Worksite in Progress.

The pathway to voluntary benefits success

Q4 2025 Report

High-level stability, ground-level strain

MassMutual

FOR EMPLOYERS. NOT FOR USE WITH EMPLOYEES.

Q4 2025 Report

Introduction

Working Americans[1] ended 2025 with a record-high WFSS – and while ground-level strain persists, it appears that this may be a turning point in how they engage with voluntary benefits. What steps can you take to help encourage this positive change?

As ever, the Q4 edition of *The pathway to voluntary benefits* success quarterly report examines working Americans' perceptions of financial well-being – and the data behind a new record high for 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 Q4 report indicates a surprising shift in 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

A story of high-level stability and ground-level strain

While the Q4 2025 WFSS ended the year at a record high, ground-level strain persists. The ability to manage expenses between paychecks continues to decline, forcing difficult trade-offs: Many working Americans – including those in the Financially Healthy segment – have increased their reliance on credit cards for everyday expenses and saw rising stress levels related to personal debt. This reveals potential financial fragility beneath the overall score, shifting the focus from temporary inflation to a more persistent cycle of cash-flow challenges.

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

A shared burden, separate generational paths

The end of 2025 revealed a workforce united by a common financial burden: Covering day-to-day expenses is the top priority across all four generations. However, a generational lens shows divergent paths in managing this strain. While reporting increasing debt stress over the past year, younger generations – such as older Gen Z and Millennials – maintain confidence in their personal financial outlook. Compared to older generations, more in these younger groups have used various resources for financial information, including leaning on family and friends, social media, and even employer resources. In contrast, younger Baby Boomers are the only generation whose financial well-being has worsened year-over-year, and this shows as they also have the lowest confidence in their personal financial outlook. This makes them a uniquely vulnerable group heading into 2026.

Spotlight insight:
Perceptions and opportunities around voluntary benefits

A meaningful benefits inflection point

The Q4 2025 findings signal a turning point in how employees engage with their benefits. A more robust benefits landscape, with more choice and higher perceived value, is converging with a workforce that is more intentional, demonstrated by a clear shift in motivation toward protecting long-term financial well-being. Importantly, this increased engagement is leading employees to seek more support – whether through additional research or professional guidance to help them make confident decisions.

Quarterly scores

A story of high-level stability and ground-level strain

The Workforce Financial Stability Score ended the year at 59.6 points in Q4, ticking up slightly from the record high set in Q3 2025 and signaling some financial consistency for working Americans, despite persistent day-to-day challenges. Specifically:

- The 'ability to manage expenses between paychecks' is the only component of the WFSS that has not improved since a year ago – and is down since Q4 2024 for every segment.
- Accordingly, for over 2-in-5 working Americans (43%), covering day-to-day expenses was their top financial priority in November 2025 – ahead of saving for retirement (19%) or paying down debt (18%).
- Additionally, 60% of working Americans would describe their financial outlook as having a shorter-term focus, including looking day to day, week to week, or month to month. Their top approach to saving and investing includes covering day-to-day expenses (60% mentioned in top two priorities) and paying down debt (45% mentioned in top two priorities), while dealing with concerns around the rising cost of goods.

While the pressure to cover expenses can be a challenge, its impact is far from uniform. A look at the WFSS segments reveals different pathways, starting with those who have the fewest resources to fall back on.

Financially Challenged – a cycle of debt and stress defines the year-end.

At 23.8 points, the Q4 2025 WFSS for the Financially Challenged segment holds steady since last quarter, up slightly from Q4 2024. Nearly all components of the score have improved for this segment since last year, especially confidence that they are doing what is needed to meet long-term goals. However, managing expenses between paychecks is down year to year for Financially Challenged workers, despite this being a primary financial priority (67%). The reality is that nearly half report increased reliance on credit cards to cover everyday expenses (48%) this year. Understandably, the majority (72%) express increased stress about personal debt, and few (11%) are feeling confident about the year ahead.

	Q4 2025 AVERAGES		vs. Q3 '25	vs. Q4 '24
	Workforce Financial Stability Score	59.6	+0.1	+4.2
PRESENT	My ability to manage my expenses between paychecks	65.3	-1.2	-0.4
PRESENT	My ability to withstand unexpected expenses	57.5	0.0	+2.7
PRESENT	My ability to help others financially	53.1	+0.5	+5.6
PRESENT	My overall net worth	58.3	+0.3	+4.6
FUTURE	Confidence household is doing what is needed to meet longer-term goals	60.0	+1.2	+7.8
FUTURE	Likelihood will reach personal retirement goals	64.5	-0.6	+3.1

Quarterly scores

A story of high-level stability and ground-level strain

Financially Stable – maintaining an even keel despite squeezed budgets.

Financially Stable working Americans are ending the year on a relatively steady footing, with a WFSS of 55.2 points – down slightly from last quarter but largely consistent with Q4 2024. Despite a substantial year-to-year decline for 'ability to manage expenses between paychecks' (-4.3 points), this segment shows a bit of resilience this quarter, with fewer leaning on credit cards to cover everyday expenses (24%) compared to other segments. Accordingly, they report the lowest stress levels around personal debt (37%). This, coupled with less concern about job security (20%) than other segments, leaves them cautiously confident about the future – about half (49%) feel optimistic about the coming year.

Financially Healthy – coping today for control tomorrow.

For the final quarter of 2025, Financially Healthy working Americans hold on to the record high WFSS achieved in Q3 2025 (83.3 points). At year's end, these workers are more focused on savings – with retirement being their first priority (30%), unlike other segments. However, as their ability to manage day-to-day expenses declined throughout the year, these savings come at the expense of greater reliance on credit cards (45%) and other potentially higher-interest sources to cover everyday expenses. These tradeoffs can mean increased stress about debt for 44% of Financially Healthy workers – at a time when nearly the same proportion are also concerned about job security (43%).

The end of 2025 presents a complex picture, where a record-high Workforce Financial Stability Score eclipses a more challenging reality. The growing dependence on borrowing for spending signals a potential fragility beneath the surface of the overall score. The critical question for 2026 will be whether these behaviors reflect a temporary bridge or the foundation of a more precarious new normal for working Americans.

Workforce Financial Stability Score by month

December 2025 – % increased significantly or somewhat over the course of the year

My reliance on credit cards for everyday expenses

TOTAL	CHALLENGED	STABLE	HEALTHY
39%	48%	24%	45%

My level of stress related to my personal debt

TOTAL	CHALLENGED	STABLE	HEALTHY
47%	72%	37%	44%

So what?

1. Position benefits as a strategy to help prevent or reduce debt

One strong pain point is debt. Frame voluntary benefits in a way that shows how they can help. For example: “What if you were unable to work due to an accident or illness, could you keep up with daily expenses? Disability Income insurance can replace a portion of your income so that you may not have to tap into savings or a credit card.”

2. Lead with cash, not coverage

Traditional benefits communications focus on what a plan covers. Shift the messaging to what a plan may provide in the form of a lump sum payment. Reframe product value propositions around the employee’s cash concerns: “Some voluntary benefits can provide money paid directly to you if you suffer an injury from a covered accident or from a diagnosis of a covered illness.”

3. Introduce ‘micro-protection’ bundles

For the Financially Challenged and Stable segments caught in a debt cycle, affordability is paramount. Create and promote lower-cost, high-impact bundles (e.g., Group Accident Insurance + a small Group Critical Illness Insurance plan) framed as a “first step toward financial resilience for maybe much less than you would expect.”

Generations up-close

A shared burden, separate generational paths

While the overall quarterly WFSS suggests some stability, a generational lens reveals a workforce united by a common struggle but wide-ranging in its response.

As 2025 ended, a shared focus on day-to-day survival underscored the persistent impact of inflation on household cash flow, regardless of age or career stage. Specifically, the biggest focus at year's end across all generations was simply covering everyday expenses – a priority cited by 39% of older Gen Z, 44% of Millennials, 43% of Gen X, and 42% of younger Baby Boomers. Yet their paths forward with respect to this common challenge vary – from anxious ambition among the youngest working Americans to quiet vulnerability for those closest to retirement.

Older Gen Z – high optimism, rising debt stress.

Older Gen Z working Americans end the year with an WFSS of 65.7 points, down slightly since last quarter but considerably stronger than a year ago. Close to half in this generation report rising debt stress (48%) alongside greater reliance on credit cards for everyday purchases. Even so, they express more confidence than other generations in nearly all aspects of financial planning (e.g., short-term financial planning, managing debt, long-term investment decisions) as well as more optimism about job security (82%) and their personal financial outlook for next year (67%). As the most likely generation to seek and discuss financial information, this combination of strain and self-belief makes them particularly receptive to guidance.

Millennials – stretched thin, still moving forward.

At 61.5 points, the WFSS for Millennials slips 1 point from Q3's record high, but remains well above the score from a year ago. However, the data reveals they may be stretched thin and forced into difficult choices. Focused on covering day-to-day expenses (44%), fewer are contributing to their retirement accounts (38%, -8 points), and more are using or borrowing from credit cards (39%, +8 points) compared to last year. Nonetheless, most remain confident in their financial outlook for the coming year (59%) and are actively seeking information. Millennials lead all generations in using Generative AI for financial information (27%). Along with Gen Z, they are also more likely to engage with employer-provided resources (19%), signaling a clear appetite for modern, accessible guidance.

Workforce Financial Stability Score Q4 2025
(vs. Q4 2024)

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
65.7	61.5	56.7	55.8
+4.8	+4.7	+4.4	-2.0

November 2025 – covering day-to-day expenses is the #1 priority in approach to saving and investing

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
39%	44%	43%	42%

December 2025 – % used or borrowed funds from credit card line of credit this year

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
37%	39%	31%	38%
(+10)	(+8)	(+3)	(+21)

Generations up-close

A shared burden, separate generational paths

Gen X – progress on paper, anxiety in practice.

Gen X sees its highest WFSS in Q4 2025 (56.7 points, up 4.4 points since Q4 2024). Like other generations, they are prioritizing covering everyday expenses (43%) despite being the least confident generation when it comes to short-term financial planning and decisions (41%). However, they are the least likely generation to have borrowed from credit cards (31%), with many proactively paying more than their minimums to get their balances down (42%). As the year ends, they are feeling more confident about job security than a year ago (78%, up 7 points), and over 3-in-5 are optimistic about their personal financial outlook (62%) for the year ahead.

Younger Baby Boomers – most vulnerable, least confident, least likely to ask.

Younger Baby Boomers are the only generation ending the year with a lower WFSS than the prior year (55.8 points in Q4 2025 vs. 57.8 points in Q4 2024), with declines for nearly all components of the score. Despite making progress paying down debts (52%) and contributing to emergency funds (41%) and/or retirement accounts (38%), significantly more working Boomers are resorting to credit cards compared to last year (38% in December 2025 vs. 17% in December 2024). They are the least confident generation in nearly all aspects of financial planning (e.g., long-term investment decisions, understanding complex financial topics or products), as about 3-in-5 say their families never talked about finances when they were young (62%) or that the little financial education they had focused only on the day-to-day, not planning for the future (61%). In turn, they are the least likely generation to seek out information or discuss finances with others now, and the least likely to feel confident about their personal financial outlook.

December 2025 – % say 'my level of stress related to my personal debt' has increased significantly or somewhat over the course of the year

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
48%	48%	47%	43%

December 2025 – % extremely or somewhat confident about personal financial situation and outlook

OLDER GEN Z	MILLENNIAL	GEN X	YOUNGER BABY BOOMER
67%	59%	62%	48%

Generations up-close

A shared burden, separate generational paths

"The interest rates on my debt are high enough that it is difficult to pay off, which adds anxiety."

Financially Stable, older Gen Z, Male

"I [have] almost $60k in unsecured consumer debt. This has been overwhelming and depressing. The process of paying down debt is long and tedious."

Financially Challenged, Millennial, Female

"I have been paying down debt and increasing my retirement savings, but wish I could do more."

Financially Stable, Gen X, Male

"I have not much left in the way of savings, and I am inundated with debt."

Financially Challenged, younger Baby Boomer, Female

So what?

1. Add human insight to AI

Many workers, especially younger generations (older Gen Z and Millennials), are already using AI for financial advice. Instead of competing with it, be the human in the loop that can help provide real-world experience and guidance that AI can't replicate. Help turn generic AI suggestions into personalized, actionable strategies aligned with workplace benefits.

2. Create 'nudge' campaigns for Gen X

This self-reliant generation is making smart moves but lacks confidence. Use internal communications to validate their efforts ("Making extra debt payments? You're on the right track.") and position benefits as the logical next step to "help ensure your progress." Simple, affirming messages can build the confidence needed to take action.

3. Launch a 'pre-retirement protection' campaign for younger Baby Boomers

The Boomer data is an alarm bell. They are approaching retirement with increasing debt and decreasing confidence. This isn't just about retirement planning; it's about preventing a late-career financial shock. Proactively message the importance of Group Critical Illness Insurance and Group Hospital Indemnity Insurance, and heavily emphasize the portability of these benefits into retirement.

Spotlight insight

A meaningful benefits inflection point

Our Q4 WFSS 2025 findings reveal a new dynamic defining the relationship between working Americans and their benefits. A more robust and valuable benefits market is converging with a more engaged workforce that is financially forward-thinking and actively seeking financial information. These factors are reshaping the traditional open enrollment model, where employees are demanding – and receiving – more value than ever before.

An improved benefits landscape.

The benefits landscape is undergoing a positive transformation. Overall, 2-in-5 (40%) working Americans report having more benefit options this year compared to last. This growing menu is clearly resonating, as employee satisfaction with their choices has climbed to 59%, up from 55% in 2024. More importantly, the perceived value of voluntary benefits continues to improve, as close to three-quarters of American workers (73%) this year feel their benefits were a good value (up 9 points from the prior year). Within this improved landscape, working Americans' approach to benefits is changing as well.

From passive to active participation.

The more passive open enrollment model is losing ground. Employees aren't just keeping their benefits; they're adding new ones. Net enrollment ("added or continued") is up across the board year over year for key products like Group Hospital Indemnity Insurance (+11 points), Group Critical Illness Insurance (+9 points), and Disability Insurance (+8 points). While enrollment is up across the board, interestingly, the Financially Challenged and Financially Stable segments are primarily leading this increase.

From inertia to intention.

What's driving this change? Working Americans are realizing the stakes are higher. The primary motivation for enrolling in benefits is evolving – from a narrow focus on "the need to protect my health" (which drops from 58% to 45% year over year) to a broader, more forward-looking goal of "protecting my long-term financial well-being," which surges from 23% to 32% in just one year. In this case, it's especially the Financially Stable and Financially Healthy whose mindsets have expanded the role of voluntary benefits.

October 2025

40% report having more choices (a lot or a few) in their benefits options this year (vs. 28% in Oct 2024)

October 2025

59% feel satisfied or extremely satisfied with benefits options (vs. 55% in Oct 2024)

November 2025

73% agree (completely or somewhat) that their voluntary benefits were good value (vs. 64% in Nov 2024)

November 2025 – % added or continued these voluntary benefit options during open enrollment (vs. Nov 2024)

Group Whole Life Insurance

TOTAL	CHALLENGED	STABLE	HEALTHY
53% (+8)	48% (+11)	52% (+5)	58% (+7)

Disability Income Insurance

TOTAL	CHALLENGED	STABLE	HEALTHY
53% (+8)	51% (+14)	52% (+8)	55% (+2)

Group Critical Illness Insurance

TOTAL	CHALLENGED	STABLE	HEALTHY
39% (+9)	30% (+7)	38% (+10)	45% (+5)

Group Accident Insurance

TOTAL	CHALLENGED	STABLE	HEALTHY
41% (+2)	31% (+3)	41% (+3)	48% (-4)

Group Hospital Indemnity Insurance

TOTAL	CHALLENGED	STABLE	HEALTHY
38% (+11)	27% (+9)	37% (+13)	47% (+8)

Spotlight insight

A meaningful benefits inflection point

Expertise over experience.

As working Americans connect benefits to their long-term financial security, we also see them changing some habits and behaviors. Reliance on “existing knowledge” to make decisions has fallen from 37% to 32%. That is, employees are starting to admit that ‘they don’t know what they don’t know’. Meanwhile, the number of employees citing “guidance from a financial professional” as the key source of their confidence has doubled (from 6% in 2024 to 12% in 2025), and more are doing their own research as well. Again, this shift is particularly the case for the Financially Stable and Financially Healthy.

A meaningful inflection point.

The combination of expanded choice, rising value, and increased engagement illustrates a pivotal moment where benefits are being recognized not just as a perk but as a crucial and appreciated component of an employee’s overall financial well-being. As such, the challenge is no longer just about offering the right products; it’s about delivering the right guidance, tools, and context to help employees make choices that build genuine financial confidence.

November 2025 – biggest driver of benefits enrollment needs (vs. Nov 2024)

45%	-13	Protect my health
32%	+9	Protect my long-term financial well-being

November 2025 – gave the most confidence to make benefits selections (vs. Nov 2024)

32%	-5	Existing knowledge about benefits
22%	+3	Research I did on my own
12%	+6	Guidance from a financial professional

So what?

1. Embrace a co-pilot role

The data is a direct invitation. Employees are looking for information and professional guidance. Step into that role by offering year-round "benefit check-ups," hosting educational webinars outside the enrollment window, and providing tools that allow employees to understand the financial impact of their choices. Position yourself as an expert guide, ready to translate complex products into clear, personalized financial strategies.

2. Use the 'unexpected adopter' data to drive participation

The fact that Financially Challenged and Financially Stable workers are leading enrollment growth is a powerful proof point. It may shatter some employers' assumptions that "my people can't afford these benefits." This data shows employers that when the value is clear, employees will find a way to invest in their security, justifying a greater investment in education.

3. Audit and upgrade the end-to-end benefits experience

With higher engagement comes higher expectations. A clunky enrollment website, a confusing claims process, or poor customer service will be more damaging to employee trust than ever before. Now is the time to pressure-test the entire system – from decision support tools to claims payment – to help ensure the experience delivers on the promise of security and value.

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