

THE ECONOMIC BENEFIT OF PUBLIC PENSIONS IN KANSAS

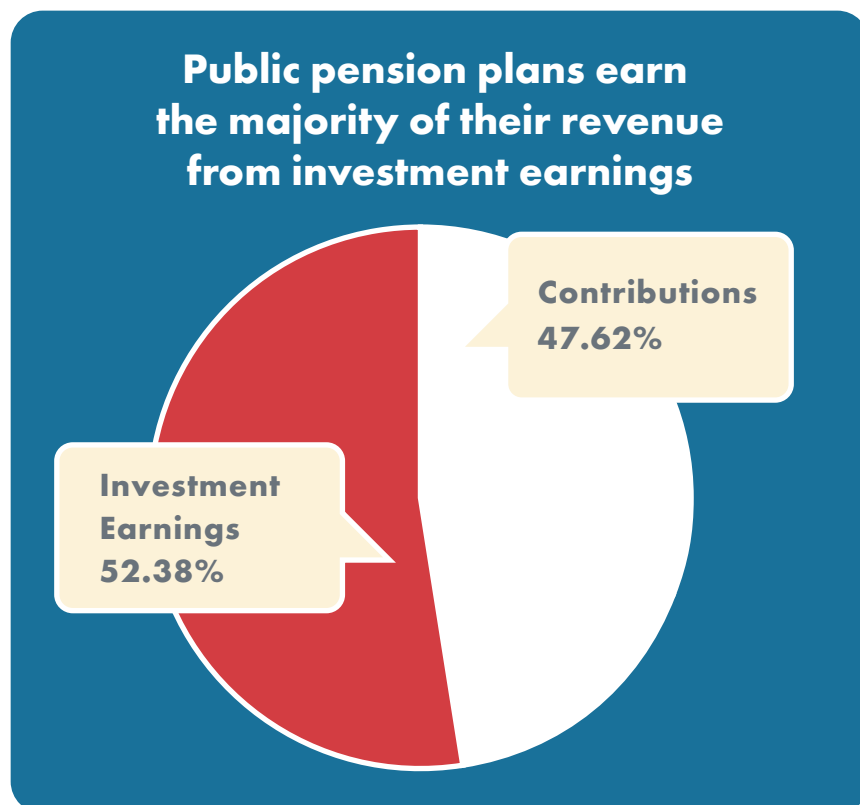
Public pensions are the most reliable path to a secure retirement for working families. They are also powerful economic engines for local communities. The spending of pension benefits by retirees supports local businesses through purchases of food, medicine, gas, and other staple items.

In 2016, the spending of pension benefits in Kansas:

- Generated **\$2.7 billion** in economic activity
- Supported **18,153 jobs** that paid nearly **\$778.9 million** in income

Each dollar paid out in pension benefits creates **\$1.44** in total economic output in Kansas.

Public pensions are a great investment for taxpayers. Each dollar invested by Kansas taxpayers in public pensions supports **\$4.65** in economic activity.



Public pension plans also create tax revenue for local, state, and federal governments. According to the National Institute on Retirement Security, in 2016, the spending of pension benefits in Kansas generated **\$467.3 million** in federal, state, and local tax revenue. This money goes back into local communities to support public priorities like schools, road maintenance, and public safety.

RETIRED KANSAS PUBLIC EMPLOYEES NEED A COST-OF-LIVING ADJUSTMENT (COLA)

Background

Kansas's retired public employees have not received a COLA to their pension benefits in **22 years**, hurting them, their families, and their local economies. From 1997 to 2018, the cost of living in Kansas has increased **54 percent** and retired public employees are having trouble keeping up.¹ The average monthly benefit for retired public employees is a modest **\$1,336 per month**, and with inflation increasing each year, retirees have lost much of their buying power.² We owe it to our retirees - many of whom spent their careers in public service in Kansas - to find a solution.

The Facts on KPERS

- ▶ In 2018, \$1.7 billion were paid in benefits to 100,000 retirees.
- ▶ Approximately 90% of those benefits stayed in Kansas, supporting local economies.
- ▶ KPERS receives 52.38% of its revenue from investment earnings.³

Why a COLA?

The costs of health care, groceries, and housing have all increased and will continue to go up - and many retirees are having trouble making ends meet. Retirees deserve to retire with dignity. Without a COLA, retirees must increasingly rely on family members, their communities, and the social safety net for financial aid (if they're lucky enough to have these supports).

COLAs are a cost-effective, economically sound way to ensure public employees can live with dignity in retirement.



The **Kansas Coalition of Public Retirees** was formed in 2004 in response to the lack of a cost-of-living adjustment (COLA) for KPERS retirees. KPERS retirees have been without a COLA since 1997. For more information, visit our website at www.ksretirees.org.

1. U.S. Department of Labor, Bureau of Labor Statistics, BLS.
2. KPERS Fast Facts, <https://www.kpers.org/pdf/KPERSFastFacts.pdf>
3. National Institute on Retirement Security