

Stennis Institute of Government

Report to PERS: The Impact of Payments to Beneficiaries by the Mississippi Public Employees Retirement System

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**The Impact of Payments to Beneficiaries by the
Mississippi Public Employees Retirement System during
the Fiscal Year Ending June 30, 2007 on the Economy of
the State of Mississippi**

By

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Executive Summary

At the state level, the \$1.25 billion paid to beneficiaries and survivors from the defined benefits plans in FY2007 produced \$1.47 billion of total economic activity (or output) in all industrial sectors. That \$1.25 billion resulted in \$591 million of value added including \$287 million of employee compensation, \$48 million of proprietors' income, \$196 million of other property income and \$61 million dollars of indirect business taxes (including the sales tax).

The \$1.47 billion of output created from the \$1.25 billion of payments to PERS participants means there has been a 17% return on the amount paid out $((1.47 - 1.25)/1.25)$. The state and local tax impacts of \$74.5 million include \$46.8 million in state sales taxes.

The state and local tax impacts are included in the other impacts, but as a separate category they total \$74.5 million at the state level. The combined county impact of PERS payments on all state and local taxes was \$53,853,482. This includes \$34,282,910 in sales taxes which, assuming a seven percent sales tax rate, would be over 489.8 million in retail sales. The total state and local taxes attributable to PERS payments range between \$1 million and \$2 million in ten counties, between \$2 million and \$3 million in two counties (Madison and Harrison), about 4 million in one county (Rankin) and over \$8 million in one county (Hinds),

These impacts also include the support of 11,967 full and part time jobs. The total effects of the PERS payments on the State of Mississippi are the equivalent of a very large enterprise. To put this in perspective, the Nissan plant is estimated to have roughly 2000 jobs, while the Beau Rivage Casino complex is estimated to have roughly 4000 jobs and the Northrup Grumman Shipyards at Pascagoula, Mississippi has approximately 10,000 jobs. Thus, the impacts of PERS payments on the State of Mississippi are quite substantial and a critical part of Mississippi's economy.

Purpose and Organization of the Study

Purpose

The purpose of this study is to examine the economic impact of payments to beneficiaries by the Public Employees Retirement System (PERS) during the fiscal year ending June 30, 2007 (FY2007). There are other impacts which occur due to expenditures in the forms of salaries and compensation to the administrators of the PERS system, expenditures by the system for goods and services, and some local investments by the system. These are not included within the scope of the study.

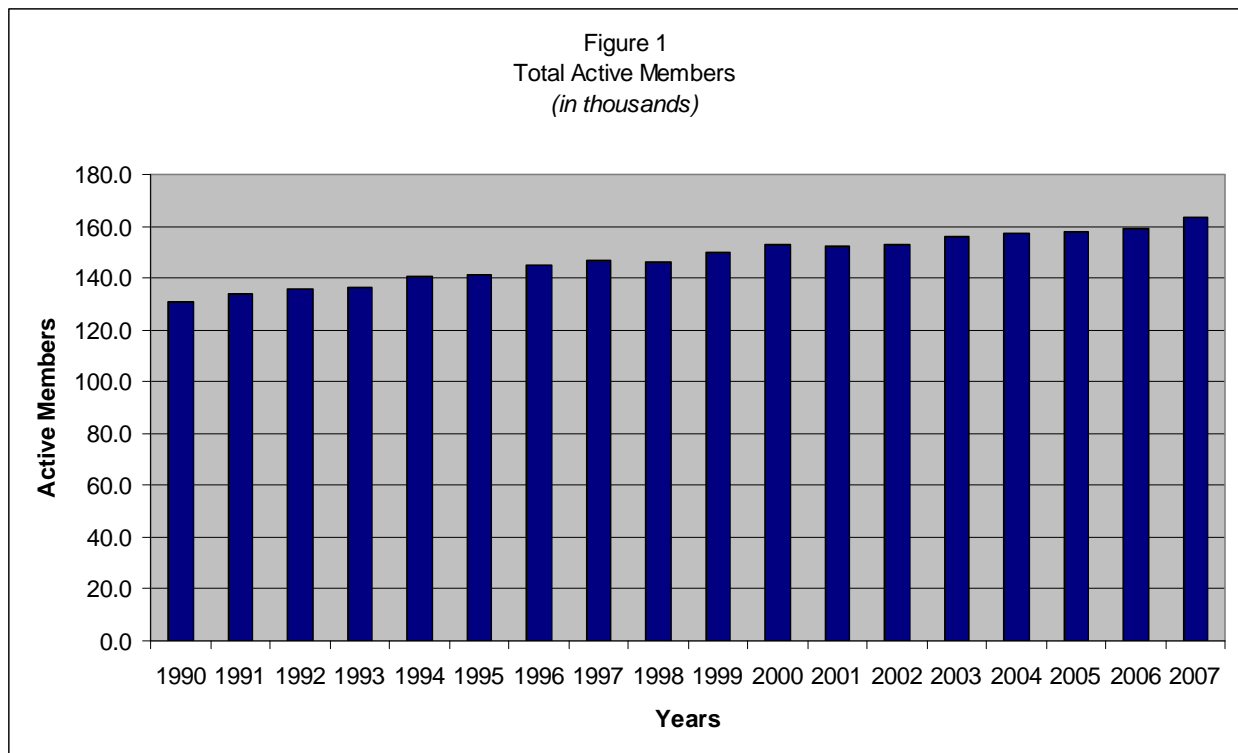
Background

The Public Employees Retirement System (PERS) of Mississippi includes seven funds. The system manages four defined benefit plans and administers three other plans.

The Defined Benefit Pension Plans includes four groups of retirement plans (see Table 1 below). These are: Public Employees Retirement System, the Mississippi Highway Safety Patrol Retirement System, Municipal Retirement Systems, and the Supplemental Legislative Retirement Plan. Total membership in these four plans for FY2007 was 163,619. Of these four, the Public Employees Retirement System is, by far, the largest representing 99.5% of the total.

Table 1	
Members in FY 2007	
Defined Benefit Plans	Members
Public Employees Retirement System	162,804
Mississippi Highway Safety Patrol Retirement System	591
Municipal Retirement Systems	49
Supplemental Legislative Retirement System	175

Membership trends in the Public Employees Retirement System since 1990 can be seen below in Figure 1. Since 1990, the number of active members has grown by approximately 1.3 percent per year.



In addition to the defined benefits plans, PERS administers two defined contribution plans and one additional plan. The two defined contribution plans are the Government Employees Deferred Compensation Plan (GEDCP) and the Optional Retirement Program (ORP). The additional plan is the Flexible Benefits Cafeteria Plan (FBCP).

Scope of the Study

The scope of the study is limited to the economic impact of the benefits paid to participants of the four defined benefits programs. In fiscal year 2007, there were 73,700 participants receiving benefits allocated by PERS. Of these, 67,887 resided in Mississippi, 5,780 were residents of other states within the U.S., and 24 resided outside of the country. There were 886 employers. During FY2007, a total of \$1,347,473,000 was paid to participants in the program. The portion of this paid to Mississippi residents was \$1,251,286,733 or 92.8%. Of the remaining amount paid to participants in the defined benefits plans, \$95,774,212 (7.1%) was paid to residents of other states, and \$415,055 (0.03%) was paid to residents living outside the country. This study focuses on the impact of the amount paid to residents of the State of Mississippi.

Methodology

The input-output program, IMPLAN, is used in this study to produce the economic impacts by county and for the State of Mississippi as a whole. IMPLAN was developed at the University of Minnesota in cooperation with the U.S. Forest Service.

Input-output analysis was first developed by Wassily Leontieff. This highly complex method of analysis was not in general use, however, until computer programs were developed by the federal government. The most widely used programs are the RIMS Program of the Department of Agriculture, which is executed and maintained by the developers (who provide multipliers or analysis to subscribers); and IMPLAN which was developed by the U.S. Forest Service in conjunction with the University of Minnesota. IMPLAN allows the development of area specific models on a personal computer and is widely used because of its flexibility and availability.

Input-output analysis begins with production functions for each sector of the economy. Those production functions indicate the quantity of each input needed to produce outputs in each industrial sector. Figure 2 below is a diagram of the economy and the relationships that are envisioned in the input output model. When money is spent on some good from the industrial sector, this is called an increase in final demand. The purchase of such goods and services requires the producers of those goods or services to increase purchases of their inputs. Thus, there is a commodity flow from other producers to the producer of the good that is being demanded. When those other sectors increase their production to satisfy the demand for inputs by the original industry, they need additional commodities from other industries (sometimes even including the original industry).

One of the inputs needed by industry is labor services. In return for those labor services, households supplying the services receive wages that they use for the consumption of more goods, and thus final demand increases again. Such a flow of goods and services could go on endlessly except for leakages from the income-

consumption stream. When a dollar is spent, some of it is used to pay the factors of production (rent, interest, wages, and profits to land, capital, labor, and entrepreneurs) from the area and part goes to factors outside the area. Of that part held within the area, a portion goes to taxes first, then another portion goes to consumption, and some portion goes to savings. Part of the consumption mentioned above is within the area, but part also goes to consumption outside the area. The same is true of savings. As this cycle continues, the portion of that original dollar that remains to be respent gets smaller and smaller until it is negligible. If one were to follow that dollar until it became negligible, then add up all those transactions, the total would be some multiple of that first dollar. That multiple is termed a **multiplier**. Input-output analysis estimates those multipliers. There are several kinds of multipliers. For example, an output multiplier of 1.3 means that an initial increase of one dollar results in an additional increase in output of \$0.30, so that the full effect of the \$1 is \$1.30.

The overall change caused by the initial change in final demand for a specific good is called the **direct effect**. The impacts that occur in other industries that supply inputs to the primary sectors being directly affected are termed **indirect effects**. When workers in those other industries spend their wages on consumption goods, this increases final demands again. The increased output caused by such additional final demands is termed **induced effects**.

Several kinds of multipliers are produced by IMPLAN to estimate direct, indirect, and induced effects. These include **output**, **personal income**, **employment**, and **indirect business tax** multipliers.

The output multiplier indicates how much the total value of output produced by all sectors increases because of an increase in final demand (also termed **direct output**) of one dollar.

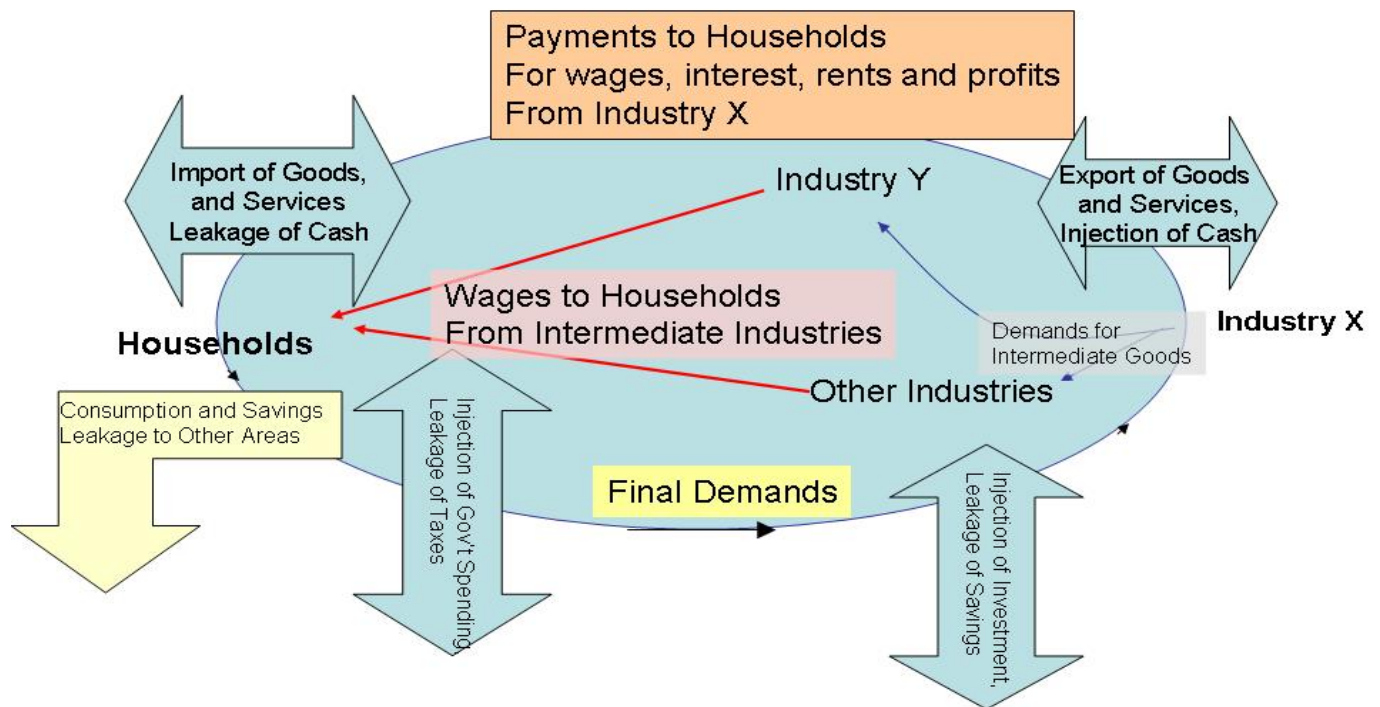


Figure 2

The personal income multiplier indicates the change in total personal income that occurs because of a one dollar increase in final demand. The employment multiplier indicates the increase in jobs that occurs for every million-dollar increase in final demand. The indirect business taxes multiplier indicates the change, for every dollar increase in final demand in such taxes as excise and sales taxes that are paid to

businesses by individuals. The impacts estimated in IMPLAN include: economic activity (or output); value added (employee compensation, proprietors income, other property income, indirect business taxes); full and part time jobs; tax impacts including federal taxes as well as other state and local taxes (including sales taxes, property taxes, business taxes, fees, etc.).

All of this is done within a social accounting matrix (SAM) framework. The SAM framework includes Inter-institutional transfers (like those between households and government) as well as inter-industry transfers (like those from one household to another or from one governmental entity to another). This is accomplished by looking at both market and non-market transfer patterns.

This study is somewhat unusual as the initial change is not an increase in the demand for goods and services, per se, but rather the initial change is a payment of benefits to PERS beneficiaries and survivors. These are entitlements (changes in total income) that must first be converted into ***disposable income***. Disposable income is that part of income that is available, after taxes, to be spent or saved. Part of the disposable income is spent and the rest is saved. For both spending and savings, part occurs and remains within the study area, and part leaks out of the area as disposable income and is spent or saved in other places, as well as in the study area.

PERS payments go to retirees or survivors throughout the state and also to individuals who reside out-of-state. Out-of-state expenditures are assumed to have no effect on economic impacts within the state. It is the in-state payments that are available to be used by retirees to purchase goods and services, thus creating jobs

and increasing profits and wages in the private sector and taxes and fees in the public sector.

In this study, state impacts are not the sum of the impacts of individual counties. That is because individuals make some of their expenditures across county lines; therefore, those expenditures are not counted in the economic activity within the county where the individual resides. These cross border expenditures are not captured in the county impacts, but they are captured in the state impacts.

A Broad Brush of the State Impacts

The payments to the beneficiaries were first converted to an estimated amount of disposable personal income. That disposable personal income estimate was converted to expenditures by sector. The IMPLAN program does this by utilizing such sources as the consumer expenditures surveys from the Bureau of Economic Analysis (BEA). It was assumed that beneficiaries were, on average, in the \$25,000 to \$35,000 income category.

At the state level, the \$1.25 billion paid to beneficiaries and survivors from the defined benefits plans in FY2007 produced \$1.47 billion of total economic activity (or output) in all industrial sectors. That \$1.25 billion of benefit payments resulted in \$591 million of value added including \$287 million of employee compensation, \$48 million of proprietor's income, \$196 million of other property income, and \$61 million dollars of indirect business taxes (including the sales tax). The impacts of the PERS payments also include the equivalent of 11,967 jobs. The impacts on state and local taxes are included in the other impacts, but as a separate category they total \$74.5 million.

The \$1.47 billion of output created from the \$1.25 billion of payments to PERS participants means that the indirect and induced impacts represent a 17% return on the amount paid out $((1.47-1.25)/1.25)$. The state and local tax impacts of \$74.5 million include \$46.8 million in state sales taxes. The \$74.5 million in state and local taxes represents nearly a 6% return to government from the \$1.25 billion of payments, and the \$46.8 million represents nearly a 4% return solely in sales taxes.

County Impacts

Each of these impacts was estimated not only at the state level but also for each of the 82 counties. The payments to the beneficiaries were first converted to an estimated amount of disposable personal income. That disposable personal income estimate was converted to expenditures by sector. As with the state impacts above, the IMPLAN program does this by utilizing such sources as the consumer expenditures surveys from the Bureau of Economic Analysis (BEA). It was also assumed that beneficiaries were, on average, in the \$25,000 to \$35,000 income category. This assumption was made after looking at beneficiary payments by county and estimating likely social security payments and income from retiree savings and investments. The total beneficiary payments by county and the average beneficiary payments per recipient are shown in Table 2 below.

Table 2 PERS Beneficiary Payments Per Beneficiary for FY2007			
County	Benefits	Beneficiaries	Benefits Per Beneficiary
ADAMS	16,095,334.02	949	16,960.31
ALCORN	13,079,888.46	801	16,329.45
AMITE	3,983,031.27	268	14,862.06

ATTALA	10,508,790.07	668	15,731.72
BENTON	3,018,032.24	212	14,236.00
BOLIVAR	20,266,719.79	998	20,307.33
CALHOUN	5,613,770.07	341	16,462.67
CARROLL	5,973,260.71	344	17,364.13
CHICKASAW	7,434,409.40	428	17,370.12
CHOCTAW	4,633,323.74	293	15,813.39
CLAIBORNE	5,057,782.20	259	19,528.12
CLARKE	6,471,786.73	419	15,445.79
CLAY	8,777,940.70	478	18,363.89
COAHOMA	15,556,123.78	824	18,878.79
COPIAH	12,296,637.23	699	17,591.76
COVINGTON	8,730,039.73	543	16,077.42
DESOTO	12,389,564.51	775	15,986.53
FORREST	26,770,999.95	1488	17,991.26
FRANKLIN	3,682,017.98	249	14,787.22
GEORGE	6,570,646.48	430	15,280.57
GREENE	3,269,773.09	227	14,404.29
GRENADA	9,412,330.85	552	17,051.32
HANCOCK	7,883,042.47	509	15,487.31
HARRISON	58,198,006.12	3090	18,834.31
HINDS	159,045,194.70	7584	20,971.15
HOLMES	9,278,697.86	540	17,182.77
HUMPHREYS	3,534,556.47	202	17,497.80
ISSAQUENA	230,772.79	17	13,574.87
ITAWAMBA	8,306,098.60	495	16,780.00
JACKSON	45,047,169.01	2453	18,364.11
JASPER	5,391,443.97	394	13,683.87
JEFFERSON	5,374,560.11	284	18,924.51
JEFF DAVIS	5,367,115.69	328	16,363.16
JONES	31,523,080.29	1897	16,617.33
KEMPER	4,122,480.37	255	16,166.59
LAFAYETTE	32,463,395.36	1485	21,860.87
LAMAR	34,174,360.47	1539	22,205.56
LAUDERDALE	35,002,222.45	1966	17,803.78
LAWRENCE	6,698,541.65	429	15,614.32
LEAKE	8,046,099.57	517	15,563.06
LEE	30,731,235.76	1573	19,536.70
LEFLORE	17,439,538.16	905	19,270.21
LINCOLN	12,919,519.50	729	17,722.25
LOWNDES	24,127,649.59	1325	18,209.55
MADISON	45,909,783.04	2076	22,114.54
MARION	10,617,583.89	592	17,935.11
MARSHALL	7,974,966.55	479	16,649.20
MONROE	12,327,497.60	731	16,863.88
MONTGOMERY	6,968,634.86	429	16,243.90
NESHOBA	8,694,071.24	522	16,655.31
NEWTON	13,600,879.12	816	16,667.74
NOXUBEE	3,562,447.61	227	15,693.60
OKTIBBEHA	47,726,793.34	1956	24,400.20

PANOLA	13,629,834.41	853	15,978.70
PEARL RIVER	14,067,398.50	958	14,684.13
PERRY	4,655,516.51	293	15,889.13
PIKE	17,583,262.57	957	18,373.32
PONTOTOC	9,025,171.06	490	18,418.72
PRENTISS	14,013,486.76	806	17,386.46
QUITMAN	3,824,824.54	246	15,548.07
RANKIN	76,531,242.35	3789	20,198.27
SCOTT	10,786,506.99	669	16,123.33
SHARKEY	2,977,240.41	170	17,513.18
SIMPSON	12,594,713.38	799	15,763.10
SMITH	4,685,552.22	357	13,124.80
STONE	9,000,755.89	467	19,273.57
SUNFLOWER	13,225,857.83	720	18,369.25
TALLAHATCHIE	5,472,152.77	338	16,189.80
TATE	10,460,693.98	571	18,319.95
TIPPAH	8,344,245.57	558	14,953.85
TISHOMINGO	5,745,545.11	405	14,186.53
TUNICA	2,328,479.53	135	17,248.00
UNION	9,952,636.25	616	16,156.88
WALTHALL	4,912,013.16	305	16,104.96
WARREN	19,828,723.57	1019	19,459.00
WASHINGTON	22,737,108.76	1226	18,545.77
WAYNE	5,506,788.77	365	15,087.09
WEBSTER	5,586,623.31	334	16,726.42
WILKINSON	3,646,489.00	217	16,804.10
WINSTON	9,902,082.59	551	17,971.11
YALOBUSHA	7,504,231.58	454	16,529.14
YAZOO	10,877,914.81	630	17,266.53
All Counties	1,251,286,733	67,887	18,432

As seen above in Table 2, the average PERS payment per beneficiary for FY2007 was \$18,432. The values for average beneficiary payments by county ranged from a low of \$13,124.80 in Smith County to a maximum of \$24,400.20 in Oktibbeha County. These payments were next converted to estimated disposable income, and this figure was used to generate estimated final demands upon which the impacts were calculated. The distribution of payees or beneficiaries is shown by county in Figure 3. The average amounts of benefits paid are shown by county in Figure 4.

Output impacts by county are shown in Table 3 below. The direct impact is the same as the estimated disposable personal income. The indirect, induced, and total impacts are also shown. These indicate that total economic activity resulting from the PERS payments in FY2007 vary from a minimum of \$179,235 in Issaquena County to a maximum of \$163,667,406 in Hinds County. A map depicting the induced output impacts by county (which is similar to direct, indirect and total impacts in pattern) is shown in Figure 5.

The pattern of expenditures (the personal consumption or the direct impact) obviously follows the same pattern as the payments to beneficiaries. The counties with the greatest direct impacts (see Table 3) by far were Hinds County with **\$133,771,956** of disposable personal income generated by PERS payments (the direct impact) and Rankin County with generated disposable personal income of **\$63,799,073**. The total output impact for Hinds County was **\$163,667,406**. This means the additional economic activity (indirect plus induced effects) generated by Hinds County was nearly \$300,000,000 ($\$133,771,956 + \$163,667,406 = \$297,439,362$) for FY2007. Similarly, the PERS payments in Rankin County generated additional economic activity of nearly \$17 million.

Using the natural breaks in the economic activity generated by PERS payments, one natural grouping is composed of the counties of Madison and Harrison where PERS payments resulted in additional economic activity of \$8.6 million and \$10 million, respectively. The groups of counties by natural grouping become increasingly large with the most rural counties having no universities or major cities delegated to the lowest groups. The bottom group is represented by

such counties as Simpson and Issaquena which are at the two extremes of this lowest impact group, with indirect plus induced impacts of \$992,806 in Simpson and only \$3,222 in Issaquena. The total impact of the PERS payments (including the direct effects) for these two counties were \$12,195,501 and \$179,235, respectively.

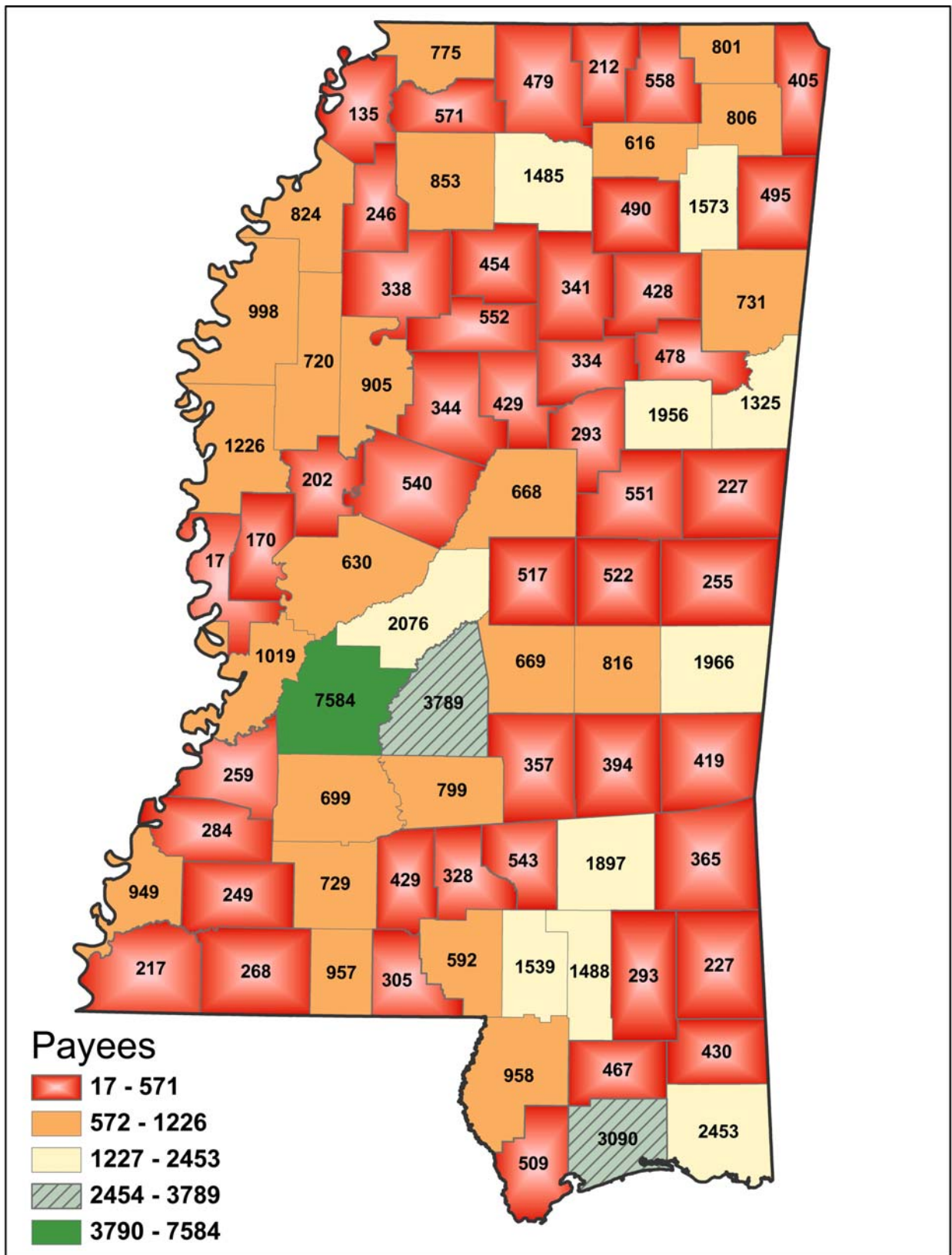


Figure 3: The Distribution of Payees (or Beneficiaries) by County

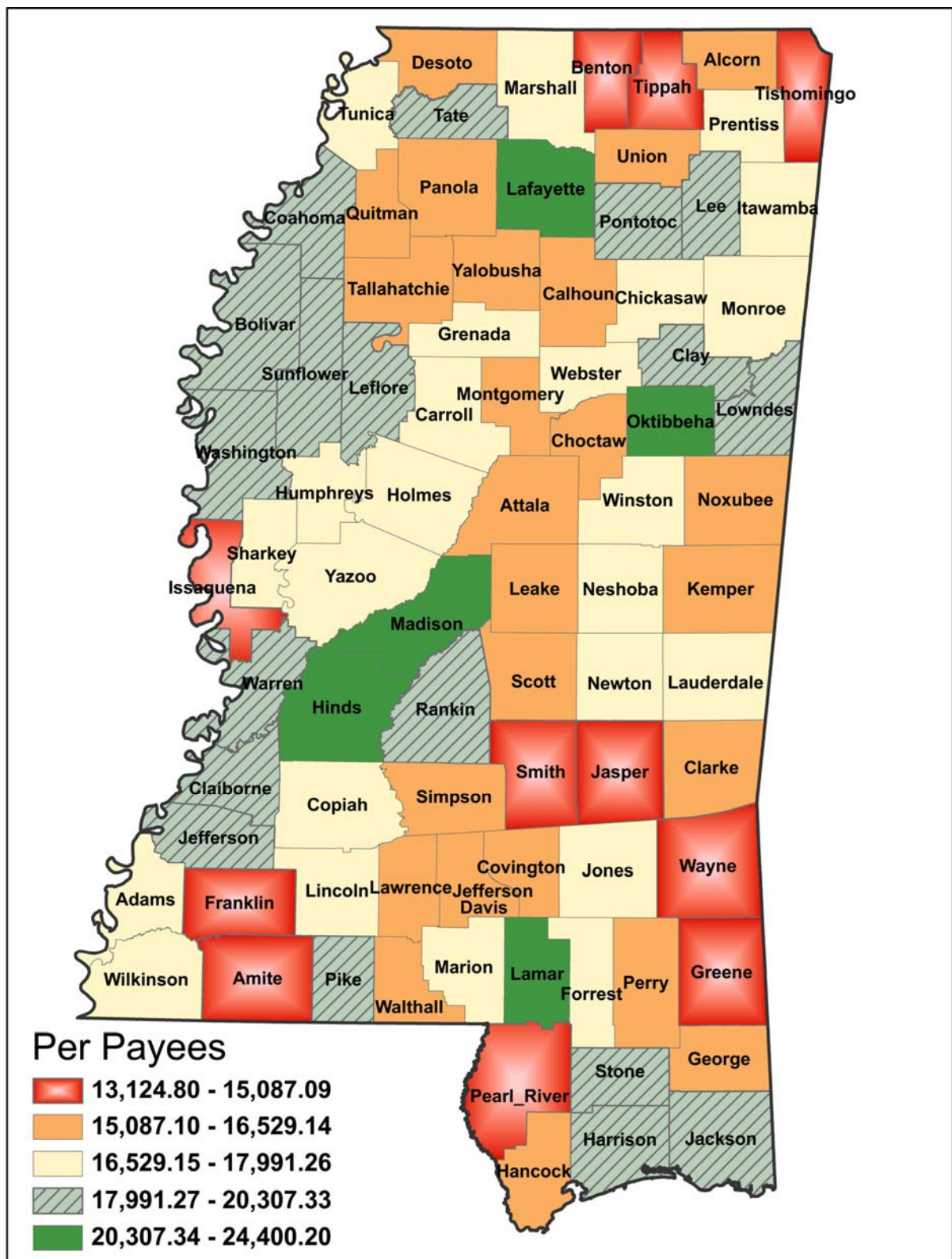


Figure 4: Average Benefits by County

Table 3
Output Impacts for PERS Beneficiary Payments in FY2007

<i>County</i>	<i>Impacts</i>			<i>Total</i>
	<i>Direct*</i>	<i>Indirect</i>	<i>Induced</i>	
ADAMS	14,099,114	990,851	1,313,817	16,403,782
ALCORN	11,412,904	662,015	852,115	12,927,034
AMITE	3,550,491	93,217	68,121	3,711,829
ATTALA	9,302,122	431,337	477,187	10,210,646
BENTON	2,674,159	30,683	32,116	2,736,958
BOLIVAR	17,768,328	795,713	1,201,150	19,765,191
CALHOUN	4,970,181	180,055	145,873	5,296,109
CARROLL	5,254,031	74,306	50,232	5,378,569
CHICKASAW	5,317,245	123,057	169,742	5,610,045
CHOCTAW	4,126,554	82,809	73,221	4,282,583
CLAIBORNE	4,424,248	77,637	66,780	4,568,666
CLARKE	5,700,426	137,066	118,966	5,956,458
CLAY	7,597,784	310,849	367,723	8,276,356
COAHOMA	13,591,527	648,588	988,036	15,228,151
COPIAH	10,868,974	282,820	333,086	11,484,880
COVINGTON	7,730,463	212,476	227,314	8,170,253
DESOTO	10,501,462	862,045	947,459	12,310,966
FORREST	23,355,434	1,946,429	1,929,442	27,231,305
FRANKLIN	3,255,301	71,054	50,132	3,376,488
GEORGE	5,672,010	144,908	165,833	5,982,751
GREENE	2,925,586	31,910	33,273	2,990,769
GRENADA	8,224,379	373,101	460,015	9,057,495
HANCOCK	6,809,299	317,219	401,644	7,528,162
HARRISON	49,870,542	4,434,903	5,606,762	59,912,207
HINDS	133,771,956	14,612,621	15,282,829	163,667,406
HOLMES	8,297,664	114,545	164,985	8,577,194
HUMPHREYS	3,125,509	61,865	70,887	3,258,261
ISSAQUENA	176,013	2,405	817	179,235
ITAWAMBA	7,253,396	85,910	148,403	7,487,709
JACKSON	38,101,241	2,446,239	2,655,127	43,202,607
JASPER	4,830,409	140,537	83,994	5,054,940
JEFFERSON	4,895,701	74,946	52,029	5,022,676
JEFFERSON				
DAVIS	4,830,032	78,876	72,637	4,981,545
JONES	26,767,017	1,849,544	1,924,808	30,541,369
KEMPER	3,677,543	67,922	52,423	3,797,888
LAFAYETTE	28,241,330	1,929,010	2,443,742	32,614,082
LAMAR	29,168,011	1,947,475	2,224,793	33,340,279
LAUDERDALE	30,311,551	2,640,382	3,529,325	36,481,258
LAWRENCE	5,884,607	114,094	81,483	6,080,184
LEAKE	7,152,427	191,740	251,023	7,595,190
LEE	25,879,487	2,466,291	2,770,310	31,116,088
LEFLORE	15,198,320	831,338	922,942	16,952,600
LINCOLN	11,390,961	679,301	947,260	13,017,522

LOWNDES	20,798,193	1,428,026	1,985,506	24,211,725
MADISON	37,566,132	4,108,806	4,510,474	46,185,412
MARION	9,435,875	340,822	418,416	10,195,113
MARSHALL	7,031,525	223,796	258,359	7,513,680
MONROE	10,819,663	363,453	492,832	11,675,948
MONTGOMERY	6,224,765	204,208	217,890	6,646,863
NESHOBA	7,663,997	281,165	312,126	8,257,288
NEWTON	12,000,921	305,855	380,353	12,687,129
NOXUBEE	3,158,198	75,219	52,377	3,285,794
OKTIBBEHA	39,556,784	2,090,661	2,000,739	43,648,184
PANOLA	11,978,731	687,642	804,190	13,470,563
PEARL RIVER	12,295,238	643,872	696,638	13,635,748
PERRY	4,131,866	49,082	58,995	4,239,943
PIKE	15,539,660	1,099,120	1,422,859	18,061,639
PONTOTOC	7,902,773	207,871	281,291	8,391,935
PRENTISS	12,349,878	473,092	580,212	13,403,182
QUITMAN	3,407,539	84,261	110,277	3,602,077
RANKIN	63,799,073	6,953,120	9,860,363	80,612,556
SCOTT	9,617,832	317,335	444,903	10,380,070
SHARKEY	2,591,457	60,338	85,135	2,736,930
SIMPSON	11,202,695	394,550	598,256	12,195,501
SMITH	4,142,131	54,312	41,979	4,238,422
STONE	7,764,700	206,447	210,008	8,181,155
SUNFLOWER	11,528,986	279,273	440,356	12,248,615
TALLAHATCHIE	4,898,498	84,722	96,134	5,079,354
TATE	9,047,847	322,447	462,241	9,832,535
TIPPAH	7,343,406	173,156	200,238	7,716,800
TISHOMINGO	5,001,401	168,937	212,319	5,382,657
TUNICA	1,904,266	39,315	25,031	1,968,612
UNION	8,693,036	334,092	494,361	9,521,489
WALTHALL	4,392,323	168,084	125,054	4,685,461
WARREN	16,762,919	1,156,182	1,445,225	19,364,326
WASHINGTON	19,742,613	1,203,364	1,570,086	22,516,063
WAYNE	4,905,499	165,080	189,575	5,260,154
WEBSTER	4,893,202	146,089	171,686	5,210,977
WILKINSON	3,243,553	66,569	83,662	3,393,784
WINSTON	8,701,557	330,394	416,527	9,448,478
YALOBUSHA	6,656,166	165,720	113,463	6,935,349
YAZOO	9,604,298	327,555	410,033	10,341,886
Sum of Counties.	1,076,254,939	69,434,121	82,040,025	1,227,729,087

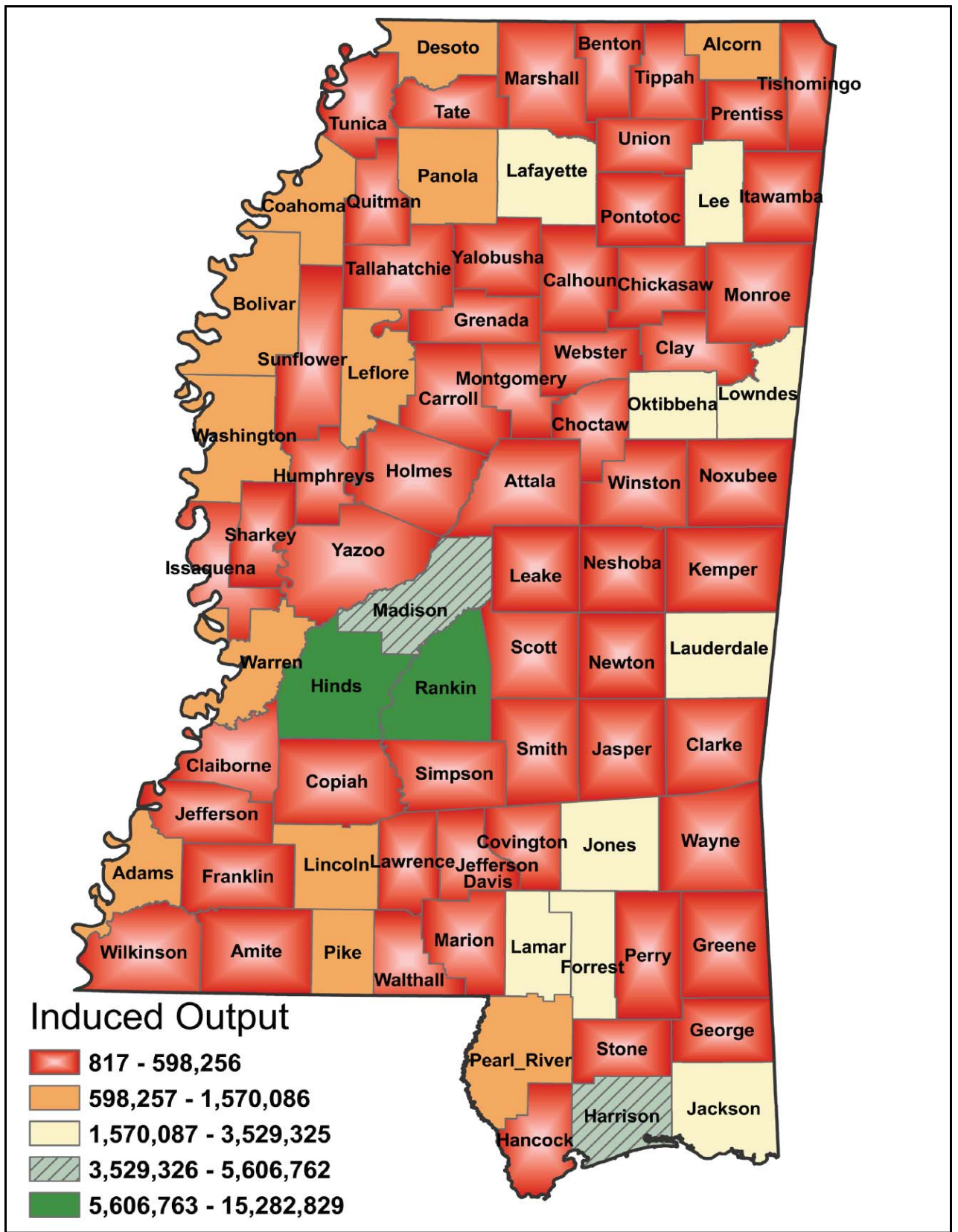


Figure 5: Induced Impact on Output (Total Economic Activity) by County

For the vast majority of counties, in even this bottom bracket, the PERS payments constituted a major increase in economic activity, usually constituting the equivalent of roughly 1 to 2 percent of personal income (comparing 2007 PERS payments in 2005 dollars to 2005 county personal income) to as much as 2.5 percent in the case of Prentiss County. There are 43 counties in this bottom group and all but three have a total impact on economic activity in excess of more than \$3 million, and 19 of these counties have more than \$6 million in annual economic activity due to PERS payments. The sum of total economic activity in all of the counties generated by PERS payments was \$1.228 billion which means the PERS payments of \$1.076 billion generated an additional \$152 million in economic activity (indirect plus induced effects) during FY2007.

Table 4 below shows the direct, indirect, induced, and total impacts of the PERS payments on total value added for FY2007. Value added can be thought of as the amounts paid to the factors of production in order to turn raw materials or intermediate goods into final goods. Value added costs include employee compensation, proprietor's income, other property income, and indirect business taxes. The pattern of value added is similar to that of overall output with Hinds County having the largest amount of value-added impact at \$109,546,782 and Issaquena having a total value-added impact of only \$24,081. The sum of total value added for all of the counties is over \$422 million. The individual subcomponents of total value added are, perhaps, more enlightening than the overall value added.

Table 4
Impacts of PERS Payments on Total Value Added in FY2007

County	Impacts			
	Direct	Indirect	Induced	Total
ADAMS	4,311,554	538,375	833,194	5,683,123
ALCORN	3,222,733	376,084	545,527	4,144,345
AMITE	609,019	45,649	44,162	698,830
ATTALA	2,152,961	229,545	290,409	2,672,915
BENTON	369,641	15,611	22,107	407,359
BOLIVAR	4,780,952	401,297	766,824	5,949,073
CALHOUN	1,017,091	87,786	96,690	1,201,567
CARROLL	721,545	38,766	36,335	796,646
CHICKASAW	1,053,582	63,035	109,675	1,226,291
CHOCTAW	689,973	40,630	48,146	778,749
CLAIBORNE	802,155	35,852	46,381	884,389
CLARKE	959,958	62,613	72,790	1,095,361
CLAY	1,752,627	157,685	226,168	2,136,480
COAHOMA	3,790,191	349,077	650,727	4,789,995
COPIAH	2,064,163	128,350	218,546	2,411,059
COVINGTON	1,442,849	83,861	147,828	1,674,538
DESOTO	3,153,059	494,019	602,588	4,249,666
FORREST	7,240,157	1,058,027	1,234,894	9,533,078
FRANKLIN	514,510	37,673	34,671	586,854
GEORGE	1,173,640	76,663	110,283	1,360,586
GREENE	419,832	15,432	22,330	457,594
GRENADA	2,319,095	197,212	299,876	2,816,182
HANCOCK	1,780,317	182,609	268,978	2,231,904
HARRISON	17,232,116	2,557,740	3,619,910	23,409,765
HINDS	79,651,331	14,612,621	15,282,829	109,546,782
HOLMES	1,385,752	47,394	116,053	1,549,200
HUMPHREYS	530,790	26,082	46,273	603,145
ISSAQUENA	22,066	1,449	565	24,081
ITAWAMBA	1,235,613	40,468	107,595	1,383,677
JACKSON	5,274,569	712,707	823,735	6,811,011
JASPER	749,386	61,761	52,268	863,415
JEFFERSON	719,975	40,135	34,713	794,823
JEFF. DAVIS	734,979	36,478	47,947	819,404
JONES	7,307,283	925,684	1,212,083	9,445,049
KEMPER	540,867	25,503	35,842	602,211
LAFAYETTE	8,472,697	1,057,821	1,589,253	11,119,771
LAMAR	8,378,253	1,011,428	1,423,462	10,813,143
LAUDERDALE	10,085,443	1,454,396	2,207,120	13,746,959
LAWRENCE	895,300	58,605	54,974	1,008,878
LEAKE	1,443,911	88,705	159,519	1,692,136
LEE	8,824,544	1,371,999	1,728,993	11,925,536
LEFLORE	4,200,377	445,270	604,004	5,249,651
LINCOLN	3,176,701	356,095	596,137	4,128,933
LOWNDES	6,627,550	805,409	1,274,219	8,707,177
MADISON	12,425,286	2,217,240	2,802,965	17,445,491

MARION	2,128,868	156,016	271,306	2,556,190
MARSHALL	1,513,205	118,530	167,792	1,799,528
MONROE	2,465,364	178,668	317,012	2,961,045
MONTGOMERY	1,301,050	96,627	139,675	1,537,352
NESHOBA	1,689,151	139,901	198,627	2,027,679
NEWTON	2,322,934	130,536	249,584	2,703,054
NOXUBEE	488,666	28,717	32,394	549,777
OKTIBBEHA	9,401,578	1,058,970	1,243,939	11,704,487
PANOLA	3,216,944	365,130	519,118	4,101,192
PEARL RIVER	3,051,183	309,622	434,961	3,795,765
PERRY	616,220	24,881	39,303	680,403
PIKE	4,774,992	609,958	918,414	6,303,364
PONTOTOC	1,562,652	99,875	192,433	1,854,960
PRENTISS	2,678,202	213,290	371,997	3,263,489
QUITMAN	634,094	39,856	72,550	746,500
RANKIN	20,486,185	3,736,509	6,383,649	30,606,344
SCOTT	2,070,426	147,899	303,515	2,521,839
SHARKEY	511,826	30,062	60,659	602,547
SIMPSON	2,413,217	170,835	390,467	2,974,520
SMITH	561,896	23,186	28,663	613,745
STONE	1,571,361	111,647	141,965	1,824,973
SUNFLOWER	2,527,061	142,978	299,779	2,969,818
TALLAHATCHIE	796,612	38,769	66,659	902,039
TATE	2,176,941	165,060	304,364	2,646,364
TIPPAH	1,424,766	86,930	136,155	1,647,852
TISHOMINGO	1,175,331	89,419	137,882	1,402,632
TUNICA	375,430	19,838	17,078	412,346
UNION	2,133,065	156,366	315,466	2,604,897
WALTHALL	869,134	74,872	77,375	1,021,381
WARREN	5,029,213	625,631	912,248	6,567,092
WASHINGTON	5,794,357	644,893	1,010,089	7,449,340
WAYNE	1,057,865	77,442	122,851	1,258,157
WEBSTER	996,085	74,823	106,420	1,177,328
WILKINSON	615,917	34,779	57,762	708,458
WINSTON	2,020,560	167,447	270,027	2,458,034
YALOBUSHA	1,080,840	77,330	73,799	1,231,970
YAZOO	2,114,983	151,096	263,082	2,529,160
Sum of Counties	321,904,565	43,089,230	57,198,647	422,192,442

The value-added components indicate how much of the economic activity attributable to PERS payments goes to the factors responsible for production of goods and services. The first component of value added is employee compensation, which includes wages and salaries, benefits, and the combination of employee and employer contributions to social security. The direct, indirect,

induced, and total effects for employee contribution are shown in Table 5 below with the geographic distribution displayed in Figure 6. Employee compensation represents nearly 41 percent of total value added for the combined counties and ranges from \$3,317 in Issaquena to \$31,919,913 in Hinds with at least \$138,000 in every county except Issaquena and over \$1,000,000 in over half the counties.

Table 5 Impacts of PERS Payments on Employee Compensation in FY2007				
<i>County</i>	<i>Impacts</i>			
	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	<i>Total</i>
ADAMS	1,901,283	233,219	354,138	2,488,641
ALCORN	1,416,497	193,003	230,118	1,839,619
AMITE	148,767	13,641	10,012	172,419
ATTALA	869,167	120,633	112,993	1,102,793
BENTON	122,161	9,942	6,430	138,533
BOLIVAR	2,215,680	217,536	338,353	2,771,569
CALHOUN	285,665	25,767	28,958	340,390
CARROLL	128,551	12,621	5,940	147,112
CHICKASAW	409,234	28,598	41,471	479,304
CHOCTAW	236,260	21,170	14,970	272,400
CLAIBORNE	315,103	19,574	15,628	350,305
CLARKE	314,730	28,470	22,345	365,546
CLAY	743,003	71,748	89,979	904,731
COAHOMA	1,784,608	164,936	295,280	2,244,824
COPIAH	824,449	61,612	87,357	973,418
COVINGTON	529,162	33,024	55,993	618,179
DESOTO	1,381,102	194,444	248,707	1,824,253
FORREST	3,119,131	475,566	512,163	4,106,860
FRANKLIN	173,291	16,072	11,932	201,295
GEORGE	457,026	40,944	39,124	537,094
GREENE	143,532	8,866	6,698	159,097
GRENADA	962,082	107,826	128,982	1,198,890
HANCOCK	680,261	72,116	100,501	852,878
HARRISON	8,070,449	1,238,092	1,638,937	10,947,479
HINDS	23,178,287	4,196,806	4,544,820	31,919,913
HOLMES	503,741	21,503	44,305	569,549
HUMPHREYS	154,425	13,284	14,304	182,013
ISSAQUENA	3,004	244	68	3,317
ITAWAMBA	425,095	14,574	42,104	481,774
JACKSON	4,252,820	573,852	667,763	5,494,434
JASPER	239,469	27,755	15,862	283,086
JEFFERSON	197,730	11,653	8,588	217,971
JEFF. DAVIS	250,722	19,175	14,988	284,884

JONES	3,190,491	441,208	507,311	4,139,010
KEMPER	153,470	6,464	14,010	173,944
LAFAYETTE	3,578,790	413,969	648,823	4,641,582
LAMAR	3,733,680	495,982	613,285	4,842,947
LAUDERDALE	5,205,764	792,802	1,087,497	7,086,063
LAWRENCE	249,323	28,730	13,658	291,711
LEAKE	567,475	39,715	61,530	668,721
LEE	4,403,258	731,665	826,767	5,961,691
LEFLORE	1,849,700	230,188	260,815	2,340,703
LINCOLN	1,530,101	187,657	275,991	1,993,749
LOWNDES	3,149,275	434,597	583,848	4,167,719
MADISON	5,254,705	1,049,571	1,172,530	7,476,805
MARION	960,681	87,229	117,783	1,165,694
MARSHALL	540,577	54,604	57,646	652,826
MONROE	1,045,165	92,001	128,578	1,265,745
MONTGOMERY	513,937	43,692	49,804	607,433
NESHOBA	551,221	71,876	62,271	685,368
NEWTON	1,001,673	56,518	109,253	1,167,444
NOXUBEE	148,774	14,578	8,985	172,338
OKTIBBEHA	3,940,167	470,758	477,213	4,888,138
PANOLA	1,340,559	180,360	210,719	1,731,638
PEARL RIVER	1,239,046	119,944	167,703	1,526,692
PERRY	226,437	11,729	14,058	252,224
PIKE	2,160,226	285,402	401,014	2,846,642
PONTOTOC	572,781	50,175	82,035	704,991
PRENTISS	1,208,714	124,188	181,629	1,514,530
QUITMAN	244,038	17,177	32,482	293,697
RANKIN	9,711,935	1,796,587	3,406,540	14,915,062
SCOTT	877,499	74,458	160,338	1,112,295
SHARKEY	190,575	13,336	28,618	232,529
SIMPSON	1,055,099	86,261	198,614	1,339,974
SMITH	155,248	11,333	7,309	173,890
STONE	626,878	51,121	51,561	729,560
SUNFLOWER	868,301	69,257	105,479	1,043,038
TALLAHATCHIE	273,233	15,639	23,951	312,823
TATE	905,841	82,799	113,936	1,102,576
TIPPAH	555,898	47,146	51,641	654,685
TISHOMINGO	504,551	46,079	55,076	605,706
TUNICA	153,448	9,185	7,807	170,440
UNION	927,780	79,855	133,176	1,140,810
WALTHALL	306,928	24,918	25,020	356,866
WARREN	2,253,491	274,411	391,711	2,919,613
WASHINGTON	2,709,938	325,441	461,537	3,496,916
WAYNE	410,429	41,723	44,004	496,156
WEBSTER	404,982	40,838	39,310	485,131
WILKINSON	238,424	18,185	21,917	278,526
WINSTON	865,170	77,757	113,100	1,056,028
YALOBUSHA	348,751	40,370	23,145	412,266
YAZOO	803,206	67,369	93,654	964,228
Sum of Counties	130,144,121	18,115,114	23,474,493	171,733,733

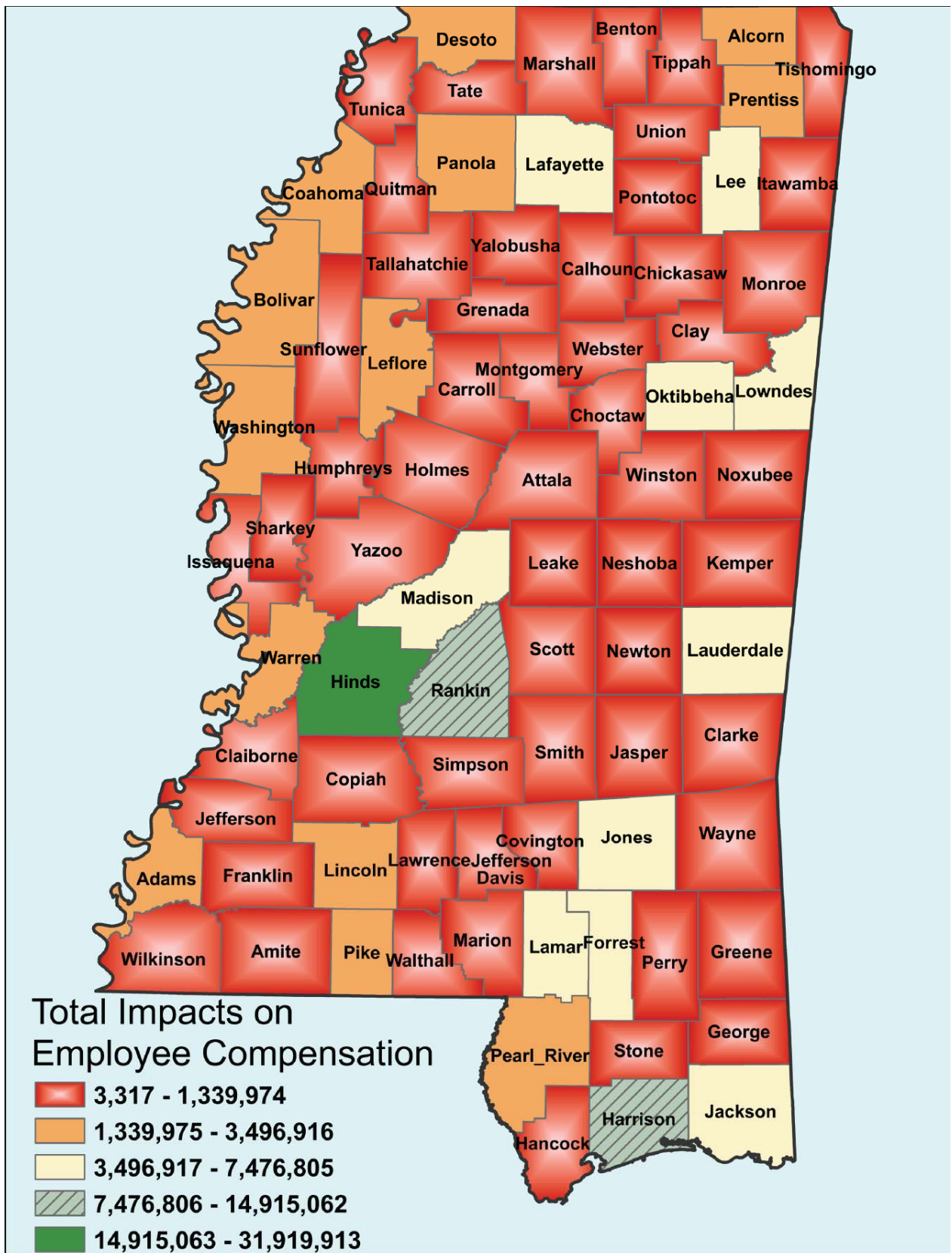


Figure 6: Total Impacts (Direct+Indirect+Induced) on Employee Compensation

Table 6 below lists, and Figure 7 graphically depicts, the second component of total value added, which is proprietors' Income. Proprietors' income is the income of those who are self-employed. The average of the proprietors' income, which is generated from the PERS benefit payments, is \$377,032 with a range for the counties from \$2,735 to \$4,870,777. The sum of total proprietors' income effects, for all counties, is nearly \$31 million.

Table 6 Impacts of PERS Payments on Proprietors' Income in FY2007				
County	Impacts			Total
	Direct	Indirect	Induced	
ADAMS	451,908	64,933	91,361	608,202
ALCORN	231,559	28,642	37,263	297,464
AMITE	95,004	11,691	6,414	113,108
ATTALA	191,086	22,519	26,296	239,901
BENTON	36,478	2,142	1,952	40,572
BOLIVAR	333,509	31,845	55,067	420,421
CALHOUN	126,664	13,174	12,322	152,161
CARROLL	100,119	4,560	7,467	112,147
CHICKASAW	86,373	10,232	9,488	106,093
CHOCTAW	47,532	5,694	3,226	56,451
CLAIBORNE	35,333	(267)	5,131	40,197
CLARKE	99,998	9,522	7,305	116,825
CLAY	154,754	26,805	20,673	202,231
COAHOMA	248,579	31,511	46,357	326,447
COPIAH	135,099	15,570	17,987	168,656
COVINGTON	145,144	17,975	15,418	178,538
DESOTO	249,342	79,251	51,511	380,104
FORREST	726,511	134,323	138,907	999,740
FRANKLIN	23,362	3,427	1,773	28,562
GEORGE	68,918	8,543	6,306	83,767
GREENE	18,465	1,128	888	20,480
GRENADA	190,675	16,565	26,413	233,653
HANCOCK	198,611	21,417	29,443	249,471
HARRISON	1,334,976	201,732	295,391	1,832,100
HINDS	3,494,369	627,523	748,886	4,870,777
HOLMES	98,763	5,383	11,140	115,286
HUMPHREYS	74,844	1,261	7,204	83,308
ISSAQUENA	2,347	337	52	2,735
ITAWAMBA	128,950	6,378	8,643	143,972
JACKSON	1,021,749	138,855	155,972	1,316,576

JASPER	56,267	11,100	4,080	71,446
JEFFERSON	44,603	6,055	1,990	52,647
JEFF. DAVIS	45,009	5,043	3,854	53,905
JONES	601,453	100,959	105,227	807,639
KEMPER	43,254	5,649	2,335	51,238
LAFAYETTE	850,861	120,296	161,524	1,132,681
LAMAR	510,020	51,064	85,897	646,980
LAUDERDALE	433,081	84,375	98,076	615,532
LAWRENCE	90,148	7,589	4,926	102,663
LEAKE	105,675	7,974	14,265	127,914
LEE	596,737	90,195	123,811	810,743
LEFLORE	350,860	35,377	53,030	439,266
LINCOLN	209,762	27,905	42,783	280,450
LOWNDES	492,358	54,577	92,961	639,895
MADISON	1,386,226	213,000	285,420	1,884,646
MARION	107,294	9,066	15,104	131,464
MARSHALL	178,669	13,319	18,374	210,362
MONROE	202,810	18,012	26,821	247,643
MONTGOMERY	113,081	21,128	14,908	149,116
NESHOBA	246,374	15,872	27,724	289,970
NEWTON	122,664	19,414	13,775	155,853
NOXUBEE	51,367	4,694	3,063	59,125
OKTIBBEHA	692,872	161,879	101,395	956,146
PANOLA	271,696	36,832	44,607	353,134
PEARL RIVER	287,020	55,943	43,702	386,665
PERRY	21,647	2,008	1,739	25,394
PIKE	318,198	56,016	63,318	437,532
PONTOTOC	136,909	10,439	15,781	163,129
PRENTISS	135,879	10,812	16,372	163,063
QUITMAN	60,841	5,430	6,191	72,461
RANKIN	1,373,645	357,821	375,771	2,107,236
SCOTT	129,872	12,430	18,099	160,401
SHARKEY	38,769	2,064	3,499	44,332
SIMPSON	172,047	27,263	23,850	223,160
SMITH	39,206	3,606	2,333	45,144
STONE	58,375	13,542	5,741	77,658
SUNFLOWER	351,363	15,229	40,281	406,874
TALLAHATCHIE	69,785	5,467	7,648	82,901
TATE	198,865	13,657	38,369	250,891
TIPPAH	94,073	7,180	8,991	110,244
TISHOMINGO	58,114	5,767	6,453	70,334
TUNICA	24,747	1,691	1,509	27,947
UNION	208,866	17,884	30,582	257,332
WALTHALL	70,030	13,891	5,904	89,824
WARREN	395,331	68,264	69,615	533,209
WASHINGTON	443,382	56,305	78,518	578,206
WAYNE	98,681	6,970	13,051	118,702
WEBSTER	85,766	8,191	10,236	104,193
WILKINSON	42,202	1,494	4,594	48,290
WINSTON	127,126	14,913	20,468	162,508

YALOBUSHA	76,386	7,310	4,825	88,521
YAZOO	217,105	18,167	34,785	270,057
Sum of Counties	23,288,392	3,483,799	4,144,430	30,916,611

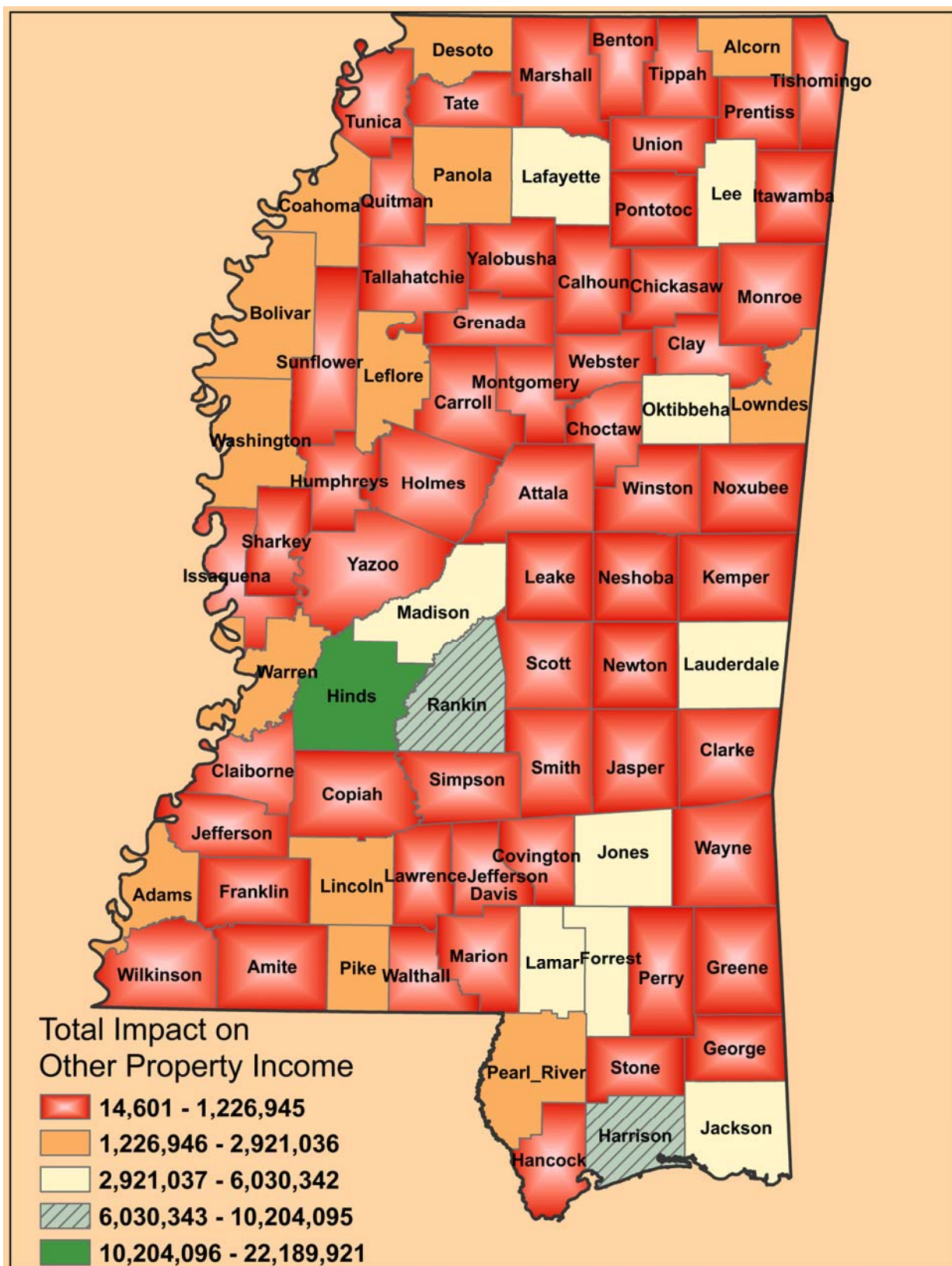


Figure 7: Total Impact on Other Property Income

Table 7 and Figure 8 below illustrate the county-by-county distribution of the impact of PERS payments on other property income in FY2007. By definition, other property income is the income from rents, royalties and dividends. It includes corporate profits earned by corporations as well as payments to individuals in the form of rent on property, royalties from contracts, and corporate dividend payments. The total effect (direct, indirect, and induced) of the PERS payments on property income averages \$1,686,522 per county with a minimum of \$14,601 in Issaquena County. The second lowest was \$160,324 for Tunica County. The highest total effect on other property income was over \$22 million for Hinds County with the second highest being over \$10 million in Rankin County. Thirty of the 82 counties had other property income effects greater than \$1 million.

Table 7 Impacts of PERS Payments on Other Property Income in FY2007				
County	Impacts			
	Direct	Indirect	Induced	Total
ADAMS	1,462,252	191,211	294,326	1,947,789
ALCORN	1,169,644	122,043	210,029	1,501,716
AMITE	279,354	15,573	21,481	316,408
ATTALA	814,982	70,682	114,767	1,000,431
BENTON	168,587	3,008	11,026	182,622
BOLIVAR	1,665,881	115,569	282,168	2,063,617
CALHOUN	459,617	37,875	42,599	540,091
CARROLL	391,654	16,755	18,353	426,762
CHICKASAW	423,049	19,596	45,130	487,776
CHOCTAW	317,822	10,778	23,583	352,182
CLAIBORNE	356,911	13,447	20,378	390,736
CLARKE	429,475	20,129	34,230	483,834
CLAY	639,391	46,880	87,916	774,187
COAHOMA	1,329,917	118,813	236,652	1,685,382
COPIAH	843,798	42,430	87,711	973,940
COVINGTON	587,912	26,429	59,180	673,521

DESOTO	1,124,568	170,900	228,001	1,523,469
FORREST	2,510,728	355,424	439,708	3,305,861
FRANKLIN	256,458	14,884	16,970	288,311
GEORGE	486,888	21,051	49,487	557,426
GREENE	203,441	4,353	11,715	219,509
GRENADA	881,709	59,474	110,163	1,051,346
HANCOCK	683,286	69,941	106,795	860,021
HARRISON	5,862,539	881,992	1,281,969	8,026,500
HINDS	15,982,057	2,858,924	3,348,940	22,189,921
HOLMES	615,464	16,899	47,961	680,324
HUMPHREYS	236,025	9,329	19,528	264,882
ISSAQUENA	13,560	679	362	14,601
ITAWAMBA	523,575	15,409	44,254	583,238
JACKSON	3,936,392	463,970	667,745	5,068,107
JASPER	354,600	19,419	25,522	399,541
JEFFERSON	384,028	17,870	19,474	421,372
JEFF. DAVIS	340,231	10,097	22,785	373,113
JONES	2,622,551	310,068	455,510	3,388,129
KEMPER	268,124	10,531	15,312	293,967
LAFAYETTE	3,062,429	413,634	597,845	4,073,909
LAMAR	3,140,635	374,134	558,295	4,073,065
LAUDERDALE	3,268,501	452,212	765,383	4,486,096
LAWRENCE	432,214	18,434	28,666	479,314
LEAKE	594,011	34,912	65,351	694,273
LEE	2,834,425	438,057	588,630	3,861,111
LEFLORE	1,490,966	142,451	219,957	1,853,374
LINCOLN	1,065,024	111,610	209,439	1,386,073
LOWNDES	2,220,719	248,673	451,644	2,921,036
MADISON	4,267,122	748,916	1,014,303	6,030,342
MARION	798,989	48,031	105,718	952,737
MARSHALL	604,779	40,960	70,849	716,588
MONROE	916,267	53,883	123,362	1,093,513
MONTGOMERY	512,041	25,027	57,621	594,689
NESHOBA	651,529	41,166	81,045	773,740
NEWTON	911,353	44,215	97,657	1,053,225
NOXUBEE	227,372	7,709	16,147	251,229
OKTIBBEHA	3,595,690	336,793	509,739	4,442,221
PANOLA	1,182,575	117,456	198,039	1,498,071
PEARL RIVER	1,157,472	106,797	172,053	1,436,322
PERRY	294,619	9,132	18,904	322,655
PIKE	1,709,797	211,024	342,949	2,263,770
PONTOTOC	650,899	31,539	74,319	756,758
PRENTISS	1,026,252	63,907	136,785	1,226,945
QUITMAN	256,900	14,354	26,986	298,240
RANKIN	6,960,979	1,247,947	1,995,168	10,204,095
SCOTT	805,361	49,049	97,391	951,801
SHARKEY	215,157	11,412	22,238	248,808
SIMPSON	909,620	46,512	133,208	1,089,341
SMITH	290,049	6,860	15,138	312,047
STONE	684,348	37,500	66,022	787,871

SUNFLOWER	980,144	45,269	117,178	1,142,592
TALLAHATCHIE	354,698	14,104	27,657	396,459
TATE	797,487	54,177	115,229	966,892
TIPPAH	594,342	26,573	58,601	679,516
TISHOMINGO	461,120	29,443	58,220	548,782
TUNICA	147,922	6,493	5,909	160,324
UNION	763,469	47,764	117,487	928,720
WALTHALL	377,665	27,606	35,977	441,248
WARREN	1,791,729	224,340	345,059	2,361,127
WASHINGTON	1,950,879	206,556	353,552	2,510,988
WAYNE	408,630	22,205	49,725	480,560
WEBSTER	380,552	20,323	43,496	444,371
WILKINSON	257,436	11,633	24,235	293,304
WINSTON	770,616	60,352	103,989	934,957
YALOBUSHA	518,385	24,447	36,477	579,309
YAZOO	828,365	50,252	103,182	981,800
Sum of Counties	106,748,005	12,588,274	18,958,554	138,294,840

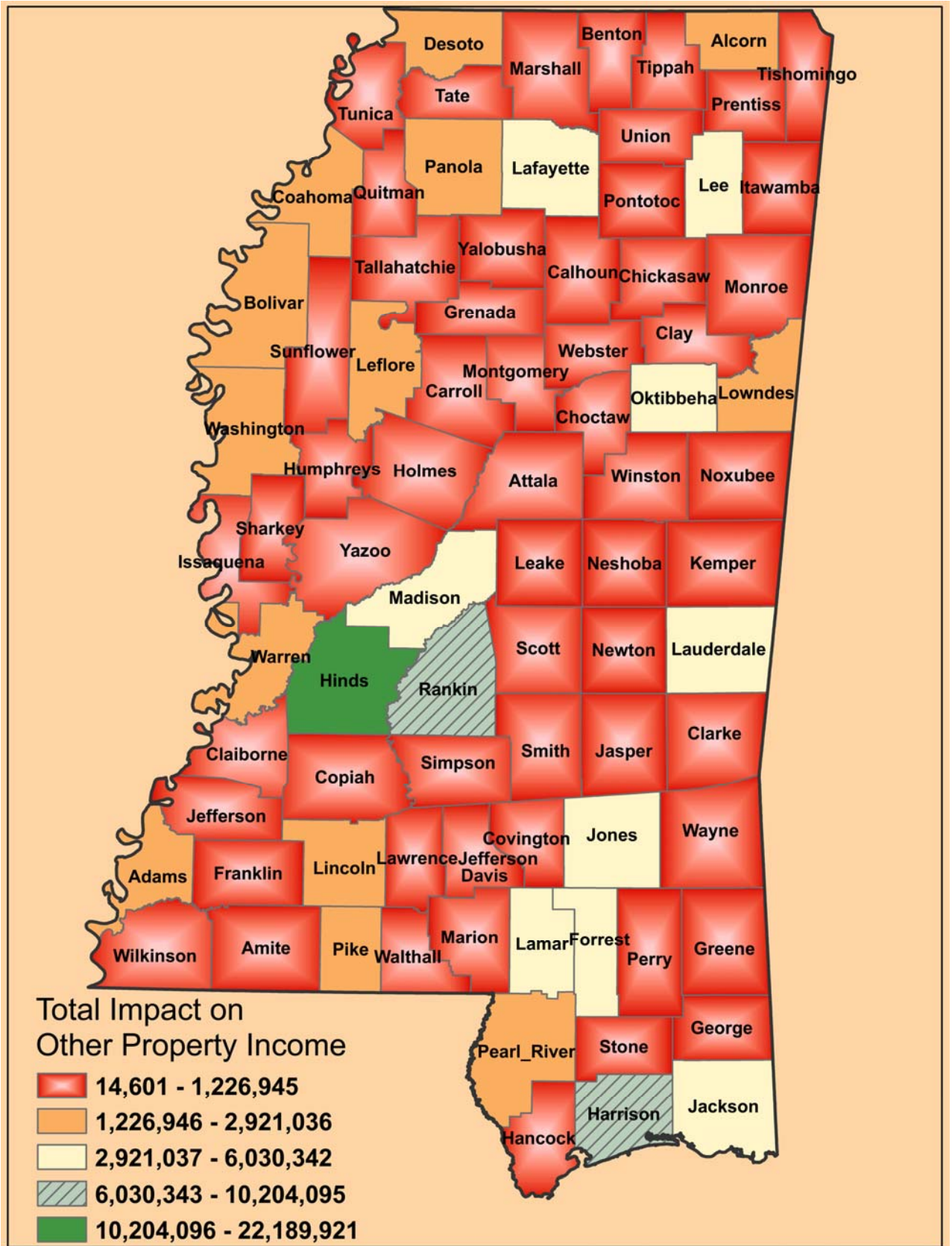


Figure 8: Total Impact on Other Property Income

Table 8 and Figure 9 below show the impacts by county of PERS payments on indirect business taxes in FY2007. Indirect business taxes are taxes that are collected by businesses and then paid to the government. They consist primarily of sales and excise taxes, but they do not include taxes on profits or income. They follow the same general geographic pattern as the other effects with the greatest impact in Hinds County and the least impact in Issaquena County. The minimum effect of PERS payments on indirect business taxes is \$3,427 with the maximum being \$7.4 million. The average total effect on indirect business taxes is \$545,093 with 55 of the 82 counties having effects between \$100,000 and \$1,000,000. The total of all combined counties is nearly \$ 44.7 million.

Table 8 Impacts of PERS Payments on Indirect Business Taxes in FY2007				
County	Impacts			
	Direct	Indirect	Induced	Total
ADAMS	496,111	49,012	93,369	638,491
ALCORN	405,032	32,396	68,117	505,546
AMITE	85,895	4,744	6,256	96,895
ATTALA	277,726	15,711	36,353	329,790
BENTON	42,414	519	2,699	45,632
BOLIVAR	565,882	36,348	91,236	693,466
CALHOUN	145,145	10,970	12,810	168,925
CARROLL	101,220	4,830	4,574	110,625
CHICKASAW	134,925	4,608	13,585	153,119
CHOCTAW	88,359	2,988	6,368	97,715
CLAIBORNE	94,809	3,098	5,243	103,150
CLARKE	115,754	4,491	8,910	129,155
CLAY	215,479	12,252	27,600	255,331
COAHOMA	427,087	33,817	72,438	533,341
COPIAH	260,817	8,738	25,490	295,045
COVINGTON	180,631	6,433	17,237	204,300
DESOTO	398,046	49,426	74,369	521,841
FORREST	883,787	92,714	144,116	1,120,617
FRANKLIN	61,400	3,291	3,996	68,687
GEORGE	160,808	6,125	15,367	182,299
GREENE	54,394	1,085	3,029	58,508

GRENADA	284,628	13,347	34,318	332,293
HANCOCK	218,159	19,136	32,239	269,534
HARRISON	1,964,151	235,923	403,612	2,603,686
HINDS	5,567,801	762,799	1,082,749	7,413,349
HOLMES	167,786	3,609	12,646	184,041
HUMPHREYS	65,496	2,208	5,238	72,942
ISSAQUENA	3,155	190	83	3,427
ITAWAMBA	157,992	4,107	12,593	174,693
JACKSON	1,224,331	115,011	195,724	1,535,066
JASPER	99,050	3,488	6,803	109,342
JEFFERSON	93,615	4,557	4,661	102,832
JEFF. DAVIS	99,018	2,164	6,320	107,501
JONES	892,788	73,449	144,034	1,110,271
KEMPER	76,019	2,858	4,185	83,062
LAFAYETTE	980,616	109,922	181,061	1,271,599
LAMAR	993,917	90,248	165,985	1,250,151
LAUDERDALE	1,178,096	125,008	256,164	1,559,268
LAWRENCE	123,615	3,851	7,723	135,190
LEAKE	176,749	6,104	18,374	201,228
LEE	990,124	112,082	189,785	1,291,992
LEFLORE	508,852	37,254	70,202	616,308
LINCOLN	371,814	28,922	67,925	468,661
LOWNDES	765,199	67,561	145,766	978,527
MADISON	1,517,232	205,754	330,711	2,053,697
MARION	261,904	11,691	32,701	306,296
MARSHALL	189,180	9,647	20,924	219,751
MONROE	301,122	14,771	38,251	354,144
MONTGOMERY	161,991	6,780	17,343	186,114
NESHOBA	240,026	10,986	27,588	278,601
NEWTON	287,244	10,389	28,899	326,531
NOXUBEE	61,152	1,735	4,198	67,085
OKTIBBEHA	1,172,849	89,541	155,592	1,417,982
PANOLA	422,114	30,481	65,753	518,348
PEARL RIVER	367,645	26,938	51,503	446,086
PERRY	73,517	2,011	4,602	80,131
PIKE	586,771	57,516	111,133	755,420
PONTOTOC	202,063	7,721	20,298	230,082
PRENTISS	307,357	14,383	37,211	358,951
QUITMAN	72,316	2,895	6,891	82,102
RANKIN	2,439,626	334,154	606,170	3,379,950
SCOTT	257,693	11,962	27,686	297,341
SHARKEY	67,325	3,249	6,305	76,879
SIMPSON	276,450	10,799	34,795	322,044
SMITH	77,393	1,388	3,883	82,664
STONE	201,759	9,484	18,641	229,884
SUNFLOWER	327,252	13,222	36,840	377,314
TALLAHATCHIE	98,894	3,558	7,404	109,856
TATE	274,748	14,427	36,831	326,006
TIPPAH	180,453	6,032	16,922	203,406
TISHOMINGO	151,546	8,130	18,134	177,810

TUNICA	49,313	2,469	1,853	53,635
UNION	232,950	10,864	34,221	278,036
WALTHALL	114,511	8,458	10,474	133,443
WARREN	588,662	58,616	105,864	753,142
WASHINGTON	690,158	56,590	116,481	863,230
WAYNE	140,125	6,543	16,070	162,739
WEBSTER	124,784	5,471	13,378	143,633
WILKINSON	77,856	3,467	7,015	88,338
WINSTON	257,648	14,424	32,469	304,542
YALOBUSHA	137,319	5,203	9,352	151,873
YAZOO	266,307	15,308	31,461	313,076
Sum of Counties	35,455,945	3,314,450	5,927,201	44,697,603

Table 9 and Figure 10 below show the geographic distribution of the impact of PERS payments on employment in FY2007. The direct effect of the PERS payments on employment is 6,121 full and part time jobs with the indirect and induced effects bringing the total to 7,956 jobs.

Table 9 Impacts of PERS Payments on Employment in FY2007				
<i>County</i>	<i>Impacts</i>			<i>Total</i>
	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>	
ADAMS	94.5	9.5	20.8	124.0
ALCORN	67.2	7.7	11.5	86.4
AMITE	11.3	1.5	0.8	13.6
ATTALA	49.3	4.8	6.8	61.0
BENTON	6.0	0.3	0.3	6.6
BOLIVAR	101.7	6.8	17.6	126.2
CALHOUN	21.1	1.8	2.3	25.2
CARROLL	11.2	0.4	1.1	12.8
CHICKASAW	22.8	0.9	3.0	26.7
CHOCTAW	12.7	1.0	0.8	14.5
CLAIBORNE	13.4	0.3	1.3	15.0
CLARKE	18.8	1.4	1.5	21.8
CLAY	40.0	3.8	5.3	49.2
COAHOMA	76.5	5.2	15.2	96.9
COPIAH	47.5	1.1	6.9	55.6
COVINGTON	31.2	0.9	4.7	36.7
DESOTO	62.4	10.0	12.5	84.9
FORREST	157.8	21.3	30.3	209.4
FRANKLIN	8.0	0.4	0.8	9.2
GEORGE	25.5	1.9	2.2	29.6
GREENE	7.2	0.4	0.3	8.0
GRENADA	48.8	4.1	7.4	60.3
HANCOCK	35.4	3.1	5.9	44.4
HARRISON	357.6	48.2	81.4	487.2
HINDS	911.3	111.7	202.5	1,225.6
HOLMES	28	-0.3	4	31.7
HUMPHREYS	11.7	0.2	1.5	13.4
ISSAQUENA	0.4	0	0	0.4
ITAWAMBA	24.4	0.9	2.3	27.6
JACKSON	210.8	24.2	35.6	270.7
JASPER	12.7	1.3	0.9	14.9
JEFFERSON	10.8	0.9	0.5	12.2
JEFF. DAVIS	14.2	0.8	1.1	16.1
JONES	151.2	14.9	27.2	193.4
KEMPER	9.3	0.6	1.3	11.2
LAFAYETTE	181.4	18	38.5	237.9

LAMAR	173.7	17.5	31.4	222.6
LAUDERDALE	206.2	30.4	45.3	281.9
LAWRENCE	16.2	1.2	0.9	18.2
LEAKE	30.9	1.2	4.2	36.3
LEE	187.4	24.6	39.5	251.5
LEFLORE	93.9	6.1	15.7	115.7
LINCOLN	70.1	5.4	14.9	90.5
LOWNDES	141.1	15.3	28.4	184.8
MADISON	255.8	38.8	59.1	353.7
MARION	47.6	3.8	6.5	58.0
MARSHALL	30.2	2.5	3.4	36.1
MONROE	54.2	2.9	7.7	64.8
MONTGOMERY	30.6	2.4	3.4	36.4
NESHOBA	41	2.9	5	48.9
NEWTON	50.5	2.3	6.9	59.7
NOXUBEE	10.2	1	0.6	11.8
OKTIBBEHA	226.8	26.2	29.5	282.5
PANOLA	70.6	6.7	12.8	90.1
PEARL RIVER	70.3	9.1	11.2	90.6
PERRY	11.1	0.3	0.9	12.3
PIKE	104.6	11.7	21.4	137.7
PONTOTOC	32.9	2.4	4.4	39.7
PRENTISS	59.3	5.1	8.4	72.7
QUITMAN	13.1	0.6	2.1	15.8
RANKIN	401.3	66.6	135.8	603.6
SCOTT	45.7	2.1	8.2	55.9
SHARKEY	10.6	0.2	1.9	12.7
SIMPSON	57	5.1	9.5	71.6
SMITH	8.9	0.5	0.6	10.0
STONE	29.4	2.5	2.6	34.5
SUNFLOWER	57.9	0.2	10.1	68.3
TALLAHATCHIE	16.7	0.1	2.4	19.2
TATE	46.4	2.9	8.1	57.4
TIPPAH	29.6	1.3	3.3	34.3
TISHOMINGO	24.1	2	2.6	28.8
TUNICA	9.2	0.2	0.7	10.1
UNION	46.4	3	7.7	57.0
WALTHALL	19.7	2.6	1.7	23.9
WARREN	105.3	12.2	19.6	137.1
WASHINGTON	124.3	10.6	24.7	159.5
WAYNE	24.2	1.8	3.1	29.1
WEBSTER	22.4	1.9	2.5	26.8
WILKINSON	11.9	0.5	1.4	13.8
WINSTON	44.1	2.8	7.5	54.4
YALOBUSHA	20.2	1.7	1.5	23.3
YAZOO	43.1	1.6	7.2	51.9
Sum of Counties	6,121	653	1,183	7,956

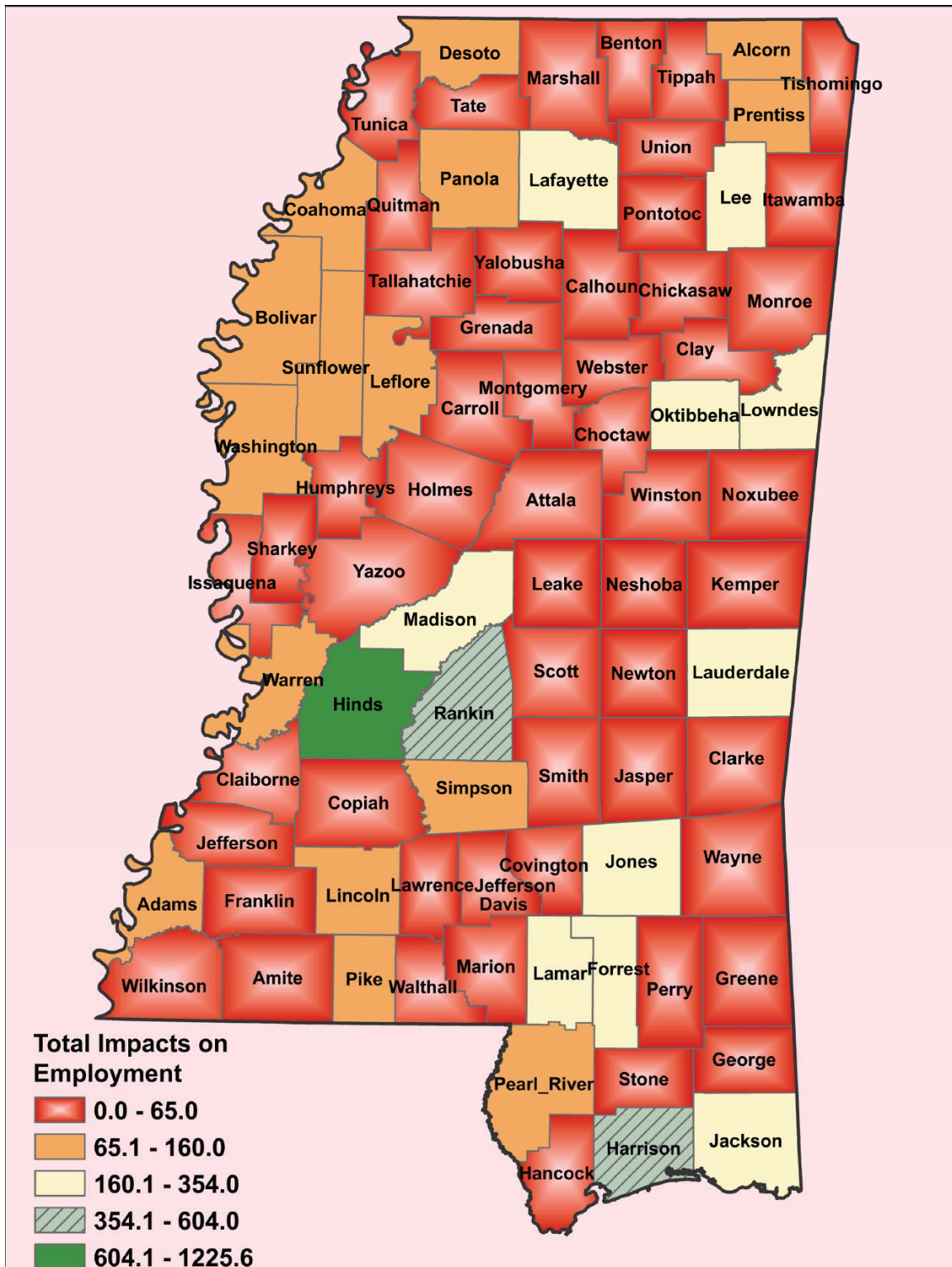


Figure 10: Impacts of PERS Payments on Employment in FY2007

Table 10 below shows the impacts of PERS payment on sales tax, property tax, and total state and local taxes. Figure 11 visually displays the geographic distribution of sales taxes, while Figure 12 represents the geographic distribution of the impact on **all** state and local taxes. The combined county impact of PERS payments on all state and local taxes was \$52,853,482 for FY2007. This includes \$34,282,910 in sales taxes that (assuming a seven percent sales tax rate) would be over 489.8 million in retail sales. The total state and local taxes attributable to PERS payments range between \$1 million and \$2 million in ten counties, between \$2 million and \$3 million in two counties (Madison and Harrison), about 4 million in one county (Rankin) and over \$8 million in one county (Hinds),

Table 10 Impacts of PERS Payments on Selected Taxes in FY2007			
County	Sales Tax	Property Tax	Total State and Local Tax
ADAMS	546,771	33	848,390
ALCORN	442,459	24	675,335
AMITE	78,224	3	112,555
ATTALA	259,554	13	391,022
BENTON	37,308	2	58,186
BOLIVAR	532,611	30	823,947
CALHOUN	134,265	5	196,229
CARROLL	90,818	3	133,368
CHICKASAW	122,071	6	178,860
CHOCTAW	75,381	3	115,886
CLAIBORNE	62,283	3	104,618
CLARKE	104,937	5	159,738
CLAY	198,230	10	299,236
COAHOMA	412,606	24	641,055
COPIAH	235,513	11	359,924
COVINGTON	162,281	8	246,834
DESOTO	404,217	21	616,059
FORREST	841,326	40	1,292,326
FRANKLIN	54,555	2	86,823

GEORGE	145,229	6	220,544
GREENE	47,829	2	74,951
GRENADA	256,132	12	387,898
HANCOCK	213,515	11	321,778
HARRISON	1,928,571	108	2,989,485
HINDS	5,377,261	267	8,382,946
HOLMES	148,976	6	230,935
HUMPHREYS	57,985	3	84,480
ISSAQUENA	2,315	0	3,682
ITAWAMBA	141,773	6	207,543
JACKSON	1,213,413	65	1,870,026
JASPER	87,591	4	133,367
JEFFERSON	82,271	3	128,820
JEFF. DAVIS	87,492	3	130,844
JONES	845,746	46	1,303,116
KEMPER	67,706	2	98,618
LAFAYETTE	995,992	54	1,578,779
LAMAR	973,304	51	1,507,784
LAUDERDALE	1,187,601	69	1,820,909
LAWRENCE	107,158	4	162,077
LEAKE	160,627	8	242,158
LEE	962,363	51	1,471,356
LEFLORE	466,546	22	716,187
LINCOLN	359,914	22	552,297
LOWNDES	745,616	41	1,142,826
MADISON	1,567,780	82	2,409,278
MARION	242,221	13	368,472
MARSHALL	176,088	8	267,757
MONROE	279,542	15	422,562
MONTGOMERY	148,442	7	227,001
NESHOBA	219,754	10	331,877
NEWTON	265,226	13	387,676
NOXUBEE	53,845	2	82,673
OKTIBBEHA	1,119,826	53	1,762,074
PANOLA	399,818	20	605,151
PEARL RIVER	356,642	18	550,323
PERRY	64,324	3	100,217
PIKE	577,935	31	890,540
PONTOTOC	184,513	9	277,101
PRENTISS	286,934	16	446,068
QUITMAN	65,151	4	101,230
RANKIN	2,562,711	156	4,036,145
SCOTT	232,708	11	350,476
SHARKEY	60,644	3	90,354
SIMPSON	259,810	15	398,484
SMITH	66,338	2	99,402
STONE	184,710	8	284,303
SUNFLOWER	293,259	14	450,432
TALLAHATCHIE	88,783	4	133,629
TATE	257,195	13	394,419

TIPPAH	163,082	8	246,350
TISHOMINGO	141,168	7	210,789
TUNICA	25,850	1	41,443
UNION	222,098	14	344,877
WALTHALL	106,353	4	157,818
WARREN	574,437	31	887,135
WASHINGTON	654,056	35	1,000,026
WAYNE	127,605	6	190,931
WEBSTER	115,376	6	171,995
WILKINSON	70,529	3	106,987
WINSTON	240,388	12	361,741
YALOBUSHA	123,756	5	189,267
YAZOO	245,677	12	372,680
Sum of Counties	34,282,910	1,783	52,853,482

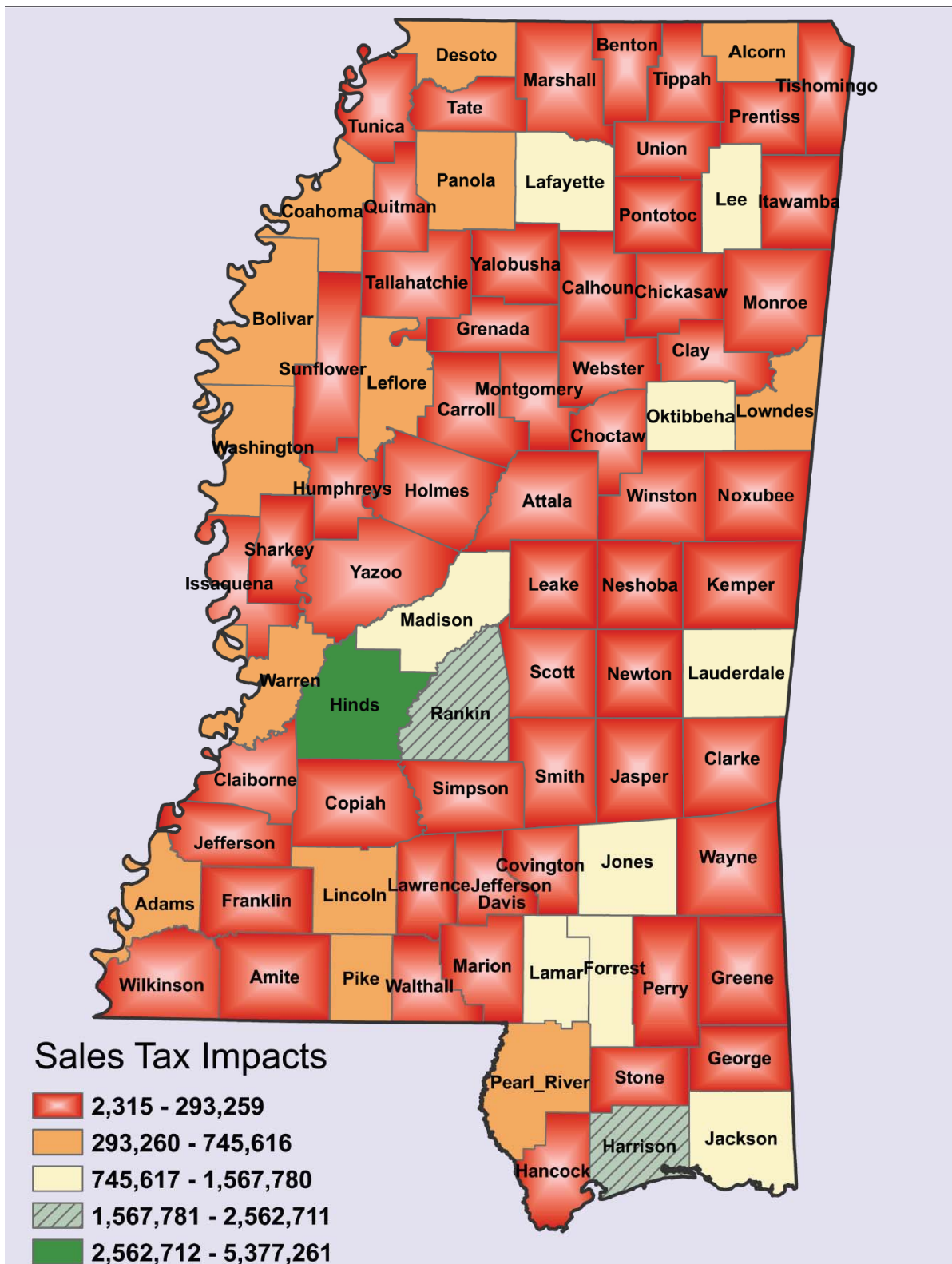


Figure11: Impacts of PERS Payments on Sales Taxes in FY2007

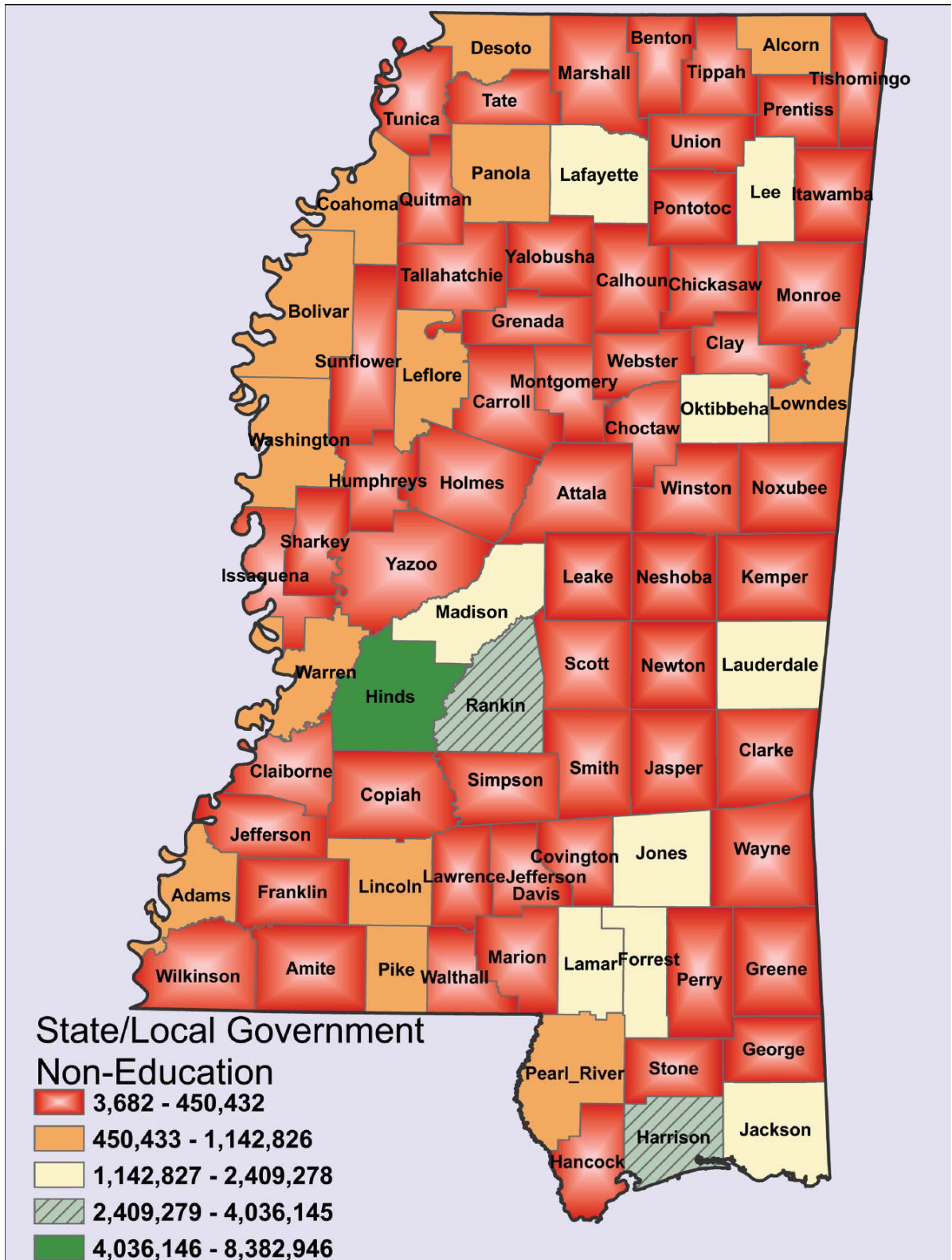


Figure 12: Impacts of PERS Payments on State and Local (Non-Education) Taxes in FY2007

Summary

Table 11 below presents a summary of effects showing the sum for the counties and the state impact that allows for cross-border effects, as well as individual county effects for FY2007. The total PERS allocations are \$1.347 billion in either case with \$1.251 billion being made to residents of the state. That amount is estimated to result in \$1.086 billion of disposable personal income at the state level and a total of \$1.076 billion aggregated from individual county results (the difference being due to cross-border effects).

The total impact on total economic activity is \$1.228 billion when aggregated from individual counties and \$1.469 billion when allowing for cross-border effects (state impacts). Expenditures by residents of Mississippi who received PERS payments in FY2007 are estimated to have been responsible for a total of 7,956 jobs, aggregated from individual counties and totaling 11,967 jobs when allowing for cross-border effects (state impacts). The total effects of the PERS payments on the state of Mississippi are the equivalent of a very large enterprise. To put this in perspective, the Nissan plant is estimated to have roughly 2000 jobs, the Beau Rivage Casino complex is estimated to have roughly 4000 jobs, and the Northrup Grumman Shipyards at Pascagoula, Mississippi has approximately 10,000 jobs. Thus, the impact of PERS payments on the State of Mississippi is quite substantial and an important part of the Mississippi economy.

**Table 11 Comparison of State Impacts and
the Sum of County Impacts for FY2007**

	<i>State Impacts</i>	<i>Sum of County Impacts</i>
Total Annual Allocation (payments)	\$1,347,473,000	\$1,347,473,000
In-State Annual Allocation	\$1,251,286,733	\$1,251,286,733
Total Economic Activity		
Direct (Estimated Disposable PI)	\$1,086,167,882	\$1,076,254,939
Indirect	\$153,728,915	\$69,434,121
Induced	\$229,274,738	\$82,040,025
Total	\$1,469,171,535	\$1,227,729,087
Total Value Added		
Direct	\$373,194,916	\$321,904,565
Indirect	\$75,360,079	\$43,089,230
Induced	\$142,597,323	\$57,198,647
Total	\$591,152,317	\$422,192,442
Labor Income		
Direct	\$203,885,982	\$153,432,513
Indirect	\$43,730,002	\$21,598,914
Induced	\$86,711,006	\$27,618,923
Total	\$334,326,988	\$202,650,352
Employee Compensation		
Direct	\$173,536,442	\$130,144,121
Indirect	\$36,387,845	\$18,115,114
Induced	\$76,779,468	\$23,474,493
Total	\$286,703,754	\$171,733,733
Proprietors Income		
Direct	\$30,349,541	\$23,288,392
Indirect	\$7,342,157	\$3,483,799
Induced	\$9,931,538	\$4,144,430
Total	\$47,623,235	\$30,916,611
Other Property Income		
Direct	\$127,082,131	\$106,748,005
Indirect	\$25,412,818	\$12,588,274
Induced	\$43,332,522	\$18,958,554
Total	\$195,827,475	\$138,294,840
Indirect Business Taxes		
Direct	\$42,226,805	\$35,455,945
Indirect	\$6,217,260	\$3,314,450
Induced	\$12,553,794	\$5,927,201
Total	\$60,997,859	\$44,697,603
Employment- full and part time jobs		
Direct	7,599	6,121
Indirect	1,351	653
Induced	3,016	1,183
Total	11,967	7,956
State/Local Govt NonEducation	\$74,544,118	\$52,853,482
Sales Tax	\$46,793,438	\$34,282,910
Property Tax	\$3,200	\$1,783

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