



National Conference on Public Employee Retirement Systems
The Voice for Public Pensions

Richard McGahey brings reason and balance to discussions of the interplay between state and local budget gaps and public pensions. ([“Public Pensions Aren’t Causing State and Local Budget Gaps—The Pandemic Is,”](#) December 30, 2020.)

Our own research, drawing on historical data from government sources, has demonstrated that public pensions work *for* their communities, not against them. States and localities benefit because public pensions traditionally generate more in revenues than taxpayers put into pension systems—to the tune of \$179.4 billion in 2018, according to our 2020 report, [“Unintended Consequences: How Scaling Back Public Pensions Puts Government Revenues at Risk.”](#)

The pandemic has changed a lot of things, but one thing it hasn’t changed is the stabilizing influence that pension checks have on states and localities. The pension paychecks that retired community hospital employees, firefighters, police officers, teachers and other public servants earned during their careers continue to help invigorate their state and local economies. Despite the pandemic, pension systems have not missed a payment; they are consistently meeting their obligation to pay retirement benefits. And public employees have continued to pay steadily to fund their pensions.

We live in a society where short-attention span theater too often takes the place of debate. The facts, however, tell a compelling story about the value public pensions bring to the communities where retired workers live. Thank you for bringing McGahey’s refreshing, thoughtful perspective to this discussion.

Respectfully,

Hank H. Kim
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