Hiring Down; Anticipated Layoffs Rise Slightly in 2010

Forty-five percent of public employers anticipate hiring for new positions in fiscal year 2010; down from 2009 when 52 percent of respondents anticipated hiring. This represents a significant drop from the prior four years, 2005 through 2008 when the number was closer to three-quarters of employers. The results are from the Sixth Annual Employment Outlook Survey conducted every January by the International Public Management Association for Human Resources (IPMA-HR).

“Employment in all sectors has been impacted by the economy,” said Neil E. Reichenberg, executive director of IPMA-HR. “The survey results indicate that in the public sector, the employment outlook may be deteriorating as the economy is reported to be exiting the recession. This is consistent with the employment reports issued each month by the Bureau of Labor Statistics, which has shown a decline recently in government employment, especially at the state and local level.”

Most of the hiring will be in the area of public safety (31 percent of respondents hiring said it would be in this area) followed by public works (15 percent), finance & management (13 percent) and health services (10 percent). Public safety and public works have topped this list every year. Last year, parks & recreation and HR were in the third and fourth position but were bumped this year by finance & management and health services.

The overall number of jobs created will represent a small percentage of the current workforce with 35 percent of respondents indicating that the number will represent less than one percent of the current workforce, 14 percent indicated it would represent between 1-2 percent of the current workforce and the numbers drop off precipitously after that with only 3 percent of respondents indicating that it would represent between 2-3 percent of the current workforce.
Public employers are also anticipating layoffs. Thirty-two percent of respondents said they anticipate making such cuts this year compared to 30 percent in 2009. These numbers are nearly double what they were pre-recession. In prior years the number of anticipated lay-offs was between 12 and 18 percent.

The hardest hit areas are public works, where 14 percent of respondents anticipate making cuts, followed by finance & management (13 percent), public safety (12 percent), parks & recreation (11 percent) and human resources (8 percent).

The anticipated layoffs represent a fairly small percentage of organizations’ overall workforce with 16 percent of respondents indicating that the layoffs would represent less than 1 percent of the workforce and only 1 percent indicating that it would represent more than 10 percent of the current workforce.

Like last year, a high number of respondents indicated they are purposefully keeping vacancies unfilled for budgetary reasons with 69 percent indicating that is the case now and 67 percent in 2009. Prior to the recession that number ranged from 31 to 39 percent.

As in the past, those with vacancies report that they represent a fairly small percentage of the overall workforce – less than one percent (31 percent) between 1-2 percent (18 percent), between 2-3 percent (10 percent), between 3-4 percent (7 percent), between 4-5 percent (8 percent), between 5-10 percent (11 percent) and more than 10 percent of the current workforce (6 percent).

The survey was conducted between January 6, 2010 and January 22, 2010. Five hundred and seventy-eight individuals responded, 78 percent were from local/municipalities, 11 percent from states, 3 percent federal, 1 percent university or college and 7 percent from special districts.