

The Aging Government Workforce

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Highlights

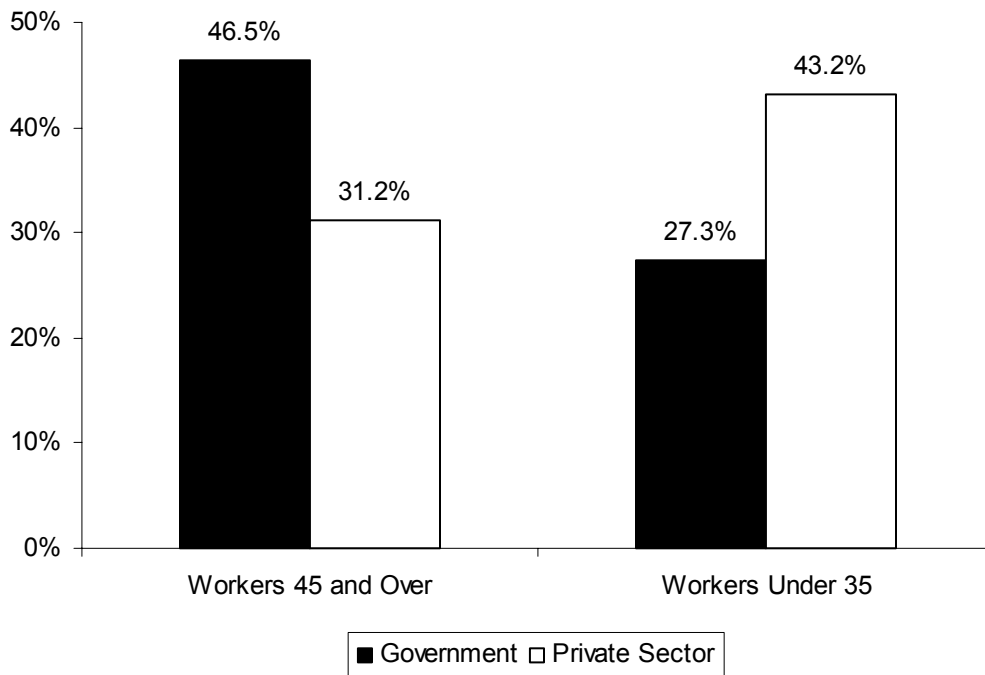
- 46.3 percent of government workers are 45 years of age or older. This age group makes up just 31.2 percent of private sector workers. Replacing the large number of workers retiring in the next decade will be a great challenge for federal, state and local governments.
- From 1994 to 2001, the percentage of older workers in the government workforce increased more than the percentage of older workers in the private sector.
- Local governments, particularly in the New England and the Mid-Atlantic states, will face a retirement bubble in the next decade.
- Nationally, 50 percent of government jobs are in occupations requiring specialized training, education or job skills compared to just 29 percent in the private sector.

As the nation's population ages in the years ahead, employers will have to contend with the need to replace the growing numbers of retiring workers. This issue could be especially acute for federal, state, and local governments. Government workforces tend to be older than the private sector workforce, and the proportion of workers age 45 and over has been increasing faster in the government workforce than in the private sector. While the federal government has a higher share of workers 45 and over, local governments may face greater challenges in replacing retiring workers because they are much smaller and generally have fewer resources at their disposal. Further, the government workforce has a higher percentage of its workers age 45 and over in occupations that require specialized skills, education or training.

This report compares the age distribution of the government workforce with that of the private sector, and examines recent trends in the age distribution of the workforce.

Older workers account for a large proportion of government employment. Almost half of the 20.6 million government workers in 2001 were 45 years of age or older.¹ In the private sector, wage and salary workers 45 years and older constituted only 31.2 percent of the workforce. That the private sector tends to employ younger workers can be seen in **Figure 1**. About 43 percent of private sector workers are under 35 years of age. In the government sector, younger workers constitute only 27.3 percent of workers.

FIGURE 1. OLDER AND YOUNGER WORKERS IN GOVERNMENT AND THE PRIVATE SECTOR, 2001



¹ These and other statistics in this report come from outgoing rotation group data from the Current Population Survey (CPS). The CPS is a monthly survey of about 50,000 households conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics. For more information on the CPS, see <http://www.bls.census.gov/cps/cpsmain.htm>, and for more information on the outgoing rotation group data see <http://www.nber.org/data/morg.html>. Note that in earlier work by the Rockefeller Institute of Government on the aging government workforce Samuel M. Ehrenhalt used the March 1998 demographic supplement to the CPS (see Ehrenhalt, Samuel M., *Government Employment Report*, Rockefeller Institute of Government, June 1999). Therefore, estimates presented here will differ slightly from his earlier work.

The percentage of government and private sector workers 45 and over has been steadily increasing as the median age in the country has been increasing. In 1994, only 39.0 percent of government workers were 45 or older. Older government workers as a percentage of all government workers increased 7.5 percentage points from 1994 to 2001. In the private sector, 26.2 percent of workers were 45 or older in 1994. The private sector older worker share grew 5 percentage points from 1994 to 2001. The difference between the government sector and private sector increased from 12.8 percentage points in 1994 to 15.3 percentage points in 2001. See **Figure 2**.

FIGURE 2. OLDER WORKERS (AGE 45+) IN GOVERNMENT AND THE PRIVATE SECTOR, 1994 TO 2001

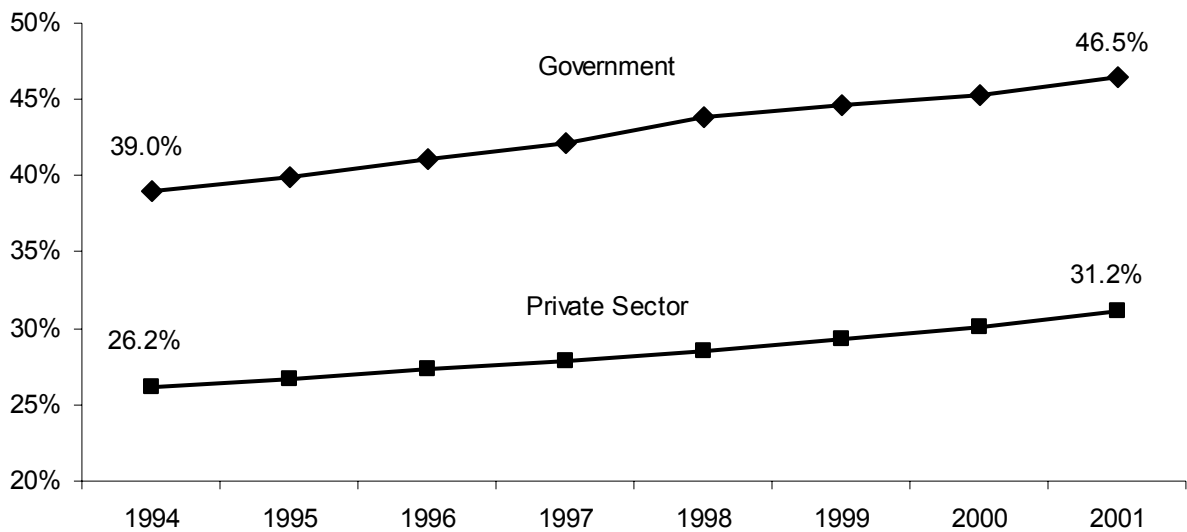
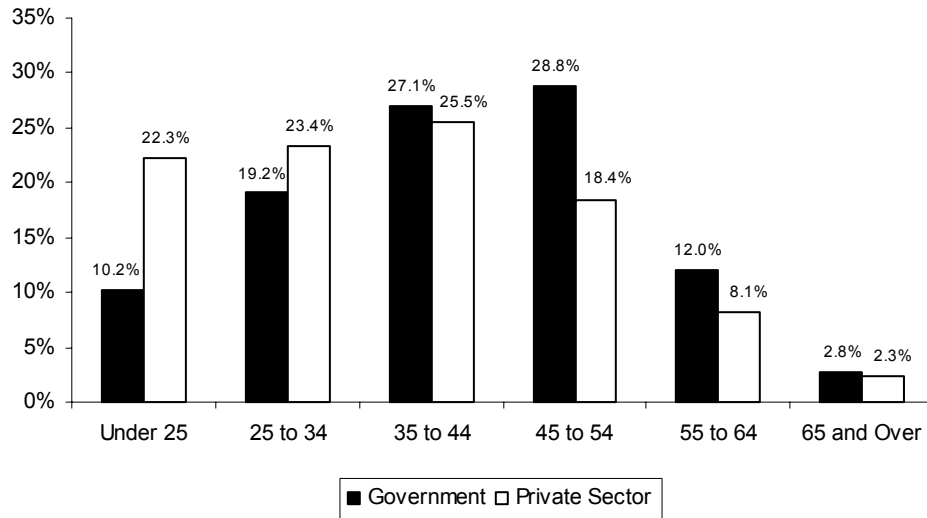


Figure 3 shows the age distribution of workers in the government and the private sector. Workers under 25 constitute about 1 in 10 of the government workers, while 1 in 5 private sector workers are in this age group, a difference of 12.1 percentage points. From ages 25 to 34, the gap narrows considerably to 4.2 percentage points. In the 35 to 44 age range, the percentage of private sector and government workers is roughly the same. A dramatic shift appears in the 45 to 54 age range. Almost 29 percent of government workers fall into the 45 to 54 group while only 18.4 percent of private sector workers are in this group. Workers in the 55 to 64 and 65 and over groups compose larger shares of the government workforce than these age groups do in the private sector.

FIGURE 3. AGE DISTRIBUTION OF GOVERNMENT AND PRIVATE SECTOR WORKERS, 2001



The differential between older and younger government workers varies across levels of government. **Figure 4** shows that older workers make up about 50 percent of the federal government workforce. Only about 1 in 5 federal government workers is below 35 years of age. The gap between older and younger federal government workers is 28.4 percentage points. While slightly less pronounced, a similar pattern holds for local government workers with a difference of 19.5 percentage points. Older workers constitute 46.3 percent of local government workers, while younger worker make-up 26.9 percent. The state government workforce has a more even distribution of workers than the other two levels of government. Only 13.1 percentage points separate older state government workers (43.6%) from younger state government workers (31.5%).

FIGURE 4. YOUNGER AND OLDER WORKERS BY LEVEL OF GOVERNMENT, 2001

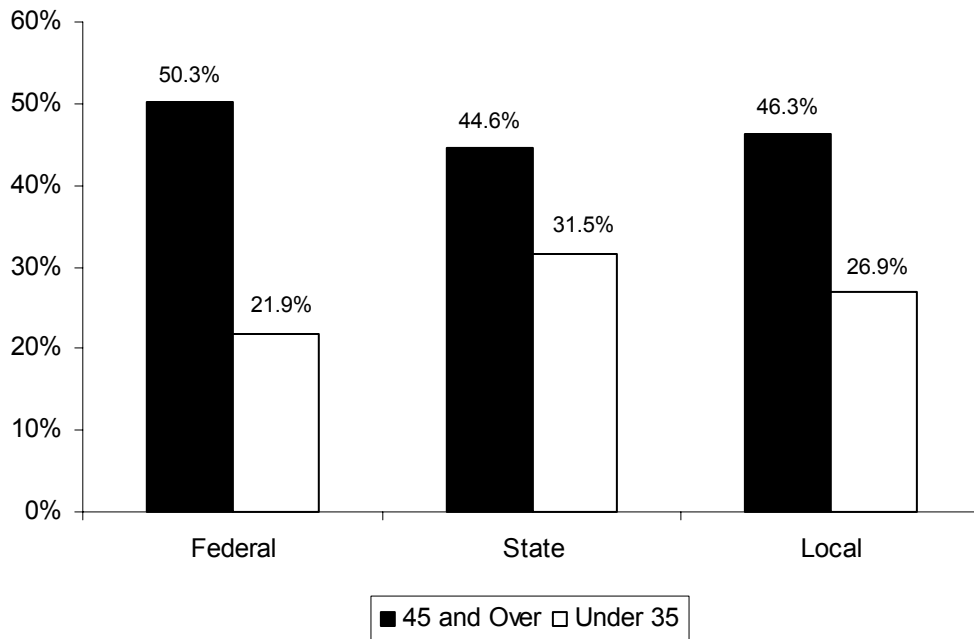


Table 1 shows the percent of workers 45 and older by U.S. Census regions.² In all regions, older workers constitute a larger portion in government than in the private sector. When all government workers are considered together, New England and Middle Atlantic states as a group have somewhat older government workers than other regions. For federal government workers, large proportions of older workers are found in the West North Central, South Atlantic, East South Central and Mountain region states. Notable for their relatively low percentage of older state government workers are the Mountain and West North Central regions. New England and the Middle Atlantic region stand out for relatively high percentages of older local government workers. In the private sector, the New England, Middle Atlantic, and East North Central regions have relatively high percentages of older workers than the nation as a whole.

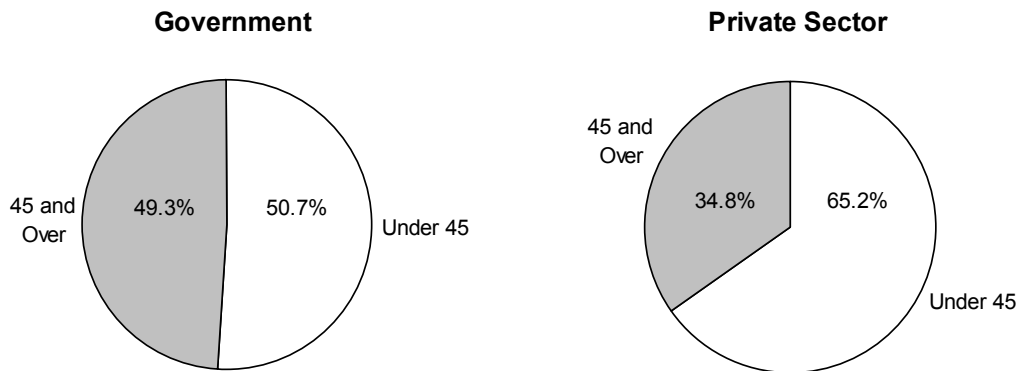
TABLE 1. PERCENT OF WORKERS AGE 45 AND OVER BY U.S. CENSUS REGION

	Government			All Government	Private Sector
	Federal	State	Local		
United States	50.3	44.6	46.3	46.5	31.2
New England	47.7	44.8	53.9	50.2	33.4
Middle Atlantic	48.4	47.6	48.1	48.0	33.3
East North Central	46.5	44.3	46.1	45.6	32.5
West North Central	55.0	41.0	46.8	45.8	31.7
South Atlantic	51.2	45.2	46.7	47.4	31.8
East South Central	54.7	45.8	45.3	47.1	31.6
West South Central	50.5	44.5	44.7	45.6	28.7
Mountain	51.0	41.9	46.7	46.0	29.1
Pacific	49.7	44.5	43.3	44.6	28.7

² The U.S. Census Regions are composed as follows: *New England*: CT, MA, ME, NH, RI, VT; *Middle Atlantic*: NJ, NY, PA; *East North Central*: IL, IN, MI, OH, WI; *West North Central*: IA, KS, MN, MO, NE, ND, SD; *South Atlantic*: DE, DC, FL, GA, MD, NC, SC, VA, WV; *East South Central*: AL, KY, MS, TN; *West South Central*: AR, LA, OK, TX; *Mountain*: AZ, CO, ID, MT, NV, NM, UT, WY *Pacific*: AK, CA, HI, OR, WA.

The prevalence of older workers is higher in occupations that require specialized education, training or skills. Examples of these “knowledge workers” include health care workers, legal professionals, natural scientists, engineers, educators and managers. Over 50 percent of government workers are in occupations that fall into the knowledge worker category, compared to about 29 percent in the private sector. **Figure 5** shows that older workers constitute 49.3 percent of knowledge workers in government but only 34.8 percent of private sector knowledge workers. In the looming retirement boom, federal, state and local governments will have to replace a greater percentage of knowledge workers than will the private sector. Although the gap between the government and private sector percentages is narrower for knowledge workers than for all workers (14.5 percentage points versus 15.3 percentage points), it is clear that governments will face greater challenges to replace knowledge workers in the next decade than will the private sector.

FIGURE 5. KNOWLEDGE WORKERS AGE 45 AND OVER, AND UNDER 45 IN GOVERNMENT AND PRIVATE SECTOR, 2001



The Nelson A. Rockefeller Institute of Government is the public policy research arm of the State University of New York. Craig Abbey, formerly an analyst with the Congressional Research Service, is now a research affiliate of the Institute. Donald Boyd is the Deputy Director of the Institute and director of its Fiscal Studies Program. This research was made possible by funding from the American Federation of Teachers.

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