

Quarterly Summary of the Finances of Selected State and Local Government Employee Retirement Systems

TOTAL HOLDINGS AND INVESTMENTS OF MAJOR PUBLIC-EMPLOYEE RETIREMENT SYSTEMS REACH HIGHEST LEVEL IN TWO YEARS

2010 Quarter 3

For the 100 largest public-employee retirement systems in the country, total holdings and investments were up after last quarter's 5.3-percent decline. With a quarter-to-quarter increase of 6.2 percent, total holdings and investments rose from \$2,350.1 billion in the second quarter of 2010 to \$2,495.4 billion in the third quarter of 2010, reaching the highest level in two years (since 2008:Q3). Total holdings and investments continued to show a year-to-year increase for the fourth consecutive quarter, rising 5.2 percent from \$2,372.1 billion in the third quarter of 2009.

Corporate Stocks

Among the cash and security holdings of these public pensions, corporate stocks showed a quarterly increase of 9.8 percent, from \$727.2 billion in the second quarter of 2010 to \$798.3 billion in the third quarter of 2010. However, corporate stocks demonstrated a yearly decrease of 2.9 percent, falling from \$822.4 billion in the third quarter of 2009 and showing the first year-to-year decline since 2009:Q3. Corporate stocks comprised just under a third (32.0 percent for 2010:Q3) of the total cash and security holdings of major public-employee retirement systems.

Corporate Bonds

Corporate bonds showed the first quarter-to-quarter increase since 2009:Q3, rising 3.2 percent from \$414.1 billion in the second quarter of 2010 to \$427.3 billion in the third quarter of 2010. However, corporate bonds had the first year-to-year decrease since 2009:Q3, falling 1.4 percent from \$433.3 billion in the same quarter one year ago (2009:Q3). Corporate bonds comprised just over a sixth (17.1 percent for 2010:Q3) of the total cash and security holdings of major public-employee retirement systems.

International Securities

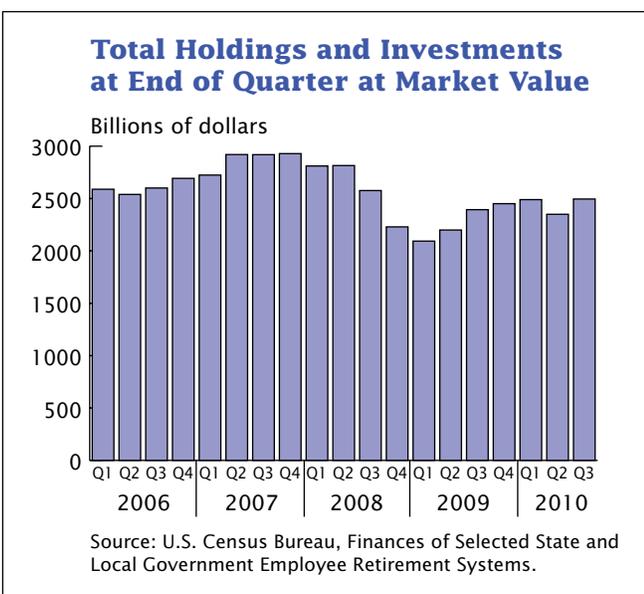
International securities reached the highest level in over two years (since 2008:Q2), rising 13.9 percent from \$396.5 billion in the second quarter of 2010 to \$451.6 billion in the third quarter of 2010. They showed a year-to-year increase for the fourth consecutive quarter, rising 22.2 percent from \$369.6 billion in the same quarter one year ago (2009:Q3). International securities comprised 18.1 percent of the total cash and security holdings of major public-employee retirement systems for 2010:Q3. This was the highest percentage distribution for international securities since the beginning of this investment category's data collection eight years ago, starting with the fourth quarter of 2002.

Federal Government Securities

Federal government securities had a 1.1-percent decrease from \$166.2 billion last quarter (2010:Q2) to \$164.4 billion in the third quarter of 2010. On the other hand, the year-to-year increase continued for the third consecutive quarter, rising 16.6 percent from \$141.0 billion in the third quarter of 2009. They comprised 6.6 percent of the total cash and security holdings for the third quarter of 2010.

Total Contributions

Employee and government contributions totaled \$24.7 billion in the third quarter of 2010, a decrease of 6.8 percent from \$26.5 billion last year (2009:Q3). Employee contributions comprised 28.4 percent (\$7.0 billion) of the total contributions, and government contributions comprised 71.6 percent (\$17.7 billion) of the total contributions in the third quarter of 2010. Although the amount of employee contributions decreased from the same quarter one year ago

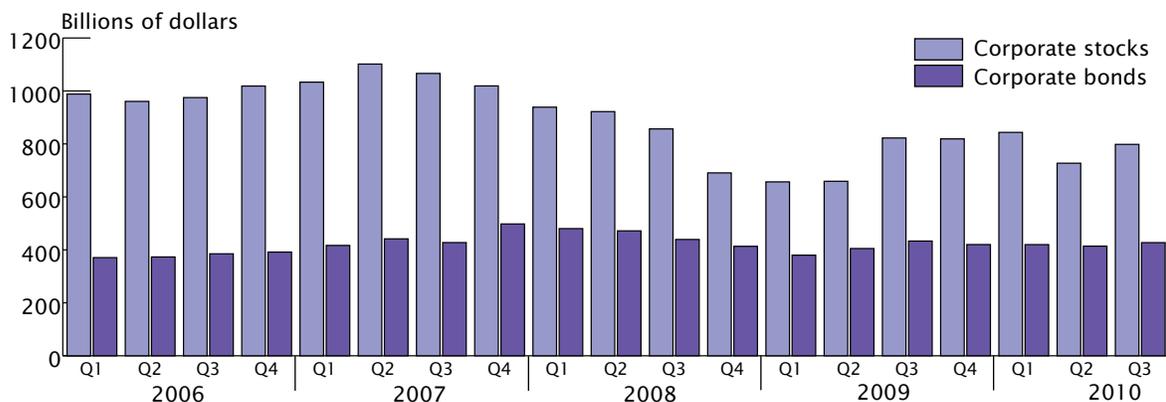


For further information on public-employee retirement systems, please visit our Web site at <www.census.gov/govs> or contact Governments Division, U.S. Census Bureau, at **888-529-1963** or by e-mail at <govs.retire@census.gov>.

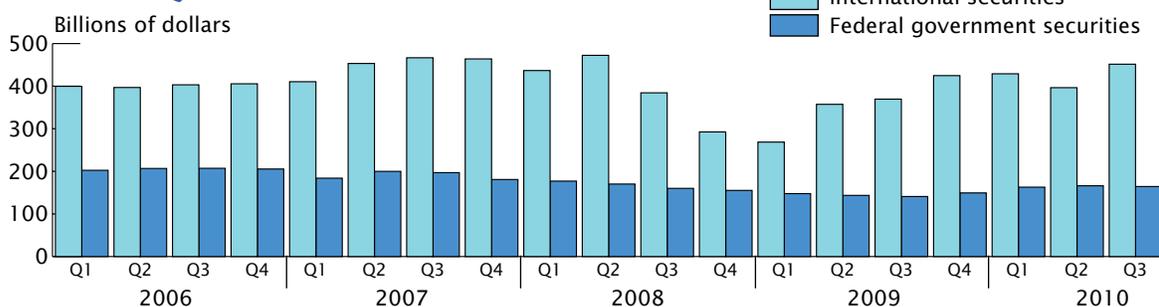
(2009:Q3), there was a 1.5-percent shift in the composition of contributions toward higher employee contributions and lower government contributions compared with the same quarter one year ago (2008:Q3).

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, based on the 2007 Census of Governments. Each of the 100 systems represents itself only.

Corporate Stocks and Corporate Bonds at End of Quarter at Market Value



International Securities and Federal Government Securities 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
2010:3	6.2	9.8	3.2	-1.1	13.9	1.9	14.0	-4.0	1.9
2010:2	-5.3	-13.8	-1.4	2.1	-7.6	5.4	-36.8	1.2	3.4
2010:1	1.3	3.0	0.0	9.0	1.0	5.6	8.7	2.4	-2.5
2009:4	3.3	-0.4	-3.1	5.9	14.9	-2.8	-9.5	-2.3	6.8
2009:3	7.9	24.8	7.0	-1.8	3.4	3.3	-9.9	9.9	-6.6
2009:2	5.1	0.4	6.6	-2.8	33.0	-2.8	29.4	-12.8	0.8
2009:1	-6.1	-4.9	-8.1	-4.8	-8.2	-0.7	1.2	3.5	-6.8
2008:4	-13.5	-19.4	-5.9	-3.0	-23.9	-12.3	0.9	13.2	-10.2
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.