

WYOMING

Key Findings

Benefits paid by state and local pension plans support a significant amount of economic activity in the state of Wyoming.

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 effect.

In 2018, expenditures stemming from state and local pensions supported...

- 5,121 jobs that paid \$219.0 million in wages and salaries
- \$891.5 million in total economic output
- \$129.4 million in federal, state, and local tax revenues

... in the state of Wyoming.

Each dollar paid out in pension benefits supported \$1.12 in total economic activity in Wyoming.

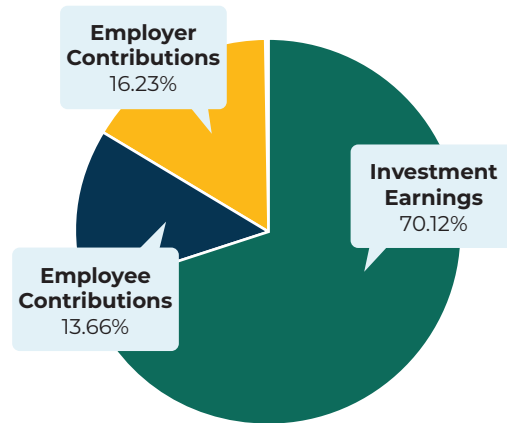
Each dollar "invested" by Wyoming taxpayers in these pension plans supported \$6.90 in total economic activity in the state.

Pensionomics 2021:

Measuring the Economic Impact of DB Pension Expenditures

Overview

Expenditures made by retirees of state and local government provide a steady economic stimulus to Wyoming communities and the state economy. In 2018, 37,943 residents of Wyoming received a total of \$796.4 million in pension benefits from state and local pension plans.



The average pension benefit received was \$1,749 per month or \$20,991 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 2018, 16.23% of Wyoming's pension fund receipts came from employer contributions, 13.66% from employee contributions, and 70.12% from investment earnings.* Earnings on investments and employee contributions—not taxpayer based contributions—have historically made up the bulk of pension fund receipts.

Impact on Jobs and Incomes

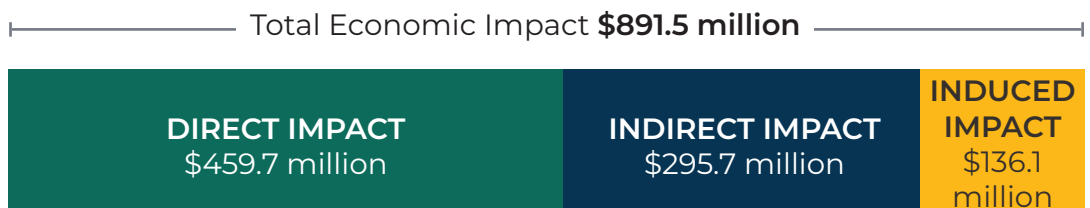
Retiree expenditures stemming from state and local pension plan benefits supported 5,121 jobs in the state. The total income to state residents supported by pension expenditures was \$219.0 million.

To put these employment impacts in perspective, in 2018 Wyoming's unemployment rate was 3.9%. The fact that DB pension expenditures supported 5,121 jobs is significant, as it represents 1.79 percentage points in Wyoming's labor force.

Economic Impact

State and local pension funds in Wyoming and other states paid a total of \$796.4 million in benefits to Wyoming residents in 2018. Retirees' expenditures from these benefits supported a total of \$891.5 million in total economic output in the state, and \$461.4 million in value added in the state.

\$459.7 million in direct economic impacts were supported by retirees' initial expenditures. An additional \$295.7 million in indirect impact resulted when these businesses purchased additional goods and services. \$136.1 million in induced impacts occurred when workers employed by businesses as a result of the direct and indirect impacts made expenditures.



Economic Multipliers

Taxpayer Contribution Factor*



\$1.00

contributed by taxpayers to Wyoming pensions over 30 years



\$6.90

total output



Each \$1 in taxpayer contributions to Wyoming's state and local pension plans supported \$6.90 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.

Pension Benefit Multiplier



\$1.00

pension benefits paid to retirees in Wyoming



\$1.12

total output



Each \$1 in state and local pension benefits paid to Wyoming residents ultimately supported \$1.12 in total output in the state. This "multiplier" incorporates the direct, indirect, and induced impacts of retiree spending, as it ripples through the state economy.

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

Impact on Tax Revenues

State and local pension payments made to Wyoming residents supported a total of \$129.4 million in revenue to federal, state, and local governments. Taxes paid by retirees and beneficiaries directly out of pension payments totaled \$24.7 million. Taxes attributable to direct, indirect, and induced impacts accounted for \$104.7 million in tax revenue.

Federal Tax	\$76.8 million
State/Local Tax	\$52.6 million
Total	\$129.4 million

Economic Impacts by Industry Sector

The economic impact of state and local pension benefits was broadly felt across various industry sectors in Wyoming. The ten industry sectors with the largest employment impacts are presented in the table below.

Industry	Employment Impact (# Jobs)	Labor Income Impact	Value Added Impact	Output Impact
Limited-service restaurants	305.20	\$6,311,777	\$10,247,899	\$23,015,779
Full-service restaurants	287.70	\$6,505,109	\$9,218,553	\$17,596,894
Other real estate	166.90	\$3,759,445	\$9,662,903	\$29,267,717
Retail - General merchandise stores	152.80	\$4,912,020	\$7,957,081	\$12,133,757
Tenant-occupied housing	145.10	\$2,945,786	\$32,993,700	\$38,802,579
Offices of physicians	144.50	\$15,526,573	\$17,863,250	\$26,472,281
Retail - Food and beverage stores	135.70	\$4,395,892	\$6,815,655	\$10,744,142
Hospitals	129.50	\$10,042,902	\$12,085,260	\$22,936,528
All other food and drinking places	127.10	\$2,775,985	\$4,361,936	\$7,154,958
Offices of other health practitioners	116.50	\$6,705,615	\$6,129,551	\$8,847,163

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.