

# **Investments and Pensions Oversight Committee**

**Senator George Muñoz, Chair**  
**Representative Monica Youngblood**  
Tuesday, September 15, 2015

## **ERB's Economic Impact**

Jan Goodwin, Executive Director

Mary Lou Cameron, Board Chair

H. Russell Goff, Board Vice Chair

## Direct Impact:

- Pension payments of \$901 million in FY15
- Employment at ERB
- Ripples through NM in form of consumption and taxes

## Indirect Impact:

- Improves retirement security
- Lessens dependence on social services
- Improves teacher retention

Current ERB employees with salary more than \$20,000 pay contributions of 10.7%. All others pay 7.9%

ERB employers pay a contribution rate of 13.9%

Average monthly retirement benefit in FY 2014 was \$1,790 (\$21,480 annual) for ERB's 42,246 retirees

The ERB pension replaces 58.75% of pre-retirement income for members with 25 years' service credit

Total benefits paid in FY 2015 were \$901 million

ERB employs 67 FTE

63 permanent and 4 temporary

Employees live and spend their salary primarily in Santa Fe and Bernalillo counties

Total FY 2015 payroll, including benefits, was \$4,945,600

\$4.48 total economic activity in New Mexico for each dollar of employer contributions paid

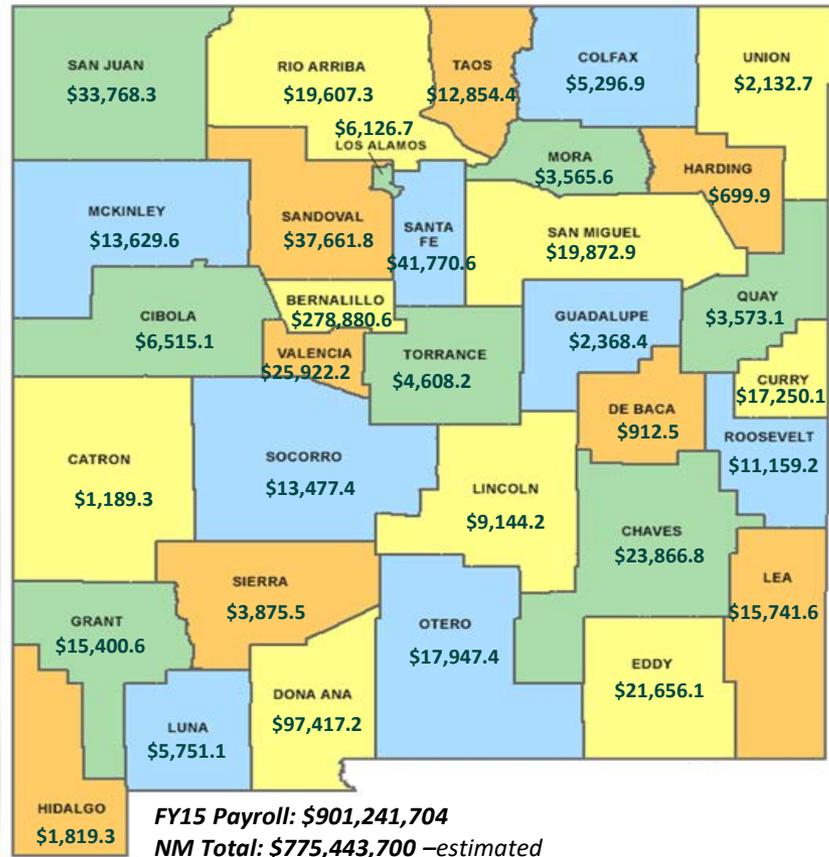
\$1.2 billion in total economic output in New Mexico in 2012 created by ERB retirees

\$203 million federal, state and local tax revenue generated by spending of ERB pension income

9,197 jobs created from pension income spending by ERB retirees

Source: National Institute on Retirement Security: [http://www.nirsonline.org/storage/nirs/documents/AARP%20fact%20sheets/new\\_mexico.pdf](http://www.nirsonline.org/storage/nirs/documents/AARP%20fact%20sheets/new_mexico.pdf)

# Fiscal Year 2015 Retiree Benefits by County



## 2012 score for Financial Security for Future Retirees

- 4 out of 10
- National average- 5.4

## Potential future retiree income

- 2 out of 10
- National average- 5.5

## Major retiree cost score

- 6 out of 10
- National average- 5.4

## Older adult labor market score

- 6 out of 10
- National average- 5.6

Source: [http://www.nirsonline.org/storage/nirs/documents/Factsheets/NM\\_FSS.pdf](http://www.nirsonline.org/storage/nirs/documents/Factsheets/NM_FSS.pdf)

159 teachers retained each year solely due to the defined benefit plan

\$1.6 million saved in teacher turnover costs by the retention affect of the defined benefit pension

Source: National Institute on Retirement Security: [http://www.nirsonline.org/storage/nirs/documents/AARP%20fact%20sheets/new\\_mexico.pdf](http://www.nirsonline.org/storage/nirs/documents/AARP%20fact%20sheets/new_mexico.pdf)