



# 2019 ECONOMIC IMPACT REPORT

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# MISSOURI LAGERS

A Secure Retirement For All





# MISSOURI LAGERS Leadership

**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

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

**Joan Jadali, CPFO, CEBS**  
*Vice Chairperson*  
*Member Trustee*  
*City of Webster Groves*

**Sandy Walker**  
*Member Trustee*  
*City of Poplar Bluff*

**Barry McCullough**  
*Employer Trustee*  
*City of Gladstone*

**J. Robert Ashcroft**  
*Employer Trustee*  
*Platte County*

**Claire Scoville**  
*Citizen Trustee*  
*Kansas City*

**Frank Buck**  
*Employer Trustee*  
*DeKalb County*

**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.**



# MISSOURI LAGERS

*A Secure Retirement for All*

**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**



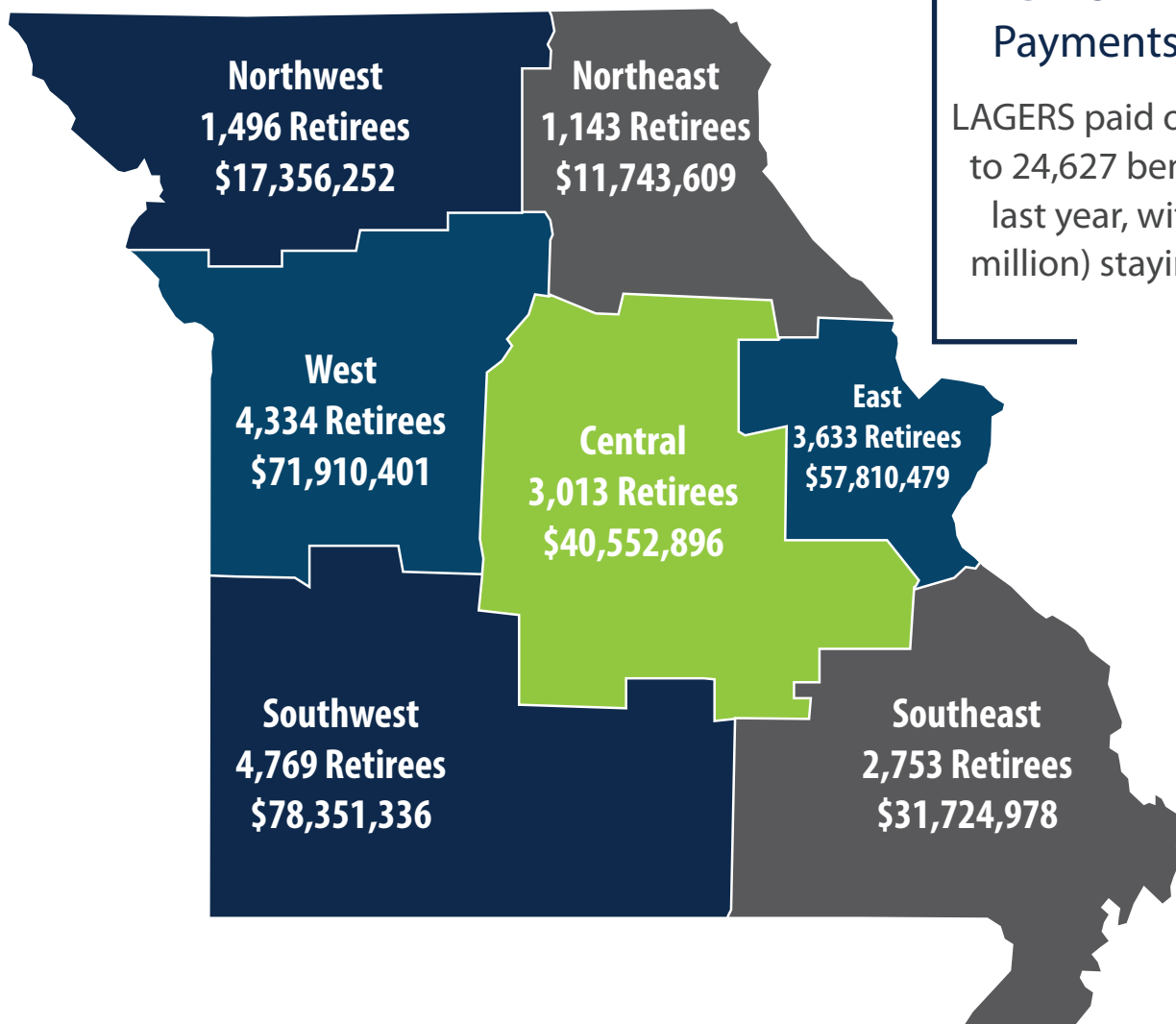
**\$309 MILLION  
STAYING IN MISSOURI**

**That's a pretty nice annual economic stabilizer  
for the Show-me State!**





# Part One: ANNUAL BENEFIT PAYMENTS

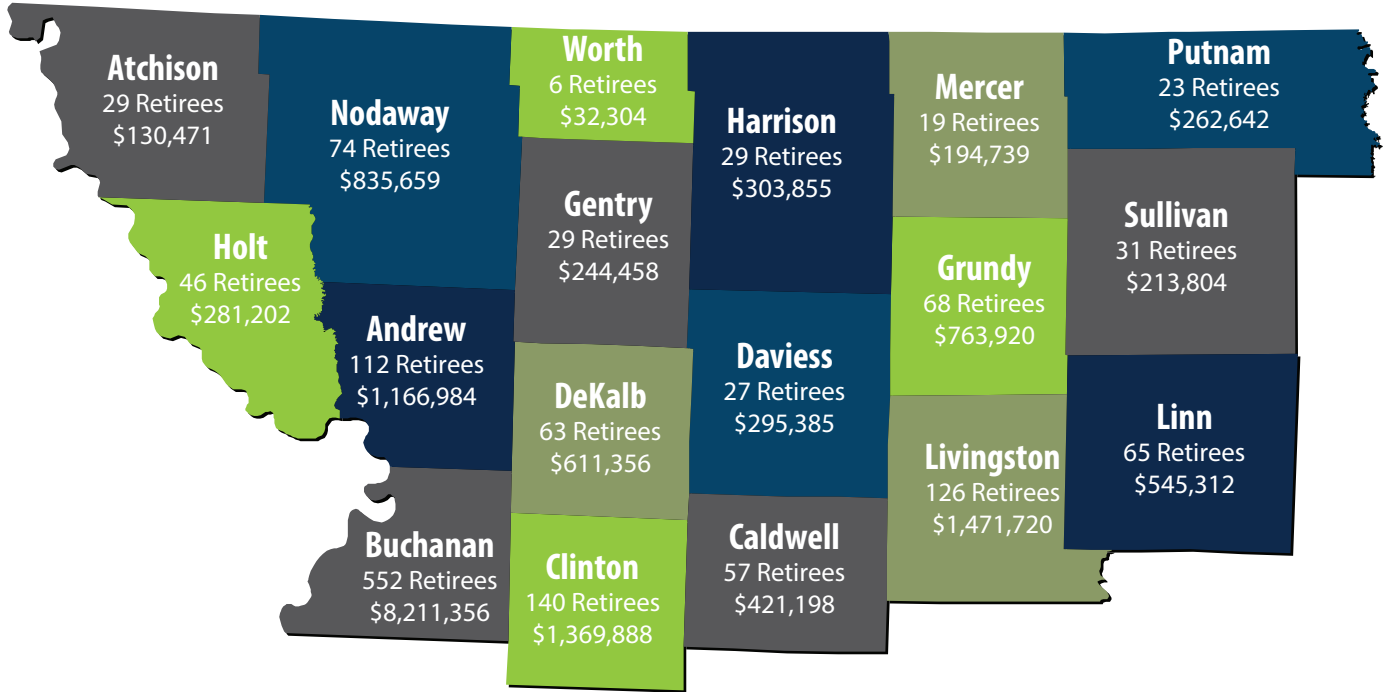


## LAGERS Annual Benefit Payments by Region

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



# LAGERS ANNUAL BENEFIT PAYMENTS IN NORTHWEST 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

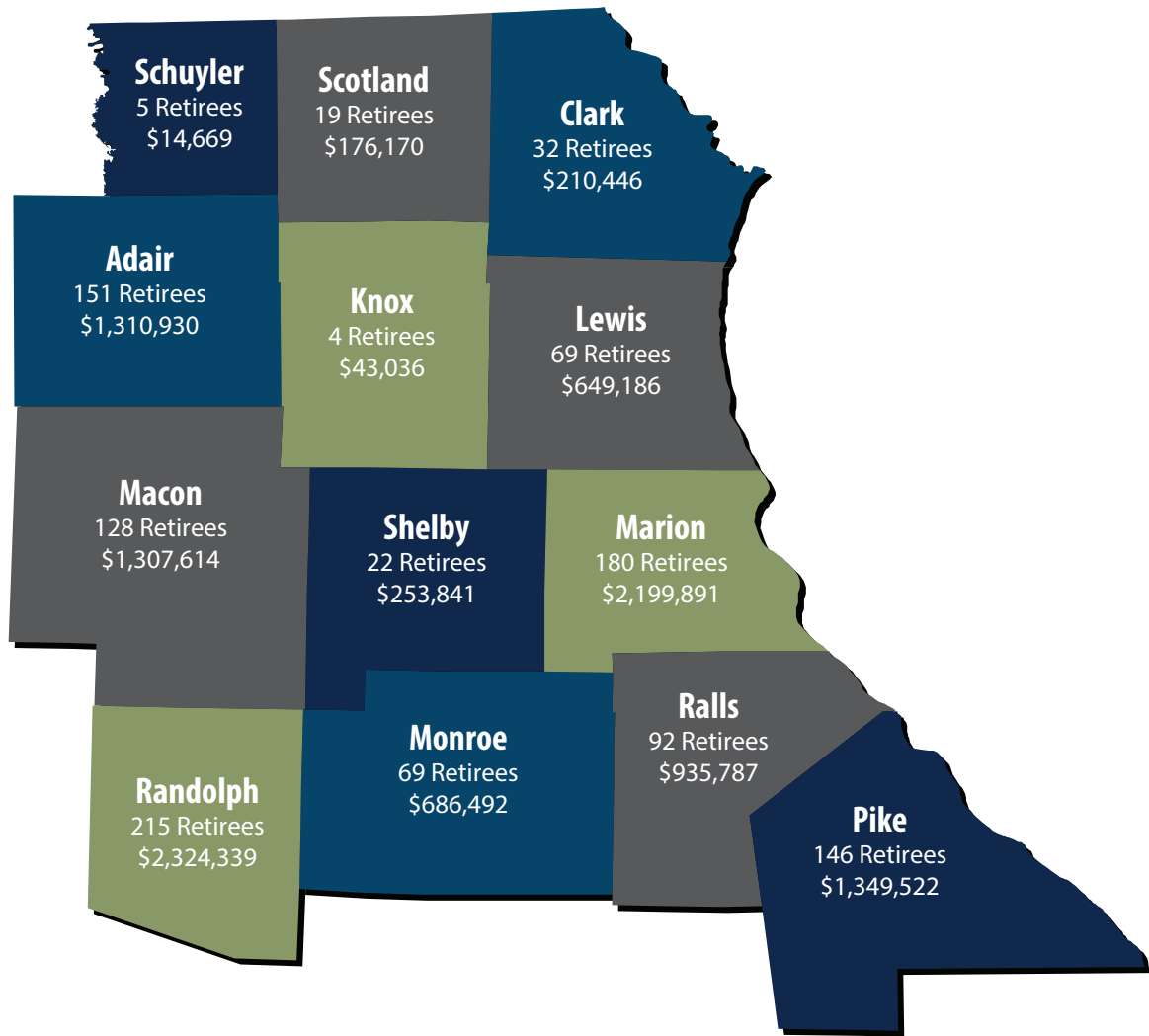
Easton: ..... \$130,221

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

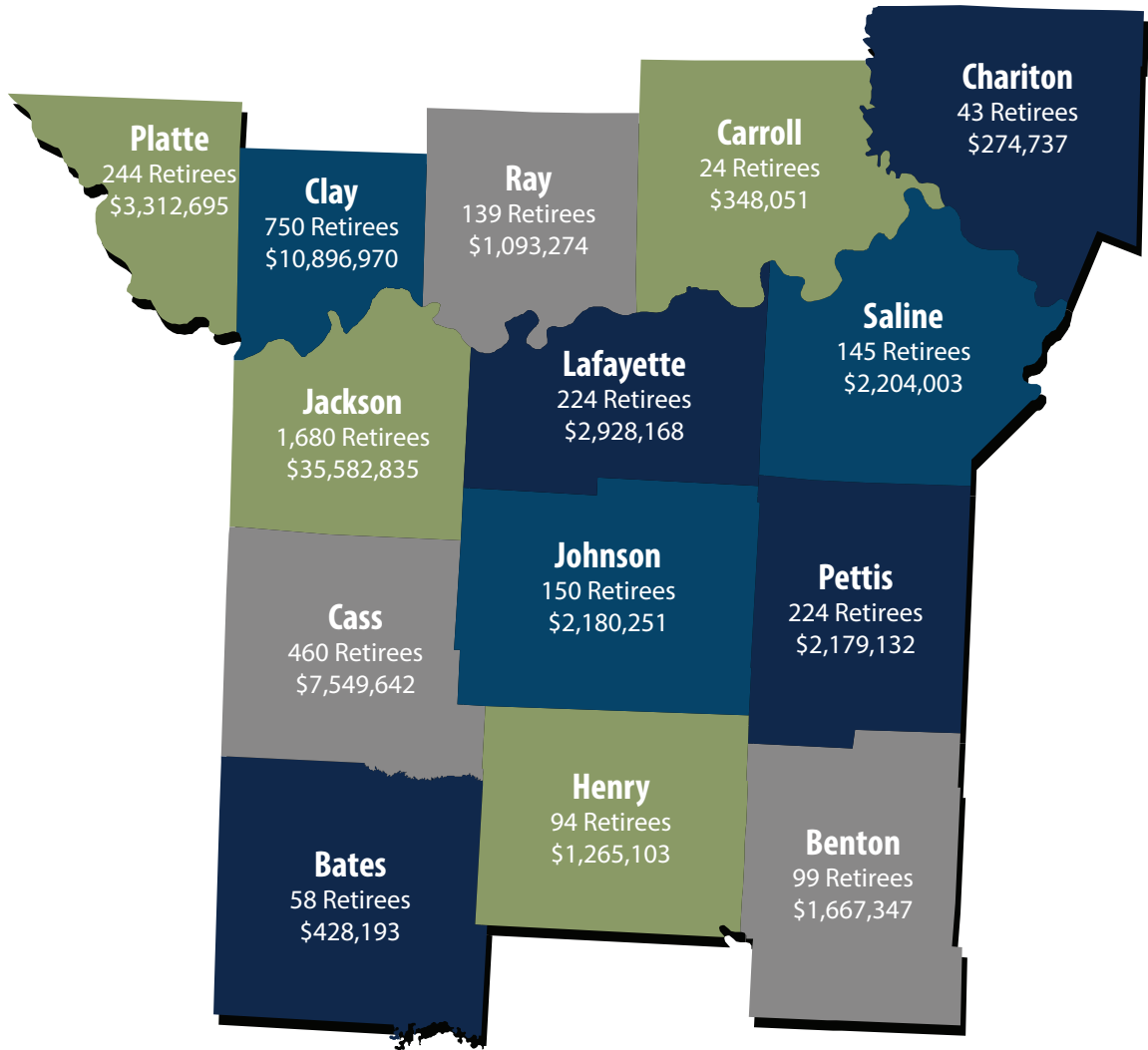
Huntsville: ..... \$459,230

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

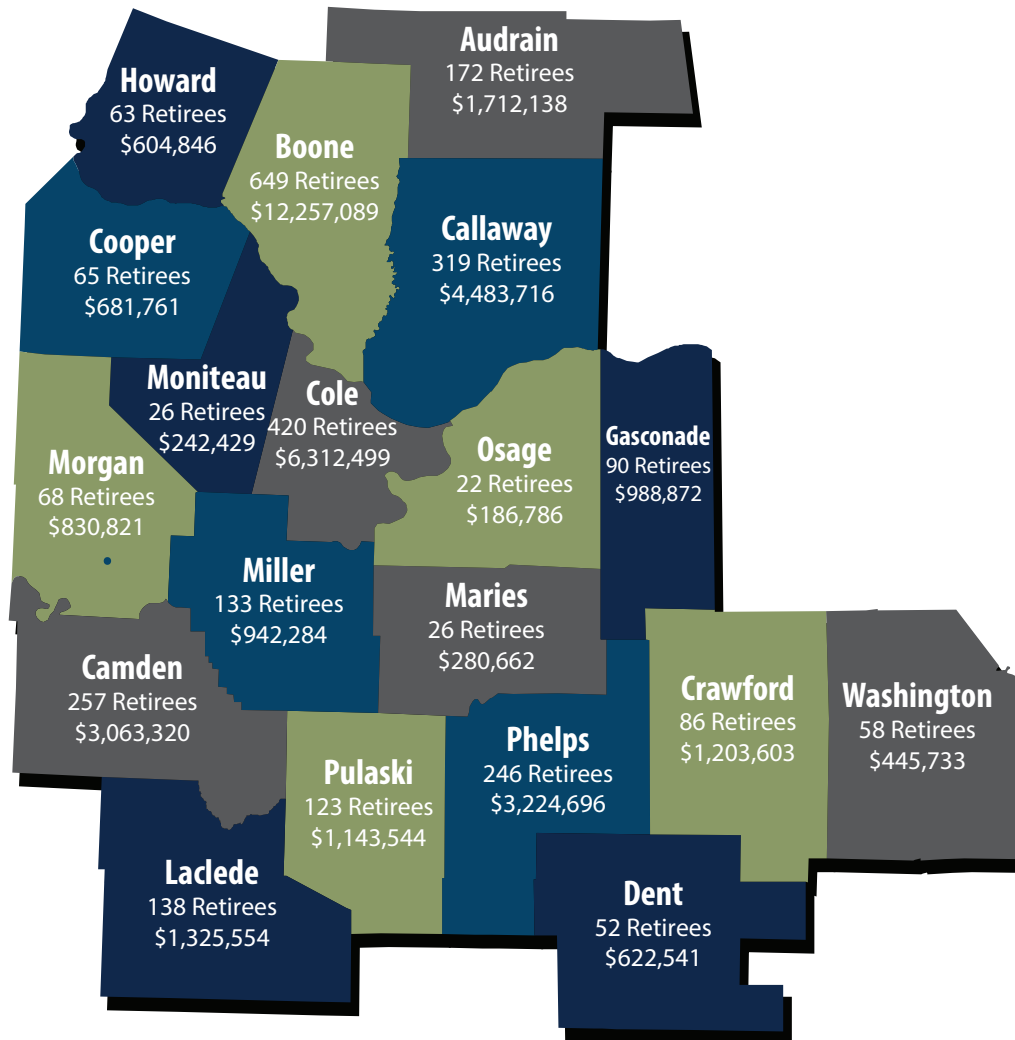
Blue Springs: ..... \$5,370,387

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

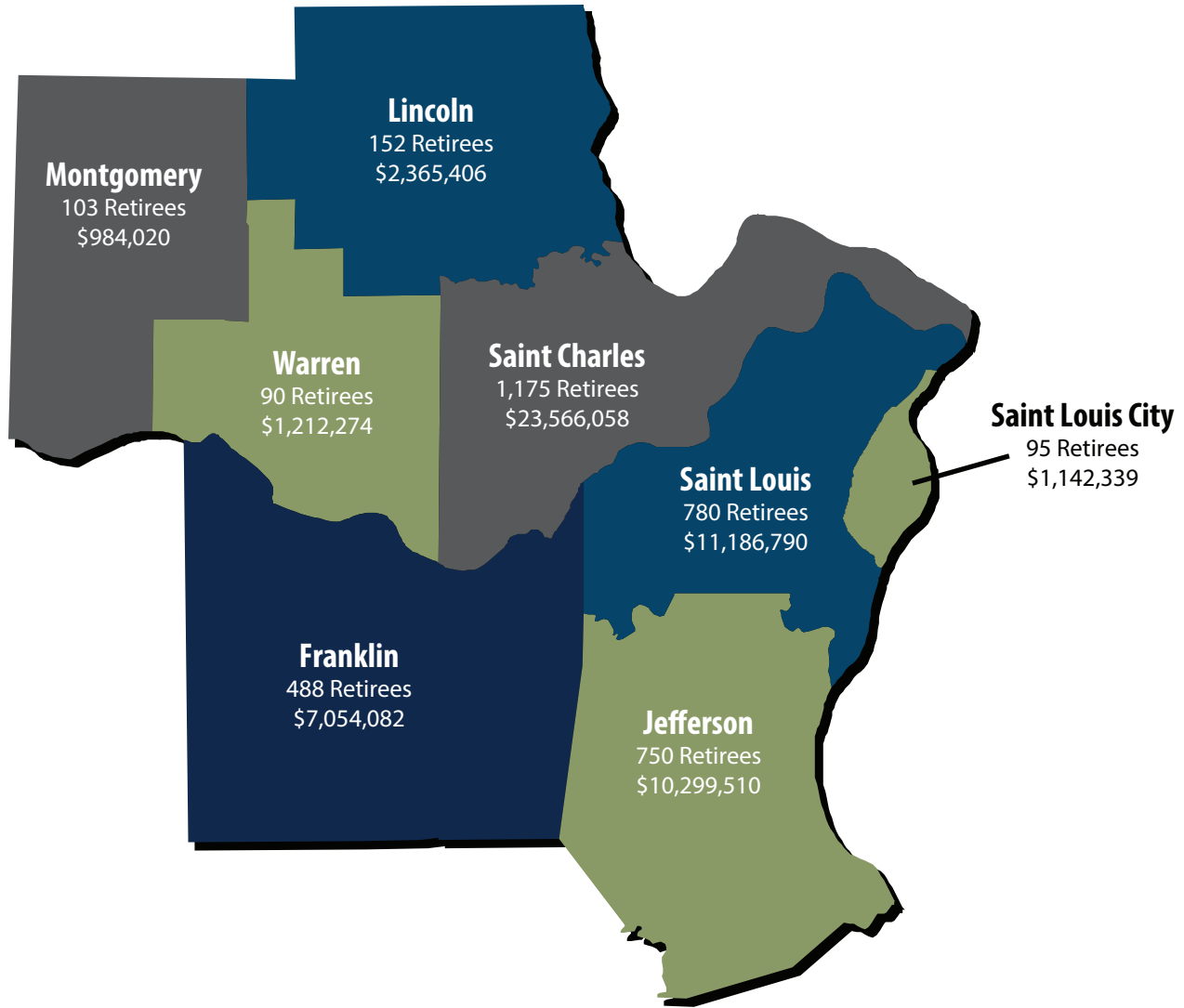
Sunrise Beach: .. \$271,069

Climax Springs: . \$145,042

Linn Creek: ..... \$151,199



# LAGERS ANNUAL BENEFIT PAYMENTS IN EAST MISSOURI



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:

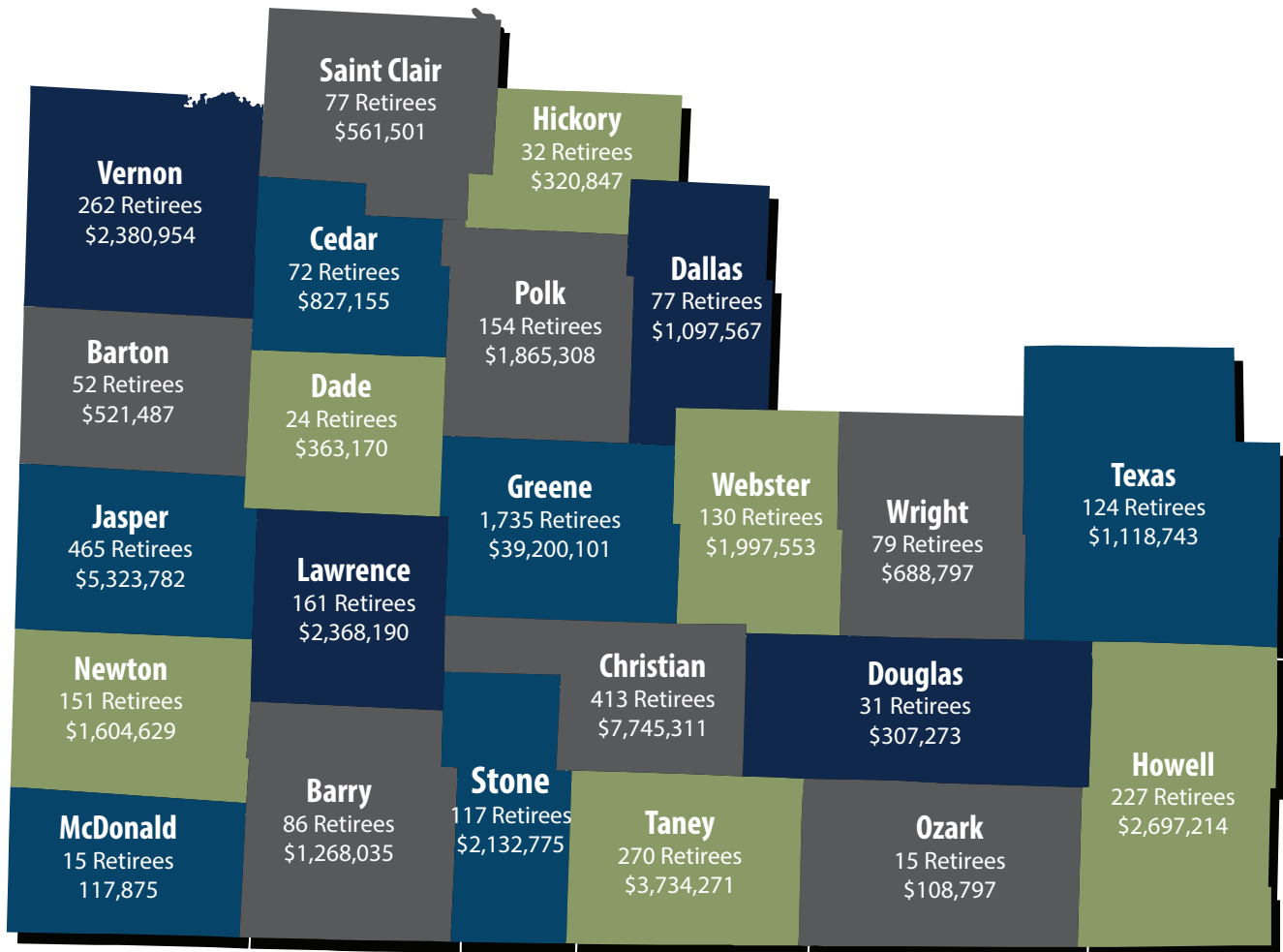
Ballwin: . \$1,076,288

Berkeley: \$1,073,278

Florissant: \$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

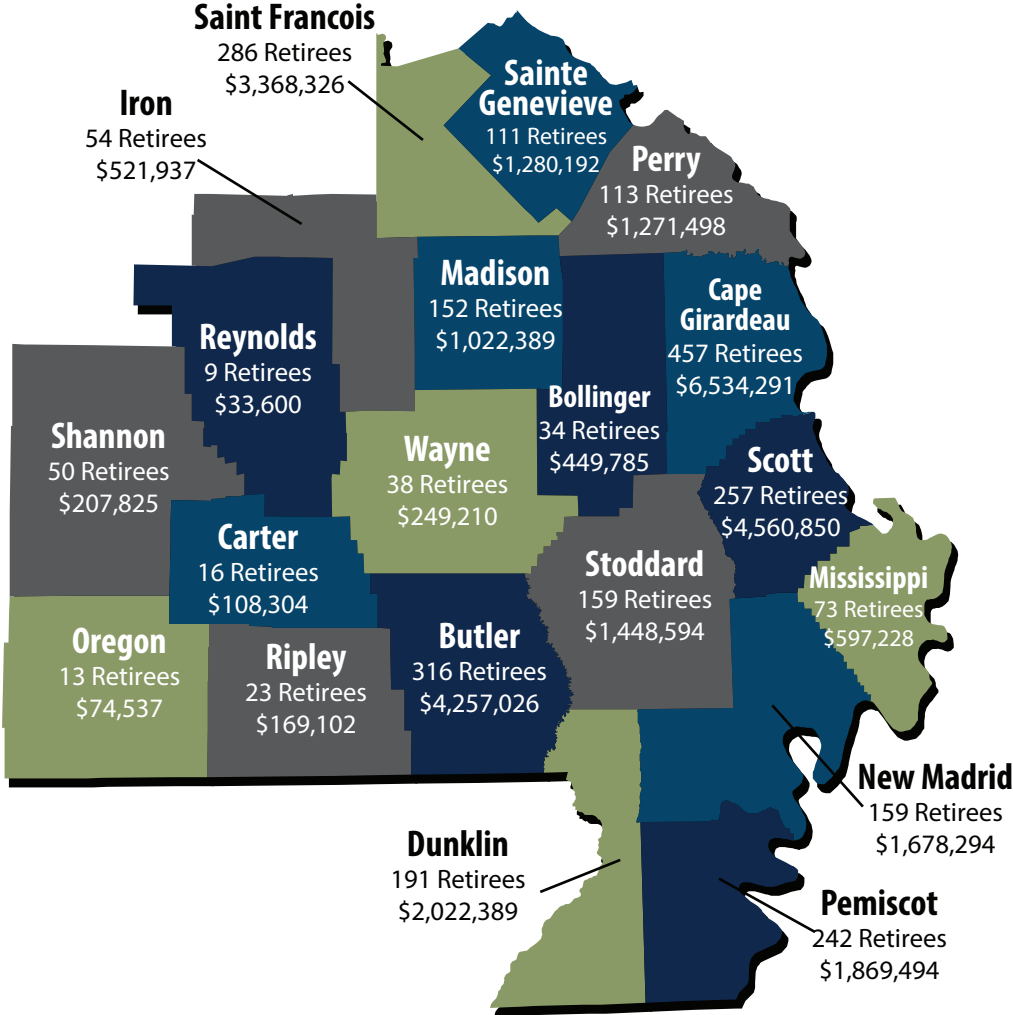
Ash Grove: ..... \$852,644

Strafford: .... \$1,291,418

Battlefield: ..... \$338,735



# LAGERS ANNUAL BENEFIT PAYMENTS IN **SOUTHEAST MISSOURI**



**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

	Active Members	Retired Members & Beneficiaries	Vested Former Members
Total Members	35,130	24,627	7,838
Average Members Per MO County	308	216	68

755+

Local Governments participating in LAGERS

\$1.7 billion

Total annual payroll of active participants

7 out of 10

Participating Local Government units are 75% pre-funded or better.

2.8%

% of Local government's total budget devoted to LAGERS contributions

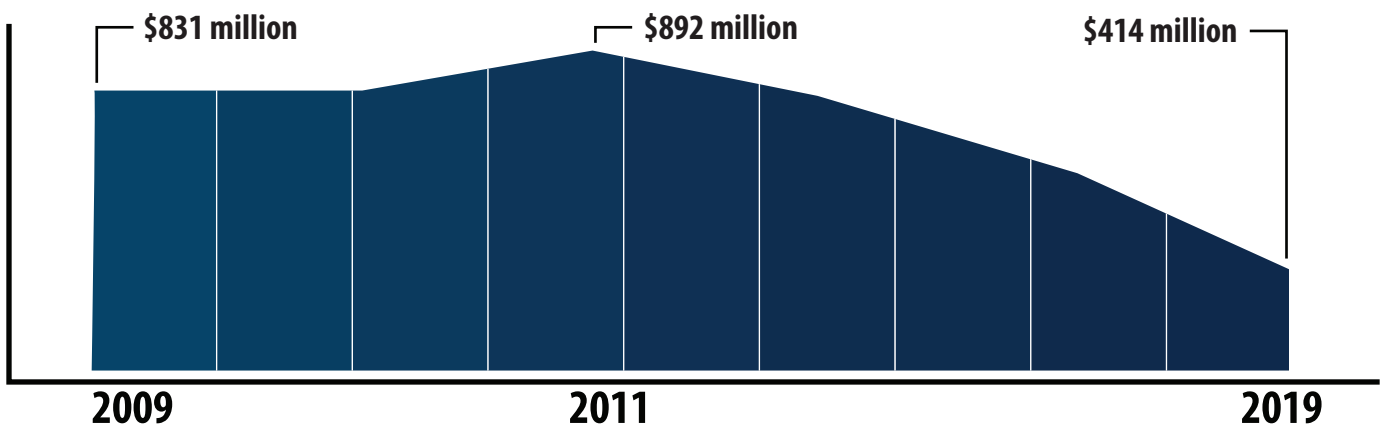


## Part Two: LAGERS' FUNDING SUSTAINABILITY



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.

### LAGERS' Unfunded Accrued Liability 2009-2019

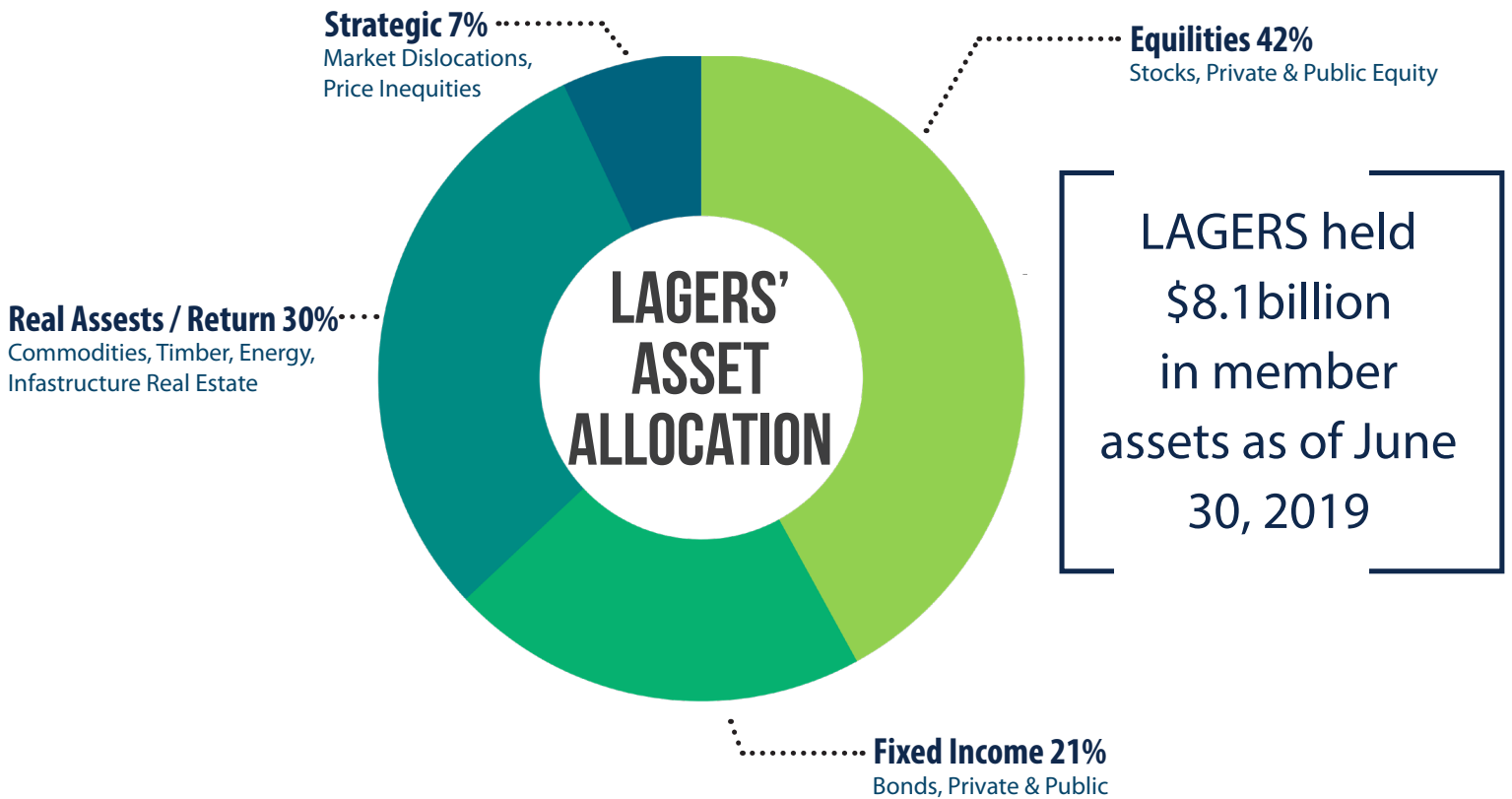
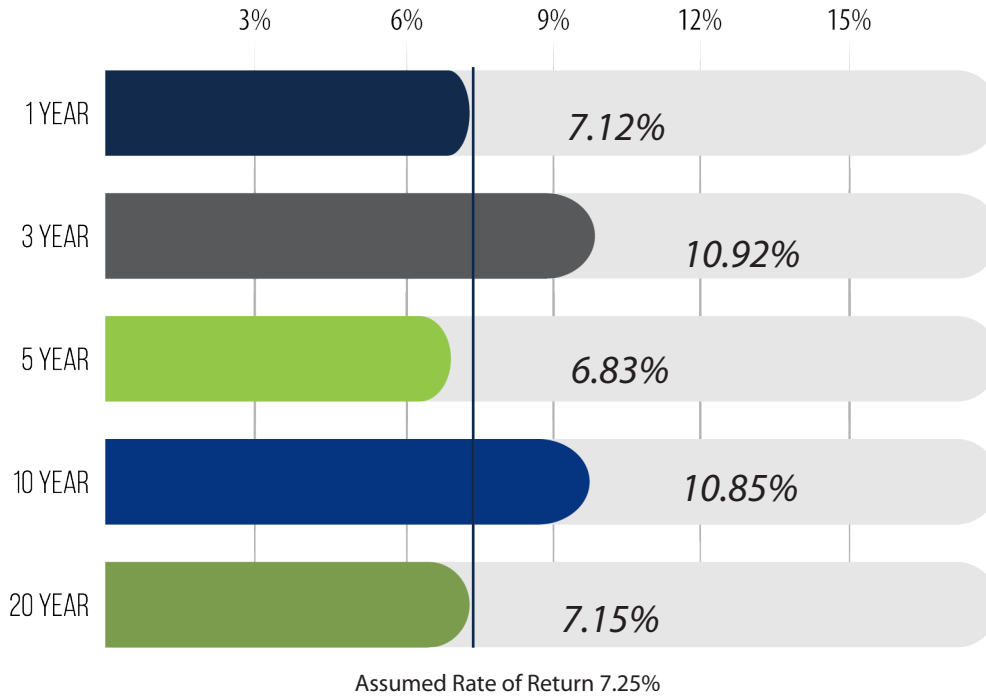




# LAGERS INVESTS IN A DIVERSIFIED PORTFOLIO

## LAGERS' Portfolio Performance

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.





# AT A GLANCE Total Output: \$442 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 1.43.



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 LAGERS

*A Secure Retirement for All*

MISSOURI LOCAL GOVERNMENT  
EMPLOYEES RETIREMENT SYSTEM

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Jefferson City, MO 65102

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[showmesecurity.molagers.org](http://showmesecurity.molagers.org)