Survey Findings

State and Local Government Workforce: 2015 Trends

June 2015
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For the second year in a row, state and local governments are hiring. In a survey of state and local government human resources managers, 73 percent reported hiring employees in the past year (up from 66 percent in last year’s survey), and 54 percent hired more people than they did in 2013. At the same time, 47 percent of respondents noted that the number of retirements was higher than in 2013.

For the sixth year in a row, a majority of respondents (53 percent in this survey) reported making changes to health care benefits. Shifting costs to employees, such as higher premiums, copayments, and deductibles, was reported by 43 percent of respondents. Changes to retirement benefit plans slowed in the past year, with 29 percent making changes compared to 35 percent in the previous year.

For many governments, there is a sense of urgency about recruitment, retention, and succession planning. As one respondent wrote, “Between now and 2020, we are looking at 40 percent of the workforce being able to retire.” Other top-ranked workforce concerns were staff development, competitive compensation packages, and being able to retain the staff needed for core services.

This report reflects the survey responses of members of the International Public Management Association for Human Resources (ipma-hr.org) and National Association of State Personnel Executives (naspe.net). The online survey was conducted from March 30 to April 20, 2015 by the Center for State and Local Government Excellence (slge.org) with 336 members submitting responses.

Previous workforce survey results can be found at slge.org/research/workforce.

Participants

1) You work for…(n = 334)²:

- Local government: 78%
- State government: 17%
- Another sector: 5%

Note: “Other” changes offered were: intensive hiring review; reduction through reorganization; new compensation structures; negotiated salary increases; class and compensation studies; adjusted compensation philosophy; hired back retirees.

Workforce Changes

2) Which of the following workforce changes has your government implemented over the past year? (n = 334)

- Hired employees: 73%
- Hired contract or temporary employees: 42%
- Broad-based pay increases: 36%
- Narrow, position-specific increases: 21%
- No changes: 17%
- Hiring freezes: 11%
- Pay freezes: 7%
- Other: 7%
- Layoffs: 6%
- Early retirement incentives: 4%
- Furloughs: 3%
- Pay cuts: 1%
3) In 2014 your government hired... \((n = 330)\)

- 25% more people than it did in 2013
- 54% the same number of people it did in 2013
- 12% less people than it did in 2013
- 9% don’t know

4) Regarding your government’s workforce separations...

- Layoffs were... \((n = 327)\)
  - 22% higher than in 2013
  - 50% the same as in 2013
  - 22% lower than in 2013

- Quits were... \((n = 314)\)
  - 16% higher than in 2013
  - 40% the same as in 2013
  - 16% lower than in 2013

- Retirements were... \((n = 319)\)
  - 10% higher than in 2013
  - 31% the same as in 2013
  - 12% lower than in 2013

5) What skill sets are most needed in new hires? \((n = 329)\)

- Interpersonal: 64%
- Technology: 60%
- Written Communications: 41%
- Management: 29%
- Finance: 18%
- Public Speaking / Presentations: 11%
- Social Media: 5%
- Other: 24%
- Written Communications: 41%
- Management: 29%
- Finance: 18%
- Public Speaking / Presentations: 11%
- Social Media: 5%
- Other: 24%

Note: “Other” skill sets offered were: mid-level management; leadership; creativity; critical thinking; customer service; math; professionalism; analysis; problem solving; public service motivation; willingness to learn.

6) What positions, if any, do you continue to have a hard time filling in the current economic climate? \((n = 273)\)

- Accountants
- Building Officials
- Corrections Officers
- Dispatchers
- Engineers (all types)
- Finance (all types)
- Firefighters / EMS
- Information Technology Professionals
- Management (mid + upper)
- Mental Health Professionals
- Nurses
- Police Officers
- Project Managers
- Public Works
- Seasonal Employees
- Skilled Trades (all types)
- Social Workers
- Water Treatment Plant Occupations (all types)
Recruitment Practices

7) What recruitment practices are most successful in reaching qualified candidates? ($n = 332$)

- Online Job Advertising: 84%
- Government Web Sites: 51%
- Social Media: 28%
- State/Local newsletters: 17%
- Job Fairs: 8%
- National Newsletters: 4%
- Conferences: 3%

Note: “Other” practices offered were: professional organizations/associations; employee referral; university web sites and events; newspaper; staff outreach; word of mouth.

Retirement Plan Changes

9) Over the past year, has your government made any changes to the retirement benefits you offer to your employees? ($n = 331$)

- Yes: 69%
- No: 29%
- Don’t know: 2%

10) If your government has made changes to the retirement benefits, has it made any of the following changes to retirement benefits for new hires? ($n = 256$)

- Increased employee contributions to pension plans: 20%
- Decreased pension benefits: 10%
- Increased pension eligibility requirements: 9%
- Other: 9%
- Increased employer contribution to pension plans: 7%
- Replaced a defined benefit with a hybrid plan (combination of a DB and DC plan): 5%
- Reduced/eliminated cost of living adjustments: 4%
- Replaced a defined benefit with a defined contribution plan: 4%
- Decreased employer contributions to defined contribution plans: 3%

Note: “Other” changes offered were: reduced vesting period; added (supplemental) DC plan options; increased employer and employee DC contributions; instituted paid time off in combination with hybrid plan.

Postponed Retirements

8) What changes, if any, have your retirement-eligible employees made regarding their plans for retirement? ($n = 330$)

- Postponed their retirement date: 27%
- Accelerated their retirement date: 13%
- No changes: 36%
- Don’t know: 24%
11) If your government has made changes to the retirement benefits, has it made any of the following changes to retirement benefits for current workers? (n = 250)

- 19% Increased employee contributions to pension plans
- 8% Increased employer contribution to pension plans
- 6% Decreased pension benefits
- 4% Reduced/eliminated cost of living adjustments
- 4% Decreased employer contributions to defined contribution plans
- 2% Increased pension eligibility requirements
- 2% Replaced a defined benefit with a defined contribution plan
- 1% Replaced a defined benefit with a hybrid plan (combination of a DB and DC plan)

Note: “Other” changes offered were: reduced vesting period; changed defined contribution provider.

Retirement Preparedness

12) Do you feel your employees are prepared financially for their retirement? (n = 332)

- 37% Yes
- 39% No
- 24% Don’t know

Health Care Plan Changes

13) Over the past year, has your government made any changes to the health benefits you offer to your employees and retirees? (n = 332)

- 46% Yes
- 53% No
- 1% Don’t know

14) If your government has made changes to the health benefits, what changes? (n = 267)

- 43% Shifted more health care costs from employer to employees (examples: higher premiums, co-payment, and deductibles)
- 24% Implemented wellness programs
- 13% Shifted employees to high deductible plans with a health savings account
- 13% Other
- 11% Shifted more health care costs from employer to retirees
- 9% Implemented chronic care management programs
- 6% Set funds aside to cover future retiree health benefit costs
- 5% Established a health reimbursement arrangement
- 2% Increased requirements (e.g., years to vest, age of eligibility, etc.) to qualify for retiree health benefits
- 2% Shifted retirees to high deductible plans with health savings account
- 2% Shifted from a traditional retiree health care model to a defined contribution health care model for new employees
- 1% Shifted from a traditional retiree health care model to a defined contribution health care model for current employees
- 1% Eliminated retiree health care

Note: “Other” changes offered were: lower premiums to nonsmokers; established discount on health insurance for early retirees; moved from fully insured to self-insured; implemented onsite clinic; increased dental benefit; added generic pharmacy; provided incentive to name a primary care provider.
15) Has your government made changes to health benefits related to the Affordable Care Act? \((n = 306)\)

![Bar chart showing percentage of changes made to health benefits related to the Affordable Care Act.](chart)

Note: “Other” changes offered were: made health benefits available to temporary workers; reduced new hire waiting period; hired temporary employees through an agency; developed new employee classifications.

16) Do you feel the total compensation package you offer your employees is competitive with the labor market? \((n = 332)\)

![Pie chart showing perceptions of compensation package competitiveness.](chart)

17) Looking ahead, which workforce issues are important to your organization? \((n = 330)\)

![Bar chart showing importance of workforce issues.](chart)
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About the Center for State and Local Government Excellence

The Center for State and Local Government Excellence helps state and local governments become knowledgeable and competitive employers so they can attract and retain a talented and committed workforce. The Center identifies best practices and conducts research on competitive employment practices, workforce development, pensions, retiree health security, and financial planning. The Center also brings state and local leaders together with respected researchers and features the latest demographic data on the aging workforce, research studies, and news on health care, recruitment, and succession planning on its website, www.slge.org.

The Center’s five research priorities are:

• Retirement plans and savings
• Health care
• Financial education for employees
• Talent strategies and innovative employment practices
• Workforce development