Worksite in Progress.

The pathway to voluntary benefits success

Q1 2026 Report

Optimism tomorrow, reality today

MassMutual

FOR EMPLOYERS. NOT FOR USE WITH EMPLOYEES.

Introduction

Working Americans[1] began 2026 with another record-high WFSS, reflecting rising optimism about their future financial well-being. However, lingering difficulty in managing daily expenses and ongoing job market uncertainty continue to undermine the positive sentiment.

The Q1 2026 edition of *The pathway to voluntary benefits success* quarterly report once again examines working Americans' perceptions of financial well-being – and what's driving continued growth in the Workforce Financial Stability Score (WFSS)℠. It is based on data from our monthly WFSS surveys, which measure working Americans' perceptions across six financial dimensions:

- **01** **Ability to manage expenses between paychecks**
- **02** **Ability to withstand unexpected expenses**
- **03** **Ability to help others financially**
- **04** **Overall net worth**
- **05** **Confidence in meeting longer-term goals**
- **06** **Likelihood of reaching personal retirement goals**

The Q1 report sees continued benefits engagement across the three specific working American segments[2] we cover: The Financially Challenged, Stable, and Healthy.

- **01** **Financially Challenged Americans** are struggling the most
- **02** **Financially Stable Americans** are more secure, but with room for improvement
- **03** **Financially Healthy Americans** are the most positive about their finances

[1] The MassMutual Workforce Financial Stability Score measures the changing attitudes and financial outlook of working Americans. Commissioned by MassMutual, the research began in June 2022 and is conducted online, monthly, among a nationally representative sample of 1,000 U.S. middle-market employees. For purposes of this research, MassMutual defines working Americans and middle-market employees between ages 22 and 67, working at firms with at least 25 benefit-eligible employees, with a household income of $40,000 to less than $150,000, and assets less than $300,000.

[2] Working Americans are segmented into three cohorts based on the WFSS, using a scale from 0 to 100 to indicate the overall sentiments of financial well-being: Financially Challenged – survey respondents who scored between 0 and 39, Financially Stable – survey respondents who scored between 40 and 69, and Financially Healthy – survey respondents who scored between 70 and 100.

What you need to know

Quarterly scores:
Financial stability among working Americans

Topline improvement with lingering concerns

The WFSS is at a record high and has improved meaningfully year over year. While optimism is rising, many employees are still focused on getting through the month, making sure paychecks stretch far enough to cover everyday needs. Job market uncertainty continues to weigh on many employees, which could build a sense that financial stability feels fragile – even when things appear to be improving. These concerns resonate most with the Financially Challenged, many of whom are actively cutting back and trying to reduce stress: both financial and emotional.

Generations up-close:
Digging into financial well-being by generation

Different comfort levels with financial guidance

Though all four generations – older Gen Z, Millennials, Gen X, and younger Baby Boomers – are feeling better about their financial position in Q1 2026 than they did last year, their attitudes and approaches to managing their finances differ. Younger employees (older Gen Z and Millennials) tend to feel optimistic and resourceful, turning to trusted resources – including traditional, digital, and AI – for guidance. On the other hand, older generations (Gen X, younger Baby Boomers) are more cautious about the future. While they are less self-assured in how they are handling their finances, they are also less trusting of financial resources. These are important factors to consider as they are getting older and have fewer working years ahead.

Spotlight insight:
Perceptions and opportunities around voluntary benefits

Voluntary benefits are valuable – but retention risk is rising

Perceptions of the value of voluntary benefits improved in Q1 2026, and employees feel better informed about the products this year, culminating in a higher enrollment rate. But many working Americans also say they have not thought about their voluntary benefits since enrolling. In addition, intentions to drop benefits are rising, especially among the Financially Healthy segment. With job security concerns in the background, portable benefits are a practical differentiator worth elevating.

Quarterly scores

Topline improvement with lingering concerns

Working Americans are feeling meaningfully better than they did in Q1 2025, reaching a new high WFSS of 60.3 (+4.3 points). Employees feel better across each core component of financial well-being, and many expect further improvement over the next year.

But many are still living in the "in-between paychecks" reality. Most employees are focused on improving their financial well-being (67%), though 29% are more focused on simply maintaining where they are, which may reflect continued near-term financial strain. The specific area "ability to manage expenses between paychecks" has only improved slightly over the past year (+0.4 points). Concerns about saving for the future remain common, especially among the Financially Challenged (83%).

Continually rising prices (e.g., essential and non-essential goods, gas/fuel) remain top-of-mind concerns, and nearly half of working Americans (49%) have already reduced their discretionary spending as of March 2026. Job security is rising as an area for concern (36%, +6 points vs. January 2025). With these combined concerns looming, almost 77% have sought or intend to seek additional income sources or side jobs this year.

Overall, the American workforce remains optimistic about their long-term financial well-being, while still understanding that there will be friction in the near-term. That said, there is nuance in perceptions of financial well-being when viewed by segment.

Financially Healthy – feeling more confident, but still cost-aware.

With a WFSS of 82.6 (+0.4 points since Q1 2025), Financially Healthy working Americans continue to feel secure overall. But even this group feels more weariness about managing between paychecks compared to last year (-3 points vs. Q1 2025), though they feel more confident than others that those pressures will ease in the next year. As optimism increases, they expect to contribute more to core financial accounts (401k, Emergency Savings, Checking/Savings, HSA, Investments, IRA, 529).

With growth seen throughout 2025, the Financially Healthy continues to be the largest segment of working Americans (42%, +10 points vs. Q1 2025). The steady growth and strength of the Financially Healthy underscores the upward trajectory of the WFSS.

	Q1 2026 AVERAGES	vs. Q4 '25	vs. Q1 '25
	Workforce Financial Stability Score		
	60.3	+0.7	+4.3
PRESENT	My ability to manage my expenses between paychecks		
	66.2	+0.9	+0.4
	My ability to withstand unexpected expenses		
	58.1	+0.6	+3.3
	My ability to help others financially		
	53.7	+0.6	+5.6
	My overall net worth		
	58.7	+0.4	+4.5
FUTURE	Confidence household is doing what is needed to meet longer-term goals		
	60.7	+0.7	+6.8
	Likelihood will reach personal retirement goals		
	65.8	+1.3	+3.9

Quarterly scores

Topline improvement with lingering concerns

Financially Stable – higher financial stability, also with optimistic expectations.

Perceptions among Financially Stable working Americans improved slightly year-over-year, culminating in their highest quarterly WFSS to date (56.5, +0.8 points). They are concerned with rising prices and job security, but less intensely than the Financially Challenged and more closely aligned with the Financially Healthy. The Financially Stable generally feel in a better position to start 2026 than they did in 2025, with perceptions of their current net worth and future financial state improving year over year.

Even when scores improve, behavior shows many employees are still in "protect the paycheck" mode – which is exactly where voluntary benefits can be positioned as practical support.

Financially Challenged – feeling the effects of financial strain.

Financially Challenged working Americans grow even less confident in their financial well-being as their WFSS drops to 22.9 (-1.9 points vs. Q1 2025), the only segment feeling more pessimistic than last year. This segment is particularly concerned with their short-term ability to handle rising price pressures, with 67% worried they will run out of savings, and 83% concerned about being able to save for the future. They are the most likely segment to reduce their discretionary spending this year, particularly spending less in areas like subscription services (53%) and restaurant/bars/delivery services (69%).

For many Financially Challenged employees, money stress isn't just financial – it shows up in their health, relationships, and daily lives. About two-in-three say financial stress impacts their overall health (67%), and that their financial situation holds them back from participating in social engagements (61%) or their desired hobbies (64%). This highlights why benefits conversations that focus only on long-term value can miss the moment, as they overlook the immediate financial pressures employees face today.

Workforce Financial Stability Score by month

March 2026 – % have done or intend to do this year

Reduce discretionary spending

TOTAL	CHALLENGED	STABLE	HEALTHY
81%	88%	87%	72%

Seek additional income sources or side jobs

TOTAL	CHALLENGED	STABLE	HEALTHY
77%	86%	78%	70%

January 2026 – concerned or very concerned about:

Rising prices on essential goods and services

TOTAL	CHALLENGED	STABLE	HEALTHY
57%	78%	56%	45%

Rising prices on non-essential goods and services

TOTAL	CHALLENGED	STABLE	HEALTHY
50%	70%	49%	38%

Rising prices on gas/fuel

TOTAL	CHALLENGED	STABLE	HEALTHY
45%	62%	41%	39%

Job security/unemployment

TOTAL	CHALLENGED	STABLE	HEALTHY
36%	44%	34%	33%

So what?

1. Utilize cash-flow protection messaging

Even as optimism rises, many working Americans are still focused on the month ahead of them. Help turn good intentions into action by providing employees with messaging that connects voluntary benefits (for example, Group Critical Illness Insurance or Group Accident Insurance) to areas of concern, like unexpected expenses and cash-flow disruption. Position voluntary benefits as financial protection that can help cushion the impact when life doesn't go as planned.

2. Build a financial starting point experience

Create a simple digital path during onboarding or open enrollment that allows employees to self-identify their current financial stress level and then shows voluntary benefit options in a clear, supportive way. This approach is about choice (not about labeling), allows employees to start where they are (without judgment), and provides benefit options that reflect their current reality.

3. Use micro-check-ins for year-round engagement

Throughout the year, offer lightweight, bite-sized nudges (like a 3-to-5-minute video, tips, quick reminders) to reinforce value and show employees how to use the benefits they already have to manage current financial strain, meeting employees where they are with easily consumable content.

Different comfort levels with financial guidance

Entering 2026, all generations feel more positive about their financial well-being than they did at the start of last year, but financial confidence and how people seek guidance still varies widely by age. For younger workers, technology (including AI) is becoming part of the trusted financial resources toolbelt. Older workers are more hesitant, even if they could use the help.

Millennials and older Gen Z – confident but cautious, and increasingly AI-enabled.

Millennials (M) and older Gen Z (GZ) have grown more confident in their financial well-being over the past year, resulting in an improved WFSS (M: 63.7, +4.9 points, GZ: 66.1, +6.1 points). Compared to Q1 2025, they feel more secure in their net worth (M: +4.4 points; GZ: +6.8 points), ability to withstand unexpected expenses (M: +3.7 points, GZ: +5.6 points), and ability to help others financially (M: +6.9 points, GZ: +7.4 points). The largest growth is in their confidence they are doing what is needed to meet their longer-term goals (M: +7.9 points, GZ: +8.5 points)

Even with that progress, many still have some level of concern with making the wrong financial choices (M: 69%, GZ: 72% somewhat concerned, concerned, or very concerned). When it comes to financial advice and planning, they are more trusting in resources compared to older generations. While their trust in credentialed and institutional resources is strongest (e.g., financial professional, bank), this group has extended trust to include digital sources such as search engines, generative AI, financial podcasts, social media influencers, and Reddit communities.

The majority of older Gen Z and Millennials have used AI for financial reference or decision making, suggesting an opportunity to blend digital tools employees already use with the reassurance only a human financial professional can provide. Examples of use cases that interest this audience include explaining financial concepts, terms, and topics; comparing products and offerings; receiving financial planning advice and assistance; as well as simulating financial scenarios and forecasts.

Workforce Financial Stability Score Q1 2026
(vs. Q1 2025)

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
66.1	63.7	55.5	57.4
+6.1	+4.9	+2.8	+3.0

March 2026 – % very much or moderately trust for financial advice and planning

	OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
Financial professional	66%	67%	53%	49%
Bank	63%	60%	50%	45%
Employer provided financial guidance resource	58%	55%	37%	44%
Financial institute/company website	55%	56%	40%	41%
Family member/friend	54%	56%	45%	38%
Search engine search	50%	44%	23%	19%
Generative AI tool	46%	43%	20%	14%
Financial podcast	37%	40%	18%	21%
Influencer on social media	31%	28%	9%	11%
Reddit community	30%	30%	11%	15%

Generations up-close

Different comfort levels with financial guidance

Gen X and younger Baby Boomers – less optimistic and less trusting of financial resources.

Gen X (GX) and younger Baby Boomers (BB) saw their WFSS improve more modestly over the past year (GX: 55.5, +2.8 points, BB: 57.4, +3.0 points). While most components of the score improved, they are slightly more concerned with managing expenses between paychecks this year (GX: -0.5 points; BB: -0.5 points) and, compared to older Gen Z and Millennials, are generally less optimistic about the future.

Only about half of Gen X and younger Baby Boomers have spoken to or intend to speak to a financial professional this year, much less than the younger segments (BB:51%, GX:52%, M:74%, GZ: 66%). They also find financial professionals less trustworthy compared to younger employees and have even lower trust in other potential resources for financial advice and planning. Gen X and Younger Baby Boomers may not know where to start or who to trust for financial advice. That hesitation matters. Leading with listening, clarity, and choice – not pressure – may be better to help engage this group.

January 2026 – concerned or very concerned about:

	OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
Making the wrong financial choices	45%	40%	40%	27%

March 2026 – % tried or currently using AI as it relates to financial advice and planning:

	OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
Only for reference	72%	72%	57%	39%
For decision making	63%	65%	43%	22%

Different comfort levels with financial guidance

"The economy is still not the greatest so I don't have as much savings as I would like, but I do believe here in the near future it's gonna get better."

Financially Stable, older Gen Z, Female

"We're making much more progress than we were even two years ago, but we still have a ways to go."

Financially Healthy, Millennial, Female

"I think I am on the right path... but with rising prices associated with the cost of living, I am not sure anymore."

Financially Healthy, Gen X, Female

"I feel like my expenses are going up and my wages are not. I am very unsure of the future as I am reaching retirement age and I won't be able to retire because I won't be able to afford it."

Financially Challenged, younger Baby Boomer, Female

So what?

1. Complement AI investigation with human reassurance

Millennials and older Gen Z are already using AI to research and make financial decisions. Acknowledge and even encourage workers to take advantage of AI during the enrollment process (e.g., early-stage education, explaining basic terms, collecting questions), paired with the availability of expert resources to help explain coverage and answer questions. This respects how younger workers operate while keeping human guidance central.

2. Shift benefits communication from 'authority' to 'navigation support'

Gen X and younger Baby Boomers have less trust in financial professionals and financial advice resources and are less likely to engage with them. This can impact how they perceive enrollment communications. Instead of directive language (e.g., "You should enroll in…"), use supportive language (e.g., "Here are your options and how to think about them…"). Frame the benefits conversation as navigation support, inviting questions and validation so they can gain confidence and feel empowered to make the decisions right for them.

3. Position voluntary benefits as emotional reassurance – not just financial math

Across generations, working Americans express a mix of progress and uncertainty. Speak to that reality directly: normalize uncertainty, acknowledge concerns, and focus on helping employees avoid financial regret instead of chasing perfect decisions. Instead of framing benefits as the mathematically best choice, position them as protection to help them feel secure and confident they're better prepared against being caught off guard. This means speaking to how benefits can help employees sleep better at night, not just how they perform on paper.

Spotlight insight

Voluntary benefits are valuable – but retention risk is rising

A rebound in perceived value and stronger enrollment year over year.

Employees continue to come back around on voluntary benefits, with perceived value increasing 12 points from last year to reach an all-time high – 71% of working Americans find voluntary benefits valuable or very valuable. Understanding of voluntary benefits also improved compared to last year, which may have had some impact on a substantial rise in enrollment* (77%, +21 points). Of those enrolled*, 72% expect they will need to use their coverage (+16 points vs. February 2025). However, half of working Americans (50%) say voluntary benefits feel like an afterthought compared health insurance decisions during open enrollment.

Key value drivers for voluntary benefits include an affordable price point (57%) and options that meet their needs (55%). Ease of enrollment is also a growing value add, with the following areas increasing since last year: information provided to help learn about the voluntary benefit (+7 points), easy enrollment process (+7 points), and guaranteed coverage (no health exam required) (+6 points).

A wave of concern accompanies this year's rise in enrollment, particularly when paystubs arrive.

Even with higher enrollment, ongoing engagement with voluntary benefits into the year remains passive: nearly half of those enrolled* have not thought about their voluntary benefits since enrolling (46%, +3 points vs. February 2025), regret about their enrollment decisions is up (41%, +13 points vs. February 2025), and plans to drop a voluntary benefit they enrolled in is rising (44%, +18 points vs. February 2025). For many, voluntary benefit decisions come down to cost, with drop-off often occurring once paycheck deductions are visible.

*Enrollment in one of the following voluntary benefits: Group Whole Life Insurance, Disability Income Insurance, Group Critical Illness Insurance, Group Accident Insurance, Group Hospital Indemnity Insurance

February 2026 – % feel voluntary benefits are very valuable or valuable (vs. February 2025)

TOTAL	CHALLENGED	STABLE	HEALTHY
71% (+12)	49% (=)	59% (+3)	88% (+17)

February 2026 – % enrolled in a benefit during open enrollment (vs. February 2025)

TOTAL	CHALLENGED	STABLE	HEALTHY
77% (+21)	62% (+21)	70% (+14)	88% (+18)

February 2026 – of those enrolled*, % agree completely or somewhat about voluntary benefits enrolled in (vs. February 2025)

I expect that I will need to use my voluntary benefit coverage at some point

TOTAL	CHALLENGED	STABLE	HEALTHY
72% (+16)	64% (+10)	63% (+10)	79% (+19)

I have not thought about my voluntary benefits since enrolling

TOTAL	CHALLENGED	STABLE	HEALTHY
46% (+3)	36% (-3)	35% (-11)	55% (+12)

I have already or plan to drop a voluntary benefit that I enrolled in

TOTAL	CHALLENGED	STABLE	HEALTHY
44% (+18)	15% (-1)	32% (+11)	58% (+22)

I regret decisions I made about voluntary benefits during open enrollment

TOTAL	CHALLENGED	STABLE	HEALTHY
41% (+13)	25% (+4)	29% (+3)	51% (+17)

Spotlight insight

Voluntary benefits are valuable – but retention risk is rising

"I regret my choices because I didn't fully understand the coverage options at the time, and now I feel I missed out on benefits that would have been more valuable for my situation."

Financially Healthy, Gen X, Male

"I wish I had chosen only the benefits that pertained to me and not have to pay for the benefits I would never use."

Financially Stable, Millennial, Male

"I did not know the cost of my monthly premiums. I would have liked to consider plans with lower premiums."

Financially Challenged, younger Baby Boomer, Female

So what?

1. Clearly communicate benefit portability

Make the concept of portability less abstract. Create a "Benefit Portability Passport" resource for employees that clearly outlines which of their benefits are portable and provides the exact steps to take if they change jobs. This can address employment stability concerns and may improve enrollment and retention among those unsure of their future.

2. Run a value retention drip campaign after enrollment

Help combat the specific issue of "buyer's remorse" that can occur when deductions begin to hit paychecks. Engage employees in a series of post-enrollment email campaigns that reinforce why they enrolled, what's covered, and how to use it. Include a specific "How to file a first claim" tutorial to help employees see the value early and demonstrate the practical utility.

3. Lead with cost transparency to help reduce paycheck shock

Cost is a driver of both enrollment and drop-off, particularly once deductions appear in paychecks. Be transparent about cost in context. Show per-paycheck deductions ("This costs $X per paycheck" rather than "This costs $X per month") alongside simple benefits usage scenarios. This could help employees feel informed and prepared – rather than caught off guard – when they see their first paystubs.

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