

May 22, 2026

TO: Each Trustee
Board of Retirement

FROM: Luis A. Lugo
Chief Executive Officer

Barry W. Lew
Legislative Affairs Officer

FOR: June 3, 2026, Board of Retirement Meeting

SUBJECT: **LACERA Economic Impact Study**

BACKGROUND

The Los Angeles County Employees Retirement Association (LACERA) was established in 1938 to provide pension benefits to employees of the County of Los Angeles. Since then, LACERA's trust fund has grown to \$86 billion as of fiscal year 2025. During that same fiscal year, LACERA paid out \$4.8 billion in pension benefits to its members and beneficiaries.

As institutions within their communities, public sector pension plans have a positive and measurable economic impact on the people and businesses within those communities on a local and statewide basis. For example, in 2007 the State Association of County Retirement Systems (SACRS) commissioned a study that highlighted the positive economic impact 1937 Act County Retirement Systems have throughout the State of California. Similarly, the National Institute of Retirement Security (NIRS) has conducted biannual economic impact studies (*Pensionomics*¹) that measure the impact of state and local public sector pension plans across the country.

DISCUSSION

In 2022, LACERA engaged a consultant to conduct its first economic impact study of the pension benefits that LACERA provides to its members and beneficiaries, our primary stakeholders. Other important stakeholders for LACERA include its plan sponsors (County of Los Angeles, Superior Courts, and outside districts), state and federal legislators, and members of the public. At that time, staff anticipated refreshing the study on a routine basis, such as every 3 or 5 years.

¹ *Pensionomics 2025*. National Institute on Retirement Security. Retrieved May 22, 2026.
<https://www.nirsonline.org/research/pensionomics2025/>

In 2025, staff released a Request for Proposal (RFP) to engage a consultant to refresh the study. LACERA engaged Zenith Economics² to conduct an updated study. The purpose of the study is to enhance LACERA's engagement with its stakeholders by demonstrating the value of LACERA's pension benefits in supporting economic activity on a local and statewide basis. In addition to an updated study, the RFP also requested an analysis of economic impact in each federal and state legislative district that composes the Los Angeles County Delegation of legislators. This district-level analysis will further enhance LACERA's legislative engagements with the Los Angeles County Delegation by enabling the creation of fact sheets for each legislator's district. Staff will provide a presentation to the BOR of these fact sheets at a future date once they are finalized.

The project team from Zenith Economics are here today to present the findings of their report:

- Samuel Maury-Holmes, ICEP—Project Manager
- Johnathan Cahill, MSc, ICEP--Project Research
- Kevin Williams, PhD—Project Reviewer

Attachments

Presentation—Economic Impact Analysis of Pension Benefits
Report—Economic, Fiscal, and Social Impacts

cc: JJ Popowich
Jessica Baxter
Steven P. Rice
Jon Grabel
Tony Roda, Williams & Jensen
Naomi Padron, MKP Government Relations

² Zenith Economics currently includes staff who worked on the original study in 2022.



Economic Impact Analysis of LACERA Pension Benefits

Prepared for the LACERA Board of Retirement

Zenith Economics, LLC | June 2026

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About LACERA & Study Overview

Membership overview and analytical approach

About LACERA

- The Los Angeles County Employees Retirement Association (LACERA) administers retirement benefits for eligible Los Angeles County employees and retirees
- Established in 1938, LACERA is one of the largest county retirement systems in the United States
- Current membership:
 - 98,410 active employees enrolled in the system
 - 68,762 retirees drawing pension benefits
 - 10,442 survivor-benefit recipients
- More than 77,000 retirees and survivors receive pension payments nationwide, with 63,700 in California and 42,800 in Los Angeles County

Study Purpose & Approach

- This analysis measures the economic, fiscal, and social impacts of LACERA pension benefit spending across California, Los Angeles County, and its five Supervisorial Districts
- All estimates are annualized and based on 2025 LACERA benefit expenditure data
- Methodology uses IMPLAN input-output modeling with a multi-regional (MRIO) framework to capture cross-district commuting and trade patterns
- Pension payments are modeled as household income flowing into consumer spending on goods and services across the regional economy
- Impacts are reported as direct effects (pensioner spending), indirect effects (supply chain activity), and induced effects (employee re-spending)

Economic Impact Analysis

Statewide and Los Angeles County economic output, employment, and labor income

Statewide Economic Impacts (California)

\$5.3B

Total Economic
Output

21,300

Jobs
Supported

\$1.6B

Labor Income
Generated

\$1.2B

Tax Revenue
Generated

All figures represent annualized impacts from 2025 LACERA benefit expenditure data.

Los Angeles County Economic Impacts

Tax revenue includes \$326.8M in state and local taxes and \$423.2M in federal revenues
42,800 pensioners reside in LA County, spending the majority of their income locally.



All figures represent annualized impacts from 2025 LACERA benefit expenditure data.

How Pension Spending Generates Economic Activity

Direct: Pensioner household spending on goods and services

Indirect: Supply chain activity from businesses serving pensioners

Induced: Re-spending by workers in the direct and indirect sectors

Impact Type	Employment (000s)	Labor Income (\$M)	GDP (\$M)	Economic Output (\$M)
Direct Effect	7.9	\$538.9	\$1,262.6	\$2,013.9
Indirect Effect	2.7	\$231.3	\$378.3	\$671.4
Induced Effect	2.4	\$171.4	\$327.6	\$508.3
Total Effect	12.9	\$941.6	\$1,968.5	\$3,193.6

Source: IMPLAN; Analysis: Zenith Economics, LLC. Los Angeles County.

Top Industries Supported in LA County

Real Estate accounts for the largest output share, driven by the role of housing in pensioner budgets. Food Services and Health Care lead in employment, reflecting the service-heavy nature of retiree spending.

Industry	Employment	Output (\$M)
Real Estate	696	\$558
Food Services & Beverage	1,580	\$198
Ambulatory Health Care	1,136	\$167
Professional, Scientific & Technical	576	\$151
Wholesale Trade	307	\$146
Hospitals	481	\$129
Insurance Carriers & Related	294	\$113

Source: IMPLAN; Analysis: Zenith Economics, LLC. Los Angeles County.

Fiscal Impact Analysis

Tax revenue generated for federal, state, and local governments

Fiscal Impacts: Tax Revenue Generated

Tax revenues fund local transportation, public health, social services, schools, and county operations.

Statewide (California)

\$1.2 Billion

in total annual tax revenue

\$527.0M state & local
\$673.0M federal

Los Angeles County

\$750 Million

in total annual tax revenue

\$326.8M state & local
\$423.2M federal

Source: IMPLAN; Analysis: Zenith Economics, LLC. Los Angeles County.

Supervisory District Results

Economic and fiscal contributions across five Board of Supervisors districts

Pensioners by Supervisorial District

District 5 has the largest pensioner population (25.7%) and receives the highest total pension expenditures (\$629.9M). District 3 has the smallest share at 10.9%, with \$244.4M in benefits.

District	Pensioners	Share	Pension Amount (\$M)
District 1	8,579	20.1%	\$404.1
District 2	9,171	21.5%	\$420.4
District 3	4,677	10.9%	\$244.4
District 4	9,325	21.8%	\$495.9
District 5	10,970	25.7%	\$629.9
Total	42,722	100%	\$2,194.7

Source: LACERA; Analysis: Zenith Economics, LLC. Pension amounts shown are post tax and insurance deductions.

Economic Impact by Supervisorial District

District	Employment	Labor Income (\$M)	GDP (\$M)	Economic Output (\$M)
District 1	2,379	\$ 172.6	\$ 394.8	\$ 583.3
District 2	2,462	\$ 179.2	\$ 412.8	\$ 612.8
District 3	1,526	\$ 112.3	\$ 257.1	\$ 379.5
District 4	2,891	\$ 209.5	\$ 484.0	\$ 713.9
District 5	3,683	\$ 268.1	\$ 614.4	\$ 904.1
Total	12,941	\$ 941.6	\$ 2,163.1	\$ 3,193.6

Source: IMPLAN; Analysis: Zenith Economics, LLC. District totals may not equal county-wide figures because LA County was modeled as a separate MRIO region.

Membership Demographics

Gender, race/ethnicity, and age profile of LACERA pensioners

Gender Composition of LACERA Membership

Women make up the majority across all three cohorts. The 78% female share among survivors reflects longer life expectancy and spousal benefit patterns.

Active Employees

98,410



Women 61%



Men 39%

Retirees

68,762



Women 56%



Men 44%

Survivors

10,442



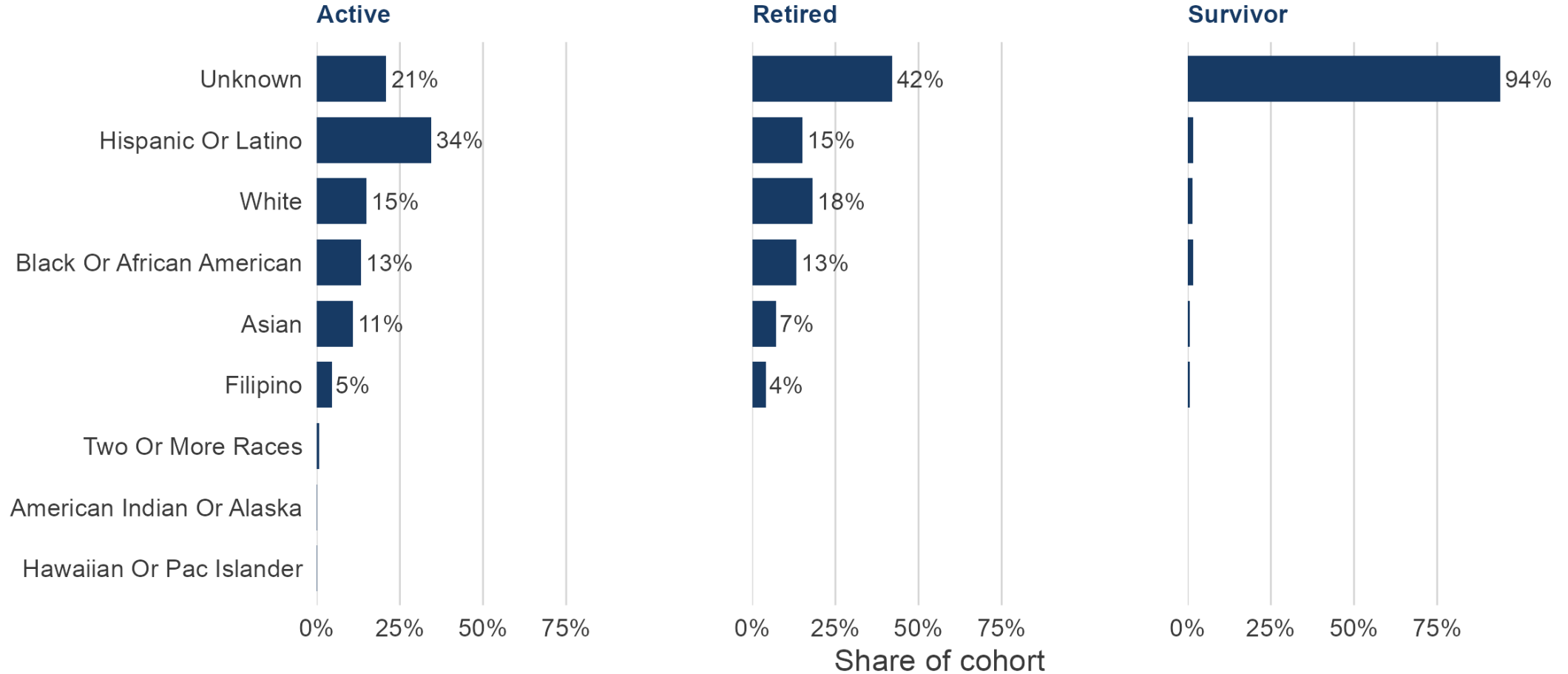
Women 78%



Men 22%

Ethnicity composition by cohort, 2025

Share of members within each cohort



Source: LACERA membership data (2025). Analysis: Zenith Economics.

Diversity & Age Profile

- LACERA's retiree population reflects the diversity of the LA County workforce
- Hispanic retirees make up 15% of pensioners with known race/ethnicity, the 2nd-largest group; Black or African American retirees are also well-represented
- Public employment and DB pensions have provided retirement security to communities that have historically had less access to employer-sponsored retirement plans
- Average retiree age: 73.2 years (median: 72)
- Most pensioners fall in the 65-to-74 range, consistent with typical career public-service retirement patterns
- Median time collecting benefits: 10.8 years

Social Impacts

Broader benefits of defined benefit pension spending in Los Angeles County

Broader Social Impacts

Retirement Security

DB pensions guarantee fixed monthly income regardless of market conditions. Nationally, 85% of full-time state/local employees participate in a DB plan. Total DB fund assets exceed \$5.5 trillion.

Countercyclical Stability

Pension spending stays steady during recessions when wages and employment fall. During COVID-19 and the Great Recession, LACERA payments continued flowing to local businesses while other consumer spending contracted.

Workforce Recruitment

DB pensions help close the public-private compensation gap. Research shows they are among the strongest predictors of employee retention. A 2025 study found pension generosity reduced quit rates by 30.3%.

Key Takeaways

LACERA pension expenditures produce measurable economic returns across the state and in every supervisorial district.

\$5.3B

Statewide economic output

21,300+

Jobs supported across California

\$750M

Tax revenue in LA County

77,000+

Retirees and survivors served



Thank You

For a copy of the full report, please contact:

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Prepared by Zenith Economics, LLC | Los Angeles, California

Appendix

Key terms, methodology, assumptions, and limitations

Glossary of Key Terms (1 of 2)

Term	Definition
Defined Benefit Plan	A retirement plan in which the retiree receives a fixed monthly payment based on salary history and length of employment. LACERA administers DB plans exclusively.
Defined Contribution Plan	A retirement plan in which the employee and/or employer contribute to an individual investment account (e.g. 401(k)). Retirement income depends on investment performance.
Direct Effect	The initial output of goods and services purchased by LACERA pensioners, spanning housing, food, healthcare, transportation, and entertainment.
Economic Output	The total value of production generated through spending, including intermediate inputs. Also referred to as total sales or gross output.
Employment	The number of jobs (part-time, full-time, and temporary) supported through LACERA pensioner household spending.
Fiscal Impact	Tax revenues generated for federal, state, and local government from economic activity attributable to LACERA pensioner spending.
IMPLAN	Impact Analysis for Planning. A widely used economic modeling platform providing region-specific data and multipliers for estimating how expenditures flow through local economies.
Indirect Effect	Additional economic output generated through supply chain interactions when businesses purchase goods and services from their own suppliers.

Glossary of Key Terms (2 of 2)

Term	Definition
Induced Effect	Economic output generated when workers employed through direct and indirect activity spend their wages on goods and services, creating additional rounds of activity.
Input-Output Analysis	An analytical framework that examines inter-industry relationships to estimate how spending in one sector generates activity in other sectors of the economy.
Labor Income	The total value of all forms of employment income, including wages, salaries, benefits, and proprietor income.
MRIO	Multi-Regional Input-Output. An extension of standard I-O analysis that captures economic linkages between multiple geographic regions through commuting and trade patterns.
Multiplier Effect	The phenomenon by which an initial expenditure generates additional economic activity through successive rounds of spending. The ratio of total to direct impact is the multiplier.
Secondary Effect	The combined indirect and induced effects. Represents all economic activity generated beyond the initial direct expenditure.
Total Impact	The sum of direct, indirect, and induced effects; the full economic activity attributable to the initial expenditure.

Methodology Summary

- Economic impacts estimated using input-output (I-O) analysis, a standard framework for measuring how spending in one sector generates activity across the broader economy
- IMPLAN (Impact Analysis for Planning) used as the primary modeling platform, with 2024 data-year inputs and the updated 528-sector industry classification
- Multi-Regional Input-Output (MRIO) model captures economic linkages between regions through commuting flows and inter-regional trade
- Study regions: State of California, Los Angeles County, five Supervisorial Districts, plus state legislative and congressional districts within LA County
- LACERA pension benefits treated as household income; adjusted for federal and state taxes to derive disposable income, then further adjusted using IMPLAN bracket-specific spending rates
- Fiscal impacts estimated using IMPLAN's built-in fiscal modules, capturing taxes at each stage of economic activity (direct, indirect, and induced)
- Sub-county allocation based on retiree residential ZIP codes, mapped to census tracts and supervisorial districts using HUD crosswalk files

Key Assumptions

- Pension income spent within a region generates economic activity consistent with average consumer spending patterns for the relevant demographic group
- IMPLAN multipliers are derived from observed economic relationships during the 2024 data year and may not perfectly reflect current conditions
- Analysis covers only economic activity generated by pensioner household spending; does not include LACERA's own operational expenditures or investment activity
- Disposable income derived by adjusting gross pension benefits for federal and state income taxes, using Tax Policy Center and NBER TAXSIM effective rates for older households
- Approximately \$3.4 billion in post-tax pensioner income flows into household consumption statewide
- Geographic allocation at the sub-county level uses retiree residential ZIP codes, with ZIP-to-district mapping via HUD USPS crosswalk files and LA County census tract data

Limitations

- The model does not account for potential crowding-out effects (the possibility that pension-funded spending displaces other economic activity that would have occurred otherwise)
- Sub-regional estimates at the district level carry greater uncertainty than county or statewide figures, as smaller geographies are more sensitive to assumptions about where spending occurs
- Tax estimates rely on average effective rates and IMPLAN's fiscal models; actual tax collections may differ based on individual circumstances, exemptions, and policy changes
- Results are not directly comparable to the 2022 LACERA Economic Impact Study, which used an earlier IMPLAN data vintage and the former 546-sector industry classification
- Individual spending behaviors may differ from the average patterns assumed in the model; actual economic effects could be higher or lower depending on retiree-specific consumption decisions

LOS ANGELES COUNTY
EMPLOYEES RETIREMENT
ASSOCIATION

LACERA

ECONOMIC, FISCAL, AND SOCIAL IMPACTS

LACERA Pensioners
2025 Economic Impact Study

MAY 2026

Prepared by
Zenith Economics, LLC



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Executive Summary

The Los Angeles County Employees Retirement Association (LACERA) is an independent government agency that administers retirement benefits for eligible Los Angeles County employees and retirees. Established in 1938, LACERA has grown into one of the largest county retirement systems in the United States, managing a multi-billion-dollar portfolio and providing defined benefit pensions to tens of thousands of retired public servants.

This report presents an independent economic impact analysis of LACERA's pension benefit expenditures across the State of California, Los Angeles County, and its five Board of Supervisors districts. Conducted by Zenith Economics using IMPLAN's multi-regional input-output (MRIO) modeling framework, the analysis estimates the economic output, employment, labor income, and fiscal revenues attributable to household spending by LACERA retirees during the 2025 benefit year.

Pension payments to LACERA retirees constitute a substantial and recurring injection of consumer spending into regional economies. Because defined benefit pensions provide a fixed, predictable income, this spending is stable across business cycles and supports sustained demand for goods and services in the communities where retirees live.



Key Findings

The principal findings of this analysis are summarized below. All figures represent annualized impacts derived from 2025 LACERA benefit expenditure data¹. Statewide impacts are inclusive of LA County impacts.

Aggregate Statewide Impacts (California)

- **\$5.3 Billion in total economic output generated across California**
- **21.3 thousand jobs supported statewide**
- **\$1.6 Billion in labor income generated**
- **\$1.2 Billion in total tax revenue generated for federal, state, and local gov.**

Los Angeles County Impacts

- **\$3.1 Billion in total economic output generated within Los Angeles County**
- **12.9 thousand jobs supported across the county**
- **\$941.6 Million in labor income generated**
- **\$750 million in total tax revenue, including \$326.8 million in state and local taxes and \$423.2 million in federal revenues**

¹ The analysis incorporates most LACERA benefits remunerated to plan participants in 2025. However, certain minor subsidies, benefits, or onetime payments e.g., funerary subsidies, were not included.

Supervisorial District Impacts

Economic output generated by LACERA pensioners varied across the five Los Angeles County Board of Supervisors districts:

Table 1: Economic Output and Employment by Supervisorial District, 2025

District	Economic Output (\$ M)	Jobs Supported
District 1	\$ 583.3	2,379
District 2	\$ 612.8	2,462
District 3	\$ 379.5	1,526
District 4	\$ 713.9	2,891
District 5	\$ 904.1	3,683

Source: IMPLAN; Analysis: Zenith Economics, LLC. Expenditures and estimated impacts occurred during the 2025 calendar year.

Membership Profile

As of 2025, LACERA serves over 77,000 retirees or their survivors receiving pension benefits nationwide, of whom over 63,700 reside in California. Approximately 42,800 pensioners or their survivors, representing 67.3% of the statewide total, live in Los Angeles County and spend the bulk of their income within the regional economy. Total annual benefit payments prior to tax and insurance deductions were approximately \$4.7 billion, with after-tax spending of roughly \$4.2 billion flowing into household consumption.

Data

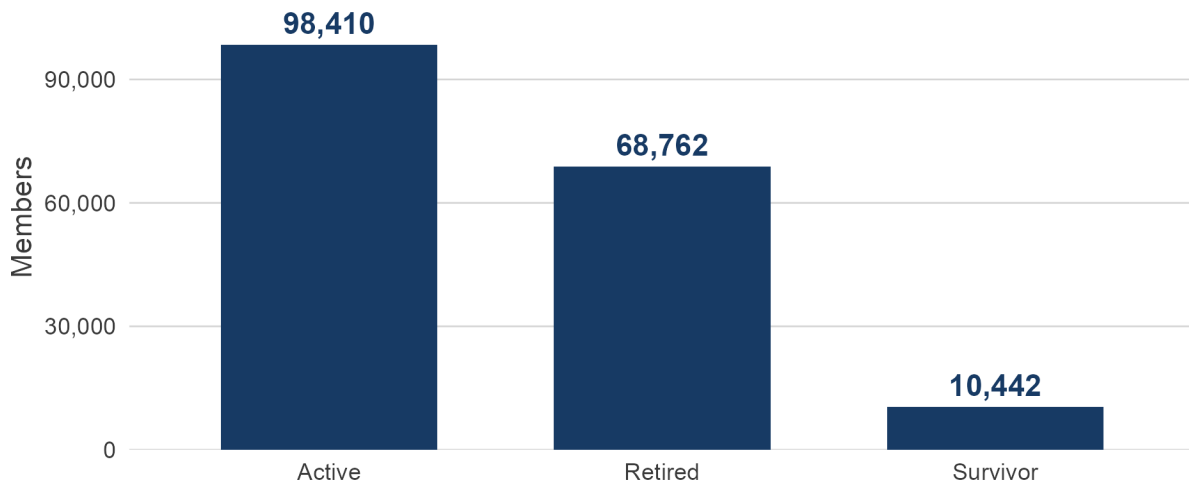
This analysis relies on data from multiple sources, including LACERA-provided administrative records and publicly available economic datasets. This section describes the primary data inputs, their sources, and validation procedures.

LACERA-Provided Data

LACERA provided Zenith Economics with a detailed administrative dataset covering all retirees and beneficiaries who received pension payments during the 2025 benefit year. Records were provided at the payment level, meaning that a single retiree could appear multiple times across distinct income streams (for example, a service retirement benefit and a survivor benefit). Zenith aggregated these records to the individual payee level, summing financial fields and retaining demographic attributes, to produce a single observation per person for modeling purposes. The dataset included the following fields for each recipient:

LACERA membership by cohort, 2025

Active employees, retirees, and survivor-benefit recipients (Dec 2025)



Source: LACERA membership data (2025). Analysis: Zenith Economics. Note: 1,409 payees receive both retirement and survivor benefits and appear in both bars.

Figure 1: LACERA Membership by Cohort

As of December 2025, LACERA’s membership includes 98,410 active employees, 68,762 retirees drawing pension benefits, and 10,442 survivor-benefit recipients. Because 1,409 payees receive both retirement and survivor benefits, these individuals appear in both the retired and survivor counts.

Table 2: LACERA Administrative Data Elements

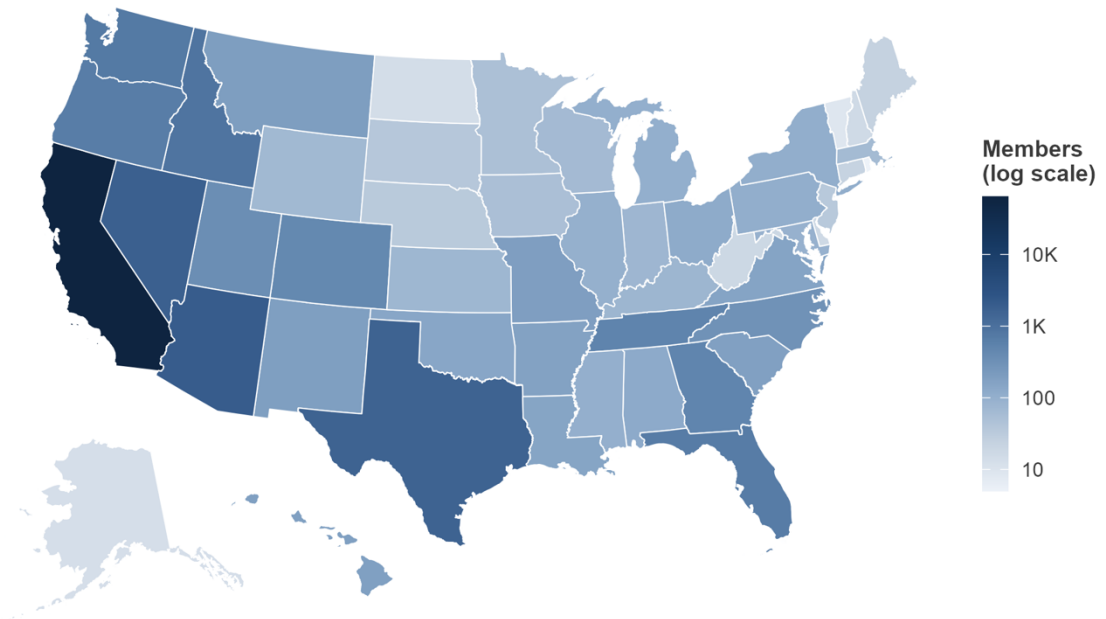
Data Element	Description
Retirement cohort	Retiree or survivor beneficiary
Payment description	Service retirement, disability retirement, survivor continuation, or minor survivor
Option beneficiary status	Beneficiary designation under selected retirement option
Gender	Member gender
Benefit amounts	Gross, taxable, and non-taxable annual amounts paid (2025)
Retirement age	Age at retirement
Service credit	Years of credited service
Residential ZIP code	Used for geographic allocation to sub-county regions
Race/ethnicity	Self-reported racial or ethnic identification
Age and date of birth	Current age and date of birth
Insurance withholdings	Health insurance premium withholdings (up to five plan types per member)

Regional Allocation of Benefits

To model economic impacts at the sub-county level, pension benefits were allocated to specific geographies using each retiree's residential ZIP code as the primary geographic identifier. Because ZIP codes do not align neatly with political boundaries, Zenith employed the U.S. Department of Housing and Urban Development (HUD) USPS Crosswalk to map each ZIP code to its corresponding census tract.¹ Where a ZIP code overlapped multiple tracts, the tract receiving the highest share of residential addresses was assigned, following the allocation methodology described in Wilson and Din (2018).² Census tracts within Los Angeles County were then mapped to Board of Supervisors districts using the County's 2020 census tract crosswalk.³ Retirees residing outside California were included in the MRIO model to capture inter-regional trade and commuting flows, ensuring that statewide impact estimates reflect spending by all LACERA pensioners regardless of state of residence. These retirees were assigned a state code based on their reported residential zip code.

Where LACERA members live across the United States, 2025

Pension recipients (retired + survivor) by state — 51 states/DC represented. California: 63,863 members.



Source: LACERA membership data (2025). Analysis: Zenith Economics. Map: U.S. Census TIGER/Line cartographic-boundary file (2022).

Figure 2: Geographic Distribution of LACERA Pensioners Across the United States

Economic Data Sources

In addition to LACERA-provided pension data, Zenith Economics utilized the following external data sources to construct the input-output models and contextualize findings:

Table 3: External Economic Data Sources

Source	Data Used
IMPLAN (2024 data year)	Regional economic multipliers, social accounting matrices, industry-specific employment and wage data, and inter-regional trade flow estimates
U.S. Bureau of Economic Analysis (BEA)	Regional GDP, personal income, and consumer expenditure data
U.S. Bureau of Labor Statistics (BLS)	Employment statistics, volunteering data, and Consumer Expenditure Survey information
U.S. Census Bureau	American Community Survey demographic and income data for Los Angeles County and California
Tax Policy Center (Urban-Brookings Tax Policy Center Microsimulation Model)	Average federal income tax rates by expanded cash income bracket for older adults, used to estimate federal tax liabilities on pension income
NBER TAXSIM (Version 35)	State income tax rates for elder household units, used to estimate state tax liabilities on pension income
HUD USPS Crosswalk (U.S. Department of Housing and Urban Development)	ZIP code to census tract and congressional district crosswalk files, used for geographic allocation of pension benefits to sub-county regions

Data Validation

Zenith Economics employed several validation procedures to ensure the accuracy of model inputs. Benefit totals were cross-referenced with LACERA's published financial statements to confirm consistency. Geographic distributions were verified against known retiree population concentrations, and ZIP-to-tract mappings were validated against the HUD crosswalk's residential ratio scores. Where individual records contained incomplete location data, Zenith applied conservative allocation methods consistent with observed distributions across complete records.

Methodology

This section describes the analytical framework used to estimate the economic, fiscal, and social impacts of LACERA’s pension benefit expenditures. The methodology follows standard practices in regional economic impact analysis and is mostly consistent (apart from some model improvements) with the approach used in the prior 2022 study of LACERA’s economic contributions.

Input-Output Analysis

The economic impact estimates in this report are derived from input-output (I-O) analysis, a widely used framework for examining how spending in one sector of the economy generates activity in other sectors. I-O models capture the interdependencies among industries within a defined economic region: when consumers purchase goods and services, the businesses that receive those dollars in turn purchase inputs from their own suppliers, pay wages to employees, and generate tax revenues for government. These sequential rounds of spending produce a cumulative “multiplier effect” that exceeds the initial expenditure.

The total economic impact of any expenditure is decomposed into three components:

- **Direct Effect:** The initial output of goods and services purchased by LACERA pensioners through household spending. These expenditures span categories including housing, food, healthcare, transportation, retail, financial services, and entertainment.
- **Indirect Effect:** Additional output generated through supply chain interactions. When a pensioner spends money at a grocery store, for example, that retailer purchases inventory from wholesalers, who in turn source goods from manufacturers. Each of these business-to-business transactions constitutes part of the indirect effect.
- **Induced Effect:** As firms in the direct and indirect supply chains expand their operations, they increase payrolls through hiring or wage growth. The subsequent household spending by those workers generates additional economic activity, which constitutes the induced effect.

The sum of direct, indirect, and induced effects equals the total economic impact. In this report, the combination of indirect and induced effects is referred to as the “secondary” impact, representing the full multiplier effect of LACERA pensioner spending beyond the initial transaction.

IMPLAN Modeling Platform

Zenith Economics uses IMPLAN (Impact Analysis for Planning) as its primary modeling platform for economic and fiscal impact analysis. IMPLAN is an industry-leading input-output modeling system used by government agencies, universities, and private research organizations worldwide. The platform provides region-specific economic data covering 528 industry sectors (in more recent vintages), allowing analysts to model how expenditures flow through local economies with a high degree of granularity.

IMPLAN's underlying data is compiled from the U.S. Bureau of Economic Analysis, the Bureau of Labor Statistics, the U.S. Census Bureau, and other federal statistical agencies. The platform applies Social Accounting Matrix (SAM) multipliers that account for inter-industry transactions, institutional spending patterns, and regional purchasing coefficients. For this study, Zenith utilized IMPLAN's 2024 data year, which represents the most recent complete economic dataset available at the time of analysis.

Notably, this study employs IMPLAN's updated 528-sector industry classification scheme and post-pandemic economic data, both of which differ from the inputs used in the 2022 LACERA Economic Impact Study. The prior study relied on an earlier IMPLAN vintage based on pre-pandemic or pandemic-era economic conditions, as well as the former 546-sector classification framework. Additionally, the methodology is further adapted to current best practices for retirement contribution analyses. Direct comparisons of specific impact categories between the two studies should therefore be made with caution, as differences may reflect these methodological and data updates rather than changes in the underlying economic activity generated by LACERA pension benefits.

Multi-Regional Input-Output (MRIO) Approach

Rather than analyzing each geographic region in isolation, this study employs a multi-regional input-output (MRIO) model. The MRIO framework captures economic linkages between regions through commuting patterns and inter-regional trade flows. In a standard single-region I-O model, any spending that occurs outside the study area is treated as a "leakage" and is excluded from impact estimates. The MRIO approach instead traces those leakages to neighboring regions, providing a fuller picture of how spending in one area generates economic activity in others.

This distinction is especially relevant for a county as large and economically interconnected as Los Angeles. Workers commute across supervisorial district boundaries daily, and supply chains routinely cross jurisdictional lines. The MRIO model

accounts for these flows, producing more accurate sub-regional estimates than would be possible with independent single-region models.

The MRIO approach used in this report is generally consistent with the methodology applied in the 2022 LACERA economic impact analysis and represents current best practice for multi-region studies of this type.

Study Regions

This analysis estimates economic and fiscal impacts across the following geographies:

- The State of California
- Los Angeles County
- The five Los Angeles County Board of Supervisors districts
- All California State Senate districts fully or partially within Los Angeles County
- All California State Assembly districts fully or partially within Los Angeles County
- All U.S. House of Representatives districts fully or partially within Los Angeles County

This geographic scope is more comprehensive than the 2022 analysis, which covered California, Los Angeles County, and the five supervisorial districts. The inclusion of state legislative and federal congressional districts enables LACERA to provide district-specific economic information to elected officials at multiple levels of government. Note that both state and federal congressional district findings are not reported in this technical report due to space constraints.

Modeling Household Spending

For modeling purposes, LACERA pension benefits are treated as household income that is subsequently spent on consumer goods and services. Zenith's approach closely follows the methods established by the National Institute on Retirement Security's "*Pensionomics 2025*" report. In particular, the same tax treatment was utilized for this study.⁶

To estimate the disposable income available for household consumption, Zenith Economics applied a sequential tax adjustment to each retiree's gross taxable pension income. Federal income tax liabilities were estimated using average effective tax rates for older adults published by the Tax Policy Center, based on the Urban-Brookings Microsimulation Model.⁴ State income tax liabilities were estimated using California-

specific rates from the National Bureau of Economic Research's TAXSIM model (Version 35), calibrated to elder household units.⁵ Health insurance premiums withheld from pension payments were also deducted. The resulting figure represents each retiree's estimated disposable pension income.

Because IMPLAN models household spending on goods and services rather than total income, disposable income was further adjusted using IMPLAN's bracket-specific household spending rates. These rates, which vary by income level, isolate the share of income directed toward commodity purchases and exclude savings, transfers, and other non-consumption outlays. For the purposes of this study, we assumed a savings rate of 0%, which is well grounded in economic theory. Each retiree was assigned to one of nine IMPLAN household income brackets based on their disposable income, and the corresponding spending rate was applied to produce the final model input. These adjusted spending figures were then mapped to IMPLAN's 528-sector industry classification system and entered as household spending events within the MRIO model.

This approach captures only the economic activity generated by pensioner household spending. It does not include LACERA's own operational expenditures (employee salaries, administrative costs, vendor payments), investment activities, or the spending of active LACERA members. The scope is intentionally limited to isolate the impact of pension benefit payments flowing through the consumer economy.

Fiscal Impact Methodology

Fiscal impacts, or the tax revenues generated for government at all levels, are estimated using IMPLAN's built-in fiscal modules. These modules calculate taxes generated at each stage of economic activity (direct, indirect, and induced) across the following categories:

- Sales and excise taxes (state and local)
- Property taxes (local)
- Personal income taxes (state and federal)
- Corporate profits taxes (state and federal)
- Social insurance contributions (federal)
- Other taxes and fees

Fiscal impacts are reported separately for state and local governments and for the federal government and are further broken out by supervisorial district where applicable.

Limitations and Assumptions

As with any economic modeling exercise, the estimates in this report are subject to certain assumptions and limitations that readers should consider when interpreting results:

- The analysis assumes that pension income spent within a region generates economic activity consistent with average consumer spending patterns for the relevant demographic group. Individual spending behavior may differ.
- IMPLAN multipliers are derived from observed economic relationships during the data year (2024) and may not perfectly reflect current economic conditions or even actual economic conditions from the data year for the specified regions, given the margins of error that exist in data from federal government datasets that feed into the IMPLAN model.
- The model does not account for potential crowding-out effects (i.e., the possibility that pension-funded spending displaces other economic activity that would have occurred in its absence). This is standard practice in regional economic impact analysis, as pension income represents a net transfer from the retirement fund to the local economy.
- Sub-regional estimates at the district level carry greater uncertainty than county or statewide figures, as smaller geographies are more sensitive to assumptions about where spending occurs relative to where retirees reside.
- Tax estimates rely on average effective rates and IMPLAN's fiscal models; actual tax collections may differ based on individual circumstances, exemptions, and policy changes.
- Results from this analysis are not directly comparable to estimates published in the 2022 LACERA Economic Impact Study. That study utilized an earlier IMPLAN data vintage and the former 546-sector industry classification scheme. Differences in estimated employment, output, and other impact categories between the two studies reflect updates to IMPLAN's underlying data (particularly from a COVID-impacted data year to a post-COVID data year), multiplier coefficients, and sector definitions, along with a strengthened methodology to reflect current best practices.

Economic and Fiscal Impact Analysis

This section presents the estimated economic and fiscal impacts of LACERA pensioner household spending across California and Los Angeles County. Impacts are reported in terms of economic output, employment supported, labor income generated, and tax revenues produced for government at all levels.

Statewide Economic Impacts

LACERA’s pension benefit payments generate substantial economic activity throughout California. After tax deductions, approximately \$3.4 billion in pensioner income flows into household consumption statewide each year. Through the multiplier effects captured by the MRIO model, this spending generates total economic activity well in excess of the initial expenditures.

Table 4: Total 2025 Annual Economic Impact of LACERA Pensioners, California

Impact Type	Employment (000s)	Labor Income (\$M)	GSP (\$M)	Economic Output (\$M)
Direct Effect	11.9	829.4	1,923.3	3,063.9
Indirect Effect	5.0	458.2	758.9	1,337.7
Induced Effect	4.5	334.6	639.8	985.0
Total Effect	21.3	1,622.2	3,322.0	5,386.6

Source: IMPLAN; Analysis: Zenith Economics, LLC. Note: Totals may not sum exactly due to rounding. Expenditures and estimated impacts occurred during the 2025 calendar year.

Total economic output generated across California from LACERA pensioner household spending amounts to \$5.3 billion, supporting over 21,300 jobs and generating \$1.6 billion in labor income. The majority of this activity (approximately 59.2%) is concentrated within Los Angeles County, where most LACERA retirees reside. The remainder is distributed across the rest of California, where pensioners residing outside Los Angeles County generate direct economic activity through their own household spending, and where supply chain interactions and induced spending from LA County generate activity across county boundaries.

Los Angeles County Economic Impacts

Los Angeles County absorbs the largest share of economic activity generated by LACERA pensioners. Of the 42,800 LACERA retirees residing in the county, the vast majority spend the bulk of their income within the regional economy on housing, food, healthcare, transportation, retail goods, and personal services.

Table 5: Total 2025 Annual Economic Impact of LACERA Pensioners, Los Angeles County

Impact Type	Employment (000s)	Labor Income (\$M)	GRP (\$M)	Economic Output (\$M)
Direct Effect	7.9	538.9	1,262.6	2,013.9
Indirect Effect	2.7	231.3	378.3	671.4
Induced Effect	2.4	171.4	327.6	508.3
Total Effect	12.9	941.6	1,968.5	3,193.6

Source: IMPLAN; Analysis: Zenith Economics, LLC. Note: Totals may not sum exactly due to rounding. Expenditures and estimated impacts occurred during the 2025 calendar year.

Within Los Angeles County, LACERA pensioner spending generates \$3.1 billion in total economic output annually, supports over 12,900 jobs, and produces \$941.6 million in labor income. Direct spending accounts for the largest share of total impact, at approximately 63.1% of economic output. Secondary impacts, or the sum of indirect and induced effects, contribute an additional \$1.1 billion in economic output, reflecting the substantial multiplier activity generated through supply chains and re-spending of wages earned by workers in impacted industries.

Industry Composition of Impacts

LACERA pensioner spending supports employment and output across a wide range of industries within Los Angeles County. The largest direct beneficiaries in terms of employment are concentrated in service sectors that cater to household consumers.

Table 6: Top 10 Sectors Supported by LACERA Pensioner Spending, Los Angeles County (by Employment and Output)

Rank	Sector	Employment	Output (\$ M)
1	Real Estate	696	558
2	Food Services and Beverage Places	1,580	198
3	Health Care Services (non-hospital)	1,136	167
4	Professional, Scientific, Techn. Svcs.	576	151
5	Wholesale Trade	307	146
6	Hospitals	481	129
7	Insurance Carriers and Related Activities	294	113
8	Banking and Financial Services	134	74
9	Administrative and Support Services	571	67
10	Government Enterprises	147	63
	<i>All Other Industries</i>	<i>7,017</i>	<i>1,224</i>
	Total Direct	12,941	2,890

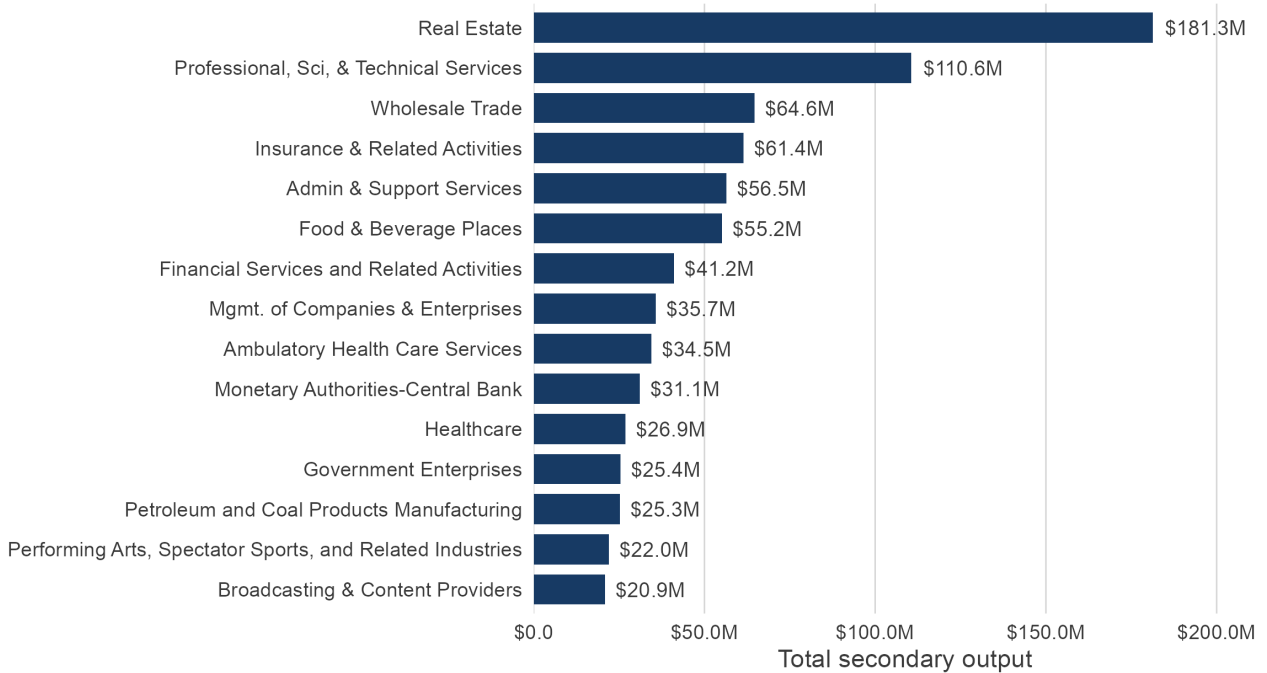
Source: IMPLAN (data year 2024); Analysis: Zenith Economics, LLC. Industries aggregated by 3-Digit NAICS code. Figures rounded.

Real Estate related sectors (including owner-occupied and tenant-occupied housing) receive the largest share of direct spending, consistent with the outsized role of housing costs in household budgets throughout the Los Angeles region. Healthcare (including physicians and outpatient care), food services, trade, professional services, and personal services also receive significant portions of pensioner spending.

Secondary impacts are concentrated in different sectors than direct spending. Insurance agencies and brokerages, real estate services, financial intermediation, and employment services tend to capture the largest indirect effects, as these industries provide business-to-business services that support the consumer-facing sectors where pensioners spend directly.

Top 15 industries by total secondary output through LACERA pensioner support (Los Angeles County), 2025

Indirect + induced economic output, 2025



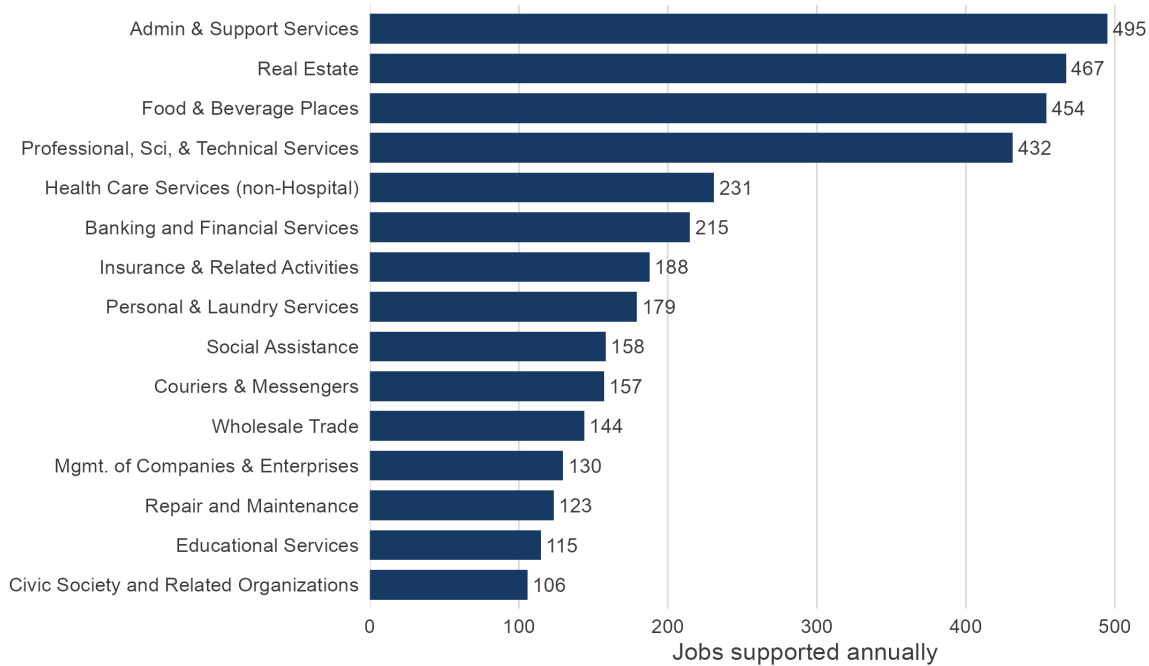
Source: Bureau of Economic Analysis, IMPLAN (data year 2024). Amounts in real 2026 dollars. Figures rounded

Figure 3: Top Industries by Secondary Economic Output, Los Angeles County

Real estate leads all industries in secondary output generated through LACERA pensioner spending, at \$181.3 million annually, followed by professional, scientific, and technical services (\$110.6 million) and wholesale trade (\$64.6 million).

Top 15 industries employed through LACERA pensioner support from secondary impacts (Los Angeles County), 2025

Jobs supported annually via indirect + induced effects, 2025



Source: Bureau of Economic Analysis, IMPLAN (data year 2024). Figures rounded

Figure 4: Top Industries by Secondary Employment, Los Angeles County

Administrative and support services account for the largest share of secondary employment at 495 jobs annually, followed by real estate (467) and food and beverage establishments (454). Professional, scientific, and technical services support an additional 432 jobs through indirect and induced effects.

Fiscal Impacts

The economic activity generated by LACERA pensioner spending produces tax revenue for government at all levels. These fiscal impacts arise from multiple points in the economic chain: pensioners pay income and sales taxes on their own consumption; businesses supported by pensioner spending pay corporate taxes and contribute to social insurance programs; and their workers pay income and payroll taxes.

Statewide Fiscal Impacts

Across California, the economic activity attributable to LACERA pensioner spending generates \$1.2 billion in annual tax revenue. Of this total, \$527.0 million is collected by state and local governments, while approximately \$683.6 million flows to the federal government.

Los Angeles County Fiscal Impacts

Within Los Angeles County, total fiscal impacts from LACERA pensioner economic activity amount to \$750.0 million annually. State and local governments collect \$326.8 million, with sales tax (\$77 M) and income tax (\$136.2 M) representing the two largest components. Federal revenues total \$423.2 million, driven primarily by social insurance contributions (\$102.3 M) and personal income taxes (\$277.5 M).

Table 7: Annual Fiscal Impacts by Tax Type, Los Angeles County 2025

Tax Type	State & Local (\$ M)	Federal (\$ M)	Total (\$ M)
Other Taxes and Fees	20.4	-	20.4
Corporate Profits Taxes	21.2	35.4	56.6
Property Taxes	67.5	-	67.5
Sales and Excise Taxes	77.0	8.0	85.0
Social Insurance	4.6	102.3	106.9
Personal Income Taxes	136.2	277.5	413.7
Total Fiscal Impact	326.8	423.2	750.0

Source: IMPLAN; Analysis: Zenith Economics, LLC. Note: Totals may not sum exactly due to rounding. Expenditures and estimated impacts occurred during the 2025 calendar year.

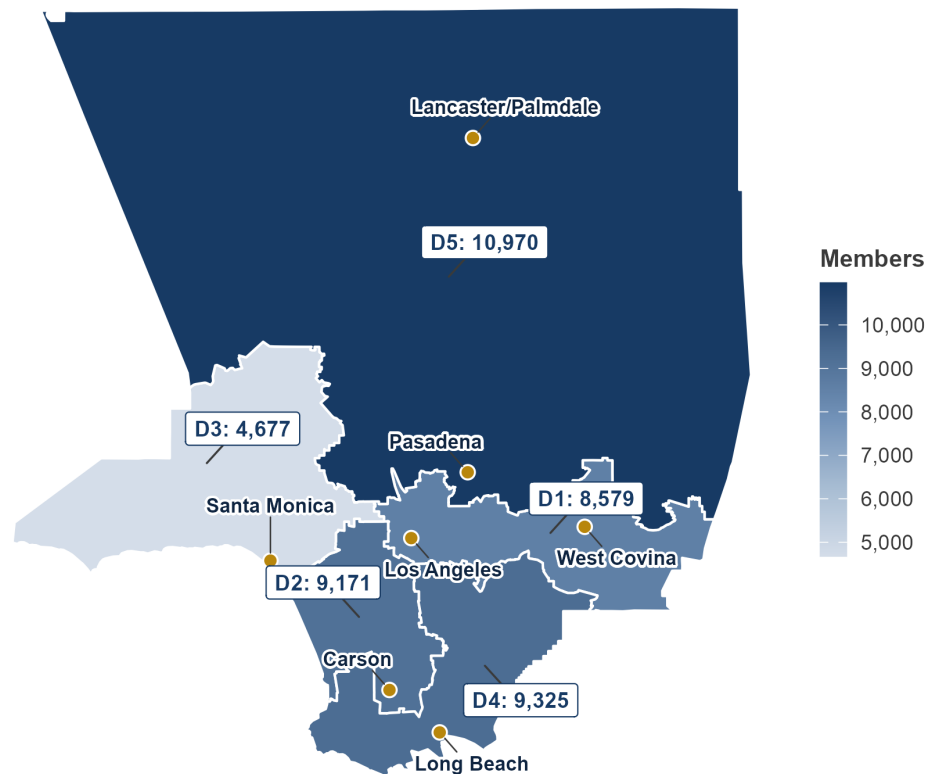
Sales tax revenues generated by LACERA pensioner spending contribute to funding for local transportation, public health, social services, and county general fund operations. Property tax revenues support schools, libraries, parks, and other public services throughout the county. Fiscal contributions of this kind represent a direct return to the communities where LACERA retirees live and spend.

Economic and Fiscal Impacts by Supervisorial District

Many LACERA pensioners reside throughout Los Angeles County, and their economic contributions vary across the five Board of Supervisors districts. Differences in impact magnitude reflect variations in the number of retirees per district, the size of individual pension benefits, and the economic structure of each district’s local economy.

Pension recipients across LA County supervisor districts, 2025

Unique payees (retired + survivor) per district, Dec 2025



Source: LACERA membership data (2025). Analysis: Zenith Economics. Map: U.S. Census TIGER/Line LA County tracts (2022).

Figure 5: Los Angeles County Board of Supervisors Districts Total gross pension expenditures range from \$244.4 million in District 3 to \$629.9 million in District 5. Districts 4 and 2 fall in the middle at \$495.9 million and \$420.4 million, respectively, while District 1 accounts for \$404.1 million in annual pension payments.

Table 7: LACERA Pensioners and Benefits by Supervisorial District

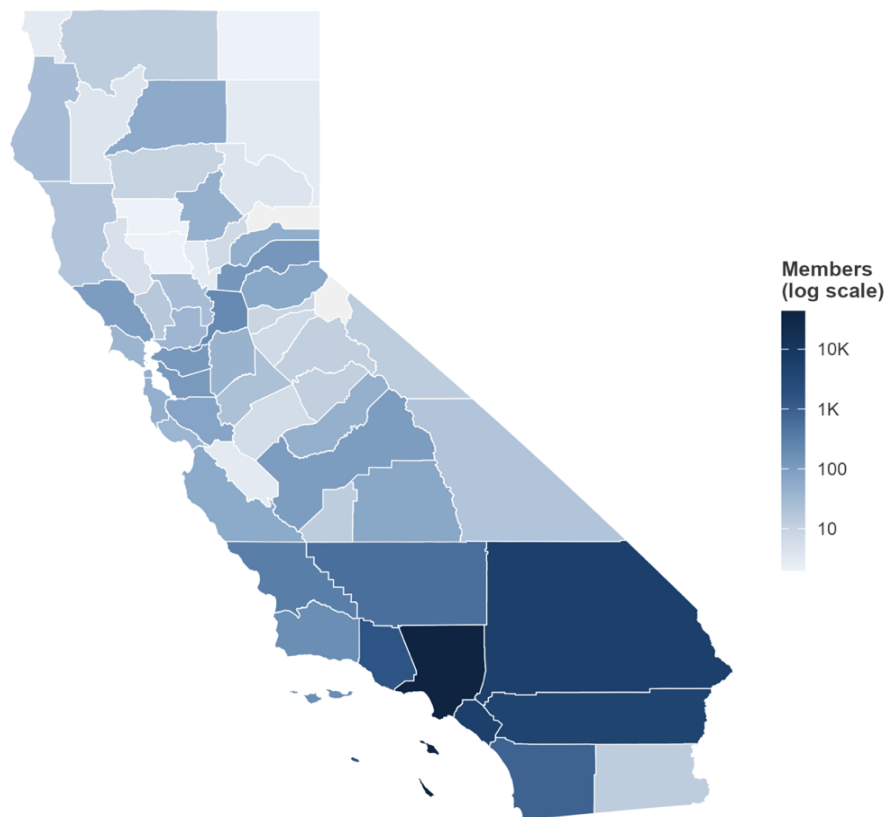
District	Pensioners	Share of Total (%)	Pension Amount (\$ M)	Share of Total (%)
District 1	8,579	20.1%	404.1	18.4%
District 2	9,171	21.5%	420.4	19.2%
District 3	4,677	10.9%	244.4	11.1%
District 4	9,325	21.8%	495.9	22.6%
District 5	10,970	25.7%	629.9	28.7%
Total	42,722	100.0%	2,194.7	100.0%

Source: LACERA; Analysis: Zenith Economics. Note: Pension amounts shown are post tax, insurance deductions.

Similarly, LACERA pensioners can be found in 56 of California’s 58 counties. Only the two most remote counties have no identifiable resident pension recipients. Retiree spending benefits the wider state economy, supporting hundreds of additional jobs and generating millions in additional economic output.

Where LACERA members live across California, 2025

Pension recipients (retired + survivor) by county — 56 of 58 CA counties represented. LA County: 42,991 members.



Source: LACERA membership data (2025). Analysis: Zenith Economics. Map: U.S. Census TIGER/Line cartographic-boundary file (2022).

District-Level Economic Impacts

Table 8: Total Economic Impact by Supervisorial District, Los Angeles County

District	Employment	Labor Income (\$ M)	GDP (\$ M)	Economic Output (\$ M)
District 1	2,379	172.6	394.8	583.3
District 2	2,462	179.2	412.8	612.8
District 3	1,526	112.3	257.1	379.5
District 4	2,891	209.5	484.0	713.9
District 5	3,683	268.1	614.4	904.1
Total	12,941	941.6	2,163.1	3,193.6

Source: IMPLAN; Analysis: Zenith Economics, LLC. Note: Totals may not sum exactly due to rounding. District totals may not equal the county-wide figures in Table 5 because Los Angeles County was modeled as the primary geography; district-level results were derived by tagging retirees to supervisorial districts.

District 5 generates the largest economic impact from LACERA pensioner spending at \$904.1 million in total output, followed by District 4 (\$713.9 million). The distribution of impacts across districts is influenced both by the number of retirees residing in each district and by the average benefit level, which itself reflects the salary history and years of service of retirees concentrated in different parts of the county.

Employment supported by LACERA pensioner spending ranges from 1,526 jobs supported in District 3 to 3,683 jobs supported in District 5. These jobs span the same industries identified in the county-level analysis (e.g. housing, healthcare, food services, retail, and personal services) though the industry mix varies based on the economy of each district.

District-Level Fiscal Impacts

Fiscal revenues generated by LACERA pensioner spending range from \$90.1 million in District 3 to \$215.3 million in District 5. These revenues contribute to funding public services at the local, state, and federal levels, with sales and property taxes providing direct support to county and municipal services in each district.

Table 8: Total Fiscal Impacts by Supervisorial District

District	State & Local Taxes (\$ M)	Federal Taxes (\$ M)	Total Fiscal Impact (\$ M)
District 1	\$ 59.3	\$ 74.8	\$ 134.1
District 2	\$ 62.0	\$ 78.9	\$ 140.9
District 3	\$ 38.8	\$ 51.3	\$ 90.1
District 4	\$ 73.6	\$ 96.0	\$ 169.6
District 5	\$ 93.1	\$ 122.2	\$ 215.3
Total	\$ 326.8	\$ 423.2	\$ 750.0

Source: IMPLAN; Analysis: Zenith Economics, LLC. Note: Totals may not sum exactly due to rounding. District totals may not equal the county-wide figures in Table 7 because Los Angeles County was modeled as the primary geography; district-level results were derived by tagging retirees to supervisorial districts.

Membership Diversity and Demographic Breakdown

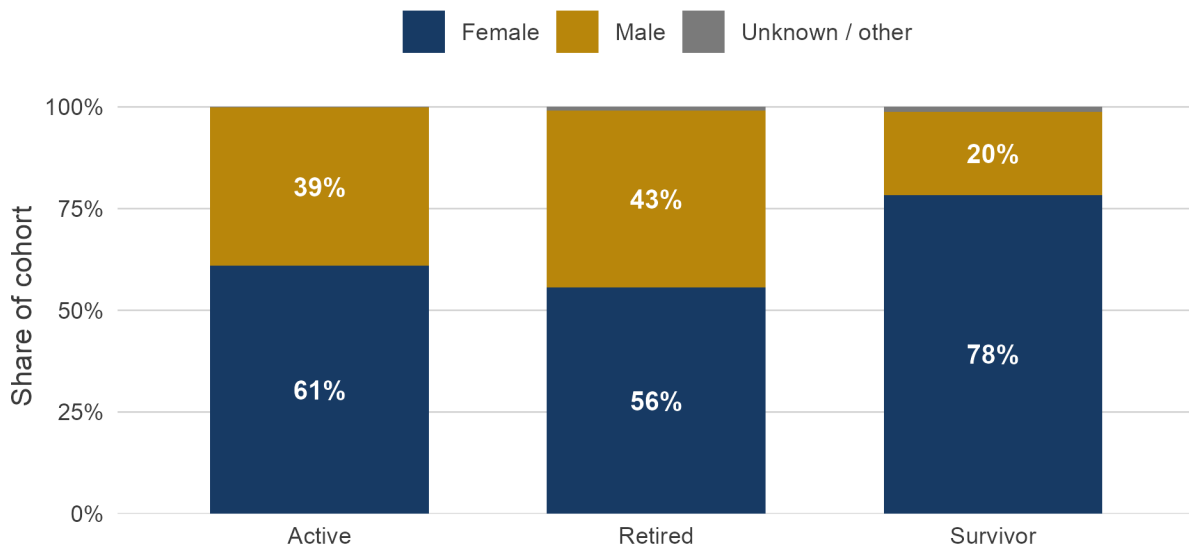
LACERA’s retiree population reflects the diversity of the Los Angeles County workforce. This section presents demographic breakouts of LACERA pensioners by race and ethnicity, age group, benefit level, and retirement type.

Gender Composition

Women make up the majority of all three membership cohorts: 61% of active employees, 56% of retirees, and 78% of survivor-benefit recipients. The higher female share among survivors is consistent with longer average life expectancy for women and the prevalence of spousal survivor benefits.

Gender composition by cohort, 2025

Share of members within each cohort



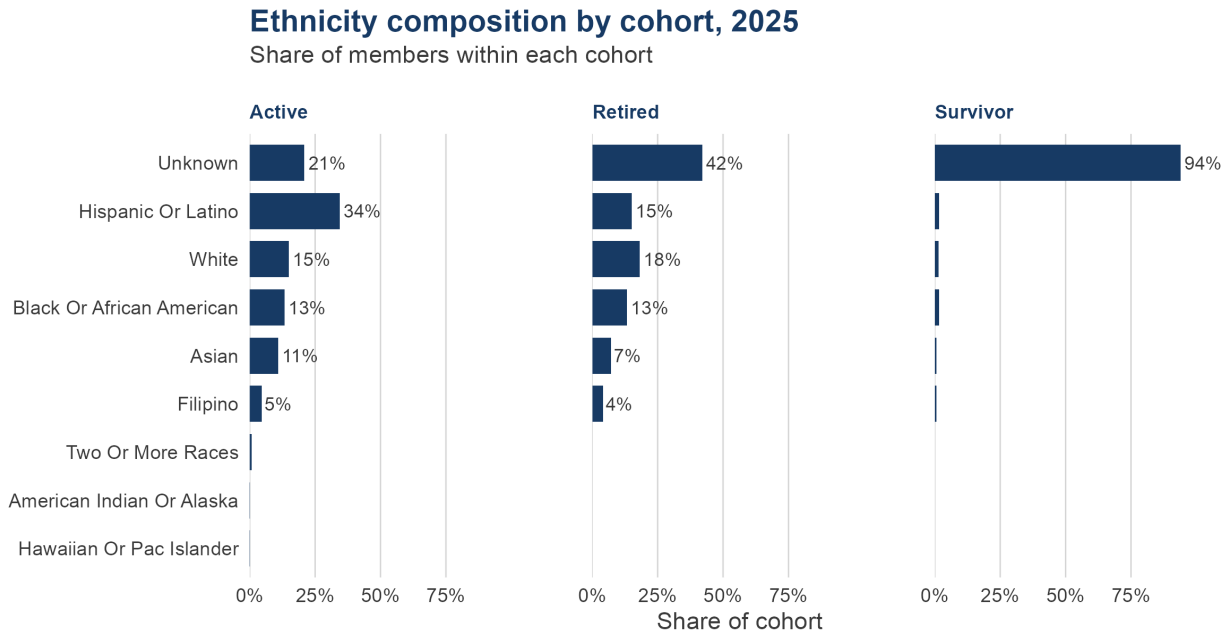
Source: LACERA membership data (2025). Analysis: Zenith Economics.

Figure 6: Gender Composition of LACERA Membership by Cohort

Racial and Ethnic Composition

The racial and ethnic composition of LACERA’s retirees is highly diverse, reflecting the county government’s long history of employing a workforce representative of Los Angeles County’s population. Historically underrepresented groups constitute substantial segments of LACERA’s retired membership.

Figure 7: LACERA Pensioners by Race/Ethnicity, Compared to Los Angeles County Population



Source: LACERA membership data (2025). Analysis: Zenith Economics.

Hispanic retirees constitute 15% of LACERA’s pensioner population (amongst retirees with known race or ethnicity), making them 2nd among racial/ethnic groups. Black or African American retirees represent 13% of LACERA pensioners, significantly higher than their current 8% share of Los Angeles County’s general population. Non-Filipino Asian retirees account for 7% of pensioners. White retirees represent 18% of LACERA retirees.

This demographic profile underscores the role of public employment, and the defined benefit pensions that accompany it, in providing retirement security to communities that have historically had less access to private-sector retirement benefits. The economic impacts reported elsewhere in this study are distributed across these diverse communities throughout Los Angeles County.

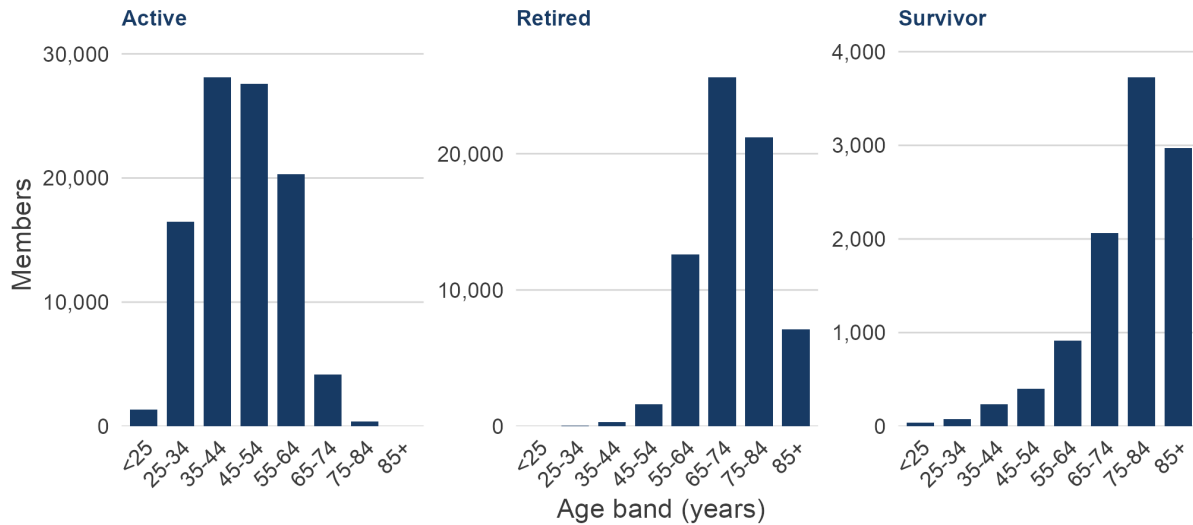
Age Distribution

LACERA pensioners span a wide age range, from early retirees in their fifties to centenarians. The average age of a LACERA retiree is 73.2 and the median age is 72 years old.

Figure 8: Distribution of LACERA Pensioners by Age Group

Age distribution by cohort, 2025

Members by age band as of December 2025



Source: LACERA membership data (2025). Analysis: Zenith Economics. Excludes rows with missing birth date or sentinel year.

Most LACERA pensioners fall in the 65-to-74 age range, consistent with typical retirement patterns for career public employees. The substantial population of retirees aged 75 and older reflects both the longevity of LACERA members and the ongoing value of defined benefit income security for older adults who may have exhausted other savings or face increasing healthcare costs.

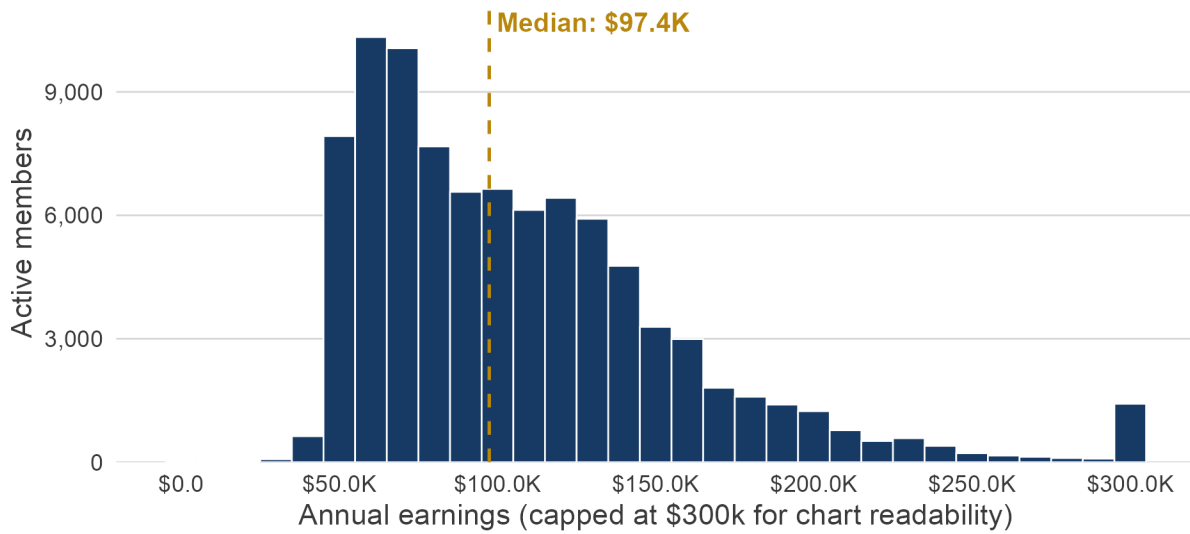
Salary Distribution of Active Members

The salary distribution of LACERA's active members provides context for future pension benefit levels and their associated economic impacts. As of April 2026, LACERA has 99,468 active members enrolled in its retirement plans. Salary records for the 2025 calendar year are available for 98,410 of these members; the remaining 1,058 were hired after December 31, 2025, and do not yet have full-year salary data. The salary figures used in this analysis reflect actual earnings reported by employers, which may include overtime, bonus pay, and other forms of compensation beyond base salary. The median annual salary among active LACERA members with 2025 records is approximately \$97,400.

Figure 9: Distribution of Active LACERA Members by Salary Group

Active LACERA member salary distribution, 2025

Annualized 2025 earnings, full-year employees only (n = 89,883)



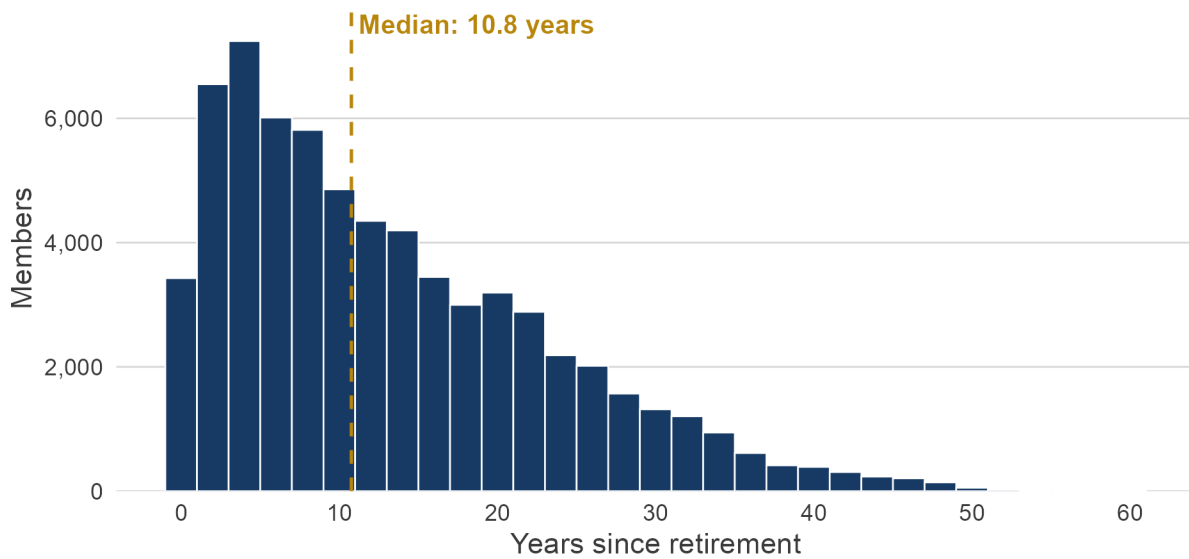
Retirement Type and Length

LACERA retirees fall into two primary categories: service retirees, who retired after completing a qualifying period of employment, and disability retirees, who retired due to a qualifying disability incurred during their county service. Of LACERA’s current retiree population, 82.1% are service retirees and 17.9% are disability retirees. An additional 15.2% are survivors or beneficiaries receiving continuation benefits.

Across all retirement types, the median LACERA retiree has been collecting benefits for 10.8 years. The distribution peaks between 4 and 6 years since retirement, then tapers gradually; a small number of retirees have received benefits for 40 years or more.

How long LACERA retirees have been collecting benefits, 2025

Years since retirement date, retired cohort only (Dec 2025)



Source: LACERA membership data (2025). Analysis: Zenith Economics.

Figure 10: Distribution of Years Since Retirement Among LACERA Pensioners

Social Impacts

Beyond the quantitative economic and fiscal impacts documented in the preceding sections, LACERA's pension system produces broader social benefits for the communities it serves. This section examines several dimensions of social impact, including the economic stability that defined benefit pensions provide to retirees, the role of pension spending during economic downturns, and the community contributions made by LACERA retirees.

Economic Security Through Defined Benefit Pensions

LACERA administers exclusively defined benefit (DB) pension plans, which guarantee retirees a fixed monthly income based on their years of service and salary history. This structure provides a level of financial security distinct from defined contribution (DC) plans such as 401(k) accounts, where retirement income depends on investment performance and may be depleted during an individual's lifetime.

The guaranteed nature of DB pension income has important economic implications. Because retirees can rely on a predictable monthly payment regardless of market conditions, they are able to maintain consistent spending patterns over time. This predictability is valuable both for individual retirees, who face less risk of outliving their retirement savings, and for the regional economies that depend on sustained consumer demand.

Nationally, approximately 85% of full-time state and local government employees participate in a defined benefit pension plan.⁷ Total financial assets held by state and local DB pension funds exceeded \$5.4 trillion as of mid-2023.⁸ A 2025 study by the National Institute on Retirement Security estimated that DB pension expenditures nationwide supported 7.1 million jobs and generated \$1.5 trillion in economic output during the 2022 benefit year.⁹

Research from the Center for Retirement Research at Boston College has found that DB pension plans generate higher average investment returns than DC plans, with DB plans outperforming DC plans by approximately 0.7 percentage points annually over extended periods.⁹ This performance differential stems in part from professional management, lower administrative fees, and the ability of large, pooled funds to access a broader range of asset classes.

Countercyclical Stability of Pension Spending

One of the less frequently discussed properties of DB pension spending is its countercyclical nature. During recessions and economic downturns, workers face layoffs, reduced hours, and declining wages, all of which reduce consumer spending and deepen the downturn. Retirees receiving DB pensions, by contrast, continue to receive the same monthly income regardless of macroeconomic conditions. Their spending provides a stabilizing floor of demand for local businesses.

This property was evident during the COVID-19 pandemic and the preceding Great Recession. Industries like food services and retail, which depend heavily on consumer foot traffic, experienced sharp declines in revenue as employed workers cut spending. Pensioner spending, however, continued at roughly normal levels throughout both downturns, providing ongoing revenue to businesses that might otherwise have faced closure or deeper layoffs.^{10,11}

The Los Angeles County economy is particularly sensitive to consumer spending fluctuations given its concentration in service-sector industries. LACERA's 42,722 county-based retirees represent a reliable source of local demand that persists through economic cycles, mitigating some of the volatility that would otherwise affect the county's service-sector employers.

Workforce Recruitment and Retention

Defined benefit pensions are a significant component of total compensation for public-sector employees and play a documented role in workforce recruitment and retention. Los Angeles County employs workers across a broad range of occupations, from public safety and healthcare to social services, engineering, and administration, many of which compete for talent with private-sector employers offering higher base salaries.

The pension benefit helps close this compensation gap by providing long-term retirement security that most private employers no longer offer. Research has consistently shown that DB pension availability is a meaningful factor in public-sector employees' decisions to remain in government service, reducing costly turnover and preserving institutional knowledge.^{12,13,14} The economic impacts documented in this report are, in part, a downstream consequence of this retention effect: career public servants who spend decades in county employment accumulate pension benefits that subsequently circulate through the local economy for decades after retirement.

The Aging Population and Retirement Spending

The economic significance of pension spending is increasing as the U.S. population ages. The Census Bureau estimates that by 2030, one in five Americans will be of retirement age.¹⁵ In 2020, an estimated 55.8 million people were aged 65 or older; that figure is projected to reach 71.6 million by 2030.¹⁶

As the retired population grows relative to the working-age population, retirement income, along with the consumer spending it supports, will constitute an increasing share of total economic demand. Systems like LACERA that provide reliable, inflation-adjusted income to large populations of retirees will play an increasingly important role in sustaining local economic activity, particularly in regions like Los Angeles County where the retiree population is concentrated.

An aging population also reinforces the value of pension spending's countercyclical properties. As a growing share of consumer demand comes from retirement income rather than employment income, the economy's overall sensitivity to cyclical employment fluctuations may be partially moderated, at least in regions with large populations of DB pension recipients.

Conclusion

LACERA's pension benefit payments produce measurable and substantial economic contributions throughout Los Angeles County and the State of California. The more than 77,000 retirees and beneficiaries receiving LACERA pensions spend much of their income within the regional economy, supporting employment across dozens of industries and generating tax revenues for government at every level.

Within Los Angeles County, LACERA pensioner spending generates \$3.1 billion in annual economic output, supports over 12,900 jobs, and produces \$941.6 million in labor income. Fiscal contributions total \$750 million in tax revenue annually, funding public services across the county. Statewide, total economic output attributable to LACERA pensioners reaches \$5.3 billion, with over 21,300 jobs supported and \$1.2 billion in total tax revenue generated.

Impacts extend across all five supervisorial districts, and the inclusion of state legislative and congressional districts in this analysis demonstrates that LACERA's economic reach touches communities throughout the county and beyond. The benefits are distributed broadly, reflecting the geographic diversity of LACERA's retiree population.

Beyond the quantitative impacts, LACERA's defined benefit structure provides retirement security to a diverse population of former public servants, supports local economies during periods of economic stress, and enables retirees to contribute their time and resources to community organizations. More importantly, pension benefits act as a durable backstop against economic stress, lessening the probability LACERA retirees will face housing insecurity or be forced to seek additional resources from local government or NGOs.

As the population ages and retirement spending represents a growing share of total consumer demand, the economic role of systems like LACERA will continue to be significant for the regions they serve.

Appendix

Appendix A: Detailed Results by District and Impact Type

Table A.1: Total Economic Output by Supervisorial District, by Impact Type (\$ Millions) 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	367.2	382.3	228.8	455.6	580.0
Indirect	123.2	134.2	89.3	144.8	180.0
Induced	93.0	96.3	61.3	113.5	144.2
Total	583.3	612.8	379.5	713.9	904.1

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Table A.2: Employment Supported by Supervisorial District, by Impact Type 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	1,442	1,498	879	1,779	2,271
Indirect	504	518	360	585	741
Induced	433	446	286	527	672
Total	2,379	2,462	1,526	2,891	3,683

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Table A.3: Labor Income by Supervisorial District, by Impact Type (\$ Millions) 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	98.4	102.1	60.4	121.9	156.2
Indirect	42.8	44.7	31.1	49.4	63.2
Induced	31.4	32.3	20.8	38.2	48.7
Total	172.6	179.2	112.3	209.5	268.1

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Table A.4: Gross Regional Product by Supervisorial District, by Impact Type (\$ Millions) 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	265.3	276.9	166.2	329.9	418.9
Indirect	69.5	74.0	51.4	80.9	102.5
Induced	60.0	62.0	39.4	73.2	93.0
Total	394.8	412.8	257.1	484.0	614.4

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Table A.5: State and Local Fiscal Impacts by Supervisorial District (\$ Millions) 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	46.4	48.4	29.7	58.1	73.6
Indirect	6.0	6.4	4.6	7.1	8.9
Induced	6.9	7.2	4.5	8.4	10.7
Total	59.3	62.0	38.8	73.6	93.1

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Table A.6: Federal Fiscal Impacts by Supervisorial District (\$ Millions) 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	57.7	60.9	39.3	75.3	96.1
Indirect	9.6	10.2	7.0	11.5	14.4
Induced	7.5	7.8	4.9	9.2	11.6
Total	74.8	78.9	51.3	96.0	122.2

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Table A.7: State & Local Fiscal Impacts Supervisorial District, by Tax Source (\$ Millions) 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Corporate Profits Taxes	3.9	4.1	2.5	4.7	5.9
Other Taxes and Fees	3.8	3.9	2.4	4.5	5.7
Personal Income Taxes	24.1	25.3	16.5	31.1	39.3
Property Taxes	12.5	13.0	7.9	15.1	19.1
Sales and Excise Taxes	14.2	14.8	9.0	17.2	21.7
Social Insurance	0.8	0.9	0.5	1.0	1.3
Total	59.3	62.0	38.8	73.6	93.0

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Table A.8: Federal Fiscal Impacts by Supervisorial District, by Tax Source (\$ Millions) 2025

Impact Type	District 1	District 2	District 3	District 4	District 5
Corporate Profits Taxes	6.6	6.9	4.1	7.9	9.9
Other Taxes and Fees	0.0	0.0	0.0	0.0	0.0
Personal Income Taxes	48.1	51.0	34.1	63.4	80.9
Property Taxes	0.0	0.0	0.0	0.0	0.0
Sales and Excise Taxes	1.5	1.5	0.9	1.8	2.2
Social Insurance	18.6	19.5	12.1	22.9	29.1
Total	74.8	78.9	51.2	96.0	122.1

Source: Bureau of Economic Analysis, IMPLAN (data year 2024); Analysis: Zenith Economics, LLC.

Appendix B: Glossary of Key Terms

The following terms are used throughout this report. Definitions are provided to assist readers and provide general context.

Table B.1: Glossary of Key Terms

Term	Definition
Defined Benefit Plan	A retirement plan sponsored by the employer in which the retiree receives a fixed monthly payment calculated based on factors including salary history and length of employment. LACERA administers defined benefit plans exclusively.
Defined Contribution Plan	A retirement plan in which the employee and potentially the employer make contributions to an individual investment account (such as a 401(k) or 403(b)). Retirement income depends on the performance of those investments and is not guaranteed.
Direct Effect	The initial output of goods and services resulting from household spending by LACERA pensioners. These expenditures cover categories including housing, food, healthcare, finance, retail, transportation, and entertainment.
Economic Output	The total value of production generated through spending, including the value of intermediate inputs such as goods and services used in the production process. Also referred to as total sales or gross output.
Employment	The number of jobs (headcount of part-time, full-time, and temporary positions) supported through household spending by LACERA pensioners. Includes both new positions + existing jobs sustained by pensioner demand.
Fiscal Impact	Tax revenues generated for federal, state, and local government because of economic activity attributable to LACERA pensioner spending.
IMPLAN	Impact Analysis for Planning. A widely used economic modeling platform that provides region-specific data and multipliers for estimating how expenditures flow through local economies.
Indirect Effect	Additional economic output generated through supply chain interactions. When a pensioner spends money at a business, that business purchases goods and services from its own suppliers, generating indirect activity.
Induced Effect	Economic output generated when workers employed through direct and indirect activity spend their wages on goods and services, creating an additional round of economic activity.
Input-Output Analysis	An analytical framework that examines inter-industry relationships to estimate how spending in one sector generates activity in other sectors of the economy.
Labor Income	The total value of all forms of employment income generated through LACERA pensioner spending, including wages, salaries, benefits, and proprietor income.
MRIO (Multi-Regional Input-Output)	An extension of standard input-output analysis that captures economic linkages between multiple geographic regions through commuting and trade patterns, providing more accurate sub-regional estimates.
Multiplier Effect	The phenomenon by which an initial expenditure generates additional economic activity through successive rounds of spending in the supply chain and by workers. The ratio of total impact to direct impact is the multiplier.
Secondary Effect	The combined indirect and induced effects. Represents all economic activity generated beyond the initial direct expenditure.
Total Impact	The sum of direct, indirect, and induced effects; the full economic activity attributable to the initial expenditure.

Table B.2: Glossary of Key Acronyms

Acronym	Definition
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
CPI-U	Consumer Price Index for All Urban Consumers
EIS	Economic Impact Study
GRP	Gross Regional Product
GSP	Gross State Product
HUD	U.S. Department of Housing and Urban Development
I-O	Input-Output (Model)
IMPLAN	Impact Analysis for Planning
MRIO	Multi-Regional Input-Output
QCEW	Quarterly Census of Employment and Wages
SAM	Social Accounting Matrix

Appendix C: References

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Appendix D: About Zenith Economics

Zenith Economics, LLC is an independent economic consultancy based in Los Angeles, California, providing expertise in Economic Impact Analysis, Land Use Policy, and Economic Development to public-sector, private-sector, and non-profit clients.

The Zenith team brings over 20 years of collective experience in economic research. Zenith’s principal researchers hold IMPLAN Certified Economist (ICEP) accreditation, recognizing them among the foremost global experts in input-output modeling for economic and fiscal impact analysis. Members of the Zenith team have contributed to more than six dozen economic impact studies spanning government agencies, educational institutions, infrastructure projects, and cultural organizations.

Two members of the team that produced this report (Samuel Maury-Holmes and Johnathan Cahill) also contributed to the 2022 LACERA Economic Impact Analysis while at Beacon Economics, providing continuity of expertise between the two studies.

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THANK YOU FOR READING

Disclaimer:

This report was prepared by Zenith Economics, LLC for the Los Angeles County Employees Retirement Association (LACERA). The analysis, findings, and conclusions presented herein are based on data provided by LACERA and publicly available economic data sources, processed using the IMPLAN multi-regional input-output modeling platform. While Zenith Economics has taken reasonable steps to verify the accuracy of all data inputs and model outputs, the estimates contained in this report are subject to the assumptions and limitations described in the Methodology section and should not be interpreted as precise forecasts or retrospectives of economic activity. This report is intended for informational and planning purposes only and does not constitute financial, legal, or investment advice. Zenith Economics assumes no liability for decisions made on the basis of the information presented in this report. Reproduction or distribution of this report, in whole or in part, requires prior written authorization from LACERA.

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