

Transamerica Prescience 2026

Fifth report: Financial wellness benefits and retirement





Table of contents

The Prescience 2026 council initiative	4
Highlights	5
Financial wellness programs	6
Program utilization	8
Impact of financial wellness programs	9
Tool and resource utilization	9
Measuring success	10
Conclusion	13

We are grateful to our panel of experts for participating in this fifth poll in the series and for sharing their much valued insight.

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The Prescience 2026 Council Initiative

Prescience \ 'pre-sh(ē-)ən(t)s, 'pr ē,-s(ē-) ən(t)s

Foreknowledge of events; human anticipation of the course of events; foresight.

The world is changing at an epic rate, and these changes continue to affect the way people work and what they expect from their employers. The time is right for another look downstream. That's why, in partnership with EACH Enterprise, Transamerica initiated our Prescience 2026 Council.

Transamerica Prescience 2026 is a series of polls and brainstorming sessions, each focusing on a particular aspect of employee benefits. The first four surveys asked our panel of experts about their expectations for employee financial well-being, U.S. economic trends, the workforce, and small business benefits.

In our fifth poll, panelists considered the future of financial wellness programs and how they may affect plan sponsors, participants, and other stakeholders in the retirement plan ecosystem. For example, panelists shared their expectations about:

1. Financial wellness programs overall
2. Who may bear program costs
3. The type of support and assistance that may be offered
4. The relationship between employee stress and appreciation for employer-provided benefits programs
5. Utilization of wellness programs
6. The considerations driving the implementation of wellness programs by plan sponsors

What is a financial wellness program?

While there is debate about specific parameters of a financial wellness program, we established consistency by defining the term for panelists. For this poll, "financial wellness program" means a program offered through employers to address employees' personal financial well-being concerns through their retirement plans and/or voluntary benefits, and digital tools and resources such as one-on-one coaching and consultation. Additionally, financial wellness programs may offer training to hone budgeting skills, address management of financial-induced stress, identify short- and long-term financial needs, and monitor progress against goals over time.



Highlights

This poll explored critical aspects of financial wellness programs and what panelists see as trends in implementation, utilization, and employee perceptions about the value of these programs. They expect about half of employers to offer a comprehensive program, as defined above and in the survey, by year-end 2026. Respondents leaned toward virtual assistance as the primary mode of providing services.

Panelists weighed in on the relationship between choices available in the program and greater utilization, suggesting a link between the two. The survey also shows that our experts believe employees – especially those who are stressed by debt and other financial issues – appreciate the availability of these programs.

In spite of discussion to the contrary, panelists generally believe that participants are not overly concerned about data confidentiality in financial wellness programs. And while there is some disagreement on whether participants with access to financial wellness programs will use them to make choices about their workplace benefits, there is consensus that those who do use the programs will follow the recommendations provided.

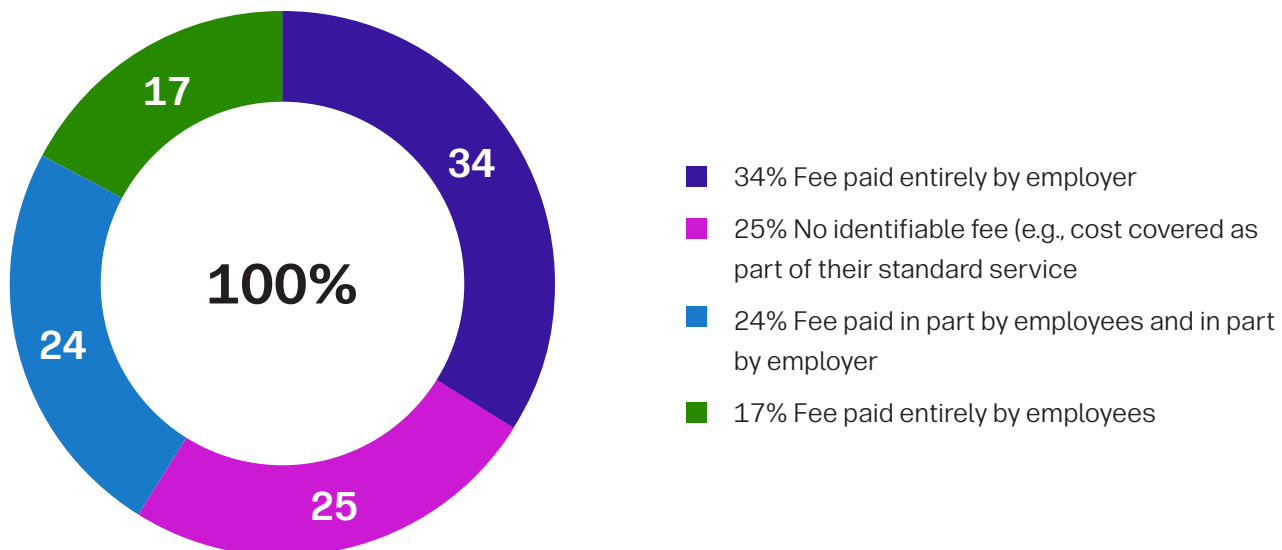


Financial wellness programs

Financial wellness programs are a vital part of the overall retirement discussion because financial stress can have long-term implications for employees, employers, and society at large:

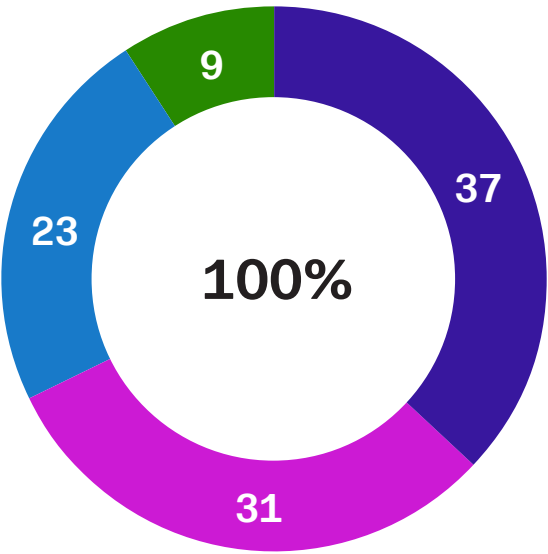
- Employees who are weighed down with financial stress may be less inclined to save for retirement.
- Employers may experience higher insurance (including health, disability, and workers compensation) and other costs.
- People who are financially unprepared for retirement may be more likely to need assistance from public programs to meet their basic requirements.

The Prescience panelists expect 47% of employers to offer a comprehensive financial wellness program by the end of 2026. Opinions about who will pay for the program varied, with 34% of panelists predicting costs will be paid entirely by employers, 17% expecting costs to be paid entirely by employees, and 24% saying costs will be shared.



We asked panelists how they expect financial wellness services to be delivered. Among employers with a program, they anticipate 37% will offer an automated assistant, chatbot, or avatar with which employees can interact as they build their personalized financial wellness plan or monitor their progress. Thirty-one percent are likely to offer a personal coach alongside automated assistance. The expectations of reliance on automated assistance may be related to program costs. The panel foresees about 23% providing only a personal coach (in-person or on the phone), and that 9% will not use either option.

Among employers that offer a financial wellness program, percentage that offer each personal assistance approach:



- 37% Option A - An automated assistant, chatbot, or avatar with which employees can have a dialogue as they build a personalized plan, or monitor progress with artificial intelligence
- 31% BOTH Option A and Option B
- 23% Option B - A personal coach, in person or on the phone, with whom employees can meet and have a dialogue as they build a personalized plan or monitor progress
- 9% Neither





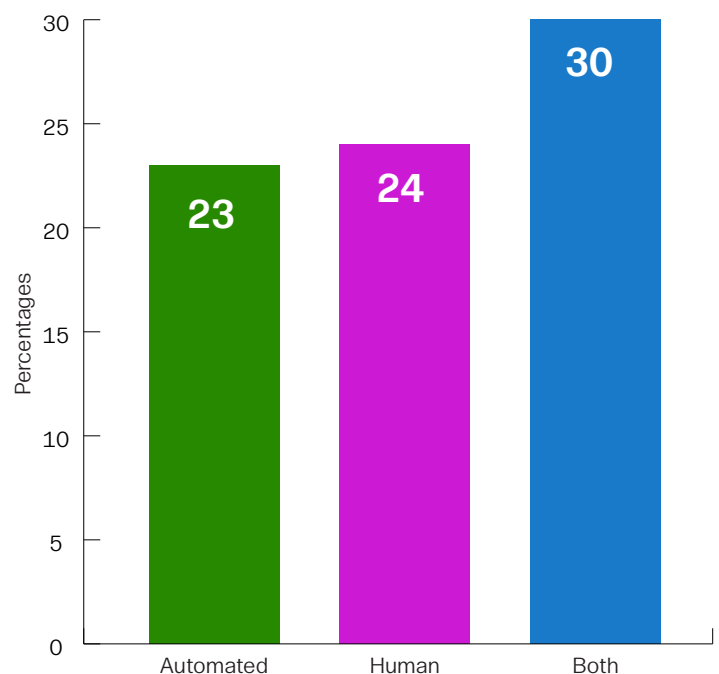
Program utilization

Financial wellness programs have existed for decades. Program parameters vary widely, though, so we wanted to know panelists' opinions about employee utilization based on the method of delivery.

Interestingly, the panel expects utilization to be only marginally better, at 24%, with a live coach than with a chatbot (23%). On the other hand, utilization among employers who offer both options is expected to reach 30%.

Seventy-three percent of the experts believe that most employees will have access to an automated tool or a live counselor to help them make personalized benefits choices by the end of 2026.

Percentage of participant population utilizing the employer-sponsored financial wellness program





Impact of financial wellness programs

Financial wellness programs can be expensive to offer and maintain, so knowing their return on investment (ROI) would be ideal. However, calculating the ROI is challenging. We asked our panel a series of questions to clarify their predictions about ROI as well as program impact on participants.

- When asked whether most employers who pay a fee for a financial wellness program will expect a financial ROI, 67% of panelists agreed or strongly agreed that this would be the case.
- Our experts were split when asked if most employers who offer a financial wellness program with no identifiable fee will expect a financial return on their investment, with the highest number of respondents, 47%, disagreeing or strongly disagreeing with that statement. This is likely due to the difficulty of calculating an ROI when there is no investment.

The debt and interest burden on lower-paid employees is a concern to panelists, with 80% agreeing or strongly agreeing that it will have increased sharply by the end of 2026. The greatest number of panelists (57%) disagree or strongly disagree when asked if there would be an observable reduction of employee financial stress by year-end 2026. A total of 27% see it differently, saying they agree or strongly agree that employee financial stress will be lower.

Panelists believe employees appreciate personal financial coaching, and 83% agree or strongly agree that the level of appreciation will increase by year-end 2026.

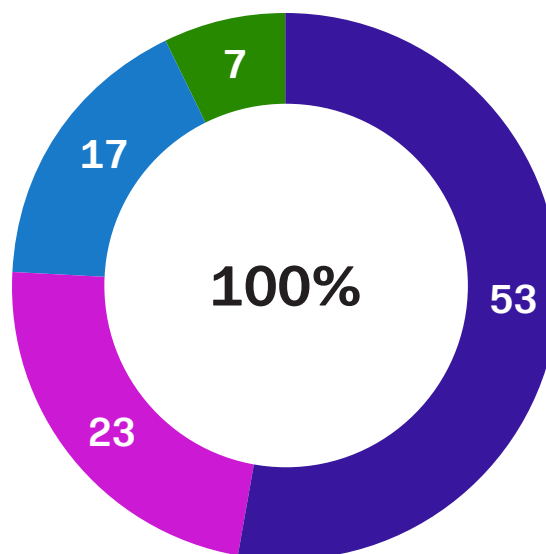


Tool and resource utilization

Availability of resources may or may not result in utilization, so we asked our panel about adoption and utilization of financial wellness program tools. We asked if they believe that most employees who use an automated tool or live counselor to make benefits decisions will follow recommendations they receive. An overwhelming 76% of respondents agree or strongly agree that employees will follow the recommendations.

Will employees who use automated tools or live counselors follow recommendations?

- 53% Agree
- 23% Strongly agree
- 17% Neither agree nor disagree
- 7% Disagree
- 0% Strongly disagree



Personal information is necessary for an impactful financial wellness program because it provides a picture of an employee's current situation, clarifying the path forward. While many people struggle with the idea of releasing too much personal information, the Prescience panelists don't believe confidentiality is a big concern for participants. About 37% of panelists agree that participant concerns about confidentiality would be a serious obstacle to program utilization, and none strongly agreed. On the other hand, 43% disagreed that it would present a serious obstacle, and 13% strongly disagreed. Seven percent were neutral.

Even better, 60% agree or strongly agree that the impact of financial wellness program utilization on retirement plan outcomes will have been demonstrated.

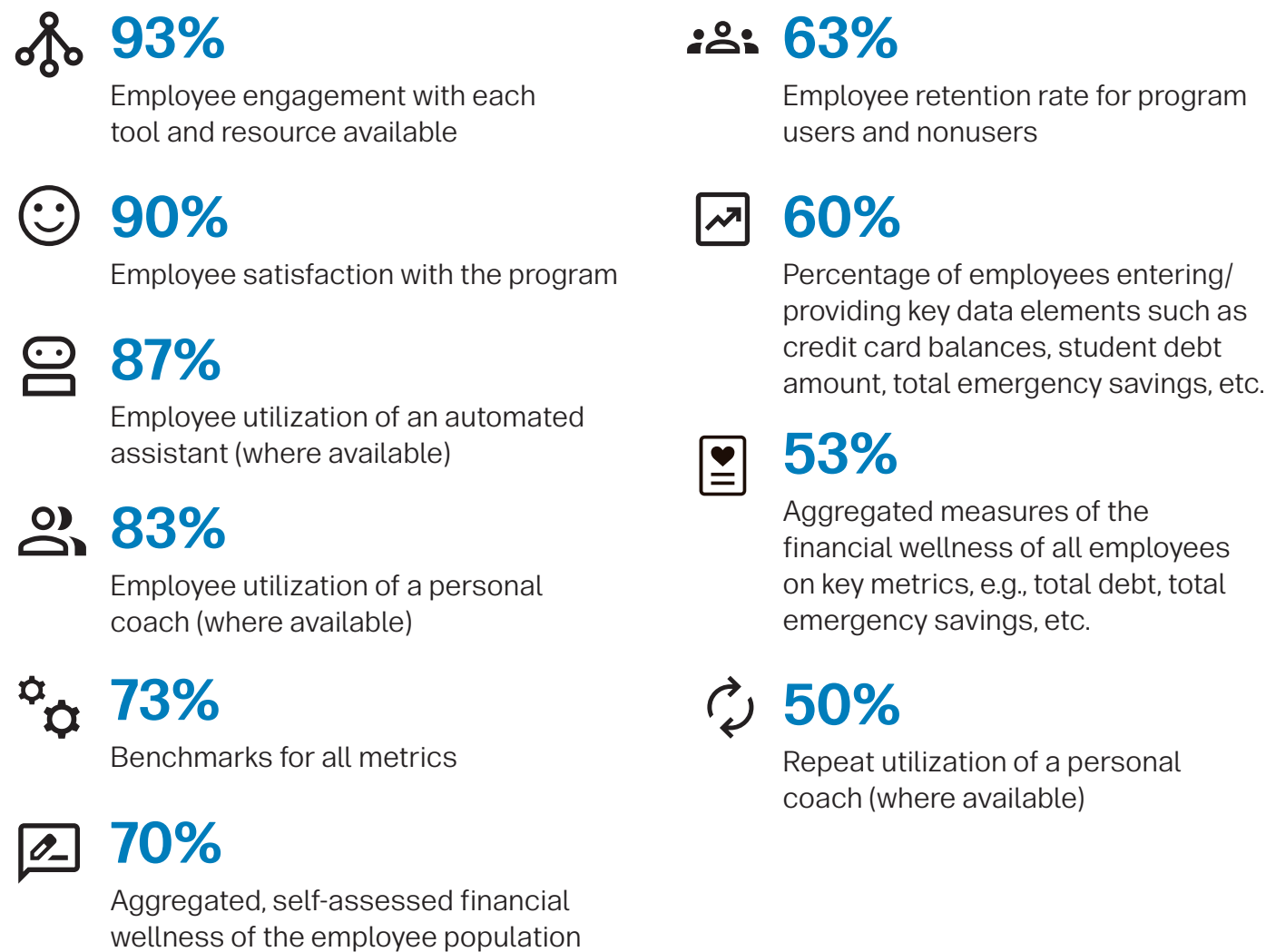
Measuring success

We asked the Prescience panelists to weigh in on financial wellness success metrics. Sixty percent agree or strongly agree that the impact of financial wellness program utilization on retirement plan outcomes will have been demonstrated by the end of 2026.

Panelists overwhelmingly agreed that most (more than 50%) of employers paying a fee for a program would say employee engagement with each tool and resource available is a critical success metric. Ninety-three percent selected it from the list of options. The second-highest ranking response was employee satisfaction with the program, at 90%.



The majority of employers that pay a fee for a financial wellness program will expect to measure:



Regardless of the popularity of financial wellness programs, many employers have not yet implemented one. With that in mind, we asked our experts to consider which factors they believe most employers (50% or more) will consider in their decision to implement a financial wellness program by year-end 2026. Three stood out, including:



Program impact on employee satisfaction ranked fourth, with 67% of the panelists citing it. Fifth place was shared by program impact on employee financial stress and employee productivity, each at 60%.



Conclusion

There are many benefits to a successful financial wellness program – especially the focused, financially savvy employees who are prepared to retire on time. Measuring program success remains elusive, but one thing is clear: organizations without a financial wellness program may fall behind in their recruiting and retention efforts. While that may be of less concern when recruiting is easy, challenges are sure to return.

Program cost is, of course, part of the discussion, and it may be the reason panelists expect that significantly more organizations offering financial wellness programs will rely on automation rather than people to deliver services.

Whatever the reason, the survey showed little indication that automated services will negatively impact utilization. Perhaps most surprising is panelists' expectations that, regardless of whether the source of financial wellness guidance is automated or human, more than three-fourths of employees will follow it.

We hope you find the information presented in this report useful. For more details, or to discuss your particular needs and how we can help your employees reach for a brighter retirement by improving their financial health today, contact us.

About Transamerica

With a history that dates back more than 100 years, Transamerica is recognized as a leading provider of life insurance, retirement, employee benefits, and investment solutions, serving millions of customers throughout the United States. Recognizing the challenge – and opportunities – of increased longevity, Transamerica's dedicated professionals work to help people take the steps necessary to live their best lives.

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Transamerica Prescience 2026 is a collection of thoughts and opinions expressed by members of the Prescience 2026 Council, and not necessarily those of Transamerica. This survey was fielded in December 2023, so relevant legislation and/or regulatory proposals introduced afterward may not have been considered by the Council.