

Data Alert

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For Immediate Release

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State & Local Government Jobs Continue to Decline in Most States

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ALBANY, N.Y. — Recent data from the Bureau of Labor Statistics continue to show broad declines in state and local government employment in a majority of states, although public-sector jobs have increased elsewhere. This Data Alert examines recent changes in state and local government employment at the individual state level, as well as the national level, using several recent periods for comparison.

Using three-month employment averages to smooth short-term variations, total U.S. nonfarm employment rose by 1.4 percent over the year ending in January 2012. The growth was driven by a 2.0 increase in the private sector (+2.1 million jobs). By contrast, all the subsectors of government reported declines in employment over the year. As shown on Table 1, federal government employment declined by 1.2 percent (-35,000 jobs), state government employment by 1.5 percent (-76,000 jobs) and local government employment by 1.1 percent (-163,000 jobs).

**Table 1: Change in Employment By Sector
November-January moving average**

Employment Sector	Employment (thousands)		Period ending Jan 2012 vs. period ending Jan 2011	
	Nov 2010 to Jan 2011	Nov 2011 to Jan 2012	Change	%change
Total nonfarm	130,343	132,179	1,837	1.4%
Total private	108,081	110,191	2,110	2.0%
Government	22,262	21,988	(274)	-1.2%
Federal	2,870	2,834	(35)	-1.2%
State and local government	19,392	19,153	(238)	-1.2%
State government	5,129	5,054	(76)	-1.5%
State government education	2,386	2,381	(5)	-0.2%
State government, excluding education	2,744	2,673	(71)	-2.6%
Local government	14,263	14,100	(163)	-1.1%
Local government education	7,953	7,852	(102)	-1.3%
Local government, excluding education	6,309	6,248	(61)	-1.0%

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

Figure 1 compares recent employment trends in the private sector with those in state and local governments. (Except where otherwise noted, references to local government employment in this report include school districts.) Private employment fell far more sharply than government employment during and immediately after the recession, reaching a trough of 7.6 percent below its recent peak roughly two years after the downturn officially began in December 2007. The decline in private sector employment remains nearly twice as large as that in the combined total for state and local governments. Overall private employment is now 4.5 percent below its level at the start of recession, while state-local government employment is down 2.4 percent over the same period. Private sector employment has been recovering steadily but slowly over

the last two years, while state and local governments have been shedding jobs almost continuously for the last three years. The gap between reductions in private versus public sector employment is narrower if we compare current employment levels to peak levels. As of January 2012, for the nation as a whole, private sector employment is down 4.5 percent or 5.2 million jobs from the peak level recorded in January of 2008. By contrast, public sector employment is down 3.4 percent or 668,000 jobs from the peak level recorded in August of 2008.

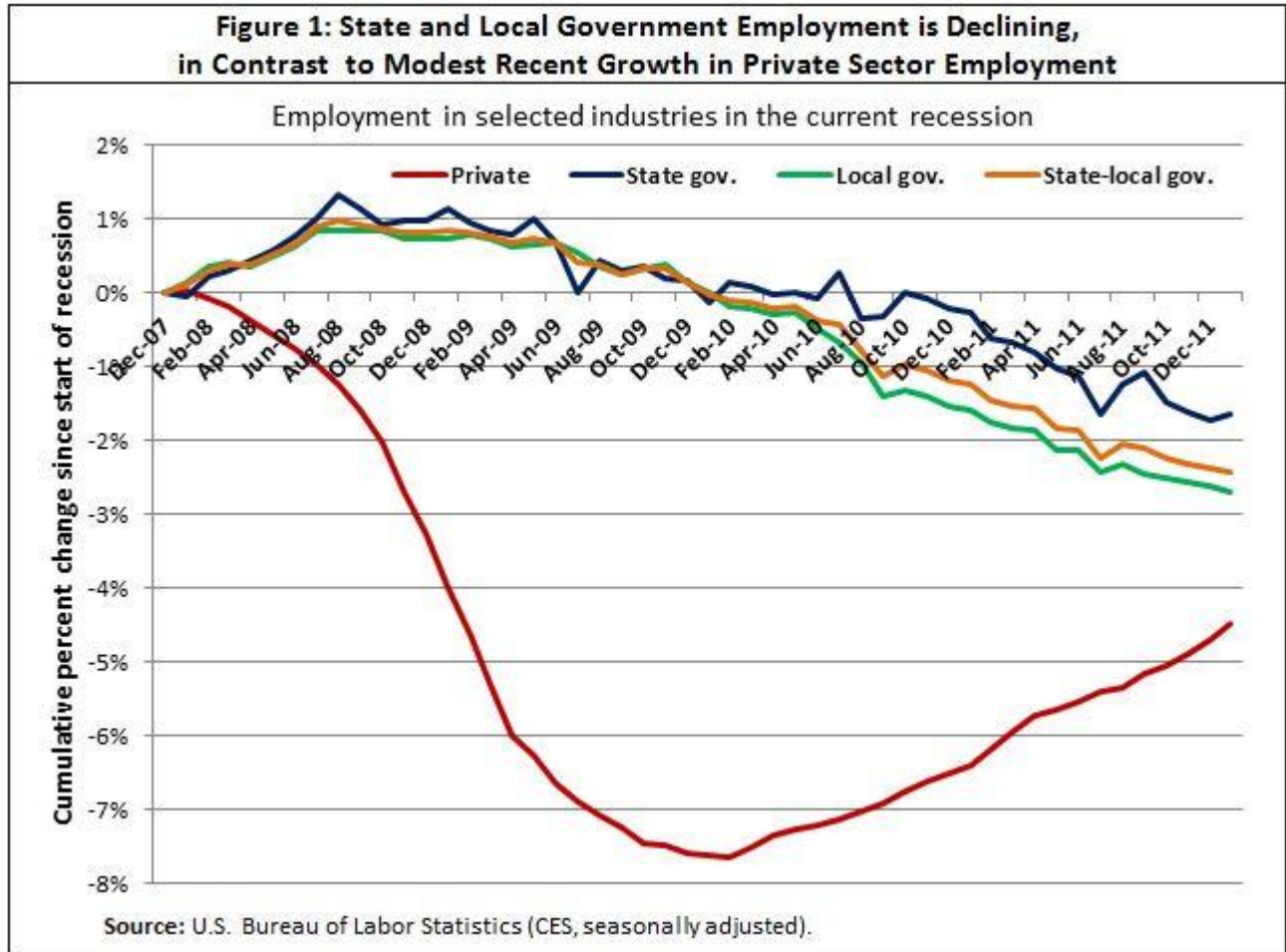
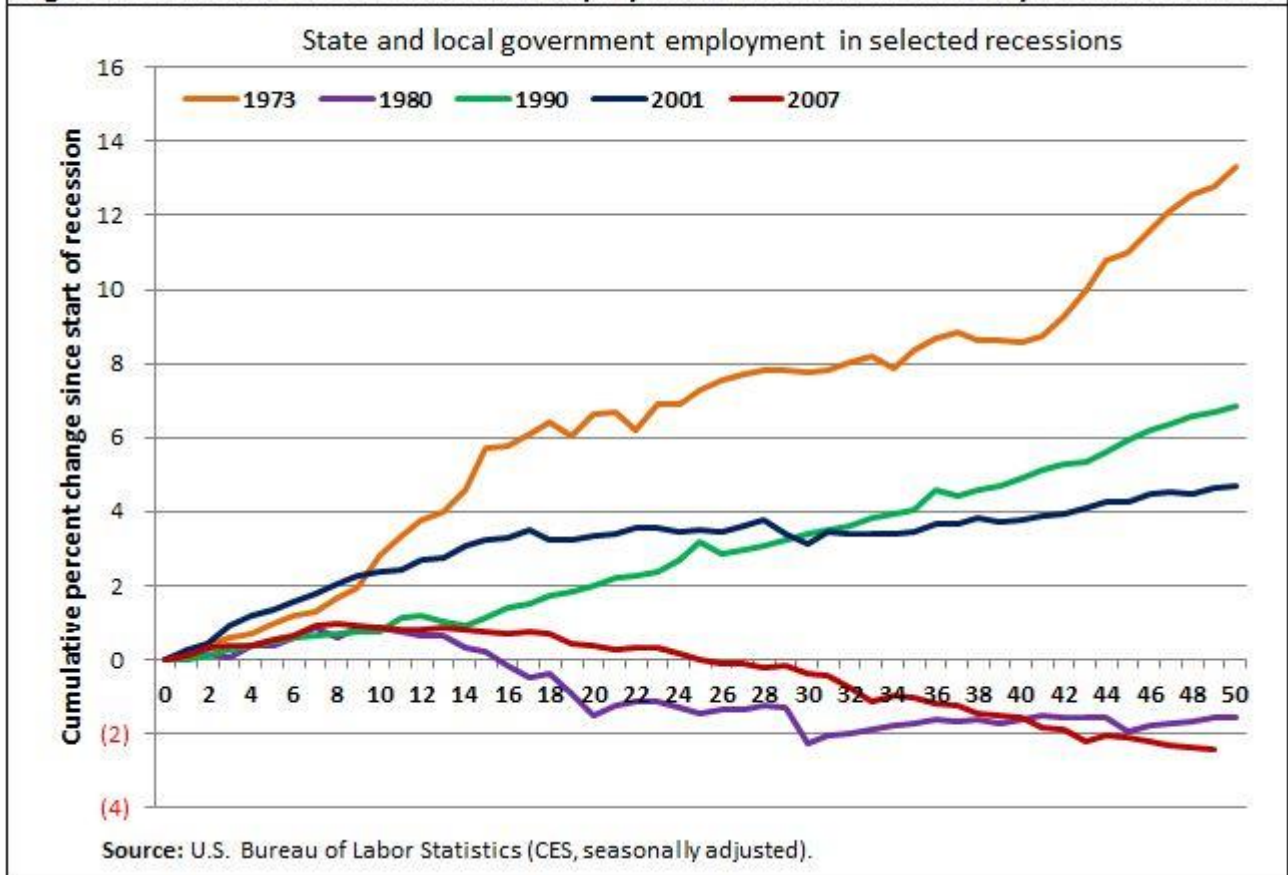


Figure 2 shows trends in state-local government employment in the past five recessions. In three of those — the downturns starting in 1973, 1990, and 2001 — public employment continued to increase while private-sector jobs were declining. Only the 1980 downturn rivals the Great Recession for the length of public employment losses. However, over the last nine months, the depth of such decline has surpassed losses associated with any other modern recession.

Figure 2: State and Local Government Employment Far Worse Than In Any Recent Recession



To examine individual states, we use three-month averages for October through December 2011 because January data are not yet available. Table 2 shows the percent change in public and private employment over the year ending in October-December 2011. Combined state and local government employment declined in 37 states and rose in 11 others, relative to year-earlier levels. State government employment is down in 33 states and higher in 17 over the year, while local government employment declined in 37 and rose in 13 states.[1]The table also shows private-sector employment, which is down for the period in only two states. The state and local government declines are widespread, while private sector employment continues to improve in most states. For the nation as a whole, state government employment is down 2.9 percent from its post-recession peak recorded in August of 2008, and local government employment is down 3.5 percent from the post-recession peak recorded in September of 2008.

Table 2: State and Local Government Employment is Down in 38 States vs. a Year Earlier

Private, state and local government employment
October-December moving average, 2010 vs. 2011, Percent change

State	Private	State	Local	State-Local
Nevada	1.6	(3.6)	(4.0)	(3.9)
Georgia	(0.1)	(6.3)	(2.7)	(3.7)
Texas	3.2	(3.2)	(3.5)	(3.5)
Maine	0.8	(4.4)	(2.5)	(3.1)
Pennsylvania	1.5	(6.2)	(1.7)	(2.8)
Alabama	0.8	(3.8)	(1.8)	(2.5)
Wisconsin	0.7	(2.9)	(2.3)	(2.5)
Indiana	0.5	(5.1)	(1.3)	(2.4)
Delaware	(0.3)	(4.9)	1.3	(2.2)
Rhode Island	0.5	(0.2)	(3.0)	(2.1)
Minnesota	1.2	(2.6)	(1.7)	(1.9)
Oregon	2.0	1.2	(3.2)	(1.9)
Washington	2.6	(2.5)	(1.6)	(1.9)
Michigan	2.2	(1.0)	(2.1)	(1.8)
North Carolina	0.9	(2.9)	(1.2)	(1.7)
South Carolina	1.6	(1.2)	(1.8)	(1.6)
New Mexico	1.6	(2.0)	(1.3)	(1.5)
Iowa	1.4	(2.5)	(0.7)	(1.2)
Kentucky	1.9	(1.7)	(0.7)	(1.1)
West Virginia	1.5	(1.0)	(1.1)	(1.0)
Hawaii	1.5	(1.1)	(0.9)	(1.0)
South Dakota	1.4	0.4	(1.5)	(1.0)
Ohio	1.8	2.0	(1.8)	(0.9)
Alaska	0.6	0.1	(1.5)	(0.9)
New Jersey	1.1	(8.2)	1.8	(0.8)
Florida	1.9	(2.2)	(0.4)	(0.8)
Illinois	1.3	(2.3)	(0.4)	(0.8)
Massachusetts	1.9	0.4	(1.3)	(0.7)
Maryland	0.9	0.5	(1.2)	(0.7)
Idaho	1.5	(1.7)	(0.3)	(0.6)
Vermont	2.1	5.3	(3.9)	(0.6)
North Dakota	6.8	(0.8)	(0.4)	(0.5)
Nebraska	2.1	(0.3)	(0.5)	(0.5)
New York	1.2	0.2	(0.4)	(0.3)
Kansas	1.0	(0.1)	(0.1)	(0.1)
Louisiana	3.1	(2.9)	1.4	(0.1)
New Hampshire	1.5	(2.5)	0.9	(0.1)
Connecticut	0.6	0.3	(0.2)	(0.0)
Colorado	1.5	1.8	(0.7)	0.0
Missouri	0.1	1.2	(0.4)	0.1
Mississippi	0.9	(2.0)	1.1	0.2
Utah	3.5	(0.4)	0.5	0.2
Arizona	2.1	(0.7)	1.2	0.8
Oklahoma	3.4	1.4	1.1	1.2
Montana	1.2	7.8	(2.0)	1.3
Virginia	0.6	0.6	1.7	1.4
Tennessee	0.9	1.3	2.2	2.0
Arkansas	0.1	0.5	3.4	2.3
California	1.9	(0.2)	3.1	2.4
Wyoming	2.0	2.9	4.2	3.9
United States	1.6	(1.6)	(0.5)	(0.8)

Source: U.S. Bureau of Labor Statistics (CES, seasonally unadjusted).

Table 3 takes a longer perspective, showing the change in state and local government as well as private sector employment since the end of 2007, right before the start of the Great Recession.[2] In the months of October-December of 2011, private sector employment remained below the 2007 levels in 47 states. The only three states reporting gains in private employment over this period are North Dakota, Alaska and Texas at 13, 3.1 and 0.9 percent respectively. While a majority of states have reduced combined state-local government employment over this period, 20 show noticeable increases.

Table 3: Compared to Pre-Recession, Public Employment Picture is Mixed

Private, state and local government employment
October-December moving average, 2010 vs. 2011, Percent change

State	Private	State	Local	State-Local
Nevada	(13.9)	(5.7)	(10.2)	(9.0)
Rhode Island	(6.0)	(6.7)	(8.5)	(7.9)
Georgia	(9.1)	(8.5)	(6.0)	(6.7)
Maine	(3.8)	(6.6)	(6.1)	(6.3)
Michigan	(7.7)	5.2	(10.1)	(5.7)
South Carolina	(6.9)	(5.3)	(4.4)	(4.7)
Arizona	(11.2)	(8.7)	(3.3)	(4.6)
California	(7.3)	(0.0)	(4.6)	(3.6)
Ohio	(6.2)	(0.2)	(4.5)	(3.5)
New Jersey	(5.3)	(9.7)	(1.3)	(3.5)
Indiana	(7.0)	(3.3)	(3.5)	(3.5)
Florida	(9.6)	(1.3)	(4.0)	(3.5)
Connecticut	(4.8)	(2.0)	(3.2)	(2.8)
Alabama	(8.5)	(1.0)	(3.4)	(2.6)
North Carolina	(8.1)	(3.5)	(1.3)	(2.0)
Minnesota	(4.3)	(1.1)	(2.2)	(1.9)
Pennsylvania	(2.1)	(5.4)	(0.6)	(1.8)
Washington	(5.2)	(3.9)	(0.7)	(1.7)
Wisconsin	(5.3)	(10.8)	1.7	(1.7)
Hawaii	(6.4)	(2.2)	1.9	(1.4)
New Mexico	(6.6)	(2.7)	(0.5)	(1.3)
Vermont	(1.7)	0.7	(2.1)	(1.1)
Kansas	(4.9)	(3.1)	(0.3)	(0.9)
New York	(1.6)	(2.3)	(0.5)	(0.9)
Illinois	(5.8)	(3.1)	0.3	(0.3)
Massachusetts	(1.8)	4.7	(2.2)	(0.1)
Missouri	(6.6)	0.7	(0.4)	(0.1)
Iowa	(2.9)	(2.5)	0.9	(0.1)
Oregon	(7.7)	8.5	(3.3)	0.0
Louisiana	(0.1)	(5.6)	3.1	0.0
Kentucky	(4.5)	1.1	(0.2)	0.3
Delaware	(7.9)	(3.3)	5.0	0.3
Maryland	(4.4)	4.7	(1.4)	0.5
Mississippi	(6.5)	0.7	1.0	0.9
Idaho	(8.4)	(6.2)	4.4	1.4
Virginia	(4.3)	3.6	0.6	1.4
Texas	0.9	1.1	2.7	2.3
Oklahoma	(1.5)	0.9	3.2	2.5
Montana	(4.3)	6.1	0.7	2.6
South Dakota	(0.7)	3.8	2.5	2.9
New Hampshire	(3.3)	0.3	4.3	3.1
West Virginia	(1.5)	4.1	2.7	3.2
Tennessee	(7.0)	1.1	4.2	3.4
Nebraska	(1.3)	5.8	2.5	3.4
Colorado	(5.7)	12.3	0.7	3.8
Utah	(4.9)	2.0	5.0	3.9
Arkansas	(3.9)	4.6	4.3	4.4
Alaska	3.1	4.6	4.3	4.4
North Dakota	13.0	6.0	4.8	5.2
Wyoming	(4.1)	11.8	11.2	11.3
United States	(5.2)	(1.0)	(1.5)	(1.3)

Source: U.S. Bureau of Labor Statistics (CES, seasonally unadjusted).

Figure 3 compares the change in state government and local government employment compared to three years ago, by state. Nearly half of the states, including Georgia,

Nevada, and South Carolina, showed declines in both sectors over the period. State employment has fallen in 30 states, and local government employment in 34. Public employment cutbacks began earlier in some states than in others, so that an illustration of overall reductions from peak levels would show a somewhat different picture.

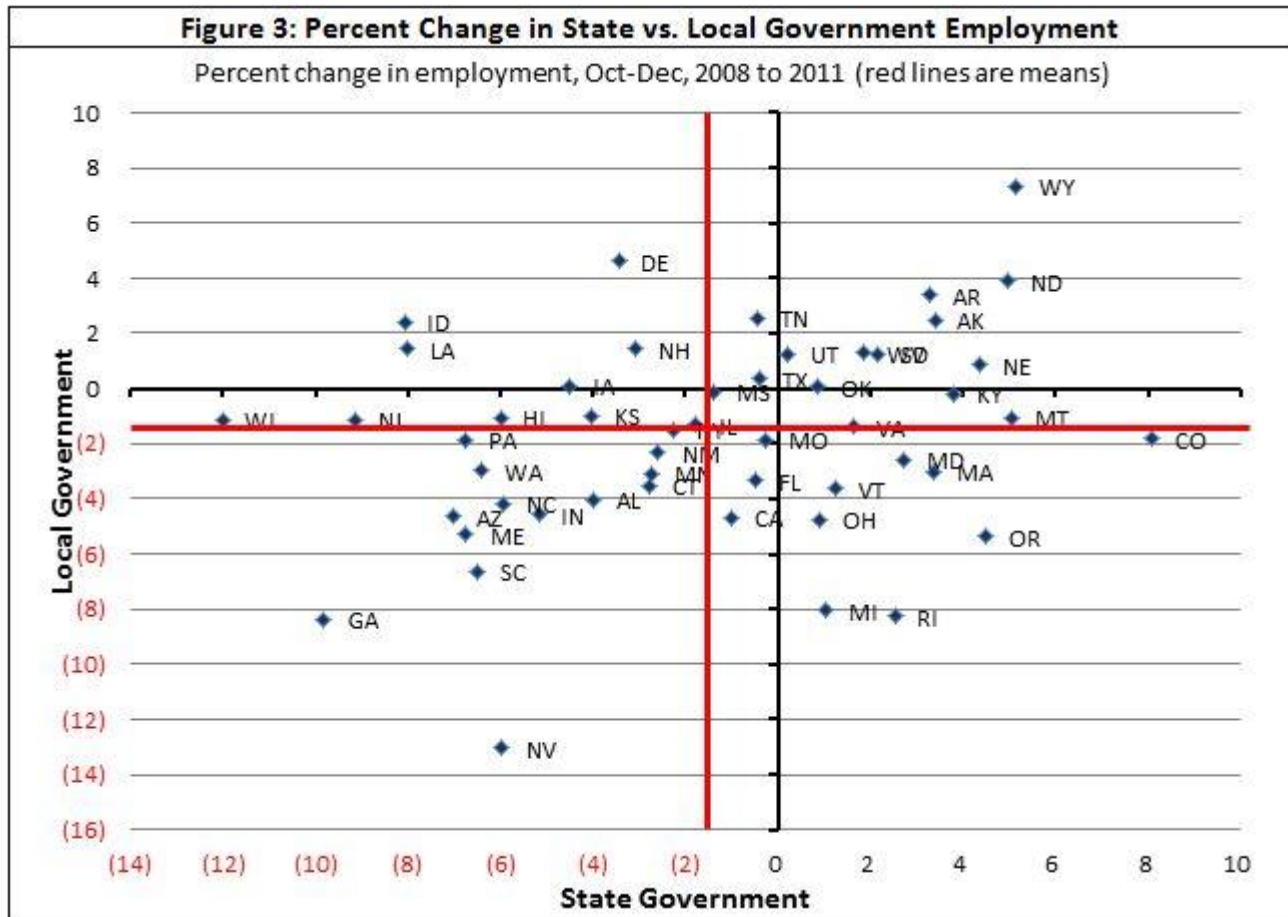
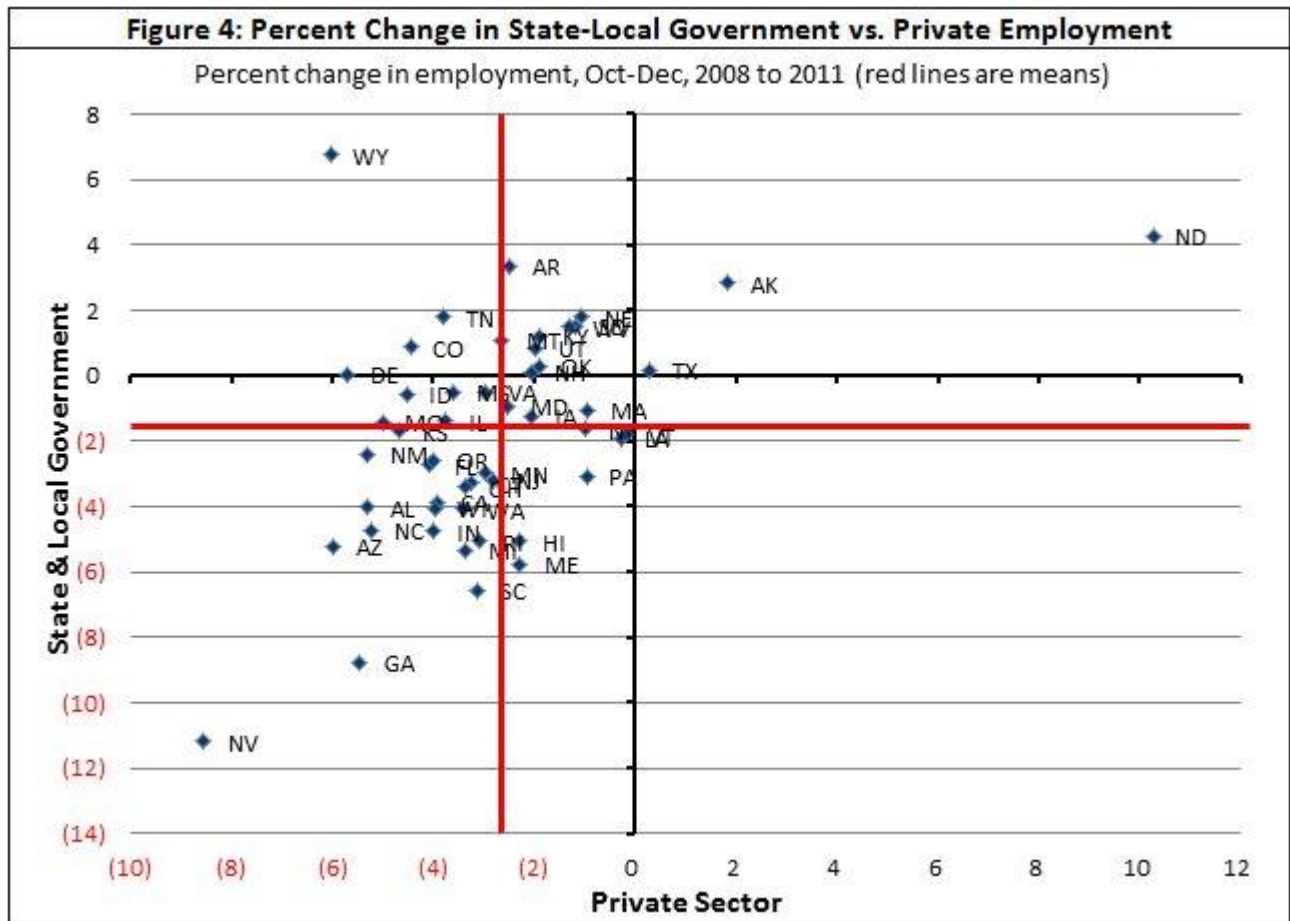
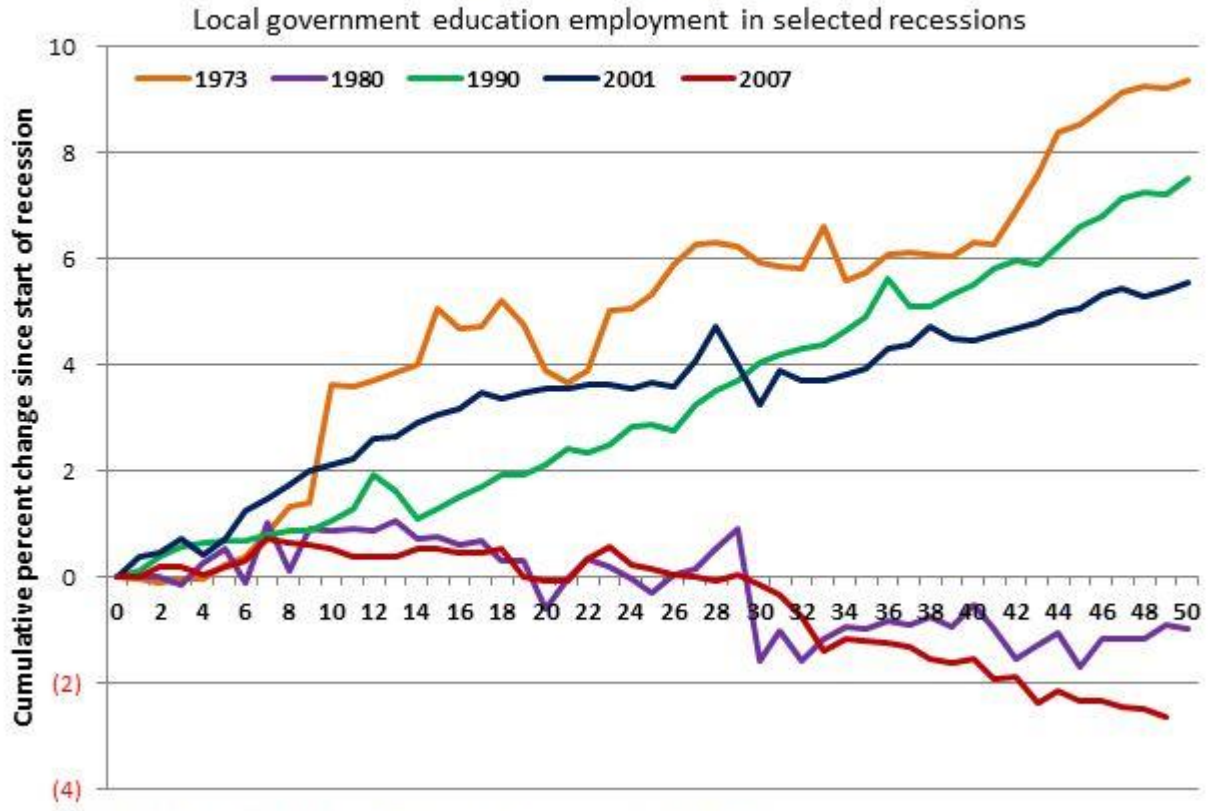


Figure 4 shows the change in state-local government and private sector employment compared to three years ago, by state. Only three states — Alaska, North Dakota and Texas— experienced gains in both state-local government and private employment, while 34 states showed declines in both sectors over the year. Wyoming increased government employment by more than 6 percent while private-sector jobs were declining. Nevada had the harshest experience in the terms of employment drops in both private and public employment over the period.



Local government employment is at least two to three times as large as state government employment in most states, and it accounts by far for the largest number of government jobs lost in the current recession. Elementary and secondary education tends to dominate local government employment, although non-education employment is down as well. Figure 5 shows that the decline in local government education employment is far greater in this recession than in other recent recessions, and is far deeper compared to declines in the 1980 double-dip recession, when local government employment was influenced significantly by property tax revolts and limitations. For the nation as a whole, local government education employment has fallen by 270,300 jobs since the July 2008 peak, a 3.3 percent decline.

Figure 5: Local Government Education Employment Has Been Hit its Hardest Since the 1980 Recession



Source: U.S. Bureau of Labor Statistics (CES, seasonally adjusted).

Table 4 shows the latest data on local government education employment, in the 36 states for which BLS reported such data on a monthly basis. At least 22 states (among those for which we have data) have seen declines in local education positions over the past year, ranging from 0.3 percent to 6.8 percent. The largest reductions appear in Vermont and Oregon at 6.8 and 4.5 percent respectively. Fourteen states added jobs in this sector, with particularly large increases in California and Tennessee.

Table 4: Local Government Educational Services Employment

October-December moving average, 2010 vs. 2011, Percent change

State	2010	2011	Percent change
Vermont	25.1	23.4	(6.8)
Oregon	104.0	99.4	(4.5)
Washington	158.7	152.0	(4.2)
South Carolina	107.2	102.8	(4.1)
Texas	872.4	836.5	(4.1)
Maryland	161.0	155.1	(3.7)
Alabama	103.7	100.4	(3.2)
Pennsylvania	314.5	305.7	(2.8)
Wisconsin	166.2	161.6	(2.7)
North Carolina	226.7	221.0	(2.5)
Minnesota	142.3	138.8	(2.4)
Georgia	254.0	248.2	(2.3)
Idaho	42.6	41.7	(2.2)
Kentucky	117.8	115.5	(2.0)
Michigan	228.4	224.2	(1.8)
Montana	30.1	29.6	(1.8)
New Mexico	58.8	57.8	(1.8)
Ohio	299.9	294.9	(1.7)
Mississippi	87.6	86.9	(0.9)
Indiana	157.5	156.1	(0.8)
Massachusetts	174.6	173.6	(0.6)
Utah	67.0	66.8	(0.3)
Iowa	103.0	103.3	0.3
Alaska	25.2	25.2	0.3
Nebraska	64.2	64.6	0.6
North Dakota	23.2	23.4	1.0
Colorado	129.9	132.0	1.6
Delaware	19.0	19.3	1.9
Connecticut	97.0	99.0	2.1
Illinois	372.2	380.1	2.1
Wyoming	26.2	26.9	2.5
New Jersey	268.9	277.1	3.0
South Dakota	26.9	27.8	3.6
Arizona	153.8	159.5	3.7
Tennessee	151.5	162.9	7.5
California	892.4	962.3	7.8
United States	7,957.7	7,859.0	(1.2)

Source: U.S. Bureau of Labor Statistics (CES, seasonally unadjusted).

Note: Not all states report detailed local educational employment data to BLS.

[1] This table is based on seasonally unadjusted data. We use the unadjusted data because they are available from the Bureau of Labor Statistics for more states than are seasonally adjusted data, but because they are not adjusted for seasonal fluctuations we compare to the same period from a year earlier rather than to recent months.

[2] To reduce "bounciness" in the data, we average state-by-state data for October through December.