



SURVEY FINDINGS

State and Local Government Workforce: 2018 Data and 10 Year Trends

May 2018

State and Local Government Workforce: 2018 Data and 10 Year Trends

Since 2009, the Center for State and Local Government Excellence - in coordination with the International Public Management Association for Human Resources (IPMA-HR) and the National Association of State Personnel Executives (NASPE) - has been conducting surveys on workforce issues facing state and local employers. This report presents both the data from the 2018 survey and comparisons to historical data.

Overall, state and local governments report low incidence of negative employment actions, down significantly from the recessionary levels seen in 2009. For instance, hiring freezes and layoffs, reported in 2009 by 68 percent and 42 percent, respectively, were both reported by 8 percent in 2018. Pay cuts were reported by 9 percent in 2009 and by 1 percent in 2018.

While fewer cutbacks might mean a more stable workforce, with current low unemployment rates, there are a wide array of positions reported as being hard to fill. Over 15 percent cite policing, engineering, network administration, emergency dispatch, accounting, skilled trades, and other information technology positions as being a challenge.

Looking at voluntary separations, 44 percent report that retirements in the most recently completed year were higher than the year before, and the share of retirement eligible employees postponing their retirement date has fallen by more than half since 2009 (from 44 to 21 percent).

To recruit and retain a skilled workforce, more than 45 percent report offering flexible scheduling or flexible work hours, 65 percent support employee development and training reimbursement, 37 percent are hosting wellness programs or on-site fitness facilities, and 34 percent provide some form of paid family leave.

Benefit changes continue to be pursued, although the share of governments making retirement plan changes has decreased from 41 to 16 percent. Looking at individual types of benefit changes, increases in employee contributions for health (32 percent) or retirement (4 percent) are the most common. While the share increasing employee retirement contributions in 2018 may appear small, the percentages increasing those cost-shares in 2012 (19 percent among new employees; 17 percent among current employees) and 2015 (16 percent among new employees; 15 percent among current employees) may indicate that planned changes had already been completed.

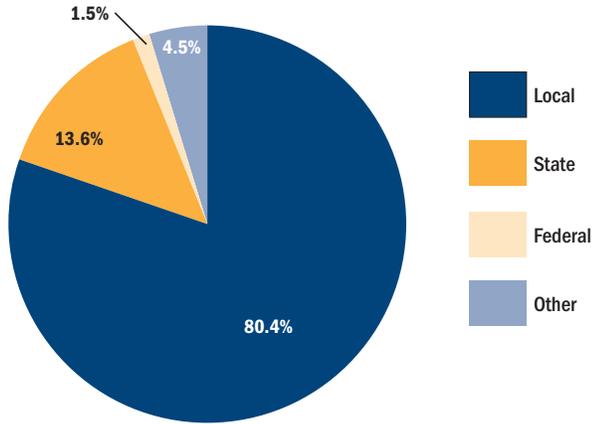
Overall, only 25 percent feel their employees are financially prepared for retirement, with 47 percent sponsoring financial literacy programs to help those employees plan.

Among the top workforce priorities, 82 percent report staff recruitment and retention, with employee morale close behind at 80 percent. In 2012, those concerns were cited by 39 and 67 percent, respectively, with the top concern at the time being the public perception of government workers (74 percent). While this last category might seem a vain concern, such perceptions can impact the ability to attract talented new job candidates into the public service profession.

This survey was sent to 6,700 members of IPMA-HR and 138 members of NASPE. The online survey was conducted from March 22 to April 16, 2018 by the Center for State and Local Government Excellence (slge.org) with 337 public human resource professionals submitting responses. All bar and pie charts in this report are for 2018 data. Time series line graphs display comparisons to prior surveys.

Participants

1) You work for... (n = 317)



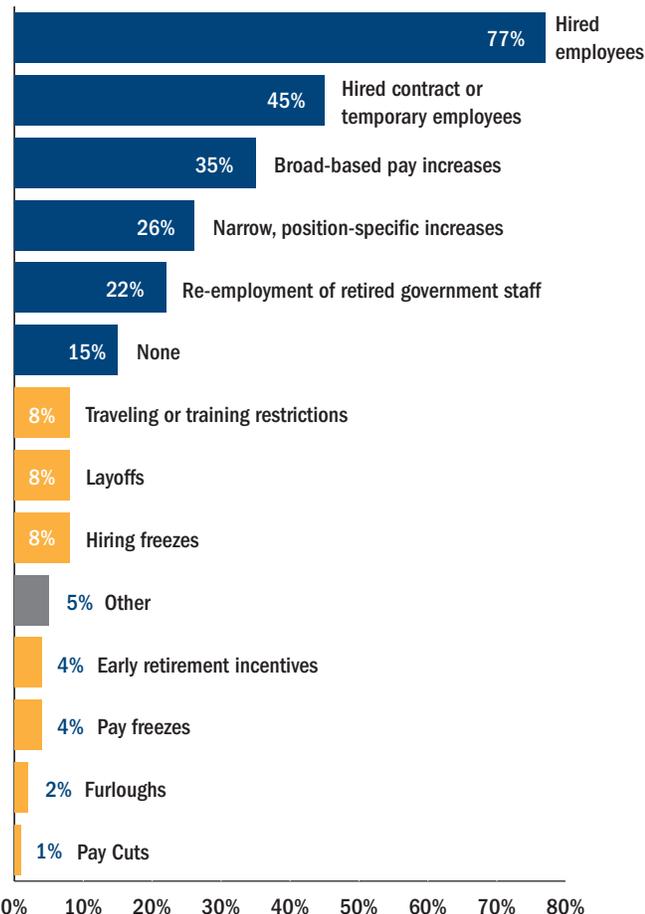
Within this report, several figures also display prior year survey data. The total number of state and local responses in those survey years were: 2009 (46 state and 261 local respondents); 2012 (42 state and 281 local respondents); and 2015 (56 state and 261 local respondents). Figures 2 through 22 display data for the state and local respondents. Prior survey reports have included respondents from other sectors as well. Unless otherwise noted, response rates shown with each figure are for the individual questions asked in 2018.

In Figure 2, actions intended to decrease employment or compensation are shown in orange. Each of these categories declined since 2014. Neutral or mixed actions (e.g., "Other") are shown in gray.

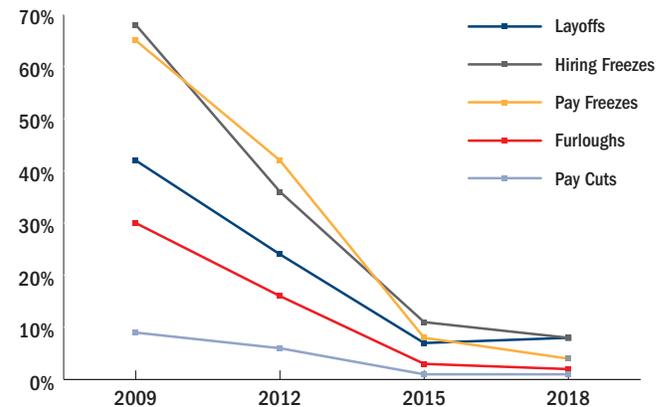
The reemployment question relates to "staff that had retired from your government," but may also include some who had retired from within the same pension fund.

Workforce Changes

2) Which of the following workforce changes has your government implemented over the past year? (n = 315)



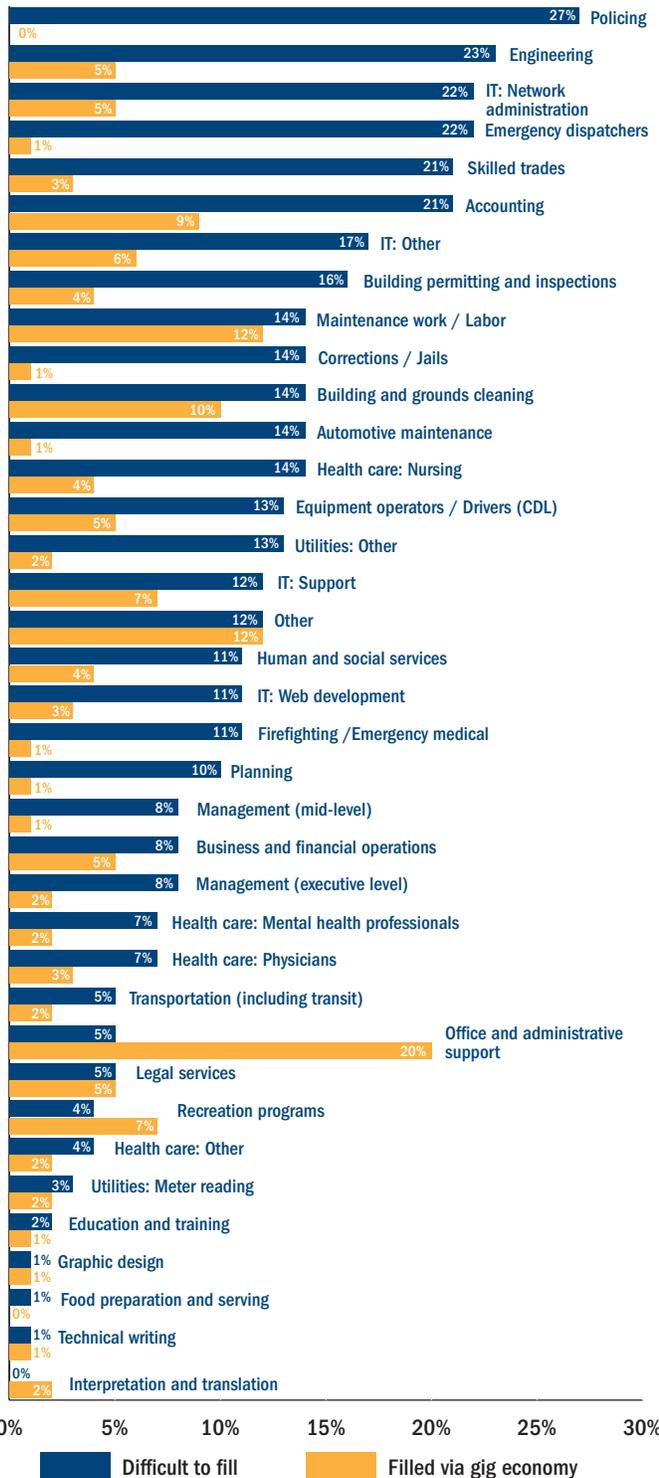
3) 2009-2018: Workforce changes implemented over the past year (detail).



The number of state and local responses for 2009-2018 were 307, 321, 317, and 315, respectively. Responses for 2018 were: layoffs and hiring freezes, 8 percent; pay freezes, 4 percent; furloughs, 2 percent; and pay cuts, 1 percent.

Hiring

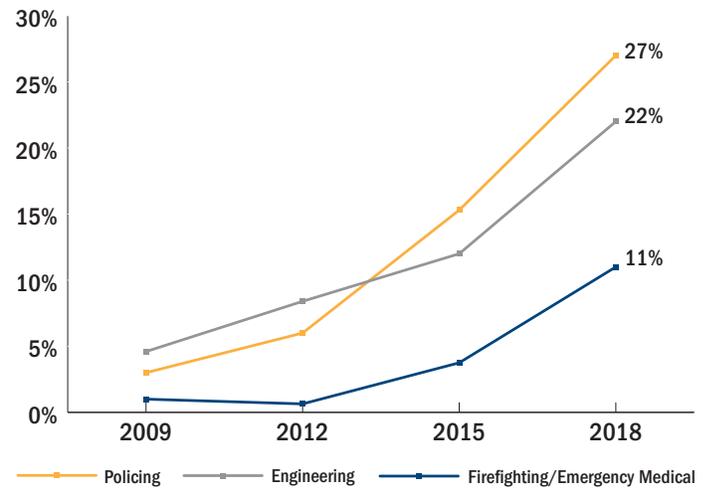
4) Over the past year, what positions, if any, has the organization had a hard time filling? For which have staffing needs been filled via temporary staff or short-term "gig economy" contractual arrangements? (n = 307)



Jurisdictions report hiring challenges for public safety, technical, and health care positions, as well as those that require specialized training such as a commercial driver's license (CDL) or experience in a skilled trade.

Positions filled via the gig economy may include those that have a high degree of independent contractors available (7 percent IT support, 5 percent network administration) or which lend themselves to temporary services (office/administrative support, 20 percent; accounting, 9 percent; maintenance work/labor, 12 percent), or consulting (engineering and legal services, 5 percent each).

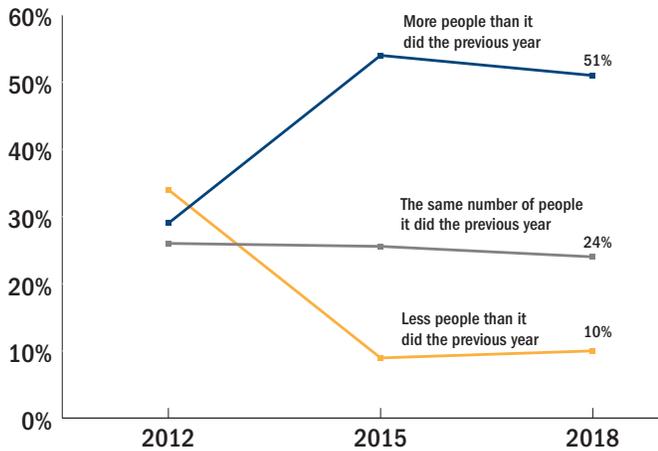
5) 2009-2018: Hard to fill positions (detail).



The number of state and local responses for 2009-2018 were 142, 203, 267, and 307, respectively.

The percentage reporting certain positions as being hard to fill has grown over time. This is evident with positions in policing, engineering, and firefighting. In prior years, this question was posed as an open ended response, which may have led respondents to limit the scope of their entries or to enter positions in broader rather than more specific categories (e.g., health care, rather than nursing or mental health). By contrast, 2018 is the first year that sample positions were listed as check-boxes. This may have led some respondents to report in categories where they may not have in the past. The data from this reformatted question will be reviewed in the coming years to determine the long-term trends.

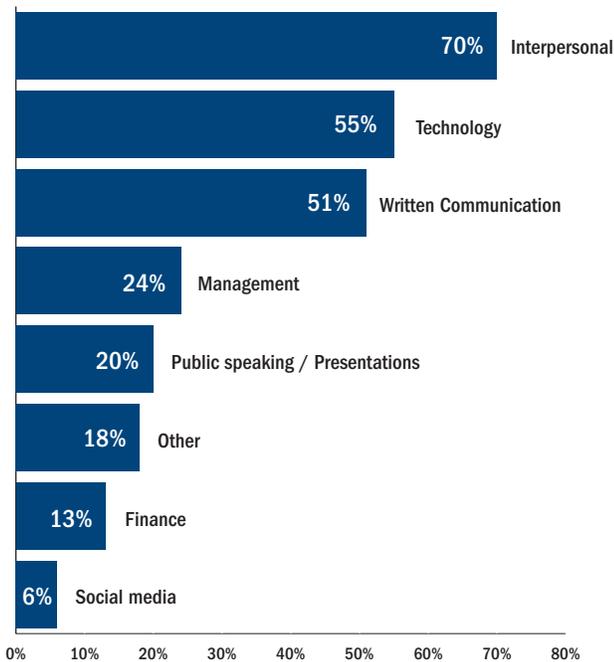
6) 2009-2018: Hiring compared to the prior fiscal year:



The number of state and local responses for 2012-2018 were 316, 313, and 312, respectively.

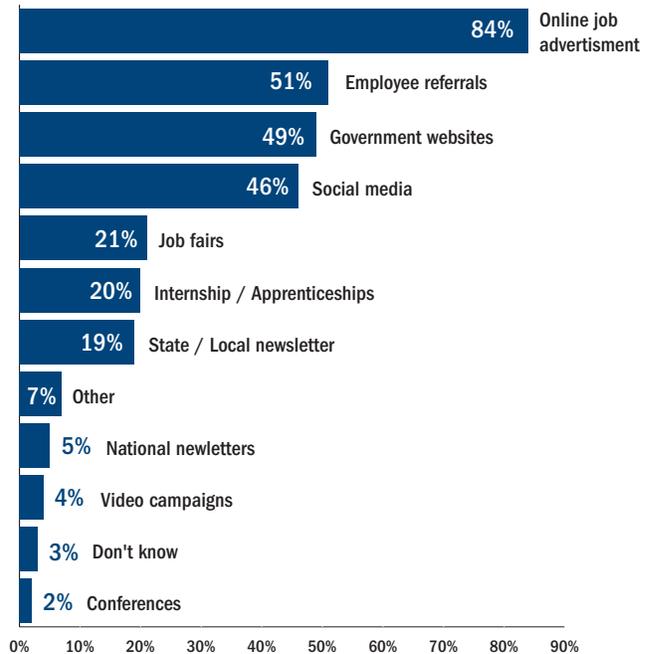
Skill Sets

7) What skill sets are most needed in new hires? (n = 311)



Recruitment

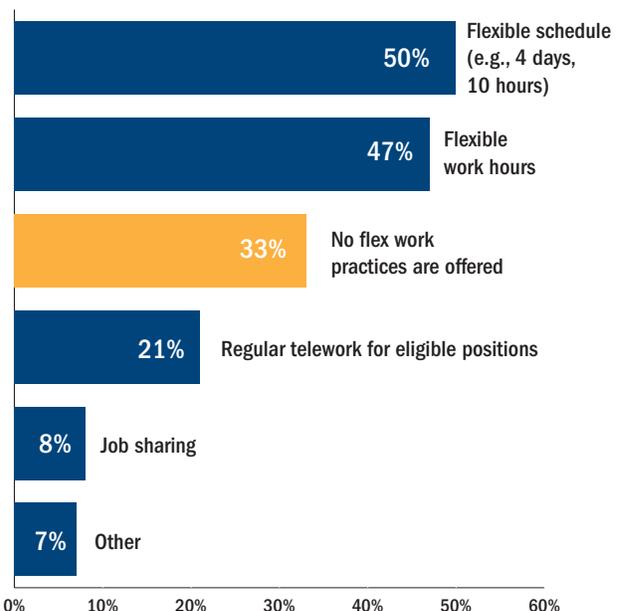
8) What recruitment practices are most successful in reaching qualified candidates? (n = 311)



This question was not included in the earliest versions of the survey, but change can be seen more recently looking at the success of social media as an outreach strategy - cited by 29 percent in 2015 (n = 315) and 46 percent in 2018.

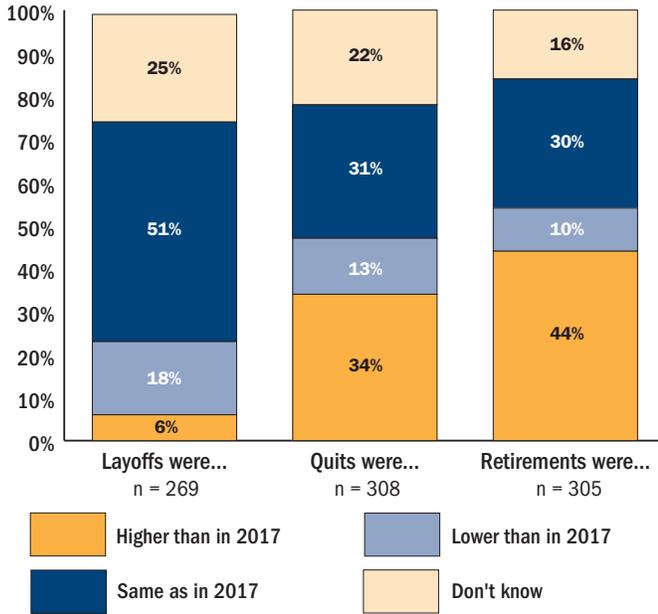
Flexible Work Practices

9) What flexible work practices does your organization offer? (n = 307)



Separations

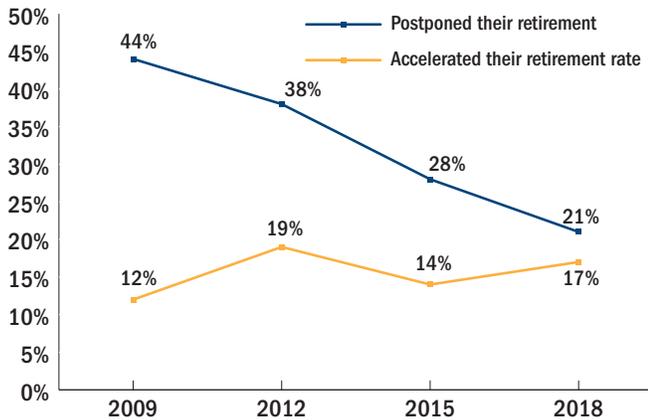
10) Workforce separations in the most recently completed year were:



Looking back, the extremes were much more pronounced in the 2012 survey, when layoffs were higher than the prior year for 15 percent of respondents (compared to 6 percent now), and lower than the year before for 40 percent of respondents (compared to 17 percent now).

Postponed Retirements

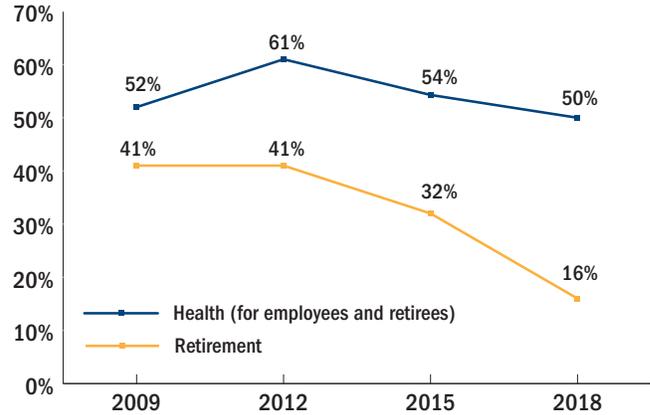
11) 2009-2018: What changes, if any, have your retirement-eligible employees made regarding their plans for retirement?



The number of state and local responses for 2009-2018 were 306, 323, 312, and 313, respectively.

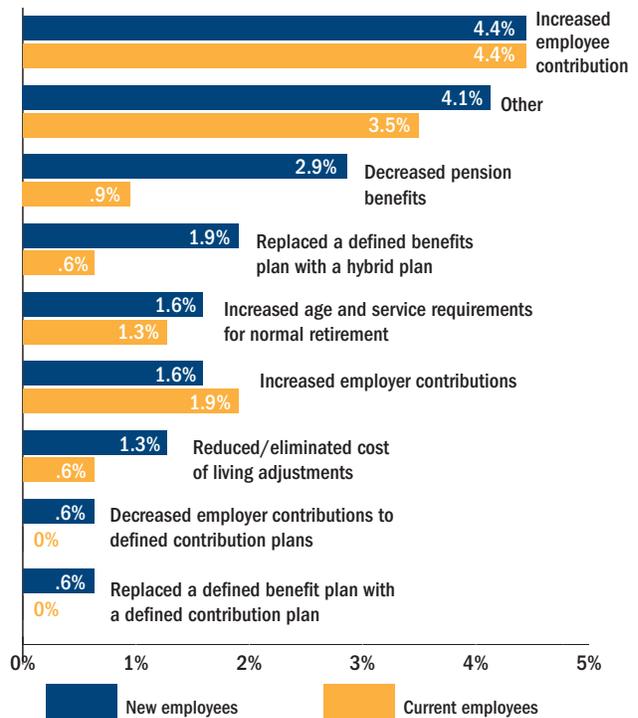
Benefit Changes

12) 2009-2018: Benefit changes over the past year:



For retirement benefits questions, the number of state and local responses for 2009-2018 were 306, 322, 314, and 315, respectively. For health care benefits questions, the number of state and local responses for 2009-2018 were 304, 323, 315, and 302, respectively.

13) Has your government made any of the following changes to retirement benefits? (n = 315)

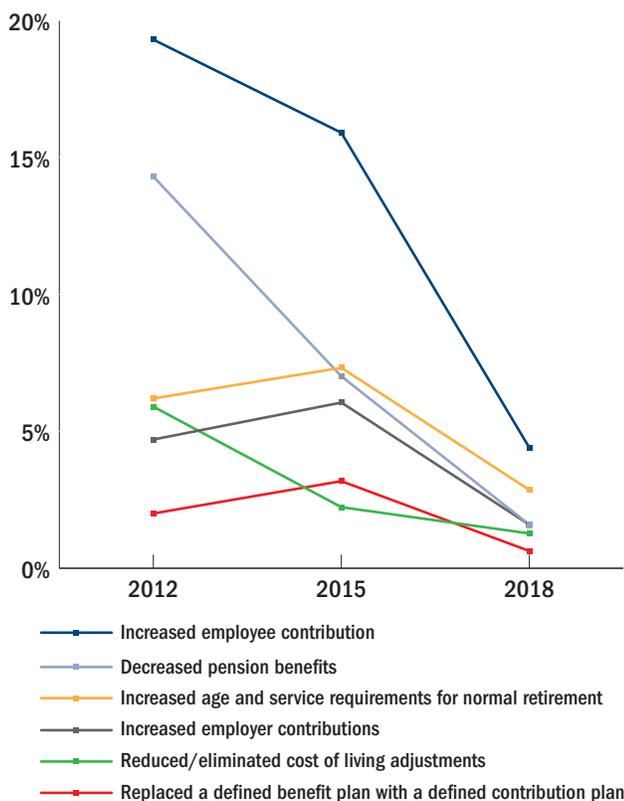


Among the other changes reported, some agencies added post-retirement medical benefits or a Roth IRA option, created a second tier for new employees, or transitioned to a new vendor with lower fees.

Looking back at prior surveys, the portions increasing the employee contribution for new employees were 12.1 percent, 19.3 percent and 15.9 percent, in 2009, 2012, and 2015, respectively, compared to 4.4 percent in 2018.

Similarly, the portion of those making changes to new employees' pension age and service requirements were 14.3 percent in 2012 and 7.0 percent in 2015, compared to a 2018 figure of 1.6 percent.

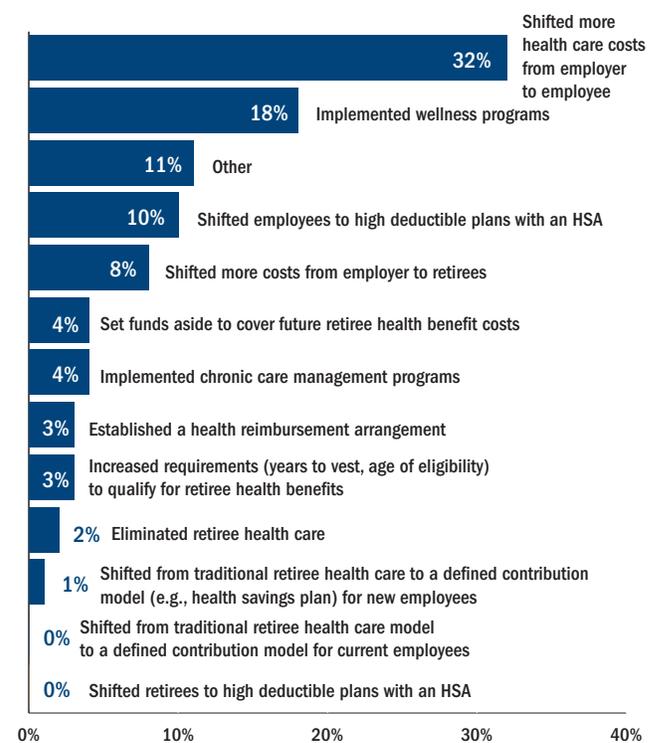
14) 2012-2018: Over the past year, percentage making specific retirement changes for new employees (detail).



For retirement benefits questions, the number of state and local responses for 2012-2018 were 322, 314, and 315, respectively. Responses for 2018 were: Increased employee contribution, 4 percent; decreased pension benefits, 3 percent; increased age and service requirements and increased employer contributions, 2 percent; reduced/eliminated cost of living adjustments or replaced a defined benefit plan with a defined contribution plan, 1 percent.

In 2009, 12% increased pension contributions by new employees. Not all the categories surveyed in 2018 were part of the 2009 survey. Among those that were a part of the survey in 2012, the percentage reducing or eliminating cost of living increases, increasing employer contributions, increasing age or service requirements, or decreasing pension benefits were all 4% or higher in 2012 and those shares have each dropped more than 3 percentage points since then.

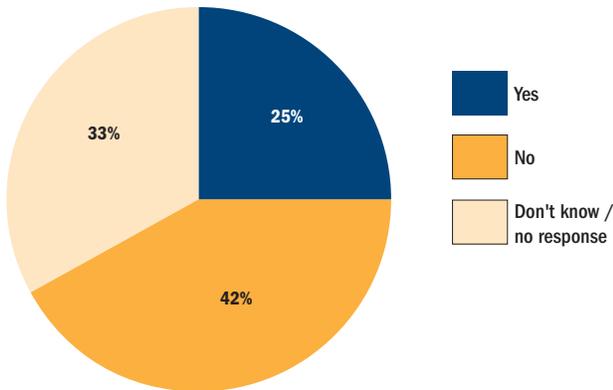
15) Over the past year, has your government made any of the following changes to health care benefits? (n = 302)



Shifting of additional health care costs to employees remains the most common change (32 percent), but it is less common than was reported in 2009 (38 percent).

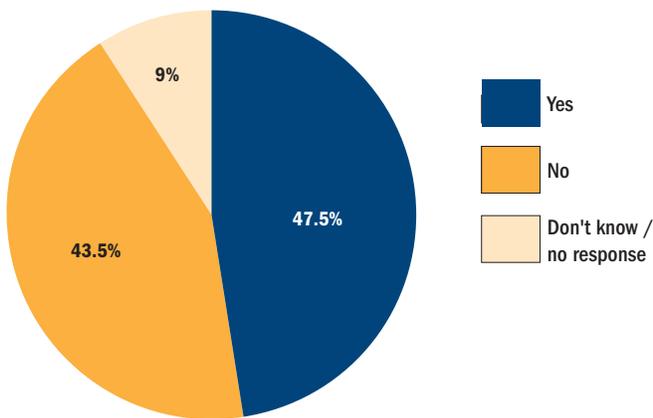
Financial and Retirement Preparedness

16) Do you feel your employees are prepared financially for their retirement? (n = 301)



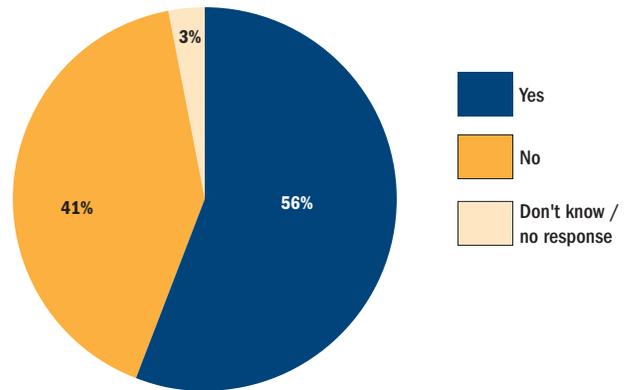
In 2015, 24 percent indicated their employees were prepared financially for retirement.

17) Does your government provide a financial literacy program to its employees? (n = 299)

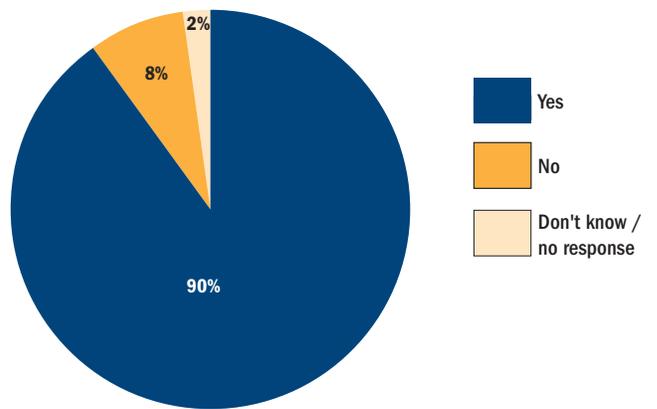


Labor Market Competitiveness

18) Do you feel the wage compensation you offer is competitive with the labor market? (n = 302)

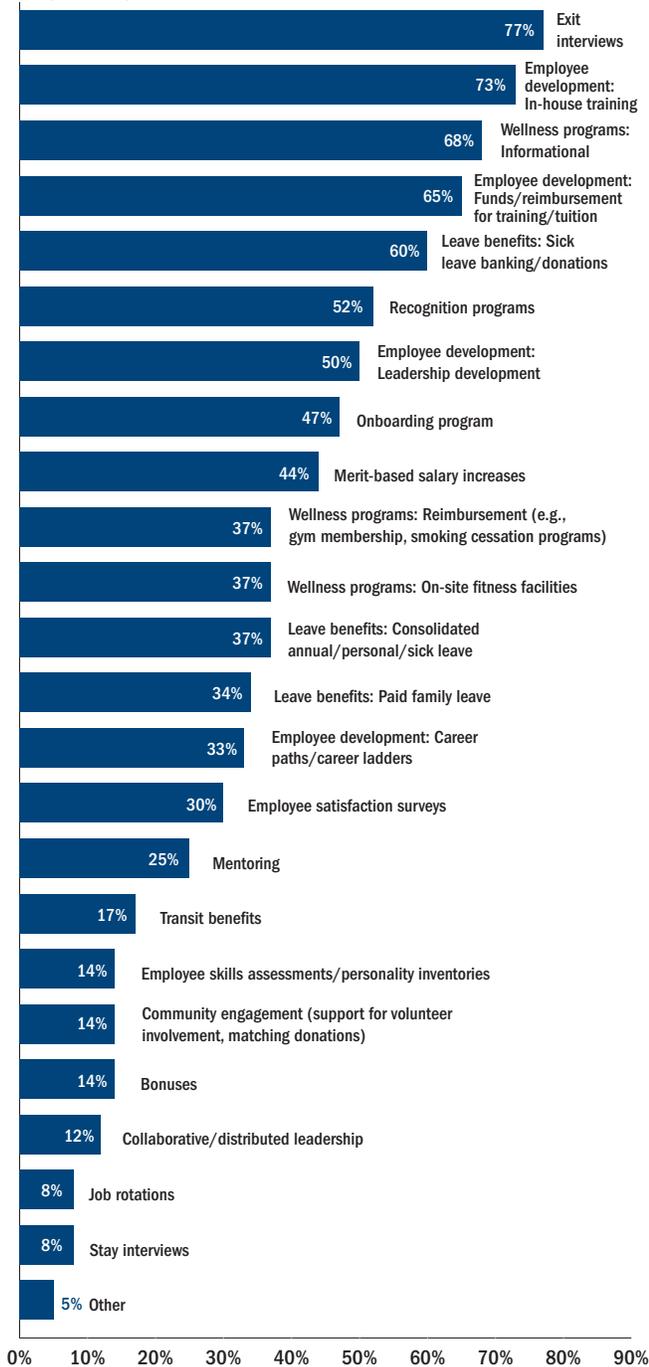


19) Do you feel the benefits compensation you offer is competitive with the labor market? (n = 302)



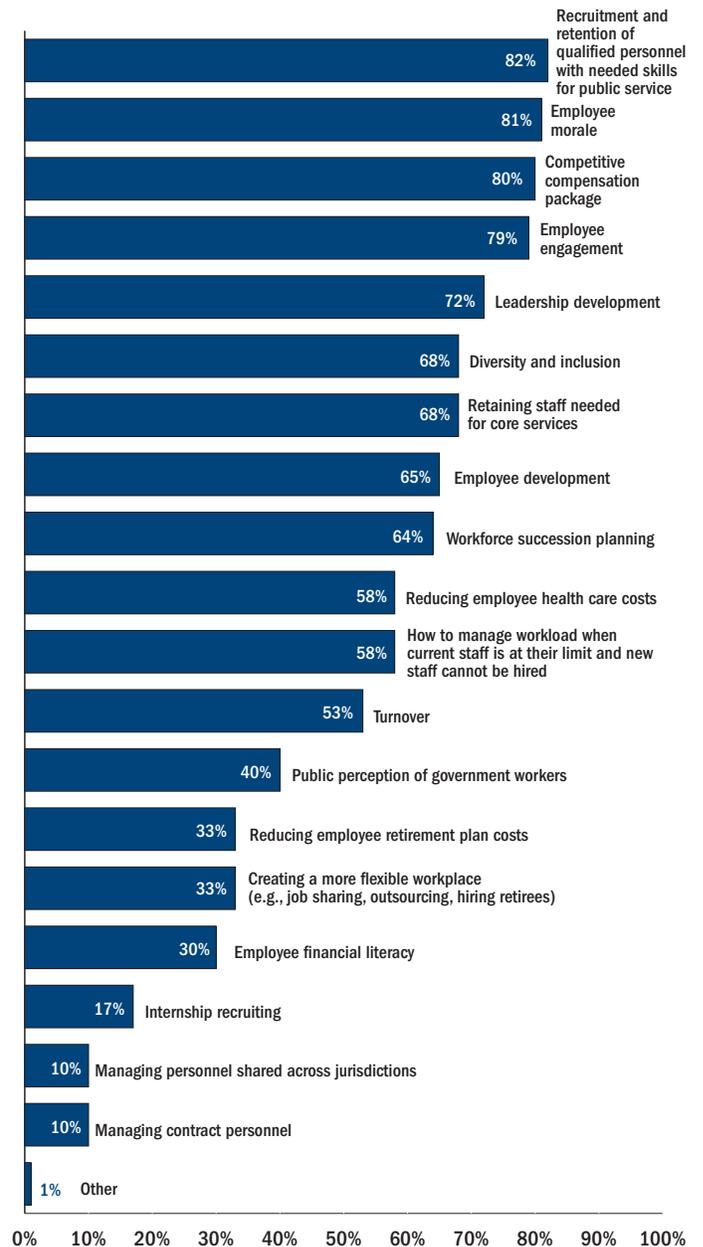
Employee Retention and Development

20) Which of the following does your organization use to encourage employee retention and development? (n = 301)

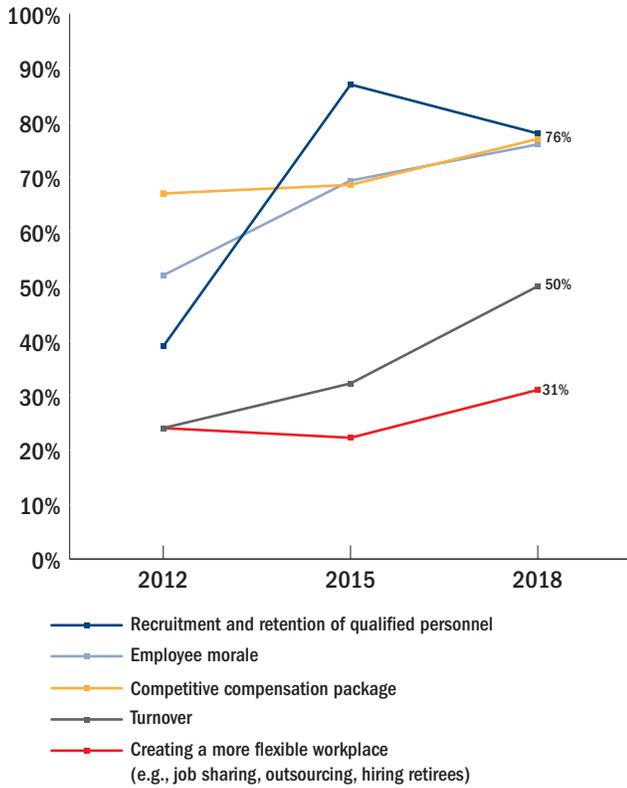


Priority Workforce Issues

21) Looking ahead, which workforce issues are important to your organization? (n = 301)



22) 2012-2018: Looking ahead, which workforce issues are important to your organization? (detail).



This question was not asked in 2009. The number of responses in 2012-2018 were 322, 312, and 301, respectively.

Workforce succession planning would seem to go hand in hand with the concern about turnover and recruitment. While the importance accorded to succession planning increased from 51 percent to 80 percent from 2012 to 2015, it decreased to 64 percent in 2018 (with an additional 30 percent indicating it was "somewhat important").

In contrast, the importance of some other issues has decreased, such as the public perception of government workers, which changed from 74 percent in 2012 to 63 percent in 2015 and 40 percent in 2018. This may be an indication that it is deemed less of a priority on its own or that other issues have taken on a greater urgency.

Among the other forward-looking concerns cited in 2018 were compensation studies, cross-training, personnel and paid-leave policies, automation, cybersecurity, shrinking labor pools, and potential Americans with Disabilities Act exposures with an aging workforce.



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Helping state and local governments become knowledgeable and competitive employers

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