

## **Job Growth in State & Local Government Highest Since Late 1970s - Employment Market Overview**

State and local governments are experiencing the highest job growth rates since the 1970s, adding 379,000 jobs in the first half of 2023 alone. This accounts for nearly a quarter of total U.S. job gains during that period. As of April 2024, state and local government employment surpassed its pre-pandemic peak from February 2020 by 262,000 jobs.

The public sector has seen a much more rapid pace of hiring compared to the private sector. Public sector job growth jumped from 1% in 2022 to 2.7% in 2023 - the highest year-over-year growth rate since 1990. This surge in government hiring is partly driven by efforts to fill vacancies left by workers who exited during the pandemic, as well as bolstering public services that were understaffed.

The last time state and local government hiring saw comparable growth rates was in the late 1970s, when labor force participation was also at similarly low levels. Many states have taken steps to address hiring challenges through pay raises, hiring bonuses, and other strategies to compete with the private sector. In addition, increased remote work options and flexible schedules have made public sector jobs more attractive. Sectors including education, healthcare, public safety and transportation have driven much of the hiring at the state and local levels.

The growth in state and local government jobs has been driven by efforts to fill pandemic-related vacancies, raise compensation, and meet increasing public service demands, mirroring the low labor force participation of the 1970s.

Sources: Labor Dept., BLS

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