

# Economic Value of Flexibility in the US Financial Services Industry 2026



## 1 Introduction and Objective

The rapid adoption of remote and hybrid work arrangements has transformed the employment landscape in the United States, particularly within the financial services industry. While the direct impact of remote work on productivity and compensation has been widely studied, less attention has been paid to the economic value generated through increased flexibility and the recovery of personal time. This analysis seeks to quantify that value by examining the demographic characteristics, working patterns, compensation levels, and remote-work prevalence of financial services employees. By assigning an economic value to the personal time gained through reduced commuting and greater schedule flexibility, the study estimates the extent to which remote work enhances the effective compensation of employees beyond their reported salaries. The objective is not to measure employer costs or productivity effects, but rather to evaluate the potential increase in individual welfare associated with flexible work arrangements under an experimental simulation.

## 2 Analysis and Results

### Initial Assumptions

The average annual income of employees in the U.S. financial services industry in 2026 is estimated to range between \$95,000 and \$110,000, corresponding to an average net income of \$70,000 to \$85,000 per year. Average working hours are estimated at 37.4–37.6 hours per week. The industry's gender distribution is approximately 46–48% male and 52–54% female. The average age of employees is 43–44 years old. Life expectancy in the United States is approximately 76 years for men and 81 years for women. According to labor statistics, average weekly working hours in selected financial services occupations are as follows:

- Retail Banking: 38–40 hours per week
- Insurance: 37–40 hours per week
- Financial Analysis: 40–45 hours per week

Research also indicates that approximately 35% of employees in the financial services industry work remotely three to five days per week, while around 22% work fully remotely.

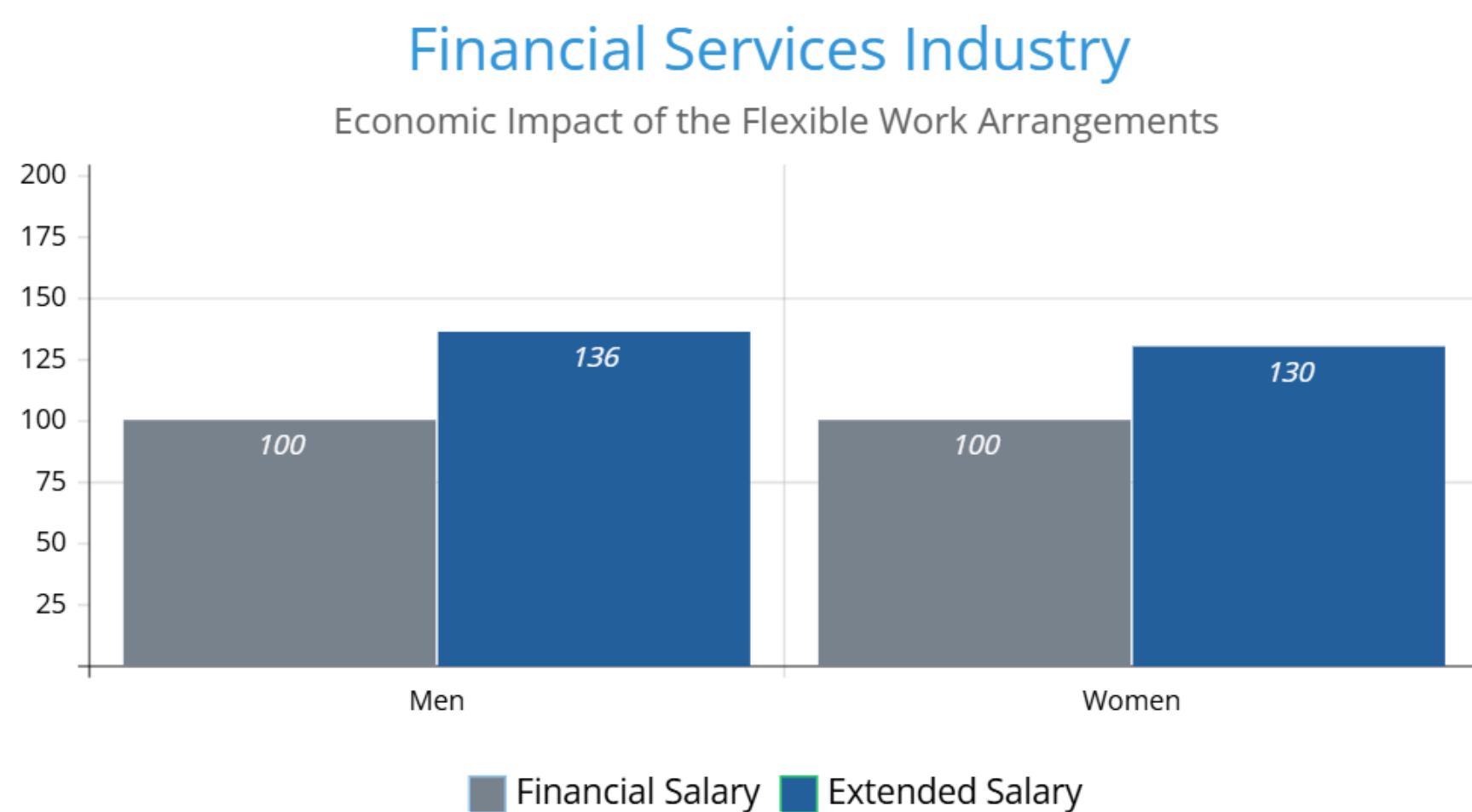
Studies show that employees save an average of 72 minutes per remote workday. Of this time, approximately 34% is allocated to leisure activities and 11% to household and caregiving responsibilities, resulting in an average of 32.4 minutes per day of additional personal time. This translates into approximately 121 Effective Recovered Hours (ERH) per year.

Assuming that most employees in this age group have one or two children, enjoy generally good health, and value their personal time at 50% more than their working time, the calculation yields an Economic Value of Personal Time (EVPT) of approximately \$207 per hour for men and \$192 per hour for women. The simulation does not account for individual financial circumstances and assumes that the costs and benefits associated with remote work are valued equally across all employees.

### Results

The simulation indicates that the economic value generated by remote-work flexibility increases effective annual compensation from approximately \$77,000 in net income to \$101,800 per year. This represents an effective increase of approximately 33% for men and 30% for women.

These findings suggest that the value of flexibility and recovered personal time can constitute a significant component of total employee compensation, particularly among mid-career professionals with family responsibilities.



## 3 Conclusion

### Conclusion

The analysis demonstrates that remote-work flexibility **generates substantial economic value for employees** through the recovery of personal time, resulting in a significant increase in effective compensation beyond reported salary levels. The estimated increase in effective annual compensation ranges from approximately **30% to 33%**, highlighting the importance of considering time-related benefits when evaluating employment arrangements.

Importantly, the differences observed between men and women in the Economic Value of Personal Time (EVPT) and the resulting extended salary should not be interpreted as a consequence of differences in earnings within the financial services industry. Rather, they are primarily driven by differences in life expectancy. Because women, on average, have a longer expected lifespan than men, the opportunity cost of a given hour of personal time is distributed across a greater number of remaining life years. As a result, the calculated EVPT is slightly lower for women, leading to a somewhat smaller increase in extended salary despite comparable income levels and remote-work benefits.

Therefore, the variation in outcomes between genders is largely a demographic effect arising from longevity assumptions rather than a reflection of salary disparities or unequal access to remote-work advantages. The findings suggest that the value of workplace flexibility is substantial for both men and women and should be recognized as an important component of total compensation and employee well-being.