



Analytics

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RE: Do state and local governments feel our pain?

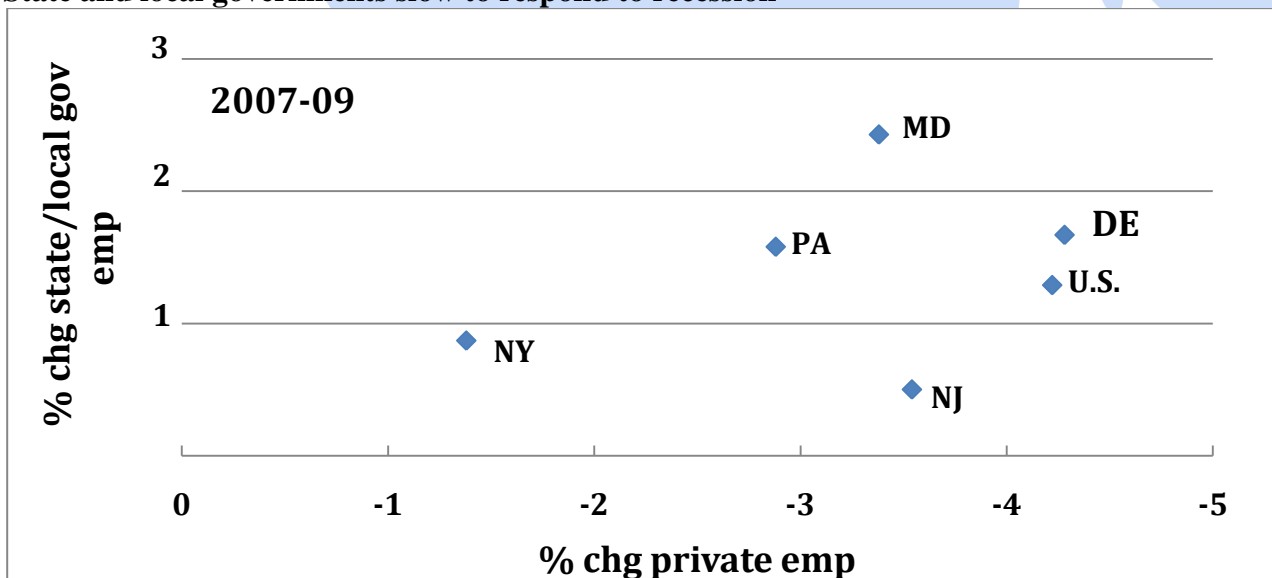
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The most recent benchmarked data does little to evidence that state and local government is recognizing the true impact of the recent recession. As shown in the chart below, as private sector employment in the nation and the Delaware region dropped from 2007 through 2009, state and local government employment continued to grow.

While total private jobs in the U.S. fell 4.2%, state and local government jobs across the nation rose 1.3% (and Federal government jobs jumped 3.4%). The same pattern occurred in Delaware where private sector employment fell by over 20,000 as state and local government added almost 1,000 net new positions.

As benchmarked 2010 data becomes available, we will be able to see if state and local government is reacting slowly due to contract obligations, or if politicians simply are reluctant to lose the votes of government employees. Preliminary national data for 2010 is encouraging with private sector jobs up 1.1%, and although Federal employment is also up 1.0%, state and local government employment dropped by -1.3%.

State and local governments slow to respond to recession



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