WHAT 2026 WILL MAKE OBVIOUS

by **Karen Webster**

TEN STRUCTURAL SHIFTS RESHAPING PAYMENTS, COMMERCE AND THE AI ECONOMY

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ABOUT THE AUTHOR

Karen Webster is one of the world's leading experts on payments innovation and the digital economy and a strategic adviser to CEOs and boards of multinational players in the payments and commerce space.

Webster also serves on the boards of emerging companies in the AI, HealthTech and real-time payments sectors and helps these innovators refine their business models for profitable market adoption and growth.

Webster is a frequently sought-after keynote speaker and prolific author of articles on innovation, platforms and the digital economy. She has a long history of consulting, having served as the managing director of Global Marketing and Planning for Price Waterhouse Coopers' $6 billion management consulting practice and as COO for the $200 million economic consulting subsidiary that is part of the MMC family of companies. Webster also served as an adjunct faculty member at her alma mater, Johns Hopkins University, where she holds a master's degree in marketing and developed and taught graduate level courses on business-to-business marketing.

Webster is a passionate philanthropist and served as a member of the Board of Trustees at the Dana Farber Cancer Institute and chairman of the board of the Susan G. Komen Advocacy Alliance. She lives in Boston with her husband and their two amazing canine companions.

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INTRODUCTION

The Ten Things that 2026 Will Make Obvious.

“For last year's words belong to last year's language. And next year's words await another voice.”

— T. S. Eliot

When T. S. Eliot wrote those lines in 1942, he was pointing to a simple but uncomfortable truth. Language carries the logic of the era that produced it. When circumstances change in fundamental ways, the words we once relied on stop working. Progress depends not just on new ideas, but on recognizing when old descriptions no longer fit reality, and on finding a new voice to replace what once passed for the status quo.

That observation feels uncannily accurate for payments, commerce, and the broader AI economy today.

We keep reaching for familiar terms to explain what is happening around us. Checkout. Credit. Data. Regards. Authentication. Convenience. But those words increasingly fail to capture the dynamics reshaping how consumers and businesses interact, transact, and make decisions.

What makes that mismatch impossible to ignore is the year we just left behind.

AI and agents are no longer features layered onto existing systems. They are becoming embedded into the infrastructure itself. Intelligence is moving into the transaction. And when that happens, everything around it begins to change: how consumers are authenticated, how payments are routed and priced, how credit is underwritten and used, and what customers expect interactions to feel like. Faster. More contextual. More autonomous. Less visible.

As intelligence becomes native to commerce, the economics that supported the old system begin to crack. Long-standing roles blur or disappear. New players emerge. And deeply held assumptions about who owns the customer, who controls the data, and who captures the margin are challenged.

Each year, I begin with a piece that looks ahead. Not to predict headlines, but to surface the signals forming beneath them. The shifts where pressure is building. The points where existing models strain. And the moments where incumbents and challengers alike have an opportunity to act differently.

Taken together, these signals point to a year that will demand new language, new frameworks, and, in Eliot's words, a new voice.

The year ahead will belong to those willing to find it.
And do more than just talk about it.

Tokenized Deposits Steal Stablecoin Buzz — and the Business Model

WHAT 2026 WILL MAKE OBVIOUS

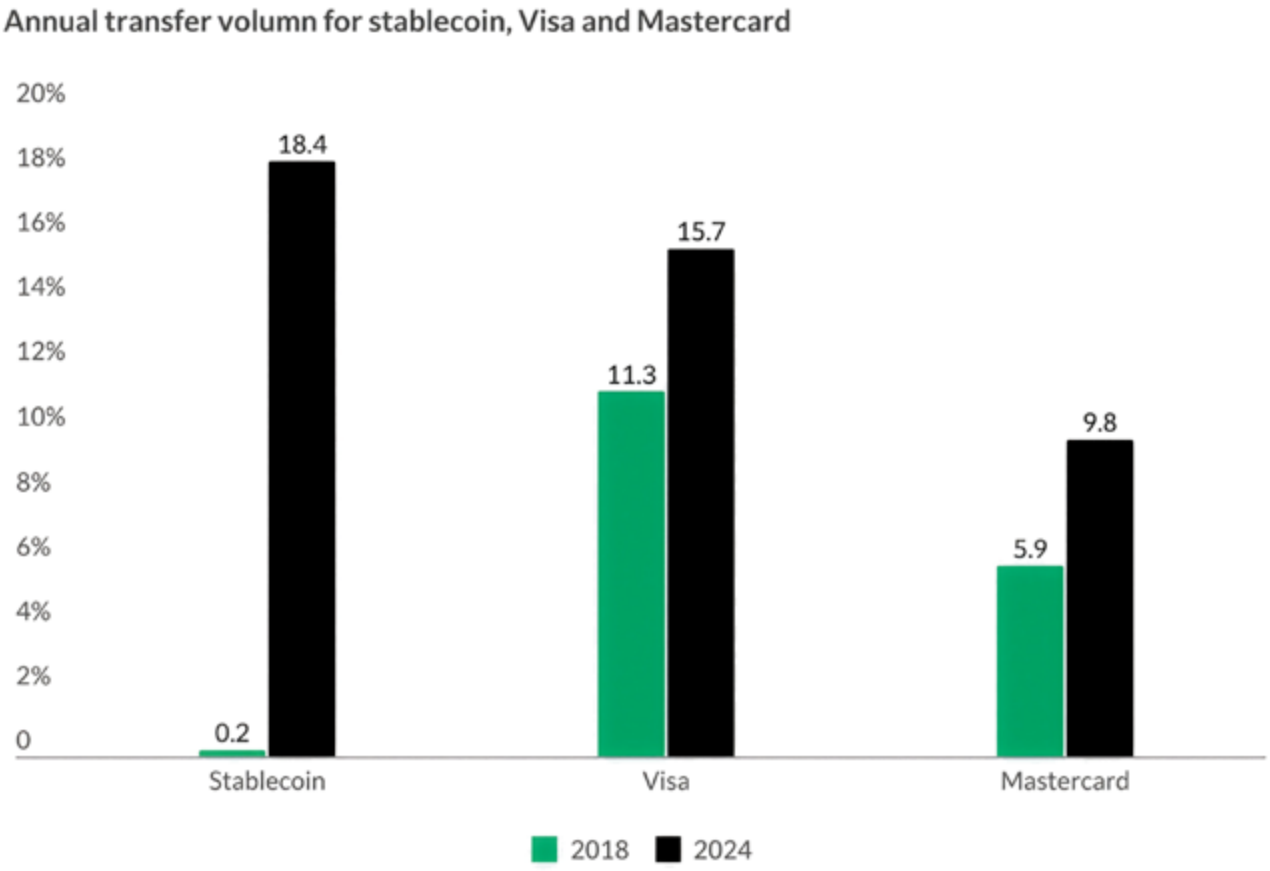
In 2026, tokenized bank deposits overtake stablecoins as the preferred on-chain dollar for institutional and wholesale money, not because stablecoins disappear, but because banks turn deposits into programmable infrastructure without breaking the existing financial system.

For much of the past two years, stablecoins dominated the conversation about on-chain money. From near obscurity in 2024 to thousands of mentions across earnings calls, regulatory filings and investor decks in 2025, they became the headline act.

Transaction volumes surged between 80% and 100% year over year. Annual transfer volumes climbed into the tens of trillions of dollars, with monthly flows rivaling or exceeding those of card networks and large payment platforms. For a time, stablecoins looked like the inevitable future of digital money.

That was phase one of the on-chain dollar story.

Phase two begins in 2026, and it looks very different.



Source: Charted: Stablecoins are now bigger than Visa or Mastercard. Oct 2, 2025. https://www.visualcapitalist.com/charted-stablecoins-are-now-bigger-than-visa-or-mastercard/?utm_source=chatgpt.com

WHY THE CENTER OF GRAVITY SHIFTS

The stablecoin boom was fueled by an unusually favorable macro and regulatory environment. Elevated short-term interest rates turned reserve balances into profit engines. Permissive treatment allowed issuers to capture yield on segregated funds. Near-zero user fees were subsidized by what amounted to a carry trade embedded in a payments product.

That environment is changing.

Market expectations point to lower short-term rates. A 100-basis-point decline in Treasury yields would strip more than a billion dollars in annual reserve income from the stablecoin industry, erasing a meaningful share of revenue for the largest issuers. When reserve yield is the business model, falling rates are not a cyclical inconvenience. They are a structural problem.

At the same time, regulations are no longer ambiguous.

Frameworks such as the EU's MiCA regime and the U.S. GENIUS Act mandate one-to-one backing with high-quality liquid assets, tighter governance and explicit limits on how reserve yield can be used or shared. Payment stablecoins are increasingly treated like e-money, with a clear regulatory signal that customer funds should be protected, not monetized through balance-sheet arbitrage.

Taken together, falling rates and tightening rules force a reckoning.

THE FORK IN THE ROAD

As regulation hardens, a clean divergence is emerging.

On one side are nonbank stablecoins. They are pushed into a narrow box: tightly constrained instruments with limited balance-sheet flexibility, no yield sharing and rising compliance costs. To sustain growth, issuers must pivot toward issuance and redemption fees, transaction charges, FX spreads and value-added services layered on top of the core token.

On the other side are banks.

Bank regulators, and particularly the FDIC, are opening the door for deposits to live on blockchain rails while retaining their existing legal and supervisory treatment. Recent signals indicate that deposits represented on permissioned — and, in carefully controlled cases, public — blockchains can remain insured so long as they stay on bank balance sheets and comply with existing rules around ownership, recordkeeping and risk management.

That distinction matters.

Tokenized deposits are not new money. They are the same commercial bank deposits corporates already hold, now represented as tokens rather than database entries locked inside proprietary systems. They carry the same capital treatment, the same supervision and the same resolution frameworks but gain programmability, 24/7 settlement and composability.

Banks do not need a new business model for tokenized deposits to work.

WHY TOKENIZED DEPOSITS SCALE WHERE STABLECOINS STRUGGLE

Banks already move money at scale. Wholesale and cross-border banking networks process well over $10 trillion per day, or quadrillions of dollars annually, with battle-tested processes for liquidity, settlement and compliance.

Deposits anchor those economics. They support net interest margin, lending, FX, payments and cash-management revenue. Tokenization extends that model into an always-on, programmable environment without forcing banks to extract margin transaction by transaction.

Stablecoin issuers do not have that luxury.

As yield compresses and compliance costs rise, nonbank stablecoins become harder to scale cheaply for high-volume, low-margin institutional flows where basis points matter. Costs eventually surface, in fees, spreads or functional constraints.

Tokenized deposits, by contrast, ride on existing relationship economics. Banks can justify infrastructure investment through wallet share, balance-sheet optimization and client retention rather than per-transaction profitability. That makes it easier to keep explicit fees low for the corporates and institutions that drive the largest flows.

FROM THEORY TO LIVE INFRASTRUCTURE

This shift is no longer theoretical.

Citi has integrated Citi Token Services with 24/7 USD Clearing, enabling institutional clients to move tokenized deposits across jurisdictions in near real time without leaving established account, compliance and settlement frameworks.

HSBC has launched a Tokenized Deposit Service that allows corporates to convert deposits into tokens that move instantly between wallets while remaining embedded in existing treasury workflows.

JPMorgan's Kinexys platform has gone further, piloting a dollar-denominated deposit token operating on blockchain rails, backed by the bank's balance sheet and governed by standard KYC and risk controls.

In each case, tokenized deposits are positioned as core infrastructure rather than speculative instruments. They support liquidity management, collateral mobility, programmable treasury operations and large-value settlement while mirroring existing account structures and legal protections.

For CFOs and treasurers, the permissioned nature of these systems is not a constraint. It is the feature. It maps cleanly onto how they already think about counterparties, risk tiers and control.

WHERE EACH INSTRUMENT LIVES

None of this means stablecoins disappear.

Stablecoins will continue to play a role in retail and crypto-native ecosystems. They remain useful for peer-to-peer transfers, developer platforms, public-chain applications and consumer-facing use cases where borderless access matters more than balance-sheet integration.

But the wholesale and institutional map looks different.

For large-value, low-margin, system-scale flows, tokenized deposits are emerging as the preferred, on-chain dollar because they look and behave like the instruments corporates already use. Upgraded rather than reinvented.

WHAT TOKENIZED DEPOSITS REPLACE

Tokenized deposits replace the idea that instant money at scale globally needs a new issuer to become programmable.

In 2026, the on-chain dollar that matters most will not be minted outside the banking system. It will be issued by it. Upgraded, insured and embedded into existing balance sheets.

When programmability arrives without requiring disruption, institutional money will choose continuity and predictability every time. That choice, more than hype or volume, is what will shift the center of gravity back inside the bank.

2

Commerce Finds **Its Voice**

WHAT 2026 WILL MAKE OBVIOUS

Voice will finally pull agentic commerce onto the mobile phone by turning complex, desktop-only "go do this for me" prompts into natural, spoken conversations that consumers can have anywhere. The platforms that win in 2026 will be those that embed capable voice agents deeply into devices, apps, and operating systems, not just those that bolt AI onto legacy assistants.

Try typing a thoughtful, 40-word prompt into your favorite LLM on a mobile phone. Not a two- or three-word Google-style query, but the kind of detailed prompt agents require to be most efficient, with constraints, preferences, trade-offs, timing and explicit instructions. One that is eight to twenty times longer than a typical keyword search.

Even with predictive text and autocorrect, it's a pain. Typing on a phone is slow and error-prone. Research on mobile text entry shows error rates in the mid-single to low-double digits, and those rates rise as task complexity increases. At 40 words, that can mean as many as eight corrections before a prompt is even submitted, each one adding friction and cognitive load.

That friction isn't just annoying. It explains a great deal about where the Prompt Economy actually lives today.

Despite years and billions spent perfecting mobile-first design, most prompt-heavy and agent-driven interactions still happen on desktops and laptops. Not because consumers prefer them, but because keyboards and large screens make it easier to express complex intentions. When people need to be precise, conditional, and explicit, they gravitate toward devices that make that easier.

That's not the mobile phone today.

For agentic commerce to migrate meaningfully to mobile, that constraint has to be addressed.

Agentic commerce needs to find its voice.

COMMERCE FINDS ITS VOICE

For more than a decade, digital commerce has been organized around mobile interfaces optimized for tapping, scrolling and keyword-based search. What's changing now isn't the interface itself, but how the commerce journey begins. And what consumers will expect of those experiences. Agents move shopping on mobile from "search, tap, scroll, click, compare, repeat" to "go do this for me." Consumers will replace discovery-driven navigation with intent-driven execution by agents.

Consider what that actually looks like in practice. Instead of hours searching, clicking and comparing five different sites and multiple options within them, they say to their favorite agent:

> *Plan and book a week-long family ski trip for two adults and two children under 14, for around $3,500, with direct flights, ski-in/ski-out lodging, transportation to and from the resort included, ski lessons and daytime activities for the kids, and charge it to the card that maximizes rewards, and if a better deal, also leverages my loyalty memberships at Delta and Marriott, and allows cancellation up to a week out.*

That's not a query. It's a complex chain of instructions that a consumer would ask a personal assistant to help with. A request that requires memory, judgment, optimization across merchants and services, and execution across payment rails.

THE VOICE ASSISTANT THAT WASN'T

When Amazon launched Alexa in 2014, the big idea was simple. People would talk to machines the way they talk to each other. From the start, my expectation was that voice would become a starting point for commerce and payments, not just a novelty for setting timers and playing music. For years, that made mine a somewhat lonely position, continually making the case that the most natural interface of all would ultimately become the front door to digital shopping, bill payment and everyday financial decisions, even as early usage data suggested otherwise.

Over the years, I was also clear about why that vision stalled. First-generation voice assistants were good at handling commands but poor at managing conversation. Like a desktop or laptop, they required being at a specific device and using a "wake word" to initiate what was, in truth, not much of a conversation. They struggled with nuance, trade-offs and the iterative back-and-forth that complicated commerce decisions require.

Voice without context and reason wasn't really that smart.

FROM COMMAND DEVICES TO EMBEDDED AGENTS

That constraint is now fading. Large language models and agentic systems fundamentally change what voice can do. Spoken prompts can be long, conditional and iterative. Context can persist across turns. Agents can evaluate options, make decisions, and take action. Voice stops being a keyword command and becomes a conversational interface.

Just as important is where those voice agents now live. They are no longer tied to a single smart speaker on a kitchen counter. Voice is becoming embedded. In earbuds, in cars, in mobile banking and retail apps, in operating systems, and soon in dedicated audio-first devices that pair tightly with frontier models. Instead of shouting across the room to a box on the counter, consumers will speak quietly into the microphone that is already next to their ear, in their dashboard or in their hand.

On mobile, that shift is decisive. Voice turns the phone from a scrolling device into an instruction device, removing the single biggest barrier to complex mobile commerce: typing.

TODAY'S MOBILE ASSISTANTS AS ON-RAMPS

As agentic capabilities mature, two distinct strategies for voice are emerging.

One approach embeds voice into systems that are already smart. In this model, the system already understands users, transactions, preferences, constraints and consequences. It knows how money moves, how risk is managed, and how exceptions are handled. Voice becomes the mechanism through which intent triggers an action, not the place where intelligence resides.

The other approach attempts to make voice itself the intelligence layer. Here, speech interfaces are treated as voice-operating systems, with memory, reasoning and orchestration layered on top of conversation. The ambition is for voice to become the place where decisions are formed rather than expressed.

We see these strategies playing out in real life.

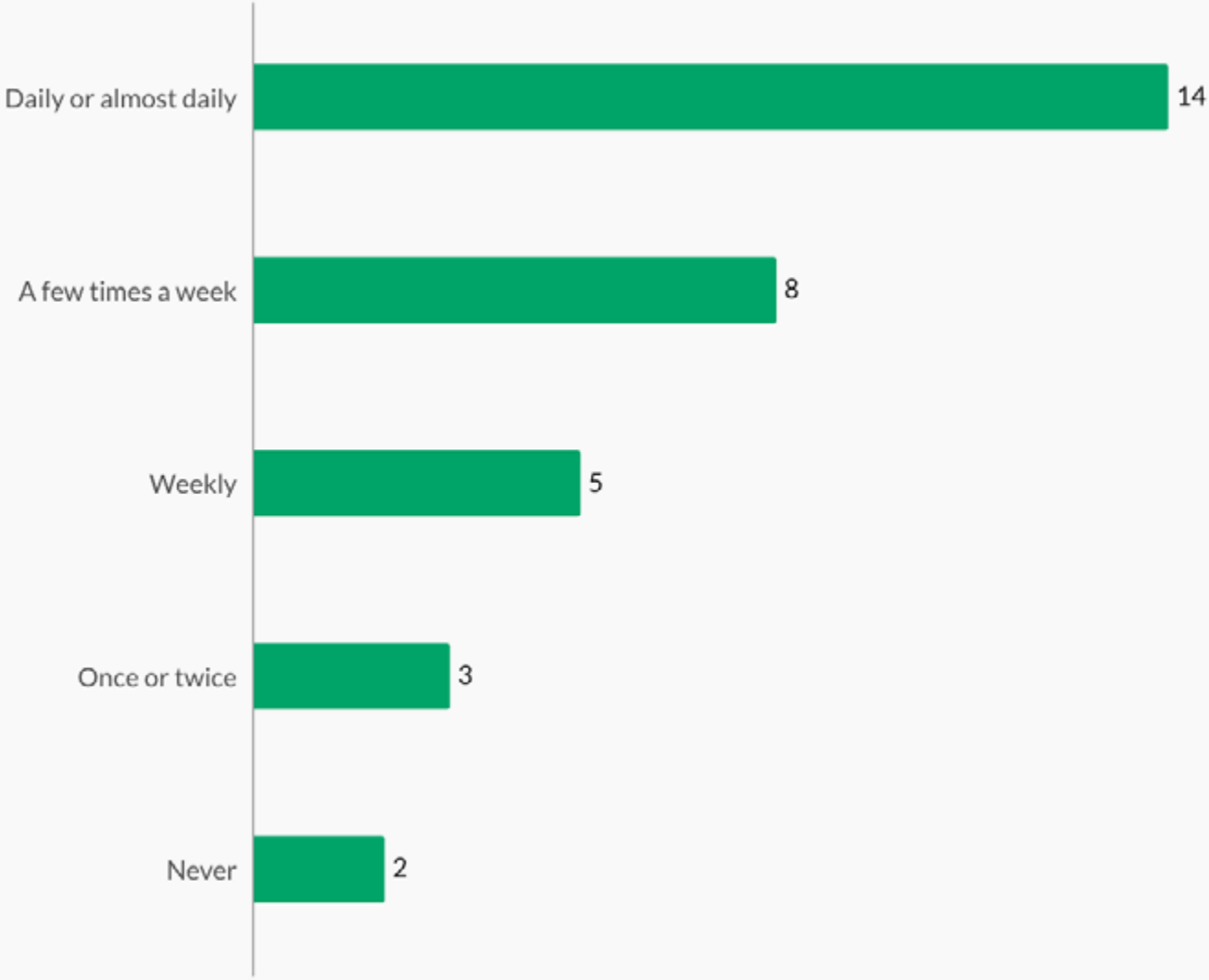
The installed base of mobile voice assistants — Siri, Google Assistant, Bixby and Alexa on phones — has already trained consumers to talk to their devices, even if only for simple tasks like asking for the weather, setting reminders or placing a quick reorder. What changes in 2026 is not consumer willingness to

speak, but the intelligence consumers find on the other end of the microphone. Amazon's Alexa+ is attempting to reinvent itself for an agentic era after years as a command-and-control assistant, while Apple's Siri, once the pioneer of voice, has visibly lagged in generative AI and remains an open question in agent-driven commerce.

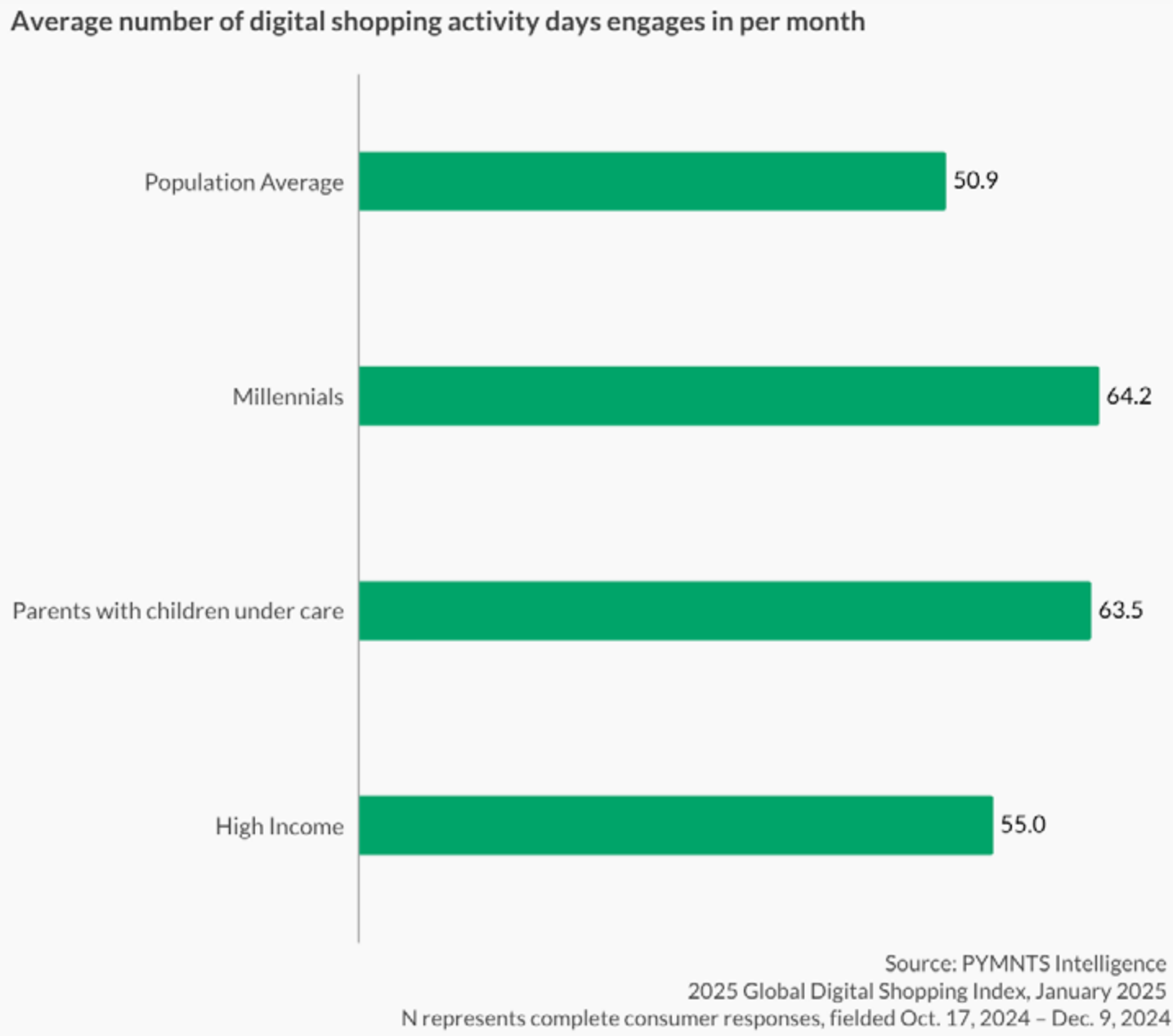
In parallel, AI-native platforms are racing to define the new default mobile agent. OpenAI is investing heavily in voice, consolidating teams around a new audio model and an audio-first device effort led by Jony Ive's hardware studio. Voice-native startups are creating voice operating systems that support already-smart AI platforms.

The opportunity for retail is well within reach. And massive. The 2025 Visa Global Digital Shopping Index, produced with PYMNTS Intelligence, documents the rise of the “mobile window shopper,” a consumer who browses on mobile multiple times per week and converts those sessions into purchases at roughly three times the rate of the typical mobile shopper, especially in higher-margin retail categories. These consumers skew toward higher-income households and parents.

Average days per month consumers made an online order via their mobile phones or tablet, by frequency of window shopping



Source: PYMNTS Intelligence
2025 Global Digital Shopping Index, January 2025
N represents complete consumer responses, fielded Oct. 17, 2024 – Dec. 9, 2024



Source: PYMNTS Intelligence
2025 Global Digital Shopping Index, January 2025
N represents complete consumer responses, fielded Oct. 17, 2024 – Dec. 9, 2024

In other words, retail's most valuable customers already live on mobile, with their shopping preferences only a few spoken words away.

What these consumers lack isn't intent, since they are using AI-native platforms today to search for what they want to buy. It's a low-friction way to activate agentic commerce on the device they use for just about every aspect of their daily lives. While commuting, at lunch, walking the dog, running errands, at the kid's hockey game, standing in a store aisle or talking through options while watching TV on the couch.

Agentic commerce won't be unlocked by better buttons or more elegant screens. It will be unlocked when consumers can simply say what they want and trust that it will be done. Voice is the interface that finally makes that possible at scale, in the one place commerce actually happens: in the palm of the consumer's hand.

The question 2026 will answer is whether consumers respond more to voice built natively into intelligent AI platforms or to attempts to make legacy voice assistants smarter.

3

Smart Agents Replace Super Apps

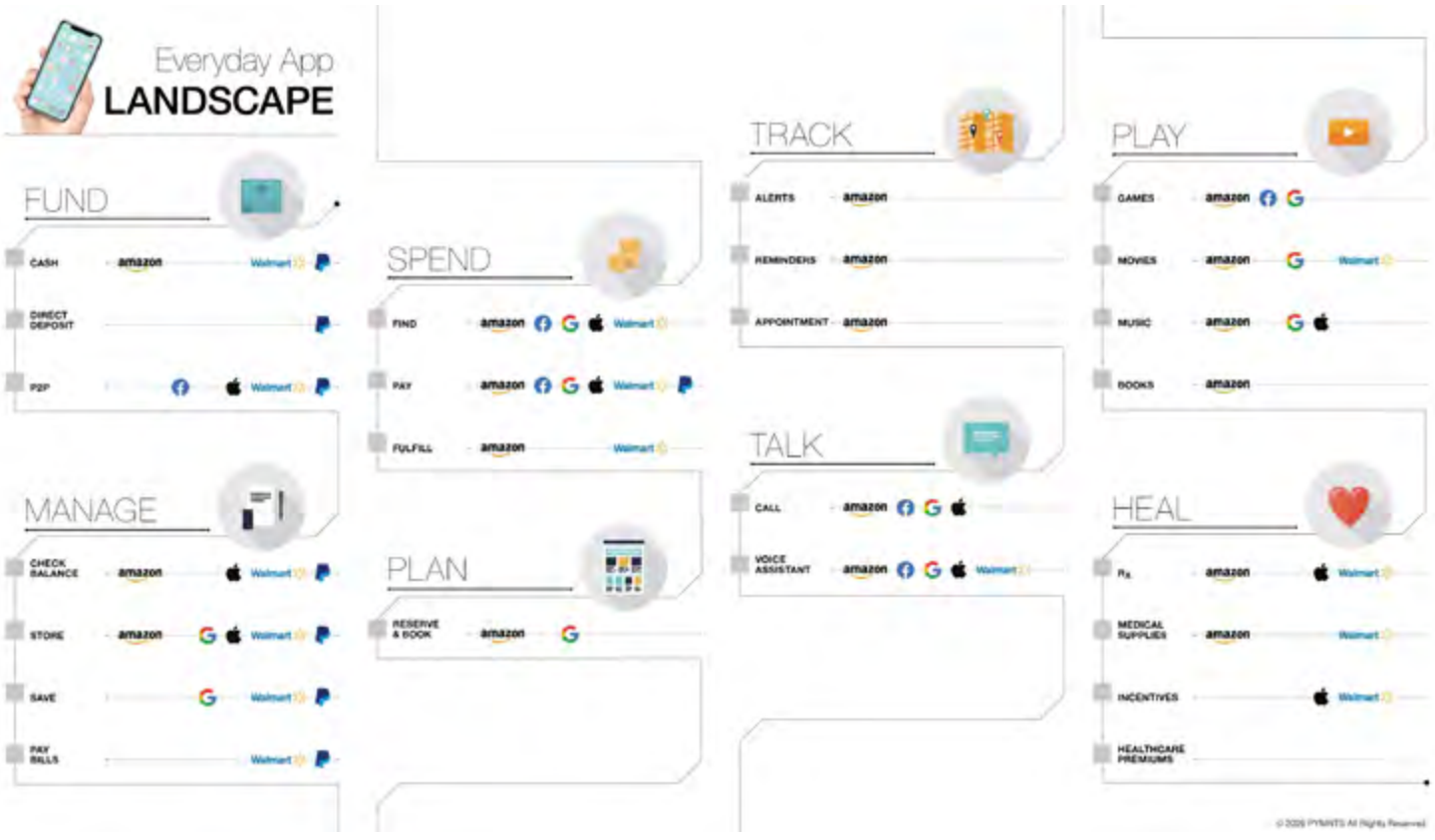
WHAT 2026 WILL MAKE OBVIOUS

Smart Agents are not the next evolution of Super Apps. They reverse the logic that made Super Apps powerful in the first place.

Smart Agents are emerging as AI-native, goal-driven interfaces that act on behalf of consumers across many merchants and platforms. In doing so, they challenge the core premise of the Super App: a single, vertically integrated digital front door controlled, governed and monetized by one platform.

For more than a decade, Big Tech, Big Retail, and Big Finance have chased the same idea. Build an app that does everything. Messaging, shopping, payments, financial services, healthcare, mobility, daily life. Simplify the complexity of the consumer's world by pulling it inside a single ecosystem and curating what the consumer sees, chooses and buys.

In 2019, I reframed that ambition as the "Everyday App," an organizing construct for how platforms were trying to aggregate daily use cases and where the major players fit along that spectrum. At the time, the logic was clear. A single front door would reduce friction for consumers and create powerful advantages for the



platforms that owned it. Six years later, agents and AI are turning that logic inside out.

KNOCKING ON DIGITAL'S FRONT DOOR

The dream of being the front door has not disappeared. What has changed is who does the knocking, and who does the opening.

In the Super App era, the consumer opened the door and stepped into a larger ecosystem filled with curated options they were expected to navigate. In the agentic era, the consumer does not enter the ecosystem at all. Instead, they send someone else inside to look on their behalf.

Their smart agent.

The Super App model centralized consumer choice inside a platform that the operator controlled and monetized. Discovery, identity, wallet, personalization and the rules of engagement all belonged to the platform. Merchants competed, and paid, for placement inside someone else's environment in order to be seen, chosen and converted.

Smart Agents reverse that dynamic.

They take the work of searching, comparing, and deciding out of the consumer's hands and give it to software instructed to act in the consumer's interest. That changes everything: how retailers compete, how platforms monetize, and how buying decisions are made.

FROM SUPER APP TO SMART AGENT

The Super App story almost always begins with WeChat. What started as messaging expanded into social, then payments, then a dense ecosystem of mini programs that allowed consumers to do nearly everything without leaving Tencent's walls.

Others followed. Uber layered food, groceries, mobility and payments on top of ride-hailing. Grab and Gojek combined transportation, payments and commerce across Southeast Asia. Amazon and Walmart expanded horizontally into food, media, healthcare, prescriptions, delivery and beyond. Banks, wallets and retailers built their own versions, stitching together loyalty, offers, payments and third-party sellers to keep their credentials top-of-wallet.

Across all of these models, the promise to the consumer was convenience. The benefit to the Super App operator was control.

Smart Agents break that compact.

Agents operate across many merchants and platforms at once. The organizing principle is no longer the platform's ecosystem. It is the consumer's intent.

In a Super App world, discovery is shaped by the platform's priorities, pricing transparency is limited, and switching costs are high. In an agentic world, the agent's job is to search broadly, compare honestly, and execute efficiently on the user's behalf. And it's all guided by preferences and constraints set by the consumer, not by a single platform's business model.

That makes the Super Agent the new front door.

Consumers tell the agent what they want. The agent interprets the request, searches across merchants and services, evaluates tradeoffs and assembles the outcome. Smart Agents don't need to own the ecosystem; they just need access to all of them.

HOW SUPER AGENTS ACTUALLY WORK

The mechanics matter because they explain why this shift is both inevitable and durable.

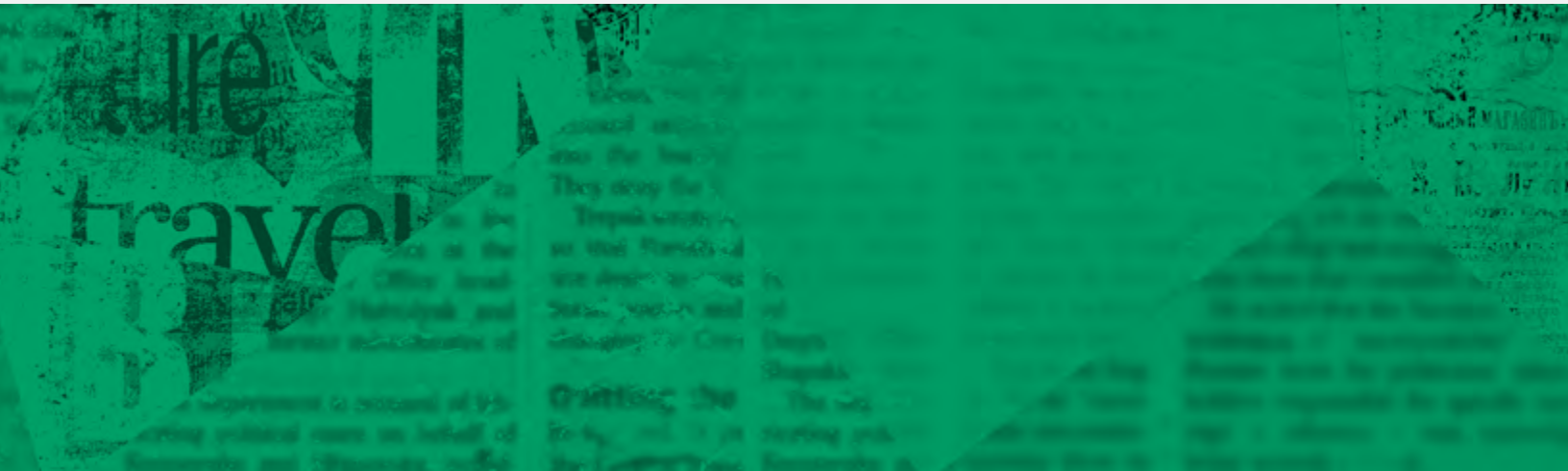
Let's say a consumer asks her Smart Agent to plan a long weekend in Miami for under $1,500, leaving from Boston, with direct flights and a boutique hotel on the beach. The agent translates that request into goals and constraints, then orchestrates API calls to airlines, hotels, transportation providers and ancillary services.

It weighs price, timing, loyalty preferences, cancellation policies and risk tolerance. It offers options that fit the brief. If the consumer stated a preference for a hotel or airline brand, that is considered as part of the search. Once approved, it executes bookings, handles payments and identity verification using stored or tokenized credentials, and stays engaged to manage changes, delays or disputes.

Under the hood, this looks very different from a Super App.

There is an intent layer that turns natural language into structured objectives. A data layer that pulls availability and pricing from multiple merchants. A scoring layer that balances user preferences, historical behavior, and guardrails designed to keep user optimization primary. And an **execution layer that handles payment**, identity, fraud, fulfillment, and post-purchase workflows.

In a Super App, that same journey would be constrained to a single ecosystem's partners and inventory, shaped by paid placement, revenue share or owned supply. And managed step by step by step by step by step by step by the consumer herself.



INCENTIVES, TRUST AND THE FORK IN THE ROAD

All that said, Smart Agents face their own defining choice.

On one path, they operate as true consumer fiduciaries, optimizing for outcomes the user cares about and being paid in ways that keep incentives aligned. Or they become a different version of the Super App, funded primarily by merchant incentives, ad or revenue shares or pay-to-play placement.

For Smart Agents to replace Super Apps as the dominant interface for commerce, trust has to be earned and maintained. That means transparency around how recommendations are funded, clear separation between optimization and monetization, and user-controlled preferences that actually govern outcomes.

The platforms that get this right will be designed for auditability, override controls and clear records of what tradeoffs were made. The ones that do not will invite backlash that could slow adoption for everyone.

Regulation may play a role here. As agents handle autonomous payments and binding commitments, existing consumer protection and disclosure frameworks are likely to follow. It's also not clear whether agents that move money may be held to standards closer to brokers or advisors.

WHAT THIS MEANS FOR MERCHANTS AND PLATFORMS

Retail has lived through many transitions: from department stores to malls, from stores to websites, from websites to marketplaces, and then to social and direct-to-consumer models. In each phase, merchants have retained some control, either through their own channels or by paying for placement and influence.

The shift to Smart Agents is different.

For the first time, consumers gain access to the same optimization tools retailers have used for years. Agents will continuously test offers, fulfillment performance, pricing and service quality across merchants, updating their models of which sellers perform best along the dimensions the user cares about.

For merchants, this changes the game. Winning no longer means being the loudest brand or the biggest advertiser inside a platform. It means being the best option when an agent evaluates price, availability, reliability, service and post-purchase experience on behalf of a customer.

That requires becoming agent-ready. Structured product data. Reliable APIs. Machine-readable policies. Transparent service levels. Post-purchase signals agents can observe and learn from.

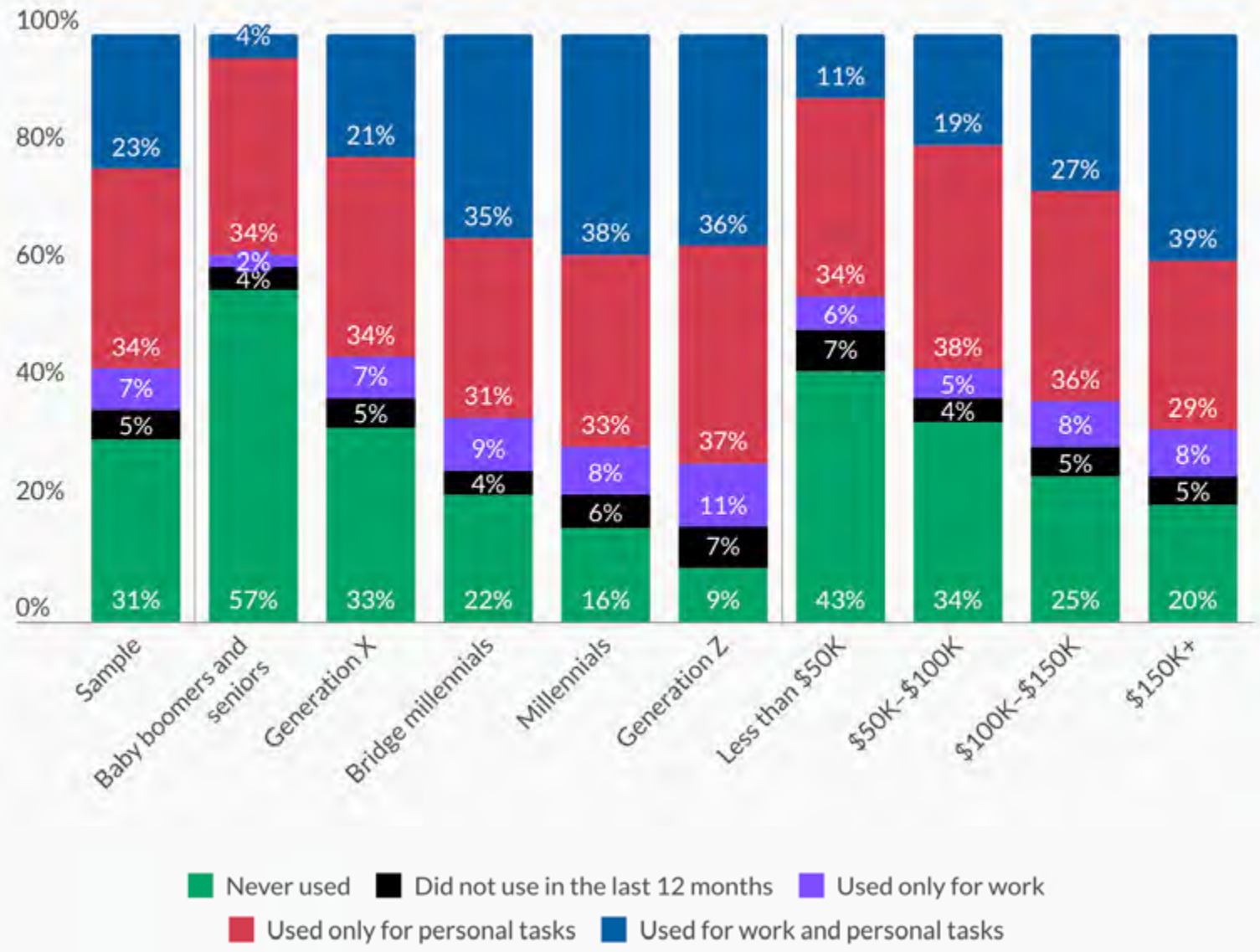
Publishers are already learning this lesson. Those who treat AI and agents as new distribution layers and optimize content for them are finding new paths to growth. Those who fight them risk being bypassed. The same dynamic will play out in commerce.

Early signals suggest consumers are ready. PYMNTS Intelligence research shows that 57% of U.S. consumers have used AI platforms for personal tasks. This is higher for younger and higher-income individuals.

In addition, a growing share already rely on AI for shopping research, especially in categories where comparison is complex.

How consumers use AI

Share of consumers who used AI for select reasons in the past year



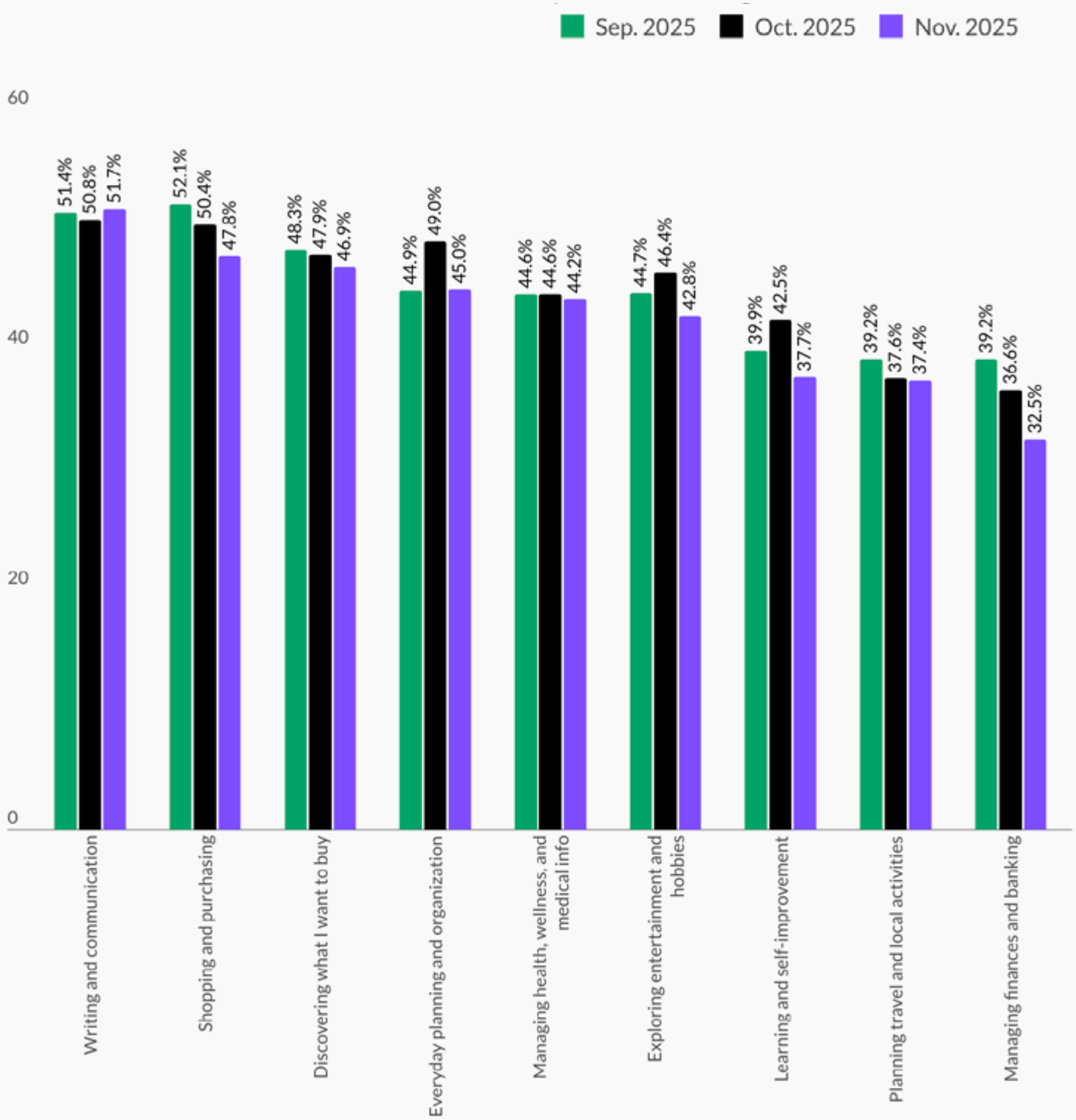
Source: PYMNTS Intelligence
How AI Becomes the Place Consumers Start Everything, December 2025
N = 2,113: Complete responses, fielded Oct. 14, 2025, to Oct. 29, 2025

PERSONAL USES OF PROMPT-BASED AI

Smart Agents may not eliminate Super Apps overnight. But they eliminate the assumption that demand must flow through platforms that control discovery and choice.

How consumers use AI

Share of consumers who accomplished select personal tasks using AI



Source: PYMNTS Intelligence

N = 1,228: Consumers who used AI for personal tasks, fielded Nov. 10, 2025, to Dec. 10, 2025

4

BNPL's Next Act Is as **Consumer Working Capital**

WHAT 2026 WILL MAKE OBVIOUS

In 2026, Buy Now, Pay Later stops being a checkout feature and becomes working capital for the modern middle class, replacing overdraft and late fees as the default way paycheck-to-paycheck consumers manage timing gaps between income and expenses.

BNPL's next act is not about helping Gen Z buy more sneakers. It is about becoming the everyday liquidity tool consumers use to keep the lights on, the pantry stocked and the bills current, without feeding the overdraft and late-fee machines that have long filled that role.

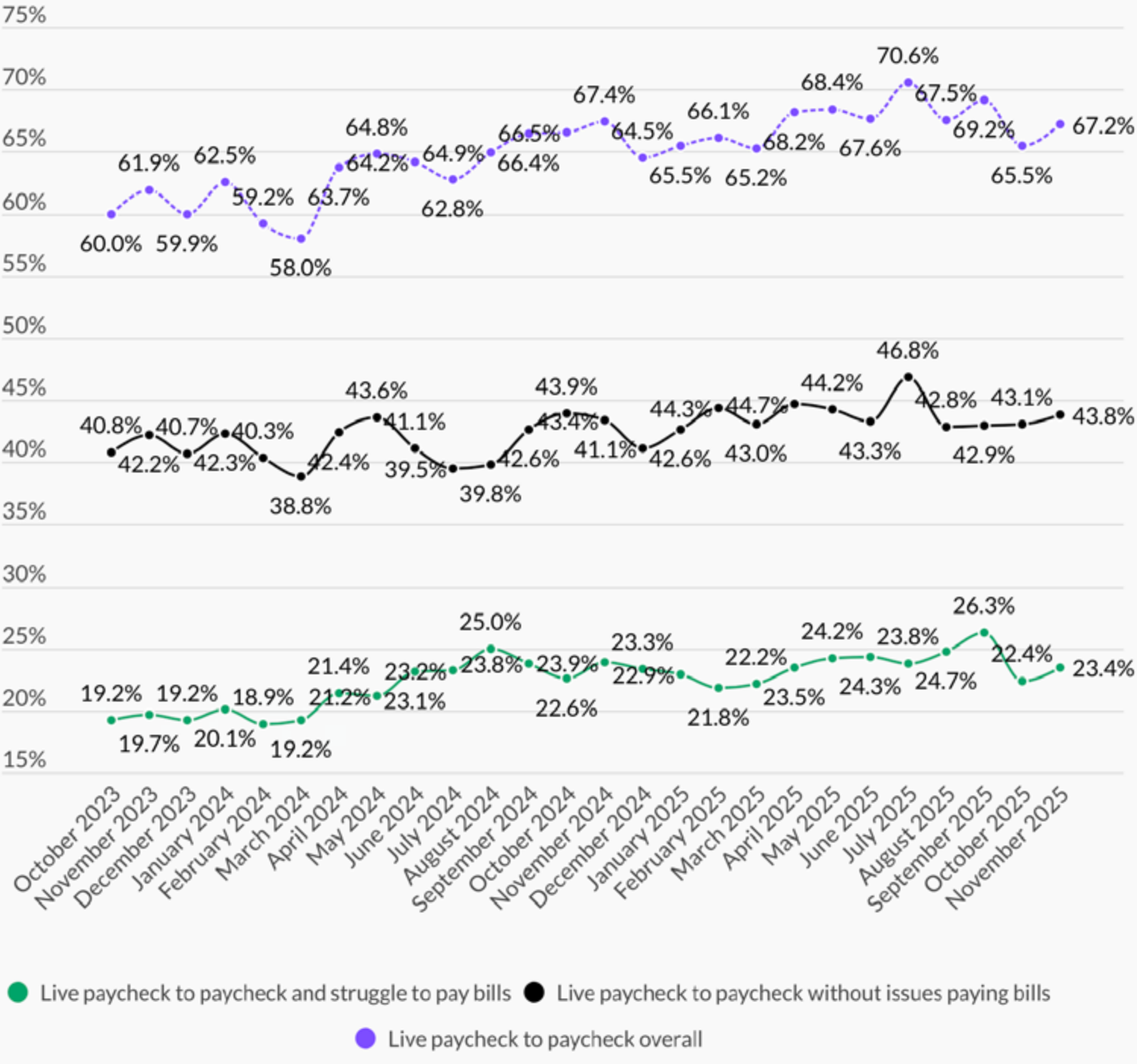
This shift is significant, not because consumer attitudes toward credit have suddenly changed, but because the financial reality facing U.S. households has.

According to PYMNTS Intelligence, roughly two-thirds of Americans say they live paycheck to paycheck today. That group spans income levels, professions and education. Some live this way out of necessity, because their paychecks — along with when they get them — no longer cover the rising cost of basics like housing, food, utilities, insurance and healthcare. Others do so by choice, allocating income toward what they consider essential: kids' education, after school activities, travel to see family. Even as those "choices" become more expensive and less discretionary in practice.

In both cases, the problem is the same. Bills arrive on fixed dates. Paychecks do not always synch that way. Timing, not total income, is often what breaks household budgets.

Paycheck-to-paycheck living over time

Share of U.S. adult consumers living paycheck to paycheck, by month surveyed



Source: PYMNTS Intelligence
New Reality Check: The Paycheck-to-Paycheck Report, December 2025
N = 2,609: Whole sample, fielded Nov. 18, 2025, to Nov. 30, 2025

FROM FASHION FINANCING TO FINANCIAL PLUMBING

When BNPL first broke into the mainstream, it was framed as a convenience product for discretionary spending. Pay in three or four. No interest. No fees. The narrative, along with the unfair criticism. centered on impulse purchases and overconsumption.

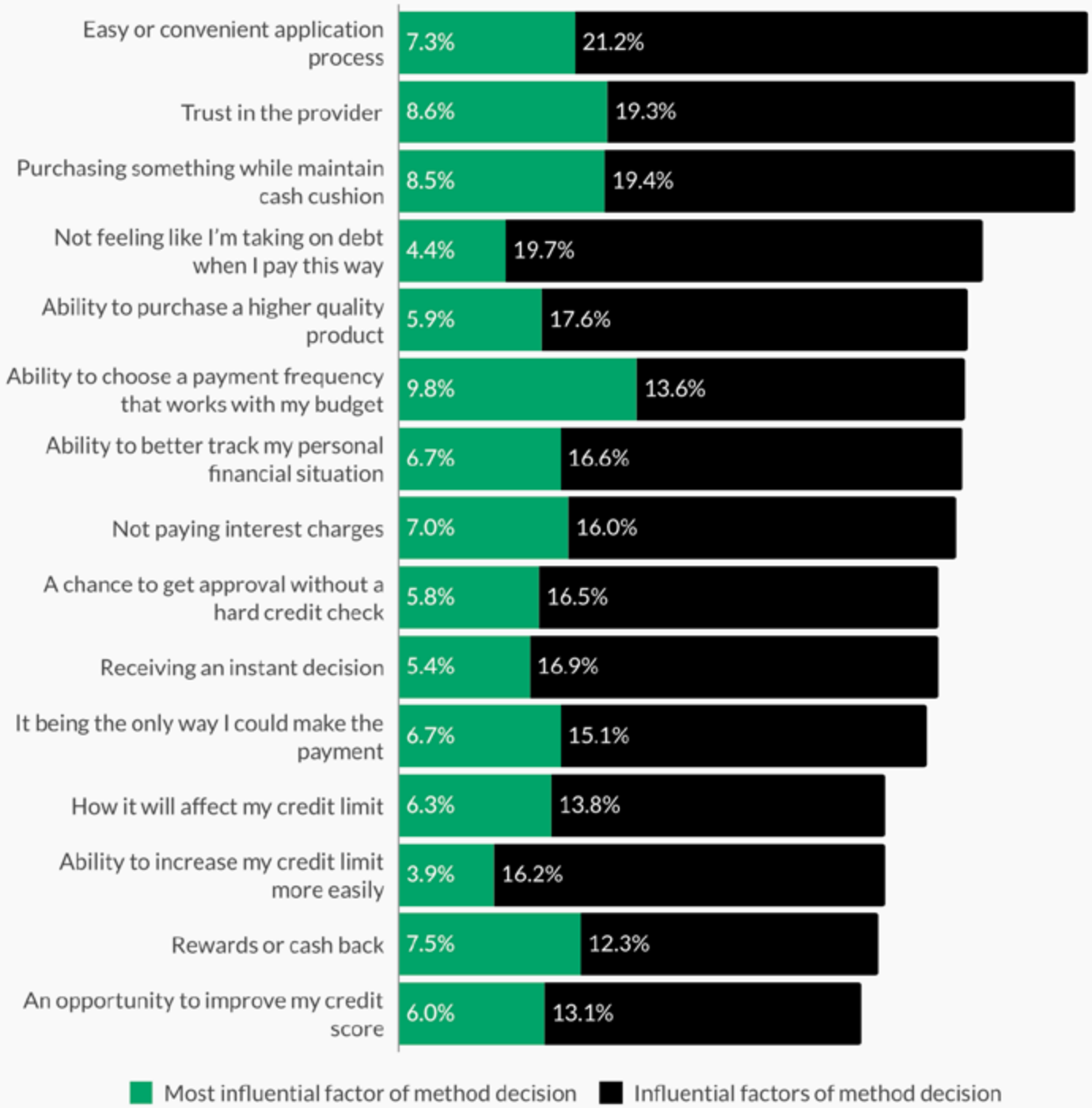
But that framing misses what the data shows.

Across retail categories, BNPL delinquency rates remain comparable to or better than many traditional credit products. Most consumers do not use BNPL to overspend. They use it as a budgeting tool to align spending with income cadence and to manage necessary purchases when expenses spike ahead of paychecks.

The BNPL use cases have shifted accordingly. Installments are no longer confined to fashion and electronics. They increasingly show up in categories tied to everyday life: groceries, utilities, healthcare, travel, education-related expenses and household services. In other words, BNPL is moving from the margins of spending into its core.

That shift matters because it puts BNPL in direct competition with the tools consumers have historically relied on to bridge paycheck gaps.

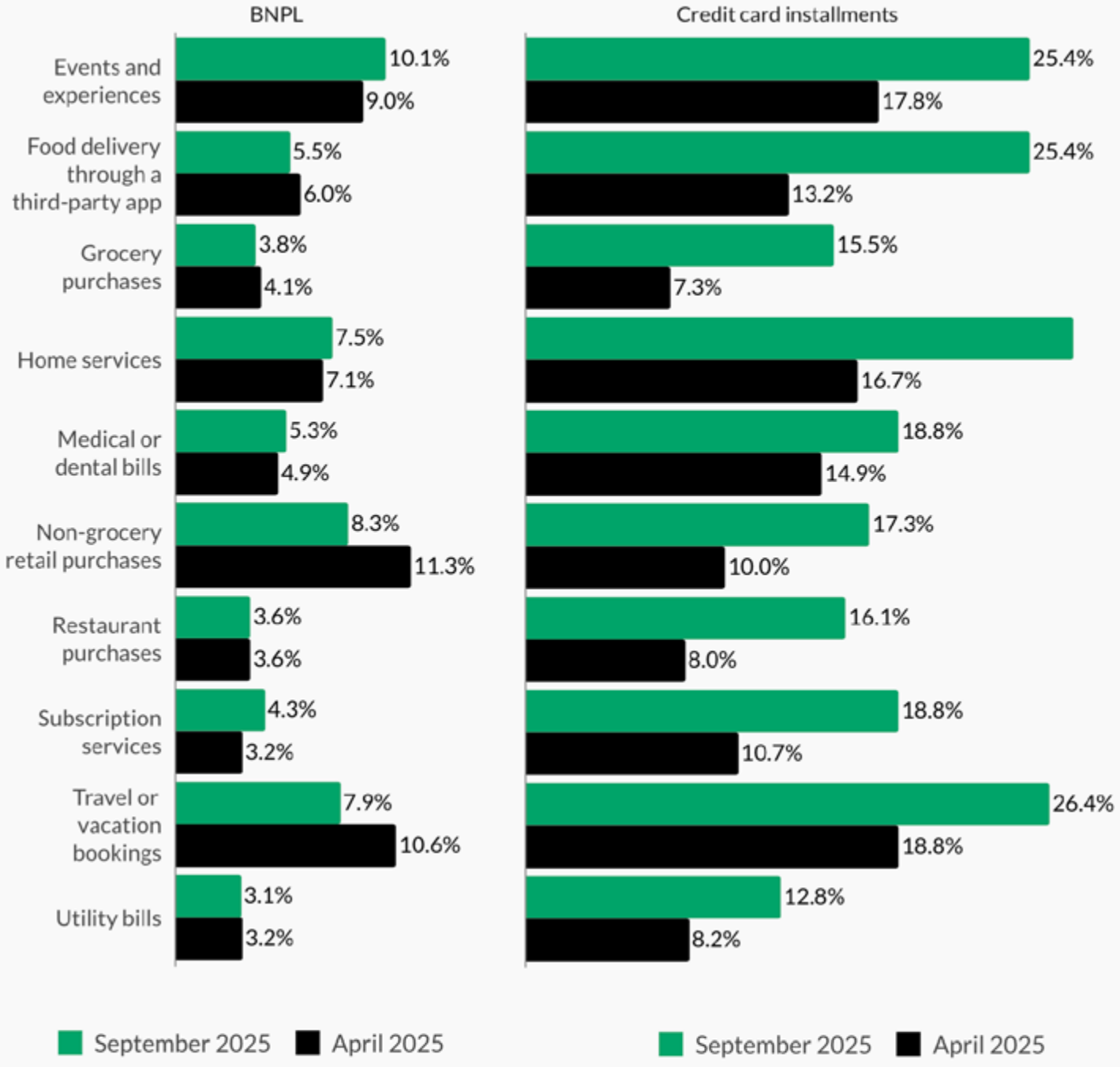
Why consumers choose BNPL



Source: PYMNTS Intelligence
Credit Card Installments Outrun BNPL in Summer Travel Surge, November 2025
N = 289: Respondents who used BNPL for at least one purchase in the last three months;
N = 577: Respondents who used credit card installments for at least one purchase in the last three months, fielded Aug. 21, 2025, to Sept. 11, 2025

Purchases made using BNPL and credit card installments

Consumers who made selected purchases using BNPL or credit card installment at least once in the last three months



Source: PYMNTS Intelligence
Credit Card Installments Outrun BNPL in Summer Travel Surge, November 2025
N varies by category; Consumers who made specific purchases in the last three months, fielded Aug. 21, 2025, to Sept. 11, 2025

THE REAL INCUMBENTS: OVERDRAFTS AND LATE FEES

For decades, overdrafts and late fees quietly served as de facto working capital for households living close to the edge of their checking account balances. They were never designed for that purpose, but timing mismatches between income and expenses turned them into exactly that.

The math is brutal. A single overdraft still costs roughly $35. Late fees on utilities, medical bills and credit cards often run $25 or more per incident. PYMNTS Intelligence research shows that nearly one-third of hourly and paycheck-to-paycheck workers incur these penalties at least monthly, with average costs hovering around $50 per month — a regressive liquidity tax that consumes a disproportionate share of their take-home pay.

For a household earning $40,000 to $50,000 annually, those fees alone can amount to hundreds of dollars a year. For workers in the labor economy, they can exceed 3% of wages. This is not edge-case behavior by reckless consumers who can't manage their money. It is systemic.

BNPL can flip the economics of that timing.

Overdrafts and late fees are backward-looking. Consumers incur them after they stumble. BNPL is forward-looking. It prices the risk, sets the repayment schedule and discloses the obligation before the transaction is authorized, with fixed dates and fixed amounts that consumers can model against their paychecks.

That distinction is what will attract users in BNPL's next act.

WHY DEBIT BECOMES THE FRONT DOOR

What makes BNPL's evolution durable is not just its predictable payment terms, but where those payments are anchored.

The debit card, linked directly to the checking account that runs everyday life, becomes the front door. For most consumers, checking is financial ground zero. It is where paychecks land, bills clear, groceries are bought and rent is paid. It is the account consumers watch most closely because it reflects their financial reality in real time.

When installment options sit behind that same credential, credit stops feeling like a separate decision. Consumers are no longer toggling between "spending money" and "borrowing money" across different products. They are managing their cash flow from one place. Like the household CFO.

That opens the door to flexible payment modes from a single account. Pay now when funds are available, pay a little later when timing is tight, or spread payments further when expenses spike or income timing gets wonky. Credit becomes a method of payment, with a finish line that is well-defined.

WORKING CAPITAL FOR THOSE WHO NEVER HAD IT

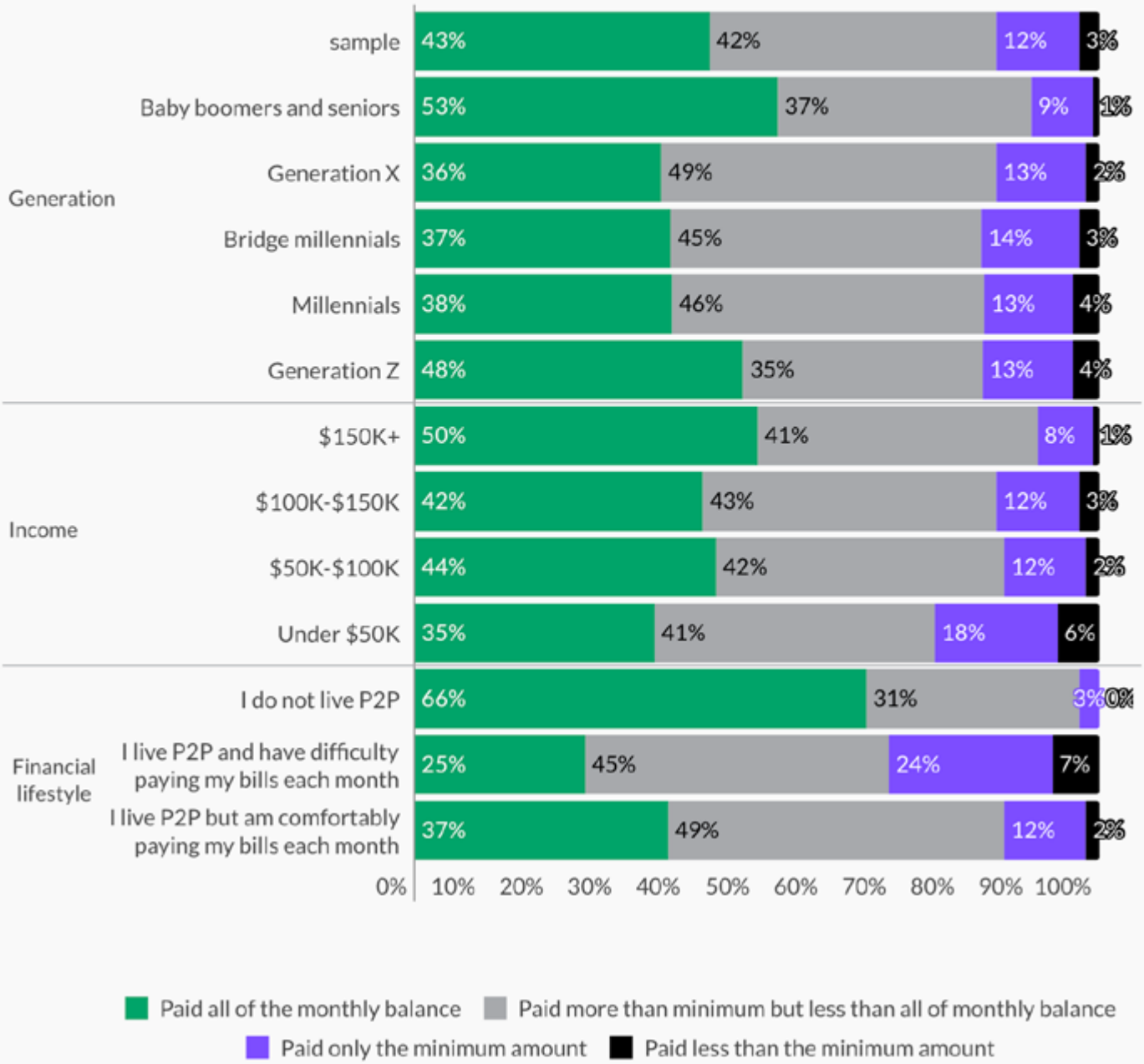
Affluent households have treated credit cards as working capital for decades. They were, after all, the original Pay Later credential. These consumers swipe them for everyday purchases, then decide later whether to pay in full or revolve a portion of the balance, absorbing shocks with high limits, float and optionality. Along with the rewards of using those cards.

Most middle- and lower-income households do not have that cushion. What BNPL and debit-linked installments do in 2026 is bring a structured version of that working-capital capability to consumers who either cannot access, or do not want, large revolving credit lines. Especially considering that more than half of consumers typically revolve at least some of their credit card balance.

Instead of gambling on balances clearing before bills hit or playing the float with checks, consumers get predictability. Fixed payments. Fixed dates. A defined end point. Fewer chances to trigger a $35 overdraft or a $25 late fee on a sub-$200 obligation.

Credit card payment behavior

Consumers who paid selected amounts of their monthly balance in December 2025, by demographic



Source: PYMNTS Intelligence
N= 2,069: Consumers who have paid their credit card balance, fielded Dec. 10, 2025, to Dec. 29, 2025

WHAT BNPL REPLACES IN 2026

To be clear, what I have described is not BNPL replacing credit cards. Instead, it is replacing the brittle, punitive system households have long used to manage paycheck-to-bill-payment timing mismatches: overdrafts and late fees.

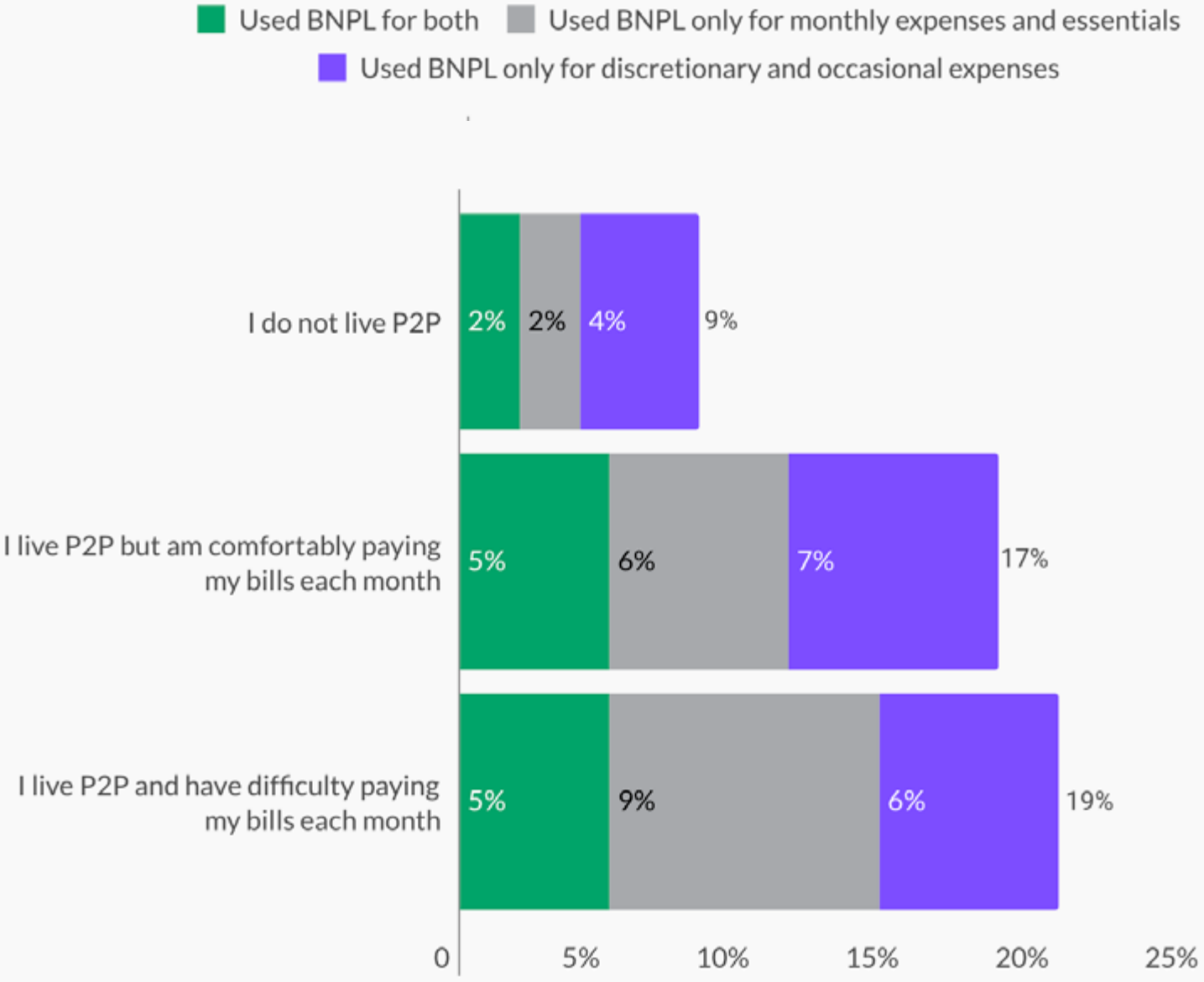
For decades, fee-based penalties monetized consumer timing problems. BNPL engineers around them instead.

Once consumers experience predictable liquidity rather than penalty-driven friction, there is no going back. And once enough everyday spend migrates to that model, overdrafts and late fees stop looking like evergreen profit centers and start looking like legacy artifacts of a system built for a different economic reality.

BNPL's next act is not about encouraging more consumption, but about giving a paycheck-to-paycheck economy a better way to function.

BNPL persona distribution

Share of consumers using BNPL for different type of purchases, by financial lifestyle



Source: PYMNTS Intelligence
N= 2,870: Whole sample, fielded Dec. 10, 2025, to Dec. 29, 2025

5

The Labor Economy Becomes the **Next Payments Innovation Engine**

WHAT 2026 WILL MAKE OBVIOUS

In 2026, the Labor Economy becomes one of the most important sources of economic growth — not despite automation, but because of it. As intelligence scales, demand accelerates for human labor that cannot be abstracted away.

The dominant narrative about artificial intelligence assumes that automation shrinks the need for human workers. History suggests the opposite. Technology replaces discrete tasks, but it expands demand for human work that requires judgment, dexterity, presence and trust.

That work now defines the Labor Economy.

Roughly 60 million Americans earn income through hourly, shift-based roles that keep the physical economy running. They stock warehouses, unload trucks, staff hospitals, clean hotel rooms, prepare meals, maintain buildings, support live events, care for the elderly and deliver goods at speed.

According to the Wage to Wallet Index, a PYMNTS, WorkWhile and Ingo Payments collaboration, they drive approximately $1.7 trillion in annual consumer spending, accounting for roughly 15% of consumer spending. The Index finds that a 1% change up or down in Labor Economy wages translates into a $17 billion GDP impact, underscoring just how economically consequential this segment is.

Labor Economy at a Glance

60M

Americans earn income through hourly, shift-based roles

15%

of total U.S. consumer spending

$1.7T

driven in annual consumer spending

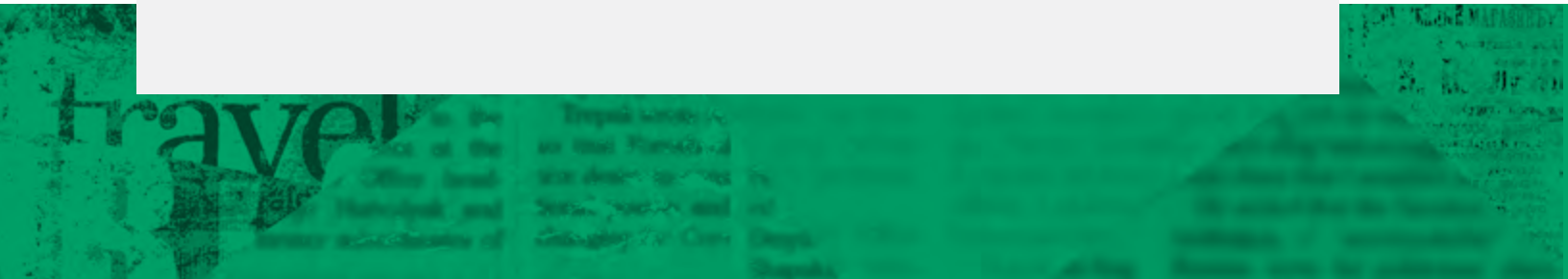
1%

Wage change equals a $17B swing in GDP

This workforce is not shrinking. It is expanding.

Robots do not prepare hospital rooms between patients, manage a kitchen during a dinner rush, reset a stadium overnight, or improvise when a delivery arrives late. AI can optimize systems, but it cannot adapt quickly to chaos. The recent Waymo and the San Francisco power outage is a real-life proof point. For that, we need people.

Enrollment in vocational and trade-focused community college programs has surged, growing nearly 20% since 2020, even as more traditional academic tracks have struggled to recover. Construction, extraction and related trades are projected to grow faster than average, with hundreds of thousands of openings annually. Hospitality employment has rebounded from Covid lows to more than 17 million workers as travel and live events return at scale.



Non salaried employment

Share of consumers on select type of employment, by main occupation

		Hourly wage	Gig / platform-based pay-per-task or trip	Commission-based pay	Contract or consulting fee
Main occupation	Customer facing in retail	68.9%	5.6%	2.4%	4.1%
	High skill technological related	21.7%	1.8%	4.0%	12.2%
	Manual or physical tasks	60.5%	7.4%	3.0%	4.9%
	Non-customer facing in retail	50.8%	10.8%	7.2%	8.6%
	Office-based	31.6%	0.6%	3.7%	6.0%
	Qualified education	35.1%	4.1%	2.4%	6.0%
	Qualified healthcare	58.0%	4.0%	0.7%	8.0%

Source: PYMNTS Intelligence
New Reality Check: The Paycheck-to-Paycheck Report, November 2025
N = 1,311: Employed respondents, fielded Oct. 10, 2025, to Oct. 29, 2025

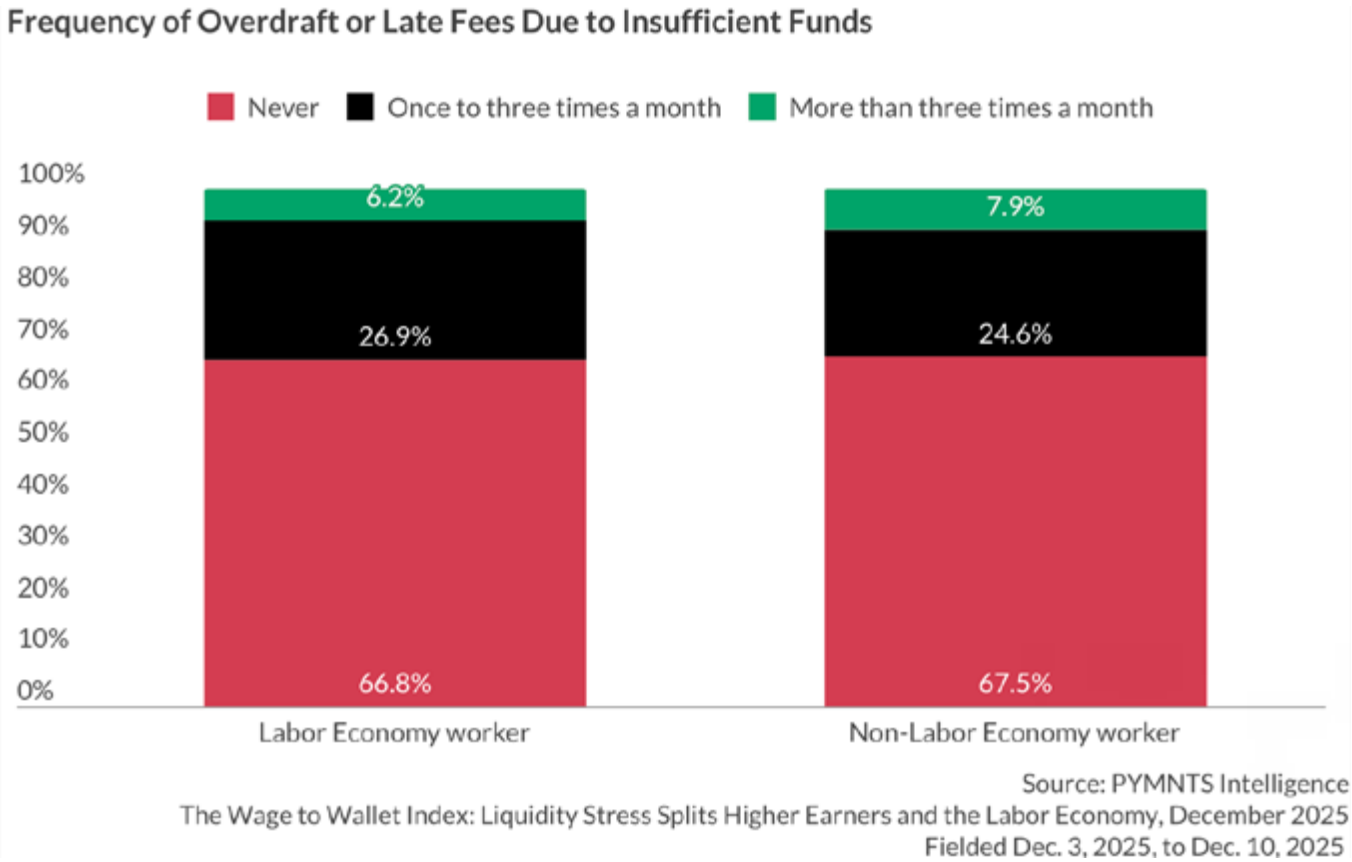
An aging population is driving sustained growth in healthcare and personal care roles. The build-out of AI and cloud infrastructure is fueling record investment in data centers, logistics hubs, manufacturing facilities and construction projects that require skilled trades. Ecommerce, reshoring and same-day delivery are raising expectations for speed and reliability that only human labor can meet.

As intelligence moves deeper into software, the value of the human layer that executes, responds and adjusts in the physical world increases. The Labor Economy is not a transitional class waiting to be automated away. It is the human infrastructure that makes our AI economy function.

WHY THE STAKES ARE RISING, NOT FALLING

Because this workforce is growing, not contracting, the systems that support it matter more than ever.

Most Labor Economy workers earn under $50,000 annually and live paycheck to paycheck. Their income arrives unevenly across shifts, employers and platforms, while expenses arrive on fixed schedules. PYMNTS Intelligence finds that nearly half delayed or missed a bill payment in the prior month because their paycheck had not yet cleared, even though the work had already been completed.



Source: PYMNTS Intelligence
The Wage to Wallet Index: Liquidity Stress Splits Higher Earners and the Labor Economy, December 2025
Fielded Dec. 3, 2025, to Dec. 10, 2025

This fragility is not caused by instability in work. It is caused by decades old systems designed for a different kind of worker.

Financial services, benefits and training models were built around linear careers, single employers and predictable monthly pay cycles. The Labor Economy operates in fragments. Workers often hold multiple roles, stack shifts across employers and build skills incrementally over time. Without infrastructure that lets income, credentials and benefits move with them, growth creates stress instead of resilience.

That mismatch has turned the Labor Economy into the next major **innovation frontier**.

PAYMENTS WERE THE FIRST SIGNAL

The earliest wave of innovation focused on access to money.

Instant pay allows workers to access earned wages as soon as work is completed, shrinking the gap between labor performed and money available. For workers living close to zero balances, that gap often determines whether a bill is paid on time or a fee is incurred.

Adoption reflects the need. More than 20 million U.S. workers now use on-demand pay, with penetration reaching roughly 60% in sectors such as retail, hospitality, and healthcare. PYMNTS Intelligence data shows that access to earned wages reduces reliance on overdrafts, late fees, and short-term credit used solely to bridge timing gaps.

At the same time, shift-matching and on-demand staffing platforms have reshaped how labor supply meets demand. PYMNTS Intelligence estimates that platform-based shift work accounts for 15% to 30% of total income for many Labor Economy workers, acting as a financial buffer against income uncertainty and a way to monetize spare capacity.

Payments can solve the most immediate problem: liquidity.

They cannot solve mobility.

THE NEXT PHASE IS PORTABILITY

What defines the next phase of Labor Economy innovation is not working more shifts. It is carrying progress forward.

Labor Economy workers are more stable than they are often portrayed. They accumulate experience, reliability and skill over time.

What they lack is a way to recognize and preserve that progress as they move between employers.

Skills, certifications, safety training, reliability scores and tenure are still locked inside individual employers or platforms. When workers change roles or stack shifts across employers, that value resets. Benefits remain tethered to single jobs in a multi-employer reality. Training often sits outside the flow of work and income, making advancement costly and slow.

This is where innovation must move next.

Portable credentials that document skills learned on the job. Certifications that are recognized across employers and industries. Training pathways that fit into work schedules and translate directly into higher pay. Benefits that follow workers as reliably as their earnings do, rather than disappearing with every job change.

AI becomes an enabler here, documenting skills, validating experience, matching workers to higher-value roles and making progression visible and transferable.

WHY THIS MATTERS TO THE ECONOMY AT LARGE

When income becomes usable in real time, households stabilize. When skills are documented and portable, productivity compounds. When benefits and credentials move with workers, labor markets become more efficient.

This is not just a workforce story. It is an economic one.

The Labor Economy powers the physical systems that digital growth depends on. If these workers cannot absorb volatility, the economy absorbs it instead — through disrupted supply chains, understaffed hospitals, delayed construction and higher costs passed on to consumers.

THE SHIFT ALREADY UNDERWAY

The next decade will not be defined solely by how efficiently machines think, but by how well economic infrastructure supports the people who act, adapt and execute alongside “the machine.”

The opportunity for FinTechs is in new business models built around alignment for a workforce that powers the physical economy. Aligning pay with bills, aligning income volatility with financial stability, and aligning worker needs with employer incentives.

When pay timing mirrors real-world expense timing, spending stabilizes. When skills are standardized and transferrable, employment stabilizes. And when employment and spending stabilize for a segment responsible for in annual consumption, the broader economy benefits.

That is the Labor Economy ecosystem and the opportunity for FinTechs to step in to serve it. Those who do, will unlock one of the largest, most underserved innovation growth opportunities of the next decade.

6

Online Finally Breaks **Brick and Mortar**

WHAT 2026 WILL MAKE OBVIOUS

In 2026, online and digitally-influenced retail finally surpasses brick-and-mortar sales in the categories that matter most to modern retail. This moment has been years in the making, obscured less by consumer behavior than by how the industry measures itself.

The collapse of department stores did not end aggregation or discovery. It relocated them. What once happened inside physical buildings now happens online, increasingly shaped by algorithms and AI agents that organize choice at scale.

The signals have been visible for more than a decade.

In 2014, when eCommerce represented roughly 6% of U.S. retail sales, I argued that physical retail was not evolving fast enough to survive. At the time, that view was dismissed as alarmist.

In the way-back days before Nano Banana and Sora, this was the best I could do to emphasize that point.

Department stores like Macy's and Sears still dominated the rankings. Malls were struggling but not yet collapsing. And the prevailing belief was that consumers would always prefer to touch, feel and experience products in person.

What that argument missed was not consumer sentiment, but something more fundamental.

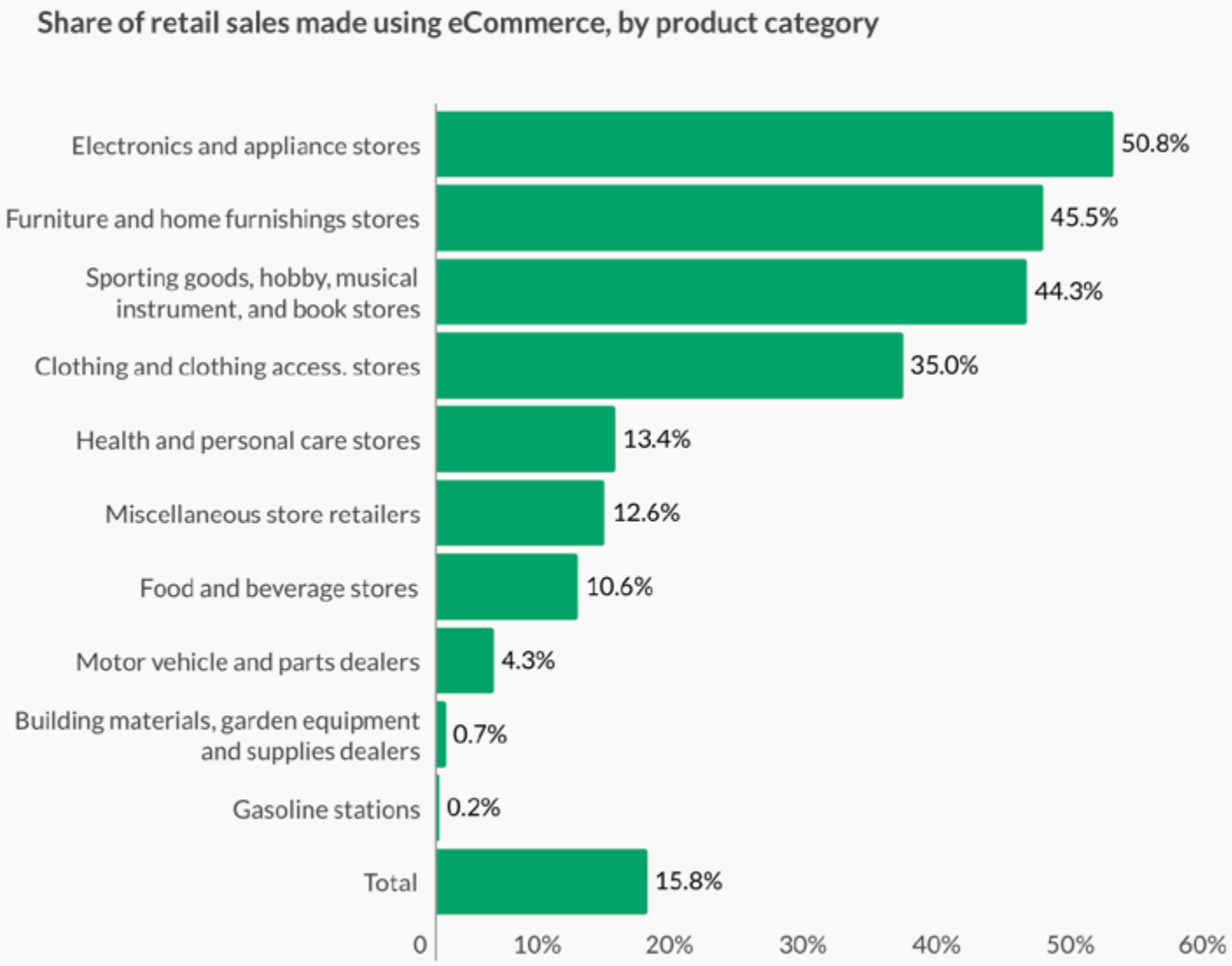
WHY THE DATA LAGGED BEHAVIOR

As we enter 2026, excluding autos, gas and much of grocery — categories where in-person shopping persists largely out of necessity rather than preference — online and digitally influenced transactions outweigh purely physical sales for the first time.

This crossover feels sudden only because the industry has been looking at the wrong numbers. And taking careless comfort in them.

Headline Census data places eCommerce penetration at about 16 to 17% of retail sales in 2025. That figure has long been used to argue that brick-and-mortar remains dominant. But it relies on a denominator that is a mirage. It masks where consumer choice actually exists. And where purchases are shifting.

In discretionary, higher-margin categories — apparel, electronics, home, beauty and general merchandise — online already accounts for anywhere between 30 to 50% of sales. These are the categories that once sustained malls and department stores. Even grocery, long considered the final physical store holdout, continues its gradual digital migration as pickup and delivery become routine. Once consumers experience the convenience of ordering online, the physical aisle starts to feel less like discovery and more like friction.



Source: PYMNTS Intellegence analysis on data provided by the Census Bureau

Reframe the retail universe this way, and the crossover is no longer debatable. The story was simply delayed in the telling.

THE DEPARTMENT STORE WAS THE REAL INFLECTION POINT

This shift did not begin with Amazon, nor did it start with failing malls. It began when department stores lost their reason for existing.

In 1990, department stores accounted for about 14.5% of U.S. retail sales. By 2024, their share had fallen to 0.5%. Dollar sales peaked in 2001 and declined steadily from there.

That decline mattered because department stores were not just another retail format. They were the organizing infrastructure of physical retail. They aggregated demand, curated selection and subsidized the economics of the mall. Specialty retailers depended on their foot traffic. When the anchors weakened, the ecosystem built around them became unstable.

By late 2024, the consequences were impossible to ignore. Roughly 1,100 U.S. malls remained, with vacancy rates nearing 9%, more than double the broader retail average. Class C malls exceeded 13%. Anchor closures drained foot traffic, and the smaller retailers that relied on it followed.

Even luxury could not escape the logic. The Saks–Neiman Marcus merger in 2024 was framed as a digital-era reinvention, but it increasingly looks like consolidation under pressure. Its bankruptcy at the end of 2025 is likely to put dozens of Class A properties at risk as store closures shift from defensive moves to strategic necessity. And the ripple effect of the stores in those malls seems inevitable.

The department store did not fail because it failed to innovate. It failed because its core function, the physical aggregation and curation of products, became obsolete.

AGGREGATION DIDN'T DISAPPEAR. IT MOVED.

What department stores once provided did not vanish. It just moved online.

The new anchors are no longer buildings. They are search engines, marketplaces, social feeds, recommendation algorithms and now AI agents that organize commerce dynamically and personally. And in seconds.

For more than a century, department stores solved the "too much choice" problem by curating assortments consumers trusted. Digital platforms took over that role by making search cheap and selection infinite. AI agents now take it one step further by acting on the consumer's behalf. Finding, comparing, and deciding without requiring the consumer to browse at all.

This is the structural reason physical retail lost its advantage. Once aggregation and discovery could happen digitally, continuously and at scale, the economics of gathering inventory under one roof no longer delivered value to the consumer.

WHAT THE 2026 CROSSOVER ACTUALLY MEANS

The 2026 crossover is not simply the moment when online sales exceed brick-and-mortar in the categories that matter. It is the moment when the economic logic of physical aggregation finally breaks.

Department stores were built to solve the “too much choice” and “too much friction” problems, and that logic held as long as discovery required physical presence and selection required shelf space.

Digital eliminated both constraints.

Search has reduced the cost of finding what you want. Marketplaces expanded selection without inventory risk. Social and algorithmic feeds reshaped influence. AI agents now compress discovery, comparison and decision-making into a single, continuous process that does not require a store visit at all.

Physical retail does not disappear. But it loses its role as the primary place where discovery happens and decisions are made. Starting in one channel and ending in another will be de rigor. Omnichannel will become more than a talking point for the retailers who prosper.

Stores become execution points. **Fulfillment centers**, pickup locations and showrooms. Not the anchors of the retail ecosystem.

The department store did not fail because consumers stopped shopping. It failed because the function it performed moved elsewhere.

That same shift now defines retail as a whole.

In 2026, online does not “win” because it is bigger. It wins because it finally becomes where aggregation, discovery and decision-making live.

The year in which the full extent of that shift finally becomes visible.

7

AI Doers Drown Out **AI Naysayers**

WHAT 2026 WILL MAKE OBVIOUS

By the end of 2025, the conversation around autonomous AI changed in a way that had little to do with public debate and everything to do with use. In 2026, that shift makes the argument about AI hype largely irrelevant.

By the end of 2025, the conversation around autonomous AI changed in a way that had little to do with public debate and everything to do with use. In 2026, that shift makes the argument about AI-hype largely irrelevant.

For most of last year, AI lived in a space dominated by two extremes. It was talked about constantly but trusted sparingly. Companies discussed it, budgeted for it and ran pilots, yet stopped short of giving it real responsibility. There was hesitation in the shift from automating workflows to agents with autonomy.

As 2026 begins, that hesitation is no longer the norm. Enough organizations crossed the line from **experimentation to use** that the argument about whether AI is "real" has largely been resolved.

That shift was easy to miss because the public narrative moved in a different direction.

Throughout 2025, three competing stories dominated headlines. One framed AI as an **existential risk** that demanded restraint above all else.

Another dismissed it as an **overhyped bubble** fueled by investor enthusiasm rather than real value. A third argued that the space had become so saturated with **".ai" announcements** that meaningful progress was impossible to distinguish from noise.

Those debates filled panels and opinion pages, but they obscured what was happening inside companies responsible for building products and running operations.

WHY TRUST LAGGED CAPABILITY

Inside those organizations, the question was never whether AI was interesting. It was whether it could be fully trusted. For much of the year, the answer was no. AI was used as a helper, not a decision-maker. It summarized, suggested and analyzed, but humans remained firmly in control of outcomes. Autonomous systems touch sensitive parts of a business, from customer relationships to operations to money. Until leaders felt confident that AI could operate reliably within those boundaries, its role remained limited.

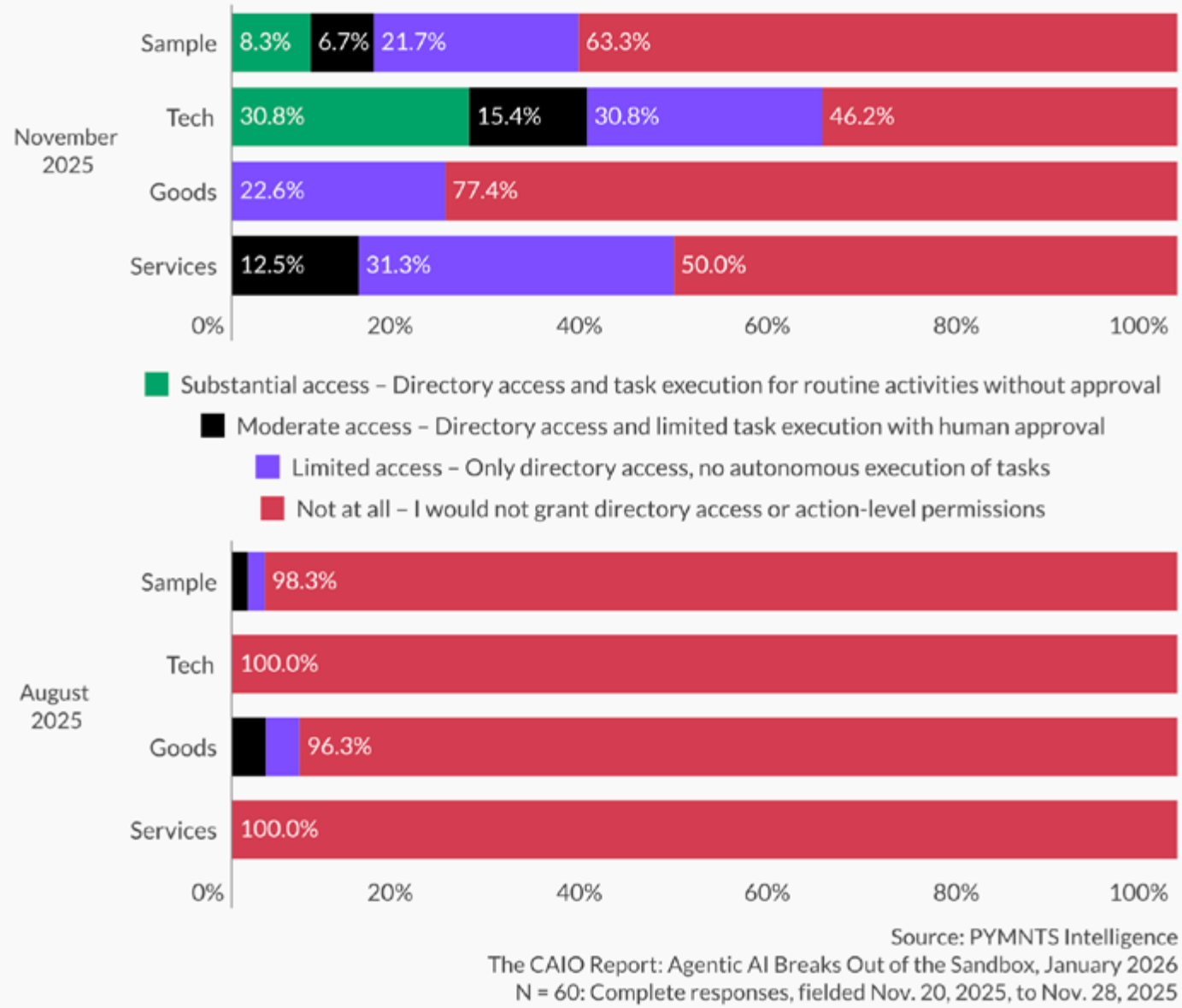
THE Q4 INFLECTION POINT

What changed late in the year was not the technology itself, but how companies judged their own readiness and that of the technology.

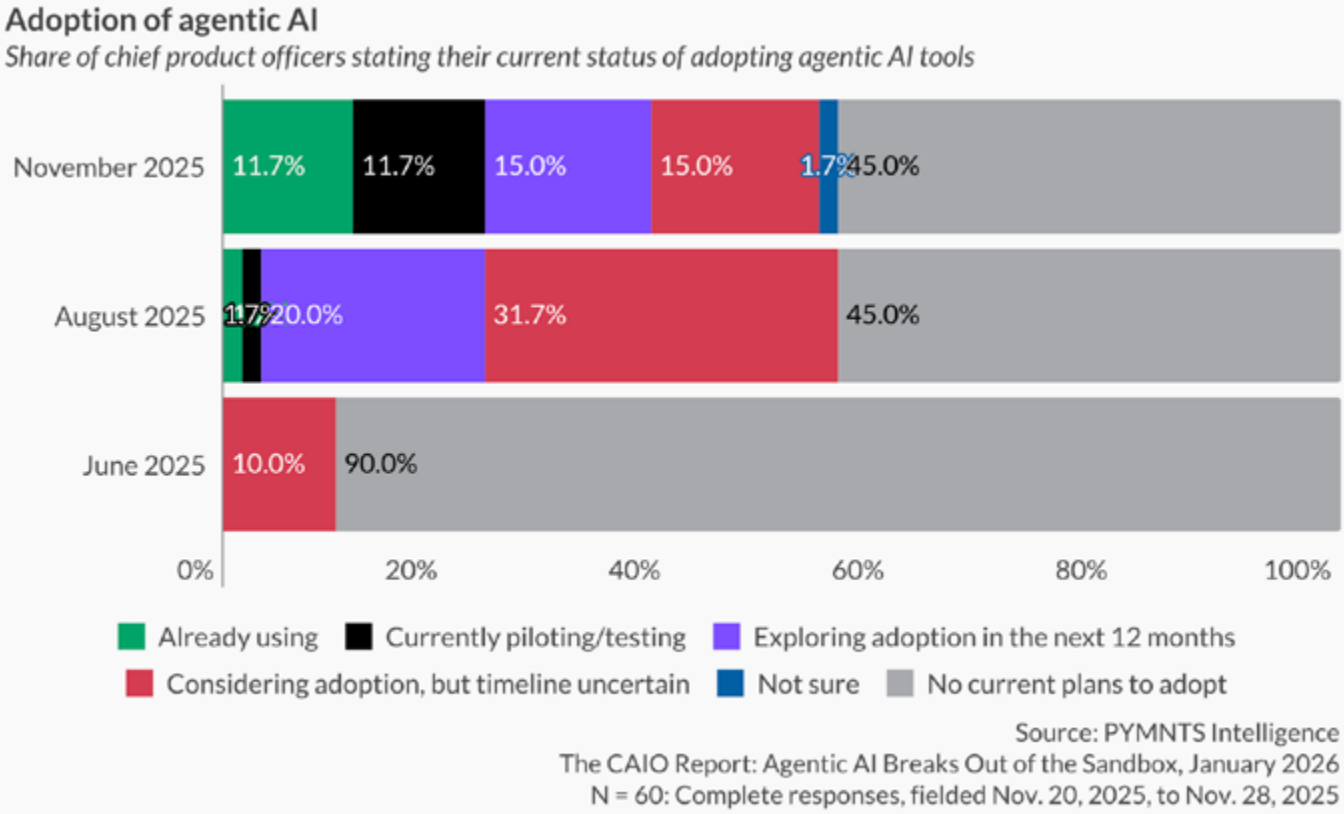
PYMNTS Intelligence followed 60 chief product officers at billion-dollar companies throughout 2025, and the data shows a clear shift. In August of 2025, nearly all (98%) said they were unwilling to grant autonomous agents any meaningful authority.

Access levels

Willingness to give agentic AI access and autonomy



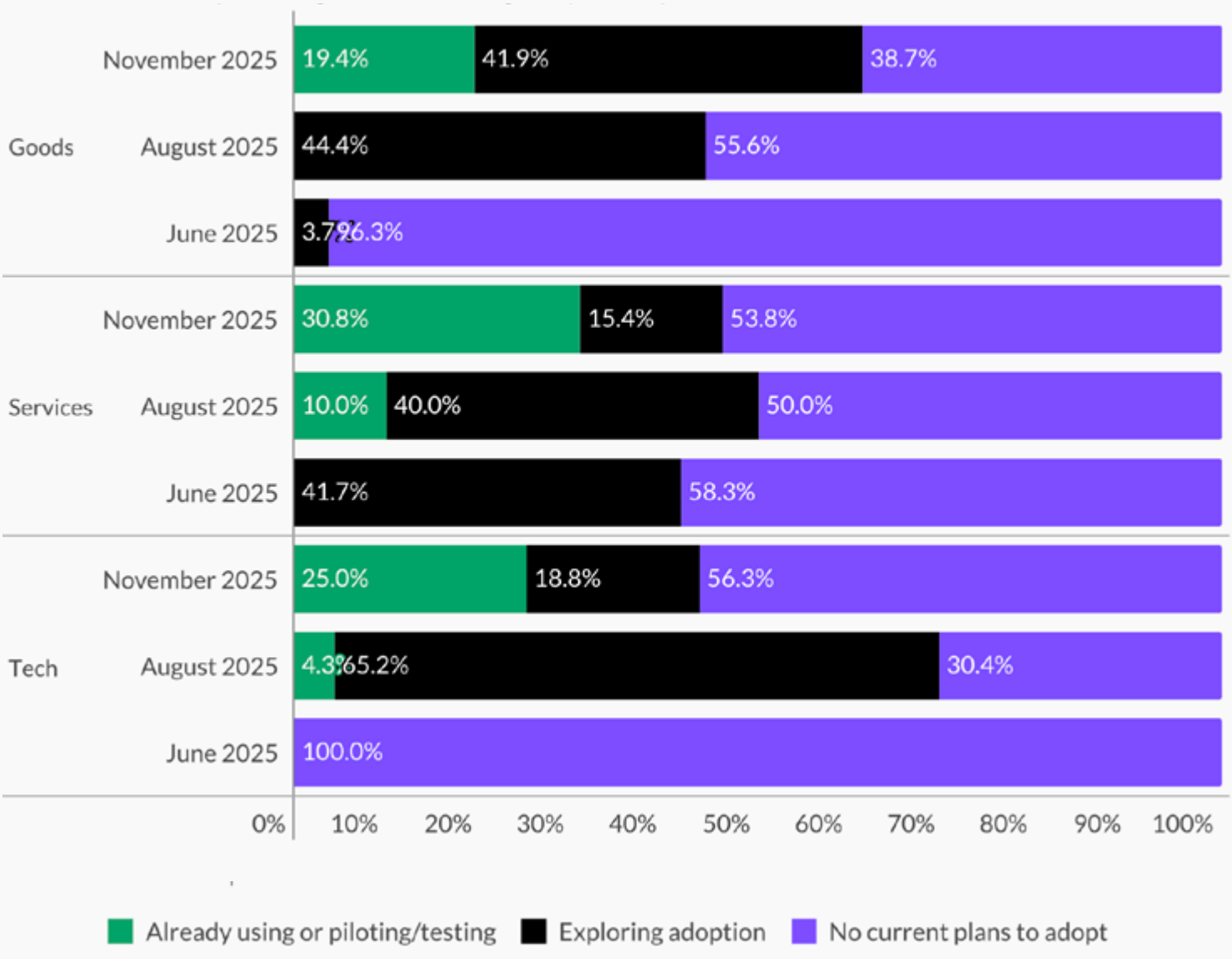
Source: PYMNTS Intelligence
The CAIO Report: Agentic AI Breaks Out of the Sandbox, January 2026
N = 60: Complete responses, fielded Nov. 20, 2025, to Nov. 28, 2025



By November, that position had softened in a measurable way. Between August and November, the share of firms merely considering AI for core operations dropped from 52% to 30%. Active deployment jumped to 23%. By November, nearly 40% of enterprise product leaders had given autonomous agents real access to systems that actually run the business. These were no longer controlled demonstrations. They were real uses, tied to real outcomes.

Adoption levels

Current state of adoption of agentic AI technologies, by industry



Source: PYMNTS Intelligence
The CAIO Report: Agentic AI Breaks Out of the Sandbox, January 2026
N = 60: Complete responses, fielded Nov. 20, 2025, to Nov. 28, 2025

The shift did not remain confined to technology companies, which were expected to move first.

Some of the fastest change came from goods and manufacturing firms, where almost no one had live deployments in August and nearly one in five did by November, often in supply chains, procurement and logistics.

Services followed a similar path over the same period, surging from 4% to 25%.

What began as a cautious talking point in August became operational by December.

LEARNING REPLACED WAITING

This late-2025 shift wasn't about automating isolated tasks. Companies stopped waiting for certainty and started learning by doing. Earlier in the year, many treated AI as a set of tools they could layer onto existing workflows. That approach limited its impact and delayed learning.

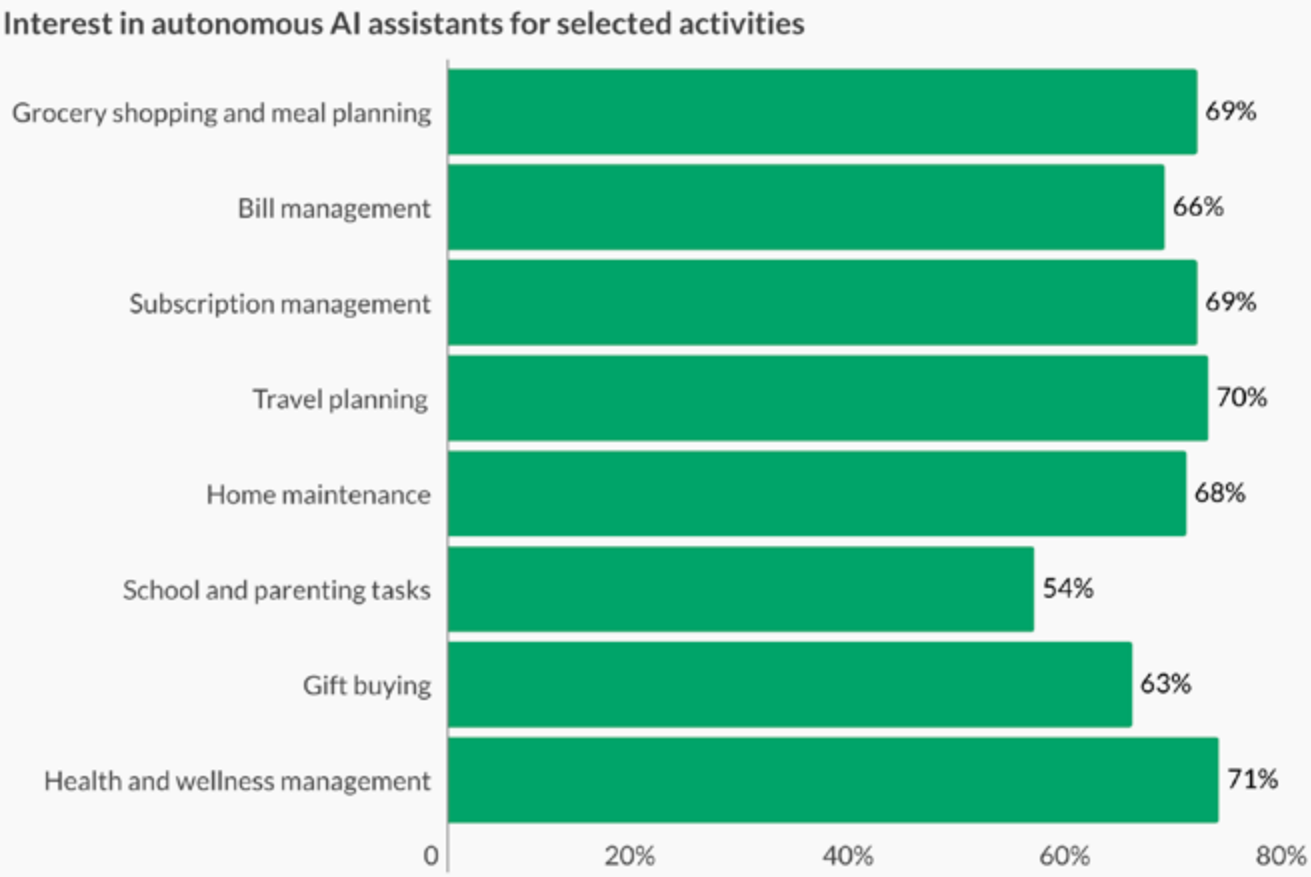
As the year went on, more teams began connecting AI across processes, allowing it to influence decisions and then measuring what happened next. Some focused on efficiency. Others looked for stability, speed or better use of people's time. The motivations varied, but the result was the same. Once outcomes could be measured, confidence followed. Adoption was inevitable.

CONSUMERS WERE ALREADY THERE

Consumers reached this point earlier, and their behavior quietly set expectations that bled into the workplace.

By August 2025, PYMNTS Intelligence found that nearly two thirds of consumers expressed interest in autonomous AI assistants across a wide range of everyday activities, most notably healthcare (71%), travel planning (70%) and financial management (66%). Among the 29 million power users who already used AI-native model every day to complete 25 or more of the 54 distinct tasks that we monitor, resistance to autonomy to handle day-to-day decisioning had nearly disappeared.

As many report using these models to help them with their daily work-related tasks: writing emails, ad copy, job descriptions, summarizing long documents. Over 7 in 10 power users say it would be harder or slower to do their jobs without the use of AI-tools, and 13% of them said they doubt they'd be able to do their work without it.

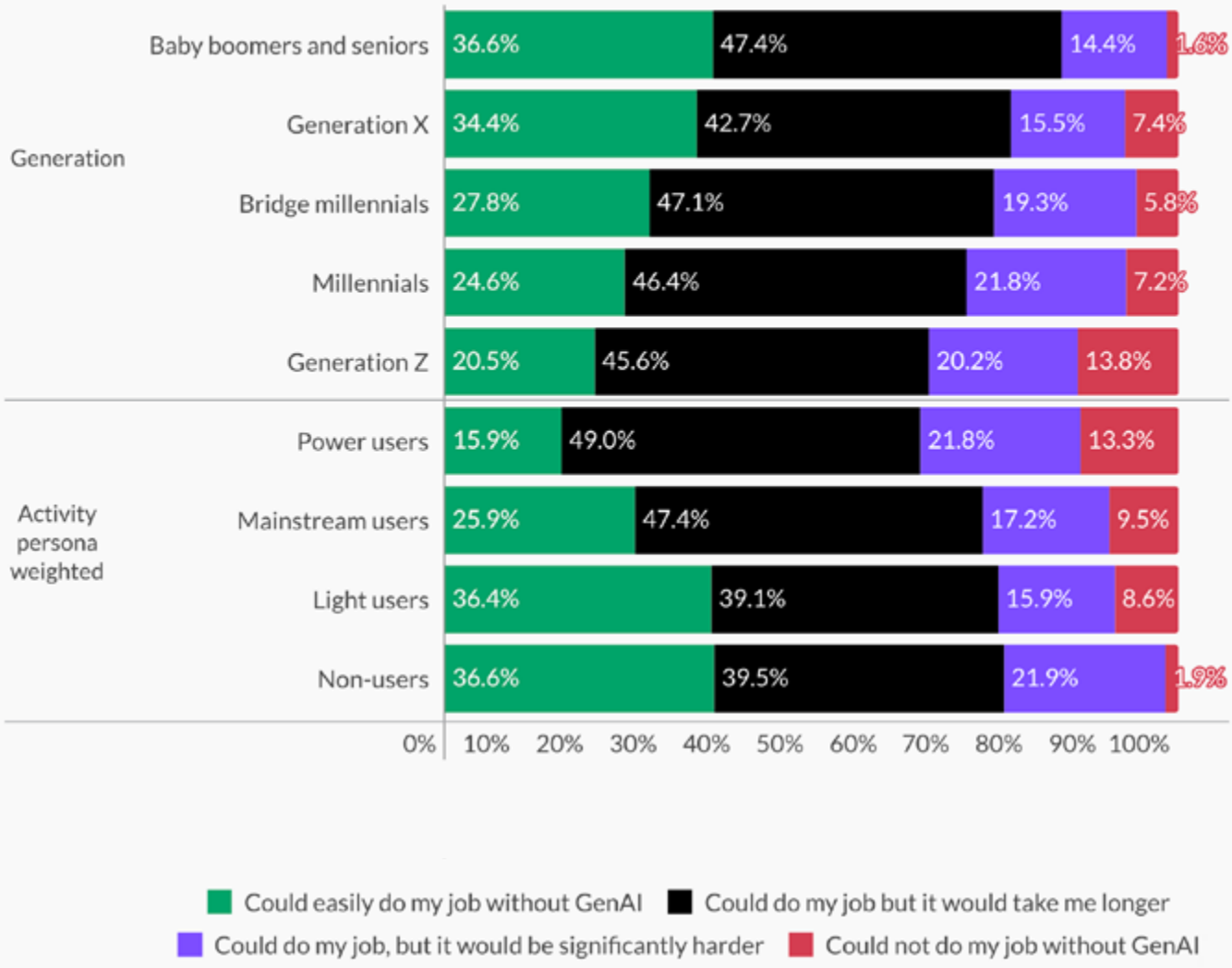


Source: PYMNTS Intelligence
PYMNTS proprietary data
N = 1509: Consumers who are interested in having and AI assistant, fielded Oct. 14, 2025, to Oct. 29, 2025

Consumers didn't spend much time debating whether AI should act. They cared about whether it worked. As companies moved from discussion to deployment, they were catching up, in many cases, because their employees and customers were pulling them in that direction.

How AI is changing work tasks

Share of consumers using AI for work tasks report to what extent they would be able to perform their job without it



Source: PYMNTS Intelligence
PYMNTS proprietary data
N = 601: Consumers who used AI for work, fielded Oct. 14, 2025, to Oct. 29, 2025

FROM EXPERIMENT TO INFRASTRUCTURE

By the end of 2025, AI had begun to show up where executives pay attention. And CEOs and CFOs began talking about things like improving productivity per worker. Faster cycle times. Reduced error rates. Better margins. Agents were no longer side projects or PowerPoint theater. They were part of how work got done.

As more data accumulates in 2026, those signals will grow clearer. Performance has a way of settling arguments that opinion cannot.

Of course, there will still be failures. Some companies will overpromise. Some deployments will fall short. No different from how every major technology transition unfolds. But those moments won't define AI any more than the dotcom bust defined the internet. What matters is that enough organizations have moved past the question of whether to use AI and are now focused on how to use it well.

WHEN THE ARGUMENT ENDS

That is why the balance — and the conversation — shifts in 2026. Not because the critics disappear, but because they no longer set the frame. Their voice is no longer the loudest. The story is no longer written by who is most vocal, most alarmed or most skeptical. It is written by the organizations that have already put AI to work and can show what changed as a result.

In 2026 and beyond, AI won't be judged by how loudly it is debated. It will be judged by how quietly it becomes indispensable. And once that happens, the argument fades into the background, where it belongs.

8

Legacy Business **Models Break**

WHAT 2026 WILL MAKE OBVIOUS

> **“Your margin is my opportunity” was Jeff Bezos’s way of describing Amazon’s hunger for bloated profit pools. In 2026, the real question isn’t whether margins get attacked, but who gets to turn whose margin into whose opportunity as consumers, enterprises and their agents decide how they want interactions to work, what information they are willing to share and where costs ultimately land.**

From Bezos to agents: who owns the opportunity.

Bezos popularized “your margin is my opportunity” to capture Amazon’s strategy of using technology, scale and obsessive customer focus to attack incumbents’ profit pools and pass much of that surplus back to customers in the form of lower prices and better experiences.

In the Prompt Economy, that instinct becomes systemic: instead of one company hunting margins, AI agents acting for millions of consumers and enterprises hunt margins everywhere, all the time.

PYMNTS Intelligence's Prompt Economy work shows how far along this shift already is.

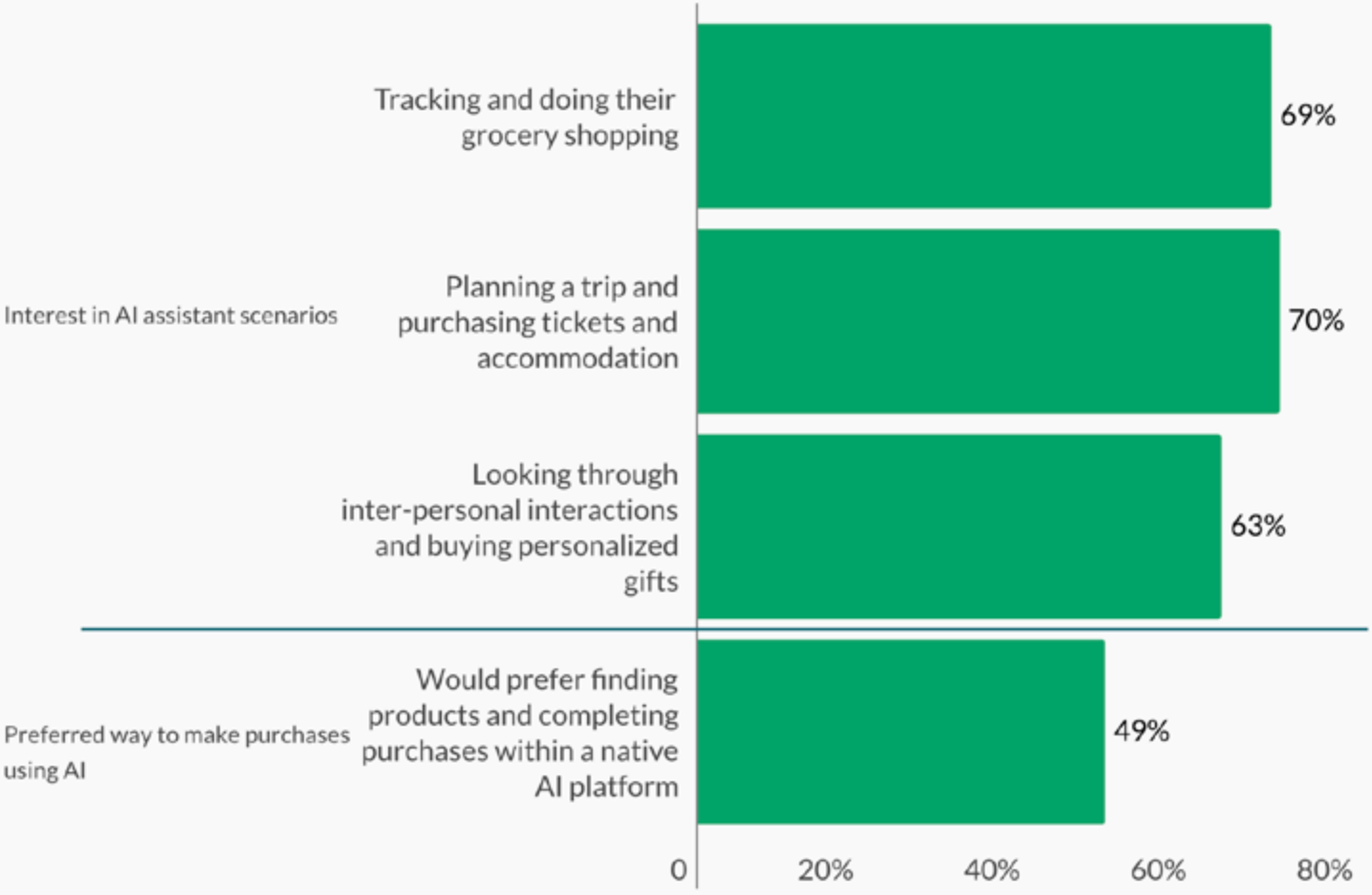
Nearly 70% of consumers say they are interested in using AI agents to simplify shopping tasks; more than half would like an autonomous agent to monitor and do their weekly shopping for them, or look through personal interactions with a friend to identify and purchase a good gift.

PYMNTS estimates around 30 million "Pro" consumers already rely on gen AI or agentic techniques to complete the majority of 54 everyday tasks, including shopping, bill pay and travel. These consumers are effectively telling software to go look for other people's margins and reclaim them as their own value.

In this world, the "opportunity" in your margin no longer belongs primarily to a platform; it belongs to the agent that represents the end user. The ecosystem's job is to convince that agent that any margin it keeps is justified by tangible value — price, convenience, protection, insight — or risk having that margin rerouted to someone else.

Interest in each autonomous AI assistant scenario and preference for AI platforms

Share of consumers who are at least somewhat interested in an autonomous AI assistant performing each set of tasks for them, and share of consumers who would prefer a native AI platform over a merchant website AI assistant



Source: PYMNTS Intelligence
PYMNTS proprietary data
N= 1,597 : Consumers who considers an AI assistant for accomplish at least one task, fielded Nov. 10, 2025, to Dec. 10, 2025

AUTONOMY VS. DRIVERS: UBER, WAYMO AND THE PLATFORM FLIP

Nowhere is “your margin is my opportunity” more visible than in the clash between human-driven ride-hail and autonomous fleets. Uber’s original model turned underutilized human labor and privately owned vehicles into a fluid network, with Uber keeping a take rate while pushing asset and labor risk onto drivers. The largest cost in that system is the driver’s time.

Robotaxis invert that logic. A recent analysis of almost 90,000 ride quotes in San Francisco found that Waymo’s driverless rides currently cost an average of $20, versus $16 for UberX and $14 for Lyft. That’s roughly 31% more than Uber and 41% more than Lyft. At peak hours, the gap widens. Using today’s platform math, autonomy looks more expensive, not less.

And yet, riders are flocking to it. Waymo trip volumes in California and Arizona have exploded from just over 12,000 paid rides in August 2023 to more than 700,000 per month by early 2025, and over 10 million paid rides cumulatively across Phoenix, San Francisco, Los Angeles and Austin. Surveys show that about 70% of riders who have tried Waymo say they prefer the driverless experience, and more than 40% are willing to pay somewhat more for it, with a meaningful minority willing to pay up to 10 dollars extra per ride.

That's the margin story in motion.

Today, the "margin" in a Waymo fare reflects high capital and operating costs for an early-stage autonomous network. Over time, as fleets scale and hardware and operations get cheaper, the absence of a driver unlocks a massive labor pool that software and capital can compete to capture.

In the Uber era, the platform's opportunity was the spread between what riders paid and what drivers earned. In the robotaxi era, the driver's share becomes the opportunity for whoever owns the autonomous supply, the dispatch algorithms and the financing vehicles behind them. The platform's role shifts from matching riders to drivers, to orchestrating demand across mixed human and robotaxi fleets. And increasingly, exposing itself as an endpoint that consumer agents and agentic mobility protocols can book directly.

In other words, that driver margin becomes someone else's fleet opportunity.

CONSUMER RAILS: CARDS, OPEN BANKING AND PAY BY BANK

Nowhere is this clearer than in payments. For six decades, card economics were built on interchange, breakage and a carefully balanced set of incentives between issuers, networks, acquirers and merchants. Interchange funded rewards and protections that consumers came to expect, while merchants viewed fees as a cost of accessing spending power and conversion.

PYMNTS Intelligence research shows how tightly consumer behavior has latched onto that model.

Roughly 72% of cardholders say rewards influence their card choice; more than half choose cards strategically to maximize those rewards, and about one in four rotates between cards across categories to extract maximum value. In practice, consumers are already behaving like margin hunters, they are just doing it the old-fashioned way.

Open banking and pay by bank are sold as the merchant's revenge on card economics. Instant account-to-account payments with lower fees and richer data. Yet surveys in the U.S. and Europe suggest early adoption remains modest, as in low single-digit shares of total consumer payments. Interest, though, is material, with roughly 40% of U.S. consumers saying they would consider pay by bank, especially younger cohorts, for those purchases they consider everyday, debit card purchases.

The catch is rewards and protections. Those same consumers expect pay by bank to behave like the cards merchants want to get rid of, with equivalent rewards, chargeback rights and credit access.

That is where agents change the equation. Instead of merchants deciding unilaterally which rail to push, consumers (through agents) will set rules. The prompt: "Optimize for my net benefits considering rewards, cash-flow flexibility, protections and price." Agents will calculate the all-in value of each option, setting up a business model showdown across merchants, issuers, consumers and networks.

RETAIL AND MEDIA: PROMOS, ATTENTION AND AGENT BLINDNESS

On the merchant side, retail media and promotions are the other massive legacy margin pool at risk. Retailers and platforms have built high-margin ad networks atop low-margin product sales, monetizing search placement and digital shelf space using first-party data and closed-loop attribution. Analysts expect retail media to surpass traditional TV ad spend in some markets, with global revenue heading north of $100 billion dollars by the end of this decade.

In the Prompt Economy, discovery will move into the agent layer. Instead of scrolling a retailer's site or marketplace, consumers will increasingly give an agent a goal "new running shoes," "fancy toaster with four slots" along with preferences and constraints. The agent will then do the searching, price comparison, review checking and merchant vetting across platforms.

In that world, paid placements, co-op promos and on-site banners suddenly look like margins at risk. An agent that is parsing structured product data, net price (after all fees and promos), shipping and return terms, seller reliability and user preferences has no reason to respect the visual hierarchy on a retailer's page.

Any promotional spend that does not map to real, measurable value becomes invisible. The retail media "tax" on each sale becomes an opportunity for agents to capture that spend and redirect it as consumer savings, or to demand outcome-based fees from brands and retailers for incremental, verifiable sales.

B2B AND TREASURY: SUPPLY CHAINS, TRADE AND TOKENIZED VALUE

This dynamic is not just about consumers. In B2B, the same logic is already tearing into logistics, procurement, trade finance and treasury. Here, the margin pools are even bigger: FX spreads, correspondent banking fees, credit, supply-chain financing spreads and the implicit cost of inventory and working-capital mismanagement.

AI-driven planning and optimization are making supply chains more predictable and less tolerant of inefficiency. Enterprises are using demand forecasting, network optimization and dynamic routing to squeeze slack out of inventory and transport, reducing the need to pay premiums for last-minute capacity or buffer stocks.

Agents embedded in ERP and procurement systems can continuously benchmark suppliers on price, performance, ESG metrics and risk, then reallocate spend as soon as a supplier's "margin" is no longer justified by service levels.

In trade and treasury, stablecoins and on-chain networks have already shown how much bank margin is up for grabs. Stablecoin transaction volumes have reached the tens of trillions of dollars annually, with many corporates and platforms attracted by near-instant settlement, transparent fees and programmability that contrast sharply with the delays and opacity of correspondent banking.

Banks are responding with tokenized deposits, on-chain cash management and AI-enhanced trade-finance tools that promise equivalent speed and programmability with the regulatory comfort and credit relationships corporates value. And setting up a business model showdown among nonbank issuers, banks and corporates where the corporate margin hunter becomes a piece of software.

AI MAKES THE TRADE-OFFS EXPLICIT

Underneath all of this is the status quo reality. Consumers and enterprises already pay a lot for the convenience and rewards of legacy models. Consumers pay interest on revolving credit card balances, overdraft and late fees, delivery and service charges on food and grocery orders, and subscription fees for everything from streaming to same-day delivery. Enterprises pay in the form of FX spreads, slow-settlement float, insurance and compliance overhead, and suboptimal working-capital allocation.

They treat them as the cost of doing business, tradeoffs for efficiency, outcomes and better use of their time. The difference in 2026 and beyond is that agents will show consumers and corporates alternatives, along with the true, full cost of each option. That visibility turns every hidden or sticky margin into someone else's opportunity.

Taken together, the picture that emerges is not just "legacy business models are under pressure," but that business models will be continuously repriced by agents.

The Bezos quote is still right — but the protagonists change. The 2010s story was platforms using data and scale to turn other people's margins into their opportunity. The 2026 story is agents, rails and intelligent credentials turning everyone's margins into contested territory, with consumers and enterprises in a better position to decide who deserves what.

9

Consumers Pay the Price as **State Regulation Fractures FinTech Scale**

WHAT 2026 WILL MAKE OBVIOUS

The CFPB's decision to dial down enforcement of BNPL and other nonbank credit products hasn't created a vacuum. It has invited fifty competing rulebooks to take its place.

States are now reasserting control over credit access and bank-like services, particularly in BNPL, earned wage access and embedded credit. The result is not clearer oversight, but a regulatory patchwork that makes it harder for FinTechs to scale responsibly and harder for consumers to realize the benefits these models were built to deliver.

KILLING THE GOOSE THAT LAID THE GOLDEN EGGS

Over the last decade, FinTech firms have attacked the frictions of legacy consumer finance in material ways, only to watch state law break national products into fifty different variants.

The core pattern is that softwaredriven models designed for scale encounter legal categories written for storefront lenders, money transmitters and offline decisioning, and states then assert jurisdiction in divergent ways. The result is a maze of licensing, disclosure, and pricing rules that undermines a single national product design.

Embeddedfinance and marketplacelending models face similar fragmentation. Marketplace lenders that rely on bank partnerships run into state “true lender” attacks and divergent usury interpretations, forcing constant restructuring of APRs, fees and ownership structures by jurisdiction.

Digitalasset rails and AIenabled decisioning add new layers of fragmentation. Crypto exchanges, wallets, and stablecoinbased payments have had to navigate overlapping state moneytransmission and cryptospecific licensing frameworks, with different capital, KYC, and reporting obligations.

Now, AIdriven underwriting, fraud detection and financialadvice tools face emerging state AI laws, especially in New York and California, that impose local transparency, audit and fairness requirements on automated decisions in credit and employment, on top of federal fairlending rules.

A LESSON FROM NEW YORK'S CHECK CASHING REGIME

New York's regulation of check cashers offers a revealing precedent for how state policy choices can freeze market structure in low-income financial services.

Under Article 9A of the state banking law, cashing checks "for a consideration" requires a state license, meaning the regulator controls who can enter, where they can operate and under what conditions. Over time, this licensing model evolved into a tight system of geographic and competitive controls. Regulators and courts scrutinized relocations and new branches to prevent "encroachment" on incumbent licensees, effectively protecting existing storefronts from new competition.

The state similarly asserted itself on pricing. In 2005, New York became the only state to grant automatic annual increases in maximum checkcashing fees, pegging the cap to inflation and allowing the ceiling to drift upward over time. In 2023, the Department of Financial Services adopted an updated rule that both lowered and tiered fees and eliminated automatic CPI indexation going forward.

By combining strict entry controls with detailed geographic and price regulation, the state locked in a particular channel — licensed checkcashing storefronts — as the dominant way for many low-income consumers to turn paper or electronic checks into spendable cash, even as better, more digital alternatives were technically possible. And available to the consumers who need the service.

THE CFPB STEPS BACK AS STATES STEP IN

Against that backdrop, the CFPB's recent shift away from aggressive, frontandcenter regulation of BNPL illustrates how federal retreat can catalyze state activism rather than mute it.

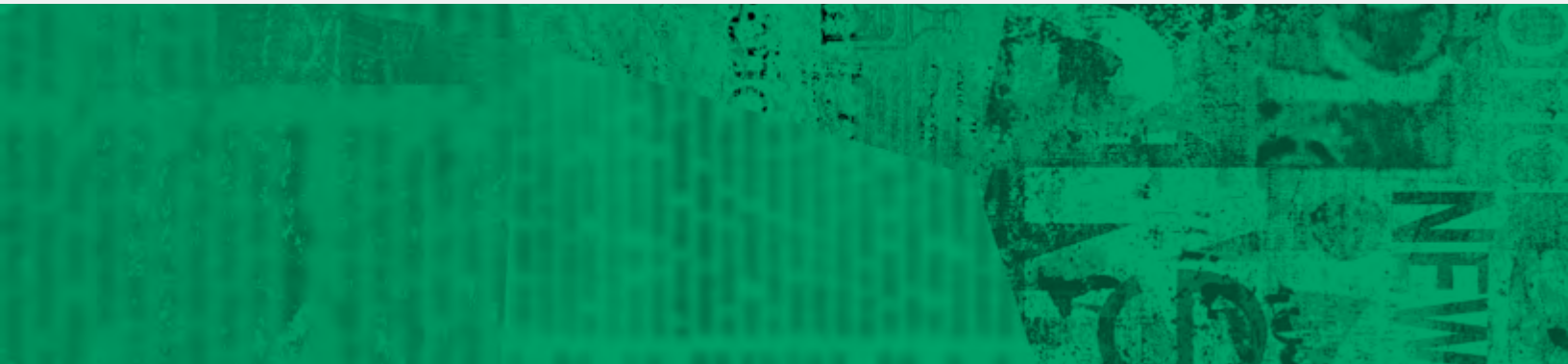
Under the Trump administration, the agency has announced that it will not prioritize enforcement based on the Biden-era interpretive rule and has signaled an openness to revisiting or rescinding it as part of a broader rollback of those initiatives.

Many pundits view this as a victory, but that framing obscures a more complicated reality. When the primary federal supervisor steps back, 100 new forces step in. Fifty state regulators and fifty state attorneys general — all of whom are increasingly willing to apply existing lending and unfairpractices statutes to nonbank products — and private litigants who test new legal theories in the courts.

BNPL IN A FIFTY-STATE MAZE

BNPL is a natural test case for this new statedriven environment because it sits uneasily between traditional categories of credit and payments. In the absence of a single, binding federal standard, states have started to fit BNPL into whatever local frameworks are already on the books.

For a BNPL provider trying to build a uniform product across the country, this diversity is more than a compliance footnote. In practice, firms are forced into one of three unattractive strategies: engineer to the “most restrictive state” and impose that standard nationwide, exit or sharply limit operations in hardline jurisdictions, or invest in complex, statebystate product variants that are costly to maintain and hard for consumers to understand.



EARNED WAGE ACCESS AS THE NEW BATTLEGROUND

Earned wage access is even more explicit evidence of the pull of state-level regulation in a post-CFPB-dominant era. Originally pitched as a safer, lowercost alternative to payday loans, EWA quickly exposed the limits of traditional loanversusnonloan categories.

Some providers structure advances as purchases of receivables, others as tipsbased services, and still others as employersponsored benefits. And the question of whether these arrangements constitute "credit" has become a focal point for legislators and regulators.

In some states that have taken a strict "treat it as a loan" stance, prominent EWA providers have paused or exited operations rather than operate under regimes they argue are illfitted to the economics and risk profile of the product.

AI YI YI

The same forces that are splintering nonbank credit oversight are now visible in AI, with states like New York and California racing ahead even as the White House tries to reassert national control.

President Trump's recent executive order on AI aims to curb a "patchwork of 50 different regulatory regimes" and push toward a single, lightertouch national framework. But it does not, on its own, shut down state initiatives or guarantee lasting federal preemption.

The likely result is not uniformity, but years of litigation and negotiated coexistence in which ambitious state laws around AI safety, transparency and discrimination continue to shape how technology companies operate.

HOW STATE-DRIVEN REGULATION IMPEDES FINTECH SCALE

The combined effect of these trends is not so much to ban nonbank innovation as to hobble its operating thesis and economics.

FinTech models such as BNPL, EWA and other embeddedcredit constructs rely on scale: they spread underwriting, technology and compliance costs over large, relatively homogeneous user bases, often across multiple states.

When each jurisdiction defines the product differently and attaches its own mix of licensing, fee caps, disclosure templates, and supervisory expectations, the basic economic logic of these models starts to unravel.

Smaller firms without large compliance and legal teams are discouraged from entering or expanding; larger incumbents, often with existing bank partnerships and multistate licenses, are better positioned to absorb the friction. But not necessarily the costs of doing business.

In that sense, the problem with nonbank innovation in a post CFPB dominant world is not that it is “unregulated,” but that it is regulated everywhere and harmonized nowhere.

The question for policymakers is whether they can design a federal framework for nonbank credit that preserves room for experimentation while preventing abuse, or whether they will accept a future in which the geography of state law, rather than consumer need or technological possibility, decides which FinTech ideas ever get the chance.

10

Longevity Rewrites the **Economics of Inheritance**

WHAT 2026 WILL MAKE OBVIOUS

AI-driven longevity is redefining aging, with longer, healthier lives fueling more spending later in life. The result: inheritance happens later and looks very different.

Alvin Hellerstein is a 92-year-old judge presiding over a high stakes case involving Nicolás Maduro. While once we would have considered this to be an outlier, he is becoming something closer to a new status quo: a highly-trained professional still working at the top of his game, in high-stakes matters no less, well into an age that used to be synonymous with retirement and rocking chairs on front porches.

Yet his continued presence on the bench captures an interesting reality the economy has not yet priced in.

People are living longer, staying sharper and consuming more of their own wealth for more years than anyone expected.

Hellerstein is not alone.

Charlie Munger died at 99 after more than six decades as Berkshire Hathaway's vice chair, still turning up at shareholder meetings and offering no-holds-barred opinions on markets and capital allocation well into his late 90s. Including shortly before he passed.

Warren Buffett, born in 1930, has only now stepped down as Berkshire's CEO in his mid90s and has said he's not going very far. He plans to keep coming into the Omaha office in his role as chairman.

My dad worked well into his 80s. Larry Ellison, at 81, is making multi-billion dollar bets on AI and movie studios.

Each of them, and the millions more like them, are treating their 80s and 90s as an extension of middle age rather than a reason to fade into the background.

According to Census, there are roughly 15 million people over the age of 80 in the U.S., comprising a group that is outpacing their younger peers. Census estimates an increase of roughly 28% by 2030 and more than 55% by 2035. In the 90+ crowd alone, there are roughly 2.8 million people — 300,00 to 500,000 more than the start of this decade.

	Population by Year					Population Growth		
	2015	2020	2025(p)	2030(p)	2035(p)	2015-25	2025-30	2025-35
Population Total	321.8	331.6	338.0	345.1	350.9	5.0%	2.1%	3.8%
Age 80 and up	11.8	12.2	14.7	18.8	22.9	24.5%	27.5%	55.3%
- Share of Population	3.68%	3.69%	4.36%	5.45%	6.53%			
Age 90 and up	2.3	2.4	2.8	3.2	4.0	23.1%	14.6%	42.9%
- Share of Population	0.71%	0.72%	0.83%	0.93%	1.14%			

Source: Census Population Projections

For household balance sheets this is starting to sound like “80 is the new 50” as older generations remain cognitively sharp and professionally relevant.

And for their potential heirs, actively deploying capital, aka spending it, instead of sticking it away for the next generation to enjoy.

AI AND THE NEW LONGEVITY ENGINE

For most of the twentieth century, people lived longer because living conditions got better. Water got cleaner, indoor plumbing replaced outhouses, vaccines prevented diseases that killed babies and medical advances improved the odds that adults stood a better chance of living past the ripe old age of 45.

Economist Robert Gordon famously wrote in his 2016 book The Rise and Fall of American Growth that advances in electrification, indoor plumbing and modern water and sanitation systems between 1870 and 1940 dramatically raised U.S. life expectancy (from about 45 to roughly 79 years) and reduced infant mortality by three-quarters.

This decade's plumbing looks a lot different.

It comes in the form of an AIdriven health economy that treats the practice of medicine and the development of breakthrough drugs as a systems and data problem to be optimized.

Take drug discovery. Drug development and distribution used to be measured in decades and billions of dollars, with most of the so-called promising pipeline dying somewhere along the way.

Generative models and large-scale quantitative systems can now compress the tedious years of lab-based R&D into months. In fact, Excelsior Sciences is an example of a biotech company (backed by major investors) that is developing AI systems that could reduce parts of small-molecule drug development from months to two weeks, and save up to 18 months of pre-clinical time before trials begin. Drug development is starting to look less like trial and error using lab rats and zebrafish and more like rapidcycle software development that can precisely simulate reactions to disease states and send only the most promising candidates to the lab for further R&D.

That same computational horsepower is turning “orphan” disease from a lots-of-luck outcome or philanthropic afterthought into a viable line of business. As target identification and success rates get cheaper and faster, a patient population of a few thousand no longer automatically fails the spreadsheet test.

Some of this rests with the clinical trial process, a critical part of FDA approval process but often an expensive bottleneck. Finding participants can take a long time and be expensive. AI tools speed the process by sweeping electronic health records and registry data to match candidates automatically, stratify them by risk, randomize who gets the real drug and who gets the placebo, and predict who is likely to drop out. Advances like digital twins make it possible for more patients to get the real drug, while placebo effects are administered to the “model.”

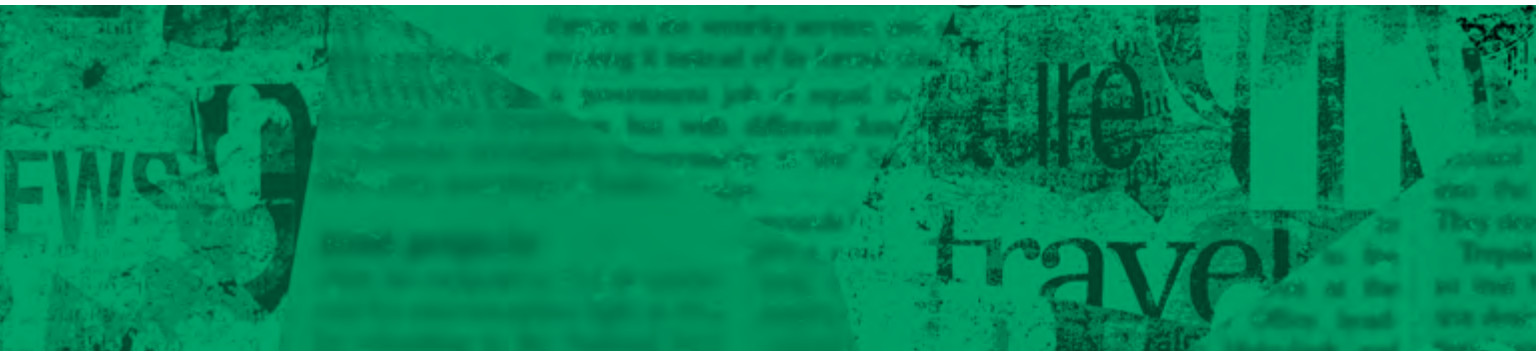
Then there is AIaugmented preventive care.

Models that triage radiology scans, monitor heart rhythms from wearables and flag subtle cognitive changes in speech or behavior help doctors find problems sooner and make monitoring less onerous by making it remote, often continuous.

Once a “healthcare luxury” only the very wealthy could access, AI makes elite medical concierge practices mainstream through devices that consumers have or are affordable to purchase.

The net effect is not just longer life, but longer, healthy years.

Where 80 really does begin to look, if not like 50, then at least like the “new 65.” A phase where people can plausibly work, travel, invest and spend their money rather than managing their decline.



THE SLOW COLLISION WITH INHERITANCE

Here's where the economics of inheritance start to get interesting.

There is a lot of chatter about the coming "$120 trillion wealth transfer," a mashup of projections that, depending what source you prefer, range from $84 trillion through 2045 to $124 trillion through 2048, when you calculate the totals in today's dollars. It's a big number.

But those numbers are misleading. What those trillions obscure is the inevitable flow of funds.

Much of that wealth moves first horizontally, from spouse to spouse, not down the family tree. And in a world where 80 and 90yearolds are living their best and active lives well into their 90s, their wealth is reallocated from what used to be prime "estate planning" territory.

The spreadsheet sees $120 trillion changing hands. In real life, the balance sheet sees latelife, longer living spouses spending their inheritance instead.

BREAKING INHERITANCE ECONOMICS

The conventional wisdom of inheritance rests on a few implicit assumptions that were pretty true until very recently.

Parents retired around 65. They slowed down, sold their big houses, banked the money and died ten years later. Their 40- or 50-year-old kids, still paying off mortgages, sending kids to college and shoring up their own retirement savings, inherited that nest egg.

Longevity breaks that cycle.

First, it pushes the mortality curve to the right. As more people live healthily into their late 80s and 90s, the age at which major estates settle moves with them. In a world where the median affluent retiree lives to, say, 92 instead of 82, the median age of inheritance jumps a decade, often into the heirs' late 50s or 60s. That is no longer a downpayment windfall. Instead it is a latecareer or even postretirement topup.

Second, it transforms late life from a short, illhealthdominated stage into a long, consumption heavy one. A 92 year old judge is not merely alive; she is still earning income, and in a position to spend aggressively on the two things older, affluent people predictably buy — more quality time and life's luxuries. Time looks like AIenabled screening, new therapies as they emerge and premium care that allows aging in place with a high quality

of life. Life's luxuries look like travel, experiences with grandchildren, home modifications and an ecosystem of services designed for independent but supported living.

All of that draws on the very capital that, in prior eras, would have become inheritance or charitable endowment.

Third, AIenabled health does not just extend life; it extends how long people remain cognitively active. These older spunksters are more likely to start latelife businesses, fund new ventures or gift money while alive in ways that reflect their own priorities rather than the expectations of their heirs.

The aggregate effect is an impact on the "great wealth transfer."

Of course, life and longevity remain unpredictable. As much as people may want to precisely manage the last withdrawal of funds from their bank account with the last breath they take on Earth, a lot of money will still move from Boomers and the Silent Generation to their children and to philanthropy. But more of that wealth will move later, and more of it will be spent by the original holders to live their best lives for as long as they are able.

THE CHARITABLE PAUSE BUTTON

Longevity does not just collide with family expectations. It also collides with philanthropy.

Much of the dollar volume of charitable giving by wealthy households has historically been backloaded into the estate. A Fed study of highwealth decedents found that roughly threequarters of the dollars they ultimately transfer to charity arrive via bequests at death, not gifts while alive.

If AI and better medicine make it plausible to live not just to 85 but to 95 in reasonably good health, it becomes rational for donors to hit pause on big irreversible commitments.

Add another decade of viable consumption, the higher costs of aging in place, new therapies, more years of active life — and suddenly every dollar earmarked for charity competes directly with the option to buy additional healthy time for oneself or one's spouse.

Or, in the case of Larry Ellison, a movie studio.

If extended longevity and latelife consumption trim even a few percentage points off the charitable share of estates, or delay large gifts by a decade, that implies tens to hundreds of billions of dollars in philanthropic capital that may arrive later, arrive smaller, or never arrive at all.

WHERE INNOVATION MATTERS

The old retirement equation, save enough during 35 to 40 working years to fund 20 years of retirement, with a good chance of help from inheritance, was already tenuous. Add the uncertainty of Social Security for younger generations when they retire, and things look even more iffy.

If the median affluent life extends into the 90s in good health, “retirement” becomes a misnomer. Many will have multistage careers: a first act in their 20s–40s, a second in their 50s–70s, and perhaps a different third act after 75. Household balance sheets must match that reality. Traditional products anchored to a fixed retirement age look increasingly misaligned with the longevity AI is making possible.

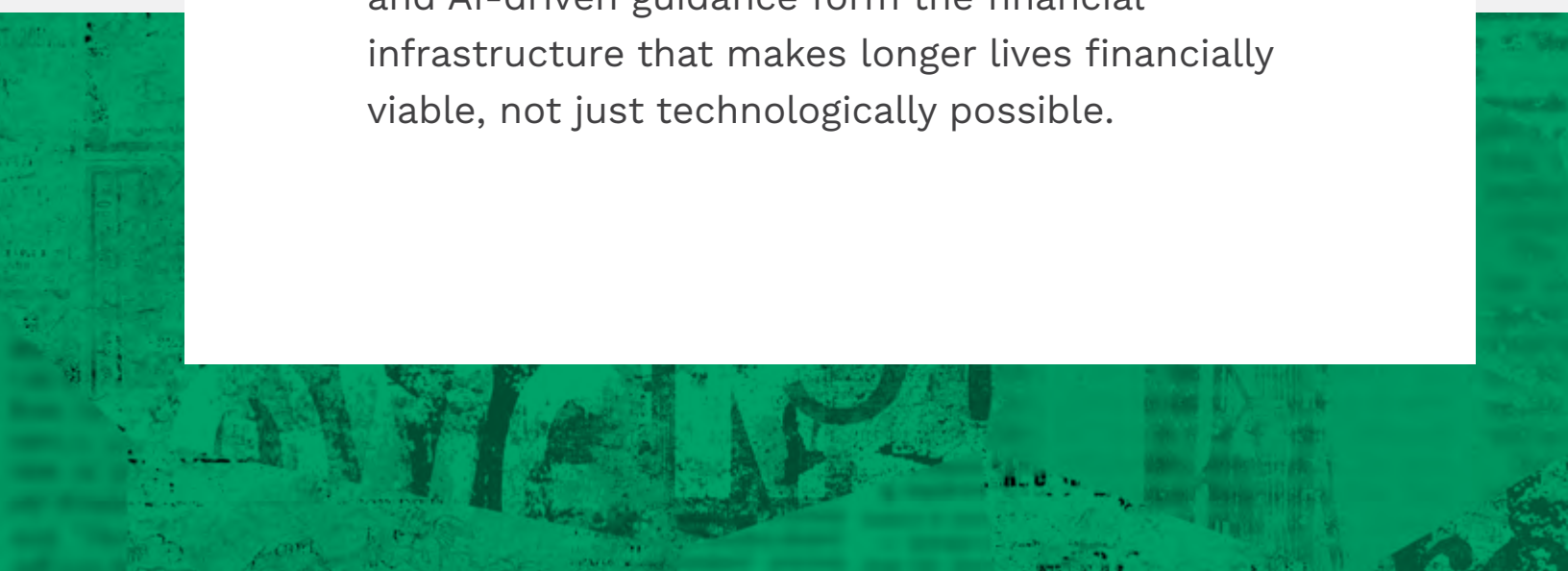
The psychology of saving also has to catch up. A generation that grew up expecting an eventual inheritance, explicitly or implicitly, now faces a world where parents and grandparents may reasonably choose to spend down assets to buy additional active years.

But it leaves adult children with a different assumption and a new set of financial responsibilities to plan for.

FinTechs are stepping in as the counterweight to AI-enabled longevity by embedding financial capability much earlier in life, so people arrive at older age with more assets and better habits.

Instead of trying to "fix" retirement in someone's 50s, kid- and teen-focused platforms turn saving, investing and risk into lived experiences from childhood. Supervised debit and investment accounts let kids earn, save and invest early, while custodial investing and low-fee robo-advisors extend that on-ramp into young adulthood with diversified portfolios and disciplined contributions.

Layered on top, AI is becoming the always-on financial coach most households lack, using data to create personalized nudges that help people save more, adjust risk and stay on track as life changes. Together, early experiential investing and AI-driven guidance form the financial infrastructure that makes longer lives financially viable, not just technologically possible.



In that sense, AI's most profound financial impact may not be the automation of backoffice tasks or the creation of new investment strategies, as important as those are.

It may be this silent reset of intergenerational expectations. The 92yearold judge, still sharp on the bench, is not just a symbol of good genes. He is a reminder that in the age of AIenhanced health, the real "great wealth transfer" might be from future heirs and future charities back to the present owners of those funds.

Spent intentionally and happily on more years of life well lived.

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STAY IN TOUCH

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Karen Webster is one of the world's leading experts on payments innovation and the digital economy and a strategic adviser to CEOs and boards of multinational players in the payments and commerce space.

Webster also serves on the boards of emerging companies in the AI, HealthTech and real-time payments sectors and helps these innovators refine their business models for profitable market adoption and growth.

Webster is an accomplished entrepreneur, who has successfully developed and launched new ventures in the online media, consulting, GenAI and social commerce sectors, each of which was focused on introducing disruptive business models and product solutions to fill a market need.

This includes PYMNTS.com, a media and data intelligence platform that she founded in 2009 and has successfully scaled into the leading source of news and market intelligence for innovation in the payments, commerce and digital economy sectors.

As co-founder and CEO of Market Platform Dynamics, she worked extensively with the most innovative players in the payments, healthcare, financial services, digital media and technology sectors to identify, ignite and monetize innovation using proprietary platform ignition frameworks and market simulation models.

Webster is a frequently sought-after keynote speaker and prolific author of articles on innovation, platforms and the digital economy. She has a long history of consulting, having served as the managing director of Global Marketing and Planning for Price Waterhouse Coopers' $6 billion management consulting practice and as COO for the $200 million economic consulting subsidiary that is part of the MMC family of companies. Webster also served as an adjunct faculty member at her alma mater, Johns Hopkins University, where she holds a master's degree in marketing and developed and taught graduate level courses on business-to-business marketing.

Webster is a passionate philanthropist and served as a member of the Board of Trustees at the Dana Farber Cancer Institute and chairman of the board of the Susan G. Komen Advocacy Alliance. She lives in Boston with her husband and their two amazing canine companions.

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We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at feedback@pymnts.com.

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