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High earners, constrained outcomes: maximizing benefits in the financial services sector

The financial services sector presents a striking paradox. Despite above-average pay and the prevalence of financial expertise, workers show signs of financial strain—switching to lower-cost benefit tiers, reducing retirement contributions and delaying retirement. This article explores why strong benefits provision does not always translate into effective use—particularly given the sector's variable income patterns, complex financial decisions and demanding workplace dynamics.

Economist Enterprise's 2025 Benefits 2.0 survey of US financial services workers suggests that addressing these challenges is less about expanding benefits access and more about improving how they function in practice. Several priority areas stand out:

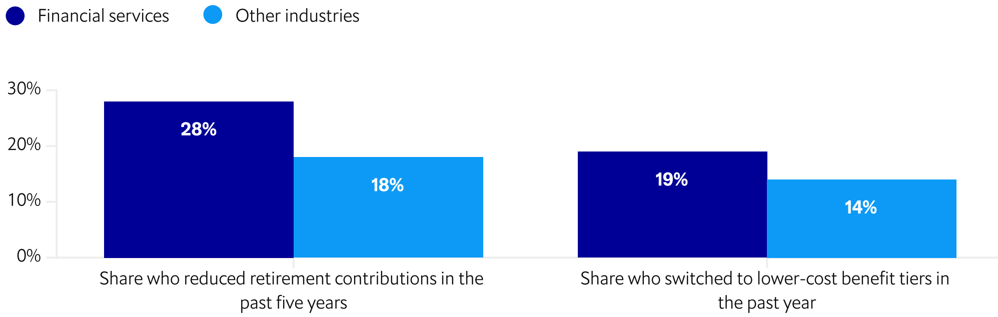
- **retirement and financial wellness benefits** that better align with workers' inconsistent saving patterns and other markers of financial strain;
- **health benefits** that are easier to access and use, reducing care avoidance in a high-pressure environment; and
- **personalized guidance and decision-support tools** that simplify complex choices, improve confidence and help employees make more effective use of what they are offered.

Signs of financial strain

Financial pressure is no longer confined to low-income households. Rising costs and shifting spending and saving patterns are placing increasing strain on middle- and high-income groups.[1,2] Several indicators from our survey corroborate this, suggesting that relatively high salaries in the finance sector are not insulating workers from immediate-term economic strain and financial pressure.

Workers in finance are reducing their retirement contributions at a higher rate (28% in the past five years) than workers in other industries (18%). In addition, one in five (19%) have switched to lower-cost benefit tiers in the past year compared with 14% elsewhere (see figure 1).

Figure 1: Finance employees are more likely to make financial trade-offs across their benefits



Source: Economist Enterprise 2025 US Benefits 2.0 survey

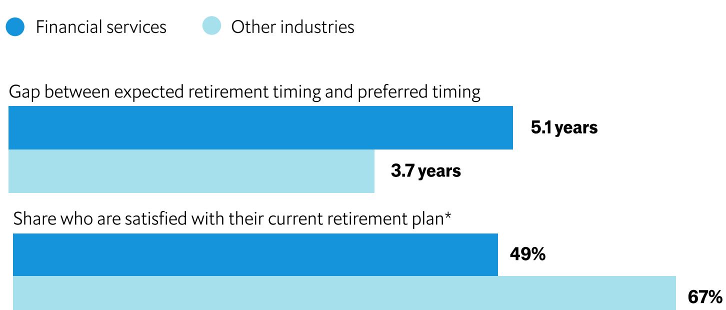
Some of these trends may also reflect the diversity of the sector: although pay is relatively high on average, many still earn modest wages. Median earnings in finance and insurance reached $83,200 in 2025, compared with $62,200 for full-time US workers overall.[3,4] Yet the sector includes a wide range of occupations, from tellers and insurance processors to highly paid managers and executives. Many large financial firms are also concentrated in high-cost locations: for instance, housing costs in New York City are around 50% higher than the national average,[5] with households in the top 20% often facing a cost of living more than twice as high.[6]

As a result, the financial security often associated with the sector may be less widespread than headline earnings figures suggest, helping explain why many workers continue to make difficult trade-offs about how they plan for the future.

Engaged with savings but still falling short

Finance workers' higher engagement with retirement plans—and often stronger financial expertise—does not necessarily translate into an ability to retire earlier or a better sense of financial security. Close to half (44%) say they actively review and adjust their retirement plans, compared with just 33% in other industries. However, the sector still faces a pronounced level of delayed retirement, with a gap of 5.1 years between respondents' preferred retirement timing and expected timing, compared with 3.7 years in other sectors (see figure 2). Meanwhile, satisfaction lags as well: only 49% of employees with 401(k)-style plans are happy with or prefer their current retirement plan, compared with 67% across other sectors.

Figure 2: Finance employees face greater retirement delays and are less satisfied with their retirement plans



*Among those with traditional retirement savings plans, eg, a 401(k) or similar
Source: Economist Enterprise 2025 US Benefits 2.0 survey

Similarly, high participation rates do not guarantee adequate savings. Participation in retirement plans is high, says Trent Savage, chief HR officer at Mountain America Credit Union. "About 93% of our employees are leveraging the 401(k), and most of them are at the 5% match." However, he warns that contribution rates are not increasing fast enough to keep pace: "They need to keep increasing that percentage, and I'm very concerned that people are not saving enough for retirement."

The challenge of navigating retirement benefits

Even though finance workers are more likely to adjust their retirement plans, the process is not always straightforward. Only 63% feel well equipped to make financial decisions about retirement, compared with 73% across other industries. This may seem surprising for finance professionals, but it could reflect the nature of decision-making in the sector: multiple income streams and variable compensation can make it harder to determine how much to save, when to contribute and how to allocate resources.[7,8]

Among finance sector respondents, 67% receive an annual performance bonus, 48% receive profit-sharing, 39% receive commissions and 20% earn equity. Across all financial services workers, nearly half (44%) do not adjust their retirement contributions when they receive bonuses or higher pay than normal, which can lead to less optimal retirement savings over time.

When benefits go underused in high-pressure workplaces

These behaviors also point to a broader trend: even when finance workers have access to benefits, they do not always use them. Multiple reasons contribute to this, including cost, long hours, lack of awareness or guidance, and negative perceptions about utilization.

The gap is particularly visible in healthcare. Nearly a quarter (24%) of workers have skipped or delayed medical care in the past 12 months to avoid costs—double the rate in other sectors (12%). This is notable given the industry's strong access to health benefits. The finance sector is among those with the highest access to paid sick leave, and 94% of workers in management, business and financial occupations are offered medical benefits.[9] So why are workers skipping care?

In some cases, employers face challenges driving engagement. "Some benefits are harder for people to find out about, like our medical co-payment plan—sometimes we just don't have enough time to educate our employees on that benefit," says Mr Savage.

But high-pressure environments are another key factor, limiting both the ability and willingness to engage with benefits. Long hours and demanding workloads are common in financial services. Research from Goldman Sachs found that some first-year financial analysts in investment banking were, on average, working an average of 95 hours a week while sleeping just five hours each night.[10]

More than half (54%) of finance workers in our survey say that frequent use of benefits like paid leave, caregiving leave or flexible work is sometimes or often seen in a negative light at their organization. Of this group, one in six say these benefits are either rarely used in practice or that junior staff are less comfortable using them than longer-tenured employees.

Making benefits work in practice: the AI opportunity

Employers often invest heavily in benefits, but translating that investment into better outcomes remains a challenge. Access is not the issue: workers need support to translate complex information into action in a reliable, quick and low-effort way.

AI-enabled tools offer a way to bridge this divide. By personalizing the benefits experience, simplifying complex decisions and providing timely recommendations, these tools can strengthen outcomes among employees—particularly in areas such as retirement saving and health, where outcomes are falling short.

Mr Savage points out that HR departments "need to have confidence that we're leveraging our benefits in the best way to maximize engagement and retention with our employees." While he'd like to reach a point where the company could "leverage technology to do that in a faster way," he cautions that accuracy is an essential consideration. "When you're dealing with people's benefits, you need to ensure that you're getting them the right information."

In a sector defined by financial expertise, the opportunity is not to offer more sophisticated benefits, but to facilitate employees in using them effectively.

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