

## **NAGDCA 2018 Leadership Recognition Award - "CalSTRS 403bCompare.com Redesign"**

### **SUMMARY OF PROJECT**

403bCompare.com is an online tool created and maintained by the CalSTRS Retirement Readiness Division. Retirement Readiness Division aims to educate our membership on assessing their complete retirement picture. Although the CalSTRS pension benefit provides a solid foundation of retirement income, for many, additional savings in a defined contribution plan is an essential component of their overall retirement picture. Unfortunately, California's public school employees are burdened with an overwhelming amount of 403(b) options that typically carry egregious fee structures and are aggressively marketed. They often end up in 403(b) products that do not appropriately serve their retirement needs.

403bCompare is the only comprehensive 403(b) resource for California public school employees providing them with the information and knowledge they need. The goal is to make our members' retirement planning experience less of a gamble and more of a well-thought plan to meet their future income needs. The site is a result of legislation passed in 2002 becoming Education Code Sections 25100-25115. The law requires CalSTRS to create and maintain an online information bank of vendors and their 403(b) products. If a company intends to sell 403(b) products in California to public school employees, they are required to input their product information on the site. Information including, but not limited to: vendor details, fees, expenses, historical performance, and services provided.

When released in 2004, the site was unique and contained plenty of valuable information. It had lofty ambitions but never realized its potential because it was difficult to use and failed to create a useful value proposition. Aside from aesthetic and usability issues, the site was laden with inaccurate financial data. In 2012, CalSTRS staff conducted several usability focus groups surveys with key stakeholder groups to gather some ideas on what needs to be improved upon with a 403bCompare redesign. After a couple of years of gathering requirements, staff put together a proposal to management for a redesign that included a development strategy, timeline, and resources needed. The project was approved and greenlighted in 2015.

The 403bCompare redesign project had several key stakeholders that paid very close attention to the development process. Key stakeholders included the vendors providing their 403(b) information, district employees that would eventually use the site, California Teachers Association, CalSTRS Board, CalSTRS Executive Staff, and other advocate groups. Agile application development methodology used for this project allowed us to incorporate usability testing, focus groups, and prototype testing all throughout the 16 month project timeline. These key stakeholder engagement opportunities helped showcase the site, mid-project, to find out what's working and what's not. This helped us identify and prioritize improvements that needed to be made. The end result was a successful site launch, in March of 2017, which appropriately featured the input provided by all key stakeholders. We would also like to mention that the project was completed under budget!

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### WRITTEN JUSTIFICATION

The original 403bCompare site was designed and hosted by an external vendor, then later brought in-house for hosting and maintenance. Since the site was built externally using technologies and builds not native to CalSTRS, the internal focus was on keeping the site up and running. When it came time to begin the redesign, it was determined that the best path forward would be to develop a new site using internal CalSTRS staff and technologies.

CalSTRS staff conducted usability studies, focus groups, surveys, and brainstorming sessions with key stakeholders in order to gather feedback and requirements for a redesigned 403bCompare site. From these efforts it was determined the site:

- Neglected the user experience
- Lacked sufficient filtering tools
- Provided no pathway to action
- Had a poor overall design and layout
- Lacked CalSTRS identity and ownership
- Was difficult to navigate
- Provided inaccurate financial data
- Was too manual, and time-consuming for vendors to maintain

With the successful launch of the new site in March of 2017 the above-mentioned issues were mitigated with the following:

- **"My Next Steps"**- Most users said the old site didn't explain what to do and where to start. For the new site, the project team designed a start-to-finish guide to support users as they navigate the pages. After demoing a few prototypes to different user groups, the "My Next Steps" tool was successfully implemented. The "My Next Steps" tool provides three simple steps to complete in order to enroll and begin contributing to a 403(b). The aim is to break down some of the confusion and barriers that prospective investors face when attempting to choose and start contributing to a 403(b).
- **"Compare Products"**- All available 403(b) products in the state of California are provided on one page, and users are given the ability to filter, sort, and search. A quick summary of fee information is also provided for all products. This includes an Annual Cost calculation based on a \$10,000 account balance, the average expense ratio of all underlying investment options, surrender periods/percentages, and if their 403(b) sales rep earns a commission or not. To compare products side-by-side users simply click the "Add to Compare" button provided with each product. Up to three products can be compared at the same time. The ability to get this amount of information in a convenient side-by-side format is unparalleled and truly makes 403bCompare the only site of its kind in the nation.

- **Morningstar Data Feed-** The old site required 403(b) vendors to manually input everything, including each of their investment options performance history, expense ratio, ticker symbol, CUSIP, and more. For vendors with hundreds of investment options, it became a daunting task to input and maintain. It also opened the door for typos. The new 403bCompare utilizes Morningstar's API data feed to provide daily updates for all financial data. This ensures that the financial data provided on the site is accurate, up-to-date, and drastically reduces the amount of workload required to monitor and maintain the data.
- **Improved User Interface-** Most users said they would not use the old site simply because the design was "poor" and "ugly." As the redesign project progressed, the team was able to provide prototypes of the new design to groups of users. Feedback was provided and implemented as best as possible. The end result is a vastly improved layout and design that is aesthetically pleasing, easy to use, engaging, and effective. The new design also incorporates CalSTRS branding so users feel comfortable knowing who administers the site.
- **"Help and Resources"**- Navigating the 403(b) landscape can be tricky and confusing. 403bCompare helps employees navigate that landscape, and provides additional education and resources to help understand site functionality and the information presented on the screen. The new site includes a "Help and Resources" page that provides the following: a user guide with step-by-step instructions on how to use every site function, fundamental 403(b) plan information, links to basic financial awareness topics, and links to financial calculators. The site also includes video tutorials all throughout.

Success will continue to be measured by looking at monthly site visits. Using Google Analytics, we are able to determine how many users visit, their general location, and what medium they used to get to the site. This is especially helpful as we continue to execute our 403bCompare marketing strategy. The use of social media, email blasts, and messaging on other CalSTRS websites allows us to track the best way to reach our CalSTRS membership when marketing the 403bCompare site. From March 2017 to March 2018 the site averaged 14,713 visitors per month. That is almost triple the 5,000 per month the old site received.

The 403bCompare staff has also received positive feedback from the 403(b) vendors that are now using the new site to update their organization and product information. They are extremely pleased with the reduced workload, and the look and feel of the new site. Employers have also been pleased with the simplified layout and are especially happy with how the product and financial information is displayed. Employers now feel more confident referring their employees to the site as an effective tool.

CalSTRS' Retirement Readiness Division looks forward to continuing incorporate 403bCompare education within its assortment of financial literacy tools available to California public school employees. Retirement Readiness staff has been successfully partnering with school districts to provide interactive financial literacy workshops and webinars incorporating the functionality and benefits of 403bCompare. This tool provides a big step toward ensuring California public school employees make better-informed retirement savings decisions.

## Tri-fold Brochure (Front)

### Save more for your future with a 403(b) account

#### What is a 403(b)?

A 403(b) is a supplemental retirement savings plan available to all employees—certificated and classified—of public school districts, community college districts, county offices of education and charter schools. A 403(b) account provides an opportunity to supplement your CalSTRS or CalPERS defined benefit pension.

#### Why do I need a 403(b)?

On average, the CalSTRS or CalPERS defined benefit pension replaces about 50 to 60 percent of an employee's final salary. 403(b)s are designed to help fill the gap between your defined benefit pension and your retirement income goal. It's never too early—or too late—to start saving for your future.

#### How do I start a 403(b)?

403(b) plans are sponsored by your employer. Enroll with your selected 403(b) vendor, then complete your employer's salary reduction agreement to start contributing to your account. Your contributions may be either pre- or post-tax, depending on what's available to you and what you choose. Your pre-tax contributions and earnings grow tax-free until you withdraw the funds in retirement.

#### What should I know before enrolling in a 403(b)?

Use 403bCompare to answer these four questions:

- 1 Have I explored and researched all my options?
- 2 Do I understand all the details of how my 403(b) works?
- 3 What are the fees and expenses—and are there any commissions or surrender charges?
- 4 How easily can I pull my money out?

[403bCompare.com](http://403bCompare.com)

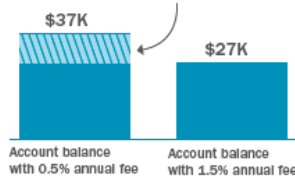
## 403bCompare

### Why fees matter

The difference even 1 percent can make

All 403(b) products charge fees and expenses. But not all 403(b) plan providers charge fees the same way. In addition, there could be commissions, surrender charges and other restrictions to accessing your savings, so it's important to do your research and consider all fees when choosing a 403(b). Even a small difference can add up.

Let's say you invest \$10,000 for 30 years, make no contributions and earn an average of 5 percent. Investment fees usually range from 0.5 percent to 1.5 percent a year. Pay 1 percent less in fees and after 30 years, you could have 37 percent more—that's an additional \$10,000.



### Will your pension be enough?

According to the Employee Benefit Research Institute's 2016 Retirement Confidence Survey, 38 percent of retirees found their expenses in retirement to be higher than they expected and 21 percent found them to be lower than expected.

**403bCompare**  
Member of CALSTRS.

COM 1861 (rev 1/17)

## 403bCompare



Your guide to choosing the 403(b) retirement savings product that best matches your needs.

Provided by **CALSTRS**

## Tri-fold Brochure (Back)

### Compare retirement savings products to find the right one for you

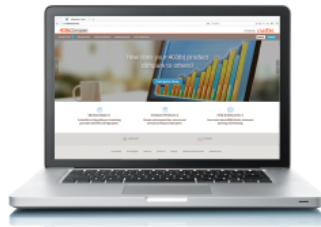
403bCompare gives you an easy and transparent way to compare investment fees, performance and services for your employer's 403(b) products.

At 403bCompare, you can:

- Learn about the advantages of a 403(b) account.
- Find your employer's list of approved 403(b) vendors.
- Compare 403(b)s side by side.
- Get information about how to enroll and start easy contributions from your paycheck.

You'll also find savings calculators, retirement planning tips and videos, and more.

403bCompare was created by CalSTRS, the California State Teachers' Retirement System, as required by state legislation.



## 403bCompare

### How to use 403bCompare.com

**1** First, register and create your 403bCompare account. It's easy and secure. With an account, you can conveniently save information about your employer, favorite 403(b)s, past 403(b) comparisons and more.

**2** Once registered, there are two ways to explore the site:

If you're comfortable exploring on your own, you'll find links along the top and bottom to get you started.

OR

If you prefer to be guided in a few easy steps, the My Next Steps tool is for you. It's a checklist to:

- Find and select your employer
- Compare and select your product
- Contact a vendor to enroll
- Set up contributions

No matter which direction you take, it's important to find and select your employer first. This ensures you're comparing only 403(b) vendors and products approved by your employer.

### Why 403bCompare?

403bCompare takes the guesswork out of choosing the best retirement savings plan for you.

Most likely, your district offers dozens of 403(b) products and hundreds of investment options to choose from. With 403bCompare, you can easily compare products to choose the one that best matches your needs.



You'll find an instructional video for the My Next Steps tool at 403bCompare.com.

Email Blast to all Actives and Retirees



## Compare 403(b) retirement savings products to find the right one for you

403bCompare is a state-sponsored website that gives you an easy and transparent way to compare investment fees, performance and services for the 403(b) products your district offers.

At the newly redesigned [403bCompare](#), you can:

- Learn about the advantages of a 403(b) account
- Find your employer's approved list of 403(b) vendors
- Compare 403(b) products side by side
- Get information about how to enroll and start easy contributions from your paycheck

You'll also find savings calculators, retirement planning tips and videos, and more.

### Stay Connected

For important news and updates about CalSTRS benefits and *myCalSTRS* services,

follow us:       

[Contact CalSTRS](#) | [Privacy & Security](#) | [CalSTRS.com](#) | [myCalSTRS](#)

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Website Link:

[www.403bCompare.com](http://www.403bCompare.com)

403bCompare Videos:

Video 1: <https://www.403bcompare.com/Aboutus>

Video 2: <https://www.403bcompare.com/MyNextSteps>

Video 3: <https://www.403bcompare.com/ProductCompare>