

# WAGE TO WALLET™ INDEX

---

The Divided Recovery:  
Labor Economy Workers Face  
an Uncertain 2026

● JANUARY 2026

PYMNTS  
INTELLIGENCE

 **WorkWhile**

 **Payments**

# WAGE TO WALLET™ INDEX

**The Divided Recovery:  
Labor Economy  
Workers Face  
an Uncertain 2026**

PYMNTS  
INTELLIGENCE

 **WorkWhile**

 **Payments**

The Divided Recovery: Labor Economy Workers Face an Uncertain 2026 is a PYMNTS Intelligence collaboration with WorkWhile and Ingo Payments. PYMNTS retains full editorial control over the following findings, methodology and data analysis.

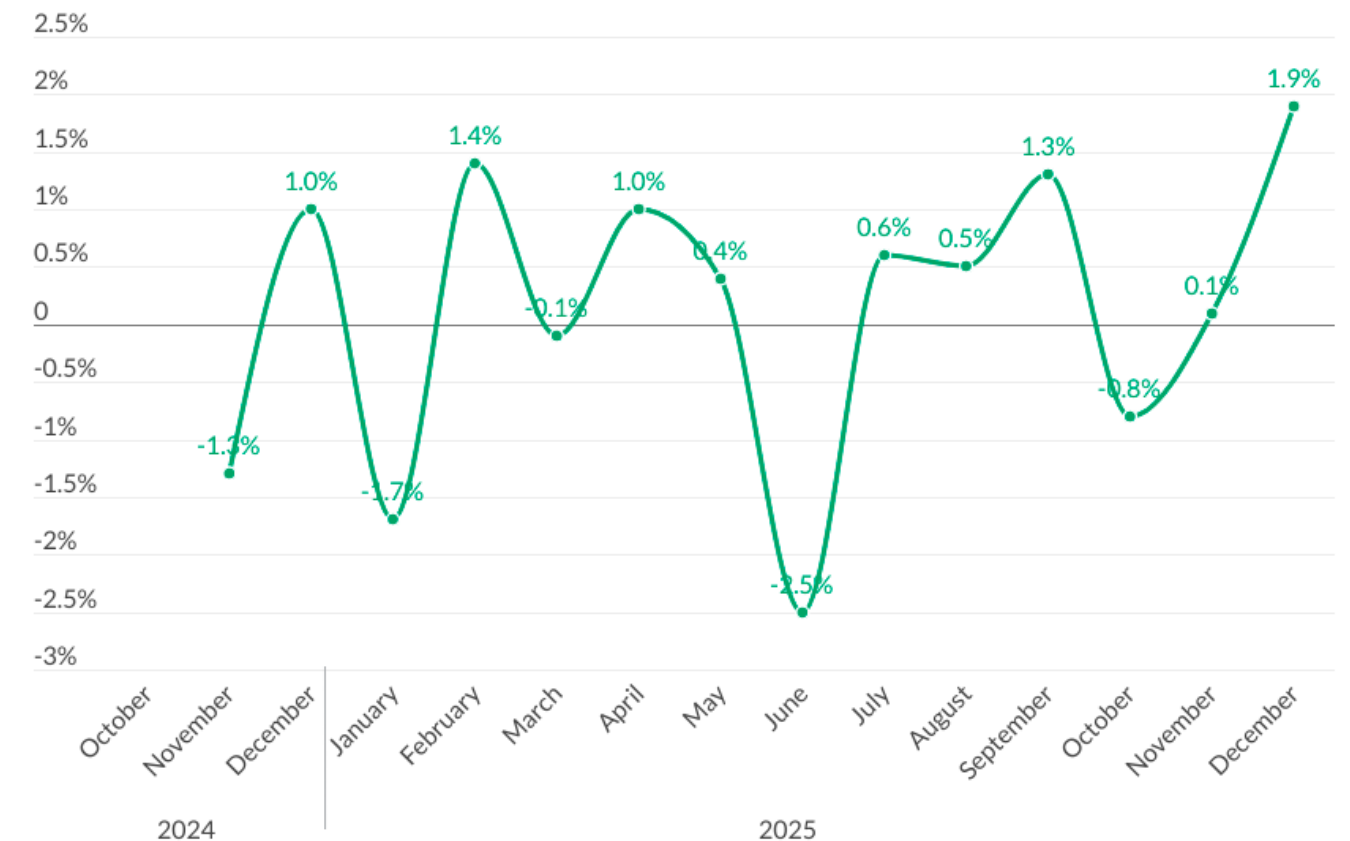
## TABLE OF CONTENTS

What's at Stake .....	04
Key Findings .....	08
PYMNTS In Depth .....	10
Actionable Insights.....	28
Methodology.....	31
About .....	32

# What's at Stake

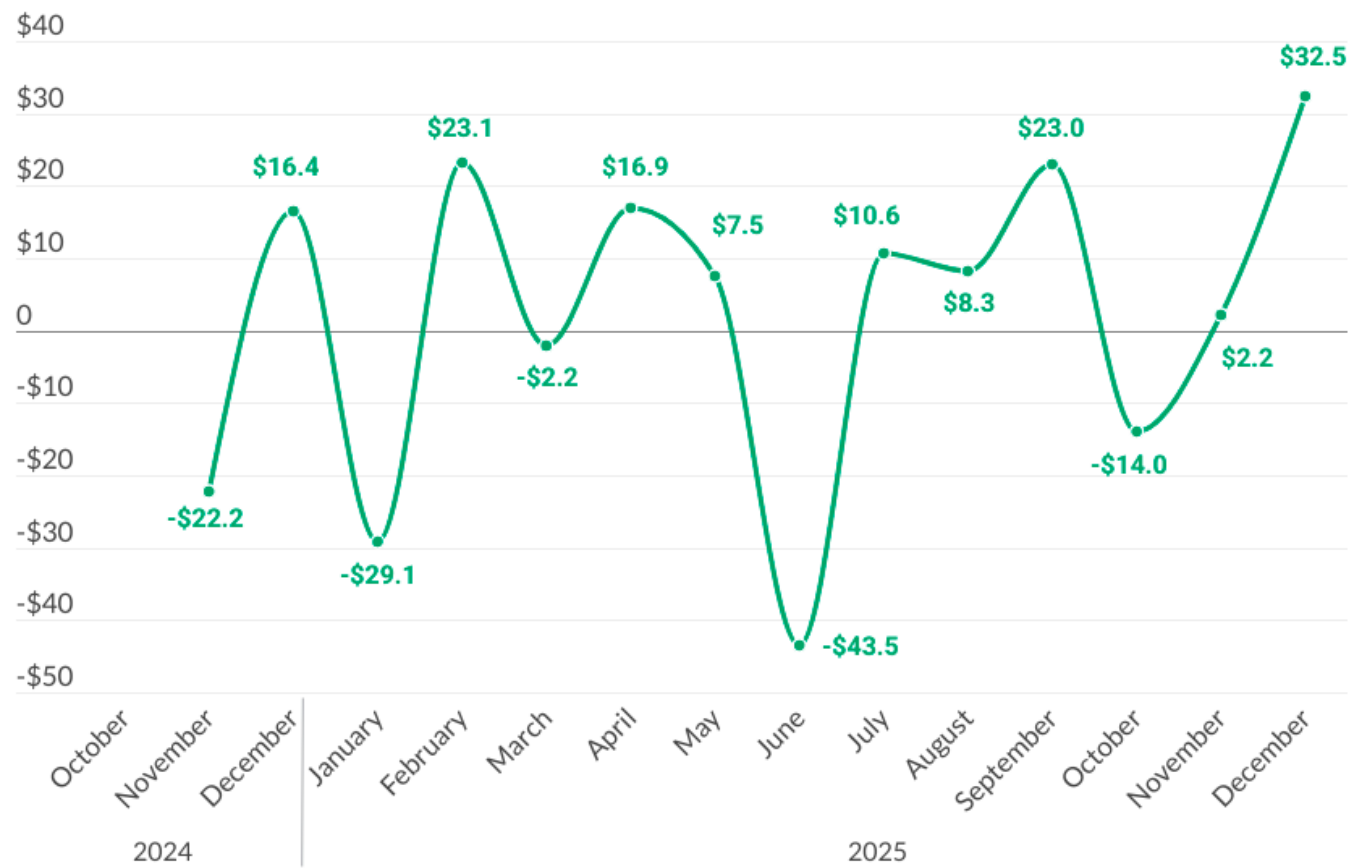
The Labor Economy™—approximately 60 million U.S. workers who function as the nation's on-the-ground “human infrastructure”—is a key driver of U.S. economic performance. At stake is a meaningful chunk of GDP growth, as even monthly wage volatility among this group causes annualized GDP impacts to swing from contraction to material expansion. However, these workers face a defensive outlook for 2026 as they prioritize maintaining their financial footing over advancement due to flat income expectations and their consumer debt burdens. With heightened vulnerability to automation and limited savings potential, the erosion of this workforce's confidence threatens supply chain resilience, inflation management and overall economic reliability.

**FIGURE 1A**  
**Monthly changes in wages**



Source: PYMNTS Intelligence  
The Divided Recovery: Labor Economy Workers Face an Uncertain 2026  
N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

**FIGURE 1B**  
**Implied annual impact of wage changes to U.S. GDP, in billions of dollars**



Source: PYMNTS Intelligence  
The Wage to Wallet Index: Measuring the Labor Economy's Impact on U.S. Financial and Economic Health, January 2026  
PYMNTS Intelligence estimates based on national data from the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, the U.S. Bureau of Economic Analysis and data provided by WorkWhile

**\$32.5**  
**BILLION**



could be added to annual U.S. GDP if December's 2025 **1.9% monthly wage increase were sustained over 12 months.**

These are just some of the findings detailed in The Divided Recovery: Labor Economy Workers Face an Uncertain 2026, a PYMNTS Intelligence collaboration with WorkWhile and Ingo Payments. This edition of the Wage to Wallet series examines how roughly 60 million American workers earning on average no more than \$25 an hour view their financial stability and draws on insights from a complete survey of 2,879 U.S. adults conducted from Jan. 7, 2026, to Jan. 12, 2026.

**This is what we learned.**

# KEY FINDINGS

## 01

### TWO WORKFORCES, TWO OUTLOOKS

Despite renewed gains in monthly wages and their meaningful GDP implications, non-Labor Economy workers showed weakened confidence in early January.



## 1.9 POINTS

Consumer sentiment among non-Labor Economy workers dipped nearly two points on the PYMNTS Intelligence Wage to Wallet Index in January. Labor Economy workers were stable in their relative lack of optimism.

## 02

### LOOKING AHEAD: HOLDING ON, NOT GETTING AHEAD

Weaker savings expectations, limited prospects for debt reduction and flat income outlooks suggest many Labor Economy workers are focused on maintaining footing rather than eyeing financial gains.



## 29.4%

Fewer than one in three Labor Economy workers (29.4%) expect their personal financial situation to improve in 2026.

## 03

### WORRIED ABOUT BEING REPLACED

Labor Economy workers are less confident their skills will remain relevant and more likely to express concerns about automation.

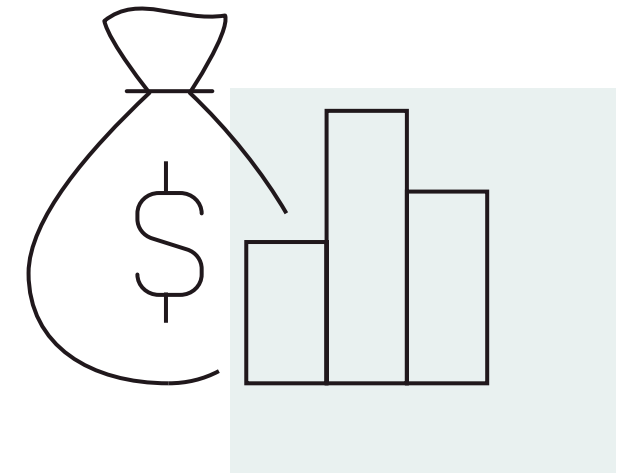


## 65.3%

Roughly two-thirds of Labor Economy workers are worried about their skills staying relevant, compared to 73.7% of non-Labor Economy workers.

# PYMNTS In Depth

---



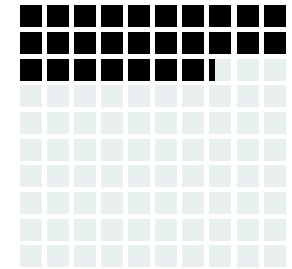
Economic gains failed to lift workers' mood in January, with non-Labor Economy workers showing a decline in optimism and Labor Economy workers feeling a persistently lower level of confidence.

#1

## Labor Economy workforce sentiment remained stable in January compared to February but is persistently low.

The Wage to Wallet Index measures how workers feel about their jobs, money and economic prospects. In early January 2026, confidence among all consumers dipped. But the drop did not come from Labor Economy workers. Their outlook stayed flat, hovering where it has been for months. The decline came almost entirely from non-Labor Economy workers, whose confidence fell nearly two points.

27.2%



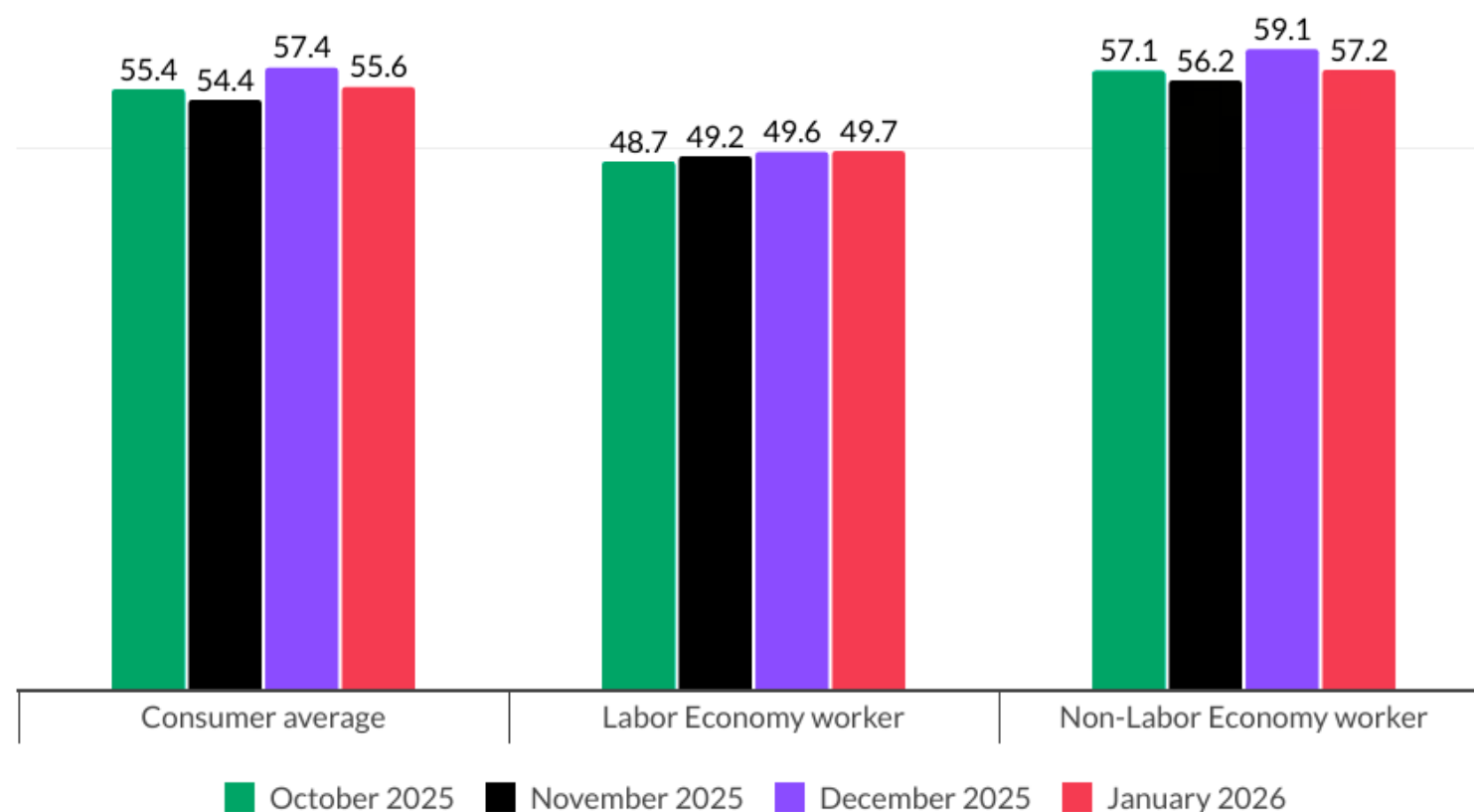
of Labor Economy workers say **they'll fall behind financially this year**, compared to 21.1% of non-Labor Economy workers.

That might sound like good news for Labor Economy workers in the new year. Here's why it's not.

Their confidence has been stuck at a lower level for a while. This month, Labor Economy workers scored about 50 on the sentiment index. Non-Labor Economy workers scored 57. Neither score is anything to write home about, assuming a scale of 1-100. And this gap has persisted for months. Labor Economy workers aren't getting more pessimistic—they already have been for some time.



**FIGURE 2**  
**Consumer sentiment index score**



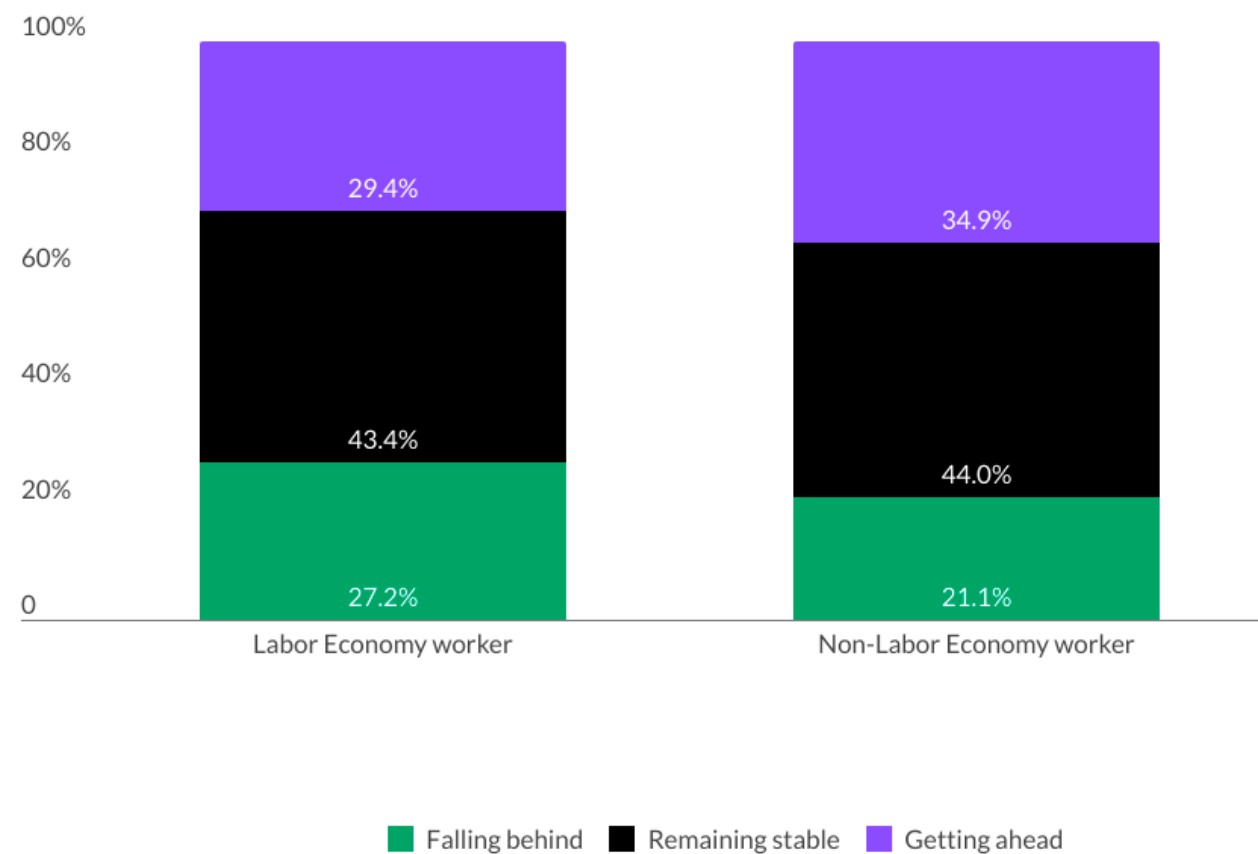
Source: PYMNTS Intelligence  
The Divided Recovery: Labor Economy Workers Face an Uncertain 2026  
N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

What's driving these numbers? Workers across both groups feel less confident about their ability to change jobs if they wanted to. Labor Economy workers also report feeling slightly less secure in their current positions. And both groups grew more worried about saving money and paying off debt. The share of all workers who feel good about their ability to save dropped from 58 points in December 2025 to 55 in January 2026.

More than one in four Labor Economy workers expect to fall behind financially in 2026 amid inflation and rising living costs. Only two-thirds believe their skills will stay valuable as technology changes and artificial intelligence reshapes jobs and labor markets. For the Americans who move goods, serve food and care for patients, the economy feels far less certain.



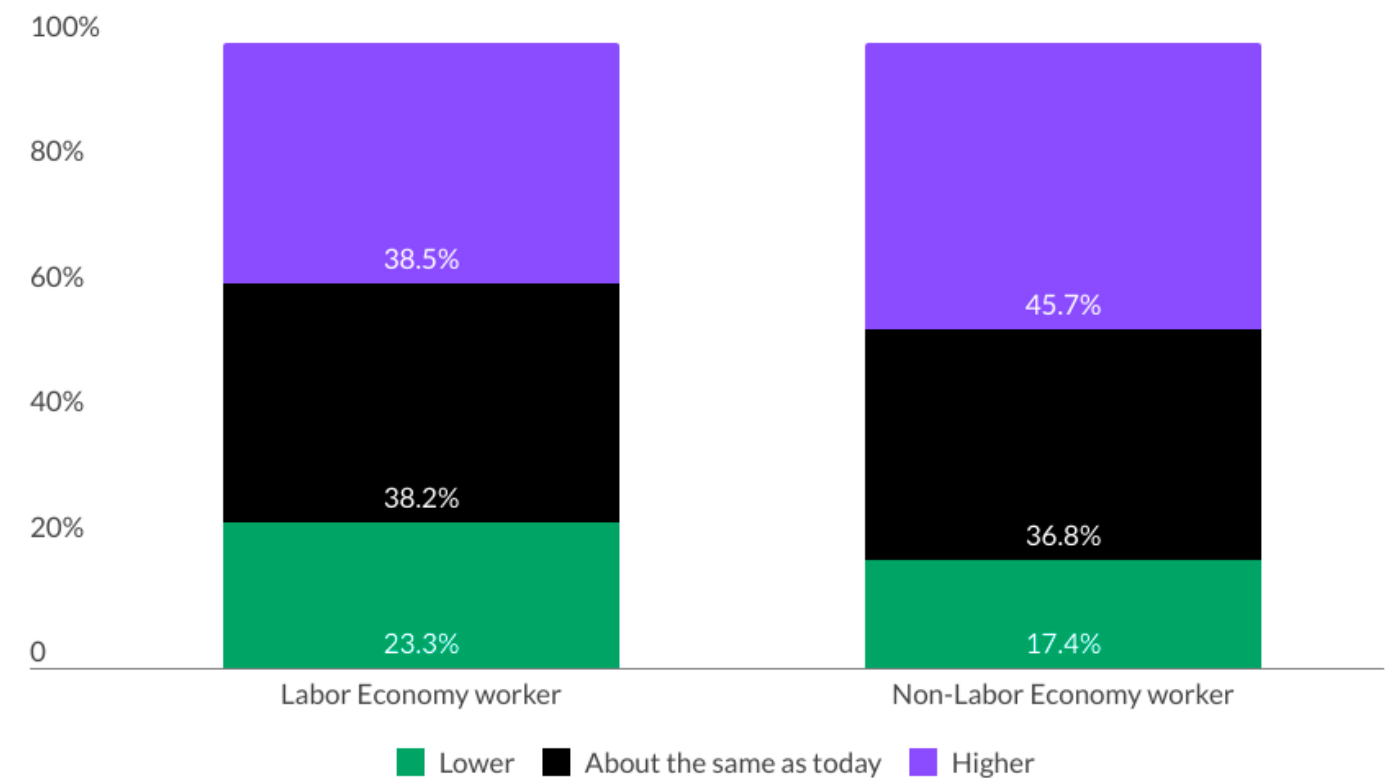
**FIGURE 3**  
**Expectations about personal overall financial situation in 2026**



Source: PYMNTS Intelligence  
**The Divided Recovery: Labor Economy Workers Face an Uncertain 2026**  
 N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

That's important because Labor Economy workers account for more than one in three (36.5%) of America's employees. Even though they're concentrated in lower-income bands, they drive 15.1% of total U.S. spending, equivalent to more than \$1.7 trillion a year, PYMNTS Intelligence estimates. Their economic well-being thus has broader significance for the entire economy.

**FIGURE 4**  
**Expectations about savings levels by the end of 2026**



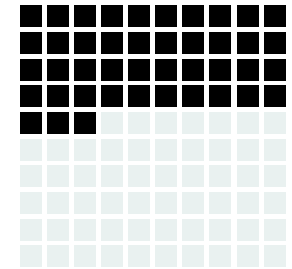
Source: PYMNTS Intelligence  
**The Divided Recovery: Labor Economy Workers Face an Uncertain 2026**  
 N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

# #2

**Hampered by flat income projections and limited opportunities to reduce consumer debt, Labor Economy workers are prioritizing stabilizing pocketbook erosion over pocketbook growth.**

When asked what they expect for 2026, Labor Economy workers painted a cautious picture.

# 43%



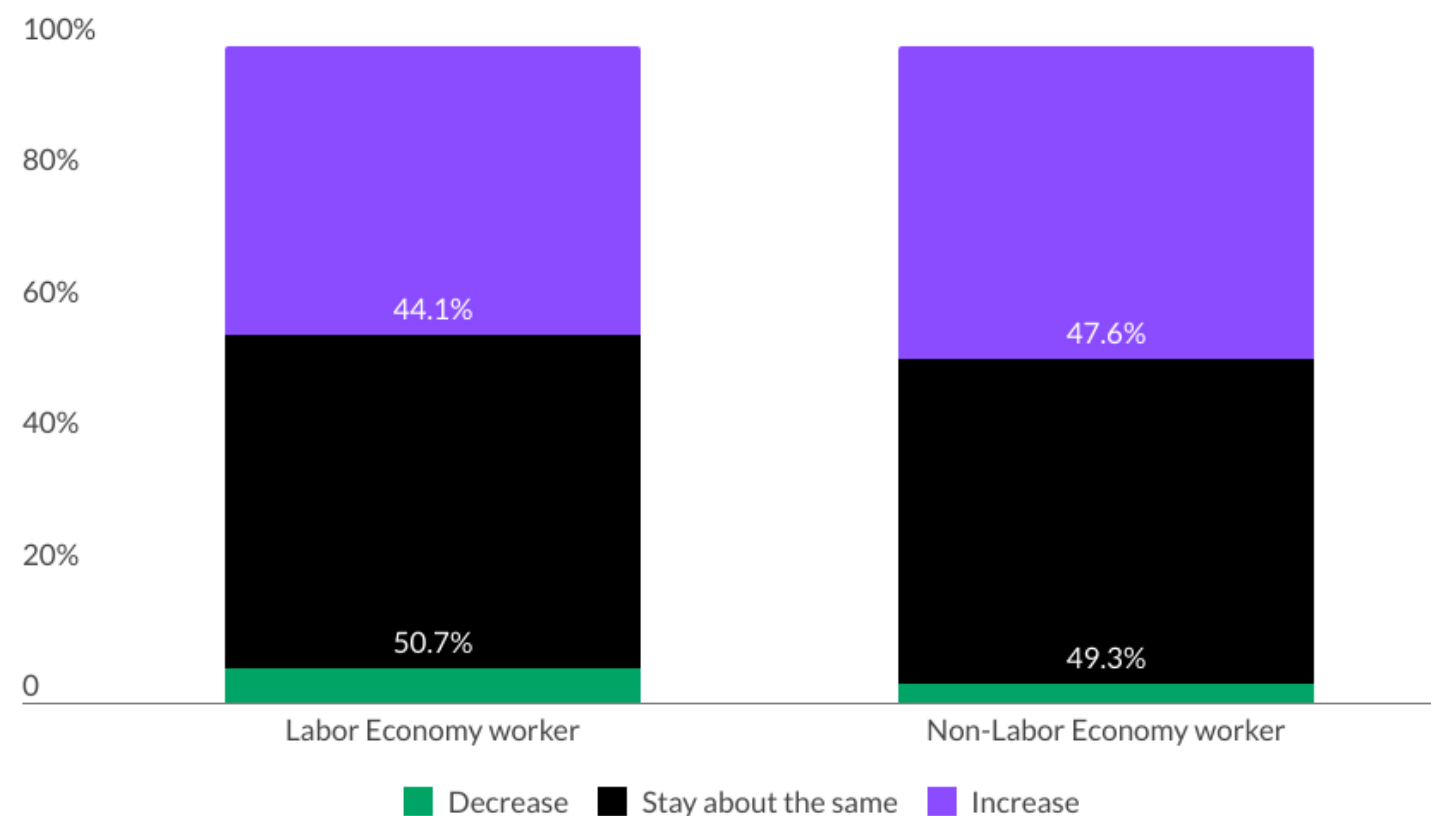
of Labor Economy workers  
**don't expect their finances to  
improve in 2026.**

Only three in 10 think they'll be better off financially by the end of this year. Meanwhile, slightly more than one-quarter expect to fall behind. The rest, about 43%, expect to stay roughly where they are. They aren't counting on advancing—they're aiming to just get by.

On that front, non-Labor Economy workers are relatively more hopeful. About 35% expect to get ahead, and only 21% think they'll fall behind. The gap between the two groups is consistent across nearly every measure.

Savings tell a similar story. Roughly four in 10 Labor Economy workers expect to have saved more money by the end of 2026. Nearly one-quarter (23%) expect to have less. Among non-Labor Economy workers, 46% expect higher savings, and only 17% expect lower.

**FIGURE 5**  
Expectations about income in 2026



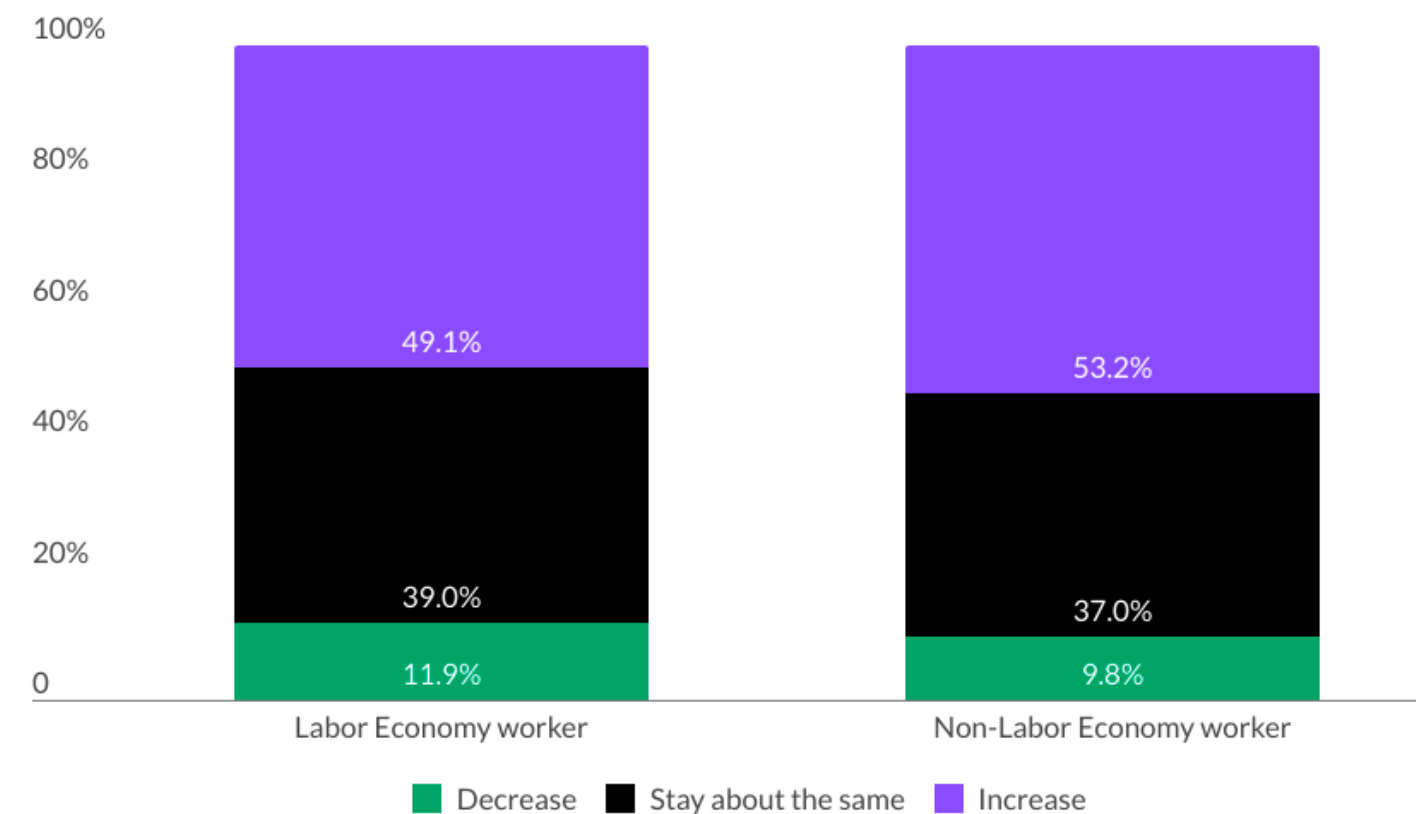
Source: PYMNTS Intelligence

The Divided Recovery: Labor Economy Workers Face an Uncertain 2026

N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

Income expectations loom large. About half of Labor Economy workers expect their pay to stay the same in 2026. Very few expect a raise. At the same time, nearly half expect their monthly expenses to go up. In other words, the math doesn't work in their favor. If you earn the same but have to spend more, saving money or paying down debt means cutting back somewhere else.

**FIGURE 6**  
Expectations for total monthly expenses in 2026



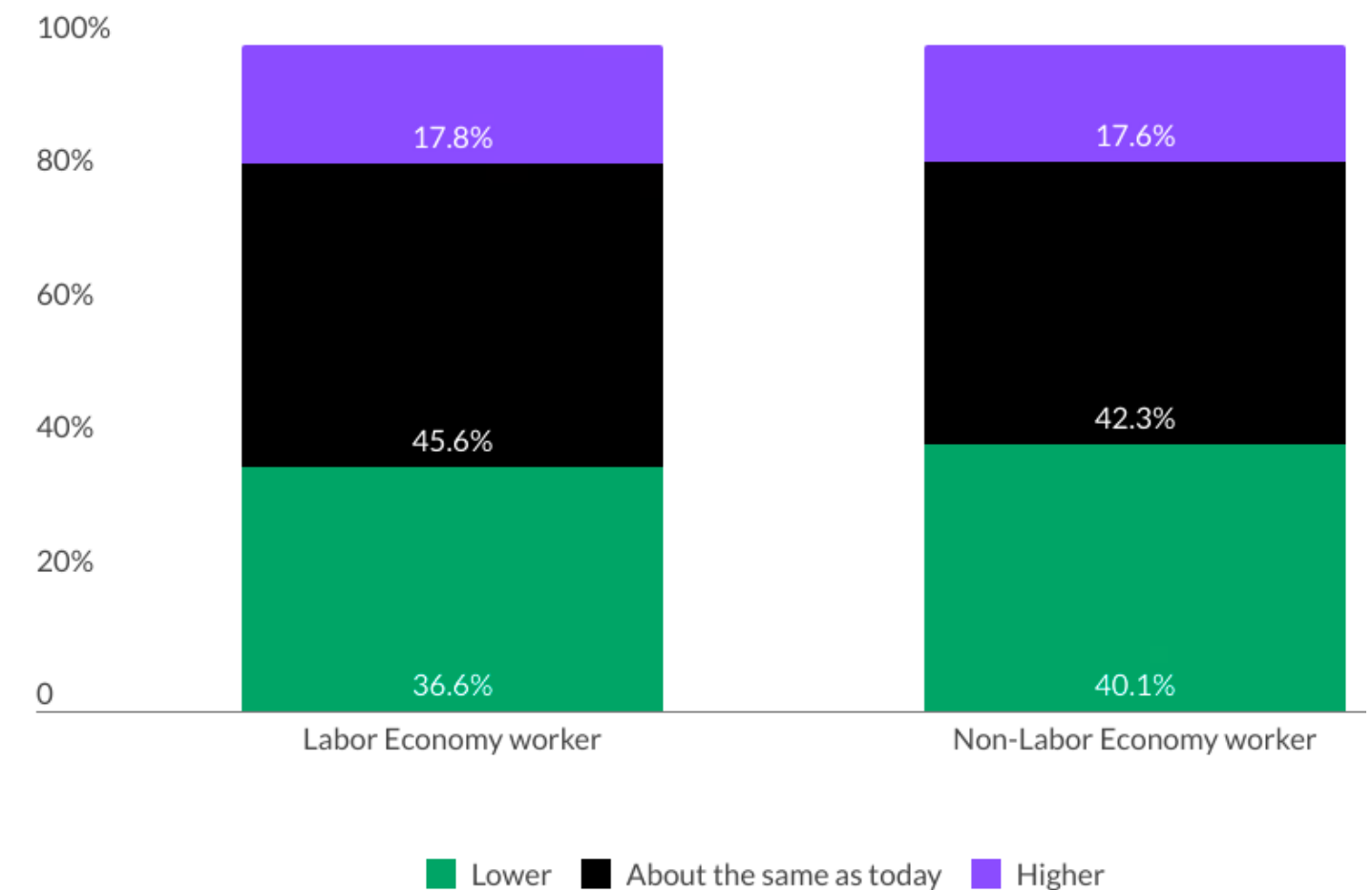
Source: PYMNTS Intelligence

The Divided Recovery: Labor Economy Workers Face an Uncertain 2026

N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

Roughly four in 10 workers across both groups expect to owe less debt by the end of 2026. That sounds positive, but for Labor Economy workers with flat income and rising costs, paying off debt likely means giving up something else. When the focus is on digging out, not building up, consumption and payment patterns shift.

**FIGURE 7**  
**Expectations about total debt in 2026**



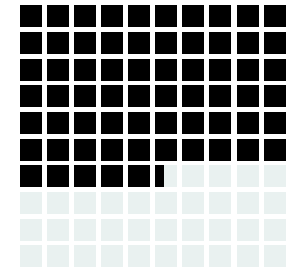
Source: PYMNTS Intelligence  
**The Divided Recovery: Labor Economy Workers Face an Uncertain 2026**  
N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

# #3

**Fewer than two in three Labor Economy workers think their professional skills will last, compared to nearly three in four non-Labor Economy workers.**

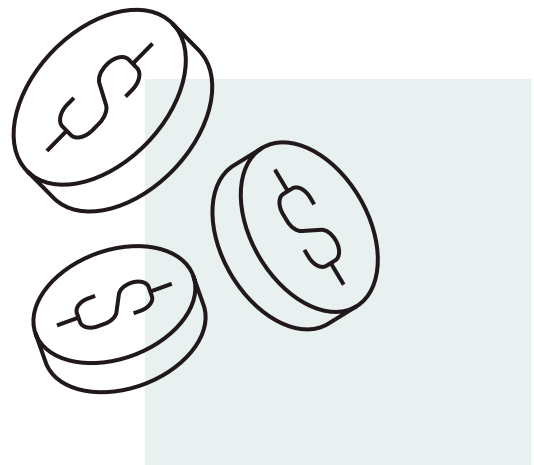
Beyond money, Labor Economy workers are anxious about technology. When asked whether they think their skills will stay valuable as technology changes, only two-thirds said yes. Among non-Labor Economy workers, nearly three-quarters felt confident. The roughly eight percentage point gap reflects a meaningful difference in how these two groups see their futures.

## 65.3%



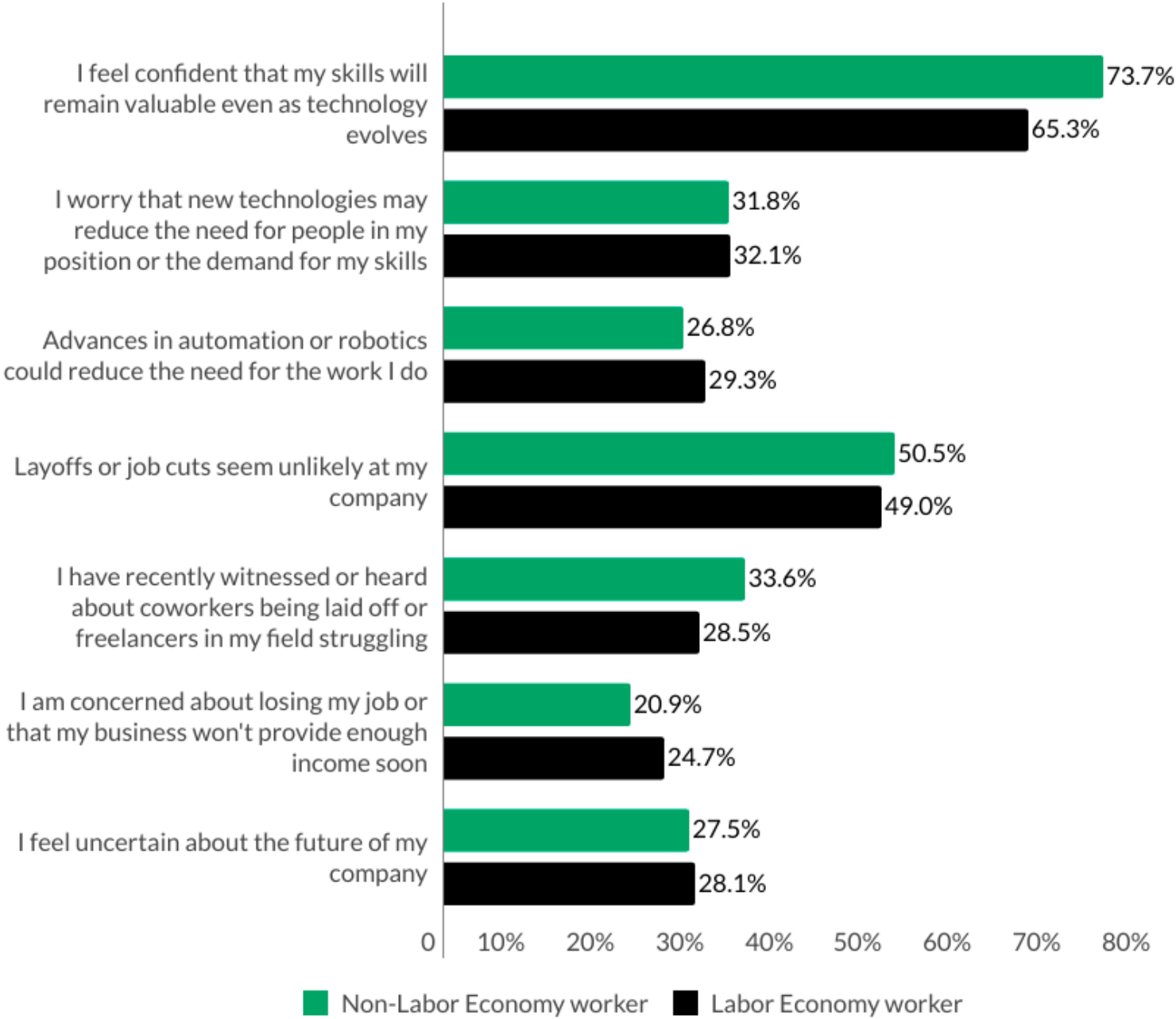
of Labor Economy workers think their skills will stay **valuable as technology evolves, compared to 73.7%** of non-Labor Economy workers.

Labor Economy workers are also more likely to worry that automation, robots or new technology could reduce the need and demand for the work they do. About half express concern about layoffs at their company. More than one in four feel uncertain whether their employer will be around.



The combination of tight finances today and uncertain job prospects tomorrow helps explain why Labor Economy workers remain cautious even when headline numbers improve. Good news about GDP, which grew at healthy annualized rate of 4.3% in the third quarter of 2025, doesn't pay the rent.

**FIGURE 8**  
**Share of employed consumers who agree with select statements**



Source: PYMNTS Intelligence  
The Divided Recovery: Labor Economy Workers Face an Uncertain 2026  
N= 2,879: Complete responses. Fielded Jan. 7, 2026, to Jan. 12, 2026

# Actionable Insights



**Payments providers can help workers manage uneven paychecks, not just low ones.** Wages jump around from month to month, and many workers say they feel less able to save. Both problems point to the same fix: Help people get paid as quickly as possible. Faster access to wages, instant payments and financial planning tools that show when money is coming in and going out can help workers avoid the crunch that comes when bills come due before the paycheck arrives.



**Make saving easy and automatic.** Labor Economy workers are less likely to expect their savings to grow and more likely to expect them to shrink. Banks and payment apps can help by making saving require no effort: small automatic transfers after each paycheck, alerts that say, “you can safely set aside \$20 this week” and emergency savings accounts that help people avoid falling behind.



**Pair financial tools with job skills, not just budgeting tips.** Only 65% of Labor Economy workers feel confident their skills will stay valuable, compared to 74% of other workers. Employers and financial companies should work together to offer training funds, help pay for professional certificates and find ways to demonstrate new or upgraded skills to future employers. Workers need to see a path to better pay and more stability, not just advice on how to stretch what they have.



**Focus on progress, not just income level.** Labor Economy workers are more likely to stick with a bank or app that helps them see real improvement: fewer late fees, fewer overdrafts, a savings balance that grows, lower credit card debt and bills that get paid on time. Companies should track these outcomes and build products around them, because they match exactly what the data shows workers struggling with.



# WAGE TO WALLET™ INDEX

**The Divided Recovery:  
Labor Economy Workers Face  
an Uncertain 2026**

● JANUARY 2026

PYMNTS  
INTELLIGENCE

 **WorkWhile**

 **INGO Payments**

## METHODOLOGY

**T**his Wage to Wallet Index update combines consumer attitudinal measurement with segment-level comparisons between Labor Economy workers and non-Labor Economy workers. The Labor Economy is defined as a broad set of essential, hands-on roles—often paid hourly and typically earning \$25/hour or less (commonly under \$50,000 annually)—that sit at the operational core of production, distribution and service delivery. The index tracks sentiment changes over time and includes component measures referenced in the report such as job security, job mobility, saving ability and debt burden.

In parallel, PYMNTS Intelligence describes a proprietary economic model used to estimate the spending power and macroeconomic impact of the Labor Economy workforce. The model integrates official government data on consumer spending, income and labor force composition, mapped with demographic and occupational characteristics to isolate this workforce’s share of consumer outlays. It uses controlled interpolation and projection techniques tied to macroeconomic benchmarks to estimate aggregate spending and economic impact while keeping underlying calculations confidential.

This report also draws on a complete survey of 2,879 U.S. adults conducted from Jan. 7, 2026, to Jan. 12, 2026.

### THE PYMNTS INTELLIGENCE TEAM THAT PRODUCED THIS REPORT:

John Gaffney  
Chief Content Officer

Scott Murray  
SVP, Head of Analytics

Lynnley Browning  
Managing Editor


Matthew Albrecht, PhD  
Senior Research Analyst


# ABOUT

---

DISCLAIMER ■

The Wage to Wallet™ Index is built on a combination of three complementary data streams:

 **WorkWhile** [WorkWhile](#) data: Provides real-time insights into employment trends, hourly wages, job participation rates and shift utilization across manufacturing, warehousing, logistics, retail, event and hospitality sectors. This data reveals how labor supply and compensation fluctuate at the ground level of the economy.

 **Payments** [Ingo Payments](#) data: Offers visibility into wage disbursement patterns and the adoption of instant pay. It captures how workers choose to access and manage their earnings and how instant availability of wages influences financial behavior and cash flow management.

**PYMNTS INTELLIGENCE** [PYMNTS Intelligence](#) proprietary data: Supplements these sources with original survey data capturing financial sentiment, spending patterns, savings levels and credit reliance across worker segments. This data identifies the behavioral and emotional contours of the Labor Economy, including confidence, stress and spending. Labor Economy and Wage to Wallet are trademarks of PYMNTS Intelligence.

Official U.S. government data: Provides overall data on the U.S. economy and the size of consumer spending and employment cohorts. This includes data from the Census Bureau, Bureau of Labor Statistics and the Bureau of Economic Analysis on consumer spending by age and income level; total number of employed people by detailed occupation group and age; number of people by age and income level; and the level and growth of U.S. GDP.

The integration of these three sources enables the Index to measure relationships between earnings velocity, income access and financial resilience, and to connect these microeconomic realities to macro-level outcomes such as GDP growth, consumer demand and inflation sensitivity.

The Divided Recovery: Labor Economy Workers Face an Uncertain 2026 may be updated periodically. While reasonable efforts are made to keep the content accurate and up to date, PYMNTS MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED “AS IS” AND ON AN “AS AVAILABLE” BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS is the property of PYMNTS and cannot be reproduced without its prior written permission.