June 2023

State and Local Workforce

2023 Survey Findings

Acknowledgements

Executive Summary

MissionSquare Research Institute has been partnering with the National Association of State Personnel Executives (NASPE) and 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.

Recruiting and retaining public employees remains a challenge, but governments are finding success with creative outreach techniques, professional development to help employees to gain new skills, and ongoing employee engagement.

This report discusses data from the 2023 state and local government workforce survey, along with related data from prior surveys in the series.

The online survey was conducted from March 10 to April 25, 2023, with a total of 249 state and local government human resources managers responding.

Among the survey highlights:

17% of governments reported their **full-time staffing increased by 5% or more**, while 6% said staffing decreased by 5% or more (Figure 3B).

13% more governments report employees accelerating retirement plans than postponing them (Figure 14).

55% see their compensation as being competitive (Figure 18), while 89% see their benefits that way (Figure 19). Relatedly, 62% report providing broad-based pay increases (Figure 5).

Only **30% feel their employees are prepared for retirement** (Figure 20).

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

29% **dropped degree requirements** for some positions (Figure 5).

9% are offering **on-the-spot conditional job offers** (Figure 6).

9% have **mobile apps** for submitting and tracking applications (Figure 6).

Hiring bonuses are being offered either broadly (5%) or in a targeted manner (29%; Figure 7), but only 16% are analyzing data on their total cost and effectiveness as a recruiting tool (Figure 27).

36% report an increase in **time to hire** (Figure 11), with 51% saying they frequently have to re-open recruitments because there were **insufficient qualified candidates** (Figure 10).

51% see **salary compression** as an important issue (Figure 29).

Respondents

A total of 249 human resource managers responded to the survey, with 80% from local government (including cities, counties, villages, towns, and special districts) and 20% representing state agencies (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 31% having 500-9,999 FTEs. The remaining 14% reported having 10,000 or more employees (see Figure 2).

Where there are significant differences in responses based upon either the agency type or size, those are referenced in the discussion below.
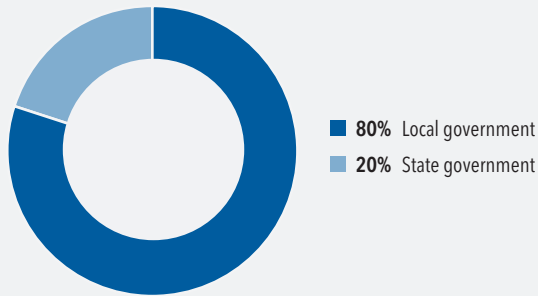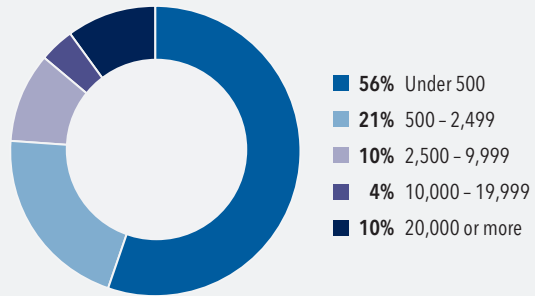
Figure 1 **Survey respondents** (n = 249)

80% Local government
20% State government

Figure 2 **Number of full-time equivalent employees** (n = 216)

56% Under 500
21% 500 – 2,499
10% 2,500 – 9,999
4% 10,000 – 19,999
10% 20,000 or more

Workforce Changes

Most of the respondents to this year's survey indicated that their full-time workforce increased over the past year (see Figure 3), with the size of those reported increases being both: (1) larger than the size of reported decreases (17% cited increases of 5% or more, vs. 6% with decreases of 5% or more), and (2) larger than the increases were in 2021 or 2022 (see Figure 3B).

A larger percentage of respondents indicated that they hired more full-time or part-time staff in 2022 than in 2021, but it was also more common for organizations to report quits and retirements increased rather than decreased (see Figure 4). The net impact has been characterized as the Great Resignation. This can be seen in the attitudes of employees, with 59% potentially changing jobs, retiring, or leaving the workforce entirely, and in national datasets that show that although the private sector has largely recovered, state and local employment still lags its pre-pandemic February 2020 totals. To explore employee attitudes and employment data further, see **State and Local Government Employees: Morale, Public Service Motivation, Financial Concerns, and Retention** and **Issue Brief: State and Local Government Employment Trends, 2023**.

Figure 3 **How, if at all, the size of your full-time workforce changed over the last year?** (n = 244)

- **53%** Increased
- **27%** No change
- **17%** Decreased
- **2%** Don't know
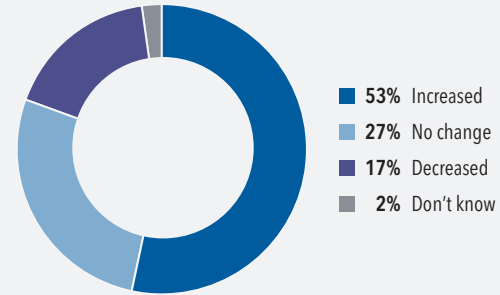
Figure 3b **Change in full-time workforce in the last year** (2021, n = 269; 2022, n = 316; 2023, n = 244)

Increased by more than 10%
- 0.4%
- 3%
- 4%

Increased by 5-10%
- 7%
- 9%
- 13%

Increased by less than 5%
- 14%
- 17%
- 32%

Unspecified increase
- 1%
- 2%
- 5%

No change
- 47%
- 33%
- 27%

Unspecified decrease
- 5%
- 2%
- 4%

Decreased by less than 5%
- 14%
- 7%
- 7%

Decreased by 5-10%
- 8%
- 9%
- 4%

Decreased by more than 10%
- 0.4%
- 4%
- 2%

- 2021
- 2022
- 2023
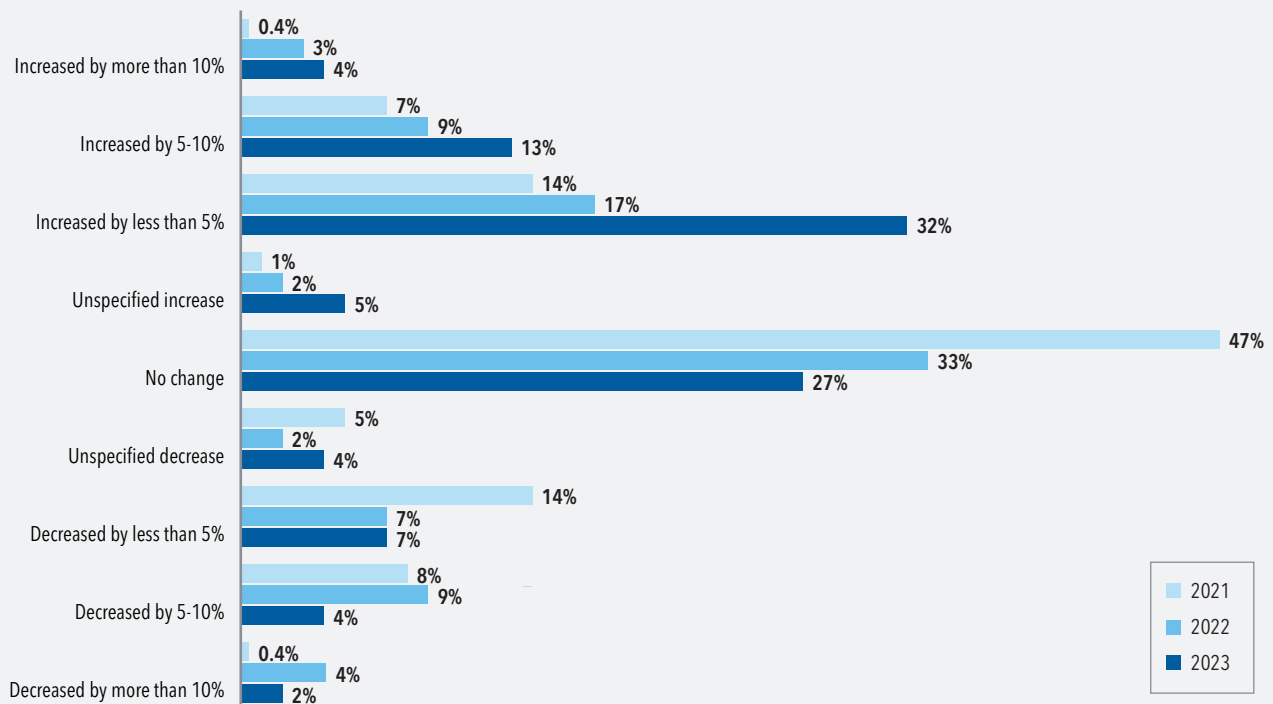
Figure 4 **Regarding changes in the size of your government's workforce in the past year...** (n = 245)

	Higher than in 2021	Same as in 2021	Lower than in 2021	Don't know
Full time employees hired were:	53%	26%	13%	7%
Quits (voluntary, non-retirement separations) were:	45%	34%	11%	10%
Retirements were:	37%	45%	11%	8%
Part-time employees hired were:	31%	46%	12%	12%
Layoffs (excluding terminations for cause or during probationary periods) were:	4%	36%	34%	26%
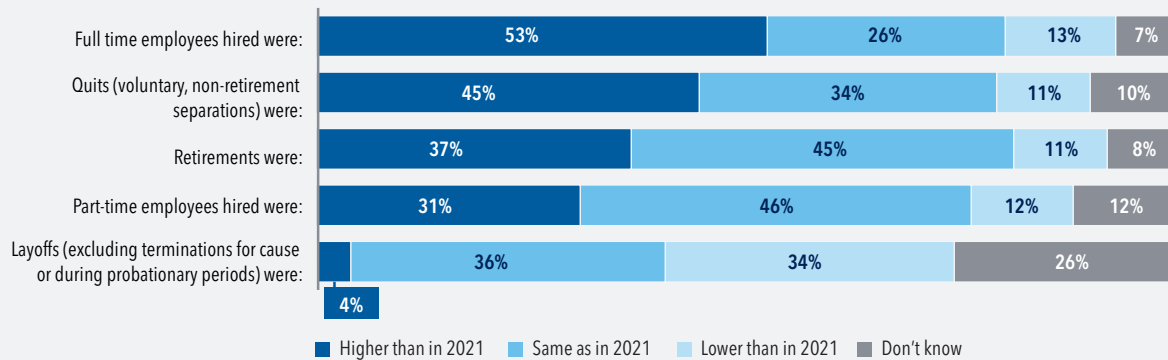
Hiring new, permanent staff was reported by 85% of jurisdictions this year (see Figure 5), which exceeds the percentages reported since this question was added to the survey in 2014. Hiring of staff to work exclusively off-site was reported by 14% when the question was added in 2021, but after dropping to 7% in 2022, it has increased slightly this year to 10%.

Figure 5 **Which of the following workforce actions has your government implemented over the past year?** (Check all that apply) (n = 248)

Hired employees	85%
Compensation or classification study	65%
Broad-based pay increases	62%
Hired temporary or contract employees	46%
Updated job specs for minimum education/skills/licensing	42%
Re-hired (at least part-time) staff that retired from your government	33%
Dropped degree requirements for some positions	29%
Narrow, position-specific pay increases	27%
Hired below minimum qualifications for post-hiring upskilling	20%
Reduced or restructured services to match available workforce	10%
Hired staff to work exclusively off-site	10%
Restructured full-time positions for part-time hires	5%
Early retirement incentives	4%
Layoffs	3%
None of the above	2%
Hiring freezes	2%
Furloughs	1%
Pay freezes	0%
Pay cuts	0%

As organizations are reviewing all aspects of job descriptions, 65% report performing compensation or classification studies, 42% updated specifications for requisite education and skills, 29% dropped degree requirements for at least some positions, and 20% hired below minimum qualifications for post-hiring upskilling.

Structurally, the staff shortage is changing the shape of the workforce as well, with 5% restructuring full-time positions into part-time ones, 10% hiring staff to work exclusively off-site, and 10% reducing or restructuring services due to continuing vacancies. Where retired staff with necessary skills have been available, 33% have re-hired them on at least a part-time basis.

To widen the list of potential job candidates, many governments are dropping degree requirements to focus more on experience rather than credentials.

State governments were more likely to report having made such changes.

Dropped degree requirements for some positions

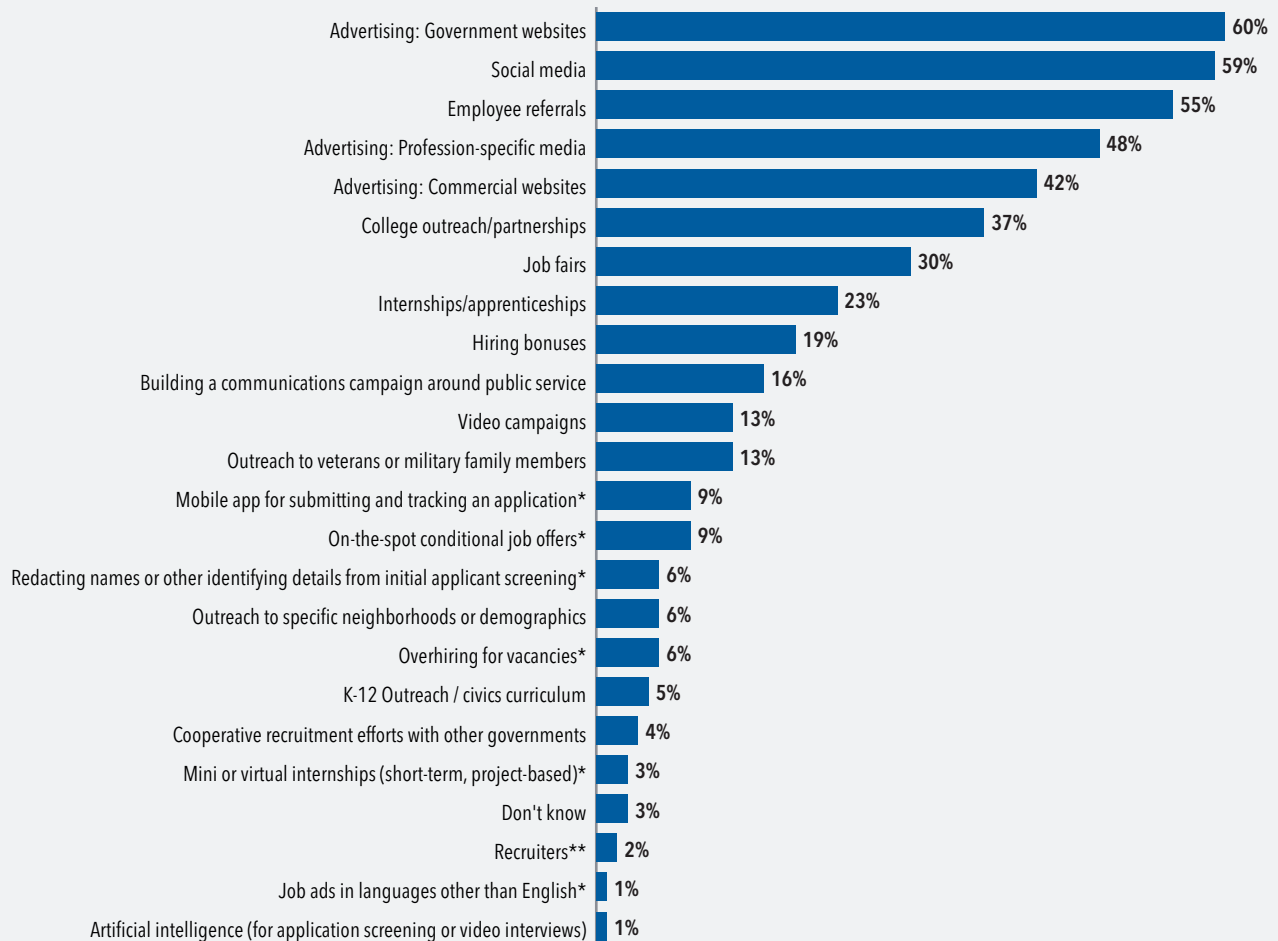|	
State government	**46%**
Local government	**24%**

Recruitment

As in the other recent iterations of this workforce survey, social media was ranked among the top recruitment methods (59%), second only to advertising on government websites (see Figure 6). Other notable strategies include college outreach/partnerships (37%), internships/apprenticeships (23%), and on-the-spot conditional job offers (9%). While 6% reported conducting outreach to specific neighborhoods or demographics, only 1% were placing job ads in languages other than English.

Among the other new line items in this year's question, 9% reported using a mobile app for submitting and tracking

applications, 6% over-hired for vacancies, and 3% offered mini or virtual internships to provide short-term, project-based experience and acquaint potential future candidates with the possibilities of a career in public service. In addition, some used the "other" open response option to indicate they had found success by using recruiters (2%).
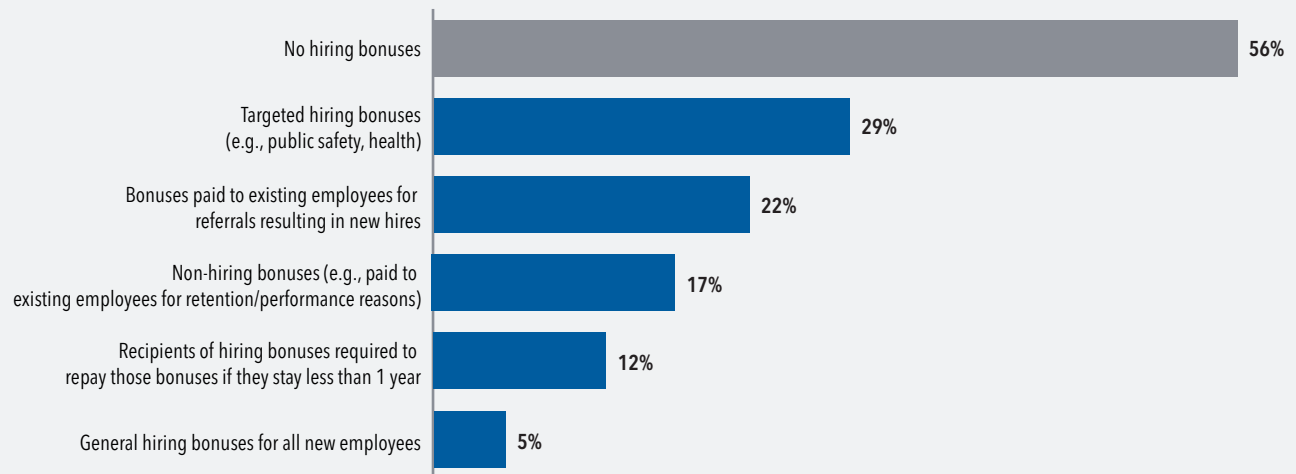
Overall, 19% cited bonuses as an effective recruitment tool in Figure 6, with the most common offerings being targeted bonuses for specific positions (29%) or referral bonuses paid to existing employees (22%; see Figure 7).

Figure 6 **What recruitment practices are most successful in reaching qualified candidates?**
(Check all that apply) (n = 231)

Recruitment practice	%
Advertising: Government websites	60%
Social media	59%
Employee referrals	55%
Advertising: Profession-specific media	48%
Advertising: Commercial websites	42%
College outreach/partnerships	37%
Job fairs	30%
Internships/apprenticeships	23%
Hiring bonuses	19%
Building a communications campaign around public service	16%
Video campaigns	13%
Outreach to veterans or military family members	13%
Mobile app for submitting and tracking an application*	9%
On-the-spot conditional job offers*	9%
Redacting names or other identifying details from initial applicant screening*	6%
Outreach to specific neighborhoods or demographics	6%
Overhiring for vacancies*	6%
K-12 Outreach / civics curriculum	5%
Cooperative recruitment efforts with other governments	4%
Mini or virtual internships (short-term, project-based)*	3%
Don't know	3%
Recruiters**	2%
Job ads in languages other than English*	1%
Artificial intelligence (for application screening or video interviews)	1%

*Response options noted were new to the survey in 2023.

** Responses provided via the "other" open response option.

Figure 7 **What types of bonus policies or other incentives are in place** (Check all that apply) (n = 227)

Category	Percentage
No hiring bonuses	56%
Targeted hiring bonuses (e.g., public safety, health)	29%
Bonuses paid to existing employees for referrals resulting in new hires	22%
Non-hiring bonuses (e.g., paid to existing employees for retention/performance reasons)	17%
Recipients of hiring bonuses required to repay those bonuses if they stay less than 1 year	12%
General hiring bonuses for all new employees	5%

To limit the number who might accept a bonus and then resign soon after, 12% require those who stay less than one year to repay any bonus they received.

Regardless of governments' desire to hire, vacancies for many key occupations remain hard to fill (see Figure 8).

Staffing shortages are most commonly reported to impact public safety, public health, engineering, and skilled trades, but also areas like business and financial operations (46%). Indeed, shortages of accountants are **impacting city credit ratings** due to delays in completing financial disclosure documents.

Although there was no consensus about "other" hard-to-fill positions, several examples shared included those that required technical or subject-matter expertise (e.g., GIS technicians, traffic signal engineers, deputy city clerks, budget analysts, airport operations staff, and forensic pathologists).

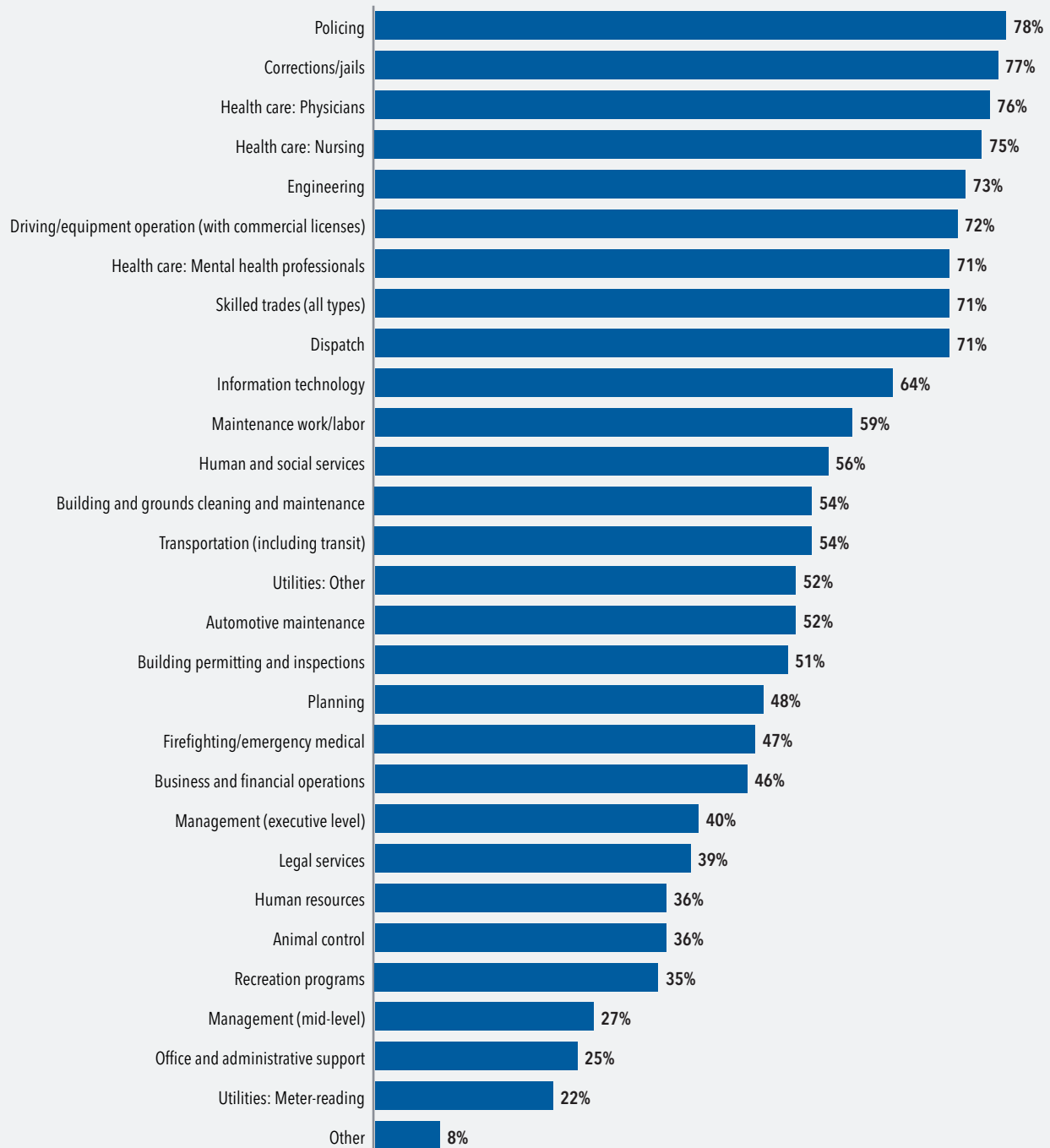Several questions in this survey have been asked on a recurring basis, but not every year. For example,

Top skill sought in new hires (2022):
Analytical/critical thinking

To see data for this and other questions not surveyed on an annual basis (e.g., extent of gig hiring, performance assessment applicable to remote work), see **Survey Findings: State and Local Workforce 2022**.

Figure 8 **Over the past year, what positions, if any, has the organization had a hard time filling?**
(Check all that apply) (n = 249)

Position	Percentage
Policing	78%
Corrections/jails	77%
Health care: Physicians	76%
Health care: Nursing	75%
Engineering	73%
Driving/equipment operation (with commercial licenses)	72%
Health care: Mental health professionals	71%
Skilled trades (all types)	71%
Dispatch	71%
Information technology	64%
Maintenance work/labor	59%
Human and social services	56%
Building and grounds cleaning and maintenance	54%
Transportation (including transit)	54%
Utilities: Other	52%
Automotive maintenance	52%
Building permitting and inspections	51%
Planning	48%
Firefighting/emergency medical	47%
Business and financial operations	46%
Management (executive level)	40%
Legal services	39%
Human resources	36%
Animal control	36%
Recreation programs	35%
Management (mid-level)	27%
Office and administrative support	25%
Utilities: Meter-reading	22%
Other	8%

For a key sampling of occupations, the survey also asked about the number of applications received. For each of the job titles in Figure 9, 70% or more of respondents reported that they received fewer qualified applicants than there were positions available to be filled.

An insufficient number of qualified applicants can lead to a need to re-open recruitments (a strategy used at least somewhat frequently by 51% of respondents; see Figure 10). This can result in an extended time to hire, which 36% reported had increased in the past year, compared to only 19% reporting that it had decreased (see Figure 11).

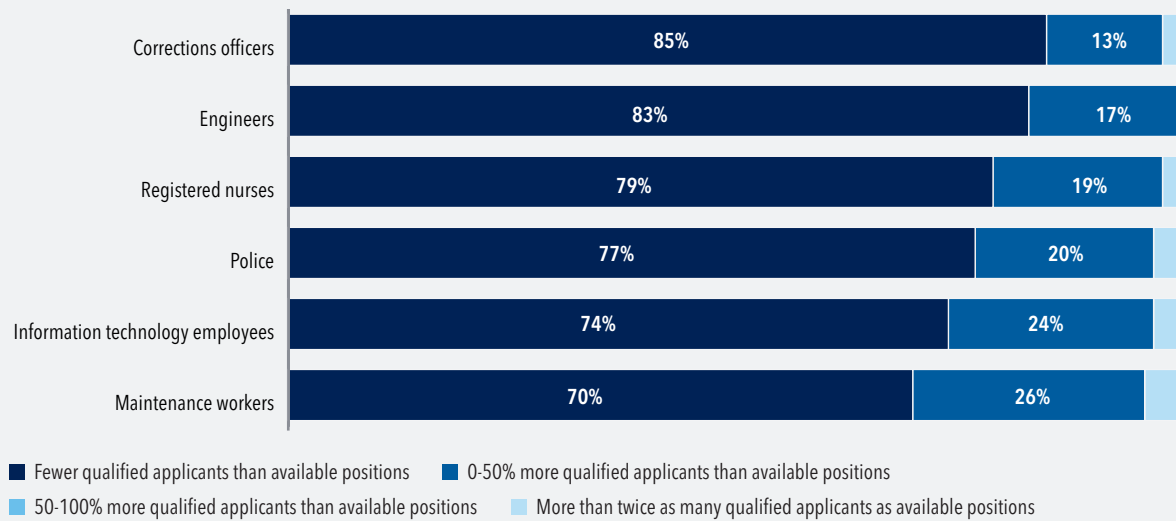## How do governments respond when there are not enough qualified candidates?

Strategies include:

51% Re-open recruitments (very or somewhat frequently)

20% Hire below minimum qualifications for post-hiring upskilling

10% Reduce or restructure services to match available staffing

6% Overhire for vacancies when candidates are available

See Figures 5, 6, and 10.

Figure 9 **Number of applicants this past year compared to the number of positions available** (n = 48 to 145)

	Fewer qualified applicants than available positions	0-50% more qualified applicants than available positions
Corrections officers	85%	13%
Engineers	83%	17%
Registered nurses	79%	19%
Police	77%	20%
Information technology employees	74%	24%
Maintenance workers	70%	26%

■ Fewer qualified applicants than available positions ■ 0-50% more qualified applicants than available positions
■ 50-100% more qualified applicants than available positions ■ More than twice as many qualified applicants as available positions

Note: None of those responding indicated that they received 50-100% more qualified applicants than available positions.

Figure 10 **In the past year, how often did an insufficient number of qualified applicants require recruitments to be re-opened?** (n = 228)
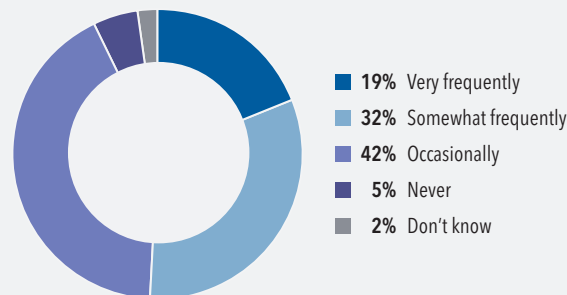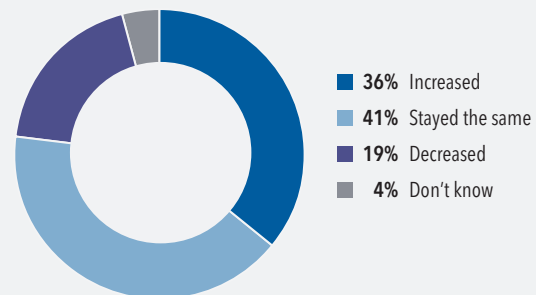

- **19%** Very frequently
- **32%** Somewhat frequently
- **42%** Occasionally
- **5%** Never
- **2%** Don't know

Figure 11 **In the past year, what change (if any) have you seen in time to hire?** (n = 227)

- **36%** Increased
- **41%** Stayed the same
- **19%** Decreased
- **4%** Don't know

Multi-generational Workforce

One way to improve recruitment efforts is to reach out to new pools of potential candidates. Generation Z is generally defined as those born between 1997 and 2012, with the older members of that group now a part of the job market. In assessing how well they were reaching that demographic, 50% of survey respondents said they were very or somewhat successful, compared with 26% indicating they were very or somewhat unsuccessful (see Figure 12).

In part, the effectiveness of reaching this generation is a matter of the strategies employed (e.g., social media, college partnerships, video advertising), but also the ability to tailor the outreach or the benefits offerings to meet the needs of a group that is more likely to be motivated by meaningful work than by far-off retirement benefits. For more on the public service motivations of new generations of job candidates, see **New Career Entrants to Public Service: Lessons for Employers from Fellowship Applicants**.

At the opposite end of the age spectrum, many members of the baby boom generation are at retirement age. Among the survey respondents, 17% said the largest anticipated number of retirements has already taken place, with 16% saying it's taking place right now, and 53% expecting that wave in the next few years (see Figure 13).

This year, 22% noted that retirement-eligible employees were postponing their retirement plans, while 35% were accelerating them (see Figure 14). Several years ago, the tendency was instead for such employees to postpone their retirement plans. The long-term trend on this measure shows more clearly how this shift has played out from the time of the Great Recession through the pandemic (see Figure 14B).

The survey also tracks the implementation of mentorship or inter-generational engagement programs (offered by 7%; see Figures 25 and 25B).

Figure 12 **How successful have efforts been to recruit Generation Z employees or new workforce entrants?** (n = 222)

- **3%** Very successful
- **47%** Somewhat successful
- **24%** Not sure
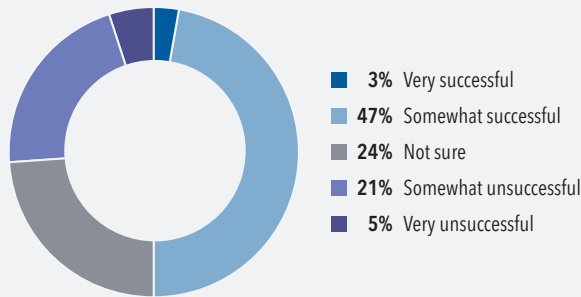- **21%** Somewhat unsuccessful
- **5%** Very unsuccessful

Figure 13 **How would you characterize the impact on your government of the departure of retirement-age baby boomer employees from the workforce?** (n = 211)

- **17%** The largest anticipated number of potential retirements has already taken place
- **16%** The largest anticipated number of potential retirements is taking place right now
- **53%** The largest anticipated number of potential retirements will take place over the next few years
- **15%** No significant wave of retirements has happened or is anticipated over the next few years
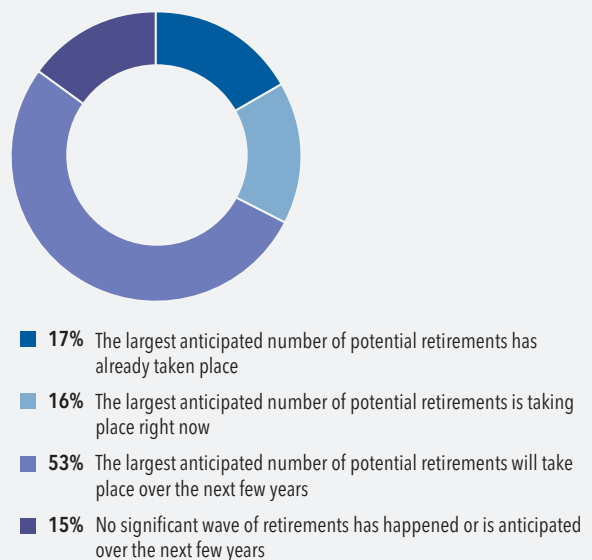
Figure 14 **Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement?** (Check all that apply) (n = 221)

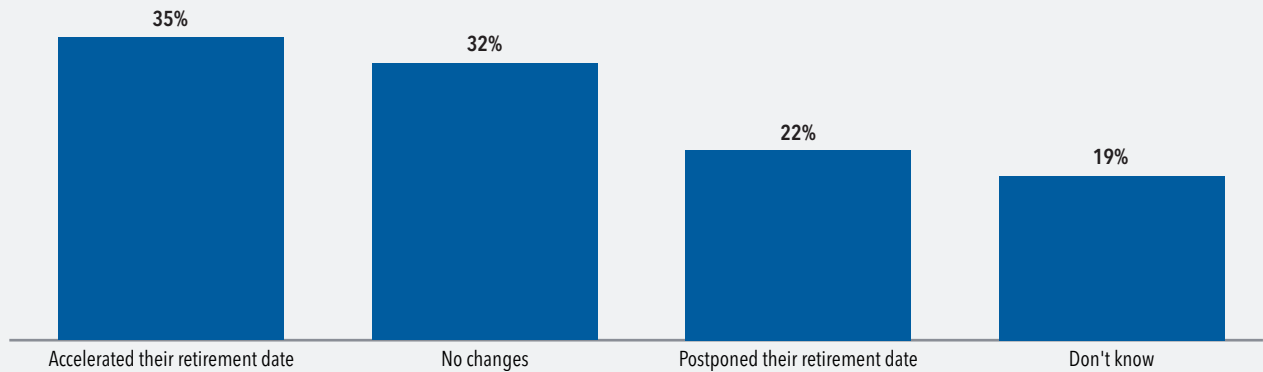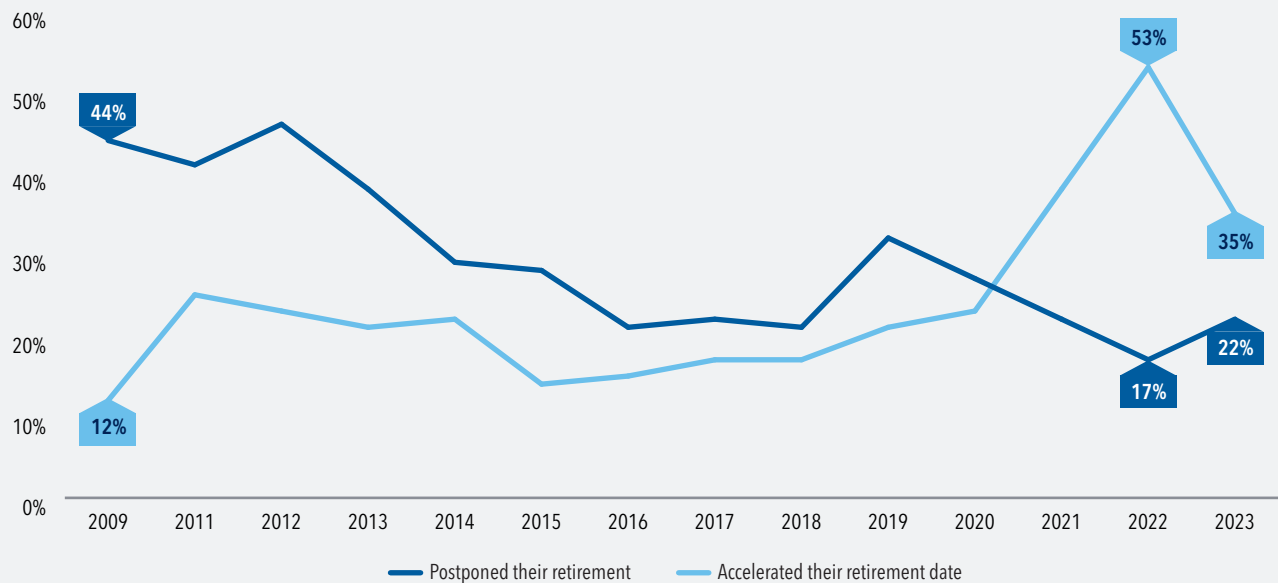| Accelerated their retirement date	No changes	Postponed their retirement date	Don't know
35%	32%	22%	19%

Figure 14b **Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement?** (Detail, 2009-2023)

Legend: —— Postponed their retirement   —— Accelerated their retirement date

Note: Some jurisdictions reported more than one type of action taken. This survey was not conducted in 2010.

Diversity, Equity, and Inclusion (DEI)

Regarding both the racial/ethnic and gender diversity of the workforce, respondents to this year's survey were more likely than those in 2021 to report that their organization is reflective of the community (increased by 11 and 7 percentage points, respectively; see Figures 15 and 16). There was a corresponding decline in the share that said the organization was not as representative as it could be, but that this was being addressed via targeted recruitment or retention (decreased by 10 and 4 percentage points, respectively).

There may be various reasons for the decline in targeted efforts. One might be the difficulty in attracting *any* new employees, potentially leading to a focus on broader incentives such as offering increased salaries or hiring bonuses. Another could be that as older generations of employees are retiring, those taking their places are already more likely to come from more diverse backgrounds.

Beyond these stand-alone questions, various other line items in the survey touch on aspects of DEI, such as:

55% Track diversity in overall staffing, with **36%** tracking it in organizational leadership (Figure 27)

42% Provide workplace diversity, equity, and inclusion **training** (see Figure 25)

11% Support employee affinity/ **resource groups** (see Figure 25)

6% Redact names or other identifying details from initial applicant screening (see Figure 6)

Figure 15 **Racial/ethnic composition of the workforce, 2021 and 2023** (n =224 , 221)

- Reflective of the community: 2021: 38%, 2023: 49%
- Not as representative as it could be. We are addressing via targeted recruitment or retention.: 2021: 36%, 2023: 26%
- Not as representative as it could be. There are no targeted recruitment or retention efforts.: 2021: 19%, 2023: 21%
- Don't know: 2021: 7%, 2023: 4%

2021 ■ 2023
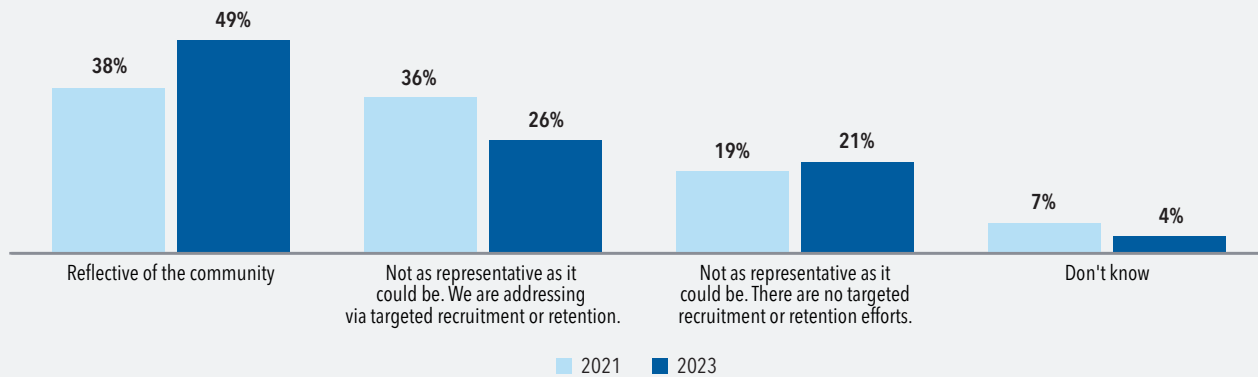
Figure 16 **Gender composition of the workforce, 2021 and 2023** (n =226 , 222)

- Reflective of the community: 2021: 54%, 2023: 61%
- Not as representative as it could be. We are addressing via targeted recruitment or retention.: 2021: 20%, 2023: 16%
- Not as representative as it could be. There are no targeted recruitment or retention efforts.: 2021: 19%, 2023: 19%
- Don't know: 2021: 7%, 2023: 4%

2021 ■ 2023
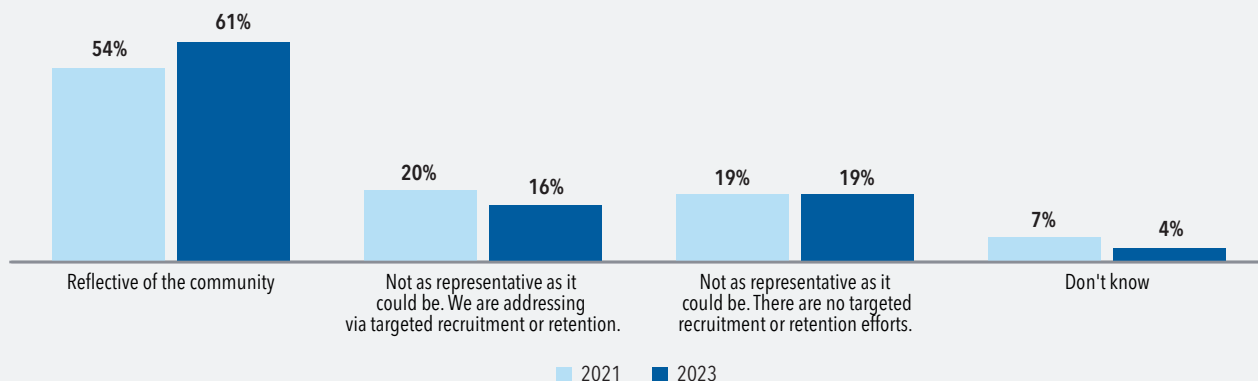
Those possibilities aside, workforce diversity remains a challenge, even for agencies that have made it a priority, and recruiting and retaining diverse staff is one more way to increase recruitment and retention overall. For more in-depth discussion, see Managing Workforce Diversity, Equity, and Inclusion in Local Government – **Part 1 of 2: Survey Data**, and **Part 2 of 2: In Their Own Words**.

The workforce survey also asked about a number of specific strategies to increase representation. One in particular is the **30x30 Initiative**, aimed at increasing the representation of women among the ranks of new police recruits. Among organizations involved in policing, 13% said they were participating in the initiative, while 30% were not, and 58% were unsure.[1] As this initiative is fairly recent in its proliferation, this question will be revisited in a future survey, by which time the percentage unfamiliar with the program will likely decrease.

Figure 17 **If your agency is involved in policing, has the organization committed to the 30x30 Initiative to achieve representation of women in police recruit classes of at least 30% by 2030?**
(n = 144)[1]

- 13% Yes
- 30% No
- 58% Don't know

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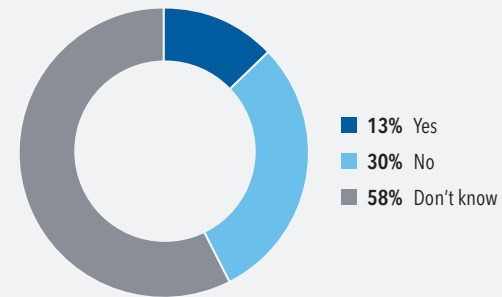
1. Numbers do not sum to 100% due to rounding.

Compensation and Benefits

Compensation offered by state and local governments depends on adopted salary schedules, annual budget decisions, collective bargaining agreements, and availability of supporting revenues. As a result, the flexibility to respond quickly to changing labor market conditions is less than that exercised by private sector employers. This contributes to wage compensation only being perceived as competitive by 55% of respondents (see Figure 18). Indeed, since this question was incorporated into the survey in 2016, wages have never been perceived as competitive by more than 63% of respondents (in 2018).

By contrast, the benefits provided to public sector employees – such as defined benefit (DB) pensions and/

or defined contribution (DC) supplemental plans – serve as an incentive to employee retention. Since many private sector employers no longer offer pensions, this is an area where 89% of survey respondents feel state and local governments have a competitive advantage (see Figure 19).

Despite the provision of those benefits, funding a comfortable retirement entails both sufficient savings and effective planning. Only 30% feel their employees are financially prepared for retirement (see Figure 20). This is one reason an increasing share of state and local governments are sponsoring financial wellness education programs (up from 29% in 2019 to 40% in 2022; see **Public Sector Employee Financial Wellness Program Needs and Preferences**).

Figure 18 **Do you feel the wage compensation you offer your employees is competitive with the labor market?** (n = 219)
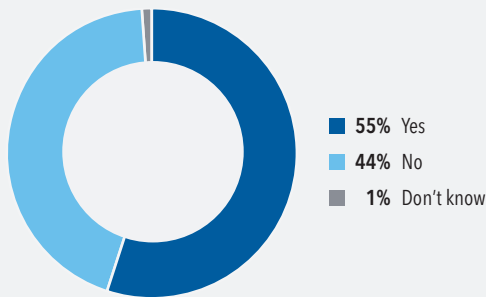

- **55%** Yes
- **44%** No
- **1%** Don't know

Figure 19 **Do you feel the benefits compensation you offer your employees is competitive with the labor market?** (n = 219)

- **89%** Yes
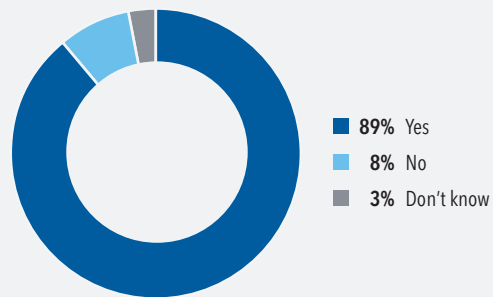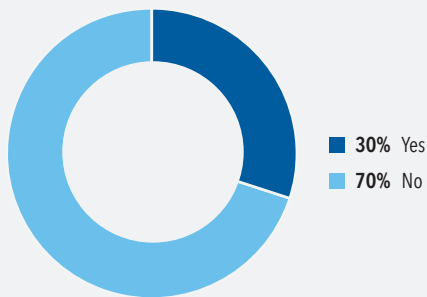- **8%** No
- **3%** Don't know

Figure 20 **Do you feel your employees are prepared financially for their retirement?** (n = 219)

- **30%** Yes
- **70%** No

In terms of the specific structures of benefit plans, most have not changed significantly in the past year. Whether for new or current employees, more than 64% have taken no actions to change their retirement plans (see Figures 21 and 22), while 57% have made no changes in their health benefits (see Figure 23). The most common changes were increased employer or employee contributions, implementation of wellness programs, or auto-enrollment for supplemental DC plans.

Figure 21 **Over the past year, what changes, if any, has your government made to the retirement benefits for new hires?** (Check all that apply) (n = 216)

No actions taken	64%
Increased employer contribution to pension plans	16%
Increased employee contribution to pension plans	13%
Instituted auto-enrollment in supplemental defined contribution plans	5%
Decreased employer contributions to defined contribution plans	4%
Increased pension eligibility requirements	4%
Decreased pension benefits	3%
Replaced a defined benefit with a hybrid plan (combination of a DB and DC plan)	2%
Required a choice between primary defined benefit and defined contribution plan	2%
Reduced/eliminated cost of living adjustments	2%
Replaced a defined benefits with a defined contribution plan	1%

Figure 22 **Over the past year, what changes, if any, has your government made to the retirement benefits for current employees?** (Check all that apply) (n = 216)

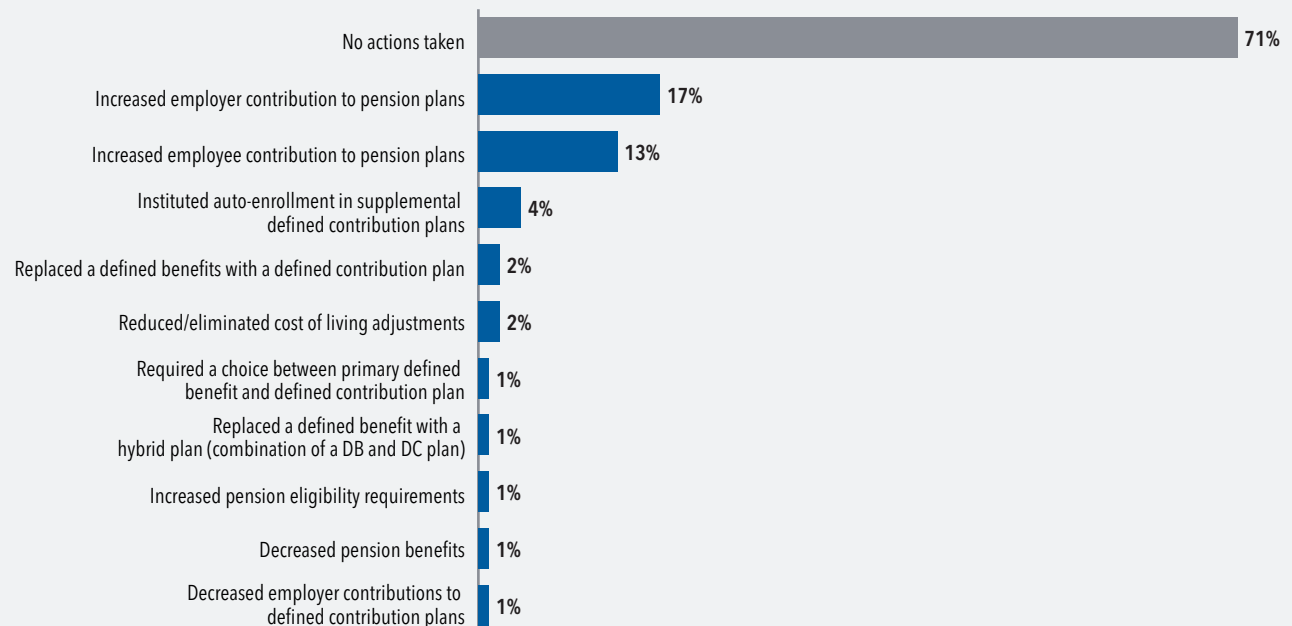|	
No actions taken	71%
Increased employer contribution to pension plans	17%
Increased employee contribution to pension plans	13%
Instituted auto-enrollment in supplemental defined contribution plans	4%
Replaced a defined benefits with a defined contribution plan	2%
Reduced/eliminated cost of living adjustments	2%
Required a choice between primary defined benefit and defined contribution plan	1%
Replaced a defined benefit with a hybrid plan (combination of a DB and DC plan)	1%
Increased pension eligibility requirements	1%
Decreased pension benefits	1%
Decreased employer contributions to defined contribution plans	1%

Figure 23 **Over the past year, what changes, if any, has your government made to the health benefits provided to employees or retirees?** (Check all that apply) (n = 215)

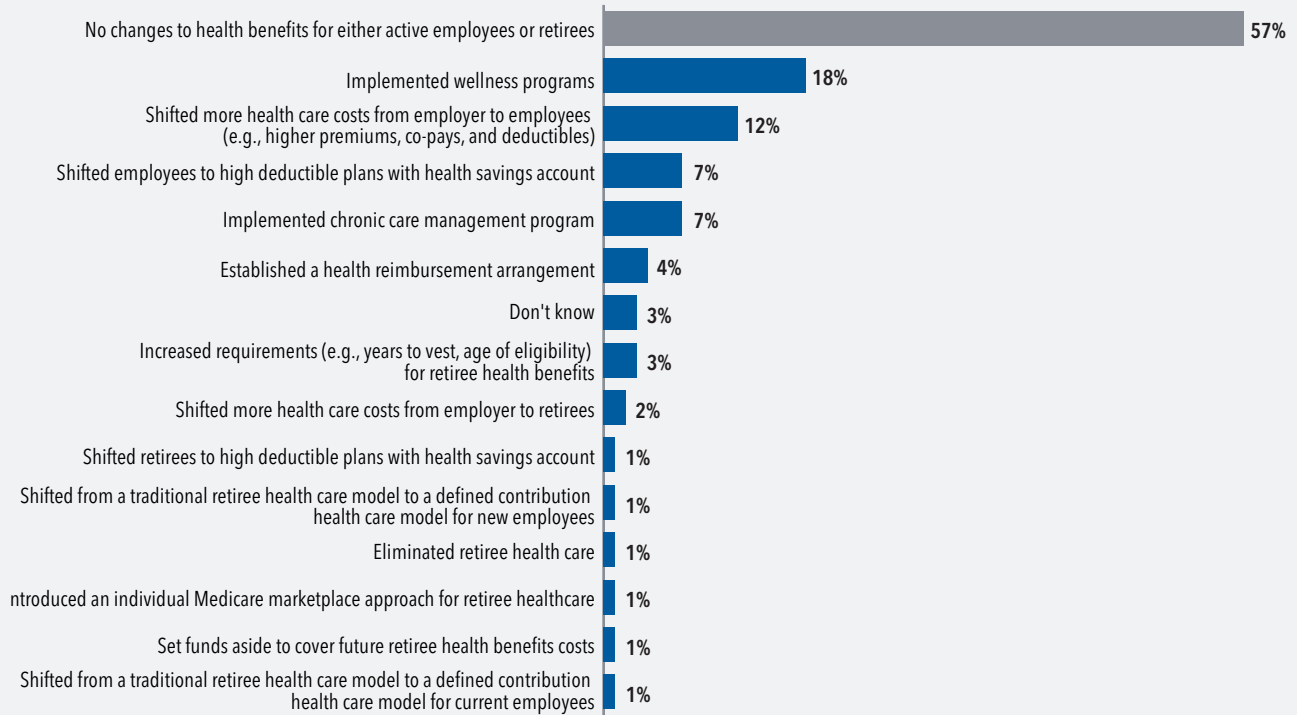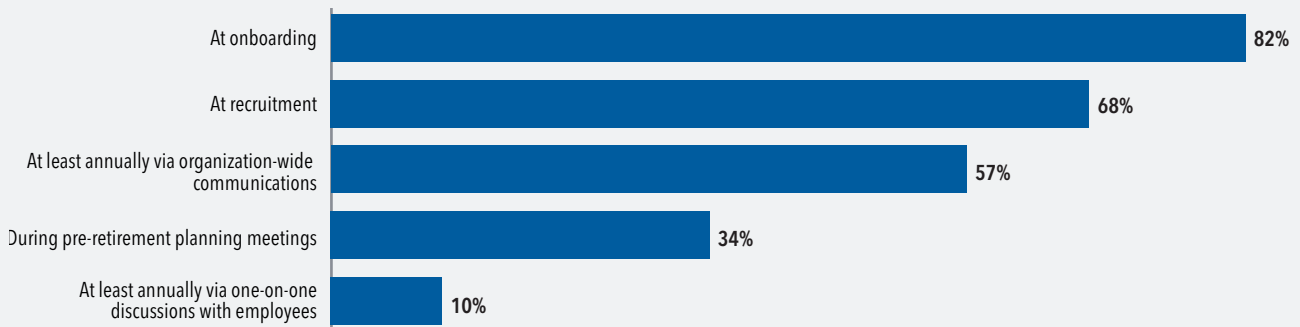| Category	%
No changes to health benefits for either active employees or retirees	57%
Implemented wellness programs	18%
Shifted more health care costs from employer to employees (e.g., higher premiums, co-pays, and deductibles)	12%
Shifted employees to high deductible plans with health savings account	7%
Implemented chronic care management program	7%
Established a health reimbursement arrangement	4%
Don't know	3%
Increased requirements (e.g., years to vest, age of eligibility) for retiree health benefits	3%
Shifted more health care costs from employer to retirees	2%
Shifted retirees to high deductible plans with health savings account	1%
Shifted from a traditional retiree health care model to a defined contribution health care model for new employees	1%
Eliminated retiree health care	1%
Introduced an individual Medicare marketplace approach for retiree healthcare	1%
Set funds aside to cover future retiree health benefits costs	1%
Shifted from a traditional retiree health care model to a defined contribution health care model for current employees	1%

Figure 24 **Aside from providing enrollment information, how and when does your agency communicate around the total value of retirement plans, insurance, and other benefits** (Check all that apply) (n = 218)

Category	%
At onboarding	82%
At recruitment	68%
At least annually via organization-wide communications	57%
During pre-retirement planning meetings	34%
At least annually via one-on-one discussions with employees	10%

In supplemental comments, some respondents indicated that there were additional health benefit costs, but that these were absorbed by the employer.

Regardless of what benefits are offered, however, employees may not be aware of the full impact of those benefits or the best ways to take advantage of them, whether they are planning to remain with their employer for a short time or a long career. The methods of communicating the value of those benefits vary, from a focus on recruitment (68%) and onboarding (82%) to annual group refreshers (57%), one-on-one discussions (10%), or pre-retirement planning sessions (34%; see Figure 24).

Rather than presenting the total value of compensation in more formal settings, a few respondents also noted in their comments that such information was available to employees online.

For greater context on how benefit offerings impact employees, see also **Examining Financial Wellbeing of the U.S. Public Service Workforce**.
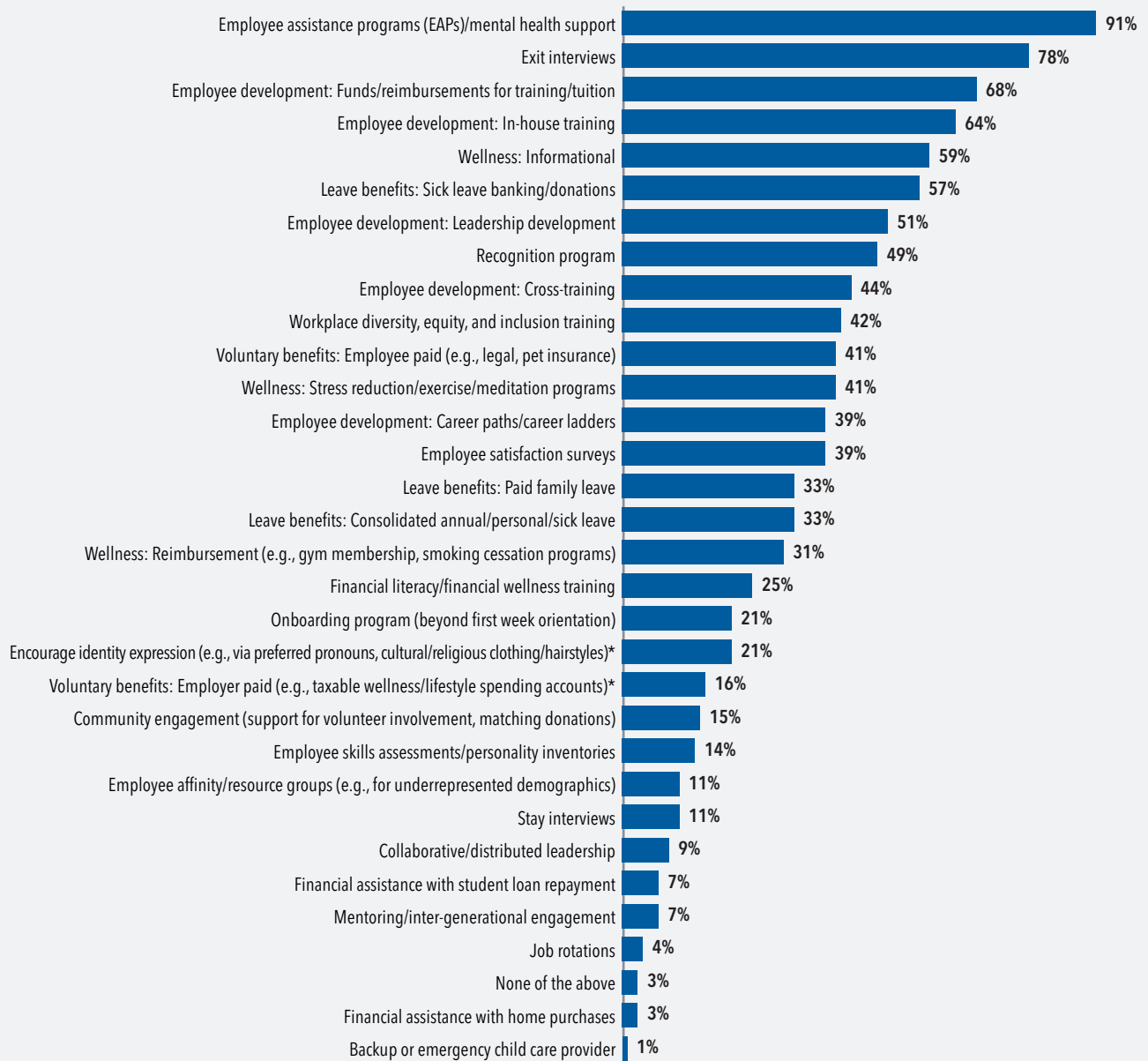
Retention and Workplace Culture

Benefits can be a significant factor in employees deciding to remain with their employer, but whether for those who are not planning to stay until they are fully vested, for those who are dissatisfied with the organization, or for other reasons, a range of retention programs can help to limit the need to deal with additional turnover.

The most common offerings are employee assistance programs (91%) and exit interviews (78%; see Figure 25).

In the Research Institute's surveys of state and local employees, aside from prioritizing compensation, the issues raised included a desire to be acknowledged for their

Figure 25 **Which of the following programs does your organization currently use to encourage employee retention and development?** (Check all that apply) (n = 219)

Program	%
Employee assistance programs (EAPs)/mental health support	91%
Exit interviews	78%
Employee development: Funds/reimbursements for training/tuition	68%
Employee development: In-house training	64%
Wellness: Informational	59%
Leave benefits: Sick leave banking/donations	57%
Employee development: Leadership development	51%
Recognition program	49%
Employee development: Cross-training	44%
Workplace diversity, equity, and inclusion training	42%
Voluntary benefits: Employee paid (e.g., legal, pet insurance)	41%
Wellness: Stress reduction/exercise/meditation programs	41%
Employee development: Career paths/career ladders	39%
Employee satisfaction surveys	39%
Leave benefits: Paid family leave	33%
Leave benefits: Consolidated annual/personal/sick leave	33%
Wellness: Reimbursement (e.g., gym membership, smoking cessation programs)	31%
Financial literacy/financial wellness training	25%
Onboarding program (beyond first week orientation)	21%
Encourage identity expression (e.g., via preferred pronouns, cultural/religious clothing/hairstyles)*	21%
Voluntary benefits: Employer paid (e.g., taxable wellness/lifestyle spending accounts)*	16%
Community engagement (support for volunteer involvement, matching donations)	15%
Employee skills assessments/personality inventories	14%
Employee affinity/resource groups (e.g., for underrepresented demographics)	11%
Stay interviews	11%
Collaborative/distributed leadership	9%
Financial assistance with student loan repayment	7%
Mentoring/inter-generational engagement	7%
Job rotations	4%
None of the above	3%
Financial assistance with home purchases	3%
Backup or emergency child care provider	1%

*Response options noted were new to the survey in 2023.

Figure 25b **Retention program detail, 2018–2023**
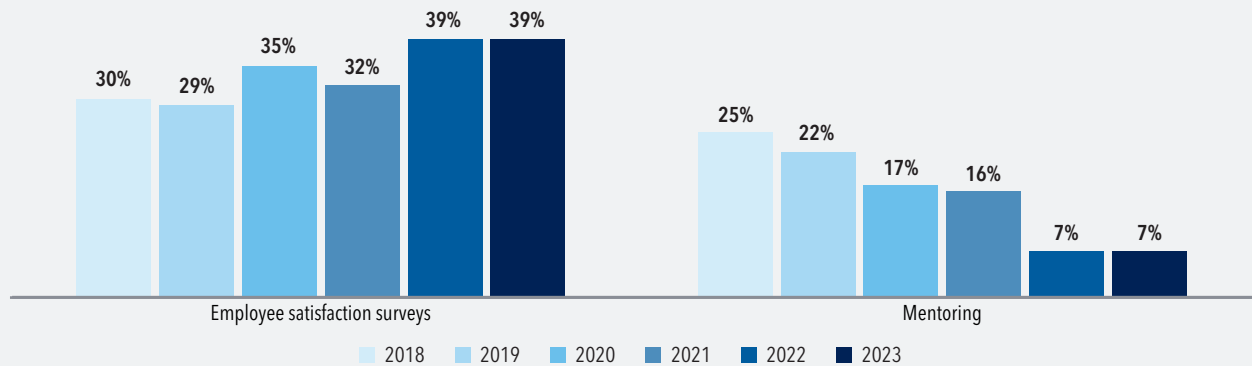
contributions, as well as dealing with burnout. Among other programs, employers are addressing those issues through employee recognition (49%) and stress reduction/exercise/meditation programs (41%).

Financial wellness education programs are reported by 25%, while the employee survey on that topic indicates that 40% are offered such a program. This difference could reflect a difference in whether the programs are administered by the governments themselves or through a retirement plan administrator, non-profit, or other third party.

Staff shortages may be influencing an increase in cross-training (up from 39% in 2021 to 44% this year), although formal job rotations remain less common (4%).

Looking at non-traditional benefits that may be more of interest to younger employees, student loan assistance was reported by 7%, with lesser percentages offering home purchase assistance (3%) or backup/emergency child care (1%). Other flexible offerings include voluntary benefits paid for by the employee (41%) or by the employer (16%).

Some variation is expected from year to year, but in a few cases, trends show a more significant change. The prevalence of employee satisfaction surveys has increased from 30% in 2018 to 39% in 2022 and 2023 (see Figure 25B). For mentoring, the share reporting such programs declined from 25% in 2018 to 7% in both 2022 and 2023.[2] The decrease in mentoring programs started before the pandemic, but may also have been impacted by fewer staff working in the office or on the same schedule.

The 2022 survey asked several questions about how employers were adapting to remote work. Remote mentoring was reported by 6%, and remote team building and employee engagement by 9% (breakouts by state and local government were shown in the **2022 Workforce Survey**, Figure 27). In total, the share reporting either of those programs or traditional mentoring was 15%, which is still below the mentoring numbers reported in 2018-2021. Whether mentoring and other engagement programs are simply evolving and diversifying to serve new workplace models, such trends will continue to be explored in subsequent surveys.

Voluntary benefits are more common in local government than in state government. Stress reduction programs are equally common among state and local respondents, but more likely to be implemented in larger organizations.

Voluntary benefits: Employee paid (e.g., legal, pet insurance)	Voluntary benefits: Employer paid (e.g., taxable wellness/lifestyle spending accounts)	Wellness: Stress reduction/exercise/meditation programs
Local government – **45%**	Local government – **18%**	500 or more FTEs – **55%**
State government – **21%**	State government – **7%**	Under 500 FTEs – **31%**

2. In 2022, the response option for "Mentoring" was amended to "Mentoring/intergenerational engagement," to include other efforts to bridge generations within the workforce.

Career ladders are offered by 39% of respondents, but as noted in exit interviews, a perceived lack of advancement opportunities (28-32%; see Figure 26) remains a key factor influencing the motivation to leave, following issues of compensation (53%) and a decision to retire (33%).

The collection of exit interview data is one method of tracking how well the organization is serving its staff, as is the conduct of regular employee satisfaction surveys or stay interviews (39% and 11%; see Figure 25). However, there can also be a wider range of data gathering efforts that can contribute to an understanding of how effective the various recruitment and retention efforts have been. As shown in Figure 27, 58% are tracking data on how applicants learn about a vacancy, as well as diversity in the organization (55%) and in employee turnover (52%).

Figure 26 **In exit interviews with departing employees, which of the following have been cited as among the top three reasons for leaving?** (Check up to three) (n = 165)
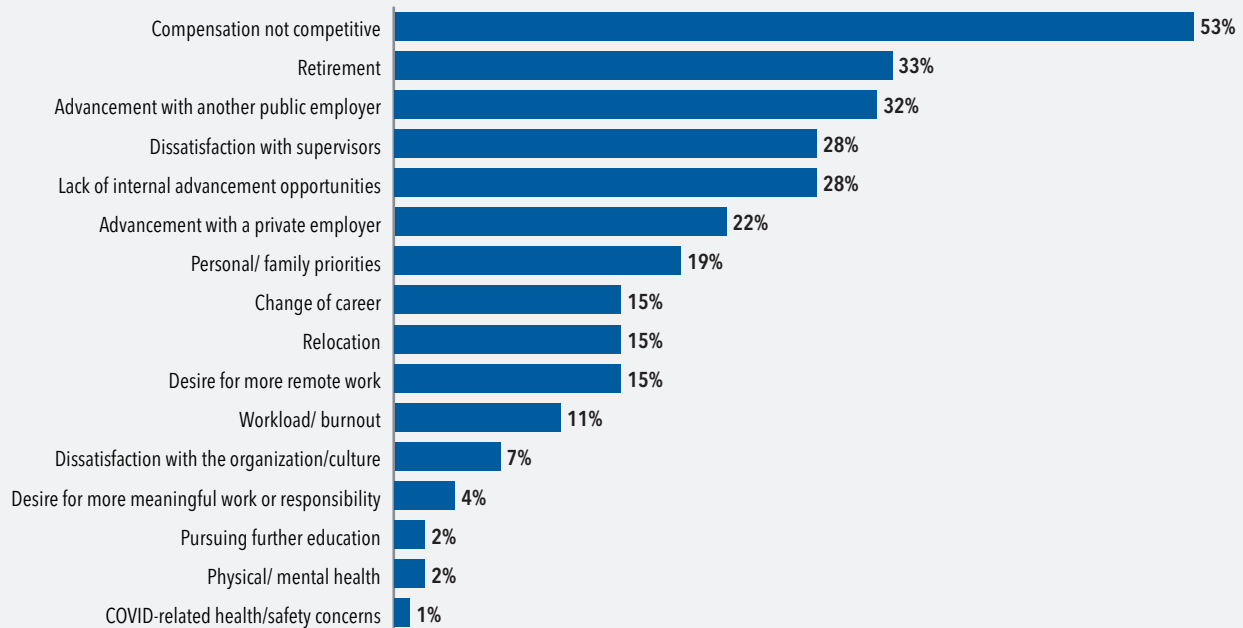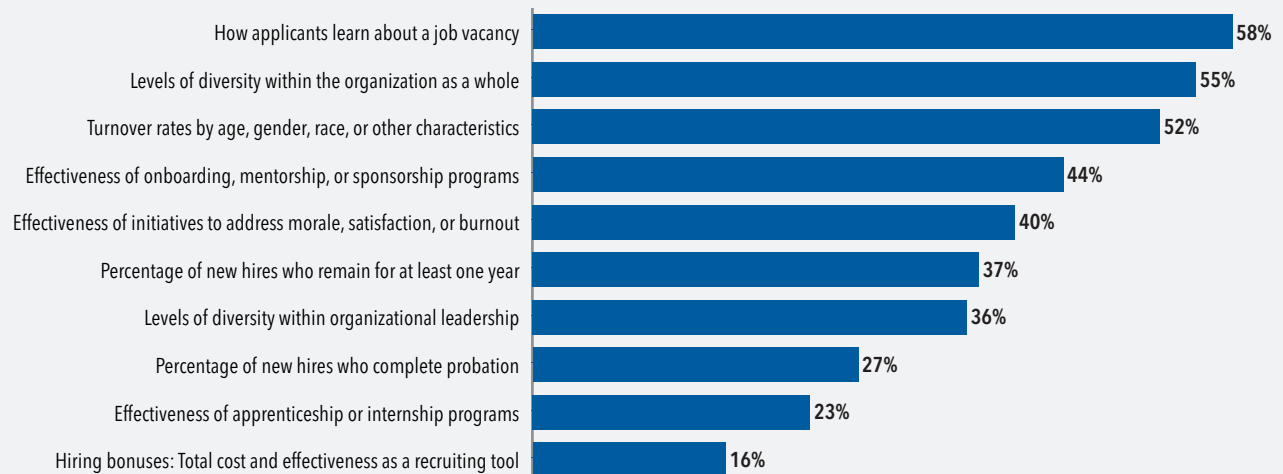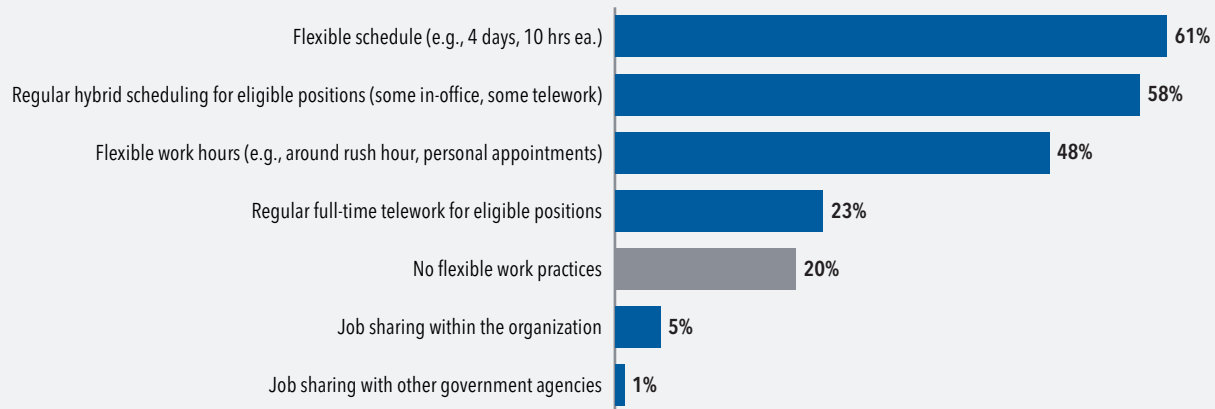
Compensation not competitive	53%
Retirement	33%
Advancement with another public employer	32%
Dissatisfaction with supervisors	28%
Lack of internal advancement opportunities	28%
Advancement with a private employer	22%
Personal/ family priorities	19%
Change of career	15%
Relocation	15%
Desire for more remote work	15%
Workload/ burnout	11%
Dissatisfaction with the organization/culture	7%
Desire for more meaningful work or responsibility	4%
Pursuing further education	2%
Physical/ mental health	2%
COVID-related health/safety concerns	1%

Figure 27 **Which of the following types of recruitment and retention data is your organization analyzing?** (Check all that apply) (n = 179)

How applicants learn about a job vacancy	58%
Levels of diversity within the organization as a whole	55%
Turnover rates by age, gender, race, or other characteristics	52%
Effectiveness of onboarding, mentorship, or sponsorship programs	44%
Effectiveness of initiatives to address morale, satisfaction, or burnout	40%
Percentage of new hires who remain for at least one year	37%
Levels of diversity within organizational leadership	36%
Percentage of new hires who complete probation	27%
Effectiveness of apprenticeship or internship programs	23%
Hiring bonuses: Total cost and effectiveness as a recruiting tool	16%

Not yet tracked by as many are such measures as the share of new hires that complete probation (27%) or the effectiveness of hiring bonuses (16%). These data gaps represent an opportunity to improve the understanding of whether the recruitment programs as structured are achieving their goals or whether further adjustments may be necessary, such as the requirement for those who stay less than one year to pay back hiring bonuses (12%; see Figure 7).

In terms of workplace culture nationwide, no change has been more impactful than the rise of remote work. After peaking at 53% in 2021, regular telework for eligible employees is now down to 23%, supplanted by hybrid scheduling 58% (see Figure 28). One form of flexibility that was common even before the pandemic remains flexible scheduling, such as four-day workweeks (61%).

Figure 28 **What flexible work practices does your organization offer?** (Check all that apply) (n = 231)

| Practice	%
Flexible schedule (e.g., 4 days, 10 hrs ea.)	61%
Regular hybrid scheduling for eligible positions (some in-office, some telework)	58%
Flexible work hours (e.g., around rush hour, personal appointments)	48%
Regular full-time telework for eligible positions	23%
No flexible work practices	20%
Job sharing within the organization	5%
Job sharing with other government agencies	1%

Priorities and Projected Changes

In addition to questions about specific programs, the survey also asks about the importance of various topics, regardless of whether a concrete strategy has yet been deployed to address them. Compensation and morale top that list (89% and 79%; see Figure 29).

With the range of strategies to raise salaries or offer broad or targeted bonuses, there is a risk that salary schedules may lose their planned progression structures. Among the new issues queried this year, 64% identified pay equity and 51% identified salary compression as important to their organization.

Another issue that's been in the news lately – quiet quitting, or reduced productivity among existing staff – was only flagged by 26%.

While Figure 29 shows those priorities seen as important, respondents also indicated those considered somewhat important. For example, 29% rated employee financial literacy as important, but an additional 53% rated it as somewhat important, for a total of 82%. In the case of quiet quitting, an additional 46% rated it as somewhat important, for a total of 71%.

Figure 29 **Workforce issues important to your organization** (Check all that apply) (n = 218)
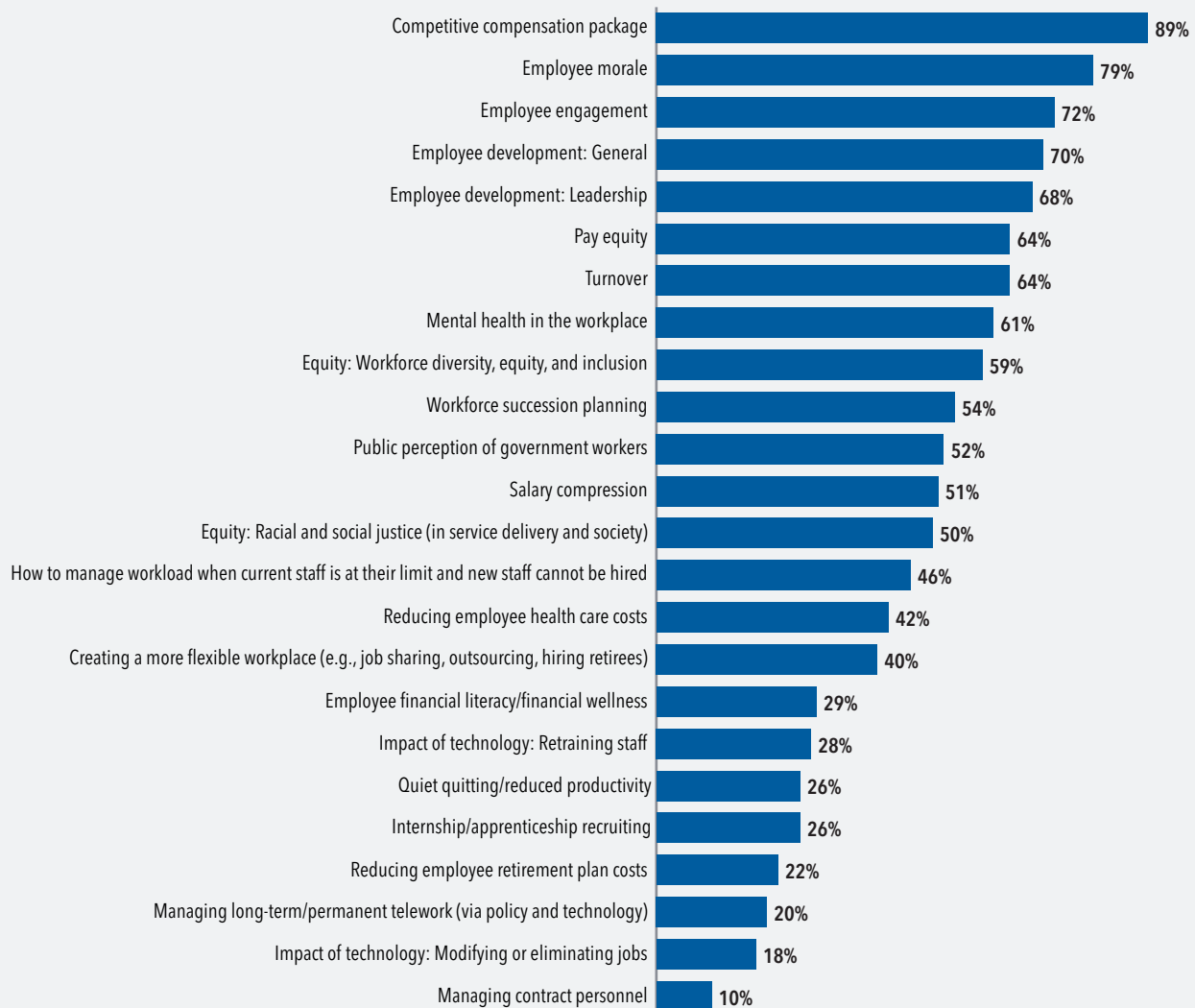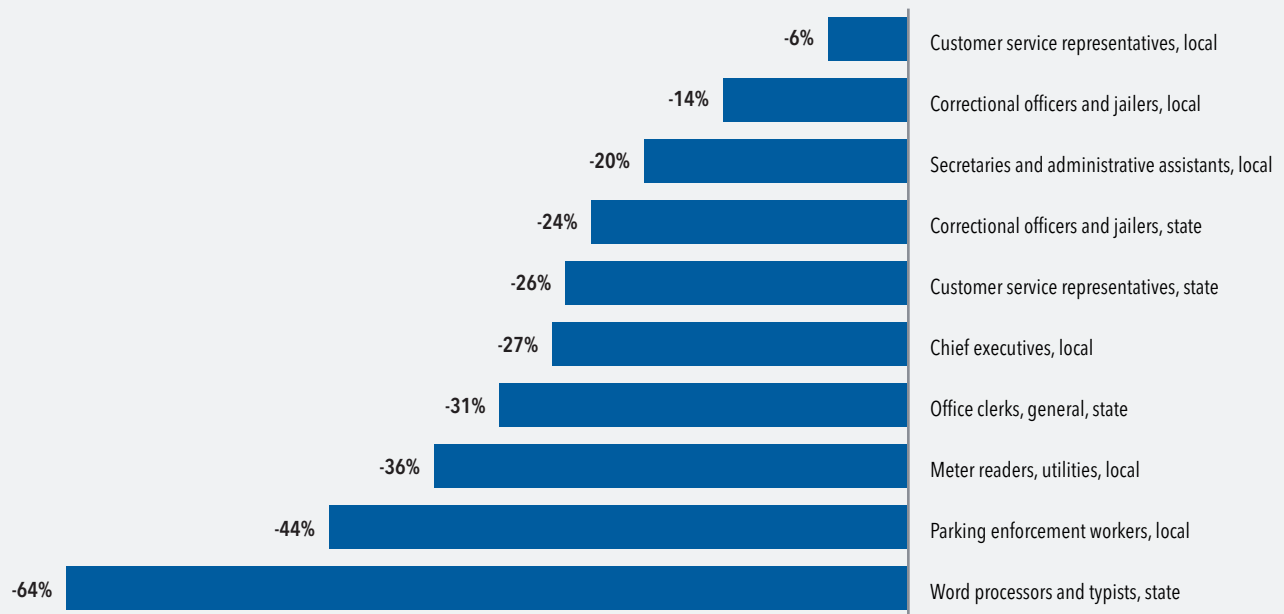
Projected Employment Changes

Technological development has contributed to the declining need for clerical positions, along with meter readers and parking enforcement officers being impacted by smart metering and mobile app deployment, and customer service representatives often supplanted by interactive voice response and now the advent of artificial intelligence chat applications. Other projected changes in state and local government workforce relate to everything from electronic monitoring in the criminal justice system, to project management software and other tools enabling greater span of control for management and supervisory staff.

Figure 30 displays a sampling of projected employment changes by occupation, from a 2016 baseline through 2031. These changes relate to many factors beyond just technology and are all in the context of overall employment from 2021-2031 projected to increase for local government by 1.4% and decrease for state government by 6.0%. For a further discussion of state and local government employment, see **Issue Brief: State and Local Government Employment Trends, 2023**.

Figure 30 **Projected state and local employment decreases (2016-2031), select occupations**

Occupation	Change
Customer service representatives, local	-6%
Correctional officers and jailers, local	-14%
Secretaries and administrative assistants, local	-20%
Correctional officers and jailers, state	-24%
Customer service representatives, state	-26%
Chief executives, local	-27%
Office clerks, general, state	-31%
Meter readers, utilities, local	-36%
Parking enforcement workers, local	-44%
Word processors and typists, state	-64%

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics.

Conclusion

Recruitment and retention continue to be significant challenges, with nine key positions identified as hard to fill by 70% or more of human resources managers (see Figure 8).

Strategies for dealing with the difficult recruiting environment include offering hiring bonuses, raising salaries, amending degree requirements and job descriptions, expanding recruiting methods, and implementing non-traditional benefits or other retention programs (see Figures 5-7 and 25).

Only 30% see their employees as being prepared for retirement. To assist with that and ensure that employees know the full value of the benefits they have available, governments are providing frequent communication (Figure 24), along with financial wellness education (see **Public Sector Employee Financial Wellness Program Needs and Preferences**).

To sum up their input, respondents were also asked in an open-response question to share the workforce initiatives that had been most successful. Among the most commonly cited efforts were providing competitive pay; conducting compensation studies; supporting or expanding employee training and development; promoting from within; working to build employee engagement; and structuring internships, apprenticeships, or college partnerships (see Figure 31).

Although competitive pay is a priority, the ability to achieve that remains an issue. In a recent workforce webinar co-sponsored by the Research Institute and the International City/County Management Association, the highest percentage of attendees identified fiscal constraints as being the most critical challenge they face. Regardless, governments may still be able to achieve their recruitment and retention goals by emphasizing the value of benefits (e.g., retirement, health care), organizational culture (e.g., flexibility, engagement), and the satisfaction of working in public service to their community.

With survey data dating back to 2009, MissionSquare Research Institute and its partners in this project at PSHRA and NASPE will continue to track how government employers are responding to ongoing workforce challenges to ensure sufficient, talented staff are available to serve the needs of the public.

Figure 31 **What workforce initiatives have been most successful and what results have you achieved?** (open response; keywords cited)

Resources:

Issue Brief: State and Local Government Employment Trends, 2023

Public Sector Employee Financial Wellness Program Needs and Preferences

State and Local Government Employees: Morale, Public Service Motivation, Financial Concerns, and Retention

Examining Financial Wellbeing of the U.S. Public Service Workforce

New Career Entrants to Public Service: Lessons for Employers from Fellowship Applicants

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