cpplc

**CANADIAN PUBLIC PENSION LEADERSHIP COUNCIL**

ECONOMIC BENEFITS

OF CANADIAN PUBLIC SECTOR PENSION PLANS

In 2019, 5.26 million Canadians were members of public sector pension plans serving the public by working for municipalities, hospitals and clinics, schools and colleges, transit, public utilities, emergency services, community social services, and children's aid societies across Canada. The pension contributions made by public servants and their employers are invested to provide members with a stable and secure retirement.

The economy of every community in Canada is positively impacted by public sector pension plan activity, whether through the work of active members and their employers, retired members' pension-related spending, or through the local investment activities that pension plans perform on behalf of their members.

The study conducted by the Canadian Centre for Economic Analysis quantified and described the economic contribution that Canadian public sector pension plans had in Canada. Economic activity generated from public sector pensions stems from three sources: spending retirement payments, pension plan operations, and operations of investments. The analysis and data focuses on the direct, indirect and induced contributions of the first two:

1
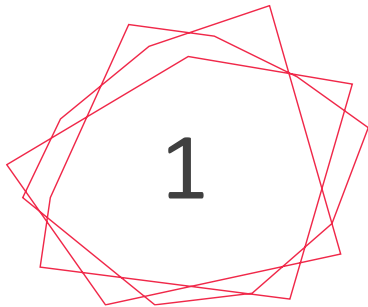
MEMBERS

Pension plan members spending their retirement benefits payments in Canada.
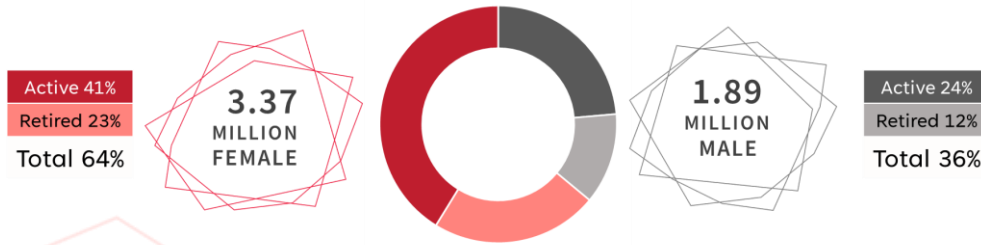
2
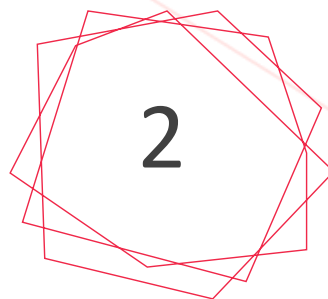
OPERATIONS

Pension plan operations in Canada, including salaries and wages to employees residing in Canada.

MEMBERSHIP

With over 5.26 million active and retired members, the membership of Canadian Public Sector Pension Plans is equivalent to the population of British Columbia. There are over **3.41 million active members** and **1.85 million pension recipients** in Canada. Members serve their communities working as nurses, bus drivers, janitors, paramedics, firefighters, police, teachers, and social workers, to name a few.

Active 41%		3.37 MILLION FEMALE		1.89 MILLION MALE		Active 24%
Retired 23%						Retired 12%
Total 64%						**Total 36%**

3.41 MILLION ACTIVE MEMBERS WORK IN A NUMBER OF OCCUPATIONS, THESE INCLUDE:

470,400	384,900	248,600	201,300	155,600	127,700	124,900	124,300	76,600	29,700
Teachers & educators	Healthcare workers	Social & care workers	Engineers, scientists, technicians	Maintenance & cleaners	Food services	Transport drivers	Police & law enforcement	Professional services	Firefighters

INVESTMENTS

Member and employer contributions are invested in Canada and around the world by the plans to provide a stable and secure retirement income, thereby helping employers save costs through enhanced attraction, retention, and engagement. Plans invest in buildings, infrastructure, companies, markets, and start-ups, managing a total of over **$1.27 trillion in assets**.

COMPANIES   INFRASTRUCTURE   START-UPS   REAL ESTATE

RETURNS

These investments have generated **$92 billion** annually over the last five years in returns. About **$49 billion** is paid annually to the 1.85 million retirees living around Canada, primarily derived through investment income. Around **65% of retirees** in public sector plans are female.
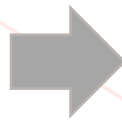
cpplc

BENEFITS

Canadian Public Sector Pension Plans benefit all Canadians through the wider impacts of pension recipient spending and the activities of pension plan' employees. For every $10 of public sector pension paid to a retired member, **$16.72 of economic activity** is generated. In total, Canada's GDP benefited by about **$82 billion** in 2019. This supports **877,100 jobs** and **$33 billion in wages** for Canadians, and provides **$21 billion** in federal and provincial government revenue.

The impact on Canada's population is widespread. Retirees receive income and their activities support jobs, and this benefits people with whom they share households. **Over four million Canadians**, equivalent to 11% of the population, benefit from public sector pension plan activities. This includes those living in households with a person whose wage is supported by plans and recipients of retirement benefits payments.

$10 retirement income spent **=** **$16.72** economic benefit

3.6% of national economy → **$82.0 billion** in total national GDP

JOBS

877,100
jobs supported across Canada

$33.1 billion
total wages supported

39%
jobs supported under 35

BUSINESSES

55,500 BUSINESSES SUPPORTED

39,800 under 10 employees

TAXES

$21.4 billion total tax **=** [$11.3 billion federal tax **+** $10.1 billion provincial tax]

cpplc

KEY TAKEAWAYS

1   **WIDER BENEFITS**
Canada's public sector plans deliver benefits far beyond the membership of the plans themselves, reaching every age group and area of Canada.

2   **AN OUTLIER**
Public sector pension plans are an area where women benefit more than men, with active and retired women representing 64% of the total members.

3   **ECONOMIC STABILITY**
Whereas much of the economy is cyclical, retirement spending from public sector plans provides a large, steady source of income to every community in Canada.

4   **INVESTMENT IMPACT**
The research considers pension operations and retirement spending, and not the contribution of investments made in Canadian companies, start-ups, buildings and infrastructure.

5   **RETIREMENT FOR ALL**
Canada's public sector pensions have seen membership and assets grow, high employee contributions, and wider economic benefits, providing insights to encourage retirement planning for all.

---

cpplc
CANADIAN PUBLIC PENSION LEADERSHIP COUNCIL

CANADIAN CENTRE FOR ECONOMIC ANALYSIS

The CPPLC is a non-partisan group of senior public sector pension plan leaders from across Canada. Established in 2013, the CPPLC is dedicated to informing the evolving discussions about retirement income security for working Canadians. The CPPLC is composed of 12 public sector pension plans from across Canada representing over 5.26 million active and retired members.

CANCEA is a socio-economic research, analysis and data firm using uses industry-leading techniques in data science, including agent-based modelling. CANCEA provides objective, independent and evidence-based analysis and is dedicated to a comprehensive, collaborative, and quantitative understanding of the short- and long-term risks and returns behind market changes, policy decisions and economic behaviour.

CAAT Pension Plan; College Pension Plan; Government of Canada Pension Centre; LAPP; Municipal Pension Plan; NS Pension Services Corporation; OMERS; Provident 10; Public Service Pension Plan; Saskatchewan Healthcare Employees Pension Plan; Saskatchewan Teachers' Retirement Plan; Teachers' Pension Plan; Winnipeg Civic Employees' Benefits Program