Worksite in Progress.

The pathway to voluntary benefits success

Q2 2025 Report

Security, stability, struggle

MassMutual

FOR EMPLOYERS. NOT FOR USE WITH EMPLOYEES.

Q2 2025 Report

Introduction

While some working Americans[1] feel secure and stable in the face of persistent pressures, others face a struggle to manage expenses between paychecks. This disparity is reflected in how individuals perceive and engage with voluntary benefits, which are now increasingly influenced by their financial circumstances.

The latest edition of *The pathway to voluntary benefits success* quarterly report examines working Americans' perceptions of financial well-being – and the steps you can take to help reduce the engagement gap. As ever, it is based on data from our monthly Workforce Financial Stability Score (WFSS)sm 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 Q2 report shows a growing divergence 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

Economic pressures persist across segments

The Q2 2025 Workforce Financial Stability Score (WFSS) study reveals a continued challenging financial landscape for working Americans – though the overall score is relatively flat year-over-year, there are significant variations across segments. Across all segments, confidence in their ability to manage finances between paychecks continues to slip. At the same time, concerns rise about external factors, such as job security and stock market stability. These shifting dynamics may signal an urgent need for strategies that can help all working Americans navigate economic uncertainties while staying focused on long-term financial goals.

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

A generational divide in financial well-being

A widening generational gap marks the current state of financial well-being: Older Gen Z and Millennials are more optimistic, while Gen X and younger Baby Boomers are increasingly strained. Older Gen Z Americans lead in confidence about managing their expenses and retirement goals. Millennials show improvements in various financial aspects, despite increasing concerns about job security. Both older generations, particularly younger Baby Boomers, are experiencing declining confidence in their financial future, especially retirement. And, across all generations, there are increased concerns about external factors such as the stock market and unemployment – indicative that the current, evolving world is shaping each generation's outlook.

Spotlight insight:
Perceptions and opportunities around voluntary benefits

Voluntary benefits gain, but show growing polarization

Voluntary benefits are gaining traction, with an upward trend in enrollment and improved value perceptions for key products like Group Disability Income Insurance and Group Critical Illness Insurance. However, engagement and sentiment are increasingly split by financial standing. The Financially Healthy segment shows deeper engagement and proactivity, viewing these products as empowering tools. In contrast, only about half of the Financially Challenged and Financially Stable segments view voluntary benefits as essential or valuable. Bridging this divide will require more product education, emotional resonance, and personalized communication to help ensure voluntary benefits are seen as truly supportive by all workers.

Quarterly scores

Economic pressures persist across segments

The WFSS score holds steady year-over-year – but outside pressures are pervasive.

In Q2 2025, the WFSS remains relatively flat at 56.9, up modestly from 56.0 and the concerning sentiments of Q1 2025, but unchanged from Q2 2024 (57.0).

Beneath this stability is a more nuanced story: Working Americans are feeling slightly more confident in their personal financial situations versus 2024 – highlighted by record-high scores for their ability to help others (50.2, +1.2 points year-over-year) and perceptions of their net worth (55.5, +0.4 points year-over-year).

Yet, it is clear that political and economic concerns have risen – external pressures that nearly half say affect their feelings of financial well-being (48% – a sharp 10-point increase since May 2024). Just over half are concerned about national politics (51%) and there is more concern about stock market stability (39%, +8 points) and unemployment (37%, +6 points) compared to a year ago. At the same time, the ability of American workers to manage expenses between paychecks has slipped, down 2.3 points since Q2 2024 overall, and with declines experienced across all three working American financial segments.

While these macro concerns are relatively consistent, the gap between the three segments is also growing wider.

Financially Challenged – in a state of financial insecurity.

This segment's situation continues to deteriorate, with their WFSS declining 2.6 points since Q2 2024. Financially Challenged workers are grappling with their ability to handle their finances – in particular, their ability to manage expenses between paychecks, which has hit a record low (33.8, -5.1 points vs. Q2 2024). They are also losing ground in their ability to withstand unexpected expenses (-2.9 pts vs. Q2 2024) and to meet their long-term (-1.9 pts vs. Q2 2024) and retirement goals (-4.4 pts vs. Q2 2024).

External elements compound the pressure. Financially Challenged workers have increased concerns since a year ago about job security and the stock market.

Q2 2025 AVERAGES

	Q2 2025	vs. Q1 '25	vs. Q2 '24
Workforce Financial Stability Score	56.9	+0.9	-0.1
PRESENT			
My ability to manage my expenses between paychecks	65.2	-0.6	-2.3
My ability to withstand unexpected expenses	55.8	+1.0	-0.7
My ability to help others financially	50.2	+2.1	+1.2
My overall net worth	55.5	+1.3	+0.4
FUTURE			
Confidence household is doing what is needed to meet longer-term goals	54.8	+0.9	+1.0
Likelihood will reach personal retirement goals	62.0	+0.1	-0.8

Quarterly scores

Economic pressures persist across segments

Financially Stable – strained and feeling external pressures.

The Financially Stable segment has held steady overall, with their WFSS remaining relatively flat since Q2 2024, but signs of strain are clear. As they strive to maintain stability, there are slight but notable declines in their ability to meet expenses between paychecks and their confidence in reaching retirement goals (-1.4 points each vs. Q2 2024).

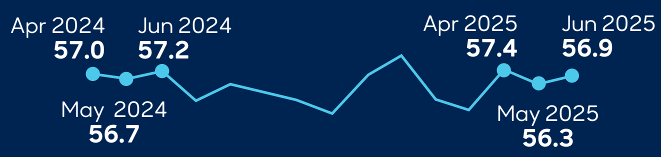
External factors are increasingly influencing their financial well-being as well, with more in this segment saying that government policies and regulations (+15 points) influence their financial well-being when comparing May 2024 to April 2025.

Financially Healthy – gaining momentum despite headwinds.

Financially Healthy workers are slowly pulling ahead, as their WFSS improves this quarter (+1.2 points since Q2 2024). This segment sees growth across most WFSS metrics in Q2 2025, with notable gains in their ability to help others financially (+2.5 points vs. Q2 2024) and in their confidence to meet long-term goals (+2.1 points vs. Q2 2024).

Yet, they are not immune to current economic pressures – their ability to meet expenses between paychecks has declined (-1.6 points since Q2 2024), and concerns about the stock market have surged 10 points since June 2024. Despite these pressures, this segment remains best equipped to continue to take control, adapt, and persevere financially.

Workforce Financial Stability Score by month



% Concerned or very concerned about

	TOTAL	CHALLENGED	STABLE	HEALTHY
National politics	51%	56%	48%	49%
Stock market stability	39%	43%	35%	42%
vs. Jun 2024	+8	+11	+6	+10
Job security/unemployment	37%	45%	37%	32%
vs. Jun 2024	+6	+4	+9	+3

WFSS Q2 2025

	CHALLENGED	STABLE	HEALTHY
	22.8	55.6	83.0
vs. Q1 2025	-2.0	-0.1	+0.8
vs. Q2 2024	-2.6	-0.2	+1.2

So what?

Turn strain into security

Reframe voluntary benefits as essential protection – not optional extras

Many employees are unsure where to start. Use clear, entry-level framing around *core protection benefits.*

- Offer stability-focused messaging like: Voluntary benefits are the safety nets every working American should consider.
- Launch “Start with these three” guides that outline each product’s basic use case (e.g., “If you’re hospitalized, this helps. If you get injured, this helps.”).

Contextualize voluntary benefits as part of a broader effort to help reduce day-to-day financial strain

Financially Challenged and Financially Stable workers are especially squeezed. Position voluntary benefits as part of a broader ecosystem of financial support that can help employees manage both immediate and unexpected expenses.

- Highlight how voluntary benefits can complement other employer-sponsored resources like earned wage access, budgeting tools, or emergency savings programs.

Combat skepticism with concrete cost/benefit tools

Focus on clear, direct communication and tools to show the value and pay-off of voluntary benefits:

- Use calculators to show how the benefit can help (e.g., “If you are diagnosed with a qualifying illness or condition, this $X/month plan may provide you with a benefit up to $X to use any way you choose.”).
- Provide plain-language FAQs: “Not sure it’s worth it? Here’s how it can help.”

Generations up-close

A generational divide in financial well-being

While the overall WFSS holds relatively steady year-over-year, a closer generational breakdown reveals a widening spectrum. Younger generations report relative optimism, while older cohorts are increasingly strained.

Older Gen Z* – the most optimistic, yet wary of a volatile world.

Leading the generations with a WFSS of 61.8, older Gen Z working Americans show the strongest *internal* confidence managing day-to-day expenses (67.5) and optimism about long-term retirement goals (68.0). They also stand out in helping others financially (+4.7 points vs. Q2 2024) and feeling more equipped to handle financial shocks (+2.9 points vs. Q2 2024).

Yet they are the most concerned about *external* elements: about three in five express concern about both national (58%) and global politics (59%, +15 points vs. June 2024). On a personal level, they are giving more weight to the impact of multiple factors on their financial well-being, including credit scores (+16 points), student loans (+13 points), and 401k balances (+10 points) compared to a year ago.

Millennials – financial gains today, job jitters tomorrow.

At 60.5, Millennials report their highest WFSS to date (+2.0 points year-over-year). Nearly all components of their WFSS are up since Q2 2024, with particularly strong gains in their ability to help others (+3.6 points) and their overall net worth (+3.4 points).

However, beneath this recent progress lies growing unease about the future. While employment remains one of the biggest influences on Millennials' feelings of financial well-being (71%, though down 3 points from May 2024), over half say their financial well-being is impacted by their retirement funds (51%, +6 points since May 2024) as well. Concerns about job security have also increased considerably since a year ago (+7 points since June 2024) for this group, reflecting growing concern about unemployment.

Workforce Financial Stability Score Q2 2025
(vs. Q2 2024)

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
61.8 +3.1	60.5 +2.0	52.8 -1.9	52.3 -5.5

Workforce Financial Stability Score six dimensions
(shifts vs. Q2 2024)

	OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
My ability to manage my expenses between paychecks	67.5 (+1.5)	67.0 (-0.2)	62.7 (-3.9)	65.1 (-6.6)
My ability to withstand unexpected expenses	60.0 (+2.9)	59.1 (+1.5)	52.0 (-2.2)	52.7 (-6.4)
My ability to help others financially	55.2 (+4.7)	53.9 (+3.6)	46.1 (-1.2)	45.4 (-3.8)
My overall net worth	57.0 (+1.9)	58.5 (+3.4)	52.3 (-1.6)	53.1 (-5.6)
Confidence household is doing what is needed to meet longer-term goals	64.1 (+4.9)	60.2 (+2.6)	48.6 (-0.7)	46.1 (-5.8)
Likelihood will reach personal retirement goals	68.0 (+1.4)	66.0 (+0.7)	57.8 (-2.8)	55.2 (-4.3)

Up 1 pt or more
Down 1 pt or more

Generations up-close

A generational divide in financial well-being

Gen X – increasingly pressured by daily expenses and the big picture.

At 52.8 in Q2 2025, the WFSS for Gen X workers has held relatively steady over the past three quarters. Yet, it is down 1.9 points since Q2 2024, possibly indicative of increasing pressure. Compared to other generations, they feel less confident in their ability to manage expenses since last year (-3.9 points), and fewer feel able to withstand unexpected expenses (-2.2 points).

Their concerns are shifting away from specific goods like gas/fuel prices (-8 points vs. June 2024) toward broader economic forces like stock market stability (+6 points) and unemployment (+4 points).

Younger Baby Boomers* – retirement dreams hit by economic realities.

Younger Baby Boomers fall to one of their lowest scores on record, with a WFSS of 52.3 in Q2 2025 – a steep 5.5-point drop compared to last year. All six dimensions of the score are down considerably since last year for the oldest cohort, including substantial declines in their ability to manage expenses between paychecks (-6.6 points vs. Q2 2024) and withstand unexpected expenses (-6.4 points vs. Q2 2024). Also troubling are declines in confidence about their financial plans since a year ago – down 5.8 points for meeting their long-term goals and down 4.3 points for reaching their retirement goals.

Plus, economic pressures are looming large. Their WFSS metric declines may coincide with rising concerns about the stock market (+10 points), retirement savings impact (+10 points), and housing market stability/affordability (+9 points) since June 2024.

Apr 2025 – % saying government policies and regulations "influence/influence a lot" their feelings of financial well-being

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
59%	49%	47%	42%
(vs. May 2024)			
(+16)	(+10)	(+9)	(+8)

Jun 2025 – % concerned/very concerned about job security/unemployment

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
45%	39%	35%	31%
(vs. Jun 2024)			
(+7)	(+7)	(+4)	(+3)

* Note: Survey sampling is limited to workers aged 22-67

Generations up-close

A generational divide in financial well-being

“We are seeing some of the worst political moves in history.”

Financially Challenged, older Gen Z, Male

“I don’t get very large raises at my job, so cost of living increases end up negating any raises I do get. I’m not optimistic about that changing anytime soon, and I’m worried about my job security.”

Financially Challenged, Millenial, Female

“Inflation and stock drops have eaten away at my savings and investments.”

Financially Healthy, Gen X, Female

“The state of the economy will negatively affect my retirement unless [leaders] correct course.”

Financially Stable, younger Baby Boomer, Female

So what?

Meet each generation where they are

Older Gen Z:
Build early momentum

- Promote **early enrollment, affordability, and urgency:** "Lock in lower rates now –your future self will thank you."
- Use **simple, tech-driven tools** (e.g., mobile quizzes, calculators, short videos).
- Use **peer-led messaging:** "Did you know X% of those your age own enrolled in Group Critical Illness (CI) Insurance?"
- Frame voluntary benefits as part of a **holistic financial wellness journey,** blending financial security with career growth and mental well-being.

Millennials:
Connect to family and job-related concerns

- Position voluntary benefits as smart **family-first protections** – especially Group Accident Insurance (AI) and Group Hospital Indemnity (HI) Insurance.
- Speak directly to **job-related concerns by reinforcing portability and stability** that voluntary benefits offer during transitions: "These benefits can go with you, even if your job doesn't."
- Embed voluntary benefits in broader **holistic financial well-being programs** that address security, parental leave, mental health, and flexible work.

Gen X:
Balance today with tomorrow

- Position voluntary benefits as a **budget-friendly bridge between now and retirement:** "A small weekly cost now may help protect your savings later."
- Offer **curated bundles** focused on life stage with opportunities to cover dependents and spouse (e.g., Group AI + Group HI for dependents + Group CI for aging self/spouse).
- Provide **cost/benefit examples and case studies** to help weigh value amid competing demands – show how the benefits have helped people in times of need.

Younger Baby Boomers:
Secure your road ahead

- Promote voluntary benefits as potential **protection for their nest egg or assets:** "Don't let an illness or hospital stay jeopardize what you've built."
- Emphasize **portability** and relevance post-employment: "Take this with you into retirement."
- Provide **claims scenarios** of how older enrollees might use voluntary benefits to help relate the value to them.
- Incorporate **voluntary benefits into retirement-readiness content** (e.g., planning checklists, webinars, calculators) as part of holistic aging support – not just an add-on.

Spotlight insight

Voluntary benefits gain, but show growing polarization

Voluntary benefits remain valued, with upward momentum for the category and key products overall.

Voluntary benefits continue to play a meaningful role in the financial well-being of working Americans. About three in five (59%) say voluntary benefits are essential – similar to May 2024, with many continuing to see the positive emotional benefits of these products – such as peace of mind and security. This quarter there is also increased momentum in those taking action in the category, as well as improved perceptions of value across key voluntary benefit products:

- 18% self-reported starting or increasing enrollment in voluntary benefits in June 2025, up 12% since June 2024.
- Value perceptions of Group Disability Income Insurance, Pet Insurance, Group Critical Illness Insurance, and Legal Insurance have all improved since May 2024 (+10, +6, +4, +4 points, respectively).

A closer look at group products like Critical Illness Insurance, Accident Insurance, and Hospital Indemnity Insurance:

There is a growing divide across financial segments.

Q2 2025 reveals increasing polarization with perceptions and engagement highly dependent on financial standing. The Financially Healthy segment is moving deeper into engagement and proactivity, while the Financially Challenged and Financially Stable segments (who are also older and lower-income) are falling further behind – emotionally and behaviorally.

- The Financially Healthy segment views these products as empowering tools that offer peace of mind, control, and financial readiness for the unexpected. They not only have higher enrollment, but they are also more likely to file claims, understand conditions covered, and view these products as more valuable than other segments.
- Among Financially Challenged and Stable segments, there is more financial stress and a clear monetary need. However, these segments are more polarized when it comes to their actions, perceptions, and emotional resonance of voluntary benefits. Only about half of these segments view voluntary benefits as essential or see key products as valuable. Action and sentiment appear muted by issues of affordability, perceived need, lack of understanding the category, and lack of perceived value.

59% (vs. 62% May 2024)

Agree completely or agree somewhat with “Voluntary benefits are essential to my overall financial well-being”

18% (vs. 12% Jun 2024)

Started or increased “participating in voluntary benefits you pay for through work”

% Top two box (shift vs. May/Jun 2024)

	CHALLENGED	STABLE	HEALTHY
Agree completely or agree somewhat with ”Voluntary benefits are essential to my overall financial well-being”	50% (-1)	55% (-3)	71% (-2)
Started or increased “participating in voluntary benefits you pay for through work”	11% (+6)	14% (+3)	27% (+10)

Spotlight insight

Voluntary benefits gain, but show growing polarization

The unique roles these products play.

- Group Critical Illness Insurance (CI) is emerging as a strong performer behaviorally and emotionally. There have been improved value perceptions of Group CI across all segments since May 2024 – and as of May 2025, claim activity is slightly higher than the other two products. When enrolled, working Americans feel deep gratitude, emotional relief, and a strong sense of being cared for – especially in moments of serious health crisis.
- Group Hospital Indemnity (HI) Insurance shows quiet depth – especially among the Financially Healthy segment, where, as of May 2025, 59% rate it as valuable and 27% are enrolled. It resonates around emergency support and family protection, giving working Americans a sense of protection and reassurance, especially around long hospital stays and care for loved ones.
- Group Accident Insurance (AI) is the most enrolled product of the three, but has a more functional pull – working Americans see it as "decent," "good," and "nice to have" support during accidents, but it lacks deeper emotional connection compared to the other two products.

Deeper understanding and reminders remain critical opportunities.

There is a clear opportunity to re-educate, remind, and re-engage working Americans, even the enrolled:

- **A shift in messaging** is needed – about one in five of the Financially Challenged and Financially Stable that are currently enrolled in Group CI, Group AI or Group HI insurance do not agree they understand what covered conditions they can submit as a claim.
- **Portability** is an expectation – especially among the younger, Financially Healthy segment.
- More than two in five say they forget they have coverage, and majorities indicate they would benefit from **reminders**.

% Considering each product "valuable/very valuable"

Group Disability Income Insurance

	TOTAL	CHALLENGED	STABLE	HEALTHY
Feb 2025	61%	58%	57%	69%
vs. May 2024	+10	+12	+8	+12

Group Whole Life Insurance

	TOTAL	CHALLENGED	STABLE	HEALTHY
Feb 2025	58%	53%	52%	69%
vs. May 2024	+3	0	+2	+5

Group Critical Illness Insurance

	TOTAL	CHALLENGED	STABLE	HEALTHY
Feb 2025	52%	48%	48%	62%
vs. May 2024	+4	+7	+5	+4

Group Accident Insurance

	TOTAL	CHALLENGED	STABLE	HEALTHY
Feb 2025	51%	45%	48%	60%
vs. May 2024	+2	+1	+6	+1

Group Hospital Indemnity Insurance

	TOTAL	CHALLENGED	STABLE	HEALTHY
Feb 2025	47%	40%	42%	59%
vs. May 2024	+2	+2	+3	+1

Spotlight insight

Why they agree/disagree voluntary benefits are essential:

"Due to my financial situation, I can't take advantage of the perks."

Financially Challenged, Baby Boomer, Female

"I am not familiar enough with these benefits to have a stronger feeling one way or another."

Financially Stable, Gen X, Male

"Being able to secure your future by doing everything possible you can do to help make life easier."

Financially Healthy, Millennial, Female

Spotlight insight

How they feel with coverage of each product:

Group Critical Illness Insurance:

"Huge relief, being able to pay off all medical expenses and not be burdened with that large debt hanging over me... [The] best thing I ever did for myself [is] getting critical illness insurance."

Financially Healthy, Baby Boomer, Female

Group Hospital Indemnity Insurance:

"I feel joyful and relieved that me and my loved ones would be cared for if me or them had to spend a long time in the hospital."

Financially Healthy, Millennial, Male

Group Accident Insurance:

"Good. It is a safety net for the possible need."

Financially Stable, Gen X, Male

So what?

Help reduce the voluntary benefits engagement gap

Shift from category abstraction to real-world scenarios by product

Workers may not relate to the term "voluntary benefits" – but they may understand "This can provide benefits if I get cancer."

- Replace generic "voluntary benefits" communications with product-level storytelling (e.g., "Group Critical Illness Insurance helped me pay off my bills during chemo.")
- Use emotional territory mapping:
  - **Group Critical Illness Insurance** = relief and dignity
  - **Group Hospital Indemnity Insurance** = family-first safety net
  - **Group Accident Insurance** = reliable backup for unexpected emergencies

Combat affordability and reduce overwhelm to build confidence

Many Financially Challenged and Financially Stable working Americans perceive voluntary benefits as unaffordable and feel unsure what to prioritize and who to ask.

- Bundle voluntary benefits options with income tier-based pricing guidance (e.g., "This plan starts at $3/week.")
- Reframe low-cost coverage as "your first step to helping build financial resilience."
- Launch a "Voluntary Benefits Match Quiz": Based on lifestyle, age, and risk factors, what's the first product that fits?
- Highlight "Good First Choices" with plain tags like "Start here if you're not sure."

Build trust through reach, reminders, and visibility

40%+ forget they have coverage. More than half don't fully understand their coverage.

- Send benefit usage reminders and host post-enrollment period events.
- Add real-time digital nudges (e.g., "Did you have an event that might qualify for a claim? Click here to check.")
- Build turnkey toolkits with email templates, claim reminders, and interactive explainers to help connect with lower-income or disengaged workers.
- Position yourself as an advocate of financial-wellbeing that makes voluntary benefits not just available to workers, but *understood* and *used*.

FOR EMPLOYERS. NOT FOR USE WITH EMPLOYEES.

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Products and/or certain features may not be available in all states. State variations will apply.

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