Employee Retirement – An Unexpected But Very Real Obstacle for State & Local Governments

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- State and local governments and related organizations are expecting an increased number of employee retirements.
- This expectation could add context as to why state and local government employment has not only been lagging the broader labor market recovery but falling over the last three months.
- The state and local government job month-over-month change averaged -49k over the last three months, while the non-farm payroll month-over-month average was +442k over the same period.
- The implications from state and local government employees leaving their jobs present a management and financial obstacle. Replacing them could be expensive and in some cases the situation could strain or even stop service delivery. This dynamic could very well more negatively impact areas with larger populations and those with lower incomes.

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