

NEOGOV

HIRING TRENDS REPORT

2019

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OVERVIEW



NEOGOV strives to be a leader in providing up-to-date and accurate data to support the public sector. We recently released our 2019 Job Seeker Report, the first in a series of reports, that revealed the current hiring challenges agencies like yours are facing and provided actions for recruiting qualified candidates. We also released a report with the National Association of State Chief Administrators (NASCA) and Accenture, entitled Job One: Reimagine Today's State Government, to understand the workforce challenges facing state agencies.

The 2019 Job Seeker Report called attention to the alarming gap between job openings and applicants in the public sector. In this second report in the series, NEOGOV's 2019 Hiring Trends Report, we seek to understand why this gap is occurring and how to approach the problem. While the Job Seeker Report strove to understand the motivations of candidates, this report takes a deeper dive into the data and sets out to investigate the state of hiring in the public sector.

The data in this report is based on an analysis of 783 agencies, over 38 million applicants, and 550,000 hires since 2003.

TODAY'S CHALLENGE:

APPLICANT SHORTAGE

As we saw in the first report of this series, NEOGOV's 2019 Job Seeker Report, the public sector is becoming less appealing to job seekers. Public sector jobs are being vacated at a much higher rate than they are being filled. The result? A concerning 37% gap between jobs and applications.

Why is this happening? The public sector is going through two significant shifts that are creating real challenges to staffing government with highly qualified employees.

The first shift is increased turnover primarily driven by an aging population of employees. A recent Pew Charitable Trusts study indicated that between 30 to 40% of the public workforce are eligible to retire. As this portion of the workforce retires, agencies are scrambling to fill these newly open positions. NEOGOV data indicates a concerning 29% increase in job openings since 2013.

The second shift is that the public sector is less attractive to job seekers. As a result, NEOGOV data reflects an 8% decrease in the number of applicants looking for public sector jobs since 2013. When combined with the increase of job openings, there is a 37% differential between open positions and job applicants.

DATA FROM THE 2019 JOB SEEKER REPORT

Download at neogov.com



Public Sector Applicants vs Jobs
Figure 1

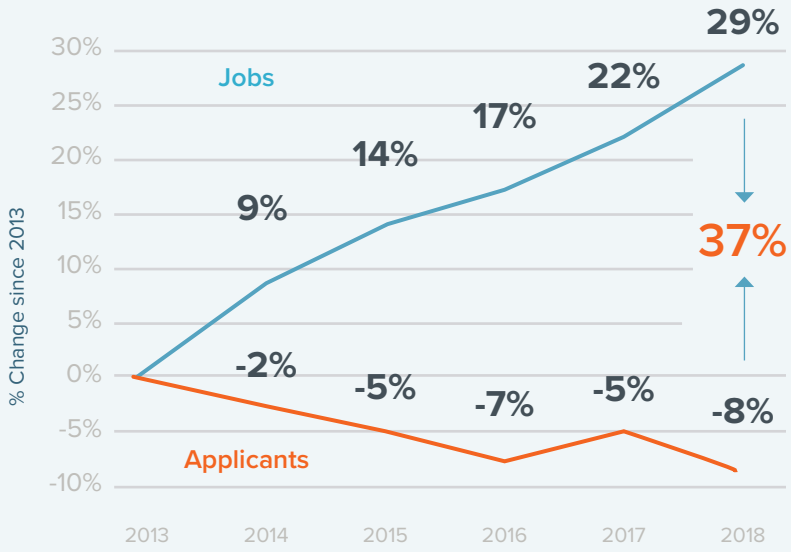


Figure 1 depicts the gap that has emerged since 2013 between the percentage increase in job openings and the percentage decrease in number of applicants.

The public sector is going through a seismic shift.

If government agencies cannot staff open positions with qualified candidates or leave positions vacant, the quality of service to citizens will be impacted.

ERODING VALUE PROPOSITIONS:

RETIREMENT BENEFITS

According to The Washington Post, 10,000 Baby Boomers are retiring per day, which equates to 11% of the population retiring per year.[2]

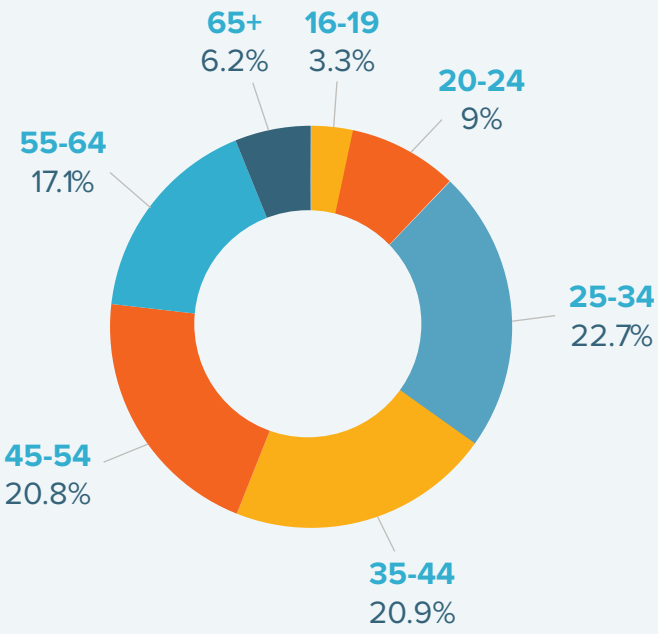
With tens of thousands of workers approaching retirement age in the next few years, there is a reported discrepancy between the benefits that have been promised and the benefits that are available to be paid out. PEW Trusts reports that as of 2016, of the $4 trillion in promised pensions, government agencies were only able to pay out $2.8 trillion. As a result, 57% of pension funds have been frozen to new employees (See Figure 3).

The National Public Pension Coalition reports that "two-thirds of public employees rate their retirement benefits as a very valuable aspect of their job." However, as government agencies struggle to pay out the retirement benefits promised to baby boomer workers, some organizations are adjusting retirement benefits for future workers.

The Center for State and Local Government Excellence (SLGE) reports that "most governments have had to increase employee and employer contributions, reduce benefits for new hires, and increase the retirement age or years required to vest in a plan." This could lead to younger employees avoiding the public sector in search of higher salaries and more reliable retirement benefits, contributing to an even greater gap between applicants and open jobs.

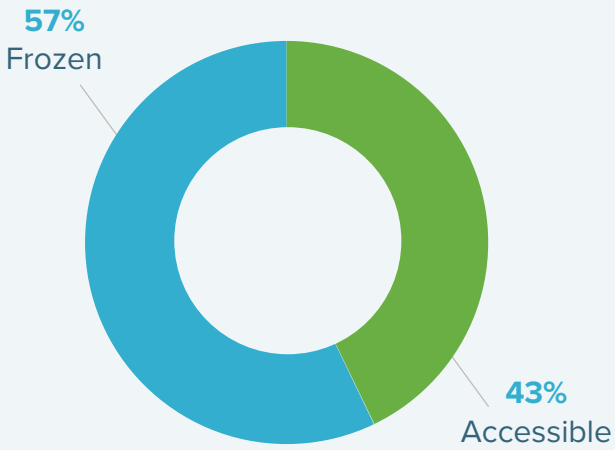
So, while retirement benefits have historically been one of the most appealing aspects of public sector employment, this staple value proposition for public sector candidates is eroding as agencies potentially fail to deliver on previous benefit packages.

Workforce Population Breakdown by Age
Figure 2



Over 23% of the US workforce is likely to retire in the next 10 years.

Frozen Retirement Funds
Figure 3



The Bureau of Labor Statistics reports that while 75% of government workers participate in defined benefit plans, only 43% of these plans are accessible.

ERODING VALUE PROPOSITIONS:

JOB SECURITY

The other traditional value proposition that has historically attracted candidates to the public sector is job security. According to the 2019 State Budget Overview from NASBO (National Association of State Budget Offices), the decade following the country's last major recession saw a reduction of the state workforce by 5.7%. More specifically, between August 2008 to October 2018, the states reduced their workforce by 162,000 people. As a result, many job seekers no longer see security in public positions.



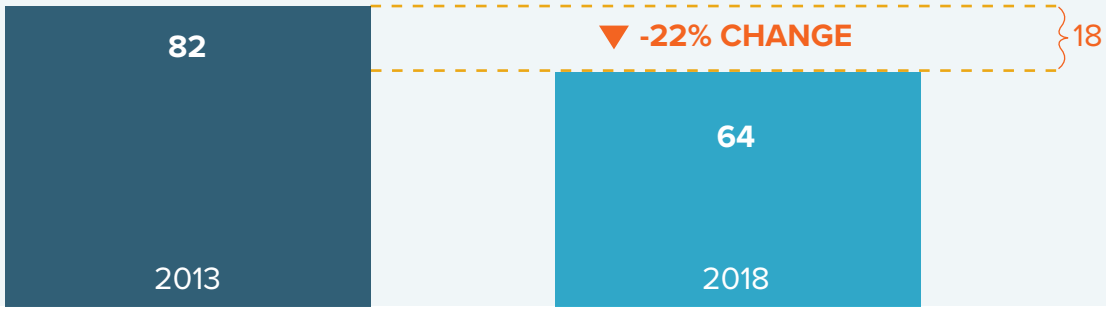
Similarly, the 2018/2019 government shutdown – the longest shutdown in US history – may have harmed the perception of job security. Spanning 35 days between December 2018 and January 2019, the shutdown affected hundreds of thousands of public sector employees. According to the Washington Post, 800,000 federal workers did not receive pay for the duration of the shutdown. Although government employees were retroactively paid after the shutdown ended, this could have been a warning bell that has deterred potential candidates from applying to public positions.

DECLINE IN APPLICANTS PER JOB

When looking at the average job posting there was a 22% reduction in applicants from 2013 to 2018 (See Figure 4). That equates to 18 fewer applicants per job over the last 5 years.

Unless there are significant macro trend changes, such as increasing unemployment or a slowing of hiring in the private sector, the gap between jobs and applicants in the public sector is expected to grow.

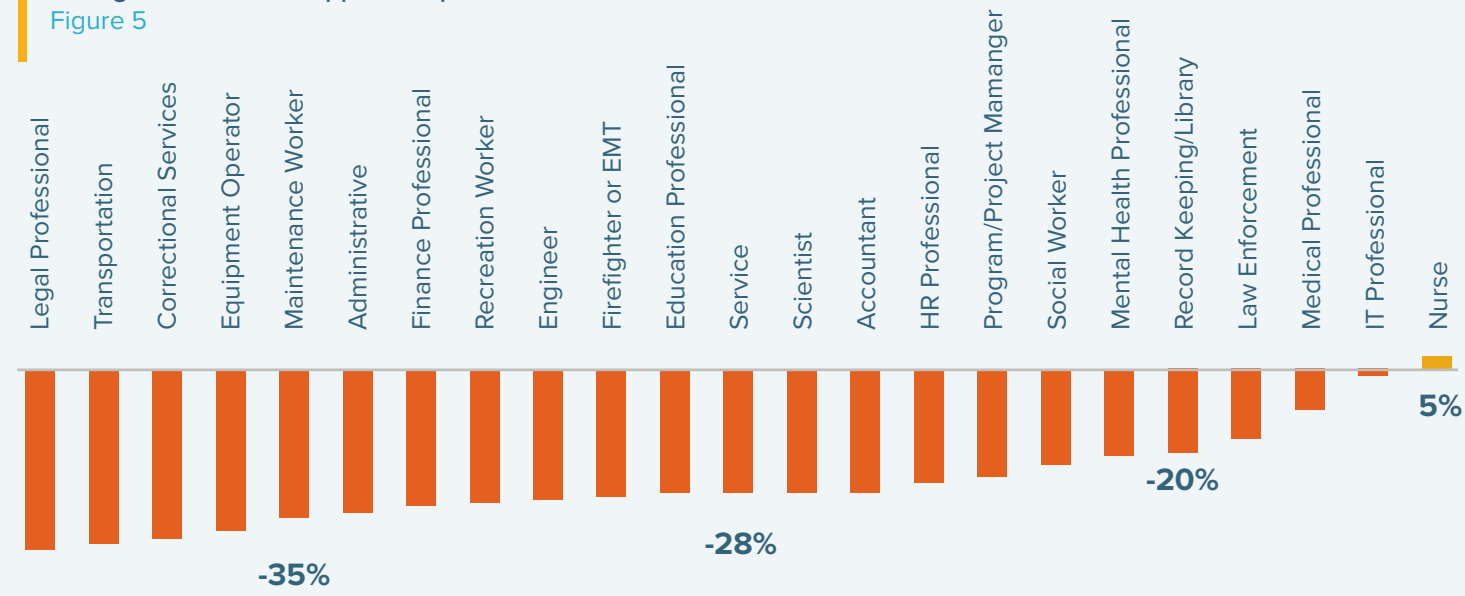
Number of Applicants per Job
Figure 4



Across all job categories in the public sector, with the exception of nursing, there has been a decline in the number of applicants per available position (See Figure 5). Among those hardest hit between 2013 and 2018 are legal, correctional services, transportation, engineering, and equipment operation.

Legal has suffered the biggest impact in applicants per job, with a 64% decline in applications. Legal jobs saw, on average, 33 fewer applicants per available job in 2018 compared to 2013 (See Figure 5).

Change in Percent of Applicants per Job
Figure 5



With the exception of nursing jobs, the gap between job openings and job seekers is concerning across the board, with legal leading the way, down 64%.

LEAST AND MOST AFFECTED JOBS

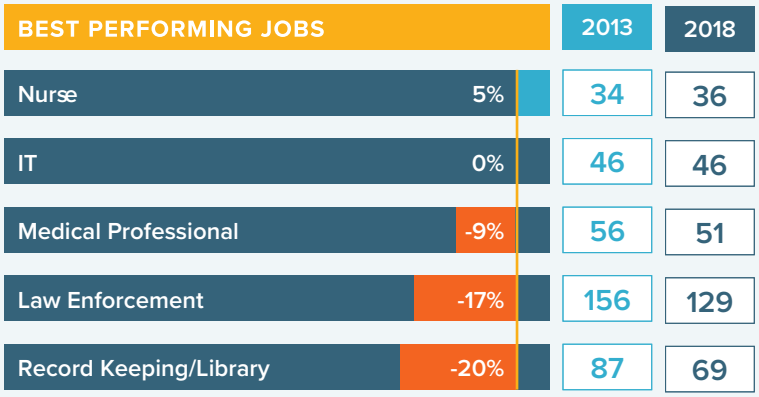
Least Impacted

Outside of nursing, the least impacted job categories -- IT, medical, law enforcement, and record keeping/ library professionals -- have seen still seen either a stagnation or decline in applicants. Each of these categories has experienced a reduction of between 0 and 22 applicants per available job since 2013.

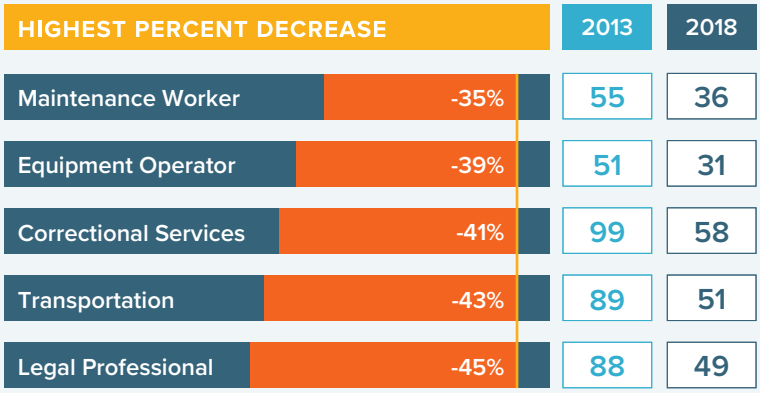
Most Impacted

It is also important to look at these jobs that have been affected the most over the last five years. Although correctional services jobs have an average of 58 applicants per job in 2018, this is a massive decrease from five years prior. In 2013, legal professional roles received an average of 88 applicants per open position, an alarming difference of 39 from 2018.

Percent Decrease in Applicants, 2013 - 2017
Figure 6



Nursing has been affected the least since 2013.



Legal has experience the greatest decrease.

WHERE DO WE GO FROM HERE?

All of this data points to a concerning predicament -- despite a wide variety of job openings, the public sector is failing to attract job seekers. As the gap increases, it could threaten the quality of service that government agencies provide to citizens. In order to combat this gap, it is vital for public sector organizations to reconsider how they're recruiting candidates and take action.

Here are **five recommendations** for overcoming the public sector's current hiring crisis:

1. BECOME MORE ATTRACTIVE TO CANDIDATES
2. USE DATA IN YOUR RECRUITING STRATEGY
3. EXPAND CANDIDATE REACH
4. INSTILL CONFIDENCE IN PUBLIC SECTOR CAREER GROWTH
5. IMPLEMENT RETENTION STRATEGIES

#1

BECOME MORE ATTRACTIVE

Showcase Public Sector Appeal

As depicted in Figure 7, the top three attractions of employment in the public sector are job security, an attractive benefits package, and the opportunity to do meaningful work.

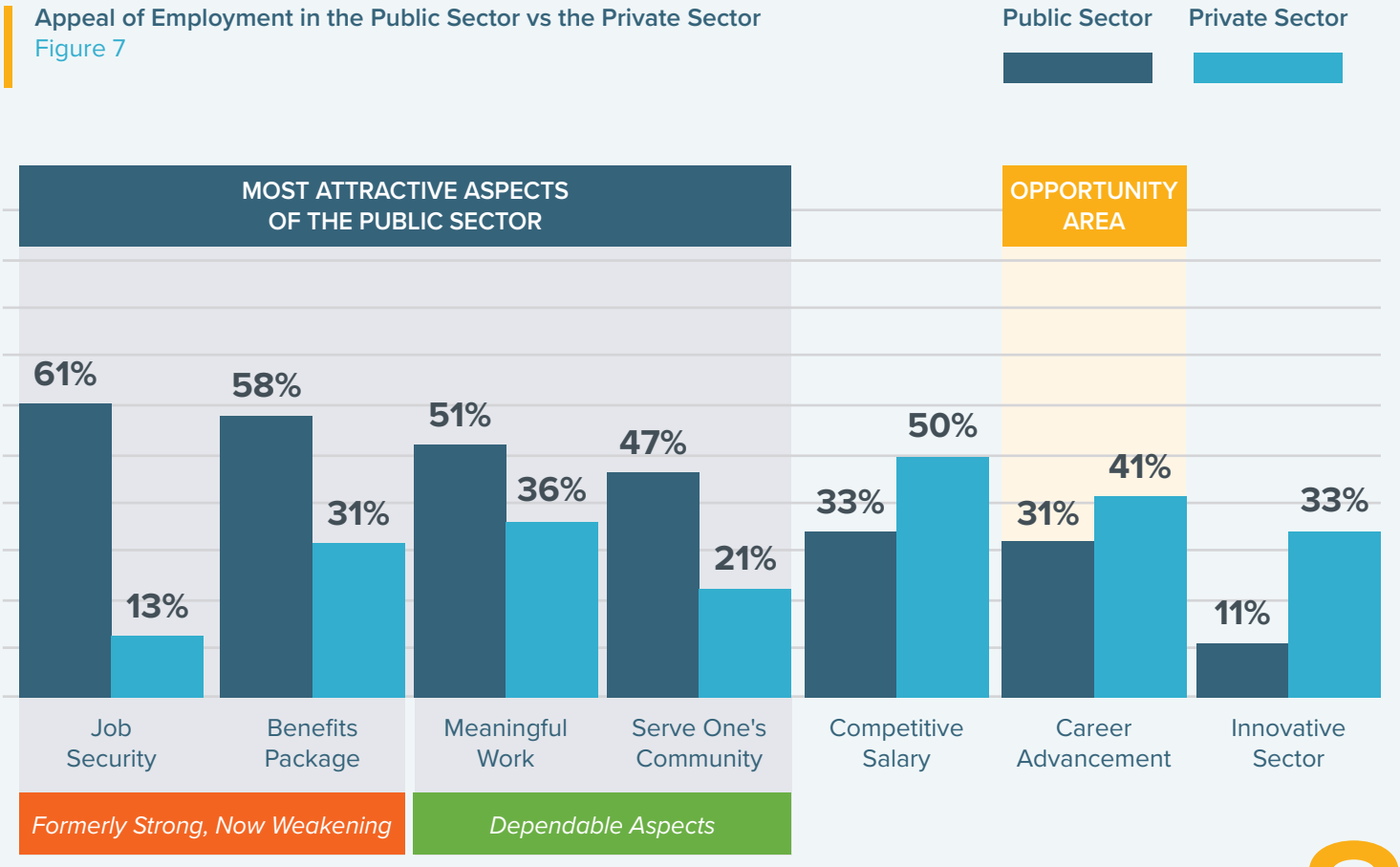
To amplify recruitment and retention, public sector employers need to understand what job seekers want and build job promotions that highlight those attributes.

Figure 7 indicates that 61% of workers pinpointed job security as one of the most appealing attributes of working in the public sector, while 58% cited benefits packages. However, both of these traditional attractions of public jobs are gradually weakening as the workforce decreases and benefits erode.

Other desirable features of public sector employment that remain strong are doing meaningful work and serving the community, each winning out over the private sector by at least 15%. **With so many job openings in the public sector, career advancement is a popular attraction for both the public and private sector, leaving an area of opportunity for public agencies.**

In contrast, private sector jobs hold the appeal of competitive salary and innovation, both areas where the public sector has difficulty competing.

Appeal of Employment in the Public Sector vs the Private Sector
Figure 7



Rewrite Job Descriptions

Increasing applicant submissions starts with compelling job postings that showcase the appeals of the public sector.

As seen in the example job descriptions to the right, the first description, which is an actual posting from a public sector agency and mirrors many others, was written from the perspective of the employer. Besides leaving out every value proposition that public sector job seekers are interested in, it implies that employees will work in a highly supervised rigid environment and be micromanaged, far from desirable traits in a job market where candidates are in the driver's seat.

When rewritten to include public sector value propositions and highlight key attractions, the second description becomes job seeker-focused and more likely to attract experienced candidates.

On average, candidates that view a job posting only apply between 3% and 6% of the time. Meaning, if 100 Job Seekers see the promotions, 3-6 people actually apply. One of the fastest ways to increase applicants is by increasing conversion by rewriting job promotions to call out what candidates find appealing.

Agency Focused Job Description

Nurse Practitioner I
Department of Mental Health, State Agency

JOB RESPONSIBILITIES
The department of Mental Health is a **drug-free workplace**. All candidates will be required to pass a mandatory pre-employment drug test.

JOB PURPOSE
Under clinical supervision of the Medical Director, provides direct patient care and evaluations (PMA's, etc.) within the scope of Nurse Practitioner authority, coordinate care, supervise treatment team, and provide direct supervision where applicable.



Written from the perspective of the employer, with no mention of value proposition for the job seeker.

Job Seeker Focused Job Description

Nurse Practitioner I
Department of Mental Health, State Agency

JOB DESCRIPTION
Want to do **meaningful work** that has a **real impact on the community**? Please come join the **very tenured** Nurses at the Department of Mental Health. Our mission is to **service those who aren't being served**, which not only **benefits the community** greatly, but also delivers **great benefit** packages to you! It's a win-win for everyone. Our Nurses' average **tenure is over 10 years**, which allows for consistent service to those in need. Under the supervision of talented professionals, you will provide direct patient care and evaluations, coordinate critical care, and provide supervision of treatment and team members. We would be honored to have you join the team.



Written from the perspective of the job seeker, highlights the highest priority motivators for the position.

#2

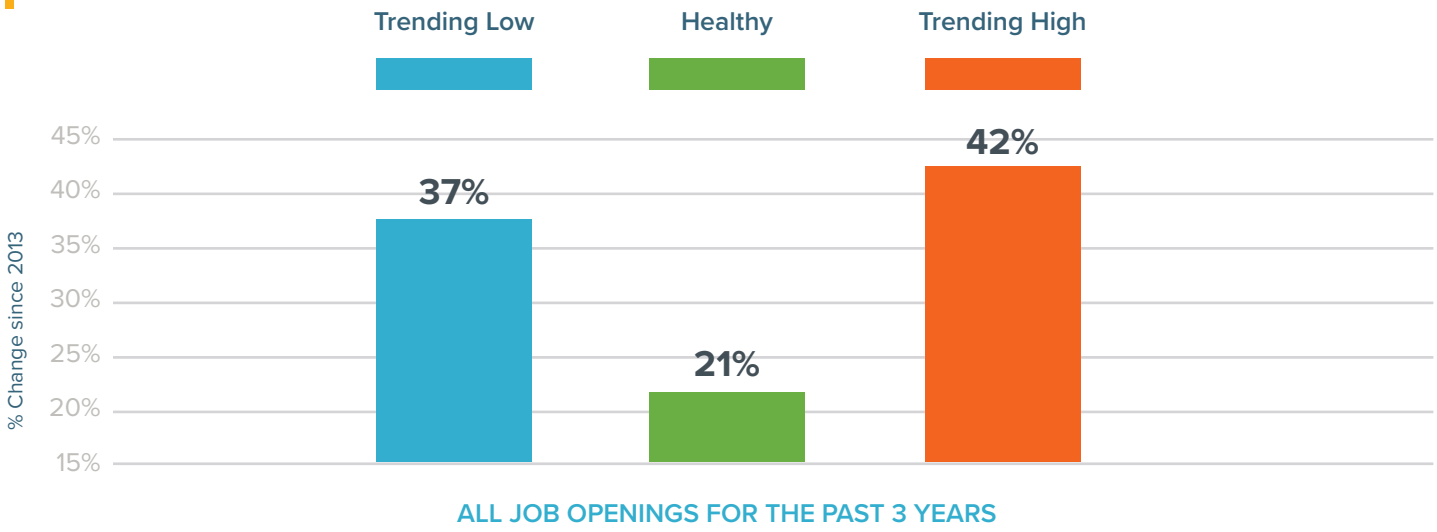
USE DATA IN YOUR RECRUITING STRATEGY

Identify the Number of Applicants Needed to Land a Qualified Hire

One reliable way to ensure you land a qualified and hirable candidate is to determine how many applicants you need to get a healthy candidate pool, and measure the submissions against that number. Too few candidates may not yield a quality candidate for the role; too many candidates can ultimately slow down the hiring process, which can result in high quality candidates self-selecting out of the job.

While on average the public sector has seen a reduction in total applicants per job, not all new job postings result in low applicant pools. Based on historical applicant levels, on average, there are more than enough applicants to generate a qualified candidate 63% of the time. However, that leaves 37% of the time where applicant pools are below healthy levels. Figure 8 represents data from a three year analysis, spanning 160,000 public sector job hires.[1]

Applicant Volume
Figure 8



ALL JOB OPENINGS FOR THE PAST 3 YEARS

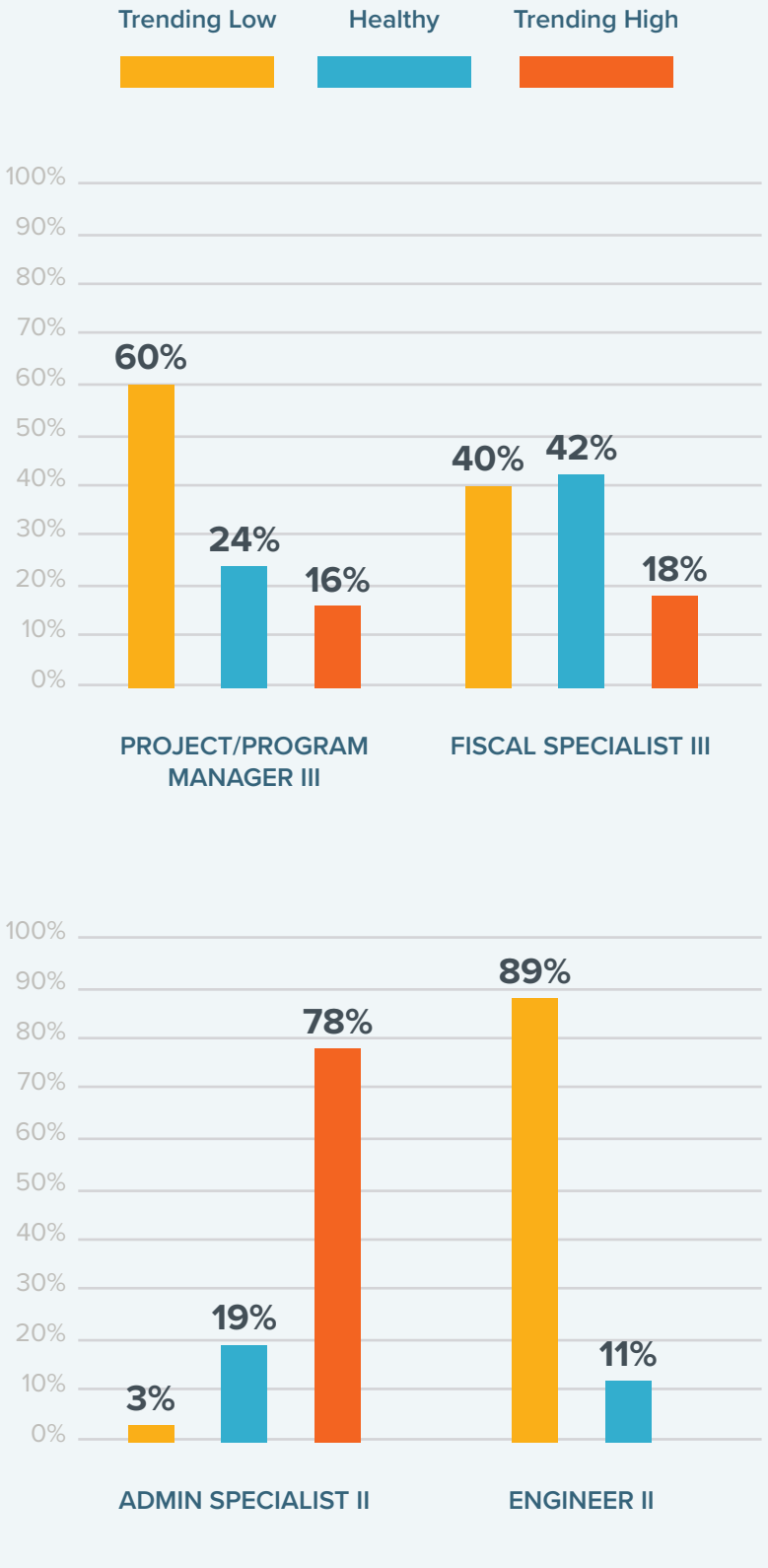
37% of the time, agencies did not have sufficient applicant volume to land a qualified candidate.

Evaluating Applicant Pool Health

It's important to monitor how your applicant pool is tracking for every open position, so you can allocate additional promotion where needed. Each job type, and each individual job posting, will perform differently, so in order to understand the health of a job posting, accessing real-time trending is essential.

Real-time trending can help to ensure the candidate pool has sufficient quality candidates. In Figure 9, the data from five positions was extracted and compared from NEOGOV's Job Health Portal. The results showed variations across major job postings.

Applicant Volume Trends
Figure 9



Real-time trending can help to ensure the candidate pool has sufficient quality candidates.

#3

EXPAND CANDIDATE REACH

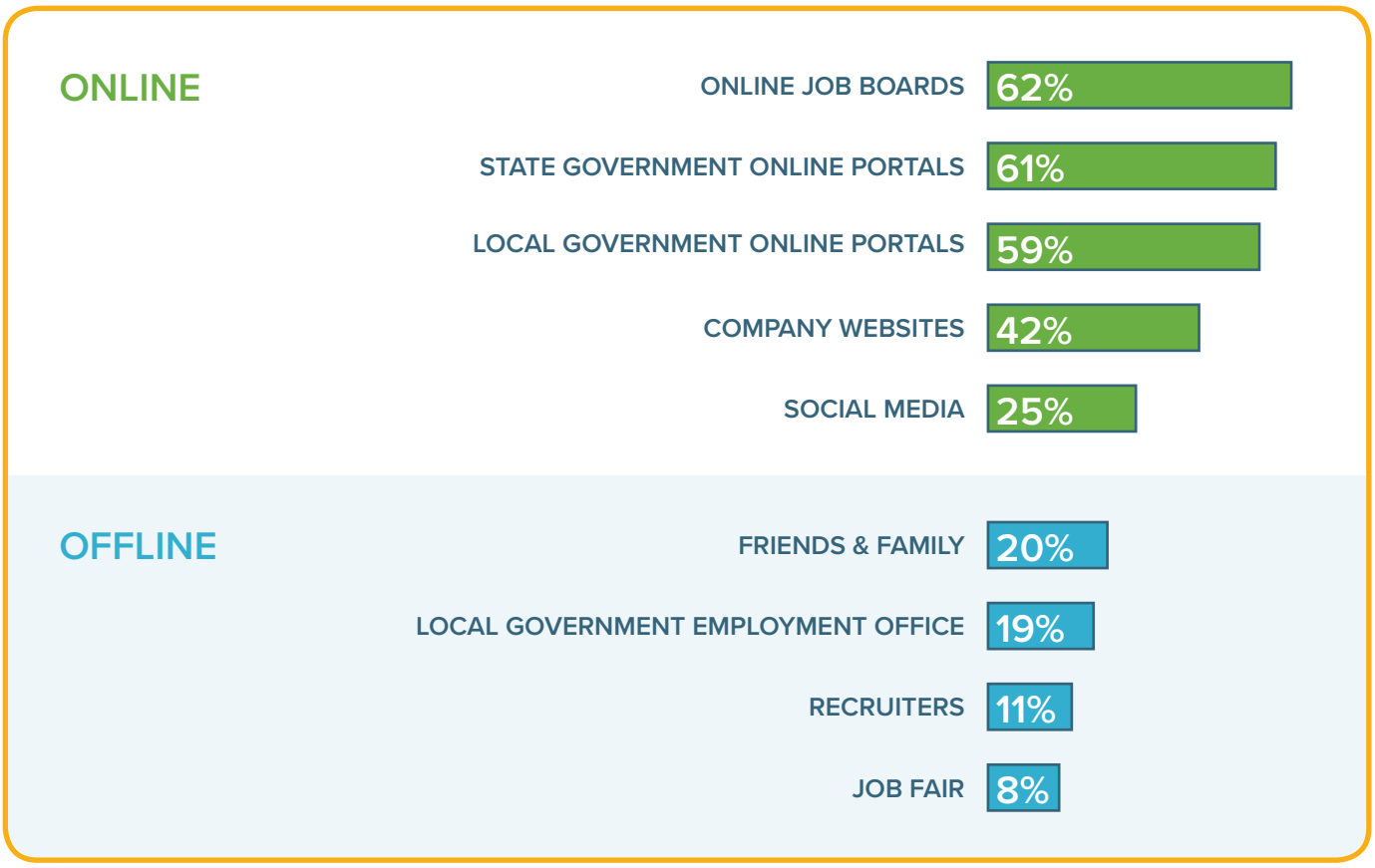
Promote Positions Where Qualified Candidates are Looking

To find job seekers, it is imperative to look where they are already searching for jobs. Figure 10 depicts the avenues job seekers are using to find jobs. The data shows that most are searching for roles online, not offline.

NEOGOV's study found that 62% of public sector job seekers are using online job boards to find roles, with approximately 60% searching state and local government-specific online portals. Job fairs, a traditional channel still used by many public sector organizations, are almost obsolete in the minds of today's job seekers.

Utilizing online job boards and portals, agency websites, and social media should absolutely be part of a modern public sector recruiting strategy.

Where Public Sector Job Seekers Search for Open Positions
Figure 10



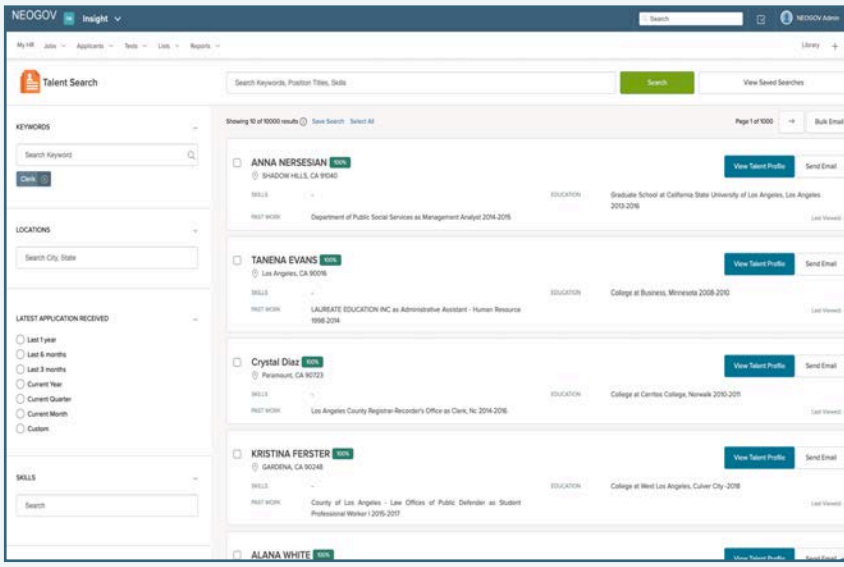
Top Places. Respondents select all that apply.
n=2959

Leverage NEOGOV Tools

If you are a NEOGOV customer, there are two ways to increase your reach that are already built into our product. Make sure you are taking advantage of the Talent Search and Job Health features that are available to you.

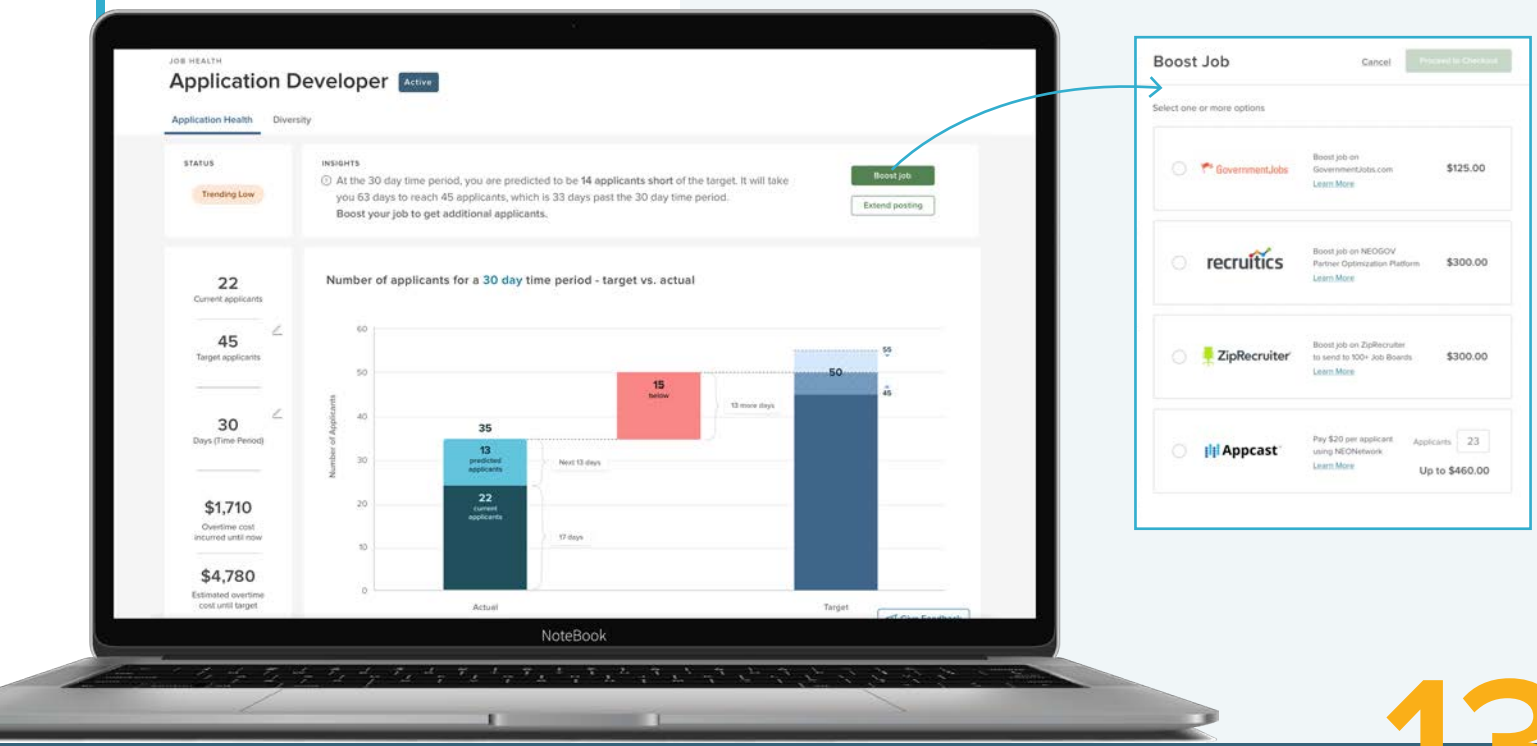
Talent Search
Figure 11

Talent Search allows agencies to search for candidates that previously applied for that role or similar jobs and allows the agency to email notify them of the new opportunity.



Job Boost
Figure 12

Sometimes a job needs a little Boost. NEOGOV helps to identify these jobs and allows for easy advertisement of those positions.



#4

INSTILL CONFIDENCE IN PUBLIC SECTOR CAREER GROWTH

Promote Career Advancement

To compete with the private sector for candidates, public sector agencies must promote the potential for career growth. As job seekers shy away from jobs they deem to be stagnant or “dead end jobs," the public sector needs to offer opportunities for learning, developing new skill sets, and paths to leadership.

During candidate interviews, the average tenure of employees and examples of promotions from within should be highlighted. Additionally, agencies should invest in learning management systems and conduct regular performance evaluations to direct and nurture employee growth.

59% OF MILLENNIALS

say opportunities to learn and grow are extremely important to them when applying for a job.

Source: Gallup

87% of Millennials and

69% OF NON-MILLENNIALS

rate "professional or career growth and development opportunities" as important to them in a job.

Source: Gallup

#5

IMPLEMENT RETENTION STRATEGIES

Train and Nurture Your Existing Employees

As the data shows, public sector hiring is becoming increasingly difficult. One way to combat this is to retain existing employees and groom them to fill the roles being vacated by retiring baby boomers. Through structured performance evaluations, agencies can identify rising stars within the agency and gradually transfer institutional knowledge to them as part of a succession planning initiative.



Engaged employees are

59% LESS LIKELY

to seek out a new job or career in the next 12 months.

Source: Gallup

Additionally, agencies should look to develop average employees, in addition to high-performing ones. What separates many average employees from stellar ones is often a sense of direction or a gap in skills training. Identifying employee strengths and weaknesses, and assigning educational activities to improve soft or hard skills can help increase personal drive, reignite engagement, and in some cases turn a B-player into a future leader.



NEOGOV's data in this report is based on an analysis of 783 agencies, over 38 million applicants, and 550,000 hires since 2003.

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NEOGOV is the leading public sector workforce platform designed to support the entire employee lifecycle.

NEOGOV customers report increased employee productivity and engagement, time and cost savings, improved regulatory requirement compliance, and reduced paper processes, with a net result of better services for citizens.

6,000+	250,000+	19+
Public Sector Agencies	People Use NEOGOV	Years of Experience

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