

CalPERS for California

For the fiscal year ended June 30, 2025

Introduction

For more than nine decades, CalPERS has built retirement and health security for state, school, and public agency employees who dedicate their careers to public service. CalPERS serves nearly 2.4 million members in its retirement system and administers health benefits for more than 1.5 million members and their families. As the largest defined-benefit public pension fund in the United States, CalPERS managed an investment portfolio with a fair value of approximately $634.6 billion as of June 30, 2025.[1]

Approximately $87.7 billion, or 13.8 percent, of the CalPERS' portfolio was invested in California-based companies, properties, and projects as of June 30, 2025.[2] These investments enable the strength, diversity, and scale of California's economy—the fourth largest in the world—which offers a broad range of investment opportunities across asset classes that meet CalPERS' investment objectives.[3]

CalPERS' investments support a wide range of industries throughout California, including financial services, information technology, real estate, healthcare, trade, transportation, and infrastructure. CalPERS both benefits from, and contributes to, the growth of these industries that have helped drive the growth of California's economy, which recorded the largest increase in gross domestic product (GDP) of any U.S. state in 2025.[4]

As the businesses and projects that CalPERS invests in grow, they generate additional economic activity that supports workers, suppliers, and local economies. These dynamics strengthen regional labor markets, increase wages, and generate state and local tax revenues that support public services and the member organizations that participate in the CalPERS system. This report examines CalPERS' contributions to California's economy and labor market through its investments in the state.

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[1] CalPERS Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2025; Investment Section, page 117, table titled "Summary of Investments – PERF," Total Investment Value, Fair Value column.

[2] CalPERS Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2025; Investment Section, page 118, table titled "Portfolio of California Investments at Fair Value – PERF". Real Assets, Private Equity, and Private Debt investments in California are as of March 31, 2025.

[3] California is now the 4th largest economy in the world, Governor Newsom Press Release, 2025.

[4] California's economy leads again, grows another 5% in 2025 to record $4.25 trillion GDP, Governor Newsom Press Release, 2026.

As California's economy has grown, so too has its population, which was estimated at 39.5 million people as of July 1, 2025, making it the most populous U.S. state. California's population is also one of the most diverse in the country, with no race or ethnic group comprising a majority of the state population.[5] Domestic migration and the state's aging population, among other factors, are further changing the demographic composition of California's cities and communities.

To that end, this report analyzes CalPERS' investment exposure across California communities, including these communities' demographic data.

While this report focuses on the ascribed benefits of CalPERS' investments in the state, investing is not the only way CalPERS contributes to the state's economy and communities. The retirement and health benefits paid to CalPERS' members and beneficiaries also generate significant economic activity throughout California, supporting household spending, local businesses, and public revenues across the state. For additional information on the statewide economic effects of pension benefit payments, please see Economic Impacts of CalPERS Pension in California, FY 2022-23.

This report highlights examples of the broad economic impacts associated with CalPERS' investments in California and illustrates the breadth of the Fund's exposure across the state. The analysis was prepared by Tideline, a specialist advisory firm, and incorporates geospatial and econometric methodologies to examine the locations, industries, and economic activity associated with CalPERS' California investments.





[5] February 2026 Population Estimates, State of California Department of Finance, 2026.

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Executive Summary

$55.5 billion

in total economic activity supported across the state

$3.3 billion

in state and local tax revenues generated

193,000+

jobs supported through California investments

As the United States' largest defined-benefit public pension fund, CalPERS is deeply connected to California's economy. CalPERS provides retirement and health benefits to more than 2.4 million public employees, retirees, and their families, and serves 2,906 contracted employers across the state. Through its investment portfolio—which has a fair value of approximately $634.6 billion as of June 30, 2025—CalPERS helps support economic activity across California, including business growth, infrastructure development, and job creation.[6]

This *CalPERS for California* report examines CalPERS' investment portfolio as of the fiscal year ended June 30, 2025. It describes the scale and breadth of CalPERS' investments in California-based companies, properties, and projects, and provides estimates of the broader economic benefits associated with CalPERS' private market investments. These benefits include economic activity, employment, tax revenues, and other effects that contribute to a vibrant Californian economy and stronger, more resilient local communities.

This report does not evaluate the financial performance of CalPERS' investments. Rather, it provides a snapshot of CalPERS' investments across California counties and how those investments support economic activity, employment, and, and tax revenues throughout the state.

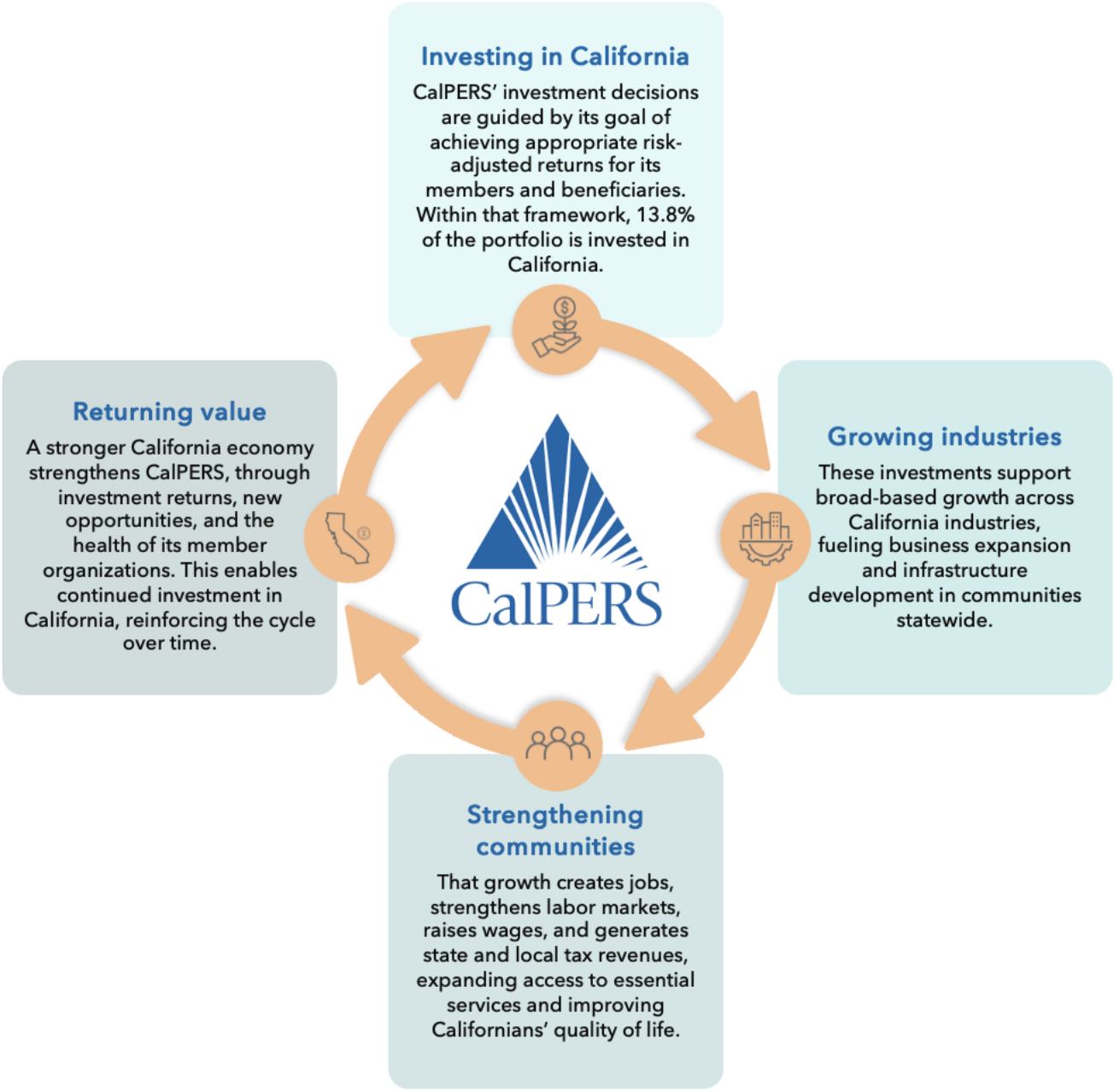
CalPERS' investment objective is to achieve an appropriate risk-adjusted return on behalf of its members and beneficiaries, consistent with its fiduciary duty and

[6] CalPERS Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2025.

responsibility to protect the long-term financial security of the retirement system. All investment decisions are guided by CalPERS' Investment Beliefs and investment policies governing asset allocation and risk management.

The figure below illustrates the reinforcing cycle of economic growth and shared prosperity that results from CalPERS' investments in California.

CalPERS and California's Shared Prosperity



This report was prepared using data provided by CalPERS alongside U.S. Census Bureau data and other publicly available sources. The methodologies, assumptions, and data sources used throughout the report are documented in the *Research Methodology and Analytical Assumptions appendix*. Because the relationship between capital allocation and economic outcomes is more readily observable in private markets, the report's economic impact analysis focuses on private equity, real assets, and private debt investments and does not estimate ancillary benefits associated with public market investments.

As of June 30, 2025, CalPERS had invested approximately 13.8 percent (or $87.7 billion) of its $634.6 billion investment portfolio in California.[7]

CALPERS' INVESTMENTS IN CALIFORNIA BY ASSET CLASS, AT FAIR VALUE: JUNE 30, 2025

	Total portfolio value (in billions)[8]	Dollars invested in California (in billions)[9]	Percentage of dollars invested in California[10]
Public Equity	$225.7	$48.3	21.4%
Fixed Income	$187.1	$8.2	4.4%
Private Equity	$102.9	$10.5	10.2%
Real Assets	$74.5	$18.1	24.3%
Private Debt	$21.9	$2.6	11.7%
Short-term investments[11]	$22.5	N/A	N/A
TOTAL	**$634.6**	**$87.7**	**13.8%**

In addition to seeking appropriate risk-adjusted returns, CalPERS' private markets investments can support local communities by contributing to business growth, commercial infrastructure, and job creation. For the 2024–25 fiscal year end, CalPERS' active private markets investments in California supported an estimated $55.5 billion in total economic activity across the state.

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[7] See footnotes 1 and 2.

[8] See footnote 1.

[9] See footnote 2.

[10] Numbers may not sum or recompute due to rounding.

[11] Short-term investments consist of U.S. Treasury and government-sponsored securities, money market funds, commercial paper, certificates of deposit, repurchase agreements, asset-backed securities, notes, bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions.

CalPERS' California investments generate an economic impact that extends beyond the businesses and projects receiving capital. CalPERS' private market investments also support suppliers, workers, and public revenues through state and local taxes generated by business activity, employment, and household spending. These tax revenues help fund public services and infrastructure that contribute to stronger communities and a more resilient California economy.

While this report does not detail the outcomes directly experienced by California's local communities, it approximates benefits to them by exploring job creation and tax revenues, which are shown below.

ESTIMATED TAX REVENUE SUPPORTED BY CALPERS' PRIVATE MARKETS INVESTMENTS: JUNE 30, 2025[12,13]

	State tax revenue (in millions)	Local tax revenue (in millions)[14]	Total tax revenue (in millions)
Private Equity	$666.0	$384.5	$1,050.5
Real Assets	$1,117.2	$805.2	$1,922.3
Private Debt	$182.7	$131.9	$314.6
TOTAL PRIVATE MARKETS	**$1,965.9**	**$1,321.6**	**$3,287.5**

CalPERS' private markets investments in California supported approximately $3.3 billion in state and local tax revenues as of June 30, 2025. These revenues support public benefits including education, healthcare, transportation, economic development, assistance to low-income families, law enforcement, parks and recreation, and housing. Tax revenues help support participating employers within the CalPERS system by supporting their fiscal health and ability to provide public benefits to California's residents.

[12] Estimated tax revenues supported in California are calculated similarly to total economic activity using the IMPLAN model; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

[13] Numbers may not sum due to rounding.

[14] Local taxes include County, Sub County (Special Districts), and Sub County (General) tax revenues.

ESTIMATED JOBS SUPPORTED BY CALPERS' PRIVATE MARKETS INVESTMENTS: JUNE 30, 2025[15]	
Private Equity	61,700
Real Assets	114,000
Private Debt	17,600
TOTAL PRIVATE MARKETS	**193,000**

CalPERS' private markets investments in California supported approximately 193,000 jobs as of June 30, 2025. These jobs reinforce local economies, workers, businesses, and household spending across the state. Econometric analysis of CalPERS' investments in California demonstrates how these investments contribute to the reinforcing cycle of economic growth, community resilience, and investment opportunity described in this report.

Jobs supported by CalPERS' investments span a diverse range of industries that are important to California's economy. The largest concentrations are in Real Estate & Leasing, Finance & Insurance, Healthcare & Social Assistance, Retail Trade, and Administrative & Support Services. This illustrates the breadth of CalPERS' exposure across sectors.

Top 5 Job Sectors Supported by CalPERS' Investments in California[16]



[15] Estimated jobs supported in California is calculated similarly to total economic activity using the IMPLAN model; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

[16] Estimated jobs supported by sector in California is calculated using the IMPLAN model and North American Industry Classification System (NAICS); see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

CalPERS' investments in California are made in pursuit of its primary objective: achieving appropriate risk-adjusted returns for members and beneficiaries. At the same time, these investments can contribute to broader economic activity across the state by supporting businesses, infrastructure, jobs, and public revenues. Together, these findings illustrate how investment capital can help strengthen local economies and communities, therefore reinforcing the mutually beneficial relationship between a vibrant California economy and a strong, resilient CalPERS system.

Public Markets

The largest share of CalPERS' total assets is invested in the public markets through equity and fixed income securities.

Given the nature of public markets investing, job creation and other ancillary benefits generated by companies and projects in the portfolio cannot be directly attributed to CalPERS' investment. Therefore, job creation and ancillary benefits associated with public markets asset class investments are intentionally excluded from this analysis. The sections below examine CalPERS' total investment exposure in California.

Public Equity

Total market value
$225.7 billion[17]

Value in California
$48.3 billion[18]

Percentage in California
21.4%

Global Public Equity is the principal asset class providing growth exposure in Total Fund's asset allocation, representing approximately half of Total Fund assets.

CalPERS' Public Equity team is responsible for managing and overseeing the Total Fund's Public Equity portfolio, which provides growth exposure and supports the Fund's liquidity needs. The portfolio consists of U.S. and international public equities, foreign currencies, and derivative exposures. The program includes internally implemented and externally managed domestic, international, and emerging market strategies, as well as the oversight of active strategies. The Public Equity program is also responsible for Corporate Governance activities, including proxy voting and corporate engagement.

[17] See footnote 1.

[18] See footnote 2.

Fixed Income

Total market value
$187.1 billion[19]

Value in California
$8.2 billion[20]

Percentage in California
4.4%

CalPERS' Fixed Income team is responsible for managing and overseeing the Total Fund's Fixed Income allocation and the CalPERS Short Term Investment Fund. Income mainly consists of investment-grade and high-yield corporate securities, emerging market debt, mortgage-backed securities, and U.S. Treasuries. The income mandate is to serve as an economic diversifier to the Total Fund equity risk and to be a reliable source of income and liquidity. This asset class has exposure to investments in California through the following sectors:

- **Corporate bonds:** Companies issue corporate bonds to finance a variety of purposes, such as investing in new plants and equipment or to fund the purchase of a company's equity or debt.
- **Structured securities:** Structured securities are investments in debt securities collateralized by a diverse group of loans including residential real estate, commercial real estate, and consumer loans. When issuing structured securities, these loans are bundled together, and underlying loan principal and interest repayment cash flows are packaged into varying structures offering investors different risk and return profiles.

[19] See footnote 1.

[20] See footnote 2.

Private Markets

CalPERS' investments in private markets include Private Debt, Private Equity, and Real Assets. Real Assets comprises Real Estate and Infrastructure investment portfolios. Private market strategies encompass investments in companies, properties, and projects that cannot be accessed publicly.

Tideline provides econometric estimates for how CalPERS' California investments support job creation and other ancillary benefits within the state of California through its private market investments. Access to capital is an important factor in business and productivity growth, job and wealth creation, innovation, and sustainable community and economic development.

This section of the report highlights the proportion of CalPERS' investments in five ancillary benefit categories in which deployed capital may create socially beneficial outcomes:[21]

- Low-to moderate-income (LMI) areas
- High unemployment areas
- High minority areas
- Non-coastal areas[22]
- Disadvantaged Communities[23]

[21] Section 2 of the Research Methods and Analytical Assumptions appendix provides detailed descriptions of each category, data sources, and methodology.

[22] Previous reports included rural areas as an ancillary benefits category. Due to changes in the way rural areas are classified in the decennial census—resulting in CalPERS' more limited exposure to them—this category has been removed from the analysis and replaced with an analysis of CalPERS' investments in Coastal vs. Non-Coastal areas.

[23] Disadvantaged Communities are an official CalEPA designation based on geographic, socioeconomic, public health, and environmental hazard criteria that indicate areas targeted for investment of proceeds from the state's Cap-and-Trade Program.

Private Equity

Total market value
$102.9 billion[24]

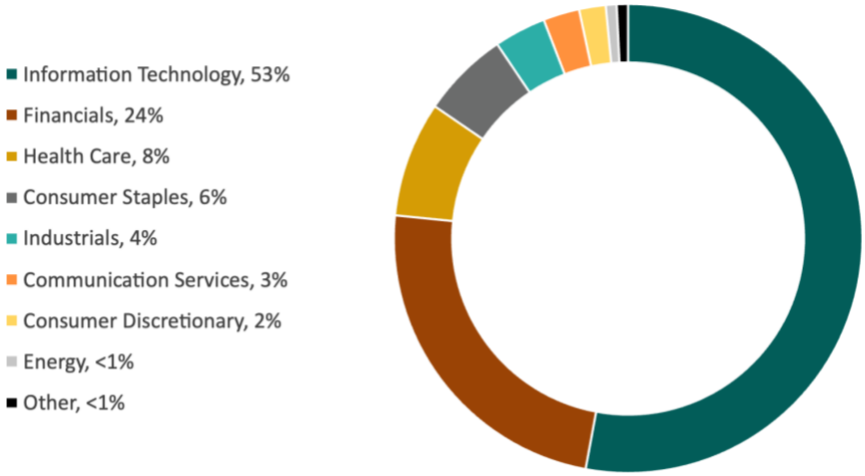
Value in California
$10.5 billion[25]

Percentage in California
10.2%

The Private Equity Program focuses on leveraging scale, expertise and long-term orientation to achieve attractive risk-adjusted equity returns by investing across private market strategies globally. Private Equity investments are typically held over longer time horizons with limited liquidity, but in return provide the Total Fund with increased diversification and enhanced returns. The program aims to build long-term partnerships with exceptional investors around the globe and invest in both fund partnerships and co-investments into operating companies.

Investments across a wide range of industries are represented in the portfolio. The following chart shows the diversity across sectors for the investments in California.

CalPERS' Private Equity Investments in California, by Type



[24] See footnote 1.

[25] CalPERS' Private Equity data as of March 31, 2025. The increase in both the number of investments and the market value of the California PE portfolio was primarily driven by improved reporting from general partners, several new large investments in the information technology sector, and higher portfolio company valuations supported by the strength of the public markets.

CalPERS' Private Equity investments in companies headquartered in California are estimated to support approximately 61,700 workers in the state, including 12,400 jobs in Finance & Insurance and 10,400 jobs in Healthcare. In addition to the $10.5 billion in Private Equity investments, an estimated $73.0 billion has been invested alongside CalPERS by other investors.[26] However, these investments are not directly attributable to CalPERS' investments.

CALPERS' PRIVATE EQUITY INVESTMENTS IN CALIFORNIA: MARCH 31, 2025	
Number of investments	566
CalPERS investments (in billions)	$10.5
Estimated jobs in California[27]	61,700

CalPERS' Private Equity investments in California span a diverse range of counties, cities, and communities. The following table shows estimated Private Equity exposure across high unemployment, high minority, LMI, non-coastal, and Disadvantaged Communities throughout the state.

ANCILLARY BENEFITS OF CALPERS' PRIVATE EQUITY INVESTMENTS IN CALIFORNIA: MARCH 31, 2025[28,29]		
	Percentage by number of investments	**Percentage by dollars invested**
High unemployment areas	5%	1%
High minority areas	31%	50%
LMI areas	15%	9%
Non-coastal areas	27%	26%
Disadvantaged Communities	24%	33%

[26] Includes capital invested alongside CalPERS in the same companies in the same Private Equity fund, not the total market value of the company. This figure excludes co-investments for Private Equity investments in the California Emerging Ventures program, for which this information was unavailable.

[27] Estimated jobs supported by CalPERS' Private Equity investments in California are determined using IMPLAN; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

[28] See Section 1.2 of the Research Methodology and Analytical Assumptions appendix for details on how these areas are designated.

[29] This table was calculated using only investments which include a ZIP code. Furthermore, investments with ZIP codes associated with PO Boxes are excluded as the Census Bureau's ZCTA data does not provide demographic and economic information about these entities. Percentages are thus based on 414 investments totaling $8.4 billion.

Real Assets

Total market value
$74.5 billion[30]

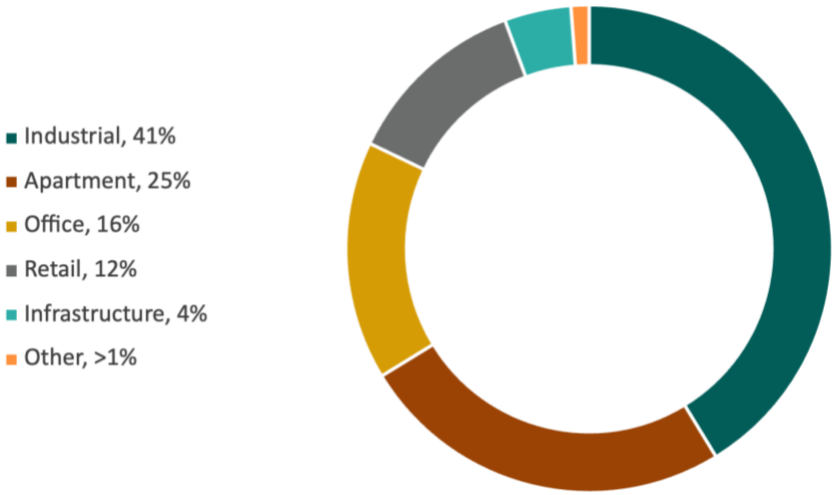
Value in California
$18.1 billion[31]

Percentage in California
24.3%

CalPERS' Real Assets program includes Real Estate and Infrastructure investment portfolios. These investments are acquired and managed through separate accounts and commingled funds. The role of the Real Assets program is to provide a stable and predictable cash yield, diversification of equity risk, and inflation protection.

The following chart highlights the exposure of the California Real Assets investments by type.

CalPERS' Real Asset Investments in California, by Type



[30] See footnote 1.

[31] See footnote 2.

Investments in this asset class benefit California communities by creating jobs, contributing to local economic development, and providing critical community resources.[32] CalPERS' Real Asset investments in California are estimated to support approximately 114,000 jobs in the state, including 61,400 in Real Estate & Leasing and 10,200 jobs in Administrative & Support Services.

CALPERS' REAL ASSETS INVESTMENTS IN CALIFORNIA: MARCH 31, 2025	
Number of investments	383
CalPERS investments (in billions)	$18.1
Estimated jobs in California[33]	114,000

Real Estate

CalPERS invests in real estate primarily through separate accounts and funds with third-party investment managers. The investment strategy for the Real Estate portfolio focuses on core assets with stable income, diversified by property type and geography.

The Real Estate portfolio is more heavily weighted to California than any other asset class. This weighting reflects the fact that many core real estate markets in the current benchmark are concentrated in California. The Real Estate portfolio in California includes a diverse group of properties that provide ancillary benefits in the areas in which they are located, including the creation of construction jobs and economic activity connected to construction, the accommodation of new retail, industrial and commercial employers, and the anchoring of communities with Real Assets.

In addition to the $17.3 billion invested in California real estate property and projects, an estimated $27.4 billion has been invested alongside CalPERS by other investors.[34] However, these investments are not directly attributable to CalPERS' investments.

[32] Forestland investment portfolios and unimproved land held in Real Estate investment portfolios were excluded from the analysis.

[33] Estimated jobs supported by CalPERS' Real Estate investments in California were determined using IMPLAN; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

[34] Value includes all other capital invested alongside CalPERS in the same Real Estate investments selected by third-party funds, partnerships, and Real Estate investment trusts.

Combined, CalPERS' investments in real estate properties located in California support approximately 109,000 jobs.[35] This figure encompasses jobs at the development and construction phase, as well as from income-generating properties. Real Estate investments in the development and construction phase support over 4,300 jobs. These real estate projects economically support workers within the construction industry and indirectly support workers throughout the state.[36]

CalPERS' Real Estate investment portfolio includes income-generating properties with high quality assets, such as apartments, mixed use developments, retail centers, office buildings, and industrial centers. These properties provide housing, as well as infrastructure and operating space for retail, professional service providers, and manufacturers. Properties with high occupancy levels also support workers in property management, service, security, and other related industries.[37] The sales and leasing income from these income-generating properties supports approximately 105,000 jobs.

CALPERS' REAL ESTATE PROGRAM INVESTMENTS IN CALIFORNIA: MARCH 31, 2025	
Number of investments	373
CalPERS investments (in billions)	$17.3
Estimated jobs in California	109,000

[35] Estimated jobs supported by CalPERS' Real Estate investments in California are determined using IMPLAN; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

[36] California Real Estate projects in the development and construction phase indirectly support workers across the state through the purchase of goods and services needed for construction of these projects, and through the personal consumption by construction workers tasked to these projects.

[37] California investments in income-generating real estate properties directly support tenant businesses through the provision of critical infrastructure and operating space. Additionally, tenant businesses indirectly support workers across the state through the purchase of goods and services needed for day-to-day business operations and through the personal consumption of workers at their businesses on household purchases.

Real Estate investments are often in central business districts and concentrated in urban areas, where property investments of all types are more readily available. These urban districts typically include a larger proportion of LMI, high unemployment, and areas with higher minority representation in their population. Relative to other asset classes, the Real Estate portfolio also has the highest share of investments located in state-designated Disadvantaged Communities and in non-coastal areas, a geographic lens examined in this report.

ANCILLARY BENEFITS OF CALPERS' REAL ESTATE INVESTMENTS IN CALIFORNIA: MARCH 31, 2025[38]

	Percentage by number of investments	Percentage by dollars invested
High unemployment areas	6%	5%
High minority areas	60%	66%
LMI areas	18%	19%
Non-coastal areas	33%	37%
Disadvantaged Communities	51%	53%

Infrastructure

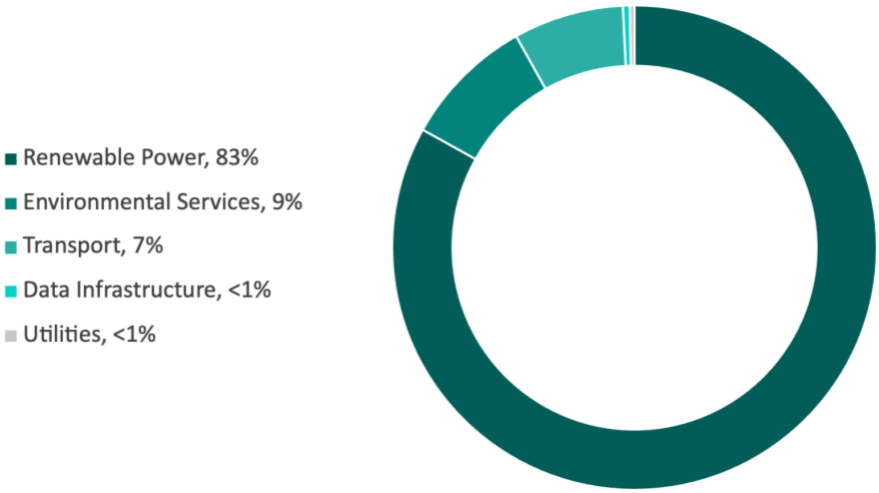
CalPERS also seeks stabilized cash flow from its infrastructure investments within the power, energy, transportation, data infrastructure, and water sectors. CalPERS invests both directly and in partnership with third-party investment managers. Infrastructure investments have the potential to benefit local economic development and provide essential community services within the state.

The following chart highlights the exposure of the California Infrastructure investments by type.

[38] See Section 1.2 of the Research Methodology and Analytical Assumptions appendix for details on how these areas are designated.

This table was calculated using only investments which include a ZIP code. Furthermore, investments with ZIP codes associated to PO Boxes are excluded as the Census Bureau's ZCTA data does not provide demographic and economic information about these entities. Percentages are thus based on 364 investments totaling $17.2 billion.

CalPERS' Infrastructure Investments in California, by Type



Infrastructure investments in California are estimated to support approximately 4,900 workers in the state. In addition to $801.5 million in infrastructure investments, an estimated $2.8 billion has been invested alongside CalPERS by other investors.[39] However, these investments from other funding sources are not directly attributable to CalPERS.

CALPERS' INFRASTRUCTURE INVESTMENT IN CALIFORNIA: MARCH 31, 2025	
Number of investments	10
CalPERS investments (in billions)	$0.8
Estimated jobs in California[40]	4,900

[39] Value includes all other capital invested alongside CalPERS in the same infrastructure projects.

[40] Estimated jobs supported by CalPERS' infrastructure investments in California are determined using IMPLAN; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

Private Debt

Total market value
$21.9 billion[41]

Value in California
$2.6 billion[42]

Percentage in California
11.7%

Establishment of the Private Debt asset class within the Total Fund was approved by the CalPERS Board of Administration in 2021. CalPERS Private Debt investments include direct lending, residential mortgages, real estate financing, and specialty lending strategies. The Private Debt allocation has been implemented mainly through limited partnerships and co-investment opportunities.

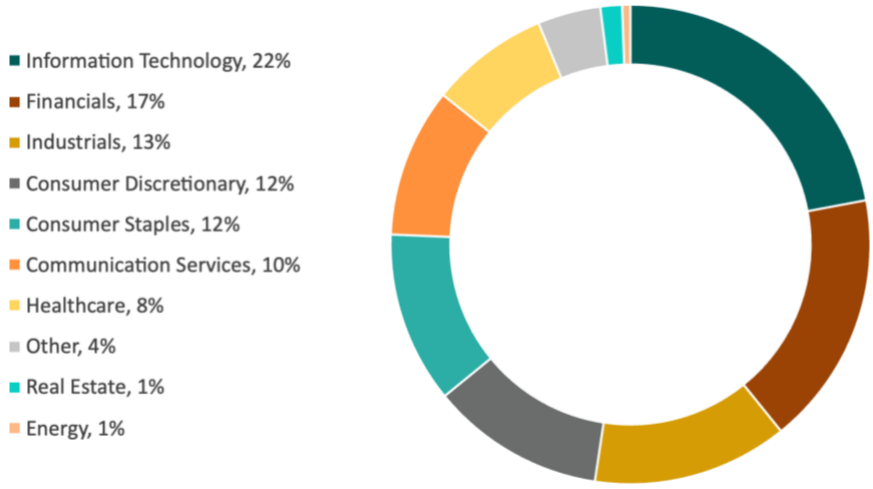
CalPERS Private Debt Program invests primarily in privately negotiated, non-traded debt or debt-like instruments typically issued to companies. The program is intended to provide diversification to the Total Fund while seeking to add value over equivalent public debt markets through exposure to risks including illiquidity and leverage as well as terms and characteristics available through private transactions.

Investments across a wide range of companies in more than seven different industries are represented in the portfolio. The following chart shows the diversity of the investments in California across industry sectors.

[41] See footnote 1.

[42] See footnote 2.

CalPERS' Private Debt Investments in California, by Type



These Private Debt investments provide critical financing to California companies. CalPERS' investments in them are estimated to support approximately 17,600 workers in the state, including 4,600 jobs in Retail Trade and 2,500 jobs in Healthcare.

CALPERS' PRIVATE DEBT INVESTMENT IN CALIFORNIA: MARCH 31, 2025	
Number of investments	194
CalPERS investments (in billions)	$2.6
Estimated jobs in California[43]	17,600

[43] Estimated jobs supported by CalPERS' Private Debt investments in California are determined using IMPLAN; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

CalPERS' Private Debt investments in California span a diverse range of counties, cities, and communities. The following table shows estimated ancillary benefits of CalPERS' investments impacting high employment, high minority, LMI, and non-coastal areas, as well as Disadvantaged Communities:

ANCILLARY BENEFITS OF CALPERS' PRIVATE DEBT INVESTMENTS IN CALIFORNIA: MARCH 31, 2025[44,45]

	Percentage by number of investments	Percentage by dollars invested
High unemployment areas	4%	6%
High minority areas	30%	40%
LMI areas	12%	19%
Non-coastal areas	25%	23%
Disadvantaged Communities	24%	35%

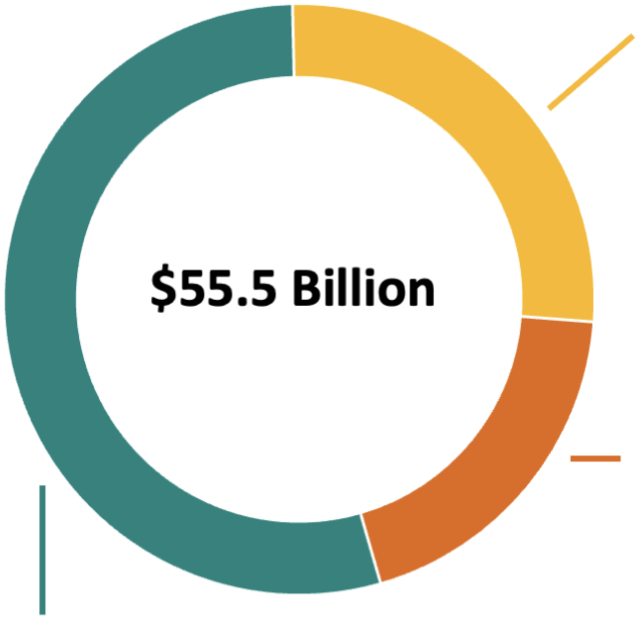
[44] See Section 1.2 of the Research Methodology and Analytical Assumptions appendix for details on how these areas are designated.

[45] This table was calculated using only investments which include a ZIP code. Percentages are thus based on 189 investments totaling $2.5 billion.

Total Economic Impact of CalPERS Private Markets Investments in California

CalPERS' private markets investments in California generate an estimated $55.5 billion in economic activity across the state through the multiplier effect. These direct effects, indirect effects, and induced effects within the California economy are described in the chart below. A more detailed explanation of the methodology used to estimate total economic impact is included in the Research Methodology and Analytical Assumptions appendix.

Breakdown of the Total Economic Impact in California[46]



Indirect Effects - $13.2 Billion
Indirect effects capture the economic activity resulting from increased output from capital recipients. The increase in outputs increases the demand for goods and services from suppliers, causing suppliers to hire additional employees and purchase additional goods in order to meet that demand.

Induced Effects - $11.2 Billion
Induced effects capture the additional household spending that occurs in California as a result of increases in incomes. The additional output by capital recipients increases household income for employees at:

- Companies receiving capital from CalPERS;
- Their suppliers; and
- Other companies that benefit broadly from the growth of the companies receiving CalPERS' investment capital and their suppliers

Direct Effects - $31.1 Billion
Direct effects capture capital recipients' increase in output of goods and services resulting from investments in California businesses and projects.

[46] The total economic impact of the private market investments is calculated using IMPLAN; see Section 1 of the Research Methodology and Analytical Assumptions appendix for further details.

Conclusion

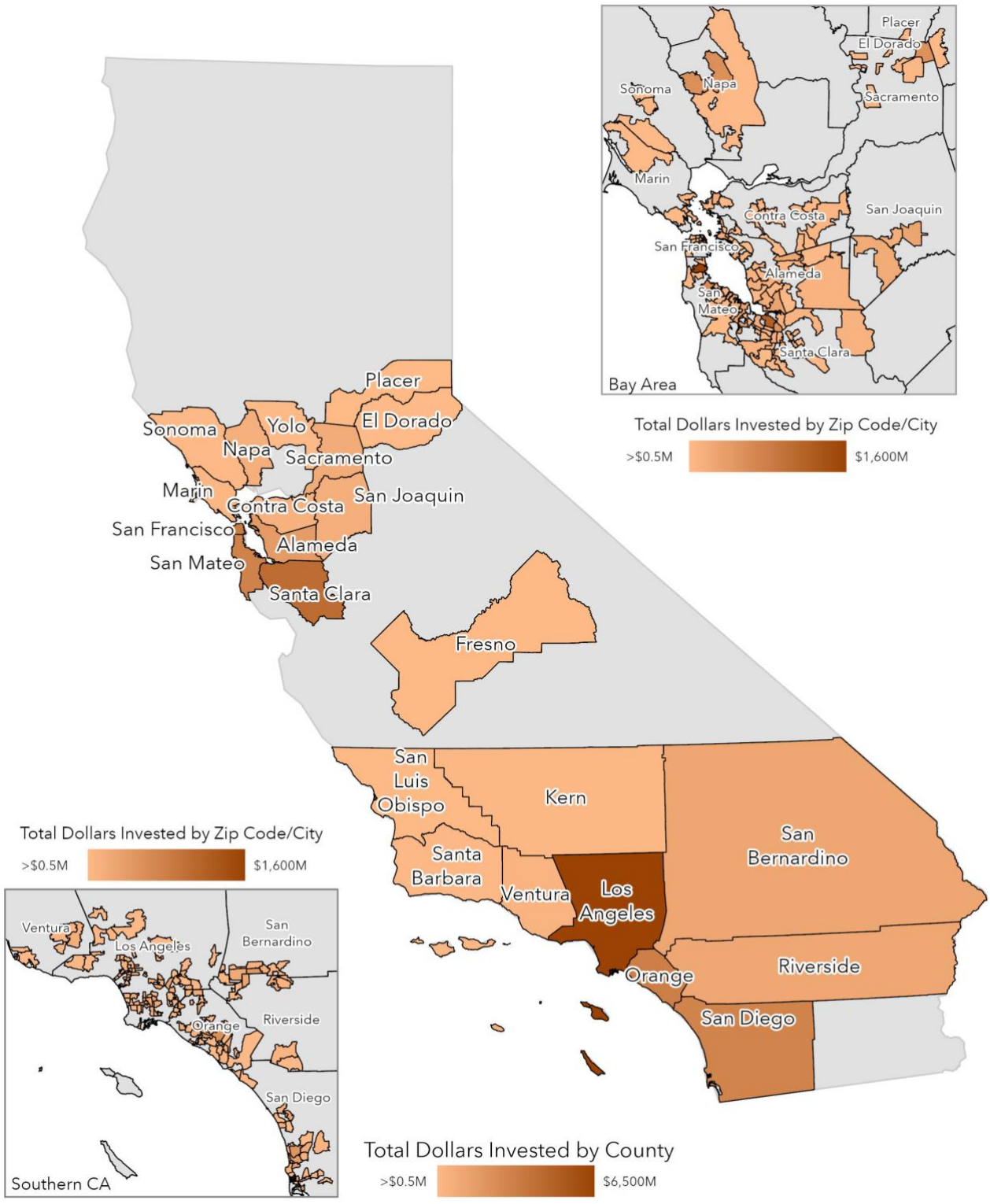
CalPERS' California investments, including in the state's underserved communities, totaled $87.7 billion (or 13.8 percent) of its $634.6 billion investment portfolio as of June 30, 2025. Assets allocated to private market investments generated an estimated $55.5 billion in economic activity in California. This activity supports business growth and infrastructure development, helping to strengthen the California economy and expand the investment opportunities available to CalPERS.

In addition to stimulating economic activity, these investments supported approximately 193,000 jobs in the state across sectors including Real Estate & Leasing, Finance & Insurance, Healthcare & Social Assistance, Retail Trade, and Administrative & Support Services. Supporting jobs in vital industries can strengthen regional labor markets, increase local wages, and improve financial security for Californians.

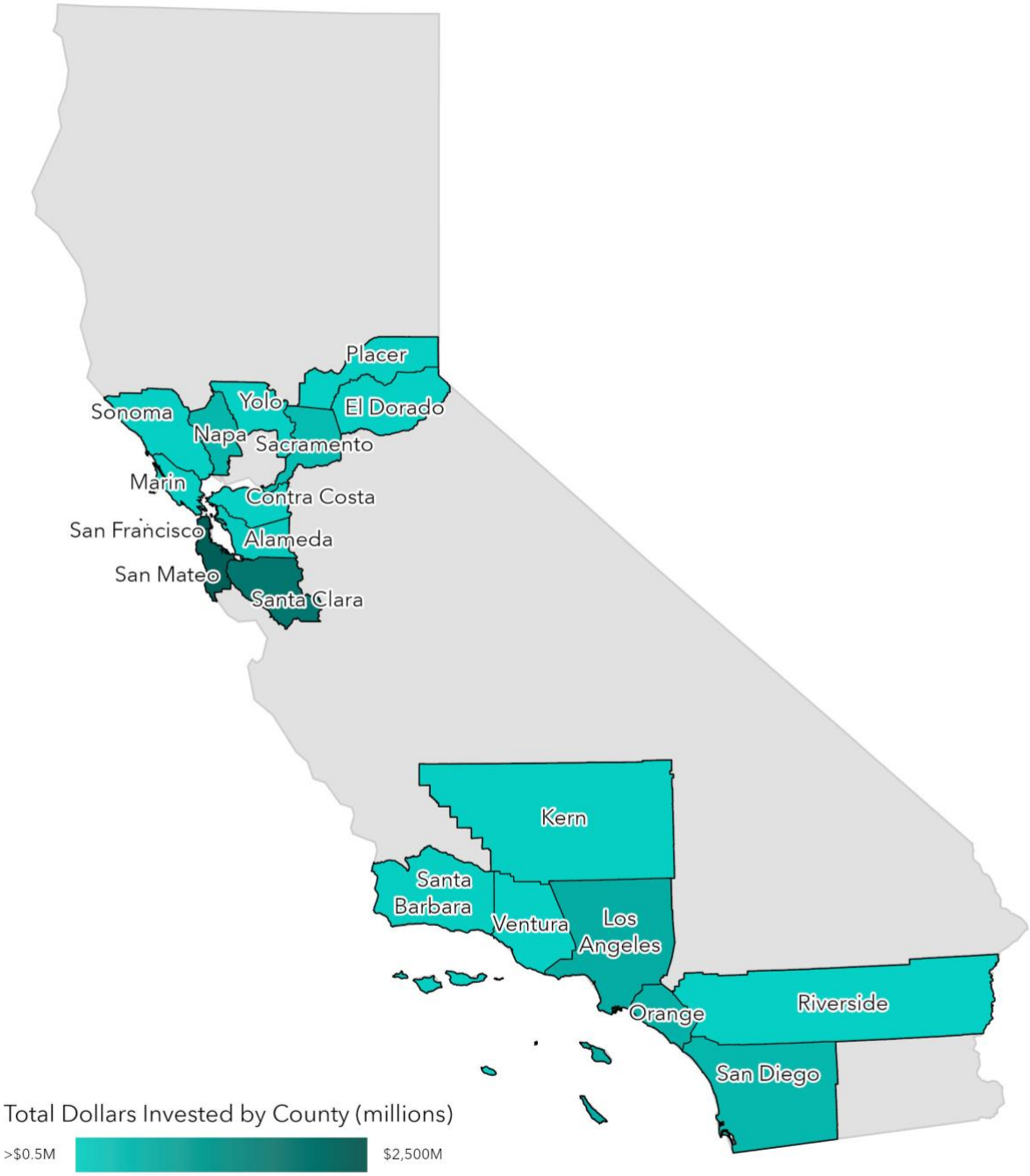
CalPERS' investments in the state also generated an estimated $3.3 billion in state and local tax revenues. These tax revenues contribute to essential services, infrastructure development, and improving Californians' overall quality of life.

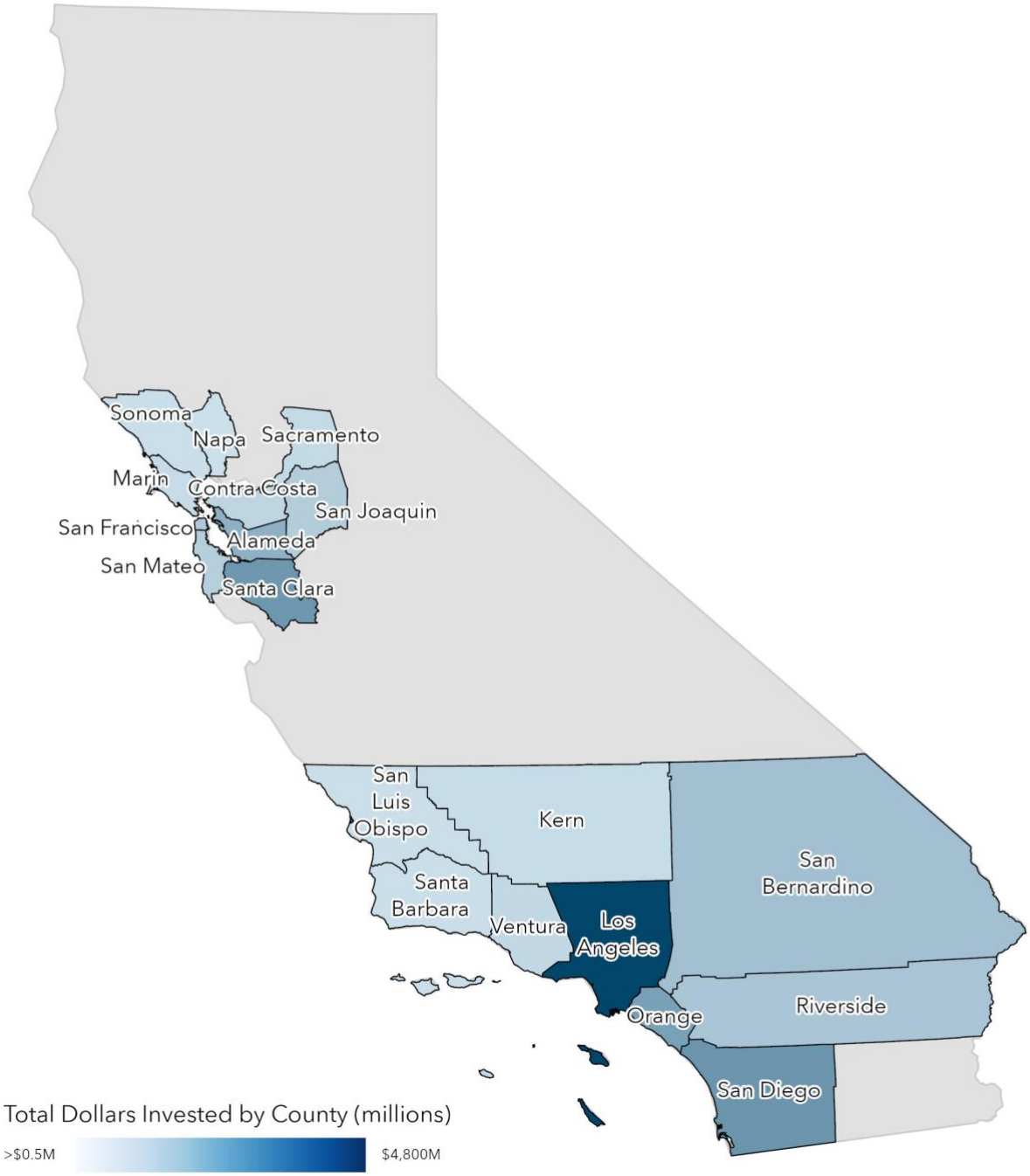
Through direct, indirect, and induced economic effects, CalPERS' private market investments provide significant ancillary benefits beyond an attractive rate of return that support the well-being of CalPERS members and contribute to the broad-based economic growth of California.



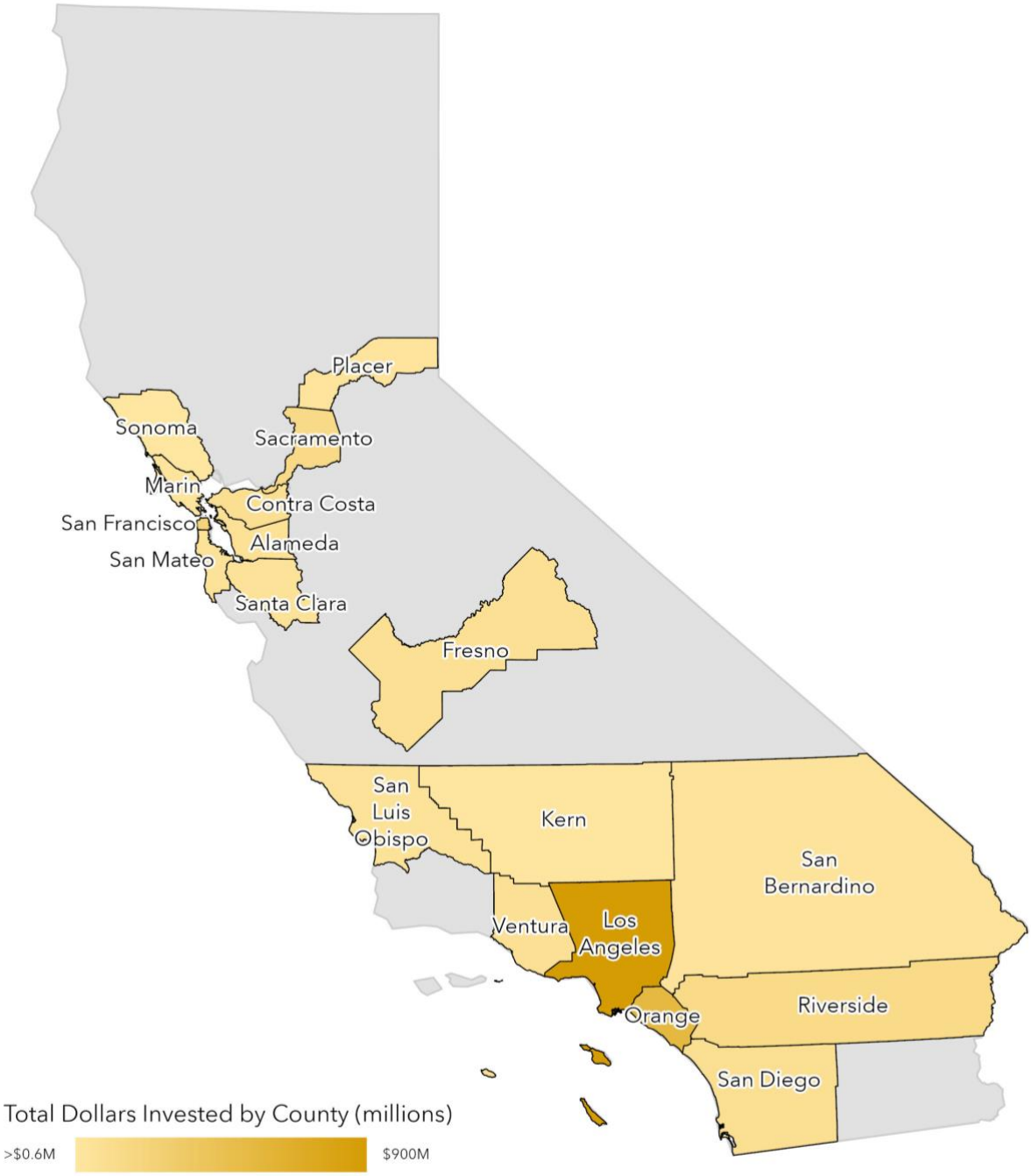

Placer
El Dorado
Sonoma
Napa
Sacramento
Marin
San Joaquin
Contra Costa
San Francisco
Alameda
San Mateo
Santa Clara
Bay Area
Total Dollars Invested by Zip Code/City
>$0.5M
$1,600M
Placer
Sonoma
Yolo
El Dorado
Napa
Sacramento
Marin
Contra Costa
San Joaquin
San Francisco
Alameda
San Mateo
Santa Clara
Fresno
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Total Dollars Invested by Zip Code/City
>$0.5M
$1,600M
Ventura
Los Angeles
San Bernardino
Orange
Riverside
San Diego
Southern CA
Total Dollars Invested by County
>$0.5M
$6,500M

Location of CalPERS' Investments in California: Private Equity




Sonoma
Napa
Sacramento
Marin
Contra Costa
San Joaquin
San Francisco
Alameda
San Mateo
Santa Clara
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Ventura
Los Angeles
Orange
Riverside
San Diego
Total Dollars Invested by County (millions)
>$0.5M
$4,800M

Location of CalPERS' Investments in California: Private Debt



Appendix: Research Methodology and Analytical Assumptions

Section 1 Estimating Economic Impact using IMPLAN

1.1 IMPLAN Overview

The total economic impact, estimated number of jobs supported, and tax revenues generated by CalPERS' private market investments are calculated using the IMPLAN Version 7.3 economic multiplier model software package. IMPLAN is used by thousands of government agencies, colleges and universities, nonprofit organizations, corporations, and business development and community planning organizations for analyzing economic impacts.

IMPLAN utilizes social accounts to analyze the consequences of projected economic transactions in a particular region. Used by over 2,000 public and private institutions, IMPLAN is a widely employed and accepted regional economic analysis tool. Social accounts describe the structure and function of a specific economy. IMPLAN employs input-output analysis in conjunction with region-specific social accounts or social accounting matrices (SAM) and multipliers to analyze economic impacts.

California private market investments in Private Equity, Real Estate, Infrastructure, and Private Debt are input separately into the IMPLAN economic multiplier model using the specific industries and sectors receiving investment. Public markets investments are intentionally excluded from this analysis due to the more indirect relationship between the investment of capital and the use of this capital by recipient public companies.

IMPLAN cannot be applied to public market investments in California, for the following reasons:

1. Attribution: Tideline is not able to directly tie CalPERS capital allocation to the operations and economic activity occurring at California-headquartered public companies given CalPERS is often one of many investors in these businesses.
2. Overestimation: Applying the IMPLAN economic multiplier model to CalPERS' public market investments in California is likely to overstate the total economic impact.

3. Area of study limitations: IMPLAN is an input-output economic multiplier model that requires a set geographic area of study. As California-headquartered public companies have a significant number of facilities and operations in and outside of California, it is difficult to specify what proportion of CalPERS' investment in these companies directly supports economic activity in the state, limiting the accuracy of the resulting total economic impact figure.

1.2 Inputs to IMPLAN by Asset Class

To determine the total economic impact of the California private market investments in Private Debt, Private Equity, Real Estate, and Infrastructure, the IMPLAN model examines the state of California as the geographic area of study, capturing and accounting for economic benefits statewide. Methodologies specific to each asset class were used in determining the input values for the IMPLAN model to best capture the economic impacts resulting from CalPERS' investments. The methodologies are described below:

Private Equity Investments

The amount of private equity investment in California private companies was uploaded directly into the IMPLAN model. Each investment was coded using the NAICS two-digit industry classification system to estimate the company's industry spending patterns. Only CalPERS' direct partnership investments and investments through third-party investment managers were included in this analysis.

Real Estate Investments

Methodologies specific to property type and development phase were used in defining input values for the IMPLAN model to best capture the economic impacts resulting from the construction and operation of various property types. The methodologies are described as follows:

Construction of Residential and Nonresidential Properties

Total net asset values for residential and non-residential properties including apartments, housing, office, industrial, and retail under the predevelopment, development, and redevelopment categories were uploaded directly to the IMPLAN model for analysis where

they are matched with construction activities per IMPLAN's 528 category industry aggregation scheme.

Operation of Residential and Nonresidential Properties

Total net asset values for apartment, retail, office, entertainment, mixed use, industrial, and other CalPERS' Real Estate investments at operating or stabilized capacity were uploaded directly to the IMPLAN model and matched to the appropriate industry per IMPLAN's 528 category industry aggregation scheme for analysis.

Infrastructure Investments

For each Infrastructure project, net asset values were input directly into the IMPLAN model using the appropriate industry code per IMPLAN's 528 category industry aggregation scheme.

Private Debt Investments

The amount of private debt investment in California private companies was uploaded directly into the IMPLAN model. Each investment was coded using the NAICS two-digit industry classification system to estimate the company's industry spending patterns.

1.3 Outputs from IMPLAN

For all asset classes, the analysis does not imply that the total economic impact, jobs created and sustained, and tax revenues generated by CalPERS' investments are directly attributable to the system. Rather, it is an estimate of economic, employment, and tax impact directly related to the properties or companies in question, for which CalPERS' investments play an important enabling role.

Section 2 Additional Ancillary Benefits Overview

This report provides information on the proportion of CalPERS' investments in five categories of socially beneficial outcomes: Low- and Moderate-Income (LMI), high unemployment, high minority, non-coastal areas, and CalEPA-designated Disadvantaged Communities.

The proportion of CalPERS' investments in LMI, high unemployment, high minority, non-coastal areas, and Disadvantaged Communities, reflects the demand for capital in the asset classes in which CalPERS invests. For example, CalPERS invests in companies and properties in central business districts and other economic hubs that offer attractive investment opportunities. These areas tend to be more ethnically and economically diverse, but CalPERS' investment is not a result of these characteristics; rather, all investment decisions are based on the investment merits of the underlying opportunity.

Areas are designated into one of the five socially beneficial outcome categories using demographic and income data from the 2020 U.S. Census and the 2024 5-Year American Community Surveys (ACS). The geographic units used are the Census Bureau's ZIP Code Tabulation Area (ZCTA's). ZCTA's generally correspond with the United States Postal Service's ZIP Code system, allowing for Census Bureau socioeconomic data to be mapped onto traditional ZIP code designations.

2.1 Category Definitions

California ZIP codes were designated to one or more socially beneficial outcome category using the following methodologies:

LMI Areas

A ZIP code is considered LMI if it meets any one of the following criteria:

- Poverty: 20% or more of the population is at or below computed official thresholds the U.S. Census Bureau uses.
- Unemployment: The unemployment rate is at least 1.5 times the state average.
- Median Family Income (MFI): The median family income (MFI) is at or below 80% of the metropolitan area (MSA) MFI or the California state MFI (whichever is greater). Tracts outside MSAs are at or below 80% of the statewide non-MSA MFI.

High Unemployment Areas

High unemployment areas are defined by the State of California Employment Training Panel as being 1.5 times higher than the California average. The 2024 5-Year ACS was used to determine the state unemployment rate of 6.6%. ZIP codes with unemployment rates above 9.915% were designated high unemployment areas.

High Minority Areas

The median percentage of minority population for all California ZIP codes was determined using the U.S. Census Bureau's 2024 5-Year ACS data. High minority areas are defined as ZIP codes which have a higher percentage of minority populations than the median value of 66.2%.

For more information about high minority areas, see the U.S. Department of Commerce Minority Business Development Agency's research on access to capital for minority businesses.

Non-Coastal Areas

Investments located in ZIP codes within California counties that do not border the Pacific Ocean. ZIP codes were used to identify each investment's county and classify it as coastal or non-coastal.

Disadvantaged Communities

Disadvantaged Communities are officially designated by the California Environmental Protection Agency (CalEPA) pursuant to Senate Bill (SB) 535 (2017), using census tract-level data and the CalEnviroScreen methodology developed by the Office of Environmental Health Hazard Assessment (OEHHA). The published SB 535 Disadvantaged Communities dataset includes the postal ZIP code associated with each designated census tract, enabling a direct analysis of CalPERS' investments located in Disadvantaged Communities.

Disadvantaged Communities incorporates geographic, socioeconomic, public health, and environmental hazard criteria, and must meet one of the following:

- Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0.
- Census tracts lacking overall CalEnviroScreen 4.0 scores due to data gaps but receiving the highest 5 percent of cumulative pollution burden scores.
- Census tracts identified as disadvantaged in the 2017 SB 535 designation, regardless of their CalEnviroScreen 4.0 scores.
- Lands under the control of federally recognized Tribes.

2.2 Calculating Percentages for Each Category

To determine the dollar amounts invested in these areas, the market value of each investment is attributed to the ZIP code provided for a given company, property, or project. If the ZIP code in which an investment is located is determined to be an LMI, high unemployment, high minority, or non-coastal area or Disadvantaged Community, then the investment and the dollars associated with the investment are in the defined community.

The number of investments and dollars invested in all ZIP codes that match the given criteria are summed and reported as a percentage of the total number of investments and total market value by asset class, adjusted to include only those investments for which a ZIP code is available.


CalPERS