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State and Local Government Workforce Survey Report 2026

MissionSquare RESEARCH INSTITUTE

pshra Public Sector HR Association

naspe National Association of State Personnel Executives

Prepared by MissionSquare Research Institute with the support of the Public Sector HR Association and NASPE.

This report was prepared by **Gerald Young** (MissionSquare Research Institute).

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This survey series, which began in 2009, represents a partnership among MissionSquare Research Institute, the National Association of State Personnel Executives (NASPE), and the Public Sector HR Association (PSHRA).

In addition to tracking year-to-year trends, the survey also explores key issues in greater depth, with this year's instrument asking follow-up questions around recruitment practices, exit interviews, succession planning, and the use of artificial intelligence in human resources.

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Recruitment challenges continue to ease, but more than half do not have a formal succession planning process.

Executive Summary

The 2026 survey was conducted from February 9 to March 20, with a total of 606 human resource managers responding.

Key findings:

- Recruitment challenges **continue to ease** (see Figures 14-16)
- Among those offering pay increases, most offered **up to 3%** (see Figure 4)
- 44% report an increase in the **size of workforce** (see Figure 5)
- 59% report **social media** as among their most successful recruitment methods (see Figure 7)
- 40% report either that the **largest anticipated retirement wave has already taken place or that there is no such wave** (see Figure 23)
- 53% say their employees are financially **prepared for retirement** (see Figure 29)
- 64% feel their wages are **competitive**, while 92% feel their benefits are (see Figure 31)
- 53% do not have a formal **succession planning** process (see Figure 36)

New questions:

- **Artificial intelligence** (AI)
  - 45% are using AI to draft interview questions (see Figure 10)
  - 3% say that, due to AI, **some positions have been left vacant** (see Figure 13)
- Most successful **recruitment methods** (see Figure 7)
  - 10% report outreach to former temporary staff (part-time/seasonal, interns, apprentices, volunteers
  - 9% report candidate meet/greets with department leadership — not just an anonymous/HR hiring panel —to give candidates the opportunity to get a sense of department culture and leadership and make personal connections
- 76% of those appealing to candidates' **interest in public service** do so via a government-wide branding campaign
- 24% of respondents hired **former federal workers** this year.
- 13% follow a workweek of less than 40 hours. Among those with a shortened schedule, five times as many report a positive rather than a negative impact on productivity (see Figures 18 and 21).

Other new questions dealt with 457 accounts, internship curricula, data tracking, exit interview comments from employees leaving in less than 2 years, and the reasons why some organizations have yet to do succession planning.

Where practices are not anticipated to change drastically in the short term (e.g., the share of workload met via the gig economy; last asked in 2025), some questions are only asked every 2-3 years.

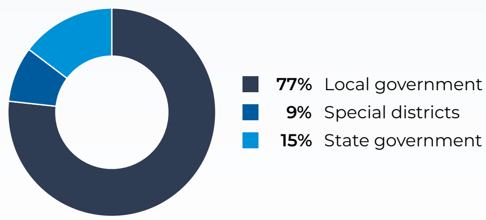
In other cases, a particular year's survey has more detailed questions about certain occupations. In 2024-2025, those occupations included police officers, interns, and apprentices. In 2026, there are questions about recruitment strategies to attract public works and utilities staff (see Figures 7-7B and accompanying discussion).

Respondents

Of the total respondents, 77% were from local government, 15% from state government agencies, and 9% from special districts (e.g., utilities, schools, parks, etc.; see Figure 1). For the comparisons shown below, special districts are included with local governments.

FIGURE 1:
Form of government
(n = 606)

NOTE: Total exceeds 100% due to rounding.

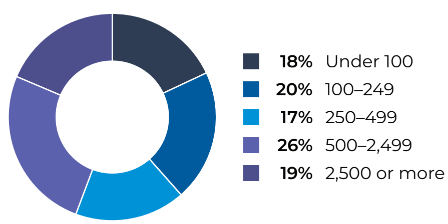


On the total number of full-time equivalent employees, there was a fairly even distribution by size (see Figure 2).

Where there are significant differences by government type or staff size, or where year-to-year data shows trends worth noting, those are identified below.

Some respondents did not respond to all questions, in part because the mix of services and structures in each jurisdiction varies. If a respondent indicated they did not provide public safety services, for example, they would not have been asked any related follow-up questions. Or, if recruitment was handled in a decentralized manner by individual departments, the respondent may not have had the information required to answer those questions.[1] Response rates for each question are shown within the respective graphs.

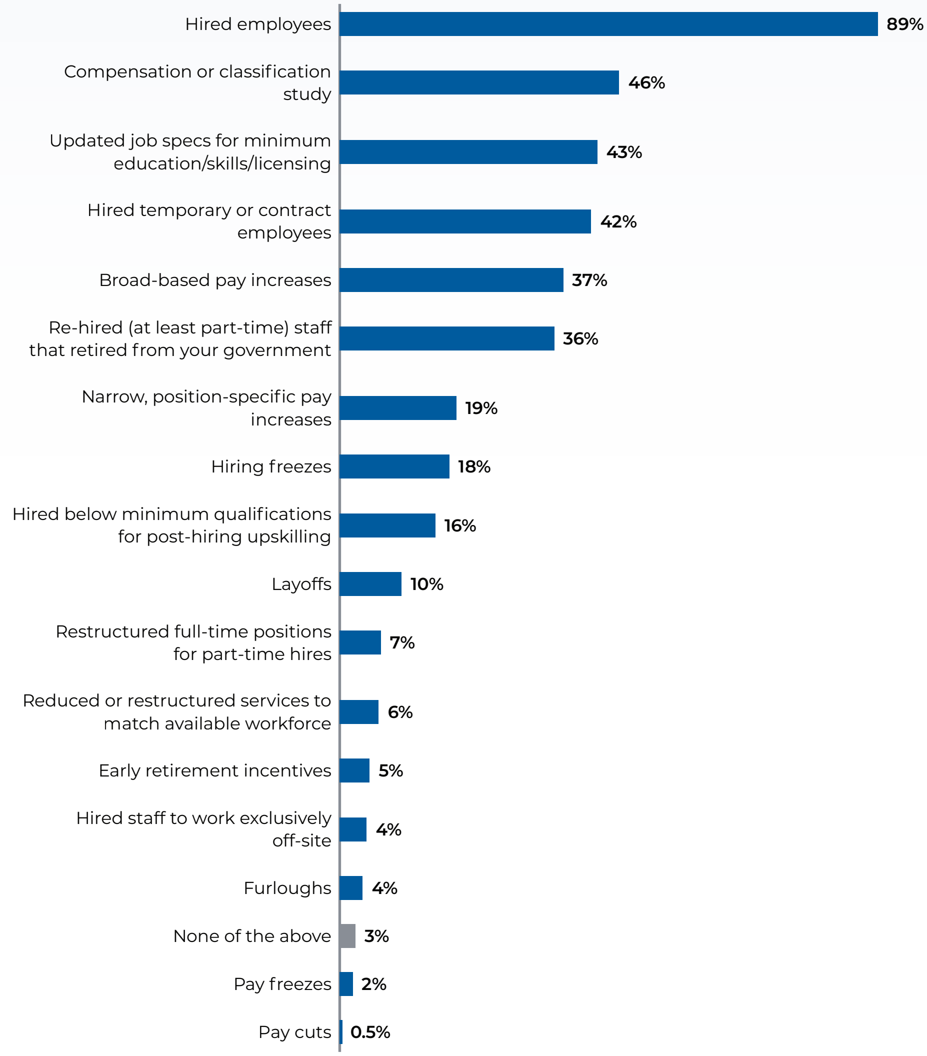
FIGURE 2:
Full-time equivalent employees (n = 366)



Workforce Actions

This year's responses show the most common actions are hiring staff and performing compensation or classification studies (see Figure 3).

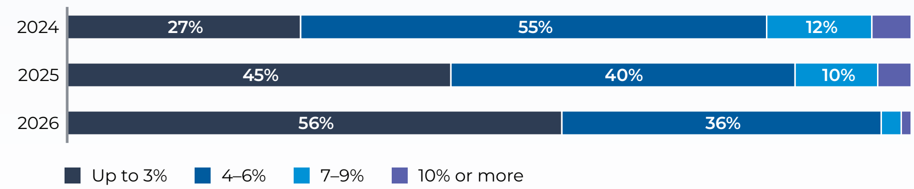
FIGURE 3:
Which of the following workforce actions has your government implemented over the past year? (select all that apply; n = 605)



Changes in Compensation

For those who indicated that there was a broad-based pay increase, there was a follow-up question about the size of that increase. In the 2024 survey, the most common response was 4-6%. In 2025, it was "up to 3%," and the percentage reporting that grew in 2026 (see Figure 4).

FIGURE 4:
For the broad-based pay increases provided, what was the average percentage increase effective in the previous year? (n = 154, 176, 220)



The larger increases two years ago may have related to pent-up need to address competitiveness that has since been met.[2] There are a few notable differences since 2023 where employer actions may indicate either that target pay levels have been met or that employers are taking a more cautious approach (see Table 1).

TABLE 1:
Changes in select workforce actions, 2023-2026

	2023	2024	2025	2026	Change
Broad-based pay increases	62%	53%	47%	37%	**-25%**
Compensation or classification studies	65%	54%	54%	46%	**-19%**
Narrow, position-specific increases	27%	28%	22%	19%	**-8%**
Layoffs	3%	5%	4%	10%	**+7%**
Hiring freezes	2%	6%	8%	18%	**+16%**

Changes in the Size of the Workforce

Regardless of those actions, 44% reported an increase in the size of the workforce; for most, reported increases were less than 5% (see Figure 5). In 2024 and 2025, increases were also more common than decreases, but the size of those increases has declined (see Figure 5A). Considering that employment declined precipitously with the pandemic, this change in size of increase may reflect a post-pandemic bump and a subsequent return to a more moderate pace of growth.[3]

FIGURE 5:
Percentage change in full-time workforce in the past year (n = 515)

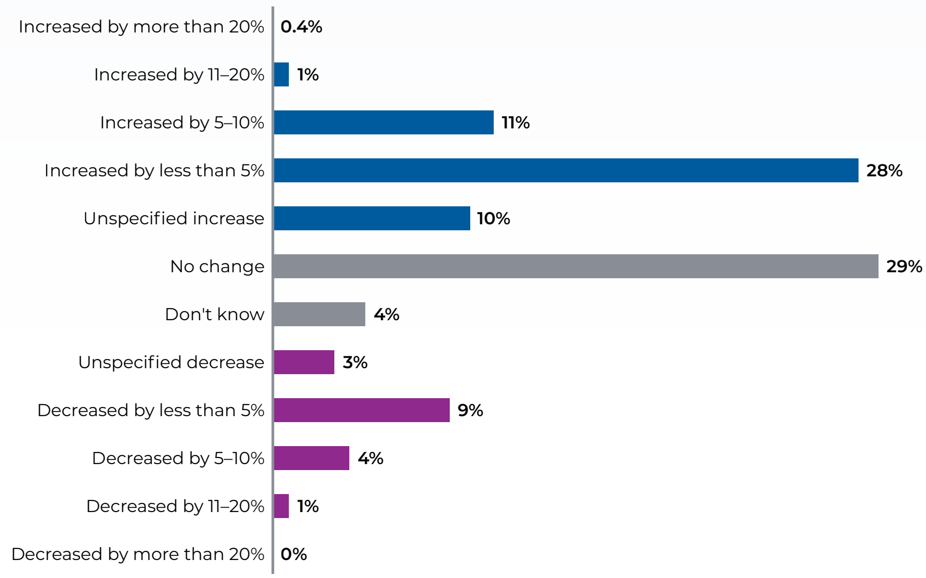
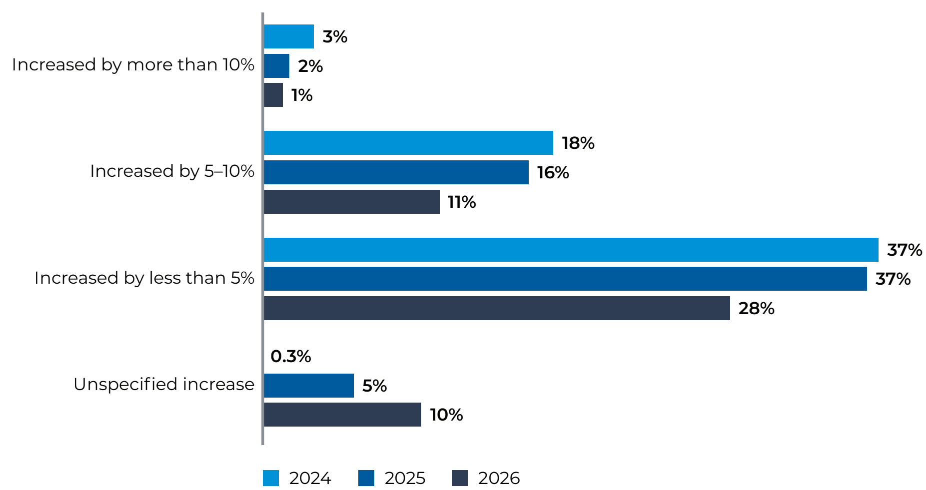
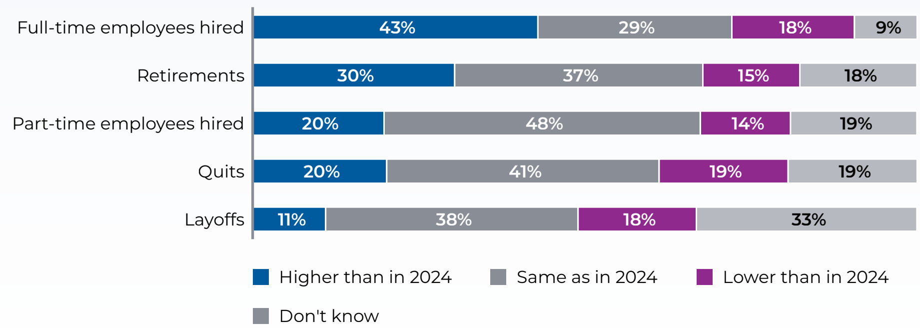


FIGURE 5A:
Change in full-time workforce over the past year (n = 295, 366, 515)



Considering the individual components of staffing changes, more said their full-time hiring was higher than in 2024 compared to lower (43% vs. 18% of respondents; see Figure 6). For retirements and resignations, those reporting the 2025 totals were higher also outnumbered those reporting that they were lower. For further detail, see also the related discussions below on Retirement and Exit Interviews.

FIGURE 6:
Regarding the size of your government's workforce in 2025, was the number of... (n = 510)



Recruitment

When asked about the most effective recruitment methods, the top responses were government websites and social media (63% and 59%, respectively; see Figure 7).

There were two options on the list of choices that were last queried in 2024: outreach to specific neighborhoods or demographics (11% in 2024, 5% in 2026), and outreach to veterans or military family members (11% in 2024, 12% in 2026). The survey did not ask why certain methods were or were not cited, but the decrease in reported neighborhood or demographic-based recruiting may relate to the overall change in the environment around diversity, equity, and inclusion.

FIGURE 7:
What recruitment practices are most successful in reaching qualified candidates? (select all that apply; n = 468)

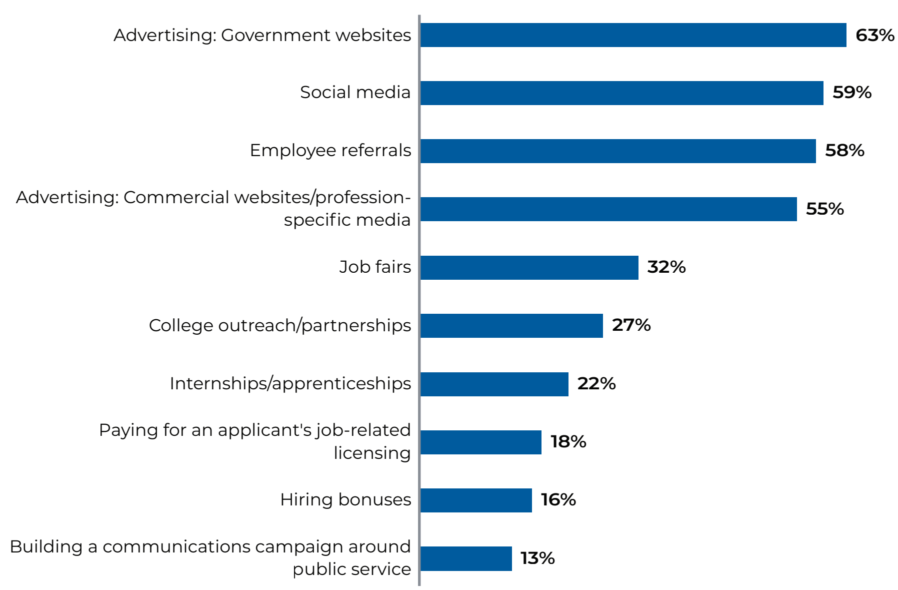


FIGURE 7 (CONT):
What recruitment practices are most successful in reaching qualified candidates? (select all that apply; n = 468)

Two new items on the list of recruitment methods queried were candidate meet/greet opportunities with hiring department's leadership to provide a better window into the organizational culture (9%) and outreach to former temporary or part-time staff (10%). The latter question was inspired from the Institute's 2025 survey on undergraduate career attitudes toward work in the public sector. In that study, prior part-time or volunteer experience with state or local government was correlated with interest in pursuing a full-time position.

In more detail...

One of the goals of this year's survey was to dig more deeply into various topics.

- Regarding job fairs (which 32% rated as being effective), those were most often conducted at colleges, but also included **19%** conducting **virtual job fairs** (see Figure 7A).
- Of the 13% that said they were building a communications campaign appealing to candidates' interest in public service:
  - **76%** said they were doing so via a **branding campaign**, while
  - **57%** said they were doing so via **individual job ads** (e.g., how a specific job might impact the community).[4]
- Outreach to federal employees was cited as being an effective strategy by 4%, but **24%** said they had **hired former federal staff** in the past year (beyond those who may have separated from the military). The most common areas for such hires were in management, finance, and public safety, but many noted that such hiring took place across multiple departments.
- **22%** reported a specific strategy for **utilities and public works** recruitment, with key elements including pay differentials for completed certifications, outreach to known license holders or former staff, and hiring from other organizations at lateral or upgraded classifications (see Figure 7B).

NOTE: Figure 7B involved an open-response question, and some respondents cited more than one strategy. Only the top responses are shown. Figures do not sum to 100%.

FIGURE 7A:
Where have you participated in job fairs? (select all that apply; n = 150)

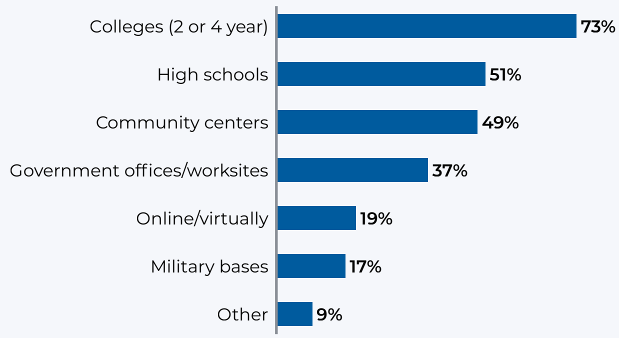


FIGURE 7B:
What element(s) of that public works/utilities recruitment strategy has been most effective? (n = 95)

In deploying any new recruitment strategy, there can be a sense that casting the net too widely may produce diminishing returns. A counterargument to that is the experience of Civic Match, finding that their effort to steer former federal workers to state or local job openings has 30% of its successful hires relocating from at least 100 miles away.[5] If that willingness to relocate for a public service opportunity is present among federal workers, it may also be present among those who might relocate from rural to metro areas, from military bases or Historically Black Colleges and Universities (HBCUs) to small towns, or pricey tech hubs to more affordable communities. And even more so, where a government can tie the satisfaction of community service work to a neighborhood-based recruitment, they may find skilled workers who do not need to relocate at all.

Skill Building

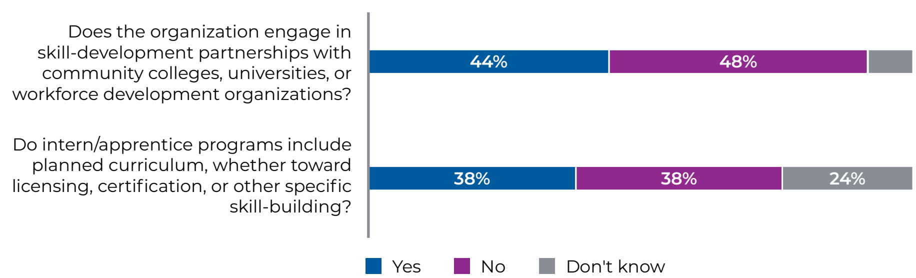
In the past few years, there has been a shift away from degree requirements toward skill-based recruiting.

- 18% dropped degree requirements for more than 5% of all authorized positions (2025 Survey, Figure 19)
- 72% saw an increase in applicants, while quality of applicants was about equally likely to be impacted positively as negatively. (2025 Survey, Figure 18).

This year, the survey continued to ask about post-hiring upskilling (see Figure 3), but added new questions about whether there were partnerships with community colleges, universities, and workforce development organizations and whether there is a planned skill-building curriculum as part of internships and apprenticeships. As shown in Figure 8, respondents were about equally likely to respond positively vs. negatively to these questions.

Regardless of whether governments are rethinking entry-level education and experience or pursuing skill development pathways, both represent adaptations to a changing labor pool and the evolving nature of the work to be performed.

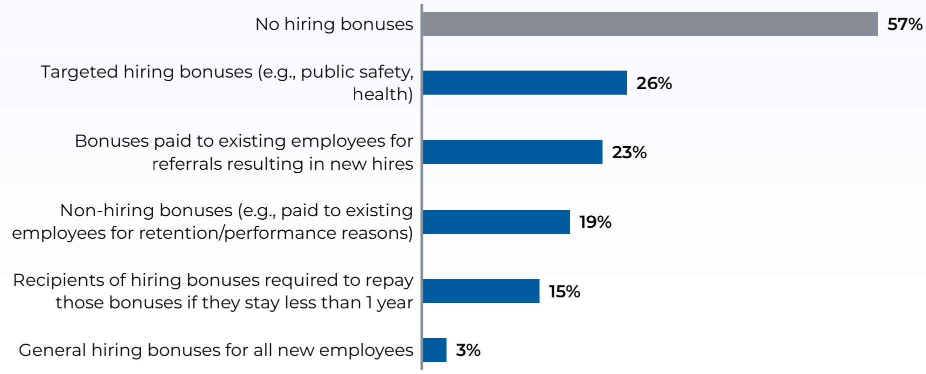
FIGURE 8:
Skill-building pathways
(n = 425)



Bonuses

This year's data on bonuses remains fairly similar to prior years, although the percentage paying targeted hiring bonuses has declined (from 33% in 2024 to 26% in 2026 Figure 9).

FIGURE 9:
What types of bonus policies or other incentives were in place in the past year (no matter when the initiative began; select all that apply; n = 419)



Workforce management: What about the private sector?

The workforce priorities of private sector employers vary as they do for public sector agencies depending on the size and complexity of the organization, the resources available to deploy and maintain the latest technology applications, and the time available to focus on longer-term planning. Another factor is employee tenure (median of 3.5 years in the private sector vs. 5.7 years in state government and 6.4 years in local government).[6] To the extent that some public employers are experiencing greater stability in key roles or have only a small number of staff in each, they may have less need to undergo large-scale/continuous recruitment.

Among the issues highlighted for private sector employers are:

- Forecasting strategic HR needs, particularly in evolving service lines or in anticipation of turnover or projected retirements
- Managing staff development, skills inventories, and succession planning
- Analyzing hiring metrics to optimize outreach methods and search engine results, reduce time to hire, and address potential negative outcomes (e.g., candidate ghosting, algorithmic bias in AI)[7]

For more about how public sector employers are addressing some of these issues, see the separate discussions below on Artificial Intelligence, Data Collection and Analysis, *and* Succession Planning. As for skills inventories, those were included in this survey through 2024, at which point the total conducting them was 13% (representing 11% of local and 20% of state respondents).

How does AI use or other data vary by government type or size?

See: Infographic: State and Local Government Workforce Survey 2026: Comparisons by Form of Government, Year, and FTEs.

Artificial Intelligence

This survey has asked about whether AI has been used in recruiting since 2020. Survey responses showed that 2021 was a peak year, with 11% of respondents indicating it was used for applicant screening or video interviews. This year, those questions were expanded to reflect the wider range of AI applications.

More than 40% reported using AI to write interview questions or job descriptions (see Figure 10). Use during applicant screening or interviews remains less common.

Beyond recruitment, departments are also turning to HR for process improvement, employee training and succession planning, chatbots, and onboarding.

FIGURE 10:
How are you using artificial intelligence within human resources? (select all that apply; n = 425)

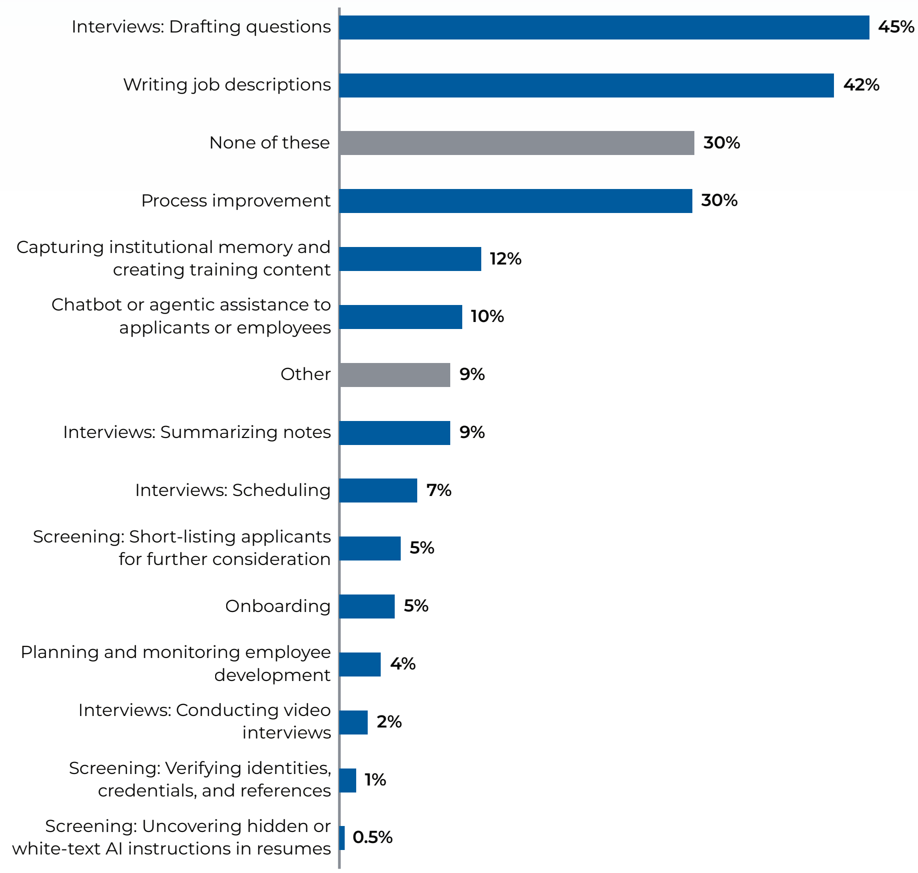
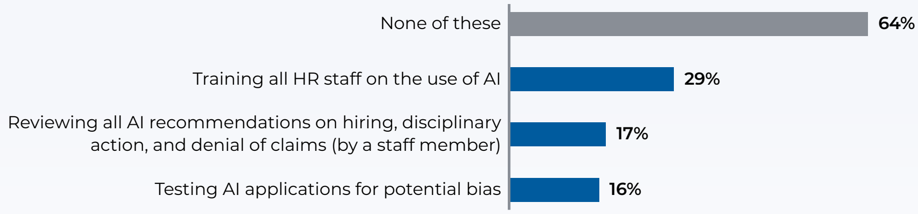


FIGURE 11:
Regarding artificial intelligence within HR, which of the following are required? (select all that apply; n = 413)



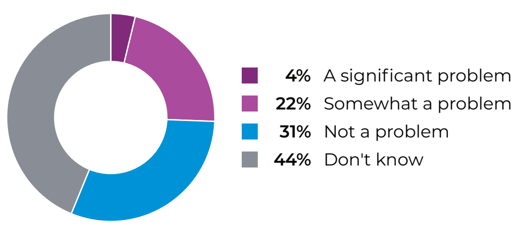
As AI usage has grown, so has the awareness of the need to manage it. While the initial questions about AI training and bias only garnered a handful of responses, this year, 29% reported training all HR staff on the use of AI, and 16% test their AI applications for potential bias (see Figure 11).

One of the vulnerabilities exposed in the Research Institute's 2025 survey of state and local government employees' use of AI was that 28% said that AI-generated content was rarely or never overseen or reviewed.[8] In this survey of HR managers, 17% indicated that such reviews by a staff member are required, at least regarding AI recommendations on hiring, disciplinary action, or denial of claims. While the training, testing, and review statistics demonstrate the attention being paid to AI, they still show significant gaps left to fill, particularly as applications are expanded or agentic/autonomous agents become more prevalent.

Also deserving attention are the ways in which job applicants' use of AI may impact the recruitment process. One convenience of the technology is the ease with which applications can be sent to a large number of employers, potentially generating a larger workload in the screening process. So far, 26% indicated that this is a problem (see Figure 12).

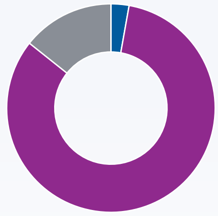
In addition to the volume of applications, there is also the issue of hidden coding. With white text on a white background that is not visible to a human reader, an applicant may provide overriding instructions to an automated reviewer to short-list them for an interview. So far, only 0.5% of respondents indicated that they are searching for such hidden coding (see Figure 11).

FIGURE 12:
To what extent is the volume of AI-submitted job applications a problem? (n = 422)



The one AI-related question that's most often asked is how it may impact current staff. As shown later in this report under Priority Workforce Issues, employers are paying attention to this, both for the potential of staff retraining and position elimination. But are any

FIGURE 13:
In the government as a whole, has the rollout of AI led to any positions being eliminated or left vacant? (n = 426)



positions being eliminated? So far, within their government as a whole, **3% report that AI has led to at least some positions being eliminated or left vacant**.

Even if 3% saying that some positions have been left vacant seems low, it is an indication that this is not just a future issue. Employees are worrying about it now, and in greater numbers than the HR managers who view it as a very important issue (see Table 2).

TABLE 2:
Concerns about AI and technology among all employees and among HR managers

	All employees	HR managers
On the need for retraining	20% very or extremely concerned	18% view as a very important issue
On the need to modify or eliminate jobs	20% very or extremely concerned	7% view as a very important issue

NOTE: Data for employees is from Artificial Intelligence in the Workforce: A Survey of State and Local Employees; HR manager data is from this survey; see Figure 35.

A 2026 study of the overall public and private workforce puts 16% of workers at high risk of exposure to AI disruption/displacement with low capacity to adapt, primarily affecting those in administrative, clerical, or customer service positions.[9]

What does this mean in terms of actual employment? The U.S. Bureau of Labor Statistics does not separately identify the employment impact of specific factors, but for two of the three largest occupations in the high risk/low adaptability analysis, the projected employment decrease through 2034 is 2-10% (see Table 3). By contrast, court, municipal, and license clerks are actually projected to see an increase in total employment.

TABLE 3:
Local and state government administrative/clerical staff: Projected change in employment 2024-2034 (due to all factors)

Source: U.S. Bureau of Labor Statistics, National Employment Matrix, state and local government, excluding education and hospitals, for "office clerks, general" and "secretaries and administrative assistants, except legal, medical, and executive."

	Projected employment change, 2024-2034
Office clerks	
Local	-9.9%
State	-8.5%
Secretaries and administrative assistants, except legal, medical, and executive	
Local	-1.9%
State	-3.4%
Court, municipal, and license clerks	
Local	+4.6%
State	+0.8%

This is not to ascribe any particular portion of this change to AI — and the actual percentage change could vary widely from those projections — but employers should consider such data in their AI rollout, workforce planning, retraining, or other staff support and communications.

Hiring Challenges

Three metrics on hiring challenges show improvement this year, while one new metric shows a warning sign in the form of an increased time to hire.

The most difficult positions to fill this year include those in engineering, policing, and nursing (see Figure 14).

The percentage tagging certain positions as hard to fill has decreased steadily since 2022. That year, 20 positions were identified as hard to fill by at least half of the respondents. This year, for that same list of positions, only seven met that threshold.

FIGURE 14:
Over the past year, what positions, if any, has the organization had a hard time filling? (n = 455)

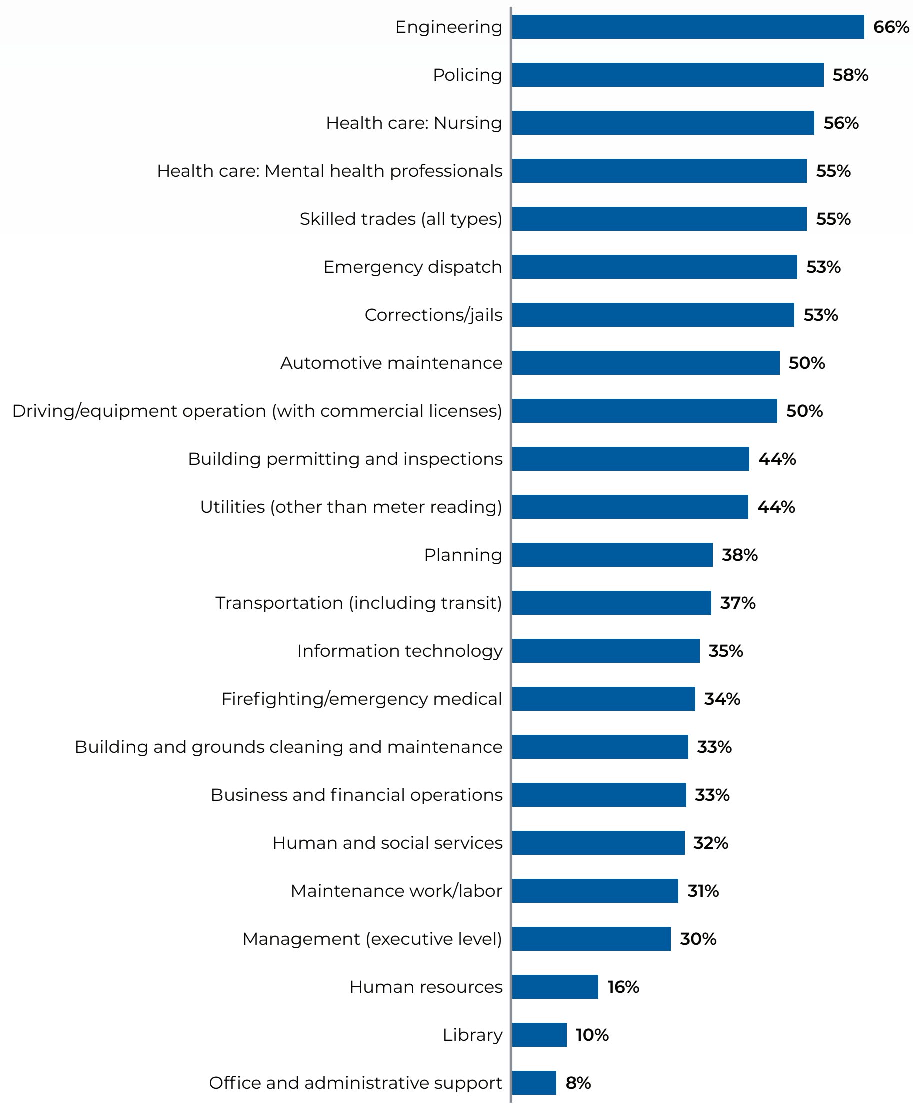
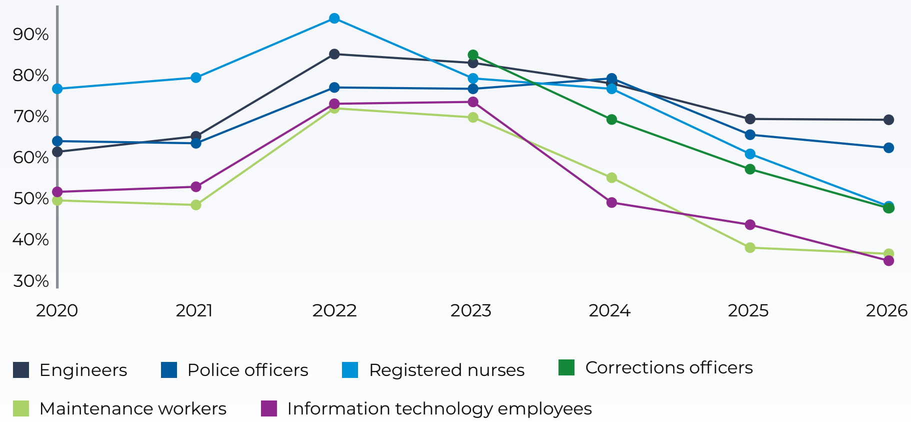


FIGURE 15:
Percentage of positions with fewer qualified applicants this past year compared to the number of positions available, 2020-2026 (n = 367)



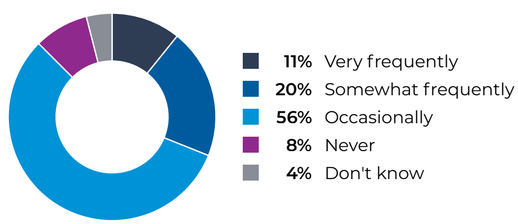
Another way of visualizing the improvement is in the question about the percentage of recruitments that received fewer qualified applicants than there were positions available. Trend data for six key positions is shown in Figure 15.

While it is encouraging to see declining difficulty in recruiting over the past four years, more than 60% still report that they see fewer qualified engineering and police officer applicants than they have positions available to be filled.

Two related questions deal with the fallout from a lack of qualified applicants.

How often did the organization need to reopen a recruitment? This year 31% said they needed to do so very or somewhat frequently, which was down from 52% in 2023 (see Figure 16).

FIGURE 16:
In the past year, how often did an insufficient number of qualified applicants require recruitments to be re-opened? (n = 400)



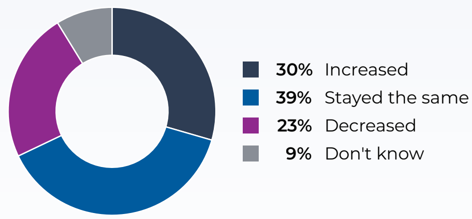
Hiring challenges: What about the private sector?

Among the most challenging positions to fill for the private sector are finance managers and software or AI engineers.[10]

In 2025, MissionSquare Research Institute conducted a survey on undergraduate career attitudes, looking at majors within which the students have a choice of employment sector, including finance, information technology, and other fields. Many of the students surveyed were unaware that opportunities existed in the public sector or felt that such jobs were either boring or were vulnerable to political or budgetary instability. In advertising job openings or conducting job fairs, public sector employers should clearly communicate what types of projects the new hire might undertake, the total value of compensation (including salary and benefits), the opportunities for career development and hands-on experience with innovative technologies, and the ability to accomplish concrete results for the community.

A new question this year asked what change, if any, there was in time to hire. Despite the other improvements in the hiring process, 30% indicated that their time to hire had increased, while only 23% said it had decreased (see Figure 16A).

FIGURE 16A:
In the past year, what has happened to time to hire?
(n = 400)



Flexible Workplace Policies

Flexibility in hours or work locations is often associated with pandemic-era remote work, although such arrangements have actually been tracked in this survey since 2016. There was some substitution of hybrid work in place of fully remote work starting in 2022, and hybrid itself has declined since then (from 58% in 2024 down to 50% in 2026; see related infographic. Still, flexible work practices remain a common offering to maintain employee morale and organizational culture without incurring a hard-dollar cost.

Other forms of flexibility have remained relatively steady over time, such as flexible hours (around rush hour or personal appointments) or flexible schedules (e.g., 4 days, 10 hours each day). Currently, 23% do not offer any flexible work practices.

One other option is the adoption of a shorter workweek. In 2025, 13% had a workweek shorter than 40 hours (excluding public safety or on-call staff). This year, that question asked more specifically about the duration of that workweek, with 4% saying that it was 38-39.5 hours, 7% that it was 36-37.5 hours, and 2% that it was less than 36 hours (see Figure 18). For more on shortened schedules, see the discussion below on Impacts of Select Initiatives.

FIGURE 17:
What flexible work practices did your organization offer for eligible positions in 2025?
(select all that apply; n = 389)

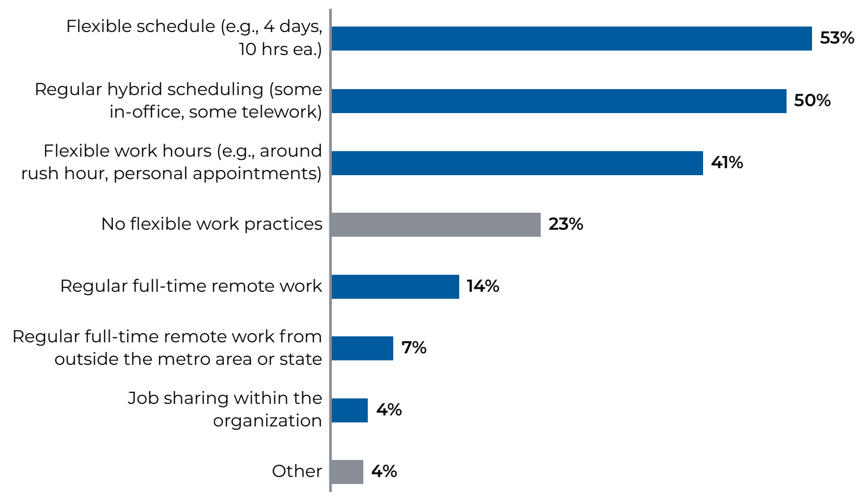
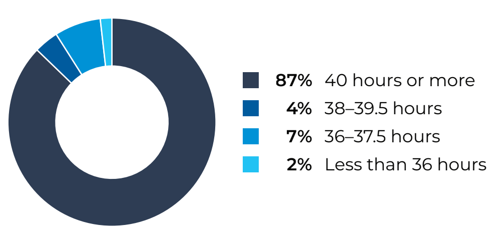


FIGURE 18:
Workweek (excluding public safety staff or on-call personnel; n = 390)



Flexible work practices: What about the private sector?

For all the media discussion about a return to the office, typically focusing on a handful of corporate decisions, flexible work remains a part of the private sector employment picture as well. As of November 2025, among employees with remote-capable jobs, **52%** worked a **hybrid** schedule, while 26% were exclusively remote and 21% worked on-site only.[11]

To compete in that still-flexible job market, public sector employers that are offering alternate schedules or other accommodations need to ensure that candidates are aware of what their organization offers and how that fits into the overall workplace culture.

Other Policies and DEI

The terms diversity, equity, and inclusion — and even more so, the acronym DEI — have seen a wide range of meanings and implications ascribed to them, ranging from efforts to eliminate bias or promote belonging to accusations of fostering reverse discrimination or casting blame. The precise words used can be powerful, encouraging, off-putting, or even a source of legislative scrutiny.

As always, the 2026 questions do not concern:

- Methods of providing services to the public.
- Quotas or hiring preferences, whether by race, ethnicity, gender, veteran status, or any other criteria.

In addition, a prior question about whether the respondents' organization has a training program on workforce diversity, equity, and inclusion has been dropped in favor of a question with a more precise focus. This year's policy questions include:

- Workforce training on treating applicants or coworkers with **fairness and respect** – These principles are common to building a healthy workplace culture; fostering a customer service ethic; and complying with federal, state, and local anti-discrimination laws. They are not exclusive to DEI, although such initiatives may overlap.
- **Diverse perspectives on interview panels** – The purpose of this question is not to imply that panels must consist of any particular demographic mix, but to determine whether the respondents find it helpful to involve multiple perspectives, whether that is from management and labor, technical experts and generalists, internal and external reviewers, or yes, even other forms of diversity.
- **Employee resource groups** – Such groups can help new employees or others feel welcome in the organization and help them build supportive networks. These may be an extension of onboarding or mentoring programs, be geared toward professional development (e.g., helping junior staff work toward additional proficiency, confidence, or certifications), or be aimed at helping those who are underrepresented in a field feel welcome. On that last front, a resource group need not be exclusive in its membership. For instance, whether the focus is on welcoming female hires in a predominantly male department, veterans entering the civilian workforce, or private sector workers joining government for the first time, participation of other employees as allies could serve to diffuse perceptions that the effort is only aimed at benefitting a small segment of the workforce, but rather is geared toward building team cohesion, morale, and retention.[12]

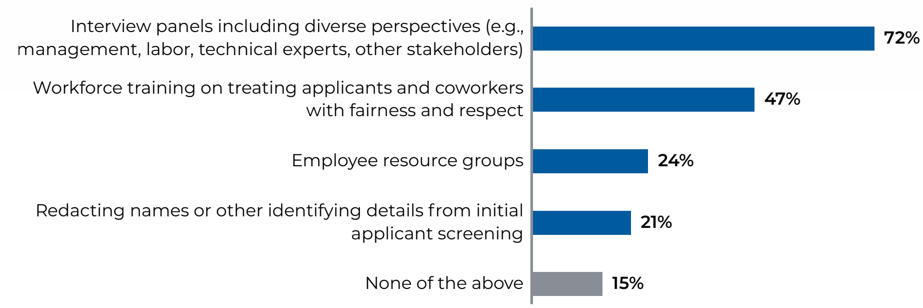
- **Redacting names** or other identifying details from initial applicant screening – As a method of eliminating potential bias, many organizations mask name, alma mater, graduation dates, or other potentially identifying information from initial application review, whether that screening is performed by AI or human beings. This practice does not confer an advantage on any group, but refocuses consideration around qualifications and experience.

Of those practices, the most common are diverse interview panels and workforce training on treating applicants and coworkers with fairness and respect (see Figure 19).

Governments may adopt any or all of these policies for a variety of reasons, including legal or risk management concerns; characteristics or challenges of the local job market; and assessments of employee morale, engagement, and turnover. Just as the reasoning may vary, they may be part of a broader DEI effort or entirely unrelated to any such priorities.

See also the sections below on Data Collection and Analysis, Impacts of Select Initiatives, *and* Priority Workforce Issues.

FIGURE 19:
Which of the following policies or programs did your agency have in place in 2025? (select all that apply; n = 391)



Data Collection and Analysis

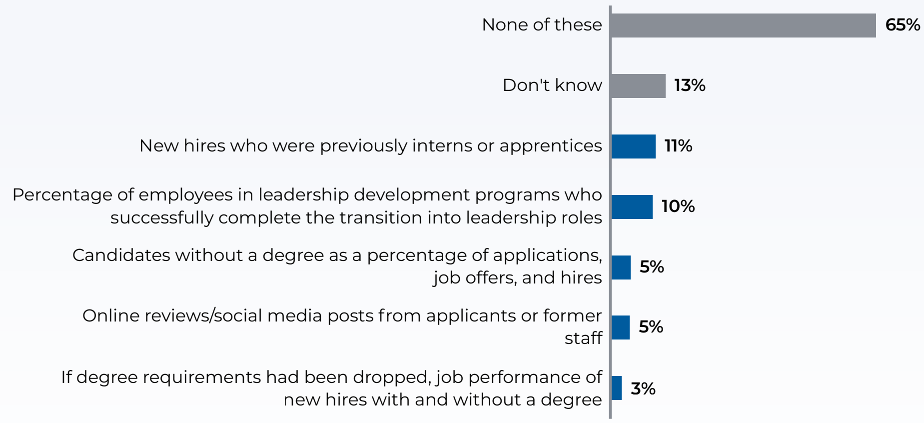
Having policies in place is a first step, but if there is no follow-up, measurement, or evaluation, an organization may not know whether they are achieving the desired outcomes or whether further adjustments are required.

Although the nature of those fine-tuned adjustments is beyond the scope of this survey, respondents were asked where they were collecting and analyzing related data.

This question is one where response options have rotated from year to year. In the 2025 Workforce Survey, the top responses were tracking the percentage of new hires who remain at least one year and tracking turnover rates by age, gender, race, or other characteristics, with at least 50% analyzing each type of data. For 2026, a new set of choices was presented, with tracking most commonly taking place around new hires who were previously interns or apprentices (11% were tracking this; see Figure 20 on next page).

The items in this figure are not evaluated further for their results, as there may be significant variation in how these metrics are defined (e.g., by individual job title, department, etc.), but the fact that they are being tracked at all is an indication of the importance the respondents place on them.

FIGURE 20:
Which of the following types of recruitment and retention data is your organization analyzing? (select all that apply; n = 426)



Impacts of Select Initiatives

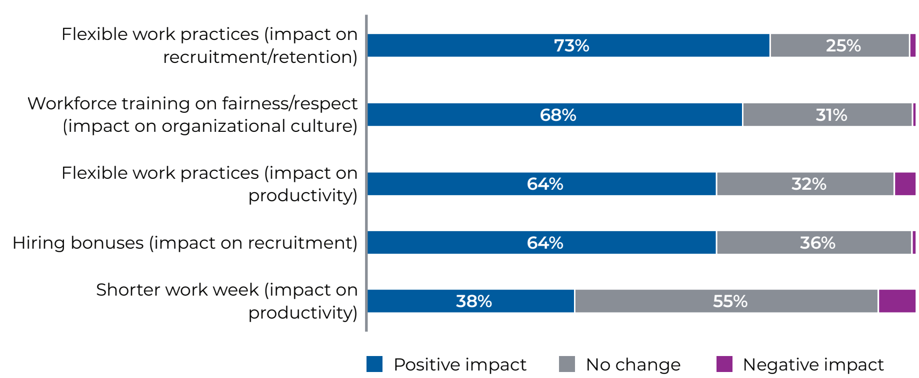
In the 2025 Workforce Survey, those indicating that they had dropped education requirements were asked about the impacts of dropping of those actions (leading to more candidates, but mixed assessments of candidate quality). Similar questions asked about flexible work practices, hiring bonuses and a shorter workweek. This year, the survey split the flexible work practices question into its impacts on recruitment/retention and on productivity and also included a question about workforce training on fairness and respect (see Figure 21). For each of the impacts surveyed this year, those reporting positive results outnumbered those reporting negative results.

The one area where there was a noticeable decline was in the percentage reporting that hiring bonuses had a positive impact on recruitment (**down from 78% in 2025 to 64% in 2026**).

For those jurisdictions where DEI is a matter of intense debate, data on how workforce training impacts organizational culture, or on how other initiatives impact employee satisfaction or turnover, can turn a theoretical discussion into one focused on results.

FIGURE 21:
Impact of select recruitment and retention initiatives (n = 45-296)

NOTE: Totals may not equal 100% due to rounding.



Retirement

In the 2025 report, it was noted that the U.S. labor market had hit "Peak 65," with the baby boom generation reaching or passing that traditional retirement age milestone. This survey has long asked two related questions: 1) have retirement-eligible employees postponed or accelerated their retirement plans, and 2) has your organization already experienced the largest anticipated wave of retirements?

On the first question, it is possible for organizations to report just one action occurring or perhaps some employees postponing their plans while others accelerate them. Over the long term, the tendency had been for more to report retirement-eligible employees postponing retirement in the aftermath of the Great Recession (46% in 2012), with more reporting decisions to accelerate retirement during or after the pandemic (53% in 2022). In the 2024-2026 period, those extremes have converged to around 25%-26% each.

On the second question, the retirement wave appears to be cresting. While those saying the largest wave of retirements has already taken place has paused at 20%, those saying there is no significant wave has continued to increase, so that the two categories now total 40% of all respondents (see blue bars to the left in Figure 23). Adding in the 15% indicating that the largest retirement wave is taking place now, the focus may no longer be on dreading massive turnover and the loss of institutional knowledge, but on supporting the new generations of workers who have already taken on those jobs. For more on institutional knowledge, see the discussion below on Succession Planning.

FIGURE 22:
Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement? (select all that apply; n = 375)

NOTE: Total does not equal 100% because jurisdictions were allowed to check all that apply (e.g., some employees accelerating their plans, while others were postponing their plans).

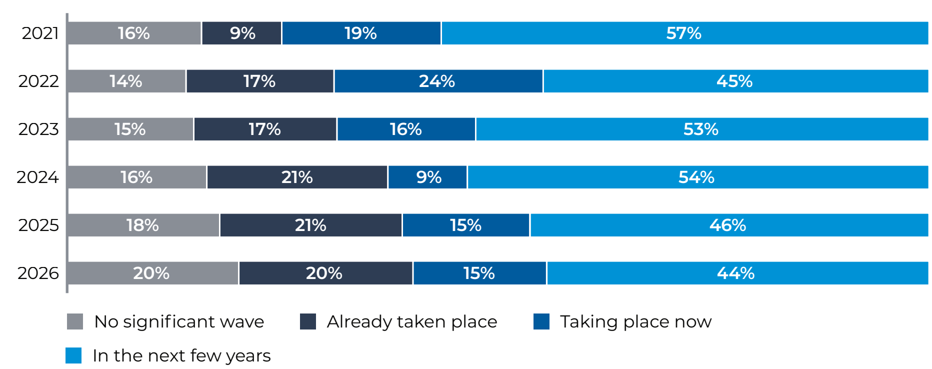


FIGURE 23:
Largest wave of retirements, 2021-2026 (n = 375)

NOTE: Totals may not equal 100% due to rounding.

Since the survey began in 2009, it has included questions about changes in benefits. Two questions currently track those changes: see Figure 24 for changes impacting current employees and Figure 25 for those impacting new employees. In both cases, the most common response is "none of the above," followed by changes to employer or employee retirement plan contributions.

FIGURE 24:
Over the past year, what changes, if any, has your government made to the retirement benefits for current employees? (select all that apply; n = 374)

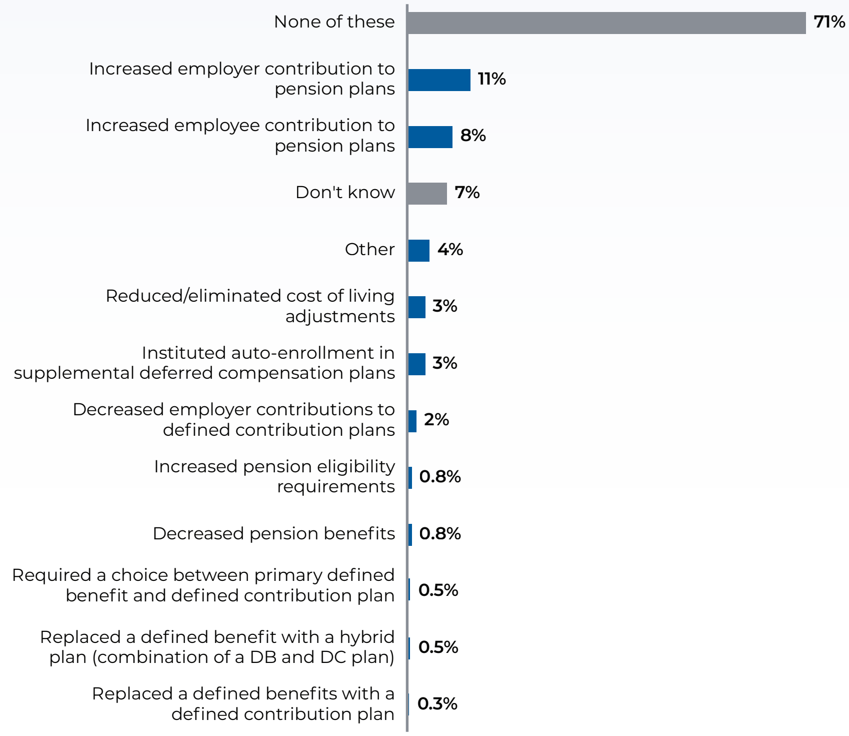
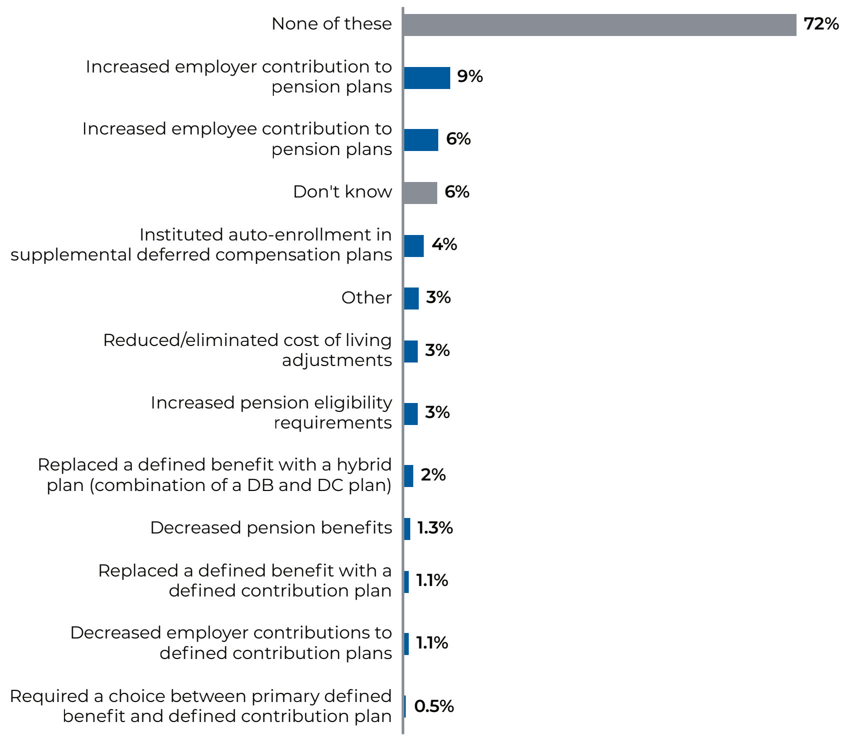
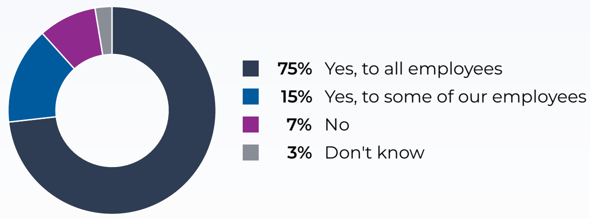


FIGURE 25:
Over the past year, what changes, if any, has your government made to the retirement benefits for new hires? (select all that apply; n = 373)



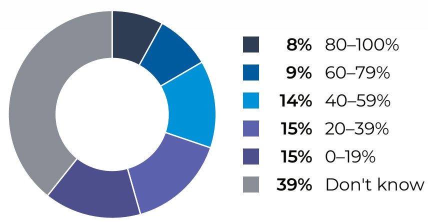
These questions look at a single year's changes in plan design and function. New this year are questions about 457 plans, regardless of when they were started. Three-quarters of respondents indicated that they provide a 457 plan to all employees, with another 15% providing them to some (see Figure 26).

FIGURE 26:
Does your organization offer Section 457 plans to your employees? (n = 375)



The largest shares of respondents offering a figure were those indicating that between 0-39% of employees were contributing to their 457 plan this year, with just 8% saying that 80% or more of their eligible employees were contributing (see Figure 27). The largest share overall, however, was the 39% who don't know how many employees are contributing.

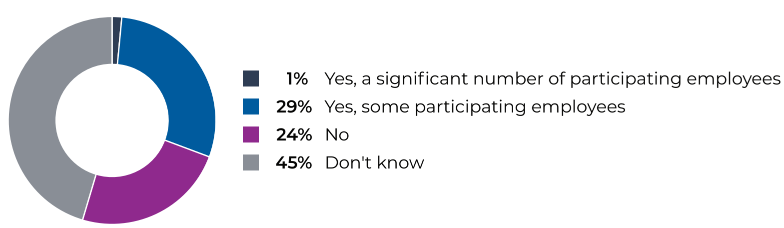
FIGURE 27:
What percentage of eligible employees contributed to their 457 accounts in the past year? (n = 338)



As extraordinary circumstances like a natural disaster, foreclosure, or medical expenses necessitate, some employees may opt to take an emergency withdrawal from their 457 plan. Only 1% of respondents indicated that there were a significant number of staff doing so, with 29% indicated that some staff were (see Figure 28). In this case, 45% indicated that they did not know to what extent, if at all, employees were taking such steps.

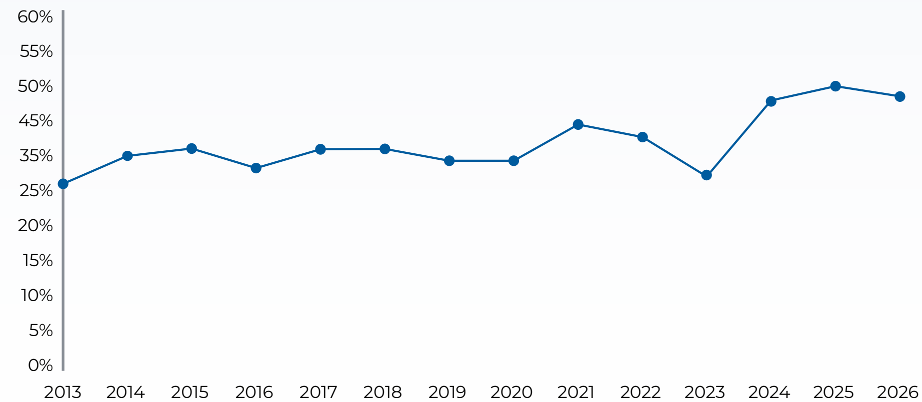
The high rates of "don't know" responses regarding both 457 contributions and loans indicate that there is room for better two-way communication around defined contribution plans as one portion of employees' retirement and emergency assets, or it may also reflect a more siloed approach to handling 457 plans, with respondents not necessarily being the most knowledgeable contacts.

FIGURE 28:
In the past year, have employees taken emergency loans or emergency withdrawals from their 457 accounts? (n = 339)



More generally, when asked whether employees are prepared for retirement, the picture is encouraging. From 2013 to 2023, most indicated that their staff were not financially prepared for retirement. Since 2024, that metric has exceeded 50% for three years in a row. This may relate to post-pandemic salary adjustments (see Table 1), investment earnings over the past few years, financial education programs, or other factors.

FIGURE 29:
Do you feel your employees are prepared financially for their retirement? (n = 255)



What do employees say?

According to a Research Institute survey of public sector employees themselves:

- 59% feel their retirement benefits are very or somewhat sufficient, and
- Their retirement readiness is driven by wages, retirement and health care benefits, and financial education.

Sources: Infographic: Public Service Employees' Financial and Retirement Security, MissionSquare Research Institute, 2024; and What Helps Public Sector Workers Feel Ready for Retirement: An In-Depth Study by Job Tenure and Other Factors, MissionSquare Research Institute, 2025. The institute's latest retirement survey results will be released in October 2026.

Health Benefits

As with retirement benefits, the largest segment in the graph of health benefits changes is “no changes” (56%; see Figure 30).

Not only is this “no changes” segment slightly smaller than in 2025 (60%), but also the next most common response of shifting more health care costs from the employer to the employee (21%) is higher than it has been since the 2020 survey (see Figure 30A). This does not speak to the size of the additional health costs being passed along to employees or the exact mechanism for doing so, but it may reflect rising costs from insurance providers.

FIGURE 30:

Over that past year, what changes, if any, has your government made to the health benefits provided to employees or retirees? (select all that apply; n = 371)

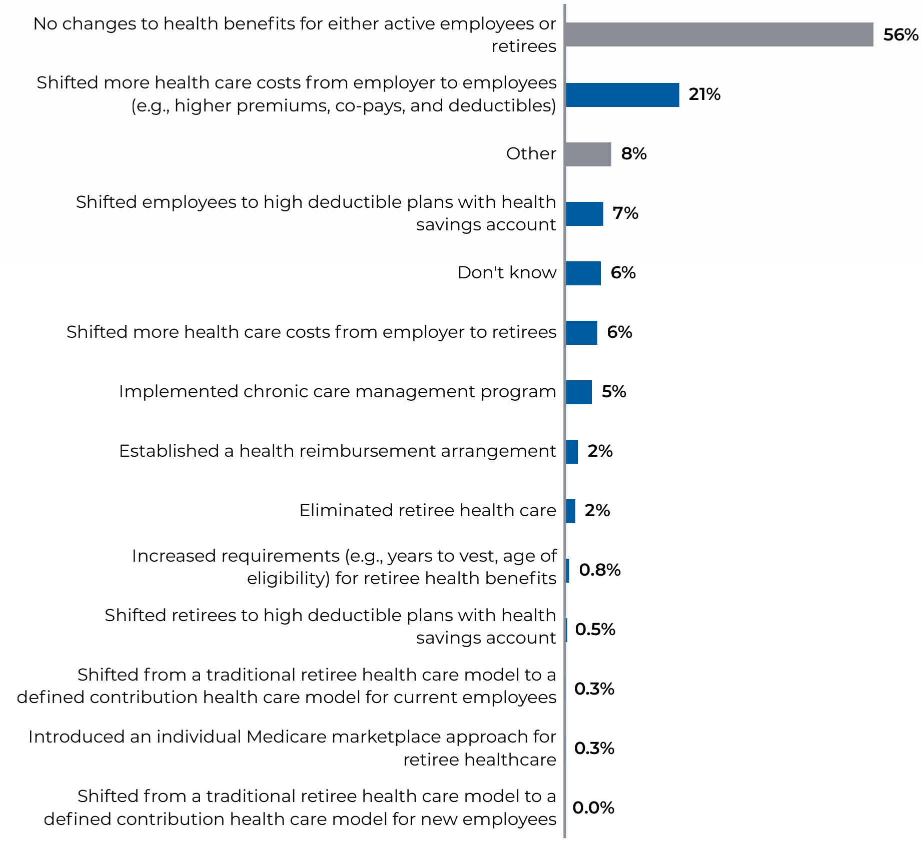
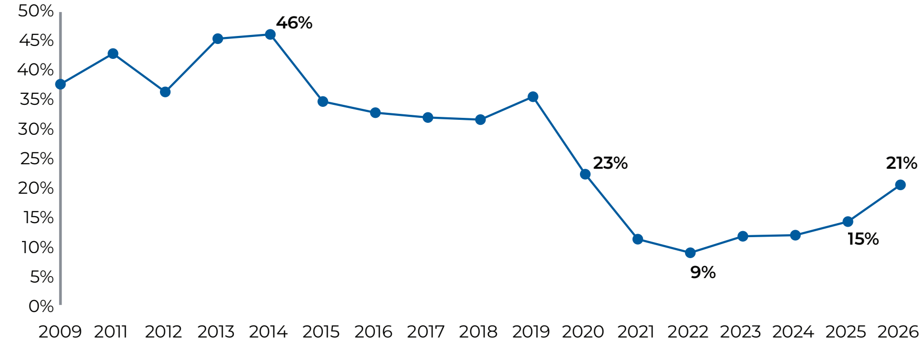


FIGURE 30A:

Percentage shifting more health care costs from employer to employee (n = 371)

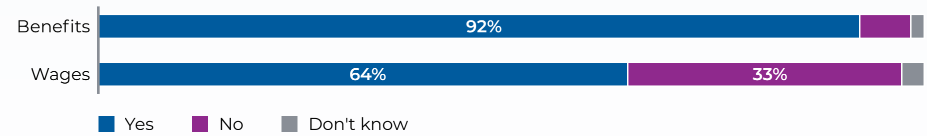
NOTE: Figures shown are the percentage of respondents shifting more health care costs to employees. This does not reflect the size of those shifts. No survey was conducted in 2010.



Competitiveness: Wages and Benefits

Since 2016, this survey has asked whether respondents feel the wage and benefits compensation they offer is competitive with the labor market. Every year, those respondents rating benefits as being competitive have outnumbered those rating wages as competitive by at least 20 percentage points. This year, 64% of respondents view wages as competitive, compared with 92% for benefits — continuing a long-standing disparity (see Figure 31).

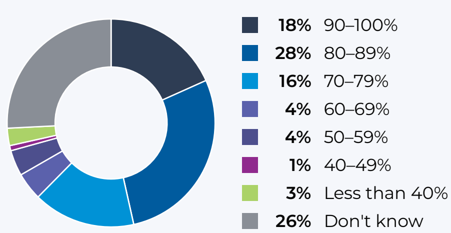
FIGURE 31:
Do you feel the compensation you offer your employees is competitive with the labor market? (n = 373)



What do employees say?

A new question this year asked about employees' satisfaction with current benefits offerings. The most common response (by 28% of respondents) was that 80-89% of employees were satisfied, with 26% saying they did not know or had not surveyed their employees (see Figure 31A). Considering that only 40% report having conducted employee satisfaction surveys (see Figure 32), it is possible some of these ratings are based on narrower assessments, such as from open enrollment events.

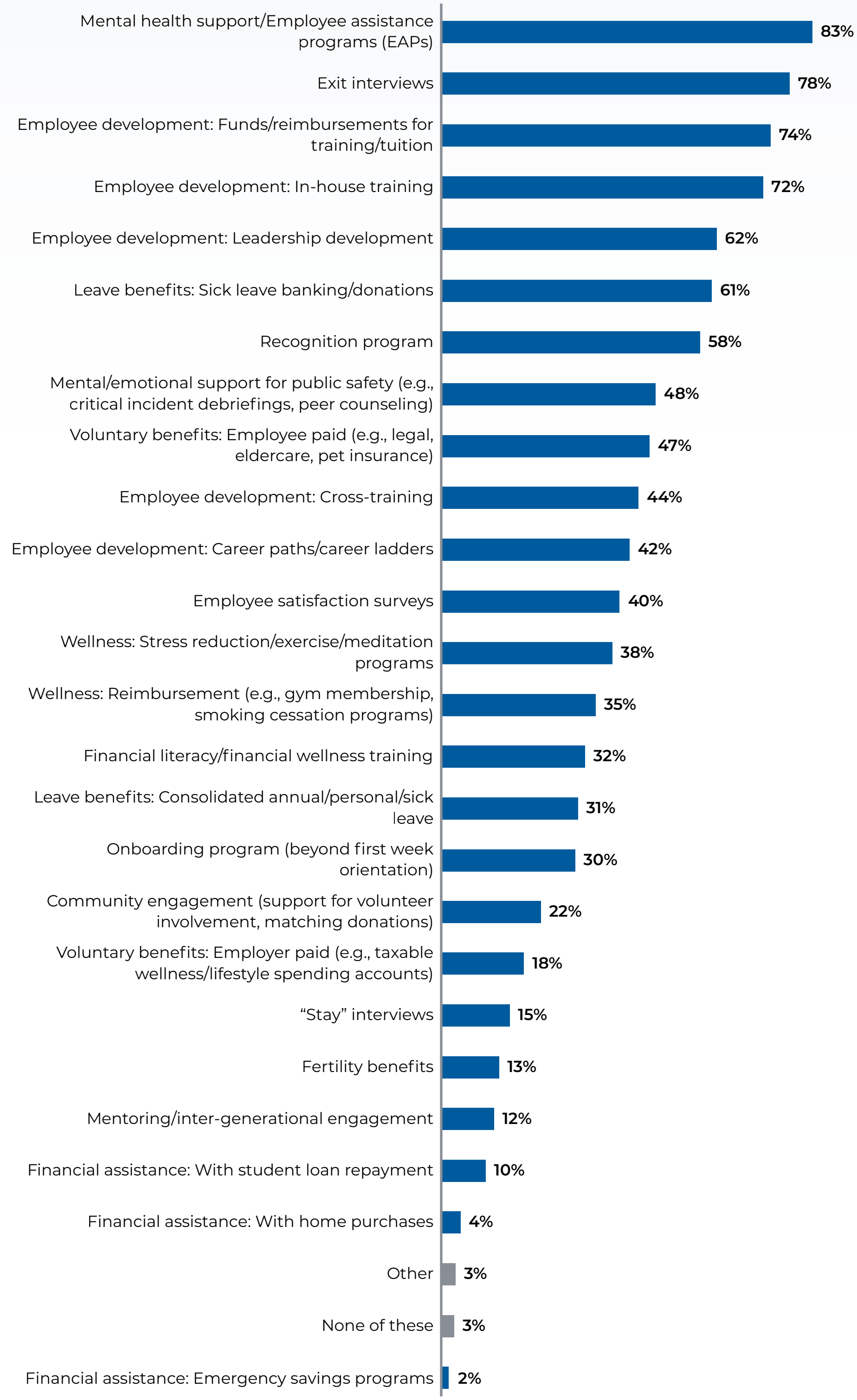
FIGURE 31A:
What percentage of employees are satisfied with current benefits offerings? (n = 372)



Employee Retention

Pay and benefits aside, there are a wide range of programs that could be said to impact employee retention. Those most commonly reported included employee assistance programs (83%), exit interviews (78%), and various types of employee development (see Figure 32).

FIGURE 32:
Which of the following programs does your organization currently use to encourage employee retention and development? (select all that apply; n = 373)



"Stay" interviews remain uncommon, but these early conversations can help identify and address problems or professional development interests before an employee has actually decided to leave. They were reported by 15% of respondents in 2026, up from 11% in 2021.

Nontraditional benefits are also among the retention initiatives cited, including voluntary benefits paid for either by the employee (47%) or employer (18%), student loan assistance (10%), fertility benefits (13%), and community engagement, such as support of volunteerism (22%). In a survey focused on public health staff, employees 35 and younger were more likely to value such nontraditional offerings, along with flexible workplace practices and professional development.[13]

There are two new items on the list presented to the respondents this year: financial assistance with emergency savings (2%) and mental/emotional support for public safety staff (48%; e.g., critical incident debriefings, peer counseling). This latter option was only presented to those who had indicated that their operation included police, fire/EMS, or corrections.

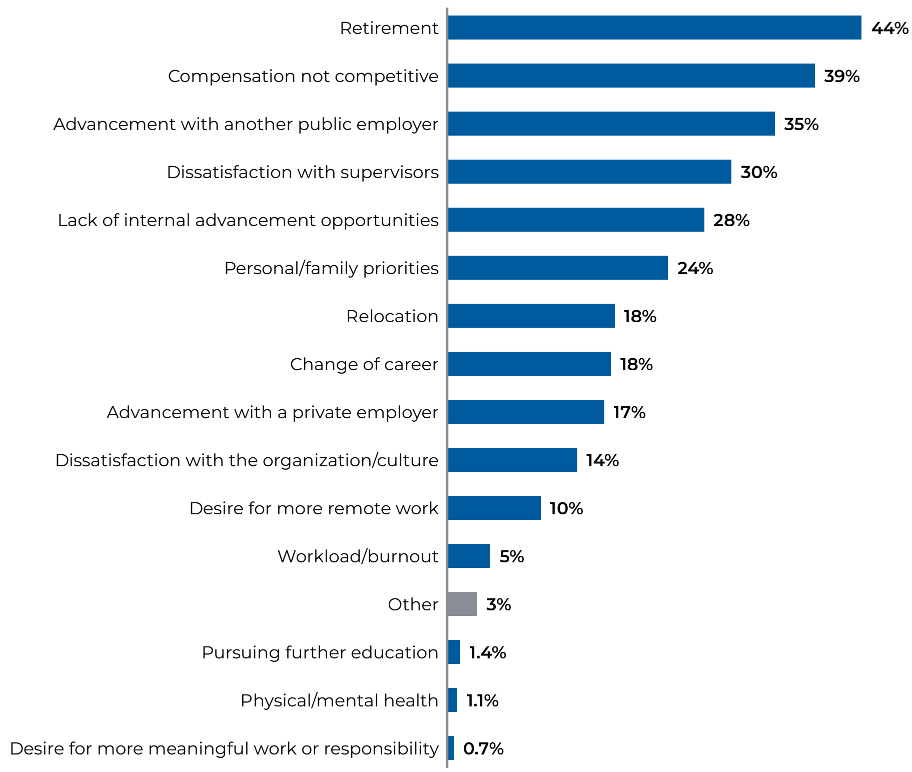
Paid family leave

48% provide at least some paid family leave, according to the 2025 workforce survey, with 14% providing 11 weeks or more. This question will continue to be revisited in future surveys.

Exit Interviews

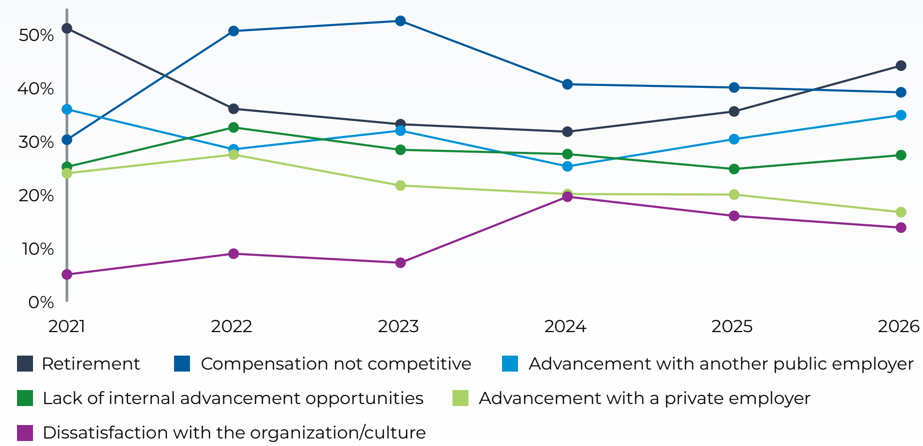
Interviews with departing employees may provide clues as to sources of dissatisfaction or ideas for organizational improvement. Asked for the top three reasons employees had shared, the most common responses were: retirement, compensation, and advancement with another public employer (see Figure 33).

FIGURE 33:
In exit interviews with departing employees, which of the following have been cited as among the top three reasons for leaving? (select no more than 3; n = 280)



Compared to prior years, dissatisfaction has remained relatively unchanged at 30%, but others reasons for leaving have seen more fluctuations (see Figure 33A). Compensation declined as a response in 2024 (see also discussion of Changes in Compensation above). Also declining is the share citing advancement with a public employer, down from 28% in 2022 to 17% in 2026. Meanwhile, more respondents reported retirement and advancement with another public employer.

FIGURE 33A:
Exit Interview detail, 2021-2026 (n = 280)



There were two new follow-up questions in the 2026 survey: 1) If "organizational culture" was flagged as an issue, what aspects of that culture were problematic, and 2) What was the top reason for leaving among employees who had been with the organization for less than two years?

- Only 14% of respondents said that organizational culture was among the top three reasons for leaving, and among those, the culture issue that was cited most was **lack of accountability or transparency**.
- As for new employees leaving in **less than two years**, the reason most often cited was compensation (36%). Three others reasons cited, however, point to the value of better communication around what the **job expectations and career ladders** might entail: lack of advancement (21%), the job was not what they expected (5%), and poor performance (4%).

Reasons for leaving: What about the private sector?

Within the overall workforce, considerations of those leaving their jobs include:

- Seeking more of a challenge
- Wanting to feel valued rather than disrespected and to feel aligned with the company's vision
- Thinking their job has changed
- Comparing benefits offered[14]

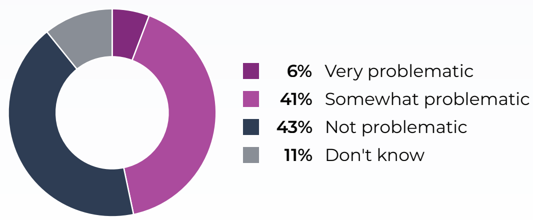
Value-based considerations are a potential sweet spot for public sector employers, which can tout the ability to be of service to the community. Beyond that, if poor supervisors or issues of accountability are a problem in the organization, they should be addressed before they become seen as part of a toxic culture.

Civility

Declining civility is primarily an issue in public interactions, whether those take place in person or virtually. Among municipal officials, 87% have noticed such a decline.[15] This year, the workforce survey added a question about the extent to which incivility is a problem; **6%** reported that incivility in public interactions with employees was **very problematic** (see Figure 34).

FIGURE 34:
To what extent is incivility a problem in public interactions with employees? (n = 362)

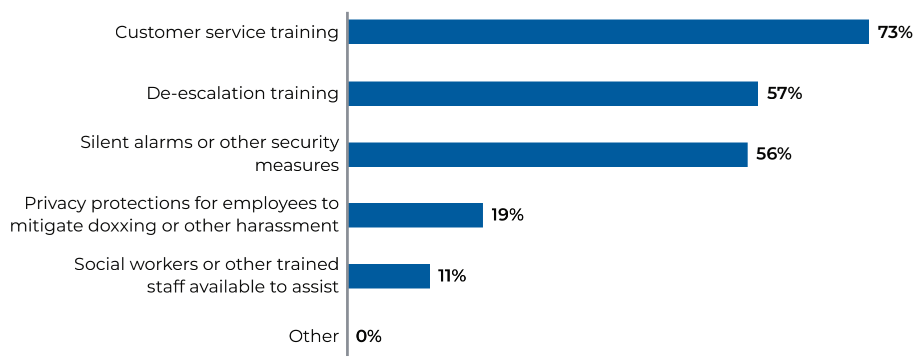
NOTE: Total does not equal 100% due to rounding.



This survey does not address how to make others more polite. Rather, from a human resource perspective, it asks about training, security, and other measures to assist staff in handling difficult situations.

The majority provide training in customer service, de-escalation, or both, while a smaller portion also provide privacy protections or support from social workers or other professionals (see Figure 34A). For more on how employees may be impacted by incidents or interactions at work in ways that may not be visible, see also the Institute's report on How Mental and Emotional Labor Impact Public and Private Sector Employees.

FIGURE 34A:
Regarding routine public interactions (not public safety calls for service), what methods do you use to support civility and staff safety? (select all that apply; n = 324)



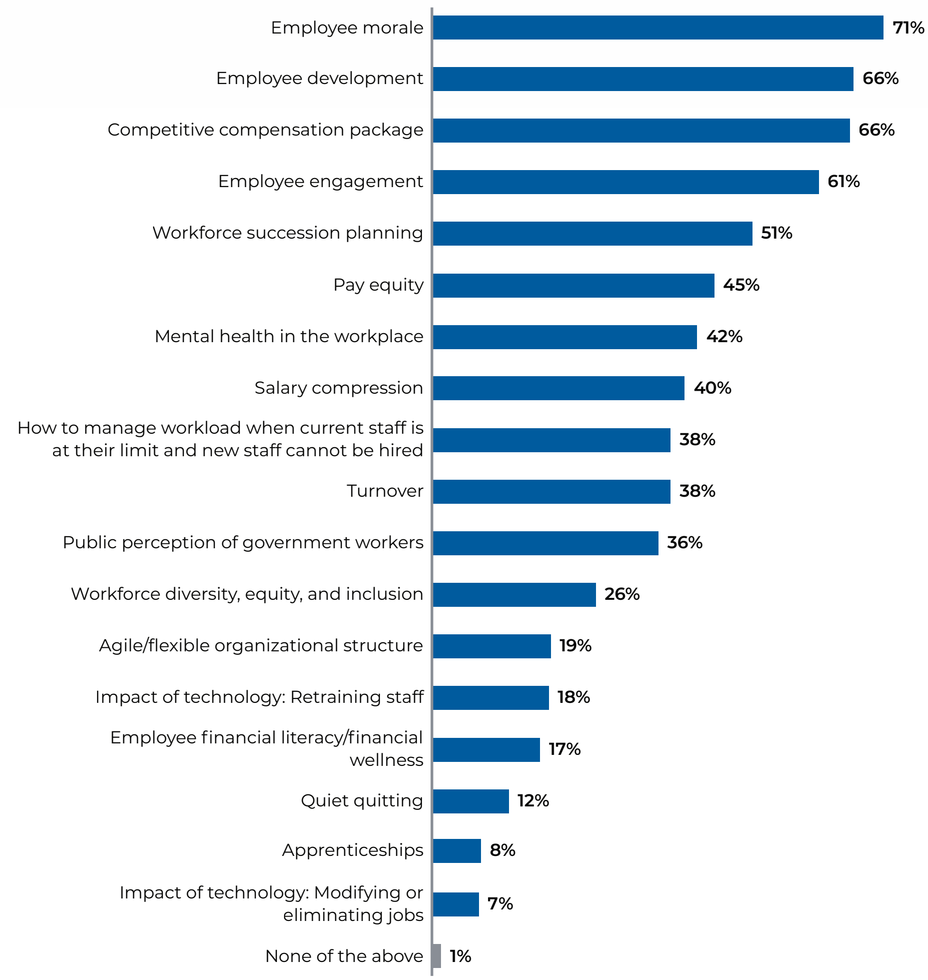
Priority Workforce Issues

Without ranking them in order, respondents were asked to identify which workforce issues were very important to their organizations. The most common responses included morale, employee development, and compensation (see Figure 35). For the second year in a row, compensation was not the top priority.

Quiet quitting was last part of this question in 2024. Both then and in 2026, 12% identified it as very important.

Workforce diversity, equity, and inclusion is also among the choices provided. As was noted last year, the percentage reporting this as very important had dropped from 41% in 2024 to 28% in 2025. This year, 26% reported it as very important. No matter whether workforce DEI is a priority or a policy pariah, individual practices may yet continue (see discussion above under Other Policies and DEI).

FIGURE 35:
Which of the following workforce issues are very important to your organization? (select all that apply; n = 364)

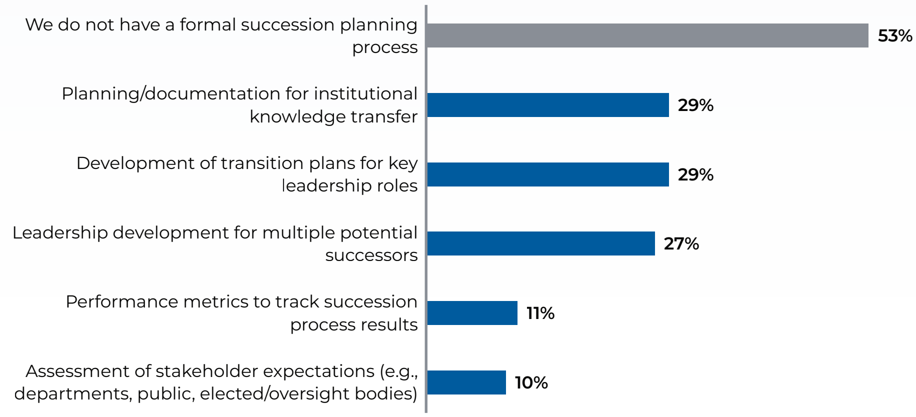


Succession Planning

As discussed in the section above on Retirement, there is a generational shift going on in the workforce. Given that, it might be expected that succession planning would be a high priority. Indeed, 51% identified it as very important (see Figure 35).

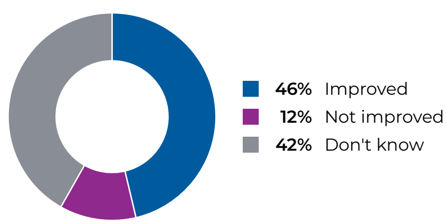
And yet, 53% said that they did not have a succession planning process in place (see Figure 36). The elements of a plan that were in place included documentation for knowledge transfer and transition plans for key leadership roles.

FIGURE 36:
Which of the following components are part of your succession planning? (select all that apply; n = 357)



Two new follow-up questions were added this year. For those jurisdictions with a succession planning process, the survey asked about the results they had seen, and for the rest, the survey asked why the organization had not implemented one. Figure 37 shows that the predominant result (46%) had seen an improvement in staff stability

FIGURE 37:
What results have you seen from your succession plan in terms of staff stability or knowledge transfer? (n = 177)



or knowledge transfer, while in Figure 38, reasons for not implementing a succession planning process included lack of time; lack of leadership support; and to a lesser extent, concerns about civil service rules, unions, and concerns around pre-selecting successors.

FIGURE 38:
Why has the organization not implemented a succession planning process? (n = 130)

Conclusion

Once again in 2026, there are promising indications that the recruitment challenge is easing for state and local governments. Regardless, there are a number of areas where performance could be improved:

Consider skill and education requirements

- Review degree requirements, skills assessments, and what is truly needed to perform the work.
- Explore incentives for completing certifications, whether before or after hiring.
- Develop apprenticeship and internship pathways, curricula, and inter-agency. partnerships. Rather than a one-size-fits-all recruitment campaign, consider how public works and utilities, for example, may benefit from a more tailored approach.

Make evidence-based decisions

- Collect and analyze data. The process is not always easy, particularly in smaller jurisdictions where the sample size may be insufficient. Still, this survey points to areas where the results may help support policy decisions (e.g., recruitment incentives, shorter workweeks).

- If education requirements are updated, track those results as well. If there are more applicants, but reduced qualifications, be prepared to course-correct or invest further in upskilling.
- Focus on remaining key positions where there are insufficient qualified applicants (e.g., engineering and police).
- In areas subject to debate, like DEI, track the tangible impacts on employee satisfaction, recruitment, and retention.
- Pay particular attention to situations where you "don't know" or have not yet assessed the data. Craft a plan to quantify the results of new initiatives.

Think strategically

- Anticipate retirements and turnover. An issue need not be of immediate concern to be important. The slow-motion generational shift of the workforce and the still-incomplete adoption of succession planning processes are prime examples.
- Consider how jobs may be changing in the next 5-10 years, how projected staffing gaps might best be addressed, and how to inspire the next generation to pursue a career in public service.

Communicate constantly

- Posting a policy or providing an update annually may not be enough. Consider increasing engagement around:
  - **AI impacts**, employee concerns, available training, and applicable policies. Given that 3% of respondents have left positions open due to AI and 20% of employees are concerned about their jobs, acknowledge those concerns and talk openly about how the organization is proceeding and continuing to value each employee's contributions.
  - **Defined contribution retirement plans and emergency loans**, and how employees can take advantage of added opportunities to save.
  - **Preparing undergraduates** or those starting their first full-time job for what to expect in your organization or the public sector as a whole. If 21% of those resigning within two years cited a lack of advancement as their reason for leaving, then there is likely a need for additional discussions around career progression timelines, available training, and opportunities to explore new roles or assignments.

Resources

Infographic: State and Local Government Workforce Survey 2026 Comparisons by Form of Government, Year, and FTEs, MissionSquare Research Institute, 2026.

How Mental and Emotional Labor Impact Public and Private Sector Employees, MissionSquare Research Institute, 2026.

Artificial Intelligence in the Workforce: A Survey of State and Local Employees, MissionSquare Research Institute, 2025.

Undergraduate Attitudes toward Careers in Public Service, MissionSquare Research Institute, 2025.

HR Architecture Survey Results, National Association of State Personnel Executives, 2025.

What Helps Public Sector Workers Feel Ready for Retirement: An In-Depth Study by Job Tenure and Other Factors, MissionSquare Research Institute, 2025.

Infographic: Public Service Employees' Financial and Retirement Security, MissionSquare Research Institute, 2024.

Innovations in the Health and Human Services Workforce, MissionSquare Research Institute (as the Center for State and Local Government Excellence) and Kronos, 2019

Endnotes

1. For a visual of how state-level HR responsibilities are structured (centralized, decentralized, split, etc.), see 2025 HR Architecture Survey Results, National Association of State Personnel Executives.

2. See discussion in 2025 State and Local Government Workforce Survey Results, MissionSquare Research Institute.

3. For further details on pandemic impacts on the state and local workforce and how they rebounded through 2024, see also Employment Trends in State and Local Government: 2024 Snapshot and Projections. Trends from 2021-2025 are also shown in the 2025 State and Local Government Workforce Survey Results.

4. For an example of how social media, video campaigns, and promoting the impact of individual jobs on the community can coincide (along with a healthy dose of humor), see the video to recruit a new county administrator in Saline County, Kansas.

5. Job-matching platform continues to keep public servants in public service, Kaitlyn Levinson, Route Fifty, February 10, 2026.

6. U.S. Bureau of Labor Statistics, Median years of tenure with current employer for employed wage and salary workers by industry, September 26, 2024.

7. For further reading, see Optimize Your Hiring Strategy with Business-Driven Recruiting, Society for Human Resource Management, 2026 and 11 Effective Recruitment Strategies, Forbes Advisor, July 15, 2025.

8. Artificial Intelligence in the Workforce: A Survey of State and Local Employees, MissionSquare Research Institute, 2025.

9. Sam Manning, Tomás Aguirre, Mark Muro, and Shriya Methkupally, Measuring US workers' capacity to adapt to AI-driven job displacement, Brookings, January 21, 2026.

10. Revealed: The hardest roles to fill, The Recruitment Radar, LinkedIn, April 8, 2025.

11. Global Indicator: Hybrid Work, Gallup, November 2025.

12. Employee resource groups need not be limited to the immediate workforce. In rural areas or smaller organizations with just one person or limited staff in specialized roles, it may also be helpful to build support networks with surrounding communities or private sector organizations doing similar work. See further discussion under "Relationships Matter" in MissionSquare Research Institute's report on Innovations in the Health and Human Services Workforce.

13. Heather Krasna and Sarika Karra, The Role of Nontraditional Benefits in Recruitment and Retention for Public Health Workers Age 35 and Under, Journal of Public Health Management and Practice, 32(1S):S86-S94, January/February 2026.

14. For more information, see 16 Reasons Why Employees Choose To Leave Their Jobs, Indeed, December 15, 2025; 9 Reasons Why Your Best Employees Are Quitting, U.S. Chamber of Commerce, October 5, 2022; Aligning Employee Benefits with Worker Desires, SHRM, 2022; and Majority of workers who quit a job in 2021 cite low pay, no opportunities for advancement, feeling disrespected, Pew Research Center, March 9, 2022.

15. From National League of Cities research asking those officials about changes observed during their time in office. See We The Cities: Bridging Our Divides, National League of Cities, 2026.

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