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SURVEY FINDINGS: STATE AND LOCAL GOVERNMENT WORKFORCE 2021

The Center for State and Local Government Excellence (SLGE) at ICMA-RC has been partnering with the International Public Management Association for Human Resources (IPMA-HR) and the National Association of State Personnel Executives (NASPE) to conduct an annual workforce survey since 2009. This survey of human resource professionals tracks key challenges facing state and local governments in the recruitment and retention of talented employees and the strategies being employed to manage and compensate those staff.

With the COVID-19 pandemic, workforce approaches like flexible work arrangements became much more common, with 53% of organizations offering regular telework, although the scope of implementation was still dependent upon the types of services being delivered.

While organizations continued to hire new staff, financial or staffing cuts increased from what had been seen in recent years. Regardless, the share of respondents reporting both furloughs (19%) and layoffs (15%) remained lower this year than they were in the aftermath of the 2007-2008 recession (30% and 42%, respectively; see Figures 3 and 3B). Overall, 28% saw a decrease in full-time employment (see Figure 5).

Recruitment has remained difficult, with more than half of respondents indicating that they are having a hard time filling positions in health care, corrections, policing, skilled trades, and engineering (see Figure 12). In addition, in organizations recruiting registered nurses, about 4 in 5 indicated that they received fewer qualified applications than the number of positions available (see Figure 13).

One looming challenges for public sector agencies is the retirement of long-time employees, as the baby boom generation prepares to leave the workforce. This year’s survey included an assessment of the extent to which that trend has already manifested itself or is still pending, with 52% of respondents indicating that the largest share of potential retirements is still anticipated in the next few years (see Figure 17).

Relatedly, one indicator that is significantly higher in the aftermath of the COVID-19 pandemic is the percentage of respondents indicating that retirement-eligible employees are accelerating their retirement plans—at 38%, this is the highest rate observed since the survey began in 2009 (see Figure 16B).

From a competitiveness standpoint, public sector employers often have difficulty competing with private sector firms, which may have more flexibility to offer higher salaries to meet market demand. This is borne out in the survey data regarding salary compensation (60% view their organization as being competitive with the overall labor market; see Figure 20) and benefits (92% competitive; see Figure 21).

Most jurisdictions did not implement cuts to health or retirement benefits in the past year, but among those that did, reduction or elimination of cost-of-living adjustments or cost shifting from the employer to the employee were the most common steps taken (see Figures 14, 15, and 19).

This report includes data both for the 2021 survey as well as prior years’ surveys on corresponding questions.
**RESPONDENTS**

The 2021 survey was conducted from February 25 to April 6, with a total of 288 state and local government respondents.

**Figure 1:** Respondents by Type of Government

n=288

- Local: 82%
- State: 18%

The breakdown of respondents by number of full-time equivalent (FTE) employees reflects the fact that most of the respondents were local governments, which include both large cities and counties, but also many smaller communities.

**Figure 2:** Number of Full-Time Equivalent Employees

n=219

- Under 500: 52%
- 500-2,499: 29%
- 2,500-9,999: 8%
- 10,000-19,999: 6%
- 20,000 or more: 4%
- Don’t know: 1%

**WORKFORCE CHANGES**

The data in Figure 3 are color coded with positive employment actions (e.g., hired employees, increased pay) in blue, negative actions (e.g., hiring freezes, layoffs) in green, and other responses in gray (e.g., no change, or restructuring of services to match available staff).

**Figure 3:** Which of the following workforce changes has your government implemented? n=277

- Hired employees: 74%
- Pay cuts: 67%
- Hired temporary or contract employees: 36%
- Travel or training restrictions: 35%
- Layoffs: 32%
- Permanent/long-term telework options: 20%
- Restructuring services to match available workforce: 19%
- Re-hired retired staff: 19%
- Furloughs: 16%
- Narrow, position-specific pay increases: 16%
- Early retirement incentives: 15%
- Layoffs: 14%
- Hired staff to work exclusively off-site*: 14%
- Re-hired furloughed staff: 8%
- None of these: 3%
- Pay cuts: 3%
- Don’t know: 3%

* Items shown with an asterisk were new to the survey in 2021.
A few of these categories changed significantly from the 2015 survey to 2020, with hiring freezes decreasing from 11% to 6%, and pay freezes from 8% to 2%. In 2020, the six least-common staffing changes all represented negative actions, but in 2021, that clustering of positive vs. negative actions is no longer the case.

To see how that activity compares year-to-year, it is instructive to view Figure 3B as well. For example, in the 2009 survey, 30% of governments reported furloughing staff, and 42% laid off staff, compared to 3% reporting furloughs and 5% reporting layoffs in 2020. Both of these actions increased significantly in 2021, with 19% reporting furloughs and 15% reporting layoffs.

The most common action in 2021 was to hire new staff, which 74% of jurisdictions did, even if they may have cut staff in some other areas. The greatest change in the past year was the implementation of travel or training restrictions, which increased from 21% of respondents in the March 2020 survey to 67% in 2021.

### View SLGE’s infographic showing long-term trends in state and local employment:

Across the economy, the pandemic led to a steep drop-off in overall state and local government employment (see SLGE’s related infographic), but that impact may have been concentrated in some services with high public contact, such as in parks and recreation, libraries, social services, and education. SLGE has explored some of these impacts further in a recent issue brief on public service employment and a pending release on postsecondary education employment.

Figure 4 shows that the hiring for full-time and part-time positions was lower for more than 42% of respondents in the past year, while retirements, layoffs, and quits were higher for more than 24% of respondents.

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**Figure 3B: Workforce changes implemented over the past year**

- Hiring freezes
- Furloughs
- Pay freezes
- Layoffs
- Pay cuts

NOTE: The number of state and local responses for 2009, 2012, 2015, 2018 and 2021 were 307, 321, 317, 315, and 277, respectively.
In total, 28% of respondents indicated a decline in their full-time workforce over the past year, with another 47% indicating no change.

Comparing the survey data from this year to that for the last recession, the share of respondents indicating their overall employment had declined from 2008 to 2012 was far greater than the share indicating a decline over the last year (see Figure 5B). This may be related to a hesitance among some government employers to cut staff in their 2020 budgets when the impacts of the pandemic were still uncertain, the rehiring of furloughed staff (resulting in the high percentage reporting no net change), or to the multiyear impact of the last recession, touching small business, housing, Wall Street, and governmental sectors.
**SURVEY FINDINGS: STATE AND LOCAL GOVERNMENT WORKFORCE 2021**

**Figure 5B:** Overall change in workforce 2008-2012 and change in full-time workforce in the last year


**Figure 6:** Looking broadly at your workforce, what general skill sets are needed? n=248

- **Analytical/critical thinking:** 74%
- **Interpersonal:** 68%
- **Management:** 49%
- **Technology:** 47%
- **Written communications:** 44%
- **Data management/data analysis:** 32%
- **Public speaking/presentations:** 13%
- **Finance:** 12%
- **Social media:** 10%
- **Language (other than English):** 8%
- **Don’t know:** 5%

**SKILL SETS**

Sought-after skills have been a survey topic since 2015, with nontechnical skills topping that list every year. The most sought-after skill is analytical/critical thinking (74%; see Figure 6).

**RECRUITMENT**

Methods of reaching prospective employees have evolved over the past few years, with social media, for example, increasing from 29% in 2015 to 59% in 2021 (Figure 7). The use of artificial intelligence in recruiting or application screening has increased from 7% in 2020 to 11% in 2021.
FLEXIBLE WORK PRACTICES

The most common type of flexible work practice, as shown in Figure 8, is the adoption of a flexible schedule (54%), such as four 10-hour days—an arrangement that offers employees time to take care of personal priorities on a day that they would otherwise be at work. This is typically promoted to the public as a win-win, in that it extends office hours on the remaining days of the week to enable government business to be conducted earlier in the morning or later in the evening.

The percentage reporting regular telework for eligible positions (53%) is almost twice what it was in 2020 (27%), with the practice more common in state agencies than local ones (64% vs. 19%).

Figure 8: What flexible work practices does your organization offer? n = 229

- 54% Flexible schedule (e.g., 4 days, 10 hours)
- 53% Regular telework for eligible positions
- 48% Flexible work hours
- 16% No flexible work practices
- 9% Job sharing within the organization
- 8% Other
- 2% Job sharing with other agencies

Figure 9: Change in the number of those eligible to participate in flexible work practices n = 232

- 75% Increased
- 13% No change
- 13% Not applicable

Figure 10: Change in the range of flexible work practices offered n = 232

- 72% Increased
- 15% No change
- 13% Not applicable
Another significant factor in telework is the nature of the work being performed. Some functions, like public safety, do not lend themselves to work-from-home arrangements, or they have such customized 24-hour shift schedules that four 10-hour days or a 9 day/80 hour biweekly arrangement would be impractical. Still, COVID-19 is leading to greater experimentation.

A summary of excluded functions is presented in Figure 11. As governments adapt to economic conditions and service changes in

Figure 11: What, if any, job classifications or departments are excluded from flexible workplace policies?

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>Excluded</th>
<th>Not excluded</th>
<th>No response, left blank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public safety</td>
<td>70%</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>Public works</td>
<td>55%</td>
<td>28%</td>
<td>16%</td>
</tr>
<tr>
<td>Parks and recreation</td>
<td>33%</td>
<td>45%</td>
<td>22%</td>
</tr>
<tr>
<td>Public health/health care</td>
<td>32%</td>
<td>27%</td>
<td>41%</td>
</tr>
<tr>
<td>Library</td>
<td>16%</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>Social services</td>
<td>14%</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>Information technology</td>
<td>7%</td>
<td>75%</td>
<td>18%</td>
</tr>
<tr>
<td>Planning and development</td>
<td>7%</td>
<td>71%</td>
<td>23%</td>
</tr>
<tr>
<td>Teachers, High school</td>
<td>5%</td>
<td>23%</td>
<td>72%</td>
</tr>
</tbody>
</table>

NOTE: Figure 11 omits those jurisdictions that responded "not applicable" to indicate that a particular job classification was not a part of their organization. Some bars do not equal 100% exactly due to rounding.
response to COVID-19, each of these questions will continue to be tracked. The top four categories in 2021 all show as significantly more likely to be excluded from flexible workplace practices than they were in 2020. For example, in 2020, only 41% indicated that public safety staff and only 27% indicated that public works staff were excluded from flexible work practices. The higher totals in 2021 may be related to the 2020 survey’s timing (February 27-April 7, 2020) early in the pandemic, or to jurisdiction decisions to prioritize essential services even as some other high-contact services may have been subject to layoffs, furloughs, or facility closures.

**HARD-TO-FILL POSITIONS**

Figure 12 shows that many jurisdictions continued to struggle to fill a variety of positions over the past year. The bulk of the position types included in this question are common across state and local government. Some, however, are more typically found in more specialized agencies, such as county departments of health, local or state hospitals, or school districts. Smaller jurisdictions may also report fewer issues if they did not experience any vacancies for certain positions. In both cases, those who reported a position was not applicable or was not the subject of any recruitments in the past year were excluded from the graph.

Beyond the acute challenges in recruiting for health care (identified as hard to fill by 60-75% of respondents) and for corrections and policing (both 64%), other positions identified as hard to fill include skilled trades (57%) and engineering (52%)–fields where there is direct competition with private sector employment.

As in years past, the top ranks of general services reported as hard to fill include skilled trades and engineering, along with health care and policing.
A higher percentage of jurisdictions with fewer than 500 full-time equivalent employees identify some positions as hard to fill, such as for fire (a 34% difference from the responses of larger jurisdictions) and police (a 24% difference; see Figure 12B on page 11). By contrast, the share of those identifying information technology positions as hard to fill is much more consistent.

Figure 13 (page 12) shows the extent of the difficulty in filling some of these positions. For example, among jurisdictions recruiting registered nurses, 79% of those tracking the data indicated that they received fewer qualified applicants than available positions. While only about half of respondents (48%) indicated a similar problem finding qualified applicants for maintenance worker positions, only 9% indicated that they received more than twice the number of qualified applicants as they had position vacancies.
**Figure 13:** Number of applicants this past year compared to the number of positions available

n=221

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Fewer qualified applicants than positions available</th>
<th>0-50% more qualified applicants than positions available</th>
<th>50-100% more qualified applicants than positions available</th>
<th>More than twice as many qualified applicants as positions available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered nurses</td>
<td>21%</td>
<td>4%</td>
<td>5%</td>
<td>79%</td>
</tr>
<tr>
<td>Engineers</td>
<td>28%</td>
<td>6%</td>
<td>4%</td>
<td>65%</td>
</tr>
<tr>
<td>Police</td>
<td>27%</td>
<td>5%</td>
<td>6%</td>
<td>63%</td>
</tr>
<tr>
<td>Information technology</td>
<td>34%</td>
<td>7%</td>
<td>7%</td>
<td>58%</td>
</tr>
<tr>
<td>Maintenance workers</td>
<td>36%</td>
<td>7%</td>
<td>9%</td>
<td>48%</td>
</tr>
</tbody>
</table>

NOTE: Excludes those responding “not applicable, no such recruitments,” or “don’t know.”

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**RETIREMENT PLAN CHANGES**

As a means of both contributing to long-term retirement plan funding and engaging employees in financial planning decisions and risk participation, state and local governments have taken a variety of approaches.

The most common survey response was that there were no changes to the retirement plans (71%; see Figures 14 and 15). Beyond that, for both current or new employees, the most common actions were to reduce or eliminate cost-of-living adjustments or to increase either the employer or employee contribution.

**Figure 14:** Over the past year, what changes, if any, has your government made to the retirement benefits for current employees? n=210

- 71% No changes
- 11% Reduced/eliminated cost-of-living adjustments
- 8% Increased employer contribution to pension plans
- 5% Increased employee contribution to pension plans
- 3% Other
- 2% Decreased pension benefits
- 1% Instituted auto-enrollment in supplemental defined contribution plans
- 1% Decreased employer contributions to defined contribution plans
- 1% 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)
- 0% Required a choice between primary defined benefit and defined contribution plan
- 0% Increased pension eligibility requirements
When this survey was first fielded in 2009, 44% of governments indicated that their retirement-eligible employees were postponing retirement—a recession-influenced peak (see Figure 16B). Now, influenced by the events of the past year, 38% indicated that employees are accelerating their plans—the highest percentage to report that since the survey began. This finding is consistent with data from SLGE at ICMA-RC’s surveys of state and local employees regarding COVID-19, which showed that from May to October 2020, the percentage considering changing jobs had risen from 20% to 31%.

For further discussion on long-term trends, see also Have Localities Shifted Away from Traditional Defined Benefit Plans? and Proactive Pension Management: An Elected Official’s Guide to Variable Benefit ad Contribution Arrangements.

RETIREMENT-ELIGIBLE EMPLOYEES

In assessing the impact of retirement plan changes, one of the key factors is the behavior of those who are eligible to retire. Will they take advantage of early-retirement incentives? Are they postponing retirement to meet short-term financial goals? The responses for 2021 are shown in Figure 16.
Figure 17: The departure of retirement-age baby boomer employees from the workforce has sometimes been referred to as a “silver tsunami,” with potential impacts on institutional memory and succession planning. How would you characterize the impact on your government? n=205

52%
The largest anticipated number of potential retirements will take place over the next few years

17%
The largest anticipated number of potential retirements is taking place right now

14%
No significant wave of retirements has happened or is anticipated over the next few years

9%
Don’t know

8%
The largest anticipated number of potential retirements has already taken place

The share of baby boomers having already retired stands at 40%, with 2020 seeing the total number rise by more than in any of the past eight years. Since state and local government employees also tend to be older than private sector employees, the survey included a question on the extent to which the impact of mass retirements has already been felt; is still anticipated; or perhaps for those jurisdictions that have a younger overall workforce, has not been and is not foreseen to be a significant factor. Figure 17 shows that 52% still see the largest portion of this wave of retirements hitting in the next few years, while only 22% see it as a non-issue or one that has already passed.

Figure 18: Do you feel your employees are prepared financially for their retirement? n = 145

33%
Yes

37%
No

30%
Don’t Know

Retirement Preparedness

For those who are postponing their retirement, one reason may be their sense of financial preparedness. Only 30% of respondents feel their employees are financially prepared for retirement (see Figure 18). With one core element of preparedness being financial literacy, many public agencies have been prioritizing employee education, via a mix of static resources and more interactive or in-person options. For further information see, A Focus on Public Sector Financial Wellness Programs: Employee Needs and Preferences, or the Stakeholders Report on Developing A Cooperative Approach to Financial Wellness.

Health Care Plan Changes

As with retirement plans, the predominant response on health plans is that there were no changes implemented in the past year. Beyond that, the most common responses related to wellness programs, cost shifts to employees or retirees, or adoption of high-deductible plans with health savings accounts (see Figure 19).
**SURVEY FINDINGS: STATE AND LOCAL GOVERNMENT WORKFORCE 2021**

Figure 19: Over the past year, what changes, if any, has your government made to the health benefits provided to employees or retirees? n=198

65% No changes
27% Implemented wellness programs
12% Shifted more health care costs from employer to employees (e.g., higher premiums, co-pays, and deductibles)
7% Set funds aside to cover future retiree health benefit costs
5% Implemented chronic care management programs
5% Other
3% Shifted employees to high deductible plans with health savings account
3% Established a health reimbursement arrangement
3% Increased requirements (e.g., years to vest, age of eligibility) for retiree health benefits
3% Shifted more health care costs from employer to retirees
1% Eliminated retiree health care
1% Shifted retirees to high deductible plans with health savings account
1% Introduced an individual Medicare marketplace approach for retiree healthcare
1% Shifted from a traditional retiree health care model to a defined contribution health care model for current employees
1% Shifted from a traditional retiree health care model to a defined contribution health care model for new employees
1% Implemented wellness programs

WAGE AND BENEFIT COMPETITIVENESS

As governments attempt to compete with private sector employers, they are often constrained by their existing salary structures and the budget processes or other approvals that would be required to effect changes. The share who feel their wage compensation is competitive with the labor market is just 60%. By comparison, with pensions still much more prevalent among public agencies than private, 92% rate their benefits offerings as being competitive (see Figures 20 and 21).

Figure 20: Do you feel the wage compensation you offer your employees is competitive with the labor market? n = 217

- Yes: 60%
- No: 36%
- Don’t Know: 4%

Figure 21: Do you feel the benefits compensation you offer your employees is competitive with the labor market? n = 218

- Yes: 92%
- No: 6%
- Don’t Know: 2%
EMPLOYEE RETENTION AND DEVELOPMENT

Exit interviews continue to be a common retention strategy (cited by 75%), but two of the top three programs may have particular importance in light of COVID-19: employee assistance programs and mental health support (91%) and leave benefits specifically supporting quarantine or isolation needs (69%; see Figure 22).

Many of the other programs offered by the respondents to encourage employee retention relate to employee development, such as in-house training, tuition reimbursement, leadership development cross-training, or structuring of career paths.

Among the new topics surveyed this year, 45% of respondents indicated they run workplace diversity, equity, and inclusion training, and 10% organize employee affinity/resource groups, such as those to facilitate diverse groups within the organization to network with or mentor each other.

The share reporting paid family leave increased slightly from 2020 (from 37% to 39%). The most recent comparative data from the U.S. Bureau of Labor Statistics (2018) show that paid family leave is more common in state and local government than in the private sector for organizations with fewer than 500 workers.

Taken together, retention and employee development offerings such as these can contribute to the benefits competitiveness shown in Figure 21.

Regarding exit interviews, respondents were also asked which factors were among the top three reasons cited by those leaving their employment (see Figure 23). By far, retirement was the number one reason (51%), but the second-most common was seeking advancement through another public employer (36%), followed by compensation (30%). Private sector employment came in as the fifth most common response (24%). This would seem to indicate that assuming that compensation and benefits were competitive, employees would prefer to continue a career in public service.

Figure 22: Which of the following programs does your organization currently use to encourage employee retention and development? n=218

<table>
<thead>
<tr>
<th>Program</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exit interviews</td>
<td>91%</td>
</tr>
<tr>
<td>Employee assistance programs (EAPs)/mental health support*</td>
<td>75%</td>
</tr>
<tr>
<td>Leave benefits; COVID-related quarantine/isolation leave*</td>
<td>69%</td>
</tr>
<tr>
<td>Employee development: In-house training</td>
<td>65%</td>
</tr>
<tr>
<td>Wellness programs: Informational</td>
<td>64%</td>
</tr>
<tr>
<td>Leave benefits: Sick leave banking/donations</td>
<td>63%</td>
</tr>
<tr>
<td>Employee development: Funds/reimbursements for training/hiring</td>
<td>60%</td>
</tr>
<tr>
<td>Onboarding program</td>
<td>53%</td>
</tr>
<tr>
<td>Recognition program</td>
<td>52%</td>
</tr>
<tr>
<td>Employee development: Leadership development</td>
<td>50%</td>
</tr>
<tr>
<td>Merit-based salary increases</td>
<td>46%</td>
</tr>
<tr>
<td>Workplace diversity, equity, and inclusion training*</td>
<td>45%</td>
</tr>
<tr>
<td>Leave benefits: Paid family leave</td>
<td>39%</td>
</tr>
<tr>
<td>Employee development: Cross-training</td>
<td>39%</td>
</tr>
<tr>
<td>Leave benefits: Consolidated annual/personal/sick leave</td>
<td>34%</td>
</tr>
<tr>
<td>Wellness programs: Reimbursement (e.g., gym membership, smoking cessation programs)</td>
<td>33%</td>
</tr>
<tr>
<td>Financial literacy/financial wellness training</td>
<td>32%</td>
</tr>
<tr>
<td>Internships/apprenticeships</td>
<td>32%</td>
</tr>
<tr>
<td>Employee development: Career paths/career ladders</td>
<td>32%</td>
</tr>
<tr>
<td>Employee satisfaction surveys</td>
<td>32%</td>
</tr>
<tr>
<td>Wellness programs: On-site fitness facilities</td>
<td>28%</td>
</tr>
<tr>
<td>Wellness programs: On-site clinics</td>
<td>27%</td>
</tr>
<tr>
<td>Bonuses</td>
<td>18%</td>
</tr>
<tr>
<td>Mentoring</td>
<td>16%</td>
</tr>
<tr>
<td>Data-driven decision-making on recruitment efforts</td>
<td>15%</td>
</tr>
<tr>
<td>Community engagement (support for volunteer involvement, matching donations)</td>
<td>14%</td>
</tr>
<tr>
<td>Employee skills assessments/personality inventories</td>
<td>14%</td>
</tr>
<tr>
<td>Collaborative/distributed leadership</td>
<td>13%</td>
</tr>
<tr>
<td>Transit benefits</td>
<td>11%</td>
</tr>
<tr>
<td>Stay interviews</td>
<td>11%</td>
</tr>
<tr>
<td>Data-driven decision-making on retention efforts</td>
<td>11%</td>
</tr>
<tr>
<td>Employee affinity/resource groups (e.g., for underrepresented demographics)*</td>
<td>10%</td>
</tr>
<tr>
<td>Job rotations</td>
<td>5%</td>
</tr>
<tr>
<td>Financial assistance with home purchases</td>
<td>2%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2%</td>
</tr>
<tr>
<td>Backup or emergency child care provider</td>
<td>1%</td>
</tr>
<tr>
<td>Financial assistance with student loan repayment (e.g., per COVID stimulus provisions)</td>
<td>1%</td>
</tr>
<tr>
<td>Reverse mentoring/intergenerational engagement*</td>
<td>1%</td>
</tr>
<tr>
<td>None of the above</td>
<td>1%</td>
</tr>
</tbody>
</table>

* Items shown with an asterisk were new to the survey in 2021.
DIVERSITY, EQUITY, AND INCLUSION

To assess how well organizations are doing at attracting and retaining a diverse workforce, the survey asked how respondents would describe the gender composition and racial/ethnic composition of their current workforce. On gender diversity, 54% felt their workforce was reflective of the larger community, while another 20% indicated that while it currently falls short, they were taking steps to address that (see Figure 24). On racial/ethnic diversity, 38% felt their workforce was reflective of the larger community, with 36% saying they were not as representative as they could be, but they were taking steps to address that (see Figure 25). In each case,

**Figure 23:** In exit interviews with departing employees, which of the following have been cited as among the top three reasons for leaving? n=158

- 51% Retirement
- 36% Advancement with another public employer
- 30% Compensation not competitive
- 25% Lack of internal advancement opportunities
- 24% Advancement with a private employer
- 23% Personal/ family priorities
- 23% Dissatisfaction with supervisors
- 22% Relocation
- 17% Change of career
- 17% Workload/ burnout
- 6% Dissatisfaction with the organization
- 5% COVID-related health/safety concerns*
- 4% Not applicable (Did not conduct exit interviews)
- 4% Dissatisfaction with co-workers
- 3% Physical / mental health*
- 3% Other
- 2% Pursuing further education

* Items shown with an asterisk were new to the survey in 2021.

**Figure 24:** Diversity, equity and inclusion: How would you describe the gender composition of the workforce? n = 226

- Reflective of the community: 54%
- Not as representative as it could be: 20%
- Not as representative as it could be. There are no targeted recruitment or retention efforts: 7%
- Not as representative as it could be. We are addressing via targeting recruitment campaign: 19%
- Don’t know: 7%

**Figure 25:** Diversity, equity and inclusion: How would you describe the racial/ethnic composition of the workforce? n = 224

- Reflective of the community: 38%
- Not as representative as it could be: 36%
- Not as representative as it could be. There are no targeted recruitment or retention efforts: 7%
- Don’t know: 19%
19% indicated that they were not as representative as they could be, but they did not have any targeted recruitment or retention programs in place to address this.

These questions do not compare gender or racial/ethnic diversity to some arbitrary national standard, but rather to the locally available workforce.

Such diversity is not simply an altruistic aspiration, but often a strategy paired with employee engagement, training, and resource groups to help new recruits feel welcome in the organization and meet the long-term succession planning and workforce needs.3

Breaking down the results by the type and size of the organizations, state and local government responses were consistent with the overall results, but responses differed significantly by staff size (see Table 1).

Table 1. Percentage of respondents indicating that the organization’s workforce is reflective of the community

<table>
<thead>
<tr>
<th>Category</th>
<th>Under 500 FTEs</th>
<th>500 or more FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender diversity</td>
<td>28%</td>
<td>56%</td>
</tr>
<tr>
<td>Racial/ethnic diversity</td>
<td>20%</td>
<td>41%</td>
</tr>
</tbody>
</table>

NOTE: Based on response rates of n = 216 regarding gender diversity and n = 214 regarding racial/ethnic diversity among those that also reported total FTEs.

**FUTURE PRIORITIES**

For governments looking ahead, offering a competitive compensation package is often their highest priority (82% rank it as important), with an additional 30% indicating an intent to perform a job classification study (see Figure 26). However, with the COVID-19 pandemic, the top response on the 2021 survey was employee morale at 84%, with a new priority—mental health in the workplace—being reported by 61% of respondents.

Recruitment and retention of qualified staff also continues to be among the top priorities (76%), as does workforce succession planning (57%).

Figure 26: Looking ahead, how important are the following issues to your organization? (percentage indicating ‘important’) n=210

- 84% Employee morale
- 82% Competitive compensation package
- 77% Employee engagement
- 76% Recruitment and retention of qualified personnel with needed skills for public service
- 75% Employee development: Leadership
- 71% Employee development: General
- 67% Equity: Workforce diversity, equity, and inclusion
- 61% Mental health in the workplace*
- 60% Retaining staff needed for core services
- 57% Equity: Racial and social justice (in service delivery and society)
- 57% Workforce succession planning
- 50% How to manage workload when current staff is at their limit and new staff cannot be hired
- 45% Reducing employee health care costs
- 44% Creating a more flexible workplace (e.g., job sharing, outsourcing, hiring retirees)
- 44% Turnover
- 41% Public perception of government workers
- 31% Managing long-term/permanent telework (via policy and technology)*
- 30% Employee financial literacy/financial wellness
- 30% Impact of technology: Retraining staff
- 30% Performing a job classification study
- 27% Employee vaccinations: Mandated or incentivized*
- 20% Impact of technology: Modifying or eliminating jobs
- 20% Reducing employee retirement plan costs
- 18% Internship/apprenticeship recruiting
- 11% Managing contract personnel
- 6% Managing personnel shared across jurisdictions

* Items shown with an asterisk were new to the survey in 2021.
Multiyear trends include an increase in those viewing as important the creation of a more flexible workplace (from 23% in 2016 to 44% in 2021) and a decrease in those ranking a reduction in employee retirement plan costs as important (from 58% in 2016 to 20% in 2021; see Figure 26B). The share of those listing turnover as an important issue also declined in the last two years, from 59% in 2019 to 44% in 2021.

As this survey series now has data available from the Great Recession to early 2021, SLGE at ICMA-RC’s next steps will be to assess the impacts on state and local governments, employees, retirees, and retirement plans as each adjust to the post-vaccine COVID-19 environment. For additional research, please visit https://slge.org.

Figure 26B: Looking ahead, which workforce issues are important to your organization? (Detail, 2016-2021)

![Graph showing workforce issues importance over years](image)


1 Total baby boomer retirees increased by 3.2 million, from 25.4 million to 28.6 million in 2020; from 2012-2019, the annual increase averaged 2 million. Source: Richard Fry, “The pace of Boomer retirements has accelerated in the past year,” Pew Research Center, November 9, 2020.


Related Resources

- Stakeholders Meeting on Developing the Public Sector Workforce of the Future, SLGE at ICMA-RC, 2020.
The MissionSquare Research Institute (formerly the Center for State and Local Government Excellence) was founded in 2007 by ICMA-RC (now MissionSquare Retirement). The Institute helps local and state governments become knowledgeable and competitive employers so they can attract and retain a talented and committed workforce. Additionally, the Institute identifies leading practices and conducts research on public retirement plans, health and wellness benefits, workforce demographics and skill set needs, labor force development, as well as topics facing the not-for-profit industry, health care, and the education sectors, and brings public service stakeholders together with respected researchers. For more information, access to all research and publications, and to sign up for the MissionSquare Research Institute's newsletter, visit slge.org and follow @4GovtExcellence on Twitter.