

ECONOMIC IMPACT STUDY 2022:

Oregon PERS benefits the state economy

Oregon PERS covers about 95% of public workers in Oregon including all state and school district employees and most local government employees.



ECONOMIC BENEFITS OF PERS

PERS benefit payments have a significant, positive impact on Oregon's economy.

\$4.60 billion in annual benefit payments to PERS retirees living in Oregon provides \$4.89 billion in total value to Oregon's economy.

PERS benefit payments support an estimated 30,818 Oregon jobs.

Of the jobs supported, PERS benefit payments add about \$1.46 billion in wages to Oregon's economy.

The state of Oregon collects an estimated \$281 million annually in taxes from PERS retiree benefit payments.

Purpose of Study

This study quantifies the total effect of these benefit payments on Oregon's economy, based on the following measures:

- Economic value of PERS benefits to Oregon
- Jobs created and related wages
- Tax receipts

Study Findings

Oregon PERS paid about \$4.60 billion* in benefits to 128,945 PERS retirees** living in Oregon in 2022. Funding for these benefits came mostly from investment earnings on contributions previously paid by members and public employers. These retirees spent a significant portion of this money on goods and services in Oregon, which helped support local businesses. These businesses then purchased goods, in part, from other local vendors, adding to the Oregon workforce and economy.

PERS benefits paid to Oregon retirees have a significant impact on Oregon's economy. The \$4.60 billion in annual benefit payments translates to an economic value to Oregon of \$4.89 billion when the full financial impact of these dollars spent in local communities is considered.

These benefit payments resulted in economic activity that supported an estimated 30,818 Oregon jobs and added about \$1.46 billion in wages to Oregon's economy.

Additionally, the state of Oregon collected an estimated \$281 million in income taxes on PERS retiree benefits during 2022.

Cumulatively, investment income has provided 73.4% of total pension revenues since 1970. Member contributions have accounted for 4.0%, with employer contributions providing 22.7% percent of pension revenues over the past 53 years.

*Additional benefit payments from the Individual Account Program (IAP) were not used in this study.

**27,321 PERS retirees do not live in Oregon and are not included in this study.

**MONEY FOR PERS RETIREMENT COMES FROM THREE SOURCES
(1970-2022)**

1

**Employer
Contributions**

22.7%

\$39.54 B

2

**Member
Contributions**

4.0%

\$6.95 B

3

**Investment
Income**

73.4%

\$128.06 B

Source:
Oregon PERS Annual
Comprehensive
Financial Report (1970-2022)

2022 Benefit Payments by Oregon County

County	Number of Retirees	Total Benefit Payments	Average Benefit Payment	% of State Total**	Jobs Supported
Baker	863	\$26,744,620	\$30,990	0.6%	179
Benton	4,003	\$163,352,554	\$40,808	3.6%	1,096
Clackamas	13,377	\$512,538,179	\$38,315	11.2%	3,438
Clatsop	1,419	\$46,249,472	\$32,593	1.0%	310
Columbia	1,638	\$56,464,745	\$34,472	1.2%	379
Coos	2,196	\$64,250,630	\$29,258	1.4%	431
Crook	972	\$30,600,286	\$31,482	0.7%	205
Curry	589	\$15,840,404	\$26,894	0.3%	106
Deschutes	6,331	\$228,600,834	\$36,108	5.0%	1,533
Douglas	3,750	\$116,811,027	\$31,150	2.5%	783
Gilliam	106	\$2,670,587	\$25,194	0.1%	18
Grant	379	\$9,749,482	\$25,724	0.2%	65
Harney	383	\$9,644,601	\$25,182	0.2%	65
Hood River	723	\$25,041,473	\$34,636	0.5%	168
Jackson	5,755	\$190,204,071	\$33,050	4.1%	1,276
Jefferson	627	\$17,879,096	\$28,515	0.4%	120
Josephine	2,275	\$62,235,078	\$27,356	1.4%	417
Klamath	1,865	\$56,185,775	\$30,126	1.2%	377
Lake	333	\$8,890,028	\$26,697	0.2%	60
Lane	13,749	\$503,803,300	\$36,643	11.0%	3,379
Lincoln	1,877	\$58,325,427	\$31,074	1.3%	391
Linn	4,934	\$155,758,478	\$31,568	3.4%	1,045
Malheur	903	\$26,738,516	\$29,611	0.6%	179
Marion	15,683	\$582,964,456	\$37,172	12.7%	3,910
Morrow	310	\$8,020,123	\$25,871	0.2%	54
Multnomah	17,159	\$661,585,886	\$38,556	14.4%	4,437
Polk	4,799	\$180,220,460	\$37,554	3.9%	1,209
Sherman	102	\$2,614,045	\$25,628	0.1%	18
Tillamook	1,154	\$37,436,437	\$32,441	0.8%	251
Umatilla	2,543	\$83,756,818	\$32,936	1.8%	562
Union	1,146	\$38,806,473	\$33,863	0.8%	260
Wallowa	338	\$10,650,709	\$31,511	0.2%	71
Wasco	962	\$30,856,272	\$32,075	0.7%	207
Washington	12,564	\$463,144,494	\$36,863	10.1%	3,106
Wheeler	90	\$2,209,759	\$24,553	0.1%	15
Yamhill	3,048	\$104,177,711	\$34,179	2.3%	699
Totals	128,945	\$4,595,022,306	\$35,636*	100.0%	30,818***

*Average benefit payment total if obtained by dividing total benefit payments (\$4,595,022,306) by total number of retirees (\$128,945).

**Percentages in this column rounded to first decimal place.

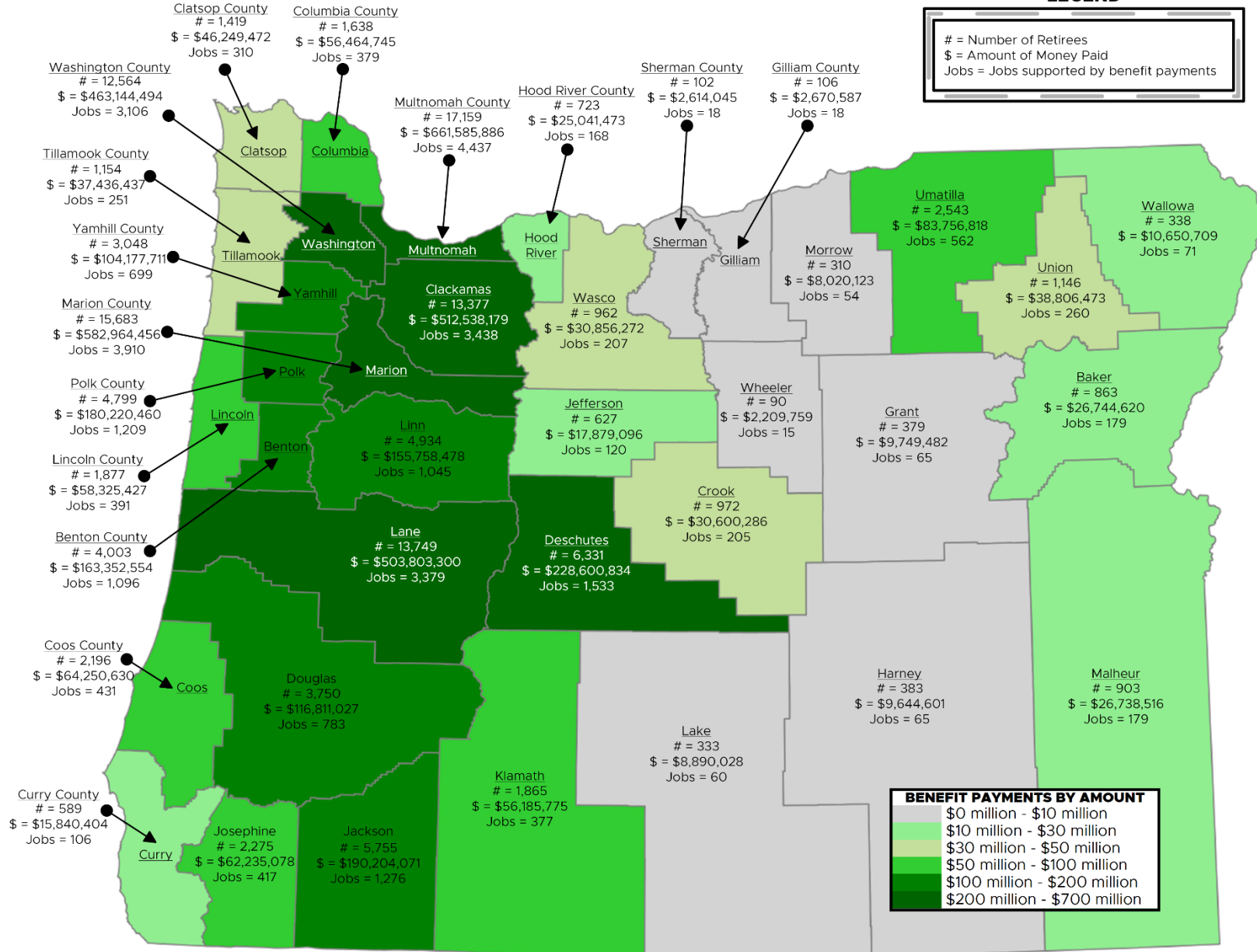
***Total jobs is a product of the calculation detailed in the table on page 5.

PERS Annual Benefit Payments in Oregon by County

Data Source: Data Extract for the 2022 Calendar Year

LEGEND

= Number of Retirees
 \$ = Amount of Money Paid
 Jobs = Jobs supported by benefit payments



Study Methodology

- This study is based upon the most currently available economic multipliers provided by the U.S. Department of Commerce’s Bureau of Economic Analysis (BEA) Regional Input-Output Modeling System (RIMS II).
 - Region: Oregon.
 - Industry: Private households.
 - Year: Multipliers purchased in 2023 are based on 2012 national benchmark input-output data and 2021 regional data.
- BEA’s multipliers are designed so they can be multiplied by the annual benefit payments made to PERS retirees living in the state of Oregon. The values for total change in economic output, jobs supported, and related wages are based upon each county’s proportion of benefit payments to the total.

The Oregon Department of Revenue provided the average tax rate paid on PERS retiree benefits for the most recent year available (2020).

Pension revenues were summarized from Oregon PERS’ audited annual financial statements.

Calculation Detail

Multiplier	Impact on Oregon’s Economy
<p>Total output</p> <p>Measure of the overall estimated increase in economic activity resulting from PERS benefit payments.</p> <p>— Multiplier: 1.0633 per benefit dollar</p>	<p>Total benefit payments × total output multiplier</p> <p>$\\$4,595,022,306 \times 1.0633 = \mathbf{\\$4,885,887,218}$</p>
<p>Jobs supported</p> <p>Estimated number of Oregon jobs supported by PERS benefit payments.</p> <p>— Multiplier: 6.7069 jobs per \$1 million in benefit payments</p>	<p>(Total benefit payments / 1 million) × multiplier</p> <p>$(\\$4,595,022,306 / \\$1,000,000) \times 6.7069 \text{ jobs}$</p> <p>= 30,818 jobs</p>
<p>Supported job wages</p> <p>Estimated wages earned by workers in jobs supported by PERS benefit payments.</p> <p>— Multiplier: 0.3168 per benefit dollar</p>	<p>Total benefit payments × multiplier</p> <p>$\\$4,595,022,306 \times 0.3168 = \mathbf{\\$1,455,703,066}$</p>
<p>Oregon taxes paid</p> <p>Oregon income tax revenue from PERS benefits paid to state residents.</p> <p>— Average tax rate: 6.12% (0.0612) per benefit dollar</p>	<p>Total benefit payments × average tax rate</p> <p>$\\$4,595,022,306 \times 0.0612 = \mathbf{\\$281,215,365}$</p>

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