



## Retirement Benefits Get Personal

Today, perhaps more than ever, employers have the opportunity to enhance talent recruitment and increase employee retention by rethinking their retirement benefits to better align with their employees' needs and expectations.

As Joanne Sammer writes for the Society for Human Resource Management, "At the most basic level, employee benefits are designed to provide workers with a sense that their employer supports them both in- and outside of the workplace." Although it may be impossible to give every employee every benefit they want, employers can adjust existing benefit menus to show employees that they are listening.

"As an industry, we talk a lot about the shifting social contract between employers and employees," says [Jennifer Doss](#), defined contribution practice leader at CAPTRUST. Over time, the line between people's personal and professional lives has thinned. Employees today want to be recognized as complex and complete individuals, not just workers.

To support them, employers should start with the basics, such as offering retirement plans. Research from [Voya Financial](#) shows that, among working Americans, 60 percent are more likely to stay with their current employer if they are offered an employer-sponsored retirement plan. Yet in 2021, only 52 percent of American employers offered a 401(k) or similar employee-funded retirement plan. And 41 percent did not offer any retirement benefits at all, according to data from [Benefits Pro](#).

"Offering a retirement plan is the first step, but for companies that already sponsor a retirement plan, personalization and financial wellness are the next frontiers," says Doss. "As the workplace contract continues to shift, employees are asking for financial wellness benefits beyond retirement savings." And maybe just by coincidence or serendipity, they're asking at a time when employers are starting to see improved capabilities for information-based solutions that can help them personalize their financial benefit packages.

### Understanding Employee Needs

The path to a customized financial benefits program starts by understanding what employees want.

Increasingly, employers are polling employees to learn which benefits are most attractive and which can be removed as population demographics and needs shift.

To balance employee and organizational desires, it can be helpful for employers to write an employee mission statement, describing the specific outcomes they want for people while they're working at the organization. Most companies have an overarching mission but not one focused on the employee experience. "Knowing the goal will help you decide what to offer and explain why the organization provides each specific benefit or plan design feature," says [Chris Whitlow](#), CAPTRUST senior director of advice and wellness.

Although it's a good idea to start by understanding which financial benefits employees want, the company may also choose to offer less-sought-after benefits that align with its employee mission statement.

As an example, consider health savings accounts (HSAs). These are tax-advantaged, member-owned accounts that allow participants enrolled in high-deductible health plans (HDHPs) to save pre-tax dollars for qualified healthcare expenses. HSAs are less popular with younger groups because younger individuals often have fewer medical needs and may not see the value in proactive saving for healthcare. Organizations with an HDHP option—and especially those with younger employee populations—might not see polling data that asks for an HSA but may still choose to offer one as part of their employee mission.

## Personalized Investment Allocation

Another major area where employers are leveraging personalization to improve employee outcomes is investment allocation within retirement plans. Recordkeepers have more data now, shared by both the employee and the employer, and they can use that data to customize allocations for individual employees.

"In the past, we had just one data point—the person's birthday. That's what made target-date funds so impactful. That one data point felt like a very big deal," says Doss. With a person's birthday in hand, plan sponsors could figure out a participant's estimated retirement date—assuming retirement at age 65—and could adjust allocations to optimize investment returns as the person aged.

"But now, with better data, we can customize further," says Doss. Employers today can leverage information about each employee's current retirement savings, salary, deferral rate, assets outside the retirement plan, financial goals, budget constraints, and more. "Atop this information, sponsors now have access to managed accounts, targeted education campaigns, and algorithm-driven recommendations for investment allocation, so they're moving the needle that much more," she says.

But personalized investment advice can only take an employee so far. The next piece is to personalize financial education campaigns to be sure the company is meeting every person where they are.

## Targeted Education

Like investment allocation, until recently, financial education campaigns were generic by necessity. Mass personalization was simply not possible. Now, plan sponsors are leveraging technology to create customized campaigns at scale. “Technology can help you reach everybody by going beyond one-size-fits-all messaging, because you have the ability to gather more data on each person and draw smarter, less generic conclusions,” says Whitlow.

For instance, recordkeepers can scan employee data to identify all the people who are not saving at least enough to qualify for their company match. Those employees then receive a personalized email that tells them exactly how much money they’re leaving on the table and how much their company would give them if they saved more.

“In these targeted campaigns, the call-to-action is usually very specific, and it has the person’s name on it, so they’re already much more likely to open it and respond,” says Doss. Although targeted education services may not be available through all providers today, they are expected to trickle throughout the industry as converging technologies accelerate data collection and messaging capabilities.

## Financial Wellness and Advice

Sponsors are also seeing increased capabilities for personalization of financial wellness programs. These are courses or educational materials that teach people how to manage money, invest, save, grow their assets, pay down debt, and more. Whitlow says technological advancements have improved financial wellness, “but at the end of the day, what I’ve learned throughout my career is that individuals want real, humanistic, empathetic advice and coaching.”

Doss agrees. “I don’t think anyone would argue that the best way to reach people—the best way to help people—is to meet with them one-on-one to understand their financial picture, their financial education level, and their financial goals, then give them the tools and knowledge to help them reach those goals,” says Doss. “But most people can’t afford a personal financial advisor. That’s why financial wellness is such an important and desirable employee benefit.”

By offering financial wellness services as part of benefit packages, companies ensure all employees have access to personalized, expert advice, not just those who can afford it on their own. And with so many data points at their fingertips, financial advisors can give better guidance faster.

Fortunately, financial wellness services are now more cost effective than ever before. Also, research shows that they are worth the investment. According to data from [HR Professional and Ernst & Young](#), companies with financial wellness programs in place saw increases in employee retention (56 percent), employee well-being (50 percent), and employee productivity (46 percent).

“Financial wellness programs benefit participants, but they also benefit plan sponsors by improving

participation, increasing contribution rates, and more generally, increasing engagement, satisfaction, and productivity at work,” says Whitlow. “Sponsors are already making thoughtful, future-focused plan design choices, but those mean little if employees don’t know how to put them to the best use.”

Now, plan sponsors don’t have to assume a general level of financial education for all employees. They can use recordkeeper data and internal surveys to deliver personalized education campaigns to all employee groups, from new workers to sandwich-generation caregivers to sophisticated investors in executive positions.

## Driving Outcomes

Ultimately, Doss says, personalization benefits the individual participant, but it should also be driving better overall plan health and plan outcomes. “The big four measures of plan success are getting people in the plan, getting them to save enough, getting them invested, and then getting them to decumulate well,” she says. “If you’re leveraging personalization to do those four things, then you should be on the right track.”

Company culture also plays a part in this equation, says Whitlow, “by helping plan sponsors drive better outcomes for both employees and the organization, or detracting from their shared success.”

Many companies aim for a workplace culture that nurtures their most engaged employees: those who are both highly productive and an inspiration to their peers. Financial wellness programs, including benefits such as retirement plans, play a pivotal role in fostering this culture, he says. “Some employers grapple with the challenge of increasing employee participation in financial wellness programs. Yet it’s clear that success lies with employers who invest in understanding their workforce.”

By crafting personalized programs and clearly communicating the importance and value of these benefits—from the executive level down—employers often see significant improvements in engagement, productivity, and employee retention. These are cyclical forces. Company culture can drive participation, and participation can improve company culture.

What’s clear is that the personalization of benefit options and messaging makes a difference. Regardless of whether sponsors give participants a limited lineup of curated options or a robust, cafeteria-style menu, the most successful organizations will likely be those that have a clear picture of what employees want, and what the company wants for employees. By polling employees, writing an employee mission statement, and making use of recordkeeper data to personalize financial benefits, employers can put personalization to work for mutual benefit.

It's OK to start small, but it's important to get started. To keep employees engaged and on track financially, start by offering a retirement plan. Then work with a financial advisor to understand which plan features, financial wellness programs, and education campaigns will help them make the best use of it.

---

### **Legal Notice**

This material is intended to be informational only and does not constitute legal, accounting, or tax advice. Please consult the appropriate legal, accounting, or tax advisor if you require such advice. The opinions expressed in this report are subject to change without notice. This material has been prepared or is distributed solely for informational purposes. It may not apply to all investors or all situations and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. The information and statistics in this report are from sources believed to be reliable but are not guaranteed by CAPTRUST Financial Advisors to be accurate or complete. All publication rights reserved. None of the material in this publication may be reproduced in any form without the express written permission of CAPTRUST: 919.870.6822.

© 2026 CAPTRUST Financial Advisors