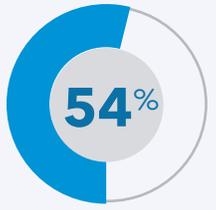




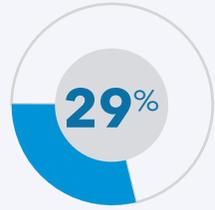
As the financial impact of COVID-19 on the public sector workforce continues,

Employee emergency savings benefits make good business sense

Few public employee benefits are focused on emergency savings

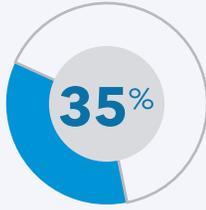


Even before the COVID-19 pandemic, 54% of state and local government workers **worried about their finances/ financial decisions** while at work.¹

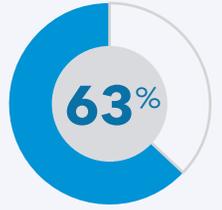


Only 29% of state and local government workers are **offered a financial wellness program** by their employer, **but 68% would be likely to participate** if offered one.¹

Few (35%) local government financial wellness programs **cover the topic of rainy-day funds**.²



Nearly 2 in 3 public sector workers are **offered savings plans** with no employer contributions as a financial benefit by their employer.³



Financial concerns are growing due to the COVID-19 pandemic

54% say they and their family have been **negatively impacted financially** by the COVID-19 pandemic, and 37% expect the financial impact to be worse over the course of the next year.⁴

6 in 10 say **debt is a problem** for them and their family.⁴



3 in 10 have had to **take on more debt** since the start of the pandemic.⁴



Prior to the pandemic, only **30% had a fully funded emergency fund** to help pay for major unexpected expenses or to cover necessities if they lost their main source of income.⁴



Among those with an emergency fund, **40% have had to spend money from it** since the start of the pandemic to make ends meet.⁴



26% have reduced their retirement savings since the start of the pandemic, and **43% are concerned about being able to save enough to be financially secure through retirement**.⁴

Helping employees build emergency savings may be particularly important for certain cohorts:

► **Low- and medium-income plan participants** who have saved for emergencies since the pandemic are half as likely to tap their retirement savings (8% vs. 16%).⁵

► **Early-career workers** are more likely to have had to spend any money from their emergency fund to make ends meet (46% for under age 40 vs. 38% for ages 40-59 and 29% for ages 60+).⁶

The benefits of building employee emergency savings



Financially literate employees have:²

- Higher productivity
- Improved morale
- Lower absenteeism
- Lower stress
- Lower health care costs

Improving employee emergency savings:⁷

- Helps avoid loans and withdrawals from retirement plans
- Familiarizes participants with plan platforms
- Serves as a competitive benefit in workforce recruitment and retention

¹ <https://slge.org/assets/uploads/2020/04/financial-wellness-report-2020.pdf>

² <https://slge.org/assets/uploads/2020/05/financial-literacy.pdf>

³ <https://www.bls.gov/ncs/ebs/benefits/2019/ownership/govt/table40a.pdf>

⁴ <https://slge.org/assets/uploads/2021/01/jan2021-slge-covid-report.pdf>

⁵ <https://buildcommonwealth.org/blog/post/saving-through-a-crisis-lmi-plan-participants-financial-strategies-during-covid-19>

⁶ <https://slge.org/assets/uploads/2021/03/infographic-covid-career-stages.pdf>

⁷ <https://buildcommonwealth.org/publications/eye-on-systemic-change-in-the-retirement-industry>