

## INDUSTRY PROFILE

# Public Sector

Jackson Sauls, Meghan Wills and Zach Boren

January 2025

The public sector, a key player in local economies, delivers essential services to residents and supports private businesses. Due to competition for talent and negative perceptions about government, public sector employers are struggling to recruit and retain a skilled workforce that reflects the communities they serve. This challenge is exacerbated as government agencies increasingly adopt new technologies. The need to implement innovative recruitment, retention, and reskilling strategies that build a workforce with the necessary technical skills is vital to ensuring governments' ability to effectively provide high-quality services to the public.

Public sector employers are actively seeking new ways to attract and develop a skilled workforce in a tight labor market. Apprenticeship is a proven, industry-driven training solution that provides a flexible model that can be tailored to meet the specific needs of each government agency. This industry profile highlights key trends in the public sector workforce and underscores the exciting opportunities for those interested in developing Registered Apprenticeship Programs for public sector occupations.

## Workforce Opportunities and Challenges

**The public sector is a cornerstone of the US labor market, with over 23 million jobs contributing over 11 percent to the nation's GDP.**<sup>1, 2</sup> The public sector workforce spans federal, state, and local levels of government.<sup>3</sup> Local governments are the largest employers, with 14.9 million employees; state governments employ 5.1 million workers; and the federal government employs 2.9 million civilian workers.

**Despite the public sector's workforce challenges, these jobs offer a strong foundation for a career, competitive benefits, and impactful work.** Job openings in state and local governments have reached a 20-year high, as the sector continues a slow recovery from job losses during the COVID-19 pandemic that affected many direct service occupations.<sup>4, 5</sup> Many state and local government HR managers report receiving fewer qualified applicants than available positions for many jobs, such as corrections officers, engineers, police, and IT workers. Despite these recruitment challenges, public sector jobs remain appealing for many reasons. In a 2022 survey, 41 percent of public sector employees reported meaningful work as a reason for staying with their employer.<sup>6</sup> In 2022, 86 percent of full-time state and local government employees had access to defined-benefit pension plans, compared with only 15 percent in the private sector.<sup>7</sup> As a result, public sector employees generally stay in their jobs longer (6.8 years) than private sector employees (3.7 years).<sup>8</sup>

**Although public sector employment has historically been a source of economic security for workers of color, many public sector employers face challenges with workforce diversity.** In 2021, 18 percent of employed Native American women and 10 percent of employed Black men worked in state and local government.<sup>9</sup> Yet, 61 percent of county governments underrepresent Black, Indigenous, and communities of color in their workforces (Gottlieb, Bauer, and Anthony 2022). Many public sector employers also struggle to recruit and retain young workers. In 2021, millennials comprised 28 percent of the federal workforce and Gen Z accounted for just 1.6 percent, while Millennials and Gen Z made up 33.7 percent and 9.1 percent of the labor force, respectively (Hyman, Powder, Pietsch (2022)).<sup>10</sup> In a 2023 survey, 60 percent of public sector workers under age 35 reported plans to leave their jobs in the next year (Liss-Levinson 2023). To address these challenges, at least 16 state governments have removed

barriers to public sector employment, such as eliminating bachelor’s degree requirements for entry-level jobs and embracing skills-based hiring to expand the talent pool (Smalley 2023).

**New technologies, such as generative AI, can potentially increase the efficiency and quality of government services, but this shift will require new skills.** The tech industry and government leaders have identified several high-impact use cases for generative AI in the public sector, such as providing virtual services, simulating urban planning scenarios, and drafting contracts.<sup>11</sup> However, tech professionals in the public sector are about a third more likely to say there is an AI skills gap in their organization compared with the average across all industries.<sup>12</sup> Public sector workers will need to upskill to adapt to a technology-driven workplace, since 44 percent of workers’ core skills may be disrupted because of technology changes (World Economic Forum 2023).

### Labor Market Trends in Public Sector from 2013 to 2023



**Employment:**  
Employment grew  
nearly **4%**



**Wages:**  
Average hourly earnings  
rose by **30%**



**Job Openings:**  
Job openings  
increased by **157%**

**Sources:** “All Employees, Thousands, Government, Seasonally Adjusted,” (Washington, DC: Bureau of Labor Statistics), accessed June 14, 2024, <https://data.bls.gov/dataViewer/view/timeseries/CES9000000001;jsessionid=BC9C86F26C1359B3AA459E0CEBE34C47>; “Wages and Salaries for Civilian Workers in the Public Administration Industry, Current Dollar Index,” (Washington, DC: Bureau of Labor Statistics), accessed June 14, 2024, <https://data.bls.gov/dataViewer/view/timeseries/CIU10292000000001>; “Job Openings, Level—in Thousands, Government, Seasonally Adjusted,” (Washington, DC: Bureau of Labor Statistics), accessed June 14, 2024, <https://www.bls.gov/jlt>.

### Public Sector Employment Outlook from 2022 to 2032



Employment growth is projected for many occupations, such as the following:

- Public safety telecommunicators: +3.5%
- Recreation workers: +3.5%
- Bus drivers, transit, and intercity: +3.4%
- Police and sheriff’s patrol officers: +3.3%
- Traffic technicians: +3.1%
- Social and human service assistants: +2.6%

**Source:** “Employment Projections, National Employment Matrix, NAICS 900000 Government; State, Local, and Private,” (Washington, DC: US Bureau of Labor Statistics), accessed August 2, 2024, <https://data.bls.gov/projections/nationalMatrix?queryParams=900000&ioType=i&csrf=projections>.

## Apprenticeship in Public Sector

Apprenticeship offers a proven solution for recruiting, training, and retaining a skilled and diverse workforce for the public sector. Registered Apprenticeship Programs are an industry-driven training model that combine learning on the job and in the classroom and can be customized to meet the workforce needs of every government agency.

Registered Apprenticeship Programs offer numerous benefits to public sector employers (CSG 2024).

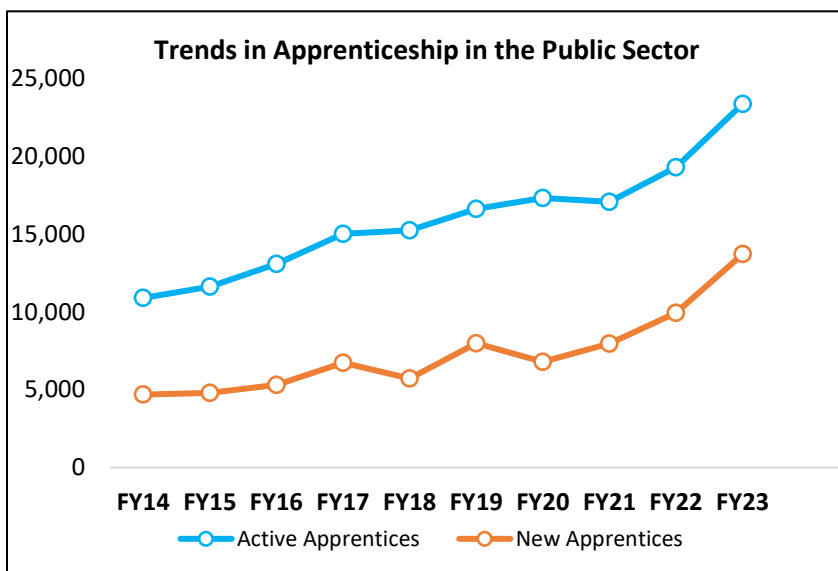
Apprenticeships enable federal, state, and local government agencies to hire and train workers with the knowledge and skills they need to be successful. Apprenticeships can help increase the diversity of the public sector workforce

by enabling government agencies to hire individuals who traditionally face barriers to postsecondary education and training, such as people with disabilities, people of color, and people experiencing poverty. Finally, government agencies can use apprenticeships to pass along valuable institutional knowledge to new employees through mentorship and on-the-job training.

As of 2023, there are 535 Registered Apprenticeship Programs in public sector occupations, reflecting the value government agencies find in this talent development model.<sup>13</sup> The number of active public sector apprentices has grown by 114 percent. In comparison, the number of new apprentices has increased by 193 percent, indicating the public sector’s appetite and enthusiasm to train its future workforce through registered apprenticeship.<sup>14</sup>

**Spotlight: Kentucky Transportation Cabinet**

The Kentucky Transportation Cabinet (KYTC) launched an apprenticeship program for automotive technicians in 2017 (<https://transportation.ky.gov/pages/tmap.aspx>). KYTC saw increasing demand for technicians to service the state’s fleet of road crew vehicles, and they partnered with the Kentucky Labor Cabinet’s Division of Apprenticeship to develop a Registered Apprenticeship Program to develop this critical workforce (<https://informedinfrastructure.com/32409/kytc-aims-to-develop-future-workforce-through-paid-apprentice-program-with-colleges>). Apprentices take classes in automotive or diesel technology at a Kentucky Community and Technical College System campus, and they gain hands-on, paid work experience at a Department of Highways maintenance garage. Apprentices complete a two-year program of coursework and on-the-job experience and receive an associate’s degree and a nationally recognized credential. KYTC’s automotive technician apprenticeship program enables residents to prepare for a rewarding career in their own community—programs are located throughout the state, providing an efficient path for residents to train for a career without commuting long distances.



**Common Public Sector Apprenticeship Occupations in 2024**

- Operating engineer—5,692 apprentices
- Correction officer—4,409 apprentices
- K-12 Teacher—2,552 apprentices
- Industrial maintenance mechanic—1,295 apprentices
- Fire fighter—1,293 apprentices

Source: “Data and Statistics: Interactive Apprenticeship Data,” (Washington, DC: US Department of Labor), accessed August 2, 2024, <https://www.apprenticeship.gov/data-and-statistics/apprentices-by-state-dashboard>.

## National Occupational Frameworks

National Occupational Frameworks provide the building blocks of a Registered Apprenticeship Program for a specific occupation, including the on-the-job training and instructional coursework that apprentices will complete. Organizations can use the frameworks to accelerate the design and registration of apprenticeship programs because they are thoroughly researched and reviewed by industry experts in business, labor, workforce, and education, and are approved by the US Department of Labor.

National Occupational Frameworks are available for several public sector occupations. See the links below to access each framework:

- Community health worker: <https://urbn.is/4fd7Xvl>
- Correctional officer: <http://urbn.is/47xvJyl>
- Early childhood educator: <https://urbn.is/3ZBM0R3>
- Elementary school teacher: <https://urbn.is/4bXflUY>
- Human resources generalist: <https://urbn.is/41Dhngm>
- IT generalist: <https://urbn.is/4iz8IBZ>
- Paraeducator (teacher aide): <https://urbn.is/3VFb4UX>
- Social service assistant: forthcoming

## Additional Resources

For more information on apprenticeship in the public sector, please visit

- the National Occupational Frameworks in public sector (<http://apprenticeships.urban.org/explore-industries/public-sector>), and
- Apprenticeship USA's resources on apprenticeships in public sector (<https://www.apprenticeship.gov/apprenticeship-industries>).

## Notes

- <sup>1</sup> "BLS Data Viewer," Bureau of Labor Services (BLS), accessed on December 12, 2024, <https://www.bls.gov/dataViewer/view/timeseries/CES9000000001;jsessionid=BC9C86F26C1359B3AA459E0CEBE34C47>.
- <sup>2</sup> "Value Added by Industry: Government as a Percentage of GDP," Federal Reserve Bank of St. Louis, accessed December 12, 2024, <https://fred.stlouisfed.org/series/VAPGDPG>.
- <sup>3</sup> "Economic News Release: Table B-1. Employees on Nonfarm Payrolls by Industry Sector and Selected Industry Detail," BLS, last modified December 6, 2024, <https://www.bls.gov/news.release/empst.t17.htm>.
- <sup>4</sup> Gerald Young, "The Public Workforce Recruitment Challenge: New Data," *National League of Cities*, June 21, 2023, <https://www.nlc.org/article/2023/06/21/the-public-workforce-recruitment-challenge-new-data>.
- <sup>5</sup> Rose Khattar, Marina Zhavoronkova, and Anona Neal, "Investments in the State and Local Government Workforce Will Deliver Crucial Services and Create Economic Security," Center for American Progress, March 25, 2022, <https://www.americanprogress.org/article/investments-in-the-state-and-local-government-workforce-will-deliver-crucial-services-and-create-economic-security>.
- <sup>6</sup> Georgios Athanasakopoulos, Scott Blackburn, Nora Gardner, Sarah Lu, Megan McConnell, Bonnie Bowling, and Marino Mugayar-Baldocchi, "What Workers Want Is Changing. That Could Be Good for Government," McKinsey & Company, October 26, 2022, <https://www.mckinsey.com/industries/public-sector/our-insights/what-workers-want-is-changing-that-could-be-good-for-government>.
- <sup>7</sup> "State and Local Government Pensions," Urban Institute, accessed December 17, 2024, <https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/projects/state-and-local-backgrounders/state-and-local-government-pensions>.

- 
- <sup>8</sup> “Economic News Release: Table 5. Median Years of Tenure with Current Employer for Employed Wage and Salary Workers by industry, Selected Years, 2014-2024,” BLS, last modified September 26, 2024, <https://www.bls.gov/news.release/tenure.t05.htm>.
- <sup>9</sup> Khattar, “Investments in the State and Local Government Workforce Will Deliver Crucial Services and Create Economic Security.”
- <sup>10</sup> “Labor Force Statistics from the Current Population Survey,” BLS, accessed on December 17, 2024, <https://www.bls.gov/cps/aa2021/cpsaat01.htm>.
- <sup>11</sup> Mahesh Kelkar, Nihar Dalmia, Gustav Jeppesen, Monica McEwen, and Joe Mariani, “Unleashing Productivity in Government,” Deloitte Center for Government Insights, March 25, 2024, <https://www2.deloitte.com/us/en/insights/industry/public-sector/government-trends.html#unleashing-productivity-in-government>.
- <sup>12</sup> “6 in 10 IT Workers Report Shortage of AI Skills in the Public Sector,” Salesforce, April 10, 2024, <https://www.salesforce.com/news/stories/public-sector-ai-statistics>.
- <sup>13</sup> Data on the number of Registered Apprenticeship Programs is from the Apprenticeship Data Alignment & Performance Technical Assistance Center at The Council of State Governments (<https://web.csg.org/adap-tac>).
- <sup>14</sup> To calculate apprenticeship statistics for the public sector sector, we filtered the Apprenticeship.gov dashboard by occupation (<https://www.apprenticeship.gov/data-and-statistics/apprentices-by-state-dashboard>). To view a full list of the occupations we included in the public sector, see our “Apprenticeship Dashboard Occupations: Public Sector” list at <https://airtable.com/appFPebcNM8POjpcF/shryZwL8CdLkaMFvm/tblXytMIOsiQGH2rb>.

## References

- CSG (Council for State Governments). 2024. *Public Sector Apprenticeship Toolkit*. Lexington, KY: CSG.
- Gottlieb, Jacob, Julia Bauer, and Nya Anthony. 2022. “Improving Municipal Service Delivery Through Diverse and Equitable Hiring.” Washington, DC: National League of Cities.
- Hyman, Mikayla, Maddie Powder, and Paul Pietsch. 2022. *Retaining My Generation: Retention Strategies for Generation X and Generation Z Federal Employees*. Washington, DC: Partnership for Public Service.
- Liss-Levinson, Rivka. 2023. *35 and Under in the Public Sector: Why Younger Workers Enter and Why They Stay (or Don't)*. Washington, DC: Mission Square Research Institute.
- Smalley, Andrew. 2023. “States Consider Elimination of Degree Requirements.” Washington, DC: National Conference of State Legislatures.
- World Economic Forum. 2023. “*Future of Jobs Report 2023*.” Geneva, CHE: World Economic Forum.

---

The National Occupational Frameworks are developed through the Urban Institute’s [National Apprenticeship Resource Hub](#). This project has been funded, either wholly or in part, with federal funds from the Department of Labor, Employment and Training Administration under Cooperative Grant Number AP-36653-21-75-A-11. The contents of this publication do not necessarily reflect the views or policies of the Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement of the same by the US Government. This publication is in the public domain. Permission to reproduce is not necessary.