

SYNOPSIS

Stay or Go? The Science of Departures from Superannuation Funds

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Key words: Superannuation, Member behavior, Exits, Predictive Modelling

Purpose of your paper:

This paper will:

- Examine the trends and demographics of exited superannuation fund members using Rice Warner's Superannuation Insights sample which covers over 10 million member accounts.
- Use predictive modelling to determine the key demographic indicators which can be used to help predict which members will leave a superannuation fund
- Segment exits by type, for example rollovers, retirements, consolidations, deaths etc.
- Consider how this data driven approach could be applied when developing Superannuation fund member retention strategies.

Synopsis:

Superannuation funds lose thousands of members to competitors and SMSFs every single year, in the latest APRA statistics over half of funds experienced a reduction in the number of members over the financial year with over 1.5 million accounts rolling over to another provider.

Increasingly, funds will need to harness the data they have at hand to understand which members are most likely to exit the fund in order to develop better member retention strategies.

This paper aims to provide such analysis of exit data based on a large sample of information from funds which participate in Rice Warner's Superannuation Insights study and present a framework through which actuarial techniques can be applied to help predict which members will exit the fund.