

MUNICIPAL EMPLOYMENT AND COMPENSATION: COVID-19 AND INFLATION

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Most Illinois municipalities were well on their way to economic recovery from the 2008-2009 recession by 2020 when the COVID-19 downturn occurred. While the downturn was relatively brief, it nevertheless may have led to budget adjustments involving changes in compensation and hiring practices in some cases. The long-term impacts of this downturn will not be known for several more years, but this article compares municipal employment and compensation levels in 2019 versus 2022 by population size and type of service. Total municipal employment per resident in 2022 is somewhat less than before the pandemic, and municipal compensation did not keep pace with inflation. Alternative explanations such as workforce turnovers and shortages are discussed briefly.

INTRODUCTION

Municipal governments were affected by several major events following the Great Recession in 2009. Previous research reported in the *Illinois Municipal Policy Journal* demonstrated that many, if not most, Illinois municipalities were well on their way to economic recovery by 2020 when COVID-19 hit (Walzer & Blanke, 2021). Economic slowdowns in the COVID era were relatively brief but, when combined with subsequent high inflation, forced budget adjustments in some municipalities that may have affected both compensation and hiring practices such as smaller compensation increases, not replacing retirements, or leaving vacant positions unfilled (Walzer & Blanke, 2021).

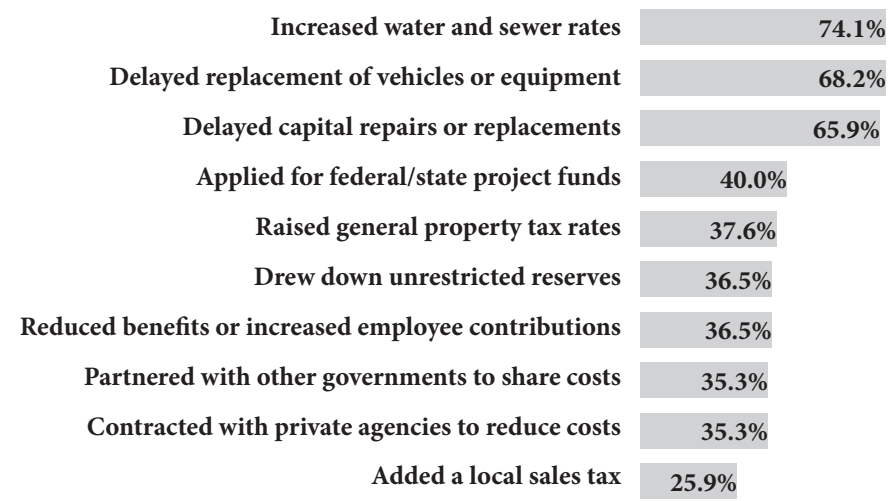
This article examines staffing patterns and compensation changes between 2019 and 2022, along with changes in the composition of municipal expenditures in response to both economic cutbacks and/or inflation. The relatively short period of time (three fiscal years) means these findings are not likely a trend. Nevertheless, they provide useful and interesting information regarding adjustments in recent years. Specifically, we compare full-time employment per 10,000 Illinois residents and average compensation paid in 2019 and 2022 based on the 2022 annual Survey of Personnel Employment and Payroll released in July 2023 (United States Census Bureau, 2022).

Several research questions are posed. First, did significant changes occur in the staffing ratios when considering municipal size? Second, were local economic conditions related to staffing changes in recent years? Third, how did the relative importance, when measured by spending, change by department?

STRATEGY OPTIONS

Previous research reported strategies that local officials consider in response to revenue changes (Kachiroubas & Bork, 2018; Walzer et al., 1992; Walzer & Blanke, 2021). Depending on fiscal circumstances, stated preferences in surveys included maintaining current services by postponing program expansions and delaying infrastructure repairs (65.9%) or vehicle replacement (68.2%) (see Figure 1). These are relatively short-lived adjustments that can lead to higher costs in the future. Farther down among stated preferences are reducing benefits or increasing employee contributions (36.5%).

FIGURE 1
FINANCIAL ACTIONS TAKEN BY LOCAL OFFICIALS BETWEEN 2015 AND 2018
IN RESPONSE TO REVENUE CHANGES



Source: Walzer & Blanke, 2021, p. 74. Note: Responses with small percentages (less than 2%) omitted.

On the revenue side, raising water and sewer rates to cover costs is also a commonly reported strategy (74.1%). More than one-third of municipal officials responding to the 2018 survey applied for additional federal funds (40.0%), raised general property tax rates (37.6%), or spent unrestricted financial reserves (36.5%). Also, 35.3% reported partnering with other organizations to deliver services.

Reported strategies in past surveys reflect relatively little interest in reducing staffing levels, at least in the short term. The specific strategies selected depend on perceptions by local officials and managers regarding the potential length and severity of the downturn and loss in purchasing power either from revenue losses or inflation. While the economic downturn from COVID-19 was less severe than expected, inflation surpassed expectations both in length of time and severity.

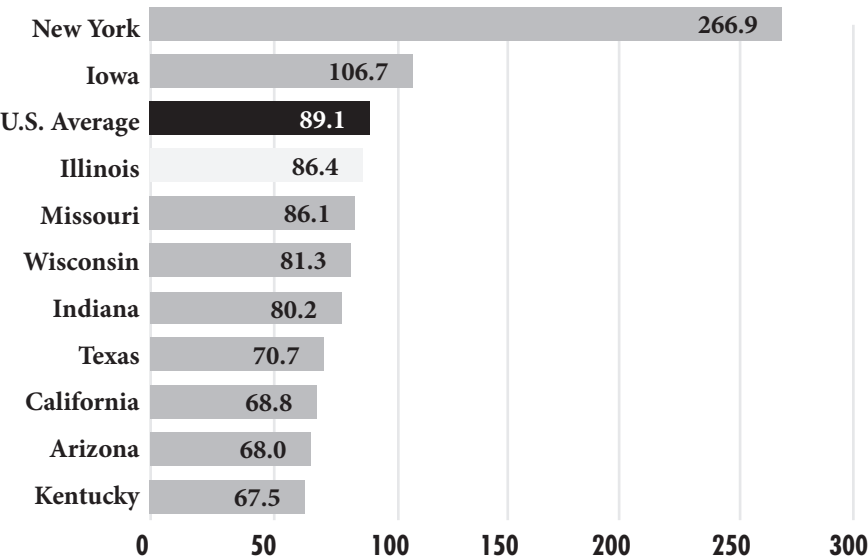
At the same time, large infusions of federal and state funds lessened the impacts. Uncertainty still exists in 2023 about a possible recession and continued inflation during the next years. Changes in staffing patterns during the past several years are examined next.

STAFFING TRENDS

Nationwide in 2022, there were about 89.1 municipal employees (full- or part-time) per 10,000 residents, and Illinois municipalities are consistent with a ratio of 86.4 municipal employees. Municipal employees in Illinois are compared with the United States, states adjacent to Illinois, and four competing states: Texas, California, New York, and Arizona (see Figure 2). Most states adjacent to Illinois also had staffing levels close to the national average. New York had by far the largest staffing levels, due mainly to New York City. Kentucky had the lowest municipal staffing levels with 67.5 employees per 10,000 residents. These comparisons don't recognize differences in services provided by other units of government, such as counties and special districts.

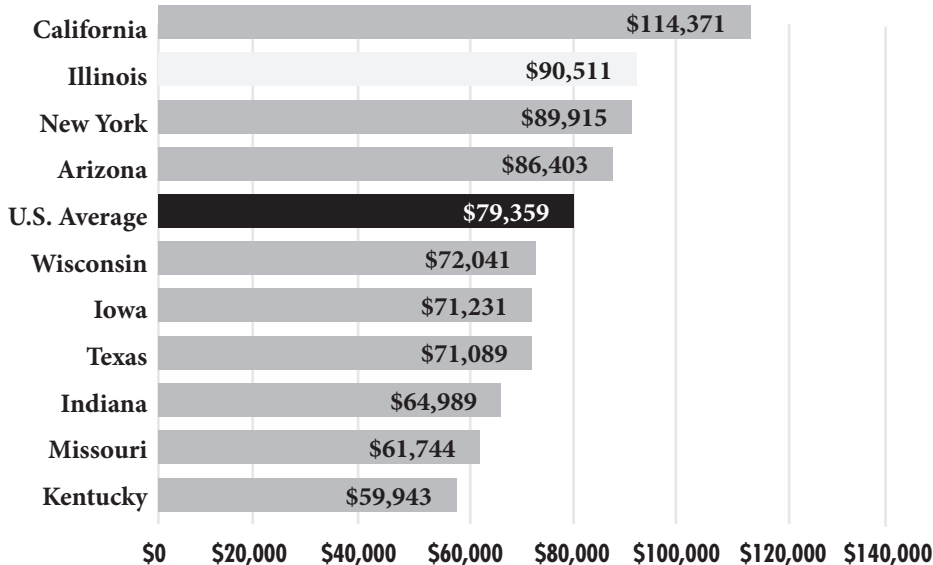
Based on the nationwide survey of government employment and payrolls by the Census Bureau, the average annual full-time pay for a municipal employee in 2022 was \$79,359. Illinois was considerably higher at \$90,511. California, New York, and Arizona also tended toward higher pay levels, but these average salaries do not reflect differences in scope of services, responsibilities, or cost of living by state.

FIGURE 2
FULL- AND PART-TIME MUNICIPAL EMPLOYEES PER 10,000 RESIDENTS



Source: U.S. Census Bureau, Annual Survey of Government Employment and Payroll, 2022.

FIGURE 3
AVERAGE ANNUAL PAY FOR FULL-TIME MUNICIPAL EMPLOYEES



Source: U.S. Census Bureau, Annual Survey of Government Employment and Payroll, 2022.

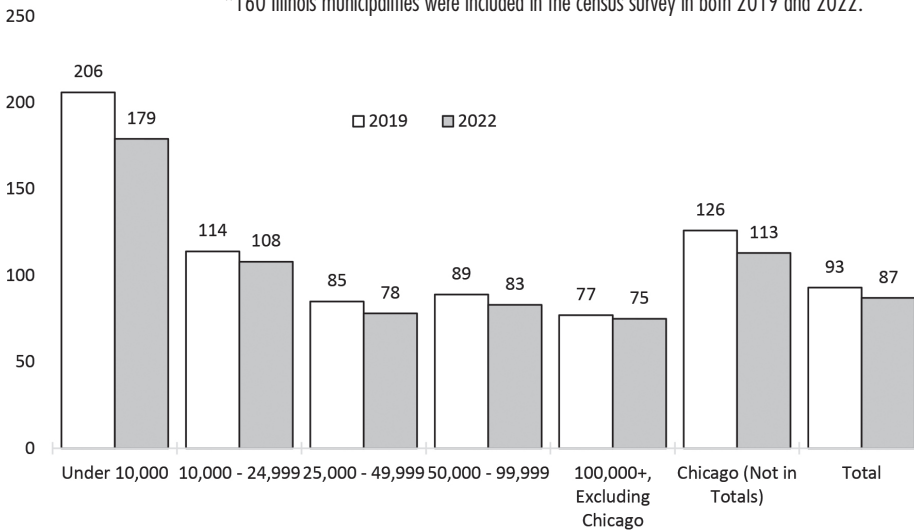
Although municipal finances have improved since the pandemic, staffing levels are not yet at 2019 levels (see Figure 4). Some job declines may reflect employees quitting or retiring because the pandemic was a time of unprecedented labor turnover (Gittleman, 2022). Relatively low unemployment rates after the pandemic downturn with a scarcity of qualified applicants could also explain the declines. In other cases, it might reflect a conscious effort by municipal officials to downsize certain departments by leaving positions vacant.

Recent information is not readily available on the use of other strategies identified above, so this article focuses on changes in staffing, recognizing that other adjustment strategies were probably used first. As other data become available over time, a more complete analysis of the alternatives can be undertaken. Municipal staffing levels across Illinois were gradually declining well before the pandemic. For example, in 2007 there were 98.2 municipal employees (full- and part-time) per 10,000 residents compared to 89.2 in 2017. Given the previous downward trend, total staffing might not be expected to return to 2019 levels.

FIGURE 4

CHANGES IN MUNICIPAL EMPLOYEES IN ILLINOIS PER 10,000 RESIDENTS*

*160 Illinois municipalities were included in the census survey in both 2019 and 2022.



Source: U.S. Census Bureau, *Annual Survey of Government Employment and Payroll*, 2019 & 2022.

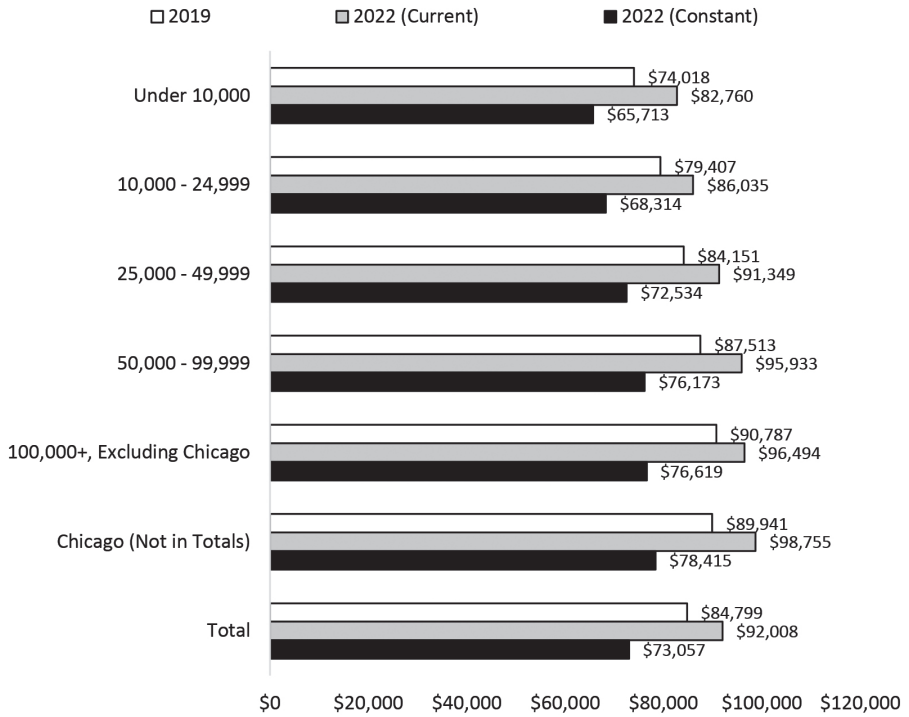
CHANGES BY MUNICIPAL SIZE

Subsequent analyses focus only on full-time staff because complete information is not available on the number of hours worked by part-time employees. Consequently, the comparisons might overstate changes in staffing patterns or hours worked when employees shifted to part-time status and were no longer considered full-time. Likewise, the number of employees must be compared using a standard measure, such as population in the municipality. Thus, population declines during the period of comparison may show an increase in staffing ratio or vice versa. However, a comparison of population trends during this period shows more municipalities with population declines, which suggests staffing ratio increases are more likely in those cases. Staffing trends reported here are strictly descriptive and do not suggest recommended numbers of personnel for effective service delivery or impact on services delivered.

In Chicago, staffing decreased from 126 municipal employees per 10,000 residents to 113 (10.3%) between 2019 and 2022 (see Figure 4). Other Illinois municipalities reported a decrease in total employment from 93 employees per 10,000 residents to 87 (a 6.5% decline). Municipalities with fewer than 10,000 residents reported larger proportional decreases (13.1%) than larger municipalities, which might suggest more difficulty retaining staff in a time of high turnover. It might also suggest that municipalities used opportunities to gain from sharing employees in providing services with fewer in-house staff.

However, it is too early to tell how long current fiscal conditions will persist or how smaller municipalities will respond in the next several years. Recent research (Walzer & Blanke, 2020) suggested that small municipalities, especially those in less dense or more rural areas, did not fare as well economically in recent times. Which departments or services were affected most will be described later.

Compensation for municipal employees lagged behind inflation. The average full-time employee in the Census Bureau survey (excluding Chicago) earned \$84,799 in 2019 and \$92,008 in 2022, reflecting a 9.8% increase (see Figure 5). But adjusting for inflation, using the Personal Consumption Expenditures Price Index, shows that municipal employees essentially lost purchasing power with a decrease of 12.8%. Compensation was typically higher in larger municipalities, but employees in all population size groups lost purchasing power. Comparisons of average salaries can be misleading because available data do not compare the same individuals or positions over time. Average

FIGURE 5**AVERAGE FULL-TIME PAY IN ILLINOIS BY MUNICIPAL SIZE**

Source: U.S. Census Bureau, *Annual Survey of Government Employment and Payroll*, 2019 & 2022. Inflation adjustments are based on the Bureau of Labor Statistics' *Personal Consumption Expenditures Price Index*, measuring purchasing power from the employee perspective.

compensation can appear to decrease in the survey data when higher-paid employees retire and are replaced by lower-paid, less-experienced workers. In practice, however, this turnover could ultimately help finances if municipalities can maintain a consistent quality of services.

EMPLOYMENT BY DEPARTMENT

Staffing trends differed considerably across several major departments as shown by the following discussions:

POLICE PROTECTION — OFFICERS AND SUPPORT

The 158 municipalities (not including Chicago) reporting on police officers show an average decline of 2.4% in sworn personnel but with substantial differences by municipal size (see Table 1). There was an increase of 0.4% in the smallest group. Declines ranged from 0.4% in populations smaller than 10,000 to 3.6% in populations between 10,000 to 24,999.

By comparison, the number of police officers in Chicago decreased 11.7% while police support personnel increased 19.7%. It would be inaccurate to attribute these changes entirely to revenue losses, however, because advances in communications technology or software may mean previous tasks are now performed by personnel reported in different groups and/or classified differently.

The average 13.8% decline in police support staff is much more substantial, as much as 17.9% in municipalities between 50,000 and 99,999 in population. Police support groups include administration, coroners and crime lab personnel, in-house dispatchers, and part-time crossing guards. It is not possible to disaggregate this category further due to the survey format. It's notable that this group includes dispatchers and emergency communications functions that have been shared successfully by several local governments in the past (Sanguinetti, 2018). Also, these functions might sometimes be provided contractually by private agencies. More detailed information is needed to explore these trends further.

Table 1 shows changes in employee staffing levels for services provided in at least three-quarters of responding municipalities — 125 of the 159 municipalities in the survey. Those services reported by a smaller number of municipalities that are provided by other governmental units are discussed later.

FINANCIAL ADMINISTRATION

Statewide, 151 municipalities responding to the Census Bureau survey reported an average 1.9% decline in staff employed in financial administration. This average compares with a decline of 14.9% in Chicago. Comparisons by size shows the largest declines (8.1%) were in municipalities with 10,000 to 24,999 residents, and the largest increases (7.1%) were in municipalities with more than 100,000 residents.

TABLE 1

ILLINOIS EMPLOYEES PER 10,000 RESIDENTS BY COMMON STAFFING CATEGORIES*

FUNCTION AND SIZE CATEGORY	MUNICIPALITIES IN SAMPLE	EMPLOYEES PER 10,000 IN 2019	EMPLOYEES PER 10,000 IN 2022	% CHANGE
Financial Administration	151	3.7	3.6	-1.9%
Under 10,000	25	6.6	6.6	0.0%
10,000–24,999	49	4.1	3.8	-8.1%
25,000–49,999	49	3.6	3.4	-5.2%
50,000–99,999	21	3.8	3.8	0.2%
100,000+	7	3.2	3.4	7.1%
Chicago (Not in Totals)	1	3.0	2.6	-14.9%
Streets and Highways	149	5.7	5.7	-0.6%
Under 10,000	25	11.9	11.1	-6.7%
10,000–24,999	47	7.2	7.1	-1.4%
25,000–49,999	49	5.7	5.8	2.6%
50,000–99,999	21	4.4	4.4	-1.7%
100,000+	7	5.6	5.5	-2.4%
Chicago (Not in Totals)	1	7.3	7.5	3.5%
Police Officers	158	19.4	18.9	-2.4%
Under 10,000	30	54.2	54.4	0.4%
10,000–24,999	50	21.9	21.1	-3.6%
25,000–49,999	50	17.7	17.4	-1.8%
50,000–99,999	21	17.5	17.1	-2.3%
100,000+	7	17.5	16.9	-3.4%
Chicago (Not in Totals)	1	49.0	43.3	-11.7%
Police Support	149	7.4	6.4	-13.8%
Under 10,000	23	13.2	11.3	-14.5%
10,000–24,999	48	9.5	8.6	-9.4%
25,000–49,999	50	8.3	6.9	-17.0%
50,000–99,999	21	6.9	5.7	-17.9%
100,000+	7	4.1	4.1	-1.5%
Chicago (Not in Totals)	1	2.7	3.2	19.2%

FUNCTION AND SIZE CATEGORY	MUNICIPALITIES IN SAMPLE	EMPLOYEES PER 10,000 IN 2019	EMPLOYEES PER 10,000 IN 2022	% CHANGE
Water Supply	131	4.2	4.0	-4.6%
Under 10,000	24	8.8	8.0	-9.0%
10,000–24,999	42	4.7	4.6	-0.9%
25,000–49,999	40	3.9	3.6	-5.7%
50,000–99,999	19	3.9	3.9	0.5%
100,000+	6	4.0	3.5	-11.7%
Chicago (Not in Totals)	1	5.6	5.4	-3.1%

Source: U.S. Census Bureau, *Annual Survey of Government Employment and Payroll*, 2019 & 2022.

* These departments were reported by at least 125 municipalities.

STREETS AND HIGHWAYS

On average, 149 municipalities reported a 0.6% decline in staffing for streets. While this small change over three years may seem stable, changes by population size are more substantial, ranging from an increase of 2.6% in municipalities with between 25,000 and 49,999 residents to a 6.7% decline in the smallest municipalities. Timing of infrastructure projects affects staffing ratios and changes depending on financial situation. The past three years brought substantial federal dollars for infrastructure improvements and rehabilitation, though some of these capital grants might involve contractual labor rather than in-house staff. Thus, some potential reductions in staff may have been averted due to federal dollars. These dollars may not continue in the future, so there may be delayed adjustments in employment patterns.

WATER SUPPLY

Statewide, 131 municipalities reported a decline of 4.6% in employees, but there were substantial variations by size of municipality. The largest decline (11.7%) was in those areas with 100,000 residents or more (excluding Chicago) while municipalities between 50,000 and 99,999 in population reported an average loss of 0.5%. By contrast, Chicago reported a 3.1% decline. More information about local operations is needed to help explain these changes. Growing municipalities or those with expanding boundaries may have increased their water and sewer services, which could be included in these figures. A more

careful inspection of these data must await the release of 2022 census of government finances data.

Next, we examine staffing changes in several departments not reported by all municipalities, possibly because residents are served by other units of government. Nevertheless, they are represented in at least half of municipalities in the survey sample and include fire protection (firefighters and support staff), libraries, parks, and sewerage treatment departments.

FIRE PROTECTION — FIREFIGHTERS AND SUPPORT

The staffing trends for fire protection are somewhat consistent. Municipalities reported an average 4.7% decrease in number of firefighters per 10,000 residents, but the declines ranged from 10.9% in the smallest municipalities to 1.4% in those with populations of 50,000 to 99,999 (see Table 2). Fewer municipalities are in the sample because those served by fire protection districts are not included. Likewise, the fact that each size group reported an average decline does not mean that every municipality in the group had a decline.

Municipalities have fewer staff employed in fire protection support functions, making the percentage changes relatively larger — a 15.0% increase overall. There is substantial variation with the smallest municipalities reporting an average decline of 27.3% and those with 100,000 or more reporting 31.0% growth. Changes in position classifications might explain some of these differences, but detailed information is not available from the Census Bureau survey.

The “Other Fire Protection” category in the survey includes administrative staff, in-house dispatch personnel on fire department payrolls, and in-house EMT/paramedics. As noted previously, the police support category in the survey may also include dispatchers, but we could not separate these categories because of the questionnaire design.

LIBRARIES

Statewide, 78 municipalities provided information about staffing trends and, on average, reported a 13.3% decline in staff compared with a 9.6% decline in Chicago during the three-year period. The average decline in each size group ranged from 19.3% in the 25,000 to 49,999 population range to 8.1% in the 50,000 to 99,999 range. As noted previously, libraries may be susceptible to

TABLE 2
ILLINOIS EMPLOYEES PER 10,000 RESIDENTS IN SPECIALIZED SERVICES CATEGORIES

FUNCTION AND SIZE CATEGORY	MUNICIPALITIES IN SAMPLE	EMPLOYEES PER 10,000 IN 2019	EMPLOYEES PER 10,000 IN 2022	% CHANGE
Firefighters	113	15.8	15.1	-4.7%
Under 10,000	11	42.1	37.5	-10.9%
10,000–24,999	37	19.7	18.4	-6.6%
25,000–49,999	38	15.7	15.0	-4.4%
50,000–99,999	20	13.7	13.6	-1.4%
100,000+	7	14.3	13.4	-6.5%
Chicago (Not in Totals)	1	14.2	14.7	3.7%
Fire Protection — Other	94	1.2	1.4	15.0%
Under 10,000	6	3.3	2.4	-27.3%
10,000–24,999	26	1.7	1.8	3.8%
25,000–49,999	35	1.3	1.6	28.4%
50,000–99,999	20	0.8	0.7	-8.8%
100,000+	7	1.4	1.8	31.0%
Chicago (Not in Totals)	1	3.1	3.2	3.3%
Libraries	78	14.5	12.6	-13.3%
Under 10,000	11	21.6	18.7	-13.6%
10,000–24,999	22	18.7	15.8	-15.6%
25,000–49,999	24	16.8	13.6	-19.3%
50,000–99,999	15	15.7	14.5	-8.1%
100,000+	6	8.4	7.5	-10.1%
Chicago (Not in Totals)	1	4.1	3.7	-9.6%
Parks and Recreation	76	13.1	10.8	-17.5%
Under 10,000	14	32.9	33.2	1.1%
10,000–24,999	26	18.2	14.7	-19.1%
25,000–49,999	22	12.1	8.4	-30.3%
50,000–99,999	9	19.0	16.2	-14.6%
100,000+	5	4.5	4.5	0.0%
Sewerage	115	3.1	2.8	-9.6%
Under 10,000	20	5.6	5.7	2.1%

FUNCTION AND SIZE CATEGORY	MUNICIPALITIES IN SAMPLE	EMPLOYEES PER 10,000 IN 2019	EMPLOYEES PER 10,000 IN 2022	% CHANGE
10,000–24,999	34	4.4	4.1	-6.7%
25,000–49,999	42	3.4	2.9	-13.8%
50,000–99,999	15	2.2	1.9	-16.4%
100,000+	4	2.0	2.2	7.4%
Chicago (Not in Totals)	1	0.8	0.9	10.8%

Source: U.S. Census Bureau, *Annual Survey of Government Employment and Payroll*, 2019 & 2022.

communication technology advances, which could reduce staffing needs. Further, libraries might have reduced their hours and furloughed staff due to public health precautions during the COVID-19 pandemic. These staffing trends do not include independent library districts.

PARKS AND RECREATION

The 76 municipalities reporting these services had an average decline of 17.5% in staff. In some cases, the declines were substantial — 30.3% in municipalities between 25,000 and 49,999 in population and 19.1% in the 10,000 to 24,999 population range. Isolating factors leading to these changes is not possible with the available data reported.

SEWERAGE

Employment per 10,000 residents for municipal sewer departments decreased 9.6%, but given the relatively small number of employees in many municipalities, this change represents a decrease of less than one employee per 10,000 residents. In some cases, a municipality is served by a larger unit of government or serves populations beyond its jurisdiction.

MUNICIPAL CHARACTERISTICS AND STAFFING CHANGES

While adjustments in financial resources that are directly available affect staffing patterns, local officials can rely on borrowing or tax increases to manage short-term changes. To better understand how various municipalities responded to the recent economic slowdown and erosion of resources from

inflation, a correlation analysis is provided (see Table 3). This analysis is not intended to explain or identify factors causing the staffing changes; rather, it simply describes the types of municipalities with either increased or reduced staffing ratios. Regression analysis was considered in preliminary analyses, but the results were not significant for discussion given the brief study period in the data.

TABLE 3
SIMPLE CORRELATIONS WITH CHANGES IN EMPLOYMENT PER 10,000 RESIDENTS
IN ILLINOIS

	CHANGE IN EMPLOYMENT PER 10,000 RESIDENTS	DECREASED EMPLOYMENT	INCREASED EMPLOYMENT
Scope of Staffing	-0.319**	-0.041	-0.349
Private Sector Wages	-0.212**	-0.043	-0.231
Median Income	-0.072	0.006	-0.159
Elderly Population	0.020	-0.030	-0.016
Chicago Metropolitan Setting	-0.150*	0.075	-0.226
Property Tax Reliance in 2017	-0.086	0.070	-0.105
Intergovernmental Revenue Reliance 2017	0.243**	0.310**	0.039
Population Change, 2010-2019	-0.105	0.086	-0.308*
Change in Number of Unemployed, 2010-2019	0.011	0.086	-0.093
Number of Observations	157	116	41

* Significant at 5% confidence interval.

** Significant at 1% confidence interval.

SCOPE OF SERVICES

Municipalities providing a broader range of services may have more flexibility to shift funds from less-essential services during fiscal downturns and better opportunities to collaborate with other agencies to share personnel. Conversely, those providing fewer services may need to hire employees just to maintain service levels. The scope of services is measured using a scale of 1-17, where 1 indicates municipalities with survey responses for one department and 17

indicates municipalities with all departments reported. We expect the scope of services provided to be correlated with changes in employment per 10,000 residents.

LABOR MARKET CONDITIONS

Municipalities compete in the private sector for personnel, so they are affected by local labor supply and wage rates. In tight labor markets with rising wages, municipalities have higher turnover due to competing employment opportunities. The county-wide average wage is used as a proxy for alternative employment opportunities in the surrounding area. For municipalities on county borders, we assign the county representing the largest share of their populations. Municipalities in counties with higher wages may report more employment declines due to turnover when municipal wages are not competitive with the private sector.

CHICAGO METROPOLITAN SETTING

Cities were coded as to whether they are in the Chicago metropolitan area as defined by the Illinois Office of Management and Budget to help readers relate to experiences in other municipalities in their area. Municipalities in the Chicago area have a stronger concentration of professional management expertise plus more potential opportunities to collaborate and share services due to closer proximity. However, their employees may also have more employment opportunities at higher wages potentially leading to more employee turnover and positions remaining unfilled.

FISCAL VARIABLES

Finally, property tax revenue as a percentage of total revenue and intergovernmental revenue as a percentage of total revenue were included to reflect resource availability. Municipalities relying more on property taxes may have more stable revenues but may be more reluctant to raise taxes. Recent increases in federal stimulus and infrastructure funds provided opportunities for staff increases, even if on a temporary basis, which nevertheless added resources and may have prevented cutbacks. This article covers only three years, 2019-2022, so the current findings may differ in a year or two.

Several municipal characteristics are correlated with staffing at 1% or 5%. These include scope of services/staffing, location, private sector wages, and

intergovernmental revenue reliance. Municipalities providing a broader range of services (scope of staffing) typically had smaller declines in employment per 10,000 residents. Likewise, area wages were negatively correlated with employment changes, meaning areas with higher wages had more employment declines, possibly due to competition with the private sector. Those in the Chicago metropolitan area also had lower staffing changes.

The only variable positively correlated with employment change is reliance on intergovernmental revenue (IGR). Municipalities that were more dependent on IGR typically had more staffing increases, which suggests that expansions in federal and state support are adding staff for program delivery. This situation may change as federal projects are completed and the programs stop or are reduced.

The proxy variable for Chicago metropolitan area municipalities is negatively correlated with staffing changes at the 5% confidence level, meaning that municipalities in the Chicago region typically had more staffing changes, either positive or negative. This correlation was significant only in the overall sample, and it did not relate strongly to the subsets of municipalities that gained or lost employment.

However, these are only general observations and do not impute a causal relationship because many other factors may be just as or more important than those included in the correlation analysis. Discussions beyond this point will take a more sophisticated multivariate regression analysis, which is beyond the scope of this article. The intent here is to help readers identify with average experiences and whether they are correlated with characteristics in their municipality.

Several other factors were considered in preliminary analyses but were excluded due to lack of significant correlations. They include median monthly housing cost, the percentage of population experiencing poverty, and change in the county-level average wage from 2010 to 2019.

CONCLUDING OBSERVATIONS

The preceding analyses of staffing changes between 2019 and 2022 suggest that municipalities had fewer staff after the COVID-19 pandemic. The extent to which this reflects an ongoing trend or was a response to deteriorating economic conditions and inflation by reducing the number of full-time staff

is not known. Likewise, municipal employees, along with those in the private sector, did not keep pace with inflation. If inflation returns to historical levels in the next several years, there may be serious efforts by organized labor and others to regain this lost purchasing power. That could place added pressure on local municipal finances.

In other cases, increases in federal and state programs due to the COVID-19 pandemic may have even allowed staff expansions. What will happen as federal or state programs mature or end is uncertain. Consider how typical it is after an infrastructure building project is completed that employment decreases even though maintenance is necessary.

Governor JB Pritzker recently proposed a major infrastructure program in Illinois that could support staff expansions in some municipalities. The Illinois Department of Transportation Multi-Year Highway and Multimodal Improvement Program will spend \$40.99 billion on roads and bridges, transit, freight and passenger rail, aviation, ports, and waterways. These construction projects would have statewide coverage and include a wide range of state and local services.

These are challenging times for municipal financing but increases in funds for broadband and “Build Back Better” types of programs will help local governments invest in infrastructure that will prepare municipalities for economic prosperity in the future. Likewise, increased interest in working remotely, advances in telehealth, and other technological advances such as artificial intelligence will open opportunities for prosperity in municipalities that take advantage of them.

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in 1969 that is updated annually for the Illinois Municipal League. He currently is researching a book on innovative practices to transition small businesses to new owners when the original owner retires.

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