NEVADA

Key Findings

Benefits paid by state and

a significant amount of

of Nevada.

effect.

local pension plans support

economic activity in the state

Pension benefits received by retirees are spent in the local community. This spending

ripples through the economy,

as one person's spending

becomes another person's

income, creating a multiplier

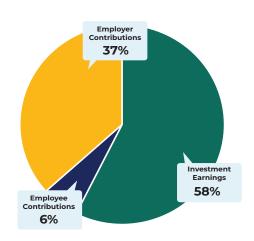


NATIONAL INSTITUTE ON Retirement Security
Reliable Research, Sensible Solutions.

Measuring the Economic Impact of DB Pension Expenditures

Overview

Expenditures made by retirees of state and local government provide a steady economic stimulus to Nevada communities and the state economy. In 2020, 73,751 residents of Nevada received a total of \$2.9 billion in pension benefits from state and local pension plans.



The average pension benefit received was \$2,030 per month or \$24,359 per year. These modest benefits provide retired teachers, public safety personnel, and others who served the public during their working careers income to meet basic needs in retirement.

Between 1993 and 2020, 37% of Nevada's pension fund receipts came from employer contributions, 6% from employee contributions, and 58% from investment earnings.* Earnings on investments and employee contributions—not taxpayer based contributions—have historically made up the bulk of pension fund receipts.

In 2020, expenditures stemming from state and local pensions supported...

24,364 jobs that paid \$1.3 billion in wages and salaries

\$4.3 billion in total economic output

\$582.2 million in federal, state, and local tax revenues

... in the state of Nevada.

Each dollar paid out in pension benefits supported \$1.51 in total economic activity in Nevada.

Each dollar "invested" by Nevada taxpayers in these pension plans supported \$4.11 in total economic activity in the state.

Impact on Jobs and Incomes

Retiree expenditures stemming from state and local pension plan benefits supported 24,364 jobs in the state. The total income to state residents supported by pension expenditures was \$1.3 billion.

To put these employment impacts in perspective, in 2020 Nevada's unemployment rate was 13.5%. The fact that DB pension expenditures supported 24,364 jobs is significant, as it represents 1.6% percentage points in Nevada's labor force.

Economic Impact

State and local pension funds in Nevada and other states paid a total of \$2.9 billion in benefits to Nevada residents in 2020. Retirees' expenditures from these benefits supported a total of \$4.3 billion in total economic output in the state, and \$2.6 billion in value added in the state.

Impact on Tax Revenues

State and local pension payments made to Nevada residents supported a total of \$582.2 million in revenue to federal, state, and local governments. Taxes paid by retirees and beneficiaries directly out of pension payments totaled \$39.8 million. Taxes attributable to pension expenditures in the local economy accounted for \$542.4 million in tax revenue.

Federal Tax	\$175.7 million	
State/Local Tax	\$406.5 million	
Total	\$582.2 million	

Economic Multipliers



contributed by taxpayers to Nevada pensions over 30 years









\$4.11 total output



pension plans supported \$4.11 in total output in the state. This reflects the fact that taxpayer contributions are a minor source of financing for retirement benefits—investment earnings and employee contributions finance the lion's share.

Economic Impacts by Industry Sector

The economic impact of state and local pension benefits was broadly felt across various industry sectors in Nevada. The five industry sectors with the largest employment impacts are presented in the table to the side.

Industry	Employment Impact (# Jobs)
Hospitals	1,332
Limited-service restaurants	1,018
Other real estate	940
Offices of physicians	851
Retail - food and beverage stores	838

Industry totals include the first round of impacts from pension payments to state residents, and do not account for recaptured "leakage" to or from other states.

Economic Impacts by Occupation Category

The pension benefits in Nevada supported jobs in every civilian job category, as shown in the table below.

Occupation Category	Wage and Salary Employment	Wage and Salary Income	Supplements to Wages and Salaries	Employee Compensation
Sales and Related Occupations	2,713	\$106,939,268	\$20,084,404	\$127,023,672
Office and Administrative Support Occupations	2,325	\$110,010,186	\$21,924,480	\$131,934,667
Food Preparation and Serving Related Occupations	1,971	\$44,936,543	\$8,129,395	\$53,065,939
Transportation and Material Moving Occupations	1,783	\$74,125,555	\$14,817,363	\$88,942,918
Healthcare Practitioners and Technical Occupations	1,679	\$165,084,951	\$35,402,499	\$200,487,451

^{*}Caution should be used in interpreting these numbers. See the Technical Appendix of the full Pensionomics report for details.