



Pensions in the Parishes 2017

Acknowledgements

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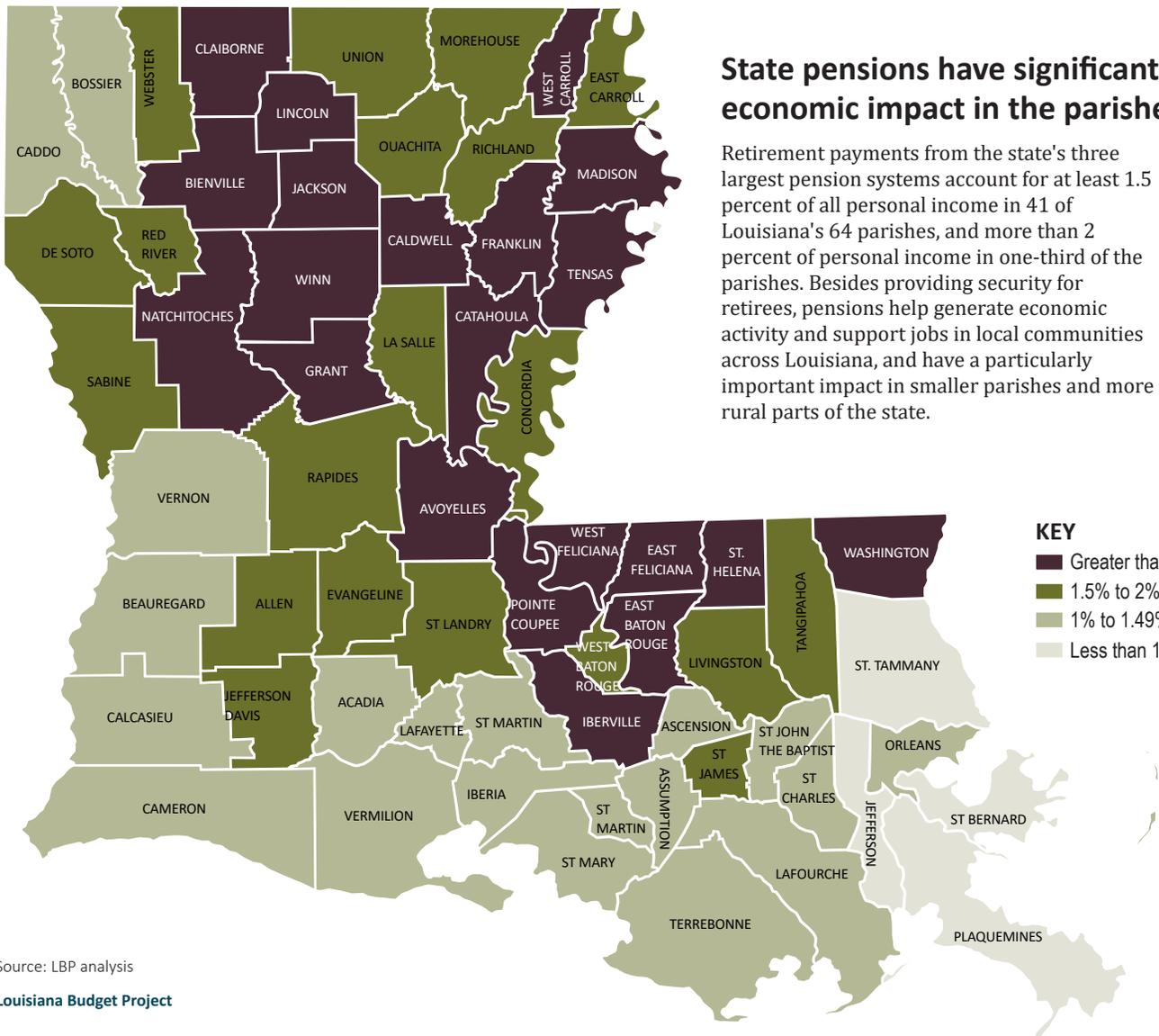
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Pensions in the Parishes 2017

Louisiana’s defined-benefit pension plans play an important role in the lives of working families and retirees across the state. They also are a significant economic driver in every city, town and parish in Louisiana. Particularly in rural areas, public pension benefits are a substantial source of the personal income and economic activity. Accordingly, policymakers should work to ensure the solvency and stability of the state’s pension systems not only because they give retirement security to hundreds of thousands of state employees, but also because they have a disproportionately positive economic impact on Louisiana’s poorest

and most rural parishes.

Payments to retirees in the state’s 14 pension systems account for 1 of every 10 dollars of retirement income in the state. Altogether, Louisiana’s pension systems pay out more than \$4 billion in benefits to 164,000 retirees and their families every year—an amount equivalent to 2 percent of all personal income in the state. These dollars don’t just sit in savings accounts, but are spent and pumped back into local economies where they have a substantial economic impact, supporting everything from car dealers and restaurants to grocers and hospitals.



Source: LBP analysis

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Economic Impact

The economic impact of Louisiana’s pension systems compares favorably with the payrolls of some of the state’s largest and best-known industries. For example, total compensation for all workers in the chemical manufacturing industry was \$3.4 billion in 2015, while hospital employees were paid

around \$5.3 billion in salaries, wages and benefits that year. Nursing home employees made \$1.5 billion, while employees of car dealers and auto part stores earned a collective \$1.8 billion. Altogether, restaurant and other food service workers made around \$4 billion in 2015.

Louisiana’s public pensions have a significant economic impact

COMPENSATION COMPARISON

(Pension benefits compared to total compensation in key industries)
In billions of dollars



Note: "Compensation" includes all wages/salaries and benefits
Source: US Bureau of Economic Analysis (BEA)

Combined, Louisiana’s 14 public pension systems paid more than \$4 billion in benefits — an amount equal to 2 percent of the state’s personal income. About three-fourths of all beneficiaries are members of the four state systems.

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Pension dollars don’t just support retirees — who generally do not receive Social Security benefits — but are invested and spent in communities in every parish, supporting local jobs and economic activity in diverse industries statewide.

Louisiana has four “state” pension systems — the Louisiana State Employees Retirement System (LASERS) for state workers, the Teachers Retirement System of Louisiana (TRSL) for public school teachers, the Louisiana School Employees Retirement System (LSERS) for non teacher school employees and the Louisiana State Police Retirement System (LSPRS) for state police. There are an additional 10 “statewide” pension systems for local government employees (examples include district attorneys, firefighters and municipal workers).

Combined, the four state systems paid \$2.8 billion in pension benefits — an amount equal to more

than 1.5 percent of the state’s personal income — to around 124,000 in-state retirees in 2015. Between 90 and 95 percent of pension recipients in the four systems live in Louisiana. About three-fourths of all retirees are members of the four state systems, while the ten statewide systems include the other quarter. (Some local governments also have separate, independent pension plans that are not included in this analysis.)

To get a more detailed look at how Louisiana’s pension systems impact each parish, tables and maps that show the combined economic impact of the three largest state retirement systems (LASERS, TRSL, and LSPRS) are provided. The fourth state retirement system, LSPRS, did not have parish-level data available.

Not surprisingly, the largest parishes tend to have the most retirees. But when benefits are calculated

as a share of each parish's personal income, it is clear that pensions are especially crucial to the economic health and retirement security of smaller and more rural parishes. In a handful of parishes, pensions account for as much as 2.5 percent to 4 percent of all personal income. In parishes lacking economic development and suffering from high rates of joblessness and poverty, the economic activity generated by public pension income is a stabilizing force.

For example, in Natchitoches Parish, payments from LASERS, TRSL, and LSERS alone equal 2.6 percent of all personal income in the parish and 9.5 percent of all retirement income. These payments — totaling \$35.8 million per year — flow directly to 1,439 retirees. But, they are also a critical source of economic activity parish-wide, where the median income is just over \$31,000 per year compared to \$45,000 statewide and \$54,000 in the U.S. Nearly 1 in 3 parish residents and 38 percent of children live below the poverty line.

In tiny Tensas Parish, where median income is just \$22,940 per year, payments from the state's three largest pension systems total 2.8 percent of all personal income. These pension benefits — total-

ing \$4.1 million per year — are paid to 202 retiree households. But they are also a steady source of economic activity for the whole parish, where nearly 1 in 10 residents are unemployed and the median income is half the statewide average at \$22,940 per year. One in three residents of Tensas Parish live in poverty, and an alarming 45 percent of children struggle below the poverty line.

Finally, in West Feliciana Parish, payments from the state's three largest pension systems total 3.4 percent of all personal income and nearly 19 percent of all retirement income in the parish. These payments total \$17.6 million per year and flow to 679 retirees. They are a vital source of economic activity for the whole parish, as well, where the median income is just \$31,196 per year. Twenty-one percent of parish residents and 1 in 4 children in West Feliciana live below the poverty line.

When considering changes to state retirement systems, policymakers should keep in mind the important role that pensions play in ensuring Louisianans' retirement security, as well as the impact pensions have in supporting local businesses and jobs in every parish across the state.



Economic impact of state pensions by parish

PARISH	TOTAL RETIREMENT BENEFITS	TOTAL PERSONAL INCOME (2015)	PENSIONS AS SHARE OF PERSONAL INCOME	PARISH	TOTAL RETIREMENT BENEFITS	TOTAL PERSONAL INCOME (2015)	PENSIONS AS SHARE OF PERSONAL INCOME
Acadia	\$26,335,749	\$2,211,134,000	1.2%	Madison	\$7,482,900	\$319,072,000	2.3%
Allen	\$12,602,891	\$763,694,000	1.7%	Morehouse	\$13,476,022	\$889,892,000	1.5%
Ascension	\$63,934,070	\$5,431,479,000	1.2%	Natchitoches	\$35,760,401	\$1,368,800,000	2.6%
Assumption	\$12,576,718	\$886,066,000	1.4%	Orleans	\$196,742,257	\$18,188,720,000	1.1%
Avoyelles	\$34,216,188	\$1,391,696,000	2.5%	Ouachita	\$108,587,548	\$5,705,544,000	1.9%
Beauregard	\$20,474,500	\$1,461,700,000	1.4%	Plaquemines	\$9,064,073	\$1,083,972,000	0.8%
Bienville	\$11,498,430	\$448,039,000	2.6%	Pointe Coupee	\$19,344,231	\$916,807,000	2.1%
Bossier	\$67,853,612	\$5,329,258,000	1.3%	Rapides	\$112,775,429	\$5,644,541,000	2.0%
Caddo	\$178,468,997	\$12,341,720,000	1.4%	Red River	\$5,438,248	\$295,709,000	1.8%
Calcasieu	\$111,497,434	\$8,476,101,000	1.3%	Richland	\$14,319,510	\$703,782,000	2.0%
Caldwell	\$7,812,513	\$363,471,000	2.1%	Sabine	\$14,353,005	\$795,476,000	1.8%
Cameron	\$3,198,131	\$312,054,000	1.0%	St. Bernard	\$9,270,785	\$1,329,480,000	0.7%
Catahoula	\$6,405,771	\$291,501,000	2.2%	St. Charles	\$26,979,371	\$2,394,880,000	1.1%
Claiborne	\$11,808,284	\$587,170,000	2.0%	St. Helena	\$10,496,123	\$409,451,000	2.6%
Concordia	\$11,025,330	\$630,621,000	1.7%	St. James	\$15,747,488	\$920,439,000	1.7%
De Soto	\$17,836,199	\$1,017,032,000	1.8%	St. John the Baptist	\$19,534,148	\$1,702,766,000	1.1%
East Baton Rouge	\$480,754,509	\$20,499,964,000	2.3%	St. Landry	\$58,451,480	\$3,187,231,000	1.8%
East Carroll	\$4,190,916	\$226,063,000	1.9%	St. Martin	\$25,807,998	\$2,036,013,000	1.3%
East Feliciana	\$34,679,775	\$740,133,000	4.7%	St. Mary	\$22,544,884	\$2,020,358,000	1.1%
Evangeline	\$21,068,993	\$1,178,880,000	1.8%	St. Tammany	\$132,796,010	\$14,312,266,000	0.9%
Franklin	\$16,667,977	\$617,738,000	2.7%	Tangipahoa	\$87,928,552	\$4,640,749,000	1.9%
Grant	\$16,194,135	\$660,200,000	2.5%	Tensas	\$4,120,115	\$148,755,000	2.8%
Iberia	\$37,634,731	\$2,830,322,000	1.3%	Terrebonne	\$53,913,149	\$5,123,274,000	1.1%
Iberville	\$26,356,021	\$1,216,693,000	2.2%	Union	\$13,253,210	\$785,360,000	1.7%
Jackson	\$12,115,618	\$539,959,000	2.2%	Vermilion	\$30,260,119	\$2,288,791,000	1.3%
Jefferson	\$192,781,499	\$20,471,082,000	0.9%	Vernon	\$21,924,070	\$1,965,229,000	1.1%
Jefferson Davis	\$18,692,916	\$1,218,041,000	1.5%	Washington	\$36,078,615	\$1,486,724,000	2.4%
La Salle	\$8,412,093	\$533,119,000	1.6%	Webster	\$28,115,091	\$1,438,524,000	2.0%
Lafayette	\$133,939,889	\$11,884,008,000	1.1%	West Baton Rouge	\$19,947,654	\$1,122,658,000	1.8%
Lafourche	\$62,044,468	\$4,512,988,000	1.4%	West Carroll	\$8,923,947	\$313,099,000	2.9%
Lincoln	\$48,665,899	\$1,702,093,000	2.9%	West Feliciana	\$17,646,764	\$518,167,000	3.4%
Livingston	\$90,440,759	\$5,248,998,000	1.7%	Winn	\$10,621,512	\$514,892,000	2.1%

For three largest state pension systems: LASERS, TRSL, LSERS Source: LBP analysis

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Methodology: Data on in-state pension recipients and payments by parish was collected directly from the state retirement systems for fiscal year 2015-16, while an aggregate number for the 14 state and statewide systems came from the US Census Bureau's 2015 report on state-administered pensions. Parish personal income data is from the US Bureau of Economic Analysis' (BEA) 2015 report on personal income. Parish-level retirement income data is from the BEA's 2015 report on Personal Current Transfer Receipts and includes both retirement transfers and disability insurance payments. Data on compensation by industry was also collected from BEA.