

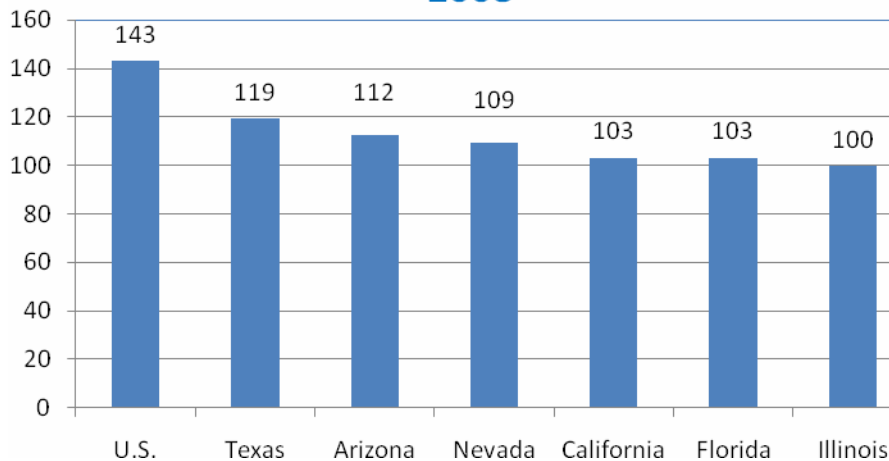
State and Local Government Employees: Where Does California Rank?—2008 Update

Estimates of state and local government employment for 2008 have been released by the U.S. Census Bureau. This issue of *Numbers in the News* examines where California ranks and how these estimates relate to ongoing debates about state budget choices.

In 2008 California had the 3rd lowest number of full-time equivalent state government employees relative to population among all states. California had 103 state employees for every 10,000 residents while Illinois had the lowest ratio at 97 and Florida also had 103. The U.S. average was 143 state employees per 10,000 residents. California's ratio of state government employees relative to population was 28% below the national average.

Nevada, Arizona and Texas were other states with the lowest ratios of state workers to population.

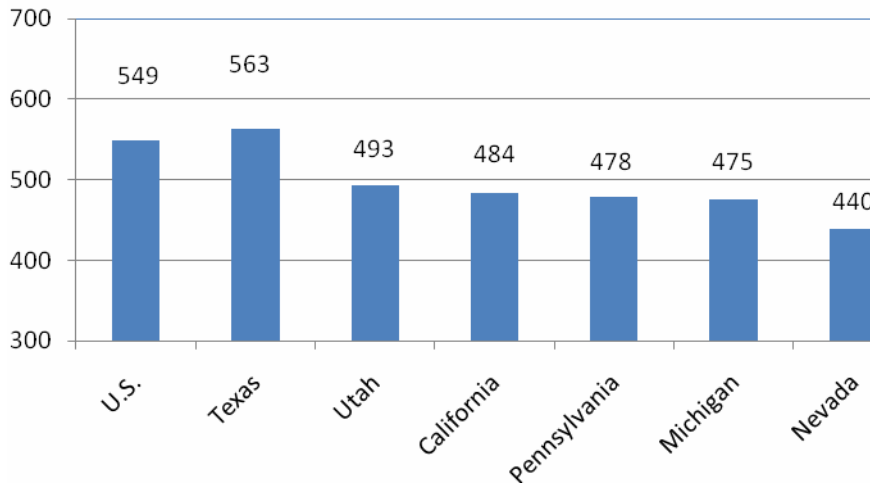
**State Employees per 10,000 Residents
2008**



When state and local government employees (including education) are added together, California has the 4th lowest ratio of employees to population. California had 484 state and local full-time equivalent employees per 10,000 residents in 2008 compared to the national average of 549. Nevada was the state with the lowest ratio (440) followed by Michigan (475), Pennsylvania (478), and Utah (493). California's ratio was 12% below the national average.

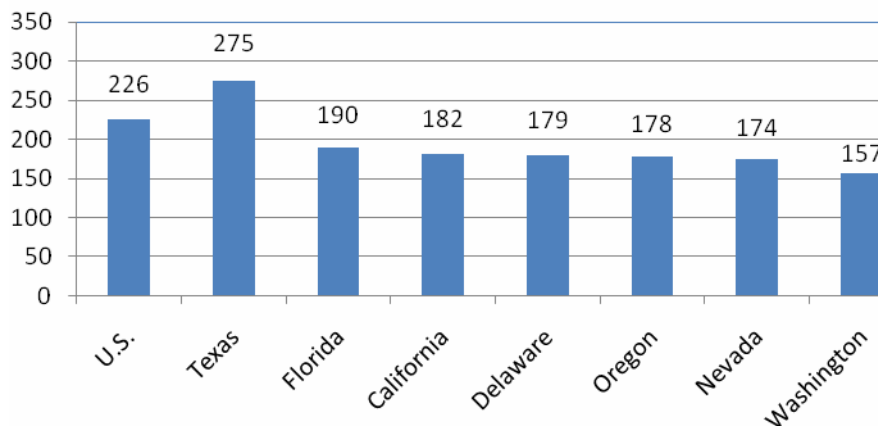
Texas has 563 state and local government employees per 10,000 residents or slightly above the national average.

State and Local Government Employees per 10,000 Residents in 2008



K-12 education has the largest number of employees in most states. California has the 5th lowest ratio of K-12 education employees to population. California is 19% below the national average in education employees relative to population despite the fact that California has an above-average percent of K-12 students in the state's population. Texas ranks 5th highest among states with 275 K-12 employees per 10,000 residents.

K-12 Education Employees per 10,000 Residents in 2008



Average Pay Levels for State and Local Government Employees

The Census Bureau tabulations include limited data on compensation. Data is provided for a single month (March of 2008). Complete comparisons are difficult because the data do not directly compare occupations.

However, it is clear from this data that California compensation averages are above the national average for state employees, state and local government employees combined and employees in the K-12 education system.

The average wage for all private and public sector employees in California was 13% above the national average in 2008 based on comprehensive data from the U.S. Bureau of Labor Statistics.

Implications of the Data

- These data measure the staffing levels relative to population in California's state and local governments including school districts. These data do not tell us how the lower staffing levels affect the delivery of services.
- Between March 2008 and October 2009 state and local government declined by approximately 70,000 jobs while the state added approximately 600,000 residents. As a result the ratio of employees to population in each of the three categories discussed above has declined in California. Declines in state and local government employment were experienced in some other states as well.
- There is broad agreement that seeking efficiencies in government programs is good public policy. Yet, the data suggest that at the aggregate level California is not overstaffed relative to caseloads in the major program areas. Indeed, a stronger case can be made that public programs are being carried out with less staffing than in most other states.
- Public agencies in California continue to face serious budget challenges as the weakening economy reduces revenues while most caseloads are still increasing. States and local agencies face mid-year budget revisions and can look forward to a very challenging 2010-2011 budget year with continuing challenges in following years even with a moderate economic recovery and associated revenue gains.

- These data provide another confirmation that residents must face fundamental choices about the level of services they desire and are willing to pay for. This is an important conversation for all Californians.
- Public agencies across the state and nation also will be involved in conversations about public employee pay and benefits. This is a result of the cuts in pay and benefits being experienced broadly in the private sector. CCSCE draws no implications from the compensation data as to the appropriateness of compensation for public employees in California. However, these issues are already in the public debate and are a part of the broader conversation about what kind of public services we want and how to pay for them.

Technical Note

The full-time equivalent employee data comes from the U.S. Census Bureau estimates for 2008 released on October 23, 2009 from the 2007 Census of Governments. The link to the press release and data is http://www.census.gov/Press-Release/www/releases/archives/employment_occupations/014352.html. The population estimates come from U.S. Census Bureau estimates for July 1, 2008. Note that the California population estimate prepared by the Census Bureau was 36.8 million, which is 1.3 million below the state Department of Finance (DOF) estimate of 38.1 million, which was used for the above charts.

Using the DOF population estimate lowers the number of employees relative to population by approximately 4% compared to using the Census population estimate. Note also that using the DOF population estimate lowers the Census estimates of public spending per capita for California as well as lowering the Census estimate of per capita income for the state by approximately 4%.

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