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Local Government Jobs Near Pre-Recession Level But States Lag.

- **Public school growth boosts employment: Wells Fargo's Cohen**
- **Conservative tax not spend policy seen limiting state jobs**

Local government employment has almost returned to pre-recession levels, while jobs at the state level have lagged, U.S. Bureau of Labor Statistics data show.

Since the start of the recession, local government employment is down 0.01 percent and state government employment has declined by 0.72 percent.

The slowdown in state government employment is a result of more conservative policy, said Natalie Cohen, head of municipal research at Wells Fargo.

"States have tightened their belt consistently and they continue to do that. We have a lot more conservative 'no tax, don't spend' governors," Cohen said in a telephone interview.

Cohen attributes the uptick in local government employment to the increase in hiring at public schools.

"As the economy improves districts hire back teachers and school administrators," she said.

There are a total of 5.1 million state employees and 14.5 million local employees in the public sector, according to BLS data. That is down 114,000 and 158,000 employees respectively since the peak in summer 2008. Private sector employment has risen 9.1 percent, from 116 million at the start of the recession to 127 million today, the data show.

Looking forward, Cohen expects state hiring to increase because of potential new sources of revenue for states, including sports betting, marijuana, and online sales taxes.

The recent divergence in local and state government employment is not statistically significant, said Angie Clinton, a BLS economist.

"State is down slightly and local is up a bit, but we'd say this is little change," she said in a telephone interview.

Month over month, local government employment is up 0.1 percent and state government employment is unchanged, BLS data show.

Bloomberg Markets

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July 9, 2018, 8:53 AM PDT

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