

CMTA 2023 ANNUAL CONFERENCE

FOR ALL **FLAVORS OF** **FINANCE**
TREASURY DEBT INVESTMENTS

MARRIOTT SAN MATEO • SAN FRANCISCO AIRPORT • APRIL 26-28, 2023

Recruiting for Retention: Expanding the Government Finance Workforce

Brandon Marquez, County of Santa Cruz

Karen McMillen, County of Placer

Chris Morrill, GFOA

THE BOND BUYER

INDUSTRY TOPICS 

WASHINGTON 

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TECH 

NOTICES AND CALENDARS 

BOND RATINGS

S&P tells 149 issuers: provide timely financials or risk withdrawn ratings

By [Keeley Webster](#) March 14, 2023, 3:33 p.m. EDT 4 Min Read



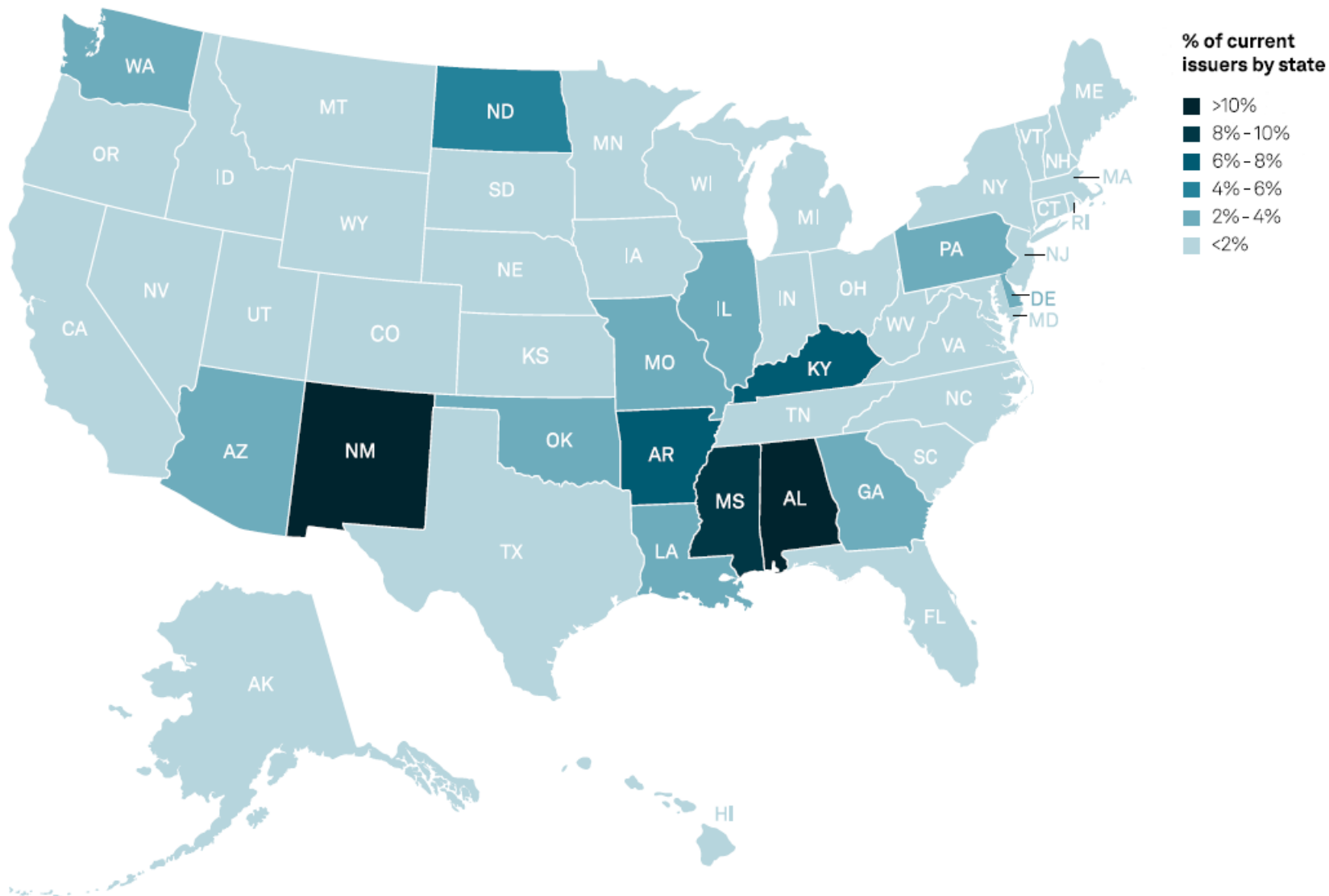
S&P Global Ratings placed 149 ratings on CreditWatch with negative implications, because



they have not received 2021 financial statements from the issuers.



Percent Of Current Issuers That Have Had A Rating Action Due To Lack Of Timely Information Since 2018 By State



Source: S&P Global Ratings.
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It is our understanding, based on our outreach on this topic to issuers and their agents, that this year has seen a marked increase in staffing shortages at auditing firms, resulting in significant setbacks to complete issuers' financial disclosures in a timely manner. In addition, we understand that **issuers have faced staffing turnover in key reporting departments, which has further contributed to delayed reporting.** With an acute shortage of certified public accountants (CPAs), according to the American Institute of CPAs 2021 Trends report, we believe the number of delayed disclosures could further increase in the near term.

S & P, March 2023

It is a competition

THE WALL STREET JOURNAL.

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CFO JOURNAL

Struggling to Find Accountants, Businesses Boost Salary Offers, Hire Temporary Workers

Companies take longer to fill positions as tightness in the labor market continues and fewer people study accounting



LOCAL GOV

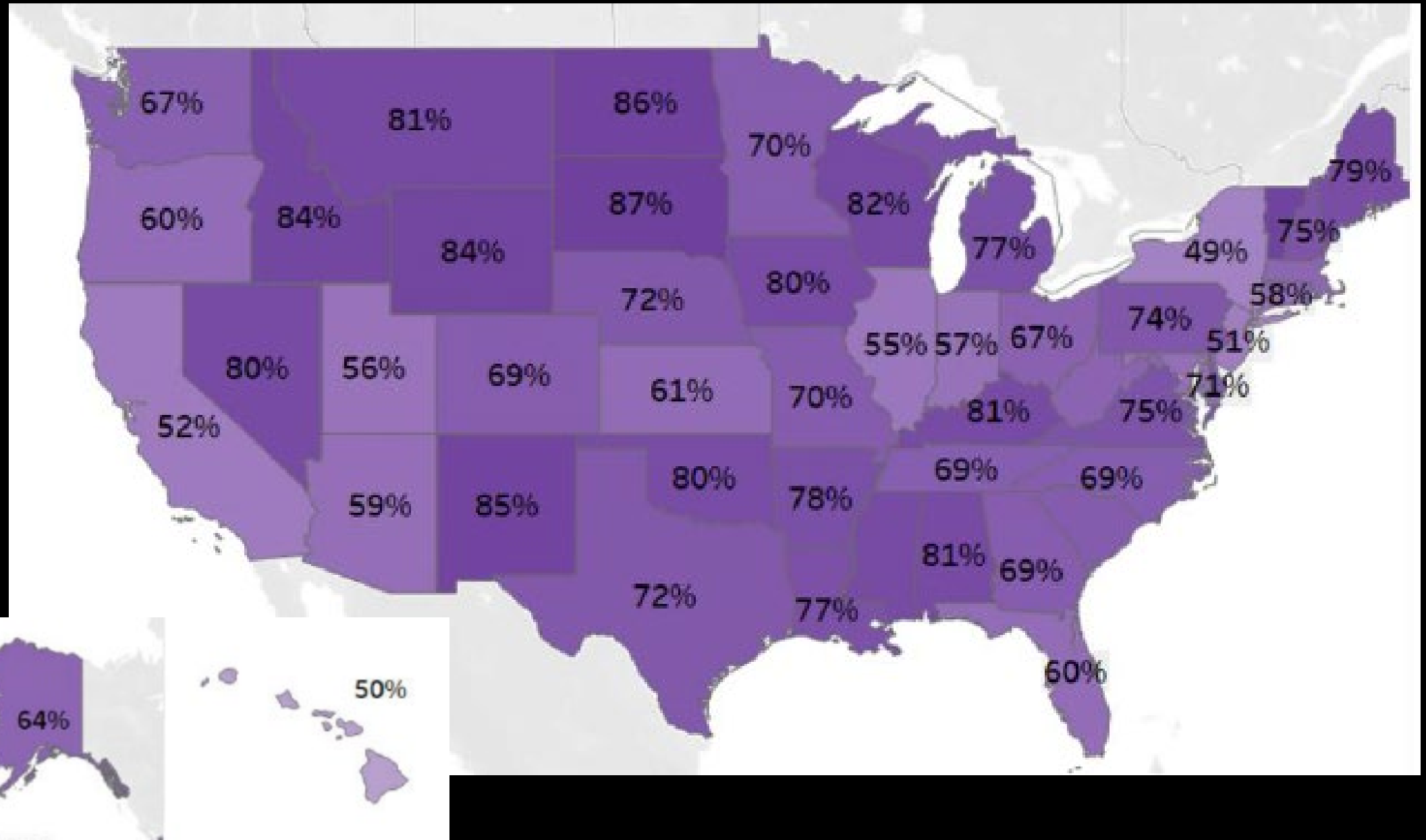
**DIVERSITY
DASHBOARD**

Representation of Women in Local Government Financial Leadership

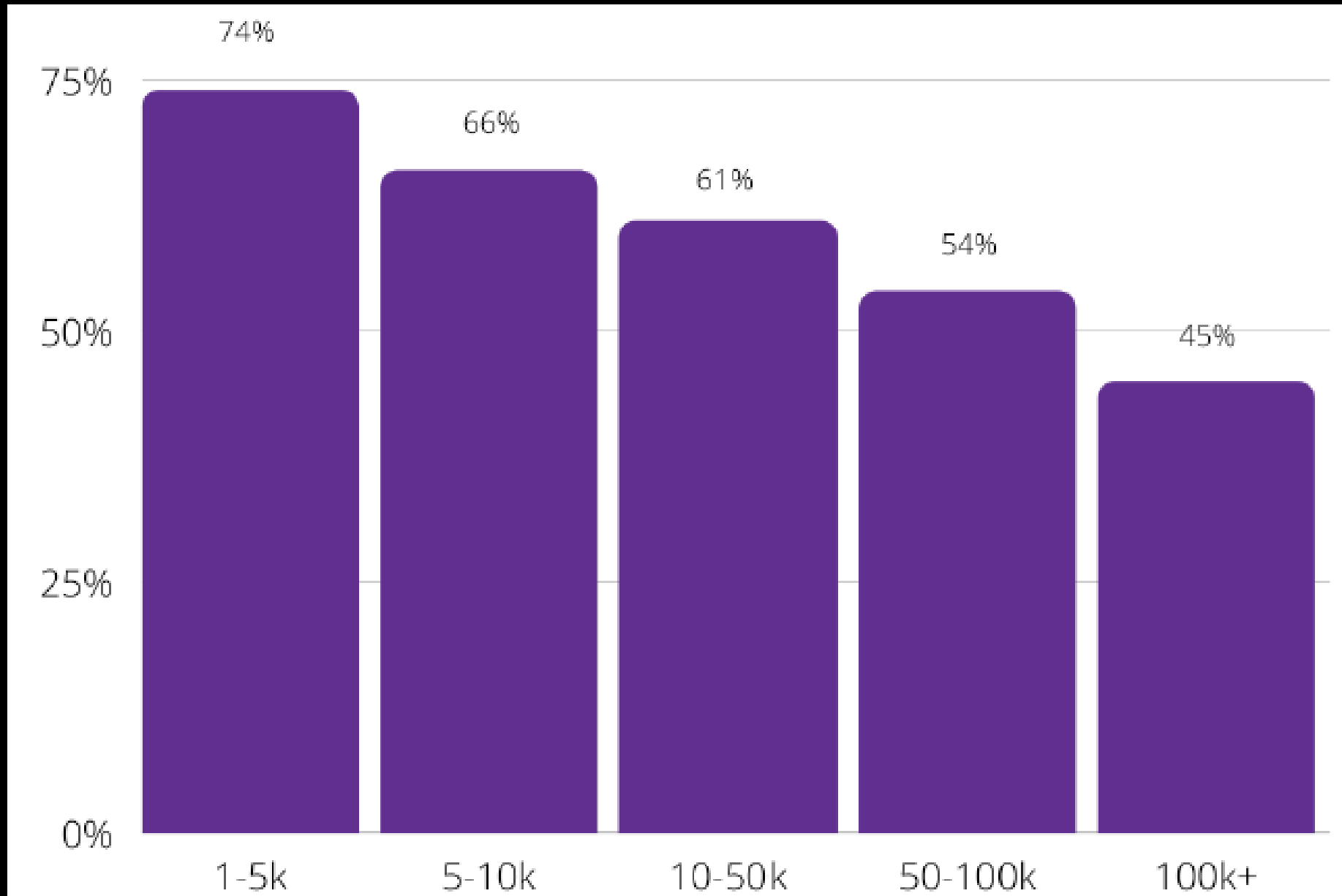
New data release of the gender composition of the top finance officials in over 21,000 local governments shows women are well represented in this important leadership position.

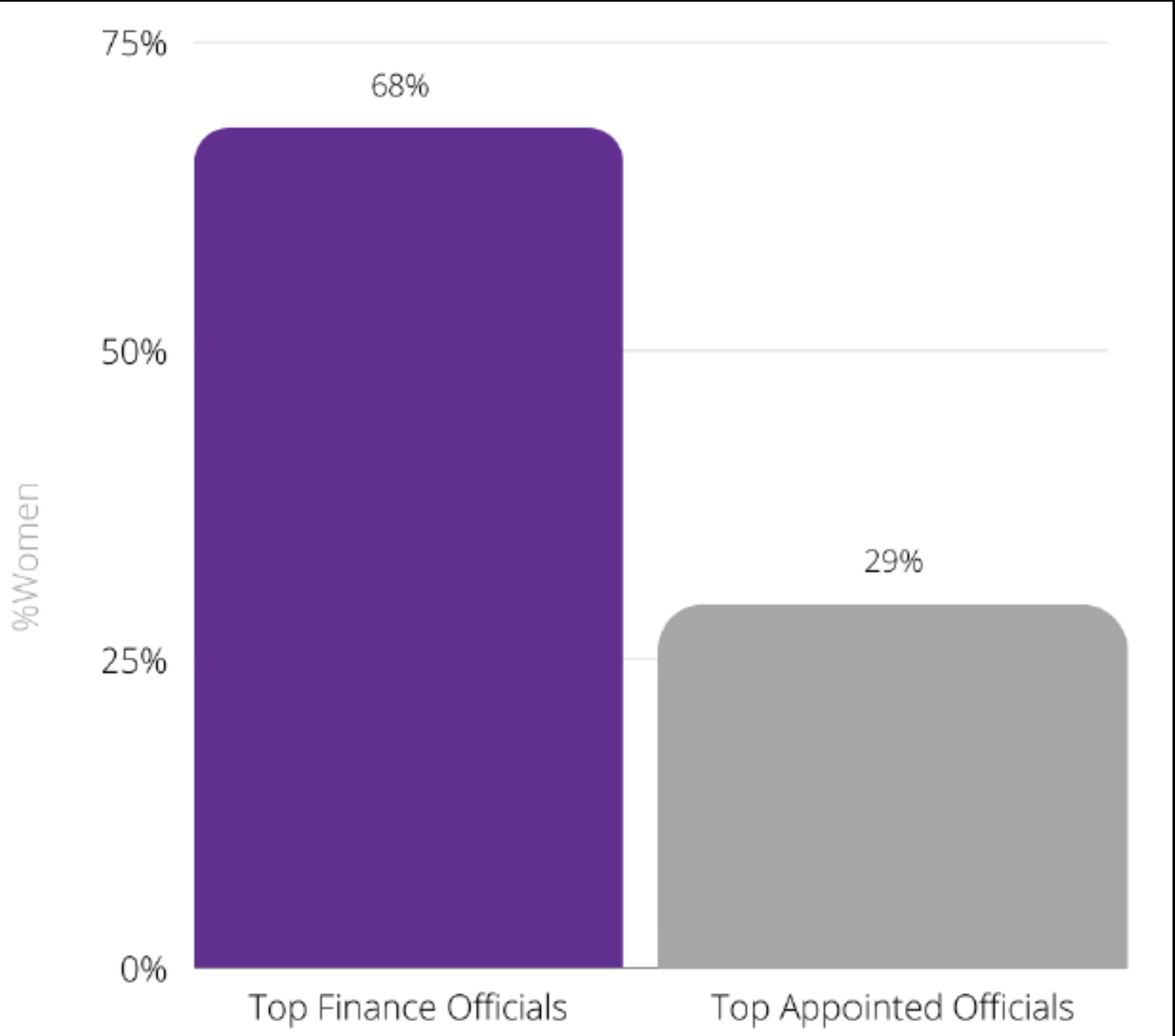
1. 68% of people occupying the top finance role in local government are women (p. 2).
2. This percentage has increased slightly since 2013 (p. 3).
3. Almost all states have reached gender parity in this role (p. 4).
4. However, local governments with larger populations are far less likely to have women in the top finance role (p. 5).
5. Despite being seen as a pipeline to the top appointed role in local government, the percentage of women in the top finance role is more than double that of top appointed officials (p. 6).

% Women in Top Role by State



% of Women Top Finance Officials by Population size





Lack of gender diversity at top appointed position

#1 Challenge: Talent Recruitment & Retention



**Meeting Demand
for State and Local
Public Finance Jobs**

SEPTEMBER 2022

Insert Poll EV Question:

Have you recently had difficulty filling key positions or retaining key staff?

- Yes
- No

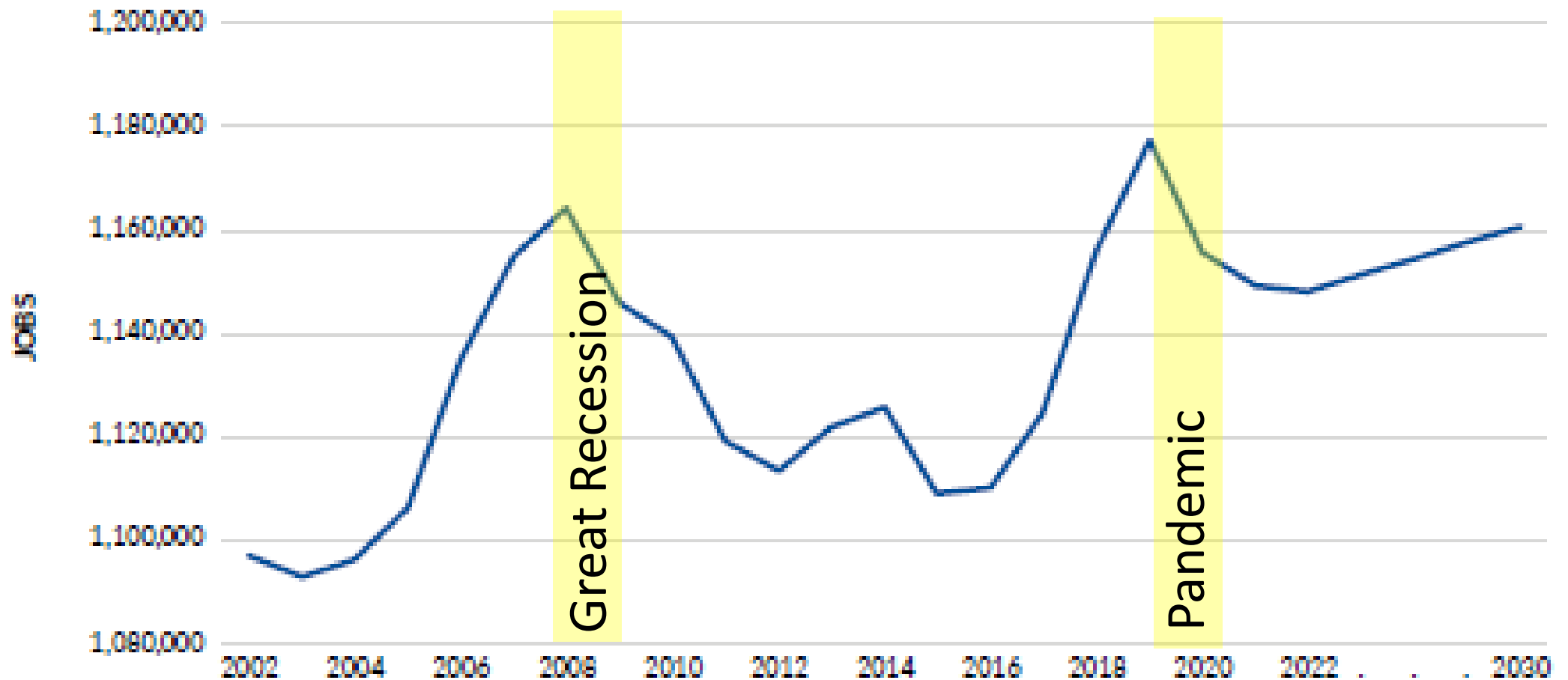


Local Government Largest Employer of Public Finance Professionals

Sector	# of Employees
Local Government	635,000
State Government	513,000
Federal Government	574,000
Total	1,722,000

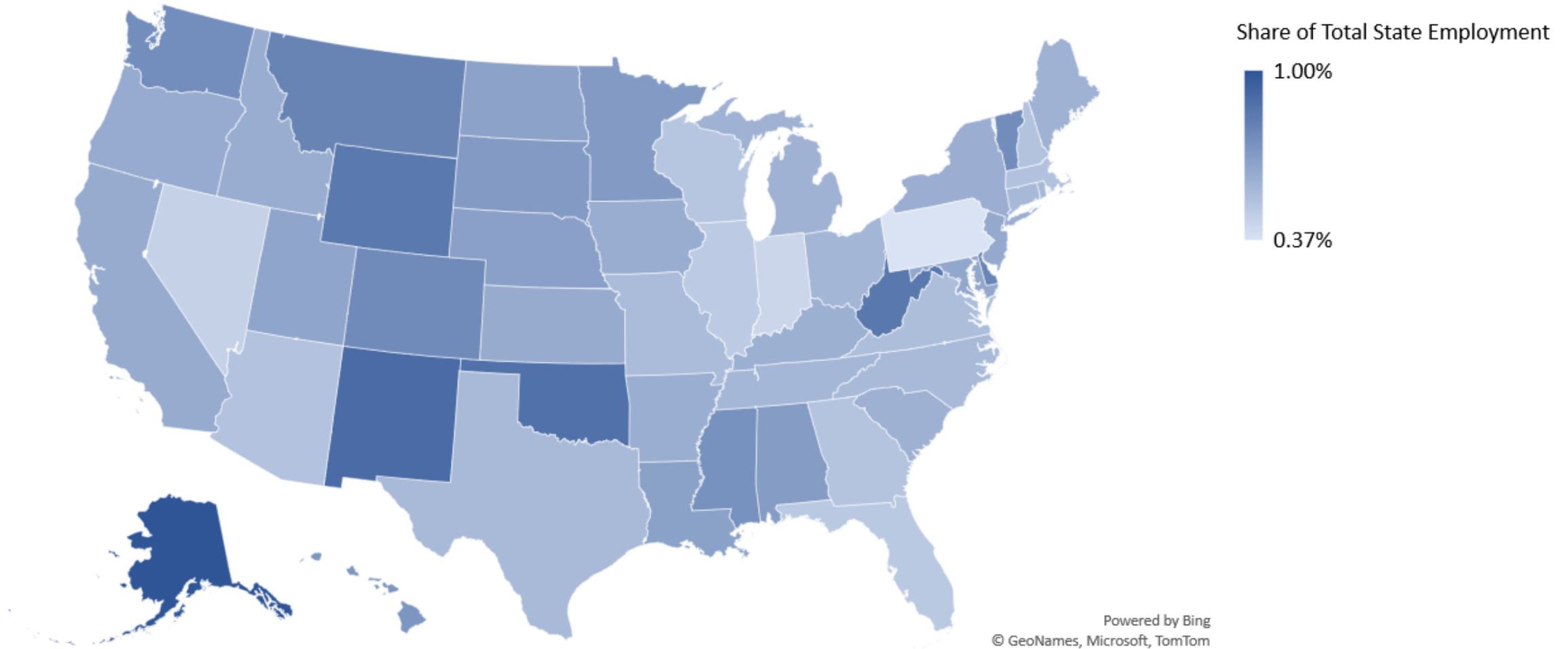
Workforce Historical Trends

Figure 1. State and Local Public Finance Sector Jobs, 2002 - 2022, and Projected Jobs, 2022 - 2030



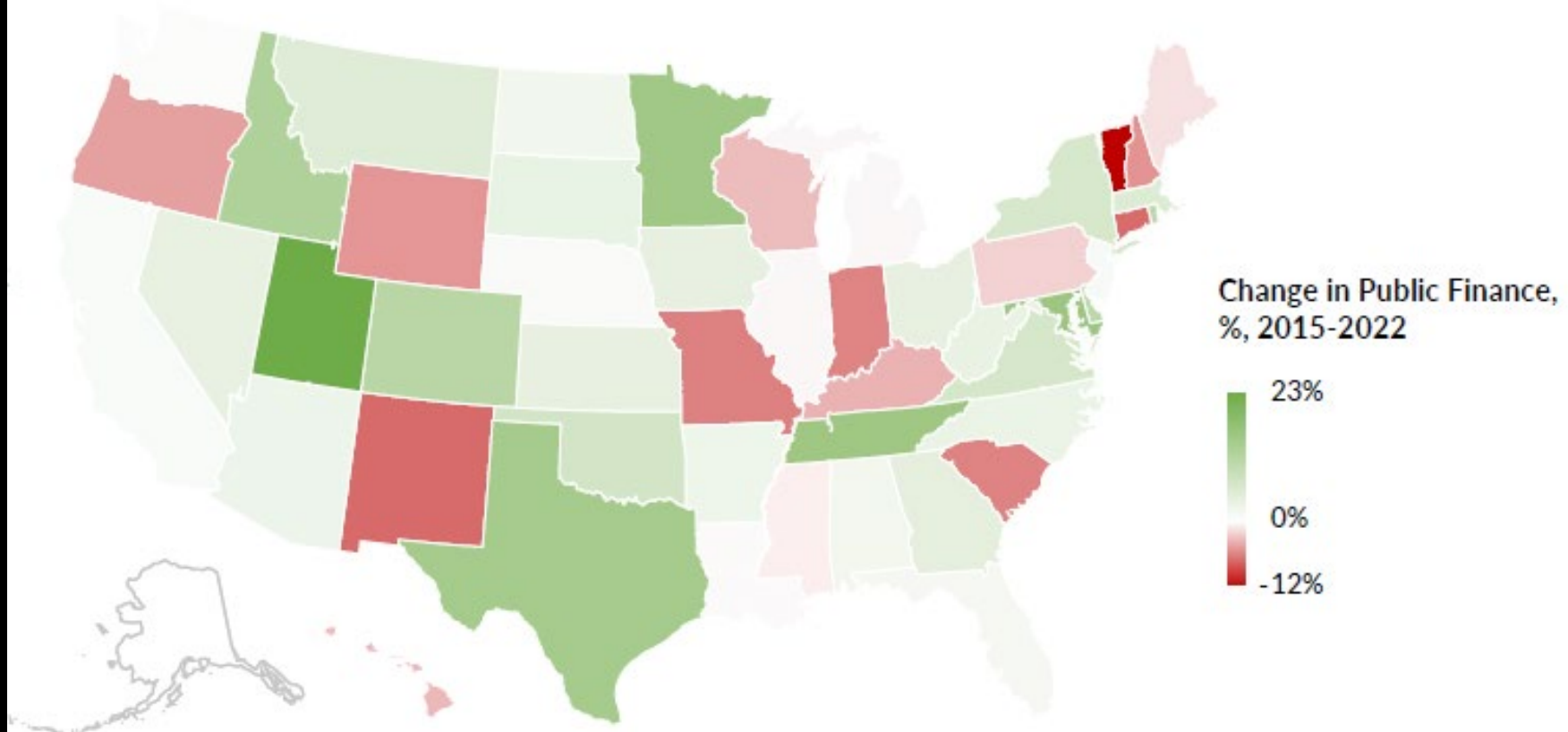
Concentration of Gov't Finance Jobs by State

Share of Total State Employment, 2022



2016 – 2022 Change in Public Finance Jobs

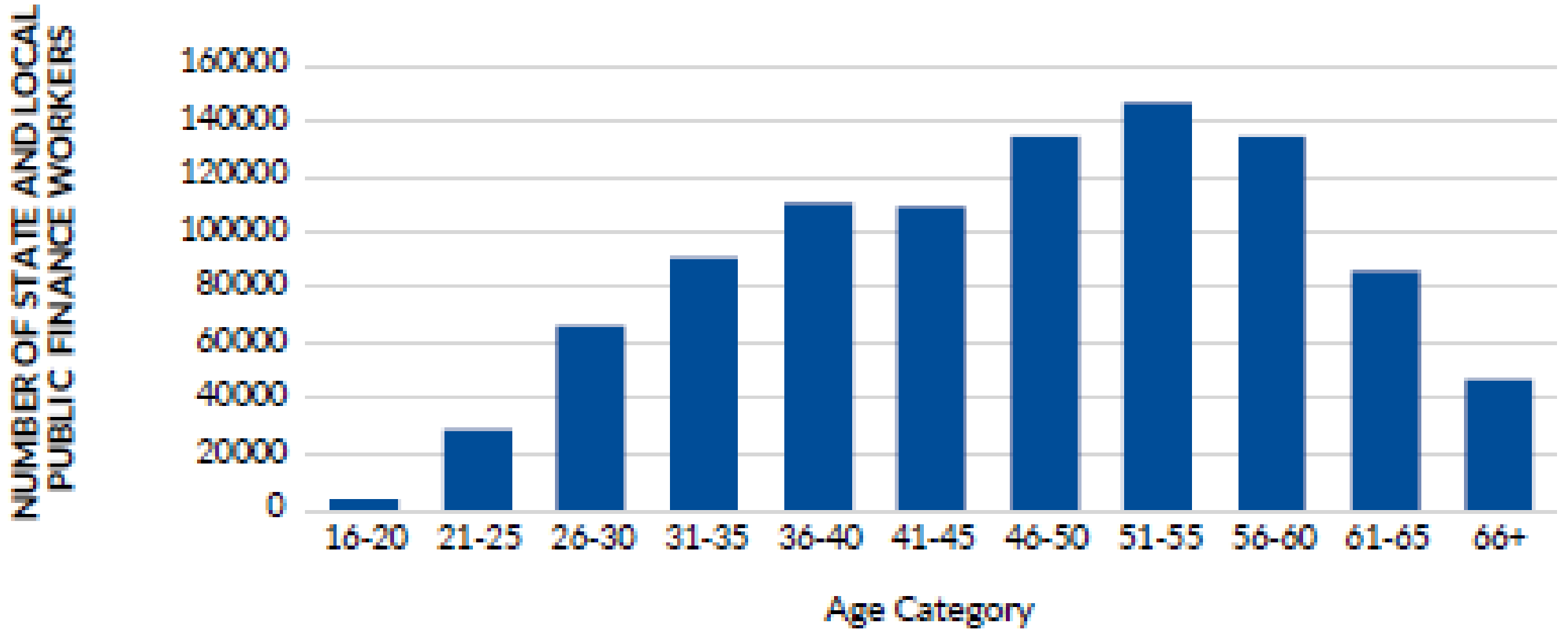
Figure 7. Percent Change in State and Local Public Finance Jobs, 2016 - 2022



Demand by Functional Area

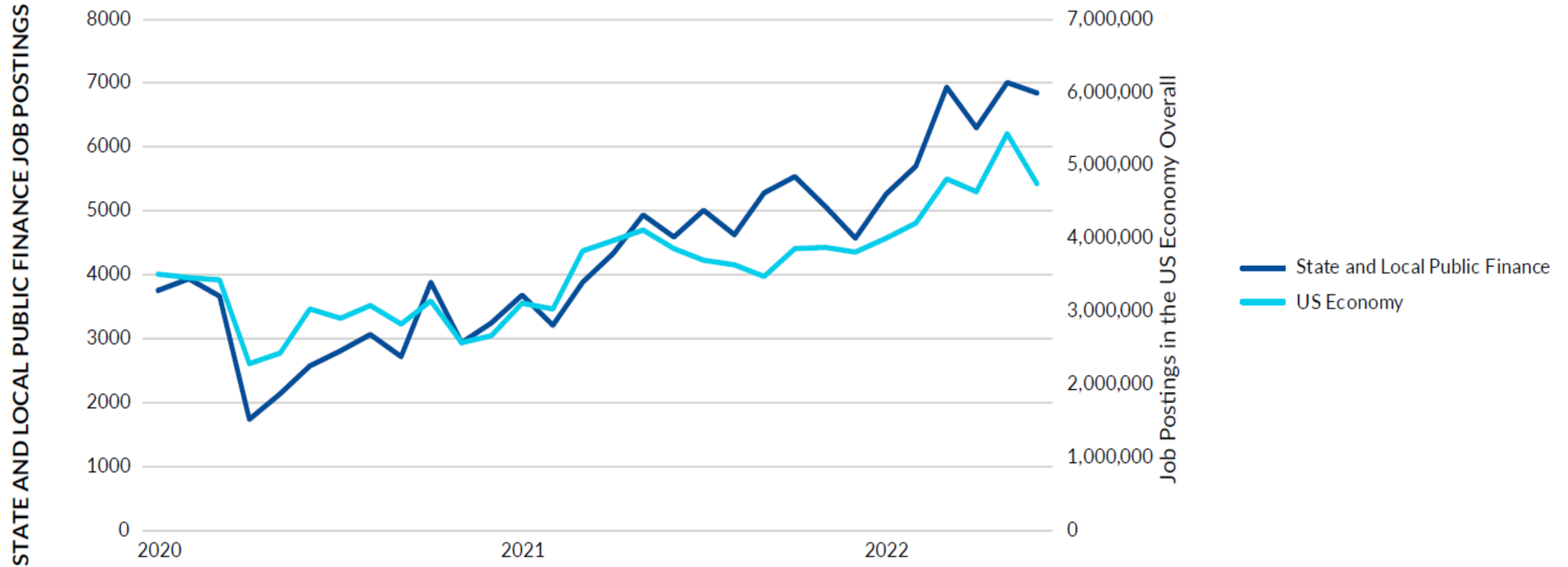
Functional Area	Job Postings	Salary
Accounting and Financial Analysis	59,803	\$59,365
Budgeting and Forecasting	34,072	\$66,001
Procurement	19,577	\$60,587
Business Process Improvement	14,248	\$66,960
Capital Planning and Asset Management	9,078	\$64,553
Leadership, Ethics, and Trust	7,887	\$78,086
Treasury and Investment Management	7,291	\$72,974
Compensation and Benefits	3,660	\$63,740
Risk Assessment	1,117	\$79,870
ERP Systems and Technology	840	\$59,041
Economic Development	609	\$72,127
Debt Management	593	\$81,551

Average Age High for Public Finance Workforce



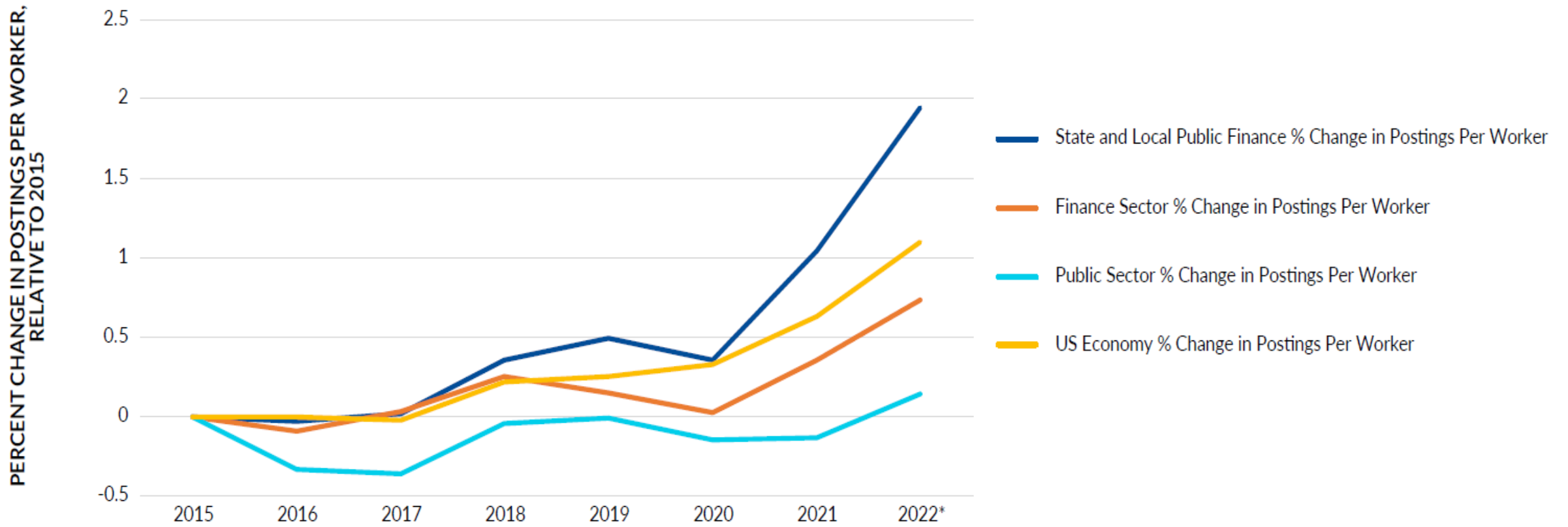
Gov't Finance Job Posting Higher than Economy

Figure 10. Monthly Online Job Postings, State and Local Public Finance and the US Economy Overall, January 2020 - July 2022



% Change Monthly Online Job Posting 1/20 – 7/22

Figure 11. Percent Change in Postings Per Worker in Public Finance, Benchmarked against the Finance Sector Overall, the Public Sector Overall, and US Employment Overall, 2015-2022



Public Finance Positions in Most Demand January 2021 – July 2022

Job Title	Postings
Accountants	4392
Accounting Technicians	1709
Budget Analysts	1368
Financial Analysts	1264
Accounting Specialists	910
Payroll Specialists	889
Buyers	789
Account Clerks	764

Key Findings

- ✓ **Demand** for public finance workers is far **outstripping the incumbent supply** and straining familiar pipelines
- ✓ The **impending retirements** of public finance workers will further exacerbate the supply shortage
- ✓ There are **few managerial positions** available within public finance
- ✓ **Entry-level public finance positions** that do not require a bachelor's degree tend to be **higher earning** than the private sector

Key Findings

- ✓ **Strength** for state and local public finance is its **demographic diversity**.

People of color make up 38 percent of state and local public finance, compared with 28 percent of the finance sector overall and on par with 38 percent of the public sector overall and 37 percent of the workforce overall. Black workers are particularly well represented, at 17 percent of state and local public finance relative to 11 percent in the overall workforce. Hispanic workers hold 12 percent of state and local public finance jobs compared to 16 percent of the overall workforce. Workers of color are underrepresented in Financial Manager positions relative to their overall representation in the state and local public finance.

Recruitment
& Hiring
Recommendations

- Mount a **recruiting campaign** around public service that highlights the importance of finance in COVID-19 recovery
- **Leverage strong non-bachelor's degree opportunities** to attract new workers who can grow in the profession
- **Accelerate recruiting**
- **Incentivize hiring**
- Promote and encourage **diversity**
- Tap into **adjacent talent pools**
- Concentrate on building **career lattices**

Insert Poll EV Question:

What do you think is the most important tool for attracting talent to government finance?

- Recruitment campaign about purpose
- Leverage non-bachelor degree opportunities
- Reduce time to hire
- Incentivize Hiring (signing bonus...)
- Promote diversity
- Tap into adjacent talent pools (federal, private sector...)
- Concentrate on building career lattices
- Invest in technology
- Other



Retention
&
Advancement
Recommendations

- Upon leveraging strong non-Bachelor's public finance opportunities to attract workers, retain them by investing in their development and education
- Experiment with compensation models that reward incumbent workers who are taking on additional work during the supply shortage
- Build out managerial or specialist roles with career tracks
- Build career lattices, both within state and local public finance and across other public sectors.



Practitioner Workforce Priorities: Identified in Institute Surveys and Focus Groups

- Reassessment of **compensation and benefits packages**
- Enhanced **employee recognition**, with emphasis on employee **impact on the community**
- Provision and expansion of **financial wellness programs**
- Prioritization of **employee safety and mental health**
- Reevaluation of **how and where work is conducted**
- Update **recruitment and retentions processes** to reflect real job requirements, strategically plan for staff transitions, expand outreach to candidates, and focus on **diversity, equity, and inclusion**

Lessons from GFOA Engagement Research



Government Finance Officers Association

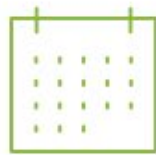
The Impact of An Engaged Workforce

Top quartile vs bottom quartile of engagement



17%

Greater
productivity



41%

Less
absenteeism



10%

Higher customer
satisfaction



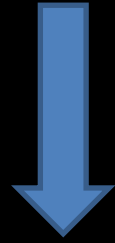
40%

Fewer defects in
work products



What do Things Look Like in Local Govt?

70% not engaged



17% actively disengaged





Tap Public Service Motivation

- Public service motivation is the opportunity to act in accordance with larger purpose and set of values
- Service to others vs advancing career
- Implications for who you try to recruit, how, and retain strategies





Understand Why People Leave

Top reasons from survey of GFOA job switchers

1. Decisions at work based on personalities, not on the merit of the issues
2. Lack of congenial work environment
3. Poor communication with supervisor
4. Lack of trust with supervisor
5. Lack of empathy for employees

Insert Poll EV Question:

What do you think is the most important tool for retaining talent in government finance?

- Leverage non-bachelor degree opportunities
- New compensation models to reward incumbent workers
- Build out career tracks
- Concentrate on building career lattices
- Invest in technology
- Other?





Understand the Three Ingredients to Motivation*

- **Mastery**. Building skills that make a difference.
- **Autonomy**. The ability to act with choice and direct our own lives
- **Purpose**. Work takes place in the service of a cause greater than ourselves

*From Drive by Daniel Pink



Engagement Tactics

Selecting Employees and Getting them Onboard

Applicant Selection (character)

Onboarding Tour

Building Mastery, Autonomy and Purpose

Career Advancement
(Ladder v Lattice)

Performance Appraisals
(Recognize Good Work)

Self-Directed Time

Stretch Goals

Help Employees Know Themselves
(growth mindset, strengths)

Supervisor Training
(go from boss to coach)



More Resources

Check out the full report at

www.gfoa.org

Search “GFOA both worlds
engaged workforce”



Panel Discussion And Your Questions



CMTA ^o

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Thank You

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