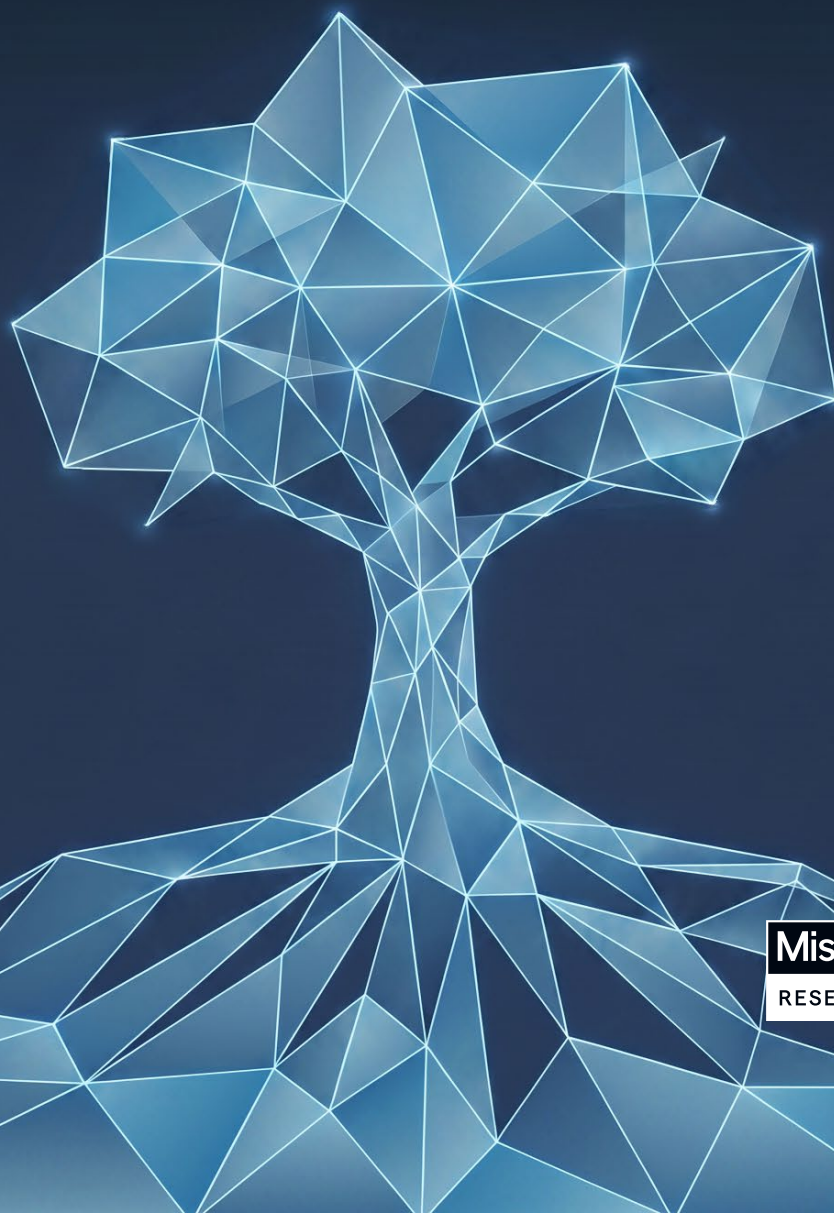




SEPTEMBER 2026

Employee Financial Well-Being

| KEY DRIVERS, CONSTRAINTS, AND OPPORTUNITIES



MissionSquare
RESEARCH INSTITUTE



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Executive Summary

This research report examines the financial well-being of U.S. employees in the public and private sectors, including the economic, psychological, behavioral, and workplace factors that shape it. The analysis uses a dataset from a survey conducted by MissionSquare Research Institute and Greenwald Research on a sample of full-time public (N=1,016) and private (N=1,004) sector employees aged 18 to 69. Survey weights are applied to obtain a nationally representative sample.

The report explores the determinants of financial well-being, specifically focusing on asset ownership, debt burden, financial stress, emotional labor demands at work, financial sophistication, personality traits, the use of professional financial advice, and financial technology adoption for managing personal finances.

The overall results indicate that financial well-being is concentrated at the moderate level, with fewer employees at the lower and higher ends of the spectrum. The report also shows that financial well-being is shaped by multiple factors, offering practical insights into policy approaches and into ways to improve employees' financial resilience and long-term economic security.

Key Findings



The overall financial well-being score among employees is moderate. Only 19% of employees report high financial well-being (scores of 58-100). The majority (59%) fall within the medium range (38-57), while about one in five employees have low financial well-being (below 37).



Financial well-being is important for employment attachment and job retention decisions. High financial well-being is linked to a greater likelihood of staying with one's current employer compared to low financial well-being.



Financial stress is widespread and significantly associated with lower financial well-being. More than half of employees (52%) identify personal finances as a major source of stress. This type of stress is heavily concentrated among those with low financial well-being (80%) and is less common among those with high financial well-being (13%).



Employees in emotionally demanding roles experience greater psychological financial insecurity, indicating that emotional strain in the workplace can erode perceived financial stability.



Higher financial assets correspond with better financial well-being. Employees with at least \$250,000 in non-workplace financial assets are four times more

likely to report high financial well-being than those with less than \$10,000, highlighting the importance of helping employees better understand and manage their assets.



High debt burdens are prevalent among employees, with about 36% reporting a debt-to-income ratio of at least 50%.



Financial sophistication plays a crucial role in understanding employees' financial resilience and long-term security. Compared to financially competent employees, those who are underconfident, overconfident, or financially incompetent have significantly lower financial well-being.



Employees with specific personality traits, particularly conscientiousness and emotional stability, are more likely to report higher financial well-being than their counterparts without such traits.



Employees who use both professional financial advice and financial technology tools to manage their finances report substantially greater improvements in financial well-being than those who do not. This indicates that combining professional financial advice and financial technology to manage personal finances is beneficial for employees' financial well-being.



Introduction

Financial well-being is a key component of overall well-being. It is at the heart of financial education and capability efforts toward helping individuals achieve lifelong fulfillment. The U.S. Consumer Financial Protection Bureau (CFPB) defines financial well-being as “a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life.”¹ This definition reveals that financial well-being reflects a person’s belief that they can manage daily finances, withstand unexpected financial shocks, stay on track with financial goals, and make choices that support a fulfilling life.

For employers, understanding and enhancing employees’ financial well-being can positively impact job performance, retention, and morale. It can also lead to reduced absenteeism, improved engagement, and enhanced job satisfaction. Organizations that place a premium on their employees’ financial well-being may invest heavily in benefits and tools, yet outcomes may vary and fail to yield the desired results if the approaches they follow are not supported by empirical evidence. Thus, identifying the factors that can uniquely influence the financial well-being of public and private sector employees can benefit key stakeholders, including employers, employees, policymakers, financial educators, and financial practitioners.

This white paper uses a dataset from a 2025 survey conducted by MissionSquare Research Institute and Greenwald Research to examine the factors to be considered in understanding and improving employees’ financial well-being. The survey covered a total of 2,020 full-time employees aged 18 to 69 across state and local government (N=1,016) and the private sector (N=1,004), with data collected on demographics, socioeconomic factors, financial literacy, retirement, financial well-being, mental and emotional labor, and personality factors². The paper first measures the employees’ financial well-being using the CFPB’s financial well-being scale. The scale used in this study relies on item response theory and uses responses to five statements to generate a well-being score ranging from 0 (lowest) to 100 (highest). The statements and ratings used to construct the financial well-being score are shown in Table 1.

TABLE 1:
**CFPB Financial Well-Being
Rating Scale: How well does
this statement describe you
or your situation?**

	Completely	Very well	Somewhat	Very little	Not at all
I am just getting by financially					
I am concerned that the money I have or will save won't last					
Because of my money situation, I feel like I will never have the things I want in life					
I have money left over at the end of the month					
My finances control my life					

The findings provide new insights into the determinants of employees’ financial well-being based on their socioeconomic characteristics, psychological experiences, emotional labor demands at work, levels of financial sophistication, personality traits, financial advisor use, and financial technology adoption. In addition, the study provides a nuanced understanding of the interaction between working with a professional financial advisor or planner and adopting financial technology tools, revealing how employees’ use of financial technology interacts with financial advice to shape their financial well-being. The paper concludes with key applications and takeaways for policymakers, employers, employees, financial educators, and financial practitioners.

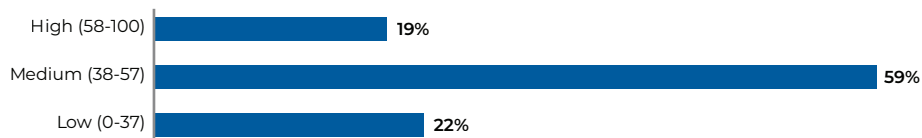


Financial Well-Being Measurement Outcome

Using the CFPB's financial well-being scale, this study finds that employees' financial well-being scores range from 19 (minimum) to 90 (maximum). The average score is 47 while the median is 48, suggesting that the typical employee is neither financially distressed nor financially secure; they are basically getting by financially.

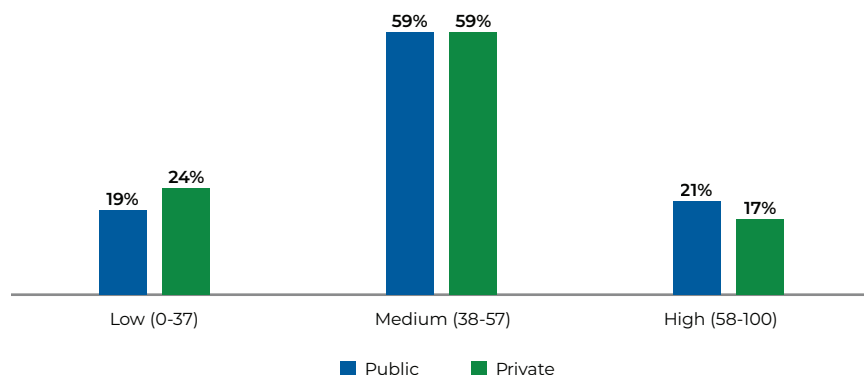
To put this into perspective, we classify the financial well-being score into low, medium, and high categories according to the CFPB's³ classification system. Scores ranging from 0 to 37 are classified as low, 38 to 57 as medium, and 58 to 100 as high. Figure 1 shows that only 19% of employees report high financial well-being, 22% report low financial well-being, and the overwhelming majority (59%) report medium financial well-being. These statistics suggest that only about 2 in 10 employees are financially secure, indicating that this group reports relatively strong financial resilience, confidence, and flexibility in managing current needs and longer-term goals. A sizable minority, 22%, are financially vulnerable employees who may struggle to cover basic expenses and may be more exposed to short-term and long-term economic shocks. The largest group, representing about 6 in 10 employees, falls within the "medium" financial well-being category. These employees appear to be managing financially, but with less security and flexibility than those in the high financial well-being group. Thus, they are neither in financial crisis nor clearly flourishing.

FIGURE 1:
Distribution of employees' financial well-being scores from low to high



These findings are generally similar across public and private sector employees in the "medium" category, but differences exist in the "high" and "low" categories. Specifically, more public sector employees report high financial well-being than private sector employees (21% vs. 17%), while private sector employees are more likely to report low financial well-being than their public sector counterparts (24% vs. 19%), as shown in Figure 2. Overall, the distribution of employees' financial well-being indicates a population that needs significant support to move many employees from "medium" to "high" financial well-being, while supporting those in the "low" category to improve their financial resilience and security. Specifically, these employees may benefit from opportunities such as financial education, retirement planning guidance, budgeting tools, emergency savings programs, and debt management support.

FIGURE 2:
Distribution of employees' financial well-being scores from low to high within the public and private sectors





How Financial Well-Being Shapes Job Retention

Given the distribution of the financial well-being scores, we explore how financial well-being can influence job retention. That is, to what extent does financial well-being contribute to employees' decisions to "stay with their current employer and stay in their current role/job"? Figure 3 shows that employees are more likely to stay with their current employer as their financial well-being increases. Specifically, only 43% of employees with low financial well-being would like to stay with their current employer, while 69% of employees with high financial well-being would like to stay, representing a 26% difference. This trend is similar across both the public and private sectors (Figure 4).

FIGURE 3:
Percentage of employees
who would like to stay
with current employer by
financial well-being level

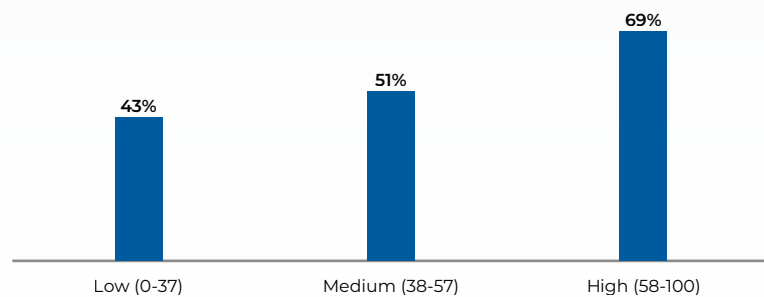
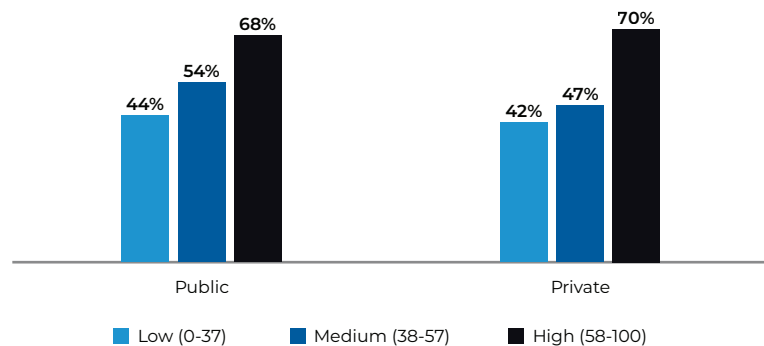


FIGURE 4:
Percentage of employees
in the public and private
sectors who would like
to stay with their current
employer by financial well-
being level



In addition, Table A1 in the Appendix shows the regression estimates of the probability of staying with one's current employer, given an employee's financial well-being score. The marginal effect of 0.17 shows that having high financial well-being is associated with a 17% increase in the probability of staying with one's current employer compared to low financial well-being. Overall, these statistics suggest that financial well-being shapes employees' employment attachment and job retention decisions by reducing the pressure to exit a particular organization or job due to unmet basic needs and short-term financial vulnerabilities.

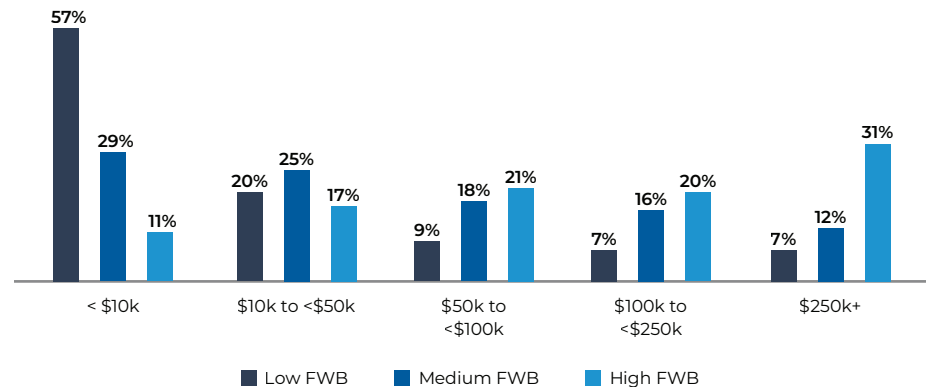


Financial Well-Being: Key Drivers, Constraints, and Opportunities

Wealth Indicator: Non-Workplace Financial Assets

Wealth indicators provide important insights into employees' financial well-being. Assets and debt are key indicators of wealth that, together, could reveal structural patterns in financial security and economic mobility. First, assets provide resources for building financial security and pursuing long-term goals, and these include non-workplace financial assets and employer-sponsored defined contribution (DC) and defined benefit (DB) retirement plans. Focusing specifically on non-workplace financial assets such as money in checking and savings accounts, individual retirement accounts, and brokerage accounts, we observe that these assets contribute significantly to financial well-being. For instance, the regression results in Table A2 in the Appendix show that having \$250,000 or more in non-workplace financial assets is associated with a financial well-being score that is four times higher than that of individuals with less than \$10,000 in such assets. Figure 5 shows clear patterns, where a large proportion of employees (57%) with less than \$10,000 in non-workplace financial assets report low financial well-being, compared with only 7% of employees holding \$250,000 or more.

FIGURE 5:
Distribution of the amount
of non-workplace assets
owned by financial well-
being (FWB)





Figures 6 through 8 show that employees in the low-asset category (less than \$10,000) are more likely to be female than male (36% vs. 25%), to be non-users of financial advisors than users (43% vs. 11%), and to have a low level of financial literacy than a high level (37% vs. 21%), respectively. These patterns suggest that females, employees who do not use financial advisors or planners, and those with low financial literacy face challenges to their financial resilience and may incur long-term financial security risks.

FIGURE 6:
Percentage of employees with less than \$10k in non-workplace financial assets by gender



FIGURE 7:
Percent of employees with less than \$10k in non-workplace financial assets by advisor use

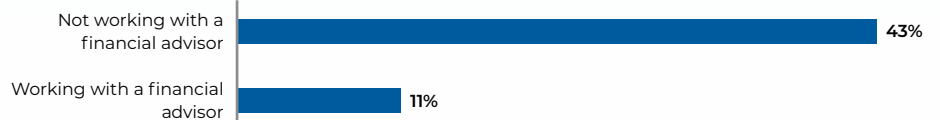


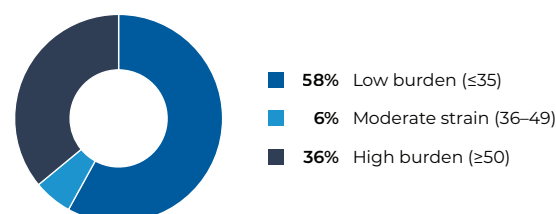
FIGURE 8:
Percentage of employees with less than \$10k in non-workplace financial assets by level of financial literacy



Wealth Indicator: Debt-to-Income Ratio (DTI)

Debt burden or debt-to-income ratio (DTI) measures the proportion of an individual's monthly income that goes toward debt payments, including mortgages, car loans, credit card debt, and student loans. It serves as an indicator of households' debt load, with higher thresholds signaling decreased financial resilience and reduced capacity to meet and sustain long-term financial goals. In this paper, DTI values range from 0 to 100, with a median of 20 and a mean of 31. Figure 9 illustrates the distribution of DTI, categorized into low burden (a DTI ratio of 35 or less), moderate strain (DTI of 36 to 49), and high burden (DTI of 50 or more).⁴ About 58% of employees fall into the low-burden category, and 36% into the high-burden category. The large number of individuals in the high — debt burden group underscores the extent of employee indebtedness. The regression results show that higher debt burdens increase the likelihood of reduced financial well-being (see Appendix, Table A2).

FIGURE 9:
The distribution of debt-to-income ratio





As shown in Figures 10 and 11, employees at risk of higher debt burdens, defined as having a DTI of 50 or more, are more likely to be public sector workers than private sector employees (41% vs. 32%) and female than male (43% vs. 29%).

FIGURE 10:
**Percent of employees
reporting high debt burden
(≥50) by employment sector**



FIGURE 11:
**Percent of employees
reporting high debt burden
(≥50) by gender**



Financial Stress

The survey asks employees to identify their major sources of stress. About 52% of respondents report their personal finances as their major source of stress. Weighted column percentages (Figure 12) show that 4 in 5 employees (representing 80% of employees) in the low financial well-being category report financial stress. However, only 13% of employees in the high financial well-being category report financial stress.

FIGURE 12:
**Percentage of employees
reporting personal finance
as a major stressor by
financial well-being**



Emotional Labor Demands

The survey defines emotional labor as “the effort to manage difficult emotions (such as stress, fear, anxiety, anger, depression, burnout, psychological trauma, etc.) associated with or induced by one’s job responsibilities or workload.” Three survey questions, with responses ranging from 1 (often) to 4 (never), are combined to measure emotional labor. These questions include: Do you have to suppress difficult emotions (such as fear, anger, grief, guilt, etc.) when performing work duties? Do you feel required to display positive emotions expected in your role (such as enthusiasm, compassion, or patience), even when they don’t reflect how you actually feel? Do you feel that the emotional aspects of your job are hard to turn off when you finish work?

The results show that emotional labor demands are negatively associated with employees’ financial well-being (see Appendix, Table A2). Specifically, a one-standard-deviation increase in emotional demands is associated with a 2.5-point decline in financial well-being on the 0 to 100 scale. This translates to a 5-point difference in financial well-being score when moving from low (-1 SD) to high (+1 SD) emotional labor demands, a

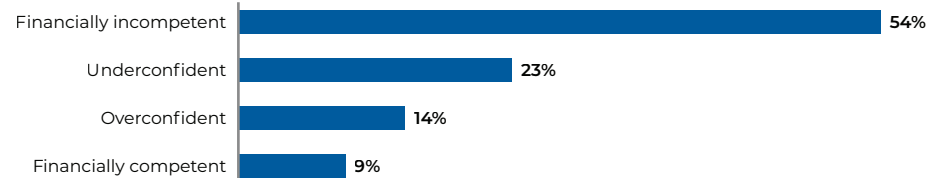


value large enough to shift employees across well-being bands when they are near the threshold. The findings reveal the spillover effects of workplace emotional labor demands on financial well-being, suggesting the need for employers to assess employees' emotional labor levels at regular intervals, revisit job design strategies, and provide relevant support systems, such as resilience training and opportunities to manage workload.

Financial Literacy and Sophistication

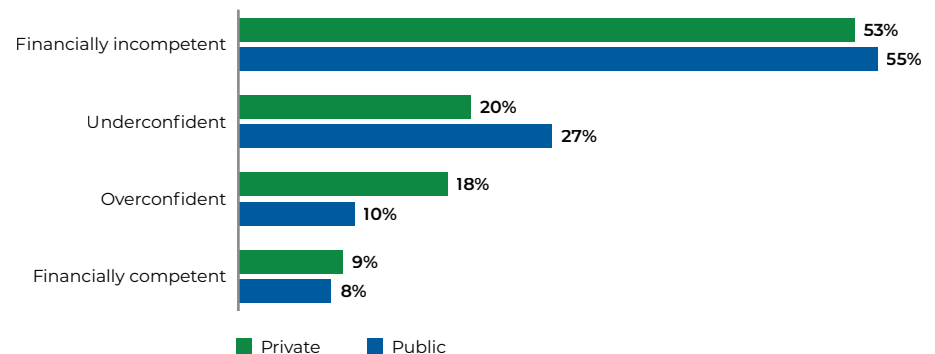
Financial literacy refers to the knowledge and skills needed to make effective financial decisions, and it is known to positively influence several outcomes, including financial well-being and retirement preparedness. This white paper goes beyond objective financial literacy and examines employees' financial sophistication, exploring its effects on well-being based on the alignment and misalignment of objective and subjective financial literacy scores, using the median values of these scores as the reference point. Employees' financial sophistication can be categorized into four levels (financially competent, underconfident, overconfident, and financially incompetent).⁵ Those with high objective literacy scores that align with their high self-perceived knowledge, meaning both average scores exceed their respective median values, are described as financially competent. Those with high objective scores but low perceived knowledge are labeled underconfident. Conversely, employees with low objective scores but high perceived knowledge are considered overconfident, while those with low scores in both areas are deemed financially incompetent. Figure 13 shows that most employees are financially incompetent (54%), 23% are underconfident, and 14% are overconfident. Only about 1 in 10 employees (9%) is financially competent.

FIGURE 13:
Levels of financial
sophistication



Along with analyzing the full sample, Figure 14 explores differences in financial sophistication by employment sector. Consistent with the full sample, competence levels are similar across the public and private sectors. However, confidence levels vary among each employment sector: more private sector employees are underconfident than public sector employees (20% vs. 27%). Conversely, more public sector employees show higher overconfidence than private sector employees (18% vs. 10%).

FIGURE 14:
Levels of financial
sophistication by public vs
private sector





Personality Traits

Personality traits enhance our understanding of human behavior and financial wellness, and have been discussed in several research papers.^{6,7} This white paper focuses on the “Big Five” personality dimensions relating to extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience.

These traits are measured using the Ten-Item Personality Inventory (TIPI),⁸ where higher scores indicate a stronger expression of the respective trait. Figure 15 shows the mean scores for each trait based on TIPI from 1 (lowest) to 7 (highest). Extraversion has a mean score of 3.9, which is close to the midpoint of 4. This suggests an approximately balanced pattern rather than a strongly introverted or extroverted workforce. Extraverted employees may be more likely to seek financial advice or discuss financial concerns than introverted employees, which could have implications for their financial well-being. To better support a workforce that includes both introverted and extraverted employees, employers can ensure that financial wellness programs are available in various formats. For example, options such as group financial workshops, individual counseling, and self-guided resources can be offered.

Conscientiousness and agreeableness have mean scores of 5.5 and 5.1, respectively. These scores indicate stronger tendencies toward organization, responsibility, and cooperation. Emotional stability and openness to experience have moderate scores of 4.7 and 4.9, respectively. These suggest meaningful variation in employees’ curiosity, adaptability, and emotional resilience.

Table A2, which presents the regression results, shows that emotional stability and conscientiousness are statistically significant positive determinants of employees’ financial well-being. That is, employees who are more emotionally stable and more conscientious tend to report higher financial well-being. Extraversion and agreeableness are positively associated with financial well-being, while openness to experience is negatively associated, though these associations are not statistically significant. These findings highlight the need for financial wellness programs aimed at improving financial well-being to also consider employees’ personality traits.

FIGURE 15:
**Personality trait mean
scores among employees**
(scale of 1 to 7, low to high)





Financial Advisor Use

Professional financial advisors or planners bring a wealth of knowledge and expertise to help individuals and households make utility-maximizing financial decisions. Given the complexity of the financial landscape and the uncertainties it entails, the value these professionals provide to households cannot be overstated. Among other benefits, they help reduce financial stress and the higher debt burden among the population. They also contribute to improving employees' financial well-being. For instance, Figure 16 shows that among employees who identify financial stress as a major stressor, the majority are non-users of professional financial advice (68%) compared to users (32%). Thus, users of professional financial advisors are less likely to report their personal finances as a major stressor.

FIGURE 16:
**Advisor use among
employees identifying
financial stress as a major
stressor (%)**

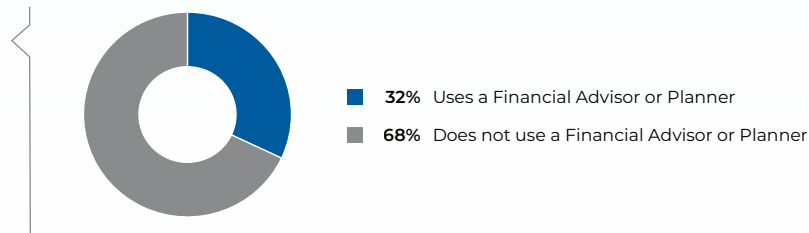


Figure 17 also shows that among employees who are overwhelmed by their debt burden and need to take action, the majority are overwhelmingly non-users of professional financial advice (78%) compared to users (28%). Thus, employees with severe debt stress are more concentrated among those who do not use a professional financial advisor/planner than users. All else equal, these descriptive statistics highlight a potential gap in access to or use of financial advice among employees experiencing severe financial or debt stress, but does not indicate causation. In addition to the positive results described in the preceding paragraph, Figure 18 extends the descriptive analysis by comparing high financial literacy among users and non-users of professional financial advice. Financial literacy is higher among users of professional financial advice (38%) than non-users (29%). This suggests a positive correlation between advisor use and high financial literacy.

FIGURE 17:
**Financial advisor/planner
use among employees who
need to take action on their
debt burden (%)**

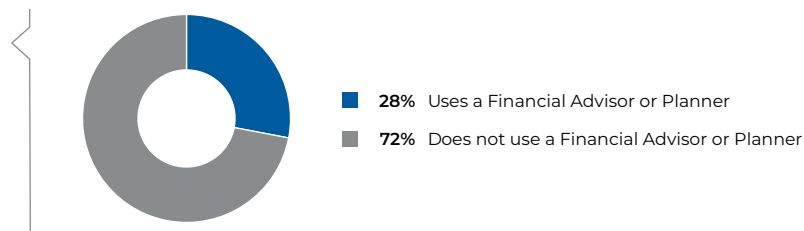


FIGURE 18:
**High financial literacy by
advisor use**

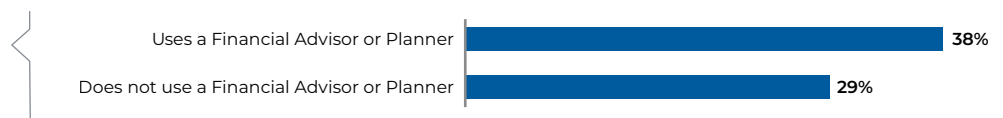




Figure 19 shows that among employees with low financial well-being scores, the majority are non-users of professional financial advisors, compared with users (77% vs. 23%). Statistically, the proportion of employees reporting low financial well-being scores is more than three times higher among non-users of financial advice than among users. This indicates an overconcentration of low financial well-being among employees who do not use a financial advisor or planner. Although financial advisors play essential roles in employees' financial wellness, Figure 20 shows that only 37% of employees work with a professional financial advisor/planner. This suggests an under-utilization of financial advice use despite its benefits.

FIGURE 19:
**Financial advisor/planner
use by low financial well-
being**

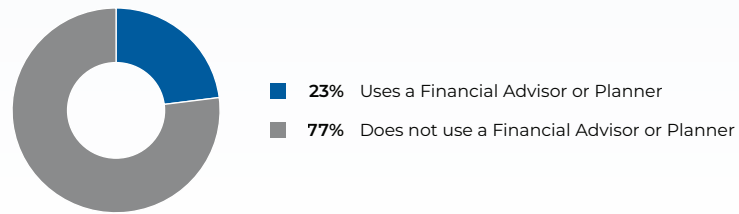
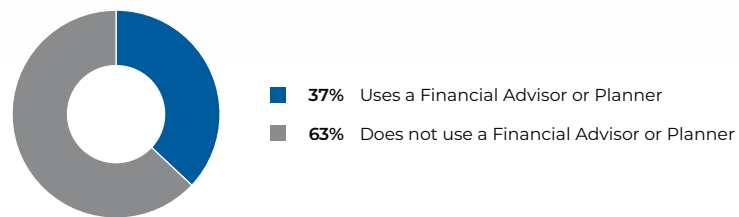


FIGURE 20:
**Percentage of employees
using a professional
financial advisor or planner**





Financial Technology Adoption

Financial technologies include digital tools such as budgeting apps, robo-advisors, and online planning tools that help employees manage their budgeting, saving, investing, and retirement planning. These tools could simplify complex financial tasks and enhance employees' financial decision making. Figures 21 through 23 describe the adoption and perceived usefulness of financial technology tools. Figure 21 shows that a large percentage of employees use financial technology tools to manage their personal finances, including retirement planning (83% vs. 17%).

FIGURE 21:
**Percentage of employees
using financial technology
in personal finances**

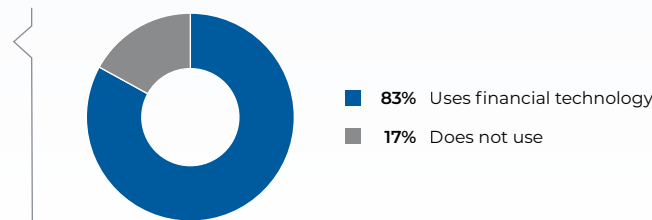


FIGURE 22:
**Degree of helpfulness in
using financial technology
for personal finances**

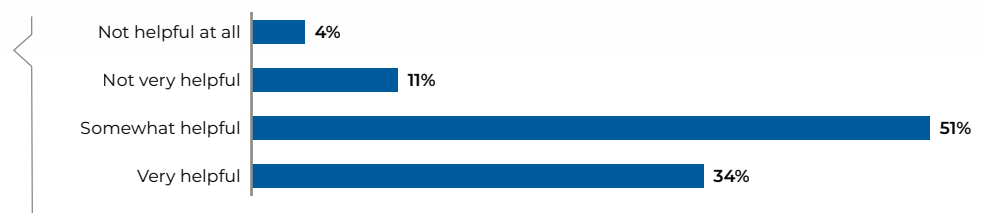
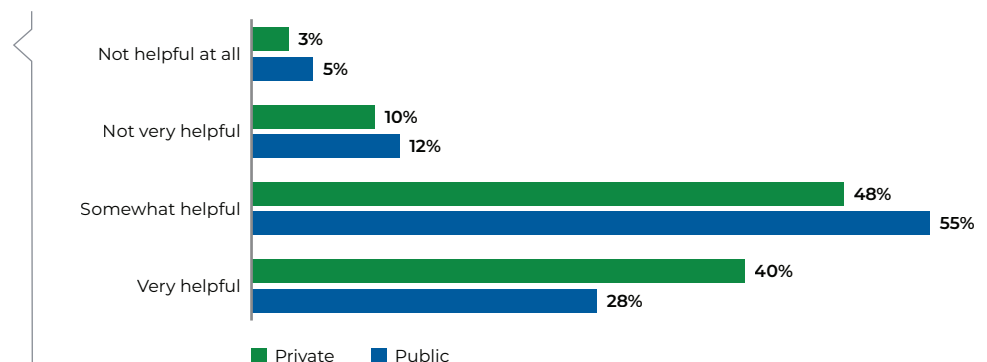


FIGURE 23:
**Degree of helpfulness in
using financial technology
for personal finances by
employment sector (%)**



Overall, financial technology adoption to manage personal finances is widespread and widely perceived as beneficial, although sector-specific differences exist. Figure 22 shows that, among users, many employees (85%) find financial technology to be helpful in managing their personal finances, with only 15% reporting otherwise. By sector of employment, Figure 23 shows that a larger percentage of private sector employees who use financial technology for their personal finances report that the tools are very helpful, compared with public sector employees (40% versus 28%). Combining the responses for “very helpful” and “somewhat helpful” shows that 83% of public sector employees using the tools find them helpful for managing their personal finances, compared with 88% in the private sector.



Regression Results and Discussion

Detailed regression results showing the factors associated with the financial well-being of employees are reported in Table A2 (see Appendix) and Figure 24. Altogether, these factors explain approximately 50% of the variation in financial well-being scores, as shown by the R-squared statistic. Several factors show statistically significant relationships with financial well-being. Of particular importance are non-workplace financial assets, debt burden (debt-to-income ratio), financial stress, financial sophistication, personality traits, emotional labor demands, use of a professional financial advisor or planner, and financial technology adoption in contributing to financial well-being.

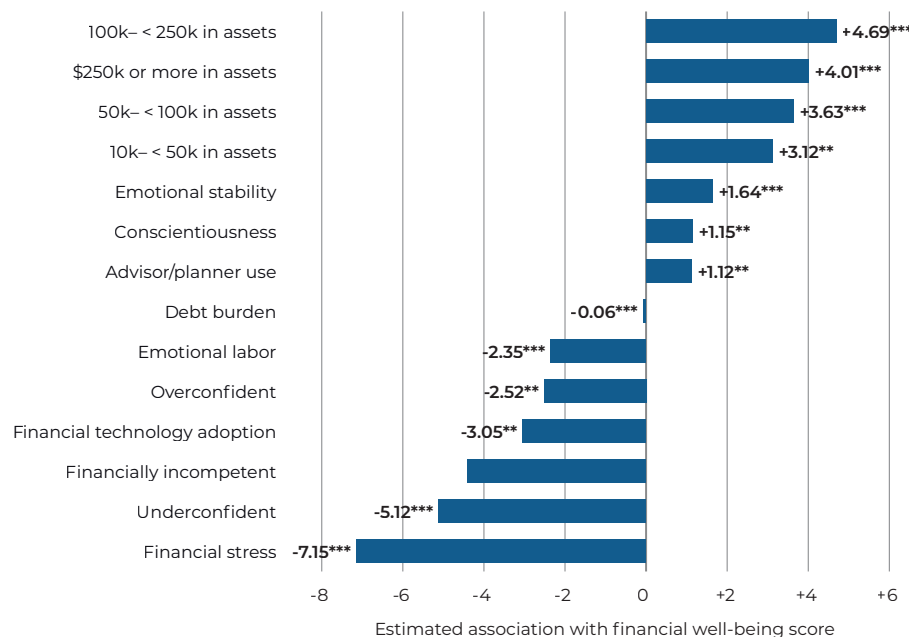
Table A2 shows a positive relationship between non-workplace financial assets and financial well-being, indicating that these assets strongly contribute to improving employees' financial well-being. Thus, having non-workplace financial assets appears to provide substantial buffer capacity and perceived financial security. This suggests that programs that support employees' ability to build financial assets outside workplace retirement accounts could directly translate into higher financial well-being.

Debt burden is negatively associated with financial well-being, with higher debt-to-income ratios corresponding to lower financial well-being. The results suggest that lowering debt-to-income ratios reduces debt burdens, and this increases the likelihood of experiencing higher financial well-being. Measures such as prioritizing debt relief pathways and providing debt counseling could be considered in helping employees minimize their debt-to-income ratios.

Financial stress has a statistically significant negative association with financial well-being, even after accounting for several factors, including income, non-workplace financial assets, and other employee characteristics. This means that, on average, financial stress is associated with lower financial well-being beyond differences in income and assets. The magnitude of the regression coefficient is large and economically significant, indicating that financial stress is a strong determinant of financial well-being. This finding suggests that employees' psychological experience of stress concerning their

FIGURE 24:
Key drivers of employee financial well-being

Notes: Estimates are from the main model in Table A2. Positive values indicate higher financial well-being; negative values indicate lower financial well-being. Asset estimates are relative to less than \$10,000 in non-workplace financial assets. Financial sophistication estimates are relative to financially competent employees. Personality traits and job demands are standardized.
** p<.05; *** p<.01.





personal finances is a notable channel through which financial well-being can diminish. Prior research shows that people's perceptions of their finances have a stronger negative correlation with financial well-being than objective financial indicators alone.⁹ Thus, what employees think and feel about their personal finances is a strong factor that can be targeted in efforts to improve employees' financial well-being.

Emotional labor demand at work is a strong negative predictor of financial well-being, indicating a spillover effect. Thus, the emotional component of work may not only affect how employees feel and think about their work but also may diminish their financial well-being. The finding aligns with the conservation of resources theory,¹⁰ which suggests that depletion in one domain can also reduce capacity in other domains. This suggests that excessive emotional labor demands at work can drain an employee's "resource reserves," leaving them with less capacity to manage their finances, leading to diminished financial well-being.

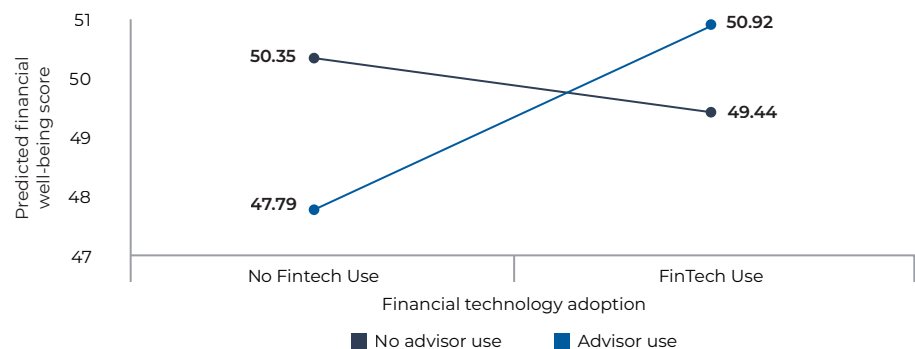
The results also show that two of the five personality traits, namely conscientiousness and emotional stability, have a statistically significant positive association with financial well-being. Employees who exhibit conscientiousness are more likely to plan, save, and avoid impulsive decisions than their counterparts, while emotionally stable employees are more likely to experience lower stress and better coping mechanisms.¹¹ These characteristics are embedded with positive behavioral tendencies associated with personal financial planning, which translate into greater financial well-being.

Table A2 further shows the findings for financial sophistication, revealing that financial sophistication is an economically and statistically significant determinant of financial well-being. Being underconfident, overconfident, or financially incompetent is associated with lower financial well-being compared to being financially competent. The results suggest that both miscalibration from a behavioral perspective and a lack of knowledge from a traditional finance perspective could be barriers to enhancing financial well-being. Employees who are underconfident, overconfident, or financially incompetent are prone to making suboptimal decisions,¹² leaving them susceptible to experiencing diminished well-being.

The results for financial advisor use and financial technology adoption, including their interactions, are also shown in Table A2 and Figure 25. As expected, the findings show a positive association between professional financial advisor or planner use and employees' financial well-being, while that of the relationship between financial technology adoption and well-being is negative. Additional analysis involving the interaction between financial advisor use and financial technology adoption shows a positive interaction coefficient. This finding suggests that employees who combine both in managing their personal finances experience a net positive effect on their financial well-being. This finding underscores the benefit of integrating human financial advice and financial technology among employees. It also emphasizes their complementarity rather than substitutability.

FIGURE 25:
**Interaction between
financial advisor use
and financial technology
adoption**

Notes: Predicted values are based on the constant, the main effects for financial advisor/planner use and financial technology adoption, and their interaction term. Other covariates are held at their reference category or zero.





Conclusion

This research report reveals that most employees have moderate financial well-being, suggesting that the average employee across the public and private sectors is financially managing. This suggests that key stakeholders strengthen financial resilience across the workforce to enable many employees to move towards the higher end of the financial well-being spectrum.

This study identifies several factors that are either associated positively or negatively with employees' financial well-being. Each of these factors could be targeted to improve perceived financial resilience and security. On the positive side, the value of non-workplace financial assets on the balance sheet of employees is one key factor that can strengthen employees' financial resilience and long-term security. Having higher non-workplace financial assets could provide employees with financial stability and flexibility. Another important factor is financial competence, where employees' objective and subjective financial literacy are aligned. This could enhance employees' ability to plan and make better financial decisions. Working with a professional financial advisor or planner, particularly when combined with financial technology tools, helps strengthen employees' financial wellness. Still on the positive side are the psychological traits of consciousness and emotional stability, which align with financial stability, security, and freedom.

Besides identifying positive factors, the study also identifies several factors that could negatively influence employees' financial resilience and long-term financial security. Key delimiting factors that stand out include financial stress (personal finances as a major stressor); high debt-to-income ratios (high debt burden); emotionally demanding jobs; and financial underconfidence, overconfidence, or incompetence. Altogether, these factors constitute key economic, behavioral, workplace, and psychological factors that could drive or constrain employees' financial health, revealing opportunities for key stakeholders' involvement.

Applications and Takeaways

The following recommendations to improve employees' financial wellness emerge from the current study:

- Employers are encouraged to periodically provide opportunities for employees to measure their financial well-being scores (e.g., annually) and to provide timely, tailored guidance or resources to help those who are vulnerable build financial resilience.
- Encourage employees to use financial technology tools alongside professional financial advice to enhance their financial management and planning for improved financial resilience and long-term security.
- Employers and financial practitioners are encouraged to provide opportunities for employees to assess the gap between their actual and perceived financial literacy to determine their level of financial sophistication. Support tools like feedback nudges, micro-lessons, and decision aids can help bridge gaps among employees who are underconfident, overconfident, or financially incompetent.
- Financial stress imperils financial well-being, which may lead employers to offer targeted support. Implementing employee assistance programs, financial counseling, spending plan strategies, or stress management workshops can help ease the psychological burden of managing personal finances.
- Employers and policymakers can promote the accumulation of non-workplace financial assets such as brokerage accounts and individual retirement accounts (IRAs). Payroll-linked automatic savings programs and matching incentives can help employees build financial resilience.
- Address debt-to-income imbalances by offering targeted financial education programs and one-on-one counseling opportunities to help employees manage debt responsibly, focusing on strategies to lower debt-to-income ratios and maintain healthier credit practices.
- Consider monitoring and mitigating emotional labor demands. Given that emotional labor is negatively associated with financial well-being, employers could periodically assess employees' emotional labor levels and provide appropriate support, including resilience training, supervisor support, or opportunities to manage workload.



Appendix

Table A1: Probit regression results of the effect of financial well-being on job retention

Key explanatory variable	Marginal Effects	P-Value
Financial well-being (vs. low)		
Medium	0.04	0.35
High	0.17	0.00

Note: The model includes control variables relating to demographic, socioeconomic, personality traits, and other indicators (N=1,670).

Table A2: Estimates of the determinants of employees' financial well-being

	Main Model	Interaction Model
Assets and Debt		
Non-workplace financial assets (vs. less than \$10k)		
\$10k to less than \$50k	3.1241** (1.2191)	3.4709*** (1.0995)
\$50k to less than \$100k	3.6270*** (1.0836)	3.8198*** (1.0481)
\$100k to less than \$250k	4.6942*** (1.0436)	4.7777*** (1.0483)
\$250k or more	4.0075*** (1.1559)	4.0435*** (1.1790)
Debt burden (debt-to-income ratio)	-0.0615*** (0.0126)	-0.0649*** (0.0127)
Capacities, Traits, and Planning Orientation		
Financial sophistication (vs. financially competent)		
Underconfident	-5.1235*** (1.1878)	-4.9564*** (1.1747)
Overconfident	-2.5173** (1.2016)	-2.5883** (1.2016)
Financially incompetent	-4.4025*** (0.8489)	-4.2705*** (0.9037)
Personality traits (standardized)		
Extraversion	0.2947 (0.4020)	0.4051 (0.3842)
Agreeableness	0.0202 (0.4804)	0.0242 (0.4359)
Conscientiousness	1.1492** (0.4512)	1.1815** (0.4292)
Emotional stability	1.6410*** (0.4005)	1.5924*** (0.3428)
Openness to experience	-0.1559 (0.3761)	-0.2200 (0.3557)
Financial Behaviors and Use of Tools		
Financial advisor or planner use (1=yes)	1.1163** (0.4607)	-2.5585 (2.1227)
Financial technology adoption (1=yes)	-3.0519** (1.0787)	-0.9129 (1.3323)



	Main Model	Interaction Model
Life Events and Psychological Experiences		
Financial stress (1=Yes)	-7.1484*** (0.5817)	-7.1907*** (0.6014)
Job demands (standardized)		
Mental labor index	-0.3788 (0.4089)	-0.2946 (0.4021)
Emotional labor index	-2.3486*** (0.4303)	-2.5176*** (0.4094)
Interaction Terms		
Advisor use X Fintech adoption	-	4.0376* (2.2528)
Constant	52.8379*** (2.3524)	50.3502*** (2.2838)
Adjusted R-squared	0.4882	0.5027
N	1,683	1,683

Notes: The data source is the 2025 Financial Wellness Survey from MissionSquare and Greenwald Research. Each model includes several variables, including age, household income, race/ethnicity, number of children, educational attainment, financial planning horizon, expected retirement income sources, retirement plan types, interaction between retirement plan type and financial technology, and state-level fixed effects, but their results are not shown for brevity. The estimated regression (ordinary least squares) coefficients are reported with clustered robust standard errors in parentheses. Survey weights are applied. Significance levels: *** p < 0.01, ** p < 0.05, * p < 0.10

Endnotes

1. Consumer Financial Protection Bureau (2017). CFPB financial well-being scale: Scale development technical report. <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-technical-report/>
2. The empirical analyses use survey weights across the public and private sectors to reflect population-level demographics, industry distributions, and retirement plan participation rates. The analyses include descriptive and ordinary least squares regression estimates with clustered robust standard errors and state fixed effects to improve estimation efficiency and account for geographic heterogeneity.
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