



2024 LABOR MARKET OUTLOOK

Government

The State of the Public Work Sector

The public sector, which employs about 13% of U.S. workers,¹ has many unique workforce challenges. These include often lengthy and complicated hiring requirements, inflexible pay scales and benefits, and limited allowances for remote work. The pandemic highlighted the extent to which these labor market features can exacerbate and prolong labor shortages in a competitive and supply-constrained market. In fact, 18 months after overall U.S. employment returned to its pre-pandemic level, staffing at many state and local government agencies has yet to recover.²

The pandemic also highlighted the feasibility of an alternative approach. Many workers performed their duties successfully from home when rules were temporarily modified to allow remote work. More recently, growth in public sector wages has been successful at increasing the rate at which vacancies are being filled. More adaptable pay scales, separate pay scales for workers with specialized skills, and greater remote work and schedule flexibility will likely be necessary to build a resilient public sector workforce that can meet the imperatives of excellent and equitable service, digital transformation, and better emergency preparedness.

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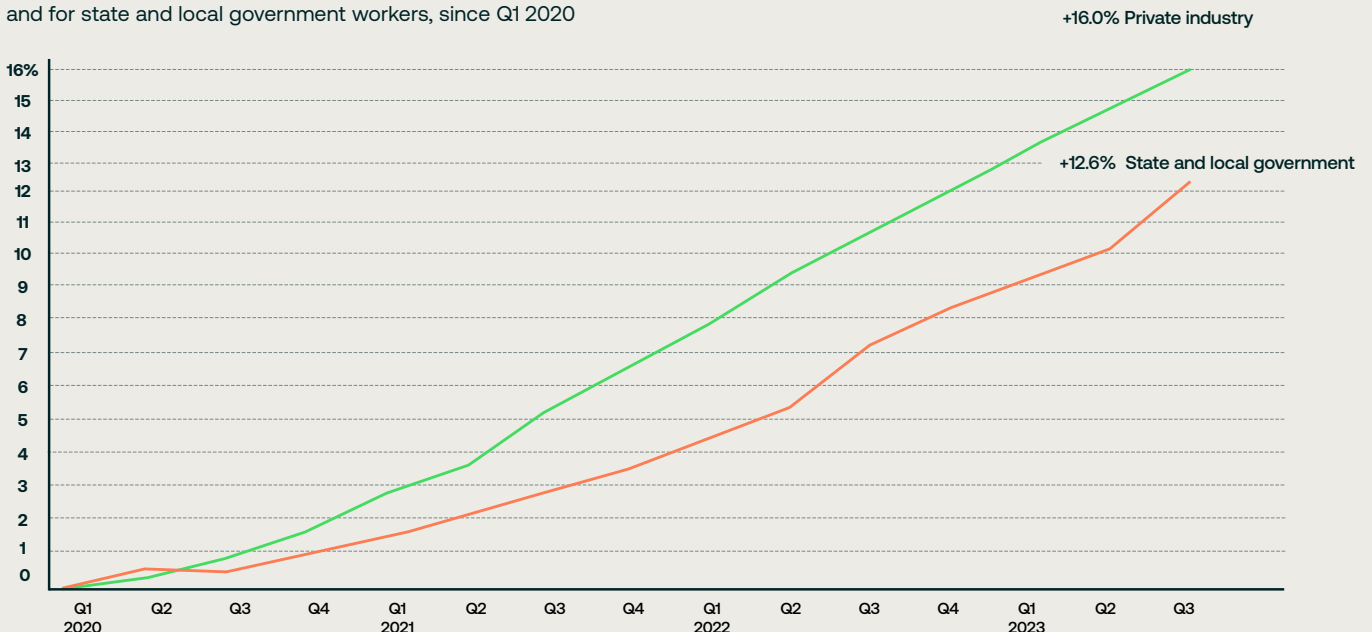
As government agencies confront a wave of retirements, protracted staffing shortages in particular functions, and disruptive technological change, they will need to harness some of the flexibility they allowed during the pandemic and make it a permanent feature.”

-Julia Pollak, ZipRecruiter Chief Economist

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The public sector wage growth gap

% change in compensation for private sector workers, and for state and local government workers, since Q1 2020



Source: U.S. Bureau of Labor Statistics, Employment Cost Index, Jan. 2020 - Oct. 2023.

¹ "Current Employment Statistics," U.S. Bureau of Labor Statistics, Dec. 8, 2023
² Ibid.

The Government's Top Talent Challenge: Competing with the Private Sector

Jobs for correctional officers, firefighters, child protective investigators, social workers, and police officers are among the hardest-to-fill public sector roles, according to ZipRecruiter data on the average number of applications per vacancy. So are roles for public school math and science teachers, and experienced cybersecurity professionals.² In each case, the public sector has struggled to compete with the private sector on compensation, flexibility, and organizational culture.

Short-staffing has drained morale and set off a vicious cycle. Many agencies are still suffering from the reputation they developed among potential candidates during the pandemic, even though staffing levels have since improved and many personnel policies have been updated. Breaking the cycle from short-staffing to employee burnout to worsening shortages will require major organizational reforms that bring public sector talent management in line with emerging private sector best practices. Between 2020 and 2022, public sector agencies were increasingly competing for talent by offering remote work and adopting skills-based hiring, but both trends reversed somewhat over the course of 2023. Expect fierce debates over their merits to rage on throughout the 2024 election year.

Industry Snapshot

Fastest-growing job titles

Based on change in job postings, 2022 to 2023

Demand for these roles rose between 2022 and 2023:



Mail Handler



Licensed Clinical Worker



Director of Social Services



Social Service Worker



County Program Technician

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023; roles with over 100 postings.

Top-performing job titles

Based on average # of clicks per posting

Job seekers on ZipRecruiter express the highest interest in these roles:



Digital Court Reporter



Interpreter-Translator



Mail Sorter/Specialist



Drug Safety Specialist



Detention Officer

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; roles with over 100 postings.

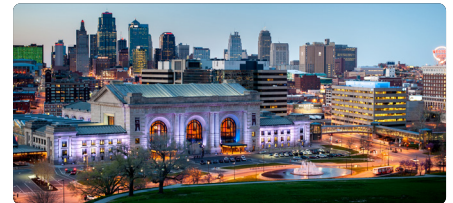
Top-performing markets

Based on average # of applies per posting

Job seekers in government on ZipRecruiter express greatest interest in these markets:



New York, NY



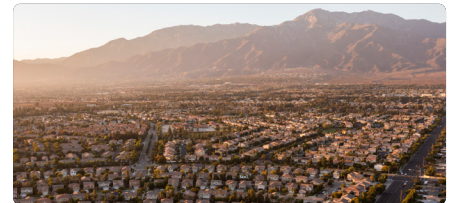
Kansas City, KS



El Paso, TX



Raleigh, NC



Rancho Cucamonga, CA



Irvine, CA

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; markets and roles with over 100 postings.

² ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; roles with over 100 postings.

Two Trends to Watch



1. Remote work

The share of public sector jobs that are remote doubled from 3.3% in 2019 to 7.3% in 2023, with a sharp decline from its 10.7% peak in 2022.³ The Biden Administration seemed optimistic about the future of telework in the federal workforce, and the Office of Personnel Management commented on its popularity, observing that federal workers were “agency-hopping” to those that allowed remote work.⁴ But by mid-2023, the White House started calling on federal workers to return to the office,⁵ and lawmakers started investigating office attendance at federal agencies and waging a “crackdown” on telework.⁶ Some have gone so far as to call it fraud for federal workers to earn Washington, D.C. wages while working out of lower-cost locations. We expect the recent return-to-office push to exacerbate shortages of specialized tech talent over the course of the year—especially when tech sector hiring picks up again.

2. Skills-based hiring

In accordance with a June 2020 executive order, the federal government has formally adopted a skills-based hiring approach, dropped degree requirements for certain roles, and prioritized skills over degrees in the hiring process. Many state and local governments have similarly dispensed with degree requirements in the years since. While the approach may have opened roles to a wider pool of candidates, it has also made hiring processes longer in some cases by shifting focus from candidates’ self-reported skills to a series of exams and interviews designed to assess their personalities and competencies. ZipRecruiter data showing an increase in education requirements in government job postings in 2023 suggests that a policy reversal may be underway, as in the case of telework.



Attracting the Workforce of Tomorrow

Trending benefits

Mentions of benefits in job postings on ZipRecruiter



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023.

52.8%

of public work sector job postings on ZipRecruiter list soft skills.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

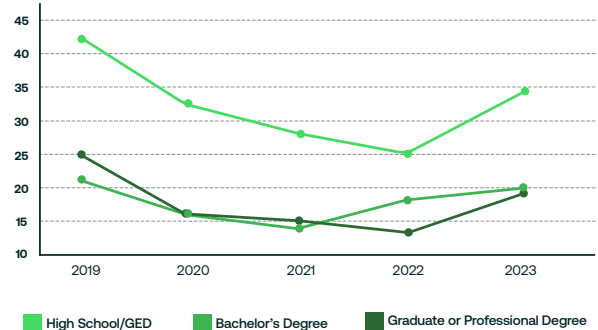
7.3%

of public work sector job postings on ZipRecruiter are remote.

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023.

Evolving job requirements

Education requirements listed in public sector job postings declined between 2019 and 2021/2022, but have since risen again, suggesting a possible reversal of recent skills-based hiring initiatives.



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2019 - Oct. 24, 2023.

³ ZipRecruiter, Inc., internal data, Jan. 1, 2019 - Oct. 24, 2023.

⁴ Heckman, Jory, “OPM says federal employees ‘agency-hopping’ to telework-friendly offices,” Federal News Network, July 21, 2022.

⁵ Olorunnipa, Toluse, and Lisa Rein, “White House urges federal workers to return to office this fall,” Washington Post, Aug. 4, 2023.

⁶ Joseph, Jamie, “Sen. Joni Ernst wants remote government workers investigated: ‘We’re coming after them,’” Fox News, Sept. 7, 2023.

2024 Spotlight: The (Future) Value of Data

Government agencies have access to vast amounts of data that can provide insights into improving traffic, conserving energy, reducing homelessness, delivering better services, and improving public health. But many agencies are not yet leveraging this goldmine. In 2024, the most innovative cities, states, and federal departments will be those that digitize their systems, develop appropriate data infrastructures, adopt cross-agency data-sharing platforms, and establish trust with the public regarding the data they collect. That will require hiring and retaining skilled data engineers, data analysts, cybersecurity professionals, and compliance experts.



ZipTips

To attract and retain top talent in the public sector:

1. Increase public awareness of government job opportunities

Publicize job opportunities and internships using popular job search websites, job fairs, and social media. Optimize job postings by making job titles and descriptions clearer and more engaging, highlighting the benefits of public sector careers.

2. Evaluate the impact of remote work and skills-based hiring

Similar to the approach taken by some in the private sector, data on the costs and benefits of remote work and skills-based hiring can help to guide policy on telework and hiring practices.

3. Adopt data-driven policies on remote work and skills-based hiring

Following a formal impact evaluation, agencies should formalize their policies on telework

and hiring practices and release guidelines regarding implementation so candidates and employees can plan for the long term.

4. Prioritize career development

In a recent study, 45% of public sector employees cited a lack of career development as the reason they planned to leave their roles.⁷ Organizations that find meaningful ways to offer learning and development opportunities and increase internal mobility will have a competitive advantage in retaining talent.

5. Partner with higher education

Government agencies and departments have close relationships and joint ventures with Georgetown University and George Washington University. Agencies should broaden the talent pipeline by forging similar connections to other universities and skills development programs.

⁷ "What workers want is changing. That could be good for government," McKinsey & Company, Oct. 26, 2022.