

Morgan Stanley
AT WORK

State of the Workplace

2025 Financial Benefits Study





Introduction

Morgan Stanley at Work's fifth annual State of the Workplace Financial Benefits Study shows that both employees and HR leaders are feeling the impact of economic and market turbulence. Data shows a significant uptick in financial stress, affecting productivity and personal well-being. Financial stress is also driving strong demand for workplace support, particularly in financial planning and retirement preparation. Employees are seeking more active engagement from their employers in their financial well-being.

As concerns about inflation and potential recession rise, both employees and employers recognize the value of financial benefits packages to not only offer relief and security to workers, but also as a key differentiator in talent management strategies for companies.

In addition, employers are prioritizing retention, and utilizing financial benefits to foster employee satisfaction, loyalty and productivity. However, gaps between employee and employer views—for example, in the effectiveness of equity compensation education—suggest key areas where companies may want to focus their attention to maximize the impact of their benefits programs.

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Core Findings

Financial stress is rising

Two thirds (66%) of employees say financial stress is negatively affecting their work and personal life, +4 percentage points year-over-year. And 83% of HR executives worry employees' personal financial issues are affecting productivity, +5 percentage points.

Employees want more financial support at work

Over eight in 10 employees (84%) believe employers should more actively assist them with their specific financial issues, +3 percentage points since 2024. Yet 34% have never thought to reach out to their employers for help.

Amid uncertainty, retention is a priority

The top strategic financial priority for companies in 2025 is hiring and retention, despite geopolitical and economic uncertainty.

Financial benefits help move the needle

Almost all employees (90%) believe workplace financial benefits are essential to reach their personal financial goals—with retirement preparation (55%), financial planning (53%) and maximizing equity compensation (34%) as their top three choices.

HR and employees agree more can be done

With financial benefits an essential tool in meeting company and individual financial goals, most HR executives (93%) and employees (85%) agree that companies still need to do a better job helping employees understand and maximize the financial benefits available to them. This can be especially important at key moments such as a corporate liquidity event or tax season.

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Financial Benefits





We stand at a unique inflection point, as significant shifts in the wider economy create a ripple effect in HR and employee attitudes around their approach to workplace financial benefits. As we navigate a volatile economic landscape and fluctuating employee expectations, our latest study underscores the power of financial benefits packages to align business goals with employee needs—ultimately enhancing overall workplace satisfaction, productivity and stability.

Scott Whatley, Head of Morgan Stanley at Work

Key Insights



Amid rising financial stress, employees prioritize saving, investing and debt

Employees' top personal strategic priorities for 2025 are building up savings (50%), investing for the long-term (47%), and paying down debt (43%)—and they are interested in using resources available through workplace benefits to support these goals.



Financial planning is in focus

81% of employees feel they must accelerate their financial planning efforts to make up for lost time, and 67% of HR executives believe help with financial planning is essential to help employees meet personal financial goals.

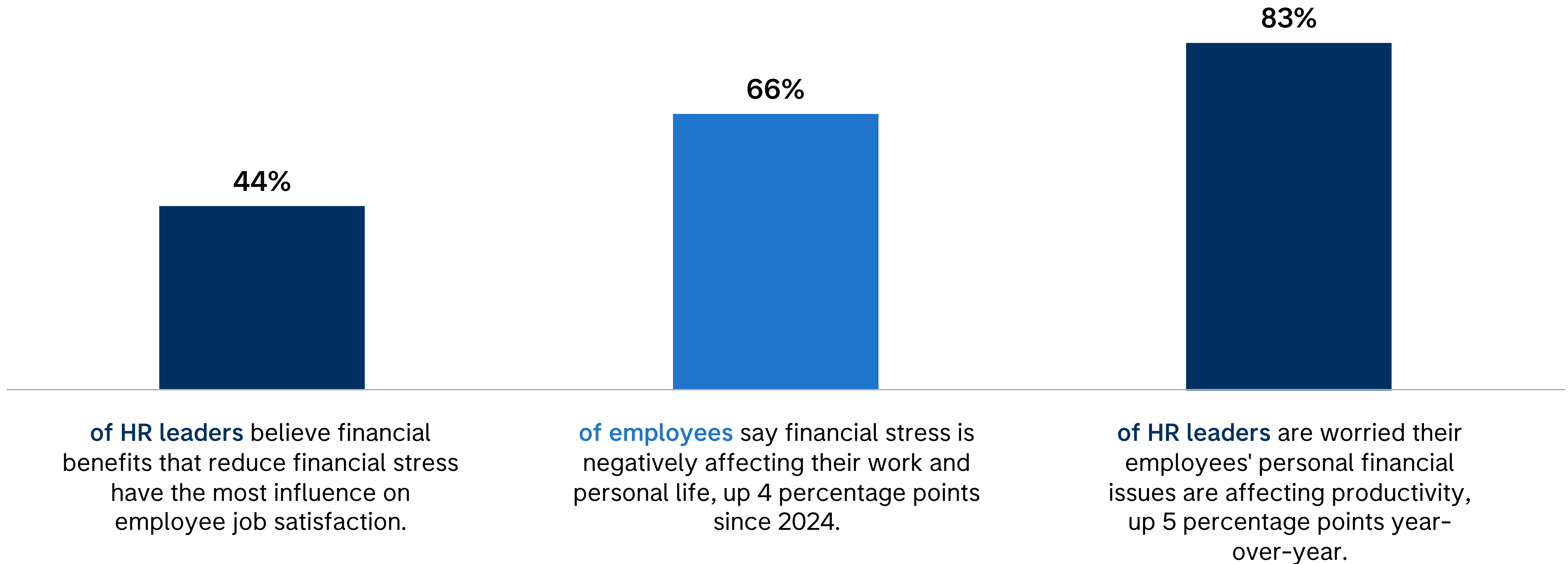


Financial benefits support top company goals

59% of HR executives say hiring and retention is their company's top strategic financial priority for 2025, followed by technology investment. In fact, 82% of HR execs report taking proactive steps towards integrating generative AI into their HR workflows.

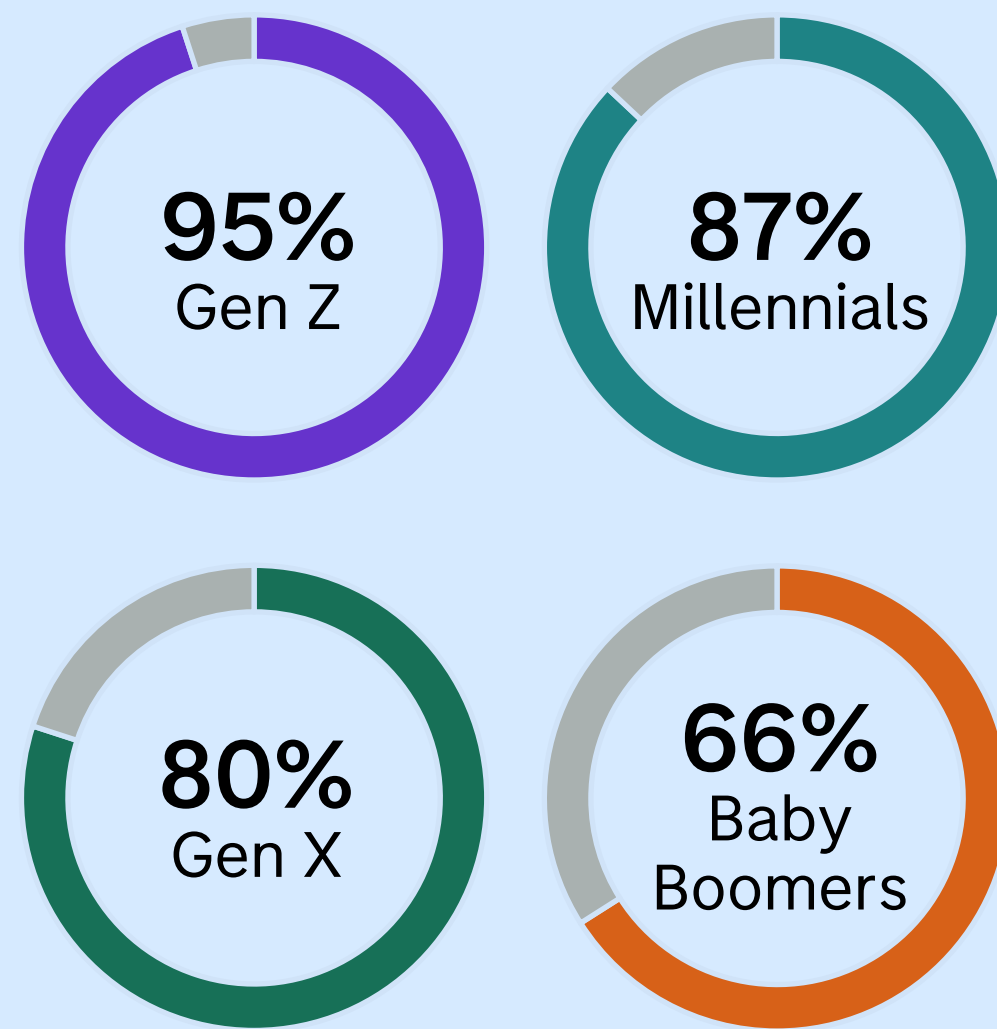
Financial Stress On the Rise—Employers Take Notice

Economic uncertainty is showing ripple effects in the workplace, as employees and employers alike respond to increased financial stress.



Employees Increasingly Want Workplace Support for Financial Challenges

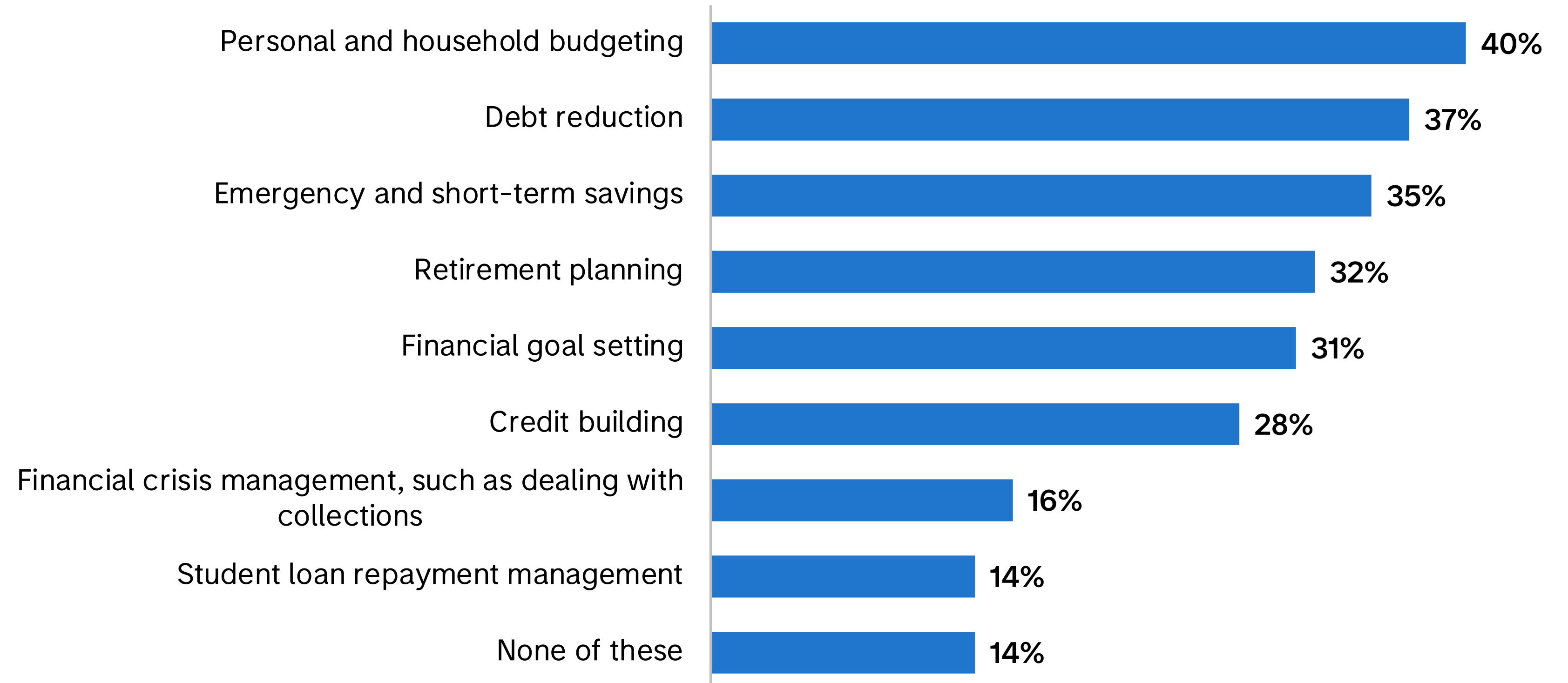
More employees are looking to the workplace for foundational financial support—particularly younger generations.



84% of employees

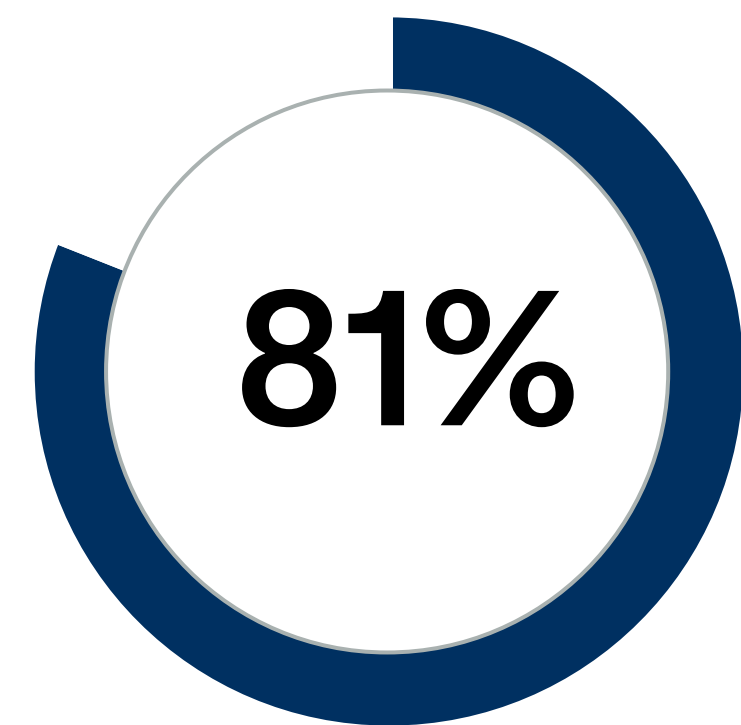
feel that employers should more actively assist them with their financial issues.

Employee responses: Over the past year, which of the following financial issues, if any, have you dealt with or are currently dealing with in your personal life?

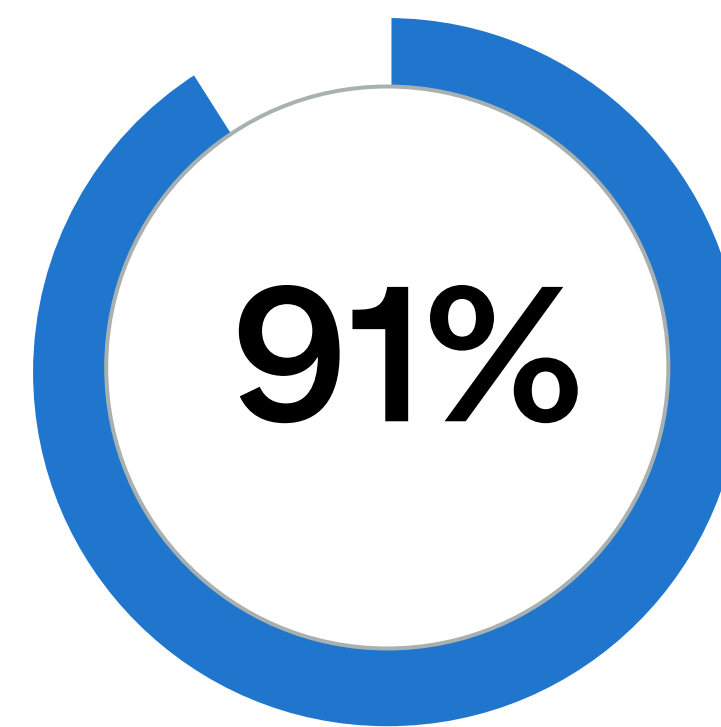


Robust Benefits Drive Retention

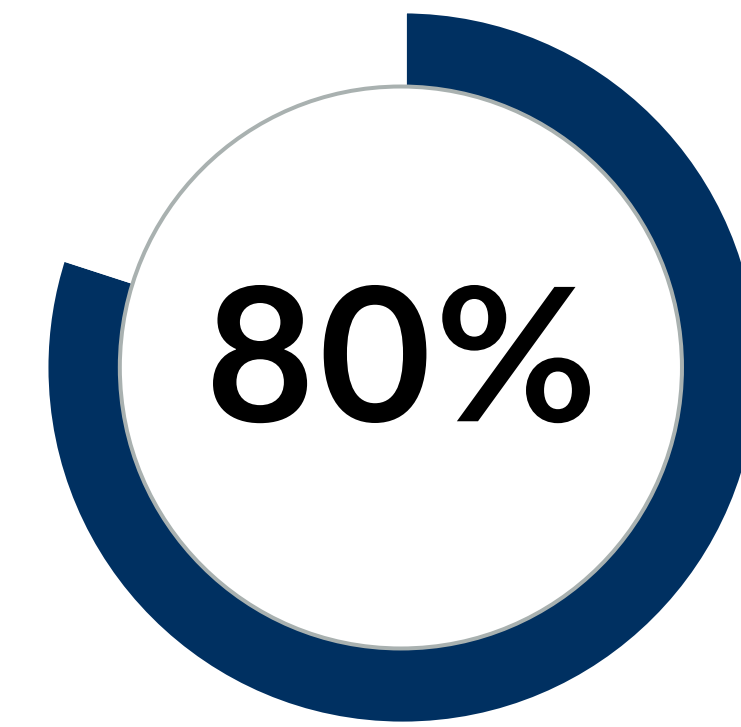
Retention (and hiring) is the top strategic financial priority for companies in 2025. HR leaders and employees agree benefits are key to retention, with employees willing to stay—or leave—jobs to get financial benefits that meet their needs.



of HR leaders worry employees will seek other job opportunities if their company can't offer benefits to help better manage their financial stress.



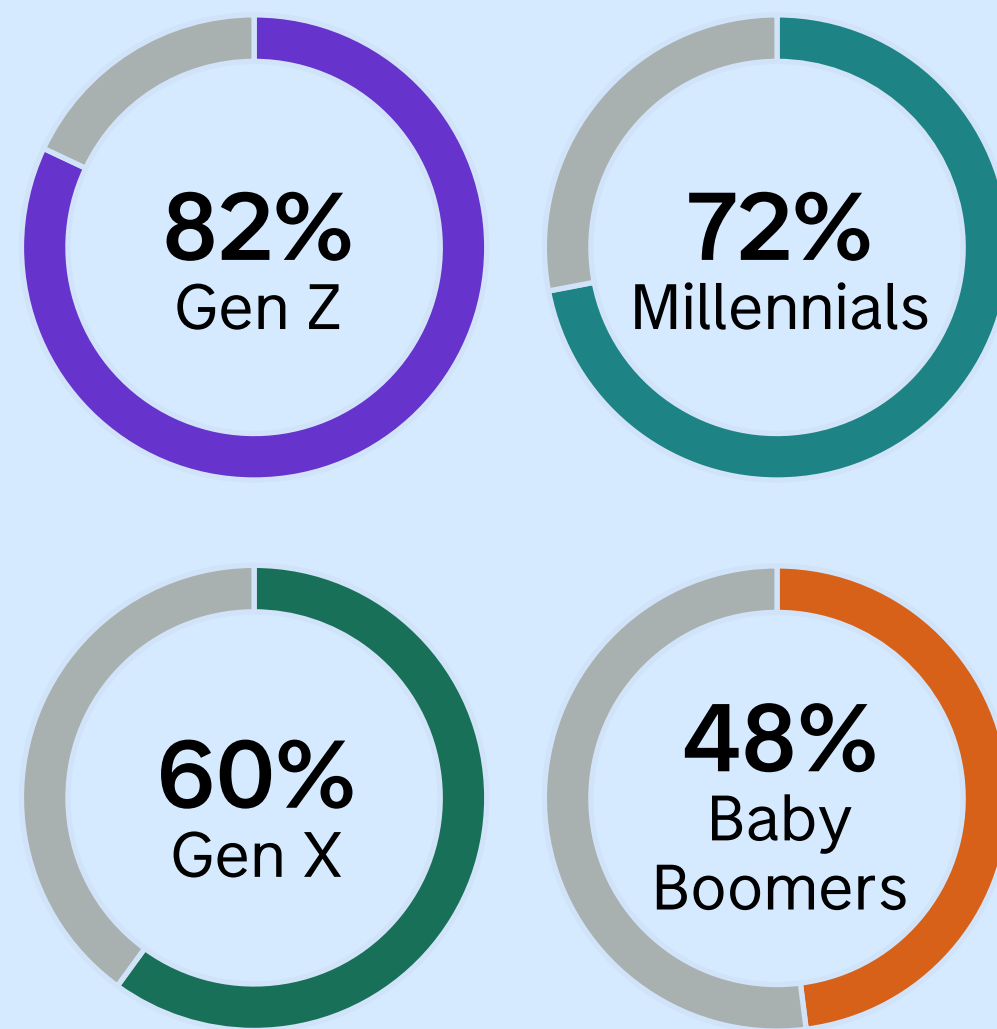
of employees would feel more invested in staying at their company if it offered financial benefits that met their specific needs.



of HR executives received employee requests for a specific type of financial benefits support that their company does not currently offer.

Employees Are Cutting Back

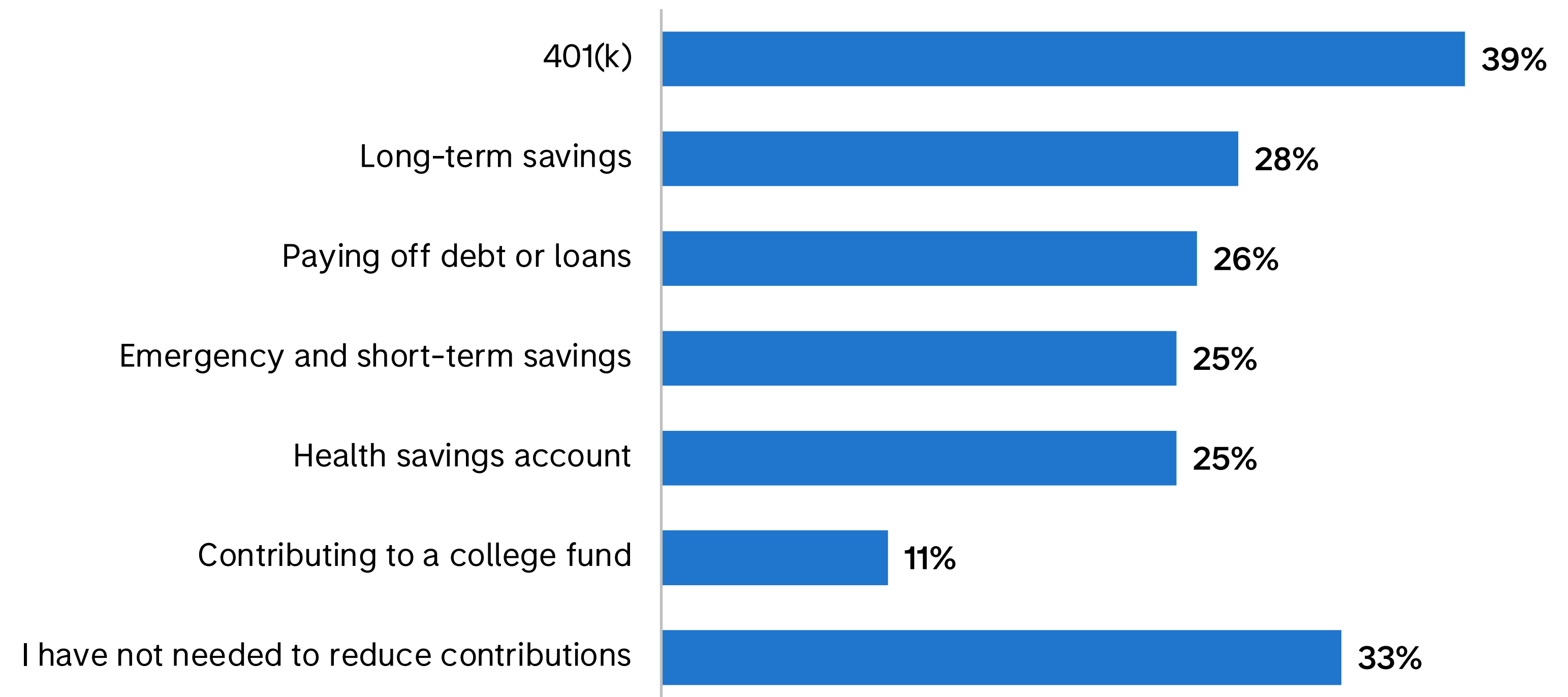
Amid increased financial stress, employees are reducing contributions to their workplace benefits accounts—some more than others.



67% of employees

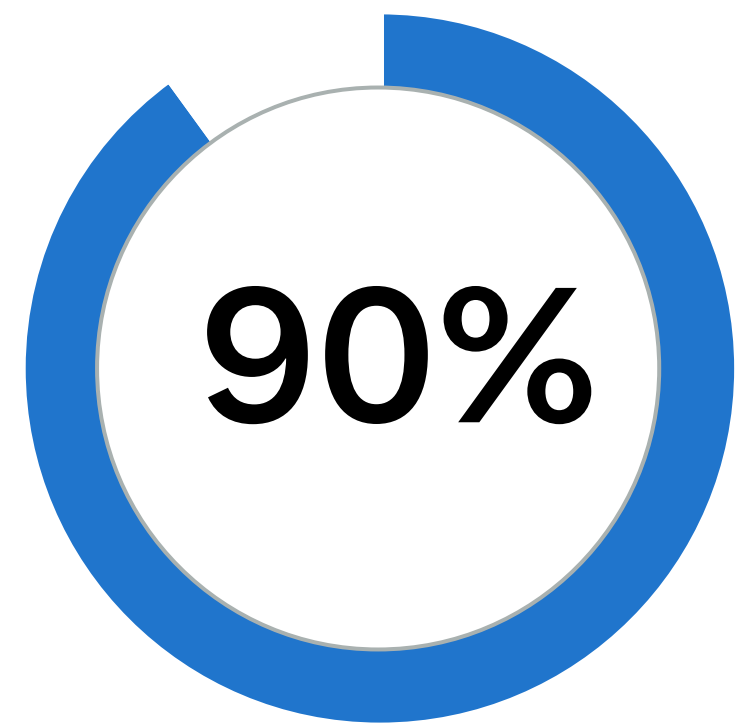
say they are reducing their contributions across all savings accounts, up 4 percentage points since 2024.

Employee responses: Have you, if at all, reduced your contributions to any of the following accounts specifically because of the economic impacts related to inflation and/or concerns about a recession?

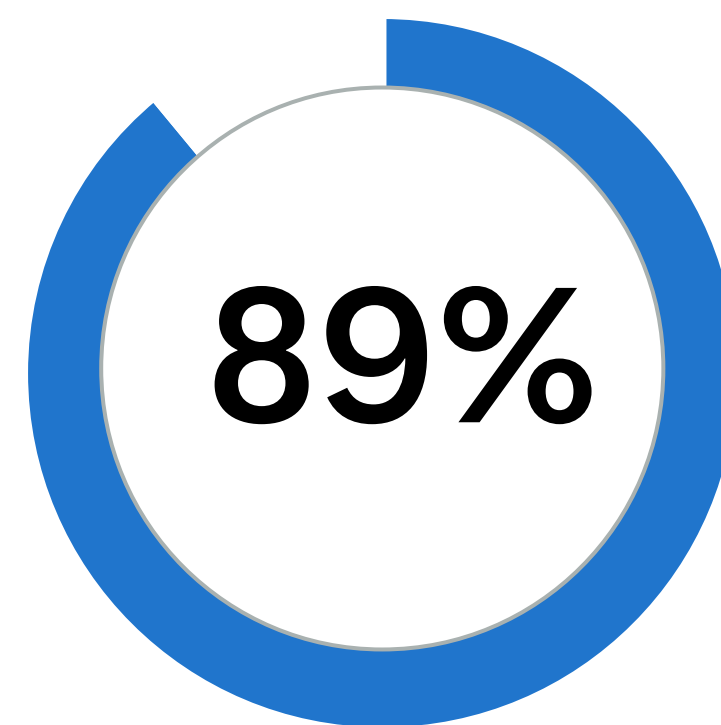


Financial Planning Is In Focus

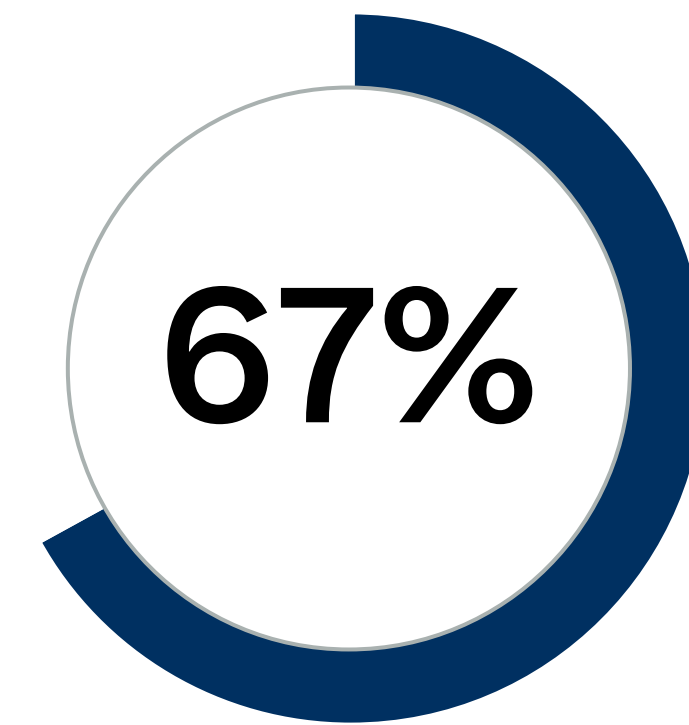
Employees and HR leaders agree that financial planning benefits are critical.



of employees believe workplace financial benefits are essential to reach their personal financial goals—and they especially value help with retirement preparation, financial planning and maximizing equity compensation.



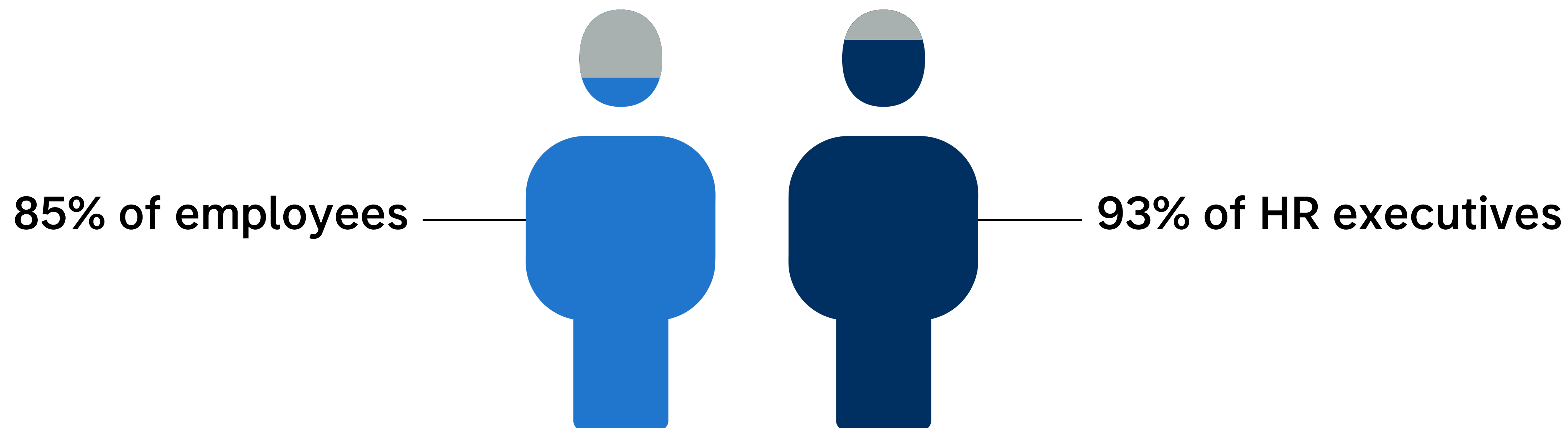
of employees who flagged increased financial stress were more likely to say they needed to accelerate their financial planning efforts to make up for lost time (vs. 81%, a 7 percentage point difference).



of HR executives agree that help with financial planning is essential to help employees meet their personal financial goals.

HR and Employees Agree More Can Be Done

Companies may want to carefully consider how their financial benefits and education programs align with employee needs.



agree that their companies still need to do a better job helping employees understand and maximize the financial benefits available to them.

Workplace Benefits Support Top Strategic Priorities

Both employees and companies are utilizing workplace benefits to support their top financial priorities.

Top 3 strategic financial priorities for companies in 2025

1

Hiring and
retention
(59%)

2

Technology
investment
(43%)

3

Regulatory
requirements
(38%)
+
Private market
investment and
liquidity
(38%)

Top 3 personal financial priorities for employees 2025

1

Building up
savings
(50%)

2

Investing for
the long-term
(47%)

3

Paying down
debt
(43%)

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Equity Compensation





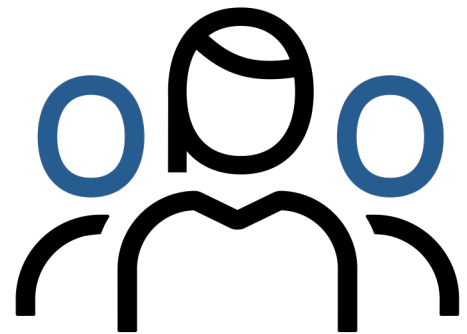
In today's market uncertainty, we're seeing that employees increasingly look to equity compensation as a powerful force in helping them align their financial interests with the long-term success of their companies. Cutting through the current market noise, both employees and HR leaders recognize the profound potential of equity to help unlock long-term personal and organizational strategic goals.

Kate Winget, Chief Revenue Officer of Morgan Stanley at Work

Equity compensation is understood as a strategic necessity not just for executives but across all levels of the organization, aligning employee and company interests even in volatile times. As awareness and interest in equity plans grow, it's crucial that we continue to enhance education, support and access so companies can leverage this tool to boost both employee satisfaction and organizational performance.

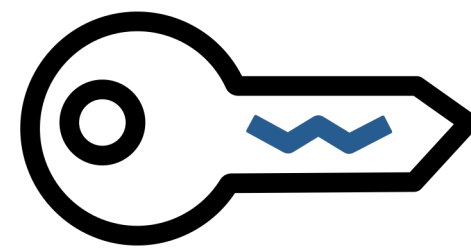
Craig Rubino, Head of Corporate Relationship Management and Engagement at Morgan Stanley at Work

Key Insights



Despite Uncertainty, HR Leaders See Long-Term Value in Equity Compensation

HR executives still agree the most important advantage of equity compensation for employees lies in helping them meet long-term investing goals, such as retirement (26%).



Employees See Equity as a Key Motivator and Wealth Generator

Almost half (48%) of employees completely or strongly agree that equity is the most effective way to keep them motivated and engaged in their roles—and they especially value equity for offering them a stake in the success of the company (28%).

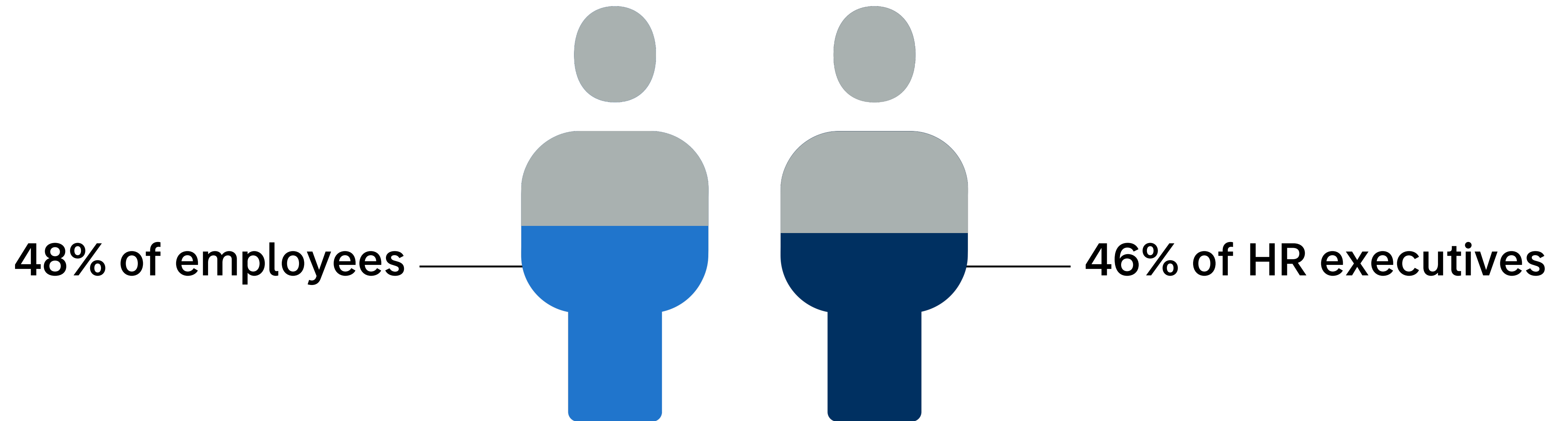


Employees Want Equity Compensation—and Guidance

More than 4 in 5 (84%) employees say they would be interested in receiving equity compensation. And those that do receive equity want more support.

Equity Compensation Is Driving Employee Motivation and Engagement

Nearly half of those surveyed completely or strongly agree that equity compensation is the best tool for effectively motivating employees.



agree that having a benefit plan that includes equity compensation and stock ownership is the most effective way to motivate employees and keep them engaged.

Yet Employees and HR Leaders Value Equity Differently

While both employees and HR leaders agree on some of the top benefits provided by equity compensation, they prioritize different aspects.

Employees' top 3 benefits of equity compensation

1

Offers them a stake in their company's success
(28%)

2

Helps them meet long-term investing goals such as retirement
(23%)

3

Provides an additional source of income
(22%)

HR leaders' top 3 benefits of equity compensation

1

Helps employees meet long-term investing goals such as retirement
(26%)

2

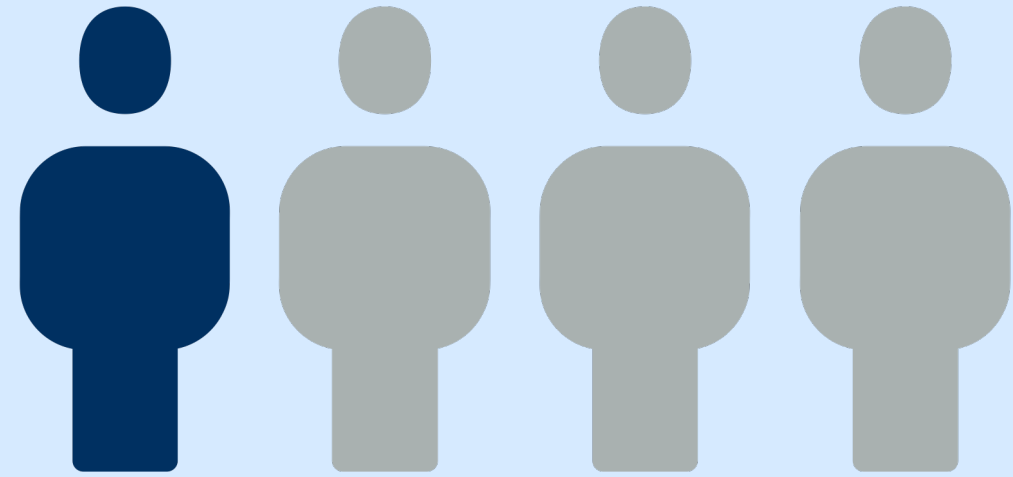
Validates employee performance
(25%)

3

Provides employees a stake in the success of the company
(25%)

Gaps Remain in Perceptions of Equity Education

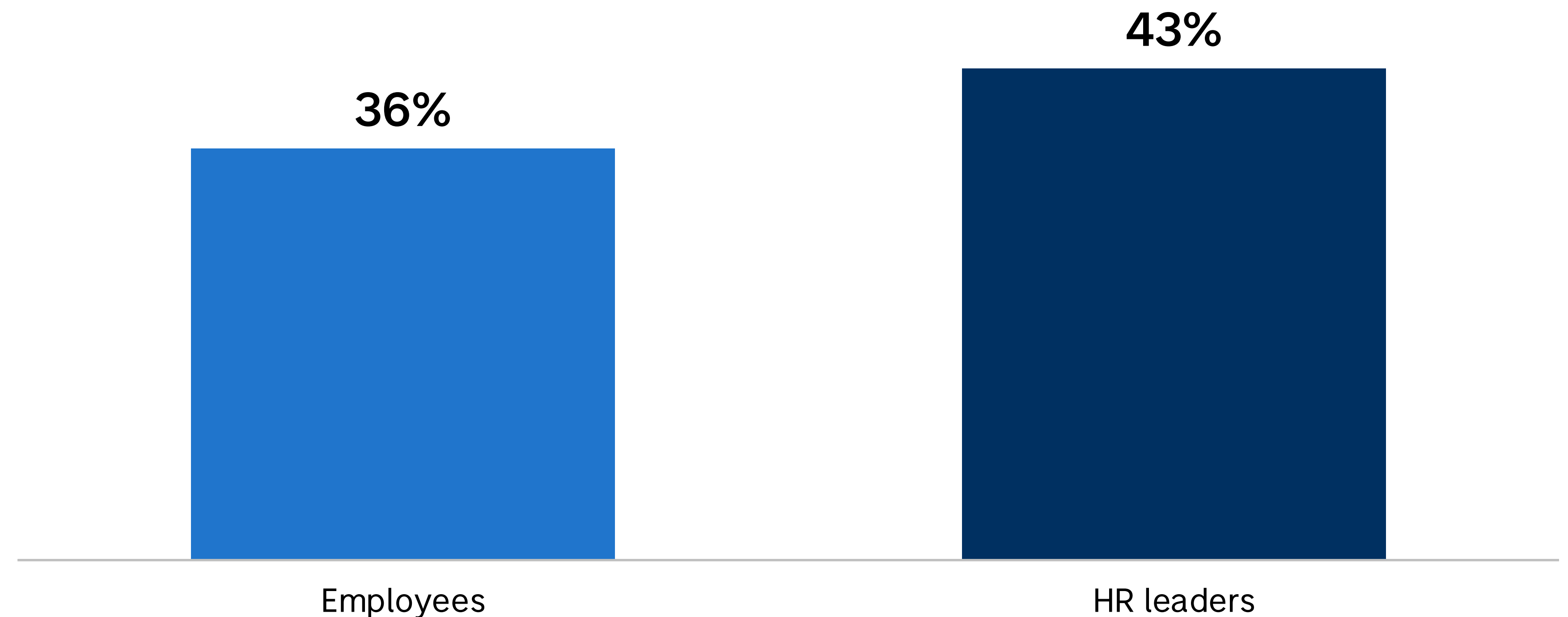
HR leaders are more likely than employees to say equity education programs are effective—indicating an ongoing need to help employees better understand and integrate their equity into a comprehensive financial approach.



1 in 4 HR leaders

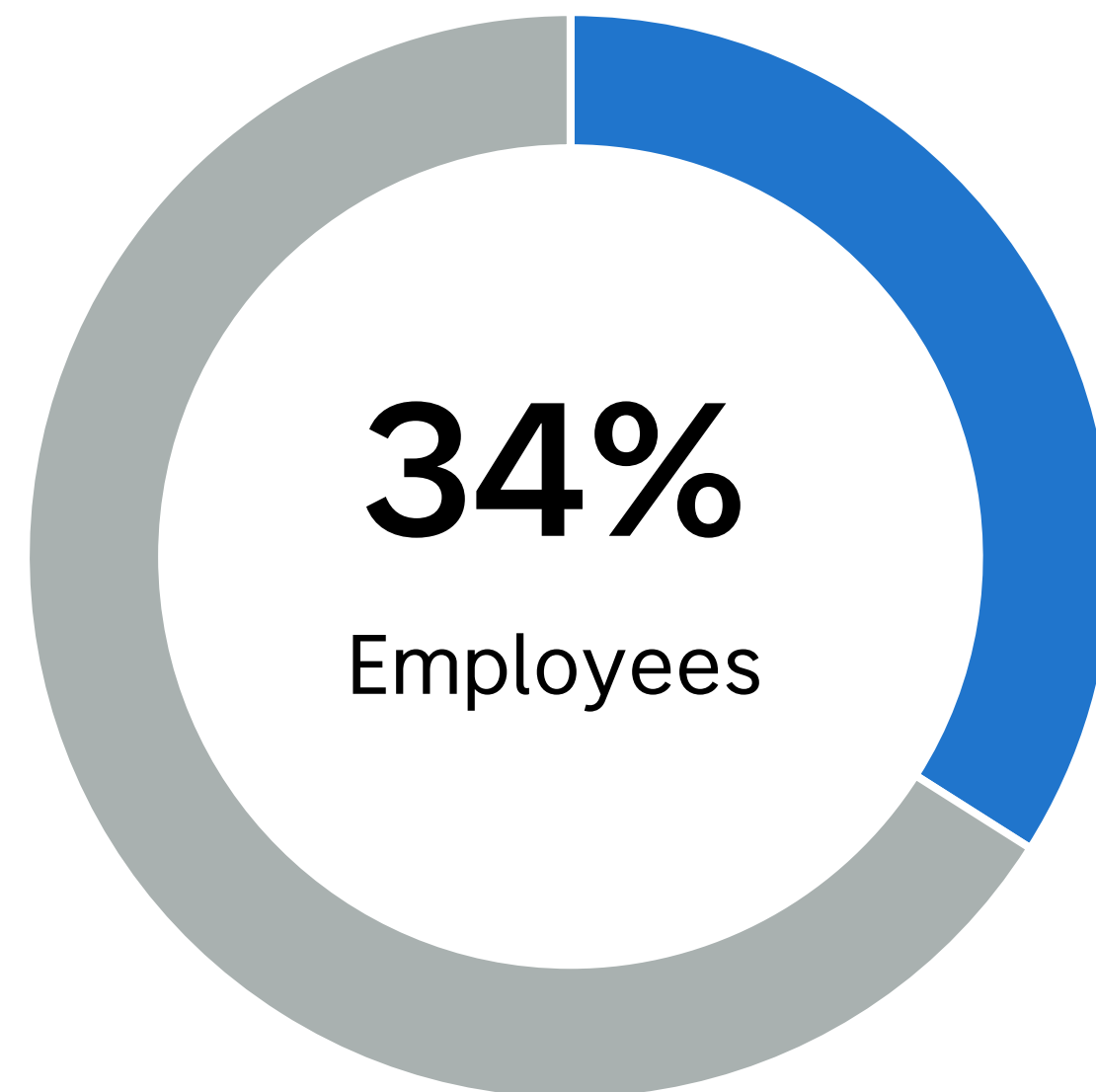
have heard employees express worry or concern about not knowing how to fully utilize equity compensation or employee stock purchase plans.

Employee and HR leader responses: Percentage of those who rate their company's equity participant education as “very effective”



Employees Want More Equity Support

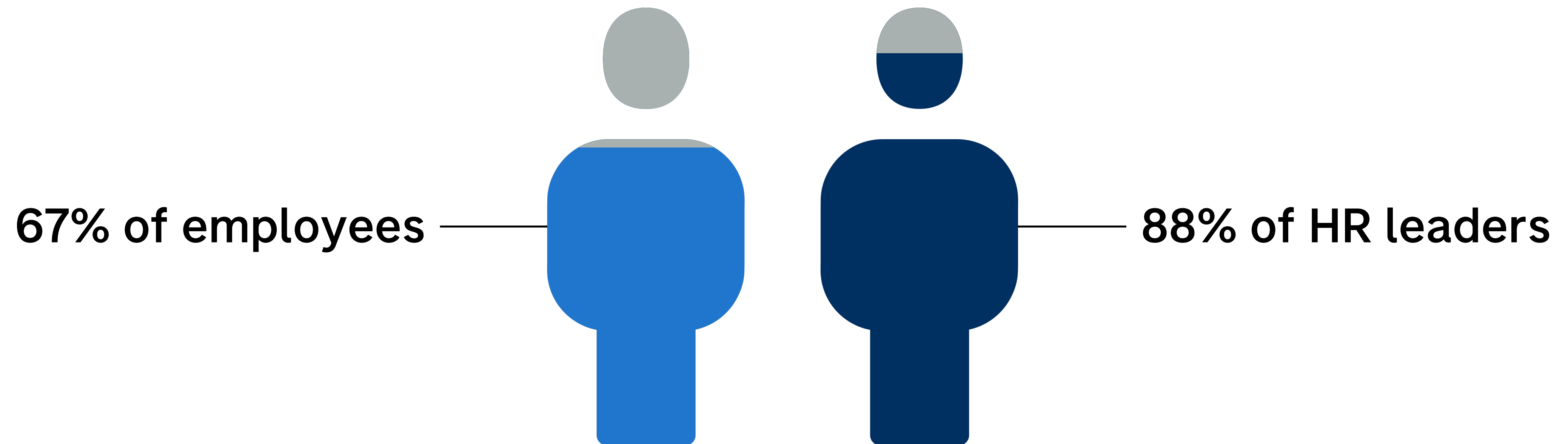
Applying equity compensation to real-life financial goals can be complex, and employees and HR leaders agree providing support is necessary.



say that help maximizing equity compensation or employee stock purchase plans as part of their financial benefits is essential to meeting their financial goals

Private Company Liquidity Matters Amid Uncertainty

Even as private companies move cautiously in an uncertain economic backdrop, there remains a strong need for liquidity solutions and planning.



at private companies say the prospect of a future liquidity event or IPO is important to them.

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Retirement Solutions





In the face of economic uncertainty, it is clear that comprehensive retirement benefits are essential for individual financial security, while also serving as a critical lever to retain top talent. Our findings emphasize that modern workplace retirement plans go beyond simply offering a 401(k) and match; they now integrate ongoing financial advisory, investment planning and income solutions. This next generation of workplace retirement plans—especially those which include ongoing planning and consultancy support—are a strategic asset that can help companies foster employee loyalty and business stability in any environment.

Jeremy France, Head of Institutional Consulting Solutions and Retirement at Morgan Stanley

Key Insights



Employees Are Tightening Their Belt

Even though employees still widely participate in their company 401(k) plans, financial stress is affecting retirement savings behavior: More employees are reducing 401(k) contributions specifically because they are concerned about economic impacts related to inflation or recession.



Employees Want Comprehensive Retirement Guidance

There is clear consensus around the need for holistic support throughout the full retirement cycle, with employees saying access to a Financial Advisor is their most valued type of retirement planning assistance. HR doesn't disagree.



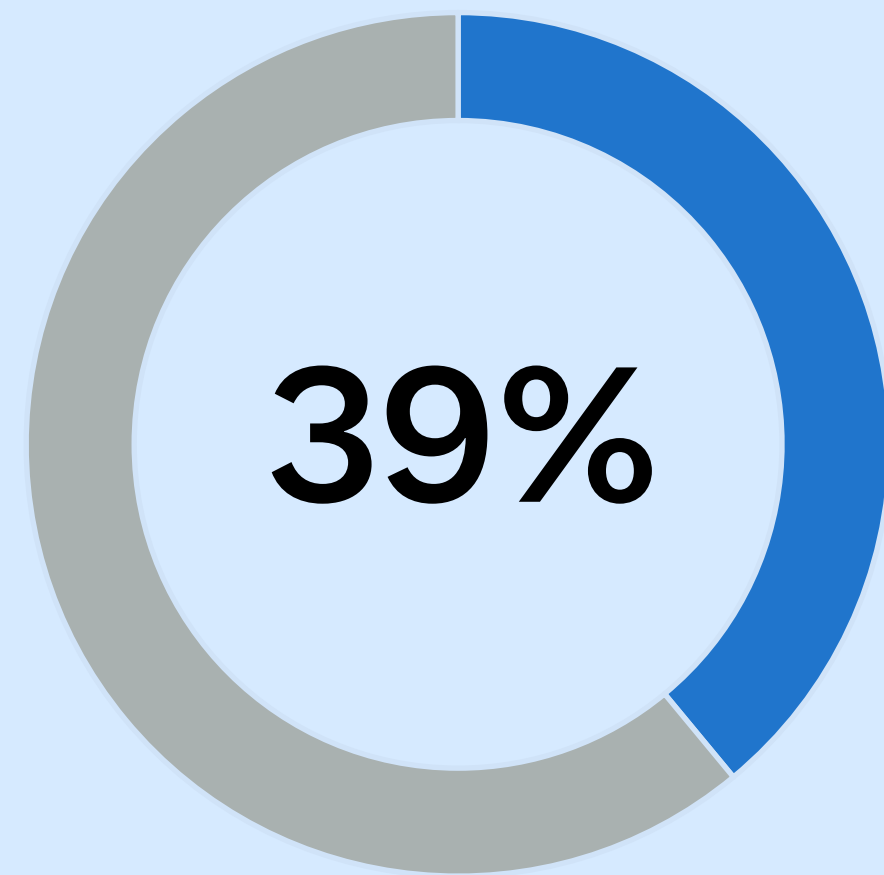
Professional Guidance Is a Key Differentiator

Employees and HR executives alike believe access to retirement planning assistance from financial professionals is a top or high priority for employees when choosing where to work.

Financially Stressed Employees Are Reducing 401(k) Contributions

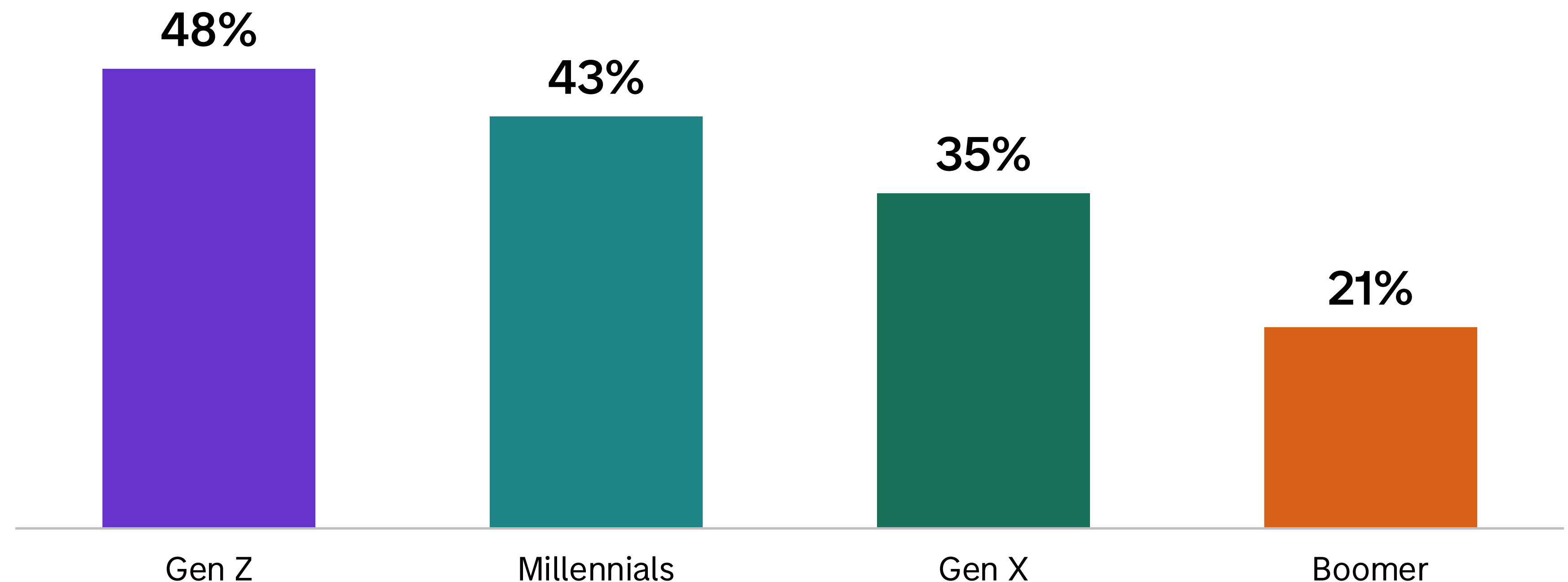
While participation in 401(k) plans held steady year-over-year at 86%, financial stress is affecting retirement savings behavior.

Employee responses: Generational breakdown of those reducing 401(k) contributions



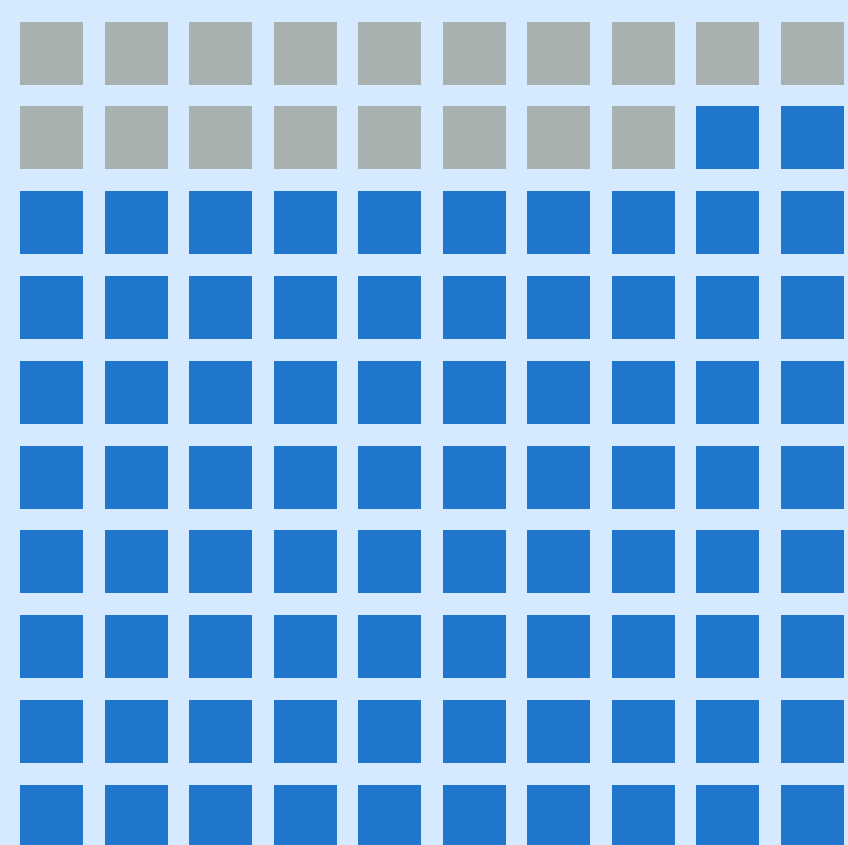
of employees

are reducing 401(k) contributions specifically because they are concerned about economic impacts related to inflation or recession.



Retirement Remains Key Factor in Talent Attraction and Retention

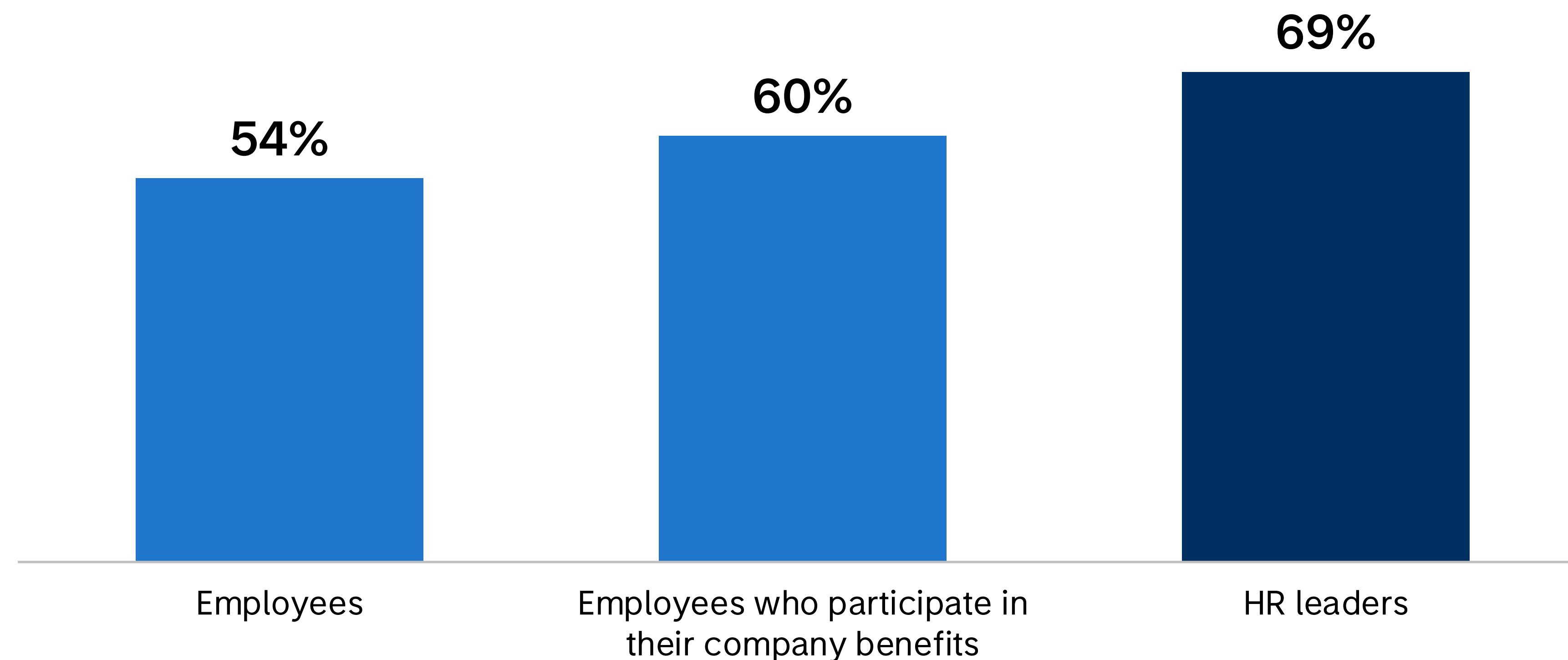
With hiring and retention the top strategic financial priority for companies in 2025, retirement benefits are a key area to consider.



82% of employees

who participate in company benefits are also less likely to say that they need to accelerate their financial planning efforts to make up for lost time (vs. 90).

Employee and HR executive responses: Percentage of those who believe access to retirement planning assistance from financial professionals is a top or high priority for employees when choosing where to work.



Retirement Guidance Remains in High Demand

When it comes to the most valued types of retirement planning assistance, there is clear consensus around the need for holistic support throughout the full retirement cycle.

Employees' top 3 most valued types of retirement planning assistance

1

Access to a
Financial Advisor
(47%)

2

Goals-based
retirement
investment
planning
(45%)

3

Retirement
income solutions
(43%)

HR leaders' top 3 most valued types of retirement planning assistance

1

Access to a
Financial Advisor
(38%)

2

Goals-based
retirement
investment
planning
(38%)

3

Retirement
income solutions
(38%)



Conclusion

Workplace financial benefits continue to stand out as both a stabilizing force for employees and a strategic asset for organizations.

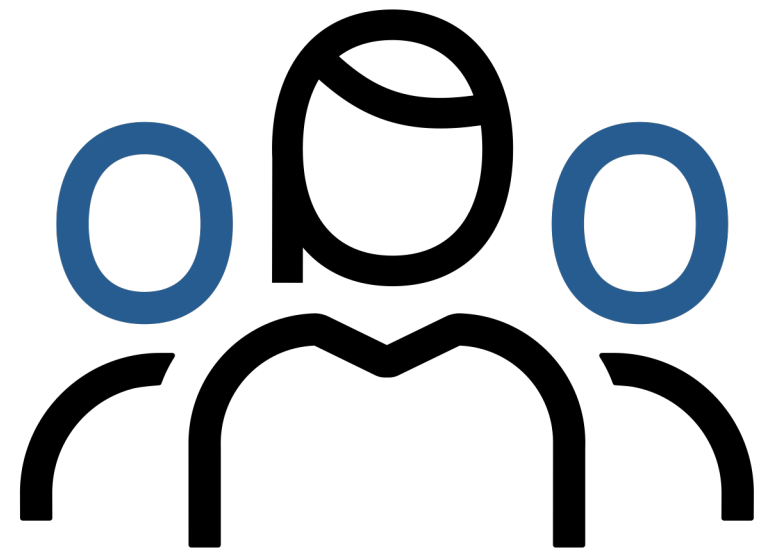
As employees increasingly seek comprehensive financial support from the workplace, including access to Financial Advisors and planning support, companies that offer these in-depth resources are positioned to attract and retain top talent by directly addressing their most critical financial concerns.

Despite economic uncertainty and gaps in understanding between employees and HR, financial benefits remain a valuable tool for aligning the interests of employees with the broader goals of their companies. By improving communication and support, companies can further leverage their benefits suite to boost employee satisfaction and drive organizational success.

Methodology



The data from the Morgan Stanley at Work Employees Survey and HR Leaders Survey comes from a survey of 1,000 U.S.-employed adults and 600 HR leaders for companies. The survey was conducted on behalf of Morgan Stanley at Work using an email invitation and an online survey between February 21 and February 27, 2025, by Wakefield Research (www.wakefieldresearch.com).



About Morgan Stanley at Work

Morgan Stanley at Work provides workplace financial benefits that build financial confidence and foster loyalty—helping companies attract and retain top talent. Our end-to-end solutions support your organization at any stage of growth through a powerful combination of modern technology, insightful guidance, and dedicated service; they include Equity, Retirement, Deferred Compensation, Executive Services, and Saving and Giving solutions. And while we’re fulfilling your company’s benefits needs, we’re also enhancing your employees’ financial well-being. Each benefit solution also includes our engaging Financial Wellness program, which provides employees with knowledge, tools, and support to help them make the most of their benefits and achieve their life goals.

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