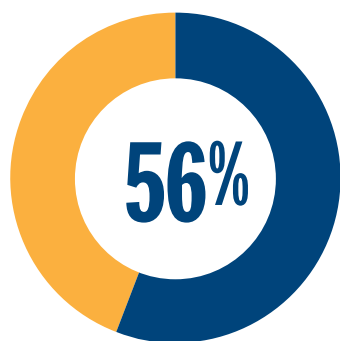


PUBLIC SECTOR EMPLOYEE VIEWS ON COVID-19



report that they and their family have been **negatively impacted financially** by the COVID-19 pandemic.

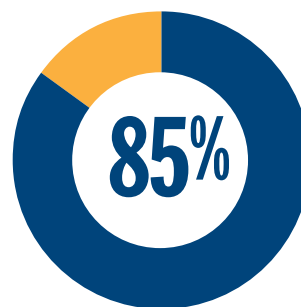
OVER THE COURSE OF THE NEXT YEAR...



expect they will **reduce the amount they are saving for retirement** currently.

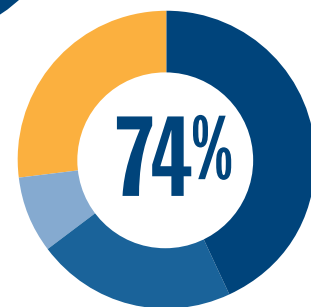
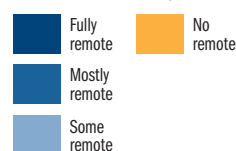


expect they will **spend less than normal** (on either essential or non-essential expenses) in comparison to what it would have been had the pandemic not occurred.



85% report that the pandemic has **impacted the nature of their job** (e.g., what they do, where they work, how they go about the tasks required).

74% report at least some remote work currently.



70%

consider their job at least somewhat risky in terms of potential exposure to people who may have COVID-19.



64%

are concerned that the pandemic and the related economic crisis will impact being able to save enough to be financially secure throughout retirement.

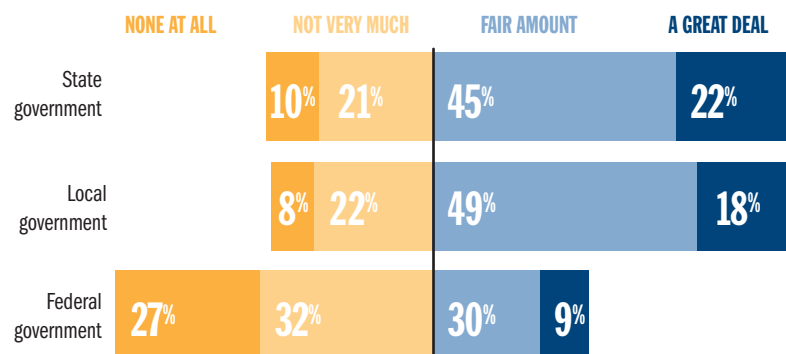


53%

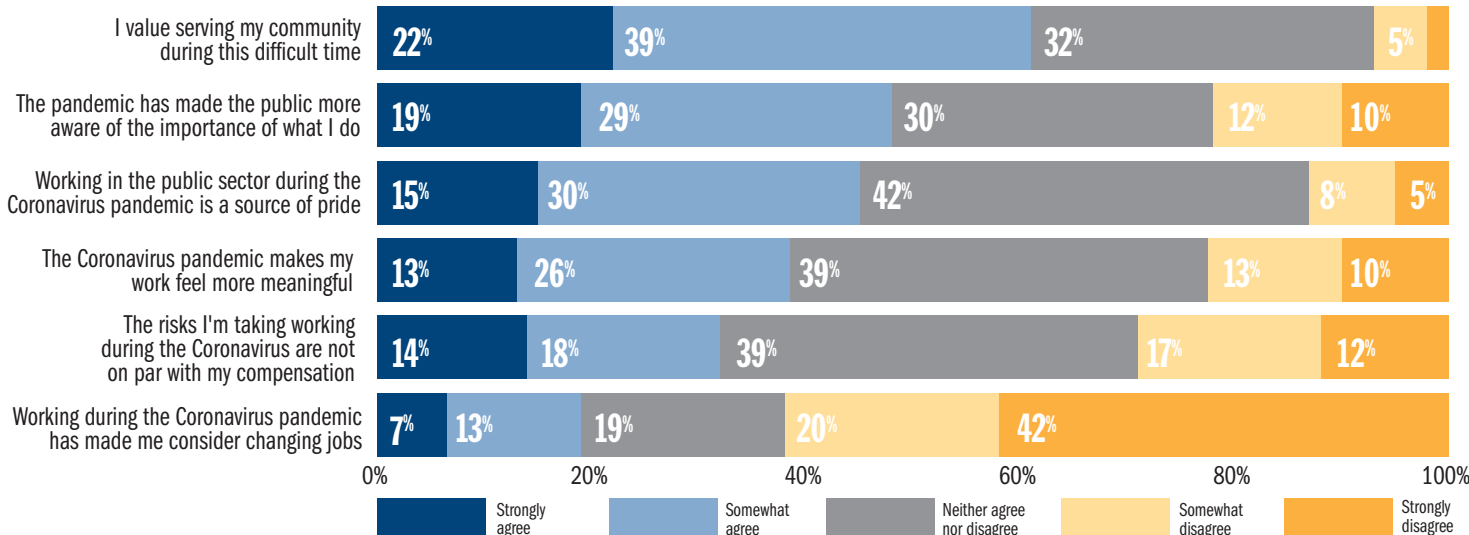
agree that they have been able to get the help, information, and resources they need to make smart financial decisions during the pandemic and related economic crisis.



TRUST IN GOVERNMENT LEADERS TO MAKE APPROPRIATE DECISIONS ABOUT EMPLOYEE SAFETY DURING PANDEMIC



FEELINGS ABOUT WORKING IN PUBLIC SECTOR DURING COVID-19





SURVEY RESULTS

Public Sector Employee Views on Finances and Employment Outlook Due to COVID-19

About this report

This report was prepared by Rivka Liss-Levinson, PhD (Center for State and Local Government Excellence) and describes results of a survey conducted with Greenwald & Associates. SLGE is grateful to ICMA-RC for their guidance and support of this project. Thank you to Anne Phelan for copy editing this report and the ICMA-RC Marketing Design team.

Executive Summary

This report presents the results of a 2020 national online survey conducted by the Center for State and Local Government Excellence (SLGE) and Greenwald & Associates of 1,008 state and local government employees, assessing their views on the impact of the coronavirus (COVID-19) pandemic on perceptions of their finances and short- and medium-term employment outlook. Key survey findings are as follows:

Financial Impact

- 56 percent of respondents report that they and their family have been negatively impacted financially by the COVID-19 pandemic, and 47 percent expect the financial impact to be worse over the course of the next year.
- 57 percent say debt is currently a problem for them and their family, and 25 percent expect they will take on more debt than they have now over the course of the next year.
- Prior to the pandemic, only 29 percent of respondents had an emergency fund fully funded, Over the course of the next year, 43 percent of those with an emergency fund expect they will have to dip into it to make ends meet.
- Over the course of the next year, 26 percent expect they will reduce the amount they are saving for retirement, 30 percent expect they will reduce the amount they are saving in general, and 59 percent expect they will spend less than normal in comparison to what they would have spent without the pandemic.
- 65 percent are concerned that the pandemic and the related economic crisis will impact being able to retire when they want, and 74 percent are concerned it will impact being able to save enough to be financially secure throughout retirement.

Job Impact

- 85 percent of respondents report that the pandemic has impacted the nature of their job (e.g., what they do, where they work, how they go about the tasks required). Among those reporting an impact, 63 percent report that it has been difficult adjusting to these changes.
- 74 percent report at least some remote work currently; of those, only 18 percent were working remotely before the pandemic.
- Among those working remotely for the first time or more than before, 55 percent report that it has been difficult adjusting to remote work.
- 70 percent consider their job at least somewhat risky in terms of their potential exposure to people who may have COVID-19.
- Respondents are most likely to think that maintained social distancing (70 percent) and an increase of health precautions (66 percent) are the practices and policies that will change at their workplace going forward this year.
- 61 percent agree that they value serving their community during this difficult time, 48 percent feel that the pandemic has made the public more aware of the importance of what they do, and 45 percent report that working in the public sector during the pandemic is a source of pride.
- Going forward, respondents are most worried about keeping their family safe from contracting the virus (83 percent) and staying protected from contracting the virus at work (80 percent).

Spouse Job Impact

- Among those with a spouse or partner, 70 percent indicated that their spouse/partner is employed for pay full time or part time.
- 22 percent report that their spouse/partner's employment status has changed as a result of the pandemic (e.g., layoff, reduced hours, or having to get a job or increase their hours).
- About 56 percent of those with a spouse/partner working report that they are concerned about the possibility of the spouse/partner's job being negatively impacted by the pandemic (e.g., job loss, reduced hours or pay, furlough).

Other Issues

- Respondents are most likely to report pandemic-related feelings of stress (44 percent), anxiety (43 percent), and/or gratitude (33 percent) while at work.
- 74 percent are currently consuming a fair amount or a great deal of news/media about the pandemic.
- Respondents have substantially more trust in both state and local government leaders to make appropriate decisions regarding employee safety during the pandemic (both 67 percent) than they have in federal government leaders (39 percent).
- 57 percent say they have received just enough information regarding COVID-19 from their employer.
- Most report that the information they have received from their employer about employee safety (78 percent) and about changes to their job (72 percent) during the pandemic has been consistent with what they have heard from other government sources.

Financial Profile

- 65 percent are very or extremely confident about making financial decisions on their own in general, while 53 percent are very or extremely confident about making financial decisions on their own during the pandemic and related economic crisis.
 - 23 percent of respondents currently work with one or more financial professionals.
 - 53 percent agree that they have been able to get the help, information, and resources they need to make smart financial decisions during the pandemic and related economic crisis.
-

Introduction

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic.¹ Since then, the United States and countries throughout the world have seen cases of COVID-19 soar. As of June 15, 2020, nearly 8 million cases and 435,000 deaths have been recorded around the world, with the United States accounting for more than 2 million cases and 115,000 deaths.² During this time, the crucial role that state and local government workers play in everyday activities has been more visible than usual. From emergency medical technicians and nurses to teachers, public safety personnel, and public health professionals, the more than 19 million state and local government workers have been integral to keeping the country running.

As states and localities across the nation begin to reopen businesses and relax physical distancing restrictions, they also face significant public health and economic challenges, from anxiety about an anticipated second wave of COVID-19 cases to a need to balance agency budgets within the context of severe revenue shortfalls. In order to ensure that state and local governments have a resilient workforce that can respond to these challenges, it is important to first understand the public sector workforce's perceptions regarding the COVID-19 pandemic, how their jobs and personal finances have already been affected, and what they anticipate to be the short- and medium-term impacts of the pandemic and the ensuing economic crisis.

This report assesses state and local government employees' views on the COVID-19 pandemic's impacts on their finances, job, debt profile, and related issues. It presents the results of an online survey of 1,008 state and local government employees conducted by SLGE and Greenwald & Associates May 4-20, 2020.

Survey Results

Sample Demographics

The demographic characteristics of the 1,008 survey respondents are displayed in Table 1. Survey respondents are majority female, white or Caucasian, working for state government,³ and have total annual personal and household incomes of less than \$75,000. Respondents have a median age of 45⁴ and tend to be well educated (69 percent have received their bachelor's or a graduate/professional degree). There is more variation in respondents' marital status, whether they have children/stepchildren, geographic region, industry, and number of years working for their employer.

The demographic characteristics of the survey sample generally align with the overall state and local government workforce profile. Of the approximately 19.6 million state and local government employees working across the United States in 2018, 11.2 million work in education and nearly 1 million are in police protection, with the rest filling all other state and local positions (e.g., fire/EMS, public works, transportation, hospitals).⁵ As of 2018, state and local workers have an average age of 44.5 years; 60 percent are female; and 55 percent have a bachelor's, advanced, or professional degree.⁶

Table 1. Sample Demographics

| Gender | % | Race/Ethnicity | % | Industry | % | Total Annual Personal Income | % |
|--|----|---------------------------------|----|---|----|-------------------------------|----|
| Male | 36 | White or Caucasian | 75 | Administration and Finance | 4 | Less than \$25,000 | 7 |
| Female | 63 | Black or African American | 13 | Education | 53 | \$25,000 to \$49,999 | 45 |
| | | Hispanic/Latino/Spanish descent | 8 | Health & Human Services | 13 | \$50,000 to \$74,999 | 25 |
| | | Asian or Pacific Islander | 7 | Public Safety | 16 | \$75,000 to \$99,999 | 16 |
| | | Native American | 2 | Parks & Recreation | 1 | \$100,000 to \$124,999 | 3 |
| | | Other | 1 | Public Works/Utilities | 5 | \$125,000 to \$149,999 | 2 |
| | | | | Transportation | 5 | \$150,000 or more | 2 |
| | | | | All Other | 3 | Don't know | 2 |
| Age | % | Marital Status | % | Number of Years Working with Current Employer | % | Total Annual Household Income | % |
| Under 40 | 38 | Married | 42 | Less than 1 year | 7 | Less than \$25,000 | 6 |
| 40-59 | 48 | Single, never married | 34 | 1 to 5 years | 32 | \$25,000 to \$49,999 | 40 |
| 60 or older | 14 | Divorced or separated | 18 | 6 to 10 years | 16 | \$50,000 to \$74,999 | 24 |
| | | Living with a partner | 5 | 11 to 15 years | 15 | \$75,000 to \$99,999 | 18 |
| | | Widowed | 2 | 16 to 20 years | 12 | \$100,000 to \$124,999 | 5 |
| | | Prefer not to say | — | 21+ years | 17 | \$125,000 to \$149,999 | 3 |
| Education | % | Employer | % | Region | % | \$150,000 or more | 4 |
| Less than a high school diploma | — | State government | 58 | South | 42 | Don't know | — |
| Graduated high school | 7 | Local government | 42 | Midwest | 21 | | |
| Some college (no degree) | 12 | | | West | 20 | | |
| Associate's degree or completion of technical or vocational school | 12 | | | Northeast | 17 | | |
| Bachelor's degree | 37 | | | | | | |
| Graduate/professional degree | 32 | | | | | | |
| Children/Stepchildren | % | | | | | | |
| Yes, under 18 | 27 | | | | | | |
| Yes, 18 or older | 31 | | | | | | |
| No children/stepchildren | 46 | | | | | | |
| Prefer not to answer | 1 | | | | | | |

Note: n=1,008; some figures may not total to 100% due to rounding or to dual racial/ethnic identification.

Financial Impact

More than half (56 percent) of state and local government employees surveyed report that they and their family have been negatively impacted financially by the COVID-19 pandemic; 10 percent report that they have been negatively impacted financially to a significant extent (Figure 1).

When asked how they expect the pandemic will impact them financially over the course of the next year versus where they are now, 47 percent of respondents reported that they expect the financial impact to be somewhat or significantly worse, while 38 percent expect no change. Very few (9 percent) expect the financial impact to be better (Figure 2).

Figure 1. Financial Impact of COVID-19 (n=1,008)

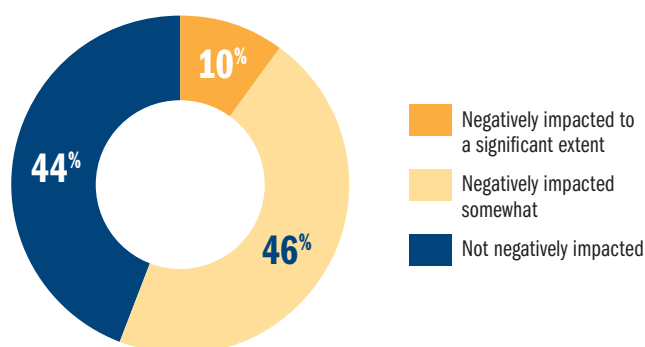
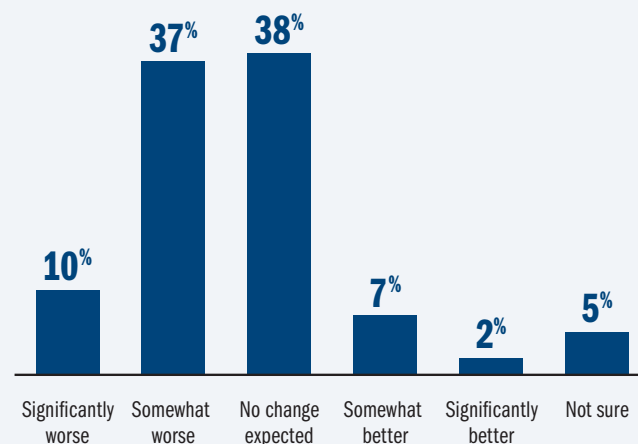


Figure 2. Expected Financial Impact of COVID-19 in Next Year (n=1,008)



Respondents were asked to what extent debt (e.g., a mortgage, car loan, student loans, credit card debt, medical debt) is currently a problem for them and their family. As can be seen in Figure 3, 57 percent report that debt is either a major or a minor problem for them and their family, while 31 percent indicate that it is not a problem. Only 12 percent report not having any debt. Over the course of the next year, 1 in 4 respondents expect they will take on more debt than they currently have (Figure 4).

Prior to the COVID-19 pandemic, approximately 2 out of 3 surveyed (68 percent) reported that they and their family had an emergency fund set up to help pay for major unexpected expenses or to cover necessities if they lost their main source of income (Figure 5). Among

those with an emergency fund, 43 percent expect that they will have to dip into their emergency fund over the course of the next year to make ends meet; an additional 16 percent are unsure of whether or not they will have to do so (Figure 6).

When asked whether they expect that they will change the amount they are currently saving for retirement in the next year, 26 percent report that they will reduce their retirement savings. Fewer (15 percent) expect that they will increase their retirement savings. Half of respondents anticipate no change to their retirement savings in the next year (Figure 7).

Figure 3. Extent to Which Debt is Currently a Problem (n=1,008)

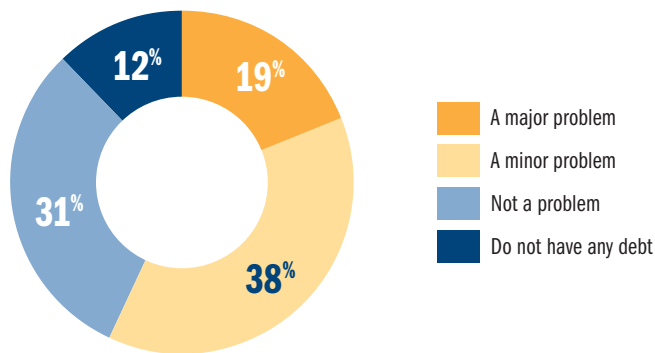


Figure 4. Expect to Take on More Debt in Next Year? (n=1,008)

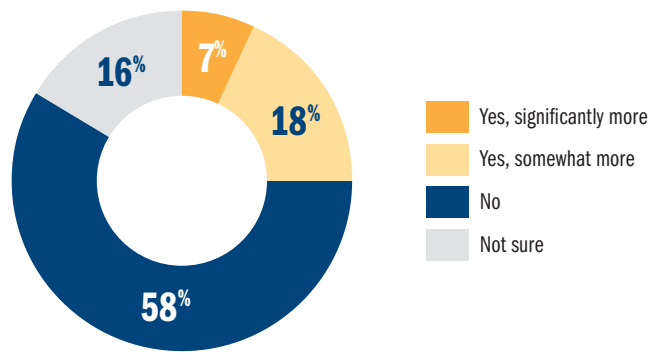


Figure 5. Emergency Fund Prior to COVID-19? (n=1,008)

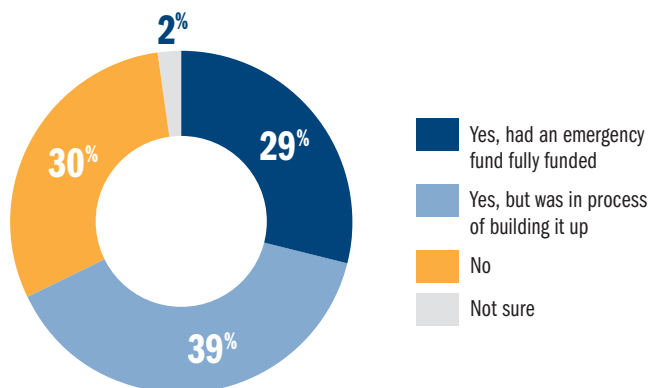


Figure 6. Expect to Dip into Emergency Fund in Next Year? (n=697)

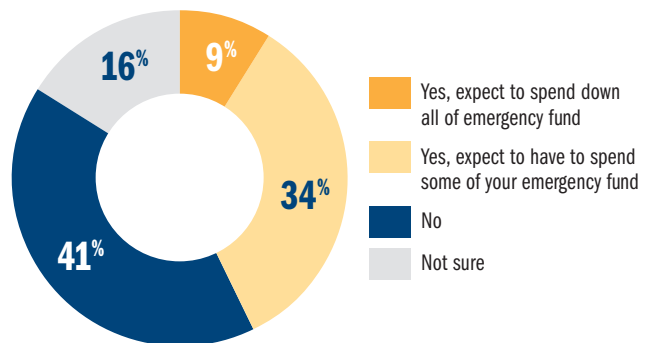


Figure 7. Expect to Change Amount Saving for Retirement in Next Year? (n=1,008)

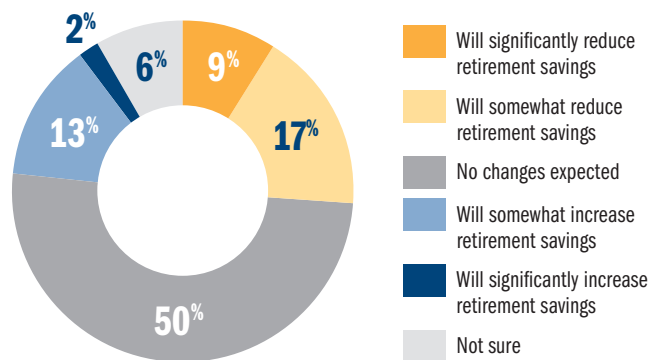
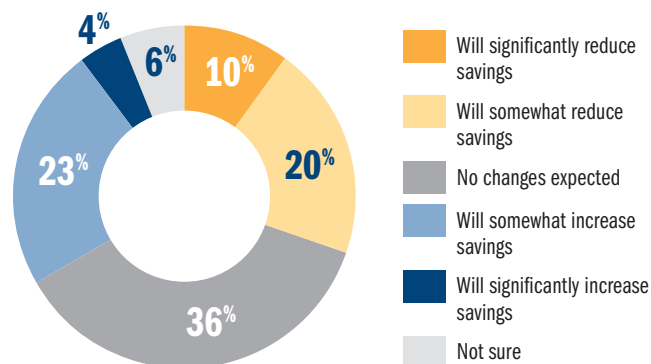


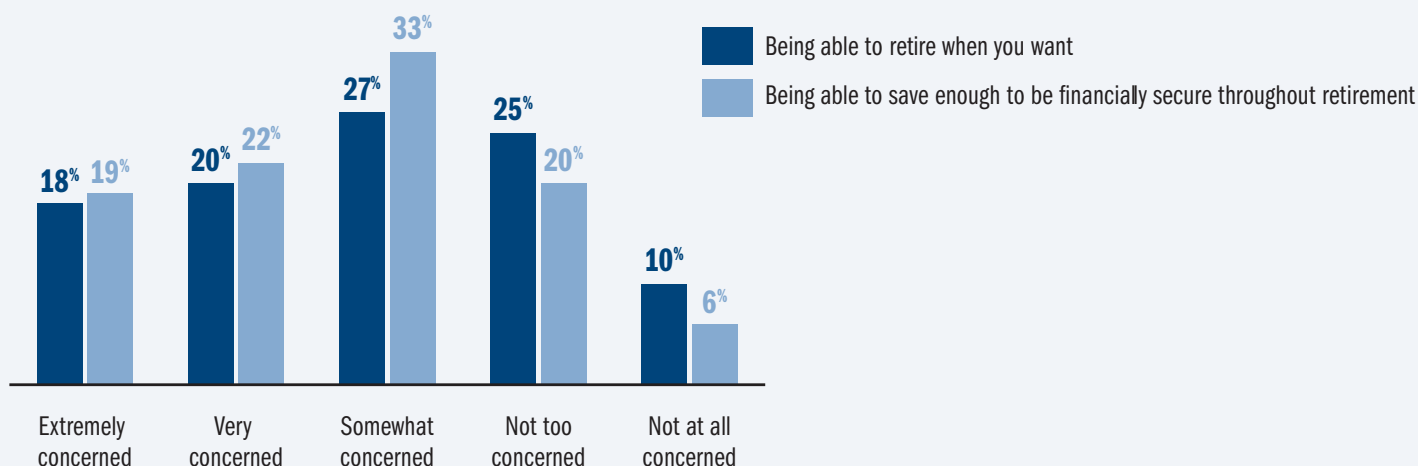
Figure 8. Expect to Change Amount Saving in General in Next Year? (n=1,008)



When it comes to saving in general or for things other than retirement, a similar percentage of respondents expect that they will reduce the amount they are currently saving over the course of the next year (30 percent) as expect that they will increase the amount they are saving (27 percent). Compared with the 50 percent who expect no change in the amount they contribute toward their retirement savings over the next year (see Figure 7), fewer respondents (36 percent) expect no change to the amount they are saving in general over the next year (Figure 8).

Respondents were also asked how concerned they are that the COVID-19 pandemic and the related economic crisis will impact being able to retire when they want and being able to save enough to be financially secure throughout retirement. Results are displayed in Figure 9. Respondents show a good deal of variation in the extent to which they are concerned about being able to retire when they want. While 38 percent are very or extremely concerned about this, 35 percent are not too concerned or not at all concerned. Concerns are somewhat greater for ability to be financially secure throughout retirement. While 41 percent of respondents are very or extremely concerned about their ability to save enough to be financially secure throughout retirement, fewer (26 percent) are not too concerned or not at all concerned.

Figure 9. Concerns about COVID-19's Impact on Retirement (n=1,008)



Job Impact

The vast majority of respondents (85 percent) report that the COVID-19 pandemic has impacted the nature of their job (e.g., what they do, where they work, how they go about the tasks required), with 41 percent indicating that it has impacted the nature of their job significantly (Figure 10).

Among those reporting some impact, respondents are relatively split in terms of how difficult it has been to adjust to those changes. While 26 percent report that it has been very or extremely difficult adjusting to the changes to their job as a result of the pandemic, 38 percent report that it has been somewhat difficult and 37 percent report that it has been not too difficult or not at all difficult (Figure 11).

To better understand how the nature of their job has changed, respondents were asked about their current work location. As displayed in Figure 12, while 42 percent are currently working remotely full-time (i.e., they do not go into a workplace or interact in person with other people), another 29 percent are working mostly or somewhat remotely. Meanwhile, 1 in 4 respondents (26 percent) are not working remotely—their job requires them to go into a workplace and/or interact in-person or with other people.

Figure 10. Extent to Which COVID-19 Has Impacted Nature of Job (n=989)

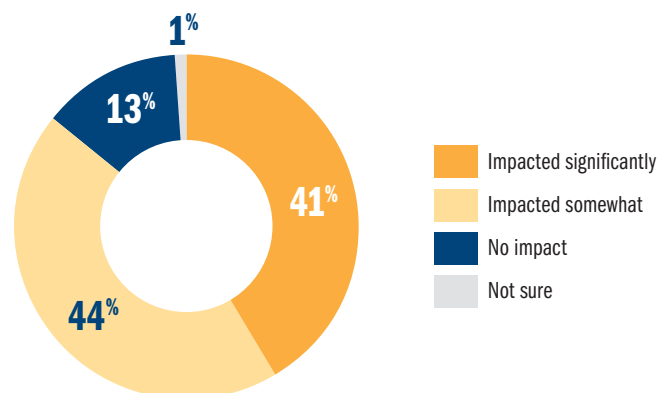


Figure 11. Difficulty Adjusting to Changes in Nature of Job Due to COVID-19 (n=815)

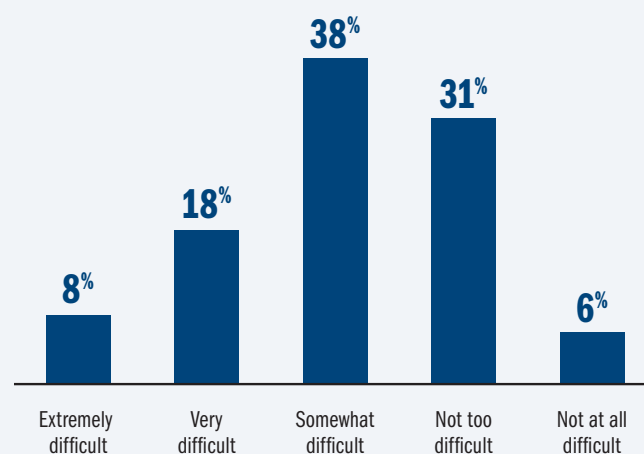
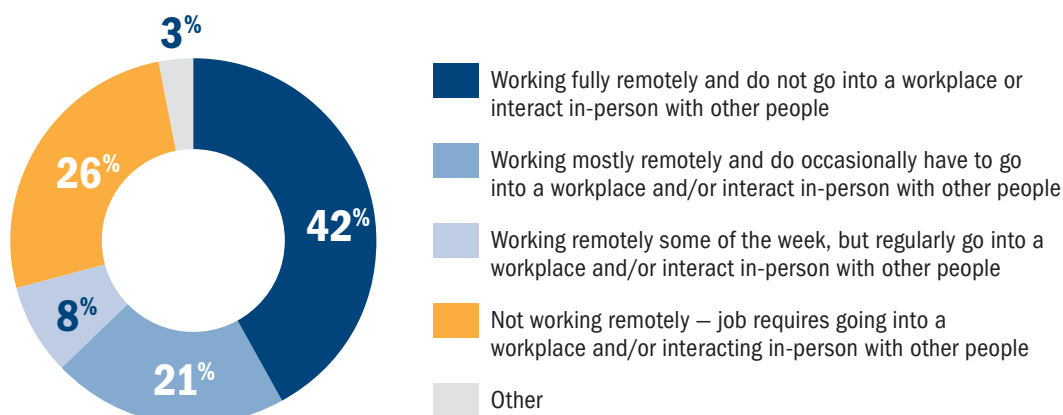


Figure 12. Current Work Situation (n=989)



Among those engaging in any remote work currently, only 18 percent had been working remotely prior to the pandemic (Figure 13).

For those working remotely for the first time or more than before due to COVID-19, 22 percent have found it very or extremely difficult to adjust to remote work. About twice as many (45 percent) report that this adjustment has been not too difficult or not been difficult at all; the remaining 33 percent characterize the adjustment as somewhat difficult (Figure 14).

The majority of respondents (70 percent) who are engaged in remote work now or prior to the pandemic perceive their exposure at their job to people who may have COVID-19 as at least somewhat risky; 40 percent believe that it is very or extremely risky (Figure 15).

Figure 13. Remote Work Prior to COVID-19? (n=688)

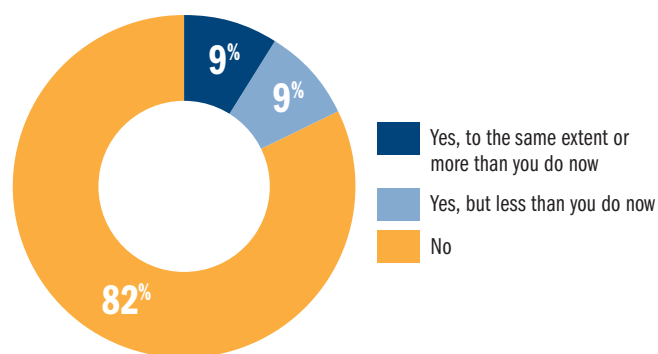


Figure 14. Difficulty Adjusting to Remote Work (n=618)

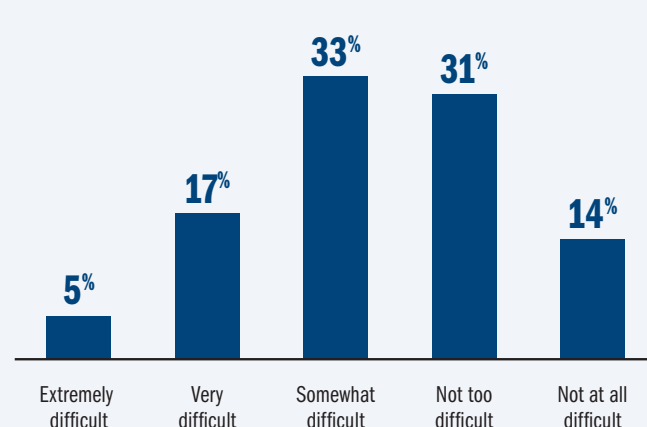
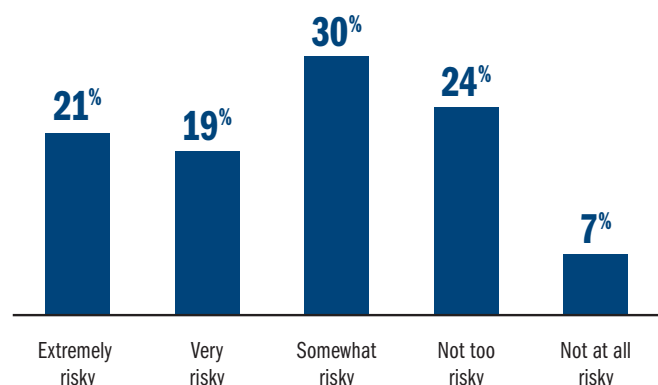


Figure 15. Perceived Risk of Exposure to COVID-19 at Job (n=960)



Respondents were also asked to rate their concern about several elements of their job going forward. Results are displayed in Figure 16. Respondents were most concerned about keeping their family safe from contracting the virus (83 percent were at least somewhat concerned) and staying protected from contracting the virus at work or once they return to the workplace (80 percent were at least somewhat concerned). Approximately half of respondents indicated concerns about having their pay reduced (52 percent), having their employee benefits package reduced in some way (50 percent), or having their hours severely reduced or being furloughed (49 percent). Slightly fewer (40 percent) were at least somewhat concerned with losing their job.

When asked their views on how they expect work practices, policies, and/or the work environment to change at their workplace going forward this year, respondents were most likely to think that there will be maintained social distancing (70 percent) and/or an increase in health protections, such as wearing masks and gloves (66 percent). Far fewer (14 percent) thought that there would be an increase to sick leave or PTO provided, and only 4 percent did not think that any of these changes would occur going forward this year (Figure 17).

Respondents were also asked about how they are feeling about working in the public sector during the COVID-19 pandemic. As displayed in Figure 18, they were most likely to value serving their community during this difficult time (61 percent), to feel that the pandemic has made the public more aware of the importance of what they do (48 percent), and to report that working in the public sector during the pandemic is a source of pride (45 percent). Only 1 in 5 respondents indicated that working during the pandemic has made them consider changing jobs.

Figure 16. Concerns about Job Going Forward (n=1,008)

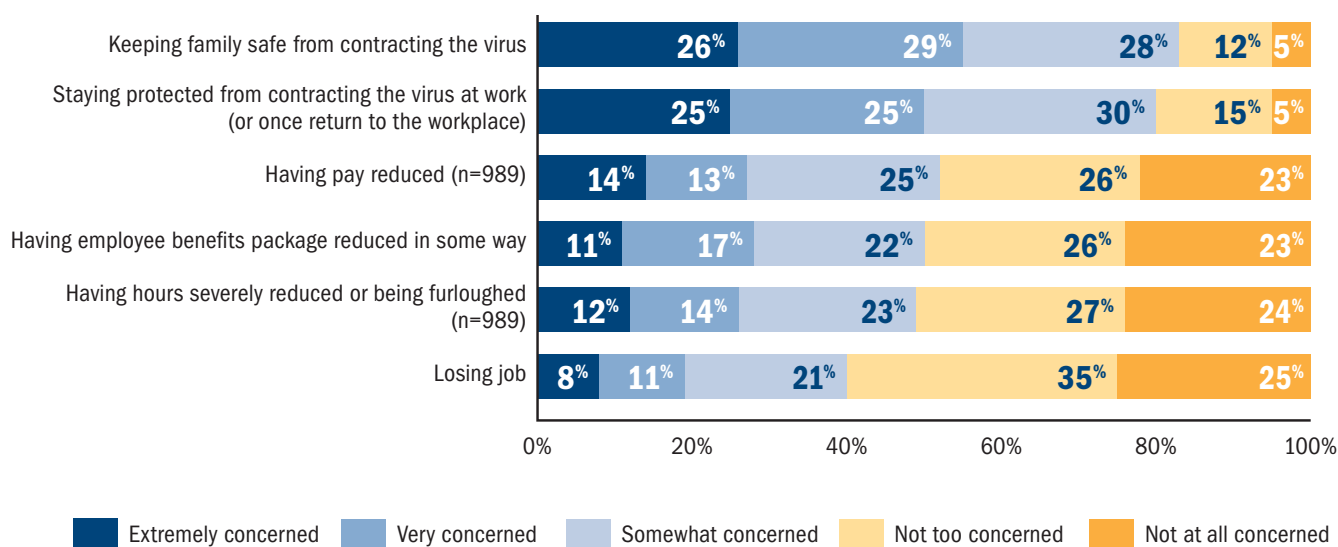


Figure 17. Perceptions of How Work and Workplace Environment Will Change Going Forward This Year (n=1,008)

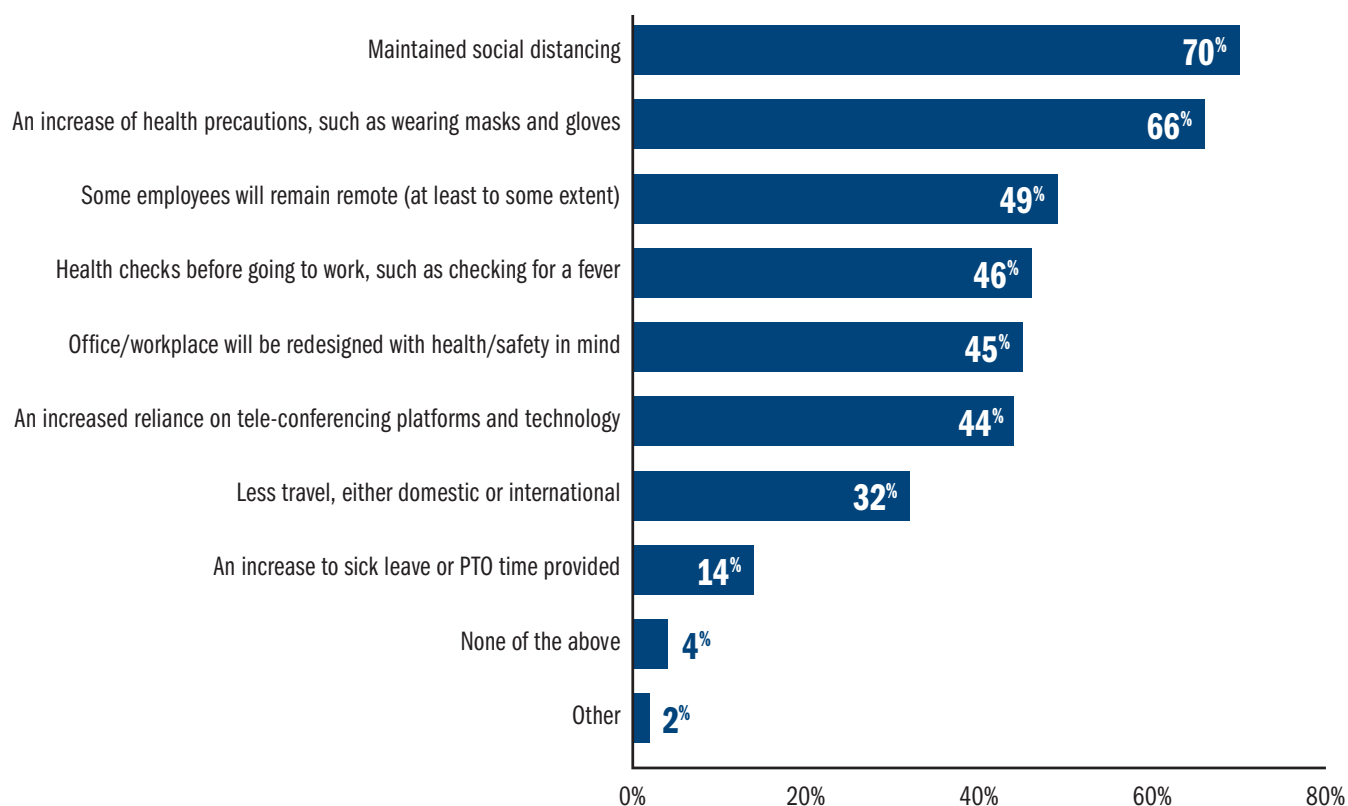
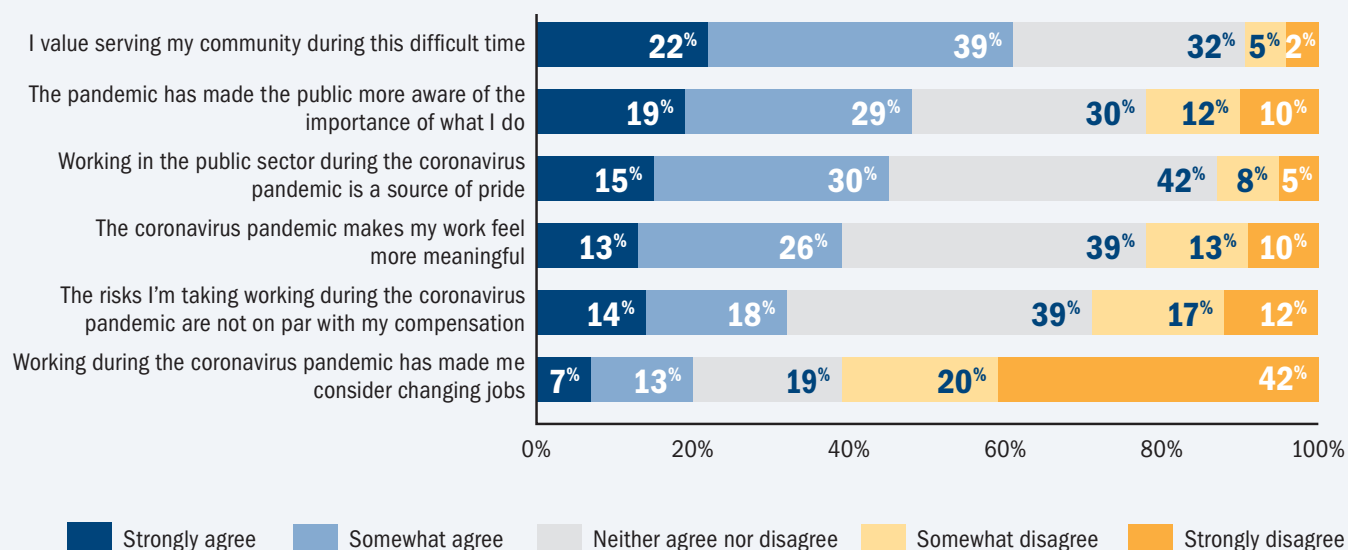


Figure 18. Feelings about Working in Public Sector During COVID-19 (n=989)



Spouse Job Impact

To obtain a more complete picture of how the COVID-19 pandemic is impacting state and local government workers, respondents with a spouse or partner were asked a series of questions to assess how the pandemic is impacting their spouse/partner's job.

Among those with a spouse/partner, 70 percent report that their spouse/partner is employed either full-time or part-time, while 30 percent report that their spouse/partner is not employed for pay (Figure 19).

For most of these respondents (78 percent), their spouse/partner's employment status has not changed due to the COVID-19 pandemic (Figure 20). When it has changed, it generally is because the spouse/partner was laid off or had their hours reduced.

Those with a spouse/partner working report varying levels of concern about the spouse/partner's job being negatively impacted by the pandemic (Figure 21). While 28 percent are very or extremely concerned about this, 43 percent are not too concerned or not at all concerned; the remaining 28 percent are somewhat concerned.

Figure 19. Spouse/Partner Employment Status (n=498)

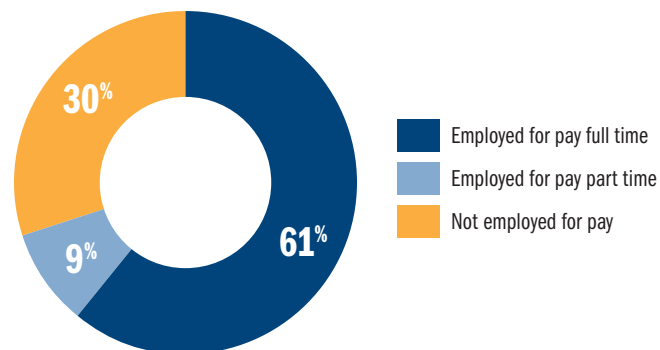


Figure 20. Change in Spouse/Partner Employment Status Due to COVID-19? (n=498)

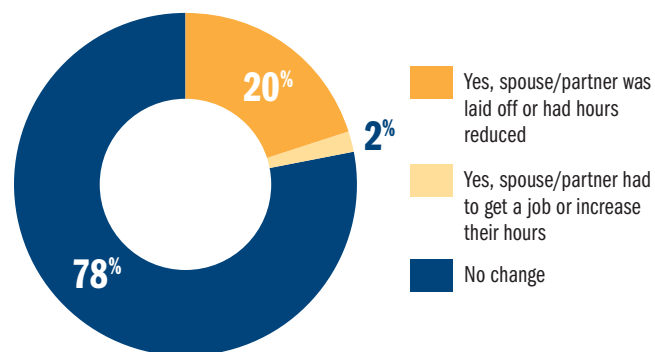
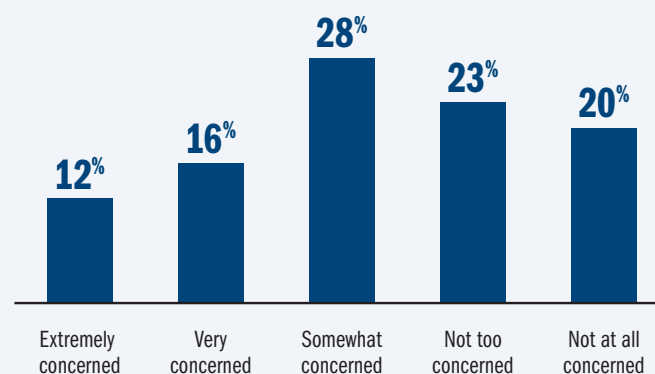


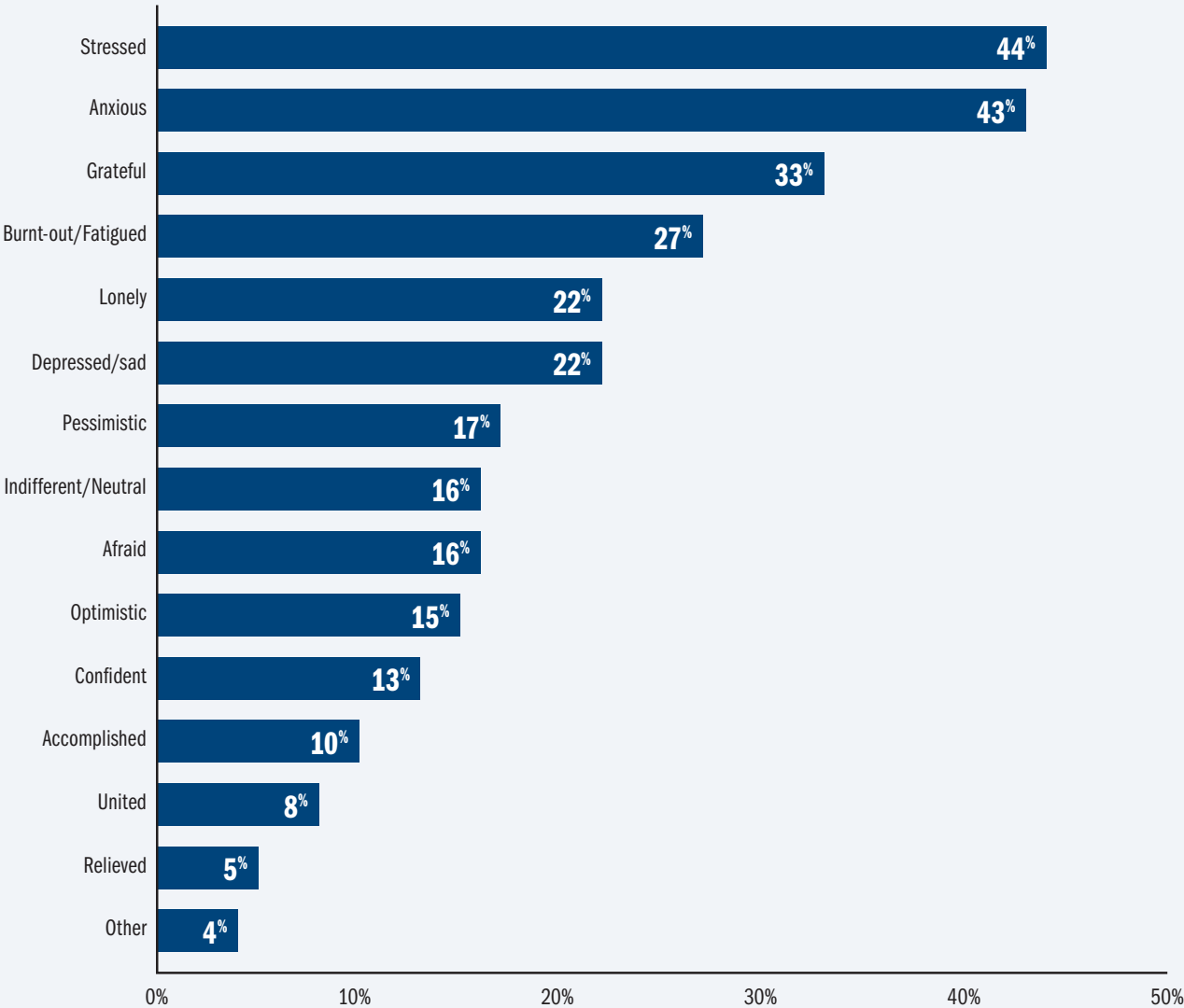
Figure 21. Concern about Spouse/Partner's Job Being Negatively Impacted by Pandemic (n=361)



Other Issues

When asked what emotions they are feeling while at work about the COVID-19 pandemic, respondents were most likely to report feeling stressed (44 percent), anxious (43 percent), and/or grateful (33 percent). Unsurprisingly, as can be seen in Figure 22, respondents were generally more likely to endorse feeling negative rather than positive emotions while at work about the COVID-19 pandemic.

Figure 22. Emotions Feeling at Work about COVID-19 (n=989)



Respondents' self-reported consumption of news/media about the COVID-19 pandemic was varied, with nearly equal percentages consuming a great deal of news/media (25 percent) as not very much media (24 percent). About half of respondents (49 percent) indicated that they are consuming a fair amount of news/media, and only 2 percent reported no current news/media consumption about the pandemic (Figure 23).

Respondents were also asked how much trust they have in government leaders to make appropriate decisions regarding employee safety during the COVID-19 pandemic. About 2 in 3 respondents reported a fair amount or a great deal of trust in state government leaders (67 percent) and/or in local government leaders (67 percent). Trust in federal government leaders was much lower, with only 39 percent reporting a fair amount or a great deal of trust in federal government leaders' ability to make appropriate decisions about employee safety (Figure 24).

When it comes to the amount of information respondents have received from their employer regarding COVID-19, more than half (57 percent) report that they have received just enough information, while 13 percent believe they have received too much information, and 22 percent believe they have received too little information (Figure 25).

Figure 23. Amount of News/Media Consuming about Pandemic (n=1,008)

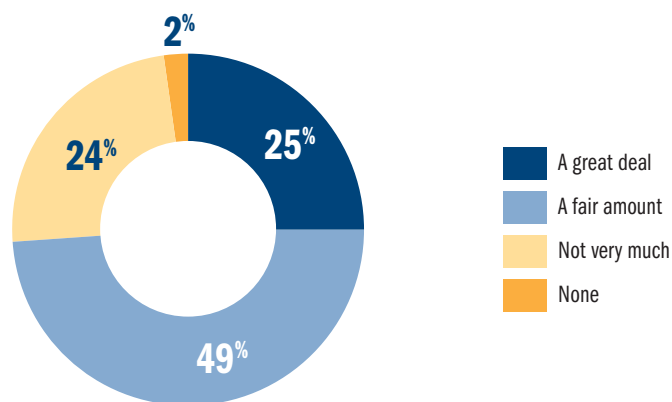


Figure 24. Trust in Government Leaders to Make Appropriate Decisions Regarding Employee Safety during COVID-19 Pandemic (n=1,008)

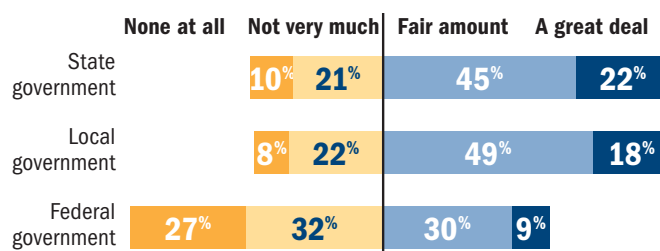
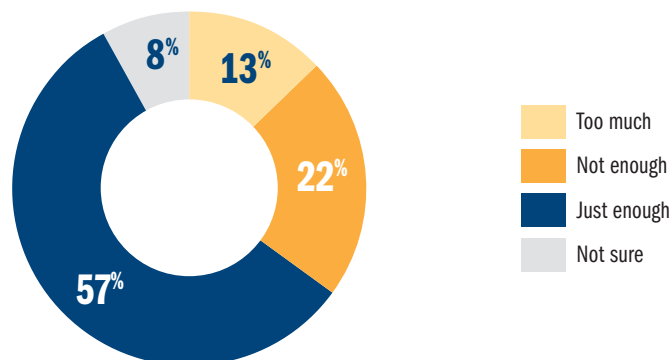
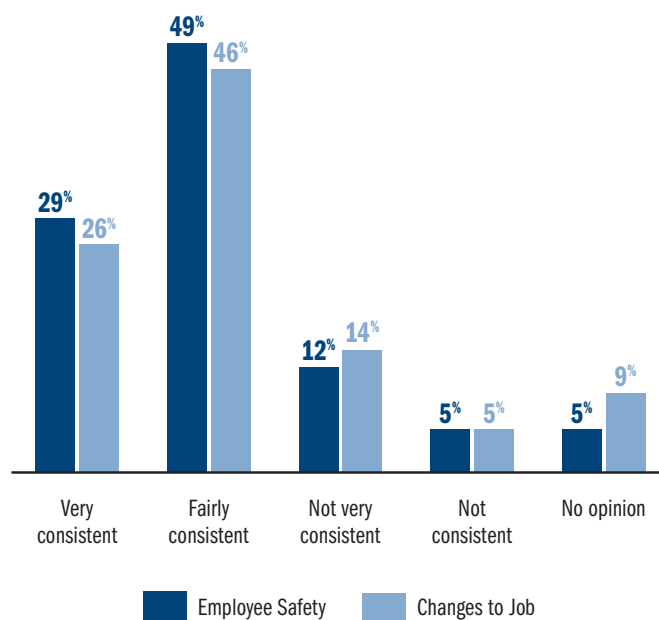


Figure 25. Perceptions of Amount of Information Received from Employer about COVID-19 (n=1,008)



Respondents were also asked to what extent the information they have received from their employer about employee safety and about changes to their job (e.g., changes to procedures and policies, hours, nature of job) during the pandemic has been consistent with what they have heard from other government sources (e.g., federal or state). As displayed in Figure 26, respondents reported fairly similar, high levels of consistency on both of these issues, with 78 percent believing that information about employee safety has been consistent, and 72 percent believing that information about changes to their job has been consistent.

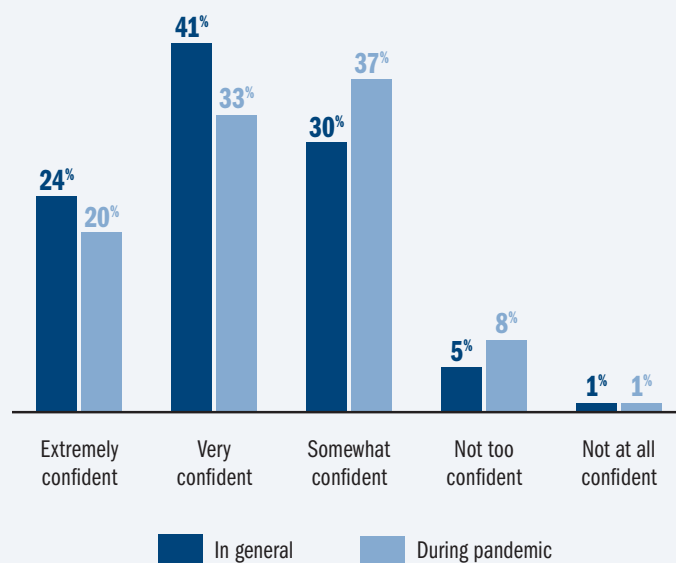
Figure 26. Consistency between Employer and Other Government Information (n=1,008)



Financial Profile

Respondents were asked how confident they are about making financial decisions on their own, both in general and during the COVID-19 pandemic and related economic crisis. Results are displayed in Figure 27. While 65 percent of respondents reported being very or extremely confident about making financial decisions on their own in general, fewer (53 percent) indicated that they are very or extremely confident during the pandemic.

Figure 27. Confidence in Making Financial Decisions on Own (n=1,008)



This confidence in making financial decisions on their own aligns with the finding that only 23 percent of respondents report that they are currently working with one or more financial professionals (Figure 28).

Finally, respondents were asked to what extent they have been able to get the help, information, and resources they need to make smart financial decisions during the COVID-19 pandemic and related economic crisis. As can be seen in Figure 29, just over half of respondents (53 percent) agree that they have been able to get the help, information, and resources needed; only 9 percent report that they have not been able to get this help.

Figure 28. Currently Work with One or More Financial Professionals? (n=1,008)

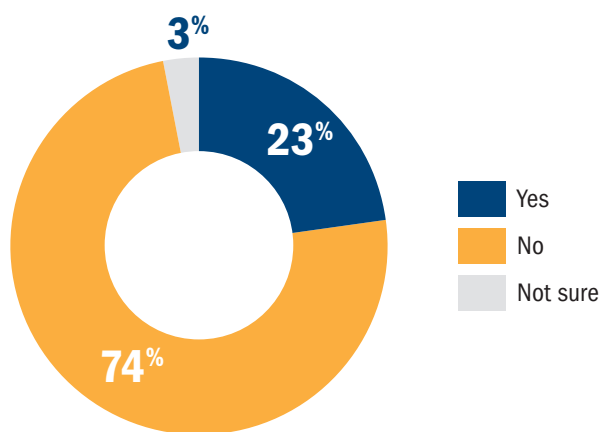
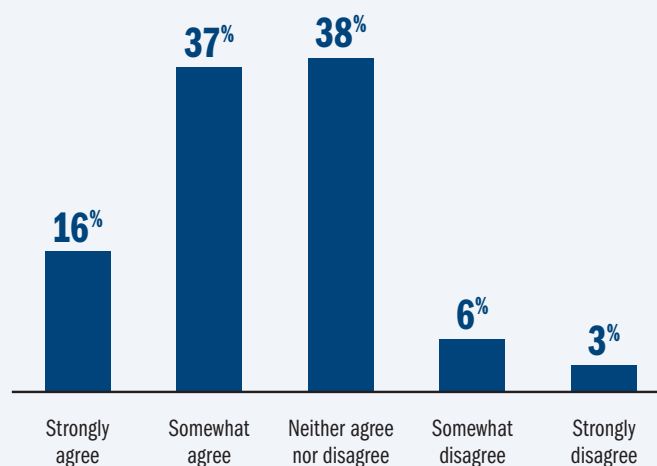


Figure 29. Can Get Help Needed to Make Smart Financial Decisions during Pandemic (n=1,008)



Conclusion

This survey assessed state and local government employees' views on the COVID-19 pandemic's impacts on their finances, job, debt profile, and other related issues. The survey results indicate that many state and local government workers and their families have already been negatively impacted financially by the COVID-19 pandemic and expect the financial impact to be worse over the course of the next year. They are concerned that the pandemic and the related economic crisis will impact their ability to retire when they want and to save enough to be financially secure throughout retirement. The pandemic has impacted the nature of their job (e.g., what they do, where they work, how they go about the tasks required), and many have had difficulty adjusting to these changes, especially remote work.

While state and local government workers are worried about keeping their family safe from contracting the virus and staying protected from contracting the virus at work, they also value serving their community during this difficult time, believe that the pandemic has made the public more aware of the importance of what they do, and feel that working in the public sector during the pandemic is source of pride. Few indicate that working during the pandemic has made them consider changing jobs.

The road ahead due to the COVID-19 pandemic for state and local governments is not going to be easy. Cities, towns, and villages are projecting a \$360-billion revenue shortfall between 2020 and 2022,⁷ some states are planning for tax revenue declines of over 20 percent,⁸ and state and local governments have already shed nearly 1.5 million jobs from February 2020 to May 2020.⁹

However, by assessing how state and local government workers are feeling about the COVID-19 pandemic and the impact that it has already had—and will have—on their finances and job, state and local government leaders, retirement plan sponsors, human resources directors, city and county managers, and other stakeholders can help ensure that states and localities are able to respond to the challenges ahead, with a resilient workforce that can continue to perform the critical services that they provide in states and localities across the country.

Methods

Information for this report was collected from a 10-minute survey with 1,008 full-time state and local government employees. The online survey was fielded by Greenwald & Associates from May 4 through May 20, 2020. The final data were weighted by gender, age, household income, and industry type to reflect the distribution of the state and local government workforce as found in the U.S. Census Bureau's Current Population Survey.

Endnotes

- 1 "WHO Director-General's opening remarks at the media briefing on COVID-19," March 11, 2020. Available at: <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>
- 2 Johns Hopkins University, "COVID-19 Dashboard by the Center for Systems Science and Engineering at Johns Hopkins University." Available at: <https://coronavirus.jhu.edu/map.html>
- 3 While 58 percent of respondents in the current sample self-identify as working in state government, the Bureau of Labor Statistics reports a total of approximately 5,199,000 individuals working in state government, and approximately 14,679,000 individuals working in local government as of February 2020 (See U.S. Census Bureau, "The Employment Situation – April 2020," available at: <https://www.bls.gov/news.release/pdf/empst.pdf>). One likely explanation for the large discrepancy between the survey sample and general population distribution for state vs. local employer is that some respondents in the current sample, particularly those in the education industry, may have misclassified their employer based on having a statewide retirement plan (e.g., they work for a local school district within a state but are part of the state retirement system, and so categorize themselves as state employees). Relatedly, some in the education industry may not readily identify as "local government," but rather, as working for a school district. Without that answer available on the survey, they may have considered their employer as being rolled up into state government rather than local government.
- 4 The mean age of respondents (45.13) is nearly identical to the median.
- 5 U.S. Census Bureau, "2018 Government Employment and Payroll Tables." Available at: <https://www.census.gov/programs-surveys/apes/data/datasetstables/annual-apes.html>
- 6 Author analysis of IPUMS-CPS. See IPUMS-CPS, "Current Population Survey," at <https://cps.ipums.org/cps/sda.shtml>
- 7 National League of Cities, "Cities Anticipate \$360 Billion Revenue Shortfall," CitiesSpeak, May 14, 2020. Available at: <https://cityspeak.org/2020/05/14/cities-anticipate-360-billion-revenue-shortfall/>
- 8 Brian Sigriz, "April Tax Collections Plummet from Tax Deadline Shifts and Fallout of COVID-19," National Association of State Budget Officers, May 19, 2020. Available at: <https://community.nasbo.org/budgetblogs/blogs/brian-sigriz/2020/05/19/april-tax-collections-plummet-from-tax-deadline-sh>
- 9 U.S. Department of Labor, Bureau of Labor Statistics, "The Employment Situation – May 2020," News Release, June 5, 2020. Available at: <https://www.bls.gov/news.release/pdf/empst.pdf>



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About the Center for State and Local Government Excellence

The Center for State and Local Government Excellence (SLGE) helps local and state governments become knowledgeable and competitive employers so they can attract and retain a talented and committed workforce. SLGE identifies leading practices and conducts research on public retirement plans, health and wellness benefits, workforce demographics and skill set needs, and labor force development. SLGE brings state and local leaders together with respected researchers. Access all SLGE publications and sign up for its newsletter at slge.org and follow [@4govtexcellence](https://twitter.com/4govtexcellence) on Twitter.

About ICMA-RC

Founded in 1972 through the assistance of a Ford Foundation grant, ICMA-RC's mission is to help public sector employees build retirement security. It all began when the International City/County Management Association (ICMA) had the vision to create an organization dedicated to the retirement needs of public sector employees, and thus ICMA-RC was formed. ICMA-RC was founded to provide portable retirement benefits for city and county managers, enabling accumulated retirement assets to be transferred between employers. Today, ICMA-RC serves more than a million participant accounts and about 9,000 plans across the country. Visit icmarc.org to learn more.



SURVEY FINDINGS

State and Local Government Workforce: 2020 Survey

April 2020

State and Local Government Workforce: 2020 Survey

The Center for State and Local Government Excellence (SLGE), in partnership with the International Public Management Association for Human Resources (IPMA-HR) and the National Association of State Personnel Executives (NASPE), has been surveying human resources directors in state and local governments since 2009. This year's survey continues many of the questions from that original survey, with additional detail around emerging issues such as flexible workplace policies, positions that are difficult to fill, and the reasons for separation as discussed in exit interviews.

This year's survey was conducted from February 27 to April 7, 2020, with a total of 222 respondents. The growing scale of the COVID-19 pandemic during this time meant that a number of jurisdictions were dealing with changed working conditions, from office closures to additional time spent on continuity of operations decisions around essential services. Responses to the survey generally reflect activity in the organization over the past year, though several jurisdictions cited very recent actions to institute furloughs, hiring freezes, or telecommuting in response to the virus. While the primary impact on government revenues, services, and personnel will be in 2020 and beyond,¹ a handful of respondents referenced COVID-19 in the context of recent cutbacks or changes in telework policies.

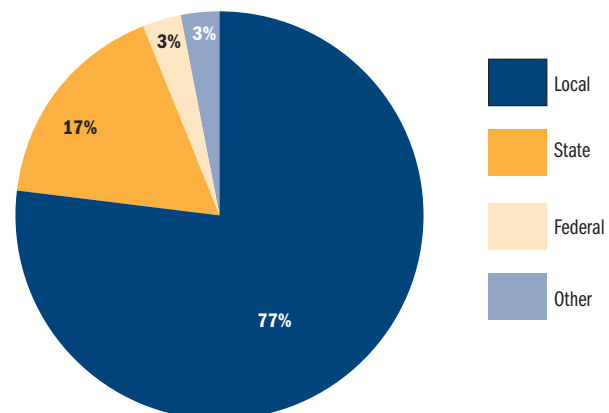
Of the survey respondents, 77 percent were from local governments and 17 percent were from state governments (Figure 1). The remaining six percent of responses, from federal governments or another sector, were excluded from the balance of the report.

Overall, the data show a continuation of recent trends, with a majority of governments hiring employees (77 percent) and very few instituting layoffs or furloughs (5 and 3 percent, respectively); see Figure 3. Regarding recruitment, six positions were identified as hard to fill by more than 20 percent of respondents, with engineers, information technology employees, police officers and registered nurses reported by more than half of respondents as having fewer qualified applicants than positions available (see Figures 12 and 13). And while most retirement and health plans did not undergo changes in the past year, there continue to be adjustments, primarily to the cost shares borne by employers, employees, or retirees.

SLGE will continue to track these and related issues, both as part of this survey series and related polling of state and local government employees being undertaken in collaboration with ICMA-RC. SLGE gratefully acknowledges the participation of IPMA-HR and NASPE in such research, as well as the dedication of state and local government employees during these extraordinary circumstances.

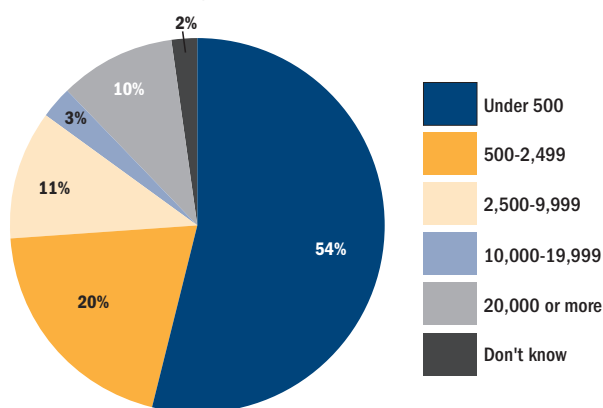
Organization Type

1) You work for... (n = 222)



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

2) What is the government's total number of full-time equivalent employees? (n = 192)



Workforce Changes

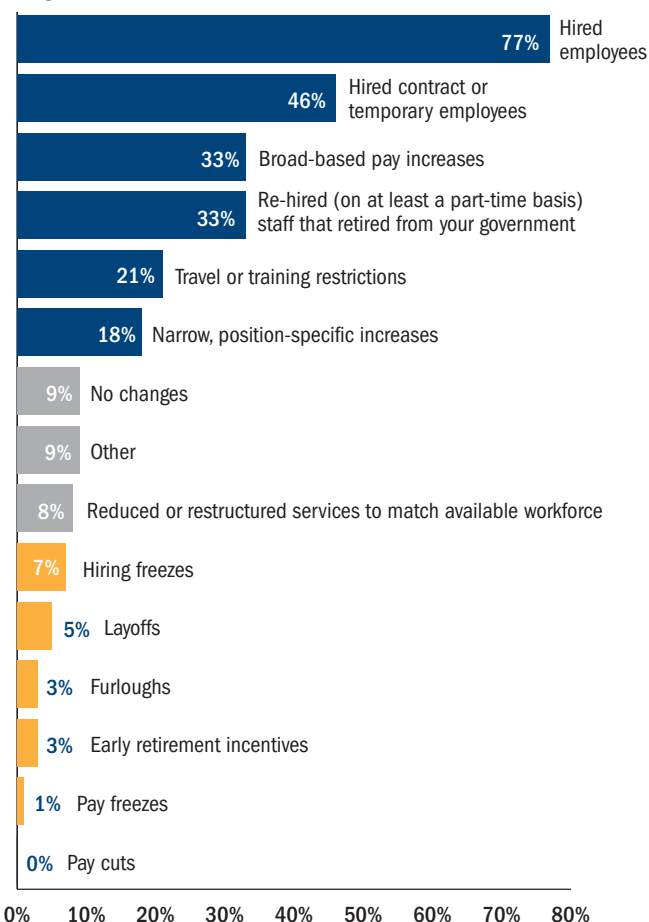
The data in Figure 3 is color coded with positive employment actions (e.g., hirings, pay increases) in blue, negative actions (e.g., hiring freezes, layoffs) in orange, and other responses (e.g., no change, other) in gray. Of those that are shown in gray, one new category this year shows 8 percent indicating that they had reduced or restructured services to match the available workforce.

Beyond a large share hiring new staff (77 percent), another common strategy to fill vacancies was to re-hire retired staff (33 percent).²

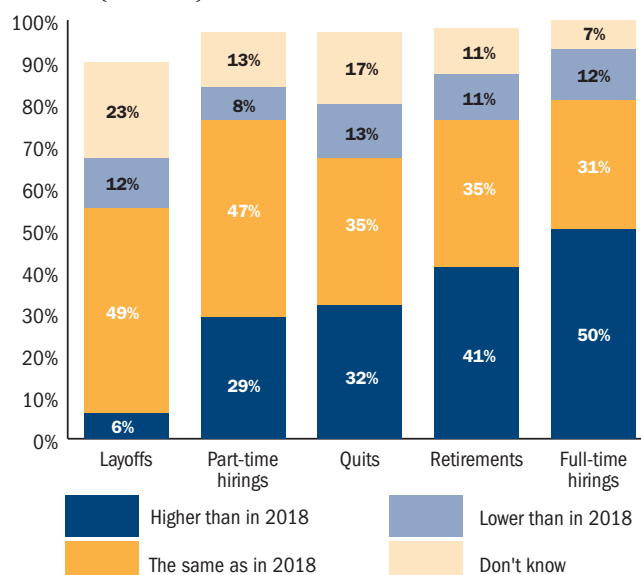
A few of these categories have changed significantly since 2015, with hiring freezes decreasing from 11 to 6 percent, and pay freezes from 8 to 2 percent. Of all the categories of position or funding cuts, the most stable category is layoffs, which have been reported by between 7 and 8 percent of governments since 2015 and were reported by 5 percent this year.

To see how that activity compares year-to-year, it is instructive to view Figure 4 as well. For example, while 5 percent of organizations reported layoffs in the past year, only 6 percent reported that the number of layoffs in 2019 was higher than in 2018.

3) Which of the following workforce changes has your government implemented over the past year? (n = 202)



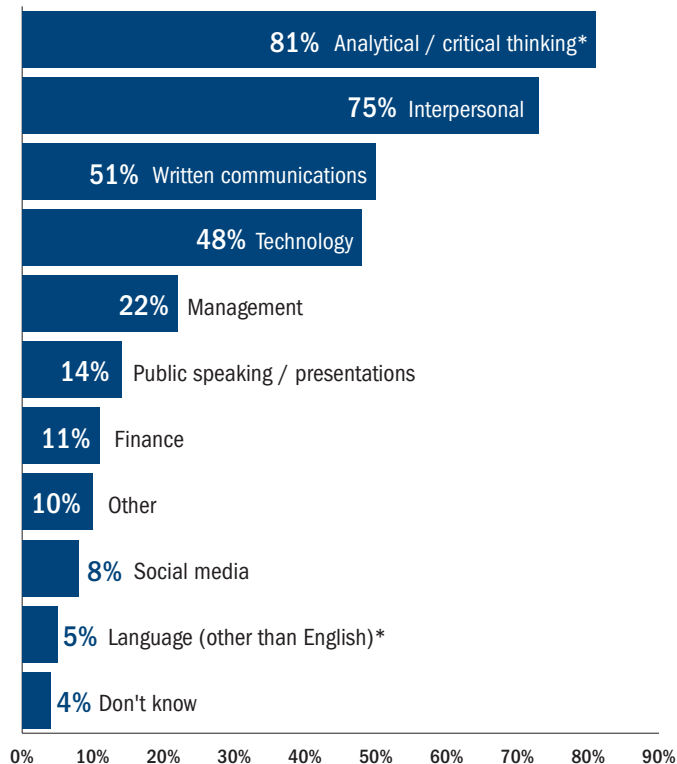
4) Changes in the size of your government's workforce in 2019 (n = 204)



Skill Sets

Sought-after skills have been a survey topic since 2015, with interpersonal skills topping that list every year. This year, with the addition of two new categories (shown with an asterisk in Figure 5), the most sought-after skill is analytical/critical thinking (81 percent).

5) Looking broadly at your workforce, what generalizable skill sets are most needed in new hires?

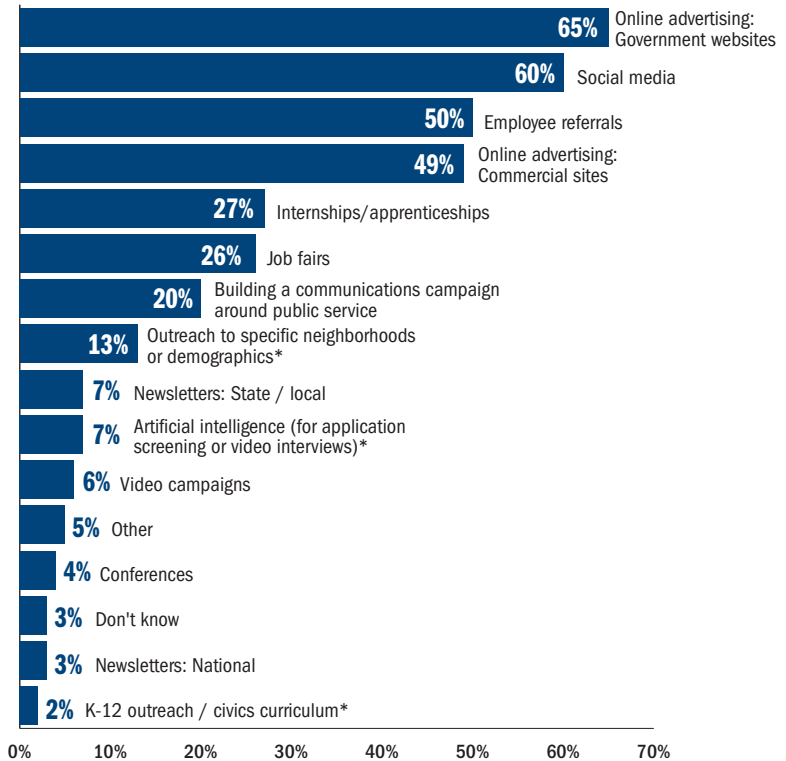


* Items shown with an asterisk were new to the survey in 2020.

Recruitment

Methods of reaching prospective employees have evolved over the past few years, with social media soaring as a preferred method, from 29 percent in 2015 to 60 percent in 2020 (Figure 6). Also increasing in prevalence are job fairs (up from 8 to 26 percent), while state and local newsletter advertising has decreased (from 16 to 7 percent). A new category in the survey this year – the use of artificial intelligence for screening or online interviewing – was cited by 7 percent of respondents.³

6) What recruitment practices are most successful in reaching qualified candidates?



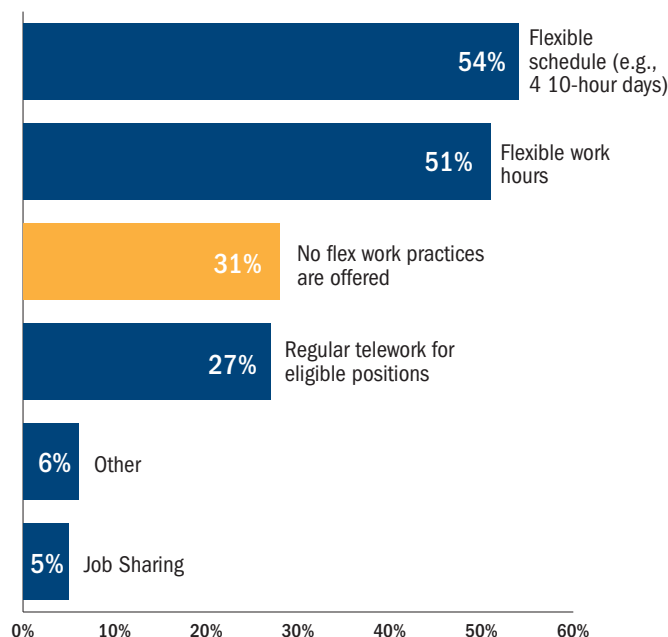
* Items shown with an asterisk were new to the survey in 2020.

Flexible Work Practices

The most common type of flexible work practice, as shown in Figure 7, is the adoption of a flexible schedule (54 percent), 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 (27 percent) is the highest share reported since this question was added in 2016, with the practice more common in state agencies than local ones (64 percent vs. 19 percent). This increase may relate to the initial response to COVID-19, which overlapped with the conduct of this survey.

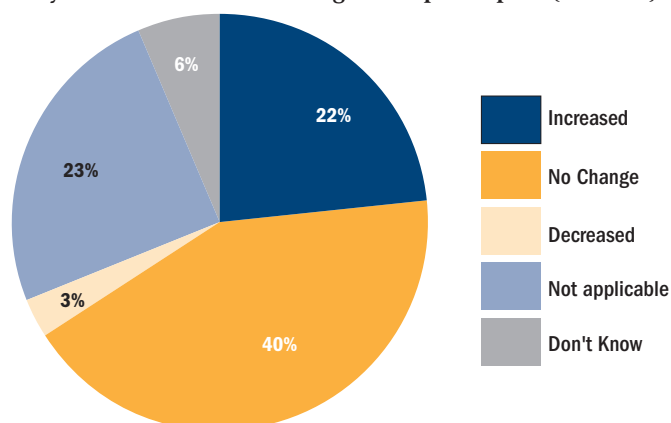
7) What flexible work practices does your organization offer? (n = 199)



Regarding changes to flexible workplace policies, only 2-3 percent have decreased the scope of those policies over the past year, with at least 20 percent having increased their applicability, either to more employees or to additional forms of flexible arrangements (see Figures 8 and 9).

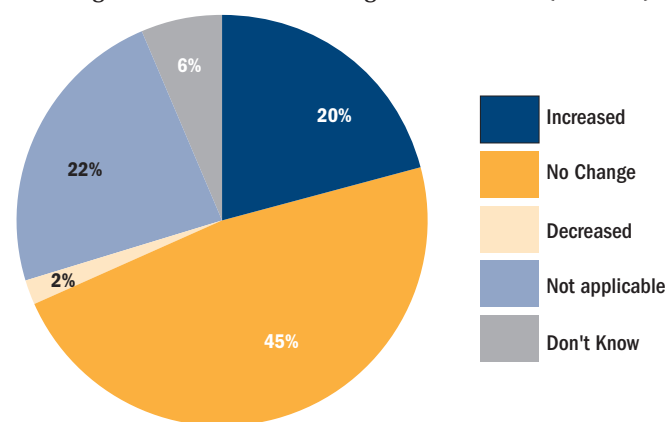
Larger organizations appear more likely to offer certain programs, such as regular telework for eligible positions (56 percent of governments over 10,000 employees compared to 15 percent of those with fewer than 500 employees), but other

8) Changes to flexible workplace practices in the past year: Number of those eligible to participate (n = 199)

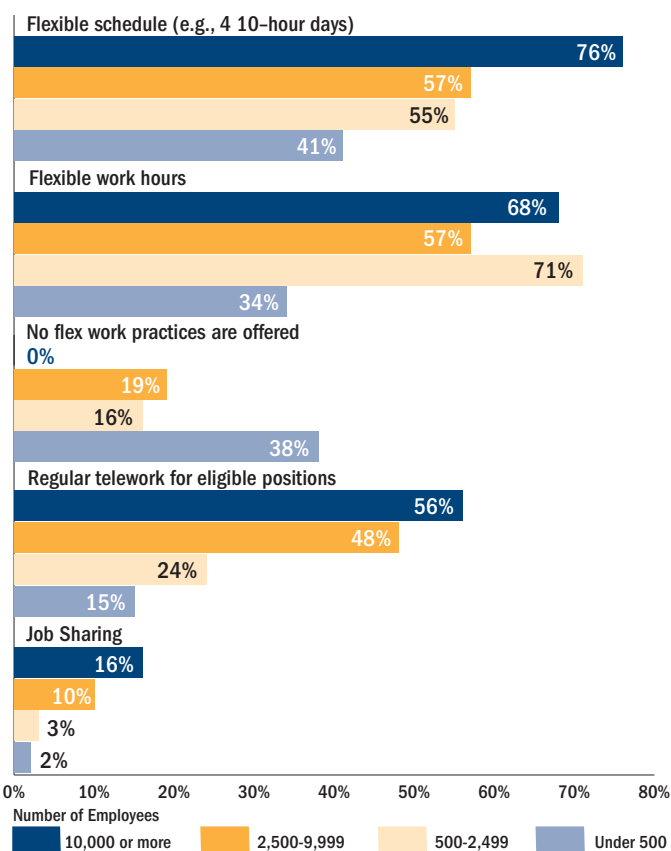


offerings like flexible work hours and flexible scheduling appear more widespread (see Figure 10). All organizations with more than 10,000 full time employees report offering at least some flex practices.

9) Changes to flexible workplace practices in the past year: Range of flexible work arrangements offered (n = 199)



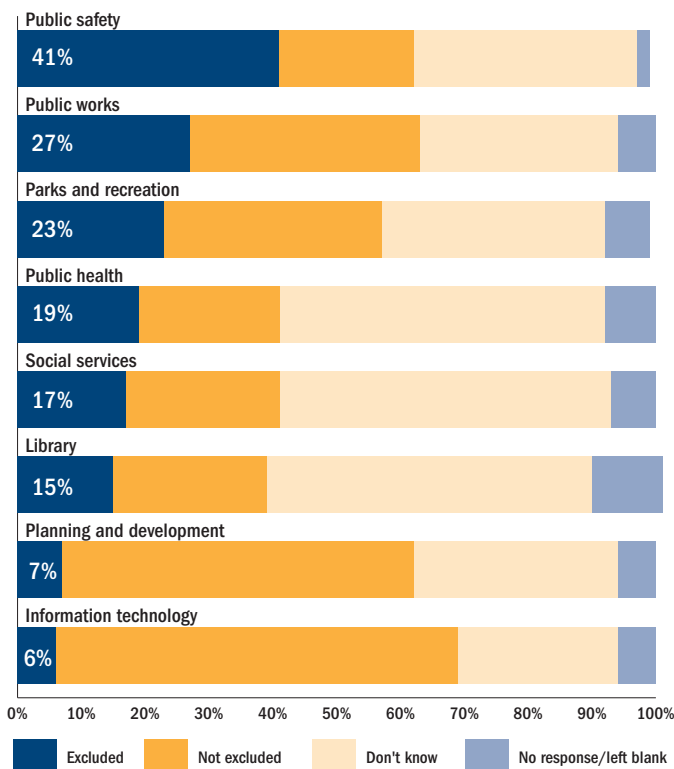
10) What flexible work practices does your organization offer (by number of FTEs)? (n = 199)



While some organizations eschew flexible workplace policies out of a preference for managing their staff face-to-face, another significant factor 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 a 4 10-hour days or a 9-80 biweekly arrangement would be impractical. Still, COVID-19 is leading to greater experimentation. The police department in Charlottesville, Virginia, for example, is now running its investigative division from home, and officer roll calls are being conducted virtually.⁴

A summary of excluded functions is presented in Figure 11. As governments adapt to economic conditions and service changes in response to COVID-19, each of these questions will continue to be tracked.

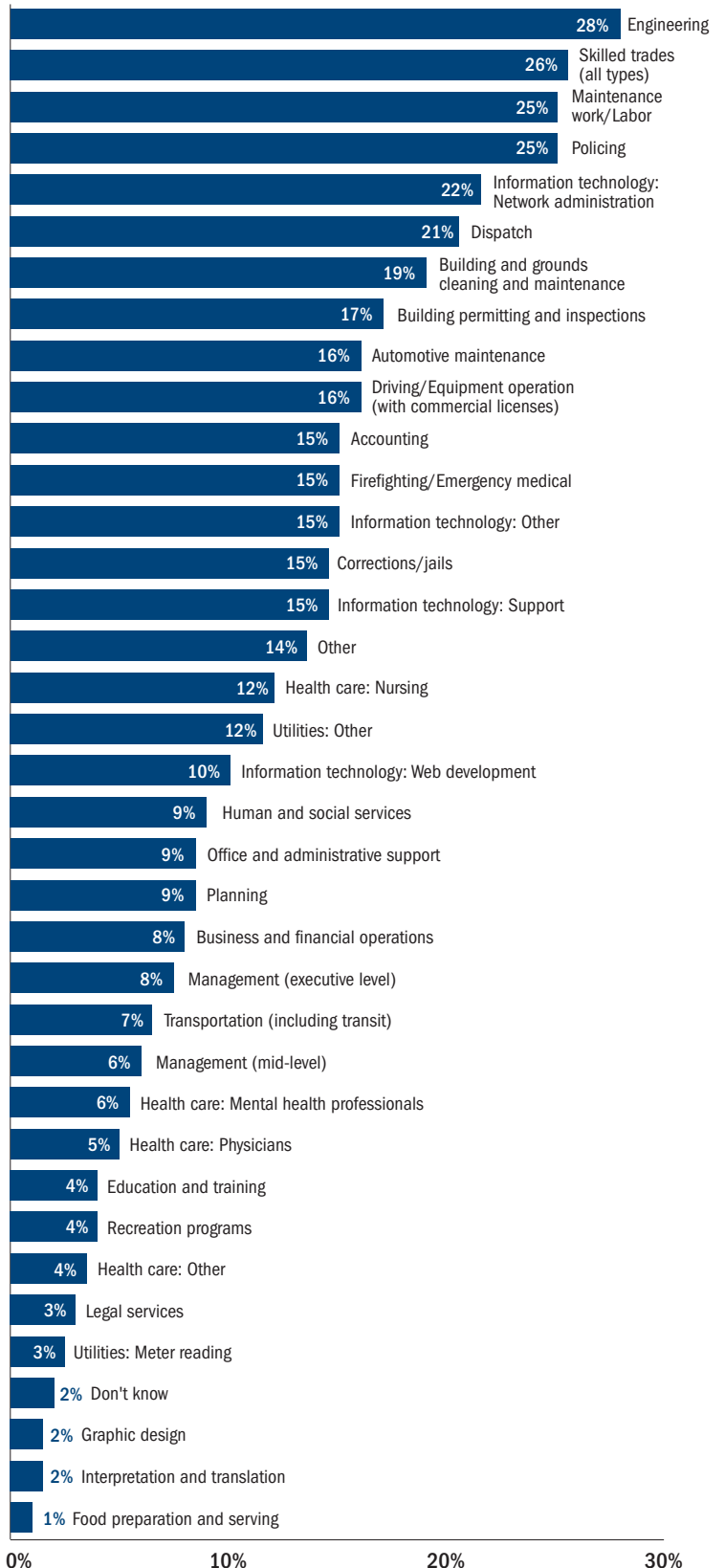
11) What if any job classifications or departments are excluded from flexible workplace policies? (n = 199)



Hard to Fill Positions

Figure 12 shows that many jurisdictions continued to struggle to fill a variety of positions over the past year. This was most commonly the case for positions in engineering, skilled trades, maintenance work, information technology and

12) Over the past year, what positions, if any, has the organization had a hard time filling? (n = 199)

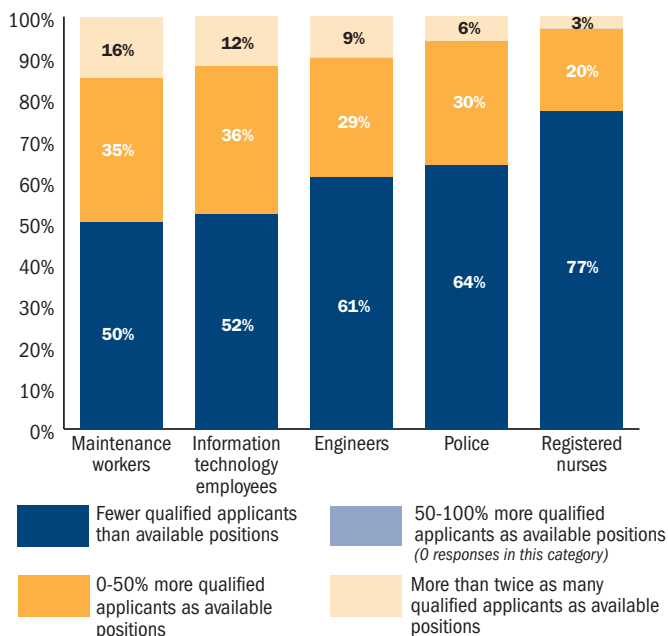


custodial work (building and grounds maintenance) – all positions where there is direct competition with private sector employment – as well as positions in policing and dispatch, which for the third year in a row, more than 20 percent of respondents indicated were difficult positions to fill.

Beyond the basic question about hard-to-fill positions, this year's survey also included a more detailed inquiry about the number of qualified applicants for each of certain positions identified as hard-to-fill in prior surveys. For example, 61 percent reported that there were fewer qualified engineers applying compared to the number of positions available to be filled.

Each of the questions in Figure 13 shows data only for those jurisdictions that did not indicate "Not applicable." This distinction is most significant in the case of registered nurses – while the overall percentage of jurisdictions indicating that nursing positions (generally) are hard to fill was just 12 percent, among those that actually conducted RN recruitments in the past year, 77 percent indicated that they received fewer qualified applicants than available positions. In contrast, only 3 percent indicated that they received more than twice the number of qualified applicants as available RN positions.

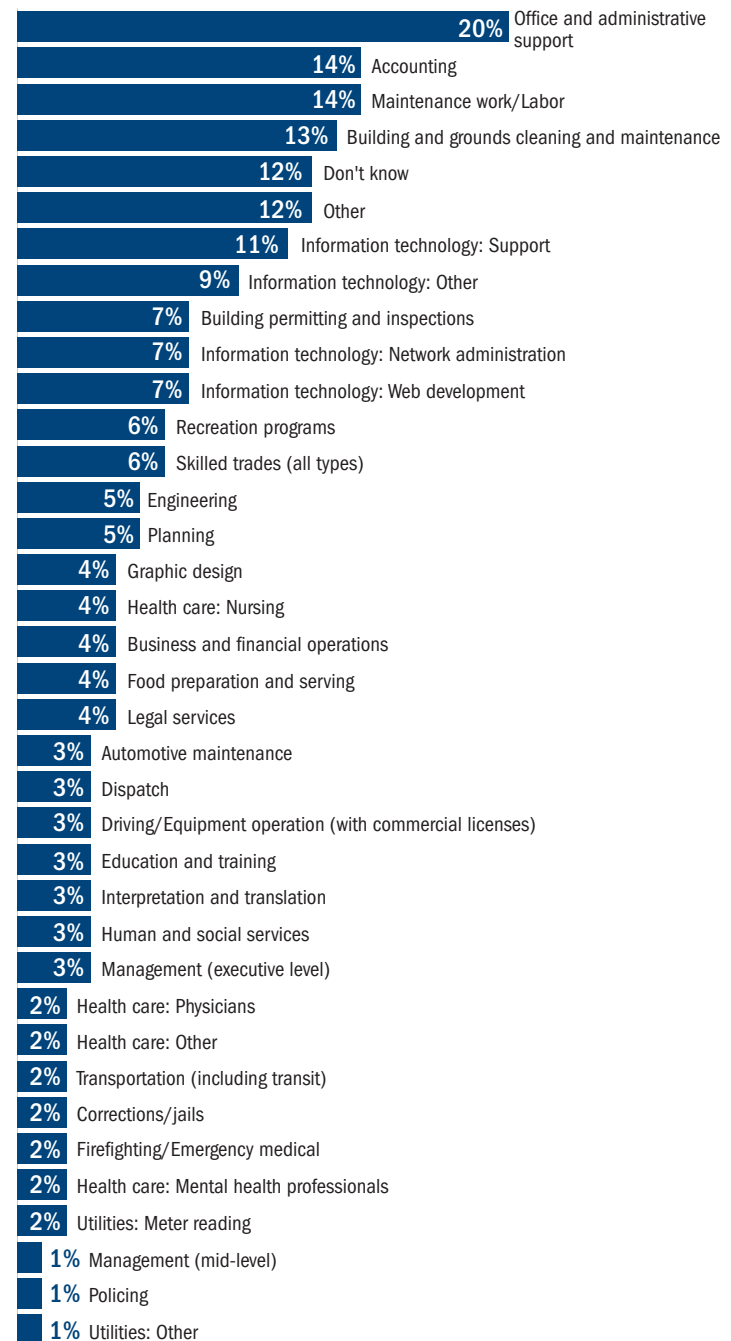
13) Compare the number of qualified applications received to the number of positions to be filled
(n = 197)



Gig Economy

Rather than recruit full-time staff for all workforce needs, some governments opt to retain talent as needed via the gig economy. For purposes of this survey, gig economy hiring is limited to those positions that may be filled on a contractual or temporary

14) Over the past year, for which services has the organization filled staffing needs via temporary staff or short-term "gig economy" contractual arrangements? (n = 199)



0%

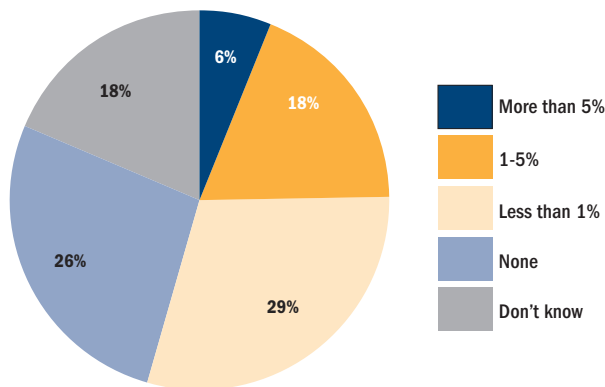
10%

20%

30%

basis for less than a full year. The data in Figure 14 shows the percentage of governments obtaining at least some portion of this needed work via the gig economy. The position most commonly filled through the gig economy is office and administrative support (20 percent). Figure 15 shows the percentage that such hiring represents as part of the overall organization, with 6 percent of governments saying that such temporary employees perform more than 5 percent of the workload.

15) What portion of your organization's workload would you estimate is being met via the gig economy?
(n = 202)



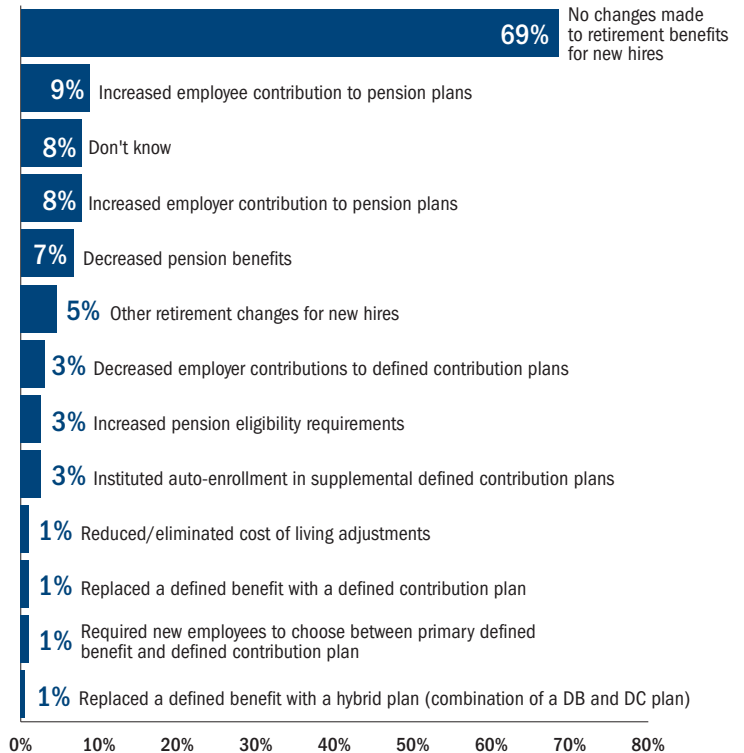
Retirement Plan Changes

As a means of both contributing to long-term retirement plan funding and engaging employees in financial planning decisions and risk participation, many state and local governments have adopted a range of plan changes. This survey does not track the cumulative impact of those changes, but does show what changes have been made in the past year.

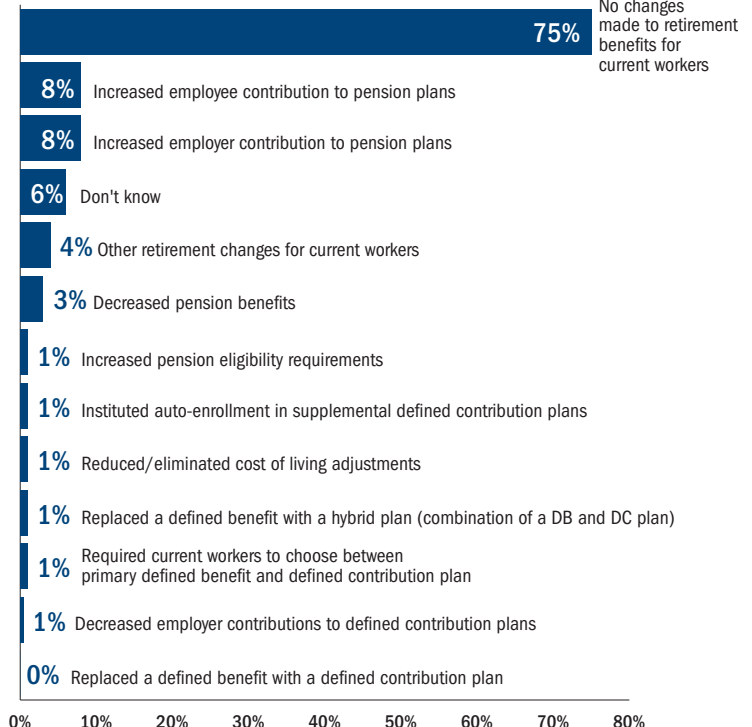
The most common response - both regarding new employees and current employees - is that there were no changes made to the retirement plan in the past year (see Figures 16 and 17). Beyond that, the most common changes were increases to either the employee or employer contribution, rather than structural changes to the plan itself.

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 and Contribution Arrangements](#).

16) Over the past year, what changes, if any, has your government made to the retirement benefits for new hires? (n = 194)



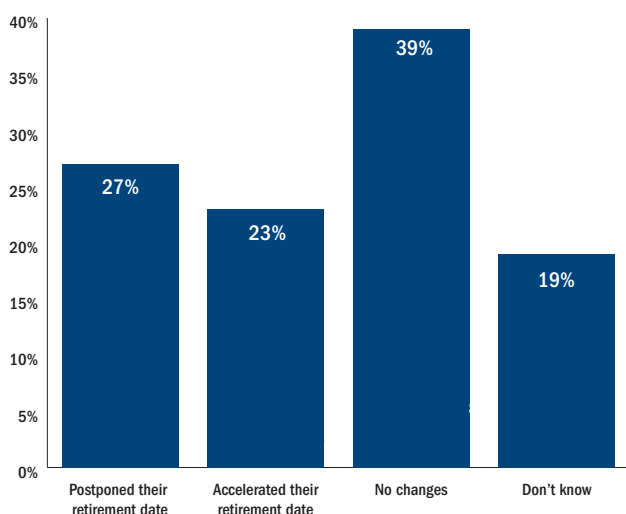
17) Over the past year, what changes, if any, has your government made to the retirement benefits for current employees? (n = 193)



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? When this survey was first fielded in 2009, 44 percent of governments indicated that their retirement-eligible employees were postponing retirement. Now, reflecting on activity over the past year, 27 percent report employees postponing retirement, with 23 percent indicating that employees are accelerating those plans (see Figure 18).

18) Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement? (n = 195)

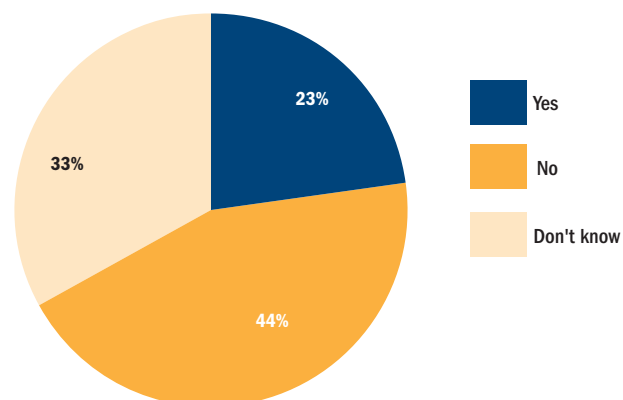


Note: Total exceeds 100 percent, since some governments reporting some employees postponing retirement plans while others were accelerating retirement plans.

Retirement Preparedness

For those who are postponing their retirement, one reason may be their sense of financial preparedness. Only 23 percent of respondents feel their employees are financially prepared for retirement (see Figure 19). With one core element of preparedness being financial literacy, see also: [A Focus on Public Sector Financial Wellness Programs: Employee Needs and Preferences](#).

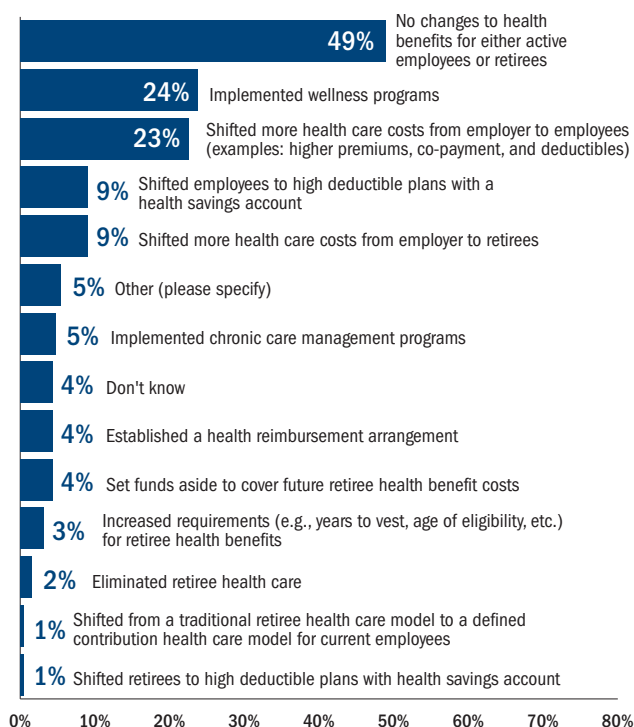
19) Do you feel your employees are prepared financially for their retirement? (n = 195)



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 20).

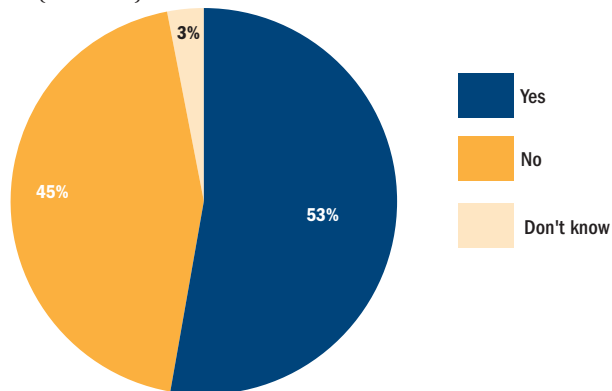
20) Over the past year, what changes, if any, has your government made to the health benefits provided to employees or retirees? (n = 195)



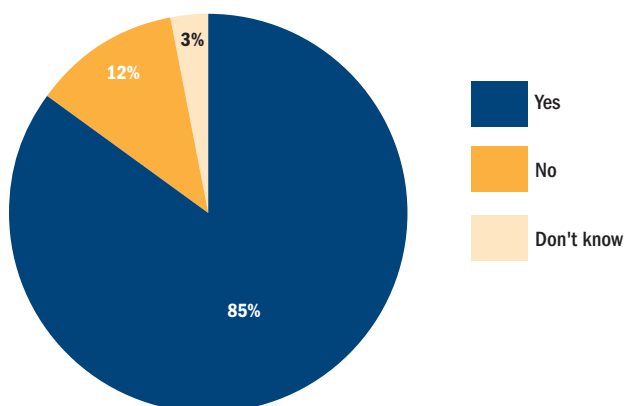
Wage and Benefit Competitiveness

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 53 percent. By comparison, with pensions still much more prevalent among public agencies than private, 85 percent rate their benefits offerings as being competitive (see Figures 21 and 22).

21) Do you feel the wage compensation you offer your employees is competitive with the labor market?
(n = 196)



22) : Do you feel the benefits compensation you offer your employees is competitive with the labor market?
(n = 196)

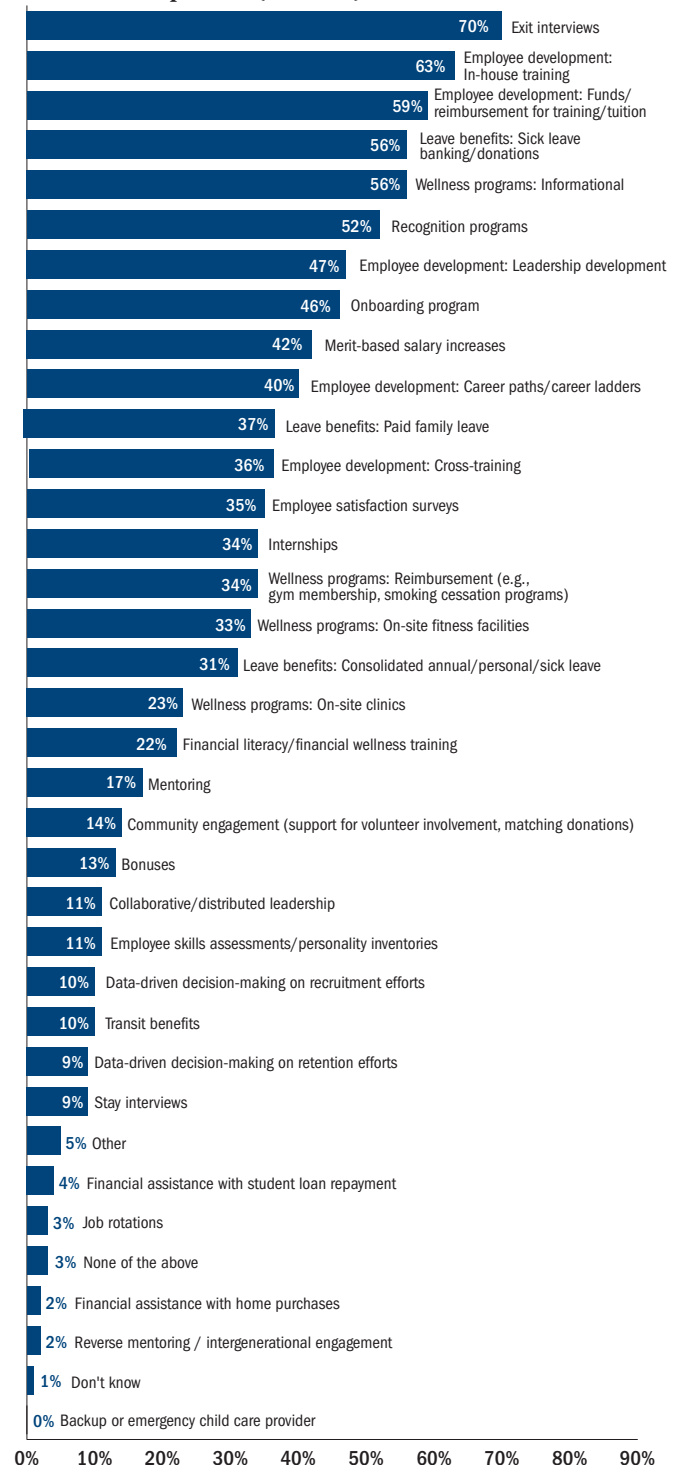


Employee Retention and Development

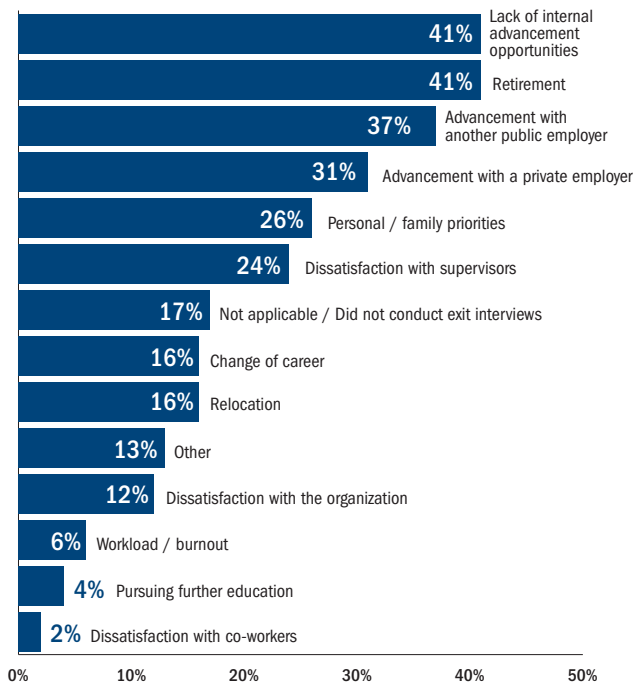
As important as compensation is to retention, many of the programs offered by the respondents to encourage employee

retention relate to employee development, such as in-house training, tuition reimbursement, leadership development, or structuring of career paths (see Figure 23).

23) Which of the following programs does your organization currently use to encourage employee retention and development? (n = 188)



24) If your jurisdiction conducts exit interviews with departing employees, which of the following reasons have been cited among the top three reasons for leaving? (n = 185)



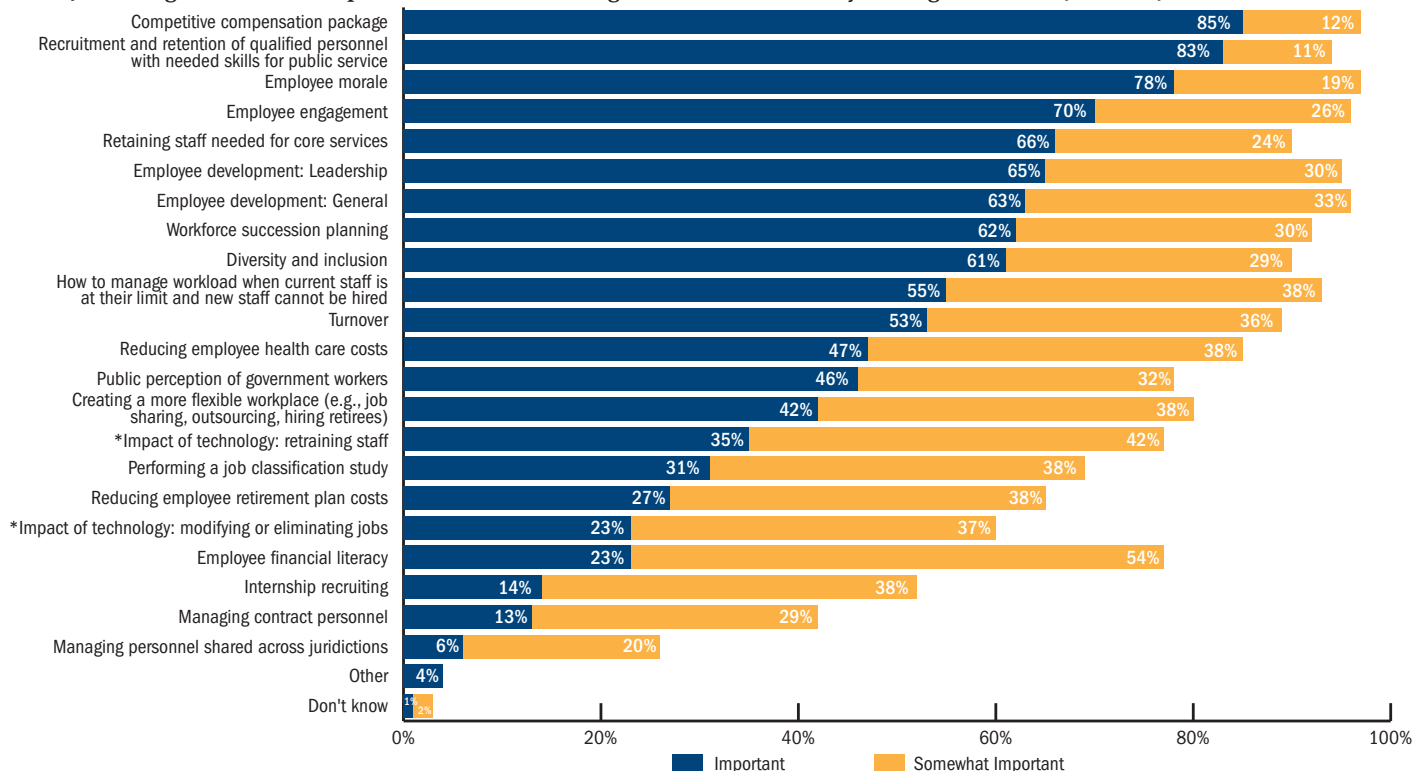
Exit interviews were the most cited retention strategy, and the feedback gleaned from those interviews identifies advancement as the prime motivating factor for departing employees (see Figure 24).

Future Priorities

For governments looking ahead, offering a competitive compensation package is most often ranked as their highest priority (85 percent rank it as important – up from just 52 percent in 2012), with an additional 31 percent indicating an intent to perform a job classification study (see Figure 25). Recruitment and retention also continue to be among the top priorities (83 percent important). For two new but related categories added to the survey this year, the share of those that see technology as a reason to increase staff training (78 percent ranking as important or somewhat important) exceeds the share that look at technology as an issue for the modification or elimination of jobs (60 percent).

There was also significant growth in those viewing the creation of a more flexible workplace as a priority – increasing from 25 percent in 2015 to 42 percent this year.

25) Looking ahead, how important are the following workforce issues to your organization? (n = 192)



* Items shown with an asterisk were new to the survey in 2020.

As this survey series now has data available from the Great Recession to early 2020, SLGE's next steps will be to assess the impacts on state and local governments, employees, retirees, and retirement plans as each adjust to the COVID-19 environment. For additional research, please visit slge.org.

Related Resources

[A Focus on Public Sector Financial Wellness Programs: Employee Needs and Preferences](#)

[Balancing Objectives in Public Employee Post-Retirement Employment](#)

[Have Localities Shifted Away from Traditional Defined Benefit Plans?](#)

[Innovations in the Health and Human Services Workforce](#)

[K-12 Public Workforce Profile](#)

[Proactive Pension Management: An Elected Official's Guide to Variable Benefit and Contribution Arrangements](#)

[Public Workforce 2030 Summit: Key Takeaways](#)

[Shared Staffing in Public Health: Collected Resources](#)

References

1 <https://www.nlc.org/sites/default/files/NLC%20USCM%20Survey%20Results.pdf>

2 The ability to re-hire retired staff is often regulated by state law or pension plan policies. For a more complete discussion, see <https://www.slge.org/resources/balancing-objectives-in-public-employee-post-retirement-employment>.

3 For a discussion on the use of artificial intelligence in recruiting, as well as other workforce topics, see also: [Public Workforce 2030 Summit: Key Takeaways](#).

4 Vera Institute webinar recording: [COVID-19 and Policing: Reducing Arrests and Supporting the Health of Communities and Officers](#), April 14, 2020.



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