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Finances of Selected Public Employee Retirement Systems

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Major retirement systems covering employees of State and local governments held \$131.0 billion in cash and investment securities as of December 31, 1978. This amount represents an increase of 3.8 percent over the September 30, 1978 holdings of \$126.2 billion.

More than 40 percent, \$56.7 billion, of this sum is in corporate bonds. Other major holdings include \$27.0 billion invested in corporate stocks and \$10.1 billion in mortgages. Corporate stocks are generally reported at cost; therefore, the amounts shown do not reflect stock market fluctuations.

Beginning with the March 31, 1978 report, holdings of Federal securities include both United States Treasury obligations and Federal agency securities. In prior reports Federal agency securities were included under "Other Securities." As of December 31, 1978, U.S. Treasury obligations amounted to \$9.5 billion and Federal agency securities \$9.2 billion. State and local government securities totaled \$4.0 billion.

The total cash balance of \$1.2 billion includes interest-earning time deposits as well as demand accounts; therefore, this amount does not entirely represent uninvested funds.

Detailed data for receipts and benefit and withdrawal payments are presented by quarter in table 2. In the quarter ending December 31, 1978, receipts totaled \$7.1 billion. Of this total, \$1.3 billion were from employee contributions, \$3.3 billion from government (employer) contributions, and

\$2.5 billion from earnings on investments. Benefit and withdrawal payments totaled \$2.5 billion. Of this total, benefit payments were \$2.1 billion and withdrawals \$0.4 billion.

The current panel of 106 systems constitutes approximately 85 percent of total assets of the more than 3,000 public employee retirement systems identified in the 1977 Census of Governments. The proportionate share of nongovernmental securities (corporate bonds and stocks, mortgages, etc.) held by the selected funds is especially high.

The statistics in this report are based on a quarterly mail survey which covers the 106 public employee retirement systems in the United States with the largest amount of cash and security holdings. Usable replies are received each quarter from about nine-tenths of the systems canvassed. Estimates are developed for each of the remaining systems in the panel from the latest available data. Data in this report are subject to possible inaccuracies in classification, response, and processing. Every effort is made to keep such errors to a minimum through care in examining, editing, and tabulating the data submitted.

It should be noted that some systems report all or part of receipts and expenditures on an "accrued" basis, and in some cases receipts are accrued but expenditures are on a cash basis. Therefore, the relationship between quarterly revenues and expenditures does not directly tie to an equivalent change in "cash and security holdings." However, these differences in the quarterly series will generally be resolved in the course of the fiscal year.



**Table 1. Cash and Security Holdings of Major Public-Employee Retirement Systems as of
December 31, 1978 and Prior Periods**
(Millions of dollars)

| Date | Cash and security holdings | | | | | | | | | |
|--------------------|----------------------------|-------------------|---------------------------------|------------------------|----------------|---------------------------------------|-----------------|------------------|-----------|------------------|
| | Total ¹ | Cash and deposits | Federal securities ¹ | | | State and local government securities | Corporate bonds | Corporate stocks | Mortgages | Other securities |
| | | | Total ¹ | United States Treasury | Federal agency | | | | | |
| December 31, 1978. | 130,974 | 1,229 | 18,739 | 9,511 | 9,228 | 3,963 | 56,713 | 26,983 | 10,097 | 13,250 |
| September 30, 1978 | 126,205 | 1,270 | 15,791 | 8,392 | 7,399 | 3,691 | 57,032 | 26,389 | 9,815 | 12,217 |
| June 30, 1978..... | 123,015 | 1,082 | 14,614 | 7,555 | 7,059 | 3,741 | 56,506 | 25,796 | 9,669 | 11,607 |
| March 31, 1978.... | 118,329 | 912 | 13,179 | 6,203 | 6,976 | 3,378 | 55,881 | 25,347 | 9,220 | 10,412 |
| December 31, 1977. | 115,727 | 743 | 11,764 | 5,584 | 6,180 | 3,483 | 55,540 | 24,972 | 9,090 | 10,135 |
| September 30, 1977 | 112,725 | 771 | 11,773 | 5,767 | 6,006 | 3,448 | 54,622 | 24,629 | 8,912 | 8,930 |
| June 30, 1977..... | 109,768 | 718 | 11,388 | 5,690 | 5,698 | 3,489 | 53,816 | 23,490 | 8,523 | 8,344 |
| March 31, 1977.... | 105,812 | 564 | 10,008 | 4,161 | 5,847 | 2,967 | 53,424 | 22,966 | 8,148 | 7,735 |
| December 31, 1976. | 105,394 | 575 | 9,060 | 3,792 | 5,268 | 3,836 | 52,921 | 22,494 | 8,279 | 7,229 |
| September 30, 1976 | 102,550 | 515 | 8,728 | 3,227 | 5,501 | 4,204 | 53,868 | 21,902 | 7,749 | 6,584 |
| June 30, 1976..... | 99,661 | 545 | 7,479 | 2,620 | 4,859 | 4,104 | 52,345 | 21,318 | 7,492 | 6,378 |
| March 31, 1976.... | 95,742 | 475 | 6,683 | 2,430 | 4,253 | 2,983 | 51,528 | 20,875 | 7,272 | 6,126 |
| December 31, 1975. | 93,380 | 482 | (NA) | 2,268 | (NA) | 2,484 | 50,925 | 20,212 | 7,205 | 9,803 |
| September 30, 1975 | 90,875 | 512 | (NA) | 2,456 | (NA) | 1,184 | 50,407 | 19,556 | 6,915 | 9,845 |
| June 30, 1975..... | 88,955 | 590 | (NA) | 2,204 | (NA) | 788 | 49,370 | 18,951 | 6,821 | 9,921 |
| March 31, 1975.... | 85,262 | 795 | (NA) | 1,541 | (NA) | 623 | 48,284 | 18,410 | 3,747 | 8,862 |

Note: Data based on a panel of large systems; see text.

NA Not available.

¹Prior to the March 31, 1978 report, Federal agency securities were included under "Other securities."

**Table 2. Receipts, Benefits, and Withdrawal Payments of Major Public-Employee Retirement Systems:
Quarter Ended December 31, 1978 and Prior Periods**
(Millions of dollars)

| Date | Receipts | | | | Benefit and withdrawal payments | | |
|-------------------------|----------|------------------------|------------|-------------------------|---------------------------------|----------|-------------|
| | Total | Employee contributions | Government | Earnings on investments | Total | Benefits | Withdrawals |
| December 31, 1978..... | 7,101 | 1,305 | 3,336 | 2,460 | 2,541 | 2,138 | 403 |
| September 30, 1978..... | 7,247 | 1,196 | 3,714 | 2,337 | 2,444 | 2,072 | 372 |
| June 30, 1978..... | 7,493 | 1,377 | 3,736 | 2,380 | 2,268 | 1,989 | 279 |
| March 31, 1978..... | 6,507 | 1,293 | 3,206 | 2,008 | 2,227 | 1,948 | 279 |
| December 31, 1977..... | 6,236 | 1,286 | 2,852 | 2,098 | 2,259 | 1,953 | 316 |
| September 30, 1977..... | 6,215 | 1,185 | 3,194 | 1,836 | 2,306 | 1,971 | 335 |
| June 30, 1977..... | 6,422 | 1,218 | 3,336 | 1,868 | 2,083 | 1,828 | 255 |
| March 31, 1977..... | 5,370 | 1,198 | 2,513 | 1,659 | 2,009 | 1,732 | 277 |
| December 31, 1976..... | 5,213 | 1,162 | 2,357 | 1,694 | 2,014 | 1,722 | 292 |
| September 30, 1976..... | 5,074 | 1,037 | 2,542 | 1,495 | 1,994 | 1,697 | 297 |
| June 30, 1976..... | 5,363 | 1,185 | 2,651 | 1,527 | 1,846 | 1,618 | 228 |
| March 31, 1976..... | 4,506 | 1,145 | 1,992 | 1,369 | 1,812 | 1,580 | 232 |
| December 31, 1975..... | 4,427 | 1,092 | 1,987 | 1,348 | 1,853 | 1,591 | 262 |
| September 30, 1975..... | 4,044 | 915 | 1,937 | 1,192 | 1,729 | 1,470 | 259 |
| June 30, 1975..... | 4,524 | 1,065 | 2,163 | 1,295 | 1,593 | 1,423 | 173 |
| March 31, 1975..... | 3,880 | 1,061 | 1,647 | 1,172 | 1,635 | 1,416 | 219 |

Note: Data based on a panel of large systems; see text.