

# Increasing Pension Premiums:

The Impact on Jobs and Economic Growth

May 2014

## Executive Summary

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The Pension Benefit Guaranty Corporation (PBGC) is a federal agency that acts as a backstop for bankrupt employers who sponsor defined benefit retirement plans. If a pension plan is terminated with insufficient assets to pay promised benefits (e.g., in the case of a company bankruptcy), the PBGC will assume the plan's assets and liabilities, where the benefits paid out are subject to an annual per-participant limit. The PBGC is not funded by taxpayers, but by premiums paid on the existing defined benefit plans and by the sponsors of such plans. In 2013, the PBGC covered about 23,400 ongoing single-employer pension plans with about 31.9 million participants. Employers paid more than \$2.9 billion in PBGC premiums in 2013 alone.

Currently, Congress sets PBGC premium rates. Within the past two years, it has increased PBGC single-employer premiums on two occasions. The first occurred through provisions included in the 2012 Moving Ahead for Progress in the 21st Century Act (MAP-21), where premiums were predicted to increase by a total of \$8.9 billion over 10 years. Congress again increased PBGC premiums under the Bipartisan Budget Act of 2013 (BBA) by an additional \$7.9 billion. In addition, the Administration's fiscal year 2014 budget proposal contains a provision to allow the PBGC to set its own premiums, which could raise them by another \$25 billion over 10 years.

This report examines the economic effects of the PBGC premium increases. We employed the Long-Term Interindustry Forecasting Tool (LIFT) model of the U.S. economy to compute the industry-level and macroeconomic impacts of increasing PBGC premiums in three cases: 1) the premium increases enacted under MAP-21, 2) the premium increases enacted under the BBA and 3) the Administration's budget proposal, if it were to be enacted. The premium increases for each scenario are cumulative and build from the previous hike.

The Administration budget proposal, piled on top of the two previous premium hikes, produces a peak reduction of 0.04 percent in GDP in 2016 through 2017. The cumulative damage from 2013 through 2023 under this case is \$51.4 billion in 2012 dollars. Reflecting the competitive impacts of the tax increases, the export volume under the Administration budget is reduced by a cumulative \$10.6 billion over the 11-year horizon.

Because the PBGC premium hikes push up consumer inflation as well as decrease production, real personal income is affected more than GDP. The peak damage under the third scenario is 0.07 percent in 2016 through 2018. Over the entire 11-year projection, the average household loses cumulative buying power of more than \$720 in 2012 dollars. Under the Administration budget hike case, the number of jobs lost averages 42,000 per year. It reaches a peak of 67,200 in 2017, but employment begins to be recouped thereafter. The biggest hits in terms of number of jobs are taken in manufacturing, retail and wholesale trade and health care.

# Increasing Pension Premiums: The Impact on Jobs and Economic Growth

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## Introduction

Many employers offer defined benefit retirement plans to their employees. Such plans require that employers make current payments to an investment fund that will grow over time by enough to be sufficient to cover all of the promised benefits. Under the Employee Retirement Income Security Act (ERISA), employers must make minimum contribution requirements. If investment returns are not sufficient to cover benefits, employers must make additional contributions. In addition, companies that offer such plans must follow rules specified in the ERISA concerning standards for participation, benefits, vesting, funding and other issues.

An employer who sponsors a defined benefit plan must pay the promised benefits. Occasionally, an employer is unable to do so because of bankruptcy. The sudden loss of such benefits would threaten the living standards of current and future retirees substantially. For this reason, the ERISA created the PBGC, a federal agency that acts as a backstop for participants of defined benefit retirement plans when the employer is unable to pay benefits. If an ERISA-covered plan is terminated with insufficient assets to pay promised benefits, PBGC will assume the plan's assets and liabilities, where the benefits (liabilities) are subject to an annual per-participant limit.

The PBGC has an independent income source to bridge the gap between the assets and liabilities of failed plans. This income is not funded by taxpayers, but by premiums paid on the existing defined benefit plans and paid by the sponsors of such plans. The PBGC insures both single-employer and multiemployer plans. However, it maintains separate programs for each type of plan and configures the premiums differently between these two types. This paper focuses on the single-employer program of the PBGC.

In 2013, the PBGC covered about 23,400 ongoing single-employer pension plans with about 31.9 million participants. These employers paid \$2.9 billion in PBGC premiums. In 2010, the last year of such data, manufacturers accounted for about 48.1 percent of the premiums paid, followed by the services industry for 16.3 percent, and the transportation and public utilities industry accounting for 11.8 percent. A similar percentage for 2013 implies that manufacturers paid about \$1.4 billion of PBGC premiums, the services sector paid nearly \$473 million, and the transportation and public utilities sector paid more than \$342 million.

PBGC uses assets along with insurance premiums from active plans to make monthly annuity payments to qualified retirees and their survivors. At the end of 2013, PBGC reported that in the single-employer plan program, the gap between its assets and the present value of the benefits owed to workers and retirees in terminated plans as well as the assets and benefits of plans whose termination the agency viewed as probable totaled \$27.4 billion, down from \$29 billion in 2012.

Currently, Congress sets PBGC premium rates. Over the past two years, it has increased PBGC single-employer premiums on two occasions. The first occurred through provisions included MAP-21, where premiums were predicted to increase by a total of almost \$9 billion over 10 years. Congress again increased PBGC premiums under the BBA by an additional \$7.9 billion. In addition, the Administration's fiscal year 2014 budget proposal contains provisions to allow the PBGC to set its own premiums, which could raise them by another \$25 billion over 10 years. Premium increases are often used as revenue-raisers to pay for other legislative efforts and sometimes justified by their proponents as fill-ups to reduce the PBGC fund's long-term actuarial deficit.

These premium hikes are essentially tax increases on the businesses that pay them. The extra taxes will directly increase the production costs of the affected firms. Eventually, firms will have to pass those costs onto their customers. Where those customers are other firms, the initial cost increases cascade through the supply chain to reduce the competitiveness of the economy in general. Thus, every additional dollar that employers must pay to the PBGC is one less dollar that can be used to fund participant benefits, expand their businesses, create jobs and grow the economy. Of course, at the end of each supply chain is a final consumer who sees his or her buying power eroded by such an indirect tax increase.

This paper examines the PBGC premium increases in this context. Using the Inforum LIFT model of the U.S. economy, we estimate the effects on the business community and on the overall economy of 1) the premium increases enacted under MAP-21, 2) the premium increases enacted under the BBA and 3)

## PBGC Premium Increases

Employers pay two different types of premiums to the PBGC. The first is a flat per-participant (current employee and retirees) fee. In 2013, it was \$42 per person under the single-employer program and \$12 each under the multiemployer program. A second premium is imposed in the single-employer program when plans are underfunded—that is, when the present value of their liabilities exceeds the present value of their assets. In 2013, this premium was \$9 for each \$1,000 by which the plan is underfunded, up to \$400 per participant. These premiums are automatically increased each year to account for the rise in average wages. They can also be adjusted as specified by Congress.

The MAP-21 Act increased PBGC flat-rate premiums for single-employer plans from \$35 per participant to

the Administration's budget proposal, if it were to be enacted. The LIFT model is well-suited for the task because it contains price functions by industry.

The analysis is a two-step process. First, we estimate the industry-level incidence of the estimated year-by-year premium increases using historical data on payments. We then place these increases into the model as increases in industry-specific indirect taxes and compare the resulting simulation to a baseline projection without the increased premiums. The model computes the impact on costs and competitiveness per sector, and it shows the impacts on individual industries and on the economy as a whole. National results are provided as differences from the baseline for industry variables such as output, trade and employment, and for macroeconomic variables such as GDP, disposable income and total employment. The projection horizon is 2013 to 2023.

the aforementioned \$42 per person in 2013 and to \$49 per person in 2014, with inflationary adjustments thereafter. MAP-21 also indexed the variable-rate premiums for underfunded plans so that the current \$9 per \$1,000 of underfunding will increase to at least \$14 per \$1,000 of underfunding in 2014. The congressional Joint Committee on Taxation revenue score is indicated in Table 1. The single-employer premium rate increases were expected to raise more than \$8.9 billion in additional premium revenue from fiscal years 2013 to 2022.

PBGC premiums increased again under the BBA, which passed Congress and was signed by the President late in 2013. This law increased single-employer flat-rate and variable-rate premiums on top of those enacted in MAP-21. Under the new law, the flat-rate premium increases to

<sup>1</sup> Inforum is the Interindustry Forecasting at the University of Maryland, and it is the popular name for the not-for-profit economic education and research corporation, the Interindustry Economic Research Fund (IERF). IERF handles contracts and subscriptions; a substantial portion of its receipts are donated to the University of Maryland, where the research is accomplished. Please visit our website at: [www.inforum.umd.edu](http://www.inforum.umd.edu).

\$57 per participant in 2015 and \$64 in 2016, where it will then be indexed to inflation. The variable rate premium is hiked to \$24 and \$29 per \$1,000 of underfunding in 2015 and 2016, respectively, and will be indexed to inflation thereafter. Table 1 shows Congressional Budget Office (CBO) projections that the hikes will garner \$7.9 billion of additional revenue through 2023.

To summarize, between the two laws, the 2016 flat-rate premium will have increased by almost 100 percent over the 2012 premium, and the 2016 variable-rate premium will be almost triple the 2012 rate. These increases translate into millions of dollars in additional costs for companies that offer pension benefits to their employees.

## Evaluating the Economic Impacts of Premium Increases

We employed the LIFT model of the U.S. economy to compute the industry-level and macroeconomic impacts of increasing PBGC premiums. The model is well-suited for the task because it contains price functions by industry and an interindustry (input–output) structure, which shows how higher production taxes cascade through the economy. The general methodology was to embed the premium increases into the indirect taxes included in the model's industry price functions, solve the equations of the model with the additional costs included in the calculations and then compare the simulation to a baseline scenario that assumes pre-MAP-21 premium rates. The model computes the impact on costs and competitiveness per sector, individual industries and the economy as a whole. The projection horizon is 2013 to 2023.

The model assigns premium increases to industries of the LIFT model using the PBGC data on the incidence of premiums across industries. Where LIFT was more granular than the data (e.g., other manufacturing), we allocated the premium changes proportional to the size of compensation for each industry.

Now, pension sponsors face a new prospect with the potential to double-down on the recent hikes. The Administration has proposed to scrap the current system and allow the PBGC to set its own premiums and to change the way those premiums would be configured. In the proposed new system, the PBGC Board would take into account a sponsoring employer's credit rating when determining premiums. The President's fiscal year 2014 budget estimates the proposal would raise \$25 billion in extra premiums over the next 10 years (Table 1).<sup>2</sup> In any case, this proposal would entail another hefty increase in PBGC premiums, all collected from companies that may or may not pose a risk of transferring their liabilities to the PBGC.

We used the revenue scores in Table 1 to construct each of the three different scenarios of PBGC premium increases:

- A. MAP-21
- B. BBA
- C. Administration Budget

The first three rows of Table 3 show the scenario assumptions for the increases. The figures differ from those in Table 1 because they were converted from fiscal years to calendar years. In addition, the premium increases for each scenario build from the previous hike. That is, the increases of the BBA are placed on top of those already incurred through the MAP-21. The \$25 billion assumed in the Administration budget is placed on top of the previous two premium hikes.

The premium increases were imposed on each industry as an indirect tax in the year of incidence. This implicitly assumes that employers, not the pension funds, pay the new premiums in the year they are required. The timing

of the effects in the model, therefore, might be somewhat more accelerated in a world where companies pay the benefit increases out of the existing pension fund or retained earnings.

The new taxes enter the industrial cost functions and directly raise commodity prices in the year of the tax. As firms increase their prices, demand for their products slows, and the firms are more vulnerable to foreign

competition. Some prices increase by more than others, so relative prices across products change as well. A full assessment of the effects requires recognition of the linkages among the industries that comprise the economy. One industry's revenues are another industry's costs. In this case, downstream producers will eventually respond by increasing their prices and so further reducing output, net exports and employment. Ultimately, the cost of the taxes ends up in the final consumption basket.

## Results

Table 3 displays the macroeconomic results in changes from the baseline for all three cases. GDP, exports, employment and personal income are all reduced modestly and proportionately to the size of the premium increases. Figure 1 displays the pattern of GDP damage in percentage terms. In the MAP-21 case, the decrease in real GDP never exceeds 0.01 percent, but the Administration budget proposal, piled on top of the two previous increases, produces a peak reduction of 0.04 percent in GDP in 2016–2017. The cumulative damage from 2013 through 2023 under this last case is \$51.4 billion in 2012 dollars.<sup>3</sup> Reflecting the competitive impacts of the tax increases, the export volume under the Administration budget is reduced by 0.04 percent in the peak years and a cumulative \$10.6 billion over the 11-year horizon.

Because the PBGC premium hike pushes up consumer inflation as well as decreases production, it affects real personal income more than it affects GDP. The peak damage under the third scenario is 0.07 percent in 2016 through 2018. Over the entire 11-year projection, the average household loses cumulative buying power of about \$721 in 2012 dollars.

Figure 2 illustrates the pattern of employment loss across the three scenarios. Under the Administration budget hike case, the number of jobs lost averages 42,000 per year. It reaches a peak of 67,200 in 2017, but employment begins to be recouped thereafter. Table 4 shows the industrial detail of these losses under the third case. The biggest hits in terms of number of jobs are felt by the retail and wholesale trade sectors and in other services, such as health care. This result reflects the fact that, in general, we assume that employers react to the tax hikes by passing the cost onto customers rather than cutting costs and laying off workers. Therefore, the biggest impact is in buying power, and the biggest job losses occur in the giant trade and service sectors. Nonetheless, as indicated by Figure 3, several general manufacturing sectors take larger proportional hits.

<sup>2</sup> The \$25 billion estimate was revealed with the President's fiscal year 2014 budget released in 2013. It is not known how much the BBA premium increase might affect estimates if the PBGC were allowed to set premiums.

<sup>3</sup> Recall that the three scenarios build upon each other. It is safe to assume that the marginal impact of the second and third scenarios is roughly, though not exactly, the difference between them. For example, the incremental impact of the Administration budget scenario over current law is the difference between the second and third scenarios.

**Table 1: Various Budget Scores of PBGC Premium Increases**

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-2023
MAP-21	200	400	1,020	1,430	1,060	1,013	910	900	950	1,050	na	8,933
BBA			200	850	1,260	1,090	920	870	860	900	930	7,880
Administration Budget			2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	25,002

Sources:

MAP-21: JCT, Estimated Revenue effects of the Conference Agreement for the Revenue Provisions of MAP-21, June 28, 2012

Bipartisan Budget Act: CBO Cost Estimate, [http://www.cbo.gov/sites/default/files/cbofiles/attachments/Bipartisan Budget Act of 2013.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/Bipartisan_Budget_Act_of_2013.pdf)\*Administration Budget: OMB, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/tables.pdf>**Table 2: PBGC-Insured Plans, Participants and Premiums by Industry (2010)—Single-Employer Program**

Industry	Insured Plans		Insured Participants (Thousands)		Premiums (Thousands of dollars)	
<b>AGRICULTURE, MINING AND CONSTRUCTION</b>	<b>2,328</b>	<b>8.8%</b>	<b>586</b>	<b>1.8%</b>	<b>\$37,435</b>	<b>1.7%</b>
<b>MANUFACTURING</b>	<b>6,512</b>	<b>24.7%</b>	<b>14,975</b>	<b>44.8%</b>	<b>\$1,073,291</b>	<b>48.1%</b>
Chemical and Allied Products	589	2.2%	1,827	5.5%	\$132,288	5.9%
Fabricated Metal Products	1,081	4.1%	575	1.7%	\$45,075	2.0%
Food, Beverage and Tobacco Products	634	2.4%	1,292	3.9%	\$71,237	3.2%
Machinery and Computer Equipment	768	2.9%	1,846	5.5%	\$130,597	5.9%
Motor Vehicle Equipment	276	1.0%	1,918	5.7%	\$188,677	8.5%
Paper Manufacturing	249	0.9%	568	1.7%	\$39,361	1.8%
Primary Metals	370	1.4%	517	1.5%	\$59,391	2.7%
Rubber and Miscellaneous Plastics	321	1.2%	343	1.0%	\$42,253	1.9%
Other Manufacturing	2,224	8.4%	6,089	18.2%	\$364,413	16.3%
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>	<b>957</b>	<b>3.6%</b>	<b>2,395</b>	<b>7.2%</b>	<b>\$262,987</b>	<b>11.8%</b>
Air Transportation	54	0.2%	589	1.8%	\$114,828	5.1%
Other Transportation	525	2.0%	731	2.2%	\$46,131	2.1%
Public Utilities	378	1.4%	1,076	3.2%	\$102,029	4.6%
<b>INFORMATION</b>	<b>667</b>	<b>2.5%</b>	<b>2,389</b>	<b>7.1%</b>	<b>\$145,105</b>	<b>6.5%</b>
<b>WHOLESALE TRADE</b>	<b>1,898</b>	<b>7.2%</b>	<b>843</b>	<b>2.5%</b>	<b>\$42,348</b>	<b>1.9%</b>
<b>RETAIL TRADE</b>	<b>1,187</b>	<b>4.5%</b>	<b>1,847</b>	<b>5.5%</b>	<b>\$94,538</b>	<b>4.2%</b>
<b>FINANCE, INSURANCE AND REAL ESTATE</b>	<b>4,778</b>	<b>18.1%</b>	<b>4,072</b>	<b>12.2%</b>	<b>\$192,670</b>	<b>8.6%</b>
<b>SERVICES</b>	<b>7,083</b>	<b>26.9%</b>	<b>6,111</b>	<b>18.3%</b>	<b>\$363,381</b>	<b>16.3%</b>
Health Care	2,031	7.7%	3,073	9.2%	\$183,482	8.2%
Other Services	5,052	19.2%	3,038	9.1%	\$179,899	8.1%
<b>NON-PROFIT ORGANIZATIONS</b>	<b>967</b>	<b>3.7%</b>	<b>229</b>	<b>0.7%</b>	<b>\$19,244</b>	<b>0.9%</b>
<b>TOTAL</b>	<b>26,377</b>	<b>100.0%</b>	<b>33,447</b>	<b>100.0%</b>	<b>\$2,231,000</b>	<b>100.0%</b>

Source: Pension Benefit Guaranty Corporation.

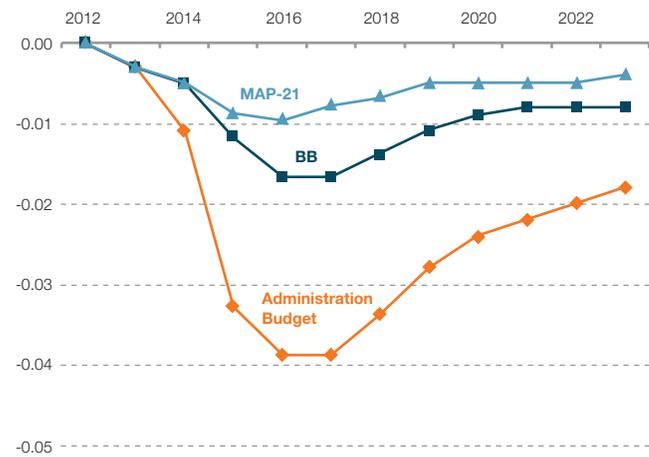
**Table 3: Macroeconomic Effects of PBGC Premium Increases**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-2023	
<b>PBGC Premium Increases (Millions of Dollars)</b>													<b>Cumulative</b>
MAP-21	300	555	1,123	1,338	1,048	987	908	913	975	1,055	1,070	10,271	
BBA	300	605	1,485	2,290	2,266	2,035	1,815	1,780	1,845	1,963	2,000	18,383	
Administration Budget	300	1,300	4,263	5,068	5,044	4,813	4,593	4,558	4,623	4,741	4,778	44,080	
<b>Effects on Real GDP</b>													
<b>Percent Deviation from Baseline</b>												<b>Average</b>	
MAP-21	0.00	0.00	-0.01	-0.01	-0.01	-0.01	-0.01	0.00	0.00	0.00	0.00	-0.01	
BBA	0.00	-0.01	-0.01	-0.02	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	
Administration Budget	0.00	-0.01	-0.03	-0.04	-0.04	-0.03	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02	
<b>Billions of 2012 Dollars</b>												<b>Cumulative</b>	
MAP-21	-0.4	-0.8	-1.6	-1.9	-1.6	-1.3	-1.0	-1.0	-0.9	-1.0	-0.9	-12.4	
BBA	-0.4	-0.9	-2.0	-3.1	-3.2	-2.7	-2.1	-1.8	-1.7	-1.7	-1.6	-21.4	
Administration Budget	-0.4	-1.8	-5.7	-7.0	-7.2	-6.4	-5.4	-4.8	-4.5	-4.2	-3.9	-51.4	
<b>Effects on Exports</b>													
<b>Percent Deviation from Baseline</b>												<b>Average</b>	
MAP-21	0.00	0.00	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	
BBA	0.00	0.00	-0.01	-0.02	-0.02	-0.02	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01	
Administration Budget	0.00	-0.01	-0.02	-0.04	-0.04	-0.04	-0.04	-0.04	-0.03	-0.03	-0.03	-0.03	
<b>Billions of 2012 Dollars</b>												<b>Cumulative</b>	
MAP-21	-0.03	-0.09	-0.20	-0.29	-0.31	-0.30	-0.27	-0.25	-0.25	-0.25	-0.26	-2.5	
BBA	-0.03	-0.10	-0.24	-0.43	-0.55	-0.58	-0.54	-0.50	-0.48	-0.48	-0.49	-4.4	
Administration Budget	-0.03	-0.17	-0.61	-1.02	-1.29	-1.34	-1.29	-1.24	-1.20	-1.19	-1.19	-10.6	
<b>Effects on Real Personal Income</b>													
<b>Percent Deviation from Baseline</b>												<b>Average</b>	
MAP-21	0.00	-0.01	-0.01	-0.02	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	
BBA	0.00	-0.01	-0.02	-0.03	-0.03	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	
Administration Budget	0.00	-0.02	-0.05	-0.07	-0.07	-0.07	-0.06	-0.06	-0.06	-0.05	-0.05	-0.05	
<b>2012 Dollars per Household</b>												<b>Cumulative</b>	
MAP-21	-4.7	-9.3	-17.9	-22.1	-20.0	-18.4	-16.4	-15.9	-16.0	-16.4	-16.0	-173.2	
BBA	-4.7	-10.0	-23.1	-35.9	-39.7	-36.9	-32.4	-30.2	-29.4	-29.6	-29.1	-300.9	
Administration Budget	-4.7	-20.2	-64.0	-82.2	-89.8	-85.9	-79.9	-76.6	-74.7	-72.8	-70.0	-720.6	
<b>Effects on Employment</b>													
<b>Percent Deviation from Baseline</b>												<b>Average</b>	
MAP-21	0.00	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	0.00	0.00	0.00	-0.01	
BBA	0.00	-0.01	-0.01	-0.02	-0.02	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	
Administration Budget	0.00	-0.01	-0.03	-0.04	-0.04	-0.04	-0.03	-0.03	-0.02	-0.02	-0.02	-0.03	
<b>Thousands of Job-years</b>												<b>Average</b>	
MAP-21	-3.7	-7.5	-14.5	-17.5	-14.5	-12.1	-9.2	-8.3	-7.9	-8.1	-7.8	-10.1	
BBA	-3.7	-8.0	-18.6	-28.4	-29.5	-25.5	-19.5	-16.2	-14.6	-14.5	-14.0	-17.5	
Administration Budget	-3.7	-16.2	-51.3	-65.9	-67.2	-58.8	-48.6	-42.6	-38.8	-35.9	-33.3	-42.0	

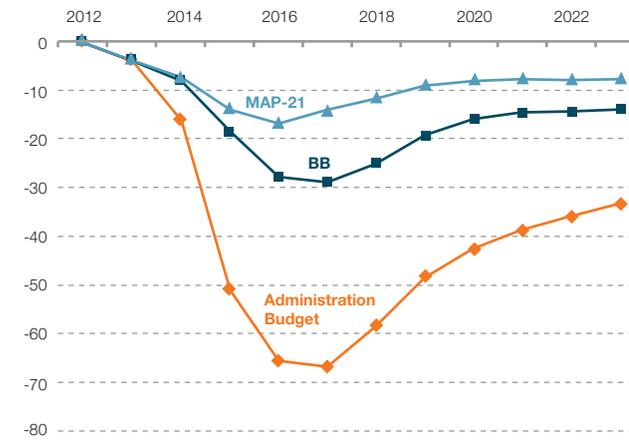
**Table 4. Employment Effects by Industry – Administration Budget Case (Thousands of Jobs per year)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture, Forestry & Fisheries	-0.04	-0.17	-0.54	-0.66	-0.64	-0.59	-0.53	-0.50	-0.46	-0.41	-0.36
Mining	-0.01	-0.04	-0.13	-0.16	-0.16	-0.14	-0.12	-0.10	-0.40	-0.09	-0.08
Construction	-0.20	-1.20	-4.22	-8.08	-9.24	-8.18	-5.36	-3.00	-1.82	-1.54	-1.60
<b>Manufacturing</b>	<b>-0.29</b>	<b>-1.37</b>	<b>-4.53</b>	<b>-7.09</b>	<b>-7.47</b>	<b>-6.50</b>	<b>-5.17</b>	<b>-4.29</b>	<b>-3.95</b>	<b>-3.79</b>	<b>-3.64</b>
Non-durables	-0.13	-0.56	-1.83	-2.53	-2.60	-2.35	-2.05	-1.87	-1.75	-1.61	-1.47
Durables Materials and Products	-0.06	-0.31	-1.04	-1.65	-1.74	-1.49	-1.13	-0.86	-0.75	-0.71	-0.70
Non-Electrical Machinery	-0.02	-0.12	-0.44	-0.95	-1.08	-0.89	-0.60	-0.40	-0.36	-0.40	-0.43
Electrical Machinery	-0.02	-0.07	-0.24	-0.40	-0.40	-0.32	-0.24	-0.19	-0.18	-0.18	-0.18
Transportation Equipment	-0.04	-0.20	-0.64	-0.98	-1.04	-0.90	-0.72	-0.61	-0.57	-0.56	-0.55
Instruments	-0.01	-0.05	-0.18	-0.34	-0.36	-0.32	-0.24	-0.20	-0.18	-0.19	-0.19
Miscellaneous Manufacturing	-0.01	-0.05	-0.16	-0.25	-0.25	-0.22	-0.19	-0.16	-0.15	-0.14	-0.13
Transportation	-0.15	-0.64	-2.06	-2.59	-2.70	-2.43	-2.14	-2.00	-1.90	-1.84	-1.76
Utilities	-0.03	-0.12	-0.39	-0.49	-0.60	-0.58	-0.50	-0.43	-0.39	-0.37	-0.37
Trade	-1.31	-5.36	-16.48	-18.77	-17.96	-15.43	-13.27	-12.27	-11.33	-10.23	-9.18
Finance, Insurance & Real Estate	-0.26	-1.05	-3.26	-3.71	-3.76	-3.35	-3.01	-2.84	-2.66	-2.44	-2.22
Education, Social Services, NPO	-0.24	-1.15	-3.63	-4.48	-4.70	-4.16	-3.45	-3.11	-2.76	-2.40	-2.16
Other Services	-1.20	-5.06	-16.03	-19.89	-19.98	-17.48	-15.05	-14.00	-13.45	-12.85	-11.96
<b>Total Jobs</b>	<b>-3.73</b>	<b>-16.16</b>	<b>-51.27</b>	<b>-65.92</b>	<b>-67.20</b>	<b>-58.81</b>	<b>-48.59</b>	<b>-42.55</b>	<b>-38.80</b>	<b>-35.95</b>	<b>-33.34</b>

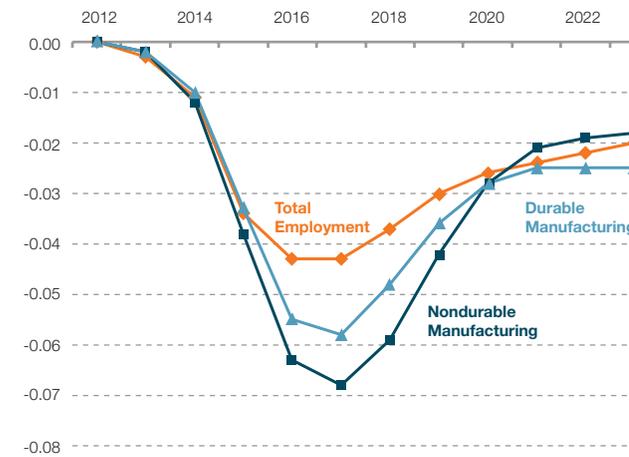
**Figure 1: Real GDP: Percentage Deviation from Baseline**



**Figure 2: Employment: Deviation from Baseline in Thousands of Job-years**



**Figure 3: Total and Manufacturing Employment Percentage Deviations from Baseline**



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