

Follow the Money

The key to our definition of the public sector is whether or not the funding of an organization is provided (or determined through legislation) by the government.

Public sector entities fall into three general categories:

1. Core government agencies and departments working within the various branches of government.



2. Agencies that provide public programs, goods or services, but exist as separate organizations apart from government agencies or departments. These agencies are often governed by a commission or board of directors.



Police, military, public roads, public transit and public education are examples of public sector agencies.

3. Public enterprises and nonprofits which, like agencies, deliver programs, goods or services, but are independent of the government and may have sources of revenue in addition to public funding.

“Delivering programs, goods or services”



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Though it began as a department of the executive branch, in 1970 the U.S. Post Office became an example of a public enterprise, as a corporation in which the primary shareholder is the U.S. Government.