

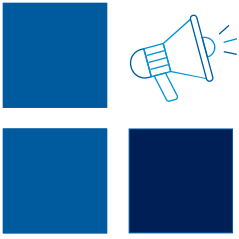
July 2024

State and Local Workforce

2024 Survey Findings



Prepared by MissionSquare Research Institute with the support of the Public Sector HR Association and NASPE.



MissionSquare Research Institute has been partnering with the **National Association of State Personnel Executives** (NASPE) and the **Public Sector HR Association** (PSHRA; formerly IPMA-HR) 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.

Acknowledgements

This report was prepared by Gerald Young (**MissionSquare Research Institute**).

The author gratefully acknowledges the insights and expertise of his collaborators on this research: Zhikun Liu, PhD, John Saeli, and Rivka Liss-Levinson, PhD (MissionSquare Research Institute), Leslie Scott Parker (NASPE), and Cara Woodson Welch (PSHRA).

Executive Summary

The past four years saw a significant staffing downturn for public employers, as well as the workforce as a whole. While the private sector workforce recovered by April 2022, state government employment did not return to pre-pandemic levels until January 2023, with local government hitting that threshold in December 2023.¹

Table 1:

Employment totals, compared to pre-pandemic peak

	Local government	State government
Change from pre-pandemic peak	-8.4% (May 2020)	-2.6% (May 2021)
Recovery since peak	+0.9%	+3.4%

Source: U.S. Bureau of Labor Statistics; see [Employment Trends in State and Local Government: 2024 Snapshot and Projections](#)

Just as pandemic-related furloughs and budget cuts had been uneven, so too has the subsequent growth. Staffing for state hospitals has grown by more than 11% since the pre-pandemic peak, but many other operations have experienced a net change since 2020 in the range of +/-2%.

The shape and needs of the workforce continue to change, particularly as automation and artificial intelligence make certain positions ripe for reimagining or reduced demand.² In addition, government employers have been experimenting with a range of initiatives from marketing campaigns and hiring bonuses to dropping degree requirements and updating pay and policies in order to improve their competitiveness in the labor market.

This report discusses data from the 2024 state and local government workforce survey on recruitment, retention, compensation, organizational culture, and priorities, along with related data from prior surveys in the series.

The online survey was conducted from March 8 to April 25, 2024, with a total of 300 state and local government human resources managers responding.

The results show a variety of strategies being pursued to improve recruitment and retention, and an easing of recent hiring difficulties, but a challenge looms due to a wave of anticipated retirements.

Among the survey highlights:



73% see their total compensation as being competitive, while 60% see their wages that way (Figure 21). Relatedly, 53% report providing broad-based pay increases (Figure 5).



Recruitment is becoming less challenging. For 11 key occupations, including information technology, dispatch, and policing, the share of governments reporting them as hard to fill has declined by at least 10 percentage points since 2022 (Figure 7A).



Fewer report that employees are accelerating retirement plans, and that total is once again approaching the share that indicates employees are postponing those plans (Figure 14A).



Of those expressing an opinion, **52% feel their employees are prepared for retirement**, which is the highest level reported in response to that question in the dozen years it has been asked. (Figure 16).



48% offer **paid family leave** (Figure 22).



Very important issues to their organizations include a **competitive compensation** package (79%) and **pay equity** (42%) (Figure 23).



34% are engaged in **outreach** or partnerships with colleges, while 15% are emphasizing community service in their advertising campaigns, and 11% are conducting outreach to specific neighborhoods or demographics (Figure 6).



21% of governments reported that their **full-time staffing increased** by 5% or more, while 2% said staffing decreased by 5% or more (Figure 3A).



Hiring bonuses are being offered either broadly (4%) or in a targeted manner (33%), with 13% requiring bonuses to be repaid if the employee stays less than one year (Figure 6B).



54% see the largest wave of **anticipated retirements** still to come in the next few years (Figure 15). In preparation for this, 32% have or are currently developing a formal **succession planning** process (Figure 24).

New questions added to this year’s survey also shed light on emerging topics, including:



Of those that provided broad-based pay increases, the most common change was a **4-6% wage increase** (Figure 5A).



16% offer **paid internships**, versus 6% offering **unpaid internships** (Figure 6), with **graduate students** being the most common participants (Figure 6A).



62% of those with hybrid work schedules designate shared **in-office days** (Figure 10A)



17% have a workweek **shorter than 40 hours**, excluding public safety or on-call personnel (Figure 11).



While at least half of respondents have **dropped some degree requirements**, 8% have dropped them for more than 10% of authorized positions (Figure 12).



Changes to educational or civil service requirements have corresponded with **more applicants**, but a significant percentage saw no impact, and there were mixed results on time to hire and applicant qualifications (Figure 12A).



47% include **diverse interviewers** on hiring panels (Figure 13).

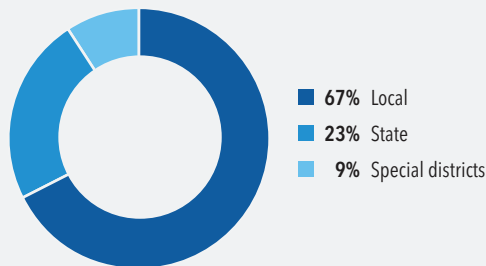
A total of 300 human resource managers responded to the survey, with 67% from local government (including cities, counties, villages, and towns), 23% representing state agencies, and 9% from special districts (e.g., for utilities, schools, ports, or libraries) (see Figure 1).

The size of those organizations is assessed according to the number of full-time equivalent (FTE) employees, with 56% having under 500 FTEs and 27% having 500 – 9,999

FTEs. The remaining 17% reported having 10,000 or more employees (see Figure 2).

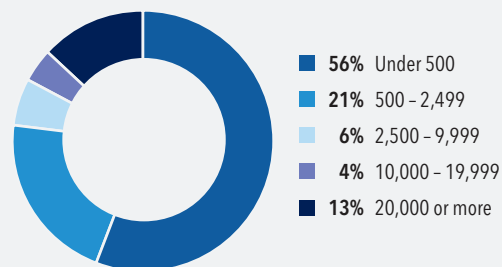
Where there are notable differences in responses based upon either the agency type or size, those are referenced in the discussion below. For purposes of the agency comparisons, special districts are included with all other local governments.

Figure 1 **Survey respondents** (n = 300)



NOTE: Total does not equal 100% due to rounding.

Figure 2 **Number of full-time equivalent employees** (n = 291)



Workforce Changes

For almost two-thirds of respondents, the size of the full-time workforce increased in the past year (Figure 3).

The size of those increases (Figure 3A) has mostly been in the range of zero to 5% (37% of respondents) or 5 to 10% (18% of respondents). In both cases, that represents an increase over prior years, while the share of respondents indicating that full-time staffing has remained unchanged or decreased has been declining.

Figure 3 **How, if at all, did the size of your full-time workforce change over the past year?** (n = 295)

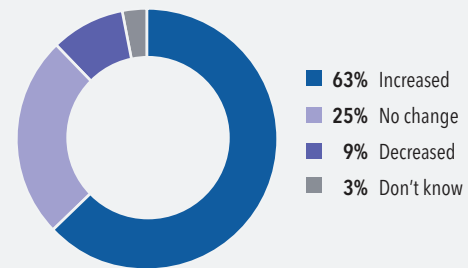
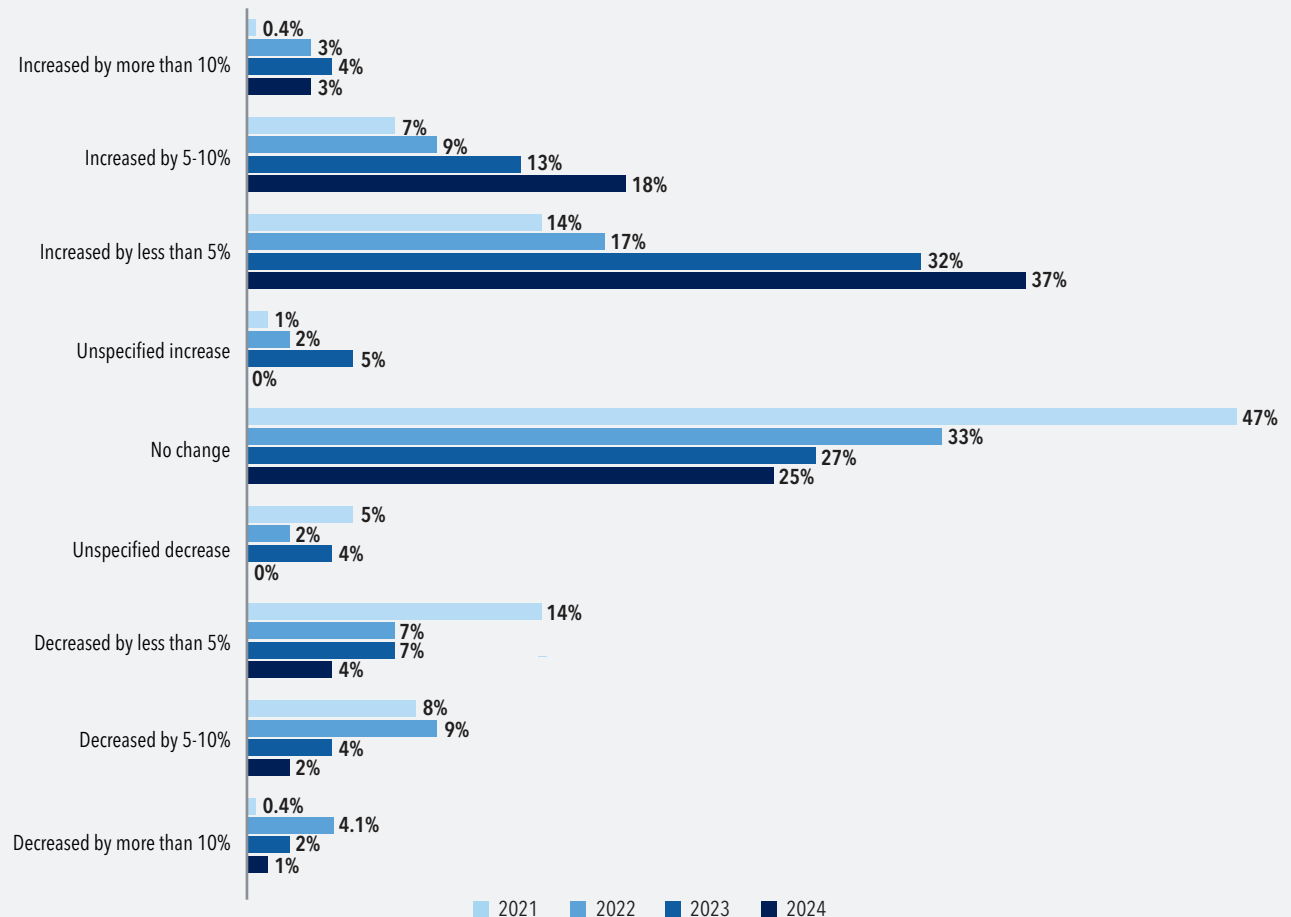


Figure 3A **Change in full-time workforce in the last year** (2021, n = 269; 2022, n = 316; 2023, n = 244; 2024, n = 295)



Most respondents (60%) indicated that the number of full-time employees hired had increased, while more than half (51% and 57%, respectively) said the number who had quit or retired had stayed the same or declined (Figure 4).

In the 2024 survey, the share saying quits had increased in the past year was 33% (Figure 4). This was down from 2023, when 45% reported that resignations had increased.³ That improvement echoes the data from the U.S. Bureau of Labor Statistics, which shows that 2022 represents the highest point in 20 years for quits and job openings in both

the public and private sectors, with each of those rates declining slightly in 2023.⁴

Figure 5 shows that the most common workforce actions in the past year were hiring employees (90%), conducting a compensation or classification study (54%), or implementing broad-based pay increases (53%).

The practice that increased most significantly was rehiring staff who had retired from the organization, which was up from 25% in 2022 to 37% in 2024.

Figure 4 **Regarding changes in the size of your government’s workforce in the past year...** (n = 297)

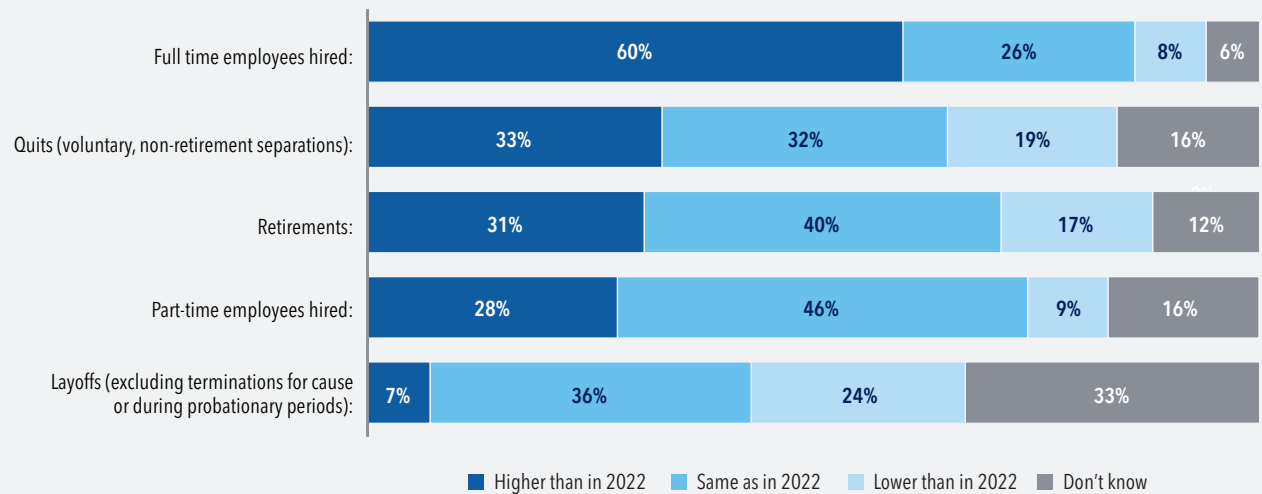
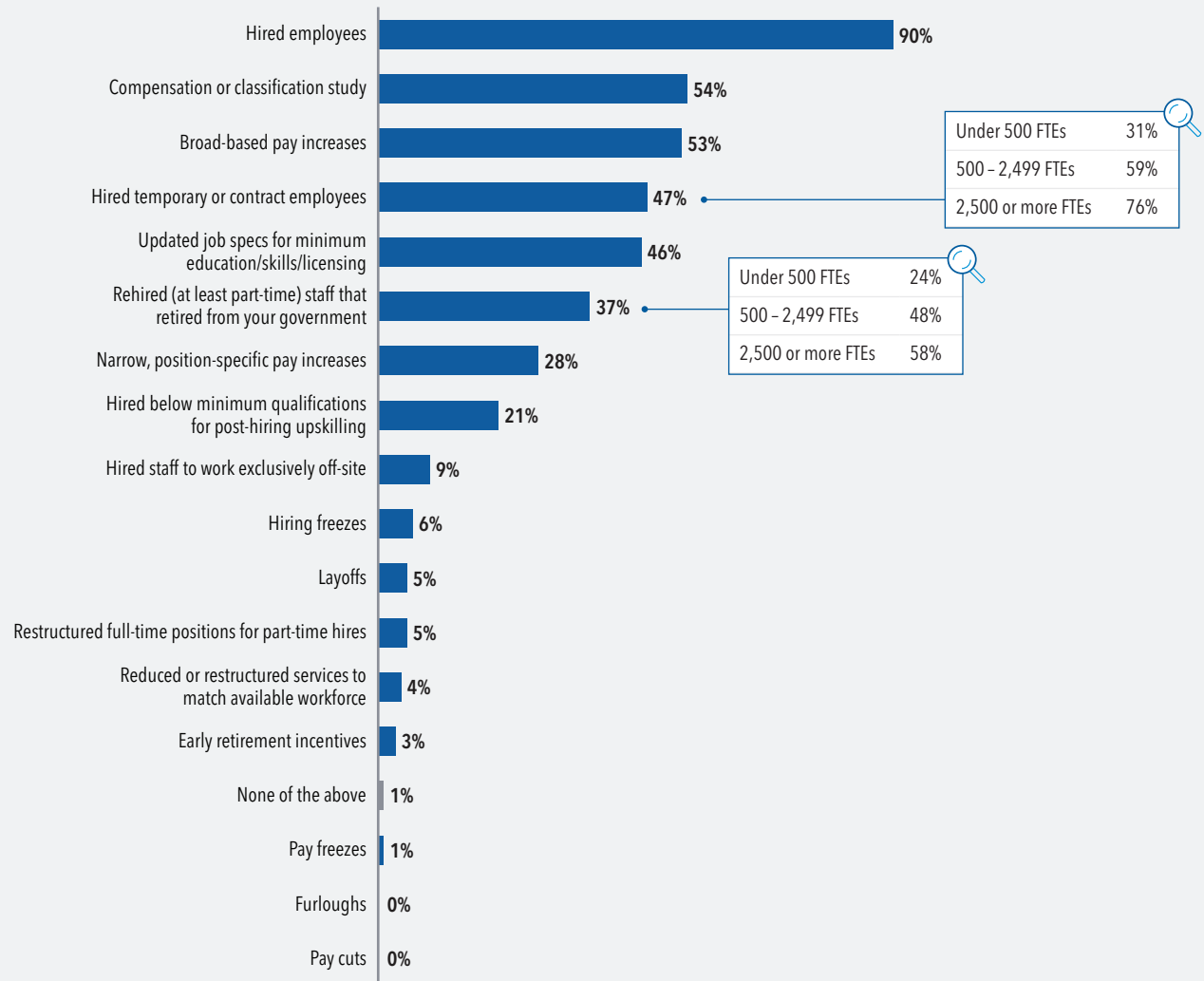


Figure 5 **Which of the following workforce actions has your government implemented over the past year?** (n = 299)

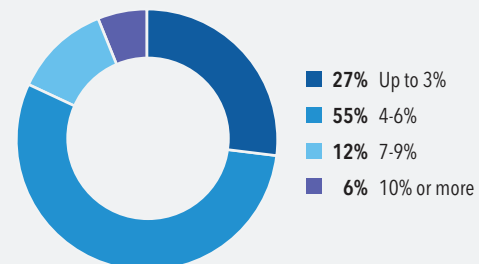
In the callouts, select workforce actions are broken down by government size based on full-time employees (FTEs).



For most respondents providing broad-based pay increases, the average increase ranged between 4 to 6%, with just over a quarter of respondents increasing pay from zero to 3% (Figure 5A).

Broad-based pay increases have been much more common over the past two years as inflation has impacted the competitiveness of public sector salaries (see further discussion accompanying Figure 21A).

Figure 5A **For those providing broad-based pay increases, what was the average percentage increase effective in 2023?** (n = 154)



Recruitment

Aside from advertising on government websites, the most common recruitment methods include social media outreach (59%) and employee referrals (57%; Figure 6).

Appealing to those who might not otherwise have been considering a government job, initiatives included paying for an applicant's job-related licensing (17%), building

Figure 6 **What recruitment practices are most successful in reaching qualified candidates?** (check all that apply; n = 297)

In the callouts, select recruitment practices are broken down by government size based on full-time employees (FTEs). The bolded numbers highlight the highest percentages of reported recruitment success.

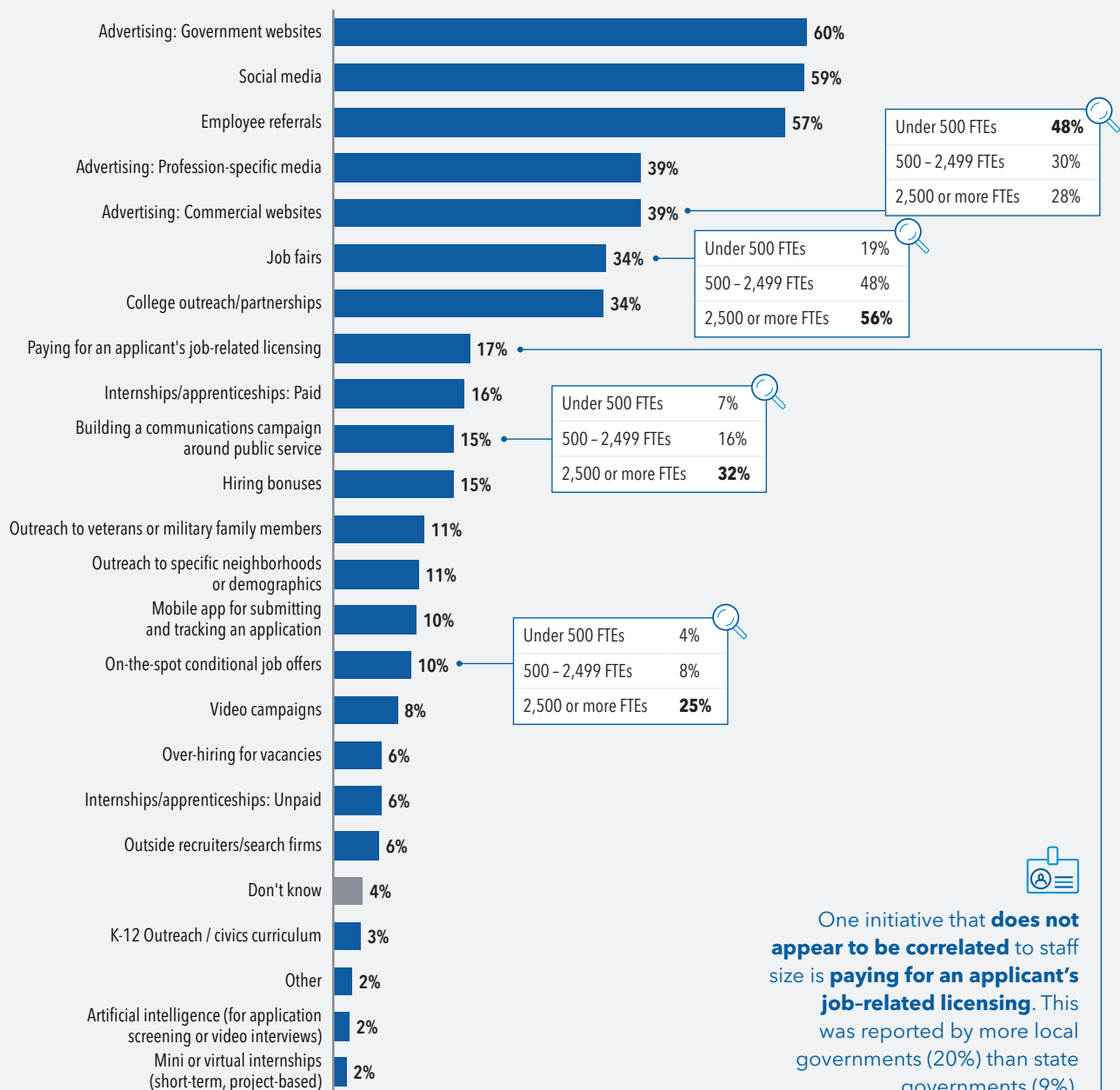
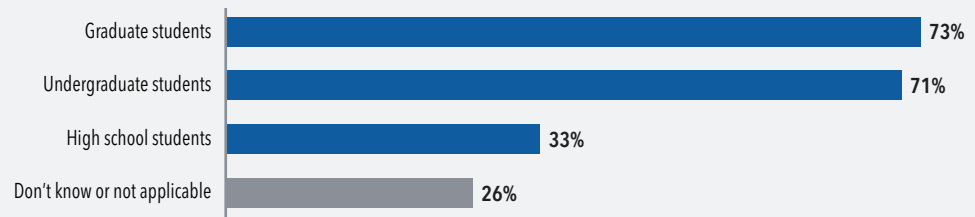


Figure 6A **What levels of students are eligible for internships offered by your government?**

(check all that apply; n = 296)

Figure 6B **What types of bonus policies or other incentives are in place** (check all that apply; n = 290)

a communications campaign around public service (15%), and reaching out to military families or specific neighborhoods (11%).

Part of the recruiting challenge has been attracting qualified candidates (discussed further along with Figures 7 - 9), but time to hire can also be impacted by civil service requirements or other standard operating procedures. To speed such processing, some governments reported using mobile apps or making on-the-spot job offers (10% each) or over-hiring for vacancies (6%).

The question about internships was split this year, with 16% citing paid positions as an effective recruitment strategy and 6% citing unpaid positions.

As for the level of students recruited for internships, they were most commonly reported to be graduate students

(73%) or undergraduate students (71%; see Figure 6A). Beyond that, 33% were hiring high school interns. Regardless of the level of those hired, students getting hands-on exposure to government employment feeds the pipeline of future full-time staff, with 49% of employees 35 and under indicating that they started in state or local government with a part-time or temporary role.⁵

Another common recruitment tactic is to offer cash incentives. Overall, 15% indicated that they were offering hiring bonuses (Figure 6). Primarily, those bonuses are targeted to high-demand occupations, such as public safety or health (Figure 6B). Only about 4% offered bonuses to all new hires, while others offered them to existing employees who provided a hiring referral. To prevent new hires from claiming a bonus and resigning soon after, 13% report requiring such bonuses to be repaid if the employee does not remain on staff for at least a year.

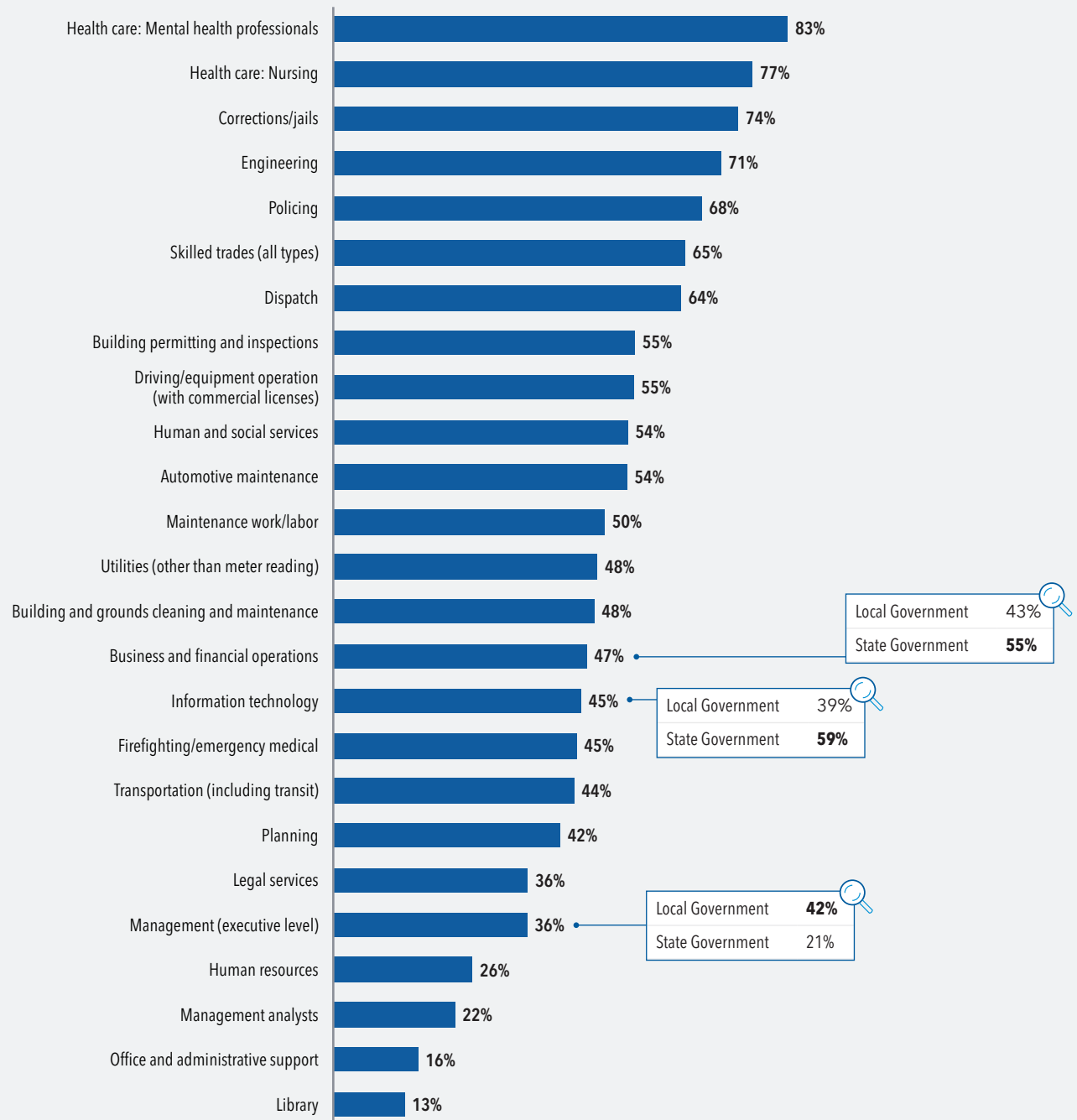
Hard-to-Fill Occupations

Of all the questions on which longitudinal data exists, the one that has seen the most marked change this year is what positions are considered hard to fill. As in past years,

Figure 7 shows various public safety, health care, and professional positions near the top of the list.

Figure 7 **Over the past year, what positions, if any, has the organization had a hard time filling?** (n = 295)

In the callouts, the data shows that while some positions are hard to fill across the board, others are more often identified as difficult to fill at either the state or local level.



More than half of all respondents have identified multiple occupations as hard to fill.

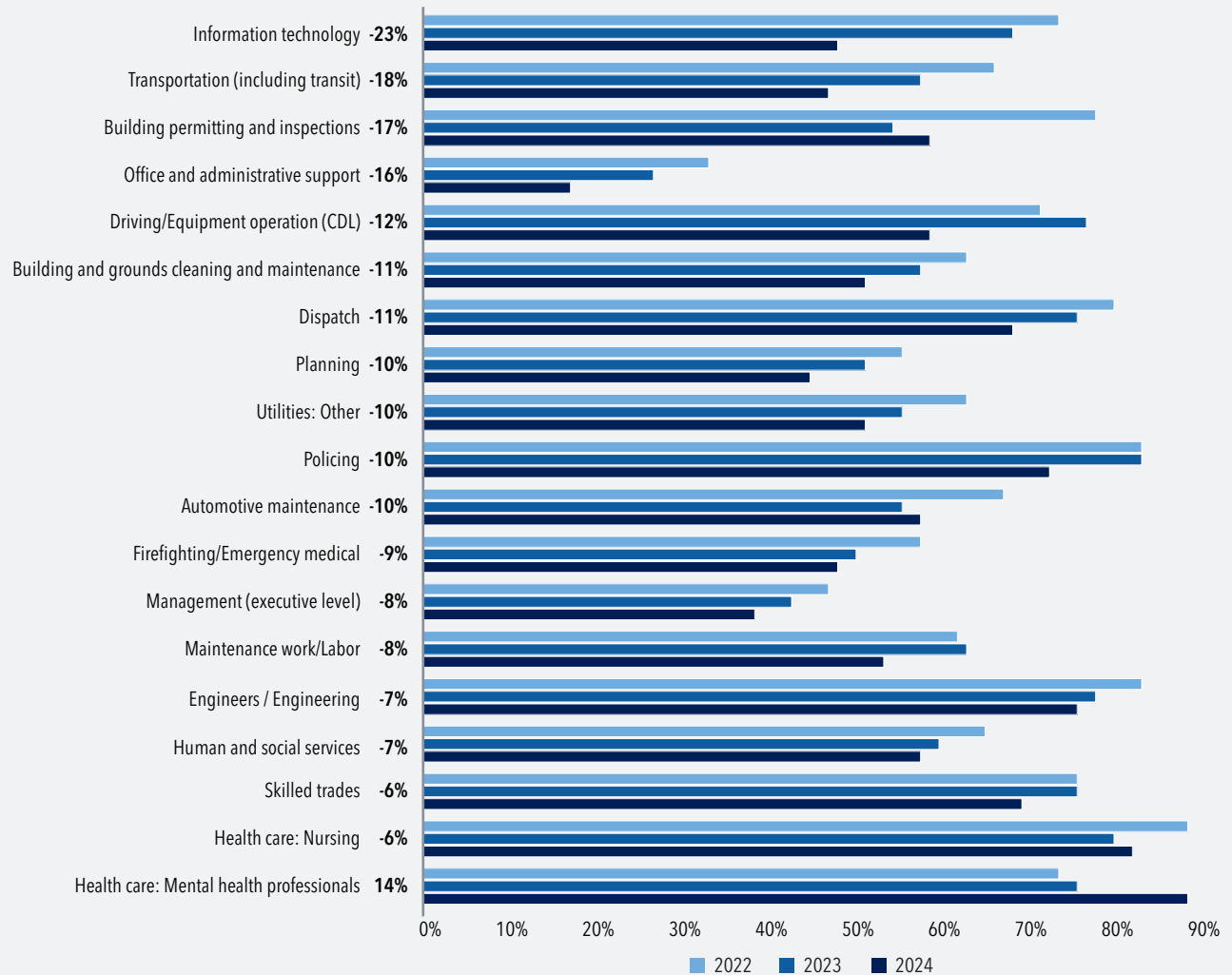
However, there is some positive movement. For 11 occupations, including information technology, dispatch, and policing, the share of governments reporting them as hard to fill has declined by at least 10 percentage points since 2022 (Figure 7A). An additional seven occupations, including maintenance work, engineering, and nursing, saw improvements of at least five percentage points. Of all the occupations surveyed, the only one that saw an increase of five percentage points or more rating it as hard to fill was mental health professionals.

The list of occupations surveyed undergoes little change from year to year. The only additions for 2024 were library staff and management analysts. Since 2023, four

occupations that were not frequently cited as hard to fill were dropped (animal control, mid-level management, recreation programs, and utility meter reading, all rated as hard to fill by 36% or less). Physicians were considered hard to fill by 74% of 2023 respondents, but that occupation had the highest rate of respondents indicating “not applicable,” indicating that they either did not have any in their organization or did not conduct any related recruitments.

Regarding management analysts, workforce demand is projected to grow from 2022 to 2032 by 21.4% within state government and by 3.6% within local government.⁶ So far, that is not reflected in the recruitment data, with just 22% deeming that occupation hard to fill. Time will tell whether that demand will increase, such as in managing grant applications, program implementation, budgeting, and the like, or whether AI-driven virtual analysts will lead to greater staffing efficiencies.

Figure 7A **Percentage Identifying as Hard to Fill** (where change since 2022 exceeds five percentage points)

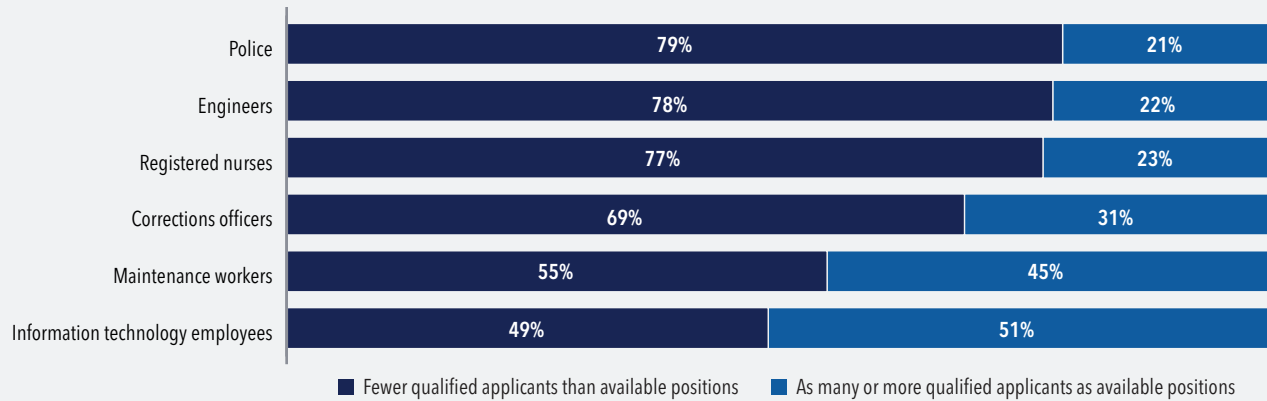


Challenges remain around many of these positions. The survey asks about the number of applicants for six key occupations, and on five of those six, more than half the

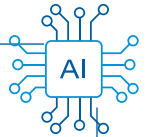
respondents said they received fewer qualified applicants than available positions (Figure 8).

Figure 8 **Number of applicants this past year compared to the number of positions available**

(n = 191, 158, 93, 104, 236, 189)



Impact of Artificial Intelligence (AI)



AI is impacting the public sector workforce in two key ways: the recruitment process and overall staffing needs.

In the recruitment process, 2% identified AI as being used to help review initial applications, with correspondingly limited data on the percentage indicating that they were training their HR staff on its use or had a policy to assess for bias.

When there are large numbers of applicants, initial screening can be a time-consuming task for human staff, so AI can potentially churn through applications efficiently. However, when algorithms are not carefully built and reviewed, there is also significant risk that bias will enter into that review, for instance, assuming that all successful candidates will have the same characteristics of existing staff (such as gender, age, alma mater, etc.), whereas others might be equally qualified.

The small share of public agencies using AI in recruiting now is not likely to stay small, particularly as the number of applicants for certain positions starts to increase. This makes it even more important that governments lay the groundwork today for how they will manage AI going forward.

Regarding staffing demand, technology has often driven changes in staffing patterns, whether in the computer automation of the last 50 years or in the emergence of apps, bots, and connected devices to supplement or take the place of staff in parking enforcement, meter reading, and customer service. In the near term, however, AI's effects might also be felt through greater efficiencies in other fields, including financial management, legal research, and budget analysis.

As noted among the very important issues facing their organizations, the impacts of technology were cited by 14% on the need for staff retraining and 7% on the need to modify or eliminate jobs (Figure 23). Both of those metrics are down significantly from prior years,⁷ but with the recent emergence of widely available applications using large language models and predictive capabilities, that decrease may be temporary.

In the private financial sector, one estimate is that as many as two-thirds of entry-level positions may be replaced by AI, although the pace at which such change will occur is still unknown.⁸ That level of implementation may be unlikely for smaller governments,⁹ but some change is still likely on the horizon.

But despite the continuing difficulty, the share indicating that they are receiving fewer qualified applicants than available positions has declined for all fields but policing (Figure 8A).

Regarding how this impacts time to hire, Figure 9 shows that 48% had to reopen recruitments as a result, either very or somewhat frequently. This is down from 52% indicating this in 2023.

Figure 8A **Percentage reporting fewer qualified applicants than available positions, 2020 - 2024**

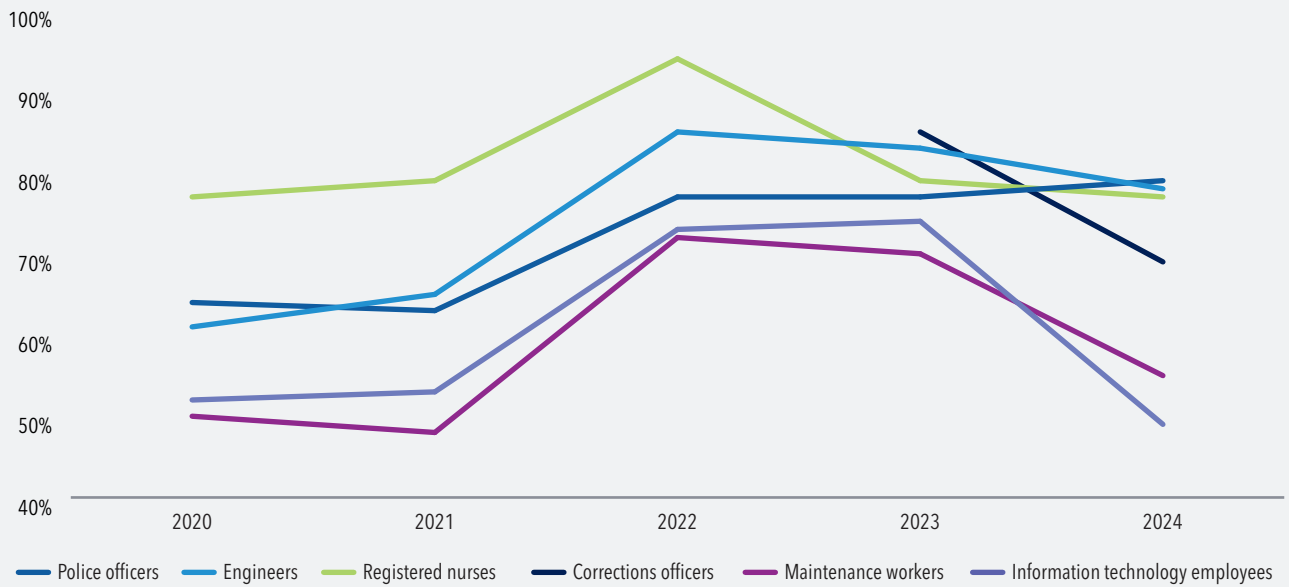
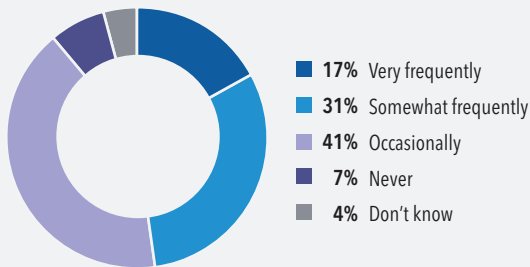


Figure 9 **In the past year, how often did an insufficient number of qualified applicants require recruitments to be reopened?** (n = 282)



Organizational Policy and Culture

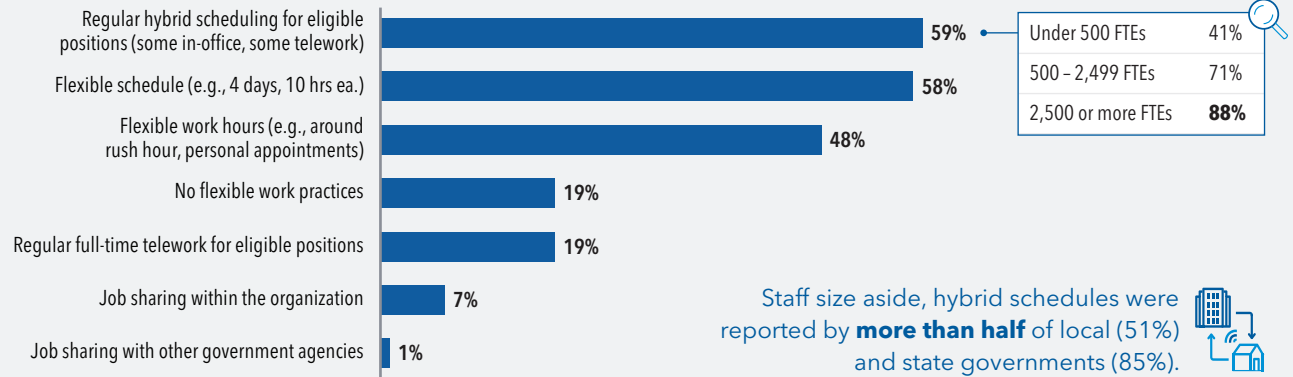
Flexible Work Practices

Four years after the start of the pandemic, flexible scheduling appears firmly established, with 59% of respondents offering regular hybrid scheduling for eligible positions (Figure 10). This has largely supplanted regular telework, which has declined from 53% in 2021 to 19% in 2024.

Although there has been some year-to-year variation in flexible scheduling (e.g., four days, 10 hours each day), this practice remains essentially unchanged since the survey first started asking about it (from 59% in 2016 to 58% in 2024).

Figure 10 **What flexible work practices does your organization offer?** (check all that apply; n = 288)

In the callout, one flexible work practice is broken down by government size based on full-time employees (FTEs). The bolded number highlights the highest percentage.



With hybrid scheduling so widespread, this year’s survey asked whether common in-office days had been established to facilitate overlap and teamwork. As shown in Figure 10A, 62% have adopted this practice.

Workweek

Whether to appeal to those seeking greater flexibility or for other reasons, a number of governments have been experimenting with shorter workweeks. In a new question this year, 17% of respondents indicated that their staff (outside of public safety or on-call roles) are working fewer than 40 hours per week (Figure 11).

Education, Experience, Skills and Other Hiring Process Changes

Degree requirements are another area of significant change, with many dropping them in favor of more flexible equivalencies of education, experience, or skills. In the 2023 survey, 29% indicate they had dropped education requirements for at least some positions. This year’s survey asked about the extent of the change, with 8% indicating that more than 10% of authorized positions were impacted, and 22% saying that between 1 and 10% of positions were impacted (Figure 12).

Figure 10A **Are there designated in-office days so that hybrid schedules align?** (n = 157)

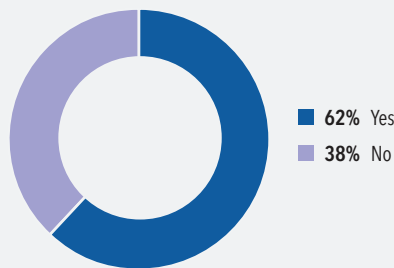


Figure 11 **Is the workweek shorter than 40 hours?** (n = 293)

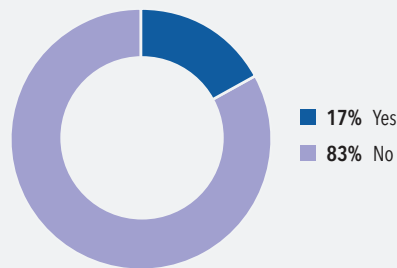
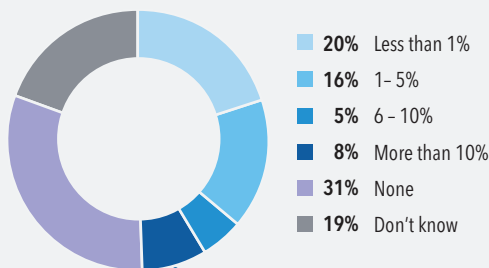


Figure 12 **In the past three years, approximately what percentage of authorized positions had degree requirements dropped?** (n = 294)



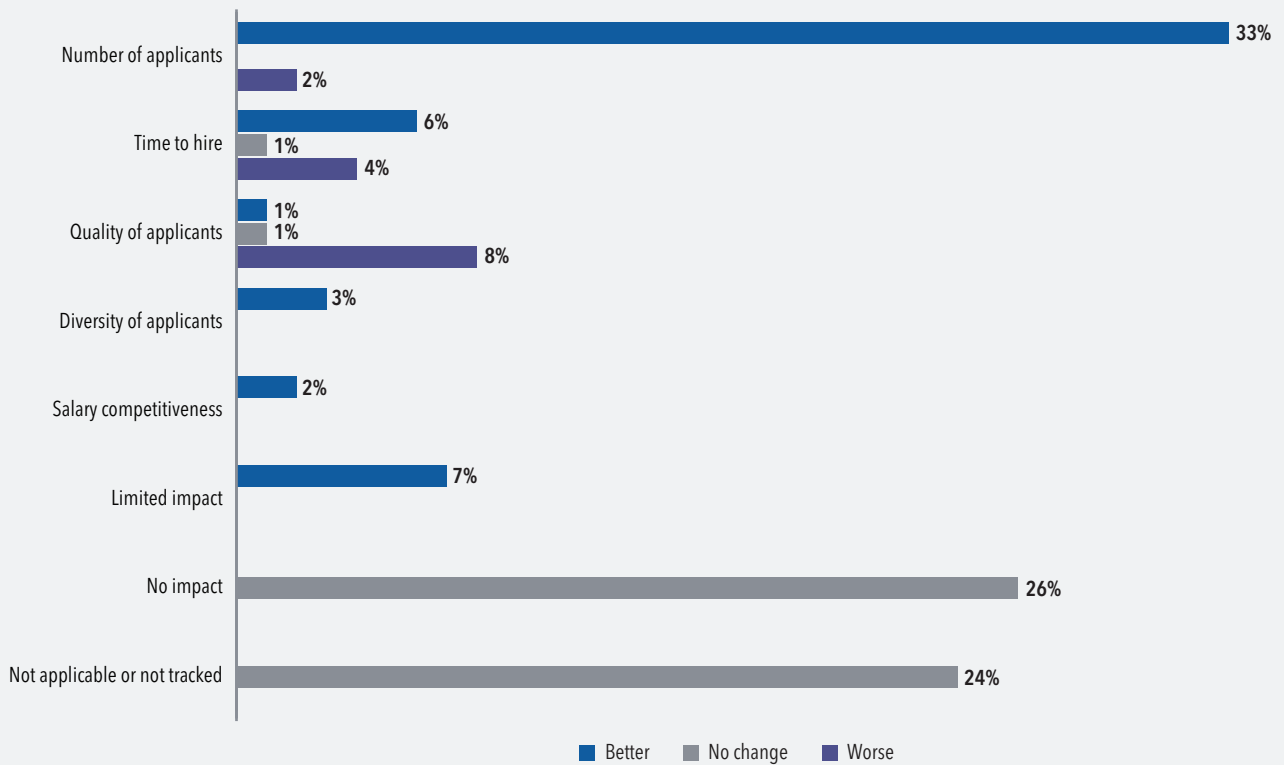
Share that dropped degree requirements from more than 10% of authorized positions:

Local Government	6%
State Government	25%

Among governments that had made changes to their education requirements or civil service regulations, regardless of whether those changes took place in the past three years, respondents were asked to characterize the impacts on recruitments (see Figure 12A). Regarding the number of applicants, 33% said this number increased, while 2% said it decreased. For time to hire, 6% said it improved while 4% said it declined. And on quality of applicants, 1% said it improved, while 8% said it declined. No impacts were observed by 26% of those responding, while another 24% said they had not yet tracked any changes.

Other examples of the impacts observed included that the shift from degrees to equivalencies of education, experience, or skill led the government to be considered more competitive on salaries (noted by 2%). In dropping the requirement to have required certifications prior to hiring, one respondent said that means new hires are not able to perform their full duties as of the date of hire, but another noted that it facilitates hiring candidates who have nearly completed their licensing before they can be hired by someone else.

Figure 12A **If there have been changes in education requirements or civil service regulations, what impacts have there been on time to hire, number of applicants, or qualifications of applicants?** (n = 112)



NOTE: Total exceeds 100% as respondents were able to list more than one type of impact.

Diversity, Equity, and Inclusion

Whether an employer applies labels of diversity, equity, and inclusion (DEI), belonging, representation, or any number of other names, there is a range of initiatives that reflect the importance of both recruiting and valuing employee talent. These initiatives are driven not just by the goal of providing equal opportunity but also casting a wider net for potential candidates, recognizing and addressing biases, and working to ensure a welcoming workplace culture.

The Great Resignation and the recruiting difficulties that have arisen over the past several years have heightened the importance of a robust recruitment and retention effort, but staff diversity has also been recognized for its positive impact on productivity, quality decision making, and financial results.¹⁰ In addition, 63% of public sector employees 35 and younger have noted the importance to them of a workplace that is mindful of creating an inclusive and welcoming environment for all identities.¹¹

The initiatives covered in this year's research were previously covered in the recruitment and retention portions of the workforce survey before being pulled together here in a single question. Employee DEI training and employee affinity/resource groups have both been queried since 2021, with the 2024 responses to both questions slightly above the prior averages (47% conducting DEI training vs. an average of 44% in 2021 - 2023, and 13% organizing employee resource groups vs. an average of 11% in 2021 - 2023).

The most significant increase was on a question first asked in 2023 – whether the employers redact names or other identifying details from the initial application review. This was reported by 6% of governments in 2023 and 23% in 2024. This increase is consistent with the standalone survey the Institute conducted in December 2021 - January 2022, in which 21% of HR managers in local government and K-12 education indicated they were redacting such information, with another 10% indicating they were considering such a policy.¹⁴

One new line item this year was another practice cited by 47% of responses – the use of diverse participants on panels of interviewers.

Although almost half of respondents are offering DEI training or structuring diverse interview panels, workforce DEI implementation faces a number of challenges. Figure 13A shows that 41% cite a lack of diverse candidates within their local labor market, while 21% say it is difficult to attract diverse candidates or retain them on staff. Others cited a lack of support from senior leadership (24%) or difficulty navigating the policy or legal requirements (5%).

Importance of Inclusion



Maintaining an inclusive environment can help in retaining talented staff, particularly among younger demographics.

Percentage of public sector employees 35 and under who rated an employer being mindful of creating an inclusive and welcoming environment as somewhat or very important:

70% of women vs. 52% of men¹²

63% of all respondents – **regardless** of race or ethnicity¹³

Either on DEI initiatives or barriers, other comments reflected divergent approaches and levels of local diversity:

- "Anti-bias training for panel members."
- "We hire based on merit, not woke ideology."
- "Posts to diverse job boards."
- "Equity audits"
- "DEI initiatives frequently violate Title VII of the Civil Rights Act, encouraging racial discrimination in hiring practices"
- "Elected officials are anti-DEI"
- "Outreach to diverse leaders in the community"
- "We are in a very small rural community with minimal diversity. We do the best we can."
- "We are small and very diverse"

In 2021 and 2022, the Research Institute compiled a baseline report on [Diversity, Equity, and Inclusion in the Public Service Workforce](#), conducted a standalone survey on local government DEI policies, and convened a series of follow-up focus groups. Click here for [statistics on diversity by category and occupation](#), [survey data on programs, administration, and assessment of results](#), and [comments from DEI managers in their own words](#)

Figure 13 **Which of the following recruitment or retention-related DEI initiatives are you implementing?**

(check all that apply; n = 287)

In the callouts, select initiatives are broken down by government size based on full-time employees (FTEs), and by local and state governments. The bolded numbers highlight the highest percentages.

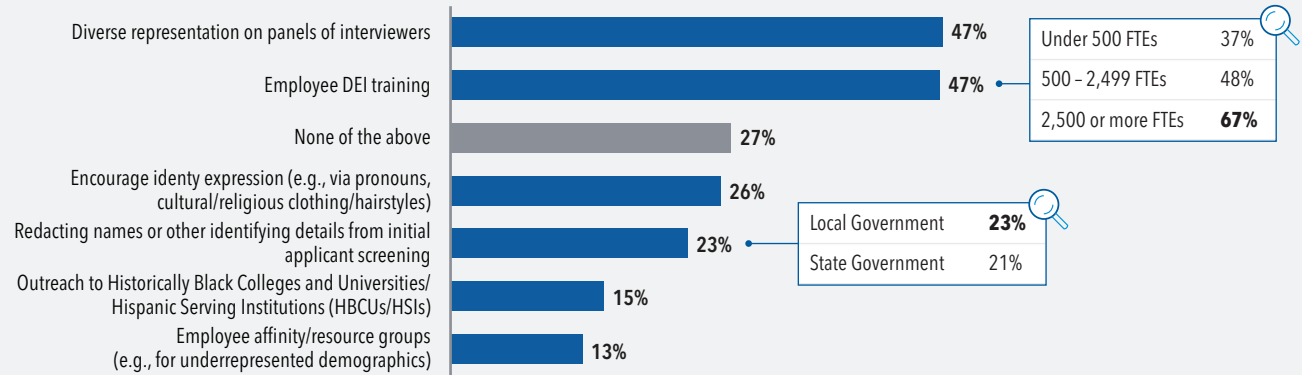
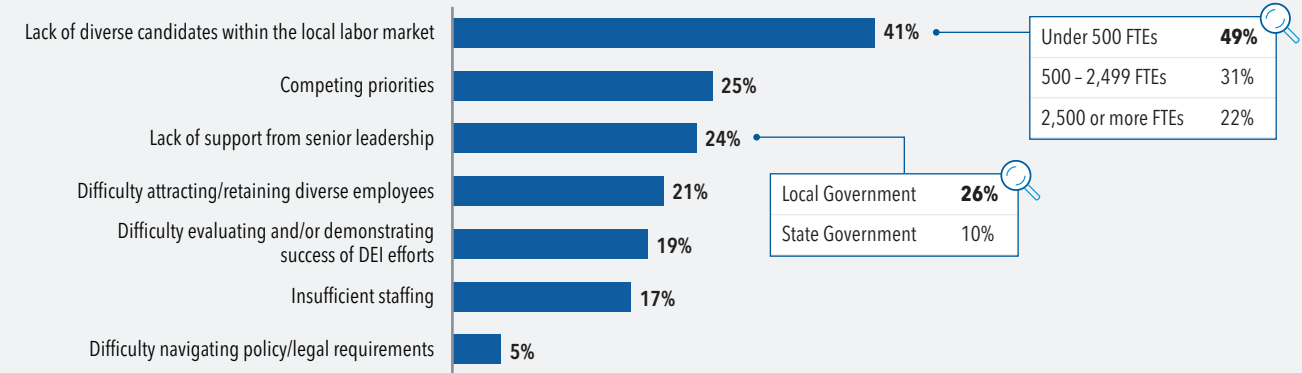


Figure 13A **Which of the following have been significant barriers to implementing workforce DEI initiatives or reasons they have not been pursued?** (check all that apply; n = 63)

In the callouts, select barriers are broken down by government size based on full-time employees (FTEs), and by local and state governments. The bolded numbers highlight the highest percentages.



Retirement, Benefits, and Compensation

Retirement Timing and Trends

The share of governments reporting that employees are accelerating their retirement plans has now declined by half since 2022 and is once again approaching the share reporting that employees are postponing their retirement plans (see Figure 14 and 14A). Just as the Great Recession saw a number of years with postponements far more common, the pandemic saw a spike in retirement plans being accelerated.

There is no clear trend by staff size in seeing more employees accelerating or postponing their retirement dates. Among both local and state respondents, it was slightly more common to note employees accelerating their plans.

	Accelerating their retirement date	Postponing their retirement date
Local government	28%	24%
State government	21%	15%

Figure 14 **Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement?** (check all that apply; n = 295)

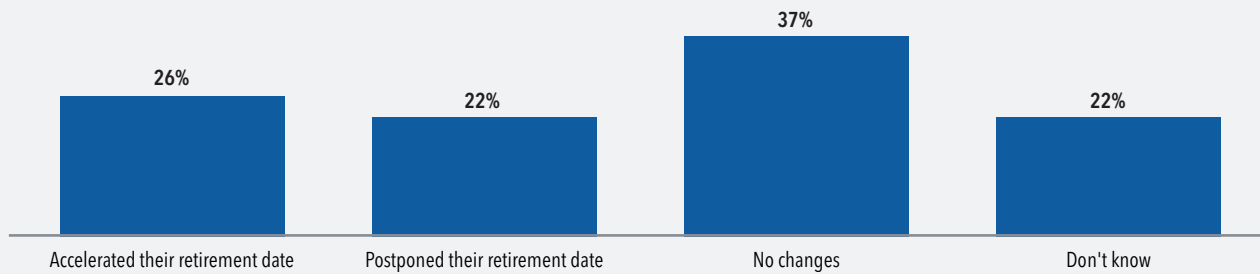
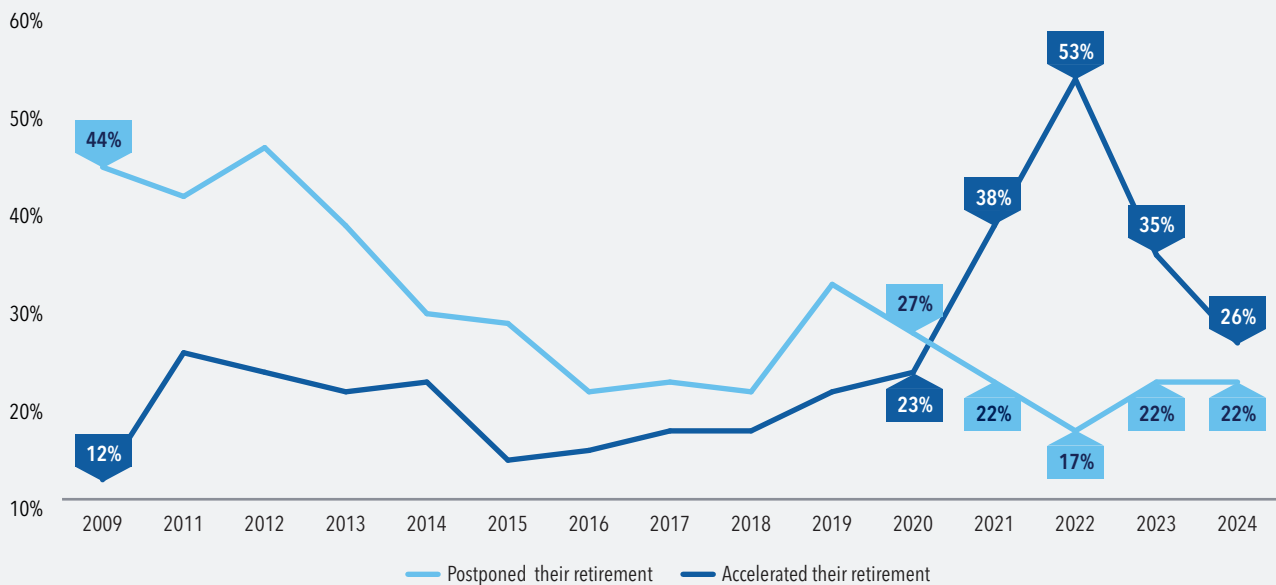


Figure 14A **Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement?** (Detail, 2009-2024)



Regardless of whether retirements are accelerated or postponed, a generational change is still coming. Once again this year, the majority of respondents feel that the largest wave of potential retirements will take place in the next few years (Figure 15). Indeed, 2024 has been identified as the year the peak of the baby boom is turning 65.¹⁵ Compared to 2021, there are now more than twice as many who are saying that wave has already crested (an increase from 8% in 2021 to 21% in 2024). But 54% still predict that surge of retirements is coming in the next few years.

From 2016 – 2019 there was relatively little difficulty in recruiting,¹⁶ so there may have been less urgency placed on completing succession plans. The pandemic brought major challenges that now seem to have abated somewhat with the return to pre-pandemic employment levels and the current easing of recruitment challenges (in Table 1 and Figure 7A). That may place employers in the eye of the storm – a calm before the anticipated retirements. If succession plans are to be completed, this could be the window of opportunity.

Figure 15 Regarding the departure of retirement-age baby boomer employees from the workforce, how would you characterize the impact on your government? (n = 295)

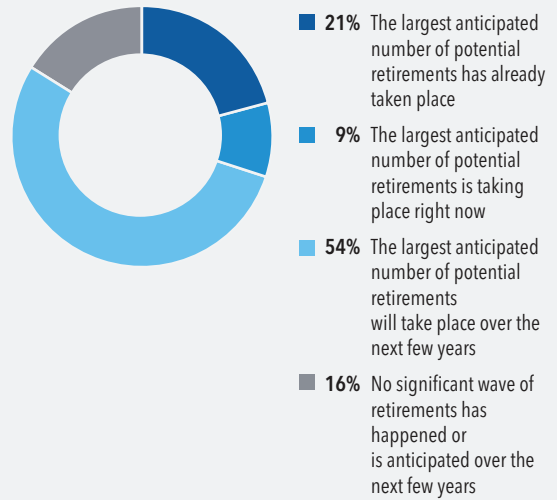
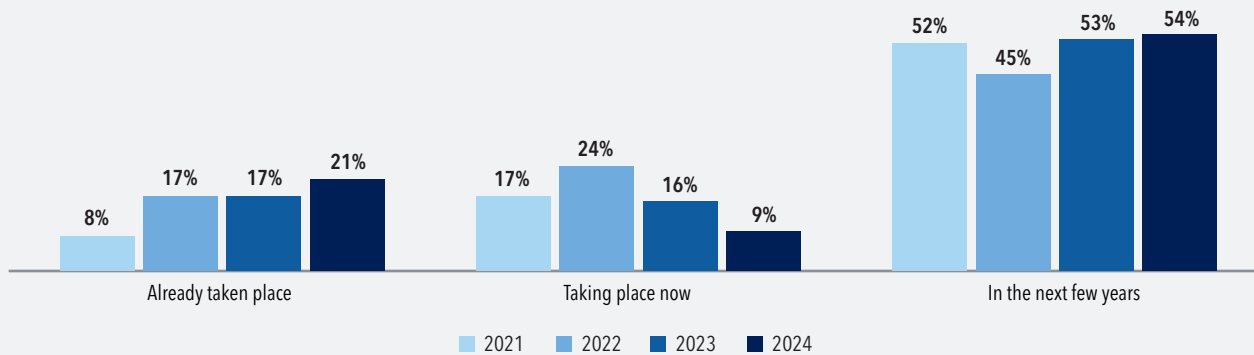


Figure 15A Largest Wave of Retirements



Retirement Preparedness

Of those expressing an opinion, 52% felt that their employees were financially prepared for retirement. While this total omits those who responded that they “don’t know,” this is the first time in the dozen years this question has been part of the survey that those responding “yes” have outnumbered those responding “no” (see Figure 16A). This increase may be attributed to a variety of factors, among them the inflation experienced in the past few years and broad-based pay increases to keep wages competitive (see also Figures 5A and 21A).

Retirement and Other Benefit Changes

The predominant response on both retirement changes (for either current or new employees; Figures 17 and 18) and benefit changes (Figure 19) is that there were no changes in the past year. Where changes were reported, most changes involved contribution amounts or cost shares as opposed to structural reforms.

Figure 16 **Do you feel your employees are prepared financially for their retirement?**
(n = 295)

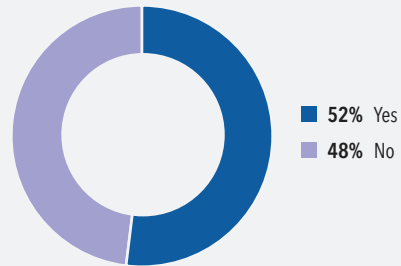


Figure 16A **Do you feel your employees are prepared financially for their retirement?**

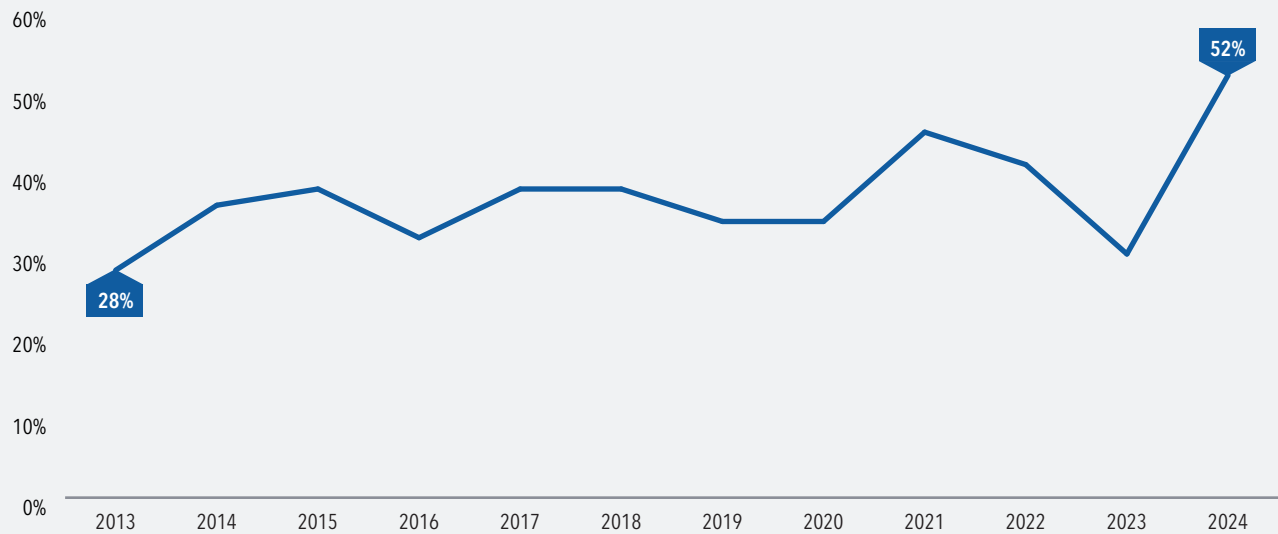


Figure 17 **Over the past year, what changes, if any, has your government made to the retirement benefits for current employees?** (n = 294)

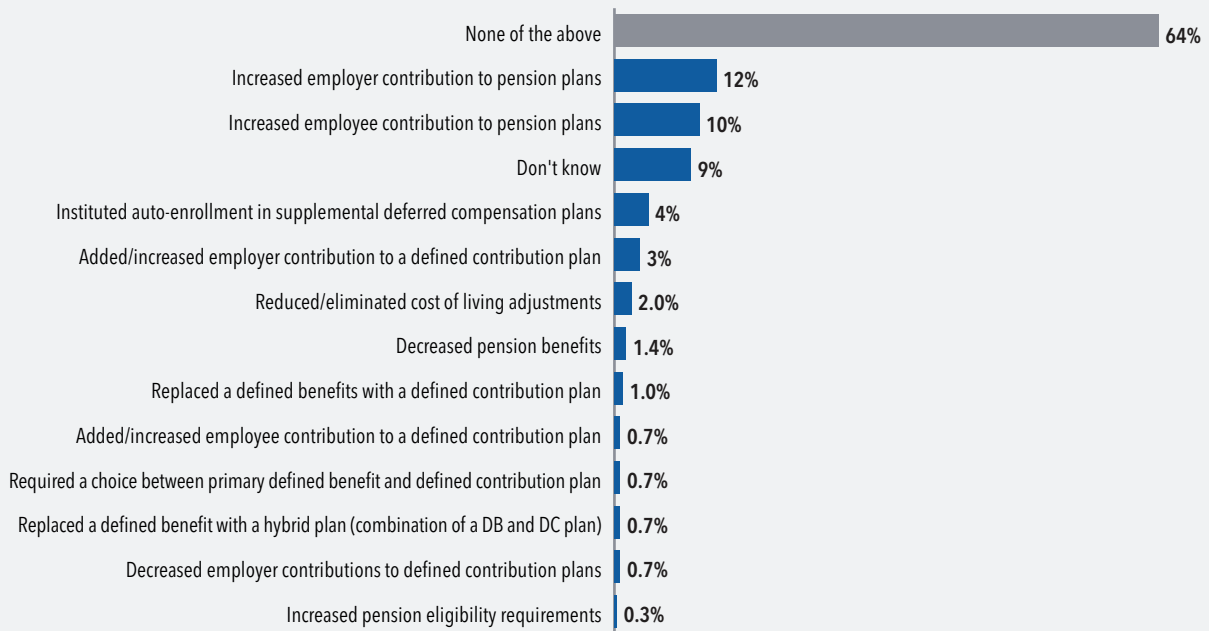


Figure 18 **Over the past year, what changes, if any, has your government made to the retirement benefits for new employees?** (n = 294)

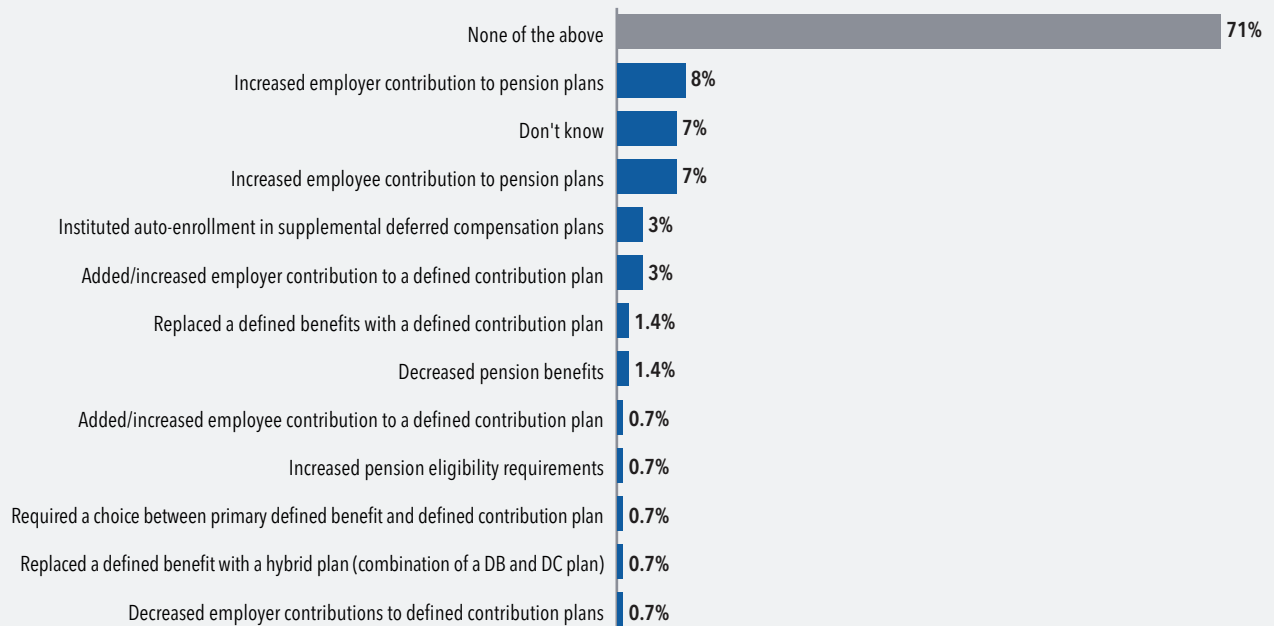
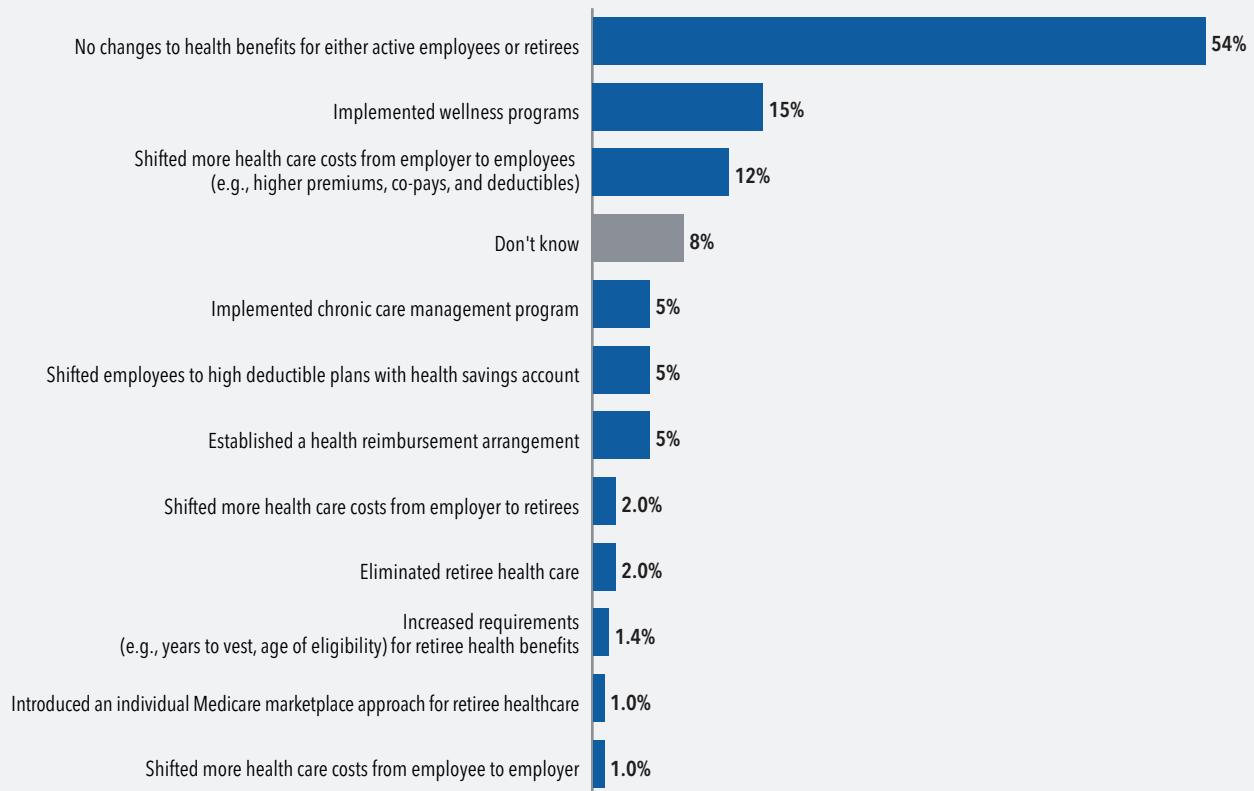


Figure 19 **Over that past year, what changes, if any, has your government made to the health benefits provided to employees or retirees?** (check all that apply; n = 293)

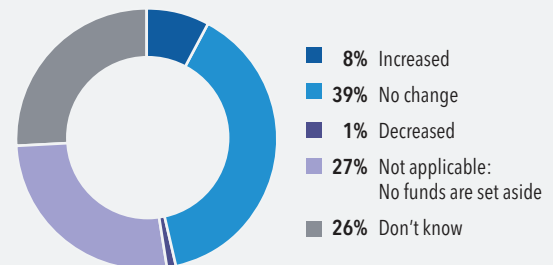


Beyond financial changes, the other most-reported health benefit changes were implementation of programs in wellness (15%), and chronic care management (5%).

Among the other approaches cited were efforts to decrease the waiting period before newly hired employees would be eligible for health insurance or to use the health clinic.

Regarding retiree health, 8% reported that the level of funding set aside for this expense had increased in the past year, while 1% said it had decreased (Figure 20). The much more common responses were either that there had been no change, the respondent did not know, or that either retiree health care coverage was not provided or no such funds were set aside.

Figure 20 **How, if at all, have funds set aside for retiree health benefits changed in the past year?** (n = 293)



Competitiveness of Salary, Benefits, and Total Compensation

This survey has long asked about the competitiveness of wage and benefits compensation, and the responses have typically been consistent with employee surveys in finding that benefits compensation is more likely to be competitive with the labor market. In 2024, this question was expanded to ask about total compensation as well, particularly as employers are working to emphasize the value of all the insurance, financial, and non-traditional benefits offerings made available to their employees and make a stronger case for employee retention. As shown in Figure 21, 73% of HR managers feel the total compensation they are offering is competitive.

While 60% of HR managers feel their wage compensation is competitive, the Institute’s infographic [35 and Under in](#)

[the Public Sector: Priorities, Expectations, and Satisfaction](#) shows that for 59% of those employees, their salaries either met or exceeded their expectations.

The perception of competitiveness relates to inflation and to actions to increase base wages. From 2016 to 2020, there was relative stability with the shares that saw wages as being competitive (average 58%) and that were implementing broad-based pay increases (36%; actual rates of pay increases not collected prior to 2024. See also Figure 5A and 16A). The share of those offering broad-based increases hit a low point in 2021 (20%). That, coupled with rising inflation in 2021 and 2022, likely contributed to a decrease in the perception of competitiveness (44% in 2022). Wage increases were more common in 2023 and 2024, and the perception of competitiveness also increased.

Figure 21 **Do you feel the compensation you offer your employees is competitive with the labor market?** (n = 292)

In the callouts, the percentage who feel the compensation offered to employees is competitive with the labor market is broken down by local and state governments.

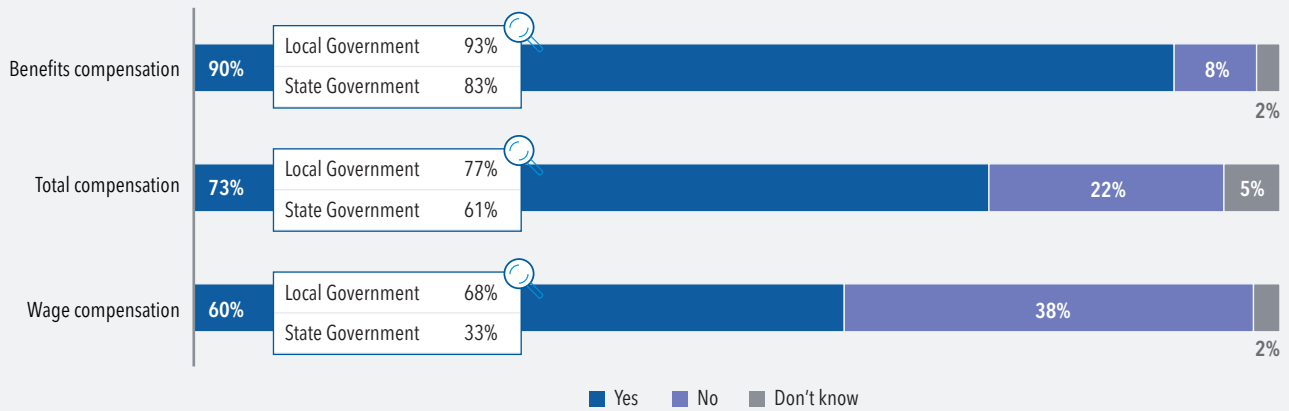
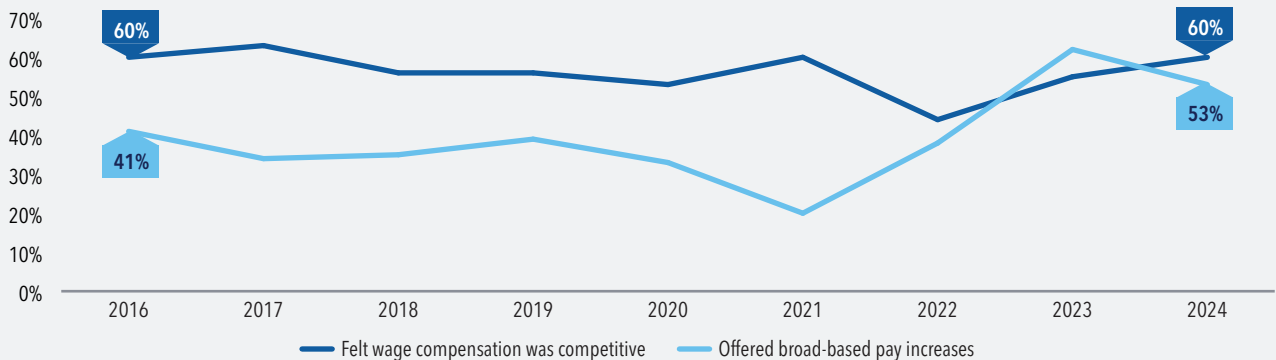


Figure 21A **Percentages offering broad-based pay increases and perceiving their wage compensation to be competitive**



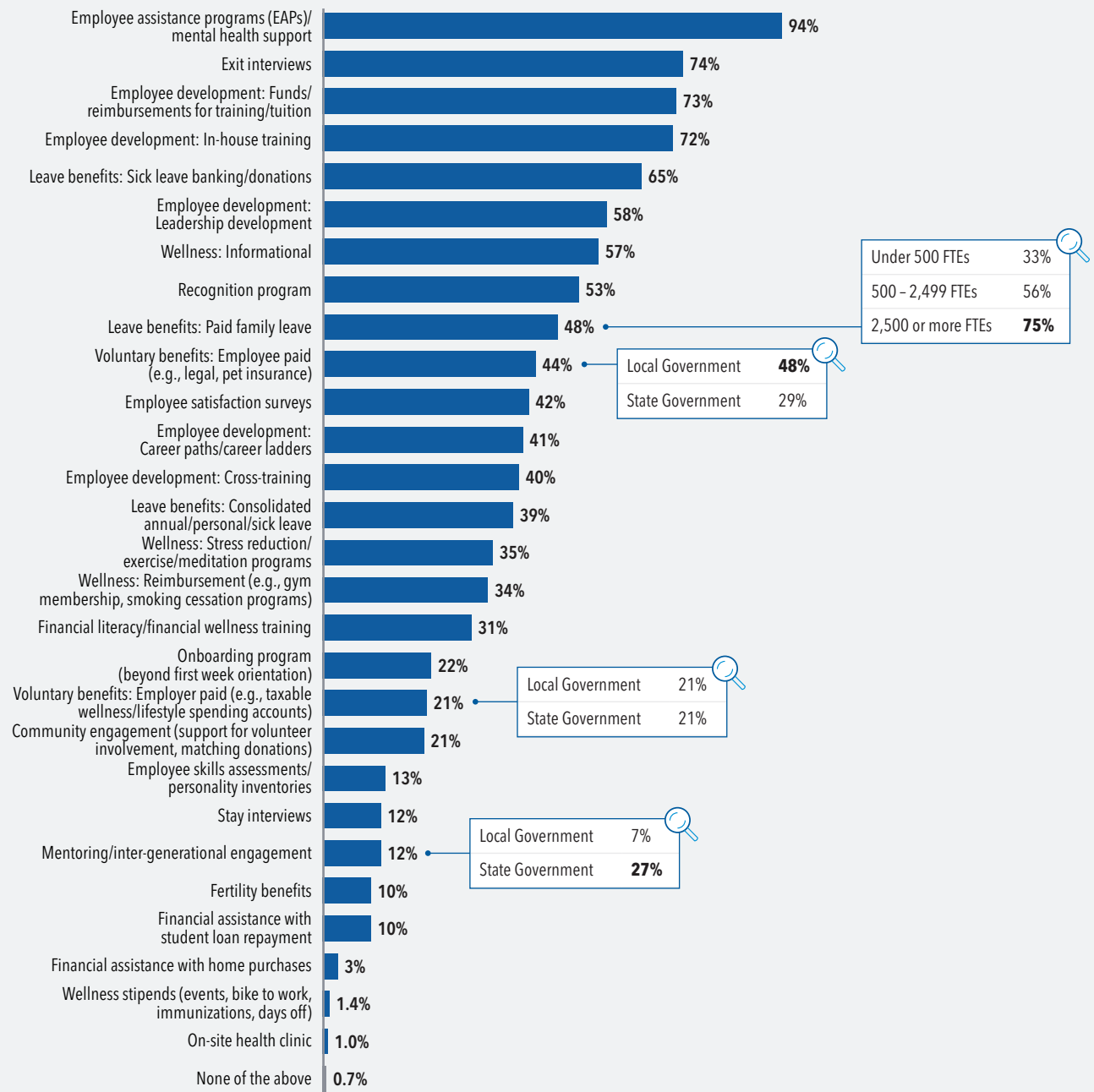
Employee Retention

The most common employee retention initiatives are those that focus on mental or physical wellness, employee development, and exit interviews (Figure 22).

Since 2023, the percentage providing paid family leave is up from 33% to 48%, and those providing support for community volunteer involvement is up from 15% to 21%.

Figure 22 **Which of the following programs does your organization currently use to encourage employee retention and development?** (check all that apply; n = 295)

In the callouts, select programs are broken down by government size based on full-time employees (FTEs), and by local and state governments. The bolded numbers highlight the highest percentages.



Mentoring declined steadily from a high of 25% in 2018 to 7% in 2022 and 2023, potentially related to a decline in in-person employee engagement. It increased again this year to 12%.

Exit interviews aside, stay interviews are becoming more common as a means of keeping lines of communication open and employees feeling valued. They were cited by 8% of respondents in 2018 and 2019, and by 12% in 2024.¹⁷

While paid family leave was more likely to be reported in larger governments, some smaller governments have found it to be a net positive for their organizations. As part of the

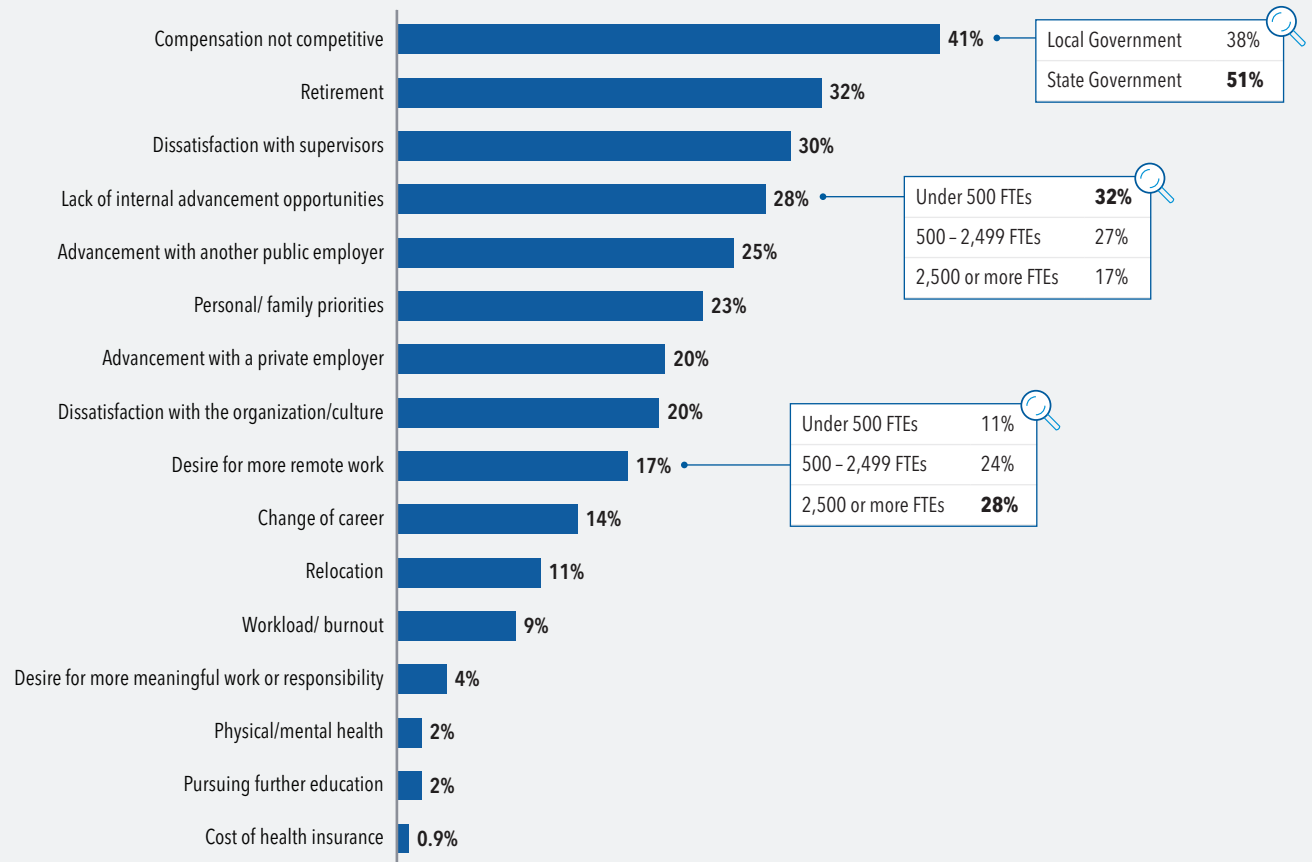
2023 ICMA Annual Conference, the communities of Glen-coe, Illinois, and River Falls, Wisconsin, shared their experience providing paid family leave.¹⁸

The only new item queried this year was fertility benefits, which are being offered by 10% of respondents, split evenly among both large and small organizations.

Exit interview comments showed compensation atop the list of reasons employees cited for leaving, followed by retirement, dissatisfaction with supervisors, and lack of opportunities for advancement (Figure 22A).

Figure 22A **In exit interviews with departing employees, which of the following have been cited as among the top three reasons for leaving?** (n = 213)

In the callouts, select reasons for leaving are broken down by government size based on full-time employees (FTEs), and by local and state governments. The bolded numbers highlight the highest percentages.



Organizational Priorities

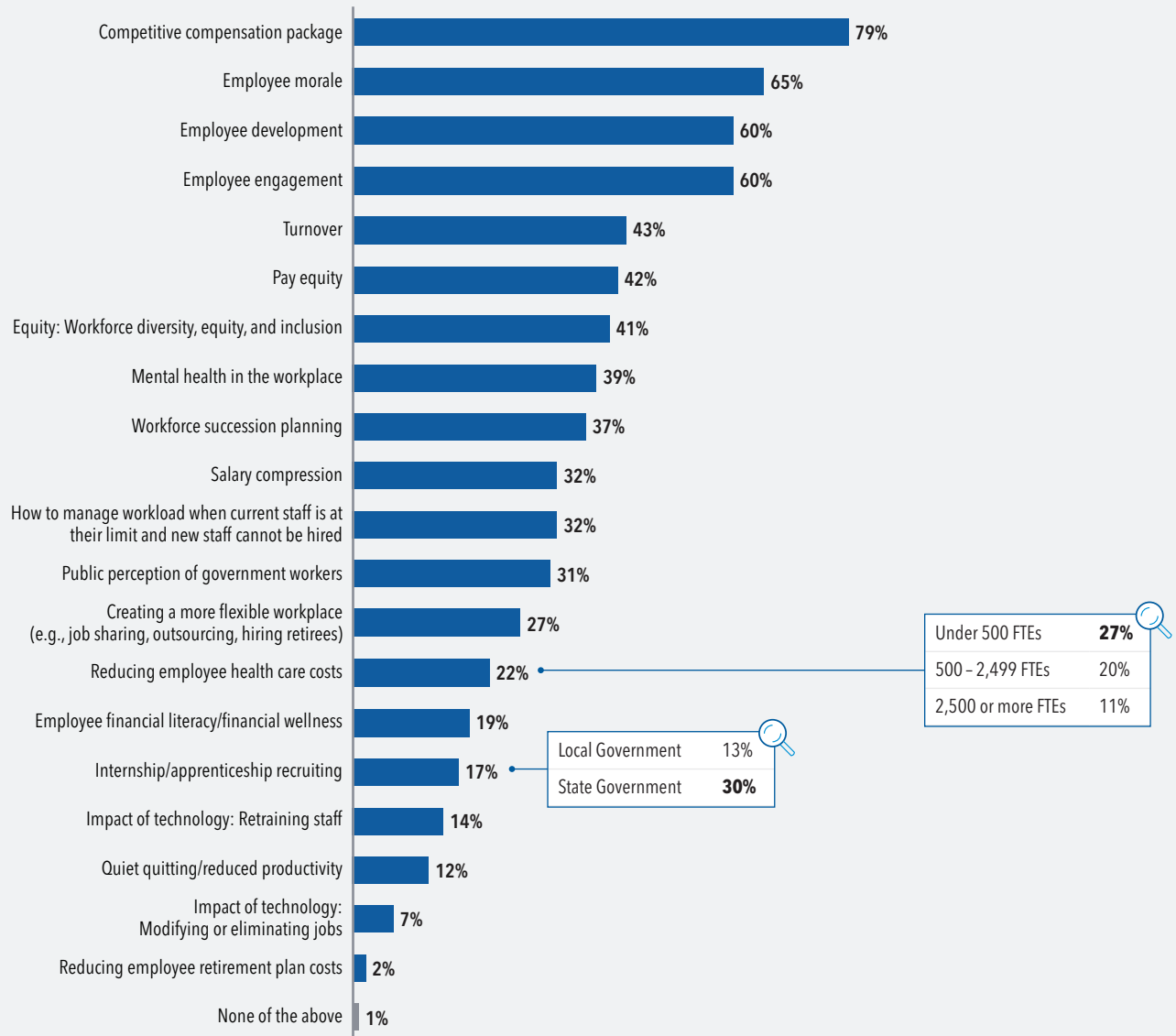
Mirroring the exit interview findings, a competitive compensation package was also the top item in the list of very important organizational priorities (79%; Figure 23).

The format of this question changed in 2024, dropping the former distinction between “important” and “somewhat important” in favor of a single category of “very important.”

As a result, the share reporting each as “very important” is somewhat lower than what was reported as important in 2023. Thus, rather than comparing this year’s specific percentages to prior years, it’s worth noting that the top two items for each year since 2018 are a competitive compensation package and employee morale.

Figure 23 **Which of the following workforce issues are very important to your organization?**
(check all that apply; n = 290)

In the callouts, select workforce issues are broken down by government size based on full-time employees (FTEs), and by local and state governments. The bolded numbers highlight the highest percentages.



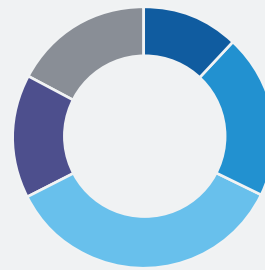
Toward the middle of the list is succession planning (viewed as very important by 37% of respondents). Given the relevance of succession planning to the still-cresting wave of pending retirements, the Institute revisited a question last asked in 2016.

Figure 24 shows that 12% currently have a succession planning process in place, while 20% are developing one. This data indicates little change since 2016, when 11% had a process and 27% indicated that they were developing one.¹⁹ If indeed the largest share of pending retirements is going to be occurring in the next few years, the completion of any formal or informal processes would help to ease that transition to the next generation of state and local government leaders and potentially also mitigate the exit interview concerns about a lack of internal advancement opportunities.

The final question in the survey allowed respondents to share an open-ended response to detail what workforce initiative had been most successful and what results they had achieved. Many responses fell into categories already discussed elsewhere (e.g., compensation studies leading to pay increases, improved morale, or increased applications), but some sample comments included:

- "A comprehensive advertising campaign has increased our talent pool by 3%. Also, partnering with our local **high school** career/technical programs has increased our visibility to 15 - 17 year-olds exponentially."
- "**Flexible schedules** were introduced as well as casual dress. This encourages people to prioritize their home-life so they are better prepared to come to the office and work. It also allows some to work from home and there has been notable increase in productivity, fewer 'sick' days, and better morale and culture."
- "Our **mental well-being** program, which includes a mandatory mental well-being check-in for all employees and mental health professionals available when needed who have completed 'ride alongs' and job shadowing with us."
- "Social media-based employee **recognition** program has increased employee morale and educated the community about our workforce."
- "Updating **salary survey** every other year; employees appreciate the focus"

Figure 24 **How would you describe your organization's succession planning?** (n = 294)



- 12% Have a process
- 20% Are currently developing a formal succession planning process
- 35% Will likely develop a formal succession planning process in the next 5 years
- 15% Will not develop a formal process in the next 5 years
- 17% Don't know

Conclusion

To sum up this year's survey findings:

- **Recruitment** has become somewhat less challenging, with improvements across a range of occupations including information technology, policing, dispatch, engineering, nursing, and maintenance work.
- Overall **staffing has returned to pre-pandemic levels**, although variation continues by agency type or occupation.
- The anticipated **retirement wave** has still not fully hit, but is expected in the next few years, making next-generation recruitment and **succession planning** even more important, whether for those currently developing a process or those that have not yet begun.
- Employers are trying a range of initiatives to encourage applications, hiring, and retention, ranging from **pay increases** and **bonuses** to changes in **educational requirements** or **organizational policies**. There is general agreement that where policy changes have been implemented, the number of applicants has increased, with mixed results on time to hire and applicant quality.
- More than half of respondents feel their employees are **prepared for retirement**.

Beyond financial and policy-related changes, and following the example of the survey respondents, governments can emphasize communication, both with job prospects and existing employees:

- Reaching out to **new audiences** of potential job candidates
- Explaining the **full value** of compensation packages
- Appealing to candidates' interest in **community service**
- Soliciting **employee feedback** in satisfaction surveys and stay interviews, and
- Pursuing other methods of **engagement** with employees around mentoring, employee resource groups, or professional development and advancement goals.

With this data from HR managers, together with the Institute's research on public sector workers and related breakouts by age, profession, gender, and race/ethnicity, employers can better understand what motivates their current or prospective employees and more readily tailor their communications and recruitment and retention initiatives to be successful at maintaining a talented workforce and managing the ongoing generational turnover.

Resources

- [Employment Trends in State and Local Government: 2024 Snapshot and Projections](#)
- [35 and Under in the Public Sector: Why Younger Workers Enter and Why They Stay \(or Don't\)](#) and related issue briefs with Comparisons by [Gender](#), [Race/Ethnicity](#), [Industry](#), and [Age](#)
- [35 and Under in the Public Sector: Priorities, Expectations, and Satisfaction](#)
- [Student Debt in State and Local Government: Impacts on Select Occupations](#)
- [Local Government 2030: Initiatives to Grow a Resilient Workforce and Promised Pathways: Integrating Justice Impacted Individuals into Public Service](#)
- [Automatic Enrollment and Automatic Escalation in State and Local Government Defined Contribution Plans](#)
- [Examining the Financial Wellbeing of the U.S. Public Service Workforce](#)
- [Public Sector Employee Financial Wellness Program Needs and Preferences](#)
- [State and Local Government Employees: Morale, Public Service Motivation, Financial Concerns, and Retention](#)
- [Diversity, Equity, and Inclusion in the Public Service Workforce](#)
- Managing Workforce Diversity, Equity, and Inclusion in Local Government, Parts I and II: [Survey Results](#) and [In Their Own Words](#)

Endnotes

1. Current Employment Statistics, U.S. Bureau of Labor Statistics.
2. For additional detail on staffing changes, see [Employment Trends in State and Local Government: 2024 Snapshot and Projections](#)
3. [State and Local Government Workforce Survey Results 2023](#)
4. [Job Openings and Labor Turnover Survey](#), U.S. Bureau of Labor Statistics. For state and local government from 2001-2019, the average annual job opening rate was 1.9%. In 2022, it reached 4.5%, before declining to 4.2% in 2023. The quit rate averaged 0.7% over that same time period before peaking 1.1% in 2022 and declining to 0.9% in 2023.
5. [35 and Under in the Public Sector: Why Younger Workers Enter and Why They Stay \(or Don't\)](#), MissionSquare Research Institute, September 2023.
6. [Employment Trends in State and Local Government: 2024 Snapshot and Projections](#)
7. Regarding the impacts of technology, in 2019, 37% identified the importance of considering the modification or elimination of jobs, and in 2021, 30% identified the importance of retraining staff. That these responses decreased to 7 and 14%, respectively, in 2024 may be a reflection of the predicted change not yet having manifested or the primacy of other very important priorities like maintaining a competitive compensation package.
8. Elizabeth Montalbano, [AI poised to replace entry-level positions at large financial institutions](#), CIO, April 12, 2024.
9. Michael E.M. Lee, Daniel Hayes, Craig S. Maher, [AI as a Budgeting Tool: Panacea or Pandora's Box?](#), Public Finance Journal, volume 1, number 1, 2024.
10. [Diversity, equity, and inclusion in the public service workforce](#), MissionSquare Research Institute, September 2021.
11. [35 and Under in the Public Sector: Why Younger Workers Enter and Why They Stay \(or Don't\)](#), MissionSquare Research Institute, September 2023
12. [35 and Under in the Public Sector: Comparisons by Gender](#), MissionSquare Research Institute, February 2024.
13. [35 and Under in the Public Sector: Comparisons by Race/Ethnicity](#), MissionSquare Research Institute, March 2024.
14. [Managing Workforce Diversity, Equity, and Inclusion in Local Government, Parts I: Survey Results](#), MissionSquare Research Institute, July 2022.
15. [Meeting the Challenge of America's Peak 65 Moment](#), Alliance for Lifetime Income
16. No occupations were deemed hard to fill by more than 30% of respondents in 2016, and only one (policing, at 32%) passed that threshold in 2019. For many other positions, the difficulty in recruiting had begun to grow before 2020, but accelerated significantly with the pandemic and the subsequent Great Resignation. Engineering positions, for example, were considered hard to fill by 15% of respondents in 2016, 23% in 2018, and 29% in 2019, but then by 52% in 2021 and 78% in 2022.
17. For a sample list of stay interview questions, see [Resetting Organizational Culture with the Power of Stay Interviews](#), May 1, 2024, ICMA.
18. See Phil Kiraly, Scot Simpson, and Sharon Tanner, [Making Paid Family Leave a Reality in Small and Mid-Sized Cities](#), presentation at 2023 ICMA Annual Conference, Further documents and recordings from ICMA conference sessions are available to conference registrants at <https://learninglab.icma.org/>.
19. [Succession Planning](#), MissionSquare Research Institute (formerly Center for State and Local Government Excellence), 2016.

MissionSquare Research Institute (formerly the Center for State and Local Government Excellence at ICMA-RC) promotes excellence in state and local government and other public service organizations so they can attract and retain talented employees. The organization identifies leading practices and conducts research on retirement plans, health and wellness benefits, workforce demographics and skill set needs, labor force development, and topics facing the nonprofit industry and the education sector. MissionSquare Research Institute brings leaders together with respected researchers. For more information and to access research and publications, visit research.missionsq.org and follow on [LinkedIn](#).

