

Public Sector Compensation Survey Insights: Power Your 2025–2026 Vision

In September 2024, Gallagher surveyed 158 US public sector agencies about their top compensation and labor relations concerns.

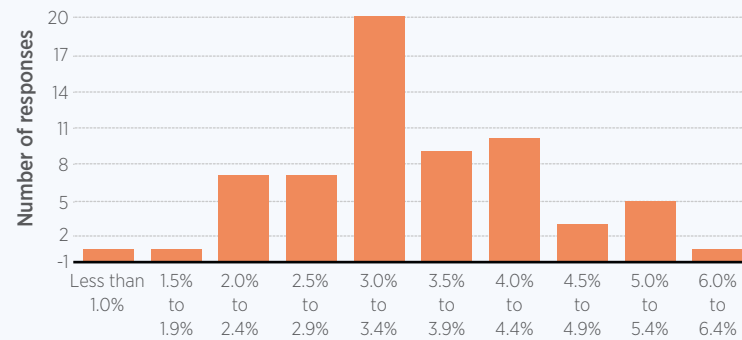


Insurance | Risk Management | Consulting

Cost of Living Adjustments (COLA)

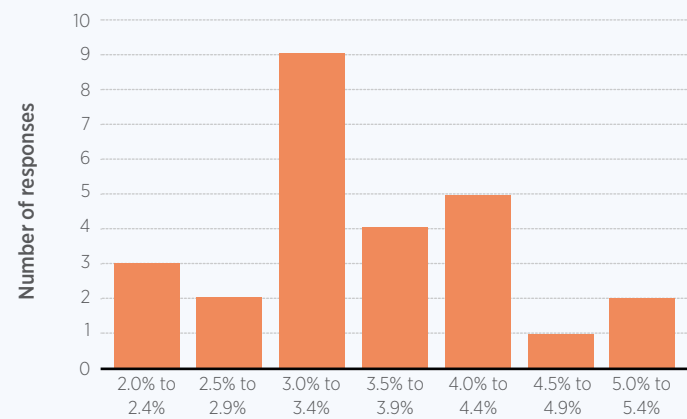
1. FY 2024/25: **1.0%** to **6.0%**; weighted average: **3.23%**
2. FY 2025/26: **2.0%** to **5.0%**; weighted average: **3.20%**

COLA awarded between July 1, 2024 and June 30, 2025



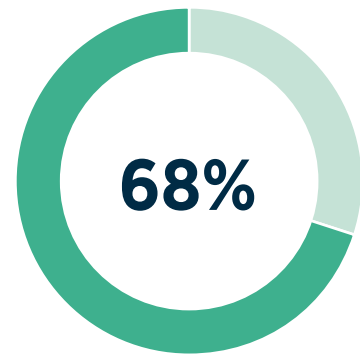
Total: 64 Responses

COLA awarded between July 1, 2025 and June 30, 2026



Total: 24 Responses

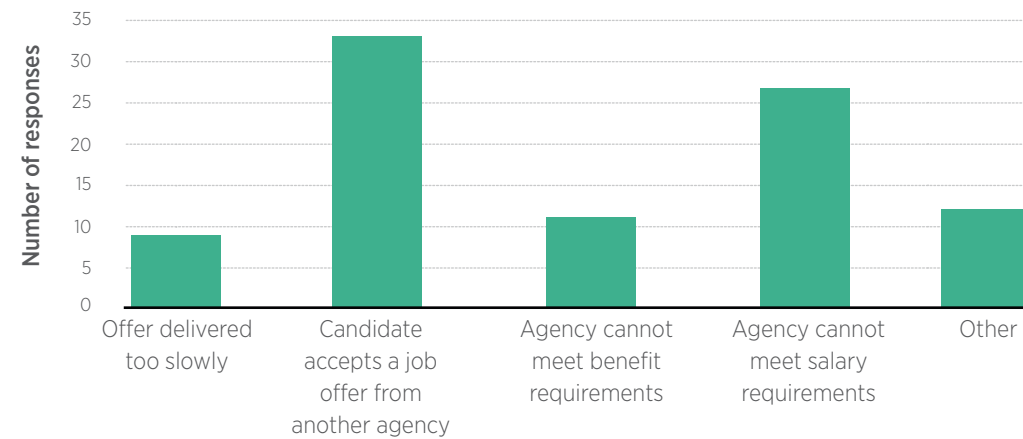
Reasons for Loss of a Top Candidate



68% lost top candidates at or after the job offer because:

- Candidate accepted an offer from another agency or their current employer
- Agency could not meet candidate's salary requirements
- Agency could not offer fully remote or hybrid work arrangements

Why have top candidates dropped out?



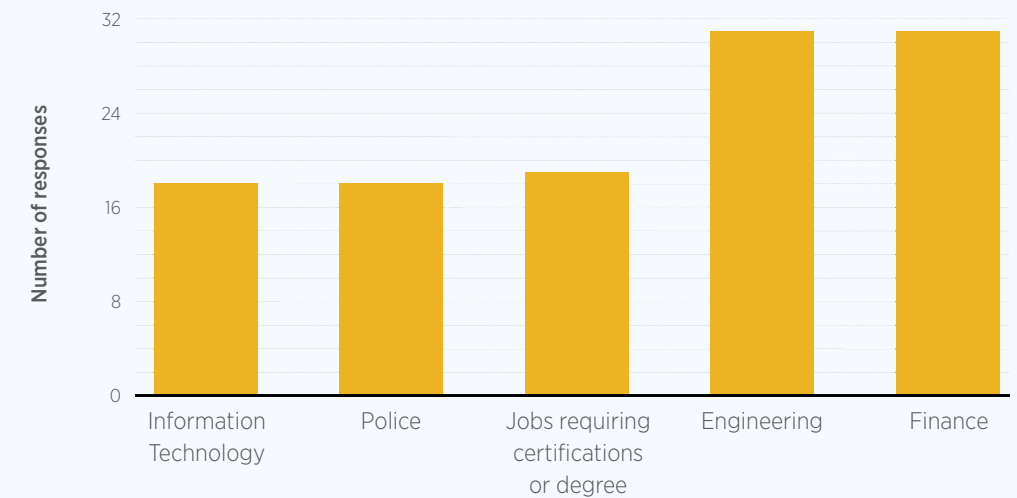
Total: 43 Agencies Responding

2025 Top HR Concerns



Most Challenging of 16 Job Types to Fill

Has your agency had difficulty recruiting for qualified candidates in any of these career areas in 2024?



For more information, contact [Gallagher's Public Sector Classification and Compensation Consulting team](#)

AJG.com The Gallagher Way. Since 1927.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.

© 2025 Arthur J. Gallagher & Co. | GBSUS103229