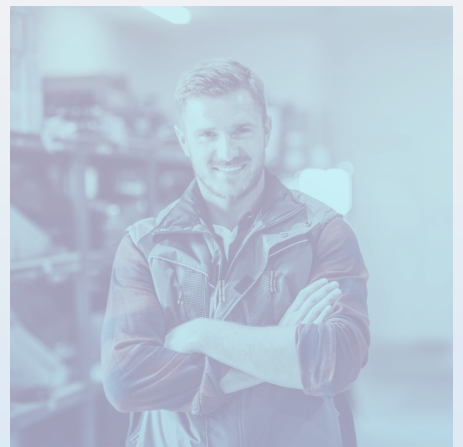


**PAYROLL**  
INTEGRATIONS



**EMPLOYEE  
FINANCIAL  
WELLNESS**

**20  
26**

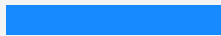


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## OVERVIEW

# In 2026, employees are doing the right things and still not feeling secure.



Employees are contributing to retirement plans, enrolling in benefits and planning for the future at high rates. Yet the sense of financial security that should follow has eroded sharply.

Only about a third of employees now say their employer supports their financial wellness well, less than half the share who said so a year ago, while employers' confidence in the support they provide has barely moved.

Rising living costs, paycheck-to-paycheck strain and mounting debt are reshaping what employees want from work, pushing pay and time off ahead of the financial tools and guidance that dominated last year's wish lists.

At the same time, artificial intelligence is entering employees' benefits experience faster than most trust it. Employers are already using AI to run benefits administration, and nearly half of employees have turned to AI to understand their own benefits. Most employees, however, stop short of trusting it with important financial decisions, and older workers remain deeply skeptical.

To understand these dynamics, Payroll Integrations surveyed 329 full-time U.S. employees and employers in September 2026. Employees ranged from Gen Z just starting their careers to Boomers nearing retirement. Employers were HR leaders responsible for both benefits and payroll.

Together, their responses reveal where financial wellness programs are working, where they are falling short and how both sides can better align.

# Key Findings

1

## **Employee Confidence in Employer Support Collapses**

Only 35% of employees feel very or completely supported in their financial wellness, down from 74% in 2025. Employers see it differently: 63% rate their support positively.

2

## **Retirement Participation Is High, Confidence Is Not**

Eighty-two percent (82%) of employees contribute to a retirement plan, yet only 34% believe they will retire comfortably. Rising living costs (45%) and doubts about Social Security (34%) are the leading worries.

3

## **Financial Stress Is Showing Up at Work**

Seventy-four percent (74%) of employees say financial stress has affected their mental health or productivity at work to some degree. Thirty-eight percent (38%) report a strong impact on mental health, 41% have been distracted or less productive, and 63% have considered changing jobs over money in the past year.

4

## **Pay Beats Perks**

Sixty-two percent (62%) of employees say higher pay or cost-of-living adjustments would do the most for their financial wellness, ahead of advancement and bonuses (41%) and more PTO or mental health days (36%). No financial tool or guidance option tops 15%.

5

## **Nearly Half of Employees Can't Make It to Payday**

Forty-six percent (46%) of employees were unable to cover an essential expense while waiting for payday, including 24% who experienced it more than once. Among employees carrying medical debt, that figure rises to 69%.

6

## **AI Adoption Is Outrunning Employee Trust**

Seventy-seven percent (77%) of employers are using or piloting AI in benefits administration and 44% of employees have used AI to understand their benefits. But only 45% of employees would mostly or completely trust an AI benefits advisor, ranging from 62% of Gen Z to 13% of Boomers.

7

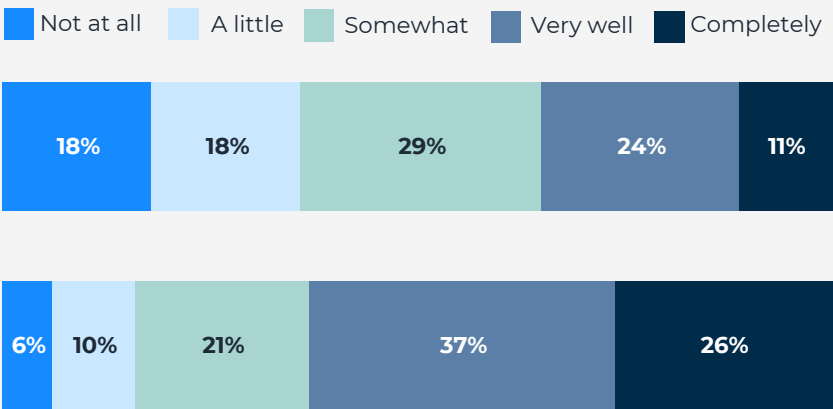
## **Employers Overestimate Personalization**

Eighty-five percent (85%) of employers describe their benefits experience as personalized; only 59% of employees agree. Employers also report offering every benefit at higher rates than employees say they have access to, with the widest gaps in mental health benefits, paid parental leave and retirement plans.

# Financial Wellness Support Gap

Employees feel far less supported than they did a year ago, and the gap between what employers believe they deliver and the financial wellness support employees experience continues to grow.

## How well does the company support employees' financial wellness?



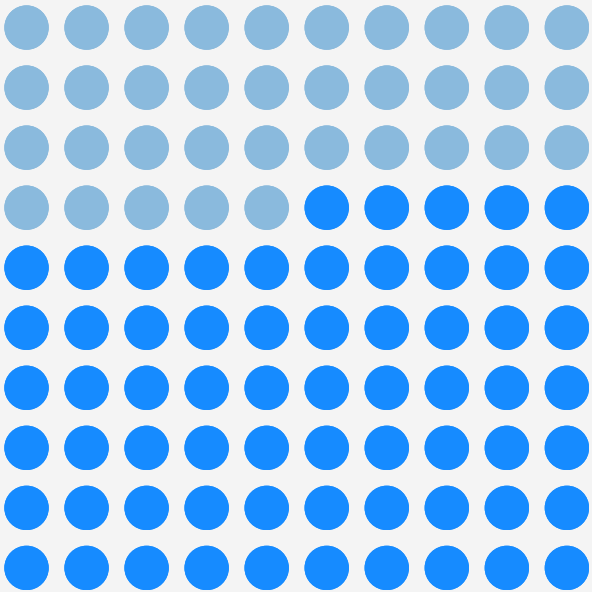
Employee vs. Employer Perspectives

Only 35% of employees feel very or completely supported by their employer's financial wellness efforts, while 63% of employers rate their support positively.

Employers are far more confident overall: just 16% acknowledge providing little or no support.

35%

of employees feel **very or completely supported** by their employer's financial wellness efforts.



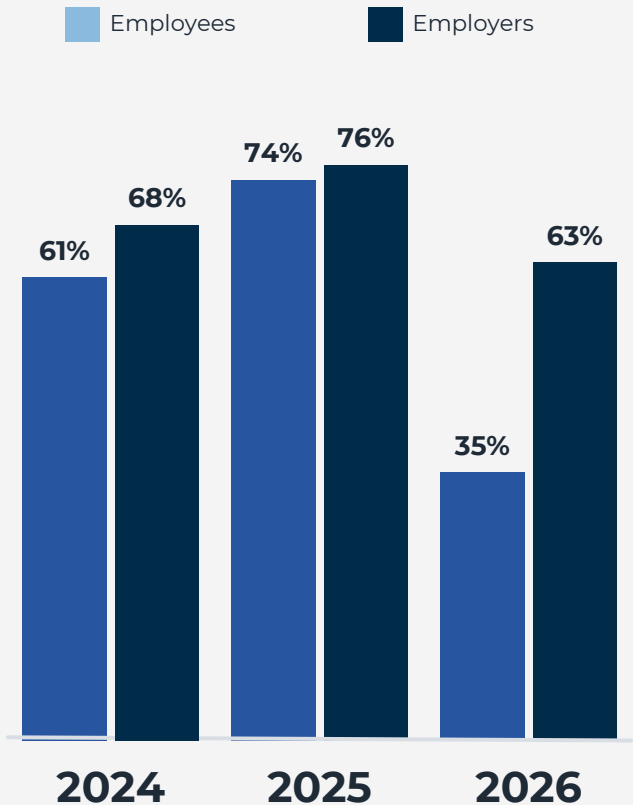
**Down from 74% in 2025**

## Employees Believe Employer Financial Wellness Support Is Declining From Last Year

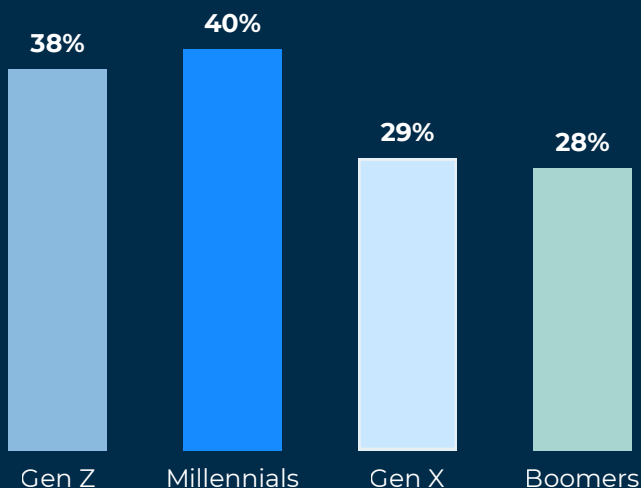
In 2025, 74% of employees rated their employer's financial wellness support positively, and the share who felt little or no support was just 8%.

In 2026, that positive support figure fell to 35%. Employer ratings, by contrast, fell far less (76% positive in 2025 versus 63% in 2026), which is why the perception gap has widened so sharply.

Employees who say they feel **very or completely supported** in financial wellness vs. employers who say they provide it



### Employees who feel very or completely supported in financial wellness



### By Generation

Millennials (40%) and Gen Z (38%) are the most likely to feel very or completely supported in their financial wellness, while Gen X (29%) and Boomers (28%) trail.

Gen X employees are the most likely of any generation to say they feel not at all supported (23%).

# Financial Wellness Support

## By Financial Circumstance

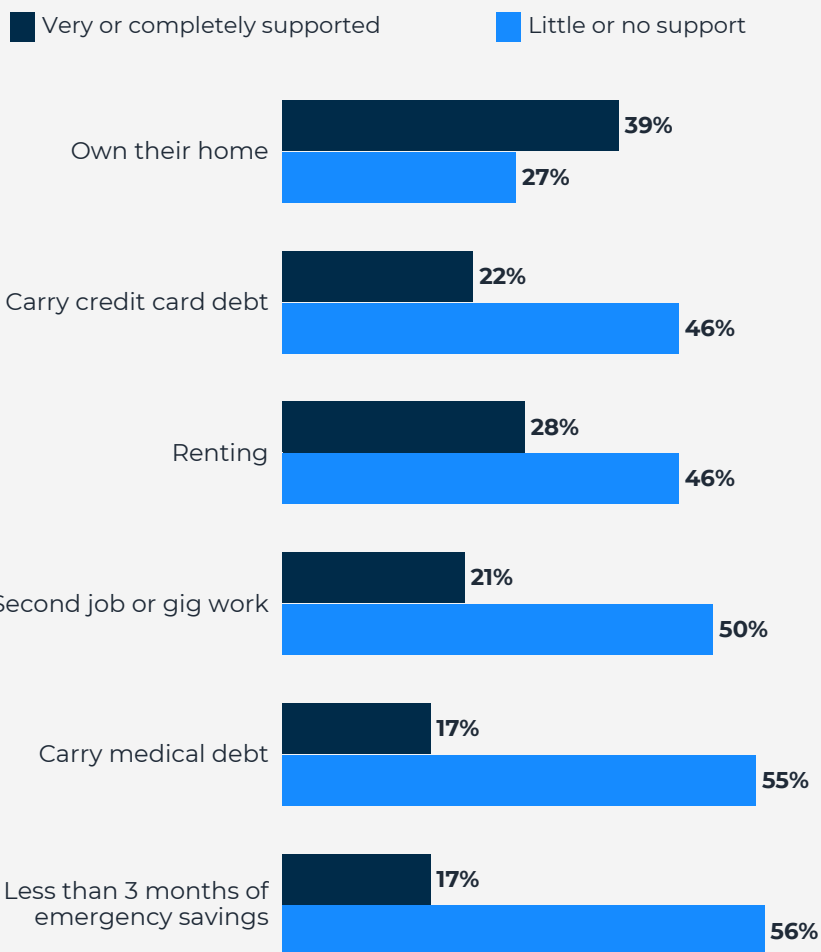
Employees' own financial situations strongly shape how they judge their employer. Those under the most pressure are the harshest critics.

How well does your company support employees' financial wellness?

By financial profile

Only **17%** of employees with limited emergency savings or medical debt feel well supported, and more than half of each group feels little or no support.

Homeowners report the most favorable view of their employer.



**17%**

of employees with **medical debt** feel well supported

**56%**

of employees with **limited savings** feel little or no support

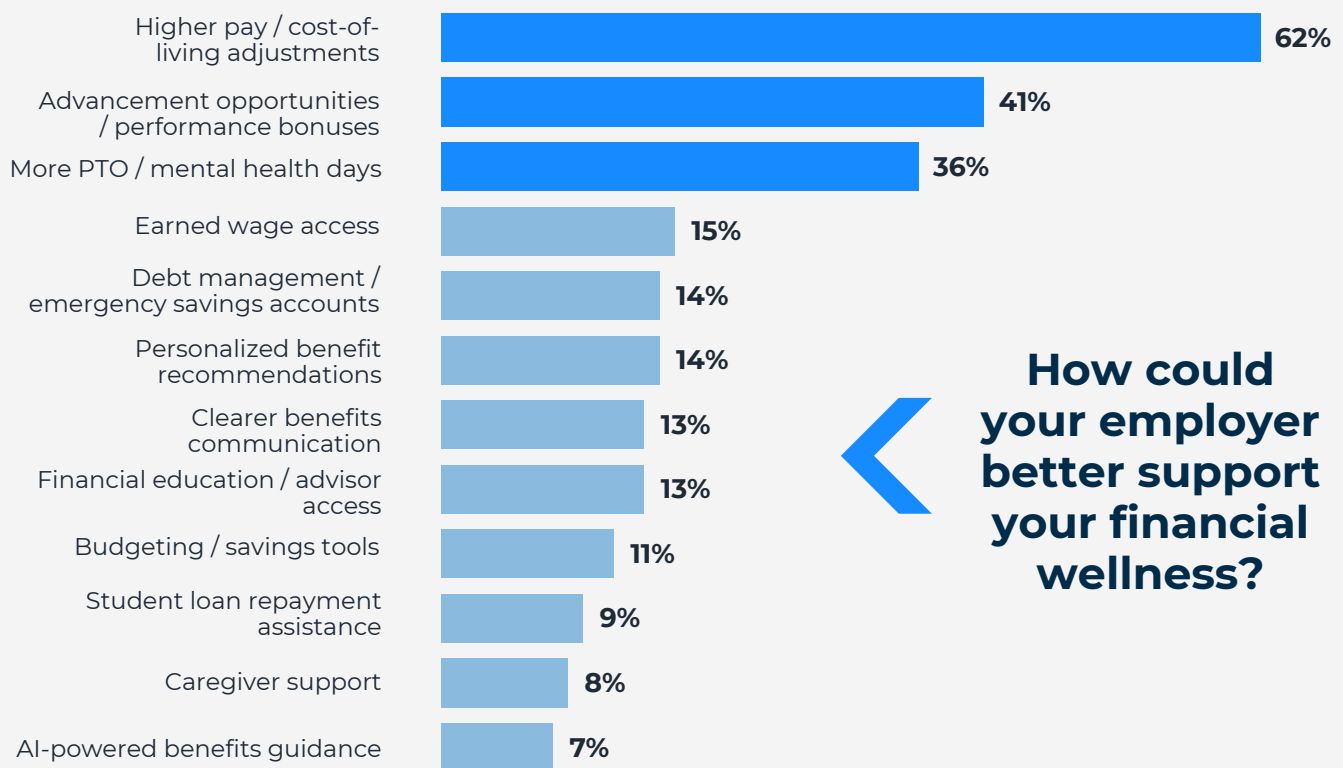
**39%**

of **homeowners** feel well supported—the highest of any group

What Employees Want:

# HIGHER PAY

Higher pay or cost-of-living adjustments lead by a wide margin (62%), followed by advancement opportunities or performance bonuses (41%) and more PTO or mental health days (36%). No other option exceeds 15%.



## Priorities Have Shifted From Tools to Take-Home Pay

Compared with 2025, employees are asking for more of the basics and less of the guidance. Higher pay rose from 57% to 62% and more PTO or mental health days jumped from 25% to 36%. Meanwhile, demand for budgeting and

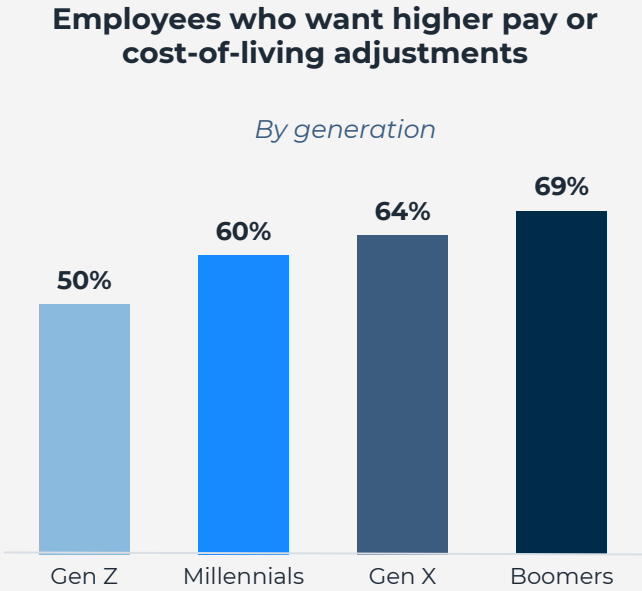
savings tools fell from 44% to 11%, financial education or advisor access from 35% to 13%, and clearer benefits communication from 36% to 13%. When cash is tight, employees want money, not advice on how to manage it.

# Financial Pressure Shapes Priorities

## By Generation

Higher pay is the top request in every generation, rising with age: 50% of Gen Z, 60% of Millennials, 64% of Gen X and 69% of Boomers. Gen Z is the most likely to want advancement opportunities and bonuses (50%).

Millennials are the most likely to want earned wage access (21%) and caregiver support (14%). Boomers are the least interested in financial tools of any kind: none selected budgeting tools, student loan assistance or AI-powered benefits guidance.



## By Financial Circumstance

Employees' priorities map directly onto their financial realities. Nearly half of employees repaying student loans (48%) want student loan repayment assistance, compared with just 3% of other employees.

A third of employees with a second job or gig work (33%) want earned wage access, as do 26% of renters, versus 10% of homeowners. Among employees carrying medical debt, 30% want debt management or emergency savings accounts, more than double the rate of other employees. Nearly a quarter of employees caring for an aging parent (24%) want caregiver support, versus 5% of other employees.

48%

of **employees repaying student loans** want repayment assistance (vs. 3% of other employees)

33%

of **gig workers** want earned wage access (vs. 12% of other employees)

30%

of **employees with medical debt** want debt management or emergency savings accounts

24%

of **employees caring for an aging parent** want caregiver support (vs. 5%)

# Financial Stress Follows Employees to Work

Seventy-four percent (74%) of employees say financial stress has affected their mental health or productivity at work to at least some degree.

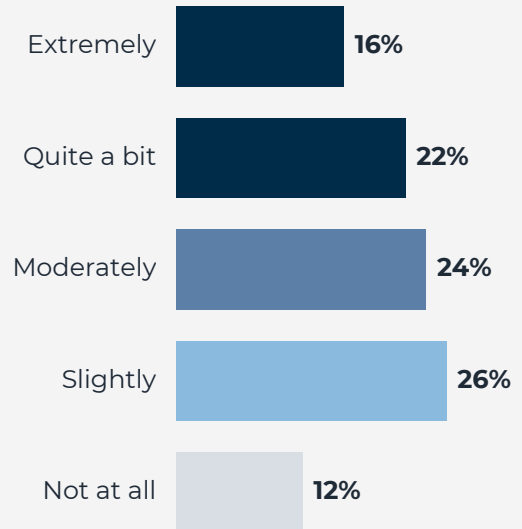
## Mental Health at Work

Thirty-eight percent (38%) of employees say financial stress has had a strong impact on their mental health at work. Only 12% report no impact at all.

**38%**

## To what extent has financial stress affected your mental health at work?

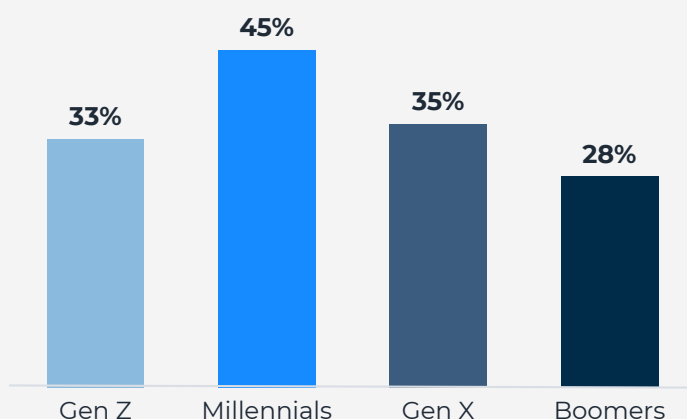
*Past 12 months*



of employees say **financial stress** has strongly affected their mental health while at work.

## Employees who say financial pressure has a strong impact on mental health at work

*By Generation*



Millennials report the greatest impact: 45% say financial stress has strongly affected their mental health at work, compared with 35% of Gen X, 33% of Gen Z and 28% of Boomers. Boomers are the most likely to report little or no impact (56%).

Employees with medical debt (66%) or student loans (65%) are hit hardest: roughly two-thirds say financial stress has strongly affected their mental health at work.

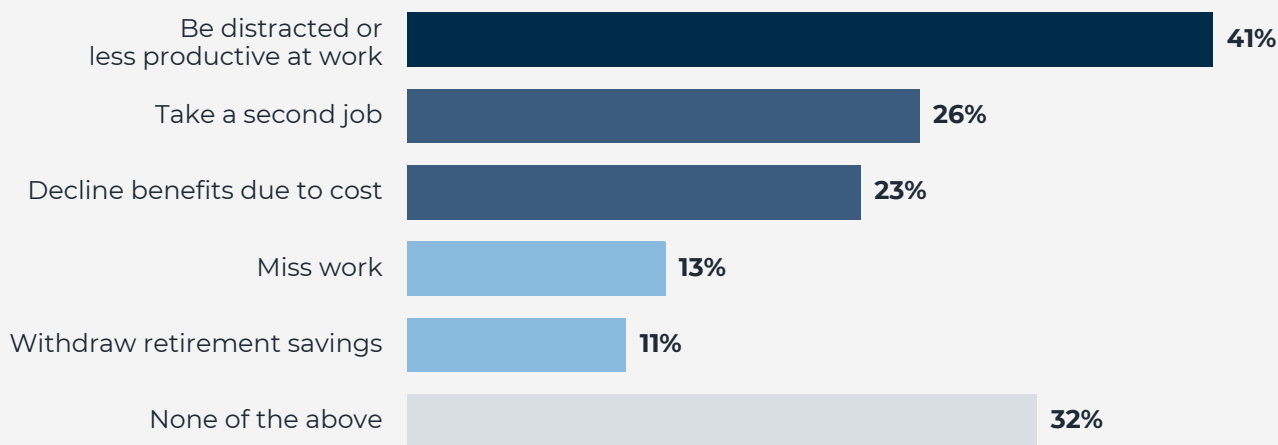
# Focus, Productivity and What Stress Leads To

Thirty-one percent (31%) of employees say financial stress has strongly affected their focus or productivity at work.

Millennials again report the greatest impact (36%), while Boomers are the most likely to say it has had little or no effect (66%).

Among employees repaying student loans, 54% report a strong impact on productivity, as do 48% of those carrying medical debt.

## In the past 12 months, has financial stress caused you to...



Millennials are far more likely than Boomers to be distracted at work by financial stress (49% vs. 19%) and to have taken a second job (37% vs. 13%). More than half of Boomers (53%) report none of these effects.

Among employees with less than three months of emergency savings, 53% were less productive, 39% took a second job and 33% declined benefits because of cost. Employees with medical debt are the most likely to have turned down benefits they couldn't afford (41%).

31%

say **financial stress** has strongly affected their focus or productivity

Millennials are more than twice as likely as Boomers to be distracted at work by financial stress (49% vs. 19%).

# What's Driving Employees to Leave?

## Mostly Money.

Nearly two-thirds of employees (63%) have considered changing jobs because of financial concerns in the past year.

Pay is the stronger pull: 52% cited higher pay, compared with 32% who cited better benefits.

Have financial concerns caused you to consider changing jobs during the past 12 months?



45%

of employers report turnover in the past 12 months that they attribute primarily to employee dissatisfaction with pay or benefits.

63%

of employees have considered changing jobs because of financial concerns.

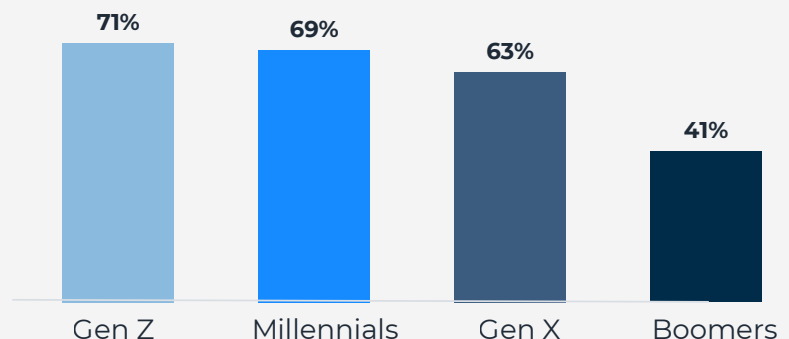
Millennials are the most likely to have considered leaving (69%), and the most likely to be motivated by pay alone (40%).

Boomers are the most settled: 59% have not considered a change, and only 13% would move for pay alone. Gen Z stands out as the generation most likely to move for better benefits specifically (19%).

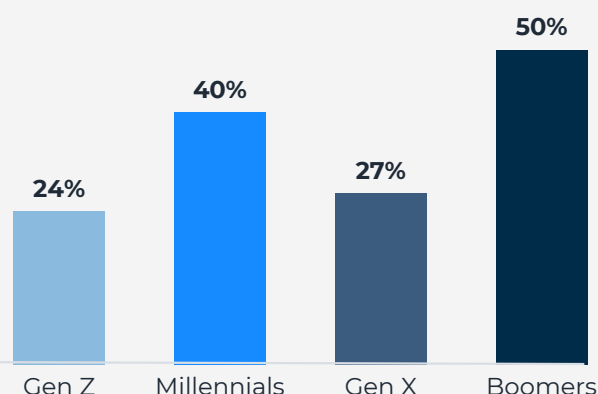
Employees repaying student loans are even more likely to make the switch: 89% have considered changing jobs, compared with 60% of other employees. Among employees with medical debt, 79% have considered a move.

Employees who have considered changing jobs

By Generation



# Employees Feel They're Not Reaching the Full Potential of Their Benefits



## Employees who are confident they use all their benefits

*By generation*

## Employees Aren't Sure They're Using What They Have

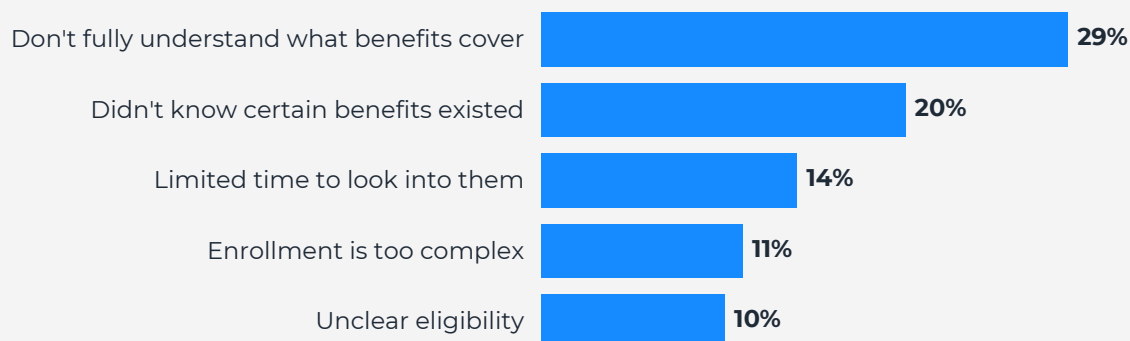
Most employees (83%) feel at least somewhat confident they are taking full advantage of their benefits, but only 35% are very confident.

Boomers are the most confident (50% very confident), followed by Millennials (40%), Gen X (27%) and Gen Z (24%).

Among employees who are not fully confident, the most common reason is not understanding what benefits cover (29%), followed by not knowing certain benefits exist (20%) and limited time to look into them (14%). Gen Z is the most likely to cite unclear eligibility (19%) and unclear HR guidance (19%); Boomers most often blame limited time (38%).

## What's the main reason you feel you may be missing out on benefits?

*Employees who are not very confident they use all available benefits*



Employers are only slightly more assured: 45% are very confident employees know and use everything available to them, while 49% are only somewhat confident.

## TAKEAWAYS:

### Financial Wellness & Benefits

Employees are feeling **less supported** than last year.

Confidence in employer financial wellness support has dropped sharply since 2025, even as employers' view of their own efforts has barely changed.

Financial **pressure** shapes **perception**.

Employees with limited savings, medical debt or credit card debt rate their employer lowest and report the greatest impact on mental health and productivity. Homeowners are consistently the most positive.

Employees want **cash**, *not coaching*.

Pay, bonuses and time off dominate; demand for budgeting tools, education and communication has declined since 2025.

Pay is a major **retention issue**.

Financial concerns are pushing employees to look elsewhere, with pay a stronger pull than benefits. Many employers are already seeing the resulting turnover.

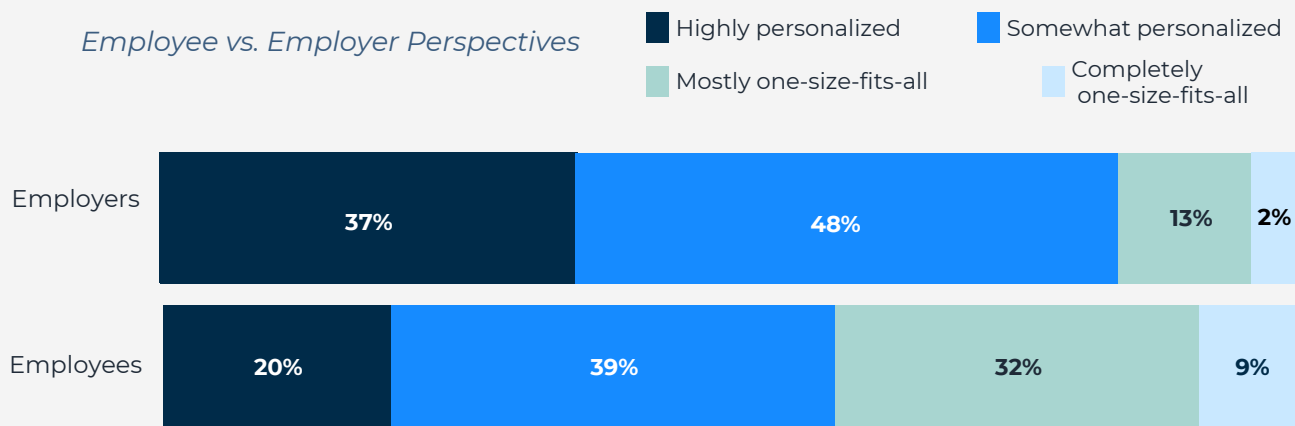
# The Personalization Gap

AI has moved from talking point to working tool in benefits administration, and employees are already using it to make sense of their own benefits.

But adoption is running ahead of trust, with employers using AI mostly behind the scenes rather than to personalize the employee experience.

## How personalized is the benefits experience?

*Employee vs. Employer Perspectives*



Eighty-five percent (85%) of employers describe their benefits experience as personalized. Only 59% of employees agree.

85%

of employers say their  
benefits experience is  
**personalized**

More than a third of employers (37%) call their benefits experience highly personalized; just 20% of employees say the same.

On the employee side, 41% describe their benefits as mostly or completely one-size-fits-all.

59%

of employees agree

**Employers see the benefits experience as far more tailored than the employees receiving it do.**

## Employees Are Already Using AI for Benefits

Forty-four percent (44%) of employees have used AI to understand their benefits, and another 40% would consider it. Only 16% say they are not interested.

# 44%

of employees have used AI to understand their benefits

### Have you used AI to understand your benefits?

*All employees*

■ Yes, frequently
■ Yes, occasionally
■ No, would consider it
■ No, not interested



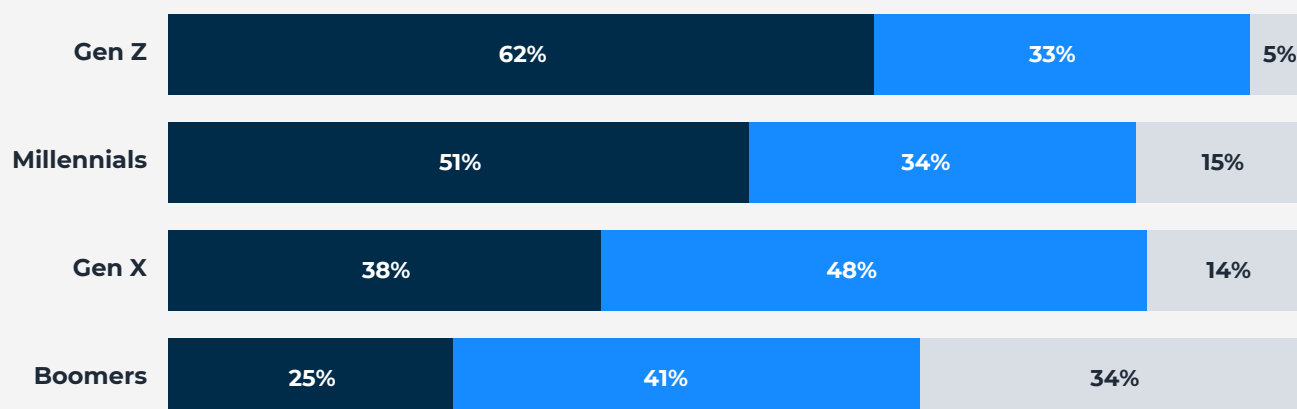
AI use declines sharply with age. Sixty-two percent (62%) of Gen Z have used AI to understand their benefits, compared with 51% of Millennials, 38% of Gen X and 25% of Boomers.

Millennials are the heaviest frequent users (20% use it frequently). Boomers are the most likely to say they are simply not interested (34%), versus just 5% of Gen Z.

### Have you used AI to understand your benefits?

*By generation*

■ Have used AI for benefits
■ Would consider it
■ Not interested



# Open to AI Advice, But Not Yet Ready to Trust It

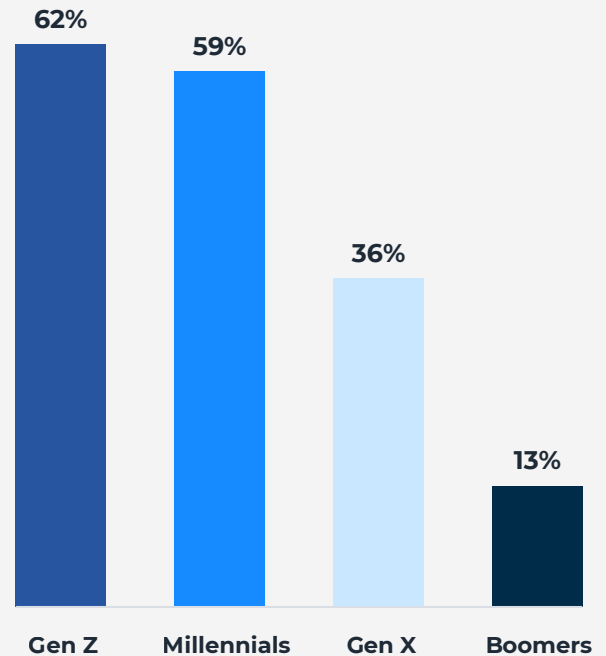
Eighty-four percent (84%) of employees would trust an AI-powered benefits advisor at least somewhat, but only 45% would mostly or completely trust its recommendations.

AI trust splits dramatically by generation. Sixty-two percent (62%) of Gen Z and 59% of Millennials would mostly or completely trust an AI advisor, compared with 36% of Gen X and just 13% of Boomers.

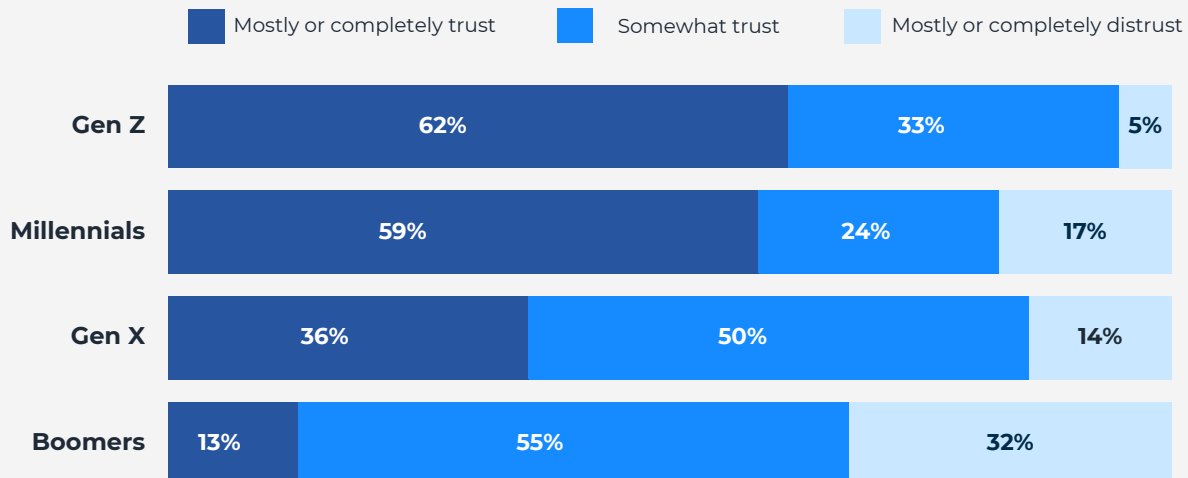
No Boomer respondent said they would completely trust it, and nearly a third of Boomers (32%) would actively distrust it.

## Employees who would mostly or completely trust an AI benefits advisor

*By generation*



## How much would you trust recommendations from an AI-powered benefits advisor?



*By generation*

## Employers Have Adopted AI, Mostly Behind the Scenes

Seventy-seven percent (77%) of employers are already using (49%) or piloting (28%) AI in benefits administration. Another 17% are planning or considering it within 12 months. Only 6% have no plans.

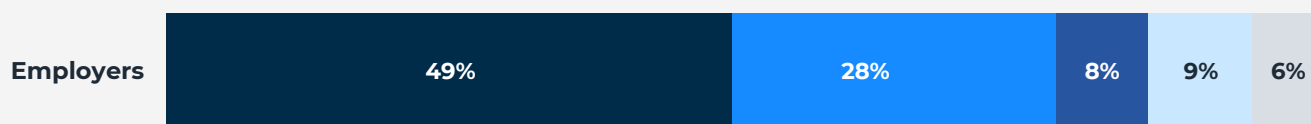
# 77%

of employers are **using or piloting AI** in benefits administration

### AI adoption in benefits administration and management

*Employers*

■ Using ■ Piloting ■ Planning ■ Considering ■ No plans

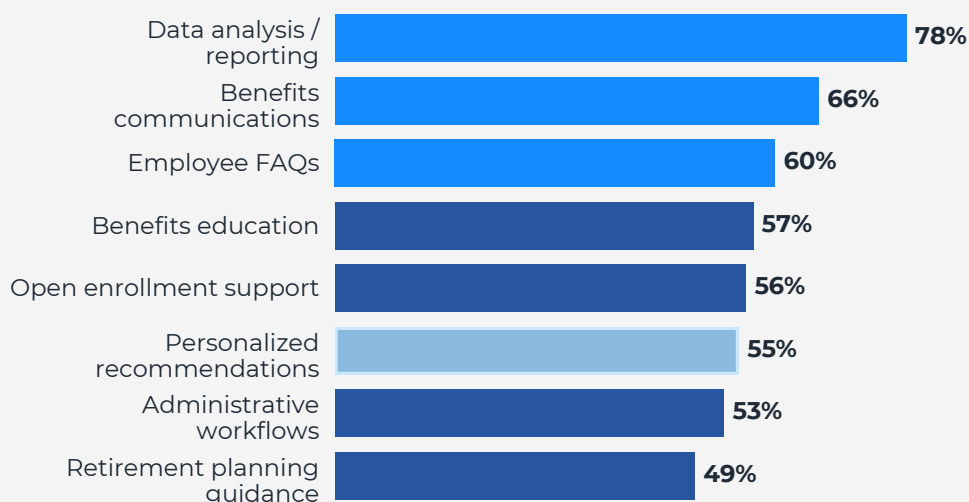


The most common use cases are operational rather than employee-facing. Among employers using, piloting or planning to use AI, the top applications are data analysis and reporting (78%), benefits communications (66%) and employee FAQs (60%).

Personalized recommendations rank lower at 55%, despite employers' emphasis on delivering a personalized benefits experience.

#### How are employers using or planning to use AI?

*Employers using, piloting or planning AI*



**Among the handful of employers with no AI plans, the reasons were that leadership does not see a need, concerns about data privacy and security, and a lack of budget.**

# TAKEAWAYS:

## Personalization & AI

Employers are **overestimating** personalization.

Most employers believe they are delivering a tailored benefits experience, but a large share of employees still see their benefits as one-size-fits-all.

It is the same pattern seen with financial wellness support: employers consistently believe the experience is better than employees say it is.

Employees are open to AI, but not **ready to rely on it**.

Employees will consult AI to understand their benefits, but most won't fully trust it with financial decisions.

Employers should be aware that AI benefits tools brought into their organization will be embraced by some and met with skepticism by others.

Employees are already **turning to AI** for benefits.

Nearly half have already used AI to understand their benefits, and most of the rest are open to it.

AI is **running HR**, not personalizing it.

Employers are using AI most for analytics, communications and FAQs. The personalized guidance employees have been promised is the least developed use case.

# Participation Is High, Confidence Is Low

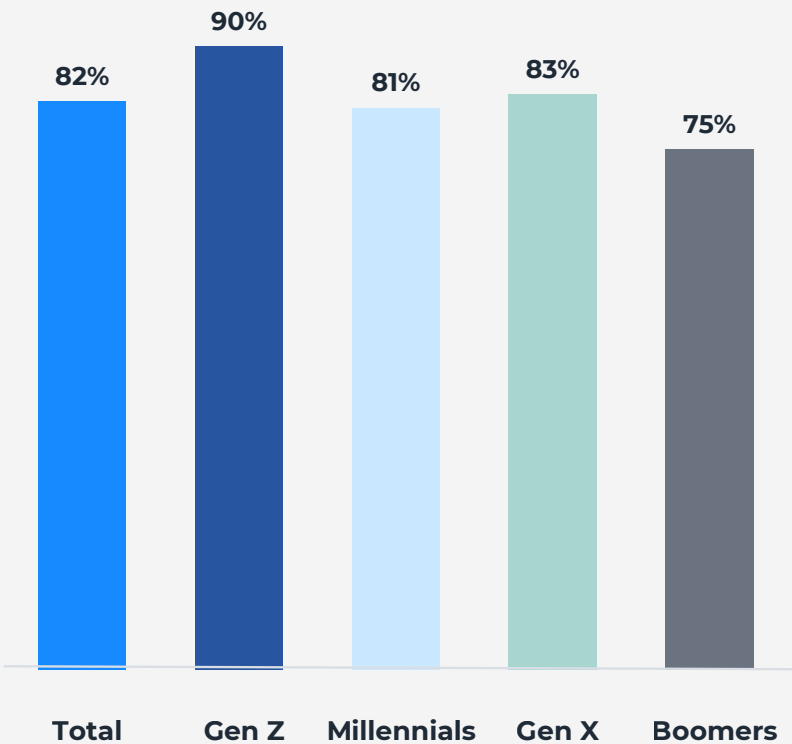
Employees are still saving for retirement, but participation is not the same as retirement readiness. Their confidence in a comfortable retirement has fallen, and employees are setting aside a smaller share of their paychecks.

What worries them has also changed: the daily cost of living has replaced the market as the biggest threat to their retirement. Nearly half of employees have struggled to cover an essential expense before payday, and for some, retirement savings have become an emergency fund.

**Eighty-two percent (82%) of employees contribute to an employer-sponsored retirement plan, yet only 34% are confident they will be able to retire comfortably. More than half (58%) are not confident.**

## Are you currently contributing to an employer-sponsored retirement plan?

*Employees who answered yes, by generation*



82 %

of employees are saving for retirement

34 %

believe they will retire comfortably

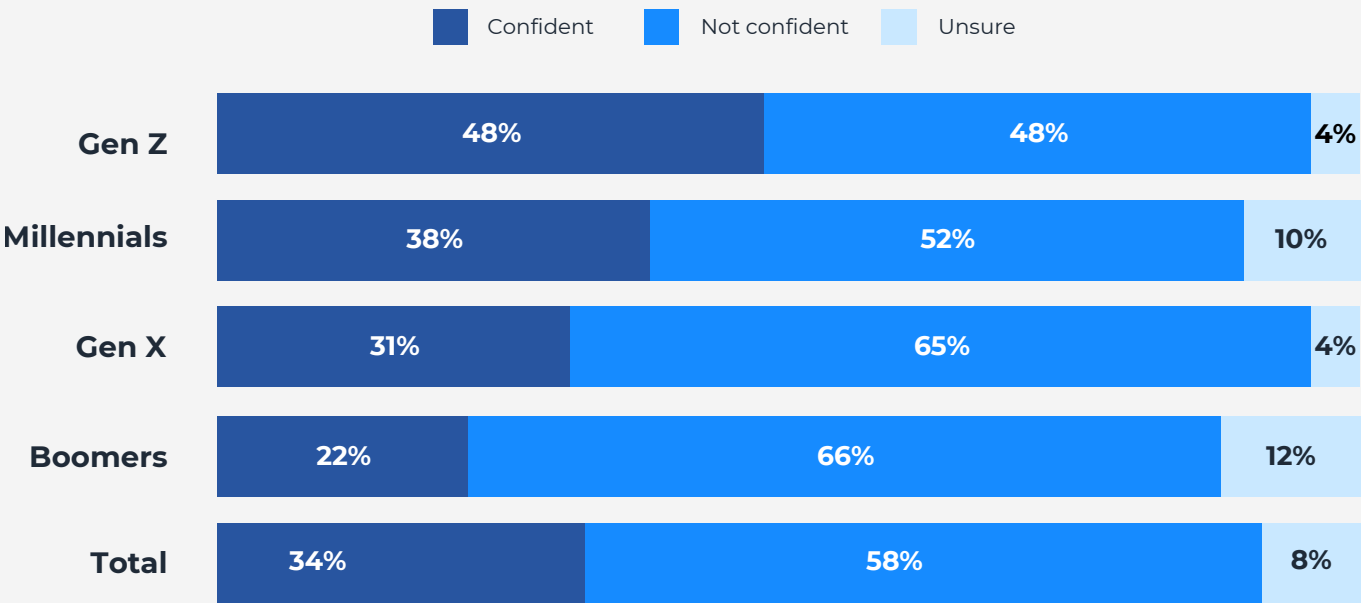
Retirement participation is broadly similar across generations, with Gen Z the highest (90%) and Boomers the lowest (75%). Employees repaying student loans are the most likely of any group to contribute (96%), even as they report some of the highest financial strain in the survey.

# Confidence Falls With Age

Retirement confidence declines steadily across generations: 48% of Gen Z are confident they will retire comfortably, compared with 38% of Millennials, 31% of Gen X and just 22% of Boomers. Two-thirds of Gen X (65%) and Boomers (66%) are not confident.

## Are you confident that you'll retire comfortably?

By generation



## Contributions Are Shifting Lower

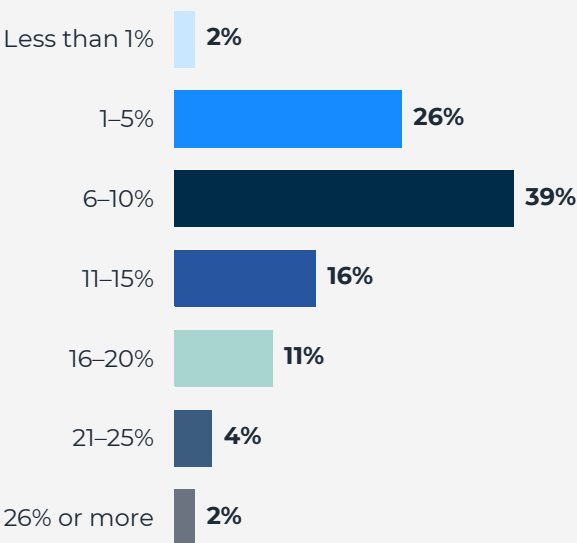
Among employees who contribute, 72% put at least 6% of their salary into their plan, but more employees are contributing a smaller share of their salary than they did in 2025.

The share contributing 1–5% rose from 16% to 26%, while the share contributing 11–15% fell from 22% to 16%.

Gen Z contributes most aggressively (84% contribute 6% or more), while Boomers contribute the least (63%). Employees with limited emergency savings (45%) and gig workers (44%) are the most likely to contribute just 1–5% of their salary.

## How much of your salary are you contributing?

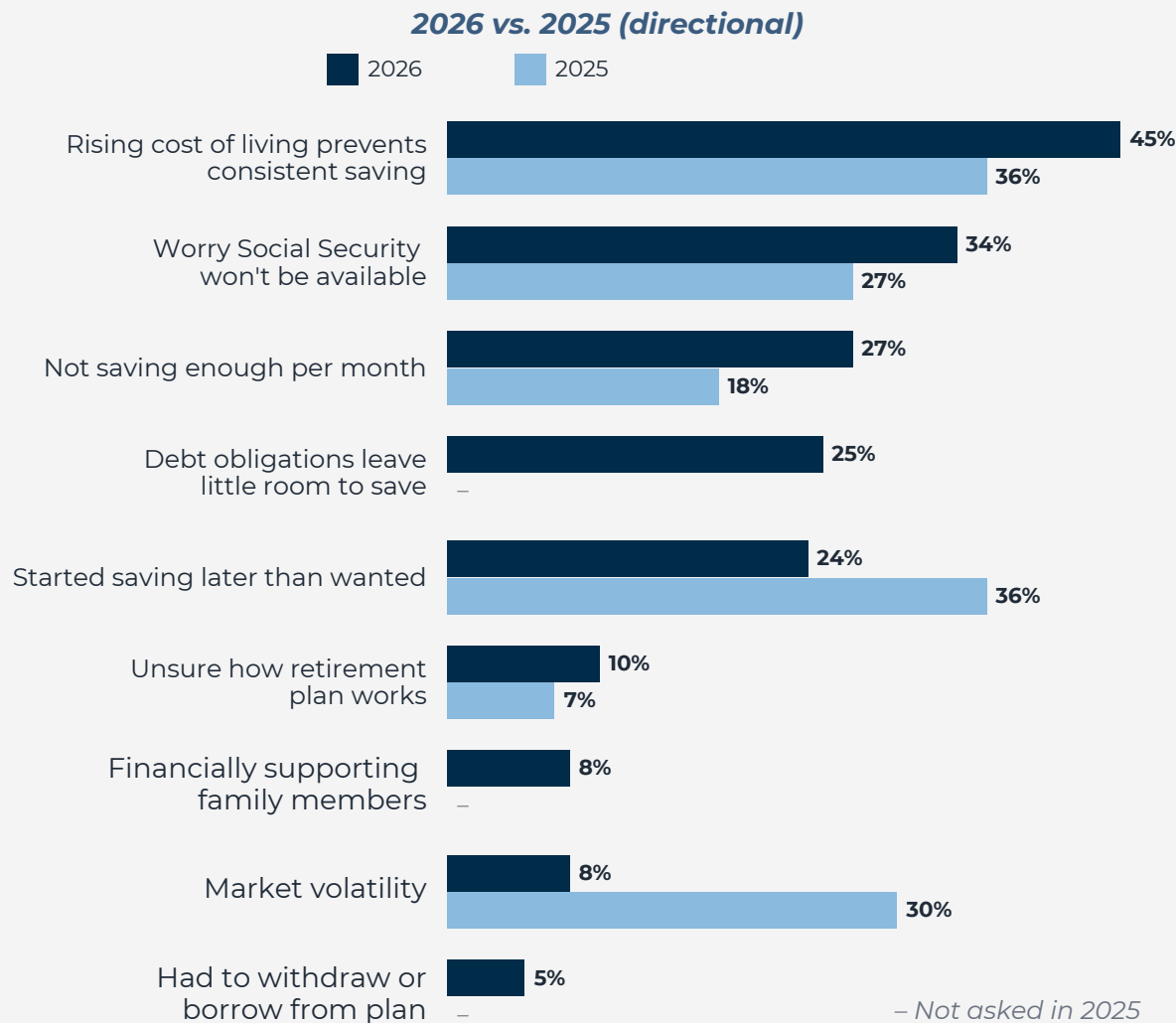
Employees contributing to a plan, 2026



# Why Employees Aren't Confident

The rising cost of living is the top barrier to retirement confidence (45%), followed by worries that Social Security won't be there (34%), not saving enough each month (27%), debt obligations (25%) and starting late (24%).

## Why aren't you confident that you'll retire comfortably?



The shift from 2025 is striking. Concerns about market volatility collapsed from 30% to 8% and regret over starting late fell from 36% to 24%, while cost-of-living worries rose from 36% to 45% and "not saving enough" jumped from 18% to 27%.

Employees are no longer worried about the market. They are worried about making it through the month.

# Retirement Savings as Emergency Fund

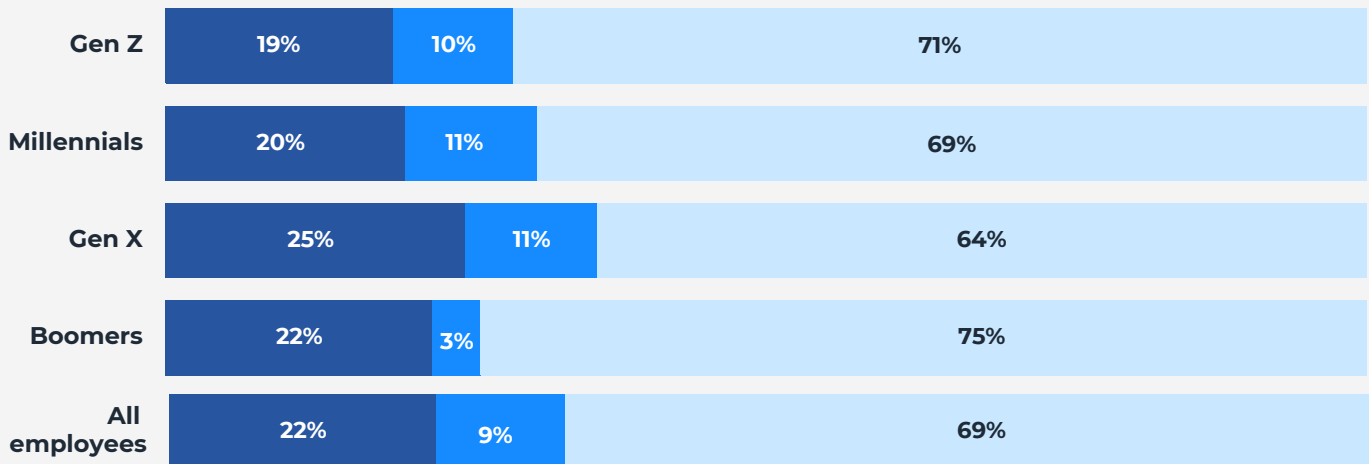
Twenty-two percent (22%) of employees have withdrawn money from their retirement savings, and 9% plan to in the next 12 months. Among those who have already withdrawn, 42% plan to do so again. Roughly one in five employees are treating retirement savings as a source of near-term cash, and for many it is not a one-time decision.

22 %

of employees have withdrawn money from their retirement savings

## Have you ever taken funds out of your retirement fund, or do you plan to in the next 12 months?

■ Have withdrawn ■ Plan a first withdrawal in next 12 months  
■ Never withdrawn, no plans to

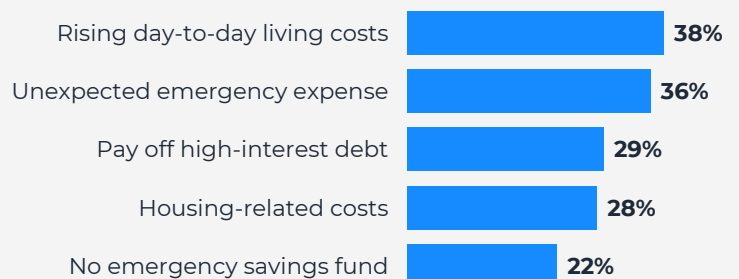


Gen X has the highest rate of past withdrawals (25%) and, along with Millennials, the highest share planning a first withdrawal in the next year (11% each). Employees with medical debt withdraw most often: 31% have already tapped their retirement savings and another 17% plan to.

Those carrying credit card debt (28%) and repaying student loans (27%) also exceed the average.

## Why Employees Withdraw

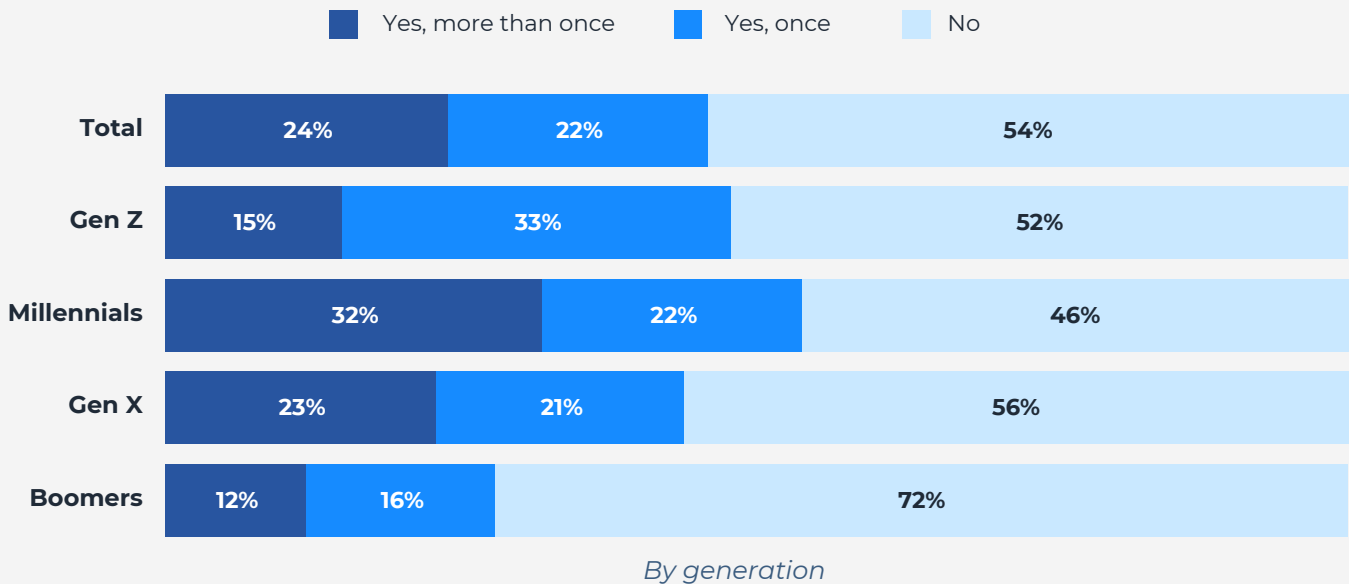
Day-to-day costs, not one-time crises, now lead the list. More than a fifth (22%) said they simply had no emergency savings fund to turn to.



# Nearly Half of Employees Can't Make It to Payday

Forty-six percent (46%) of employees were unable to cover an essential expense in the past year because payday was still days away, including 24% who experienced it more than once.

**In the past 12 months, were you unable to cover an essential expense because payday was still days away?**



Millennials are the most affected (54%), with nearly a third (32%) experiencing it more than once. Gen X follows at 44%, Gen Z at 48% and Boomers at 28%.

The strain is concentrated among employees with the least cushion. Among those carrying medical debt, 69% were unable to cover an essential expense before payday, and 45% experienced it more than once.

Employees with less than three months of emergency savings (63%) and those repaying student loans (62%) report similar difficulty, along with 59% of renters and 59% of gig workers. Homeowners are the least affected (36%).

69%

of employees with medical debt were unable to cover an essential expense while waiting for payday

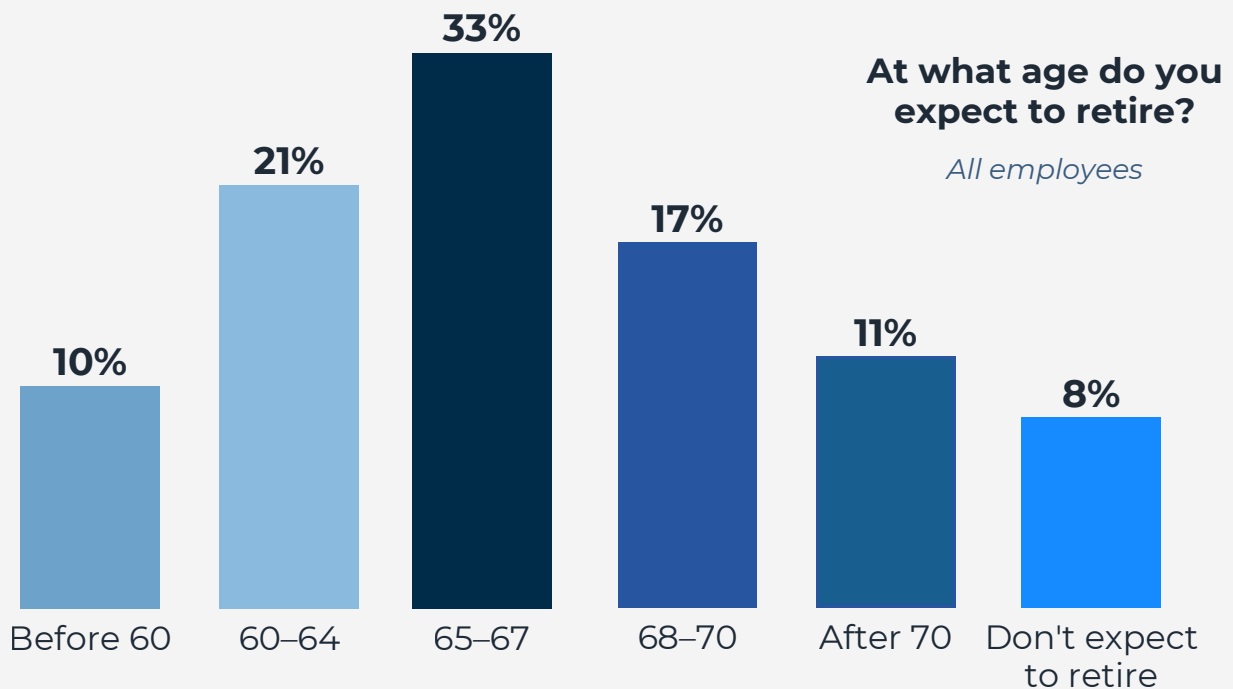
46%

of employees were unable to cover an essential expense before payday

# When Employees Expect to Retire

Expected retirement age rises steadily with each generation, from an average of 63.1 among Gen Z to 67.6 among Boomers. Gen Z is the most optimistic: 62% expect to retire before 65.

Only 31% of all employees expect to retire before 65, and 8% do not expect to retire at all. Among Boomers, 72% expect to retire between 65 and 70, and 13% do not expect to retire at all.



**Estimated average expected retirement age**

*By generation*

63.1

GEN Z

65.2

MILLENNIALS

65.5

GEN X

67.6

BOOMERS

# TAKEAWAYS:

## Retirement & Savings

Saving is not the same as **security**.

Most employees are contributing to a retirement plan, but far fewer believe it will be enough, and confidence is lowest among those employees closest to retirement.

Contributions are **slipping**.

Employees are still participating, but many are putting away a smaller share of their pay, especially those with thin savings or gig income.

Retirement plans are **doubling as emergency funds**.

A meaningful share of employees have tapped their retirement savings to cover everyday living costs, and many expect to do it again.

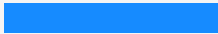
Paycheck-to-paycheck **cuts across the workforce**.

Running short on money before payday is now a common experience, and it is the norm for employees carrying medical debt, student loans or little in savings.

Employees' top retirement worry has **moved from the market to the month**.

Employees are less concerned about volatility or having started saving late, and more concerned that everyday costs leave them unable to save enough.

# Research Objectives & Methodology



## Research Objectives

Explore the relationship between employees and employers as it relates to employee benefits and financial wellness; determine how employers and employees align on what benefits and forms of support matter most; and examine how emerging technology, including AI, is shaping the benefits experience.

## Methodology

Data was collected through the Dynata online panel. 329 full-time U.S. employees and employers completed the survey: 229 employees (mid-level managers outside HR or individual contributors) and 100 employers (HR managers or executives responsible for both benefits and payroll). Respondents were age 21 and older and currently employed full-time.

## Timing

The survey was conducted September 2026.

## Generations

Gen Z (age 18–27), Millennials (age 28–43), Gen X (age 44–59) and Boomers (age 60+).

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