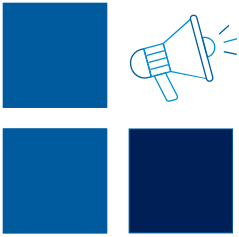


# 35 and Under in the Public Sector:

Why Younger Workers Enter and  
Why They Stay (or Don't)



September 2023



## Acknowledgements

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## Executive Summary

This report presents the results of a March/April 2023 national online survey conducted by MissionSquare Research Institute and Greenwald Research of 1,004 state and local government employees aged 35 and under, assessing motivations for working in the public sector, attitudes about current finances and financial outlook, views on employer benefits, thoughts on retirement, morale and job satisfaction, and retention issues.

The final data was weighted by gender, income, race, and industry type to reflect the distribution of this segment 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. Sample quotas were also utilized during fielding to ensure an appropriate distribution of respondents by race and industry.



### 10 Key Takeaways

1

Job security (32%), work/life balance (29%), health insurance and personal satisfaction from the job (both 28%) were most commonly cited as major or minor **factors that first attracted respondents to their current job** in the public sector (**Figure 4**).

2

Thinking about their current financial situation, the majority of respondents (70%) report that **their level of debt is a problem** for them, with 22% describing it as a major problem. Only 7% report that they do not have any debt (**Figure 7**).

3

More than 3 in 4 (76%) describe themselves as **very or somewhat stressed over the past six months**, with personal finances (61%) and work/career (58%) most often cited as big stressors (**Figures 9 and 10**).

4

While 70% of respondents believe that the **benefits compensation offered by their employer is competitive** with the labor market (**Figure 12**), fewer (53%) think their wage compensation is competitive (**Figure 28**).

5

Overall, respondents feel that they have a **good understanding of their retirement and health care benefits**, though they would be particularly interested in more information or education on how much they need to save before retiring and how much they should be saving for retirement at this stage of life (**Figure 15**).

6

77% agree they **should be saving more for retirement** than they currently do. Reasons most often reported for not saving more are not being able to afford to do so, having other saving priorities, and having too much debt (**Figures 18 and 19**).

7

Respondents were most likely to feel it is **important that the place they work** improves communities (67%), has strong team dynamics (65%), has a culture of intellectual engagement, and aligns with their values (both 64%) (**Figure 26**).

8

Despite relatively positive morale regarding work (**Figure 23**), 60% are **considering changing jobs** in the near future (**Figure 31**).

9

Overall, 48% of respondents would be very or extremely likely to **recommend a career in public service** to a friend or family member (**Figure 30**), and 46% intend to stay in public service as a career until they retire (**Figure 35**).

10

Asked to list one or two words to describe an **individual best fit to work in the public sector**, respondents most often used the words caring, compassionate, empathetic, or understanding (**Figure 36**).

## Introduction and Methods

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Recruitment and retention of a talented and diverse next generation of public sector workers remains a critical need – and challenge – for state and local governments. For more than a decade, MissionSquare Research Institute (the “Institute”) has been tracking these trends through a variety of surveys and other research methodologies, examining these issues from multiple perspectives (e.g., the employer, the employee, those interested in public service).

Since 2009, the Institute has conducted an annual survey of public sector human resources professionals in collaboration with the Public Sector HR Association (PSHRA) and the National Association of State Personnel Executives (NASPE). The results of the 2023 **State and Local Workforce Survey** highlight some of the key challenges that states and localities continue to face in recruiting and retaining the next generation of public sector workers. For example:

- **Impending retirements:** While 16% of HR managers surveyed report that the largest anticipated number of potential retirements is happening right now, another 53% believe it will take place over the next few years.
- **Hard-to-fill positions:** Vacancies for many key occupations in the public sector (e.g., police, corrections, health care, engineering) remain challenging to fill, with organizations frequently needing to reopen recruitments.
- **Connecting with younger workers:** Asked how successful efforts have been to recruit Generation Z<sup>1</sup> employees, only 3% of HR managers report that they have been “very successful” in efforts to recruit Generation Z employees.

In May of 2020, the Institute also began surveying state and local government employees approximately every six months to better understand their perspectives

on their current and future employment and finances, morale and job satisfaction, and recruitment and retention issues. Findings from these surveys, most recently **State and Local Government Employees: Morale, Public Service Motivation, Financial Concerns, and Retention**, suggest that public sector workers are feeling stressed and burned out, financially insecure, and many are considering a job change.

In addition, in collaboration with **Lead for America**, the Institute conducted a **survey** of local government fellowship applicants in 2022 to better understand what draws younger workers to public service careers. The fellowship applicants surveyed overwhelmingly reported that meaningful work is their top priority, followed by workplace culture and compensation.

The current report extends this previous research by exploring the motivations, morale, and outlook of current state and local government employees aged 35 and under. It presents the results of a survey assessing motivations for working in the public sector, attitudes about current finances and financial outlook, views on employer benefits, thoughts on retirement, morale and job satisfaction, and retention issues. It provides results from a 12-minute online survey of 1,004 full-time state and local government employees conducted by the Institute and Greenwald Research from March 15 through April 17, 2023.

The final data was weighted by gender, income, race, and industry type to reflect the distribution of this segment 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. Sample quotas were also utilized during fielding to ensure an appropriate distribution of respondents by race and industry.

## Results

### Sample Demographics

The demographic characteristics of the 1,004 survey respondents are displayed in Table 1. The majority of survey respondents are female, White or Caucasian, working for local government, have been working for their current employer less than five years, do not have children or stepchildren, have a total annual personal income of less than \$75,000, and do not currently work with one or more financial professionals.

Respondents have an average (both mean and median) age of 30 and tend to be well educated (72% have received their bachelor's or a graduate/professional degree). Respondents are about equally likely to be single (43%) as married (39%), 43% live in a suburban area, and 41% work in K-12 education. There is more variation in respondents' total household income, geographic region, and number of years working for their employer.

The demographic characteristics of the survey sample generally align with the overall state and local government workforce profile. Of the approximately 19.2 million state and local government employees who worked across the United States in 2022, 10.9 million worked in education and approximately 1.9 million were in public safety (police protection, fire protection, and corrections) with the rest filling all other state and local positions (e.g., general administration, utilities, transportation, hospitals).<sup>2</sup>

As of 2022, among the total population of state and local workers aged 35 and under, 59% are female; 77% are White; 36% are married; and 59% have a bachelor's, advanced, or professional degree.<sup>3</sup>

Table 1 **Sample Demographics** (n=1,004)

<b>Gender</b>		<b>Marital Status</b>		<b>Employer</b>		<b>Total Annual Personal Income</b>	
Male	40%	Single, never married	43%	Local government	69%	Less than \$25,000	8%
Female	60%	Married	39%	State government	31%	\$25,000 to \$49,999	39%
Prefer to self-describe	<0.5%	Not married, but living with a partner	14%	<b>Industry</b>		\$50,000 to \$74,999	31%
<b>Age</b>		Divorced or separated	4%	K-12 Education	41%	\$75,000 to \$99,999	14%
18-25	15%	Widowed	<0.5%	Public Safety	16%	\$100,000 to \$124,999	4%
26-30	35%	Prefer not to say	1%	Health & Human Services	13%	\$125,000 to \$149,999	1%
31-35	50%	<b>Children/Stepchildren</b>		Education other than K-12	10%	\$150,000 or more	2%
<b>Education</b>		Yes, under 18	36%	Transportation	5%	Don't know	<0.5%
Less than a high school diploma	0%	Yes, 18 or older	1%	Administration & Finance	4%	<b>Total Annual Household Income</b>	
Graduated high school	6%	No children/stepchildren	62%	Public Works/Utilities	4%	Less than \$25,000	5%
Some college (no degree)	12%	Prefer not to answer	1%	Parks & Recreation	1%	\$25,000 to \$49,999	22%
Associate's degree or completion of technical or vocational school	10%	<b>Region</b>		Libraries	1%	\$50,000 to \$74,999	26%
Bachelor's degree	43%	South	36%	Other	3%	\$75,000 to \$99,999	21%
Graduate/professional degree	29%	West	23%	<b>Number of Years Working with Current Employer</b>		\$100,000 to \$124,999	11%
<b>Race/Ethnicity</b>		Midwest	23%	Less than 1 year	18%	\$125,000 to \$149,999	7%
White or Caucasian	66%	Northeast	17%	1 to 2 years	25%	\$150,000 or more	6%
Hispanic/Latino/Spanish descent	18%	<b>Area Type</b>		3 to 4 years	21%	Don't know	2%
Black or African American	15%	Suburban	43%	5 to 6 years	17%	<b>Currently Work with One or More Financial Professionals?</b>	
Asian or Pacific Islander	4%	Urban	28%	7 to 9 years	11%	Yes	21%
Native American	1%	Rural	16%	10 years or more	8%	No	72%
Other	<0.5%	Small town	13%			Not sure	7%

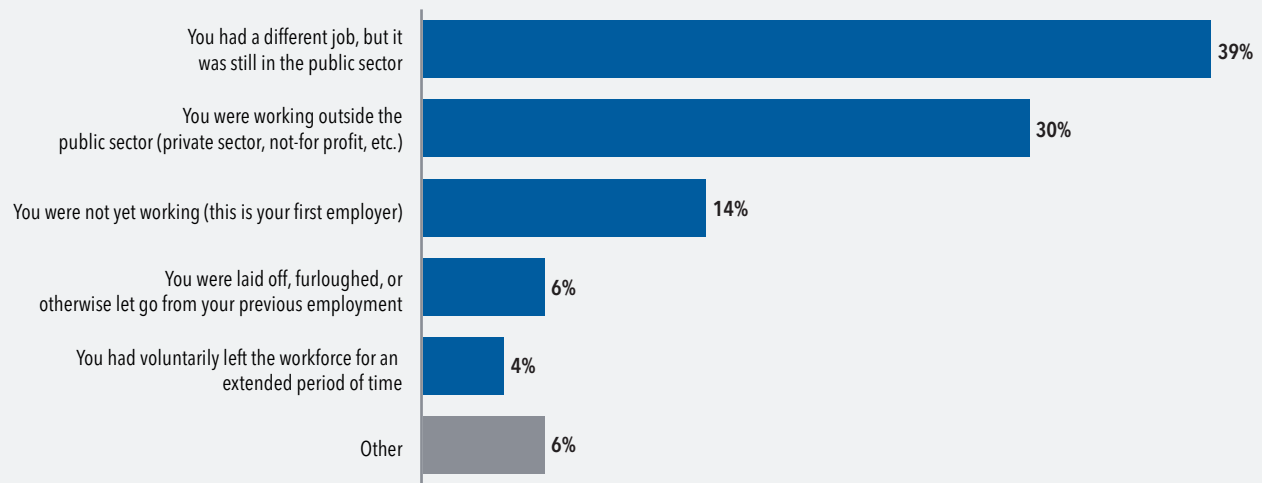
Note: Some figures may not total to 100% due to rounding or to dual responses selected for racial/ethnic identification and children/stepchildren ages.

## Work History and Motivations for Choosing the Public Sector

Prior to working for their current employer, nearly 4 in 10 respondents (39%) had a different job in the public sector (Figure 1). Another 30% were working outside the public sector (e.g., in the private sector, for a not-for-profit). For 14% of respondents, this is their first employer. The remaining 16% were either let go from their previous employment, had voluntarily left the workforce for an extended period of time, or were doing something else.

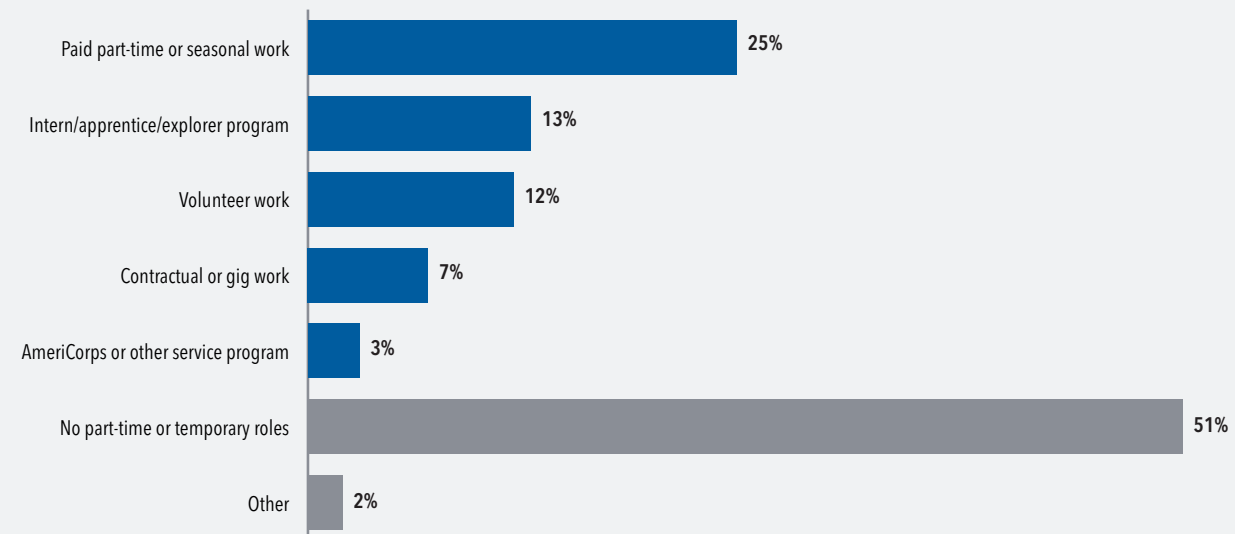
While just over half (51%) of respondents reported no prior part-time or temporary roles in state or local government, 25% indicated prior part-time or seasonal work (Figure 2). Another 25% had some other prior exposure to public service – either as part of an internship, apprenticeship, or an explorer program (13%) or through volunteer work (12%). Fewer had prior experience with contractual or gig work, AmeriCorps, or another service program, or other part-time or temporary work in state or local government.

Figure 1 **What Were You Doing before Working for Your Current Employer?**



Note: For this figure and the remainder of figures in the report, n=1,004 unless otherwise specified.

Figure 2 **Prior Part-Time or Temporary Roles in State or Local Government** (Select all that apply)



In addition to their current job in state or local government, 1 in 4 respondents (26%) are currently being paid for full-time or part-time secondary employment (Figure 3).

Asked to rank the top three factors that attracted them to work in the public sector in the first place, respondents most frequently cited job security (32%), work/life balance (29%), and health insurance and the personal satisfaction the job gives them (both 28%). Following closely behind at 27% were salary and the ability to serve their community/do meaningful work.

Interestingly, the items most often ranked as one of the top three were not identical to those ranked as the top factor. As displayed in Figure 4, the factors most often ranked first were salary (13%), the personal satisfaction the job gives them, and the ability to serve their community/do meaningful work (both 12%).

Figure 3 **Are You Currently Paid for Any Secondary Employment?**

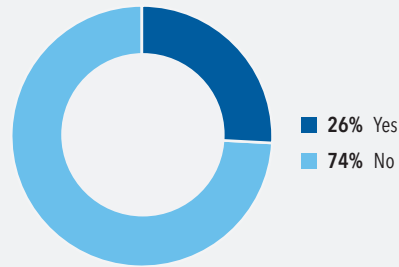
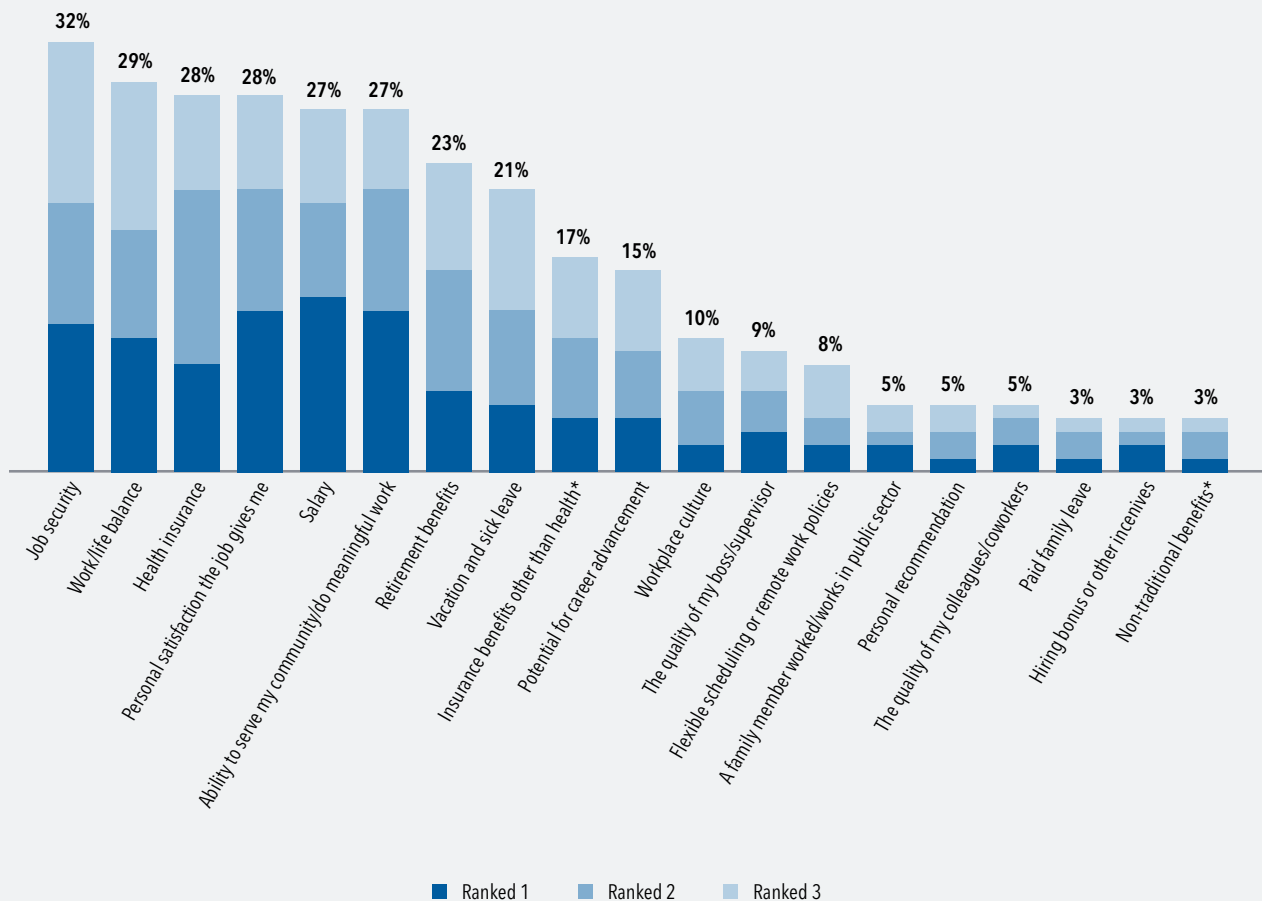


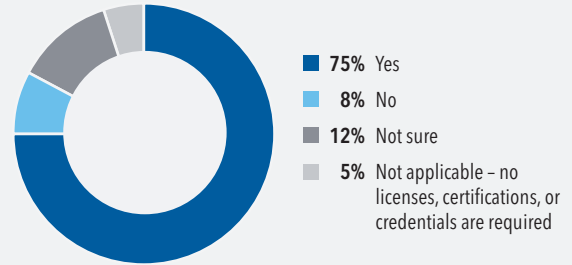
Figure 4 **Top 3 Factors Initially Attracting You to Work in the Public Sector**



\*Non-traditional benefits include, for example, tuition assistance or student loan repayment, or childcare assistance. Insurance benefits other than health include, for example, life insurance, dental, vision, and disability insurance.

Regarding opportunities provided by one's employer for employees to work toward any required licenses, certifications, or credentials (e.g., a commercial driver's license, a teaching degree/certificate) while employed, 75% are provided with the opportunity to work toward these (Figure 5).

Figure 5 **Opportunity to Work toward Any Required Licenses, Certifications, or Credentials While Employed?**



## Attitudes about Current Finances and Outlook

Survey respondents vary widely in how financially secure they feel right now, with the greatest share (42%) reporting that they feel somewhat financially secure (Figure 6). Another 31% indicated feeling extremely or very financially secure, while 27% feel not too secure or not secure at all right now.

Thinking about their current financial situation, the majority of respondents (70%) report that their level of debt is a problem for them, with 22% describing it as a major problem (Figure 7). Nearly 1 in 4 (23%) say that debt is not a problem for them, while only 7% report that they do not have any debt.

Figure 6 **How Financially Secure Do You Feel Right Now?**

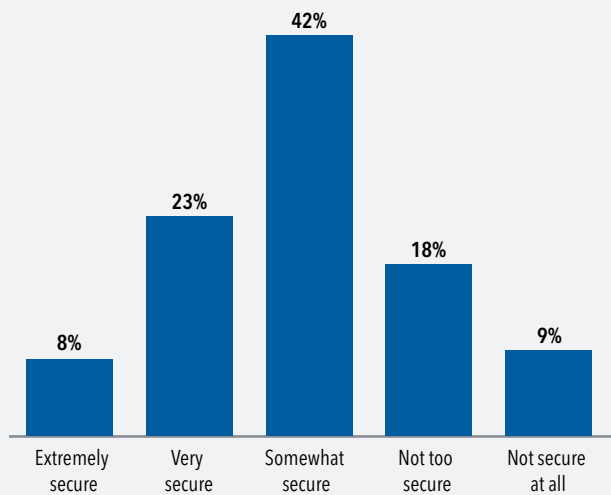
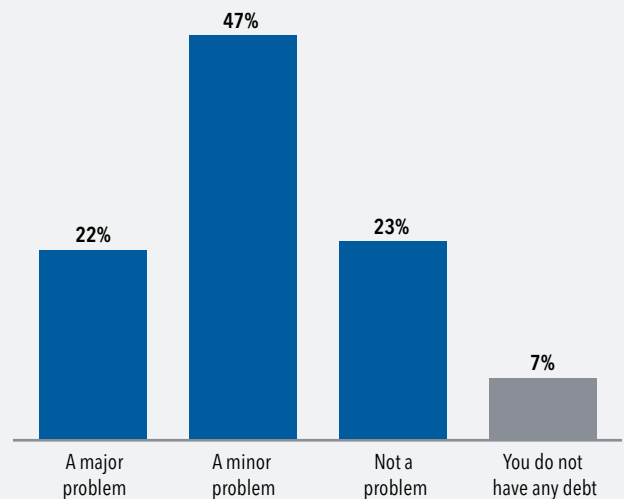


Figure 7 **Current Level of Debt**





Asked about a variety of finance-related concerns, more than half (57%) of respondents were very or extremely worried about a high level of inflation making it hard to keep up with the current cost of living (Figure 8). Other top concerns were being able to save enough for retirement to live the lifestyle they want and rising interest rates on credit cards, loans, and mortgages (both 39%); not being able to afford an unexpected expense of \$1,000 (38%); and making a mistake in how they are managing their finances (37%).

Far fewer respondents were very or extremely worried about losing a major amount of their savings due to volatility in the stock market (16%) or losing their job (14%).

When asked about their level of stress over the past six months, more than 3 in 4 (76%) described themselves as very or somewhat stressed (Figure 9). Another 19% reported being a little stressed. Only 4% said they are not at all stressed.

Figure 9 **Level of Stress over Last Six Months**

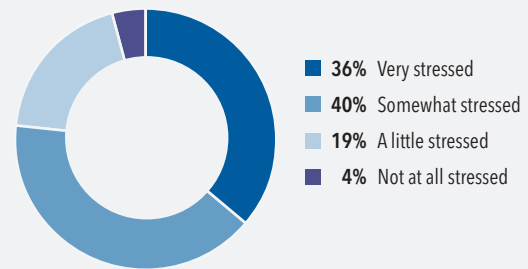
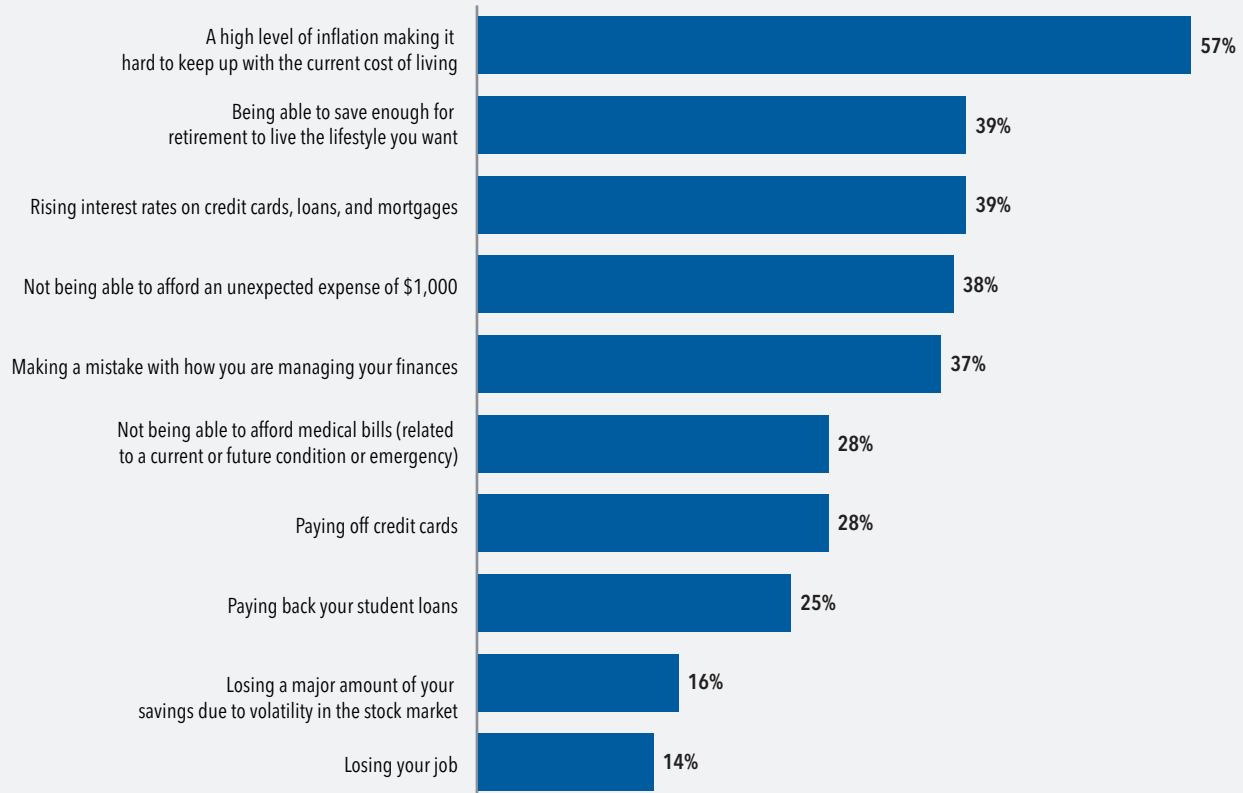
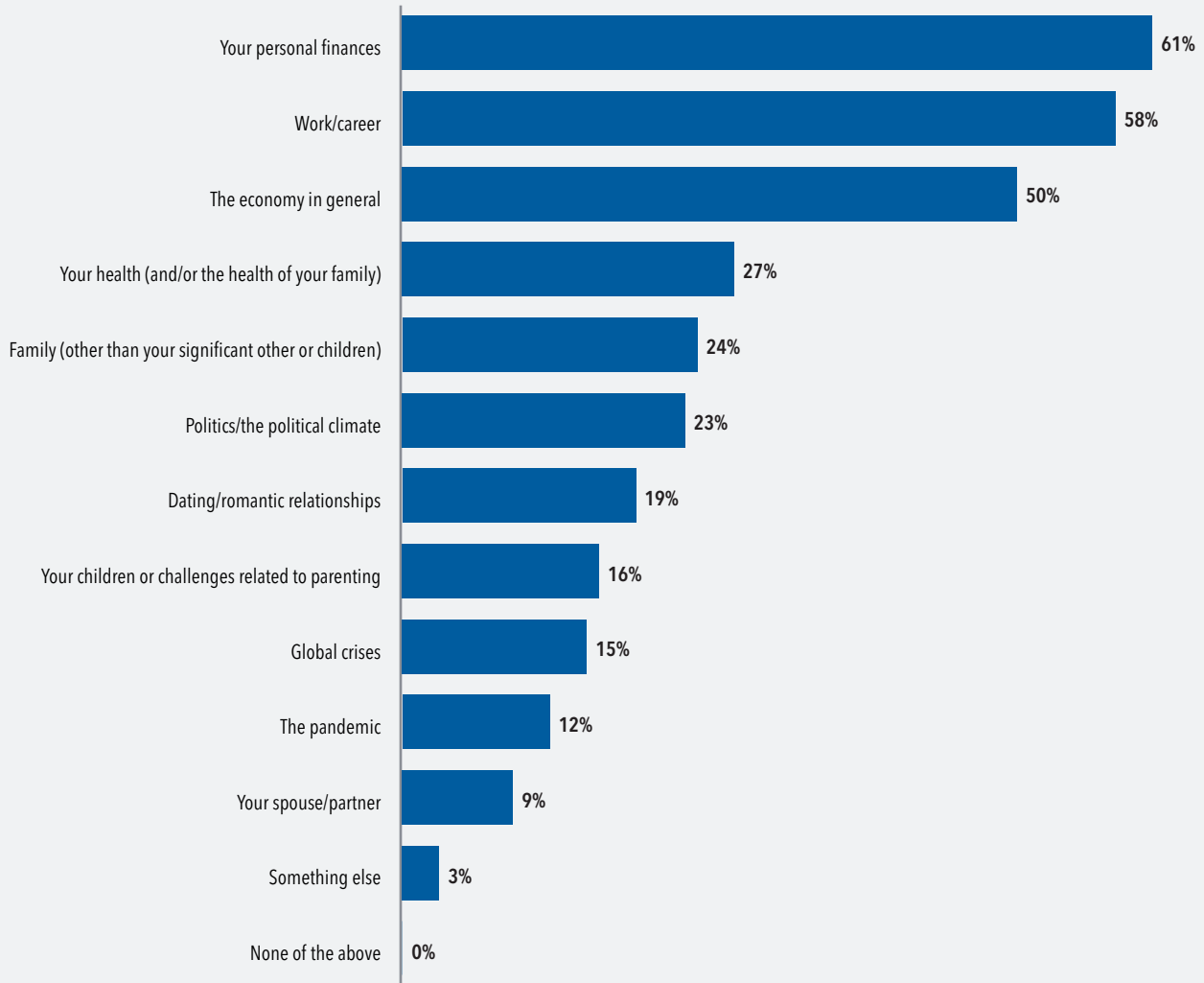


Figure 8 **Finance-Related Concerns** (Select all that apply; % extremely or very worried)



The biggest source of stress is personal finances (61%), followed closely by work/career (58%; Figure 10). Half of respondents were concerned about the economy in general.

Figure 10 **Biggest Sources of Stress Right Now** (n=967; select all that apply)



## Importance of Benefits

Among all respondents, just under half (49%) report that they are participating through their employer in a **defined benefit** plan 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 (Figure 11).

A similar share (48%) report that they are participating through their employer in a **defined contribution** plan that does not promise a specific amount of benefits at retirement. In these plans, the employee or the employer (or both) contributes 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.

Notably, 1 in 5 respondents (20%) did not know whether they are participating in a defined benefit plan or in a defined contribution plan through their employer.

According to data from the U.S. Bureau of Labor Statistics, as of 2021, 86% of state and local government workers were offered a defined benefit retirement plan, and 38% were offered a defined contribution plan (see **Benefits of State and Local Government Employees**). These data suggest that some younger workers surveyed may not be aware of the retirement benefit structure provided through their employer, an opportunity for improved communication and education for employees by state and local governments.

Overall, 70% of respondents believe that the benefits compensation offered by their employer is competitive with the labor market, with 21% saying it is very competitive. Meanwhile 20% do not believe it is competitive (Figure 12). The remaining 9% do not know whether it is competitive.

In general, 16% of respondents feel their employer listens to employees about what employee benefits they need and want, with another 42% indicating that their employer listens "some" (Figure 13).

Figure 11 **Type of Retirement Plan Participating in through Your Employer**

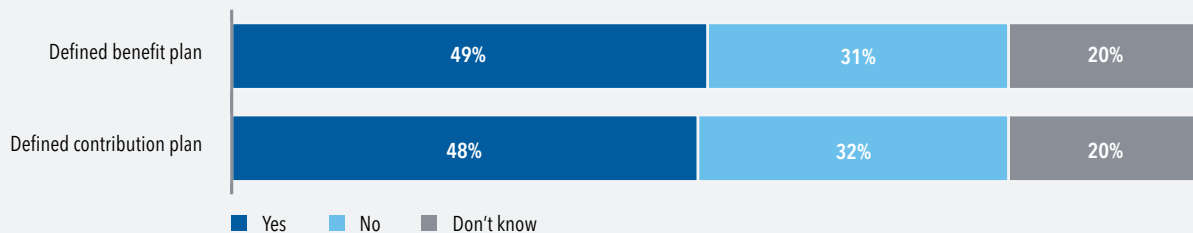


Figure 12 **Is the Benefits Compensation Offered by Your Employer Competitive with the Labor Market?**

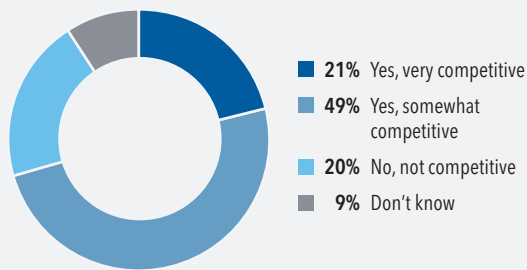
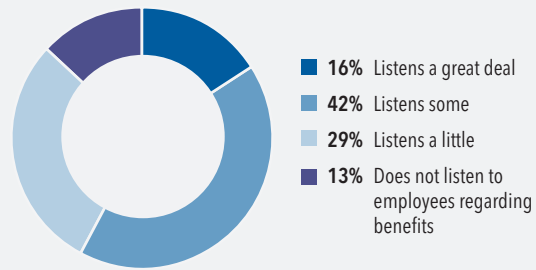


Figure 13 **Extent to Which Employer Listens to Employees about What Benefits They Need and Want**



Some public sector employers have Benefits Advisory Committees, committees made up of employees and other stakeholders who review benefit offerings and make recommendations about potential changes to benefits. Asked about their interest in participating in a Benefits Advisory Committee, just over half (53%) said they would be very or somewhat interested, while 36% were not too interested or not at all interested (Figure 14). Only 1% of respondents reported already participating in a Benefits Advisory Committee.

When it comes to understanding their retirement and health care benefits, respondents overall feel that they have a good understanding, especially of the health insurance benefits provided by their employer (81%), how many years they would need to work to be vested in their retirement plan and at what age they would be eligible to retire (79%), and how to navigate open enrollment at work (79%; Figure 15).

Figure 14 Interest in Participating in a Benefits Advisory Committee

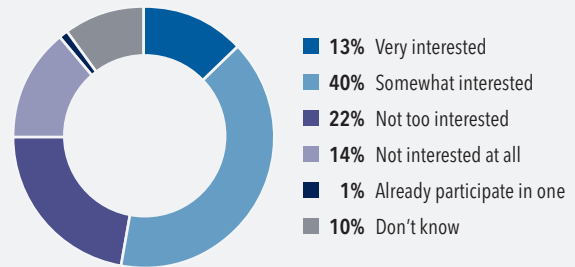
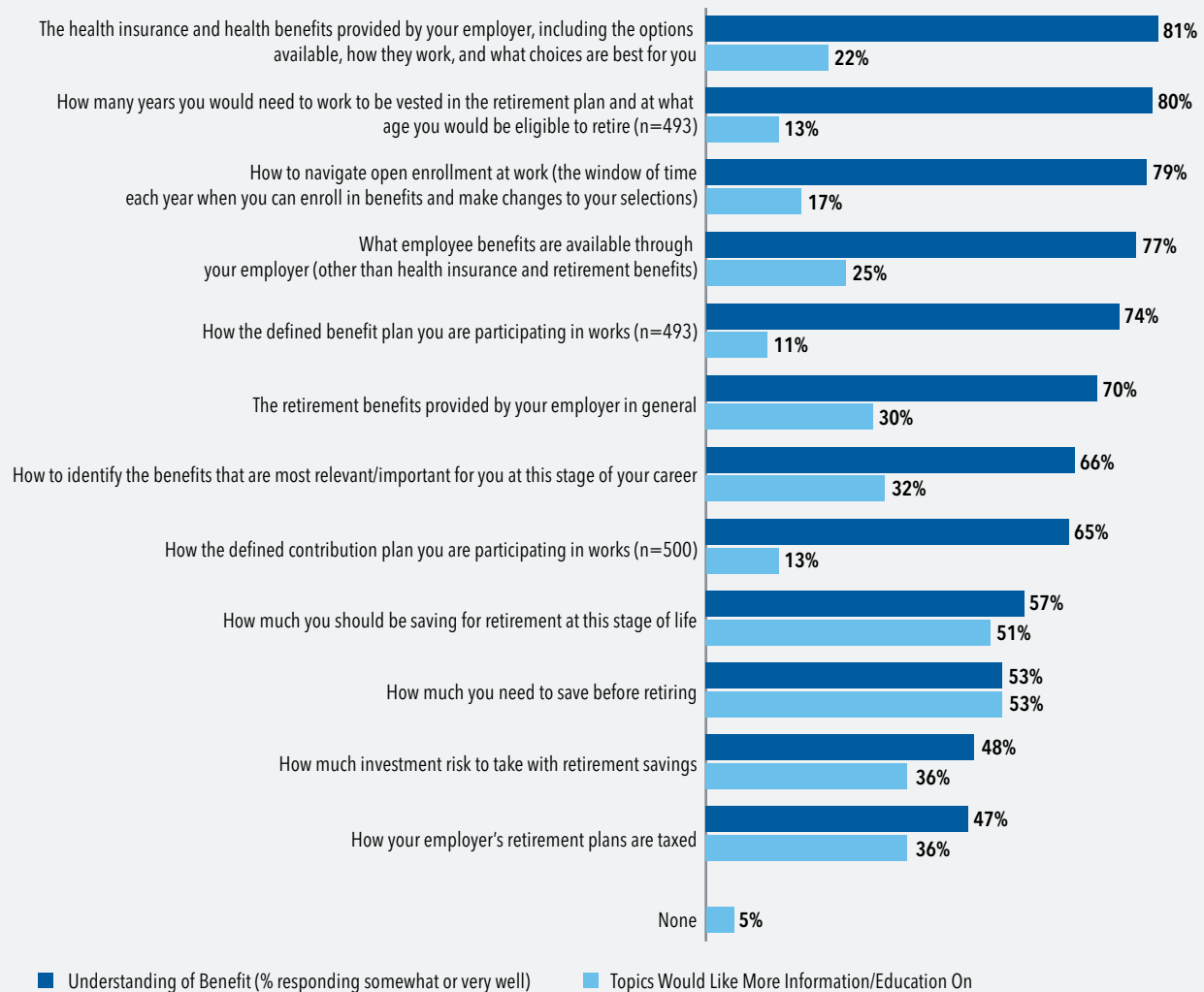


Figure 15 Understanding of Retirement and Health Care Benefits, and Interest in More Advice/Information



The only two elements that fewer than half of respondents felt that they understood somewhat or very well were how much investment risk to take with retirement savings (48%) and how their employers retirement plans are taxed (47%).

Respondents were also asked to report which of these benefits topics they would like more information or education on. Respondents were most likely to want additional information on how much they need to save before retiring (53%) and how much they should be saving for retirement at this stage of life (51%).

It is worth noting that knowledge of a particular benefits topic was not necessarily inversely related to interest in more information or education on that topic. For example, a similar percentage of respondents felt they had a somewhat or good understanding of how to identify the benefits that are most relevant/important for them at this stage of their career (66%) and how the defined contribution plan they are participating in works (65%). However, while 32% were interested in more information or education about the

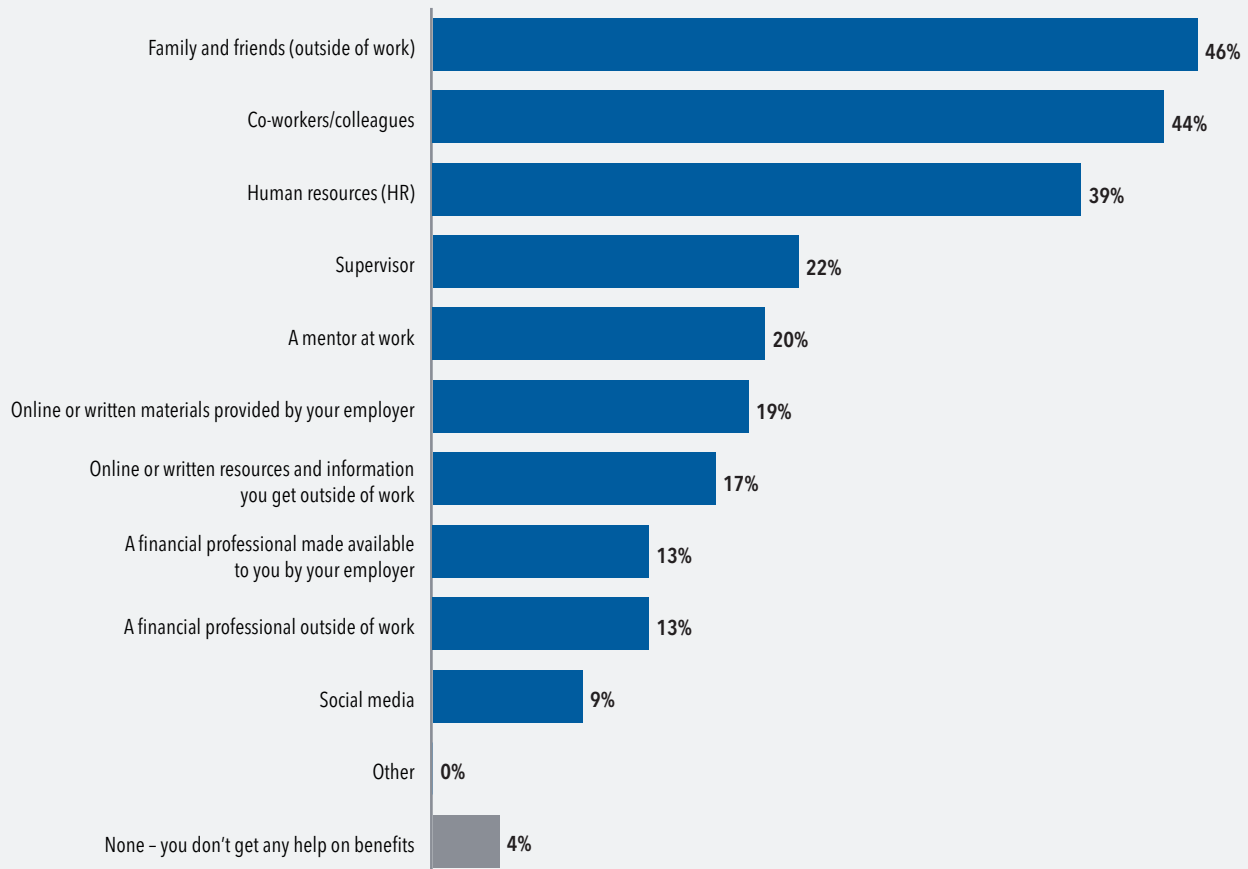
former, only 13% were interested in more information about the latter.

As shown in Figure 16, for advice about employee benefits (including advice about which benefits are right for them, which options/choices to choose within benefits, and/or how to navigate the benefit system in general), respondents are most likely to turn to friends or family members outside of work (46%), co-workers or colleagues (44%), and the human resources (HR) department (39%).

In contrast, they are least likely to turn to a financial professional – either made available by their employer or outside of work (both 13%) – and social media (9%).

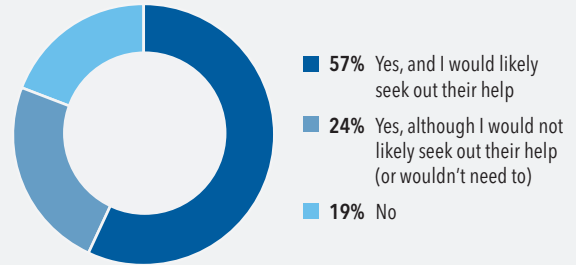
Given the tendency of younger workers to turn to friends and family members rather than financial professionals, employers may benefit from increasing the availability of financial wellness education programs and resources to non-employees, such as spouses, dependents, and retirees.<sup>4</sup>

Figure 16 Sources of Advice about Employee Benefits (Select all that apply)



Some respondents (20%) reported turning to a mentor at work for advice about employer benefits. Those who did not mention having a mentor were asked if they wished they had a mentor at work that could give them advice about employee benefits. As shown in Figure 17, 81% indicated that they wish they had a mentor; 57% said they would likely seek out the mentor's help.

Figure 17 **Do You Wish You Had a Mentor at Work That Could Give You Advice about Employee Benefits?** (n=811)

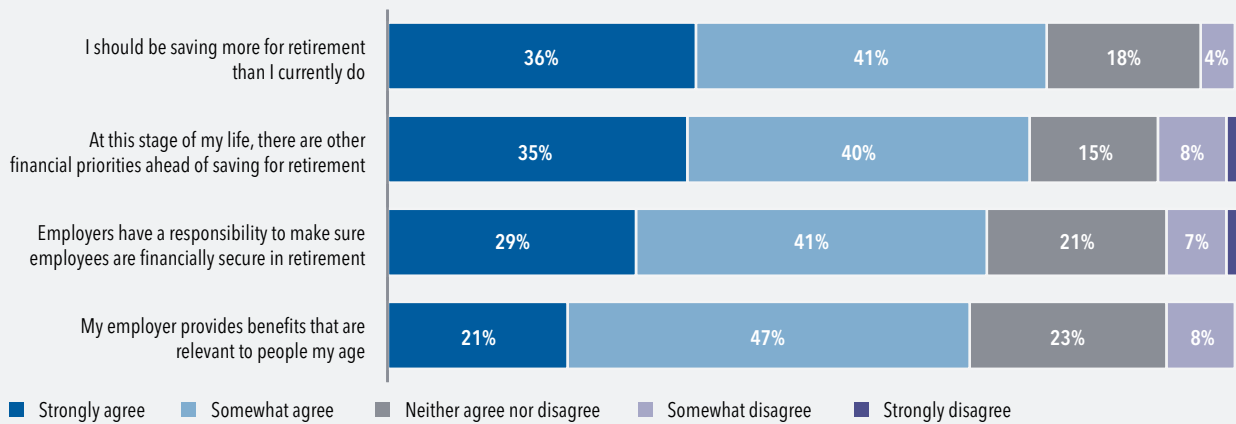


## Retirement Thoughts

Respondents were next asked a series of questions about their thoughts on retirement. As shown in Figure 18, the majority of respondents agreed with all of the statements asked about, with the most (77%) agreeing that they should

be saving more for retirement than they currently do. Somewhat fewer (67%) agreed that their employer provides benefits that are relevant to people their age, with only 21% strongly agreeing with this statement.

Figure 18 **Thoughts on Retirement and Employer Benefits**



Those who agreed that they should be saving more for retirement than they currently do were asked why they are not saving more for retirement. The most commonly reported responses, as shown in Figure 19, were not being able to afford to save more (57%), having other saving priorities such as education or buying a home (52%), and having too much debt (40%).

Interestingly, less than 1 in 10 (only 8%) reported that not having access to a good retirement plan was a barrier to saving more for retirement.

Asked to estimate at what age they expect that they will retire from their current career, respondents were most likely to guess that they would retire between the ages of 60 and 69 (41%; see Figure 20). Another 20% anticipate retiring a bit younger, between 50 and 59.

It is perhaps unsurprising that 20% say they are not able to guess when they will retire, given that 51% of respondents want more information/education on how much to be saving for retirement at this stage of life and 53% want more information on how much they need to save before retiring (refer to Figure 15).

Figure 20 Expected Age of Retirement from Current Career

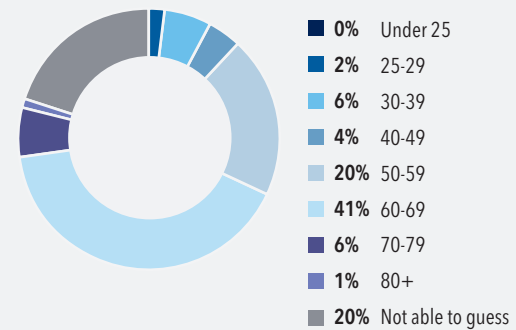
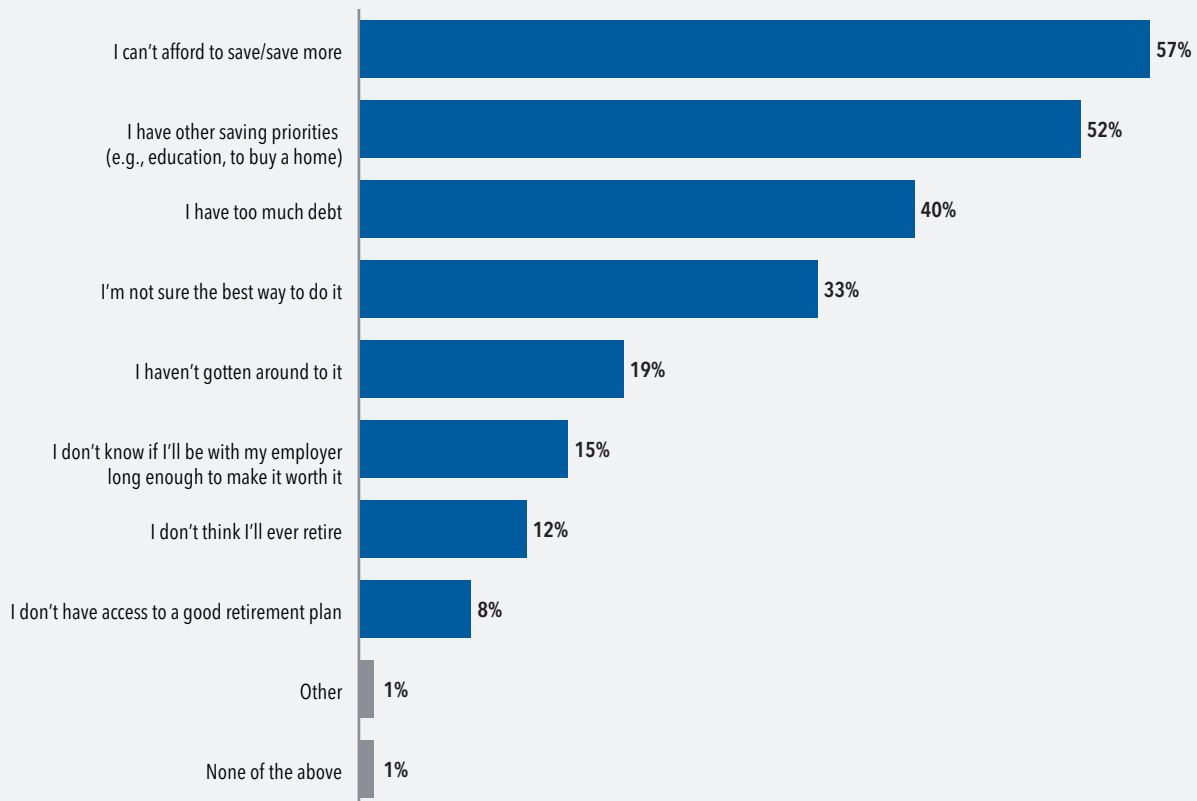


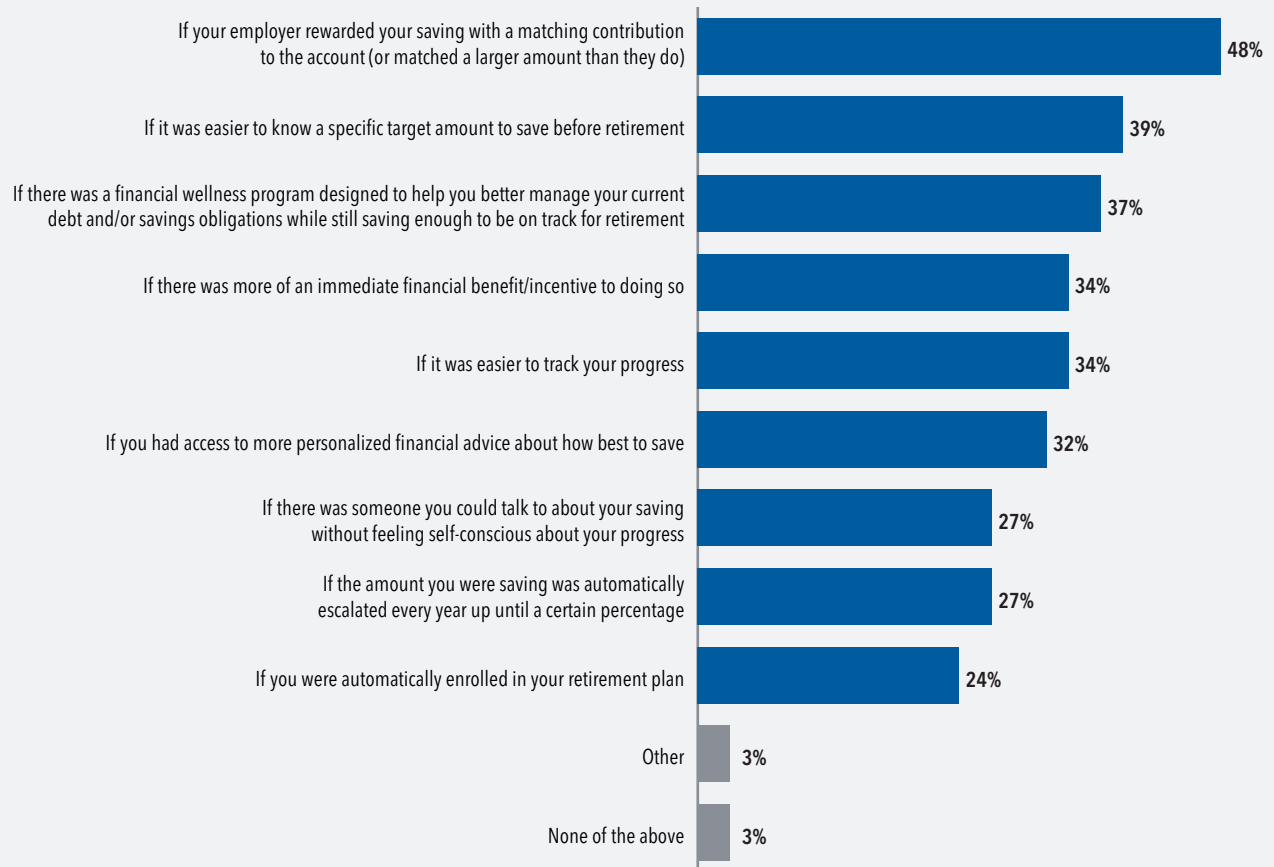
Figure 19 Reasons Not Saving More for Retirement (n=776; select all that apply)



Regarding what would motivate them to save (or save more) for retirement, respondents most often cited their employer rewarding their saving with a matching contribution to the account or providing a larger matching amount than they do (48%), if it was easier to know a specific target amount to save before retirement (39%), or if they had access to a financial wellness program to help them better manage current debt and/or savings obligations while still saving enough to be on track for retirement (37%; Figure 21).

Meanwhile, only about 1 in 4 (24%) believed that being automatically enrolled in their retirement plan would motivate them to save more. This attitude toward auto-enrollment is interesting to note given research showing the positive impact of automatic features on retirement saving.<sup>5</sup>

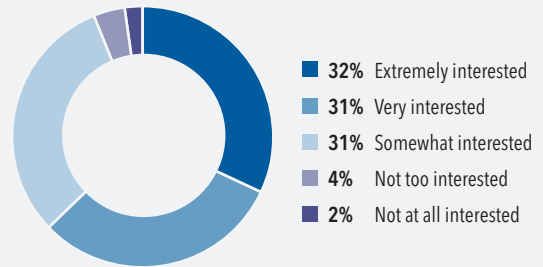
Figure 21 **Motivations to Save (or Save More) for Retirement** (Select all that apply)





Asked how interested they would be in investments that include a guaranteed income stream outside of any pension they may have, 63% would be extremely or very interested, while 6% would be not too interested or not at all interested (Figure 22).

Figure 22 **Interest in Investments That Include a Guaranteed Income Outside of Pension**

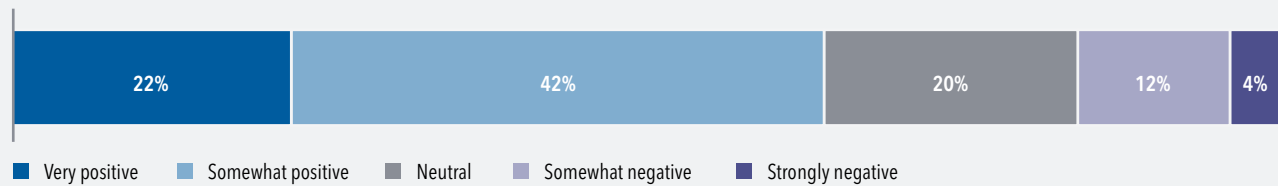


## Morale and Satisfaction

Overall, nearly 2 in 3 respondents (64%) described their current morale regarding work as positive, with 22% describing it as very positive. Conversely, 17% reported

negative morale regarding work, with 4% reporting strongly negative morale (Figure 23).

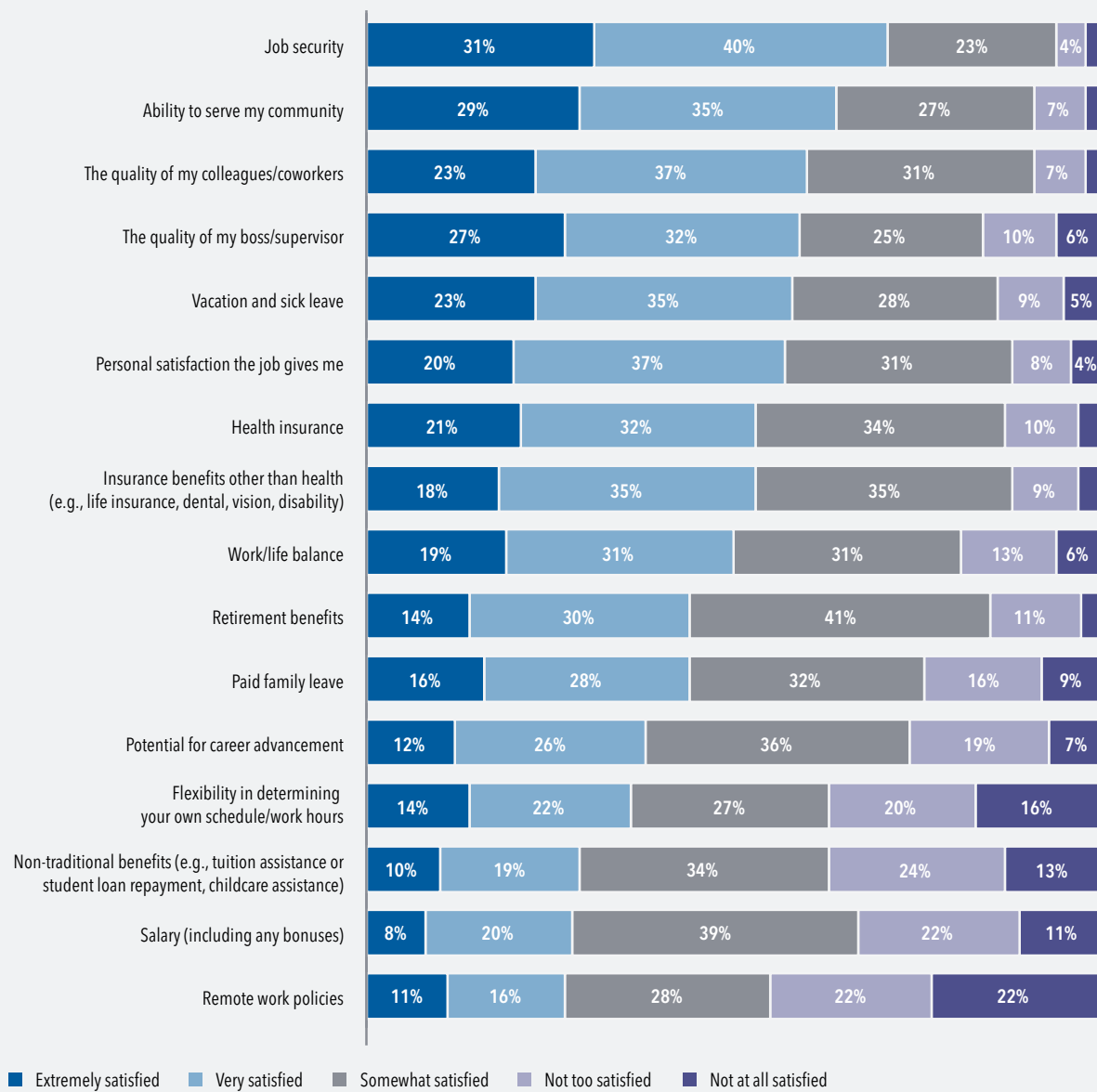
Figure 23 **Current Morale Regarding Work**



Asked to describe their satisfaction with a series of job elements, respondents most often reported being very or extremely satisfied with their job security (71%), their ability to serve their community (64%), and the quality of their colleagues/co-workers (60%; see Figure 24). Quality of boss/supervisor, vacation and sick leave, and personal satisfaction the job gives them all followed closely behind, with 57%-59% of respondents reporting being very or extremely satisfied with these job elements.

In contrast, respondents were least likely to report being very or extremely satisfied with their non-traditional benefits (e.g., tuition assistance or student loan repayment, childcare assistance; 29%), salary (including any bonuses; 28%), and remote work policies (27%).

Figure 24 **Satisfaction with Job Elements**



Respondents were next asked to what extent the top three factors that they indicated previously drew them to work in the public sector (refer to Figure 4) have lived up to their expectations now that they have worked in the public sector. Responses are displayed in Figure 25.

Overall, 59% of respondents indicated that their top factor had met expectations, with another 11% reporting that it had exceeded expectations. Meanwhile, about 1 in 4 (27%) reported that it had not been as good as they

thought it would be. Responses for factors 2 and 3 were fairly similar, with over half (53%) reporting that each had met expectations, 14-15% reporting that these factors had exceeded expectations, and 29-30% indicating that factors 2 and 3 have not been as good as they thought it would be.

Next, respondents were asked about the importance of a series of job characteristics at the place that they work. As displayed in Figure 26, respondents most frequently cited that it was important that the place where they work

Figure 25 **Extent to Which Top 3 Factors That Attracted You to Work in the Public Sector Have Met Expectations**

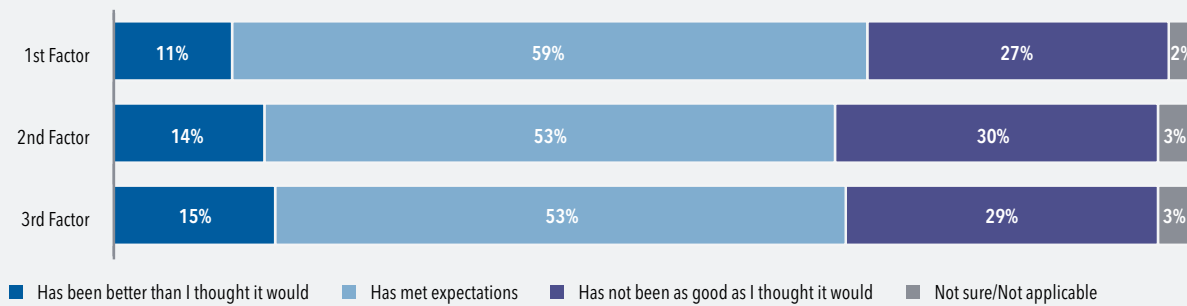
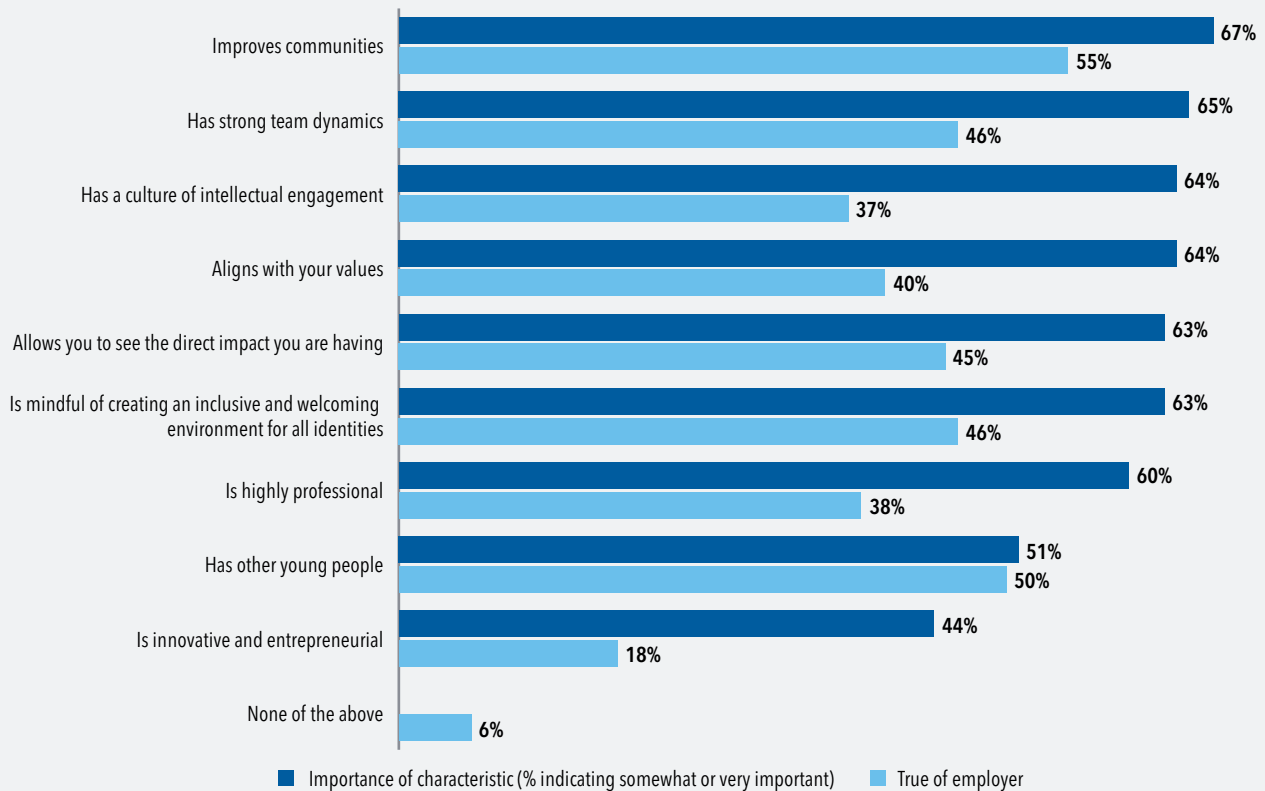


Figure 26 **Importance of Characteristics at Place of Work and If You Think Characteristic Is True of Your Current Employer?**



improves communities (67%), has strong team dynamics (65%), has a culture of intellectual engagement, and aligns with their values (both 64%). A place that allows them to see the direct impact they are having and one that is mindful of creating an inclusive and welcoming environment for all identities followed closely behind, with both endorsed by 63%.

Respondents were also asked to indicate which of these same characteristics they believe is true of their current employer. As also shown in Figure 26, respondents were most likely to report that their current employer improves communities (55%) and has other young people (50%). Conversely, they were least likely to think that their current employer is highly professional (38%), has a culture of intellectual engagement (37%), and is innovative and entrepreneurial (18%).

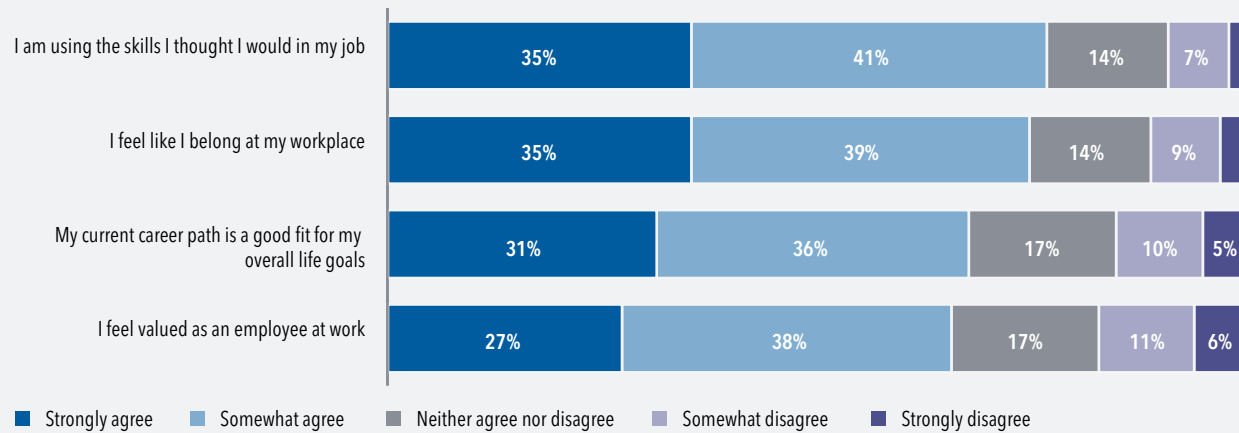
It is worth noting several characteristics that are fairly important to employees, but that fewer believe are true of their current employer. For example, while 64% believe that it is important that their place of work has a culture of

intellectual engagement, only 37% say that this is true of their current employer. Similarly, while 64% also indicated that it was important that their place of work aligns with their values, only 40% believe this is true of their current employer.

These gaps between the importance of workplace characteristics and perceptions of whether these same characteristics are true of their current employer point to several areas for targeted efforts by state and local government organizations to improve the work environment.

Overall, respondents tend to have positive feelings about their job, sense of belonging, and employment outlook. As shown in Figure 27, approximately 3 in 4 agree that they are using the skills they thought they would in their job (76%) and feel like they belong in their workplace (74%). Closer to 2 in 3 indicated that their current career path is a good fit for their overall life goals (68%) and that they feel valued as an employee at work (65%).

Figure 27 **To What Extent Do You Agree or Disagree with the Following?**



Just over half of respondents (53%) believe that the wage compensation offered by their employer is competitive with the labor market, with 12% indicating that it is very competitive (Figure 28). Meanwhile, 42% believe that the wage compensation offered by their employer is not competitive.

These numbers are in sharp contrast to perceptions of benefits compensation (refer to Figure 12), which 70% of respondents thought were competitive (21% very competitive), and only 20% believed were not competitive with the labor market.

Findings from **State and Local Government Workforce Survey 2023** suggest that HR managers similarly perceive the benefits compensation offered in the public sector as more competitive with the labor market than the wage

compensation (89% viewed their benefits as competitive, vs. 55% viewed their wage compensation as competitive).

Asked whether they believe that in their current job, employees have a path to develop toward other roles and responsibilities if they want that, 64% believe employees have that opportunity, while 24% do not think they do (Figure 29). The remaining 12% are unsure whether there is a path to develop toward other roles and responsibilities at their current job.

Overall, 48% of respondents would be very or extremely likely to recommend a career in public service to a friend or family member, with another 34% somewhat likely to recommend it (Figure 30). In contrast, nearly 1 in 5 (19%) report being not too likely or not at all likely to recommend a career in public service to a friend or family member.

Figure 28 **Is the Wage Compensation Offered by Your Employer Competitive with the Labor Market?**

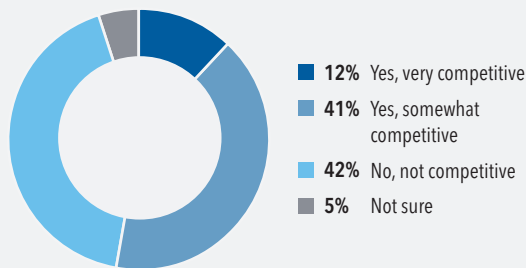


Figure 29 **Do Employees Have a Path to Develop toward Other Roles and Responsibilities?**

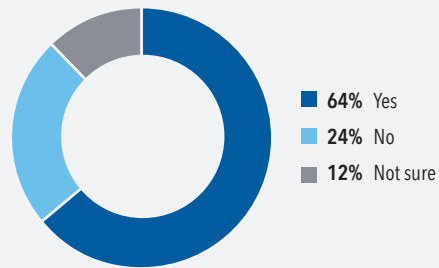
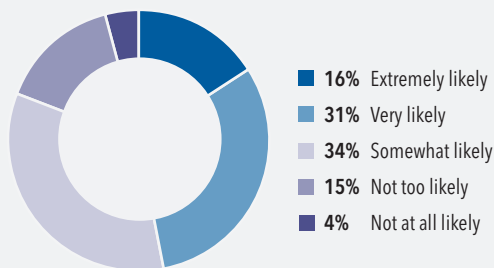


Figure 30 **Likelihood of You Recommending Career in Public Service to a Friend or Family Member**



## Consideration of the Future

The last series of questions asked respondents about their future employment outlook. As shown in Figure 31, 60% of respondents said they were considering changing jobs in the near future, with 38% considering changing jobs in the next two years or sooner. Fewer (24%) are considering leaving the workforce entirely for the foreseeable future, with 11% considering doing so within the next two years.

Among those considering changing jobs, 28% would like to stay in the same general line of work but with a different employer (Figure 32). Somewhat fewer would like to stay with the same employer but would like a different role/level/number of hours (22%), leave the government sector entirely (21%), or change the industry/department they work for, but remain in the government sector (19%).

Figure 31 **Job Changes You Are Considering in the Near Future**

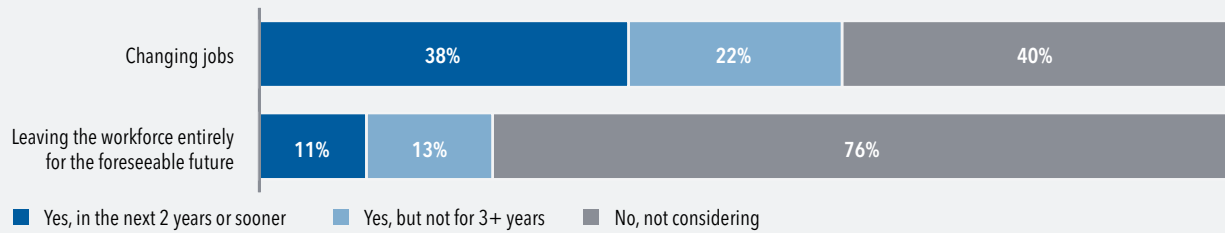
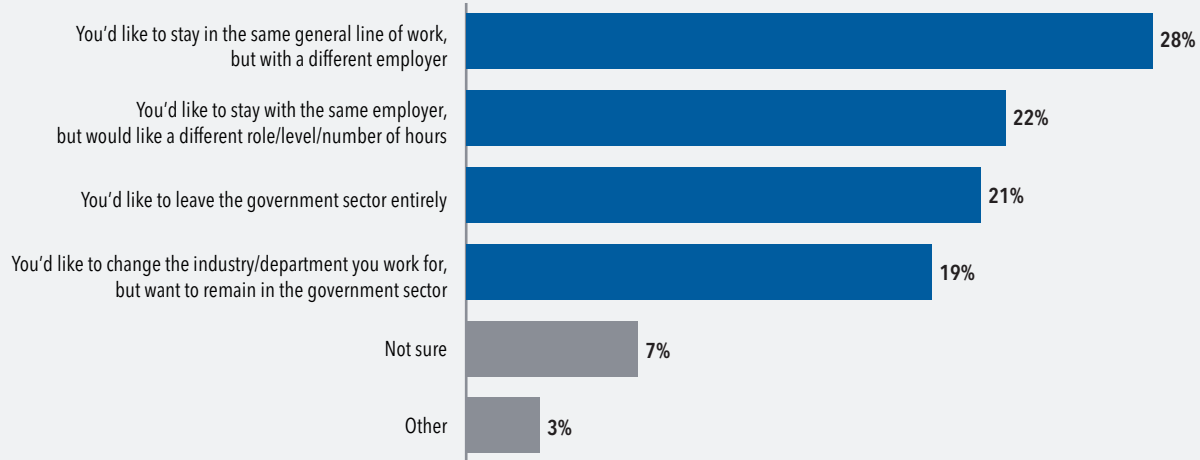


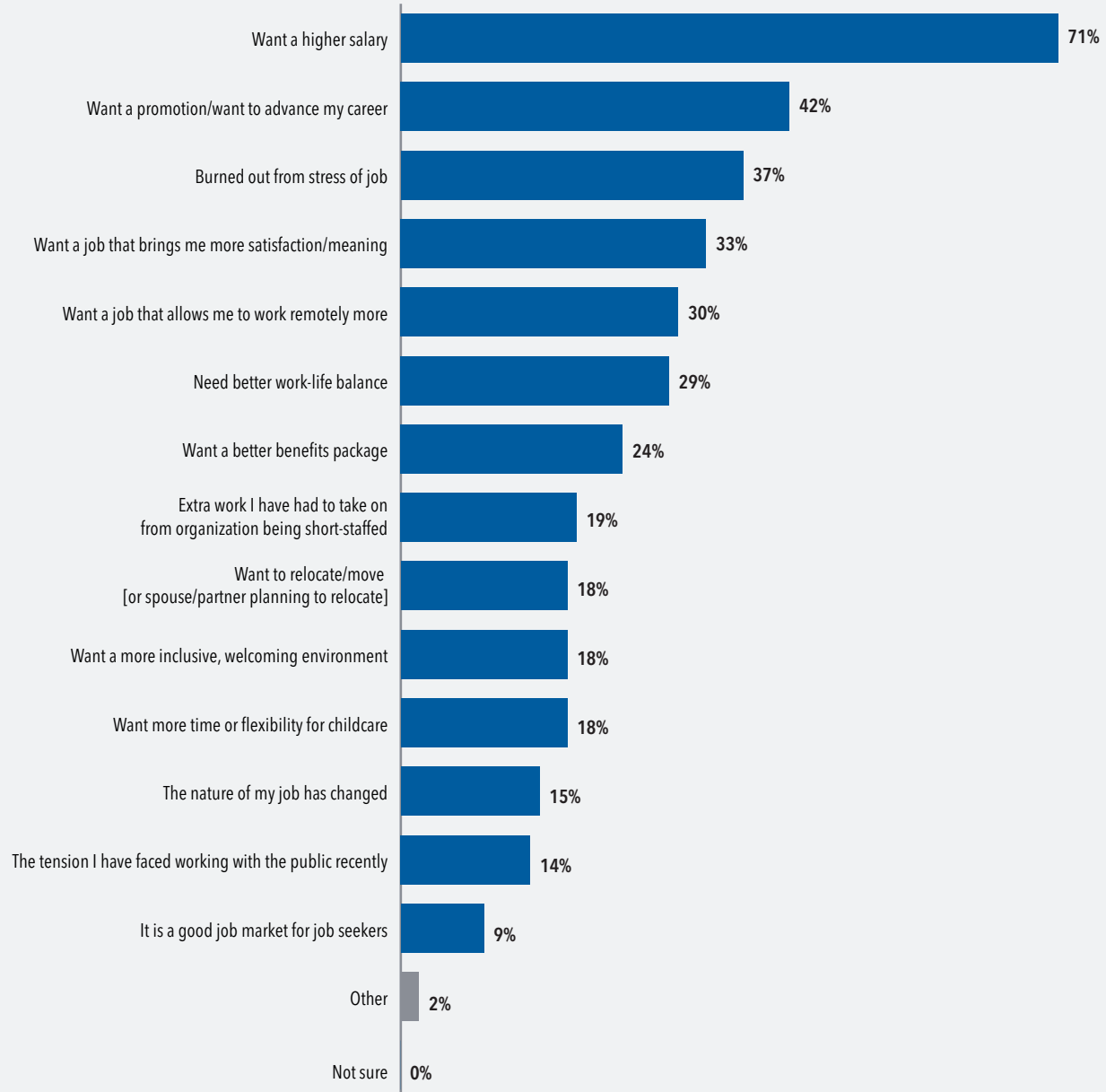
Figure 32 **Type of Job Change You Have in Mind** (n=600)



Asked why they are considering changing jobs, by far the most common response was because they want a higher salary (71%; Figure 33). The second and third most frequently endorsed responses were wanting a promotion/

to advance their career (42%) and being burned out from the stress of their job (37%). Few respondents (9%) indicated that they are considering changing jobs because it is a good job market for job seekers.

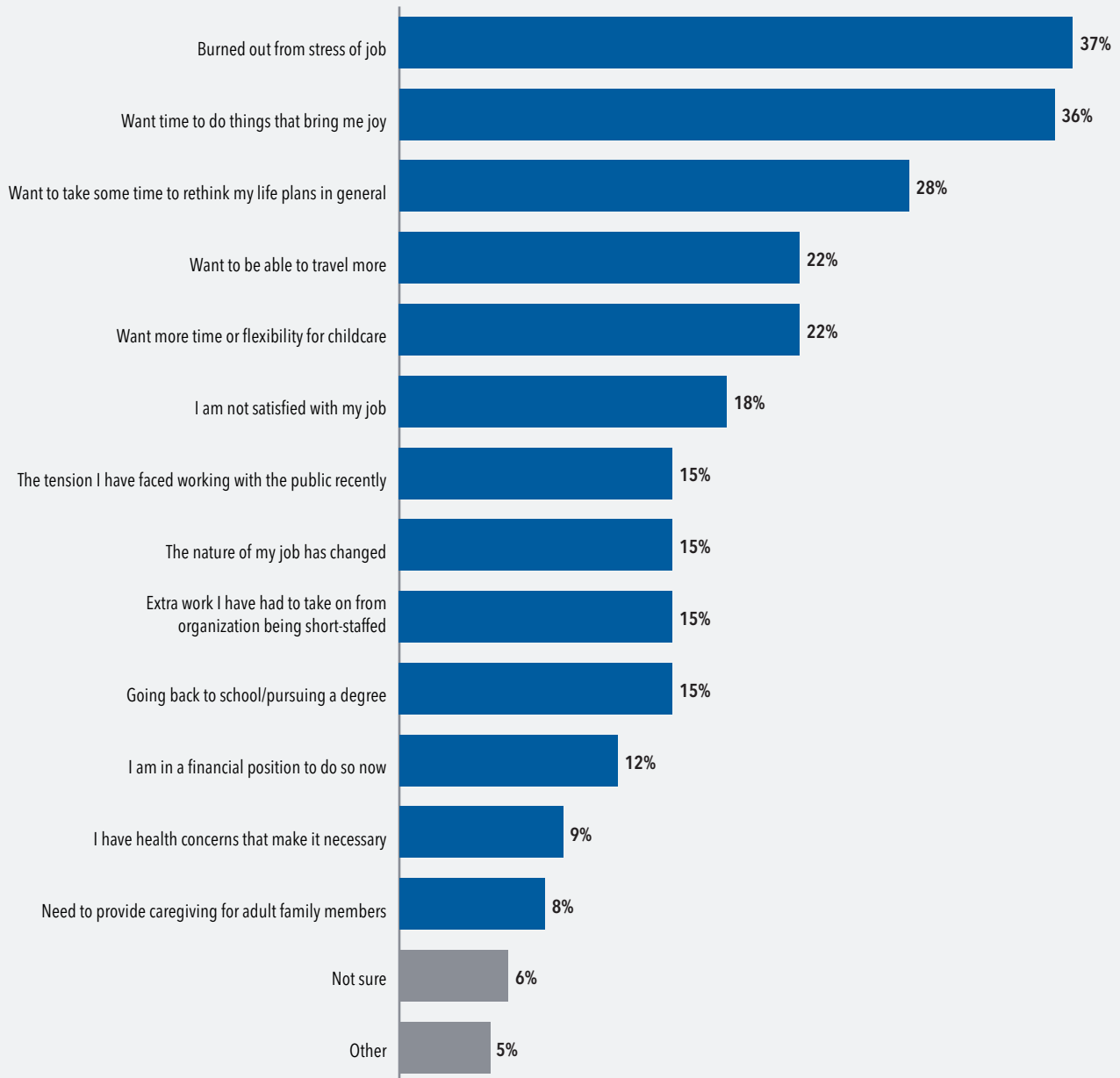
Figure 33 **Why Considering Changing Jobs** (n=600; select all that apply)



Similarly, those who indicated that they are considering leaving the workforce entirely for the foreseeable future were asked to indicate why they are considering doing so. As shown in Figure 34, respondents most often cited being

burned out from the stress of their job (37%), wanting time to do things that bring them joy (36%), and wanting to take some time to rethink their life plans in general (28%).

Figure 34 **Why Considering Leaving the Workforce Entirely** (n=243; select all that apply)





Asked how long they intend to stay in public service as a career (whether or not with their current employer), 46% anticipate doing so until they retire. About equal percentages estimate staying for a long period of time but not all the way to retirement (16%), and for some amount of time but not the long term (15%). Meanwhile, 6% do not intend to stay long, and 17% are not sure at this point. The variations in intended tenure in a public service career suggest that retirement benefits may be an effective tool for attracting some younger workers to a career in public service, but not others.

Finally, respondents were asked to list one or two words they would use to describe an individual they believe would be the best fit to work in the public sector. Responses are displayed as a word cloud in Figure 36.

Respondents most often described those best fit to work in the public sector as caring, compassionate, empathetic, or understanding. The next most commonly used words were passionate, driven, motivated, determined, and patient.

Figure 35 How Long You Intend to Stay in Public Service as a Career

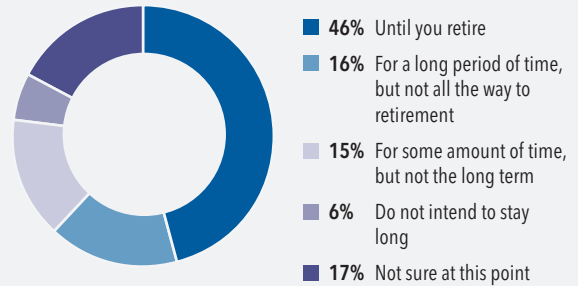


Figure 36 Words Would Use to Describe an Individual Best Fit to Work in the Public Sector



## Conclusion

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This report describes the results of a March/April 2023 national online survey conducted by MissionSquare Research Institute and Greenwald Research of 1,004 state and local government employees aged 35 and under, assessing their motivations for working in the public sector, attitudes about current finances and financial outlook, views on employer benefits, thoughts on retirement, morale and job satisfaction, and retention issues.

Results indicate that younger state and local government workers have frequently had prior experience working in the public sector, whether in another public sector job, or doing part-time or seasonal work. Job security, work/life balance, health insurance, and the personal satisfaction from the job tend to be the top factors that drew them to a job in the public sector.

Many experience positive morale regarding their job, and are particularly satisfied with their job security, their ability to serve their community, and the quality of their colleagues/co-workers. The majority also believe that the benefits compensation they receive is competitive with the labor market.

At the same time, these younger workers are experiencing a range of financial concerns, (e.g., rise in inflation, debt), and report high levels of stress in the past six months. While many are offered (and participate in) an employer's defined benefit or defined contribution retirement plan, and feel they generally have a good understanding of how their retirement and health care benefits work, they would still be interested in additional information and education about these topics. The relatively high percentage of employees not knowing whether they are offered a defined benefit or defined contribution retirement plan through their employer supports the need for more communication and information by employers about these issues.

When it comes to their job, respondents want to work somewhere that improves communities, has strong team dynamics, has a culture of intellectual engagement, and aligns with their values. Important considerations are also seeing the direct impact they are having, and a workplace that is mindful of creating an inclusive and welcoming environment for all identities.

These workplace characteristics, however, do not take the place of competitive wage compensation, an issue that is causing many respondents to be considering changing jobs in the near future. While some are looking to stay in the same line of work but with a different employer, 1 in 5 of those considering a job change want to leave the government sector entirely.

Overall, nearly half of respondents would be very or extremely likely to recommend a career in public service to a friend or family member. And more than half report that they intend to remain in public service for a long time, or until they retire. When asked to think about the words that best describe someone who is the best fit to work in the public sector, the most commonly listed words were caring, compassionate, empathetic, and understanding.

As state and local governments look to attract and retain the next generation of state and local government workers, these survey findings provide critical insights into areas where public sector employers are excelling, as well as areas for improvement (see sidebar, Seven Tips for Attracting and Retaining Younger Public Sector Workers). States and localities that work to address the needs and preferences of the next generation of workers are well-positioned to thrive in the competition for talent, and will be able to continue providing high-quality, key public services to the community at large.

## Seven Tips for Attracting and Retaining Younger Public Sector Workers



**Increase compensation:** Only 28% of respondents surveyed were very or extremely satisfied with their salary, and 71% of those considering changing jobs report that it is because they want a higher salary. Employers can consider increasing compensation, through federal funds and increased tax and fee revenues, repurposing existing funds, or pursuing other options. When increasing compensation is not feasible, employers can focus on better communicating the full value of the total compensation package.



**Show appreciation and recognition:** Only 27% of those surveyed strongly agree that they feel valued as an employee at work. Employees want to feel valued and have their hard work acknowledged. Employers can do this through a variety of ways, such as providing more flexible work schedules, acknowledging individuals at team meetings, highlighting employees who have gone “above and beyond,” and showcasing staff contributions to the wider community.



**Provide financial wellness resources:** With 27% of survey respondents feeling not too/not at all financially secure and 70% reporting that debt is a problem for them, workers are looking to their employer for help in improving their financial health. Employers can explore offerings such as emergency savings fund vehicles and automatic enrollment of employees into a supplemental retirement savings plan. Organizations can also provide free online financial wellness resources, especially those tailored to younger workers and the unique issues they are facing.



**Prioritize employee mental health and well-being:** More than 3 in 4 respondents (76%) described themselves as very or somewhat stressed over the past six months. Employers can help reduce stressors by providing or strengthening the emotional support they offer employees (e.g., respect, acknowledgment, encouragement, or employee assistance programs) to improve morale and productivity.



**Emphasize employee impact on community:** Younger workers are passionate about making a difference in their communities. Survey respondents most frequently said that it was important that the place they work improves communities. The ability to serve their community/do meaningful work was also cited as one of the top reasons respondents chose a career in public service in the first place. Employers can emphasize the critical role that these workers are playing in providing essential services and programs to their community. This can help both in retaining existing staff and appealing to job candidates seeking meaningful employment.



**Implement workforce diversity, equity, and inclusion initiatives:** As the overall demographic composition of the state and local government workforce increases in diversity, employees want to work for an organization that values diversity. Nearly 2 in 3 (63%) of those surveyed say it is important that their workplace is mindful of creating an inclusive and welcoming environment for all identities. Employers can help foster such an environment by implementing and/or strengthening workforce diversity, equity, and inclusion (DEI) initiatives and policies. Successful DEI programs and activities (whether formal or informal in nature) can have benefits for employers, employees, and the community at large, including improving employee recruitment and retention.



**Foster employee development and succession planning:** While 64% of those surveyed believe that, at their current job, employees have a path to develop toward other roles and responsibilities if they want that, insufficient opportunity to advance their career was one of the top reasons survey respondents gave for why they are considering changing jobs. To preserve institutional knowledge and maximize retention of staff, employers can prioritize training, mentoring, and job rotation opportunities to develop talent and leadership potential throughout the organization.

## Additional Resources

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**State and Local Government Workforce Survey 2023**

**Public Sector Employee Financial Wellness Program Needs and Preferences**

**State and Local Government Employees: Morale, Public Service Motivation, Financial Concerns, and Retention**

**Research Report: Examining Financial Wellbeing in the U.S. Public Service Workforce**

**New Career Entrants to Public Service: Lessons for Employers from Fellowship Applicants**

**Benefits of State and Local Government Employees**

**Diversity, Equity, and Inclusion in the Public Service Workforce**

**Managing Workforce Diversity, Equity, and Inclusion in Local Government - Part 1 of 2: Survey Data**

## Endnotes

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1. Generally defined as those born between 1997 and 2012.
2. U.S. Census Bureau, "**2022 Government Employment and Payroll Tables**," accessed July 31, 2023.
3. Author analysis of IPUMS-CPS. See IPUMS-CPS, "**Current Population Survey**."
4. Recent research (**Public Sector Employee Financial Wellness Program Needs and Preferences**) suggests that only about 14% of public sector employers offering an employee financial wellness program provide the program to non-employees, such as spouses, dependents, and retirees.
5. See, for example, **Impact of Automatic Enrollment in the 457 Plan for South Dakota Public Employees**.

**MissionSquare Research Institute** (formerly the Center for State and Local Government Excellence at ICMA-RC) promotes excellence in state and local government and other public service organizations so they can attract and retain talented employees. The organization identifies leading practices and conducts research on retirement plans, health and wellness benefits, workforce demographics and skill set needs, labor force development, and topics facing the not-for-profit industry and the education sector. MissionSquare Research Institute brings leaders together with respected researchers. For more information and to access research and publications, visit [research.missionsq.org](https://research.missionsq.org) and follow on [Twitter](#) and [LinkedIn](#).

