

Addressing the Recruitment and Retention Challenge

Sallie Harborth, Regional Director
MissionSquare Retirement

Texas Municipal HR Association, May 8, 2025



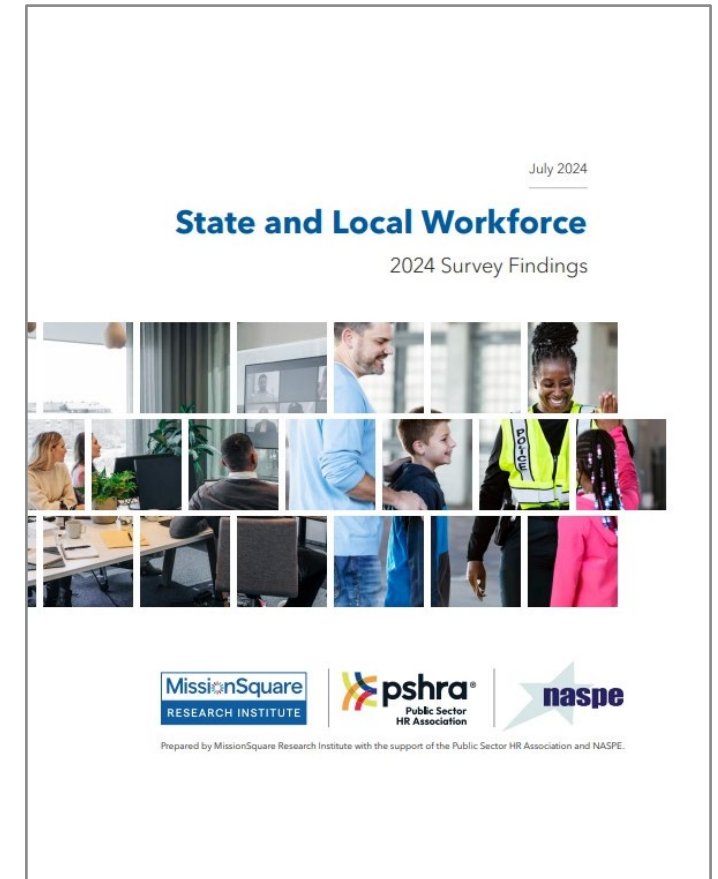


Promote excellence in state and local government and other public service organizations so they can attract and retain talented public servants.



2024 Workforce Survey

- Collaborative effort of MissionSquare Research Institute, PSHRA, and NASPE
- Conducted since 2009
- Tracking trends from the Great Recession through the Post-Pandemic
- Helping governments better attract and retain talented public servants

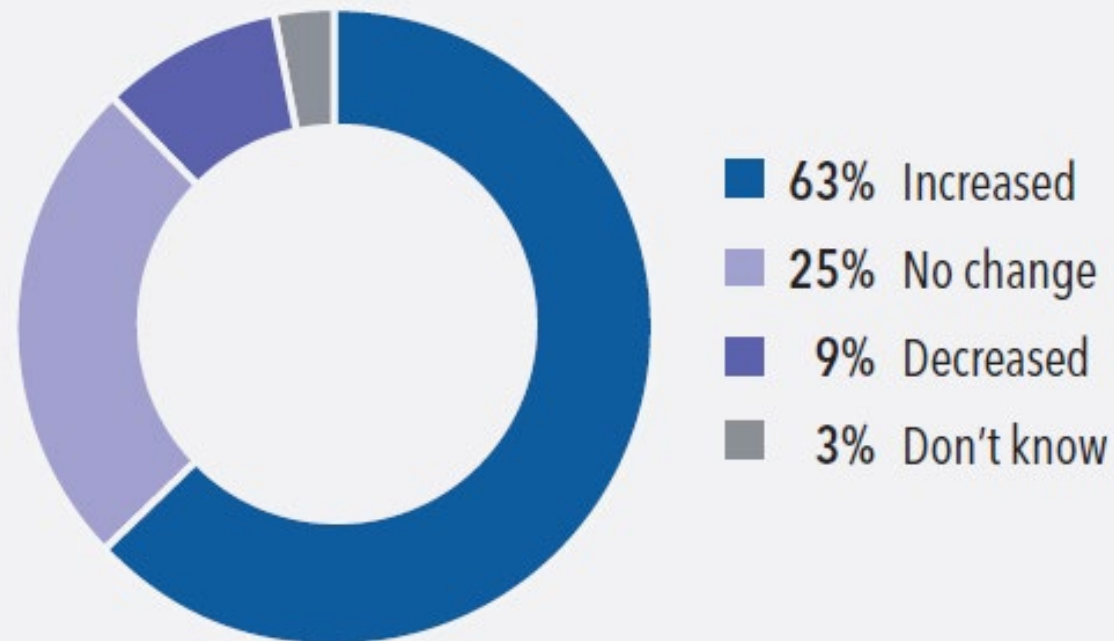


Workforce Changes and Compensation



Most Governments Increased Full-time Staffing

Figure 3 **How, if at all, did the size of your full-time workforce change over the past year?** (n = 295)





Attention to Compensation

- Classification or compensation studies
- Broad-based pay increases
- Position-specific pay increases

Most common salary increase:

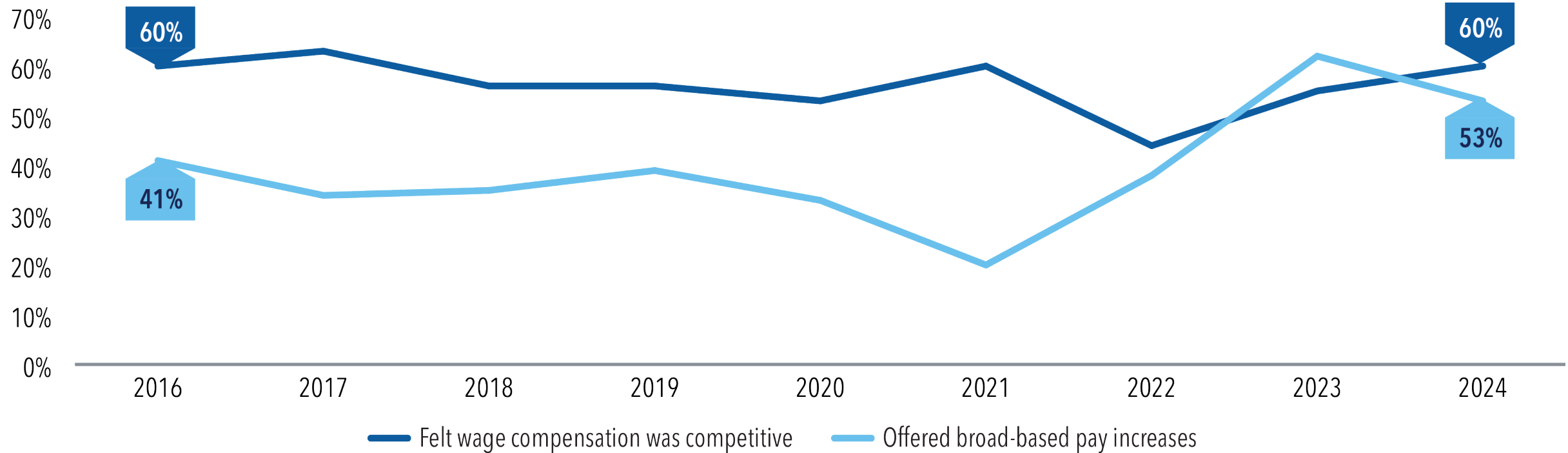
2024: 4-6%

2025: Up to 3%





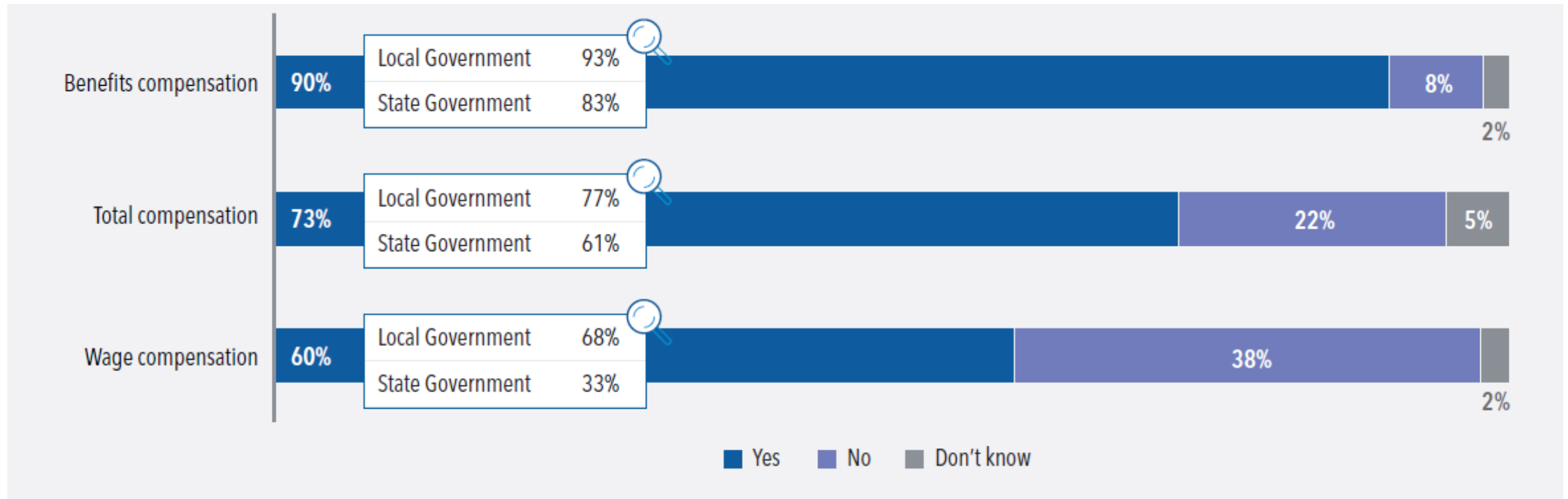
Impact on Competitiveness Compared to Broad-based Pay Increases





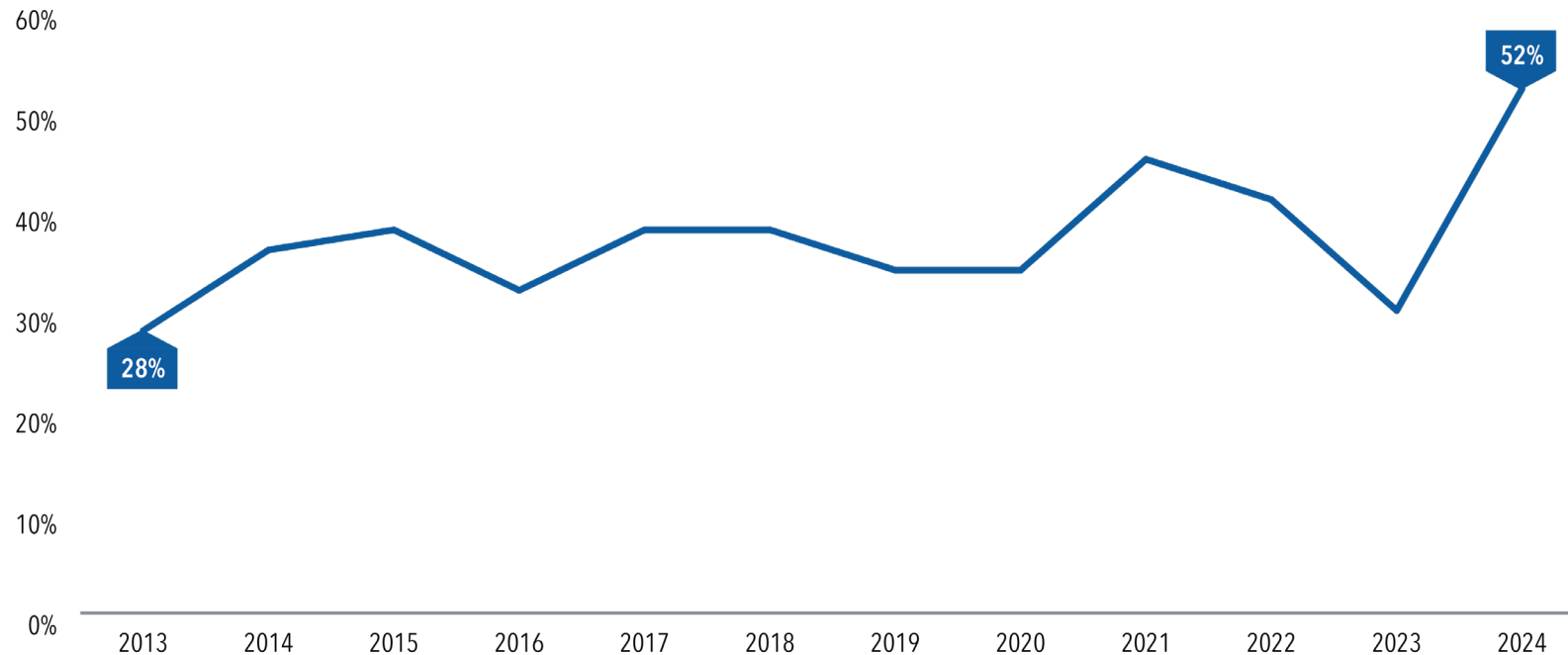
Competitive Compensation

Local Government Rated Better Than States on All 3





Are employees financially prepared for retirement?



In 2025: 57% communicate to each employee their total value of compensation, including wages, bonuses, stipends, retirement plans, insurance, and other benefits, at least annually.



Bonuses

- More than half provide no hiring bonuses
- About 1/3 provide targeted bonuses (e.g., public safety, health)
- Others pay incentives to employees who provide a referral

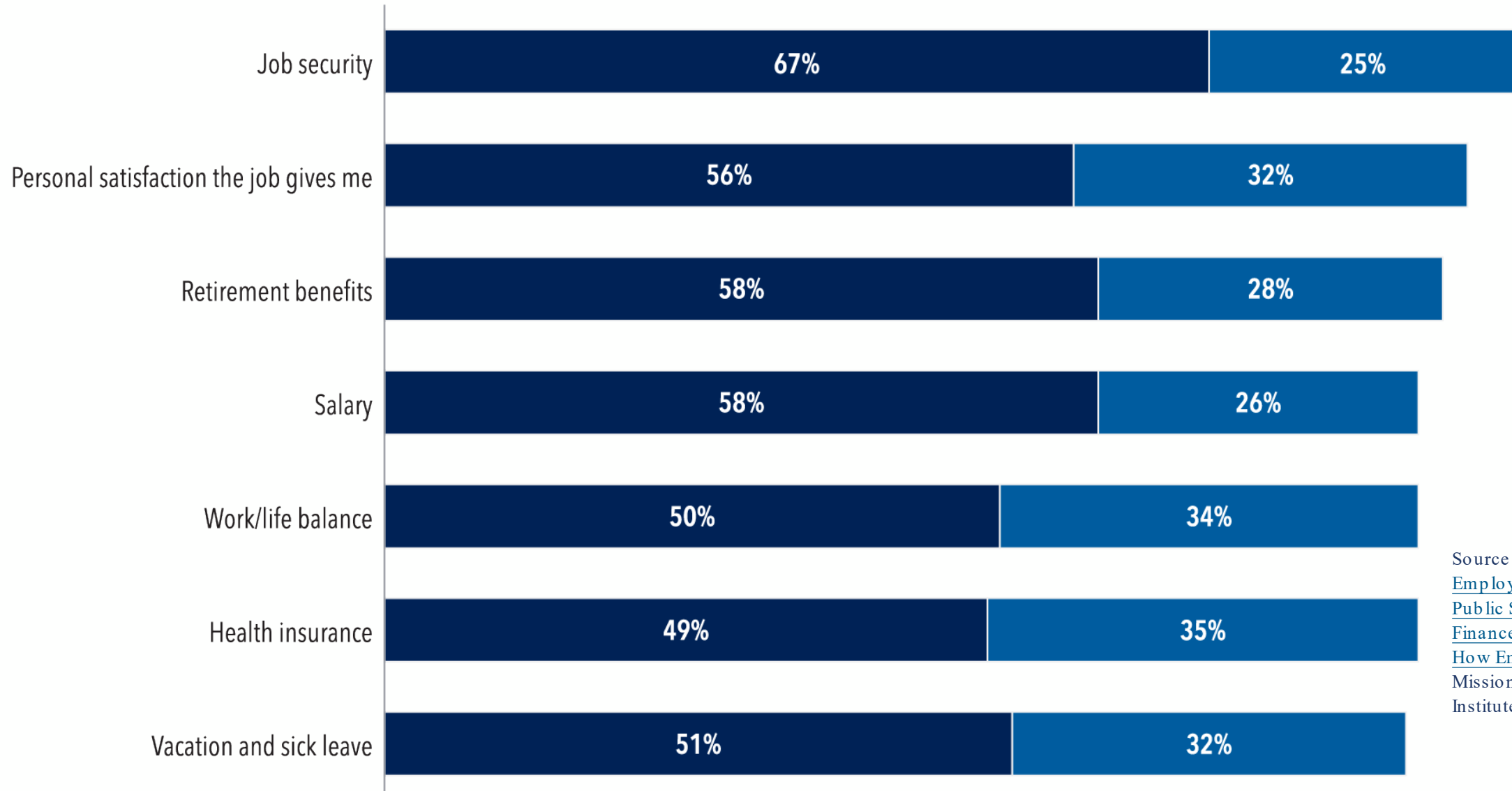
To manage those efforts:

- 13% require hiring bonuses to be repaid if new employees stay less than a year

Motivation



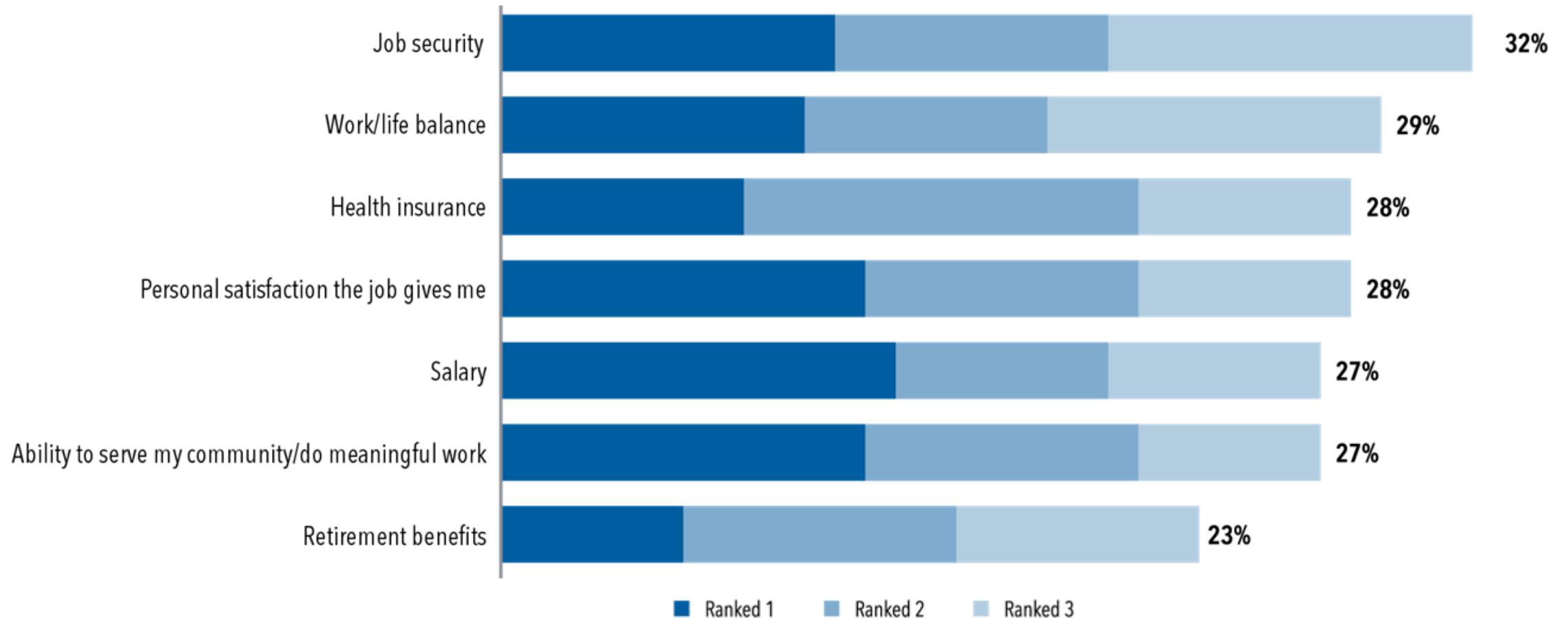
Motivation: All Employees (Major or minor factor)



Source: [Public Sector Employee Views on Morale, Public Service Motivation, Finances, and Retention, and How Employers Can Help](#), MissionSquare Research Institute, 2023



Motivation: Employees 35 and Under



Source: [35 and Under in the Public Sector: Why Younger Employees Stay \(and Why They Don't\)](#), MissionSquare Research Institute, 2023



Factors That Initially Attracted to Public Sector: Met or Exceeded Expectations



Source: [35 and Under in the Public Sector: Priorities, Expectations, and Satisfaction](#), MissionSquare Research Institute, 2024

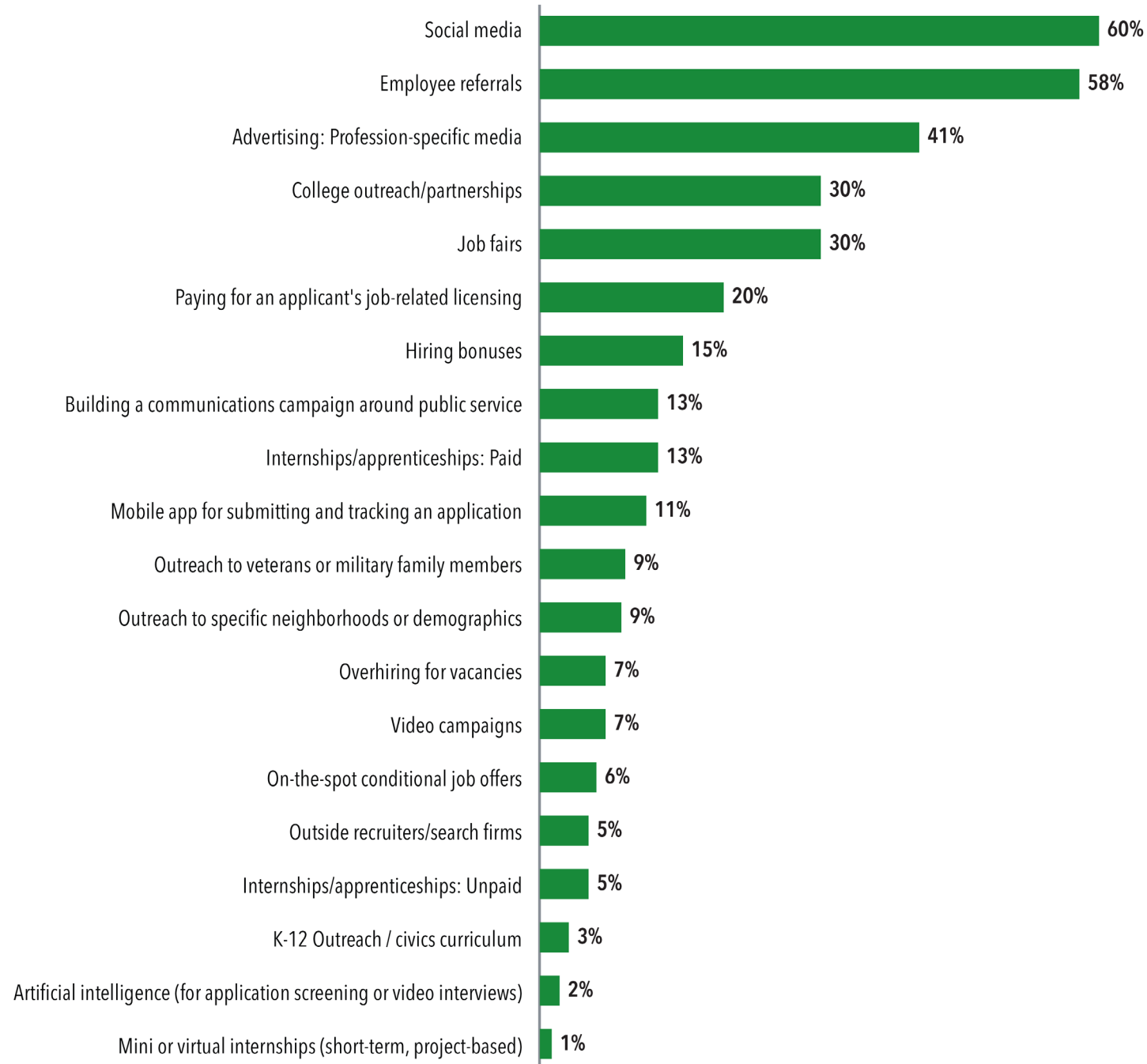


Appealing to Motivations:

12% are building communications campaigns around public service

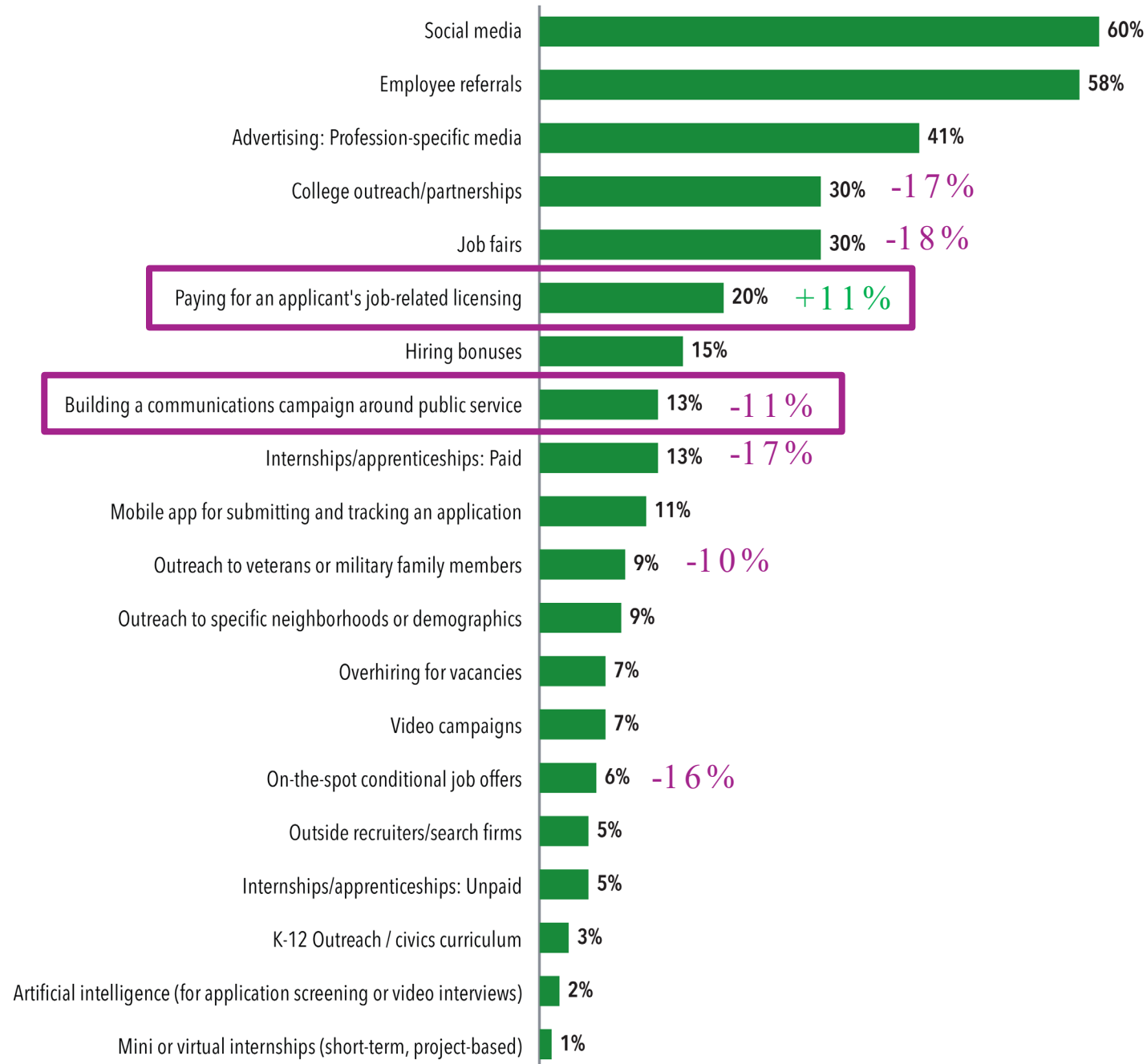
What could you do to emphasize the opportunity to be of public service within your job market?

Recruitment



Other Effective Recruitment Methods (Local Governments Only)

Local governments only

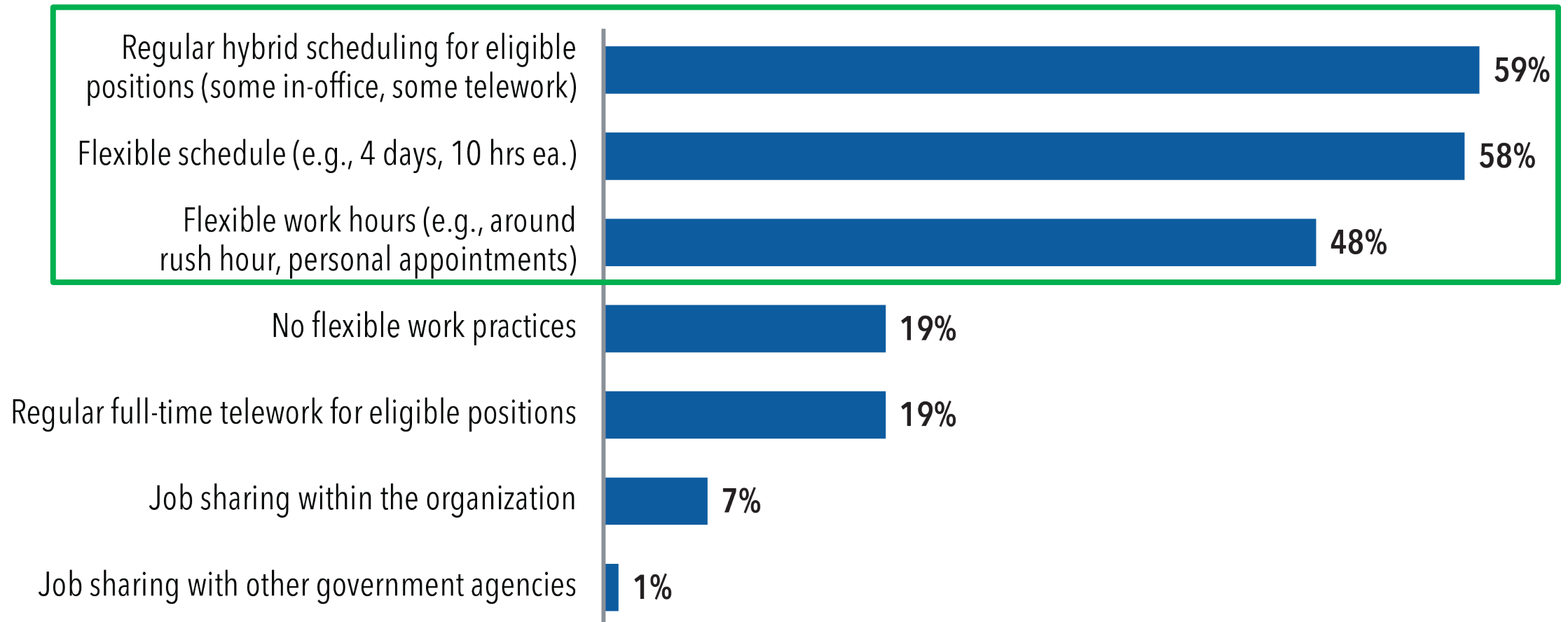


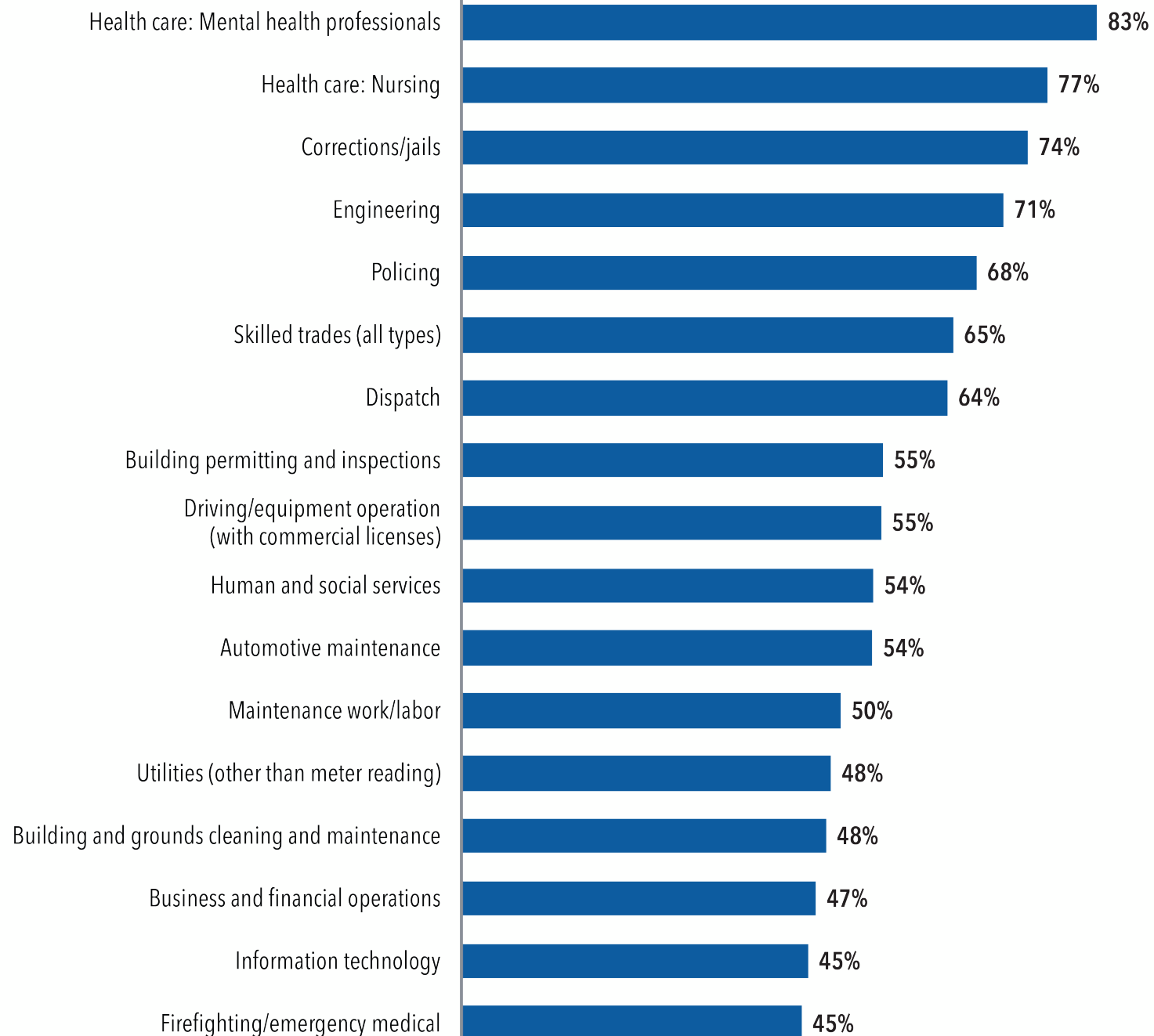
Other Effective Recruitment Methods (Local Governments Compared to States)

■ Local governments only

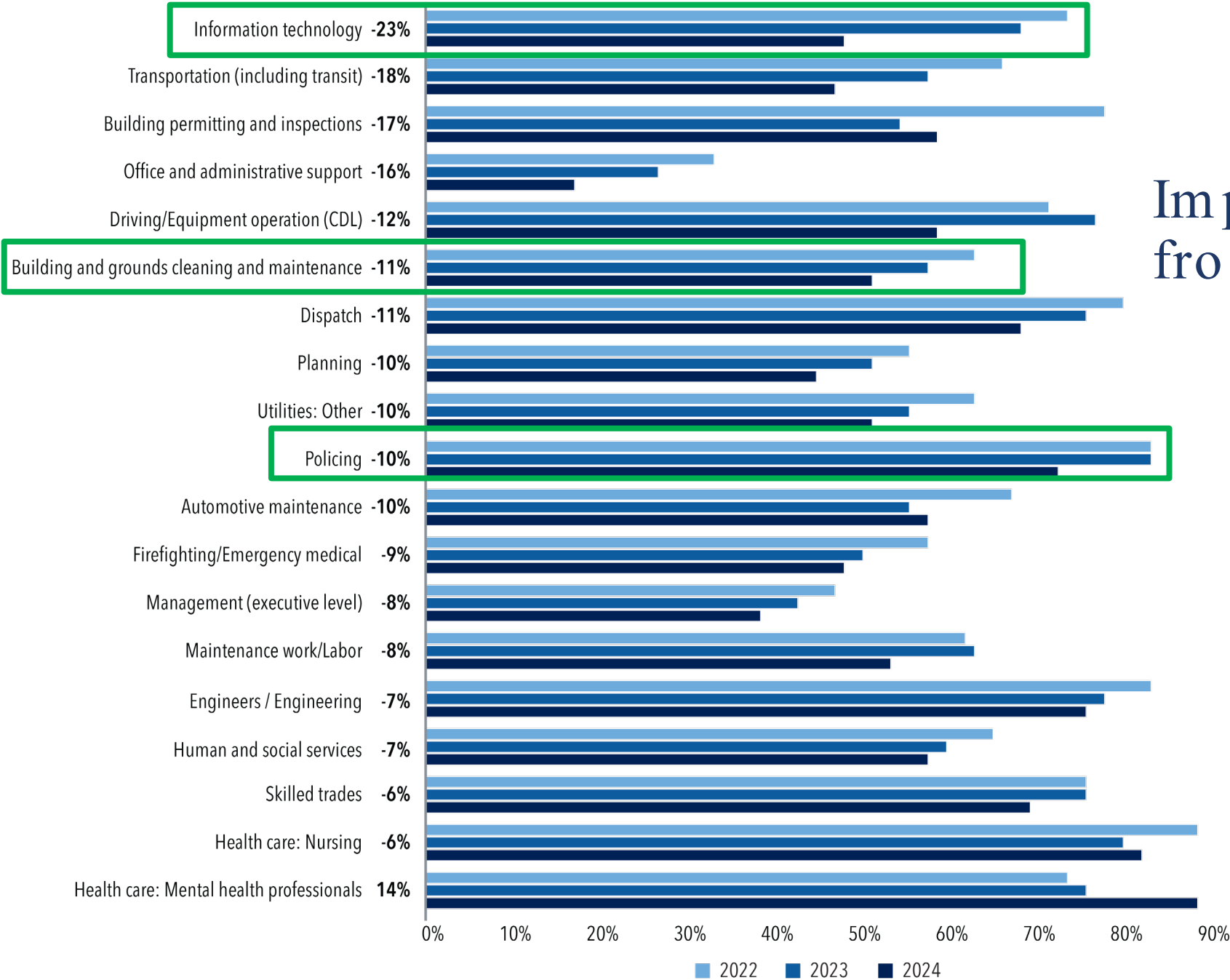


Flexible Work Practices





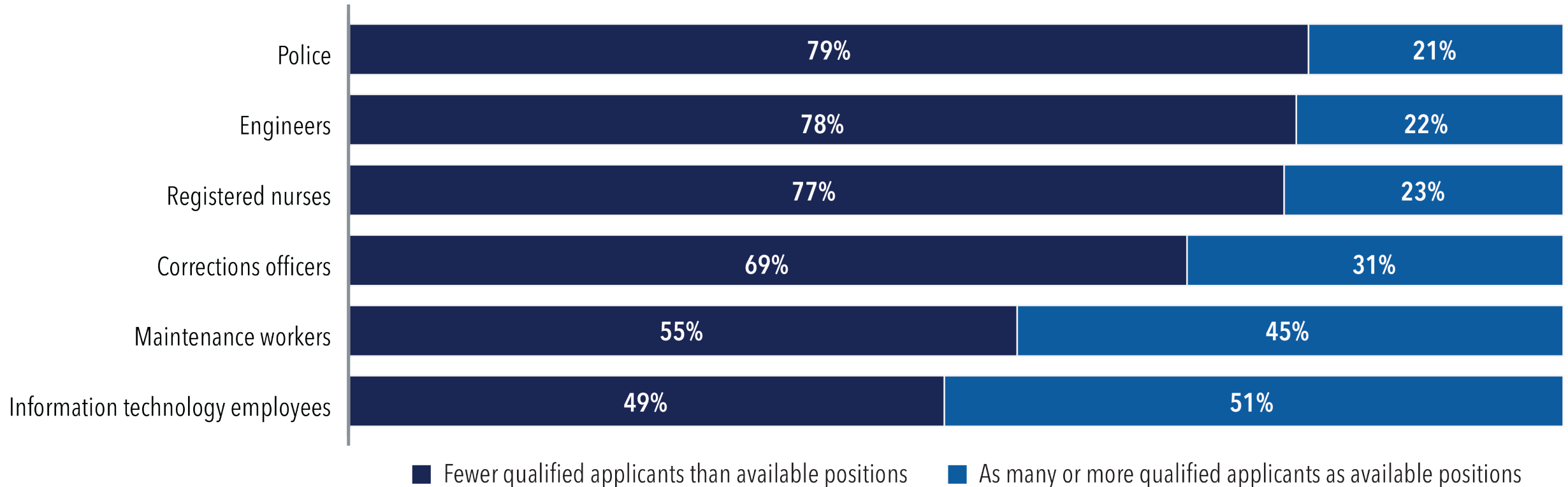
Hard to Fill Positions



Improvement from 2022-2024

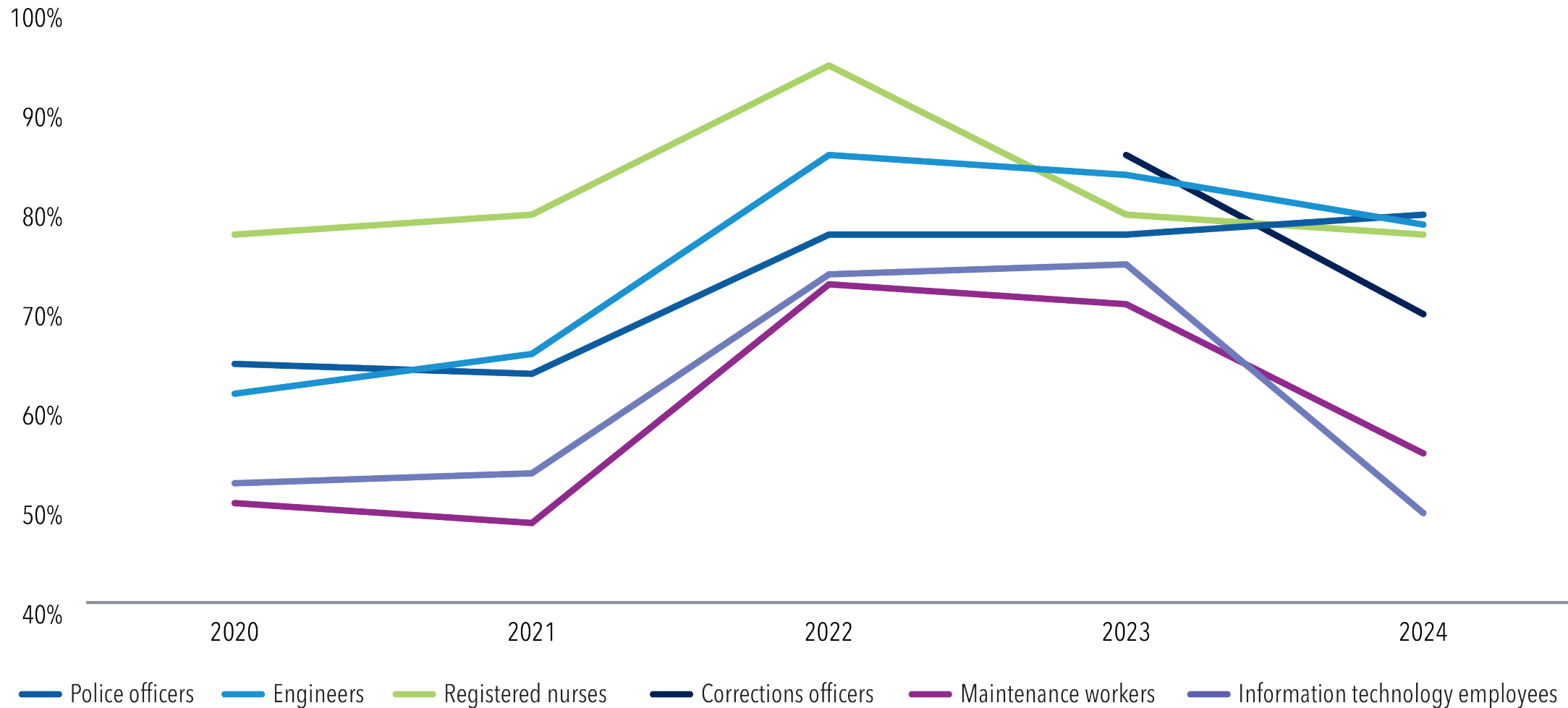


Fewer Qualified Applicants Than Vacancies



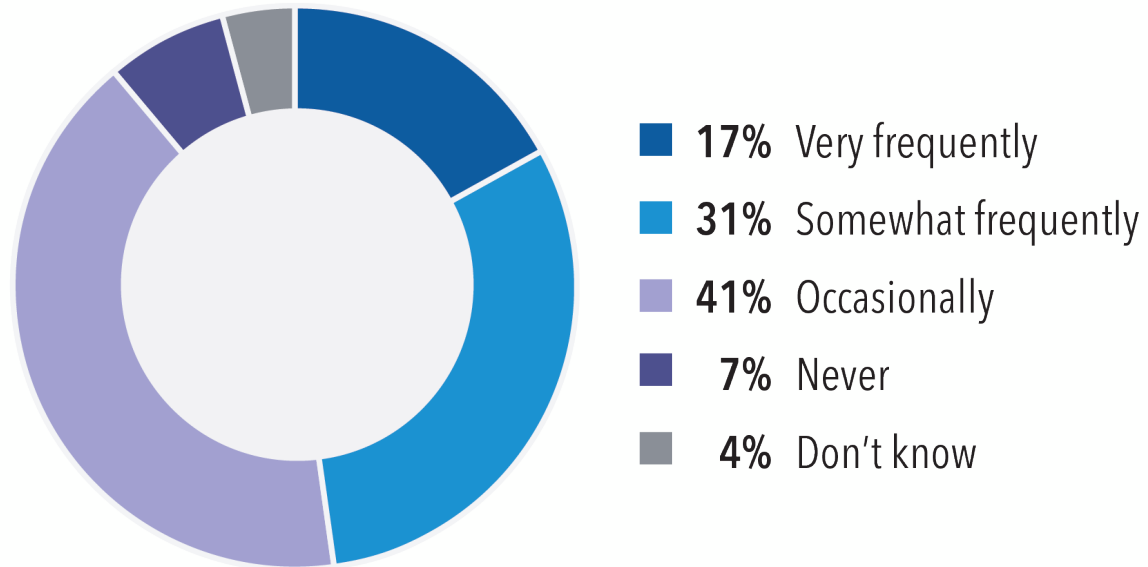


Fewer Qualified Applicants Than Vacancies (2020-2024)





Need to Re-open Recruitments



	2024	2025
Very or somewhat frequently	48%	35%



Education and Experience

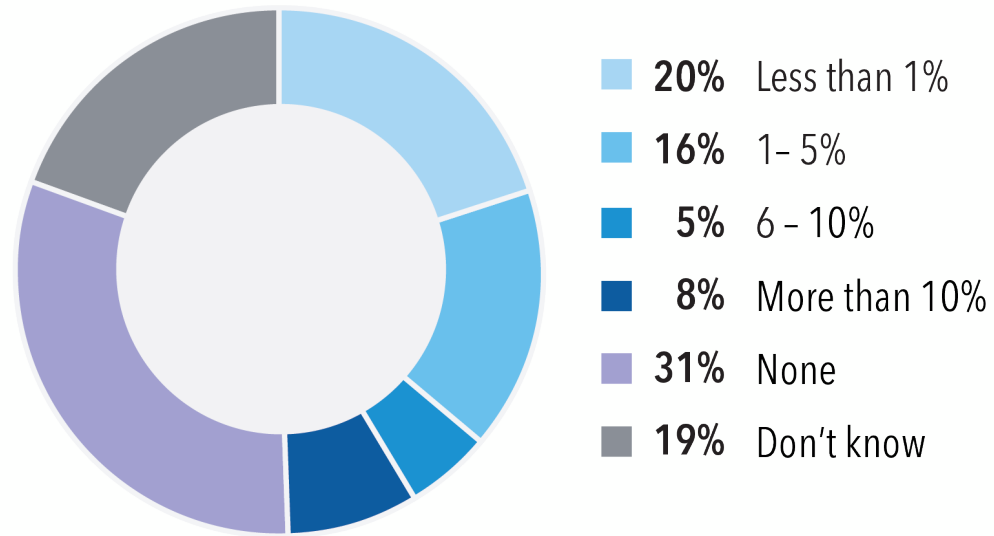
- 44% updated job specs for minimum education/skills/licensing
- 18% hired below minimum qualifications for post-hiring upskilling





Education: Degree Requirements Dropped

Percentage of Positions Impacted Since 2021



	2024	2025
Dropped for more than 10% of positions	8%	11%



Education: Degree Requirements Dropped

Positive Impact

- Number of applicants
- Diversity of applicants

Mixed Impact

- Quality of applicants





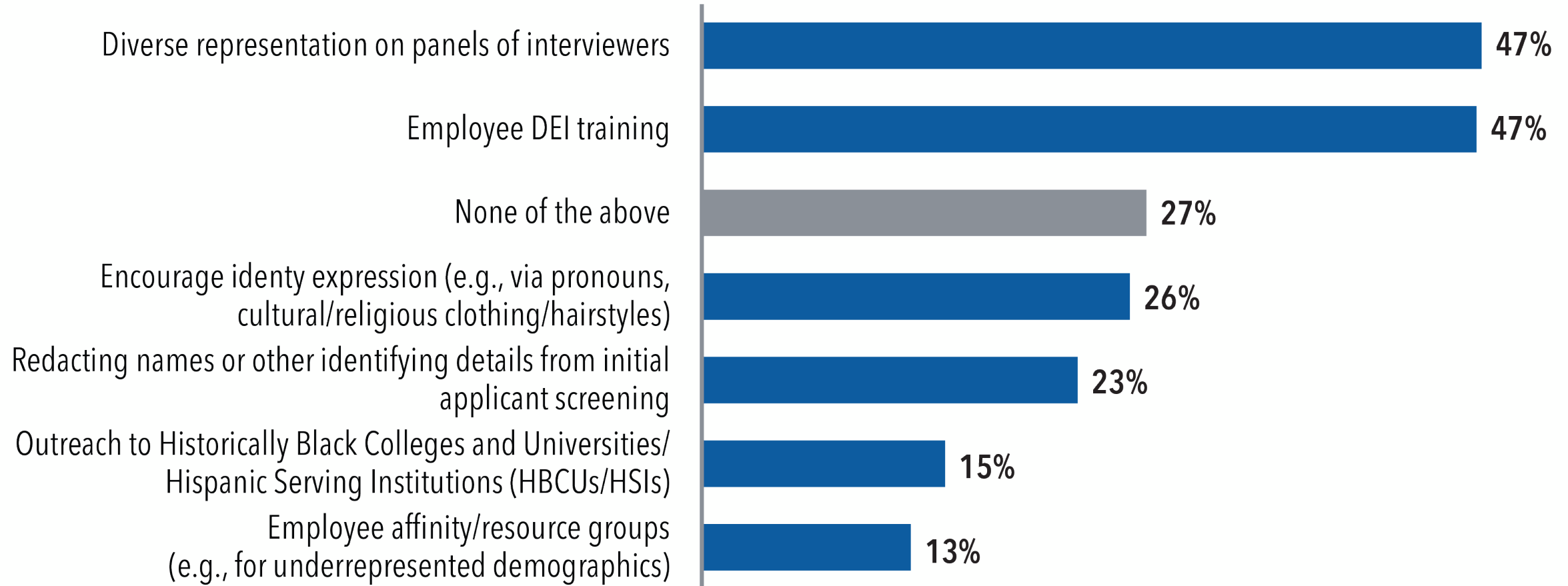
Other Creative Approaches

- 47% hired temporary or contract employees
 - 33% re-hired retired staff
 - 4% restructuring full-time positions for part-time hires
 - 4% hired staff to work exclusively off-site
- ...What else?

Workforce Diversity, Equity, and Inclusion



Workforce DEI Initiatives





Workforce DEI: 2025 – Representation and De-Prioritization

Workforce representative of the community	2021	2023	2025
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By gender	58%	64%	68%
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By race/ethnicity	41%	51%	63%
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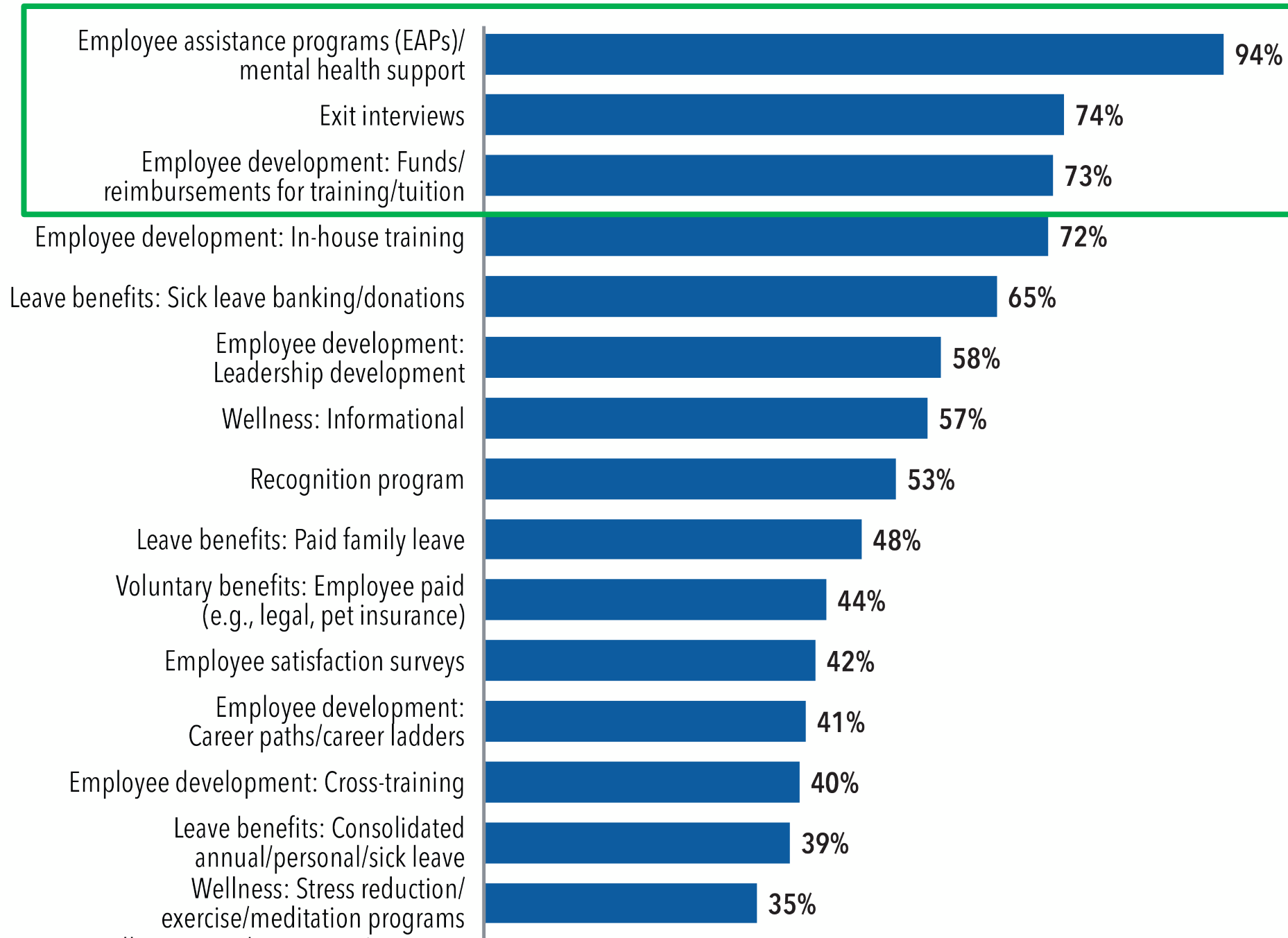
Priority	2024	2025
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Workforce DEI: 'very important'	41%	28%
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Retention



Retention

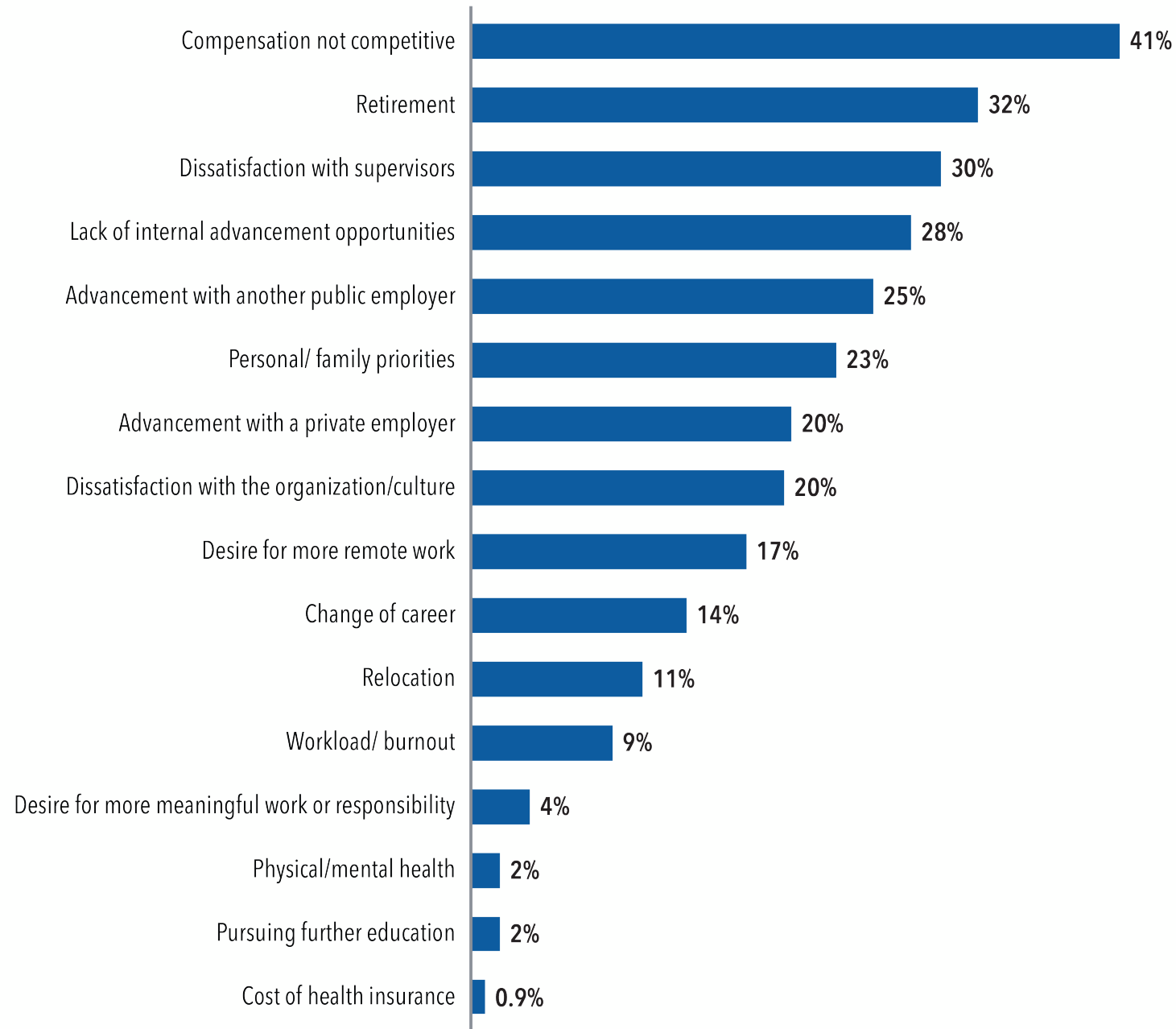




Other Retention Initiatives

- 13% Stay interviews
- 10% Mentoring

Even though... 81% of those not mentioning a mentor wish they had a mentor at work who could give them advice about employee benefits.

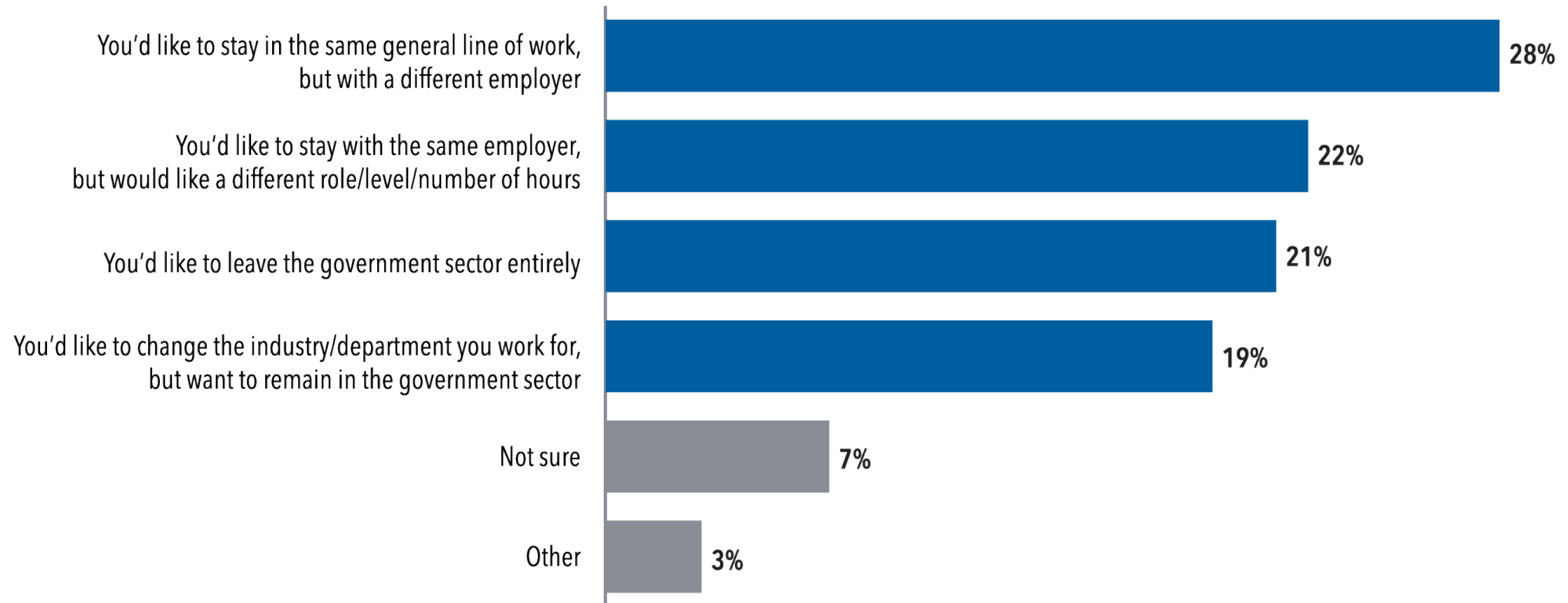


Exit Interview Comments



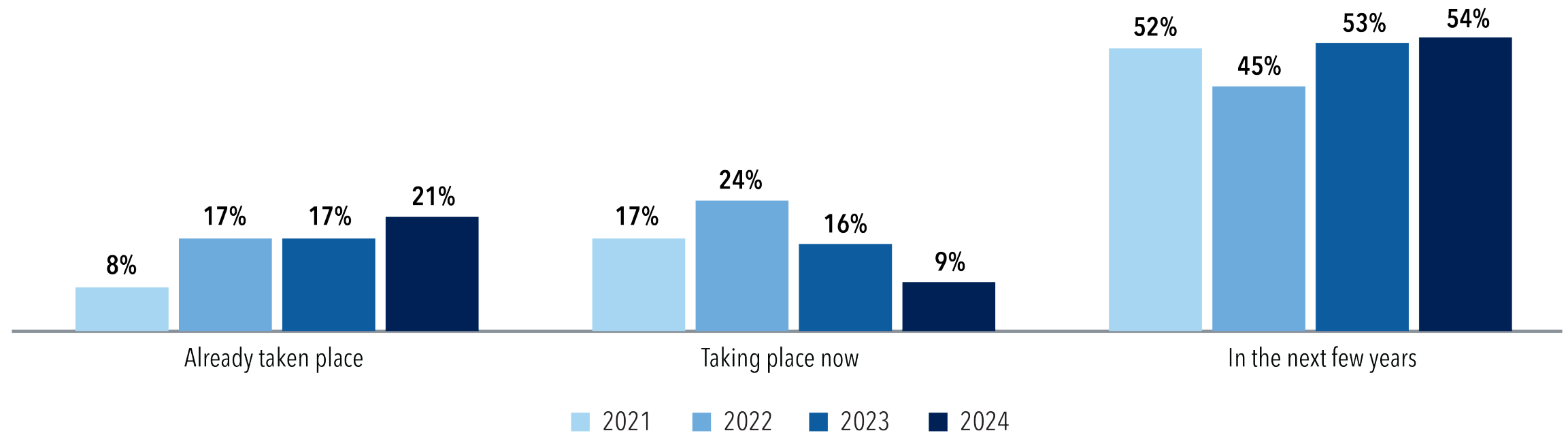
Only 21% Would Leave the Public Sector

Figure 32 **Type of Job Change You Have in Mind** (n=600)





Anticipated Retirement Waves





Succession Planning

- 61% have no formal succession planning process
- 20%
 - have plans for key leadership
 - prepare multiple potential successors
 - plan/document for institutional knowledge transfer



Consideration of the Future



Very Important Priorities

- Morale
- Competitive compensation
- Employee development/engagement

Impact of technology	2024	2025
Retraining staff	14%	16%
Modifying or eliminating jobs	7%	9%



Resources

- [State and Local Government Workforce Survey Report, 2024](#)
- [35 and Under in the Public Sector: Why Younger Workers Enter and Why They Stay \(or Don't\)](#)
- [Collected Student Debt Research](#)
- [New Career Entrants in Public Service: Lessons for Employers from Fellowship Applicants](#)
- [Automatic Enrollment and Automatic Escalation in State and Local Government Defined Contribution Plans](#)
- [Examining the Financial Wellbeing of the U.S. Public Service Workforce](#)
- [Public Sector Employee Financial Wellness Program Needs and Preferences](#)
- [State and Local Government Employees: Morale, Public Service Motivation, Financial Concerns, and Retention](#)
- [Diversity, Equity, and Inclusion in the Public Service Workforce](#)
- Managing Workforce Diversity, Equity, and Inclusion in Local Government, Parts I and II: [Survey Results](#) and [In Their Own Words](#)



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