2019 Economic Impact Report
Missouri LAGERS
A Secure Retirement For All
LAGERS does not receive any funding from the state of Missouri. Rather, each local government entity is obligated to fund the benefits it chooses for its group of employees.

The Missouri General Assembly created LAGERS in 1967 to provide retirement, disability, and survivor benefits to employees of participating local government employers.

LAGERS Executive Team: Over 110 years of pension experience combined. From Left: Bob Wilson (Executive Director), Brian Collett (Chief Investment Officer), Jason Paulsmeyer (Chief Counsel), Melissa Rackers (Chief Financial Officer), Jeff Kempker (Asst. Executive Director, External Affairs), Tami Jaegers (Asst. Executive Director, Operations), Pam Hopkins (Compliance Officer/Internal Auditor)

LAGERS Board of Trustees:

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  Member Trustee
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  Vice Chairperson
  Member Trustee
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- J. Robert Ashcroft
  Employer Trustee
  Platte County

- Claire Scoville
  Citizen Trustee
  Kansas City

- Frank Buck
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- J. Robert Ashcroft
  Employer Trustee
  Platte County

- Claire Scoville
  Citizen Trustee
  Kansas City
For over 50 years, Missouri LAGERS has helped middle class workers transition into middle class retirees. Dependable monthly income is essential for people to exit the workforce with dignity, and helps them maintain their standard of living throughout retirement.

Every hard working Missourian should be able to retire with dignity whether they work in the public or private sector. Retirement security is an important issue in this state. LAGERS understands this importance, and strives to ensure this security every day.

LAGERS is a defined benefit pension plan. Defined benefit plans pay a retiree a modest, pre-determined amount each month. The amount of the benefit is based on a formula, not an account balance, and is driven by the employee’s years of service and salary. Defined Benefit plans remain the most economical and effective retirement plans not only for employees, but for employers and taxpayers as well. They provide a clear and secure path to retirement for employees and help employers recruit and retain a strong, loyal workforce.

Defined benefit plans return value to the communities as well. Approximately 93% of the benefits are paid to retirees living in the communities they served as public workers. The steady monthly retirement benefits received by these pensioners are not stuffed under a mattress, but reinvested in their hometowns.

2019 BY THE NUMBERS

- LAGERS PAID OUT $333 MILLION
- 24,627 BENEFIT RECIPIENTS
- $309 MILLION STAYING IN MISSOURI

That’s a pretty nice annual economic stabilizer for the Show-me State!
Part One: **ANNUAL BENEFIT PAYMENTS**

LAGERS paid out $333 million to 24,627 benefit recipients last year, with 93% ($309 million) staying in Missouri.
Benefit recipients

1,496

Total annual benefits paid

$17,356,252

Average Annual benefit

$11,602

Spotlight County:

Buchanan

Retirees:

552

Annual Benefits:

$8.2M

Annual Benefit Payments:

St. Joseph: $7,092,031
Easton: ........ $130,221
Agency: ........ $69,266
DeKalb: ............ $8,956
Rushville: ........ $31,923
LAGERS Annual Benefit Payments in Northeast Missouri

Benefit recipients: 1,143
Total annual benefits paid: $11,743,609
Average Annual benefit: $10,274

Spotlight County: Randolph
Retirees: 215
Annual Benefits: $2.3M

Annual Benefit Payments:
- Moberly: ..... $1,362,501
- Huntsville: ..... $459,230
- Higbee: .......... $152,670
- Cairo: ............ $203,415
LAGERS ANNUAL BENEFIT PAYMENTS IN WEST MISSOURI

Benefit recipients: 4,334
Total annual benefits paid: $71,910,401
Average Annual benefit: $16,592

Spotlight County: Jackson
Retirees: 1,680
Annual Benefits: $35.5M

Annual Benefit Payments:
- Independence: $15,043,860
- Lee’s Summit: $6,790,967
- Kansas City: $6,003,021
- Blue Springs: $5,370,387
- Oak Grove: $10,412,248
- Raytown: $679,193
- Sugar Creek: $809,831
Lagers Annual Benefit Payments to Central Missouri

Benefit recipients
3,013

Total annual benefits paid
$40,552,896

Average Annual benefit
$13,459

Spotlight County:
Camden
Retirees:
257
Annual Benefits:
$3.0M

Annual Benefit Payments:
Camdenton: $1,217,848
Osage Beach: .... $214,703
Sunrise Beach: .. $271,069
Climax Springs: . $145,042
Linn Creek: ....... $151,199
Benefit recipients: 3,633
Total annual benefits paid: $57,810,479
Average Annual benefit: $15,913

Spotlight County: St. Louis
Retirees: 780
Annual Benefits: $11.1M

Annual Benefit Payments:
Ballwin: $1,076,288
Berkeley: $1,073,278
Florrisant: $1,003,487
Eureka: $314,856
LAGERS Annual Benefit Payments in Southwest Missouri

Benefit Recipients
4,769
Total Annual Benefits Paid
$78,351,336
Average Annual Benefit
$16,429

Spotlight County:
Greene
Retirees:
1,735
Annual Benefits:
$39.2M

Annual Benefit Payments:
Springfield: $28,528,965
Republic: .... $2,221,206
Ash Grove: .....$852,644
Strafford: .....$1,291,418
Battlefield: .....$338,735
Benefit Recipients
2,753

Total Annual Benefits Paid
$31,724,978

Average Annual Benefit
$11,524

Spotlight County: Pemiscot
Retirees: 242
Annual Benefits: $1.8M

Annual Benefit Payments:
Caruthersville: $800,797
Hayti: ............ $409,450
Steele : ............ $95,044
Bragg City: ...... $36,876
LAGERS Members and Annual Benefit Payment Statistical Summary

- Participating Local Government units are 75% pre-funded or better.
- Local Governments participating in LAGERS: 755+
- Total annual payroll of active participants: $1.7 billion
- % of Local government’s total budget devoted to LAGERS contributions: 2.8%

<table>
<thead>
<tr>
<th>Total Members</th>
<th>Active Members</th>
<th>Retired Members &amp; Beneficiaries</th>
<th>Vested Former Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Members</td>
<td>35,130</td>
<td>24,627</td>
<td>7,838</td>
</tr>
<tr>
<td>Average Members Per MO County</td>
<td>308</td>
<td>216</td>
<td>68</td>
</tr>
</tbody>
</table>
LAGERS is currently 94.9% pre-funded. This simply means that LAGERS has approximately 95 cents in assets for every dollar of present and future liabilities.

Part Two: LAGERS’ FUNDING SUSTAINABILITY

Assets

95¢ For Every Dollar

LAGERS’ Unfunded Accrued Liability 2009-2019

$831 million

$892 million

$414 million

2009

2011

2019
LAGERS INVESTS IN A DIVERSIFIED PORTFOLIO

LAGERS’ Portfolio Performance

As of June 30, 2019

<table>
<thead>
<tr>
<th>Duration</th>
<th>Fixed Income</th>
<th>Real Assets</th>
<th>Equities</th>
<th>Strategic</th>
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</thead>
<tbody>
<tr>
<td>1 YEAR</td>
<td>21%</td>
<td>30%</td>
<td>42%</td>
<td>7%</td>
</tr>
<tr>
<td>3 YEAR</td>
<td>21%</td>
<td>30%</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>5 YEAR</td>
<td>21%</td>
<td>30%</td>
<td>42%</td>
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<tr>
<td>10 YEAR</td>
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</tbody>
</table>

Assumed Rate of Return 7.25%

LAGERS held $8.1 billion in member assets as of June 30, 2019
Part Three: ECONOMIC IMPACT OF ANNUAL BENEFIT PAYMENTS TO MISSOURI

All Americans deserve financial security in retirement. Not only are well-managed pension plans good for workers, they are also good for Missouri.

The multipliers used in this report are from Pensionomics 2018: Measuring the Economic Impact of DB Pension Expenditures, National Institute on Retirement Security.

The LAGERS data used in this study:

Fiscal Year 2019 benefits were paid to 24,627 benefit recipients, 21,144 of them live in Missouri.

Of the $333 million in total benefits paid by LAGERS in Fiscal Year 2019, $309 million was paid to Missouri residents.
ECONOMIC IMPACT

The Multiplier Effect:
How spending flows through the economy, supporting jobs and incomes in the process.

PENSION BENEFIT
A retired sheriff...

DIRECT IMPACT
...uses his pension money to buy a new lawnmower.

INDIRECT IMPACT
As a result of that purchase, the owner of the hardware store, the lawnmower salesman, and each of the companies involved in the production of the lawnmower all see an increase in income, and spend that additional income.

INDUCED IMPACT
These companies hire additional employees as a result of this increased business, and those new employees spend their paychecks in the local economy.
Each $1 in state and local pension benefits paid to Missouri residents ultimately supported $1.43 in total output in the state. This “multiplier” incorporates the direct, indirect, and induced impacts of retiree spending, as it ripples through the state economy.
LAGERS has been getting it right FOR OVER 50 YEARS.

The modest benefits being paid to Missouri Local Government Employees Retirement System retirees help middle class workers transition into retirement and remain middle class.

LAGERS members work hard. And each month of hard work helps them get a little closer to a dignified, secure retirement. LAGERS members are thousands of police officers, fire fighters, librarians, utility workers, and many more located in every corner of Missouri. They serve our communities everyday to make Missouri a great place to live.

LAGERS retirees dedicated their careers to their communities and are still making an impact today. Ninety-three percent of the $333 million LAGERS pays in annual benefits stays in Missouri communities to promote economic stability across the state.

Defined benefit pension plans are not only good for the retiree, but also for the worker, employer, taxpayer, and Missouri.

LAGERS is a retirement system that serves Missouri communities by helping attract quality public servants, capturing their most productive years, then enabling them with a means to exit the workforce with dignity.

Missouri Local Government Employees Retirement System
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Jefferson City, MO 65102
(800)447-4334
showmesecurity.molagers.org