



Teachers' Retirement System of the State of Illinois

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News

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RETIRED TEACHERS CREATE A \$4.4 BILLION POSITIVE IMPACT FOR THE ILLINOIS ECONOMY

SPRINGFIELD, IL – The \$3.1 billion in pensions and benefits paid to retired teachers and school administrators in Illinois during fiscal year 2012 created a sustained economic stimulus of approximately \$4.432 billion that reached all 102 Illinois counties, according to a recent study conducted by the Teachers' Retirement System.

The study's findings were released today in a new report entitled "Economic Impact Study of TRS Benefit Payments by Illinois Legislative District and County."

"It is vital for everyone interested in the future of public pensions in Illinois to understand and remember that pensions and benefits are not just numbers in a ledger. For retired educators, their TRS benefit is often their only source of income because they do not participate in Social Security during their time in the classroom. Their pension enables them to remain active members of their communities," said TRS Executive Director Dick Ingram. "Retired teachers and administrators contribute greatly to the local economy and Illinois. Tax dollars invested in public pensions flow back into the Illinois economy with every monthly payroll."

The \$3.1 billion in pensions and benefits were paid to 80,835 men, women and children who live in Illinois – 80 percent of the total TRS benefit recipients. TRS benefit recipients are found in all 102 Illinois counties, as well as in all legislative districts. The remaining 20 percent live in other states or foreign countries.

Benefits paid by TRS consist of retirement annuities, survivor benefits for the families of deceased TRS members and disability benefits.

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The study used standard economic multiplier calculations, as well as state and federal statistics, and found:

- **Total Output from TRS Pensions and Benefits - \$4.432 billion**
 - This overall measure of economic activity includes all TRS payments, as well as jobs created and salaries earned in those jobs and increases in the state's Gross Domestic Product. The \$4.432 billion total is higher than the value of Illinois exports to China in 2011, which totaled \$3.89 billion. The \$4.4 billion represents a 9.6 percent increase over the total effect of TRS benefits measured during the System's last economic impact study in 2010.
- **Jobs Created – 32,042**
 - This is the total number of full-time jobs supported by \$3.1 billion in pensions and benefits pumped into the Illinois economy. The 32,042 jobs supported are about the same as the number of special education and kindergarten teachers in Illinois in 2011. The 32,042 jobs represent a 5.3 percent increase over the number of jobs created in 2010.
- **Earnings Created - \$1.22 billion**
 - This represents the total salaries earned by persons employed in Illinois jobs that are fueled by TRS pension and benefit payments. The \$1.22 billion in payroll represents an 8.9 percent increase over the total payroll supported in 2010.
- **Illinois GDP Value - \$2.544 billion**
 - This is the amount added to the Illinois Gross Domestic Product – the total value of goods and services produced within Illinois – due to TRS pension and benefit payments. The \$2.544 in GDP value represents a 6.7 percent increase over the GDP value in 2010.

According to the study, the greatest number of TRS members, either active, inactive or benefit recipients, 9,274, live in the newly created 50th Senate District, which encompasses the 99th and 100th representative districts. The 50th Senate District covers portions of Central and West-Central Illinois, including Springfield, Jacksonville and Carlinville.

The 2012 study can be found on the TRS website – trs.illinois.gov on the “general information” page.

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About Teachers' Retirement System

The Teachers' Retirement System of the State of Illinois is the 39th largest pension system in the United States and provides retirement, disability and survivor benefits to teachers, administrators and other public school personnel employed outside of Chicago. The System serves 362,000 members and had assets of \$37 billion as of March 31, 2012.