

Summary of the Quarterly Survey of Public Pensions for 2016:Q4¹

ASSET GROWTH FLAT DURING FOURTH QUARTER 2016

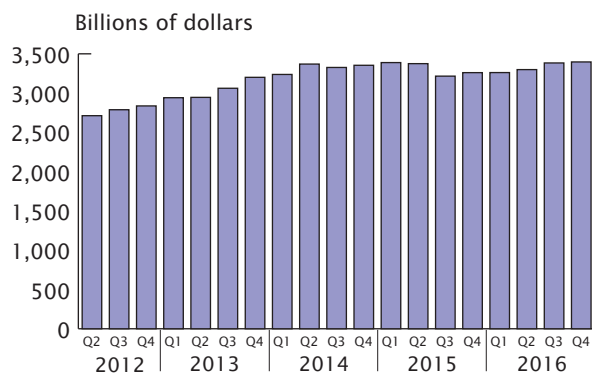
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ASSETS SHOW MINIMAL GROWTH FROM PRIOR QUARTER

For the 100 largest public-employee pension systems in the country, assets (cash and investments) totaled \$3,396.7 billion in the fourth quarter of 2016, increasing by 0.4 percent from the 2016 third-quarter level of \$3,383.8 billion. Compared to the same quarter in 2015, assets for these major public-pension systems increased 4.2 percent from \$3,260.5 billion, continuing the year-to-year growth trend started in the third quarter of 2016 (see Figure 1). The asset categories highlighted in this summary are the major asset categories (equities, debt instruments, and cash equivalents) and do not reflect all of the categories published for the Quarterly Survey of Public Pensions (QSPP). Please see the complete data sets on the QSPP Web site at <www.census.gov/govs/qpr> for further detail.

Figure 1.
Total Holdings and Investments at End of Quarter at Market Value



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

CASH AND SHORT-TERM INVESTMENTS INCREASE SHARPLY

Cash and short-term investments had a quarter-to-quarter increase of 16.7 percent, from \$117.1 billion to \$136.6 billion in the fourth quarter of 2016. This is the largest quarter-to-quarter increase since 2005. In addition, cash and short-term investments increased year-to-year by 25.6 percent from \$108.8 billion. It comprised 4.0 percent of total assets of major public-pension systems for the current quarter, the highest level since 2011.

CORPORATE BONDS DECREASED FROM PREVIOUS QUARTER

Corporate bonds had a quarter-to-quarter decrease of 2.7 percent in market value, from \$431.0 billion to \$419.5 billion in the fourth quarter of 2016 (see Figure 2). In contrast, this asset category experienced a year-to-year increase of 2.6 percent from \$408.7 billion in the fourth quarter of 2015. Corporate bonds comprised about one-eighth (12.3 percent) of the total cash and investments of major public-pension systems for the current quarter.

INTERNATIONAL SECURITIES' MARKET VALUE FALLS

The market value of international securities decreased 1.1 percent quarter-to-quarter, from \$652.0 billion to \$644.6 billion during the fourth quarter of 2016. In contrast, international securities experienced a year-to-year increase of 5.7 percent from \$609.8 billion in the fourth quarter of 2015, which was commensurate with the overall increase in assets during the same period (see Figure 3). International securities comprised less than one-fifth (19.0 percent) of the total cash and investments 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/qpr/> or contact Economy-Wide Statistics Division, U.S. Census Bureau, at **800-242-2184** or by e-mail at <ewd.outreach@census.gov>.



CORPORATE STOCKS INCREASE FROM LAST QUARTER

Corporate stocks had a quarter-to-quarter increase of 1.1 percent in market value, from \$1,229.5 billion to \$1,242.8 billion during the fourth quarter of 2016. Corporate stocks also experienced a year-to-year increase, 4.7 percent from \$1,186.7 billion in the fourth quarter of 2015 (see Figure 2). Corporate stocks comprised more than one-third (36.6 percent) of the total cash and investments of major public-pension systems for the current quarter.

FEDERAL GOVERNMENT SECURITIES INCREASE IN VALUE

Federal government securities had a quarter-to-quarter increase of 0.5 percent in market value, from \$265.0 billion to \$266.4 billion in the fourth quarter of 2016. In addition, federal government securities increased year-to-year by 4.3 percent from \$255.4

billion, and comprised 7.8 percent of total assets of major public-pension systems for the current quarter (see Figure 3).

CONTRIBUTIONS INCREASE

Employee contributions increased 22.5 percent quarter-to-quarter, from \$9.8 billion to \$12.0 billion during the fourth quarter of 2016. In addition, employee contributions experienced a year-to-year increase of 4.2 percent from \$11.6 billion in the fourth quarter of 2015. The ratio of government contributions to employee contributions was 2.6 to 1, as government contributions comprised 72.2 percent of total contributions. Total benefit payments saw a quarter-to-quarter decrease of 2.1 percent, from \$65.9 billion to \$64.5 billion in the fourth quarter of 2016. In contrast, total benefit payments experienced a year-to-year increase of 6.1 percent, from \$60.8 billion in the fourth quarter of 2015.

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

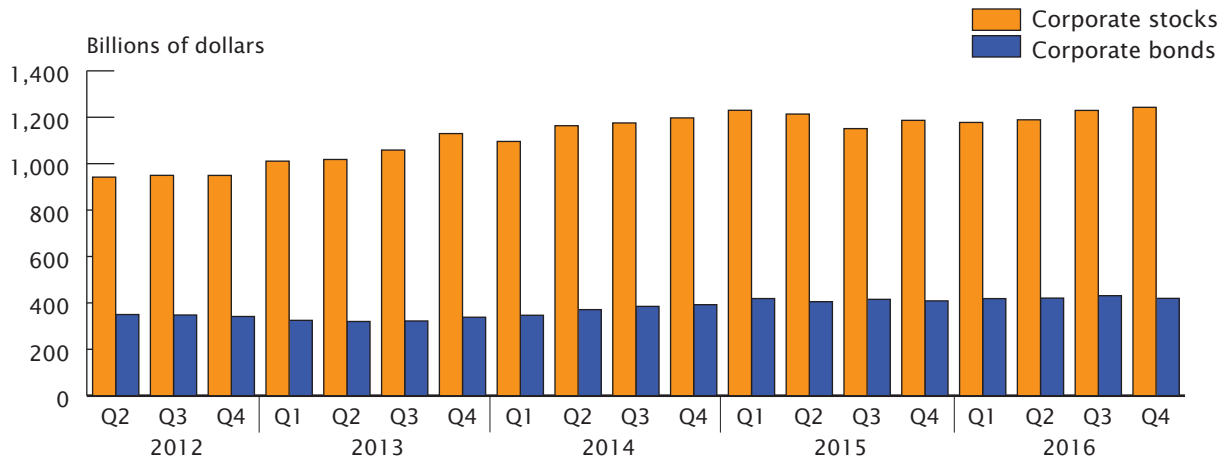
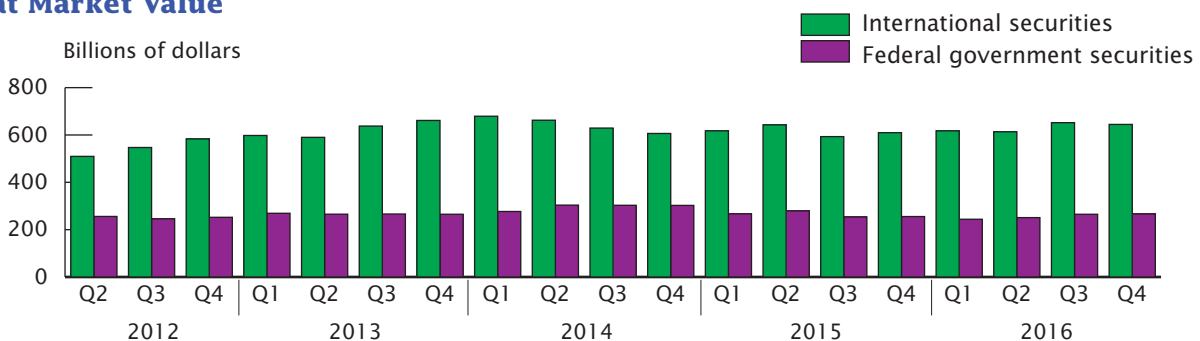


Figure 3.
International Securities and Federal Government Securities² at End of Quarter at Market Value



¹ Effective with the first quarter of 2012, private equity, venture capital, and leveraged buyouts 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.