

WINNING PRACTICES
&
INNOVATIVE APPLICATIONS

ReDefined Contribution Plans

Engaging participants with clarity

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NAGDCA 2018 ANNUAL CONFERENCE

ReDefined Contribution Plans

Words matter...
It's not what you **say**;
it's what people **hear**.

REDEFINED CONTRIBUTION PLANS

2

ReDefined Contribution Plans

Financial freedom

Manage my risks

Target-date Funds

Low-cost

Payroll deductions

Glide path

Best-in-class

Large cap value

Financial wellness

Words shown are for illustrative purposes only.

REDEFINED CONTRIBUTION PLANS 3

ReDefined Contribution Plans

Unique research for measuring the emotional responses to words

REDEFINED CONTRIBUTION PLANS 4

ReDefined Contribution Plans



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REDEFINED CONTRIBUTION PLANS

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Methodology



In-depth interviews

Get conventional language



Dial-sessions

Instantaneous, anonymous & simultaneous



National survey

Validate findings

REDEFINED CONTRIBUTION PLANS

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Methodology



A computer monitor is shown with a line graph on its screen. The y-axis of the graph is labeled from 0 to 100 in increments of 10. A green line starts at the 50 mark, remains flat until the second grid line, then rises to about 85 at the fourth grid line, stays there until the fifth, then drops sharply to about 25 at the sixth. A man's face is superimposed over the graph, appearing to be part of the data visualization.

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Methodology



In-depth interviews

Get conventional language



Dial-sessions

Instantaneous, anonymous & simultaneous



National survey

Validate findings

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Methodology



THE LARGEST STUDY
EVER DONE
ON THE LANGUAGE
OF FINANCIAL SERVICES

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ReDefined Contribution Plans

The dimensions of successful plans

1. Plan design
2. Plan governance
3. Investment strategy
4. Participant engagement

Language

REDEFINED CONTRIBUTION PLANS 10

ReDefined Contribution Plans

Getting the voice of | **diverse participants**



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ReDefined Contribution Plans

Getting the voice of | **participants of large plans (5,000+)**



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Getting the voice of | **public, corporate and union employees**



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Getting the voice of | **participants like yours**



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ReDefined Contribution Plans

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communication principles

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ReDefined Contribution Plans

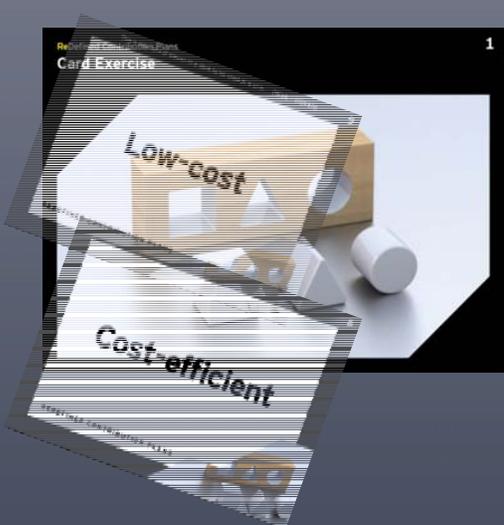
Word cards

"Words to use"
facing up

↑

"Words to lose"
facing down

↓



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ReDefined Contribution Plans

Testing conventional language

REDEFINED CONTRIBUTION PLANS 17

THE LANGUAGE

100=Very Favorable

80

70

60

50

40

30

20

0=Very Unfavorable

Total 51

mean 0:00:03

REDEFINED CONTRIBUTION PLANS 18

THE LANGUAGE

100=Very Favorable

0=Very Unfavorable

Total
mean

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REDEFINED CONTRIBUTION PLANS

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THE LANGUAGE

100=Very Favorable

0=Very Unfavorable

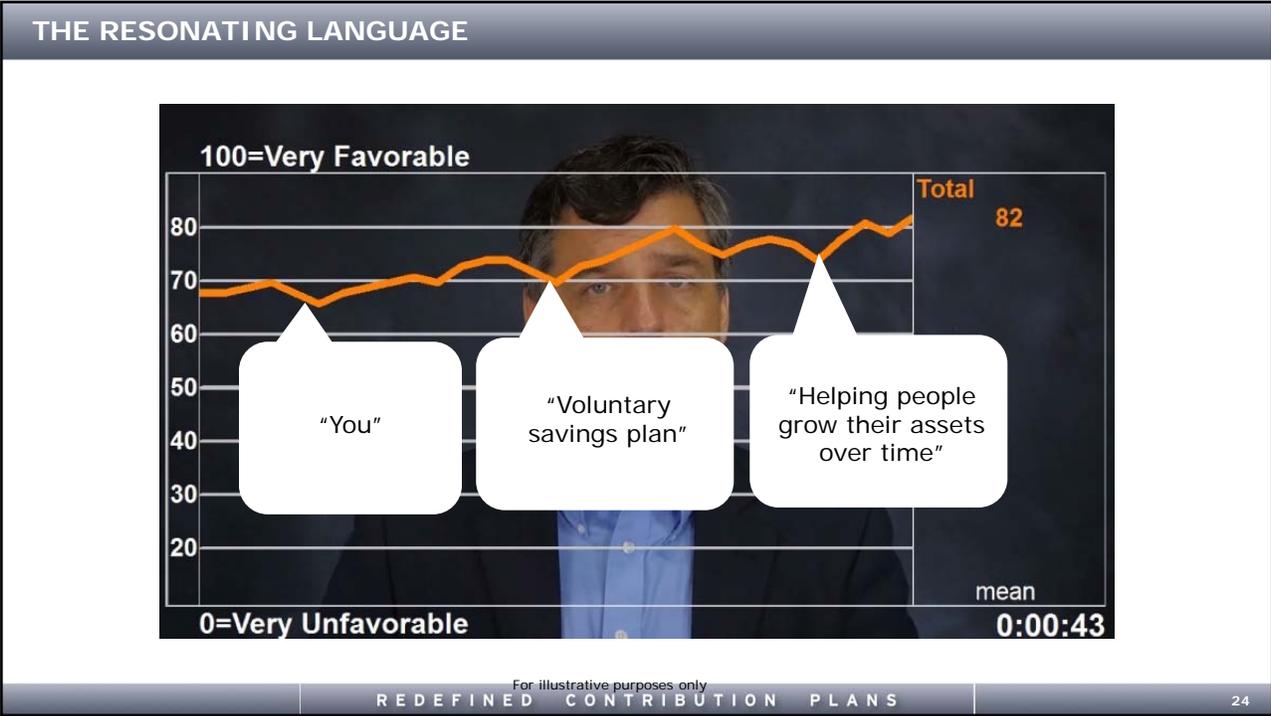
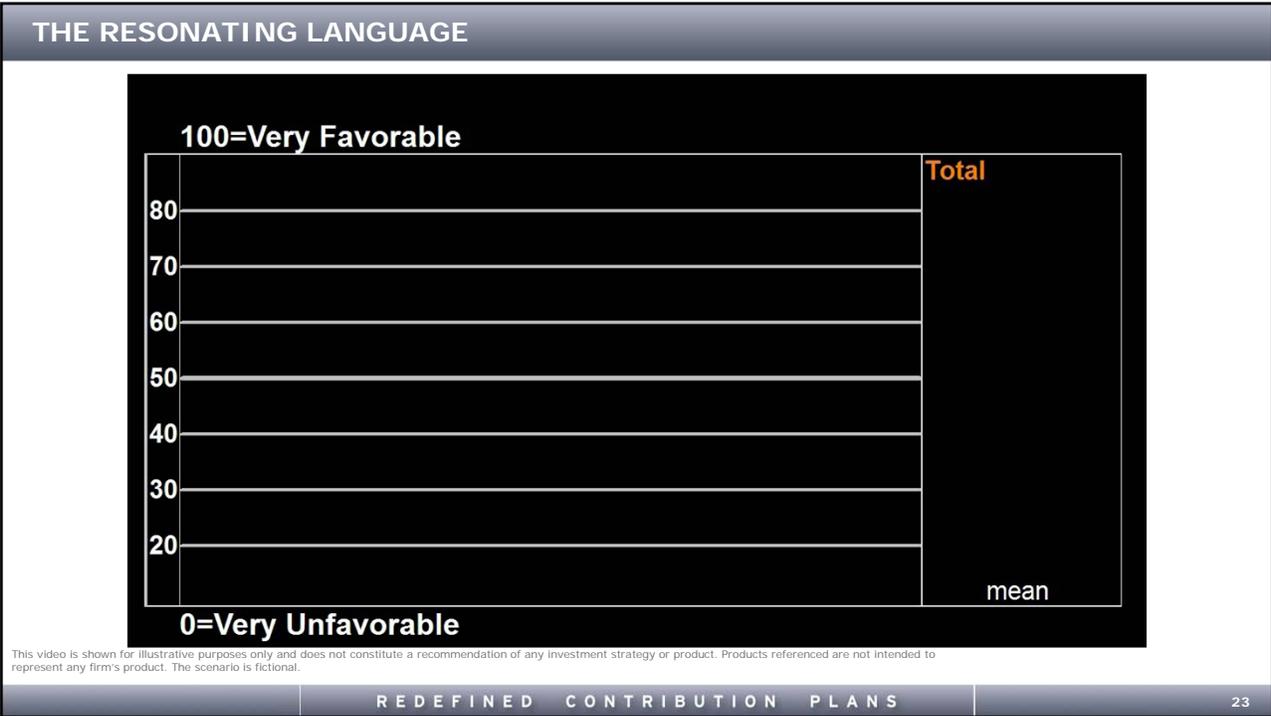
Total
46
mean

0:00:50

REDEFINED CONTRIBUTION PLANS

20





1st universal communication principle



OUT: fear-based tactics
IN: positive, hopeful messages

POSITIVE



100=Very Favorable

80
70
60
50
40
30
20

0=Very Unfavorable

Total 50

mean 0:00:03

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POSITIVE

100=Very Favorable

80

70

60

50

40

30

20

0=Very Unfavorable

Total

mean

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POSITIVE

100=Very Favorable

80

70

60

50

40

30

20

0=Very Unfavorable

mean

0:01:13

"We have found 2,743 peers in our company who have a similar age and income as you"

"your progress is in the 29th percentile compared to your peers"

"your balance is in the 32nd percentile compared to your peers"

For illustrative purposes only

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POSITIVE

A partnership built for your retirement planning

The common goal is to make your retirement planning easy, cost-efficient and satisfying so you have enough to live a comfortable lifestyle in retirement.

- ← **Your success:** Reaching your personal retirement goals
- ← **Your plan provider:** Appointed by our organization to provide the plan
- ← **Your employer:** Offers the plan and negotiates fees
- ← **Federal government:** Provides tax incentives for your contributions

Source: 5W Infographics. Used with permission. For illustrative purposes only

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POSITIVE

TARGET-DATE FUNDS

Which do you most want your investments to become?

Target-date funds that are more conservative over time

REDEFINED CONTRIBUTION PLANS

Target-date funds that are less aggressive over time

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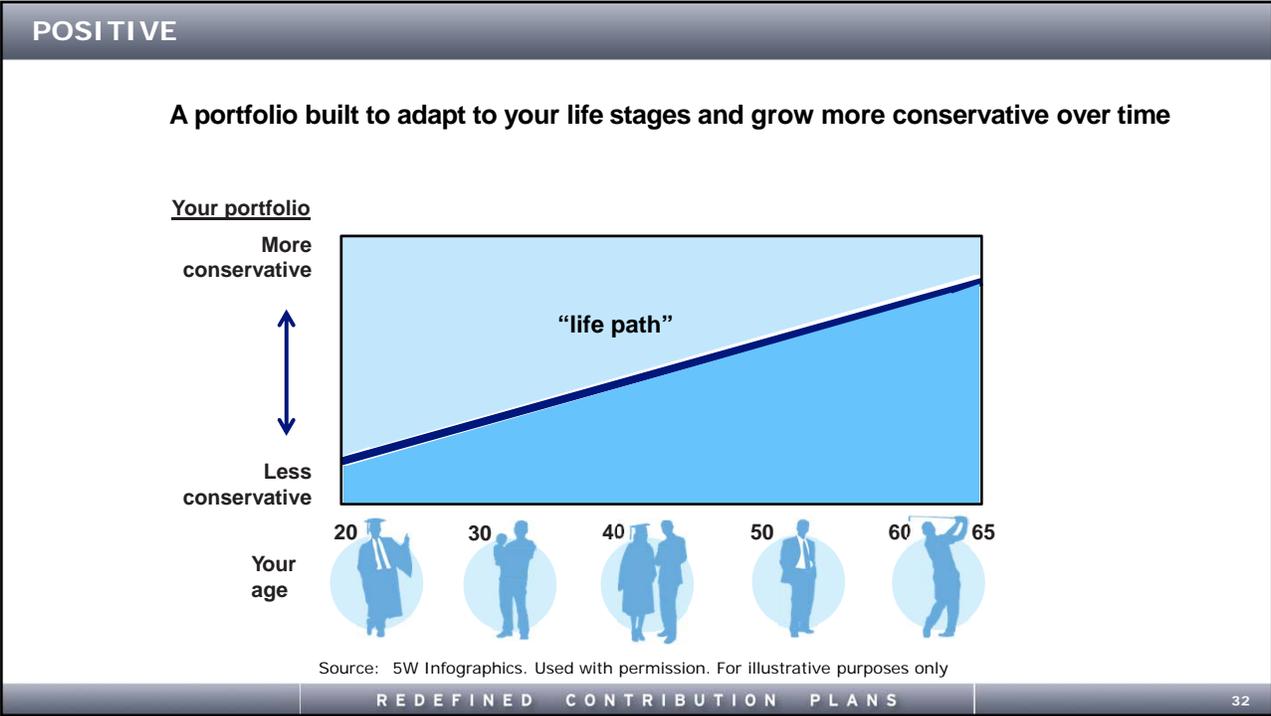
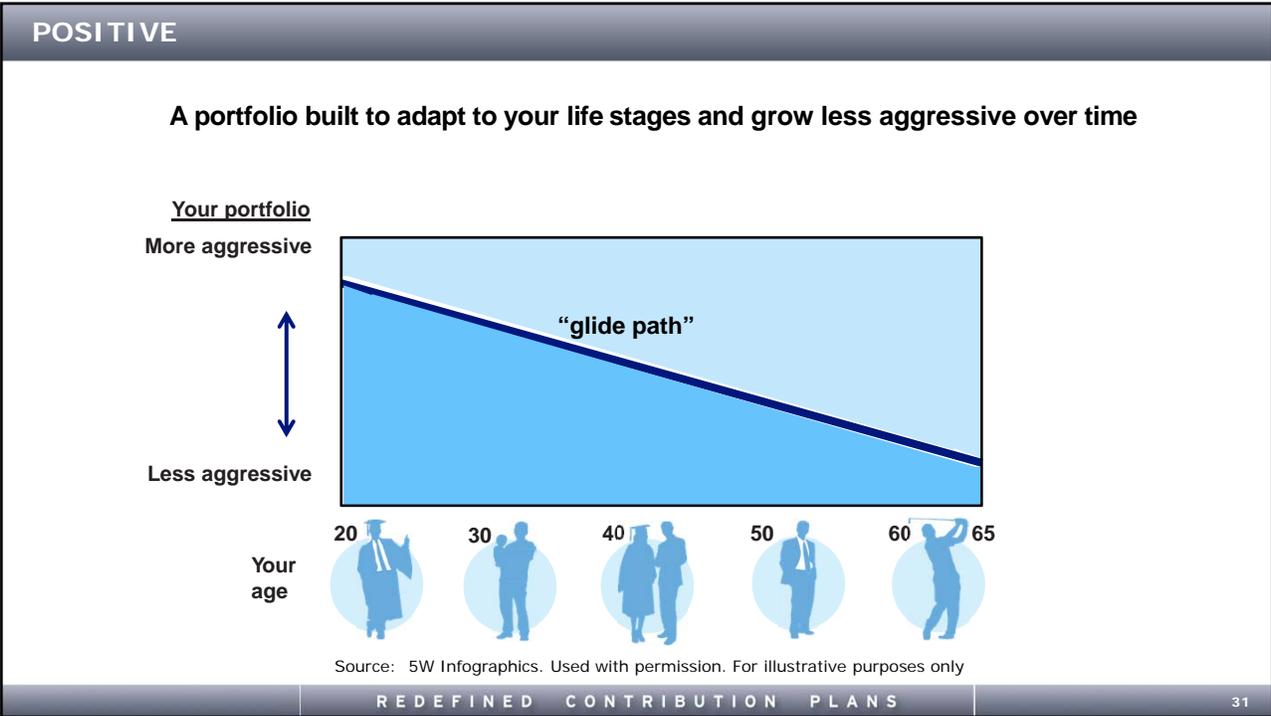
Less aggressive over time **40%**

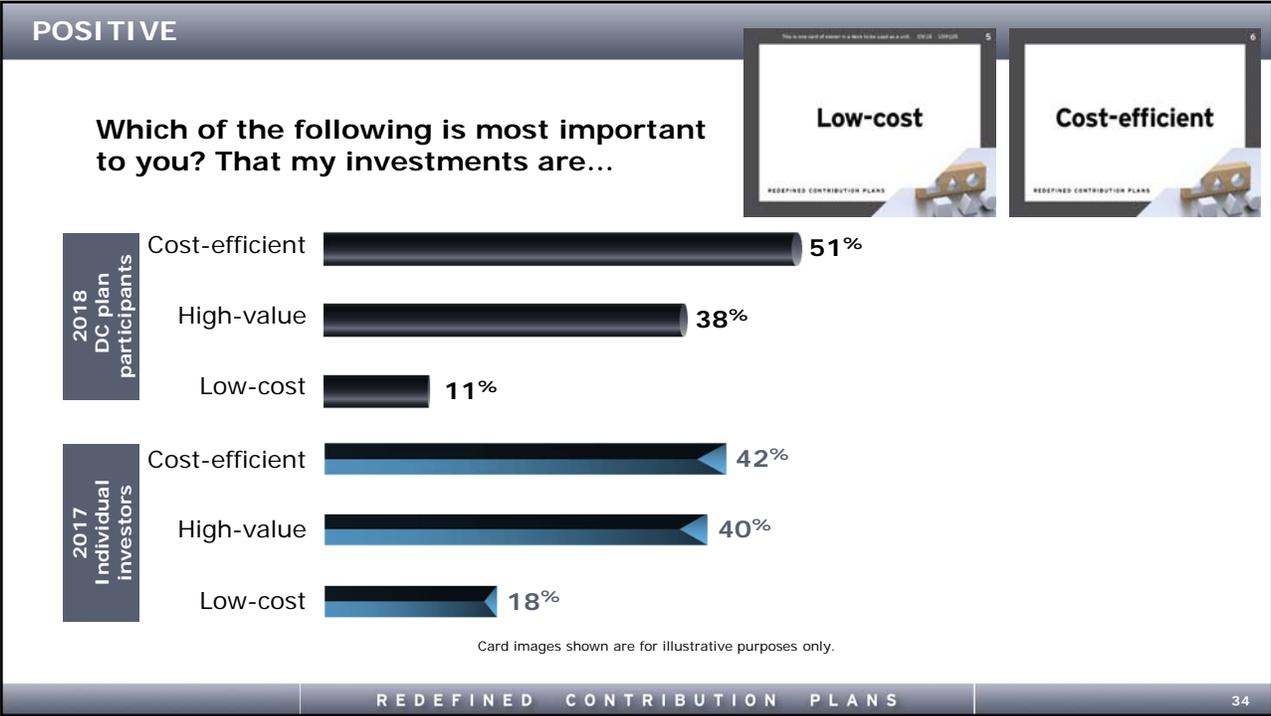
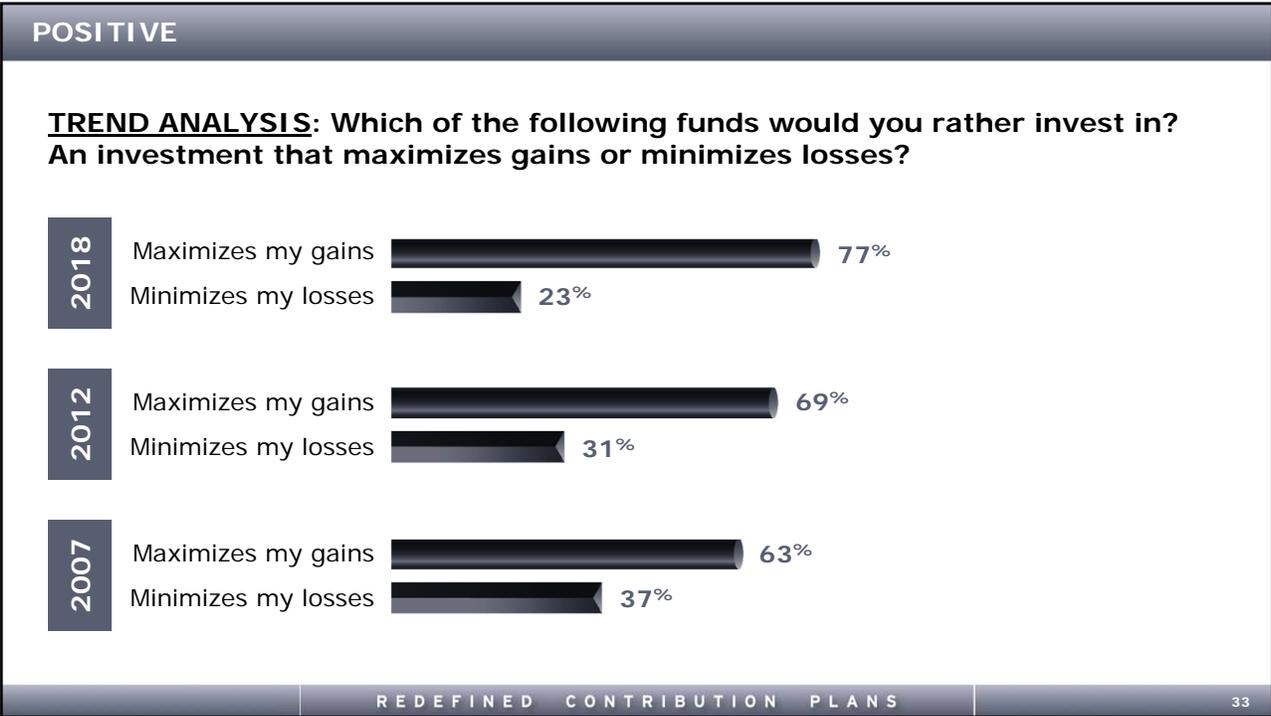
More conservative over time **60%**

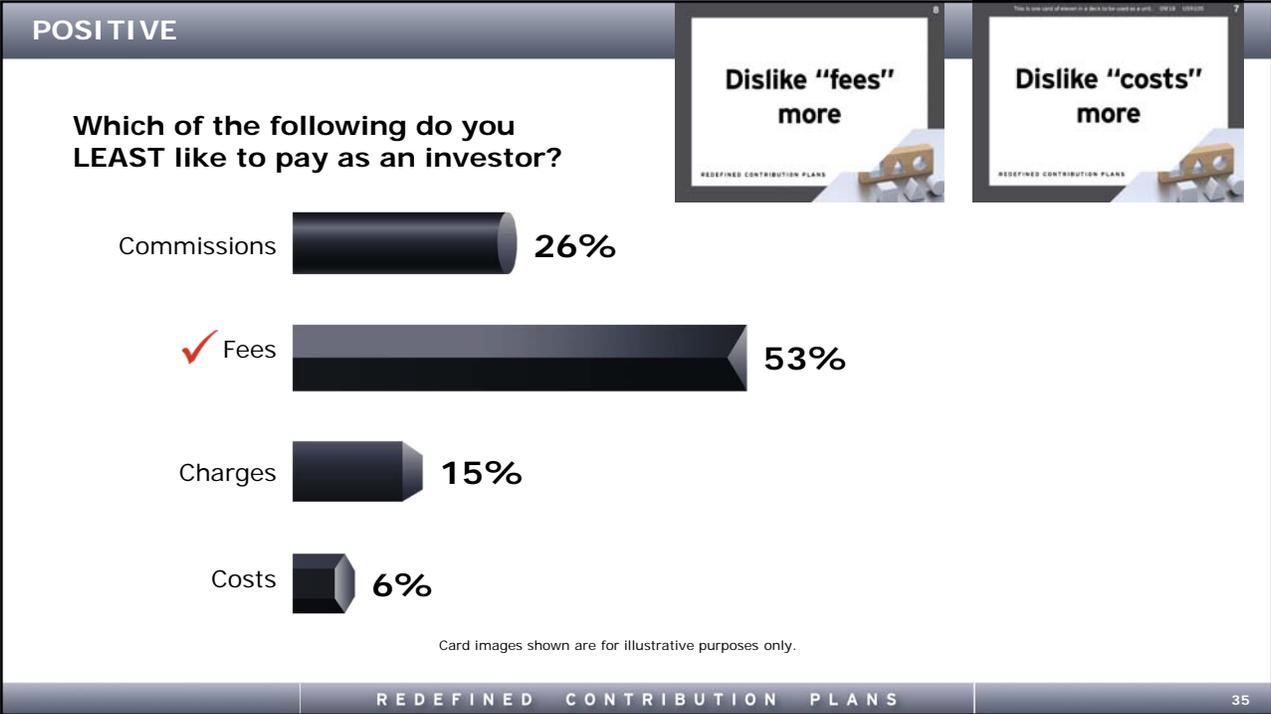
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REVIEW: POSITIVE

Low-cost:
11%

Cost-efficient:
51%



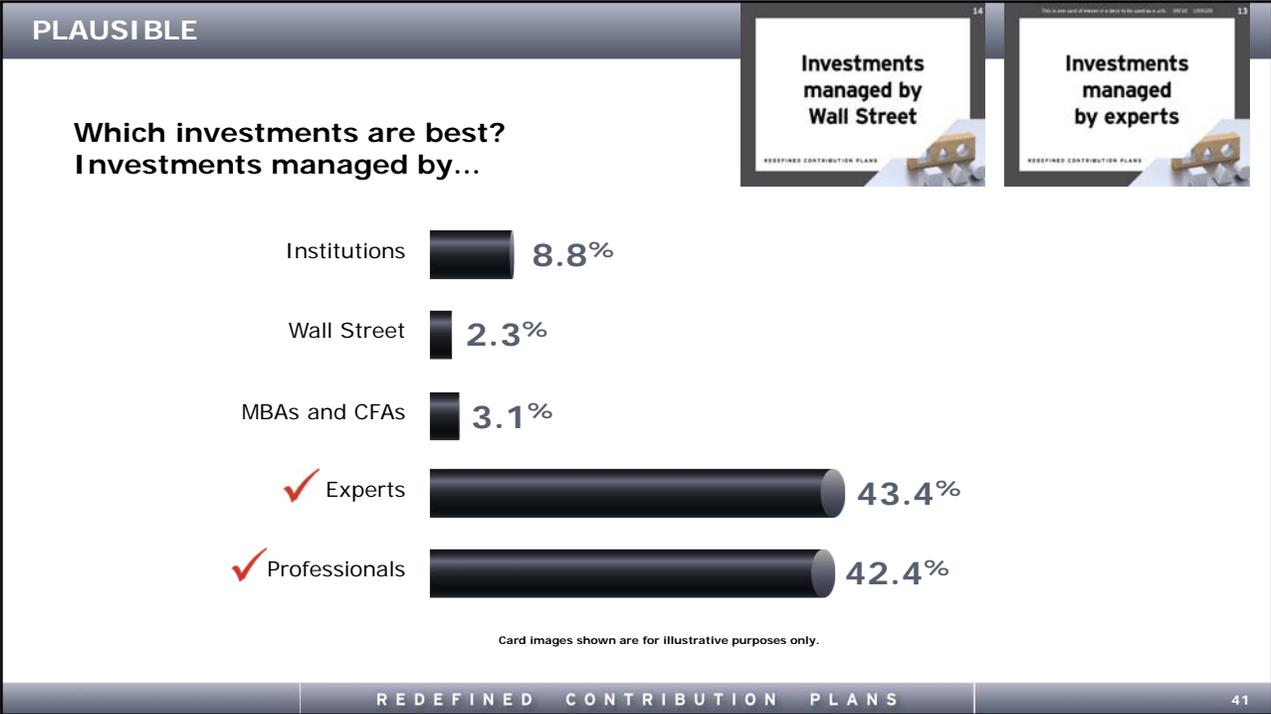
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2nd universal communication principle

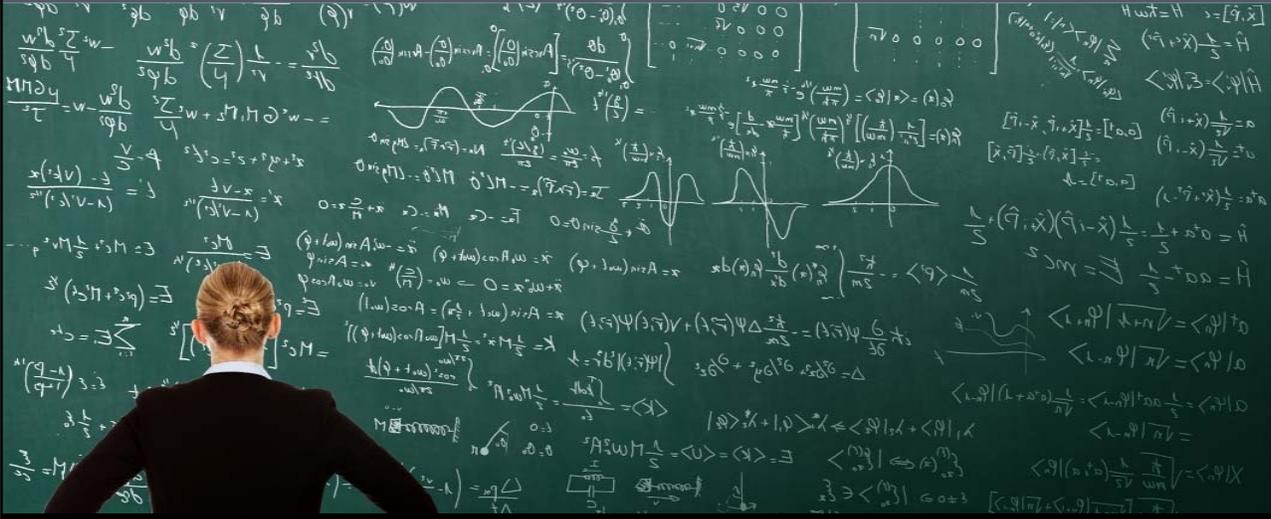


OUT: unrealistic claims
IN: plausible, credible benefits





3rd universal communication principle



OUT: jargon
IN: plain-spoken

PLAIN-SPOKEN

How could this Benefits Administrator be more plain-spoken?



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PLAIN-SPOKEN



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PLAIN-SPOKEN



REDEFINED CONTRIBUTION PLANS

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PLAIN-SPOKEN

What is the best way to describe a defined contribution plan?

Savings plan 11%

✓ Retirement plan 72%

Investment plan 17%

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PLAIN-SPOKEN

One unique feature of target-date funds is that as you get closer to retirement, your portfolio's risk level automatically adjusts. What's the best name to describe this change over time?

Glide path 4%

✓ Risk-reduction path 43%

Growth path 14%

Rebalancing strategy 39%

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REVIEW: PLAIN-SPOKEN

Target-date
fund:
17%

Risk-adjusted retirement
growth fund:
35%



PLAIN SPOKEN

Choose your
international
words carefully.

PLAIN SPOKEN

Where do you allocate your money?



US investors: **"BASKETS"**



US institutions: **"BUCKETS"**



Japanese investors: **"WALLETS"**



UK participants: **"POTS"**

PLAIN SPOKEN

**From an airline
in Copenhagen**



PLAIN SPOKEN

From a menu at a Swiss restaurant



PLAIN SPOKEN

From an advertisement for donkey rides in Thailand

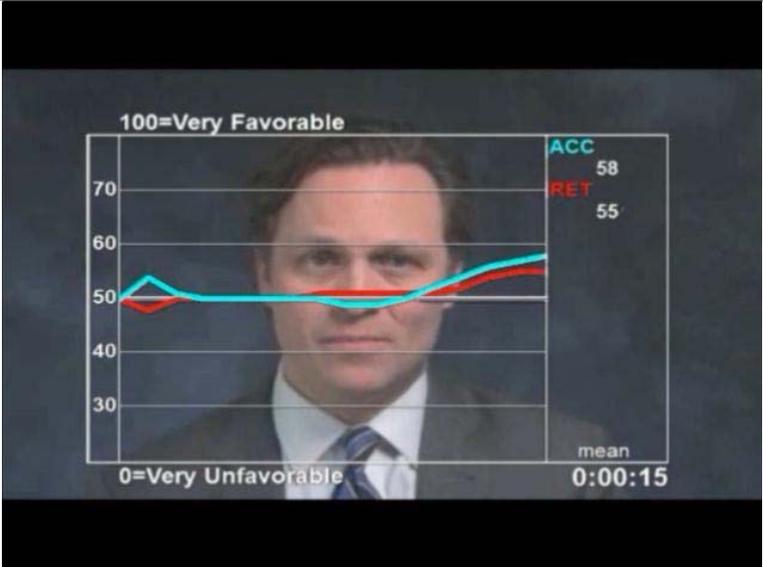


4th universal communication principle



OUT: mass communications
IN: personal communications

PERSONAL



Line Color	Value
ACC	58
RET	55
mean	50

100=Very Favorable
 0=Very Unfavorable

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PERSONAL

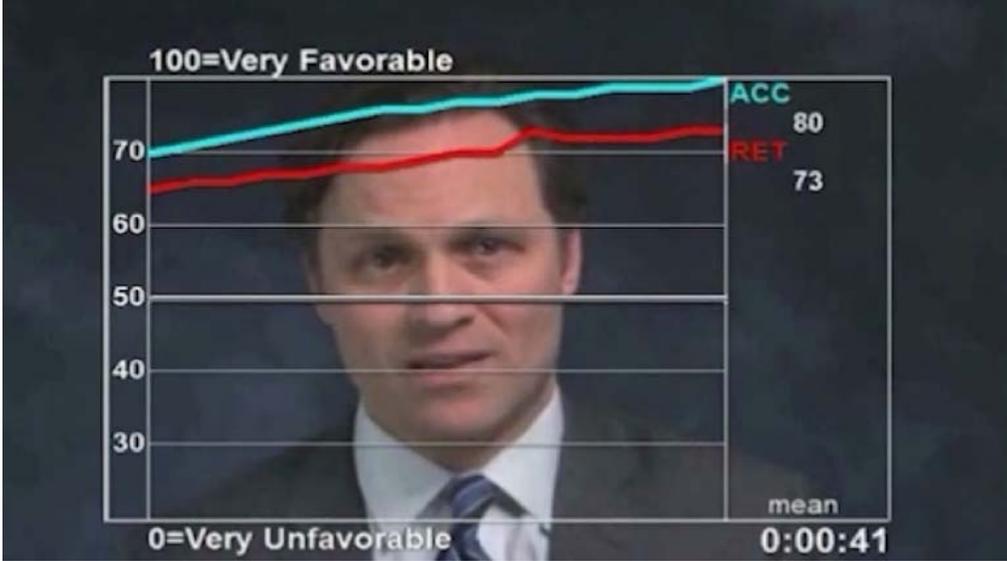


For illustrative purposes only

REDEFINED CONTRIBUTION PLANS

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PERSONAL



Category	Value
ACC	80
RET	73

100=Very Favorable

70

60

50

40

30

0=Very Unfavorable

mean

0:00:41

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PERSONAL

you come to me with a concern about something happening in the market or around the world, my job is to put it in the context of your financial plan. I believe we should take a step back and talk about whether you should be in your financial plan.

Because it's not about my opinion; it's about your individual goals and how this risk could affect them. So the first thing I do is work with you to determine your exposure to this risk; how it could or could not affect you personally. I give a realistic assessment and have those tough conversations with you so you can't be caught off-guard.

And lastly, I think it's important to analyze and bring to life the potential benefits of any choice we make.

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PERSONAL

Which would you rather hear your employer communicate?
Our retirement plan is...

Plans constructed to be best-in-class

REDEFINED CONTRIBUTION PLANS

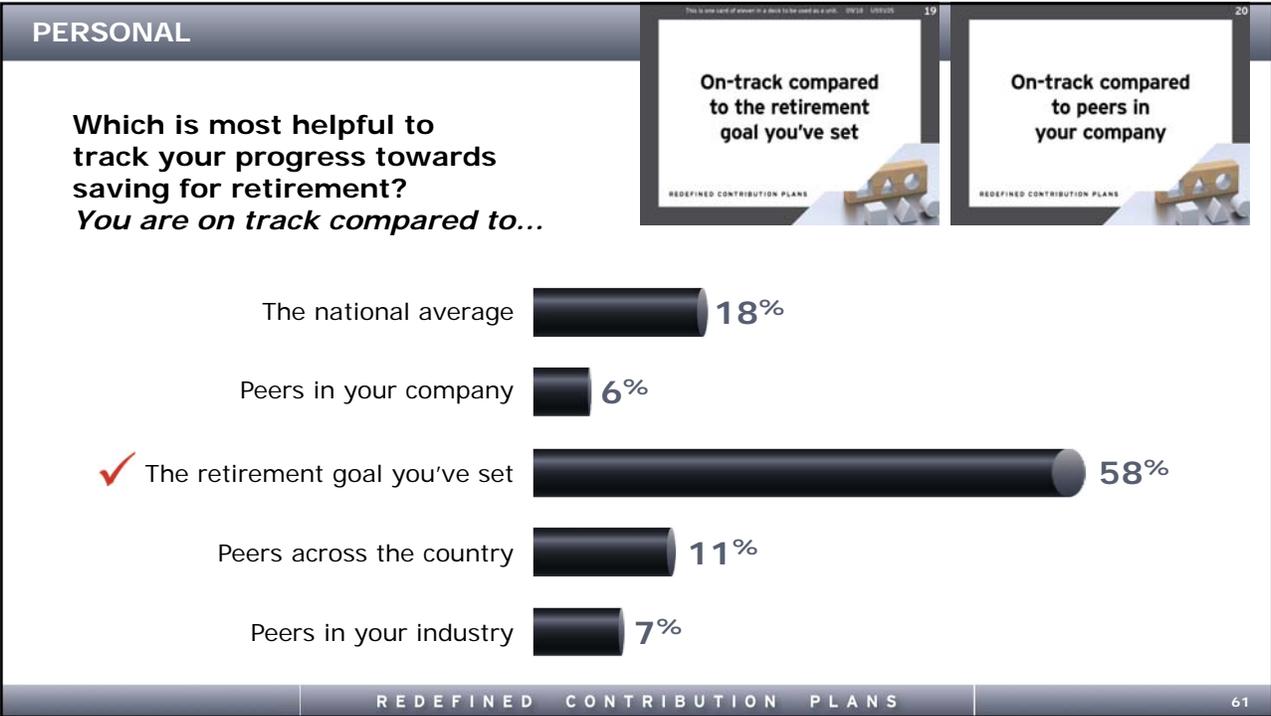
Plans continuously improved with feedback from employees like you

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Constructed to be best-in-class		38%
✓ Continuously improved with feedback from employees like you		62%

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REDEFINED CONTRIBUTION PLANS 60

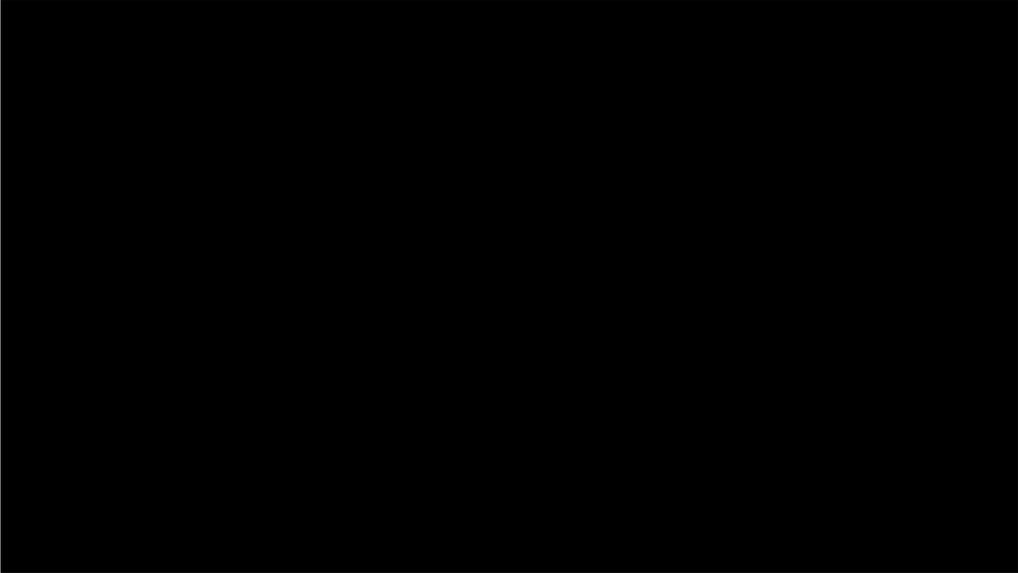


REVIEW: PERSONAL



REDEFINED CONTRIBUTION PLANS 63

REVIEW: PERSONAL



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REDEFINED CONTRIBUTION PLANS 64

REVIEW: PERSONAL



REDEFINED CONTRIBUTION PLANS 65

REVIEW

4 communication principles



Positive **Plausible** **Plain-spoken** **Personal**

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ReDefined Contribution Plans

This program is based on research conducted by Maslansky + Partners.

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R E D E F I N E D C O N T R I B U T I O N P L A N S

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&
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