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Public Sector Employee Financial Wellness Program Needs and Preferences

2022 Survey Results

MissionSquare RESEARCH INSTITUTE | WELLS FARGO

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Executive Summary

This report presents the results of a MissionSquare Research Institute ("the Institute") survey assessing public sector employees' financial wellness program needs and preferences. It covers topics such as worries about finances; program prevalence and participation; program topics, communication, administration, and tailoring; program satisfaction and evaluation; and respondents' financial profiles.

Results described are from a 12-minute, nationally representative online survey of 1,002 full-time state and local government employees conducted by the Institute and Greenwald Research from November 7 through November 30, 2022. This research provides an update to the **2019 survey results** on this topic. Comparisons between the 2022 and 2019 survey results are offered where appropriate.

8 Key Takeaways

1. The vast majority **(88%)** of all survey respondents **worry about their finances** or financial decisions. Among those who worry, 77% report doing so while at work, an increase from 66% in 2019.

2. Overall, **40%** of respondents report that their **employer offers a financial literacy** or financial education **program** to them and their colleagues. This is an increase of 11 percentage points from 2019, when 29% reported being offered one.

3. Among those being offered a financial literacy program by their employer, 35% have ever participated in the program. Many more respondents (**67%** of non-participants and those without a program), however, say they would be **likely to participate** in such a program in the near future or if offered one.

4. The three **topics most frequently covered** by programs are **planning for retirement (58%), investments (49%), and insurance (35%)**. Planning for retirement and investments are also the two topics of greatest interest to financial literacy program participants (and those not currently participating in a program); budgeting and planning was the topic of third greatest interest to those groups.

5. While financial literacy programs are most often offered through an in-person class or workshop (32%), a webinar (31%), or one-on-one in-person coaching (23%), the top three **preferred** approaches among those currently offered a program were **webinars (51%), interactive online courses (47%), and one-on-one in-person coaching (45%)**.

6. Program information is most likely to be **communicated by the employer via email (67%),** through the employer website/intranet (33%), or with printed flyers/materials (19%). These are also the top three ways that employees would like information communicated.

7. Of those who participate in their employer's financial literacy program, **68% are very or somewhat satisfied** with the program, reporting that the program has led them to make changes to their financial behaviors (68%), has bolstered their overall financial health (62%), makes them less worried about their finances and more productive at work (60%), or has improved their general morale at work (52%).

8. Seven in ten respondents **(71%) feel that it is important for their employer to offer a financial literacy program**, an increase of six percentage points from 2019. And 61% say they rely on their employer's financial wellness program as a source of financial planning information.

Introduction and Methods

In 2019, MissionSquare Research Institute (formerly the Center for State and Local Government Excellence; SLGE) partnered with the Wells Fargo Foundation to develop **Financial Literacy Programs for Local Government Employees**. The practitioner-oriented report provided a landscape assessment of local government employee financial literacy programs through a literature review and data from a survey of elected officials and human resources (HR) directors from local governments across the United States.

This work continued with an exploration of what state and local government employee needs and preferences are regarding employer-provided financial literacy/education programs. Results of that survey were published in the 2020 report, **A Focus on Public Sector Financial Wellness Programs: Employee Needs and Preferences**.

Following that report, MissionSquare Research Institute ("the Institute") conducted additional research on public sector employer-based financial wellness programs. This included case studies of three public sector employers providing financial wellness programs to their workforce; a quick reference guide for states and localities considering offering financial wellness programs; and a series of fact sheets and case studies from a financial wellness grants program developed in partnership with the Wells Fargo Foundation, IPMA-HR (now PSHRA), and the NAST Foundation; among other resources (see **Additional Resources**).

This report presents the results of a 2022 survey assessing public sector employees' financial wellness program needs and preferences. It covers topics such as worries about finances; program prevalence and participation; program topics, communication, administration, and tailoring; program satisfaction and evaluation; and respondents' financial profiles.

It provides results from a 12-minute, nationally representative online survey of 1,002 full-time state and local government employees conducted by the Institute and Greenwald Research from November 7 through November 30, 2022. Comparisons between the 2022 and 2019 survey results are offered where appropriate.

The final data was weighted by gender, age, income, and industry type to reflect the distribution of the state and local government workforce as found in the U.S. Census Bureau's Current Population Survey and the U.S. Census of Governments.

For the purposes of this survey, the National Financial Educators Council's definition of financial literacy was used, with financial literacy defined as "possessing the skills and knowledge on financial matters to confidently take effective action that best fulfills an individual's personal, family and global community goals."[1]

Survey Results

Demographics

The demographic characteristics of the 1,002 survey respondents are displayed in Table 1. Survey respondents are majority female, White or Caucasian, work for local government, are married, have children or stepchildren, have a total annual personal income of less than $75,000, and are eligible for Social Security through their current employer. Among those with a spouse or partner, the vast majority's spouse/partner is employed for pay.

Respondents have a median age of 46[2] and tend to be well educated (69% have received their bachelor's or a graduate/professional degree); 41% of them work in K-12 education. There is more variation in respondents' age, total household income, total savings and investments, geographic

Table 1 **Sample Demographics**

Gender	
Male	38%
Female	62%
Prefer to self-describe	*

Age	
Under 40	35%
40-59	49%
60 or older	16%

Education	
Less than a high school diploma	0%
Graduated high school	8%
Some college (no degree)	11%
Associate's degree or completion of technical or vocational school	12%
Bachelor's degree	38%
Graduate/professional degree	31%

Race/Ethnicity	
White or Caucasian	72%
Black or African American	15%
Hispanic/Latino/Spanish descent	13%
Asian or Pacific Islander	5%
Native American	2%
Other	*

Marital Status	
Married	53%
Single, never married	25%
Divorced or separated	13%
Not married, but living with a partner	7%
Widowed	3%
Prefer not to say	*

Children/Stepchildren	
Under 18 years	36%
Age 18 or older	33%
No children/stepchildren	38%
Prefer not to answer	*

Region	
South	38%
Midwest	23%
Northeast	20%
West	19%

Approximate Number of Employees at Organization	
Less than 50	7%
50-99	9%
100-249	12%
250-499	11%
500-749	8%
750-999	7%
1,000-2,499	12%
2,500-4,999	9%
5,000 or more	17%
Don't know	8%

Eventual Eligibility for Social Security	
Yes, through current job	70%
Yes, through prior job	27%
No, not eligible	10%
Don't know	9%

Employer	
Local government	68%
State government	32%

Industry	
K-12 Education	41%
Public Safety	16%
Health & Human Services	13%
Education other than K-12	11%
Transportation	5%
Public Works/Utilities	4%
Administration & Finance	4%
Parks & Recreation	1%
Libraries	1%
Other	3%

Number of Years Working with Current Employer	
Less than 1 year	6%
1-2 years	10%
3-4 years	12%
5-6 years	13%
7-8 years	9%
9-10 years	8%
11-15 years	14%
15-20 years	11%
21 or more years	18%

Total Annual Personal Income	
Less than $25,000	4%
$25,000 to $49,999	32%
$50,000 to $74,999	27%
$75,000 to $99,999	9%
$100,000 to $124,999	6%
$125,000 to $149,999	4%
$150,000 or more	5%
Don't know	*

Spouse/Partner Employment (n=634)	
Employed for pay full time	77%
Employed for pay part time	7%
Not employed for pay	15%

Total Annual Household Income	
Less than $25,000	3%
$25,000 to $49,999	20%
$50,000 to $74,999	24%
$75,000 to $99,999	21%
$100,000 to $124,999	11%
$125,000 to $149,999	8%
$150,000 or more	13%
Don't know	1%

Total Savings and Investments^	
Less than $10,000	32%
$10,000 to $24,999	12%
$25,000 to $49,999	9%
$50,000 to $74,999	7%
$75,000 to $99,999	5%
$100,000 to $249,999	13%
$250,000 to $499,999	8%
$500,000 to $749,999	4%
$750,000 to $999,999	2%
$1 million or more	2%
Don't know	7%

Notes: n=1,002 unless otherwise specified; *= <.5%; ^ = money that respondent [and spouse/partner] currently have, excluding value of primary residence; some figures may not total to 100% due to rounding or to dual responses selected for racial/ethnic identification, children/stepchildren ages, and Social Security eligibility region, number of years working for their employer, and approximate number of employees in their organization.

The demographic characteristics of the survey sample generally align with the overall state and local government workforce profile. Of the approximately 18.8 million state and local government employees who worked across the United States in 2021, 10.5 million worked in education and approximately 1 million were in police protection, with the rest filling all other state and local positions (e.g., general administration, utilities, transportation, hospitals).[3]

As of 2022, the total population of state and local workers has a median age of 45 years; 60% of these workers are female; 77% are White; 58% are married; and 59% have a bachelor's, advanced, or professional degree.[4]

To view a demographic breakdown of the 2019 survey sample, see Table 1 in **A Focus on Public Sector Financial Wellness Programs: Employee Needs and Preferences**.

Worries about Finances

The vast majority (88%) of those surveyed report that they worry about their finances or financial decisions, with 42% reporting that they worry often (Figure 1). The percentage of those reporting that they worry often increased by 9 percentage points from 2019.

Among those who worry about their finances or financial decisions, more than three in four (77%) worry about their finances or financial decisions while at work (Figure 2). This is a substantive increase from 2019, when two in three (66%) of those worrying about finances/financial decisions reported doing so at work.

Figure 1 **Worry about Finances/Financial Decisions?**

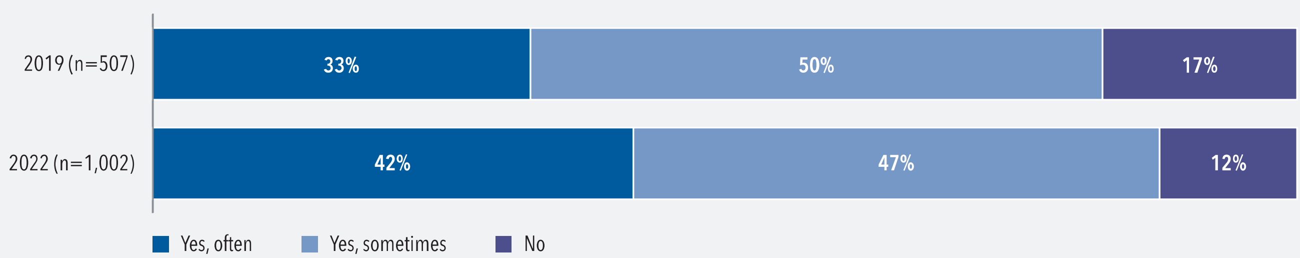
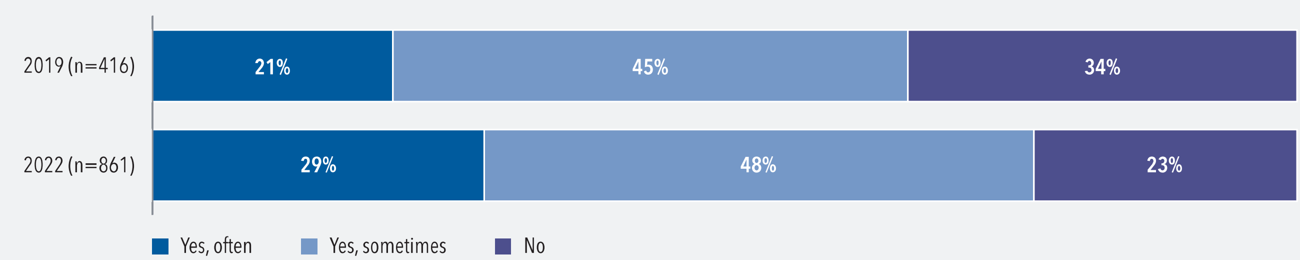


Figure 2 **Worry about Finances/Financial Decisions While at Work?**



Financial Literacy Program Prevalence and Participation

Overall, four in ten survey respondents (40%) report that their employer offers a financial literacy or financial education program to them and their colleagues (Figure 3). This represents an increase of 11 percentage points from 2019, when 29% reported being offered a financial literacy or financial education program.

While it is not clear whether this significant increase is due to a substantive increase in the number of employers offering financial literacy programs or an increase in the number of employees who are aware of their employer-based financial literacy program, both explanations — or some combination of the two — are positive developments.

Of the 60% not currently being offered a program by their employer, only 5% report that their employer has ever offered one (Figure 4). This is nearly identical to the 6% who reported their employer had ever offered one in 2019. As in 2019, 56% reported that their employer had never offered such a program, while 39% were unsure.

Whether or not they are offered a financial literacy program by their employer, many employees have one or more other benefit programs offered by their employer to them and their colleagues. As shown in Figure 5, employers are most likely to offer employee assistance programs (62%), training programs specific to their field (58%), and physical health and wellness programs (53%). There was a notable increase from 2019 in the percentage of employees being offered training programs and physical health and wellness programs, perhaps indicative of an increase in employers taking a holistic approach to employee well-being.

Among those who report being offered a financial literacy or financial education program by their employer, more than one-third (35%) have ever participated in the program (see Figure 6). This is a slight decrease from the 38% who had ever participated in such a program in 2019.

Many more respondents, however, reported that they would be likely to participate in a financial literacy program in the near future or if offered one. Similar to in 2019, about two out of three (67%) reported being at least somewhat likely to do so (Figure 7).

Figure 3 **Employer Offers Financial Literacy/Financial Education Program?**

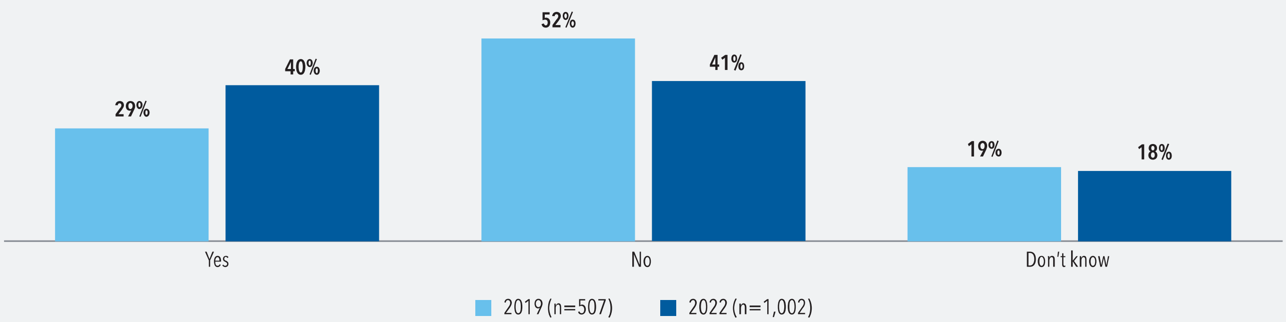


Figure 4 **Employer Ever Offered a Financial Literacy/Financial Education Program?**

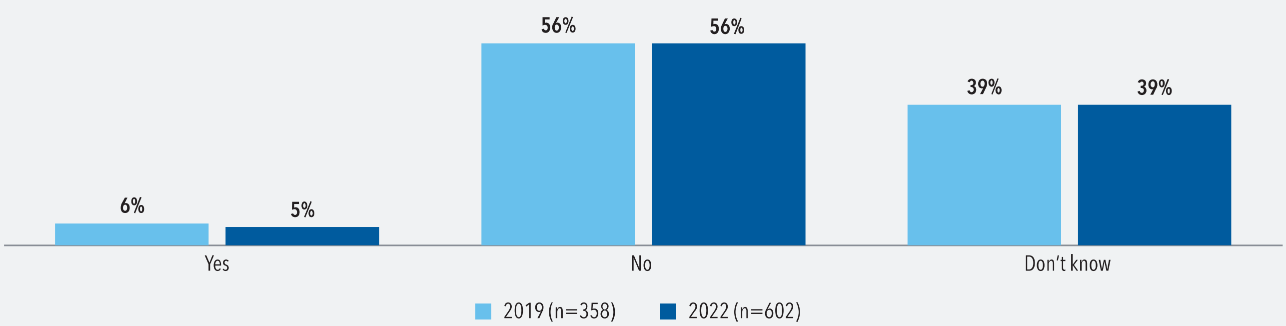
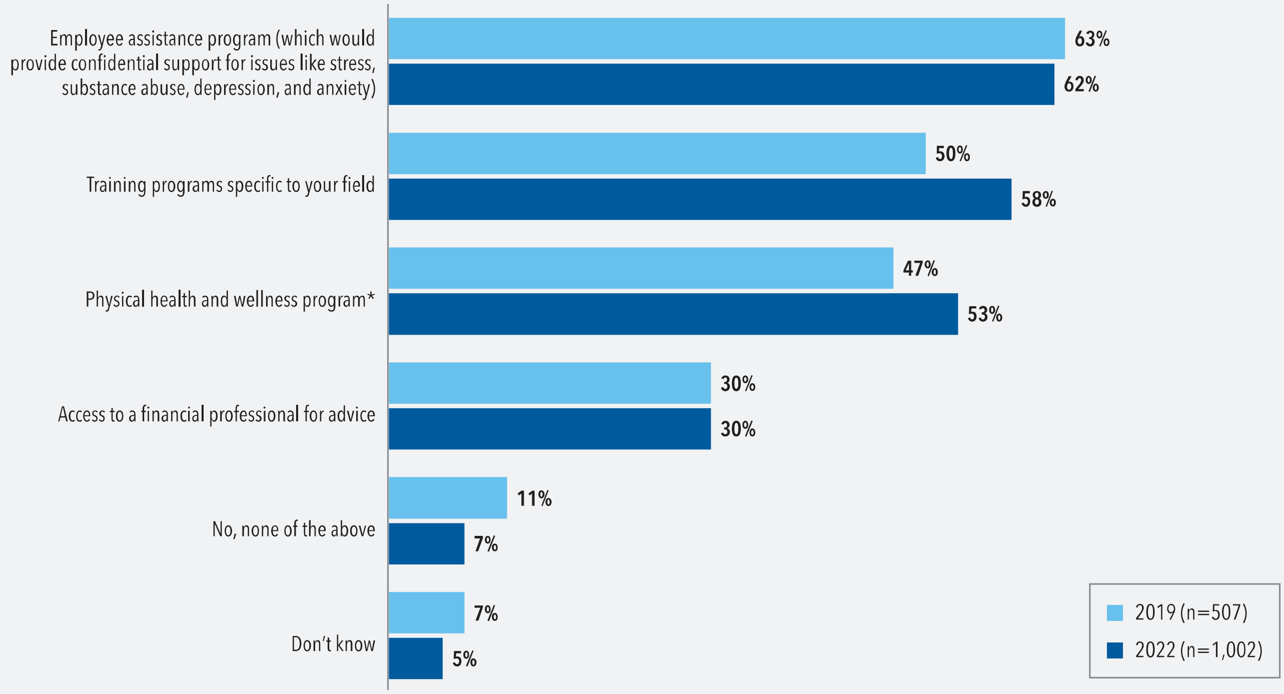


Figure 5 **Other Employer-Offered Benefit Programs**



*Note: In 2022, the words "health and" were added to the 2019 response option 'Physical wellness program'.

Figure 6 **Participated in Program If Offered?**

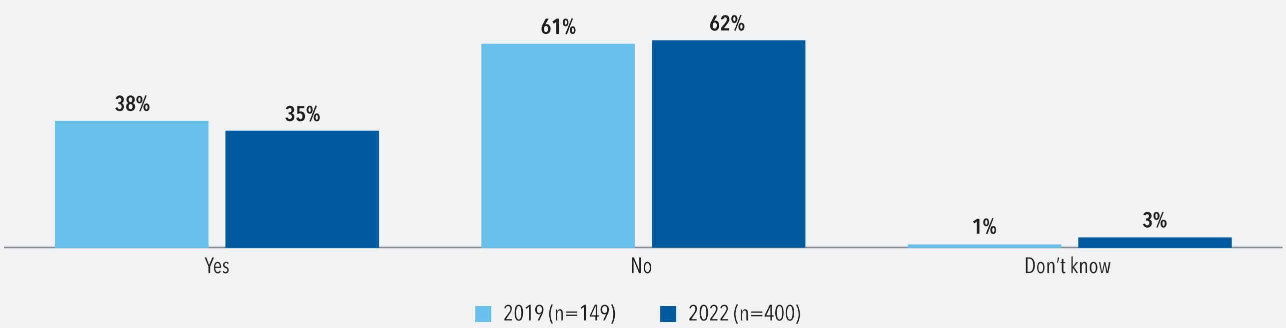
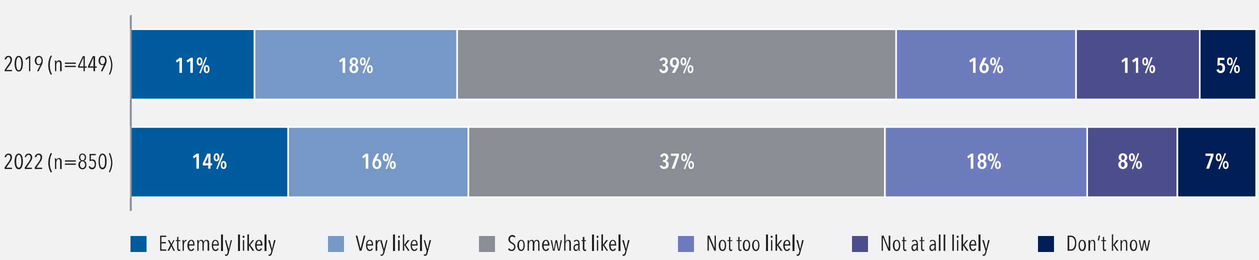


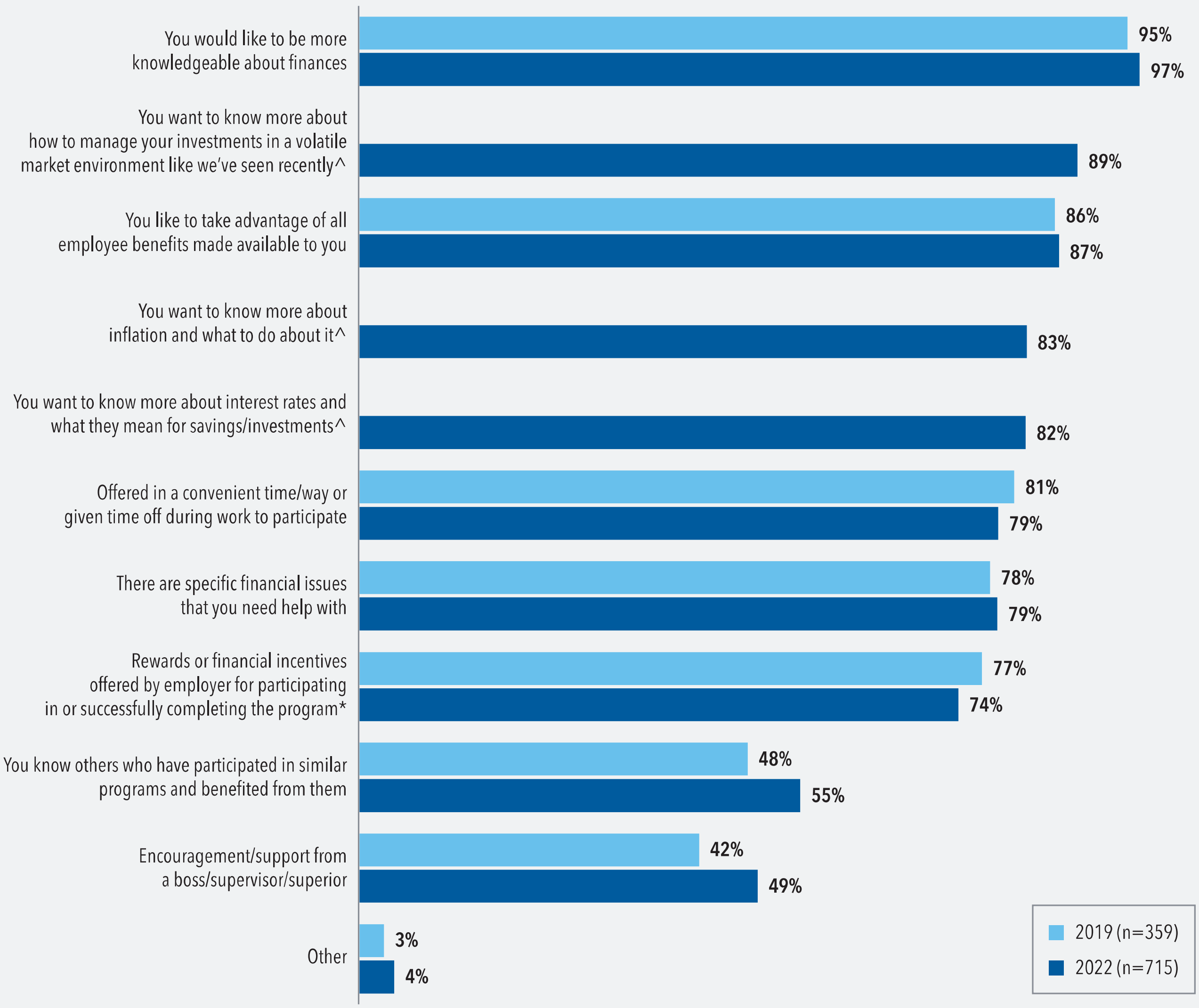
Figure 7 **Likelihood of Participating in the Future**



When asked to explain why they currently participate or would be likely to participate in a financial literacy or financial education program, by far the most frequently cited reason was a desire to be more knowledgeable about finances. As can be seen in Figure 8, this was cited as a major or minor reason by nearly all respondents both in 2022 and in 2019. Other commonly cited reasons in 2022 were wanting to know more about how to manage investments in the recent volatile market environment (89% cited as a major or minor reason), and wanting to take advantage of all of the employee benefits available to them (87% cited as a major or minor reason).

Overall, responses were quite consistent over time, with the exception of two notable increases: the share of respondents reporting knowing others who have participated in similar programs and benefited from them (increased from 48% in 2019 to 55% in 2022), and the share reporting encouragement/support from a boss, supervisor, or colleague (increased from 42% in 2019 to 49% in 2022). These results support the aforementioned finding of an increase in employers offering and/or promoting financial literacy or financial education programs from 2019 to 2022.

Figure 8 **Reasons Likely to Participate** (% who cited as major or minor reason)

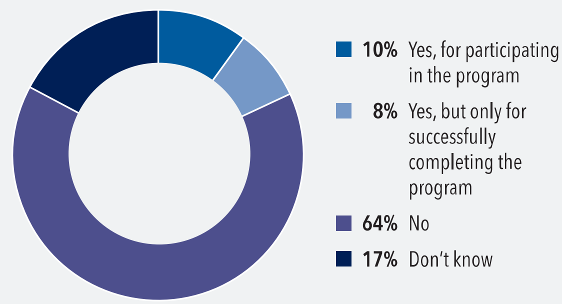


*In 2022, response option "Rewards or financial incentives offered by employer for successfully participating in program" was modified to "Rewards or financial incentives offered by employer for participating in or successfully completing the program." ^Indicates new response option in 2022.

While nearly three in four respondents (74%) at least somewhat likely to participate in a financial literacy program reported that rewards or financial incentives would motivate them to participate, the practice of providing program incentives is not widespread. Among those being offered a financial literacy program, only 19% reported that, to the best of their knowledge, their employer offers any form of rewards or financial incentives for participating in or successfully completing their financial literacy program (Figure 9).

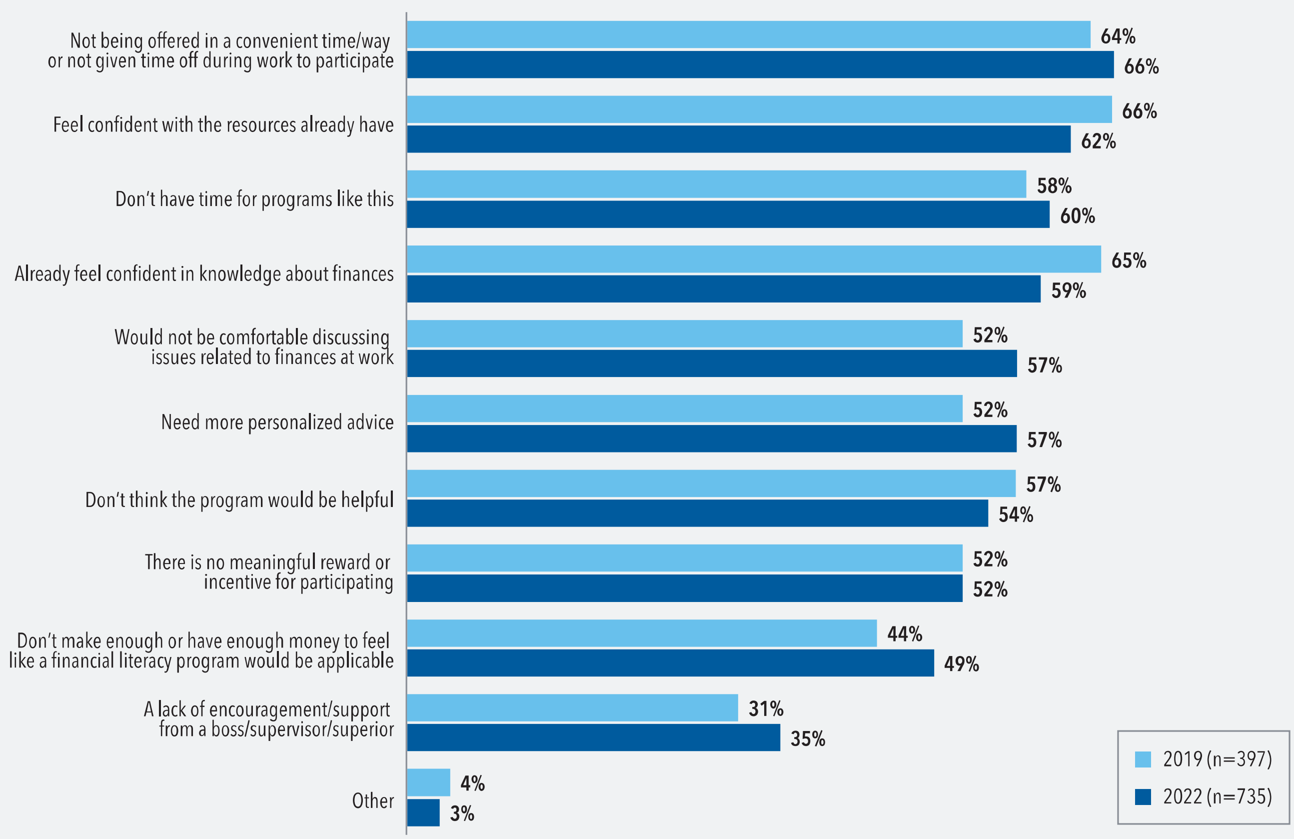
Interestingly, a similar share (17%) report that they do not know whether their employer provides any such incentives or financial rewards, suggesting the need for increased communication on this topic, particularly given its role as a motivating factor in program participation.

Figure 9 **Incentive for Program Participation?** (n=400)



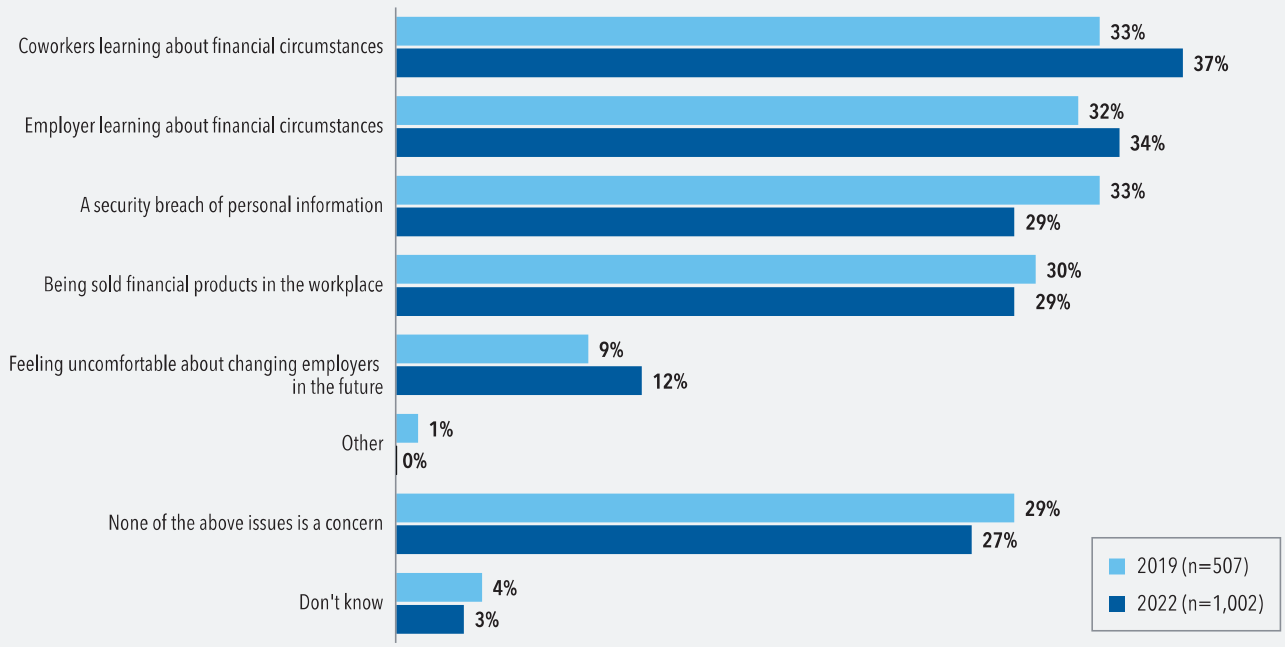
When asked to explain why they might not participate in a financial literacy program, respondents were most likely to cite the program not being offered in a convenient time/way or not being given time off during work to participate (66%), feeling confident with the resources they already have (62%), or not having time for such a program (60%; see Figure 10). The share of respondents endorsing each of the response options offered did not differ greatly over time from 2019 to 2022; the largest change was a decrease of 6% from 2019 to 2022 in those who already feel confident about their finances.

Figure 10 **Reasons Not Likely to Participate** (% who cited as major or minor reason)



Asked what privacy concerns, if any, they have about participating in a financial literacy program at work, respondents were most likely to report concerns about others learning about their financial circumstances, in particular their coworkers (37%) or their employer (34%; see Figure 11). Somewhat fewer were concerned about a security breach of personal information or being sold financial products at the workplace (both 29%). Another 27% reported that they did not have any privacy concerns about participating. The share of respondents endorsing each of the response options did not differ substantively from 2019 to 2022.

Figure 11 **Privacy Concerns about Participating**

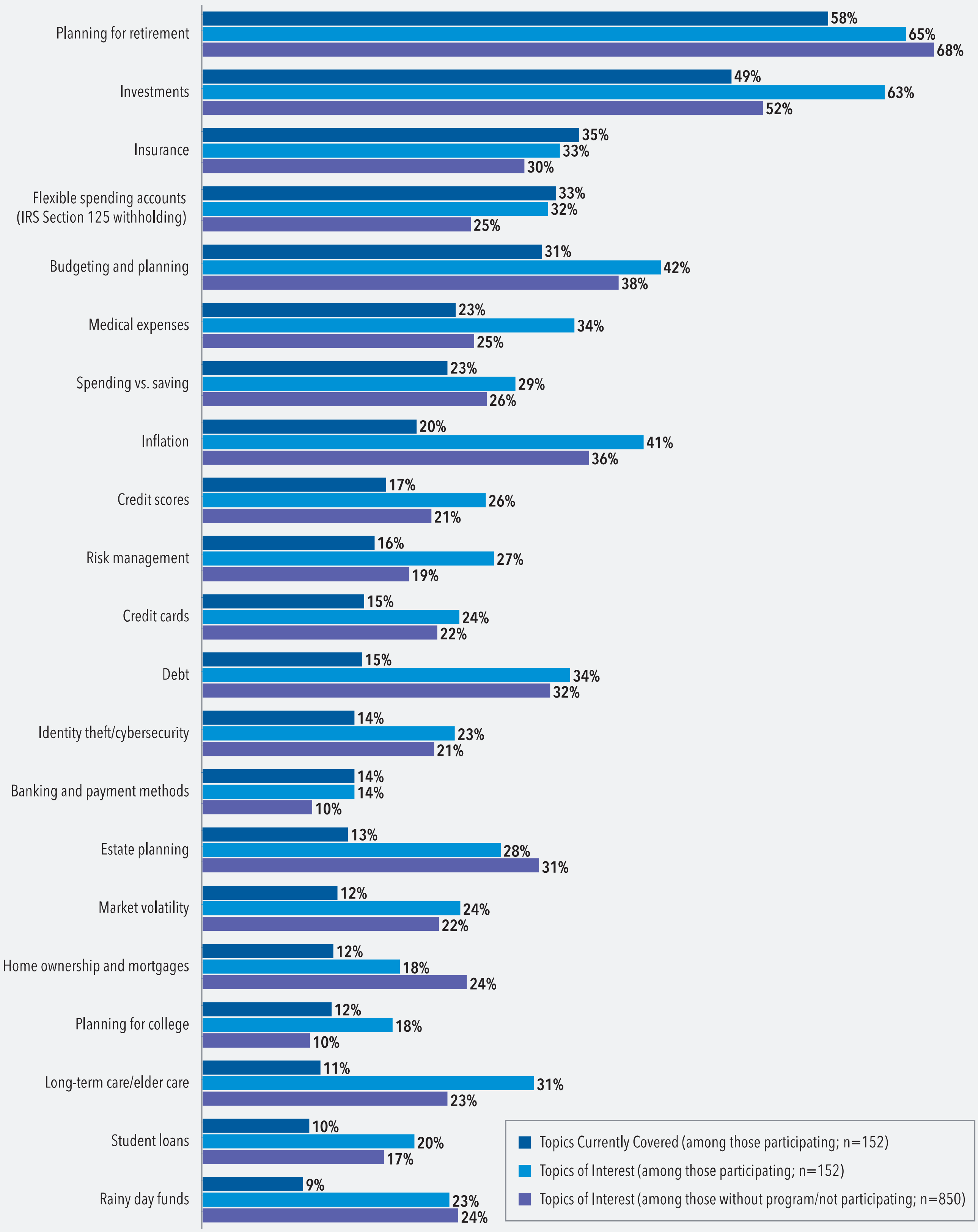


Program Topics, Communication, Administration, and Tailoring

Survey respondents currently participating in a financial literacy program were asked to indicate what topics are currently being covered by the program, and all respondents were asked to indicate what topics they are interested in a financial literacy program covering. Results are displayed in Figure 12.

The three topic areas most frequently covered by current programs were planning for retirement (covered by 58% of current programs), investments (49%), and insurance (35%). Planning for retirement and investments were also the two topics of greatest interest to those currently participating in a financial literacy program, and to those not currently participating in a financial literacy program; budgeting and planning was the topic of third greatest interest to those groups.

Figure 12 **Program Topics**[5]



In contrast, the three topics least likely to be covered by a financial literacy program were long-term care/elder care (covered by 11% of programs), student loans (covered by 10% of programs), and rainy day funds (covered by 9% of programs).

Several areas displayed sharp contrasts between topics that are being offered and topics of interest. While estate planning is being covered by 13% of programs, the topic is of interest to 28% of financial literacy program participants and 31% of those not in a financial literacy program.

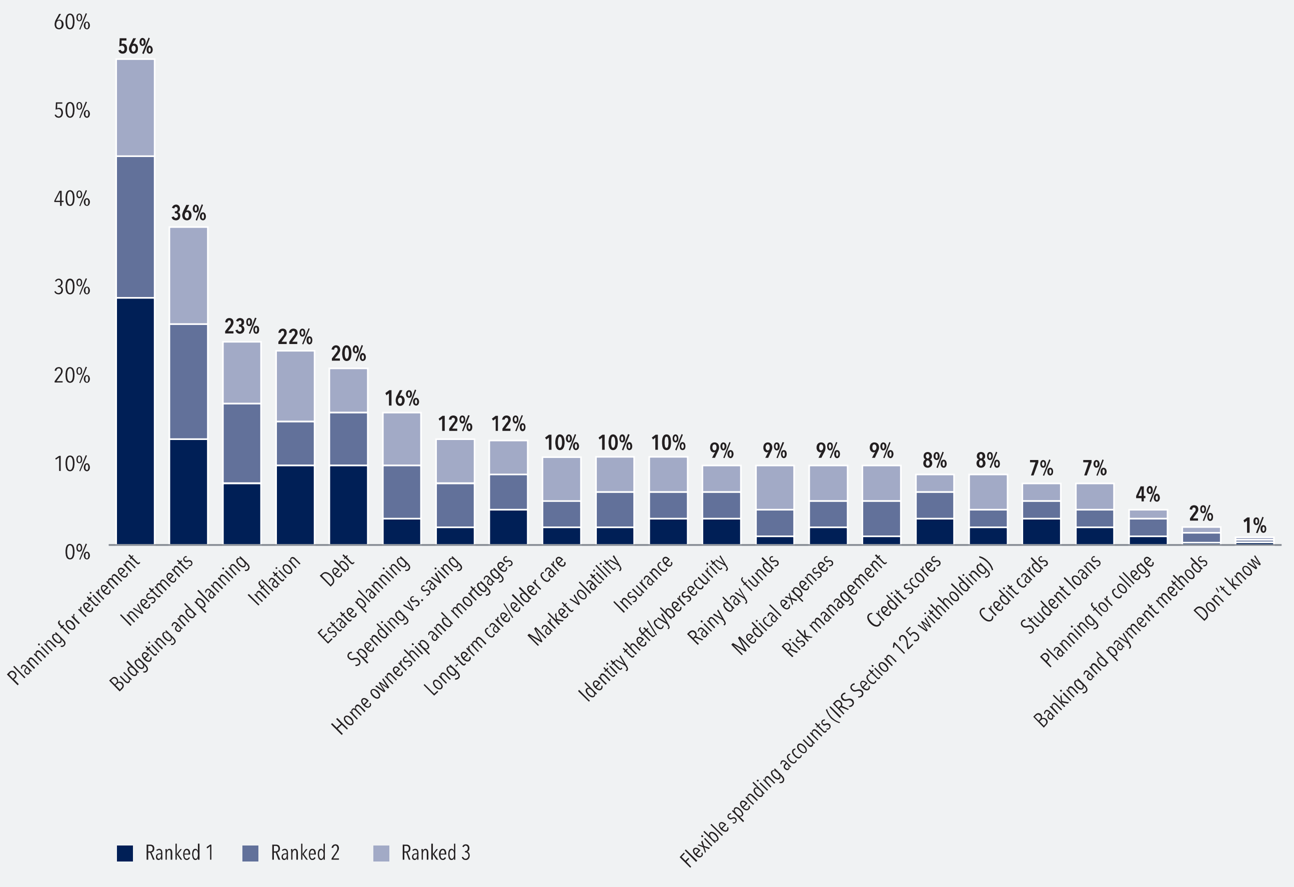
Similar findings were observed for inflation, debt, market volatility, home ownership and mortgages, long-term care/elder care, student loans, and rainy day funds. In each of these instances, interest among participants and/or those not in a financial literacy program was at least twice as great as the percentage of programs covering these topics.

Some of these discrepancies may reflect continuous changes in financial topics of interest and may be covered by more programs in the coming months in response to rises in interest by employees (e.g., inflation, market volatility). However, other topics, such as debt and rainy day funds, more clearly show a disconnect between topics of interest and what is currently being covered by financial literacy programs.

Changes from 2019 to 2022 in topics covered by financial literacy programs, as well as topics of interest among program participants and non-participants are displayed in the **Appendix** (Figures 12a-12c).

Asked to select the three topics they feel are most important to learn more about this year in a financial literacy program, planning for retirement far exceeded any of the other topics; 28% ranked it as the topic of greatest importance for this year, and 56% ranked it as one of the top three topics of importance to learn more about this year (see Figure 13). After planning for retirement, investments (ranked as one of the top three by 36%), budgeting and planning (23%), and inflation (22%) were most often selected as a top three topic of importance to learn more about this year.

Figure 13 **Top Three Topics of Interest** (n=1,002)



Survey respondents were asked to indicate how their financial literacy program is currently being offered, and how they would like a financial literacy program to be offered. Results are presented in Figure 14.

When financial literacy programs are offered, it is most often through an in-person class or workshop (32%), a webinar (31%), or one-on-one in-person coaching (23%). Respondents' preferences for how a program would be offered, however, were quite different.

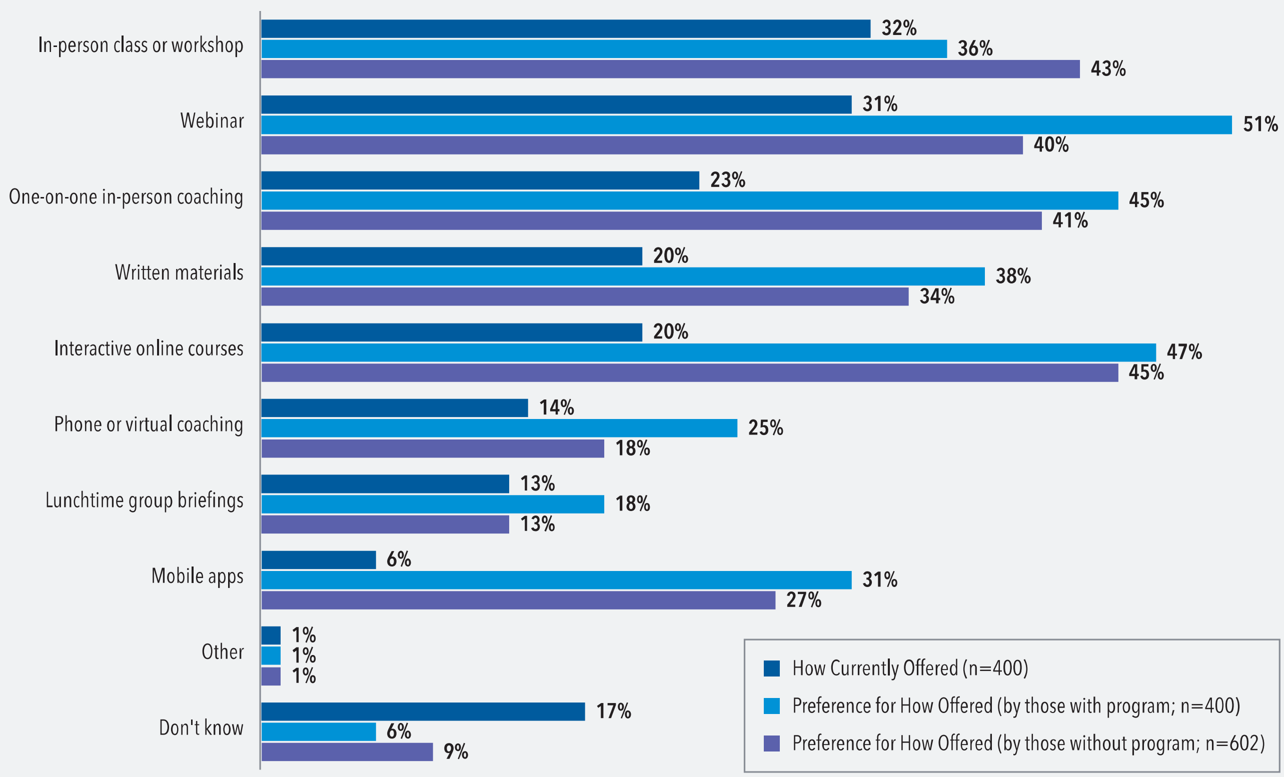
Among those currently being offered a program, the top three preferred approaches for program offerings were a webinar (51%), interactive online courses (47%), and one-on-one in-person coaching (45%). Meanwhile, among those without a financial literacy program, the most preferred approaches were interactive online courses (45%), an in-person class or workshop (43%), and one-on-one in-person coaching (41%).

Notably, 17% of those currently being offered a financial literacy program report that they do not know how it is being offered. This presents another opportunity for improved communication by employers.

An in-person class or workshop may not necessarily serve the needs of non-office-based staff or those with unpredictable or unconventional schedules (e.g., those in public safety, public works, medical professionals). For examples of how public sector employer-based financial literacy and education programs reached field-based staff, see case studies of Milwaukee County Transit System and San Diego County Water Authority in **Case Studies of Innovative Public Sector Employee Financial Wellness Programs.**

Changes over time in how programs are being offered and respondents' preferred approaches for offering financial literacy programs are displayed in the **Appendix** (Figures 14a-14c).

Figure 14 **Approaches for Offering Program**



The preferred time of day for offering a financial literacy program varied somewhat across all survey respondents (Figure 15). While 43% would prefer a financial literacy program during work hours, 29% would prefer a mix of during work and outside of work hours. Another 18% would prefer that it be offered outside of work hours, with the remaining 10% having no preference.

Similarly, respondents were split in their preferences on whether a financial literacy program be conducted in-person or virtually (Figure 16). While 40% prefer a mix of both in-person and virtual program components, 26% of respondents preferred virtual only and another 26% preferred in-person only. The final 9% had no preference.

Respondents currently being offered a financial literacy program were asked how their employer communicates information about the program. Those not currently being offered a program but interested in one were asked how they would like the information to be communicated to them. As shown in Figure 17, information is most likely to be communicated by the employer via email (67%), via the employer website (33%), or through printed flyers/materials (19%). These are also the top three ways that employees would like the information communicated. While only 8% of employers communicate via text messages, more than twice as many (17%) would like that as a form of communication.

Figure 15 **Preferred Time of Day for Program** (n=1,002)

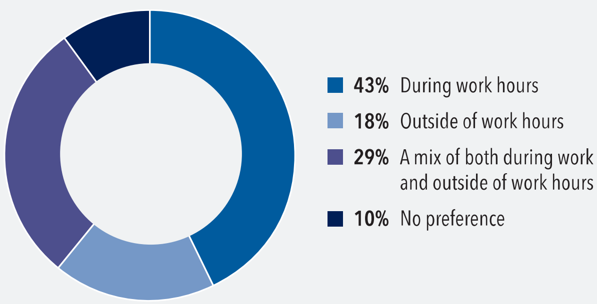


Figure 16 **Preferred Medium for Program** (n=1,002)

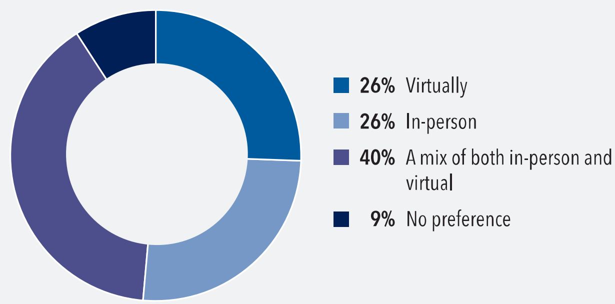
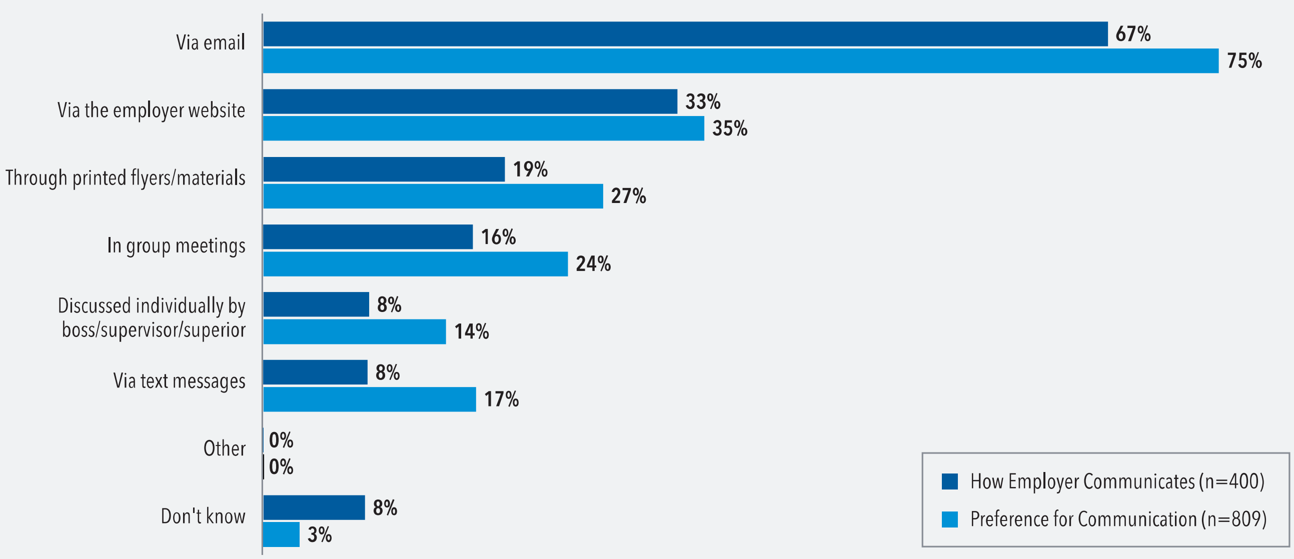


Figure 17 **Employer Communication of Information about Program** (n=1,002)



Changes over time in how employers are communicating information about the program are displayed in the **Appendix** (Figure 17a).

When financial literacy/financial education programs are offered, they are most frequently administered by a representative of the employer's retirement plan or retirement system (27%), someone from the employer's human resources (HR) or employee benefits department (21%), or someone who works for a for-profit financial institution or bank (13%; Figure 18). Meanwhile, one in five respondents being offered a program report that they do not know who administers the program.

While there generally have not been substantive changes in program administrator from 2019 to 2022, Figure 18 does show some shift away from financial literacy program administration by employer retirement systems, and toward outside entities or institutions instead.

Few financial literacy programs (14%) are offered to non-employees, such as spouses and dependents (Figure 19). And, more than one-third (37%) of those being offered a financial literacy program report that they do not know whether it is available to non-employees. These numbers are nearly identical to the percentages observed in 2019.

Figure 18 **Program Administrator**

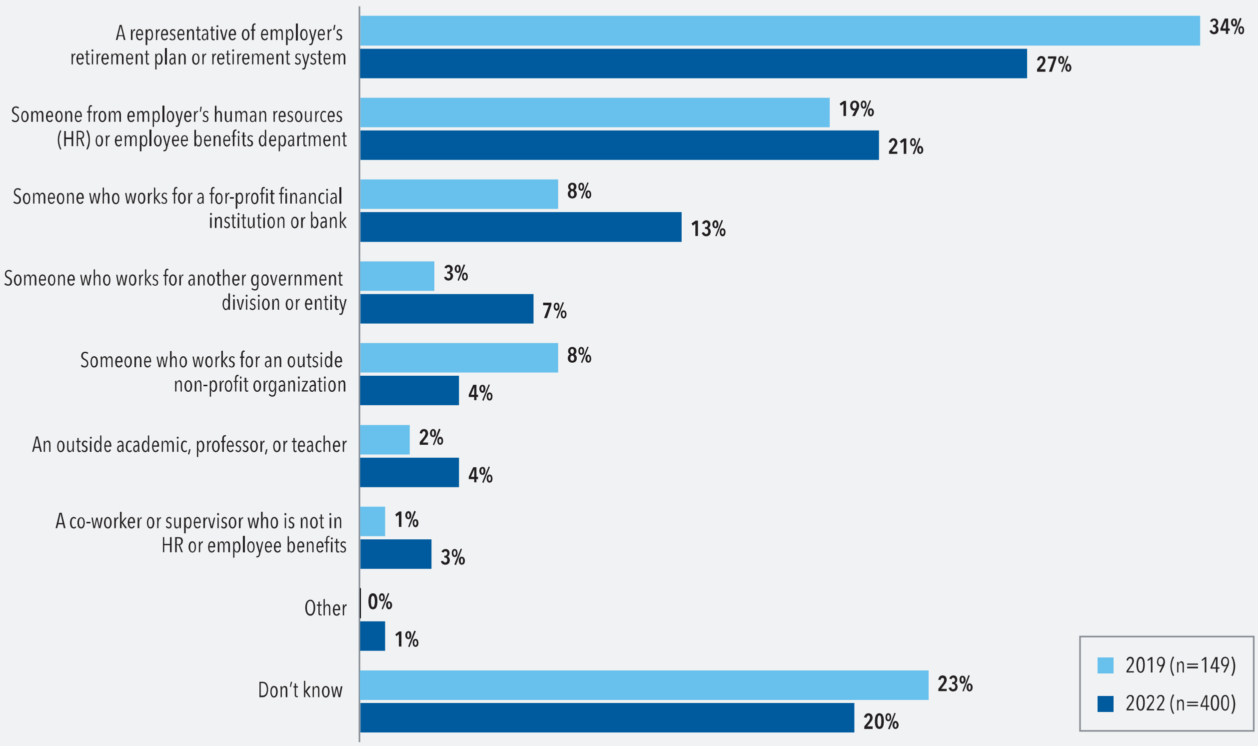
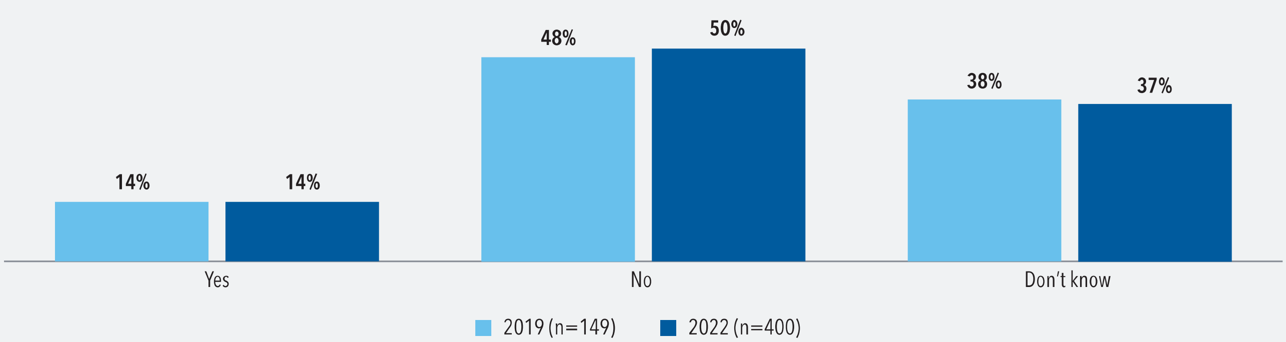


Figure 19 **Program Offered to Non-Employees?**



When financial literacy programs are offered, they are sometimes tailored to different portions of the workforce to address the unique needs of those groups. For example, 18% of programs are tailored by life/career stage, while 15% are tailored by type of employee (Figure 20). Meanwhile, about one in three respondents offered a program say their program is not tailored, and another 30% do not know whether their program is tailored. These percentages are similar to those observed in 2019.

All respondents were also asked whether they believe that financial literacy programs should be tailored to different portions of the workforce to address unique needs. As shown in Figure 21, two in three respondents (68%) believe that these programs should be tailored to diverse groups of employees.

Figure 20 **Is Your Financial Literacy Program Tailored?**

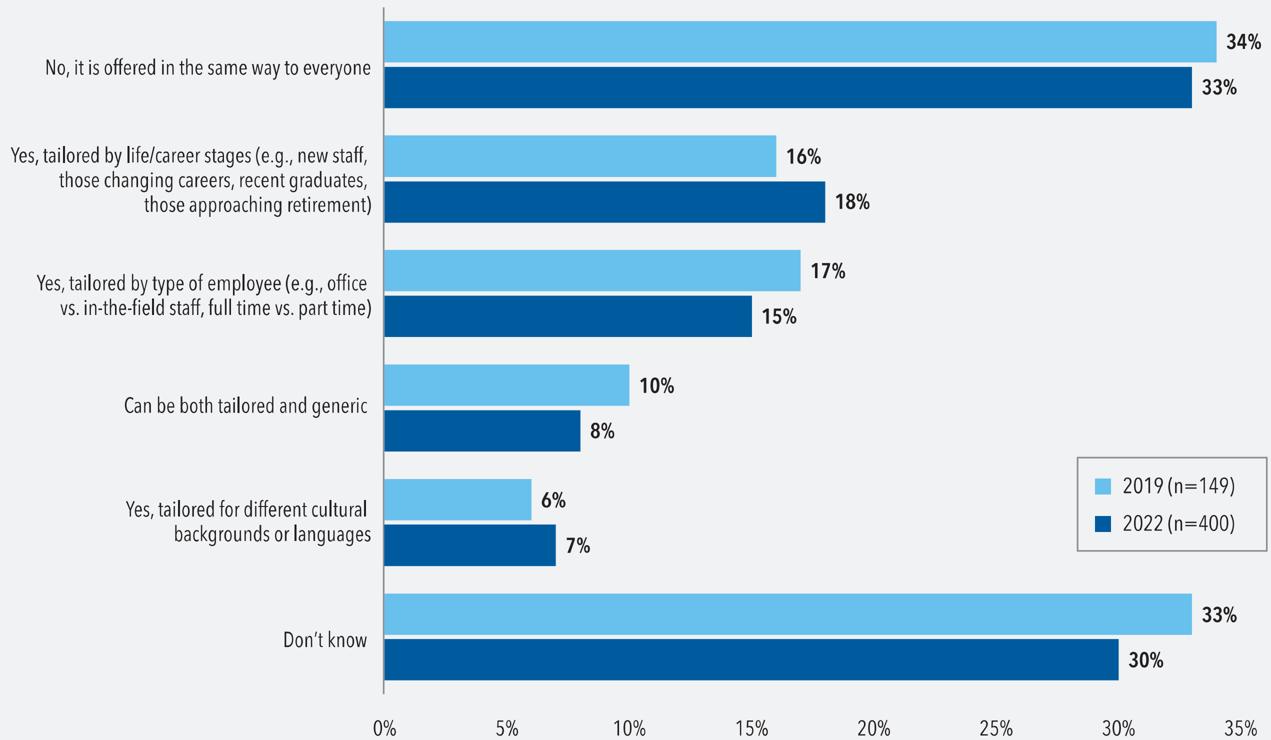
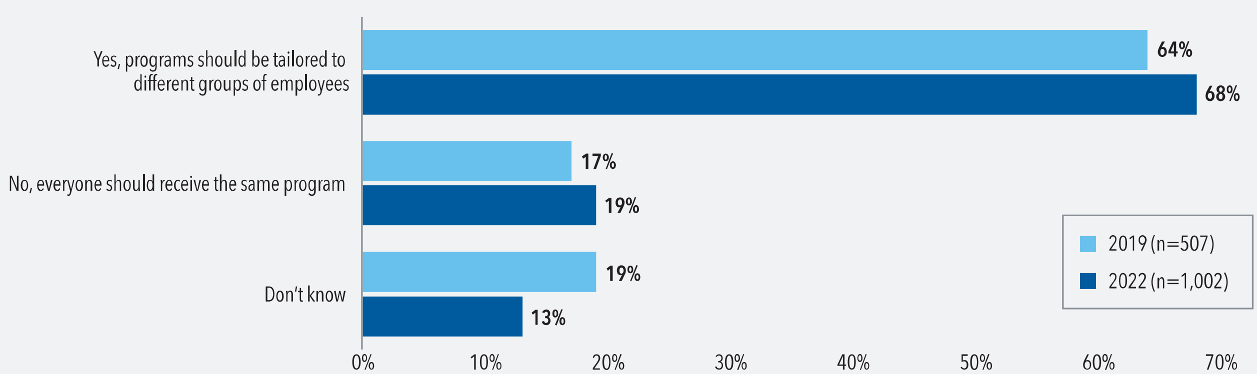
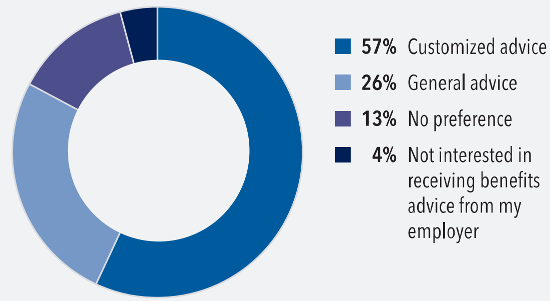


Figure 21 **Should Programs Be Tailored?**



Asked what form of guidance, if any, they would be most interested in receiving from their employer concerning how to maximize the value of their employee benefits, such as retirement plans, insurance, and voluntary benefits elections, more than half of respondents (57%) preferred customized advice (Figure 22). While one in four preferred general advice, another 13% reported no preference. Only 4% of respondents were not interested in receiving any benefits advice from their employer.

Figure 22 **Preferred Type of Benefits Advice from Employer** (n=1,002)



Program Satisfaction and Evaluation

In 2022, respondents offered a financial literacy program were asked a series of questions about tracking the program effectiveness. As shown in Figure 23, only 18% of those offered a financial literacy program report that their employer tracks the success or effectiveness of the program. In contrast 41% report that program effectiveness is not tracked, and another 41% do not know whether this is tracked.

For examples of tracking methods utilized by public sector employer-based financial literacy and education programs, see **Fact Sheets: Innovative Public Sector Employee Financial Wellness Programs.**

Among those respondents whose employers track program success or effectiveness, the majority (75%) report that results of the program evaluation are shared, either with organizational leadership (33%) or with all employees (42%; see Figure 24).

Figure 23 **Does Employer Track Success or Effectiveness of Program?** (n=400)

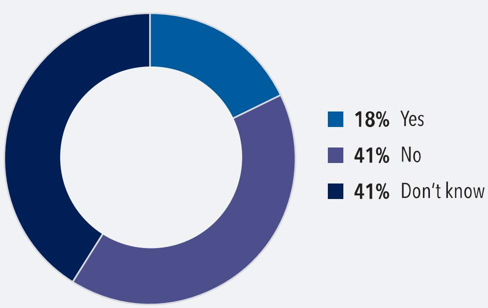
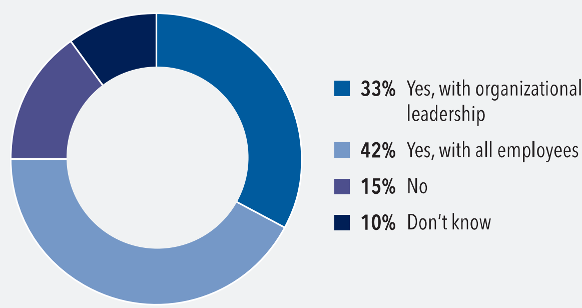


Figure 24 **Does Employer Share Results of Program Evaluation?** (n=64)



Of those who participate in their employer's financial literacy program, more than two in three (68%) are very or somewhat satisfied with the program (Figure 25). Only 6% report being somewhat or very dissatisfied. While program satisfaction in 2022 has remained at a similar percentage as in 2019, the share of respondents reporting being "very satisfied" with their program has increased substantially, from 18% in 2019 to 31% in 2022.

Respondents participating in their employer's financial literacy program were also asked about how participation has impacted several behaviors. Results are displayed in Figure 26. More than two in three respondents (68%) agreed that their employer's financial literacy program has led them to make changes to their financial behaviors, such as increasing their savings or reducing their debt. More than half of respondents also reported that their employer's financial literacy program has bolstered their overall financial health (62%), makes them less worried about their finances and more productive at work (60%), and has improved their general morale at work (52%).

Figure 25 **Satisfaction with Program**

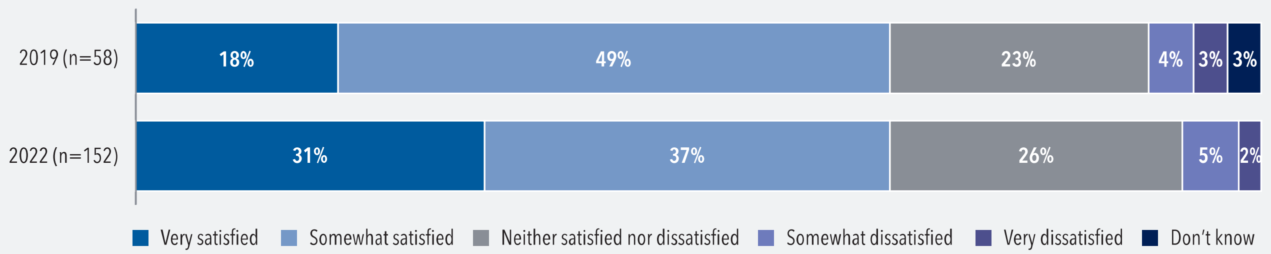
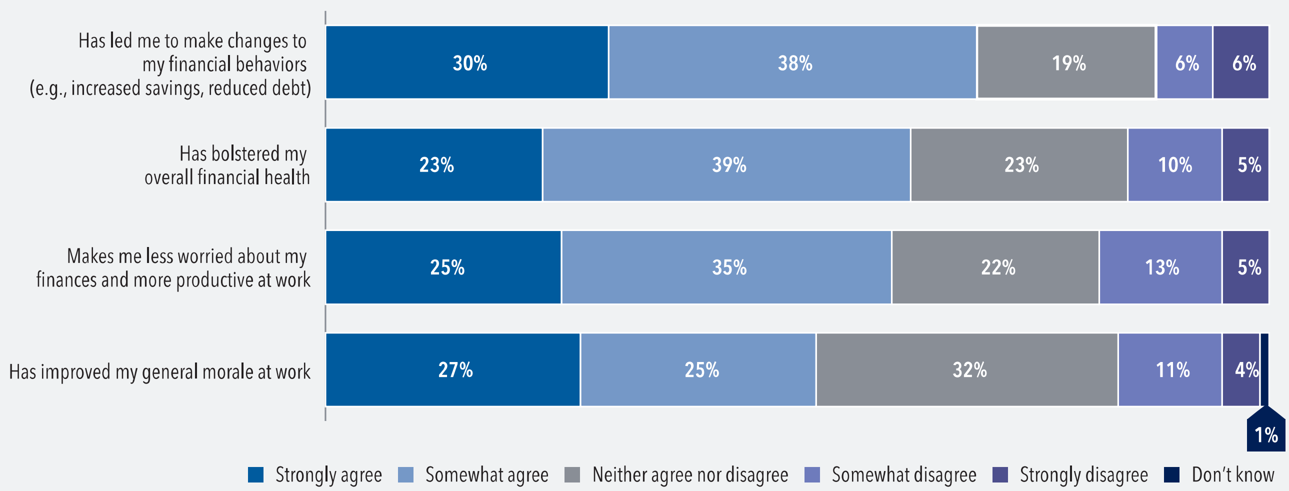


Figure 26 **My Employer's Financial Literacy Program...** (n=152)



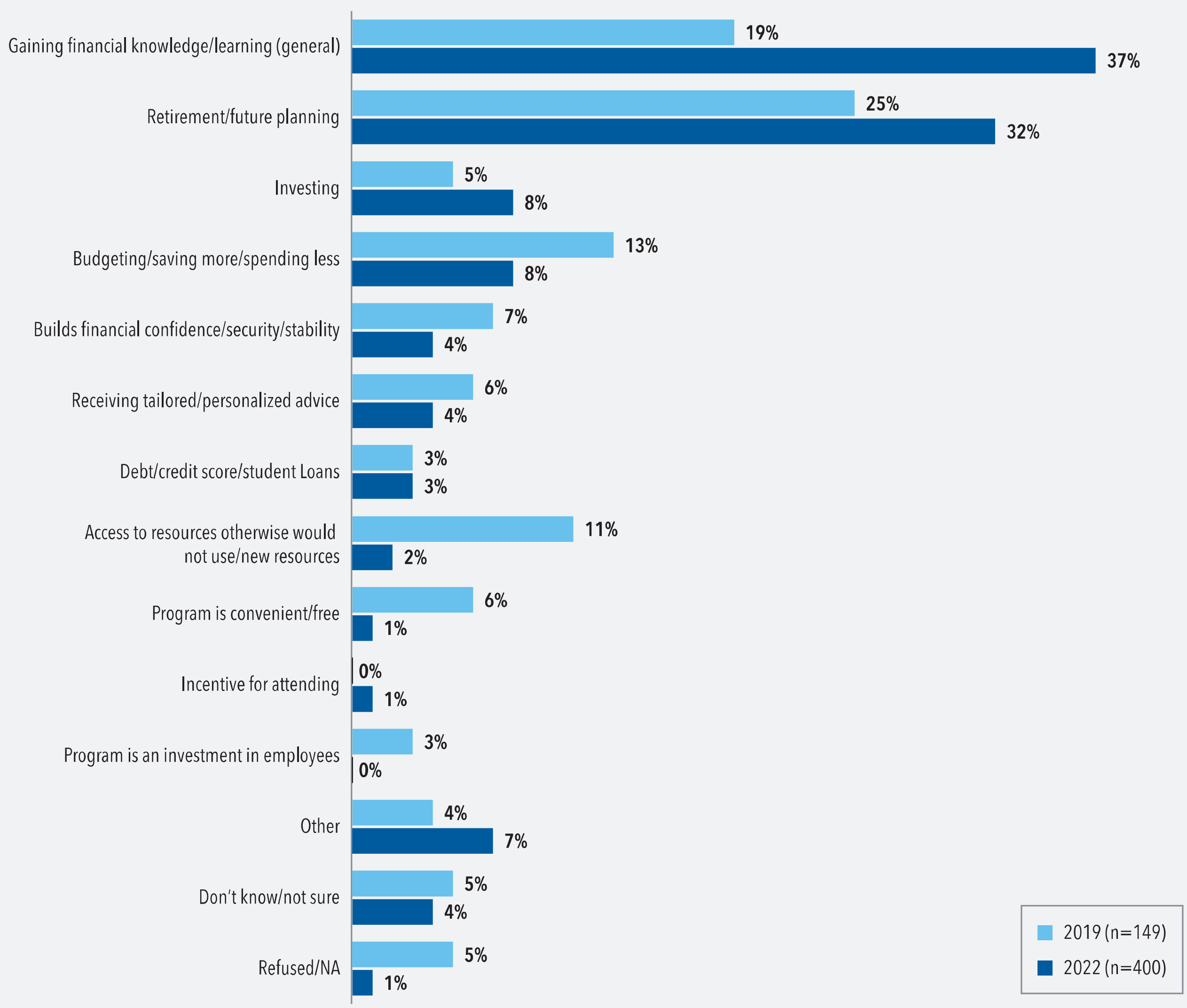
Those currently being offered a financial literacy program were asked to indicate in their own words what has been (or what they think would be) the most beneficial aspect of participating in their employer's financial literacy program. Responses were coded and are presented in Figure 27.

Respondents were most likely to describe gaining financial knowledge or learning in general (37%), help with retirement and future planning (32%), and help with budgeting/saving more or spending less and help with investing (both 8%). The first three were also the three most popular responses in 2019.

There were several notable changes from 2019 to 2022, with substantive increases in the percentages of respondents in 2022 who described the most beneficial aspect of participating in their employer's financial literacy program as gaining financial knowledge or learning in general (nearly doubling from 19% in 2019 to 37% in 2022), and help with retirement and future planning (increasing from 25% in 2019 to 32% in 2022).

Conversely, in 2022, respondents were significantly less likely to report access to resources they otherwise would not use/new resources as the most beneficial aspect of program participation. The percentage reporting this as the most beneficial aspect dropped from 11% in 2019 to 2% in 2022. This may point to the increase in availability of free, online, publicly available financial wellness program resources over the past several years.

Figure 27 **Most Beneficial Aspect of Program Participation**

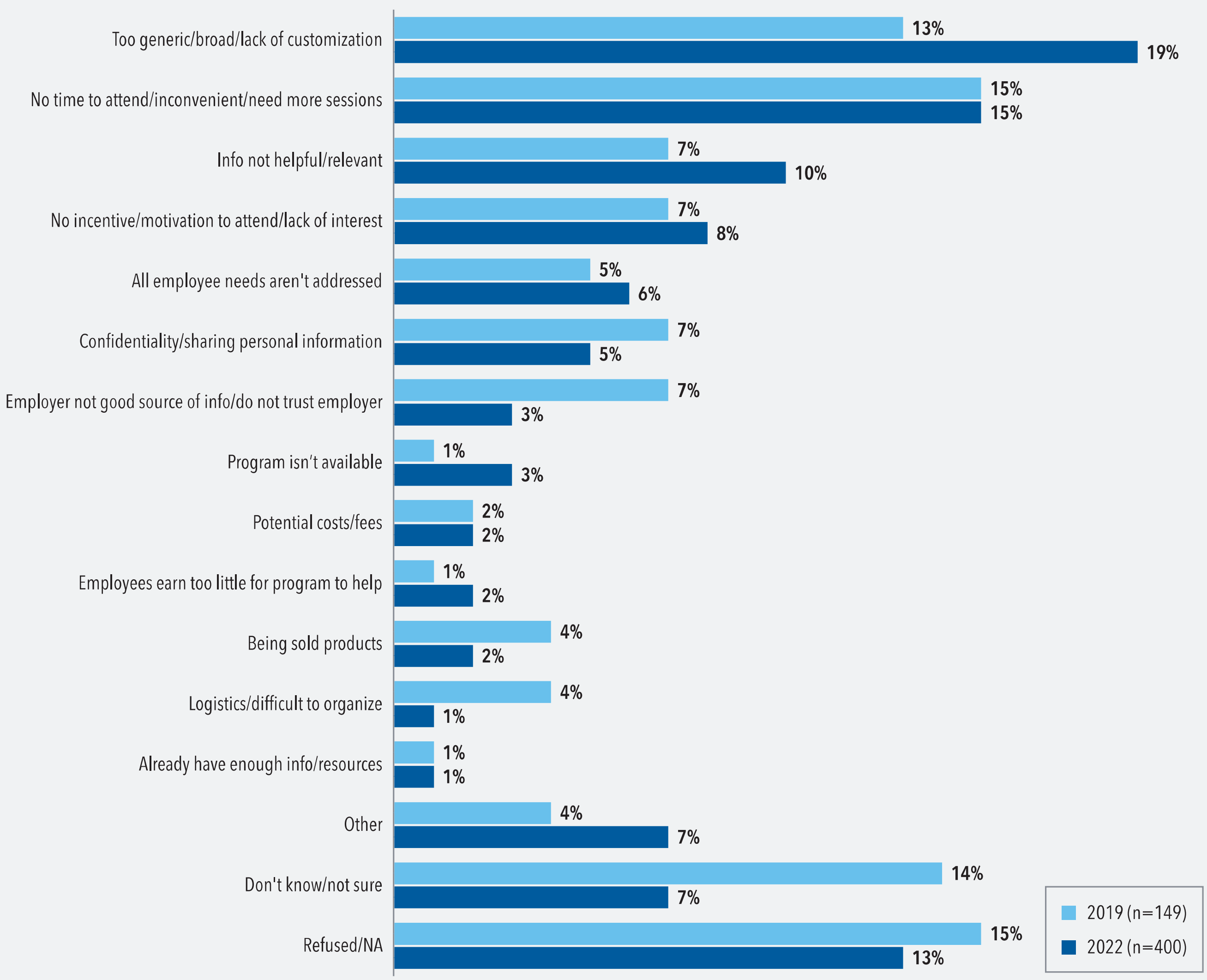


Those being offered a financial literacy program were also asked to describe in their own words what the greatest weakness/problem is – or would be – of a financial literacy program offered through their employer. Responses were coded and are presented in Figure 28.

Respondents were most likely to describe the program being too generic/broad/lacking customization (19%), having no time to attend or it being inconvenient to attend (15%), and the information provided not being helpful or relevant. These were also the three responses most frequently endorsed in 2019.

Between 2019 and 2022, the share of respondents indicating that the program is too generic or broad increased by six percentage points. This may suggest increased interest in or expectation of more customized programs as employer-based financial literacy programs become more common, readily available, and comprehensive. The share of respondents reporting that they were not sure or did not know of program problems/weaknesses decreased from 14% in 2019 to 7% in 2022, perhaps indicative of increased familiarity with employer-based financial literacy programs and some of the strengths and weaknesses of these programs.

Figure 28 **Biggest Program Weakness/Problem**



Overall, respondents feel that it is important for their employer to offer a financial literacy program; 71% believe that it is at least somewhat important, and 36% believe it is extremely or very important. In contrast, only 6% believe it is not at all important (Figure 29). These percentages have shown a modest increase from 2019, when 65% believed that it was at least somewhat important for their employer to offer a financial literacy program.

When respondents reporting that it is at least somewhat important for employers to offer a financial literacy program were asked to explain why, the most frequently reported responses were that it is a good benefit/nice to have offered (39%), everyone can benefit from financial education (15%), and it helps people prepare for retirement (14%; Figure 30). These were also the three most commonly endorsed responses in 2019, though the percentage reporting that it is a good benefit/nice to have it offered increased significantly over time, from 24% in 2019 to 39% in 2022.

Figure 29 **Importance of Employer-Offered Financial Literacy Program**

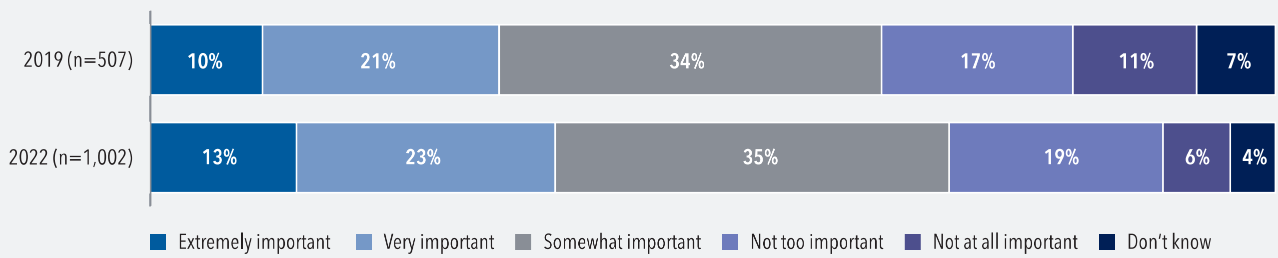
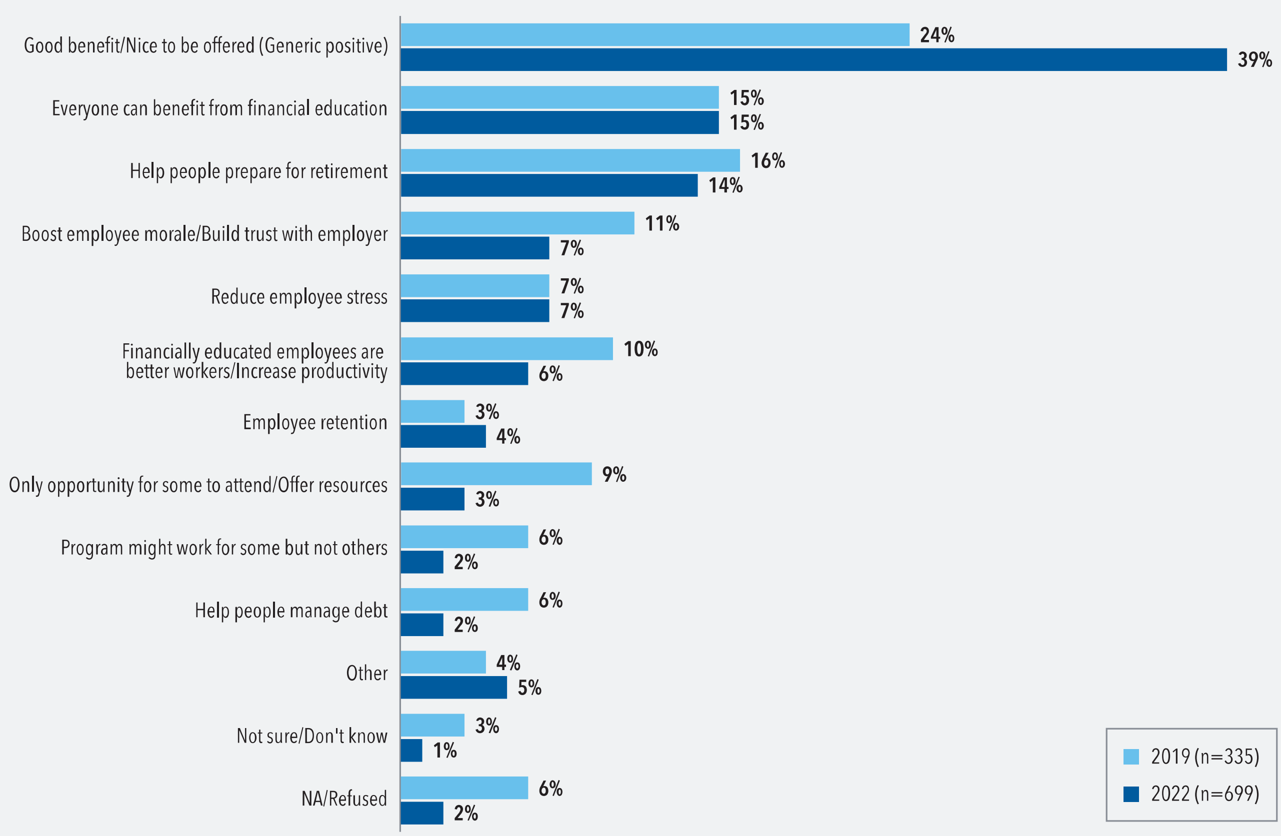


Figure 30 **Why Important for Employer to Offer Program**



This increase may at least in part be due to the increased interest that respondents have had in educating themselves about finances because of the pandemic (see Figure 33).

When asked about their satisfaction with employee benefits, 46% of all respondents reported being very or somewhat satisfied with the education, training, and professional development opportunities offered by their employer; this a slight increase from 43% in 2019 (Figure 31).

And nearly three in four respondents (73%) reported being very or somewhat satisfied with the employee benefits in general offered by their employer (Figure 32). Again, this represents a slight increase from 2019, when 70% reported being at least somewhat satisfied with these other employee benefits.

Figure 31 **Satisfaction with Education, Training, and Professional Development Opportunities Offered by Employer**

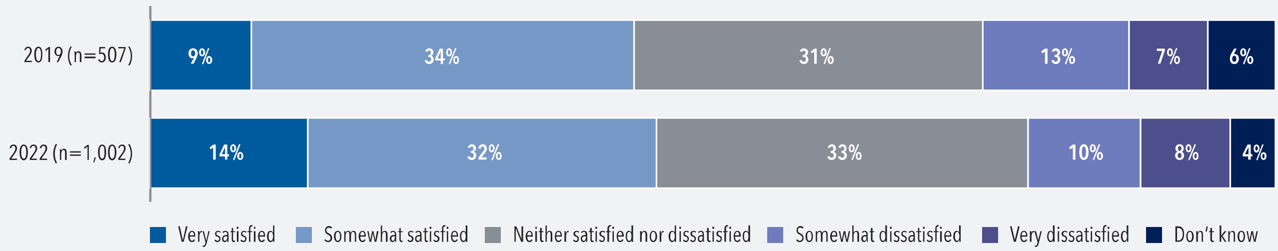
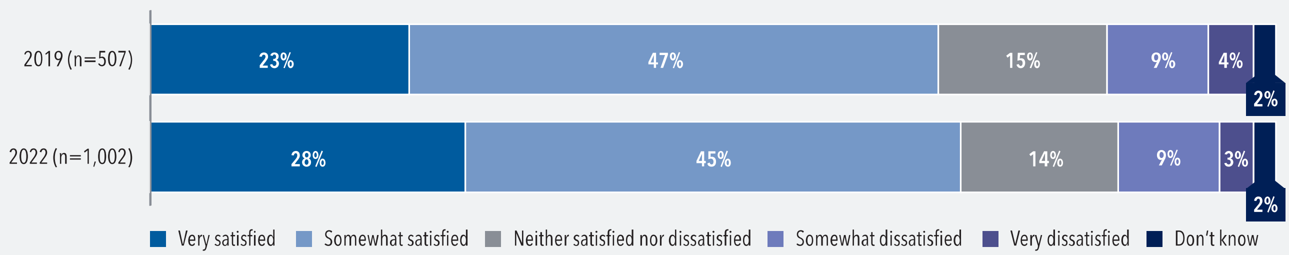


Figure 32 **Satisfaction with Employee Benefits in General Offered by Employer**

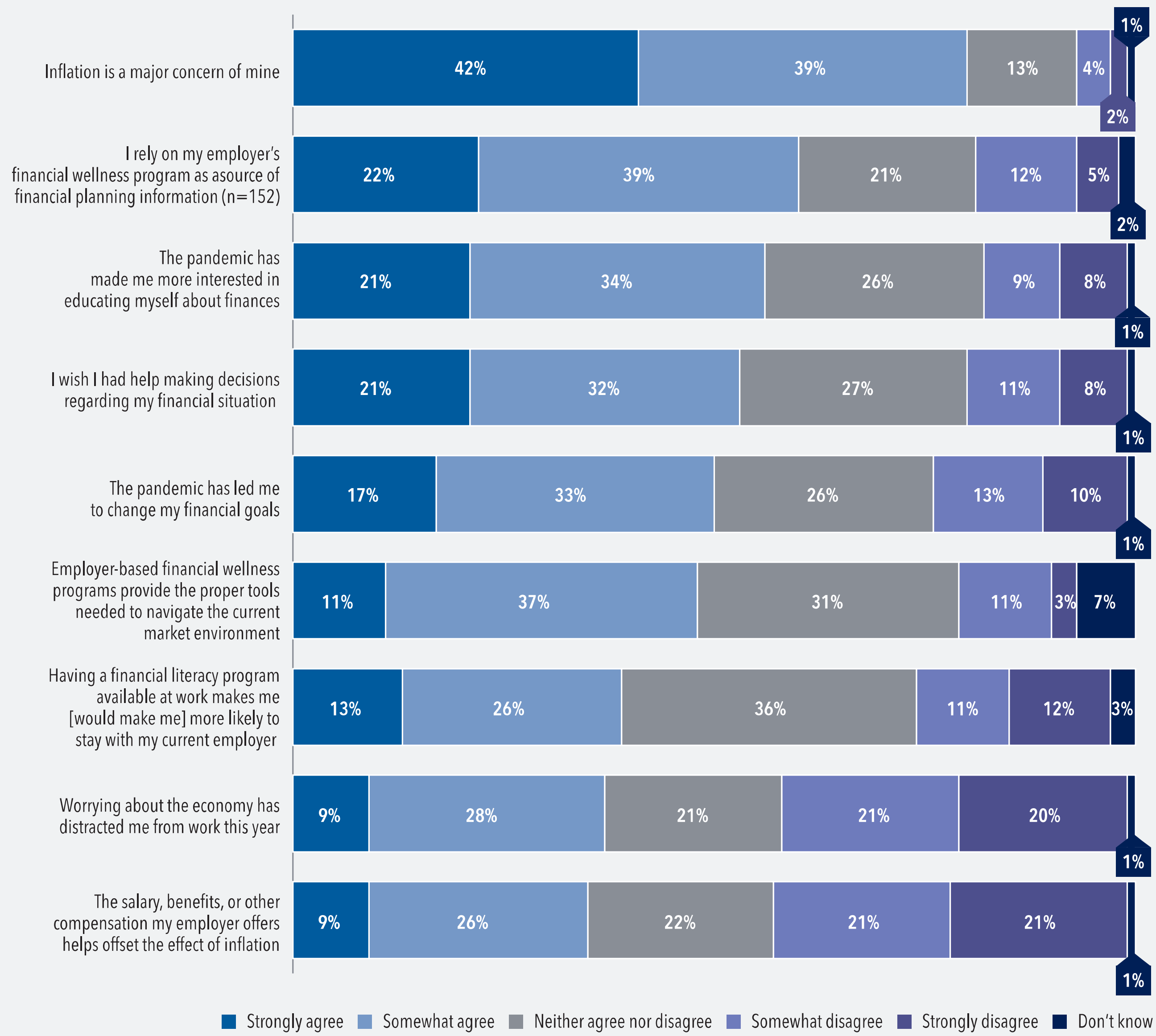


Financial Profile of Respondents

Finally, respondents were asked a series of questions to elicit further details about their financial profile and views on financial issues.

Respondents were most likely to report that inflation is a major concern of theirs (80% strongly or somewhat agreed), that they rely on their employer's financial wellness program as a source of financial planning information (61%), and that the pandemic has made them more interested in educating themselves about finances (56%; Figure 33). More than half of respondents also wish they had help in making decisions regarding their financial situation, and indicated that the pandemic has led them to change their financial goals. Meanwhile, just over one in three agreed that the salary, benefits, or other compensation their employer offers helps offset the effect of inflation.

Figure 33 **Views on Financial Issues** (n=1,002)



More than half of survey respondents (58%) report that they are being offered a defined benefit[6] retirement plan through their employer, and slightly fewer (53%) are being offered a defined contribution[7] plan through their employer (Figure 34).

Of those being offered a defined benefit plan, the vast majority (88%) are participating in the plan. And of those being offered a defined contribution plan through their employer, 81% are participating in the retirement plan (Figure 35).

Among those participating in a defined benefit retirement plan through their employer, nearly three in four (74%) report that they are currently vested based on their years of employment, having worked at least the minimum number of years required to be eligible to collect benefits at retirement (Figure 36).

Figure 34 **Type of Retirement Plan Offered through Employer** (n=1,002)

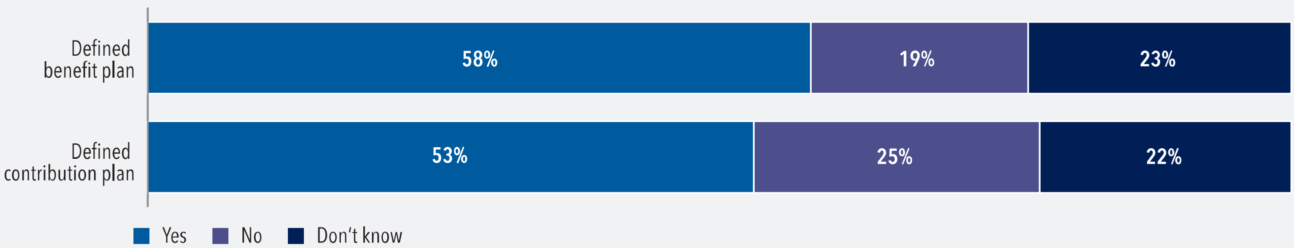


Figure 35 **Type of Retirement Plan Participating in through Employer** (of those being offered such a plan)

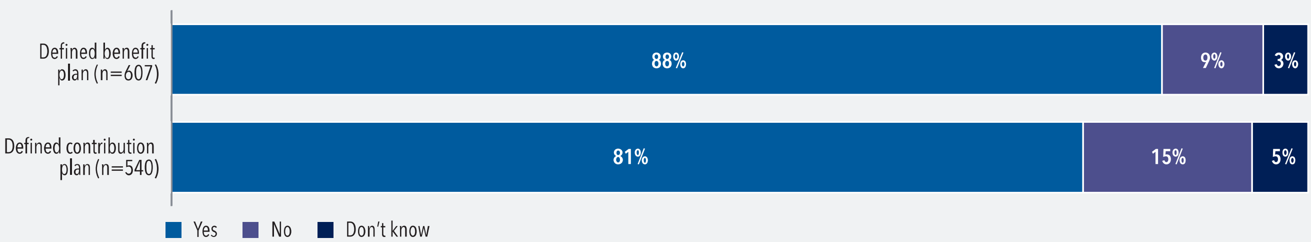
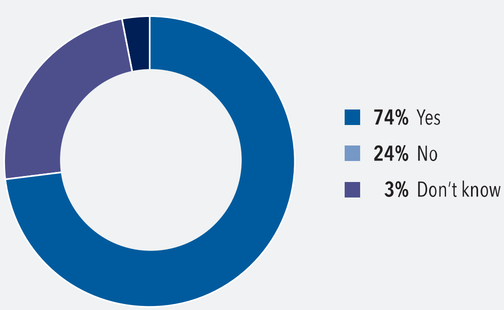


Figure 36 **Vested in Defined Benefits Plan?** (n=539)



Debt is a problem for many survey respondents, with 63% reporting that it is either a major or a minor problem for them (Figure 37). Only 11% report not having any debt. While the share of those reporting any debt has remained fairly consistent since 2019 (decreasing by 2 percentage points), the percentage of respondents who consider their current level of debt a problem has increased by 8 percentage points from 2019 to 2022, potentially a cause for concern.

When it comes to confidence in making financial decisions on their own, 38% of respondents report that they are extremely or very confident in doing so (Figure 38). This is a modest decrease from 43% reporting being extremely or very confident in 2019. Conversely, 14% are not too confident or not at all confident making financial decisions on their own, a minor increase from 2019, when 10% reported not being confident.

Figure 37 **Current Level of Debt**

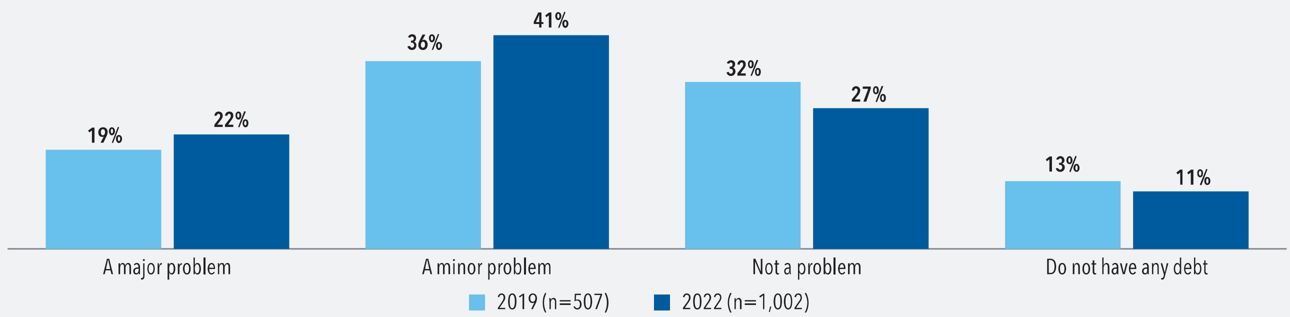
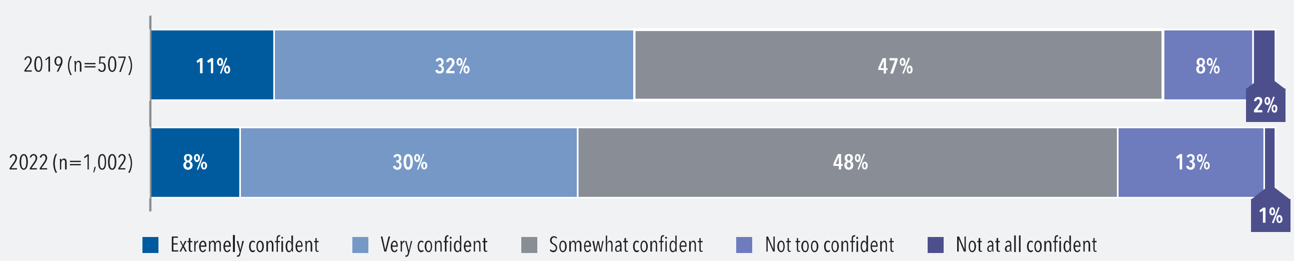


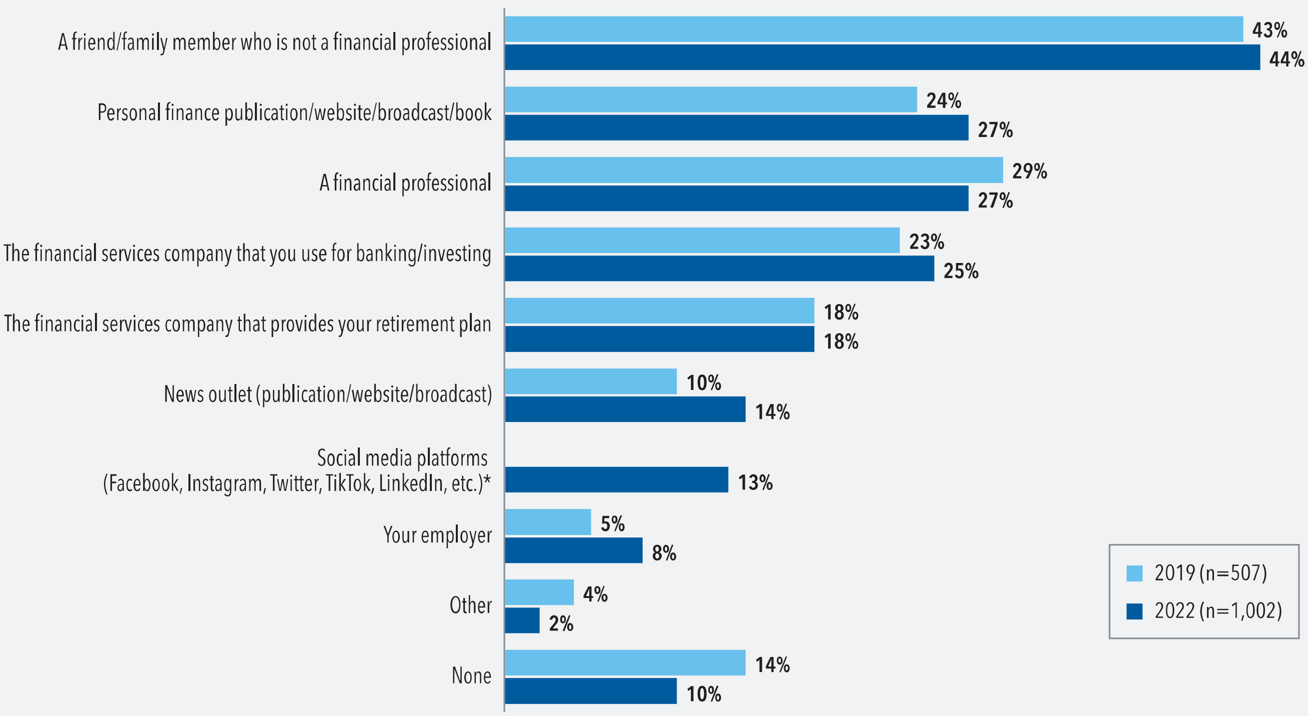
Figure 38 **Confidence Making Financial Decisions on Own**



When looking for financial information or to better understand a financial topic, respondents are most likely to turn to a friend or family member who is not a financial professional (44%); a financial professional (27%); or a personal finance publication, website, broadcast, or book (27%; see Figure 39). These were also the top three sources that respondents typically turned to in 2019.

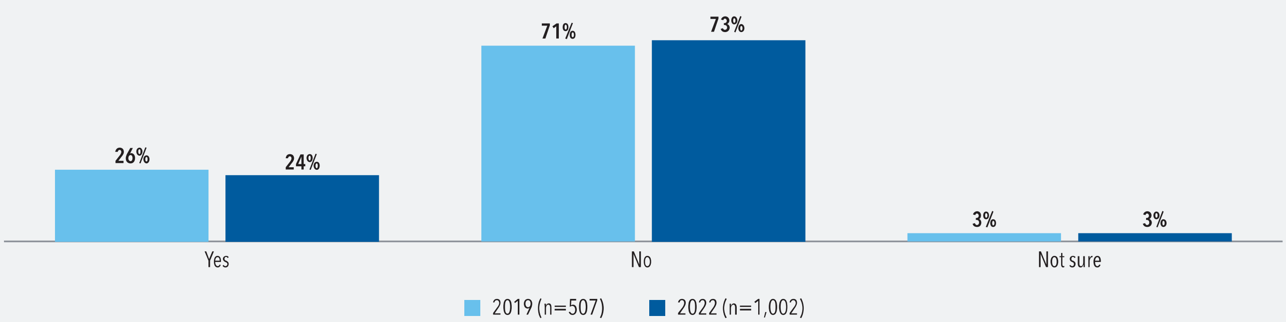
Just under one in four respondents (24%) report that they currently work with one or more financial professionals (Figure 40). This is nearly the same percentage that reported doing so in 2019.

Figure 39 **Sources for Financial Information**



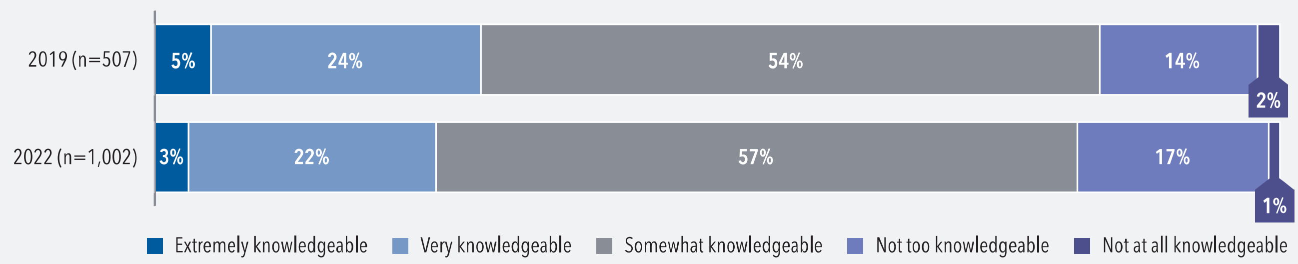
*This response option was added in 2022.

Figure 40 **Work with Financial Professional(s)?**



When asked to rate their knowledge about money or finances in general, one in four (25%) described themselves as extremely or very knowledgeable, while 18% considered themselves not too knowledgeable or not at all knowledgeable (Figure 41). These percentages are similar to those observed in 2019, with respondents considering themselves slightly less knowledgeable about money or finances in general in 2022.

Figure 41 **Perceptions of General Financial Knowledge**



Conclusion

Widespread challenges such as high levels of inflation and market volatility are just two examples of the myriad of financial concerns that state and local government employees are facing. These concerns can impact not only their short- and long-term financial security, but also their ability to do their jobs effectively.

The results of this survey indicate that there has been an increase in the past three years in the percentage of public sector employees who have access to a financial literacy or financial education program through their employer. And many more respondents would like to participate in such a program if offered one.

When public employees do participate, they are generally satisfied with these programs, reporting that the programs have led them to make positive changes to financial behaviors (e.g., increasing savings and reducing debt) and improve their overall financial health. The majority of all survey respondents believe that it is important for their employer to offer a financial literacy or financial education program.

The survey results also point to several clear areas of opportunity for improvement in financial literacy or financial education program design and implementation. These include better communication about the program overall and specific program components (e.g., incentives for participating, the medium(s) through which it is being offered, who administers the program), better aligning program topic offerings with employee interests, expanding program offerings to non-employees (e.g., spouses and dependents), and tracking the effectiveness and success of the program.

Effective employer-based financial literacy programs can improve employee financial health, productivity at work, and even boost overall morale. In today's tight labor market, offering financial literacy or financial education programs can provide public sector employers with a much-needed competitive advantage as they look to recruit and retain a skilled and diverse workforce for the future.

Additional Resources

MissionSquare Research Institute

(Formerly the Center for State and Local Government Excellence)

Financial Literacy Programs for Local Government Employees (January 2019)

Financial Wellness Programs: What Do Public Sector Workers Want and Need? (October 2019)

A Focus on Public Sector Financial Wellness Programs: Employee Needs and Preferences (April 2020)

Financial Wellness Programs for State and Local Employees: A Quick Reference Guide (July 2020)

Case Studies of Successful Local Government Financial Wellness Programs (October 2020)

Stakeholders Meeting on Developing A Cooperative Approach to Financial Wellness (April 2021)

Fact Sheets: Innovative Public Sector Employee Financial Wellness Programs (January 2022)

Case Studies of Innovative Public Sector Employee Financial Wellness Programs (February 2022)

Partner Organizations

Resources – State & Local Financial Wellness Programs (NAST)

Resources – Financial Wellness Research (NAST)

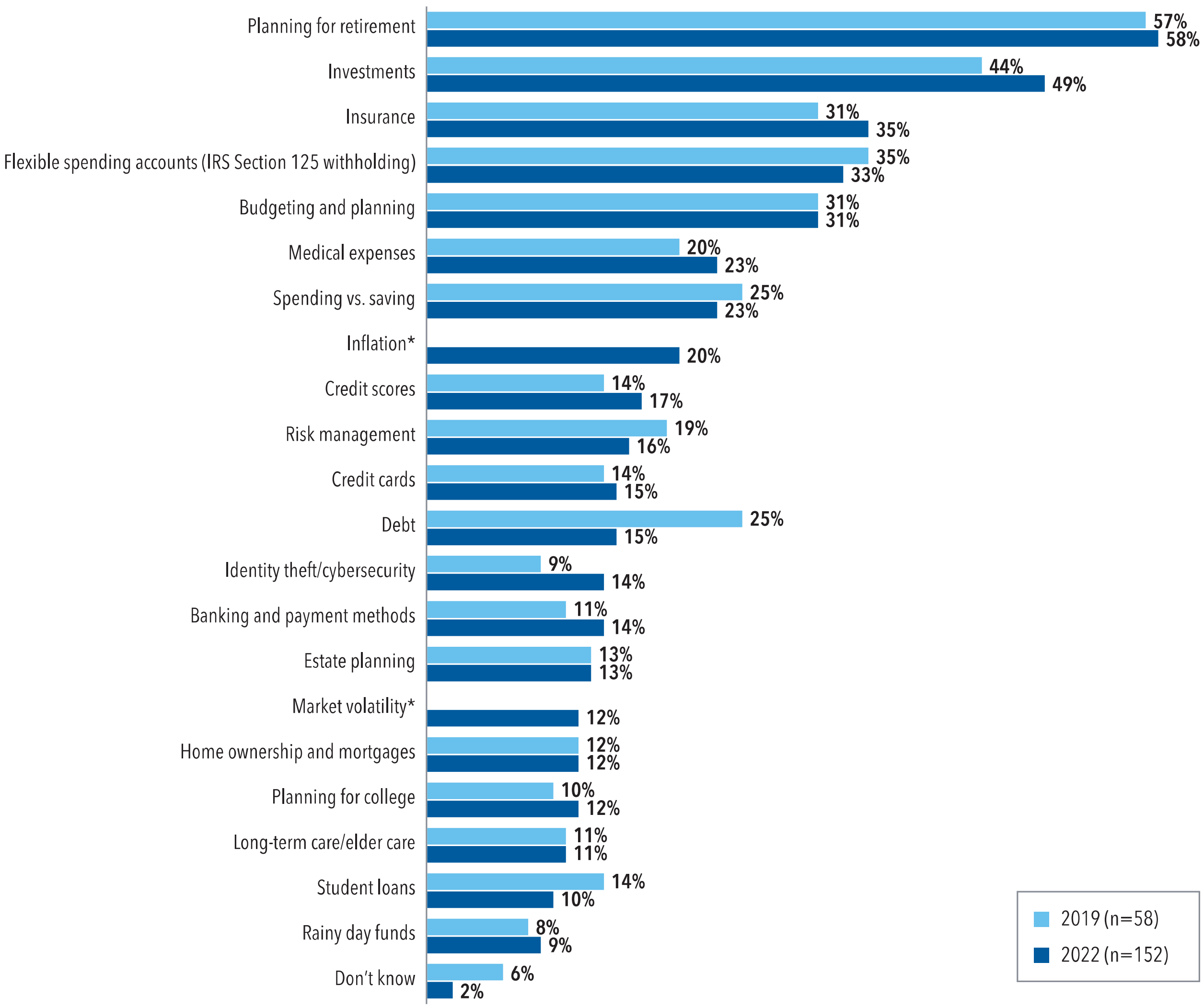
Appendix

Changes from 2019 to 2022 in topics covered by financial literacy programs, as well as topics of interest among program participants and non-participants are displayed in Figures 12a-12c.

As can be seen in Figure 12a, the percentage of financial literacy programs offering each topic has not changed drastically in the past three years for most topics. A notable exception to this is debt, a topic that was offered by 25% of financial literacy programs in 2019, but only 15% in 2022. With the in-person presentations or printed content going on pause (perhaps from a local bank, non-profit, or community college), content may have been more likely to have been provided virtually by a benefits provider (pension plan or insurance company), and thus focus less on the topic of debt.

Given the sizable percentage of employees reporting that debt is a problem for them (see Figure 37), and who are interested in it as a topic (see Figure 12), it would behoove employer-based financial literacy programs to consider a return to devoting more time to this topic.

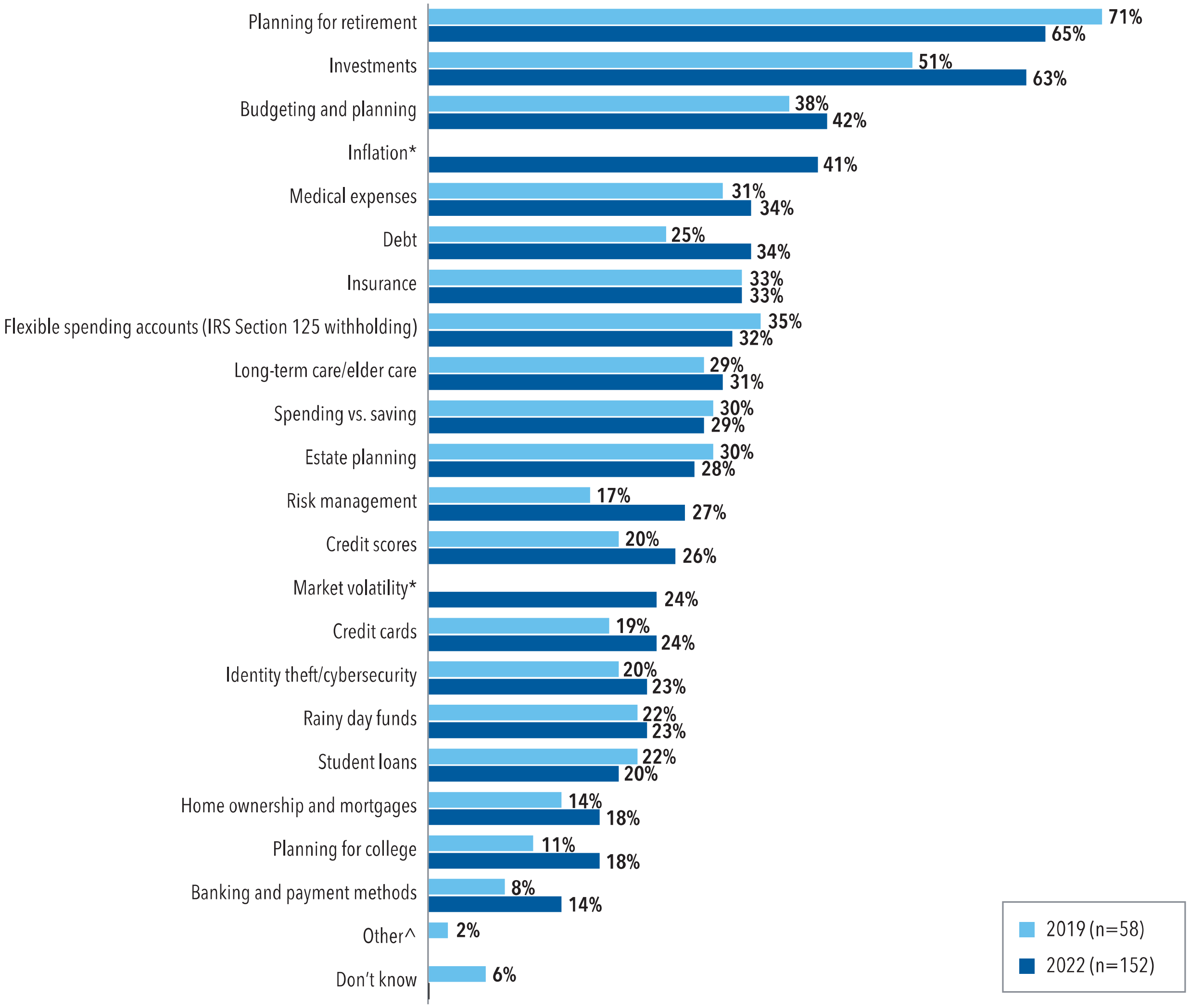
Figure 12a **Changes in Topics Being Covered, 2019-2022**



*"Inflation" and "Market volatility" were new response options in 2022.

Changes from 2019 to 2022 in topics of interest among those participating in a program are displayed in Figure 12b. Again, most topics did not show substantive changes in interest among program participants from 2019 to 2022. There are, however, several notable exceptions. Interest in investments jumped from 51% in 2019 to 63% in 2022. With inflation impacting the value of savings and current income, investments and rate of return may be of greater importance to respondents in 2022. Next, interest in debt increased from 25% of program participants in 2019 to 34% of program participants in 2022, likely at least in part due to financial struggles experienced by many over the course of the COVID-19 pandemic. Further, interest in risk management increased from 17% in 2019 to 27% in 2022, a finding that may be at least partially attributable to recent increases in market volatility. Finally, interest in planning for college increased from 11% in 2019 to 18% in 2022. This increase could also be related to inflation and investment concerns. As tuition increases and savings are now worth less than they were prior to the rise of inflation, respondents may need to focus more attention on how they are planning to save for college.

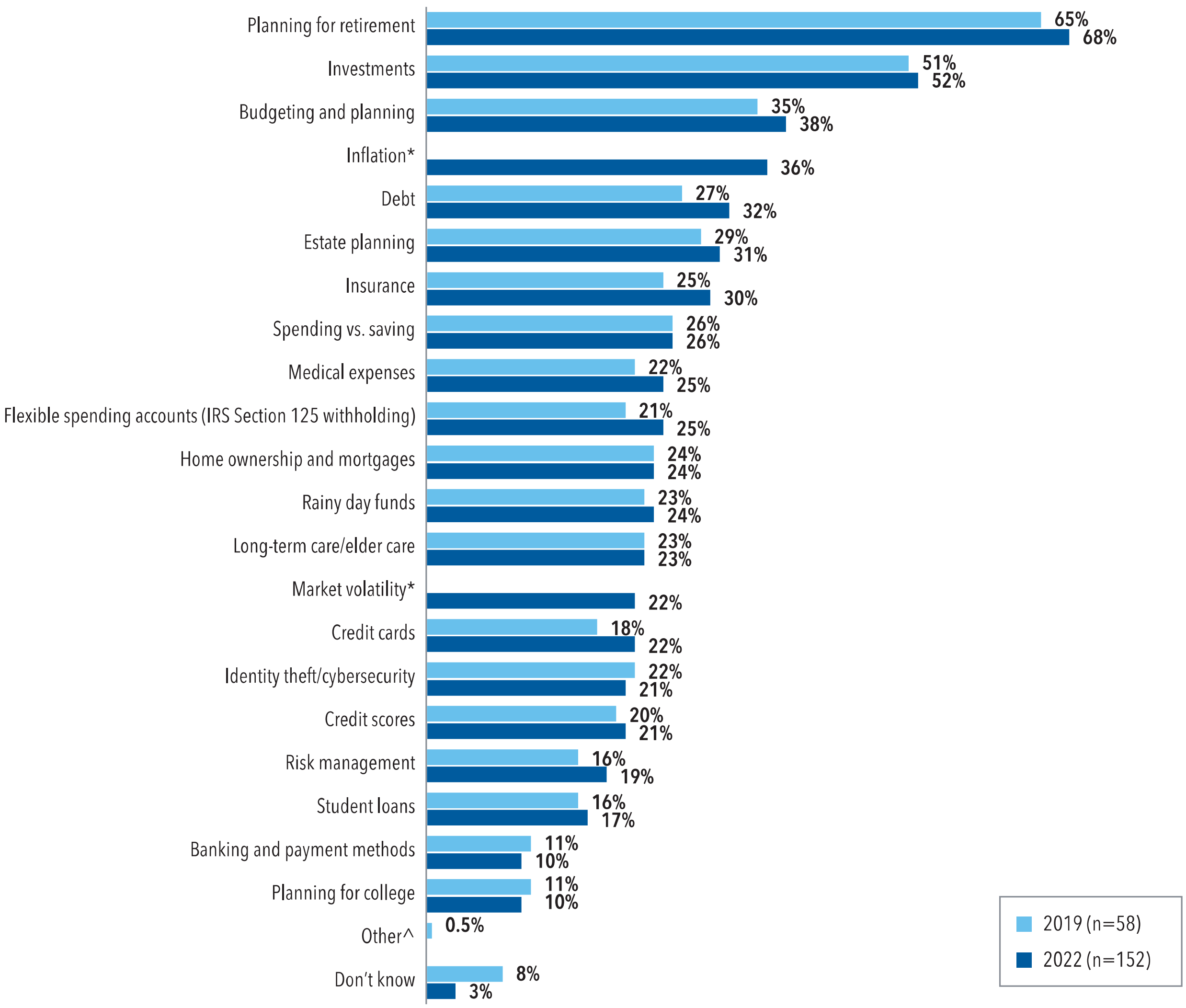
Figure 12b **Changes in Topics of Interest among Program Participants, 2019-2022**



*"Inflation" and "Market volatility" were new response options in 2022. ^"Other" was removed as a response option in 2022.

Changes from 2019 to 2022 in topics of interest among those not in a financial literacy program are displayed in Figure 12c. There were no significant differences in topics of interest over time among those not in a financial literacy program.

Figure 12c **Changes in Topics of Interest among those Not in a Program, 2019-2022**



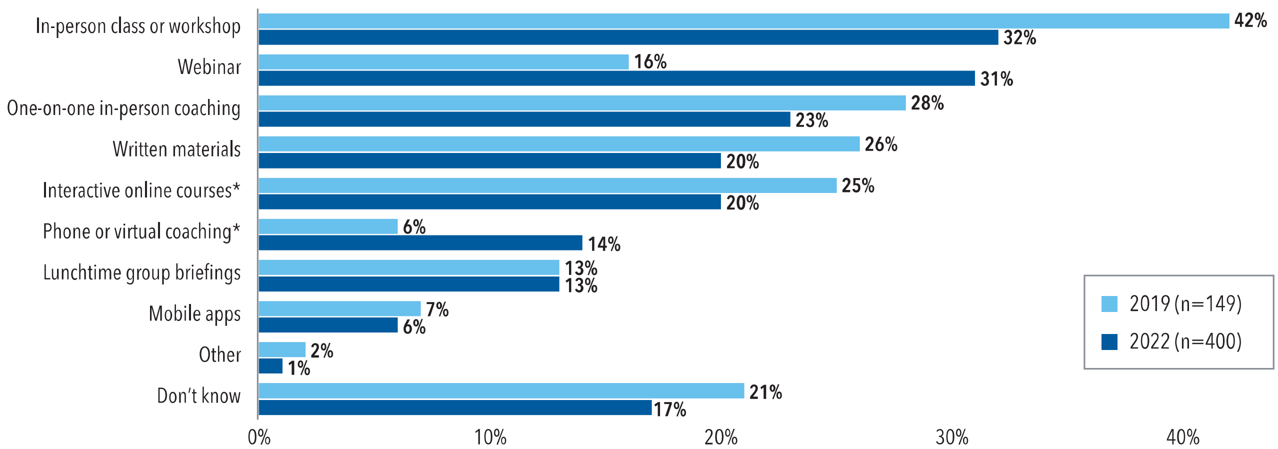
*"Inflation" and "Market volatility" were new response options in 2022. ^"Other" was removed as a response option in 2022.

Changes over time in how programs are being offered and respondents' preferred approaches for offering financial literacy programs are displayed in Figures 14a-14c.

As shown in Figure 14a, there has been a shift from 2019 to 2022 in how financial literacy programs are offered. In 2022, programs were nearly twice as likely to be offered by webinar. They were also more than twice as likely to be offered by phone or virtual coaching (though this was still not a particularly popular method). And while there was a significant decrease in the percentage of programs being offered through an in-person class or workshop (down 10 percentage points from 2019 to 2022), in-person delivery was still the most common method for offering financial literacy programs.

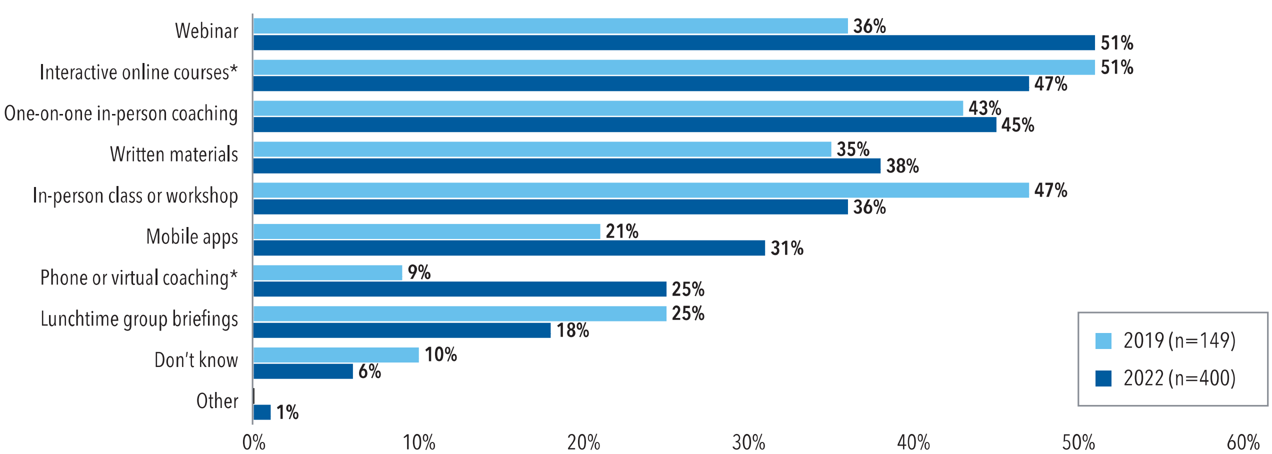
Changes in preferred approach among those currently offered a financial literacy program are displayed in Figure 14b. From 2019 to 2022, respondents' interest in programs being offered via webinar, mobile apps, and phone or virtual coaching all showed substantive increases. In contrast, interest in programs being offered through an in-person class or workshop or through lunchtime group briefings both decreased. This is likely at least partially attributable to the increase in the popularity of remote and hybrid work from 2019 to 2022. Despite the decreased interest in in-person classes, this is still the most common way that programs are being offered, as shown in Figure 14a.

Figure 14a **Changes in How Program is Currently Offered, 2019-2022**



*"Interactive online courses" was modified from the 2019 option "Online materials" and "Phone or virtual coaching" was modified from the 2019 option "Phone coaching."

Figure 14b **Changes in Preferred Approach among Those Currently Offered Program, 2019-2022**



*"Interactive online courses" was modified from the 2019 option "Online materials" and "Phone or virtual coaching" was modified from "Phone coaching" in 2019.

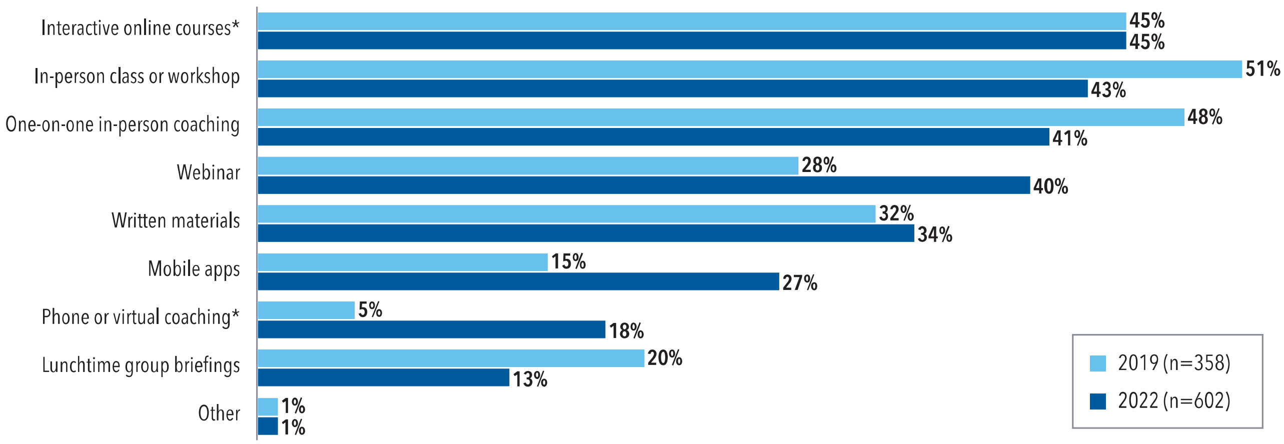
Changes in preferred approach among those **not** currently offered a financial literacy program are displayed in Figure 14c. From 2019 to 2022, there have been significant increases in the share of respondents interested in being offered programs via webinar (up from 28% in 2019 to 40% in 2022), through mobile apps (rising from 15% in 2019 to 27% in 2022), and through phone or virtual coaching (increasing from 5% in 2019 to 18% in 2022). The three approaches most preferred in 2022, however, remain the same as they were in 2019, though there has been some decreased interest observed in both in-person classes or workshops and in one-on-one in-person coaching.

Changes over time in how employers are communicating information about the program are displayed in Figure 17a.

For the most part, employer modes of communicating information about financial literacy programs have not changed much from 2019 to 2022. The exception to this is use of the employer website or intranet. While 23% of respondents reported it as a mode of employer communication in 2019, this rose to 33% in 2022.

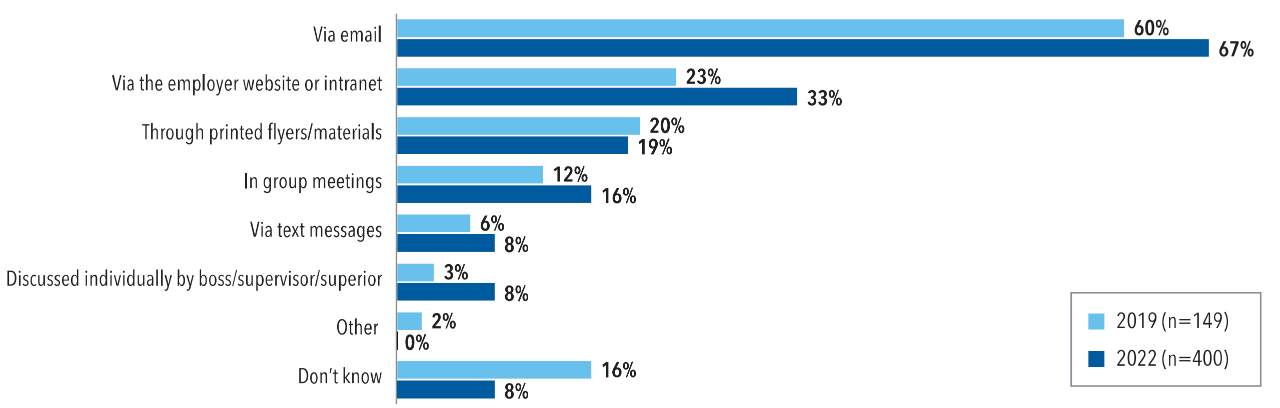
It's not clear whether this due to an actual increase in use of employer websites from 2019 to 2022 (likely a function of the increase in remote work due to the COVID-19 pandemic), an increase in the percentage of respondents who are familiar with and/or use their employer website or intranet (in 2022, the share of respondents not knowing how their employer communicated about the program decreased 8 percentage points), or some combination of factors.

Figure 14c **Changes in Preferred Approach among Those Not Offered Program, 2019-2022**



*"Interactive online courses" was modified from the 2019 option "Online materials" and "Phone or virtual coaching" was modified from "Phone coaching" in 2019.

Figure 17a **Changes in How Employer Communicates Information about Program, 2019-2022**



Endnotes

1. National Financial Educators Council, "What is Financial Literacy." Available at: **https://www.financialeducatorscouncil.org/financial-literacy-definition/**

2. The mean (average) age of respondents was 46.03.

3. U.S. Census Bureau, "**2021 Government Employment and Payroll Tables**," accessed February 16, 2023.

4. Author analysis of IPUMS-CPS. See IPUMS-CPS, "**Current Population Survey**."

5. For this item, responses of "Don't know" were reported by less than 5% of respondents and are omitted from the graph to allow for better readability of the remaining data.

6. A defined benefit plan was described to respondents as one "…that promises a specified monthly benefit at retirement. The plan may state this promised benefit as an exact dollar amount or it may calculate a benefit through a plan formula that considers such factors as salary and service."

7. A defined contribution plan was described to respondents as one "…that does not promise a specific amount of benefits at retirement. In these plans, the employee or the employer (or both) contribute to the employee's individual account under the plan. The employee ultimately receives the balance in his or her account, which is based on contributions plus or minus investment gains or losses."

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