

2017 ECONOMIC IMPACT REPORT



LAGERS benefits paid to each county in Missouri and their impact on the state's economy.



Edgar Garcia
City of Springfield
Arborist Crew Leader

MISSOURI LAGERS LEADERSHIP

LAGERS STAFF LEADERSHIP



LAGERS Executive Team: Over 100 years of pension experience combined.
From Left: Brian Collett, Jason Paulsmeyer, Pam Hopkins, Tami Jaegers,
Bob Wilson, Jeff Kempker, Melissa Rackers

LAGERS BOARD OF TRUSTEES

Arby Todd, Chairperson
Member Trustee
City of Lee's Summit

Frank Buck
Vice Chairperson
Employer Trustee
DeKalb County

Kathy Barszczak
Member Trustee
City of Independence

Claire Scoville
Citizen Trustee
Kansas City

Barry McCullough
Employer Trustee
City of Gladstone

J. Robert Ashcroft
Employer Trustee
Platte County

Joan Jadali, CPFO, RPA
Member Trustee
City of Webster Groves

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

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.

EXECUTIVE SUMMARY

A SECURE RETIREMENT FOR ALL

LAGERS PAID OUT \$283 MILLION TO 21,845 BENEFIT RECIPIENTS LAST YEAR, WITH \$263 MILLION STAYING IN MISSOURI. THAT'S A PRETTY NICE ANNUAL ECONOMIC STABILIZER FOR THE SHOW-ME STATE!

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.

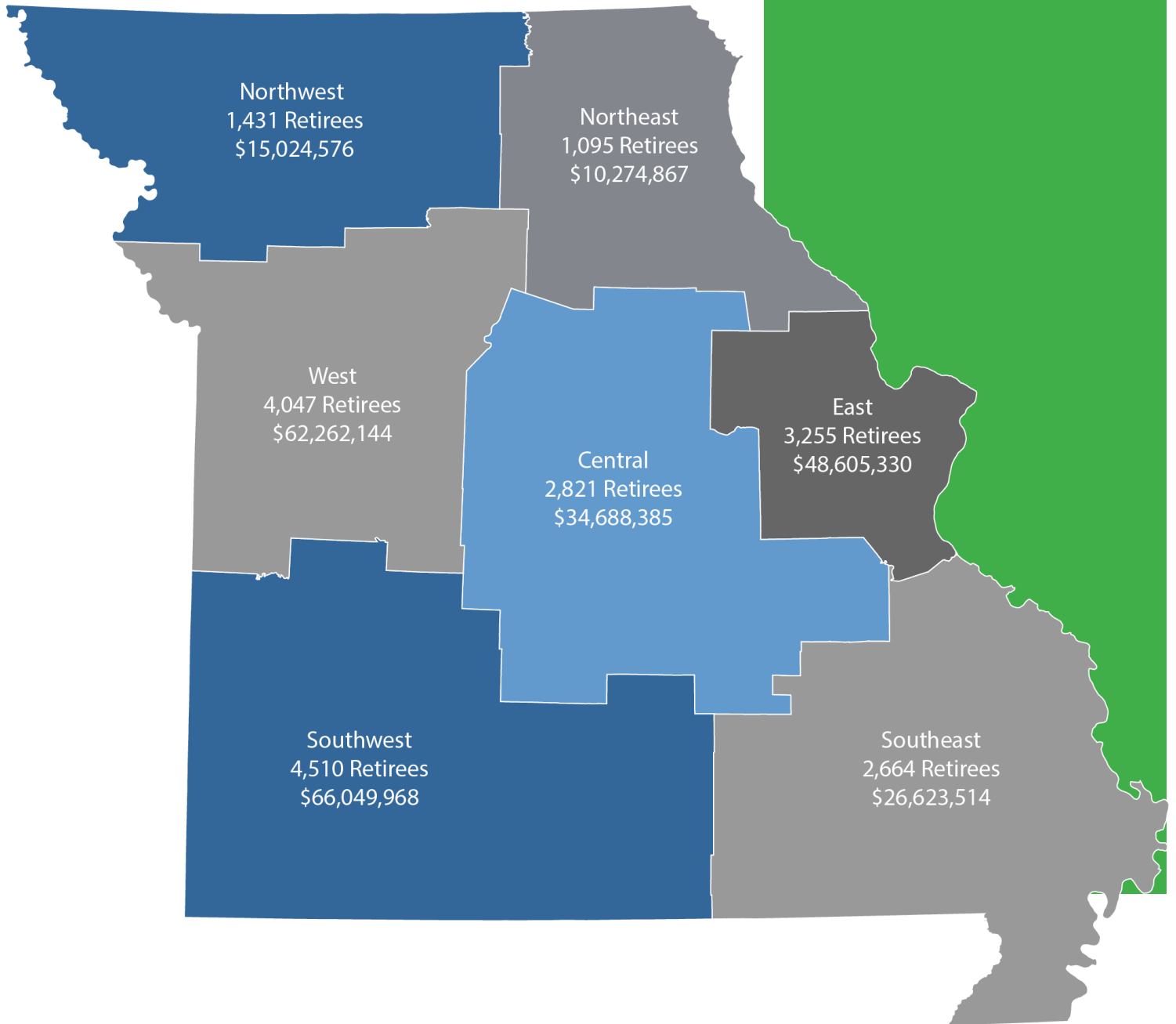
LAGERS is a defined benefit pension plan. Defined benefit plans pay a retiree a modest, pre-determined amount each month. The amount of the benefit is based on a formula, not an account balance, and is driven by the employee's years of service and salary. Defined Benefit plans remain the most economical 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.

This report shows the impact LAGERS has on each Missouri county and the state as a whole.

LAGERS ANNUAL BENEFIT PAYMENTS BY REGION

Part One Annual Benefit Payments



LAGERS paid out \$283 million to 21,845 benefit recipients last year, with 93% (\$263 million) staying in Missouri.

LAGERS ANNUAL BENEFIT PAYMENTS IN NORTHWEST MISSOURI

BENEFIT RECIPIENTS

1,431

TOTAL ANNUAL BENEFITS PAID

\$15,024,576

AVERAGE ANNUAL BENEFIT

\$10,499

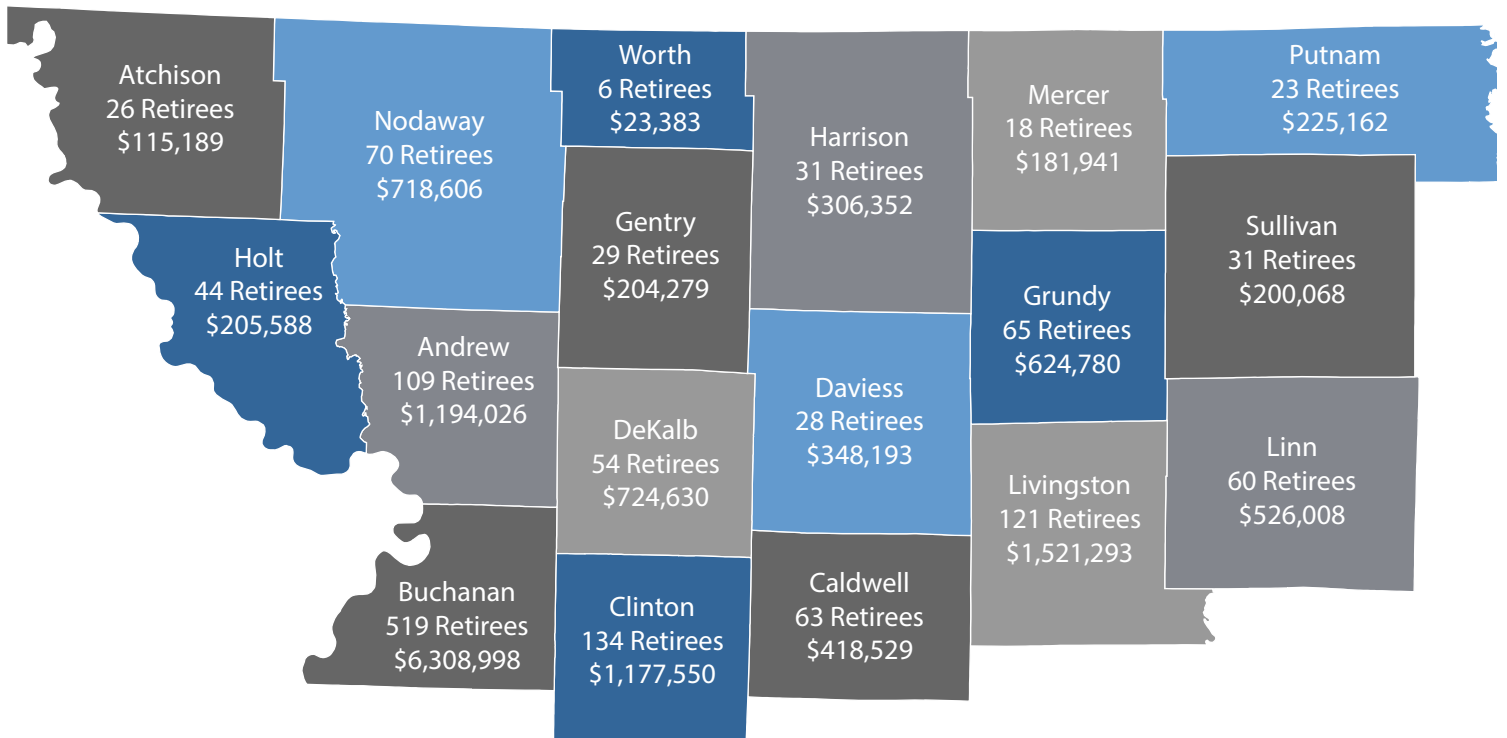
SPOTLIGHT COUNTY: BUCHANAN

Retirees: 519

Annual Benefits: \$6.3M

ANNUAL BENEFIT PAYMENTS

St. Joseph:	\$2,593,077
Easton:	104,443
Agency:	65,612
DeKalb:	29,139
Rushville:	15,134



LAGERS ANNUAL BENEFIT PAYMENTS IN NORTHEAST MISSOURI

BENEFIT RECIPIENTS

1,095

TOTAL ANNUAL BENEFITS PAID

\$10,274,867

AVERAGE ANNUAL BENEFIT

\$9,383

SPOTLIGHT COUNTY: RANDOLPH

Retirees: 209

Annual Benefits: \$2.3M

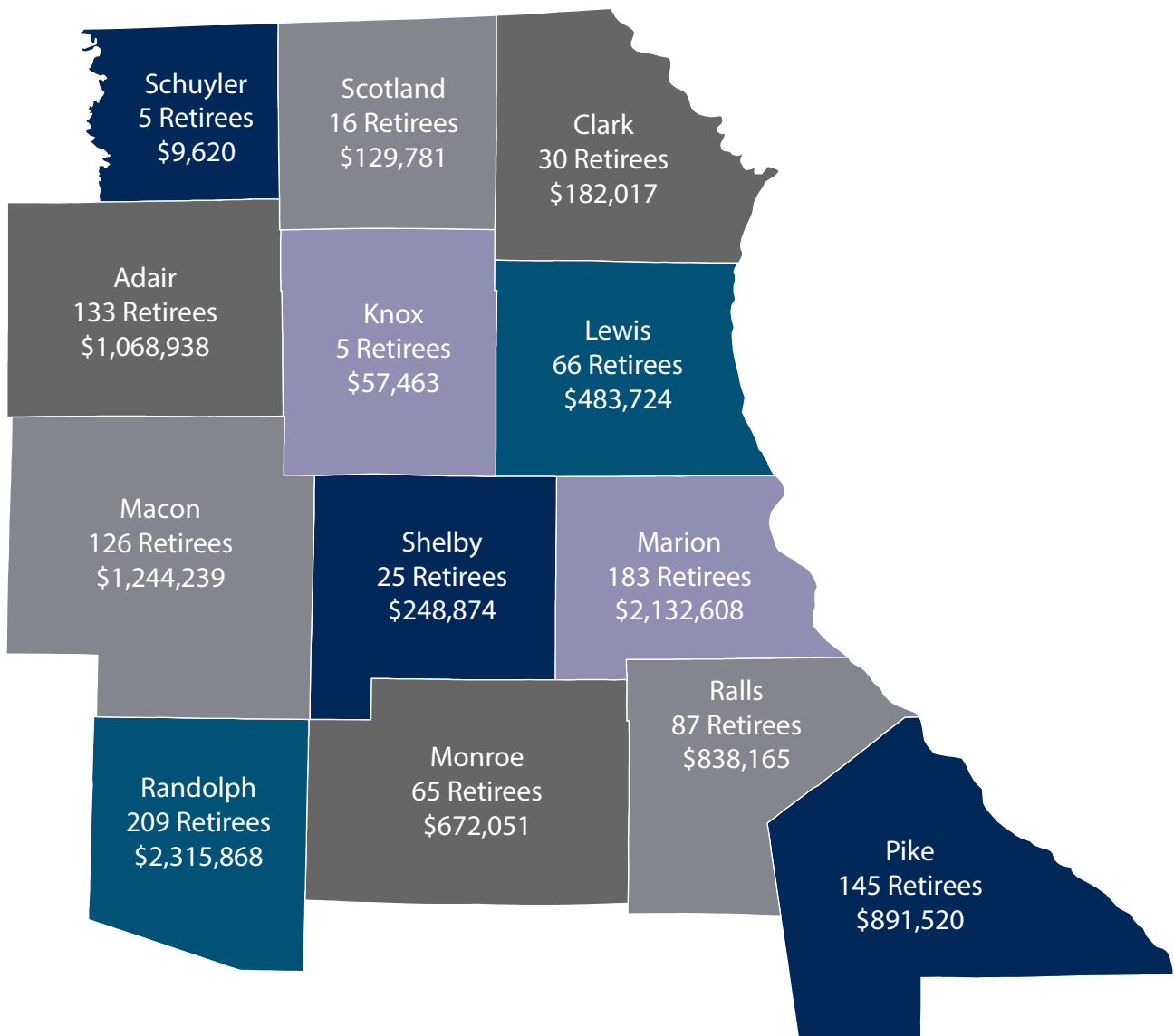
ANNUAL BENEFIT PAYMENTS

Moberly: \$1,263,034

Huntsville: 223,361

Higbee: 117,070

Cairo: 114,950



LAGERS ANNUAL BENEFIT PAYMENTS IN WEST MISSOURI

BENEFIT RECIPIENTS

4,047

TOTAL ANNUAL BENEFITS PAID

\$62,262,144

AVERAGE ANNUAL BENEFIT

\$15,385

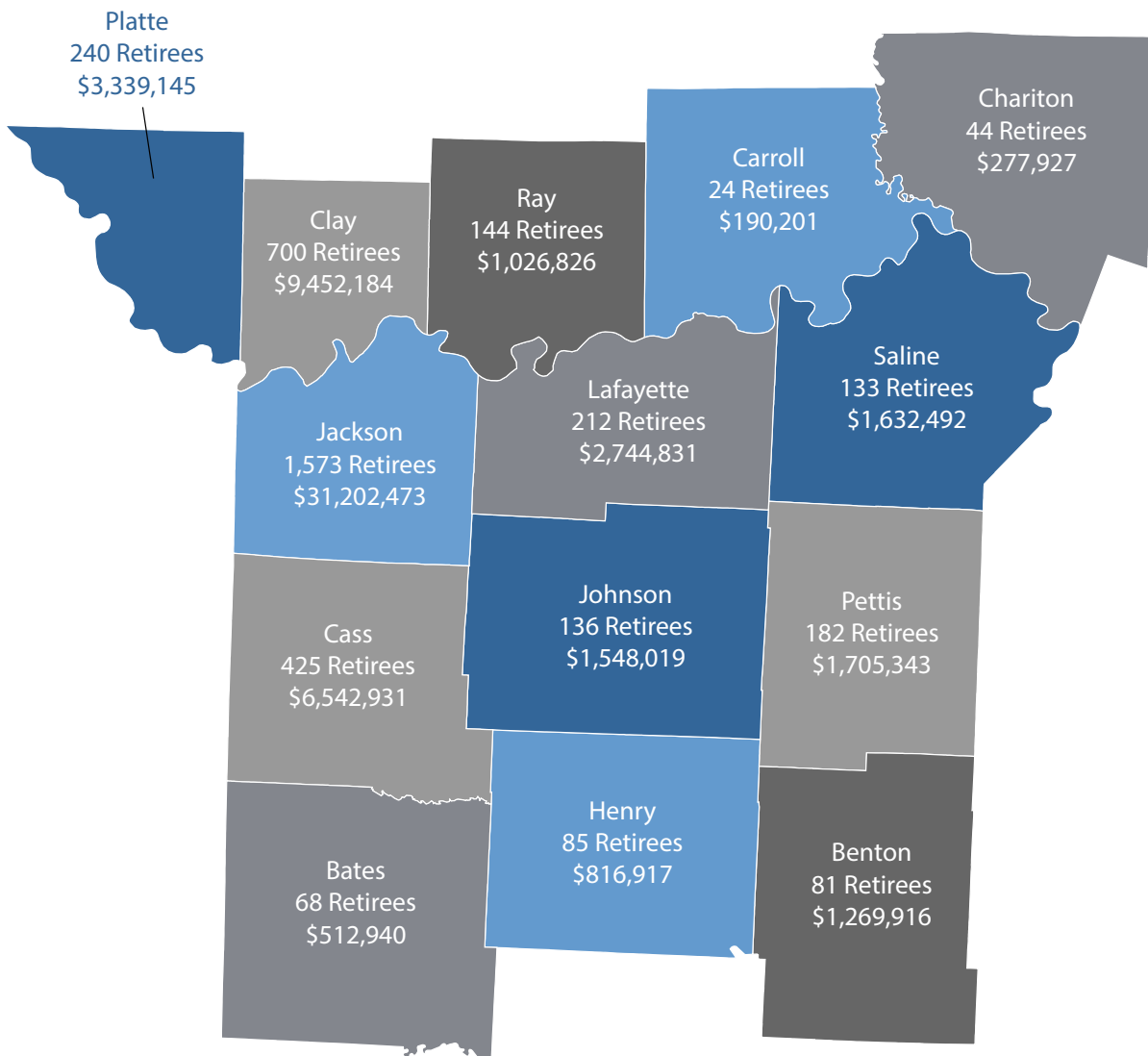
SPOTLIGHT COUNTY: JACKSON

Retirees: 1,573

Annual Benefits: \$31M

ANNUAL BENEFIT PAYMENTS

Independence:	\$12,125,646
Lee's Summit:	5,131,887
Kansas City:	4,239,679
Blue Springs:	3,633,690
Oak Grove:	845,440
Raytown:	476,123
Sugar Creek:	366,653



LAGERS ANNUAL BENEFIT PAYMENTS TO CENTRAL MISSOURI

BENEFIT RECIPIENTS

2,821

TOTAL ANNUAL BENEFITS PAID

\$34,688,385

AVERAGE ANNUAL BENEFIT

\$12,296

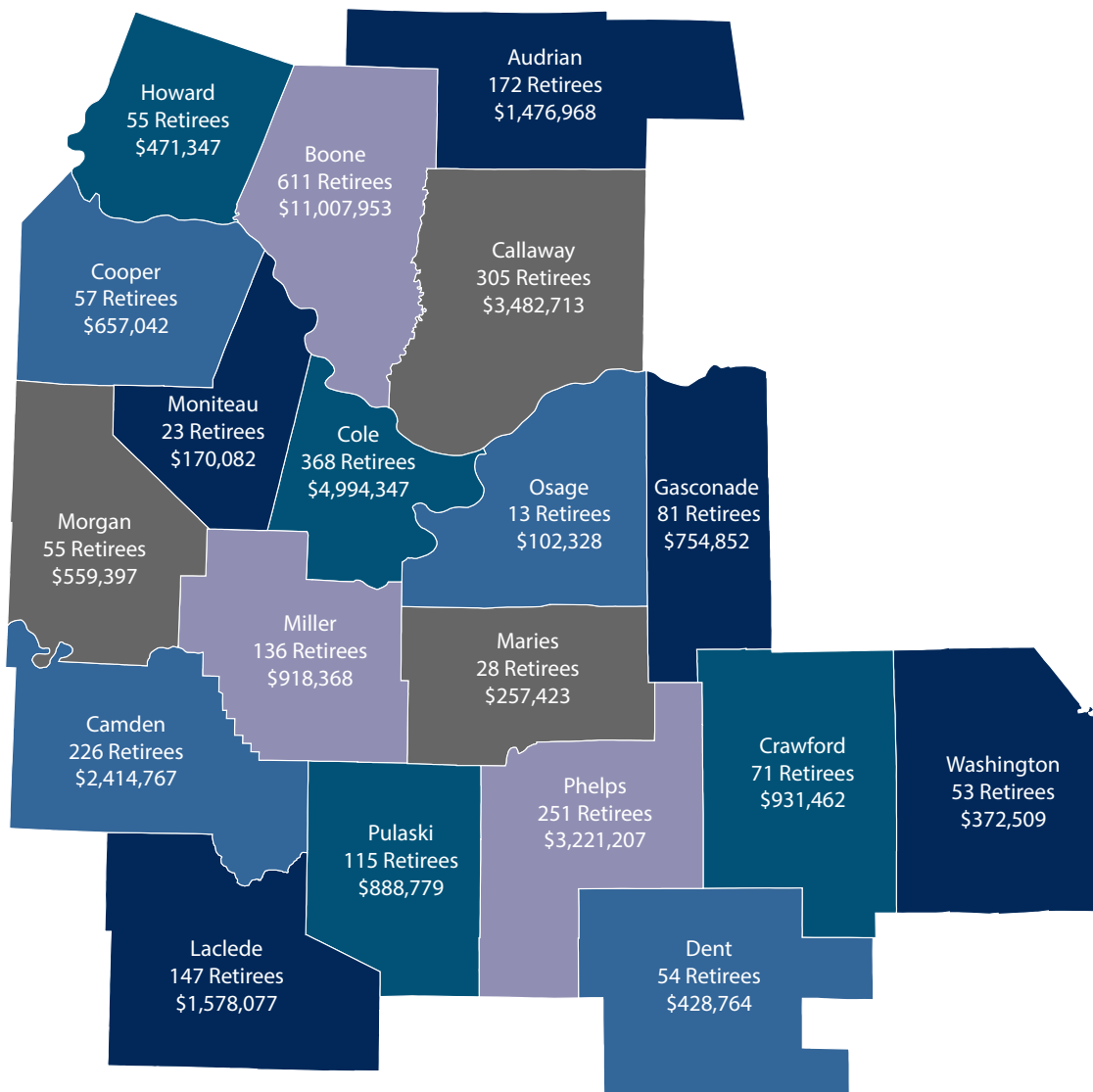
SPOTLIGHT COUNTY: BOONE

Retirees: 611

Annual Benefits: \$11M

ANNUAL BENEFIT PAYMENTS

Columbia:	\$7,660,912
Ashland:	616,369
Hallsville:	580,062
Centralia:	303,015
Sturgeon:	191,213



LAGERS ANNUAL BENEFIT PAYMENTS IN EAST MISSOURI

BENEFIT RECIPIENTS

3,255

TOTAL ANNUAL BENEFITS PAID

\$48,605,330

AVERAGE ANNUAL BENEFIT

\$14,933

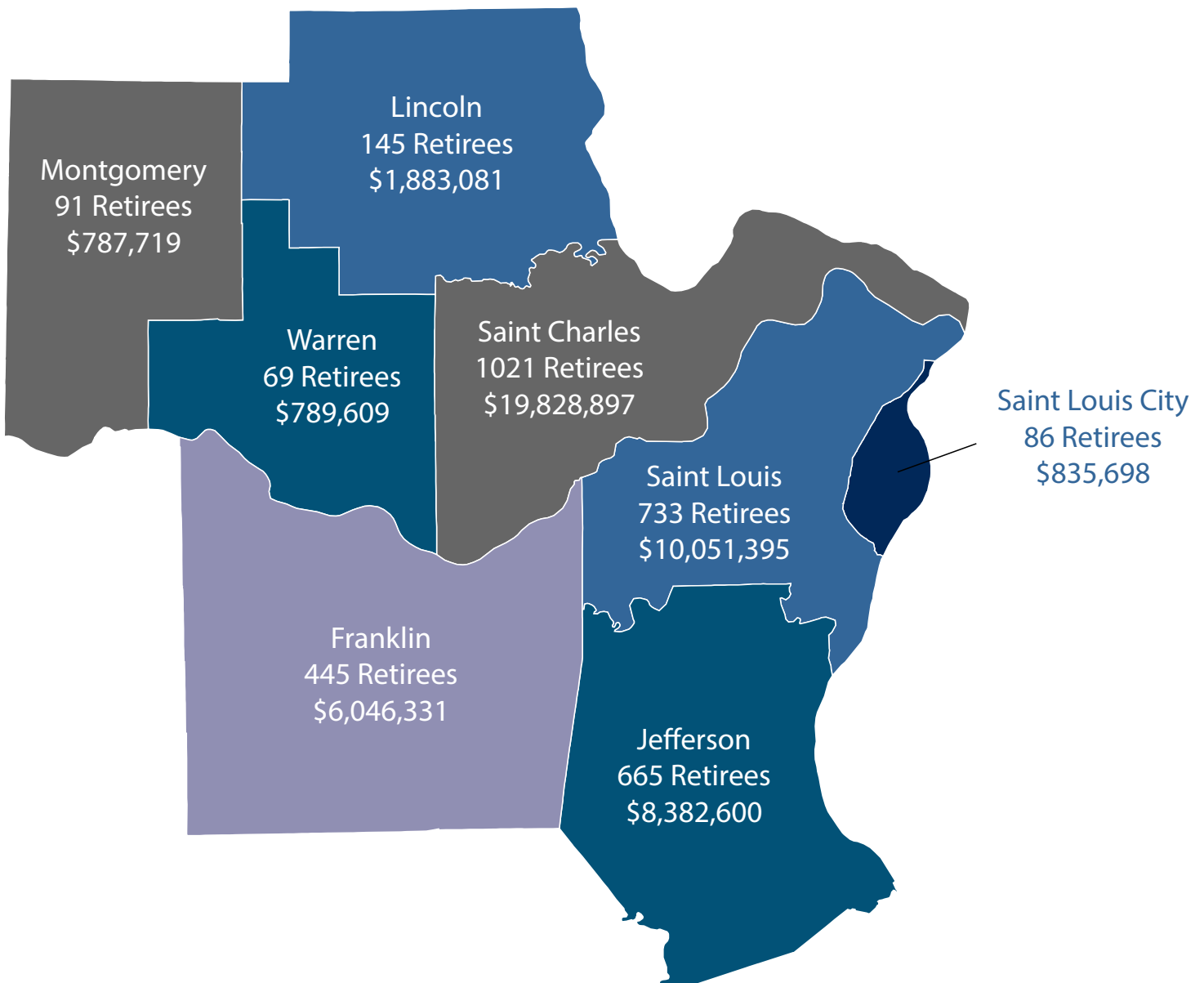
SPOTLIGHT COUNTY: ST. LOUIS

Retirees: 733

Annual Benefits: \$10M

ANNUAL BENEFIT PAYMENTS

Florissant:	\$730,671
Ballwin:	581,780
Webster Groves:	447,292
Berkeley:	268,232
Bellfontaine Neighbors:	207,670



LAGERS ANNUAL BENEFIT PAYMENTS IN SOUTHWEST MISSOURI

BENEFIT RECIPIENTS

4,510

TOTAL ANNUAL BENEFITS PAID

\$66,049,968

AVERAGE ANNUAL BENEFIT

\$14,645

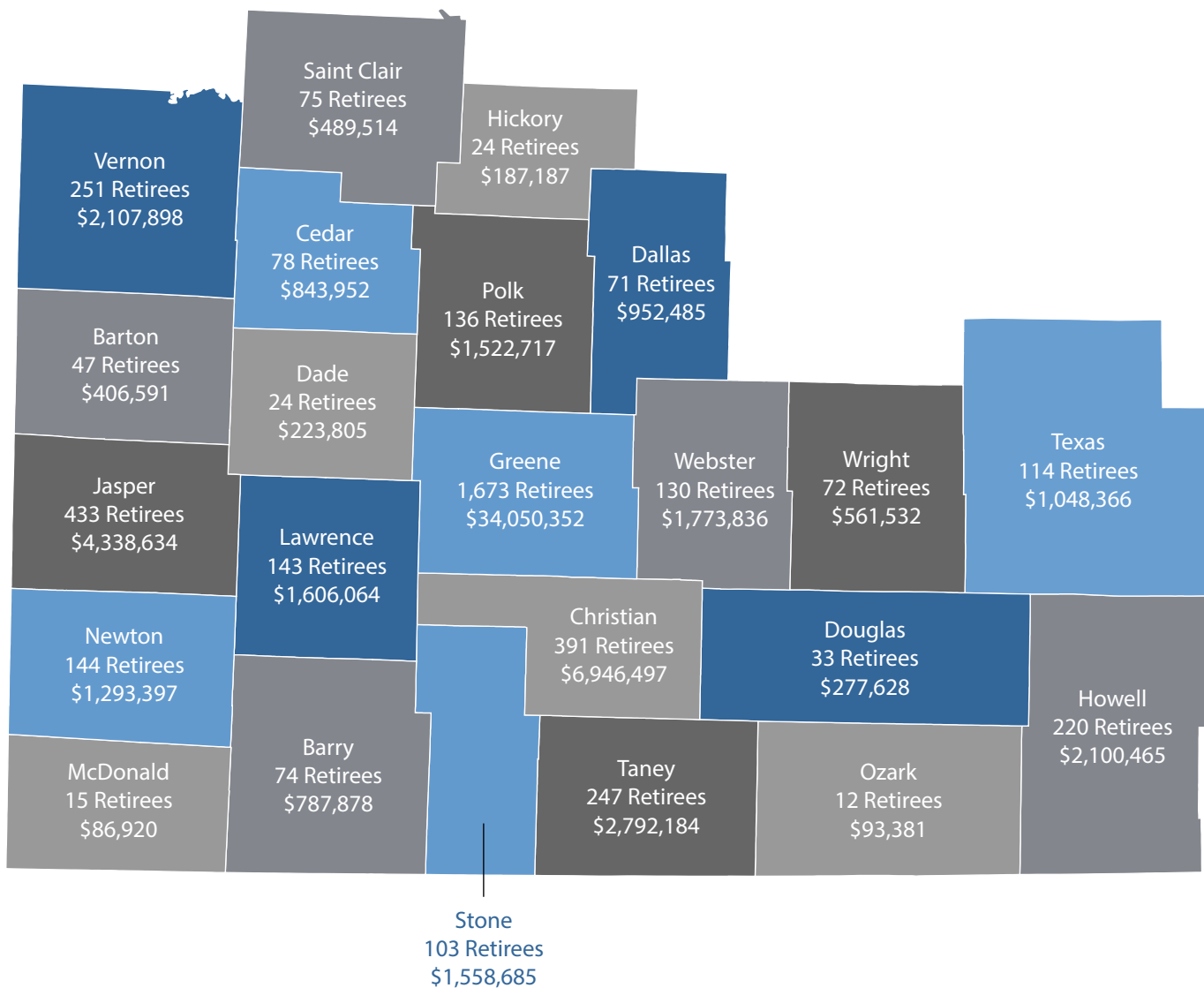
SPOTLIGHT COUNTY: GREENE

Retirees: 1,673

Annual Benefits: \$34M

ANNUAL BENEFIT PAYMENTS

Springfield:	\$24,122,366
Republic:	1,704,370
Strafford:	856,421
Ash Grove:	740,081
Battlefield:	568,704



LAGERS ANNUAL BENEFIT PAYMENTS IN SOUTHEAST MISSOURI

BENEFIT RECIPIENTS

2,664

TOTAL ANNUAL BENEFITS PAID

\$26,623,514

AVERAGE ANNUAL BENEFIT

\$9,994

SPOTLIGHT COUNTY: PEMISCOT

Retirees: 290

Annual Benefits: \$1.7M

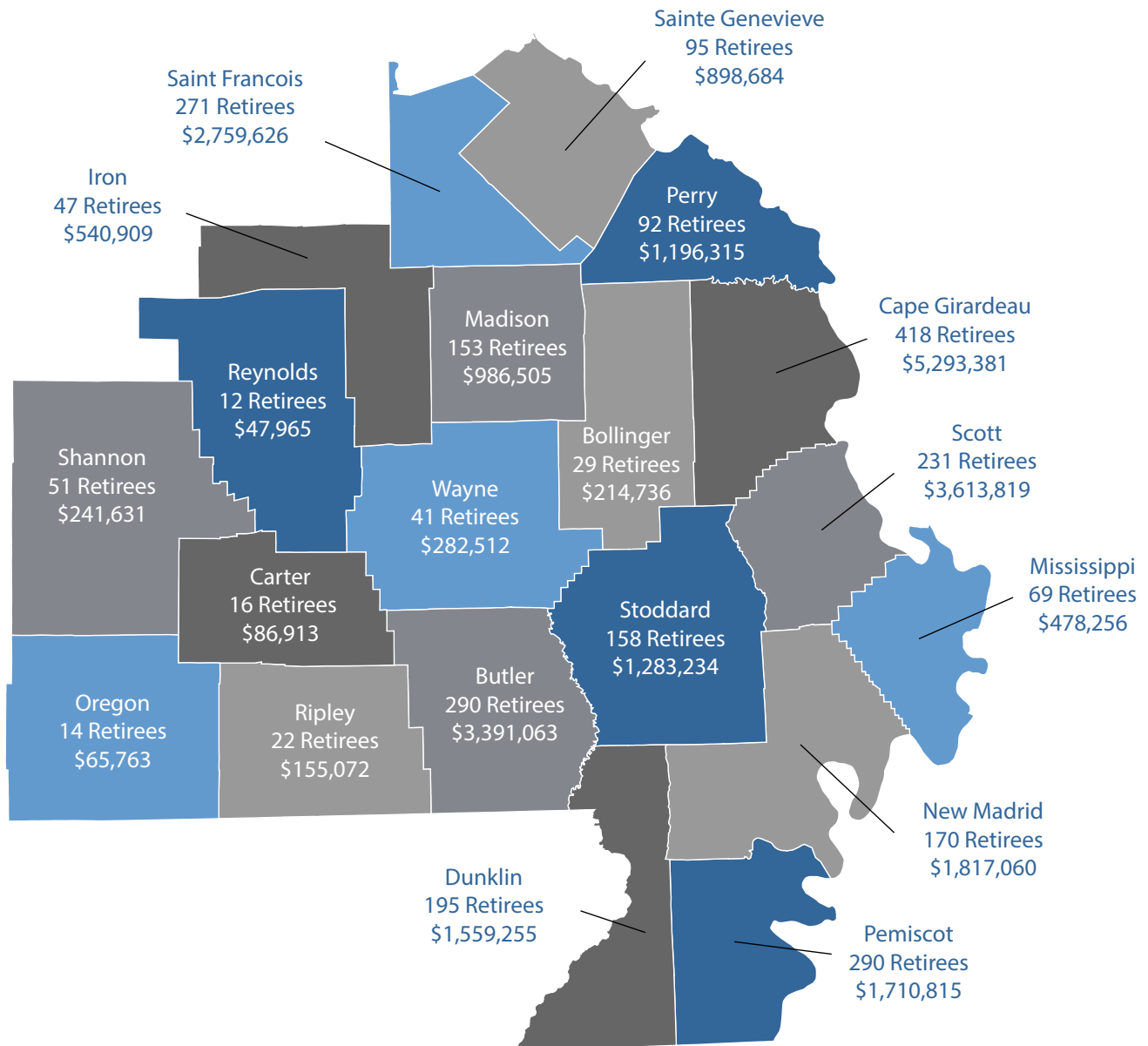
ANNUAL BENEFIT PAYMENTS

Caruthersville: \$650,730

Hayti: 462,013

Steele: 84,593

Bragg City: 33,088



STATISTICAL SUMMARY

ONE OUT OF EVERY TEN MISSOURIANS IS A BENEFICIARY OF MISSOURI LAGERS.

	Active Members	Retired Members & Beneficiaries	Vested Former Members
Total Members	33,633	21,845	13,218
Average Members Per MO County	295	192	116

**LOCAL GOVERNMENTS PARTICIPATING IN LAGERS
699**

**TOTAL ANNUAL PAYROLL OF ACTIVE PARTICIPANTS
\$1.5 BILLION**

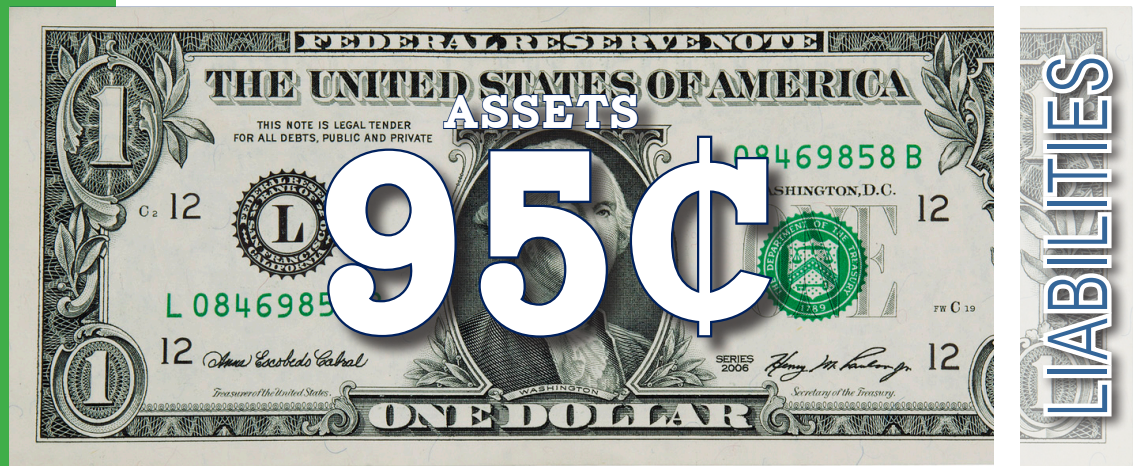
7 OUT OF 10 PARTICIPATING LOCAL GOVERNMENT UNITS ARE 75% PRE-FUNDED OR BETTER.

PARTICIPATING EMPLOYER CONTRIBUTIONS ACCOUNT FOR ONLY ABOUT 2.9% OF A LOCAL GOVERNMENT'S TOTAL BUDGET.

Part Two

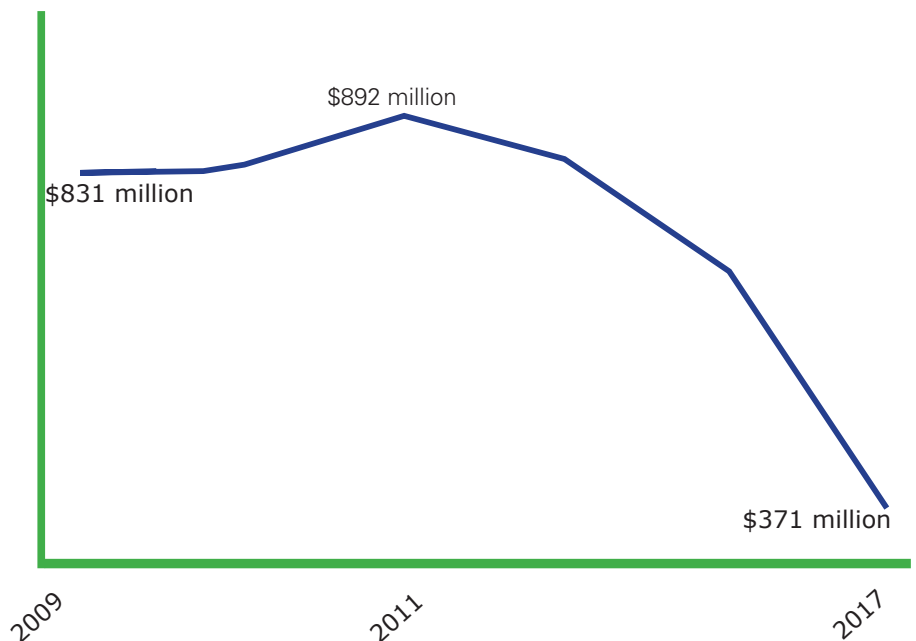
LAGERS' Funding Sustainability

LAGERS is currently 94.8% pre-funded. This simply means that LAGERS has approximately 95 cents in assets already in hand for every dollar of present and future liabilities in the system.



LAGERS is trending toward 100% funding by making steady progress in paying its liabilities.

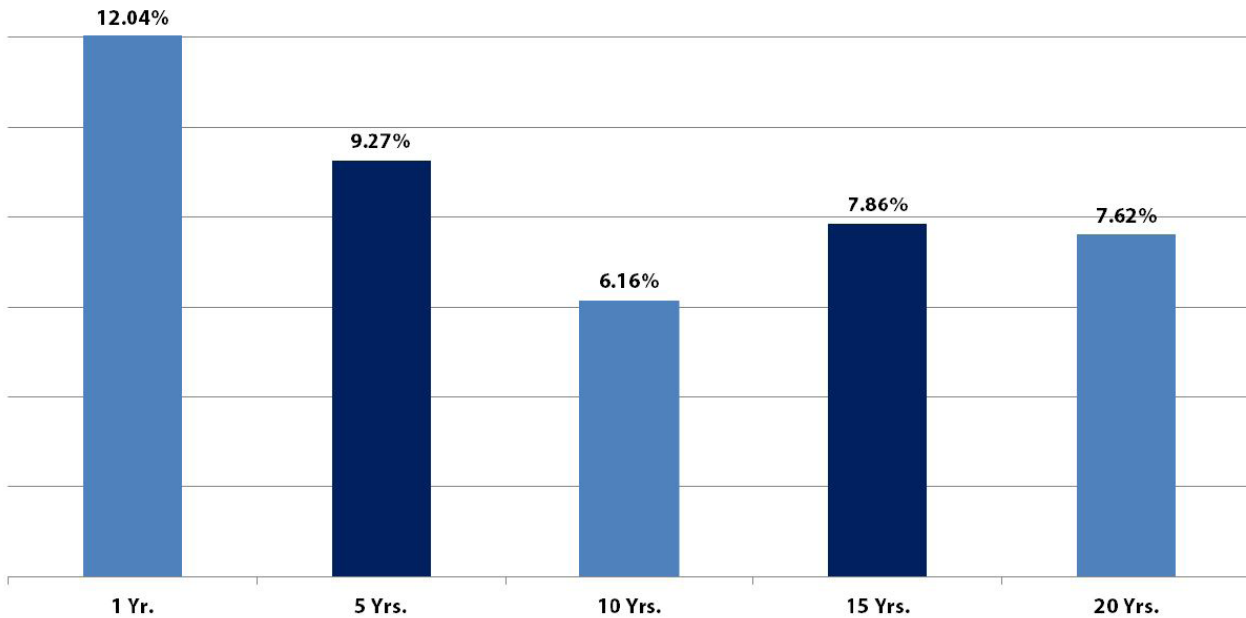
LAGERS' Unfunded Accrued Liability 2009-2017



LAGERS INVESTS IN A DIVERSIFIED PORTFOLIO

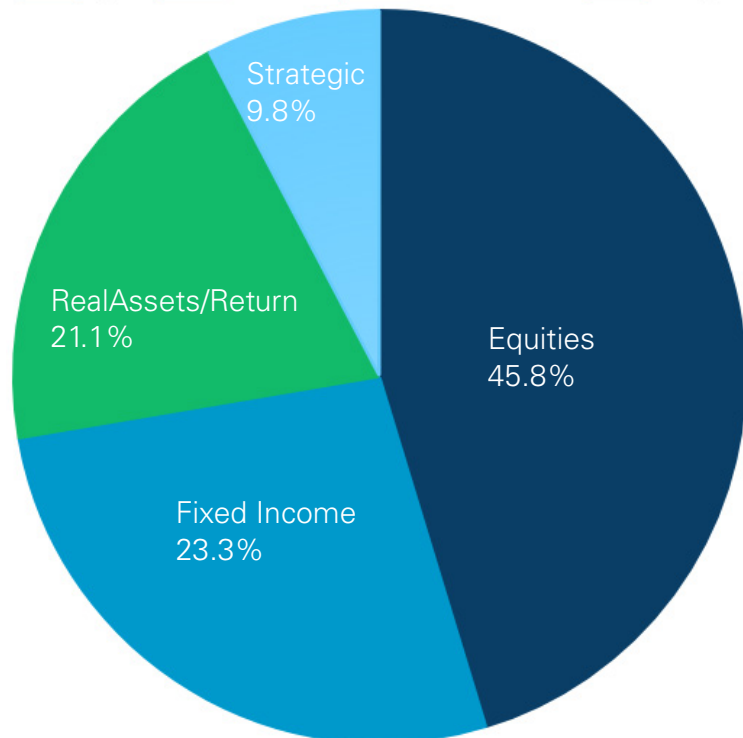
LAGERS' PORTFOLIO PERFORMANCE

As of June 30, 2017



LAGERS' ASSET ALLOCATION

LAGERS held \$6.9 billion in member assets as of June 30, 2017.



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 2016: Measuring the Economic Impact of DB Pension Expenditures*, National Institute on Retirement Security.

The LAGERS data used in this study:

Fiscal Year 2017 benefits were paid to 21,845 benefit recipients, 19,823 of them live in Missouri.

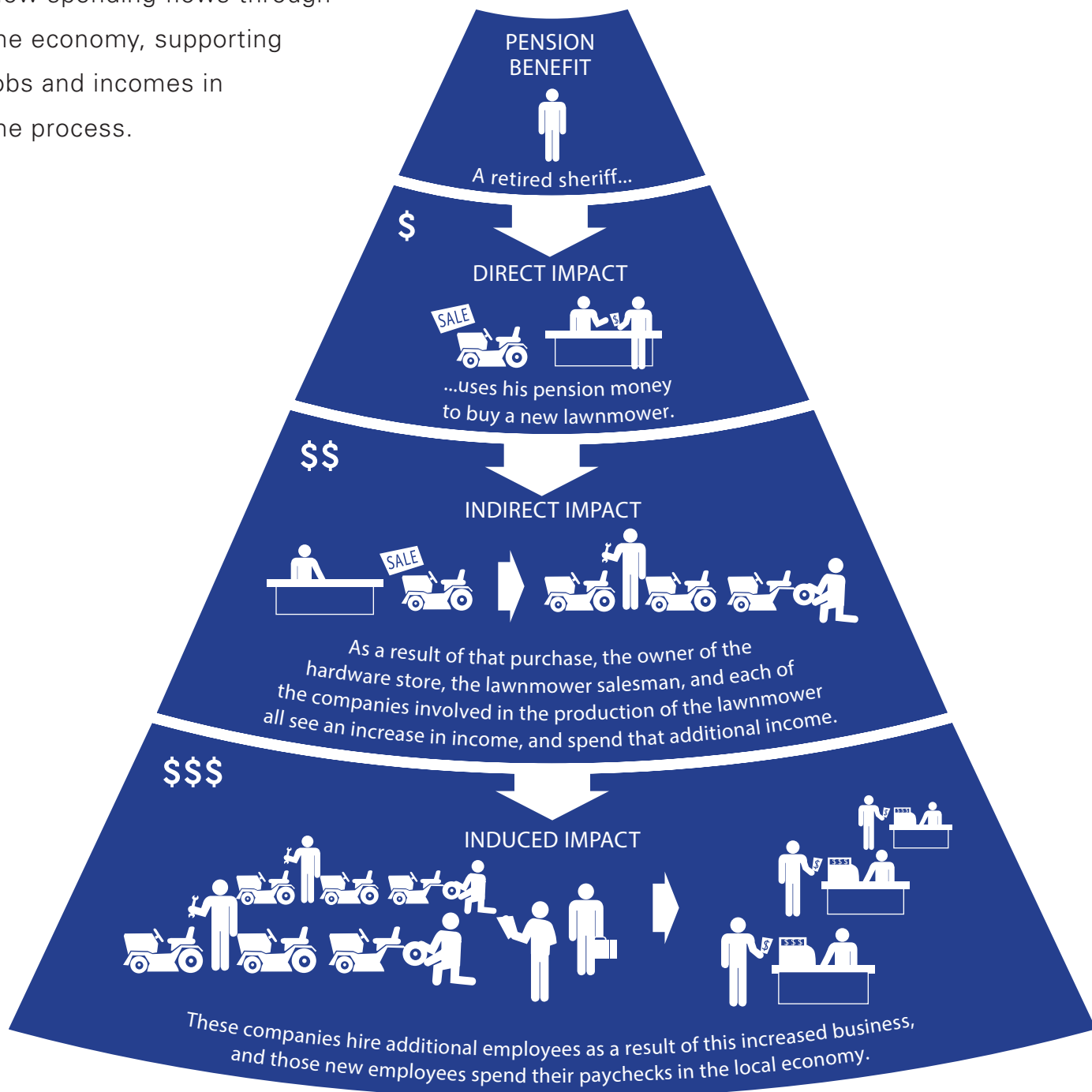
Of the \$283 million in total benefits paid by LAGERS in Fiscal Year 2017, \$263 million was paid to Missouri residents.



ECONOMIC IMPACT

The Multiplier Effect:

How spending flows through the economy, supporting jobs and incomes in the process.



AT A GLANCE



Total Output:
\$399 million

Total Output covers all economic activity generated by:

- LAGERS benefit payments
- All additional economic activity in Missouri generated by those payments

Total output is based on LAGERS benefit payments, times the National Institute on Retirement Security Analysis Total Output Multiplier of 1.41.



Each \$1 in state and local pension benefits paid to Missouri residents ultimately supported \$1.41 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 \$283 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!

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

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