

2018 NAGDCA Leadership Recognition Award Submission

Who: The Savings Plus California State Employee 401(k) & 457(b) Plans provide administration of supplemental retirement plans. The Program has helped more than 209,000 participants save over \$13.7 billion for a more secure retirement. The available deferred compensation plans include Traditional and Roth 401(k), and Traditional and Roth 457(b) plans.

Category: Participant Education/Effective Communication

Initiative: 2017 Targeted Increase Campaign – Driving Account Action Through Generational and Seasonal Messaging

Project Summary

Savings Plus saw an opportunity to promote increased participant retirement readiness by sending a contribution increase message through targeted postcards to participants who recently received a pay increase. Savings Plus' hypothesis was that segmented, targeted messages would resonate better with each generation and lead to high response rates, increased contributions, and ultimately increased retirement readiness. Savings Plus selected creative imagery depicting Baby Boomer (born before 1965), Generation X (born in or between 1965 and 1983) and Millennial (born in or after 1984) audiences in different seasons and created headlines to correspond with the image and topic. The images chosen also portrayed a fun, active, and exciting lifestyle California participants enjoy which further engages the participants. On the backside of the message, the slogan "Even small increases can make a difference" was used alongside a generation specific increase graph showing the benefits of increasing. This was to emphasize that no matter the increase and no matter your age, increasing savings to their Savings Plus account can have a substantial impact on their overall retirement benefit. Overall, the campaign was incredibly successful with 194,494 touches to 134,823 participants, leading to 29,088 participants increasing their contribution (an overall 21.57% response rate). This campaign generated over \$16.5 million increased contributions, equating to over \$192 million in annualized increases.

Written Justification

What was the campaign and when was it executed?

In 2017, Savings Plus analyzed the retirement readiness of their participants and found that increases in participant contributions would be the best target on which to focus. Due to the number of participants, we decided to analyze life factors that are correlated with increasing contributions and determined that an increase of pay is one of the strongest indicators of why participants increase their contribution. Savings Plus and Nationwide then implemented a process to obtain who would be targeted, how creative would be determined, and when the messages would go out.

In addition to who was being targeted, Savings Plus hypothesized that segmented, targeted messages would resonate better with each generation. To test this, Savings Plus selected creative imagery depicting Baby Boomer, Generation X and Millennial audiences in different seasons and created headlines to correspond with the image and topic. The images chosen also portrayed a fun, active, and exciting lifestyle California participants enjoy which further engages the participants. On the backside of the message, the slogan "Even small increases can make a difference" was used alongside a generation specific increase graph showing the benefits of increasing. This was to draw attention that no matter the increase and no matter your age, saving through Savings Plus is beneficial.

The planning for this campaign began in January 2017 with a launch in March 2017. This campaign ran every month thereafter in 2017 and continues throughout 2018 with a release date around the second week of each month. This strategy ensured that we hit participants with the increase message just after they were aware of the pay increase which occurred on the first of each month.

What is the relative significance of improvement?

Savings Plus and Nationwide strive for operational improvement and efficiencies for all campaigns. This campaign further supports this goal by targeting those who are more likely to increase at a time that they are more likely to take action, promotes online activation and ties in an Auto Increase message. The goal of this campaign is to nudge participants to increase their contributions. Historically, this message would have been conveyed through a one-off conversation with a representative or the participant seeking it out themselves. The targeted messaging involved in this campaign recommends increasing their contribution by utilizing their online account. This call to action increases

the overall efficiency by reducing the number of transactions that must be processed by the Operations team and reduces the overall instance of error.

The messaging also recommends increasing their contribution with the Auto Increase capability. This improves the operation of the plan because the participants' contributions will automatically increase each year without the participant or Savings Plus having to physically input the change. This streamlines the process and ensures that participants are continually improving their retirement readiness. Now that the campaign is set up and running, the marketing and operational components are also very efficient. The monthly mailings to participants are distributed seamlessly.

What were the measurable benefits and realized results?

Response to this campaign was very positive and successful from a metrics perspective with 29,088 participants increasing their contribution (a 21.57% response rate). The increased contributions generated over \$16.5 million in increased contributions, equating to over \$192 million in annualized increases. With just an annual \$50,000 financial investment, the return on investment was significant.

Below is the breakdown, including generational breakdowns and action rates.

**2017 January - November Increase
Campaign Summary**

Aggregated Data

Participant Touches	194,494
Participants Mailed to	134,823
Took Increase Action	29,088
Action Rate	21.57%
Amount Increased	\$ 16,533,084.26
Annualized YTD	\$ 192,397,011.12

Averaged Amount Increased	\$ 568.38
Median Amount Increased	\$ 200.00

Generational Breakdown

**% of total amount
increased**

Boomer Increase	\$ 6,531,018.17	39.50%
Gen X Increase	\$ 8,323,742.04	50.35%
Millennial Increase	\$ 1,509,637.59	9.13%
Generic Increase ¹	\$ 168,686.46	1.02%

¹ Starting October 2017, a generic postcard was included in our campaign to enhance the testing of our hypothesis that generation-specific messages would have higher engagement and response rate.

What is the feasibility of use?

Public sector deferred compensation plans across the nation are trying to increase retirement readiness. After the first year of this campaign, Savings Plus decided to continue the campaign and refines the message and imagery each season, including adding in a control group with a generic image and headline. Due to the strategy behind segmenting the populations, this campaign is repeatable and can be leveraged across the industry, specifically for governments who have large populations. To increase efficiencies, this campaign can also be leveraged for print, digital, or a mix of the two. It has also already been noted that more of Nationwide's larger Public Sector Plans are interested in using a similar approach with their participants due to the overall success this campaign has shown. The return on investment was significant for both Savings Plus and Nationwide, and deepened both the relationship and the marketing effectiveness of the plan and its administration and marketing partners.

Supporting Collateral
Millennial messages

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

Elevate your savings today. Aim for more freedom tomorrow.

We can help you reach your savings goals, so you can focus on your adventures ahead.

Winter

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

Fun. Friends. Future.

Increase today. Make your future truly yours by setting savings goals. We can help.

Spring

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

Looking for a brighter future?

Increase your contribution today. We can help you add some shine to your horizon.

Summer

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

Navigate Towards Your Savings Goals

Increase your contribution today. We can assist you on your ride towards retirement.

Fall

Generation X messages

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

Climb towards a successful retirement

Now's the time. We can help you reach your retirement goals.

Winter

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

Focus on what's ahead.

Increase today. We can help you set your sights on your retirement goals.

Spring

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

You have a lot to look forward to.

Increase your contribution today. We can help you plan your adventure.

Summer

savingsplus
CALIFORNIA STATE EMPLOYEE 4000 & 4070 PLANS

Gain Some Momentum.

Increase your contribution today. We can help you move towards your retirement goals.

Fall

Baby Boomer messages

How is your Retirement looking?

Plan for tomorrow. Increase today. We can help you fulfill your retirement goals.

savingsplus
CALIFORNIA STATE EMPLOYEE COSTA & RET. PLAN

Winter

Add some wind to your sails.

Increase today. We can help you reach for your retirement goals.

savingsplus
CALIFORNIA STATE EMPLOYEE COSTA & RET. PLAN

Spring

Put your plan into full swing.

Increase your contribution today. We can help you fulfill your retirement goals.

savingsplus
CALIFORNIA STATE EMPLOYEE COSTA & RET. PLAN

Summer

Pick Up the Pace

Increase your contribution today. We can help you navigate your way to retirement.

savingsplus
CALIFORNIA STATE EMPLOYEE COSTA & RET. PLAN

Fall

Generic messages

Even Small Steps Can Make a Difference

It works the same with savings.

savingsplus
CALIFORNIA STATE EMPLOYEE COSTA & RET. PLAN

All Seasons

Generational Graphs messages

Even small increases can make a difference.

Starting with \$100 contribution

Increasing contributions to your Savings Plus account can help you feel confident that what you're doing now can positively impact your longer-term goals.

This illustration is a hypothetical example that reflects allowable contributions over a 30-year period and assumes 12 pay periods per year. The nominal annual rate of return is 7%, compounded monthly. Investment returns are not guaranteed and will vary depending on investments and market experience. If fees, taxes and expenses were reflected, the hypothetical returns would be less.

No increase	\$116,945.26
Increased monthly contributions by \$50/year	\$686,976.47

Increase your contribution today.

- Online — login to your account at savingsplusnow.com
- On paper — complete a Deferral Change Form available online or at our Walk-in Service Center at 1810 16th Street, North Building, Room 108, Sacramento
- On the phone — (855) 616-4776

Millennial

Even small increases can make a difference.

Starting with \$100 contribution

Increasing contributions to your Savings Plus account can help you feel confident that what you're doing now can positively impact your longer-term goals.

This illustration is a hypothetical example that reflects allowable contributions over a 20-year period and assumes 12 pay periods per year, with a beginning balance of \$40,000. The nominal annual rate of return is 7%, compounded monthly. Investment returns are not guaranteed and will vary depending on investments and market experience. If fees, taxes and expenses were reflected, the hypothetical returns would be less.

No increase	\$205,541.02
Increased monthly contributions by \$100/year	\$576,870.21

Increase your contribution today.

- Online — login to your account at savingsplusnow.com
- On paper — complete a Deferral Change Form available online or at our Walk-in Service Center at 1810 16th Street, North Building, Room 108, Sacramento
- On the phone — (855) 616-4776

Generation X

Even small increases can make a difference.

Starting with \$100 contribution

Increasing contributions to your Savings Plus account can help you feel confident that what you're doing now can positively impact your longer-term goals.

This illustration is a hypothetical example that reflects allowable contributions over a 10-year period and assumes 12 pay periods per year, with a beginning balance of \$80,000. The nominal annual rate of return is 7%, compounded monthly. Investment returns are not guaranteed and will vary depending on investments and market experience. If fees, taxes and expenses were reflected, the hypothetical returns would be less.

No increase	\$174,477.28
Increased monthly contributions by \$100/year	\$241,975.51

Increase your contribution today.

- Online — login to your account at savingsplusnow.com
- On paper — complete a Deferral Change Form available online or at our Walk-in Service Center at 1810 16th Street, North Building, Room 108, Sacramento
- On the phone — (855) 616-4776

Baby Boomers