ACTION PLANNER SERIES

corebridge financial

Serving those who serve our communities

Helping public sector workers achieve retirement readiness





Overview

For many years, defined benefit plans—also known as pension plans—have had a significant role in providing retirement income for workers in public service fields, such as education, healthcare, government, and nonprofit. While they still exist for some, the landscape is changing—for these employees, relying on their own savings is taking lead in preparing for retirement.

To understand how workers in these fields are planning for and taking action to secure their financial future, Corebridge Financial fielded a survey in 2023 on the topic of work and retirement. Here, we share key insights into how happy public service workers are in their jobs and what incents them to stay where they are—or move on—and to what degree they have thought about and planned for their retirement. This includes:

- Top financial priorities and stressors
- Retirement expectations—and the planning disconnect
- Plan features that can improve retirement readiness
- What drives current savings rates
- The appeal of guaranteed retirement income and need for guidance

Importantly, findings from the **Corebridge Survey of Public Sector Employees** point to actions employers and plan providers can take together to help improve employees' retirement confidence and readiness.

Happiness at work

Attracting and retaining diverse talent is a top priority for all employers, but especially those in healthcare, education, government, and nonprofits. Given competition with the private sector, maintaining high job satisfaction levels among public sector workers is key.

How do public sector employees feel about their jobs and where they work? And how do they prioritize what they need from an employer? Here is what we learned:

- 80% of workers are happy with their jobs. 38% are very happy. Three in four (73%) say they are happy with their employer.
- While less than 10% say they want a job change, 43% are casually looking or are open to the right opportunity.
- Primary drivers for a job or career change are higher pay, better retirement benefits, and job flexibility.



Ranking of benefits as "very important"

1	Health insurance	78%
2	Paid Time Off (PTO)	74%
3	Retirement plan	66%
4	Flexible schedule	53%
5	Pension plan	52%

While public sector employees report high levels of job and employer satisfaction, they are also willing to make a change to improve their financial wellbeing and are clear about the benefits they value most. Helping employees plan and save for the retirement they envision will provide an edge to employers seeking to recruit and retain a top-notch workforce.

Navigating competing financial priorities

Overall, workers say their retirement is top of mind—both planning and saving for retirement—but for those with student loan debt, paying off their loans is equally important. Having an emergency fund and paying down credit card debt round out the top five financial priorities for public sector workers, while inflation leads the list of financial stressors.

Top financial priorities	
Saving for retirement	88%
Paying off student loans*	88%
Planning for retirement	84%
Start or grow an emergency fund	80%
Paying off credit card debt	66%

Top financial stressors	
Inflation	83%
Student loan debt*	78%
General financial wellbeing	73%
Retirement	62%
Managing day-to-day expenses	60%

Selected as highest, high or moderate priority
*Among the approximately 30% of respondents with student loan debt.



- It's important to note inflation is the highest cause of financial stress across all demographics, even though 2023 actually saw a significantly lower increase in consumer prices and goods (3.4%) than in 2021 (7% increase) and 2022 (6.5% increase).[1]
- This could serve as an important impetus to reinforce that managing debt and growing savings at the same time can help combat inflation over time, versus having an "either/or" focus.

[1] Consumer price index, Bureau of Labor Statistics, February 2024

Employees are looking to the future—but need help with today

With many workers pointing to emergency funds and managing debt (including student loans) as top financial priorities, there are certain plan features that can help employees balance needs for today and tomorrow. Sections of the SECURE Act 2.0 of 2022 include provisions that can help more employees save for the future while managing current financial priorities, such as:

- Permitting penalty-free access of up to $1,000 in retirement savings for emergency needs
- Allowing employers to make retirement plan contributions that match an employee's student loan payment
- Reducing eligibility requirements for part-time employees' plan participation
- Offering a 50% federal match on the first $2,000 of retirement savings for low-income workers (effective 2027)

Auto-enrollment, auto-escalation and employer match are also features that can make a significant difference in getting employees started and on the right track. In fact, SECURE 2.0 requires most newly established 401(k) or 403(b) employer retirement plans to implement automatic enrollment for new hires.

Importantly, survey results show these features have impact:

7 in 10
would contribute more if they could access up to $1,000 for an emergency

Employer match is #1 reason
for employees' current contribution amount

Only 56%
have ever increased their contribution amount

Retirement savings shouldn't take a back seat to other financial priorities, given how important it is to save as soon as possible. Leveraging plan features that help employees increase contributions while meeting today's money needs can help them create financial security for today and tomorrow.



Addressing retirement planning uncertainties

Workers are underestimating two crucial retirement planning areas—how much monthly income they will need in retirement and for how long. While the average expected age of retirement in the survey is 65, the reality is that retirement doesn't always arrive on schedule. Employment changes, health concerns, family situations, or other factors could lead to earlier retirements than expected—and those extra years in retirement need to be funded.

Employee expectations need to align with action

73% plan to fund retirement through their retirement savings plan.

Only 1 in 4 have clearly defined goals on how much they will need.

Less than half (41%) say they are on track. For women, this drops to 35%.

Workers are underestimating years in retirement

More than half (57%) think they will spend 20 years or less in retirement.

One in four (25%) earning up to $50,000 expect retirement to be 10 years or less.

Only half of high earners ($100k+) estimate 20+ years in retirement.

These figures underscore an urgent need for more planning. While the future is unpredictable, it is possible to help workers model the probabilities and develop an action plan they can work toward to achieve greater confidence and increase the likelihood that they will be prepared for a long and enjoyable retirement.



Key considerations in retirement planning

- How many years might I spend in retirement?
- What are my monthly income needs?
- How much do I need to save now to achieve my long-term goals?

Answering these questions can be an important first step in preparing for future retirement needs.

Employees are contributing—but must save more

With 73% of employees pointing to their retirement savings as a main source of retirement funds, savings rates need to increase. Understanding what drives contribution rates and when participants may be most likely to increase their contribution levels can open the door to growing savings. Getting started is key, and automatic enrollment is an important factor in achieving this, but ongoing education is necessary to ensure an understanding of the value of increasing contributions over time and helping employees take every opportunity to do so.

Contribution amount*	Overall	Millennial	Gen X	Baby Boomer
1%–5% of salary	52%	67%	48%	46%
6%–10% of salary	31%	27%	33%	31%
11% or more	13%	11%	16%	18%

* Amounts do not total to 100% because some respondents did not know their contribution amount.

When asked what determines their contribution amounts, employees say:

It's the most I can afford	35%
Employer match level	14%
Ensuring I have money for today's needs	13%

When workers say they are most likely to increase contribution amount:

When my salary increases	47%
During open enrollment period	16%
When I get a promotion	5%
Through auto-escalation	4%

Even though half of employees (52%) are only contributing 1-5% of their salary (67% of millennials), they are paying attention to matching incentives and will consider increasing their contribution around specific employer-driven events like salary increases. This gives plan sponsors and plan providers an opportunity to leverage key events to increase access to retirement planning tools, guidance, and education designed to raise contribution levels.

Guaranteed lifetime income has appeal, but guidance is needed

Given the inherent uncertainty in planning for the future, workers are highly receptive to the idea of guaranteed retirement income. Even in fields that traditionally have had access to pensions, such as education and government, workers understand that pension availability may decline and express interest in building pension-like guarantees into defined contribution plans.

- **More than 90% of workers find the idea of having an annuity that provides lifetime income in retirement appealing,** with half saying it would be very appealing.
- **Three in four (74%) say they are likely to choose an annuity** if offered as an investment option in their employer plan.
- **The appeal of annuities is highest among millennial and Gen X workers, who now comprise the bulk of the workforce.** This may reflect a desire among people in their 30s to 50s to seek greater certainty in retirement planning as they balance competing financial priorities.

Most likely to:	Find an annuity appealing	Choose an annuity
Millennials	95%	80%
Gen X	93%	77%



Annuities and other lifetime income options are likely to appeal to the vast majority of workers eager for more certainty and confidence in retirement planning. Yet not all workers will be immediately familiar with how guaranteed income options can enhance their retirement security. That's why it's important to work with plan providers who can help employees understand their options and make choices best suited to their retirement goals.

Employer role is crucial—but workers could benefit from more education and guidance

Retirement planning can be a challenge for even financially savvy workers. Plan options abound, and it can be difficult to figure out how to make the most of this crucial employee benefit.

Employees may not fully appreciate how financial guidance can appeal to their overall sense of financial wellbeing and security. Bringing in more education and advice resources can go a long way in helping employees improve their retirement preparedness.

Workers may be flying blind

- **31%** say their employer's benefits website is by far their most-used resource for retirement planning.
- **39%** say they don't use any resources at all.
- **77%** of public sector employees don't work with a financial professional. Their biggest reason: They believe it costs too much (49%).

There is a desire for more financial guidance

- **More than half** (54%) of employees who do not work with a financial professional say they would feel more confident about retirement if they did.
- **Over three-quarters** of those who do work with financial professional are more confident about retirement because they do.

Education and advice could improve retirement plan understanding

- **Only half** (54%) know the maximum amount they can contribute to their retirement savings plan.
- **Only 38%** understand the difference between a defined benefit plan and defined contribution plan – this jump to 46% of those who work with a financial professional.

Providing access to a financial professional can help improve financial literacy and build financial self-confidence. This can help workers better understand their plan options, such as investments and product mix, how much they can contribute each year (including catch-up contributions for older workers), the difference between pre-tax and Roth (after-tax) plan contributions, and how they can create a strategy for lifetime income in retirement.

Financial professionals can also help employees understand the difference between defined-benefit pension plans and defined-contribution retirement savings plans, and how the two can complement each other when both are available.

Action steps to help employees achieve retirement readiness

Employers and plan providers can create programs that maximize engagement and contributions rates for all employees, across sectors and demographics. Here is a summary of key areas in which to partner with your plan provider to help employees get the most out of their plans and improve their retirement readiness:

1. **Make auto-enrollment and auto-escalation default features of your retirement plan.**

   This will enable universal access to your plan and put employees on a path to increasing their contributions to stay on track toward a secure retirement.

2. **Include access to guaranteed lifetime income options.**

   These options can give employees greater certainty in their retirement planning and help build retirement confidence.

3. **Take advantage of SECURE 2.0 provisions.**

   With these features, workers can start or ramp up retirement saving as they address other priorities.

4. **Work with a plan provider who offers professional guidance for employees.**

   Having guidance from a financial professional can increase employee confidence about retirement saving and become a popular and valued feature in your retirement offering.

5. **Implement a robust education and financial literacy program.**

   Educating employees about retirement plan features as well as key concepts like saving early and capitalizing on matching contributions is important for all workers—and can be especially helpful to new, younger, and lower-income employees who may need help budgeting retirement savings among competing financial priorities.

6. **Understand the needs of specific groups of employees, including among gender, generational, cultural, and income categories.**

   Your employees are bringing widely varying levels of knowledge and confidence, as well as differing goals, to the retirement planning process. Your plan provider can help tailor advice, education, and features to help all employees meet their individual retirement planning and financial goals.

Corebridge Financial:
Moving financial futures forward.

At Corebridge Financial, we believe action is everything. We are a top-five retirement plan provider in K-12, higher education, government, and healthcare, by assets,[2] and serve nearly 20,000 plans across 50 states.[3] We proudly partner with plan sponsors to help people take action in their financial lives, for today and tomorrow.

Action today can lead to great things tomorrow. Action is everything.

[2] LIMRA rankings as of December 31, 2025.

[3] As of March 31, 2026.

Findings in this paper are from the Corebridge Financial survey of public sector workers. This survey was conducted by Morning Consult for Corebridge Financial on November 7-13, 2023, among a national sample of 1,103 Public Sector Workers.

The interviews were conducted online and weighted to approximate a target sample of Public Sector Workers based on gender, educational attainment, age, race, and region. Results from the total sample have a margin of error of +/-3 percentage points.

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