

strategies for Gen Z and SMB growth

Winning the Next Generation in the Digital Payments Era

The future of banking will not be decided by who launches the next feature. Financial institutions will win by capturing the next generation of relationships and redefining how money moves in an increasingly complex ecosystem. As digital wallets, real-time payments, and emerging forms of tokenized money continue to grow, the competitive landscape is shifting rapidly.

Tokenized money refers to digital representations of value, including stablecoins and tokenized deposits, that operate on blockchain-based networks.

At the same time, expectations of younger accountholders and businesses are evolving. If you can engage, understand, and grow with them, you will shape the next decade of deposits, payments, and profitability. If not, you risk becoming invisible infrastructure behind more agile platforms.

shifting growth of deposits and payments

For decades, you grew by expanding deposits and deepening existing relationships. Today, that engine has changed. Gen Z and emerging small business owners, or “bizumers,” are driving new account formation, payments activity, and future deposit growth.



Small business accounts, often created by younger entrepreneurs, hold significantly larger balances than retail accounts and deliver more durable growth. Yet these relationships are increasingly captured upstream by fintech platforms that own the payment experience and, in turn, the accountholder relationship.

In this environment, payments are no longer just a utility you provide. They are how you engage. They are your gateway to data, deposits, and long-term loyalty.

rebuilding relationships in a fragmented ecosystem

You can no longer rely on the traditional model of generational banking. Serving families over decades through a single relationship is no longer the default.

Your accountholders maintain relationships with multiple financial providers, while you hold only a portion of their financial data. The fragmentation limits your visibility, weakens engagement, and restricts your ability to anticipate needs.

Align your services with key life transitions, such as first jobs, business formation, homeownership, and wealth transfer. Build family-centered experiences through co-managed accounts and integrated personal and business banking.

Most importantly, stop treating Gen Z and SMB as separate strategies. They are deeply connected. The same accountholder managing a personal account today may be running a business on the side. If you can identify that activity early and serve it with relevant tools such as lending, payments acceptance, and cash flow insights, you position yourself to capture long-term value.

why is payments data critical for AI?

In modern banking, competition has shifted from products to data, AI, and payments. Today, you likely have only partial visibility into your accountholders' financial lives. Without complete data, you cannot deliver the AI-driven experiences that your accountholders increasingly expect.



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Treat AI as a way to scale relationships. Leading financial institutions are already using it to deliver personalized insights, automate decisions, and engage accountholders in real time.

The shift to make is from transactional banking to predictive banking. Payments data is one of your most valuable assets. It gives you a real-time view into behavior and intent. When you capture and activate that data, you can anticipate needs, deliver relevant solutions, and embed yourself more deeply into your accountholders' financial lives.

hybrid money risks and opportunities

At the same time, you are entering a hybrid monetary era. Traditional currencies now exist alongside tokenized deposits, stablecoins, and blockchain-based payment rails.

Hybrid monetary systems combine traditional fiat banking with blockchain-based payment rails and digital assets.

This creates pressure on your core business. New forms of digital money can shift deposits and payments outside of your financial institution. It also creates opportunity. You are uniquely positioned to act as the bridge between traditional finance and emerging on-chain ecosystems.

If you enable seamless movement between fiat and digital assets, you can position yourself as a trusted on- and off-ramp. That allows you to maintain your central role while participating in new value flows. To do this, evolve your infrastructure. A hybrid ledger connecting your foundational core with emerging networks will become essential as adoption grows.

leadership imperatives

- **Design for the next generation.** Build [digital banking experiences](#) that reflect digital-native behaviors.
- **Reclaim relationships.** Enhance [payments](#) and [SMB strategies](#) – where the next wave of deposits is forming.



A hybrid ledger connecting your foundational core with emerging networks will become essential as adoption grows.

- **Invest in [data and AI](#) at scale.** Turn fragmented insights into predictive intelligence.
- **Modernize your infrastructure.** Use [innovative technology](#) to support seamless money movement across ecosystems.

Those that lead will own the relationship layer, activate the data layer, and enable the movement of money across every form it takes.



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