



Practical Applications of AI in Public Sector DC Plans: Tools, Insights, and Participant Impact

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Do you currently use AI tools (e.g., ChatGPT) at work?

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What's your current perception of AI in retirement plans?

① The [Slido app](#) must be installed on every computer you're presenting from

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What words explain your feelings about AI?

“Excited” 29%
(34% non-public sector)

“Hopeful” 31%
(36% non-public sector)

“Concerned” 31%
(23% non-public sector)

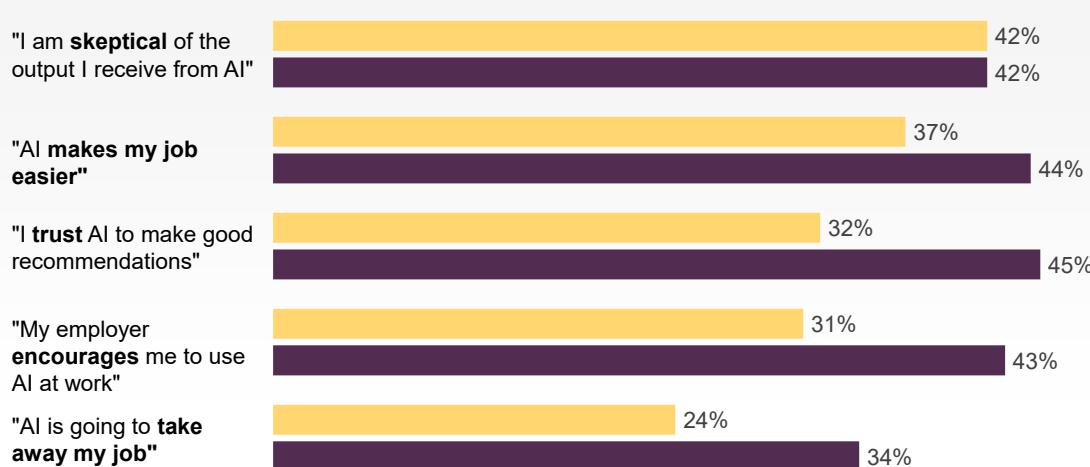
“Suspicious” 30%
(19% non-public sector)

“Nervous” 20%
(15% non-public sector)

“Scared” 17%
(12% non-public sector)



The emotional side of AI



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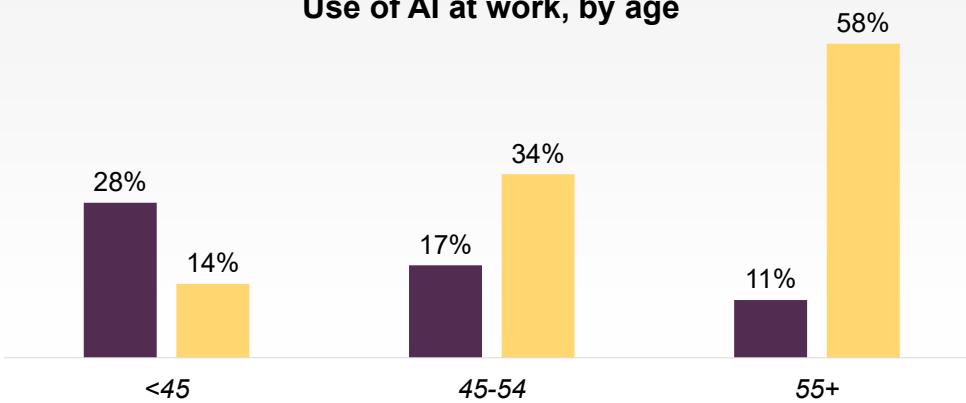
Source: Alight Solutions, 2025 Employee Mindset Study 5

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How often do you use AI at work?

Every day Never

Use of AI at work, by age



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Source: Alight Solutions, 2025 Employee Mindset Study 6

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Transform data into action

Inspires employee to take best advantage of their accounts by using their **own data** to tell the story. AI avatars and tailored scripts create engaging, relevant videos that motivate action.

- **Tailored content:** Displays personalized data and insights.
- **Inclusive AI avatars:** Choose gender, age, ethnicity and up to 40 languages to enhance relatability and enable updates without a traditional “re-shoot.”
- **Scalable & efficient:** AI avatar technology reduces time spent reengaging voice or on-screen talent.
- **Action-oriented:** Encourages smarter decisions, such as optimal retirement or HSA contributions, through data-driven storytelling.

Health Savings Account
You currently contribute
\$100 per pay period

401(k)
Your current per pay period contribution:
4%
\$167 Your contribution + \$104 Employers match

PERSONALIZED VIDEO

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Source: Alight Solutions, 2025 Employee Mindset Study 7

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3 Stages of Adoption of AI

Adoption In The Enterprise Is Not Sudden

We Are Here

ChatGPT released

Transactional

“Summarize this document”
“Explain this concept”
“How do I do...”

Coworker

“Let’s work on this project together”
“I have this situation, can you work through a solution with me?”
“I don’t feel I’m good at this skill, can you coach me on it?”

AI Labor

“I need 100 call center agents for a short period of time”
“I’m creating a new team with a mix of human and AI workers”
“This new business model works because of our AI labor force”

Impact To Us and Our Clients

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An AI Coworker's Resume

Map AI Features to Human Qualities

- Our AI Coworkers behave and act like humans.
- The more humanistic and HR-like we make these Coworkers, the more they will be adopted within our enterprise.
- Our goal is to build a methodology that encompasses what it takes for us to "hire", "onboard" and "manage" these AI Coworkers as they become effective members of our teams.
- These Coworkers are at the beck-and-call of our humans, they are not autonomous, but they do have specific skill sets, memories and capabilities that superpower our humans.

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Hiring An AI Coworker

The HR Process Is Human Driven

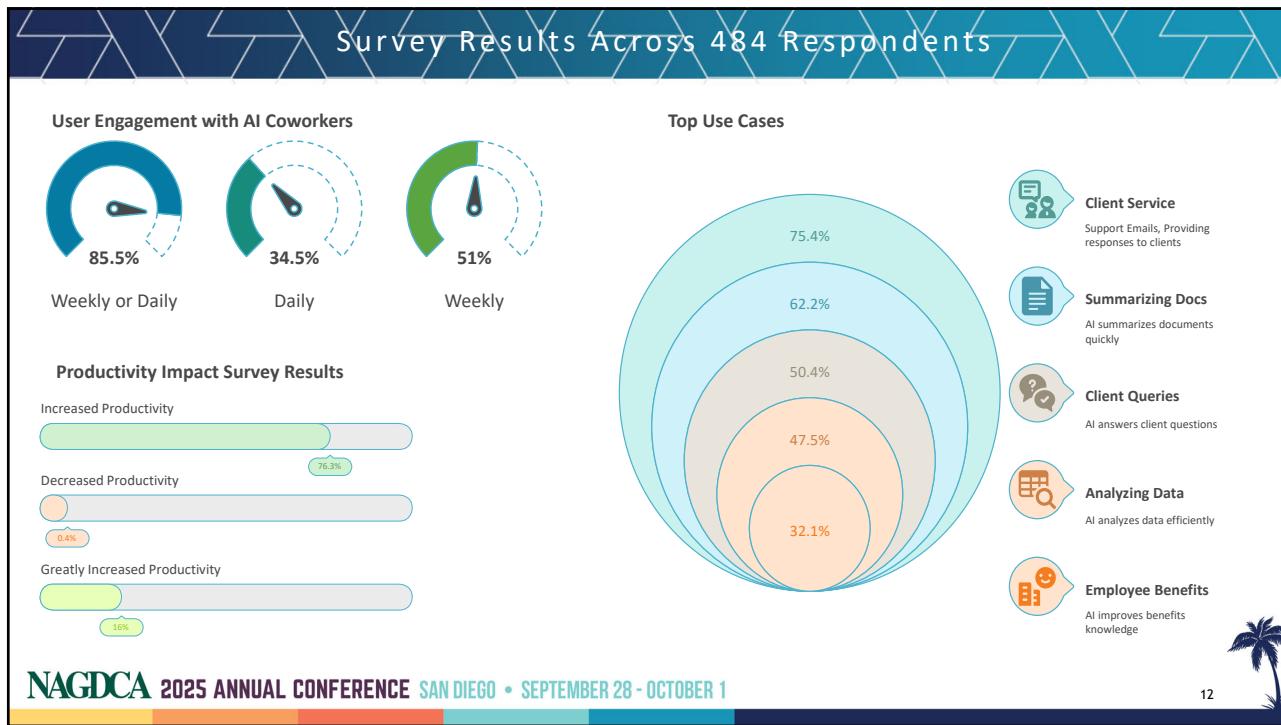
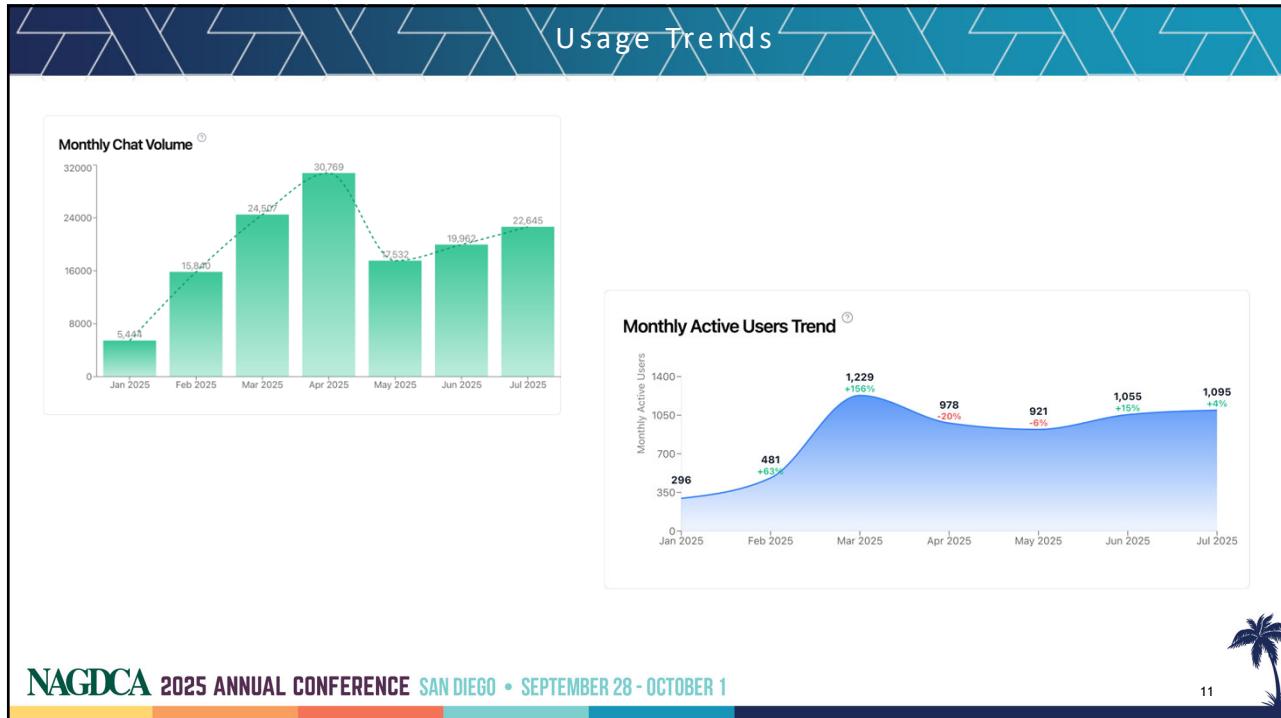
- INTERNSHIP**
 - Understand needs
 - Test concepts
 - Discover capabilities
- APPRENTICESHIP**
 - Beta testing
 - How it impacts humans
 - Build out "resume"
- FULL AVAILABILITY**
 - Available to all employees
 - Built into budgeting
 - Continually upgraded

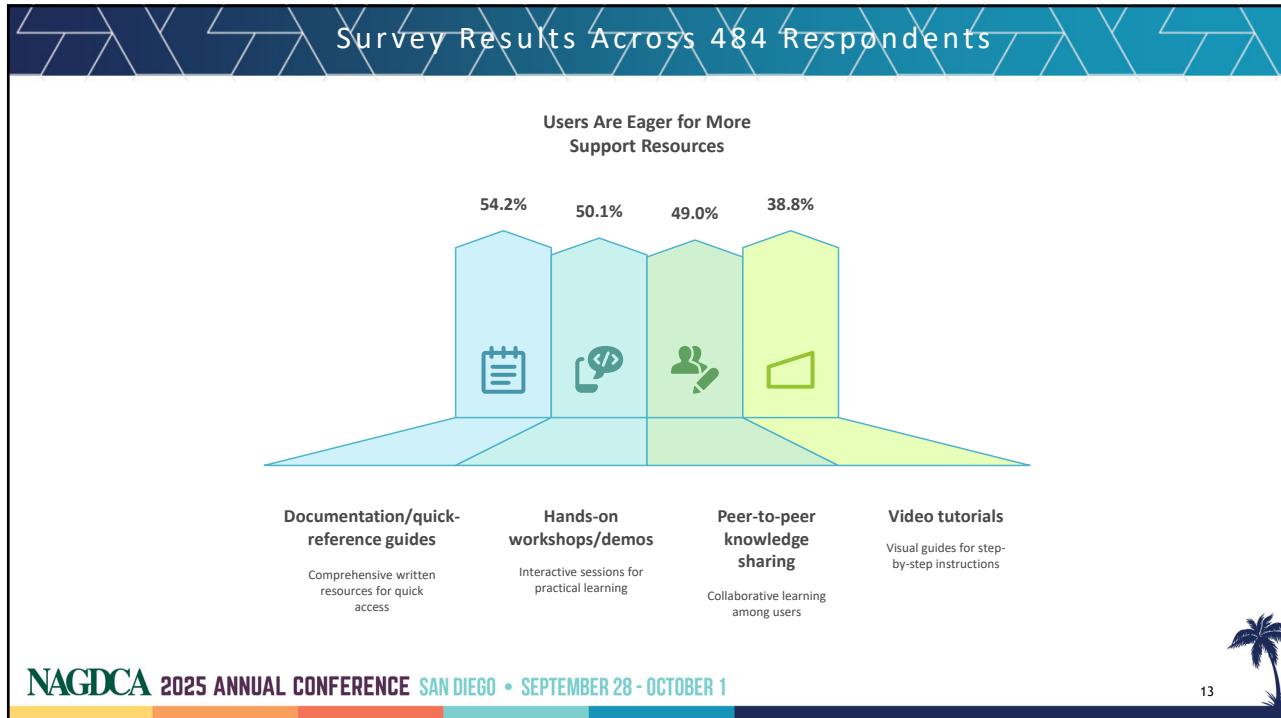
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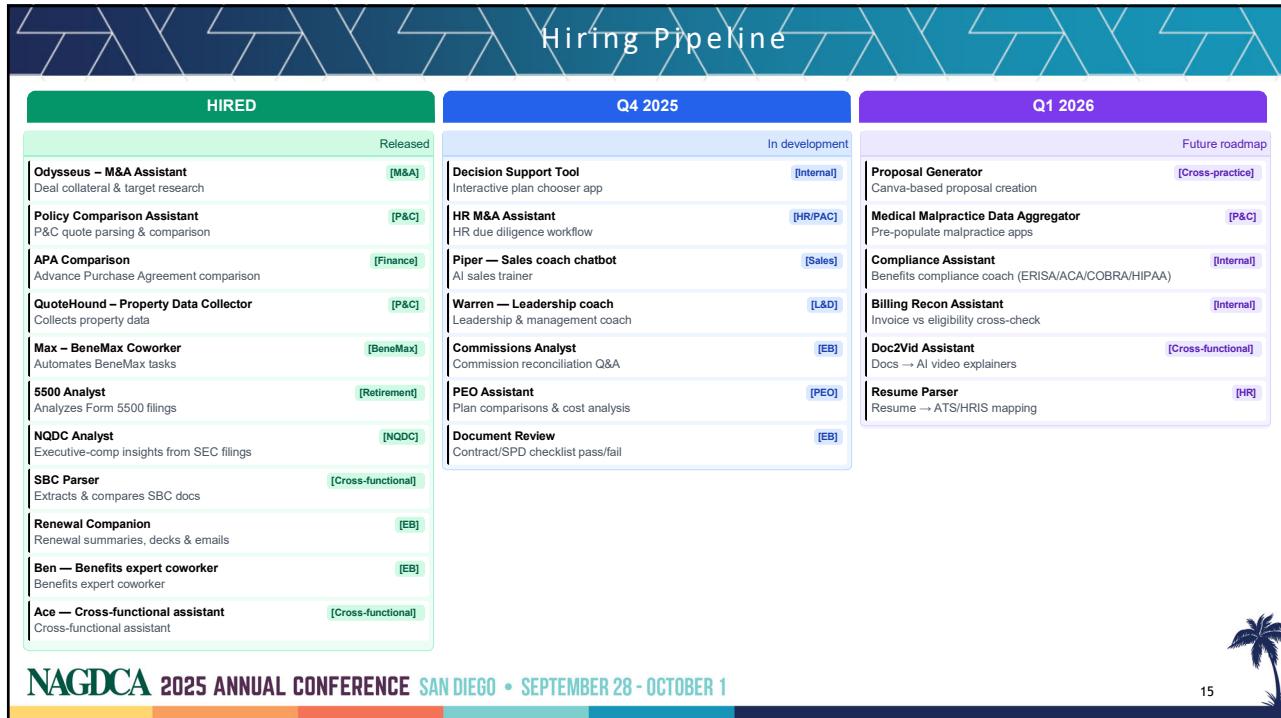


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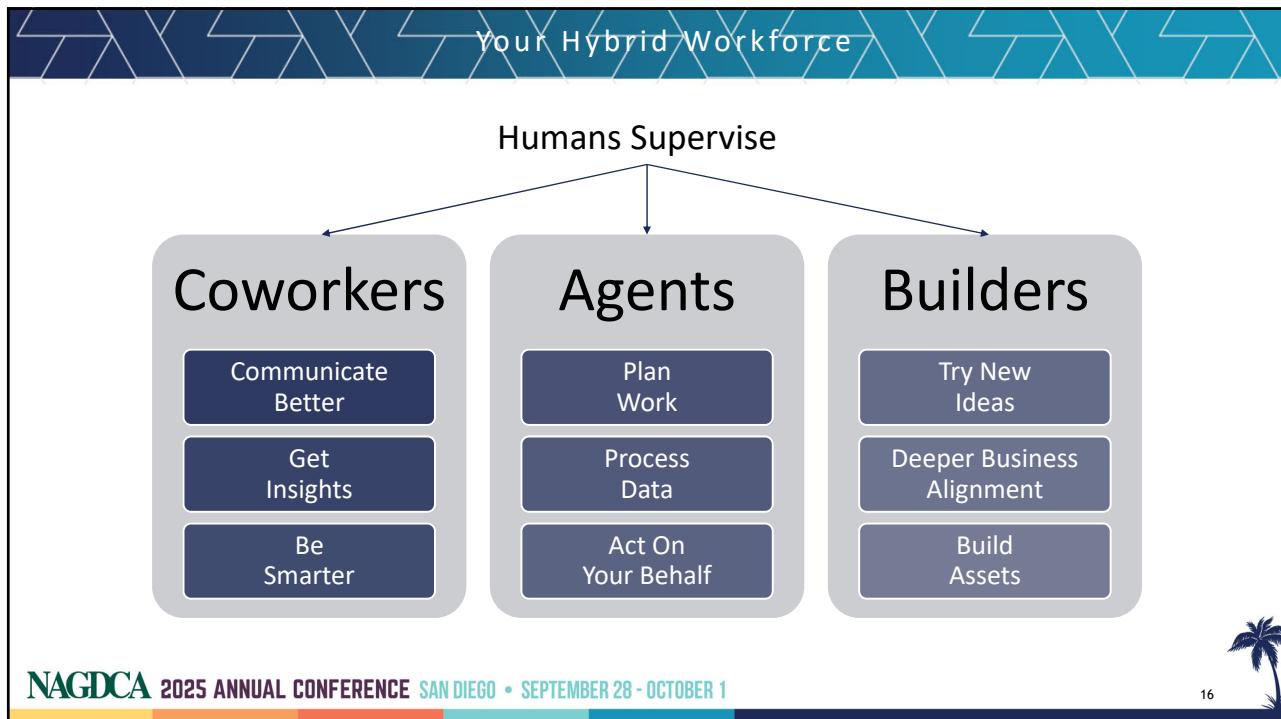
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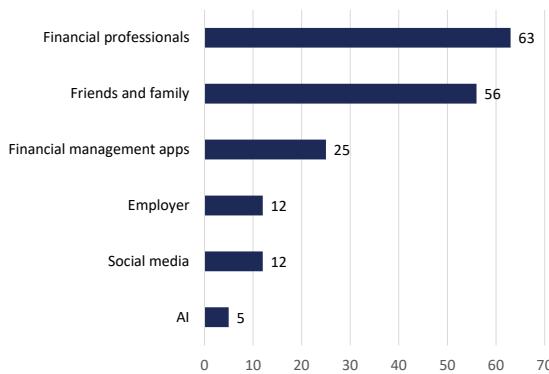
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Many consumers wary of tapping AI for financial decisions

Where do individuals source information when making financial decisions? (Percent)



37% of individuals would trust advice on portfolio allocation from human professionals, while only 30% trust the same type of advice from AI

Human element wins out but with the increase in app-based financial management, do participants know where their advice is coming from?

Source: FINRA Investor Education Foundation, Consumer Insights: Money & Investing – May 2024, “The Machines are coming (with personal finance information). Do we trust them?”

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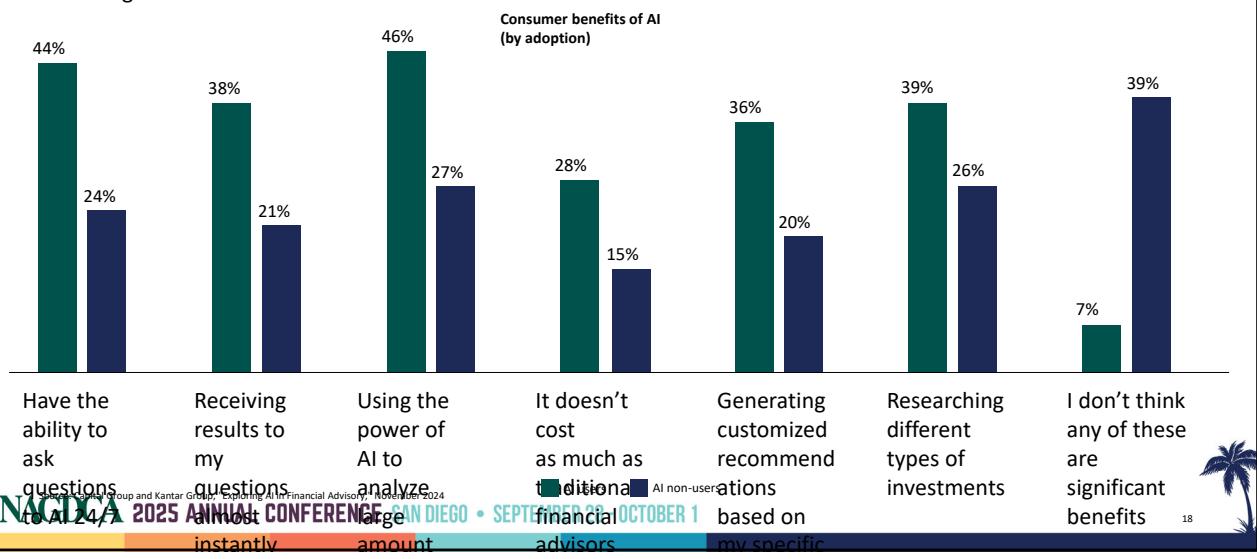
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Opinions vary on the value of AI in personal finance

Consumers using AI in personal finance value its 24/7 accessibility and analytical power, while 40% of non-users see no significant benefits



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Who are the consumers adopting AI?

Gender

- 65% AI usage among men vs. 53% among women
- 78% usage for both Gen Z men and women
- Men outpace women for those 28+ years old

Generations

- 77% AI usage among Gen Z
- 66% among Millennials
- 57% among Gen X
- 34% among Boomers

Income

- Those with household incomes of \$200k+ are directionally more likely to use AI

FA usage

- 64% AI usage among those who use financial advisors (FAs) now
- 60% usage among those who are likely to use FAs in the future
- 38% usage among those who do not use FAs in the future

Appetite for advice

- 63% AI usage among those with a stronger appetite for advice
- 54% usage among those who feel they have all the advice they need

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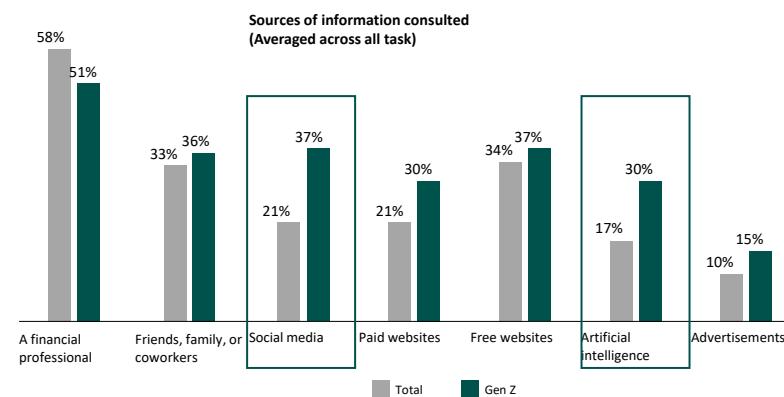
Younger generations are embracing AI in personal finance

The next generation of financial advisees are more engaged in their finances, consult more sources of information and already embrace AI as part of their personal finances.



Of Gen Z are interested in using a Financial Advisor within the next 5 years, (vs. 51% Total)

Of Gen Z agree: "I enjoy getting into every little detail of my finances" (vs. 49% Total)



Source: Capital Group and Kantar Group, "Exploring AI in Financial Advisory," November 2024

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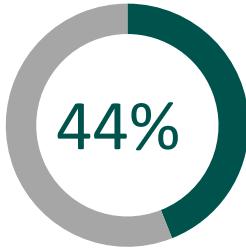
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We are seeing a gender gap with AI

Compared to men, fewer women use AI or show interest in learning how to benefit from it, believing it has limited value in their personal life.



Of women agree:
'I already use AI for some tasks' (vs.
65% of men).



Of women agree:
'I want to learn to get the most out of AI' (vs.
58% of men).



Of women agree:
'I believe AI will be helpful in my personal life' (vs.
65% of men).

Source: Capital Group and Kantar Group, "Exploring AI in Financial Advisory," November 2024

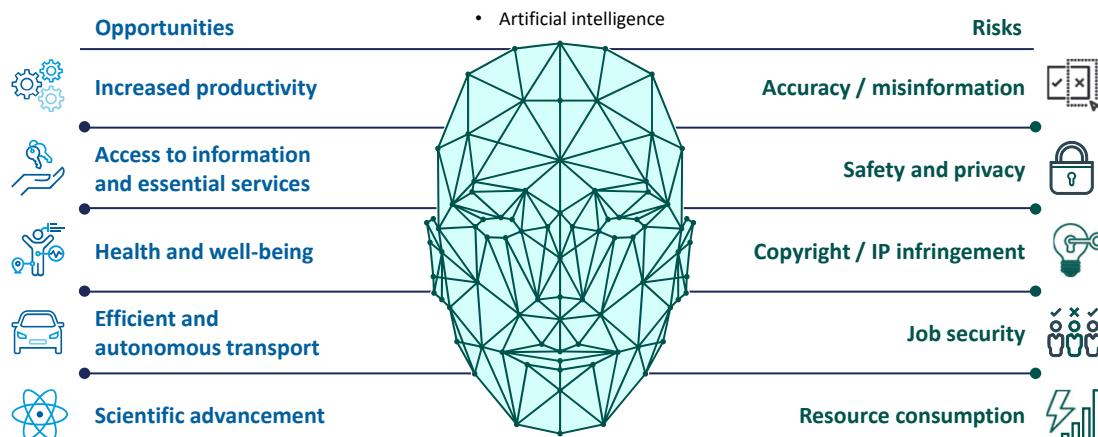
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Opportunities and risks



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2023 institutional retirement survey insights

- What will be a potential disruptor to DC plans in the next five years?

“AI integration.”

“ESG.”

“Increased usage of managed accounts which is an area that our team is not focused on (primarily because we are not a wealth advisory firm and not looking to sell product to plan participants).”

“Ineffective government, political and regulatory intervention.”

“Legislation, federal Thrift Savings Plan.”

“Multiple employer plans (MEPs) and pooled employer plans (PEPs).”

“PEP adoption.”

“Personalization and greater integration of technology, specifically AI.”

“The threat of litigation is a present concern for our clients, so that has and will continue to disrupt how we advise them.”

“We believe the future of DC will increasingly be defined by personalized investing, whereby the boundaries separating target date funds (TDFs) and managed accounts will fall away. Emerging innovations from Qualified Default Investment Alternative (QDIA) Model Portfolios, Hybrid QDIAs, and Personalized TDFs to Advisor-Managed Accounts (AMA) and lifetime income solutions will amplify demand for and market share of managed account-powered solutions as retirement plans and their participants demand more personalized portfolio solutions.”

Source: Capital Group. 2023 Institutional Retirement Survey of Consultants. The survey was conducted from October to December 2023. DC = defined contribution. TDF = target date fund. QDIA = qualified default investment alternative.

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How has your view of AI in retirement changed?

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Get educated
Read the DOL/EBSA
guidance on cybersecurity

2

Roll up your sleeves
Dive into curated tech
news

3

Engage your clients
“Cybersecurity is at the
top of our 2025 priority
list. Here’s why ...”

EBSA = Employee Benefits Security Administration.

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