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K-12 Education


— 2023 —
WORKFORCE
TRENDS
REPORT
SERIES

Findings and insights from the 2023
Benefits Strategy & Benchmarking Survey

US EDITION



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Introduction

Leaders in the K-12 education sector have spent the past three years reconfiguring a new normal.

As they focus on creating an environment that retains employees and fulfills districts' mission statements, staff and student wellbeing is top of mind. Educators are entering a new phase, which requires the ability to discern what leadership skills and cultural attributes are needed to reinvigorate their districts.

Wellbeing is at the center of [Gallagher Better WorksSM](#), our comprehensive approach that aligns your people strategy with your organizational goals. It focuses on the full spectrum of organizational wellbeing—taking a strategic approach to investing in employee wellbeing at the right cost structures to support diverse workforce needs.

Part of our Workforce Trends Report Series, this addendum highlights key findings and implications based on responses from 188 K-12 organizations that participated in our 2023 Benefits Strategy & Benchmarking Survey. From broad insights to specific findings, you'll gain a practical perspective on trends and best practices to help you face your future with confidence.



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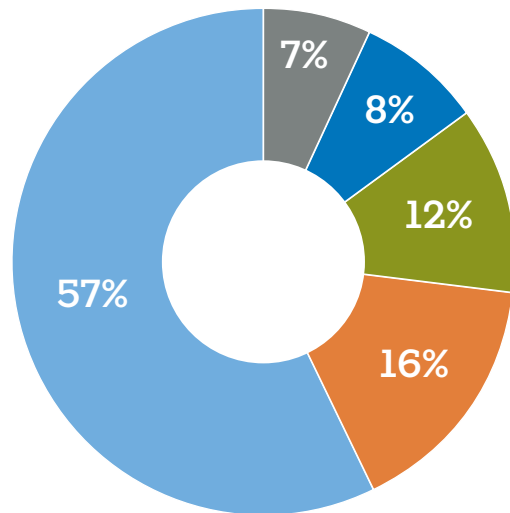
Benefits Strategy & Benchmarking Survey K-12 Education Participant Profile



188

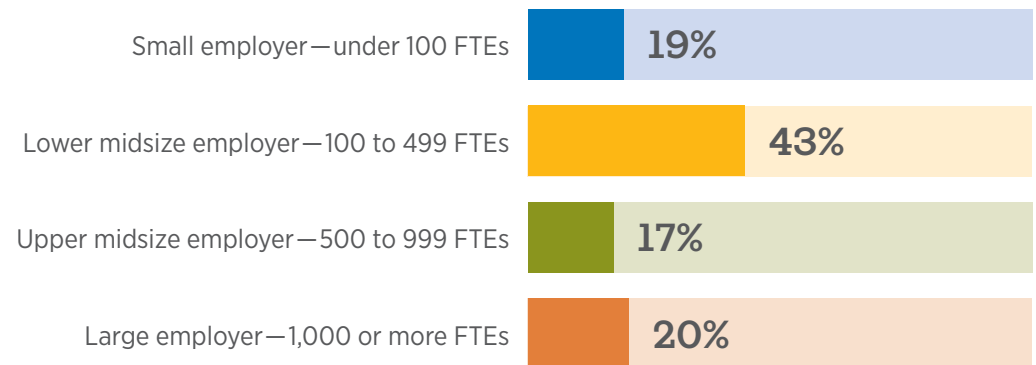
K-12 education organizations

Type of educational institution

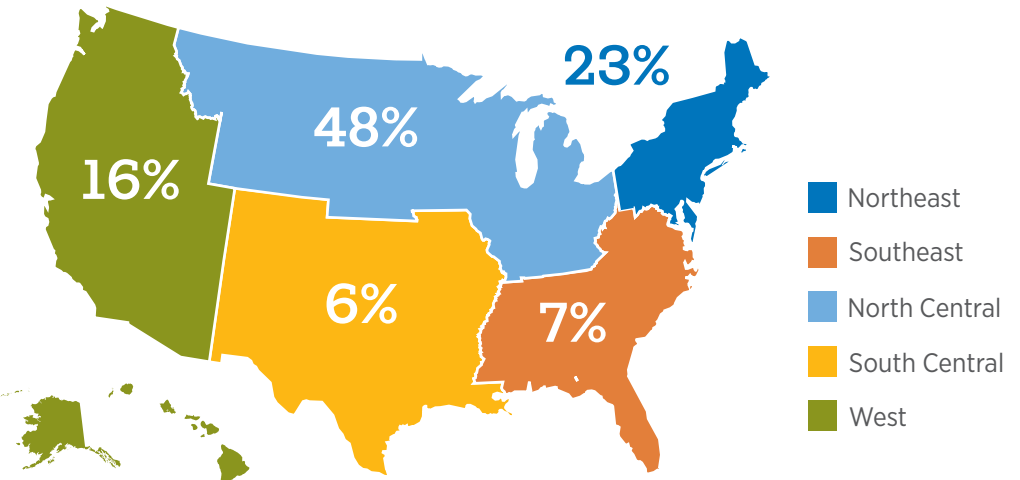


- Unified or unit school district
- Independent or private school
- Elementary school
- Charter school
- Secondary school

Workforce size — full-time equivalents (FTEs)



Geography



Key Takeaways for K-12 Education Employers

Organizational Wellbeing



Enhancing work culture and leveraging efficiencies from HR technology are critical for staff retention.

Physical & Emotional Wellbeing



Increased emphasis on mental health resources coincides with continuing efforts to contain medical and pharmacy costs.

Career Wellbeing



Offering staff new opportunities is under consideration as a solution to reduce burnout and increase engagement.

Financial Wellbeing



Voluntary benefits and financial resources, often overlooked, can cost-effectively augment pay to improve employee financial wellbeing.

Organizational Wellbeing

Sustaining staff levels, optimizing processes and strengthening culture are top priorities.

Plenty of attention-grabbing challenges face K-12 employers. Districts walk a fine line in holding their workforces, student experiences and community environments to the same high standards, and that puts culture at risk.

But bright spots exist. Employers are emboldened to explore new leadership competencies as they work to build trust among all levels of their organizations. Districts are shifting from reacting to the unprecedented to strategically planning for the future. An increasingly diverse culture and a recently experienced pandemic require new skills, which need to be identified and developed.

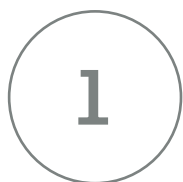
Given staffing concerns, technology's efficiency is promising. Districts that carefully evaluate and select software will help keep expectations in check. While tech tools won't solve 100% of schools' challenges, they can reduce administrative burdens, especially if qualified staff apply them to multiple initiatives.



37%

Experienced higher turnover than expected in 2022

Top operational priorities



Retaining talent



Attracting talent



Controlling employee benefit costs

More than
1 in 4

Rank creating a strong culture as a top HR priority

Nearly 1 in 2

Regularly evaluate the ability of HR technology solutions to meet current needs

Reasons for investing in HR technology



38%

Assign primary responsibility for managing diversity, equity and inclusion (DEI) initiatives to senior leadership or the C-suite

Physical & Emotional Wellbeing

More K-12 employers are considering new resources to reinforce wellbeing.

The importance of employees' physical and mental wellbeing is keenly understood. Districts continue to invest in mental and behavioral health programs while exploring ways to cultivate camaraderie among employees.

High healthcare costs continue to be a top concern for K-12 educators. Most increased medical or pharmacy cost sharing in 2022, but mindful of retention and attraction priorities, many others did not. With health benefits a core part of total rewards, higher out-of-pocket costs could bring unwelcome consequences.

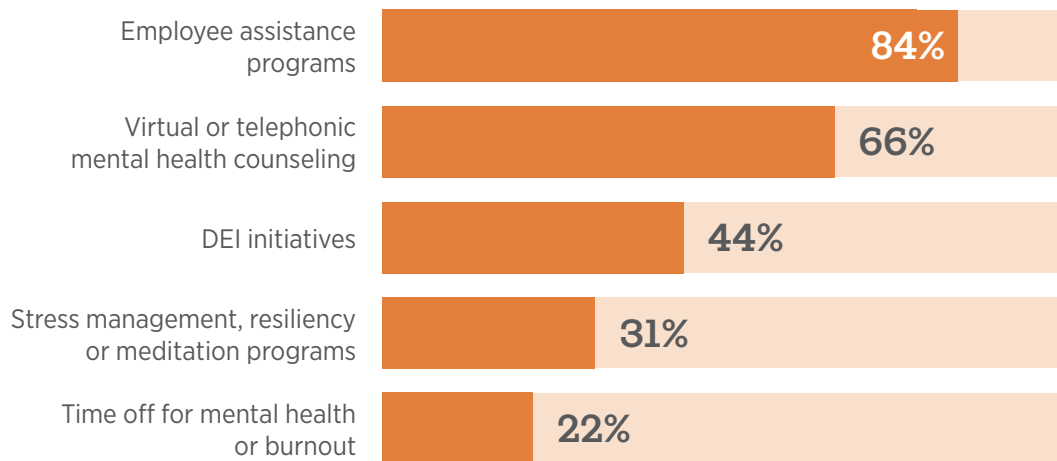
Resources that guide employees' healthcare decisions help to contain costs while aligning with patient needs. Support tools and services are available to assist with navigating a complex system. They're designed to promote appropriate care while avoiding procedures that may drive up individual and organizational costs.



More than
4 in 5

Increased their focus on employee emotional wellbeing in 2023

Components of emotional wellbeing initiatives



46% Support wellbeing with company-sponsored gatherings (e.g., holiday parties)

43%

Did not increase employee cost sharing at the most recent renewal

Top healthcare cost-management challenges



More than
1 in 4

Provide employees with healthcare decision support

Career Wellbeing

Skill growth opportunities can counteract burnout and increase engagement.

Showing appreciation for employees through communications, on a regular basis, helps reduce the harmful effects of stress. Leaders are focusing on cultural imperatives that build trust by recognizing the value their staff brings to the organization through their individual and collective contributions. Culture is foundational to wellbeing, and strategies that enhance it deserve close consideration.

A set path for K-12 professional development may feel rote and unhelpful. But offering staff training on preferred topics can revive a sense of connection to their careers and equip them with the skills they need to address current challenges.

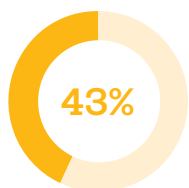
Engagement is a barometer of how employees feel about their jobs, and routine measurement gauges shifting perceptions. Tracking should occur every few months using pulse surveys or similar tools. When combined with a comprehensive survey conducted every year or so, employers gain ongoing access to recent data and better insights. They're able to optimize improvements by staying current on needs and interests.



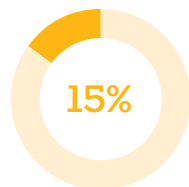
82%

Agree leaders are concerned about the impact of stress and burnout on the organization

Communication outcomes considered most important



Employees feel engaged and motivated to contribute to the organization's success



Organization establishes or sustains a strong corporate culture

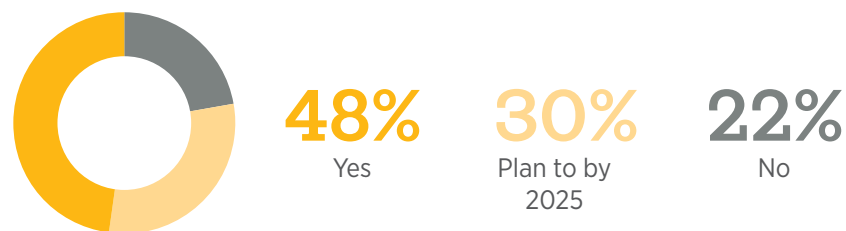
More than
1 in 2

Communicate in a way that fosters trust and confidence to improve employee engagement

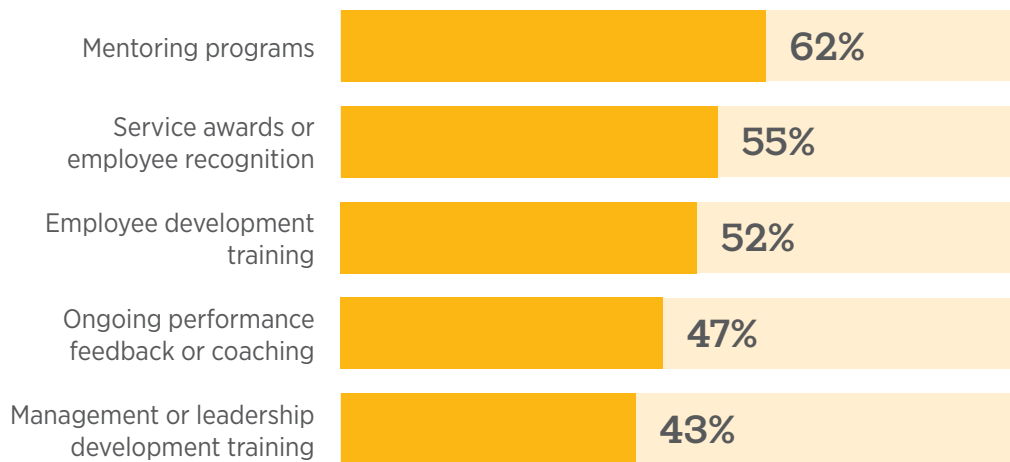
57%

Believe their workforce is highly engaged

Have conducted a survey to measure employee engagement



Components of career wellbeing initiatives



Financial Wellbeing

A comprehensive financial wellbeing strategy can enhance trust and support cultural goals.

Schools are interested in securing the trust of employees and increasing their satisfaction. Investment in financial wellbeing benefits can help with both. Holistic support for a wide range of needs includes a focus on overall financial wellbeing and an emphasis on retirement preparedness. These counteract concerns and needs during extended periods of inflation like the one employees are currently facing.

Grounded in an understanding of financial health basics through access to educational resources, employees gain a firmer foundation for better money management. They're prepared to meet individual needs from debt counseling to estate planning, with resources that help alleviate financial stressors. Positive effects naturally translate to better mental health, productivity and even physical wellbeing.

K-12 employers also apply creative measures to balance employer cost control and employee affordability, such as greater plan choice. Another option, voluntary insurance, supplements core benefits by adding financial protection and allowing employees to customize their coverage to their specific needs.



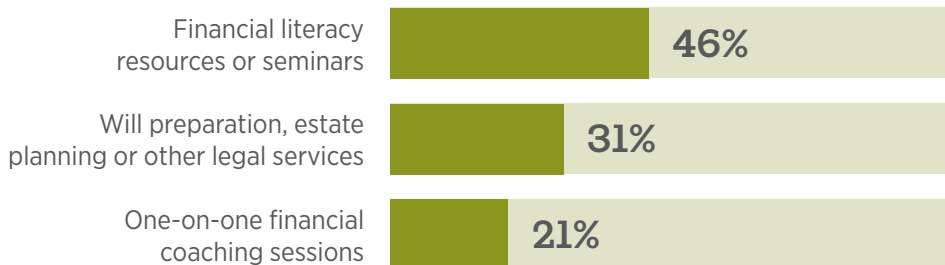
28%

Increased their focus on employee financial wellbeing in 2023

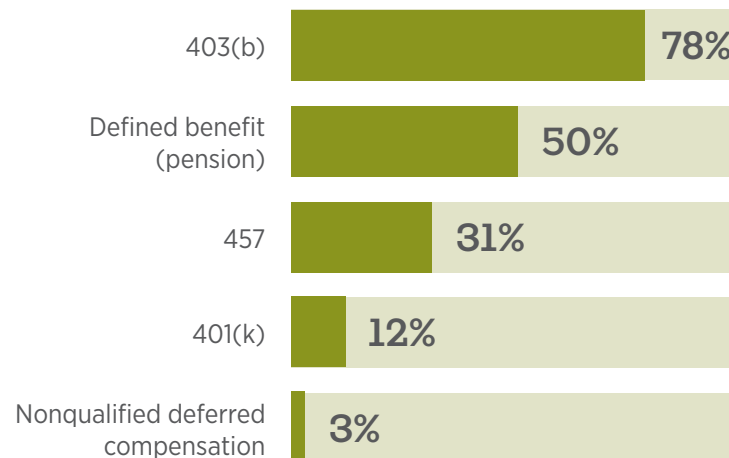
Nearly
4 in 5

Offer at least one financial wellbeing program or resource

Components of financial wellbeing initiatives

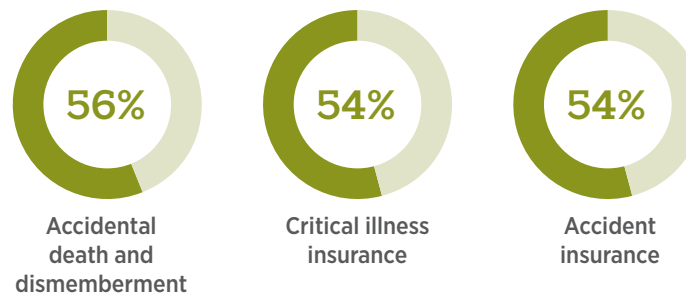


Retirement plans offered



56% Offer voluntary benefits to provide comprehensive benefit packages

Voluntary benefit additions expected by 2025



Final Remarks

K-12 employers are entering a new phase that calls for creative vision and novel solutions. Familiar challenges such as attraction, retention and engagement pose a talent issue for HR, while healthcare costs continue to squeeze budgets. However, emerging from pandemic conditions is creating more room for strategic instead of reactive operations.

A priority for many is shoring up organizational culture. Providing opportunities for employees to broaden the skills they need to effectively advance their careers will inspire confidence and increase their commitment. Communication that focuses on the future and outlines a path for realizing defined goals restores a sense of purpose for stressed employees. Keeping an eye on employee perception and preference through engagement surveys, pulse surveys and focus groups also helps in establishing a stronger, more vibrant culture.

Building trust is key. When there's a palpable sense of gratitude on the part of leaders and recognition is embedded in the culture, resiliency and trust are the end result. Staff are also better able to see the connection between their work and the organization's success.

The next few years may still feel like a wringer for K-12 organizations. But improving HR technology can ease some of the pressure that comes with change and progress, including administrative burdens. Efficiency tools should first be vetted, and monitored, to help ensure they meet expectations. Offering support to employees in accessing health services that deliver better outcomes and reduced medical and pharmacy costs is also helpful.

For additional insights and custom benchmarking on the latest trends impacting K-12 employers, contact your local Gallagher consultant or visit [AJG.com/publicsectorbenefits](https://www.gallagher.com/publicsectorbenefits).

About Gallagher

People are your organization's greatest asset.

But daily hardships—like economic uncertainty, personal and family health concerns, and insufficient resources or staffing at work—can take a toll on your people and leave your business struggling with hindered productivity, heightened disengagement and strained retention.

That's why every aspect of your benefits and compensation program needs to work in concert to promote overall employee wellbeing. Offering robust medical coverage and a competitive retirement plan isn't enough in today's hyper-competitive labor market.

As employees across all geographies, industries and employer types navigate the ever-changing world, organizations must critically evaluate their people's experience in the workplace—finding unique ways to engage teams, establish authentic connections and support employee wellbeing overall.

Doing so can help your business attract top talent, motivate employees and shift the organizational culture so employees feel differently about their work. When organizations find ways to reduce burnout and increase productivity among their people, business performance can soar.

This is why employee wellbeing is at the center of Gallagher Better WorksSM—a comprehensive approach for strategically investing in benefits, compensation, retirement, employee communication and workplace culture so you can support your people's physical and emotional health, financial confidence and career growth at the right cost structures.

From evaluating the demographics of your workforce to surveying and analyzing competitor trends, Gallagher offers you data-driven insights—allowing you to make the most of your investment in talent, deliver a better people experience and reduce organizational risk.

Even in times of uncertainty, Gallagher's consultants are here to help you optimize your profitability with a strategy rooted in the wellbeing of your people—so you can face the future with confidence.



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