

MissionSquare Research Institute:

Five Trends to Watch in 2026

Based on its public and private sector research on retirement, workforce, and financial wellness, MissionSquare Research Institute sees the following five trends taking off in 2026:

1 | Financial wellness moves from a benefit to a strategy (and becomes measurable)

In 2026, financial wellness will increasingly be treated less like a standalone benefit and more like an employer strategy that affects recruitment, retention, productivity, and retirement outcomes. Financial stress is already widespread—more than half of employees (52%) identify personal finances as a major source of stress—so organizations will be watching for ways to reduce that stress through targeted, measurable interventions rather than broad, generic offerings.

A key trend to watch is the move toward personalizing to meet employees' needs and tailoring support accordingly. Employers and plan sponsors will also place greater emphasis on the drivers of financial well-being that can be influenced through plan design and workplace support—especially debt burden (financial well-being declines as debt-to-income rises), childcare costs for families with young children (ages 0–6 associated with lower well-being), and gaps in financial sophistication (misalignment between perceived and actual knowledge).

2026 will likely bring growing interest in hybrid delivery models that combine people and tools. The Research Institute's findings suggest that employees using both professional financial advice and financial technology tools report stronger improvements in financial well-being than those who use neither—pointing to a trend where employers look for the right mix of human guidance and scalable technology.

2 | Guaranteed income options shape saving, investing, and retirement income choices

Guaranteed income features—such as defined benefit (DB) pensions and annuities—will increasingly be viewed not only as retirement payout mechanisms, but as forces that shape behavior well before retirement. They can influence how participants save, how much investment risk they are willing

to take, and how confidently they plan for the future across their working years.

In 2026, a key trend to watch is the growing need for employers and plan sponsors to better understand how the presence (or absence) of guaranteed income interacts with participant behavior. That includes accumulation and investment decisions, confidence about retirement, and the strategies participants use to generate sustainable income after leaving work.

As public and private sector retirement systems continue to evolve, plan design and communication that help participants connect today's decisions with tomorrow's retirement paycheck will become increasingly important—especially as participants weigh tradeoffs among security, flexibility, and control.

3 | Advice, technology, and personalization are becoming central to retirement decision-making

Participants face a growing set of complex decisions: when to retire, how to claim benefits, how to invest, and how to convert savings into income. In that environment, the combination of professional advice and effective technology can materially improve outcomes—particularly when designed to support real-world decision-making.

MissionSquare Research Institute's upcoming financial well-being research points to a critical insight: human advice and technology are complements. Employees who use both professional human financial advice and fintech tools report stronger improvements in financial well-being than those who do not. That suggests plan sponsors can add value by making both easier to access and easier to use—especially for employees who are uncertain about where to start.

At the same time, emerging tools such as robo-advisors and AI-based decision support raise important questions about

trust, oversight, and equity. In 2026, the conversation will move beyond whether to adopt these tools to how to deploy them responsibly—with clear guardrails, appropriate human review where needed, and communications that help participants understand what tools do (and do not) provide. Bottom line for 2026: The future is not “advice versus technology.” It’s thoughtful integration, delivered with accountability.

4 | Artificial intelligence - Staffing impacts will outstrip use cases in importance

Vendors and consultants will happily sell you on the concept that a particular AI use case is just right for your organization. That may be the case, and efficiency and productivity gains may follow, but the human side of AI is just as important.

Part of that human side is the fear of workforce disruption. In MissionSquare Research Institute’s survey of state and local government staff, 20% were very or extremely concerned that AI would lead to either significant retraining requirements or replacement of their job function.

Beyond those concerns and the potential they have to impact employee retention, other important human aspects of AI are training, communication, and oversight.

- 62% said they had not received any training from their employer on their use of AI
- 28% said AI-generated content is rarely or never overseen or reviewed by staff
- 15% were not sure if there are employer policies prohibiting or limiting their AI use

Given the potential for AI bias and hallucination, as well as the risk of exposing personally identifiable information, this hands-off approach may lead to adverse consequences.

On the positive side, the research also shows that those who feel very prepared for AI tools being integrated into their work are more likely to express positive impacts on

their workplace morale and to apply that AI-readiness to personal priorities as well, such as retirement planning.

As employers continue to chase the technological brass ring, these staff training, communication, and development priorities will be just as important.

Downloads: [Artificial Intelligence in the Workforce: A Survey of State and Local Employees](#) and [Artificial Intelligence in Public Workforce: An In-Depth Study on Employee Perspectives and Retirement Planning Implications](#)

5 | Employers recognize and track mental and emotional labor

Understanding the components of a job is crucial for making decisions around recruitment, classification, and compensation. In the past few years, there has been an emphasis placed on achieving the right balance between education and skills. However, as these aspects of occupations are being studied, the mental and emotional aspects should be studied as well.

It is not enough to know that a particular job requires the ability to lift objects of a certain weight or that the worker needs to have a commercial driver’s license. It is also important to know and plan for how the toll of the job and the situations encountered may lead to stress, burnout, and turnover. By the same token, for some employees, the psychological boost they get from doing meaningful work may outweigh the negatives.

Regardless of whether employers understand the mental and emotional impacts, they should also pay attention to the fact that some employees will be reticent to discuss those issues with human resources or anyone else on staff, and that they may not seek assistance, even if there is a robust menu of support services provided.

In 2026, the Research Institute will be releasing a study on public and private sector employees’ perceptions of the mental and emotional aspects of their work, the impacts for them personally and for the organizations for which they work.

Across all five trends, one theme stands out: successful organizations will pair innovation with intentional investment in people. Whether the issue is AI governance, financial wellness outcomes, retirement income choices, or the emotional demands of work, 2026 will reward employers who move beyond adoption and offer employees practical supports that are clearly communicated, well-designed, and measurable.