

State and Local Government Jobs Driving U.S. Economic Policy, Remain 1.2 Million Below Pre-COVID Peak

- The state and local government labor market remains challenged, with the total number of jobs still 1.2 million below the pre-pandemic high. This is 300,000 fewer positions than observed during the post-Great Recession's bottom.
- Jobs did not bottom-out in state and local governments until four years after the Great Recession ended in June 2009. They did not return to the pre-Great Recession peak until summer of 2019. Federal policymakers are hoping to avoid a similar lag that could have a negative impact on U.S. economic growth.
- Federal fiscal policy guidance in the form of \$350 billion of relief targeted to state, local, and tribal governments was finally released on May 11th. In just the first 11 days, \$105 billion of the \$350 billion was distributed to state and local governments.
- Results will likely be considered a policy win if state and local government jobs snap back quicker this time around. We expect this jobs recovery will not begin in a meaningful way until the fall of 2021.

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