Survey Findings

State and Local Government Workforce: 2012 Trends
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Local and state governments face continuing workforce constraints, with 51 percent reporting pay freezes, 42 percent reporting hiring freezes, and 28 percent reporting layoffs. While 46 percent of eligible employees are postponing retirement, 22 percent have accelerated their retirement plans.

Top concerns of the survey participants are the public perception of government workers (73 percent), with staff retention, health care costs, and managing workload close behind (70 percent). Governments able to hire have difficulty filling certain positions, including jobs in finance, management, health care, engineering, public safety and corrections, planning and building inspection, and information technology.

Although many governments report changes in health benefits (59 percent) and retirement benefits (37 percent), most entities do not yet know how these changes will affect recruitment and retention.

The survey was conducted among members of the International Public Management Association for Human Resources1 (ipma-hr.org) and the National Association of State Personnel Executives2 (naspe.net) from February 27 to March 13, 2012, by the Center for State and Local Government Excellence (slge.org). Three hundred forty-three (343) members took part in the survey.

Participants

1) Do you work for… (N = 342)3:

- Local government: 82.2%
- State government: 12.3%
- Federal government: 4.1%
- Another sector: 1.5%
- 0.3%

Workforce Changes

2) Which of the following workforce changes has your government implemented over the past year? (N = 341)

- Pay freezes: 50.7%
- Hiring freezes: 41.6%
- Layoffs: 28.4%
- No changes: 21.4%
- Other: 18.2%
- Furloughs: 16.7%
- Pay cuts: 6.5%

Note: “Other” changes offered were: early retirement incentives; voluntary furloughs and layoffs; delayed hiring; restructuring; no merit increases; promotion pay caps/elimination; no/reduced cost of living adjustments; lower starting salaries; reduced or no COLA; changing positions from full- to part-time; pay increases; adding or eliminating positions; hiring contract personnel; hoteling.

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1 Sent to about 7,000 members
2 Sent to 92 members
3 (N = number of respondents to each question)
3) Since the economic downturn in 2008, is your workforce: (N = 340)

- More than 10% smaller: 15.0%
- Smaller, but less than 5% smaller: 25.6%
- The same size: 17.1%
- More than 10% smaller: 17.1%
- Larger, but less than 5% larger: 8.5%
- Smaller, but less than 5% smaller: 25.6%
- The same size: 15.0%
- More than 10% smaller: 17.1%
- Larger, but less than 5% larger: 8.5%
- Don’t know: 3.6%
- 5–10% larger: 2.4%
- More than 10% larger: 0.3%

4) In 2011, your government hired... (N = 336)

- More people than it did in 2010: 33.6%
- Less people than it did in 2010: 25.6%
- The same number of people it did in 2010: 28.9%
- Don’t know: 11.9%

5) In 2011, your government laid off... (N = 299)

- More people than it did in 2010: 39.8%
- Less people than it did in 2010: 28.8%
- The same number of people it did in 2010: 14.0%
- Don’t know: 17.4%

6) What positions, if any, do you continue to have a hard time filling in the current economic climate? (N = 244)

- Building inspectors
- Bus drivers
- Child protective investigators
- Correctional officers
- Counselors
- Direct care positions
- Dispatchers
- Economic development coordinators
- Engineers (all types)
- Environmental, chemical, forensic credentialed professionals
- Epidemiologists
- Executive and professional positions
- Finance (all types)
- Firefighters
- Grant coordinators
- Information technology professionals
- Librarians
- Management support staff
- Medical and mental health management
- Middle and top management
- Morgue Technicians
- Nurses
- Paramedics
- Pharmacists
- Physical/Occupational therapists
- Physicians
- Planners
- Police officers
- Project managers
- Psychologists
- Records specialists
- Researchers and analysts
- Skilled trades (all types)
- Social Workers
- Speech Pathologists
- Water treatment plant occupations (all)
Postponed Retirements

7) What changes, if any, have your retirement-eligible employees made regarding their plans for retirement? (N = 343)

- 45.8% Postponed their retirement date
- 19.8% Accelerated their retirement date
- 19.2% No changes
- 22.2% Don’t know

Retirement Plan Changes

8) Over the past year, has your government made any changes to the retirement benefits you offer your employees? (N = 341)

- 37.2% Yes
- 61.0% No
- 1.8% Don’t know

9) 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 = 277)

- Increased employee contributions to pension plans: 26.7%
- Increased age and service requirements for normal retirement: 19.9%
- Other: 10.8%
- Decreased pension benefits: 8.3%
- Reduced/eliminated cost of living adjustments: 7.6%
- Increased employer contributions to pension plans: 7.2%
- Increased minimum eligibility requirements (vesting): 6.1%
- Decreased employer contributions to defined contribution plans: 3.6%
- Replaced a defined benefit with a hybrid plan (combination of a DB and DC plan): 2.5%
- Replaced a defined benefit with a defined contribution plan: 0.7%

Note: “Other” changes offered were: added self-directed brokerage accounts; shortened the vesting period for employer contributions to defined contribution plans; increased employer contributions to 401a plan; added 457 option for employees; eliminated sick leave payout at retirement.

10) 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 = 275)

- Increased employee contributions to pension plans: 24.4%
- Increased employer contributions to pension plans: 8.0%
- Other: 8.0%
- Reduced/eliminated cost of living adjustments: 5.5%
- Decreased employer contributions to defined contribution plans: 4.4%
- Increased age and service requirements for normal retirement: 3.6%
- Decreased pension benefits: 2.2%
- Increased minimum eligibility requirements (vesting): 1.5%
- Replaced a defined benefit with a defined contribution plan: 1.1%

Note: “Other” changes offered were: leave buyout for early retirement incentive; limited early retirement incentive; added self-directed brokerage accounts; decreased the vesting period for employer contributions to defined contribution plans; decreased 457 employer match; implemented leave buy-out to incentivize retirement; excluded overtime and other income from pension calculations.
Health Care Plan Changes

11) Over the past year, has your government made any changes to the health benefits you offer to your employees and retirees? \((N = 342)\)

- Yes: 58.5%
- No: 39.8%
- Don’t know: 1.8%

12) If your government has made changes to health benefits, what kind of changes? \((N = 298)\)

- Shifted more health care costs from employer to employees (examples: higher premiums, co-payment, and deductibles) 61.3%
- Created wellness programs 26.2%
- Other (please specify) 15.1%
- Shifted more health care costs from employer to retirees 10.7%
- Created chronic care management programs 7.0%
- Shifted from a traditional retiree health care model to a defined contribution health care model (example: health savings plan) for new employees 4.4%
- Eliminated retiree health care 3.0%
- Shifted from a traditional retiree health care model to a defined contribution health care model for current employees 2.7%

Note: “Other” changes offered were: new plan types and design; increased vesting requirements for retiree medical; opened employee health clinic; offered new voluntary options like long-term care and vision; added medicines to “not approved” list; covered domestic partners; offered lower premiums for participating in an optional biometrics program; went from self-insured to fully insured; added more essential care at 100% coverage; increased wellness incentives; higher premiums for new hires; reduced benefits.

Workforce Issues

13) Looking ahead, which workforce issues are important to your organization? \((N = 342)\)

- Attracting workers to the public sector
- Succession planning
- Competitive compensation package
- Employee morale
- Managing workloads when current staff is stretched thin but new staff cannot be hired
- Retaining staff needed for core services
- Staff development
- Reducing employee health care costs
- Turnover
- Public perception of government workers
- Creating a more flexible workplace
- Risk management
- Attracting workers to the public sector
- Public perception of government workers
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14) What workforce issue(s) is your organization examining?

Responses: privatization; compensation structure/strategy; performance management; nonfinancial rewards; use of technology for efficiency/productivity; more flexibility; risk management; consolidation; putting large projects on hold; process improvements; regional services; diversity focus for management positions; job sharing.
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 work force, research studies, and news on health care, recruitment, and succession planning on its web site, www.slge.org.