

Government jobs a financial shield

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CHAMPAIGN, Ill. (AP) — While the battered economy has pushed Illinois' unemployment rates progressively higher over the past year, the state is dotted with islands of relative prosperity: towns that are home to universities, prisons and other government institutions.

Big government employers are usually among the last work places to feel the pain of cutbacks and layoffs, providing a degree of security that's hard to come by these days. Governments, even in times of dwindling revenues, tend to react more slowly to economic downturns than private businesses. And if they do cut jobs, it's almost never on the scale now common among big corporations and small, locally owned shops.

In Illinois, where 8.6 percent of the work force was without a job in February, unemployment was a considerably lower 7.1 percent in Champaign County, home to the University of Illinois' flagship campus and its more than 8,000 jobs.

Dorinda Miller has held one of those jobs for about 20 years. She worries about friends who will be out of work later this year when a food-processing plant across town shuts down, but she expects to keep her clerk's position.

"There is some security here," she said.

That cushion against the worst, most immediate economic pain holds true across the state.

In fact, if you look at a map of unemployment rates across Illinois, the lowest numbers are usually in government-heavy towns.

"I can tell you right now, the thing all have in common is state and federal institutions," said Robin Hanna, a project manager at Western Illinois University's Illinois Institute for Rural Affairs.

Generally, even if jobs are eliminated, government institutions tend to make far fewer such cuts than private companies, University of Illinois economist J. Fred Giertz said.

For nearly 30 years, he's lived in the protective bubble that the university provides Champaign and neighboring Urbana, raising two children and building a career.

The recession that was cranking up when Giertz came to the area, one of the country's worst and widely remembered for gutting Rust Belt manufacturing towns, left towns with heavy government employment relatively unscathed, Giertz said.

Springfield, Bloomington — Illinois State University is in nearby Normal — and Urbana-Champaign did relatively well.

"But the other places — Decatur, Danville, Rockford — were really devastated," Giertz said.

At the 1982 peak of that recession, unemployment in Decatur, where soybean and corn processing are the backbone of the economy, was 15.5 percent, according to the Illinois Department of Employment Security. In Danville, a manufacturing town on the Indiana border, 16.3 percent of the work force was without a job.

Unemployment in the Champaign area was about a third of that, 5.9 percent.

Champaign and Urbana meet on Wright Street, in the middle of the university's campus. Between them, the towns have about 120,000 people.

According to the university, about 8,700 people work full time in faculty, staff and other positions, earning a combined \$1.1 billion a year in pay and benefits.

Miller's clerking job at the University of Illinois has provided steady pay and her family's insurance and benefits for years, even when her husband's roofing job couldn't.

"During the winter, I knew I had a steady job and a set income coming in and he didn't," Miller said.

There are, though, downsides to reliance on government jobs.

For one, Giertz said, good times that become booms elsewhere are never quite as good in a government-heavy town. Outside of the money paid to a handful of people like head football and basketball coaches, government pay just doesn't rocket up like it can in the private sector.

And, though cuts in bad times are usually less severe among government employers, there are no guarantees.

Pontiac, a central Illinois town of about 12,000, spent almost a year trying to talk the state out of closing its second-largest employer, a prison that provides more than 500 jobs.

People here are convinced that former Gov. Rod Blagojevich, who was removed from office in January and indicted on federal corruption charges, decided last spring to close the prison to punish local politicians who didn't support him. New Gov. Pat Quinn decided in March to keep the prison open.

Pontiac Mayor Scott McCoy expects the town will have to fight again someday to keep the facility open. That's just part of having a big government-funded employer in town.

"Politics come into everything," McCoy says. "Don't think (the issue) won't come back in another 20, 30, 40, 50 years."

And some, like Miller, wonder about the limits of job security at the University of Illinois as the state sorts through its budget mess, including a shortfall of at least \$12 billion.

University officials have imposed a partial hiring freeze, cut expenses and talked about the possibility of furloughs. They have indicated they intend to avoid layoffs.

Even if jobs are cut, Giertz says, it probably wouldn't be many, and certainly nothing like those in the private sector. The last time the university had layoffs was in 2003, when 44 people lost jobs.

"It's not layoffs compared to General Motors or things like that," he said.