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LETTERS

Pensions Are a Mathematical Issue

Public pensions in most states are in reasonably good shape.

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Steven Malanga ("The Pension Sink Is Gulping Billions in Tax Raises," Jan. 13) is true to form, as he cites the problems selected states and localities have as a result of their pension plans. Yet public pensions in most states are in reasonably good shape. They are recovering nicely from the steep market decline of 2008-09 and, importantly, public pensions provide both vital income for millions of retired public workers, and an important source of economic stimulus throughout the country, especially in rural areas.

Pension liabilities don't come due all at once, and pension costs are just 4% of all state and local spending. While Mr. Malanga correctly points out that as of 2013 public pension asset values were "only 1% above their peak in 2007," left unsaid is that since 2007 public pensions distributed more than $1 trillion in benefits to more than eight million retirees and their survivors. Considering that the 2008-09 market decline reduced public pension asset values by one-fourth, and the funds have distributed benefits continuously since, the fact that asset values are above their precrash level is actually something to applaud.

Public pensions do face challenges, and some states and cities need to pay for past failures to fund their plans. But in the current debate about public pensions, some fairness and balance seem appropriate.

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