



trs.illinois.gov

Teachers' Retirement System of the State of Illinois

2815 West Washington, P.O. Box 19253
Springfield, Illinois 62794-9253

Retirement Security for Illinois Educators

News

For Immediate Release

May 2, 2008

Contact: Eva Goltermann, Public Information Officer
(217) 753-0968

TRS Benefits Fuel Illinois' Economy

Pension system contributes \$3.8 billion in economic activity

SPRINGFIELD, IL-Benefits paid by the Teachers' Retirement System of the State of Illinois (TRS) are pumping billions of dollars into the Illinois economy each year and have created tens of thousands of new jobs. That's according to a study conducted by the \$40 billion system, the largest of the five state pension systems in Illinois.

The research shows TRS annual benefits paid to Illinois residents generated \$3.8 billion in economic activity, or slightly more than the value of Illinois agriculture exports in 2006. The study also reveals that TRS benefits have created over 30,000 jobs in Illinois and contributed over a billion dollars in additional earnings in the state.

Further, TRS benefit payments added \$2.1 billion to the state's Gross Domestic Product (GDP), or the total value of new goods and services produced within Illinois' borders. The value added by TRS benefits outpaced the amount contributed to the Illinois GDP by the agriculture, forestry, fishing, and hunting industries in 2006.

"This study underscores the ripple effect TRS has on Illinois' economy," said Bob Lyons, a TRS Board Trustee elected by retired members. "Every county in the state of Illinois is positively affected by TRS benefit payments," Lyons said. In fact, the analysis shows that annual benefits received in each Illinois county averaged \$22.8 million.

The study is based on the \$2.3 billion in annual net retirement, disability, and survivor benefits paid by TRS to 71,103 Illinois recipients, who comprise 79 percent of those receiving TRS benefits. The research is based on annualized March 2008 benefits. The economic impact was calculated by using Illinois-specific multipliers supplied by the Bureau of Economic Analysis of the U.S. Department of Commerce. The multipliers measure both direct and indirect effect of payments made to TRS benefit recipients.

The study also examines the number of TRS members living in each legislative district and the benefits paid to them. In the House, the number of members ranges from 49 in the 1st District to 6,976 in the 50th District. In addition, the highest level of TRS benefits paid in a House district is \$54 million in the 49th, while the highest level in a Senate district is a \$103 million in the 25th.

(More)

This portion of the analysis was modeled on a study conducted earlier this year by the State Universities Retirement System. The goal of that section of the study is to provide current information to elected public officials about where TRS members reside and the level of TRS benefit payments in their districts.

TRS provides retirement, disability, and death benefits to teachers and administrators at Illinois public elementary and secondary schools located outside the city of Chicago. The System serves 344,432 members.

-End-