State and Local Government Workforce: 2013 Trends

The picture is brightening for the state and local government workforce, although 33 percent still report pay freezes and 18 percent report layoffs. That compares with 51 percent reporting pay freezes in 2012 and 28 percent reporting layoffs. Other key findings:

- Twenty-seventy percent report that hiring freezes are in place compared with 42 percent in 2012.
- Fifty-six percent modified health benefits.
- Seventy-four percent rated staff development the most important workforce issue in 2013, followed by employee morale (70 percent), and managing workloads (68 percent).

The pace of retirements is high, with 22 percent reporting that employees have accelerated their retirement date. Twenty-nine percent of current employees saw an increase in their pension contributions, as did 34 percent of new hires. When asked if employees were financially prepared for retirement, 44 percent said, “no,” and 18 percent said, “yes.”

The survey was conducted among members of the International Public Management Association for Human Resources1 (ipma-hr.org) from March 19–April 10, 2013 by the Center for State and Local Government Excellence (slge.org). Three hundred and twenty-three (323) members took part in the survey.

Participants

1) You work for…(N = 323)2:

- Local government: 75.5%
- State government: 15.5%
- Federal government: 7.1%
- Another sector: 1.9%

Workforce Changes

2) Which of the following workforce changes has your government implemented over the past year? (N = 321)

- No Changes: 37.4%
- Pay Freezes: 33.0%
- Hiring Freezes: 26.5%
- Layoffs: 18.1%
- Other: 15.3%
- Furloughs: 10.6%
- Pay Cuts: 5.9%

Note: “Other” changes offered were: no general wage increases, but step movement still available; early retirement incentive program; delay in refilling vacant positions; strategic refilling vacant positions; award freezes; travel restrictions; training and career development suspensions/restrictions; lump sum increases with no adjustment to base; combined some positions; converted some positions from full to part-time; collective bargaining abolished; suspended vacation accruals; reduction in force; hiring temporary employees; voluntary furloughs and severances; reduction in entry level salaries; lower merit increases.

1 Sent to about 5,850 members
2 (N = number of respondents to each question)

Note: Due to rounding and/or skipped questions, pie charts might not add up to 100% exactly.
3) Since the economic downturn in 2008, is your workforce: ($N = 323$)

4) In 2012 your government hired... ($N = 318$)

5) In 2012 your government laid off... ($N = 292$)

6) What positions, if any, do you continue to have a hard time filling in the current economic climate? ($N = 256$)

    - Attorneys
    - Business Analysts
    - Community and Business Development Specialists
    - Correctional Officers
    - Dispatchers
    - Engineers (all types)
    - Epidemiologists
    - Finance (all types)
    - Firefighters / EMS
    - GIS Programmers
    - Health Science Administrators
    - Human Resource Specialists
    - Information Technology Professionals
    - Management (mid + upper levels)
    - Medical Officers
    - Nurses
    - Pharmacists
    - Physicians
    - Police Officers
    - Psychiatrists
    - Public Health Professionals (all types)
    - Public Health Researchers
    - Public Works (all types)
    - Purchasing Specialists
    - Scientific Researchers
    - Seasonal Pool and Recreation Employees
    - Skilled Trades (all types)
    - Social Workers
    - Water Treatment Plant Occupations (all types)

7) What changes, if any, have your retirement-eligible employees made regarding their plans for retirement? ($N = 322$)

    - Postponed their retirement date
    - Accelerated their retirement date
    - No changes
    - Don’t know
Retirement Plan Changes

8) Over the past year, has your government made any changes to the retirement benefits you offer to your employees? (N = 318)

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 = 272)

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 = 267)

Note: “Other” changes offered were: decreased minimum eligibility requirements; reduced disability benefits; reduced interest on return of contributions; provided employer match for deferred compensation; created a lump sum incentive bonus for retirement up to 2015; increased cost of purchasing universal service credit; firefighters statewide opted out of Social Security; implemented all changes required by state legislation.

Retirement Preparedness

11) Do you feel your employees are prepared financially for their retirement? (N = 322)

Note: “Other” changes offered were: returning retirees’ earnings capped; waived the six-month wait to start participating in the pension plan; reduced disability benefits and interest on refund of contributions; decreased retirement insurance benefits; implemented two-tiered retirement formulas; gave lump sums instead of COLAs; provided more investments options in defined contribution plan; implemented state retirement system changes.
12) Over the past year, do you see indications that your employees are saving more, less, or the same for retirement than in previous years? (N = 323)

Health Care Plan Changes

13) Over the past year, has your government made any changes to the health benefits you offer your employees and retirees? (N = 321)

Workforce Issues

15) Looking ahead, which workforce issues are important to your organization? (N = 323)
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.