

WORKPLACE IN FOCUS

# PUBLIC SECTOR



**RECRUITING AND RETAINING  
TALENT IN THE PUBLIC SECTOR**

# Introduction

---

In today's competitive job market, recruiting and retaining top talent is more challenging than ever, especially within the public sector. State and local governments are tasked with building a workforce that is not only skilled and diverse but also deeply committed to public service. However, with the impending retirement of seasoned employees and the unique needs of younger generations, public sector HR leaders must rethink their strategies to attract and retain employees.

This report delves into the key factors that influence public sector employment decisions, from job security and work-life balance to the critical role of benefits in attracting and retaining a new generation of workers. By understanding these dynamics and adapting to the evolving workforce, public sector employers can create a strong foundation for the future, ensuring that they continue to serve their communities effectively and efficiently.



## TABLE OF CONTENTS

- 01** Bridging the Generational Gap: Addressing Financial Concerns and Retirement Readiness
- 03** Empowering New Hires: Maximizing Benefit Engagement
- 05** Conclusion

# BRIDGING THE GENERATIONAL GAP

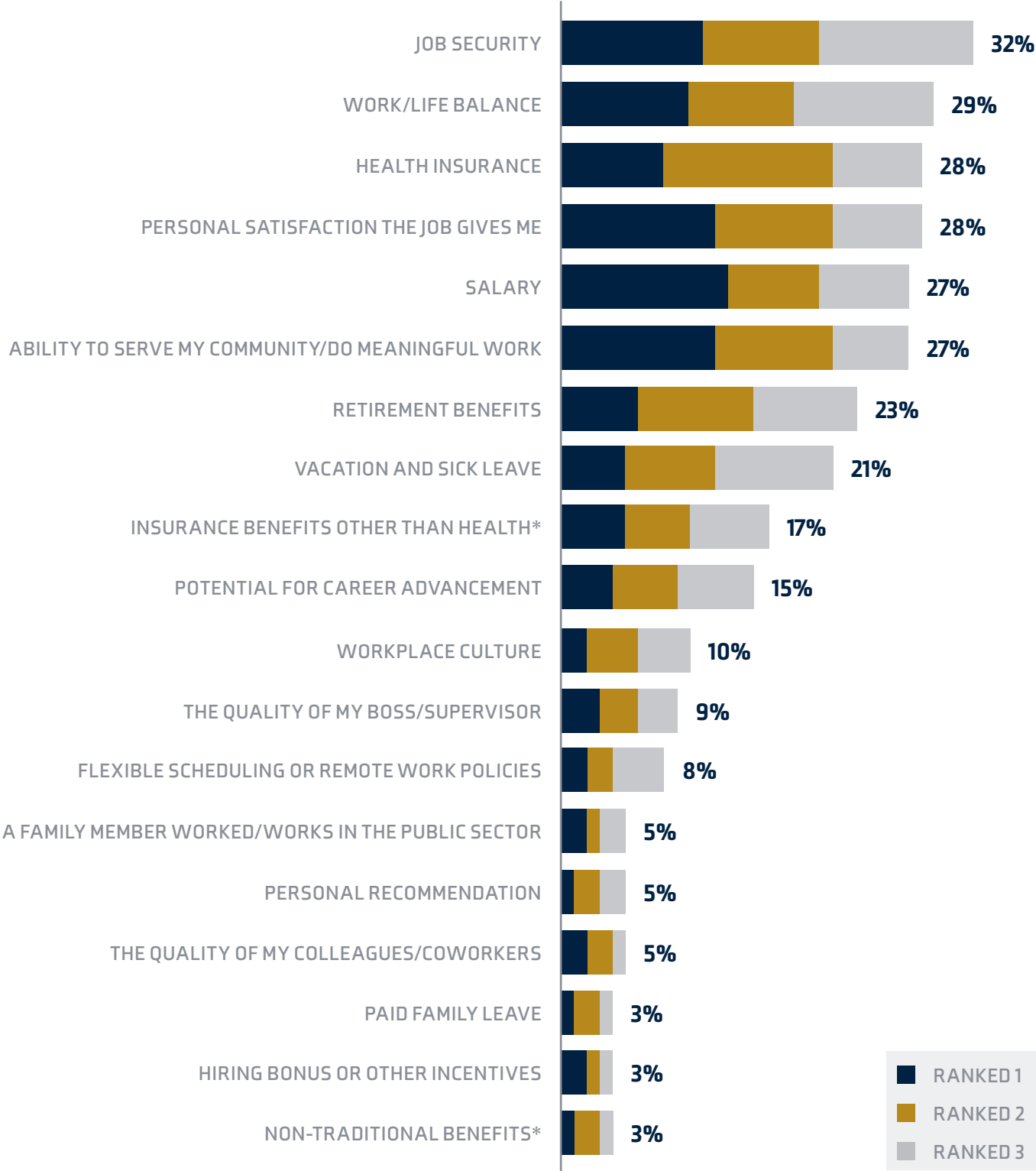
## ADDRESSING FINANCIAL CONCERNS AND RETIREMENT READINESS

Recruitment and Retention of a diverse and talented workforce remains a critical challenge for state and local governments. While the next generation of public sector employees will be looking for the stability and long-term employment potential that a public sector role can afford, **it may surprise you that public sector job seekers have employment goals that are similar to job seekers in other industries.**

In a recent study conducted by MissionSquare Research Institute, workers ranked the top reasons they were initially attracted to work in the public sector, those top reasons included job security, work-life balance, health insurance, and personal satisfaction from the job (see Fig 1.1).



Fig 1.1 - 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.

# EMPOWERING NEW HIRES: MAXIMIZING BENEFIT ENGAGEMENT

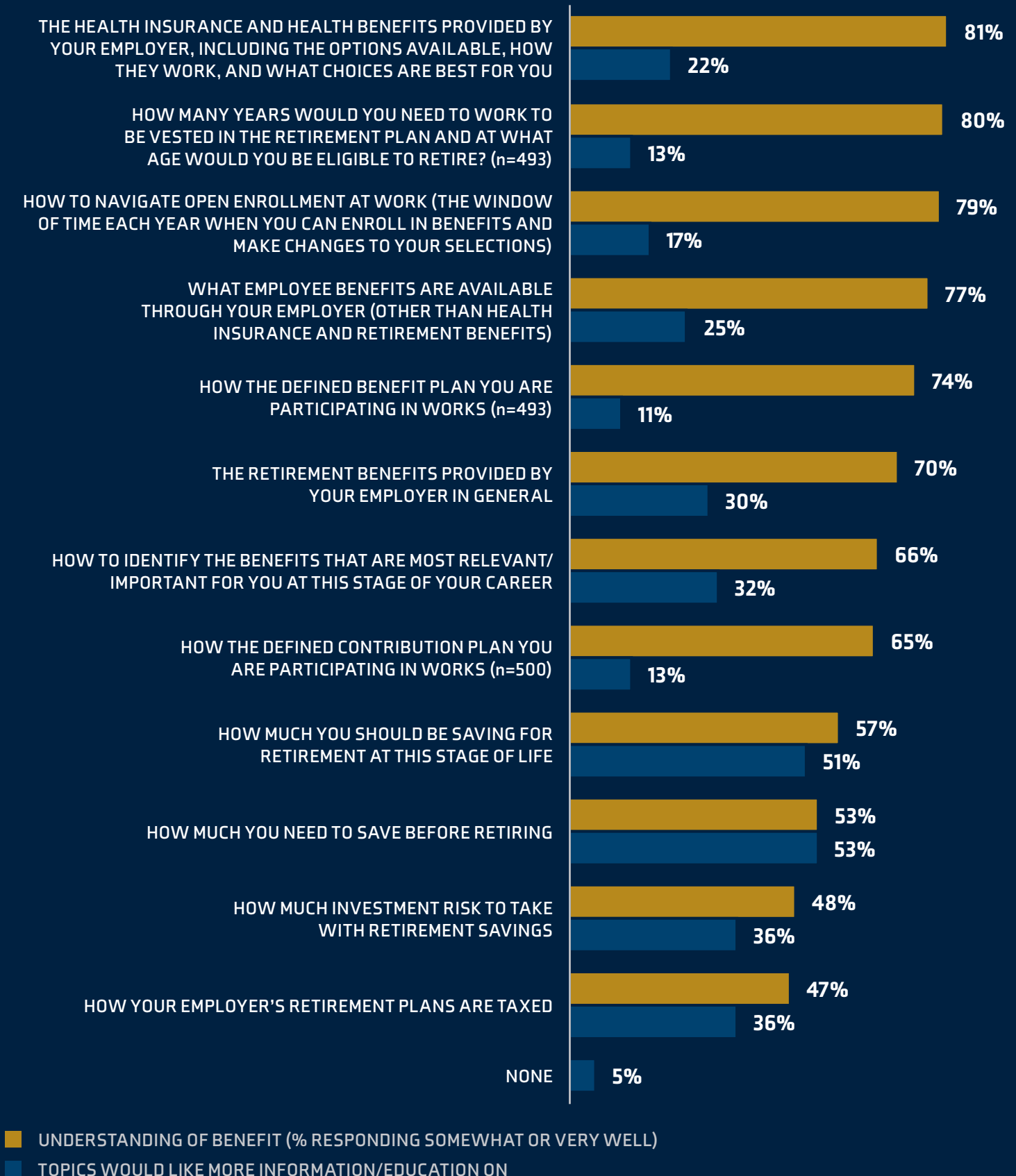
While job seekers may share similar goals, HR managers in the public sector face distinct challenges compared to other industries. Filling crucial roles like police and corrections officers is a major hurdle, compounded by the upcoming wave of retirements, which leaders are struggling to manage. The impending retirement of long-tenured workers is on the immediate horizon, with 53% of managers forecasting the bulk of their retirements will occur over the next few years. **And sadly, a mere 3% of HR managers reported successful efforts to recruit Gen Z employees.**

The biggest struggle among Gen Z employees is the stress of financial burdens. While the long-term incentives of a public sector role may initially draw the under-35 workforce, they won't hesitate to change jobs if it means more money in the short-term, with 71% of respondents reporting they would consider changing jobs for a higher salary.

When Gen Z workers were interviewed for the above-mentioned MissionSquare study, 61% of respondents said their biggest source of stress included lack of financial security, the inability to save, prioritizing other expenses over retirement savings, and a high level of debt. Similarly, 51% of respondents requested more information on how much they should save for retirement, 53% wanted to know how much they need to save before they retire, and 36% wanted to know both how much risk to take with investments and how their employer's retirement plans are taxed (See Fig 1.2).



Fig 1.2 - Understanding of Retirement and Health Care Benefits, and Interest in More Advice/Information



Source: 35 and Under in the Public Sector: Why Younger Workers Enter and Why They Stay (or Don't)

# CONCLUSION

Where does that leave you, the ever-struggling public sector HR leader? It's impossible to simply pull a higher salary budget out of your hat. And you're likely already providing generous benefits to your workers, but survey results indicate workers just don't understand the benefits they have available to them. How do you convince someone to participate in your plans in the short-term to reach the long-term benefits? How do you lead them to water and make them drink?

We all know that newly hired employees are overwhelmed with information when they are first hired. They're trying to make a good first impression, learn their job, enroll in benefits, and establish a career. **And for many younger workers who are just coming off their parent's medical plan, or who aren't familiar with retirement plans, taking time to fully understand the value of all benefit plans offered by an employer may be the last thing on their mind.**

The three- or six-month mark would be ideal for a "Financial Check-In" or "Benefits of Working Here" meeting with your newly hired employees. Keep these check-ins separate from other meetings and Open Enrollment. Separate check-ins allow new hires to confidently navigate their benefits package, fostering comfort and informed decision-making.





## MORE THAN JUST **INSURANCE**

IMA is an integrated financial services company specializing in risk management, insurance, employee benefits and wealth management.

As an employee-owned company, IMA's 2,500-plus associates are empowered to provide customized solutions for their clients.

## WORKPLACE IN FOCUS CONTRIBUTORS

LAURA EARLEY, *Account Executive, Employee Benefits*

JOHN DODSON, *Marketing Strategist, Employee Benefits*

ALEJANDRO PESCADOR, *Marketing Specialist*

### SOURCES

Fig 1.1 - [https://research.missionsq.org/content/media/document/2023/8/FINAL WorkforceSurveyReport35andYounger.pdf](https://research.missionsq.org/content/media/document/2023/8/FINAL%20WorkforceSurveyReport35andYounger.pdf)

Fig 1.2 - [https://research.missionsq.org/content/media/document/2023/8/FINAL%20 WorkforceSurveyReport35andYounger.pdf](https://research.missionsq.org/content/media/document/2023/8/FINAL%20WorkforceSurveyReport35andYounger.pdf)

This material is for general information only and should not be considered as a substitute for legal, medical, tax and/or actuarial advice. Contact the appropriate professional counsel for such matters. These materials are not exhaustive and are subject to possible changes in applicable laws, rules, and regulations and their interpretations.

NPN 1316541 | IMA, Inc dba IMA Insurance Services | California Lic #0H64724  
©IMA Financial Group, Inc. 2024 | CT-WiF-IMA-B-G-080724

IMACORP.COM