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United States Public Sector Employment*

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Overview of public sector employment

Employment

The public sector employs 20.2 million people in the US, approximately 14.5 percent of the workforce. Public sector employment is generally divided into three categories: federal, state and local government. The largest division of US public sector employment is local government, comprising 63.5 percent of public sector employment. State government makes up approximately 23.2 percent and federal non-postal workers 8.8 percent (US Bureau of Labor Statistics, 1999a). The services provided by public employees have remained relatively constant over the last few decades. State and local public employees are concentrated in education (52 percent); health, housing and welfare (14 percent); and public safety (12 percent). Other services provided by state and local employees include transportation, utilities and environmental services. Federal employees may be found in the US Postal Service (USPS) (31 percent), followed closely by defense and

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international relations (27 percent); other areas of significant federal involvement include: health, housing and public welfare (14 percent); and the environment (8 percent).²

Since 1983, the growth of combined state and local public employment has matched or outpaced the growth of total US employment (US Bureau of Labor Statistics, 1997). Among the three public sector divisions, local government has seen the strongest growth, followed by state government and finally federal government, which has actually seen a negative growth rate.³ Reductions in federal public sector employment during the mid 1990s reflect the “end of big government” movement that eliminated or reduced the federal role in many areas.

Employment growth in the combined state and local sector has been fairly steady over the last decade, hovering around 2 percent per year. The Bureau of Labor Statistics projects that this growth will continue at a slightly lower rate but will remain ahead of population gain projections of just < .8 percent (US Bureau of Labor Statistics, 1997). By 2008, education, provided by local government, is expected to grow by nearly 1.2 million jobs, ranking fifth among industries (public and private) with the largest wage and salary employment growth (US Bureau of Labor Statistics, 1999b). Local government revenues have been strong in recent years, reflecting a strong US economy. However, because state and local governments rely heavily on highly sensitive revenue sources such as property and sales taxes, these employment projections are susceptible to fluctuations in the economy.

The demographic composition of the public sector workforce is often similar to that in the private sector, but there are a few significant differences. In contrast to the private sector, the public sector employs more women than men. Government employees (combined federal, state and local) were 55.8 percent women in 1998,⁴ while the private sector workforce was 46.9 percent women. The trend toward a strongly female workforce in state and local government represents a shift from the early 1980s, when women made up barely half of the state and local government workforce.⁵ The federal workforce is 29.7 percent racial or ethnic minority (US Office of Personnel Management, 1999). African–American workers made up 16.7 percent of federal employees while the total US workforce is 11.7 percent African–American. Hispanic workers, however, are less well represented in the public sector. Federal employees are 6.4 percent Hispanic while they are 10.5 percent of the workforce overall (US Office of Personnel Management, 1999).