



FEDERAL GOVERNMENT SECURITIES DECLINE

Federal government securities had a quarter-to-quarter decrease of 6.1 percent from \$303.2 billion to \$284.5 billion in the fourth quarter of 2014. Federal government securities year-to-year increased 7.3 percent, from \$265.1 billion in the fourth quarter of 2013. Federal government securities comprised less than a tenth (8.5 percent) of the total cash and security holdings of major public pension systems for the current quarter.

EMPLOYEE CONTRIBUTIONS RISE WHILE BENEFIT PAYMENTS EXPERIENCE SMALL DECREASE

Government contributions had a quarter-to-quarter increase of 11.0 percent, from \$25.4 billion to \$28.1

billion in the fourth quarter of 2014, and a year-to-year increase of 1.1 percent, from \$27.8 billion in the fourth quarter of 2013. Employee contributions had a quarter-to-quarter increase of 28.1 percent, from \$10.0 billion to \$12.9 billion in the fourth quarter of 2014, and a year-to-year increase of 24.5 percent, from \$10.3 billion in the fourth quarter of 2013. Government contributions to employee contributions had a 2.2 to 1 ratio this quarter—government contributions comprised 68.6 percent and employee contributions comprised 31.4 percent of total contributions. Benefit payments totaled \$61.9 billion, decreasing 0.5 percent, from \$62.2 billion last quarter, and a year-to-year increase of 5.4 percent, from \$58.7 billion in the fourth quarter of 2013.

Figure 2.
Corporate Stocks¹ and Corporate Bonds² at End of Quarter at Market Value

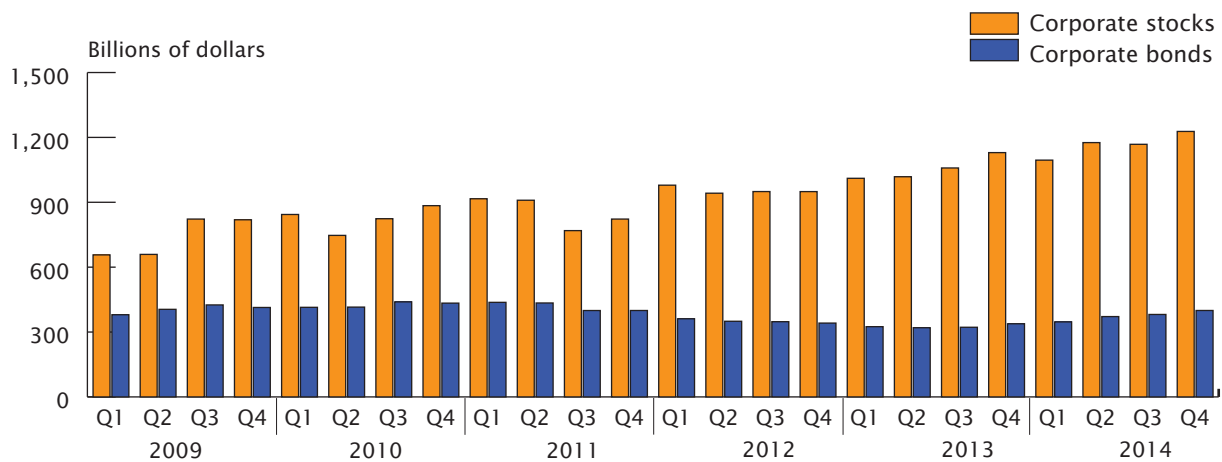
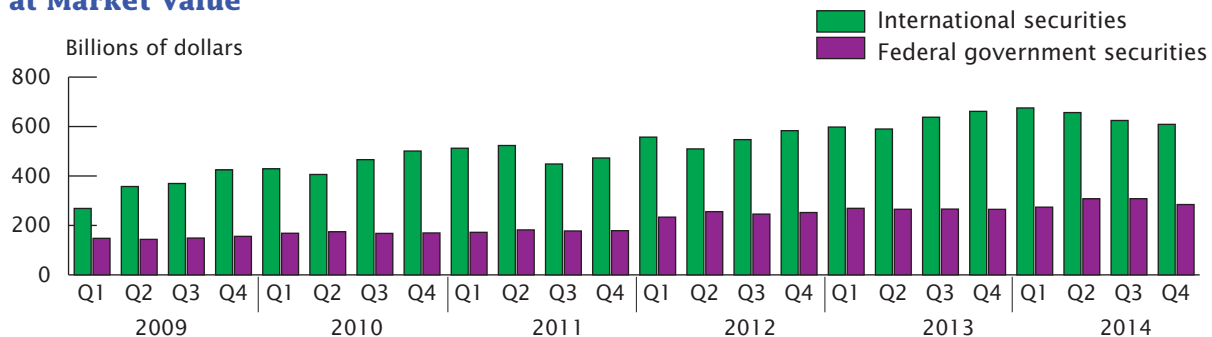


Figure 3.
International Securities and Federal Government Securities² at End of Quarter at Market Value



¹ Effective with the first quarter of 2012, private equity, venture capital, and leveraged buy-outs are now classified under *corporate stocks* instead of *other securities*. As such, for these asset categories, any data comparisons between the quarters prior to 2012 and quarters thereafter should be exercised with caution.

² Effective with the first quarter of 2012, federally sponsored agency securities are now classified under *federal government securities* instead of *corporate bonds*. As such, for these asset categories, any data comparisons between the quarters prior to 2012 and quarters thereafter should be exercised with caution.

Source: U.S. Census Bureau, Quarterly Survey of Public Pensions.