U.S. Workforce in Mental Health Crisis Driven by AI Anxiety, Political Stress, and a Collapse in Employer Trust

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New report reveals how trust in employer mental health support continues to erode, year over year, as employees turn to substance use as a coping mechanism

SAN FRANCISCO--(BUSINESS WIRE)--The newest workplace report from Modern Health, a leading global workplace mental health platform, reveals an American workforce under compounding strain. Based on responses from 1,000 full-time employees at companies with 250 or more employees, the survey documents a continued erosion of workplace trust, mounting anxiety over artificial intelligence, a toxic political climate bleeding into professional life, and an alarming reliance on substance use as a coping mechanism.

"When a majority of employees report turning to substances to manage stress, it points to a gap in how people are accessing support and building healthier coping strategies," comments Dr. Jessica Watrous, Chief Clinical Officer at Modern Health.

"We're seeing an extraordinary collision of stressors across the U.S. workforce — AI, economic pressure, and global uncertainty — driving a level of strain that's no longer sustainable, and it's starting to show up in very visible ways," said Alison Borland, Chief People and Strategy Officer at Modern Health. "Simultaneously, expectations are rising, and many employees don't feel supported. That imbalance is manifesting in concerning levels of anxiety and unhealthy coping mechanisms."

Employer Trust Is Collapsing

Despite 76% reporting adequate mental health coverage through employee health benefits, confidence in employers continues to erode. Just 33% of employees strongly agree that their employer values their mental health, down from 41% who felt their employer valued mental health in 2025, a drop of 8 percentage points in a single year.

The breakdown in trust is driving workers away from the very personnel there to help: 58% say they feel safer talking to a chatbot about their mental health than their workplace HR department, up from 50% in 2025. And while 41% have felt judged for using employer-provided mental health days, 50% don't use them at all — not because they don't need them, but out of fear of judgment. Senior managers are hit hardest by that stigma: 54% have received direct judgment for using mental health days, and 61% avoid using them entirely out of fear. Meanwhile, 65% of respondents say they have hidden mental health struggles to avoid appearing weak — up 9 points year over year. 88% say we need to have a culture at work that encourages employees to use mental health resources.

The belief that employers prioritize output over people is also rising sharply. 72% say their employer actively encourages productivity at the expense of personal well-being, up from 61% in 2025 — an 11-point increase in a single year.

AI Is Raising Expectations – And Anxiety

While artificial intelligence is often framed as a driver of productivity, employees increasingly view it as a threat. Nearly seven in ten employees (69%) believe AI will lead to layoffs at their own company within three years. Almost half (49%) are personally afraid of losing their job to AI, ranking it among the most acute individual stressors measured in this survey.

That fear is already affecting mental health: 24% say AI is already negatively affecting their mental health today, placing it on par with longstanding stressors like job demands and financial concerns.

AI is also intensifying the pressure to perform. 67% say AI has raised productivity expectations, and among that group, 64% report increased stress as a direct result. That pressure is most acute at the top: 80% of senior managers say AI has increased expectations of their own output, compared to just 40% of non-management employees.

Political Anxiety Is Stoking Workplace Anxiety

The political climate is increasingly an occupational hazard. Seventy percent of employees say the current U.S. political environment has made it harder to maintain positive mental health at work — up 6 points from 2025. Concerns about war and terrorism (52%) and current events broadly (50%) now rank as the top two negative influences on mental health in the workplace, outpacing financial stress, job demands, and fear of layoffs.

Employees believe employers need to do more to counter the anxiety. Eighty-nine percent say more mental health benefits are needed — up 8 points from 81% in 2025 — and 71% believe that politically-driven anxiety could be meaningfully reduced through workplace mental health support.

Workers are looking to their employers to respond to negative external forces: 66% believe company leadership has a responsibility to address social, political, or cultural issues that impact their workforce. Even more — 72% — of Gen Z workers believe company leadership should speak up. Yet, just 41% of senior managers feel very confident navigating sensitive or polarizing issues such as immigration, politics, or other global stressors.

Workers Are Turning to Substances to Manage Stress

As pressure increases, many workers are turning to alternative ways to manage stress, and often in ways that could compound the problem. Nearly two-thirds (63%) report using alcohol, THC/marijuana, or unprescribed pharmaceutical drugs at some point in the past year to relieve stress at the end of the workday. More concerning, 52% have used substances to cope with work stress during the workday itself.

More Gen Z report relying on these substances to manage stress during and after the workday than any other generation. Among this cohort, THC has overtaken alcohol as a way to manage stress after work: 59% use cannabis products after work, versus 50% who use alcohol. More striking still, Gen Z's THC use during the workday (51%) nearly matches their after-work use, suggesting the line between decompression and daily functioning has effectively disappeared for a significant portion of this generation.

"Although we can't identify ongoing patterns of use from these data, it's concerning to see so many respondents report using alcohol or drugs to cope with stress," comments Dr. Jessica Watrous, Chief Clinical Officer at Modern Health. "Research has demonstrated that why you drink — perhaps to counter negative emotions — can be a risk factor for long-term problems. When a majority of employees report turning to substances to manage stress, it points to a gap in how people are accessing support and building healthier coping strategies. Over time, that gap, and what people use instead, can inevitably lead to more complex health needs and higher-cost interventions."

Burnout is Widespread and Increasingly Visible

The cumulative impact of the strain on American workers is revealing. Forty-eight percent of employees say their job has negatively impacted their mental health over the past year. Eighty-four percent report that burnout is affecting their productivity, at least slightly, while 72% have felt pressured to work through mental health struggles — up 10 points from 2025.

The symptoms of mental health distress are showing up physically. In the past 30 days alone, 51% of employees have cried due to work stress (up 12 points from 2025), and 52% have experienced anxiety or panic-like symptoms at work. This is compounded by the pressure 57% feel to respond to work messages outside of office hours, up 6 points from 2025.

Managers Are Under Strain and Unprepared to Support Teams

On the surface, senior managers report the highest levels of satisfaction: 86% say they are somewhat or very satisfied with their mental health. Beneath that, 40% have received a new mental health diagnosis in the past 12 months — more than three times the rate of non-managers (13%).

Senior managers are also reporting the highest levels of 'AI anxiety' with almost three-quarters (74%) expecting AI to lead to layoffs in their company within three years and more than half (57%) personally fearing for their own job.

82% say being a manager is harder than ever, up 5 points since last year, and only 37% feel strongly equipped to identify burnout in their teams. 1 in 4 (24%) of senior managers feel their direct reports' mental health has worsened so far in 2026, and 27% feel their own mental health has worsened compared to 2025.

To learn more, visit modernhealth.com.

About Modern Health

Modern Health is a global leader in adaptive mental health care, dynamically offering multi-modal mental health support that delivers meaningful outcomes at a sustainable, predictable cost. With therapy, psychiatry, coaching, community groups, self-guided tools, and crisis support, Modern Health dynamically creates individualized care journeys to address a spectrum of mental health needs with culturally responsive providers in 200+ countries and territories and 80+ languages. Backed by peer-reviewed research and a proprietary blend of technology and live support, Modern Health delivers measurable outcomes, globally equitable access, and sustainable pricing. Trusted by 450+ employers worldwide, Modern Health covers 2 million+ lives. Visit modernhealth.com to learn more.

Methodology

Modern Health commissioned a scientific random sample of 1,000 U.S. adults (aged 24 to 65) employed full-time at companies with 250 or more employees. The survey was fielded on March 27, 2026. All respondents were confirmed by both consumer-matched data and respondent self-confirmation. DKC Analytics conducted and analyzed this survey with a sample procured using the Pollfish survey delivery platform, which delivers online surveys globally through mobile apps and the mobile web, along with the desktop web. Margin of error: ±3.1% at 95% confidence. No post-stratification has been applied to the results.