John Hancock Retirement Plan Services Expands Predictive Analytics Capabilities to Close Retirement Savings Gap
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Analytics help advisors and plan sponsors make plan and platform decisions that nudge participants closer to retirement readiness

BOSTON, March 15, 2018 /PRNewswire/ -- John Hancock Retirement Plan Services (JHRPS) has expanded its data analytics capabilities to help plan sponsor clients and advisors make plan and platform decisions to help participants save more for retirement.

The company conducted a predictive analytics pilot with long-term client Farm Credit Foundations (FCF) which had very high participation and retirement readiness but wanted to know why the few non-contributors had opted out after they were auto-enrolled.

Using predictive analytics, JHRPS modeled participant data to identify participant segments – top, normal, and non-contributors; the team enriched the data with third-party data to provide broader insight into the personas, and then used machine-learning algorithms to predict future outcomes. The analysis identified who the non-contributors were and provided insight into what might help them save more.

Farm Credit used the data to make targeted plan design changes, decreasing the auto-sweep default to encourage more employees to participate. With the lower default rate, 90 percent of the non-contributors stayed in the plan after the last auto sweep. In addition, 70 percent of the new contributors remained at the lower default rate, 16 percent elected a higher contribution rate and 4 percent elected to contribute after-tax.[1]

"John Hancock's advanced analytics team stepped in and helped us change our approach," said Cynthia M. Burkel, CEBS, SPHR, vice president, Employee Benefits, Farm Credit Foundations. "The results of the deep dive into our non-contributing employees surprised us. Without John Hancock's analysis, we would have continued with our annual auto-sweep unchanged, which would have left some participants behind. John Hancock's ability to understand the behaviors of these participants enabled us to turn around employee behavior and achieve our goal of getting more people in the plan."

Since then, JHRPS has rolled out its predictive analytics capabilities to several large clients, working to uncover patterns in under-participation. Now it is using the technology to dissect its full book of business, so that insights gleaned from participant data from across the platform can be used to help guide plan sponsors, advisors, consultants, and TPAs working in all markets – small, mid-size, and large plans.

"The growth and maturity of technology – especially using big data along with sophisticated analytic tools and algorithms - has given us the ability to process massive volumes of data into insightful, interactive, results-driven systems," said Lynda Abend, Chief Data Officer, JHRPS. "We are able to arm advisors and consultants with powerful information that they can use to help plan sponsors make meaningful changes that ultimately benefit participants."

About John Hancock Retirement Plan Services
As of December 31, 2017, John Hancock Retirement Plan Services serviced over 57,000 plans with over 2.7 million participants and $164 billion in FUM Assets.[2]

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[1] As of 8/31/2017. Results may vary from plan to plan.

[2] John Hancock Retirement Plan Services consists of John Hancock Life Insurance Company (U.S.A.) (not licensed in New York), John Hancock Life Insurance Company of New York (licensed in New York), Valhalla, New York and John Hancock Retirement Plan Services, LLC. Approximate unaudited figures for John Hancock Retirement Plan Services division, provided on a U.S. statutory basis.

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