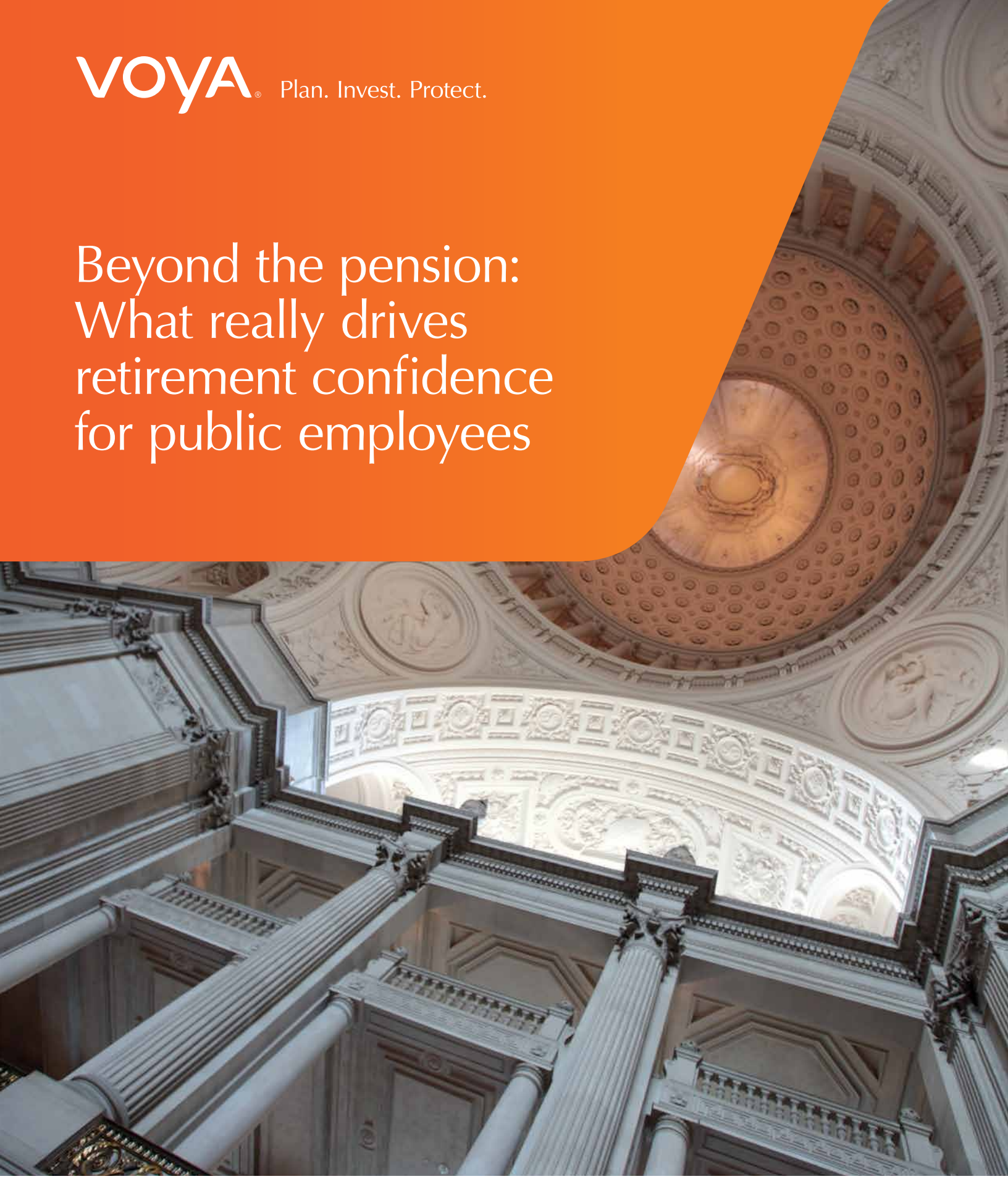
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Beyond the pension: What really drives retirement confidence for public employees



Insights from the Voya Public Employee Retirement Readiness Survey (September–October 2025)

Focusing on nearly 600 U.S. employees (n=198 government and n=400 non-government), ages 35–70 with at least $75,000 in household investable assets and a key role in financial decision-making, the survey aims to uncover factors influencing retirement readiness, barriers to saving, and opportunities for improving employee financial security.

Executive summary

Government employees demonstrate higher retirement preparedness than their private sector peers (89% vs. 81%, respectively), yet significant gaps in knowledge, behaviors and engagement represent opportunities for more support. The Voya Public Employee Retirement Readiness Survey, reveals three critical opportunities for plan administrators.

Advisor engagement:
High impact, ongoing opportunity

Government employees who work with advisors are approximately 1.6 times more likely to report increased confidence in meeting their retirement goals over the past two years compared to those who do not. In fact, nearly four out of five government employees express interest in receiving guidance to help them feel more confident about their investment decisions. Advisor usage among government employees is comparable to utilization rates in the private sector, highlighting a strong foundation. Still, there remains a clear opportunity to further improve outcomes through improved awareness, accessibility of guidance options and simplified investment strategies like target date funds.

Pension literacy:
Drive different outcomes

Government employees who are aware of their pension plan tier are more likely to report increased retirement confidence over the past two years compared to those who are unsure of what their pension tier is (51% vs. 32%, respectively). With 21% of government employees indicating they do not know the pension plan tier they are in, this creates the risk of inadequate contributions to their defined contribution plan.

Cost of living barriers:
Understanding competing financial priorities

While 54% of government employees cite rising costs of everyday necessities as a barrier to saving more for retirement, employees are managing multiple financial goals simultaneously — emergency funds, health care, housing costs, and retirement. Understanding these trade-offs creates opportunities for more comprehensive financial wellness education.

AI & technology adoption:
Early signals worth watching

Many government employees are turning to AI for assistance with basic financial literacy and education. 73% use AI tools for budgeting while nearly as many have used AI to help develop a financial plan. But not all employees are adopting the technology. Older employees in particular are slow to embrace AI meaning that a balanced approach including access to human advisors remains important.

Key findings & strategic insights

Advisor engagement: High impact, ongoing opportunity

The data

- 54% of government employees have met with their financial advisor within the past year (vs. 60% non-government)
- Government employees working with advisors are about 1.6x more likely to report increased confidence in meeting their retirement goals over the past two years (57% vs. 35% of those who are not working with an advisor)
- 78% of government employees and 83% of non-government employees are interested in advice to help them feel more confident in their investment decisions

Why this matters:
Working with advisors drives confidence. Ensuring participants are aware of their access to advisors, and encouraging their engagement can help drive better outcomes.

Government employees working with an advisor were nearly 1.6x as likely to report increased confidence.

*Generally speaking, Target Date funds target a certain date range for retirement, or the date the investor plans to start withdrawing money. Investors can select the fund that corresponds to their target date. They are designed to rebalance to a more conservative approach as the date nears. An investment in the Target Date fund is not guaranteed at any time, including on or after the target date.

Action steps

Audit current advisor touchpoints: Are they opt-in or proactive? Digital-only or multi-channel? Understand how they want to engage and leverage digital tools when possible.

Test targeted outreach: Pilot emails to employees to specific populations (e.g., 10 years from retirement, those with lower contribution rates).

Simplify the path to guidance: Advisor office hours, consultations, digital office hours.

Make investment selection less intimidating: Streamline the fund lineup and emphasize the simplicity of target date funds.*

Measure behavior, not just sentiment: Track contribution increases and allocation changes following advisor interactions.



Pension literacy: Drives different outcomes



The data

- Many people rely on a multiple sources of retirement income, often including a traditional pension, Social Security and personal savings. Understanding future pension income is a critical step in setting personal savings needs.
- Government employees who are aware of their pension plan tier are more likely to report increased retirement confidence over the past two years compared to those who are unsure of what their pension tier is (51% vs. 32%, respectively).
- About a fifth of government employees (21%) do not know which pension plan tier they are in
- Significantly more government employees have access to Tier 1 plans with higher benefits vs. their non-government peers

Why this matters:
An employee who thinks they're in Tier 1, but is actually in Tier 2, may dramatically under save. Conversely, Tier 1 employees may over-save in 457(b) plans when those funds could address other more immediate financial priorities. Given that government employees are 1.5 times as likely to cite insufficient income as a major challenge, ensuring that each dollar is appropriately allocated in their budget is important.

Action steps

Add pension tier to annual statements in bold, with plain-language explanation of what it means.

Create tier-specific retirement modeling tools (not one-size-fits-all calculators).

Develop targeted communications: "If you're in Tier 2, here's what you need to know".

More than 1 in 5 government employees don't know their pension plan tier.

Cost of living barriers: Understanding competing financial priorities

The data

- 54% of government employees cite rising costs of everyday necessities as a barrier to saving more for retirement
- Government employees are 1.5x as likely to cite insufficient income as a barrier to saving more for retirement than non-government employees (30% vs. 20% respectively)
- If government employees were to save an extra dollar today, about 1/3 (34%) would prioritize extra savings toward retirement (vs. emergency savings or health spending/savings accounts)

Why this matters:
Employees must balance their current financial needs with their retirement savings goals. Understanding these trade-offs helps plan sponsors develop more efficient education and support strategies.

Government employees were 1.5x as likely to cite insufficient income as a barrier to saving more for retirement.

Action steps

Develop financial wellness content that address short-term vs. long-term savings balance.

Provide tools that help employees see the full picture: Emergency funds, debt management and retirement planning together.

Consider targeted communications for different life stages: Younger employees building emergency funds vs. mid-career employees balancing multiple priorities.

Explore whether existing plan features (like loan provisions, employer match structures, or access to guidance) are being fully utilized and understood.

Digital tools: Awareness gap, not capability gap

The data

- Government employes are significantly more likely to report they have never logged into their retirement/pension plan online (8%) or via the mobile app (25%) compared to non-government employees (3% and 15%, respectively).
- Both groups report similar confidence in saving for retirement, but government employees are significantly less confident when it comes to converting their savings into income in retirement, so they do not outlive their savings.
- Government employees are very interested in online tools that allow them to review both pension plans and defined contribution plans in one place (74%)

Why this matters:
You can build the best retirement calculator in the world, but if employees don't know if it exists, how to access it if it does, or don't understand why it matters, adoption will stay low.

Action steps

Map the participant journey: When do people naturally think about retirement? (Annual enrollment? Life events? Tax time?)
- Implement "just-in-time" nudges: Prompt account review after raises or at age milestones (45, 50, 55).

Consider auto-escalation features that remove the need for annual logins.

Make tools mobile-first: Many government employees don't sit at desks all day.

Government employees who have never logged into their retirement plan:

Online 8%
Mobile 25%

AI & technology adoption: Early signals worth watching



The data

- Many government employees trust AI to help with high-level financial decisions such as making a budget (73%) and developing a financial plan (67%).
- Trust in AI is lower for personal investment related financial decisions such as making retirement plan decisions (54%) and managing investment portfolios (52%).
- Older government employees (age 50-70) lag in terms of trusting AI for help with financial decisions, even more basic tasks like making a budget (67% vs. 80% ages 35-49) and developing a financial plan (58% vs. 76% ages 35-49).
- Additionally, government employees most view AI as being helpful for receiving personalized educational content to improve financial security (71%), receiving tailored messages (i.e., based on life stage, generation, identity, etc.) (71%), and improving their financial wellness education behaviors (e.g., saving more, investing appropriately, having right insurance, etc.) (68%).

Why this matters:
If participants are getting retirement advice from their preferred AI tool instead of your plan resources, you have a trust or accessibility problem. AI can also perpetuate misinformation (e.g., outdated pension rules, incorrect tax treatment). While AI is a fantastic resource, a best practice would be to keep human guidance available — especially for older employees.

Action steps

Monitor how AI tools are being marketed to your population.
- Consider where AI could enhance your offerings (e.g., conversational interfaces for FAQs, personalized scenario planning).

Increase transparency, educate participants on limitations: “AI can help you budget, but it doesn’t know your specific pension tier or plan rules”.

Older government employees don’t yet trust AI to assist with even basic financial decisions

Take action: Leverage Voya's full-support model

The insights from this survey point to clear opportunities, and you already have the resources in place to address them.

Your plan offers a comprehensive support system:

- Professional advisory services for personalized guidance, though your plan's advisor or Voya's advisory resources*
- Target-date funds and streamlined investment options for simplified decision making
- Digital tools and calculators for self-directed planning
- Educational campaigns and communications tailored to government employees
- Ongoing collaboration with your plan advisor to deliver these resources effectively

Voya works with you to drive engagement

We're ready to work alongside you and your plan advisor to:

- Review current utilization data: advisory engagement rates, target-date fund adoption and digital logins
- Identify your highest-impact opportunity: Where is the gap between available resources and participant awareness?
- Develop targeted communications to reach under-engaged populations

You've built a strong foundation.
Let's make sure your employees know how to use it.
Contact your Voya representative** to schedule a consultation and fully activate your plan's resources.

*Investment Advisory Services offered through Voya Retirement Advisors, LLC (VRA).

**Investment adviser representative and/or registered representatives of, and securities and investment advisory services offered through Voya Financial Advisors, Inc. (member SIPC). Investment advisory services are only offered through Investment adviser representatives of Voya Financial Advisors.

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