

**FOR IMMEDIATE RELEASE**

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**ECONOMIC SLUMP PUSHING PUBLIC SECTOR EMPLOYEES TO DELAY  
RETIREMENT**

**New survey shows large majority of workers eligible to retire are staying on the job.**

WASHINGTON, DC -- The slumping economy is holding back retirements among state and local government employees, according to a new survey of government managers, sponsored by the Center for State and Local Government Excellence.

*A Tidal Wave Postponed: The Economy and Public Sector Retirements* finds that almost half (49 percent) of the respondents to the membership survey said 20 percent or more of their workers are eligible to retire in the next five years. And an overwhelming majority (80 percent) said the economy is affecting the timing of retirements.

Of those, 85 percent said employees are delaying retirements, while only 9 percent said they are accelerating their retirements to avoid changes that will reduce benefits, and 7 percent said employees are taking incentives for early retirement.

“There is a silver lining to the delayed retirements,” said Elizabeth Kellar, executive director of the Center for State and Local Government Excellence, which sponsored the survey. “Governments have a lot of older workers who work in specialized fields and are hard to replace. Retaining these individuals a little longer gives us more time to help new employees prepare to fill their shoes.”

More than one-third of public employees are 50 or older, compared to less than a quarter in the private sector, Census data show. The public-sector workforce is also far more likely to have had some higher education.

The survey was conducted among 5,125 members of two groups of government professionals: the International Public Management Association for Human Resources (IPMA-HR), and the National Association of State Personnel Executives (NASPE). About 460 members responded to the electronic membership questionnaire. Some questions elicited more responses than others.

A majority of respondents (56 percent) said their governments do not have a formal plan to develop their workforce, while 39 percent said they did. Of those with a plan, just 31 percent had made changes in their plans, while 54 percent said they had not made changes.

“While the current economic crisis is resulting in delayed retirements, the demographics have not changed,” said Neil E. Reichenberg, executive director of IPMA-HR. “When the economy recovers, there will be a spike in the number of retirements as the large number of baby boomers leave. Human resource departments need to lead workforce planning efforts, so that the public sector will be well positioned when the economy recovers.”

Among those managers who are seeing retirement delays, a majority (62 percent) said they have more time for knowledge transfer; 51 percent have more time for position transition; and 49 percent have more time to mentor younger workers. On the downside, 38 percent said they are not able to make changes as quickly as they would like; 36 percent said they are unable to hire new staff with skills they need; and 21 percent said they may have to introduce incentives to encourage early retirement.

“The delayed retirements are certainly good news in the short term as governments can benefit from these experienced workers,” said Leslie Scott, director of NASPE. “However, when the economy rebounds and the retirement-eligible employees do retire, combined with the layoffs that governments are implementing, this could cause a tremendous strain on their ability to deliver services. In a number of cases, seniority is the sole determining factor in the layoffs, without regard to an employee’s specific skill sets and the future needs of government.”

Three in five respondents (60 percent) said their state governments are instituting layoffs, with 39 of those saying layoffs are based solely on seniority. By contrast, about 42 percent said their local governments are laying off employees, with 43 percent of the layoffs based solely on seniority.

Read the full survey at <http://tinyurl.com/centerretirementssurvey>.

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#### **About the Center for State and Local Government Excellence**

The Center for State and Local Government Excellence helps state and local governments become knowledgeable and competitive employers so they can attract and retain a talented and committed workforce. The Center identifies best practices and conducts research on competitive employment practices, workforce development, pensions, retiree health security, and financial planning. The Center also brings state and local leaders together with respected researchers and features the latest demographic data on the aging workforce, research studies, and news on health care, recruitment, and succession planning on its website, [www.slge.org](http://www.slge.org).

#### **About the International Public Management Association for Human Resources**

The International Public Management Association for Human Resources (IPMA-HR) is an association representing the interests of state, local, and federal sector human resources professionals. IPMA-HR provides human resource leadership and advocacy, professional development, information, and services to enhance public sector performance. Learn more at [www.ipma-hr.org](http://www.ipma-hr.org).

#### **About the National Association of State Personnel Executives**

NASPE represents the nation’s state government human resource management directors and deputy directors and provides a national leadership forum to advance state government human resource management through the exchange of best practices, strategies, and solutions. Visit them on the web at [www.naspe.net](http://www.naspe.net).

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