

A woman with curly hair, wearing a brown cardigan over a striped shirt, stands in a meeting room, holding a marker and pointing towards a whiteboard. The whiteboard displays a line graph with multiple lines. Other people are seated around a table in the foreground, looking towards the presenter.

# Purchasing Power 2023 Public Sector Employee State of Financial Wellness Survey Highlights

## FINANCIAL SITUATION

The macro-economic landscape for Americans working in the public sector today is at best uncertain. Rising inflationary costs of everyday needs, speculation of a recession, and headlines about layoffs are pushing employee financial stress to an all-time high.

**Public Sector employees know what they want with financial freedom but need help getting there.**

According to the Purchasing Power® 2023 Public Sector Employee State of Financial Wellness Survey, **83% of public sector employees experience financial stress, whether physical, mental or emotional.** This number jumps to 90% among employees making less than \$75,000 per year. While considerable, this does align to the 97% of all Americans employed full-time that reported financial stress issues in 2022.

### Temperature of financial stress among public sector workers today

- 50%** Currently feel more stressed about finances than they did last year
- 53%** Are experiencing more stress due to current market inflation
- 65%** Expect this stress level to remain or increase in 2024

### Financial worries facing public sector employees

- 55%** Having enough retirement savings
- 54%** Having enough emergency savings for unexpected expenses
- 40%** Paying for unexpected medical costs
- 35%** Ability to pay for basic necessities
- 26%** Paying credit card bills on time

### How financial stress affects public sector workers

- 55%** Overall stress levels and emotions at home
- 54%** Overall happiness
- 48%** Sleep disruption
- 30%** Physical health
- 29%** Ability to focus at work
- 22%** Job satisfaction
- 20%** Productivity at work
- 15%** Financial stress does not affect them

### Hours per week spent worrying or dealing with personal finances at work

- 19%** 5 or more hours
- 15%** 3 to less than 5 hours
- 30%** 1 to less than 3 hours
- 36%** 0 to less than 1 hour

## Feeling the Inflation Squeeze

**53%** of employees are experiencing more stress due to current market inflation.

When looking at financial well-being year-to-year, **50% of employees currently feel more stressed** about financial levels than they did last year and **63% expect that level of stress to remain or even increase** next year.

### How comfortable are public sector employees covering their monthly living expenses in today's inflated market?

- 36%** Either unable to cover monthly living expenses or barely able, living paycheck to paycheck
- 32%** Have no extra income to build savings
- 32%** Have no problem covering monthly expenses

## Employees are Unprepared for the Unexpected

Unexpected expenses are not a matter of if, but when. More than **70% of public sector employees had unexpected expenses/emergencies in 2022**, and many were unprepared:

- 12%** had saved \$1,001 to \$2,000 for emergencies
- 7%** had saved \$751 to \$1,000
- 5%** had saved \$501 to \$750
- 35%** had saved less than \$500 to nothing at all

### How did they cover these unexpected costs in 2022?

- 47%** Used a Credit Card
- 37%** Dipped into their Emergency Savings Fund
- 24%** Paid with Cash
- 18%** Borrowed from Family/Friends
- 15%** Took a Withdrawal from Retirement Savings
- 11%** Used a Buy Now, Pay Later offer at checkout
- 8%** Enrolled with a Payday or Title Loan
- 5%** Secured a Home Equity Loan
- 4%** Used a rent-to-own company

## Financial Aspirations and Financial Achievements

The good news is that public sector employees have a clear picture of what financial empowerment is to them. **How public sector employees describe financial empowerment:**

- ✓ Paying bills on time
- ✓ An adequate emergency fund
- ✓ Healthy credit score and knowing how to use credit to their benefit
- ✓ Building retirement savings
- ✓ Ability to take an annual vacation
- ✓ Understanding and taking advantage of financial well-being benefits offered by their employer

**58%** of public sector workers are successfully managing their monthly expenses.

**BUT**

**40%** are struggling, unable to pay monthly bills on time or just barely making ends meet.  
*(2% declined to answer)*

**Public sector employees know what they need to improve their financial situations, but they struggle to get there:**

- 14%** are accomplishing everything needed for their financial well-being
- 28%** report an above average financial well-being score
- 36%** consider themselves at an average level of financial well-being
- 16%** say they fall below average in pursuit of financial well-being
- 6%** admit they are struggling with a low financial well-being

**Of habits they are not already doing, employees share what would improve their financial well-being:**

- 45%** Having an adequate emergency fund
- 38%** Paying off credit card debt
- 15%** Paying off student loan debt
- 33%** Saving regularly for retirement
- 34%** Making and/or following a household budget

## Employee Benefits Beyond the 403b and 457

When it comes to reaching financial well-being goals, public sector employees lean on their employers for help. More than **65% agree that employers have a responsibility to help them improve their well-being.**

Yet despite 70% of employees showing interest in utilizing a financial well-being benefit offered by their employer, only 34% said their employer offered a new benefit last year to meet this need.

**Of the many financial well-being benefits offered by employers today, employees found interest in:**

- 24%** Identify theft protection
- 23%** Financial counseling
- 17%** Medical deductible financing
- 28%** Employee purchase program
- 16%** Bill payment programs
- 24%** Low-interest installment loans
- 16%** Student loan repayment benefit program
- 13%** Early wage access benefit

**64%** of employees are likely to enroll in an employee purchasing program if their employer offered it.

The vast majority of public sector employees want a financial wellness and advisory program, but less than 1/3 of employers offer these in a meaningful way.

### Survey Methodology

Data cited is the result of the 2023 Public Sector Employee State of Financial Wellness Survey study by Purchasing Power. Conducted during February 2023, the study explored the financial wellness of over 500 U.S. public sector employees on topics including inflation, cost of living, financial stress, unexpected expenses and more. Respondents cover all age groups (18 and older), regions and genders. The margin of error for this study is +/- 4%.