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Quarterly Summary of Selected State and Local Government Employee Retirement Systems

EARNINGS ON INVESTMENTS OF MAJOR PUBLIC EMPLOYEE RETIREMENT SYSTEMS SURPASS PREVIOUS QUARTER EARNINGS IN THE LAST 20 YEARS

2009 Quarter 3

For the 100 largest retirement systems in the country, the third quarter of 2009 marked the highest value of total cash and security holdings in a year; with an increase of 9.0 percent from \$2,198.4 billion in the second quarter of 2009 to \$2,396.9 billion in the third quarter of 2009. Total cash and security holdings continue to be lower than the same quarter 1 year ago (2008:Q3) but at a smaller rate: -7.0 percent compared with -21.9 percent for the second quarter (2009:Q2/2008:Q2) and -25.5 percent for the first quarter (2009:Q1/2008:Q1).

Earnings on Investments

Earnings on investments surpassed previous quarters of the last 20 years with a gain of \$138.9 billion in the third quarter of 2009. This was the third quarter of continuous increase since the substantial drop in the fourth quarter of 2008 when earnings on investments showed a loss of \$106.7 billion. Earnings rose 36.2 percent from

\$102.0 billion (2009:Q2) to \$138.9 billion in the third quarter of 2009.

Corporate Stocks

The third quarter of 2009 marked the highest value of corporate stocks in a year. Stocks rose 15.3 percent from \$712.7 billion (2009:Q2) to \$822.0 billion in the third quarter of 2009, but continued to be lower than the same quarter 1 year ago (2008:Q3) although at a smaller rate: -4.1 percent compared with -22.7 percent for the second quarter (2009:Q2/2008:Q2) and -30.1 percent for the first quarter (2009:Q1/2008:Q1). Corporate stocks make up about a third (34.3 percent for 2009:Q3) of the total cash and security holdings of major public employee retirement systems.

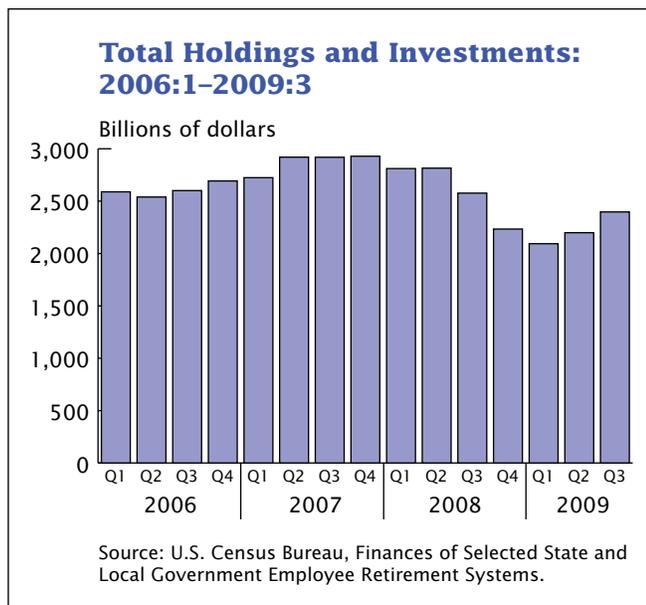
Federal Government Securities

Federal government securities had its first quarter increase, after eight consecutive quarter declines, since the last peak at \$200.0 billion (2007:Q2). There was a 6.6 percent increase from \$128.9 billion (2009:Q2) to \$137.4 billion in the third quarter of 2009 and a 14.2 percent decrease from \$160.1 billion in the same quarter 1 year ago (2008:Q3).

Cash and Short-Term Investments

With \$102.2 billion in the third quarter of 2009, this quarter marked the highest value in cash and short-term investments since they totaled \$103.5 billion in the first quarter of 2004. This quarter (2009:Q3) had a 39.3 percent increase from \$73.4 billion in the prior quarter (2009:Q2) and rose 41.2 percent from \$72.4 billion in the same quarter 1 year ago (2008:Q3).

Note: This summary is based solely on the Finances of Selected State and Local Government Employee Retirement Systems, which consists of a panel of the 100 largest public employee retirement systems as determined by their total cash and security holdings reported in the 2007 Census of Governments. These 100 systems comprise 89.4 percent of financial activity among such entities, but each of the 100 systems represents itself only. Although the data are not subject to sampling error, they are subject to reporting error, nonresponse, and possibly other nonsampling errors.



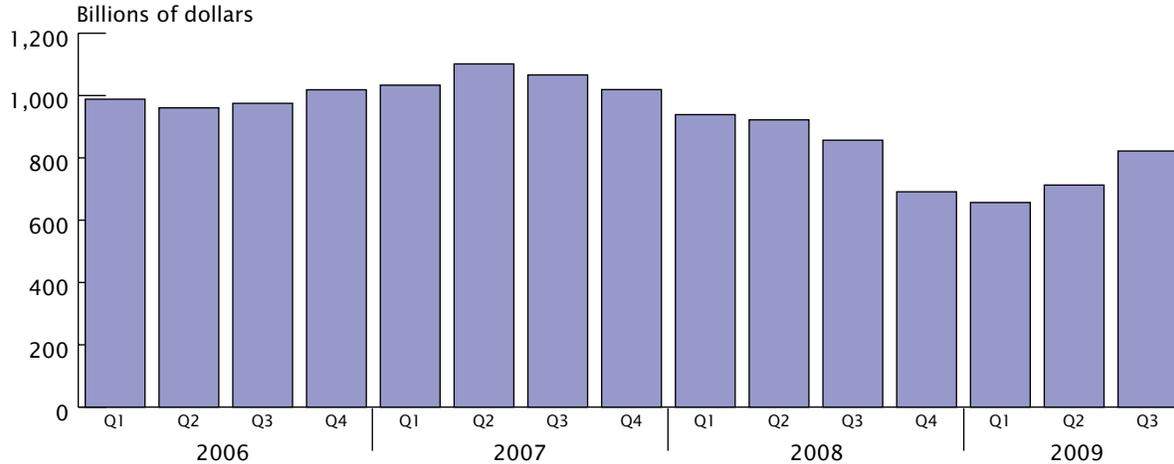
For further information on public employee retirement systems, please visit our Web site at <www.census.gov/govs> or contact Governments Division, U.S. Census Bureau, at **888-529-1963** or by e-mail at <govs.retire@census.gov>.

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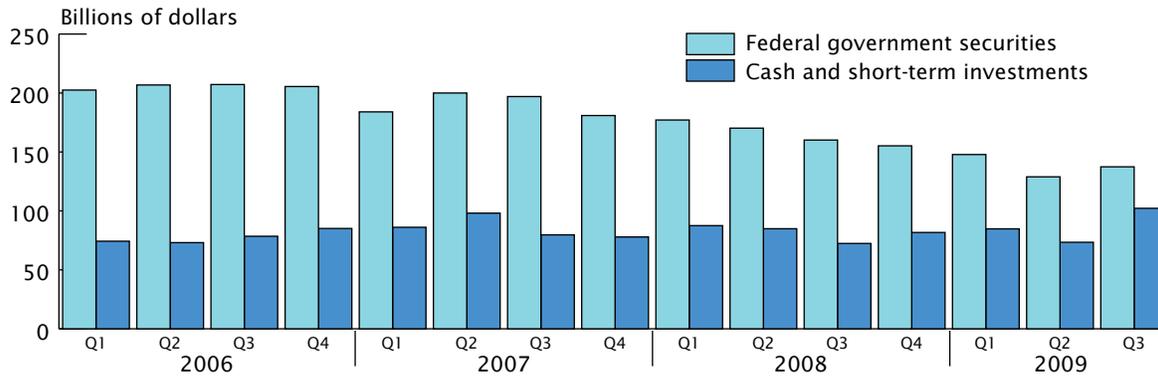
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The data and technical documentation for this release can be found at <www.census.gov/govs/www/qpr.html>.

Corporate Stocks at End of Quarter at Market Value



Federal Government Securities and Cash and Short-Term Investments at End of Quarter at Market Value



Source: U.S. Census Bureau, Finances of Selected State and Local Government Employee Retirement Systems.

Percentage Change From Prior Quarter of Cash and Investments at End of Quarter at Market Value

Quarter	Total	Corporate stocks	Corporate bonds	Federal government securities	International securities	Mortgages	State/local government securities	Cash and short-term investments	Other securities
2009:3	9.0	15.3	-3.7	6.6	13.7	5.9	6.7	39.3	4.2
2009:2	5.0	8.5	14.6	-12.8	25.6	-4.7	29.2	-13.5	-8.3
2009:1	-6.2	-4.8	-8.7	-4.3	-8.1	-2.1	1.3	3.9	-7.1
2008:4	-13.3	-19.3	-5.3	-3.1	-24.0	-14.6	0.9	12.8	-9.9
2008:3	-8.5	-7.1	-6.9	-5.9	-18.6	-7.3	48.7	-14.8	-4.4
2008:2	0.1	-1.8	-1.8	-3.9	8.2	-31.7	-39.1	-3.0	1.5
2008:1	-4.0	-7.9	-3.5	-2.1	-5.9	-4.8	10.0	12.3	0.3
2007:4	0.3	-4.4	16.4	-8.2	-0.6	41.0	8.9	-2.3	0.3
2007:3	0.0	-3.2	-3.2	-1.5	2.9	11.3	-9.0	-18.7	9.0
2007:2	7.2	6.6	6.0	8.7	10.4	1.2	-13.3	13.9	5.6
2007:1	1.2	1.4	6.4	-10.5	1.2	-1.1	10.3	1.2	1.3
2006:4	3.5	4.5	1.7	-0.8	0.6	-18.4	-7.9	8.4	7.0
2006:3	2.4	1.5	3.2	0.2	1.6	4.8	4.7	7.4	4.3
2006:2	-1.9	-2.8	0.7	2.1	-0.7	-0.5	1.5	-1.7	-4.6
2006:1	6.1	8.3	-9.0	-2.5	18.7	-4.6	-7.3	-2.7	11.2

Source: U.S. Census Bureau, Finances of Selected State and Local Government Employee Retirement Systems. For information on nonsampling errors and definitions, see <www.census.gov/govs/www/qpr.html>. Data users who create their own estimates from this table should cite the U.S. Census Bureau as the source of the original data only.