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States, Localities Need Federal Aid to Restore Jobs, Avoid More Layoffs.

As President Trump sends mixed signals about his support for a new economic relief bill, states and localities urgently need additional fiscal aid so they can both rehire workers they laid off or furloughed this spring and avoid additional layoffs and budget cuts that they will likely otherwise make to balance their budgets this fiscal year.

After COVID-19 struck this spring, states and localities laid off or furloughed over 1 million workers, more than the 750,000 that they laid off over the full course of the Great Recession of about a decade ago.

Only a modest portion of those jobs have returned. There were still 1.2 million fewer state and local employees in September than February, after adjusting for normal seasonal variations, according to new Bureau of Labor Statistics data. Compared to September of last year, there were 1.1 million fewer state and local jobs this September. That large decline compared to last year has been apparent for months now. (See chart.)

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Center on Budget and Policy Priorities

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