Artificial Intelligence: How is it Shaping the Industry

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How do you visualize the future of employer sponsored DC plans?

- Holistic personal financial services across all personal assets: 33%
- Mandatory participation by all: 24%
- Many investment options each with their own focus (ESG, faith-based, etc.): 14%
- Single investment option or suite of no more than 3 options: 5%
- Employer sponsored DC plans will cease as employees will participate in an open MEP of their choice: 0%
How do you visualize the future of employer sponsored DC plans?

- Holistic personal financial services across all personal assets: 39%
- Mandatory participation by all: 24%
- Other: 16%
- Employer sponsored DC plans will cease as employees will participate in an open MEP of their choice: 11%
- Many investment options each with their own focus (ESG, faith-based, etc.): 8%
- Single investment option or suite of no more than 3 options: 3%
Is your firm currently using AI?

Yes □ No □

In what ways is your firm using AI?

- Robotic process automation
- Intelligent optical character recognition
- Distribution
- Across operational functions
- Online chatting services
- Data insights
- All areas
- Client retention
- Behavioral economics
- Recommendation engines
- Sales drives and prospect predictions
- Cash flow forecasting
- Bots to manage repetitive tasks and transaction processing
- Personalization to help participants with next best action based on their specific stage, savings and behaviors
- Segmentation
- Target markets
- Back-end processing
- Machine learning
- Participant experience
- Prediction
- NLP
Do any of your plan sponsor clients use AI?

- Robotic / intelligent process automation for passing payroll and census data to DC plan provider
- Possible chat-bot front-end interface on employee training intranet may connect employees to DC specific information to help answer questions about their plan account
- Recommenders
- NLP
- Vision
- Specifically related to the retirement plan
- Repetitive tasks
- Data analytics
Do you or any of your plan providers currently use AI?

For what ways do you or your plan providers use AI?
- Investment management
- Data management
- Investment strategies
- Determine behavior
- Resolutions to common issues
- Personalized messaging
- Investment process
- Validate reporting
- Fraud prevention
What top 3 ways can AI most help your retirement plan?

- Holistic financial wellness: 83%
- Participant retirement planning and readiness: 78%
- Reduction of plan “leakage” (loans, hardship, early withdrawal): 61%
- Ongoing compliance to fiduciary and regulatory rules: 39%
- Optimization of retirement plan investment menu: 22%
- Other: 17%
- Selection of retirement plan provider: 0%
What top 3 ways can AI most help your retirement plan?

- Participant retirement planning and readiness 95%
- Holistic financial wellness 78%
- Reduction of plan “leakage” (loans, hardship, early withdrawal) 46%
- Ongoing compliance to fiduciary and regulatory rules 38%
- Optimization of retirement plan investment menu 32%
- Other 8%
- Selection of retirement plan provider 3%
What are your top two hesitations about leveraging AI for your plan sponsor clients?

- Not sure about its accuracy: 53%
- Potential data privacy issues: 35%
- Unclear about the value for the plan or participants: 35%
- No hesitation: 29%
- Concerned that costs may increase: 24%
- Other: 24%
What are your top 2 hesitations about incorporating AI into your plan?

- Unclear about the value for the plan or participants: 67%
- Not sure about its accuracy: 45%
- Potential data privacy issues: 39%
- No hesitation: 24%
- Other: 12%
- Concerned that costs may increase: 12%
Polling Question

Case Study: Say a plan sponsor provides full participant healthcare data. For the AI algorithm, what would you consider OK or Not OK? (For this, presume it’s legally allowed.)

Scenario #1:
Adjusting investment glide path based on new expected mortality

Scenario #2:
Recommending a higher savings rate to cover costs due to high blood pressure

Scenario #3:
Offering a higher employer match based on “healthy” lifestyle