

# DATA ALERT

July 23, 2010

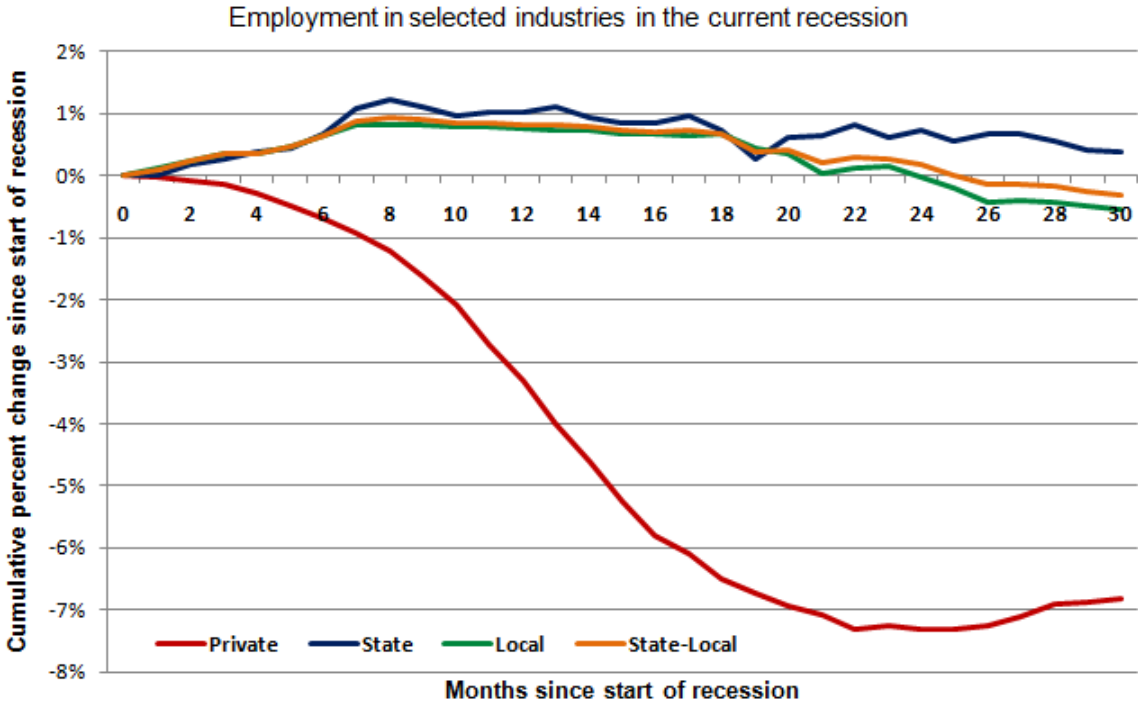
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## State and Local Government Employment Is Down in 31 States – And Up In 18 – Compared With A Year Ago

By Donald J. Boyd and Lucy Dadayan

Earlier this week, the Bureau of Labor Statistics released state-by-state employment data for the month of June. While national totals had already been released for June, this is the first look at June data for individual states. The national data had shown a very slight increase in private sector employment, compared with May, and slight continued declines in state and local government employment (see Figure 1). This is broadly consistent with past recessions, in which state and local government employment has been far more stable than private sector employment, and in fact rarely declined at all. As in past recessions, state and local government employment changes tend to lag responses in the private sector.

**Figure 1: State and Local Government Employment Has Been Very Stable, Compared to Large Declines in Private Sector Employment**



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

As Table 1 shows, state and local government employment is down for the months of April-June in 31 states, relative to year-earlier levels. (To reduce "bounciness" in the data, we average state-by-state data for April through June.) State government employment is down in 28 states, and local government employment is down in 30

states. (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.) The table also shows private-sector employment, which is down in 44 states. The state and local government declines, while widespread, are nowhere near as large or as numerous as the declines in private sector employment. For the nation as a whole, state government employment is down 0.8 percent from its post-recession peak, and local government employment is down 1.4 percent from the post-recession peak. By contrast, private sector employment is down 6.8 percent.

**Table 1: State and Local Government Employment is Down in 31 States vs. a Year Earlier**

Private, state and local government employment, April-June, 2009 to 2010

*Percent Change*

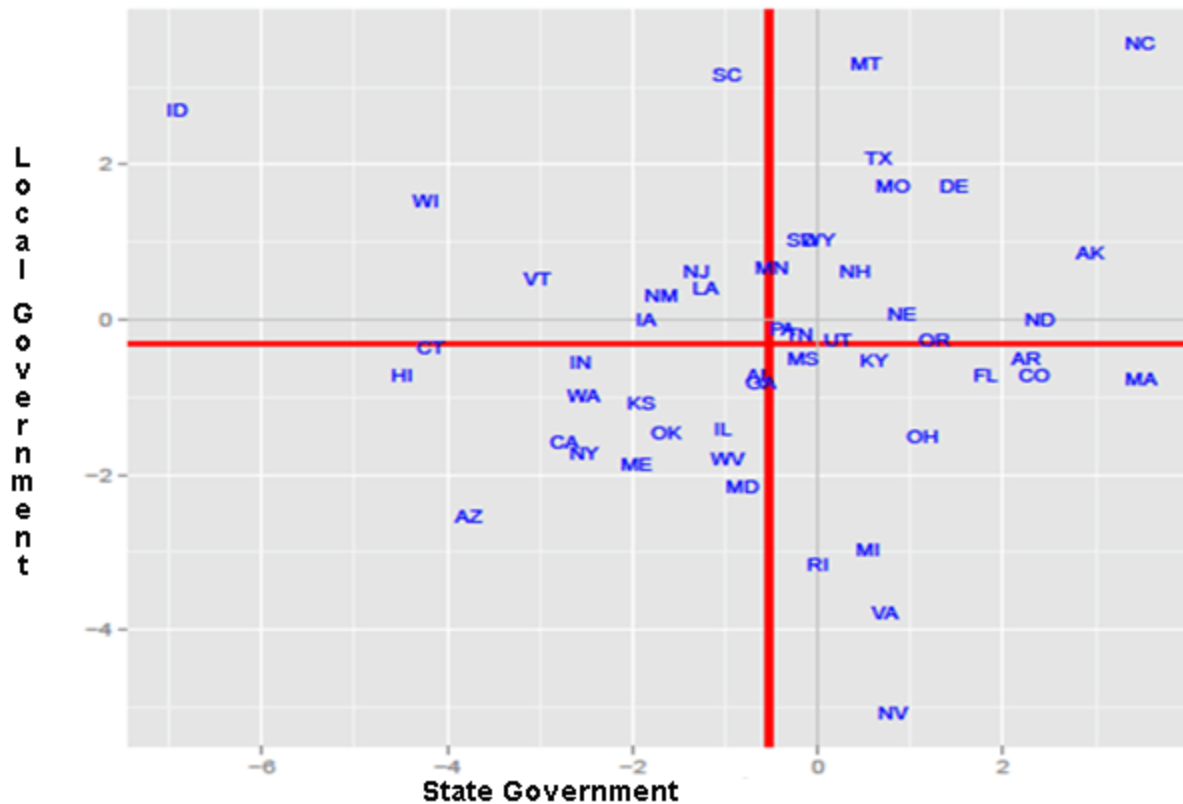
<b>State</b>	<b>Private</b>	<b>State</b>	<b>Local</b>	<b>State-Local</b>
Hawaii	(0.1)	(4.5)	(0.7)	(3.8)
Nevada	(3.2)	0.8	(5.1)	(3.6)
Arizona	(0.8)	(3.8)	(2.6)	(2.8)
Virginia	(0.3)	0.7	(3.8)	(2.5)
Rhode Island	(2.7)	(0.0)	(3.2)	(2.2)
Michigan	(0.4)	0.5	(3.0)	(2.0)
Maine	(1.6)	(2.0)	(1.9)	(1.9)
New York	(0.3)	(2.5)	(1.7)	(1.9)
California	(2.1)	(2.7)	(1.6)	(1.8)
Maryland	(0.4)	(0.8)	(2.2)	(1.8)
Oklahoma	(1.2)	(1.6)	(1.5)	(1.5)
Connecticut	(0.5)	(4.2)	(0.4)	(1.5)
West Virginia	(1.0)	(1.0)	(1.8)	(1.5)
Washington	(1.3)	(2.5)	(1.0)	(1.5)
Illinois	(1.3)	(1.0)	(1.4)	(1.3)
Kansas	(1.4)	(1.9)	(1.1)	(1.3)
Indiana	0.7	(2.6)	(0.6)	(1.1)
Ohio	(1.0)	1.1	(1.5)	(0.9)
Georgia	(2.4)	(0.6)	(0.8)	(0.8)
Vermont	(1.6)	(3.0)	0.5	(0.7)
Alabama	(1.7)	(0.6)	(0.7)	(0.7)
Iowa	(0.3)	(1.9)	0.0	(0.5)
Mississippi	(1.6)	(0.2)	(0.5)	(0.4)
New Mexico	(2.4)	(1.7)	0.3	(0.4)
Tennessee	(0.5)	(0.2)	(0.2)	(0.2)
Pennsylvania	(0.2)	(0.4)	(0.1)	(0.2)
Florida	(1.3)	1.8	(0.7)	(0.2)
Louisiana	(0.6)	(1.2)	0.4	(0.2)
Kentucky	0.6	0.6	(0.5)	(0.1)
Utah	0.4	0.2	(0.3)	(0.1)
Idaho	(0.8)	(6.9)	2.7	(0.0)
Wisconsin	(1.5)	(4.2)	1.5	0.0
Colorado	(2.7)	2.3	(0.7)	0.1
New Jersey	(1.3)	(1.3)	0.6	0.1
Oregon	(1.8)	1.3	(0.3)	0.2
Nebraska	(0.5)	0.9	0.1	0.3
Minnesota	(0.4)	(0.5)	0.7	0.4
Massachusetts	(0.4)	3.5	(0.8)	0.5
Arkansas	(1.0)	2.2	(0.5)	0.5
New Hampshire	0.5	0.4	0.6	0.6
South Dakota	(0.4)	(0.2)	1.0	0.7
Wyoming	(2.3)	0.0	1.0	0.8
North Dakota	1.2	2.4	0.0	0.8
Missouri	(1.3)	0.8	1.7	1.5
Delaware	(0.9)	1.5	1.7	1.6
Alaska	0.3	2.9	0.9	1.6
Texas	(0.2)	0.7	2.1	1.8
South Carolina	(0.4)	(1.0)	3.2	1.9
Montana	(1.8)	0.5	3.3	2.4
North Carolina	(0.7)	3.5	3.6	3.5

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

Figure 2 shows the size of decline in state government and local government employment, by state. North Carolina, Delaware and a dozen or so other states showed larger-than-average gains in both state and local government employment, while Arizona, New York, California and a number of others showed larger-than-average declines in both sectors over the year.

### Figure 2: Percent Change in State and Local Government Employment

Percent change in employment, April-June, 2009-2010 (Red lines are means)

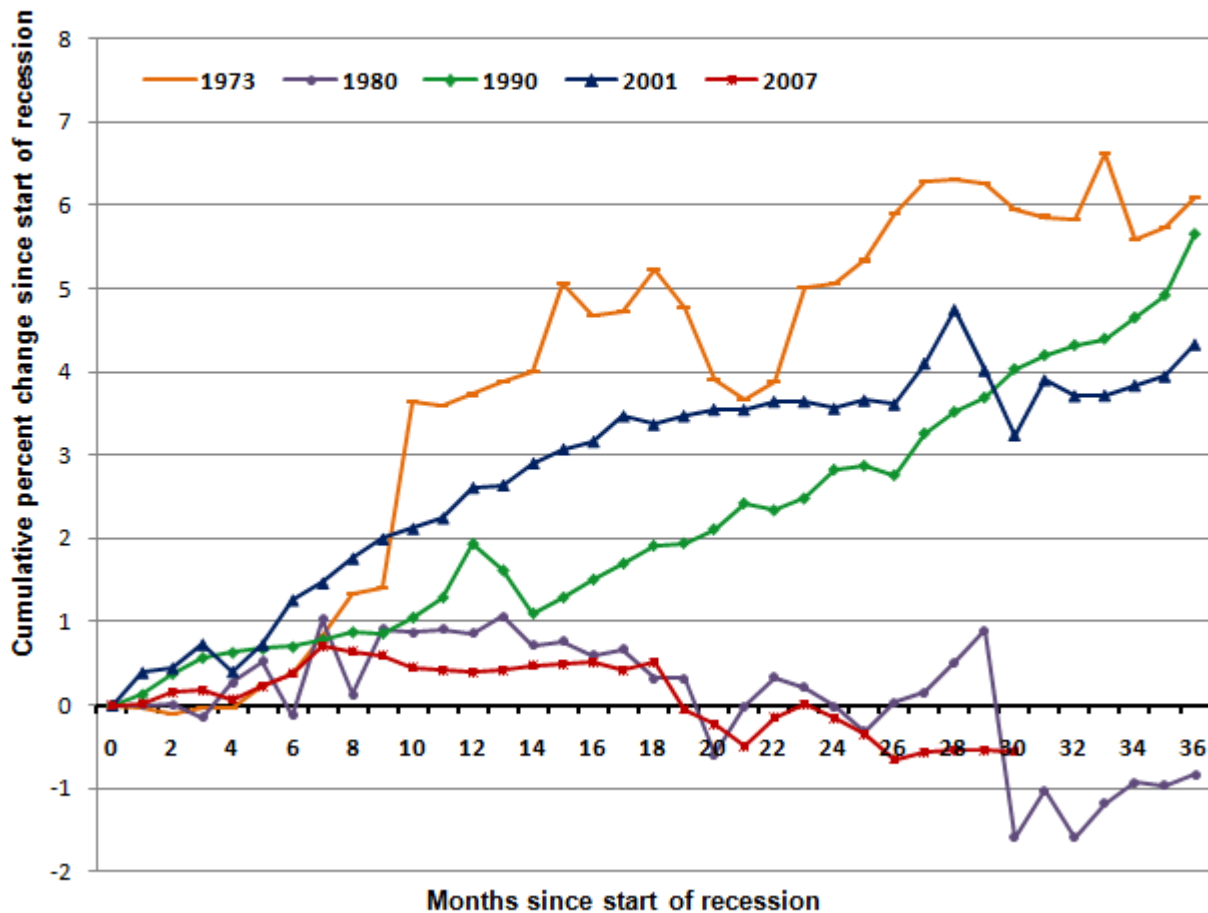


Source: U.S. Bureau of Labor Statistics (CES, seasonally unadjusted)

Local government employment is at least 2-3 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 3 shows that the decline in education employment is far greater in this recession than in other recent recessions, and is comparable 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 was down 1.3 percent from its post-recession peak, and non-education employment was down 1.8 percent, with each accounting for declines of somewhat over 100,000 jobs.

**Figure 3: Local Government Education Employment Has Been Hit its Hardest Since the 1980 Recession**

Local government education employment in selected recessions



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

Table 2 shows the latest data on local government education employment, in the 35 states for which BLS reported such data on a monthly basis. The largest reductions appear in Michigan and Maryland, while 11 other states (among those for which we have data) have seen declines in local education positions over the past year. Another 21 states had employment increases in this sector.

With states continuing to face harsh fiscal realities, declines in education employment are likely just beginning. Education employment in particular has been propped up by federal stimulus funds, which have been nearly exhausted in many states and will be essentially unavailable after the 2010-11 school year. Anecdotal evidence suggests that many school districts around the country have been reducing teaching positions by attrition and by laying off teachers for the 2010-11 school year. More layoffs and other reductions are likely in the following year. Reductions in teacher positions generally appear to show up in BLS employment data in the months of July, August, and September, so we expect the next three months to be particularly important indicators of the extent to which local government education jobs are being cut.

**Table 2: Local Government Educational Services Employment**  
 April-June 2010, compared with same months of year ago  
*Percent change*

<b>State</b>	<b>April-June, 2009</b>	<b>April-June, 2010</b>	<b>% change, 2009 vs. 2010</b>
Michigan	726.5	704.5	(3.0)
Maryland	487.7	476.4	(2.3)
Arizona	441.6	434.5	(1.6)
Kentucky	350.9	345.3	(1.6)
Georgia	799.7	788.9	(1.4)
Iowa	308.2	304.6	(1.2)
Illinois	1,104.9	1,092.7	(1.1)
Alabama	317.1	313.9	(1.0)
California	2,962.4	2,937.6	(0.8)
Washington	485.5	482.7	(0.6)
Indiana	468.6	466.2	(0.5)
Massachusetts	524.9	522.9	(0.4)
Tennessee	420.3	419.4	(0.2)
Mississippi	262.8	262.8	0.0
Montana	87.4	87.5	0.1
Delaware	54.3	54.4	0.2
Oregon	326.2	327.0	0.2
North Dakota	62.7	63.0	0.5
Minnesota	430.8	433.1	0.5
Colorado	390.7	392.8	0.5
Utah	201.0	202.2	0.6
Ohio	892.4	898.0	0.6
South Dakota	78.1	78.6	0.6
Connecticut	293.6	296.1	0.9
Wyoming	75.0	75.7	0.9
Pennsylvania	933.8	942.7	1.0
New Mexico	176.1	178.7	1.5
Wisconsin	492.1	499.6	1.5
North Carolina	693.7	704.9	1.6
Nebraska	186.8	190.1	1.8
Idaho	126.1	128.8	2.1
New Jersey	852.2	870.6	2.2
Texas	2,490.1	2,562.4	2.9
Alaska	70.4	72.6	3.1
South Carolina	334.2	363.6	8.8

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

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