



Illinois Municipal Retirement Fund

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Illinois Municipal Retirement Fund Provides Continued Boost to State's Economy

— Pension fund benefits generate \$1.5 billion of economic activity in Illinois for second straight year —

OAK BROOK, Ill. — July 21, 2011 — As the economy struggles to recover and businesses strive to improve their financial standing, a new study found that the Illinois Municipal Retirement Fund (IMRF) made a profound, positive impact on local economies across Illinois last year.

According to the IMRF Economic Impact study that measures the economic “footprint” of pension benefits paid by the defined-benefit pension fund, 2010 benefit payments from IMRF produced about \$1.5 billion in total economic output and supported the creation of more than 11,200 jobs in the state of Illinois. This report joined a body of evidence that suggests that defined-benefit pensions are critical economic engines.

IMRF administers retirement, disability and death benefits on behalf of about 3,000 local units of government. It serves more than 176,000 working public sector employees and more than 97,000 retirees.



Eighty-five percent of IMRF beneficiaries live in Illinois and pump their dollars back into their communities. The report looked at the \$988 million in benefits that were paid to Illinois residents in 2010. It then used multipliers from the Bureau of Economic Analysis of the U.S. Department of Commerce to analyze the ripple effect on local economies as residents spent their pension payments on goods and services throughout the state. The report concluded that 2010 IMRF benefit payments resulted in about \$1.5 billion in statewide economic activity. Economic activity calculates the initial value of the benefits and adds the value of the transactions that occurred as a result.

Helped Create 11,200 Jobs

At a time when unemployment is recovering from the highest it has been in decades, the report also found that 2010 IMRF benefits helped create more than 11,200 jobs – on par with the Illinois workforce of either McDonald’s or Allstate Insurance Co., two of the state’s largest employers.

“Defined benefit plans like IMRF serve an important role in the state’s financial health,” said Louis Kosiba, IMRF executive director. “IMRF’s consistent, modest benefit payments and resulting income security help our retirees avoid becoming dependent on public assistance. It also enables them to feel confident in spending their monthly benefit payments on local businesses and in support of their local communities.”

In addition to the economic impact IMRF retirees have on their local economies, public pensions like IMRF also play a critical role on a national scale. At the end of 2010, state and local public pension plans held nearly \$2.9 trillion in assets, equal to more than 20 percent of the nation’s entire GDP. Since defined benefit retirement systems invest for the long-term, they provide the market with a critical source of investment capital for businesses, technology and medical advancements.



To view the complete IMRF Economic Impact study, visit

http://www.imrf.org/info/economic_impact_studies/2010_Economic_impact_study.pdf.

ABOUT IMRF

The Illinois Municipal Retirement Fund (IMRF) was created by the Illinois General Assembly. Since 1941, IMRF has partnered with local units of government to provide death, disability and retirement benefits for working and retired public employees. Today, IMRF has more than 176,000 active members working for nearly 3,000 different units of government, including school districts, counties, cities and villages, parks and libraries. It has more than 97,000 retirees. Members who retired in 2010 retired with approximately 22 years of service and received an average annual benefit of approximately \$17,000. IMRF consistently works toward reaching full funding over the long term, ensuring that it remains financially sound. A full-funding goal guarantees public workers a secure and modest retirement income at the lowest long-term cost to taxpayers. For more information, visit www.imrf.org.

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