



New Census Data on State and Local Government Employment

Nov. 3, 2009

In late October the U.S. Census Bureau released figures on government employees and payroll at the state and local level in 2008, based on a March 2008 survey. The Wisconsin Budget Project analyzed the new data and the trends in public sector employment nationally and in Wisconsin since 2000.

The key findings of our analysis of the 2008 data are shown in Table 1. Some of the highlights include the following:

- When the number of full-time equivalent positions (FTEs) is measured relative to each state's 2008 population, Wisconsin ranked 41st; only nine other states had a leaner public sector.
- The per capita spending for the March 2008 payroll for all state and local employees in Wisconsin was 10.6 percent below the national average and ranked 33rd.
- The payroll per FTE was 2.6 percent below the average, though Wisconsin was above the median on that measure – ranking 19th nationally.

Looking specifically at the number of state employees, Wisconsin ranks even lower – 44th nationally, and 14.5 percent below the national average. One reason for that difference is that Wisconsin delegates much more of the responsibility for human service programs to local government entities than the vast majority of states. Yet despite the fact that Wisconsin counties have more responsibilities than their counterparts in most other states, our state is 6.0 percent below average in local government employees relative to state population and ranks 33rd on that measure.

Table 1 – Government Employees and Payroll in Wisconsin (March 2008)

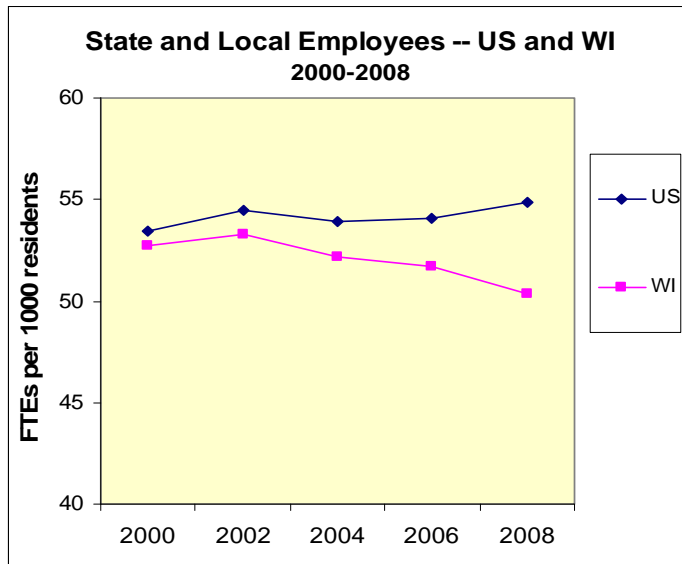
	Natl. Average	Wisconsin	Difference	Ranking
Total state & local employees (FTEs) per 1000 state residents	54.9	50.3	-8.2%	41 st
State employees (FTEs) per 1000 residents	14.3	12.3	-14.5%	44 th
Local employees (FTEs) per 1000 residents	40.5	38.1	-6.0%	33 rd
Total state & local payroll (March) per state resident	\$223	\$199	-10.6%	33 rd
Total March payroll per FTE	\$4,067	\$3,960	-2.6%	19 th

(Note: The District of Columbia is not included in the rankings.)

The Wisconsin Taxpayers Alliance has noted that Wisconsin has more units of government than most other states, measured relative to state population or geographic area. Based on that fact, one might infer that our state has more public employees, particularly at the local level, but that is not the case.

Trends in Public Sector Employment

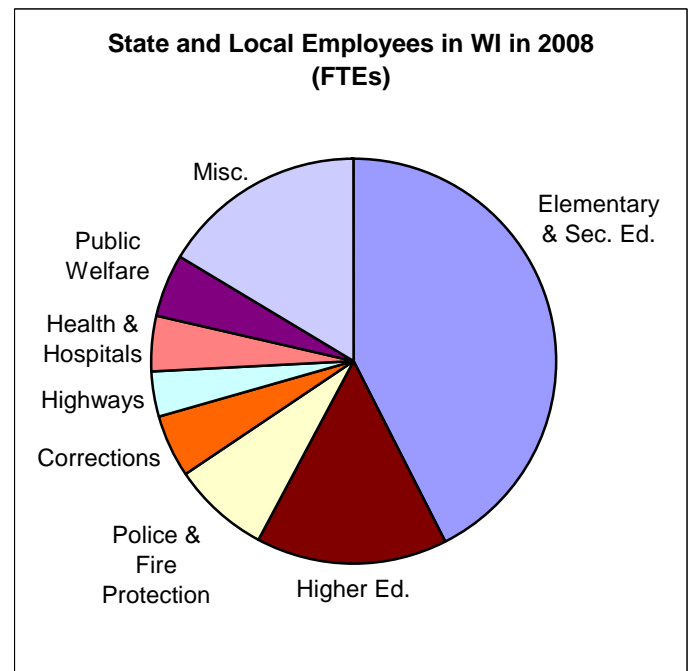
The total number of state and local government employees in Wisconsin in 2008 was 283,351 (FTEs), which was only slightly lower than in 2000 (283,490). However, the number of FTEs



relative to the state population has slowly declined since 2000, while the national total increased slightly. As a result, Wisconsin's rank declined from 33rd in 2000 and 2002 to 38th in 2006 and 41st in 2008. During that period Wisconsin went from being just 1.3 percent below average in 2000 to 8.2 percent below average in 2008.

Of course, state and local governments across the country have been cutting spending and positions this year. That could shake up the rankings, but it is too soon to know whether there will be more or fewer government jobs that are cut in Wisconsin compared to other states.

Public Employment by Government Function – The pie chart shows the distribution of state and local employees by government function. It illustrates that education accounts for 58.3 percent of total government employees in Wisconsin. (That compares to 53.5 percent in education nationally.) Police and fire protection account for 7.5 percent. All of the other government functions amount to only about one third of Wisconsin's total public employees.



Conclusion

The new Census Bureau data from 2008 show that Wisconsin has fewer state and local government employees for every 1,000 state residents than all but nine other states. Wisconsin was 10.6 percent below average on its total payroll for public employees and ranked 33rd on that measure.

Wisconsin has been below average in public sector employment for at least the last decade, but our state's ranking has been declining – going from 33rd in 2000 to 41st in 2008.

The new figures on public sector employment may come as a surprise to some, but they are consistent with other data released by the Census Bureau in late September relating to state and local government spending and revenue in fiscal year 2007. That data show that per capita state and local spending in Wisconsin was 4 percent below the national average, although spending as a percentage of state personal income was 2 percent above average. More importantly, that 2007 data on spending show that Wisconsin uses a relatively small portion of total expenditures for administration. Our state's per capita spending for government administration was 22 percent below the national average and ranked 40th, and we ranked 41st in administrative spending as a percentage of personal income.