

Occupation-specific local labor market spillovers of federal government employment

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Question

Do hiring shocks to the occupational composition of a labor market change the composition by more or less than one-to-one?

Short answer

- ▶ A 1 percent increase in federal employment in a given occupation-MSA (as a percentage of total employment of that occupation-MSA)
- ▶ is associated with a 2 to 5 percent decrease in non-federal employment in that same occupation-MSA

Data

- ▶ OPM full-count of Non-DoD employees, 1974 - 2014 (\sim 1 million)
 - ▶ Match to metro area and Census occupation codes
- ▶ BLS Occupational Employment and Wage Statistics (OEWS) at the metro level

Regression results

	Percent change in non-federal employment				
	(1)	(2)	(3)	(4)	(5)
Percent change in federal emp as percent of total	-4.895 (0.411)	-5.468 (0.478)	-5.472 (0.489)	-5.590 (0.515)	-2.245 (0.238)
Weight	No	Yes	Yes	Yes	Yes
Year FE	No	No	Yes	Yes	Yes
Year X MSA FE	No	No	No	Yes	No
Year X OCC FE	No	No	No	No	Yes
N	13408	9309	9309	9309	9309

Standard errors in parentheses