

SUMMARY OF PROJECT – NAGDCA 2019 LEADERSHIP RECOGNITION AWARD
CATEGORY: TECHNOLOGY AND SOCIAL MEDIA

CITY OF AUSTIN DEFERRED COMPENSATION PLAN – AUTOMATED AND PERSONALIZED EMAILS AND TARGETED DIGITAL ENROLLMENT CAMPAIGN ENCOURAGE ACTION AND IMPROVE RETIREMENT READINESS FOR ELIGIBLE AND PARTICIPATING EMPLOYEES

Knowing their participants and employees prefer digital forms of communication, the City of Austin Deferred Compensation Committee, in partnership with Empower Retirement, is focusing on technological and digital solutions to encourage participants and eligible employees to take action by becoming more engaged with their retirement savings goals and/or enrolling in the City's deferred compensation plan. To encourage more engagement among its participants, the technology of using automated, personalized emails – that go to the right participant at the right time based on their personal retirement savings data and age – has been implemented by the City's committee to send on an ongoing annual basis. These personalized, automated emails encourage participants take the following actions to be more engaged in their retirement savings goals: 1) log on to the website, 2) check their income in retirement savings goal, 3) see how their savings compare to their peers and/or 4) see how much future healthcare costs may impact their income in retirement. Additionally to drive further retirement savings awareness among employees, the City launched a targeted and entirely digital campaign in March 2018 to encourage eligible employees to close their retirement income gap by enrolling in the 457 plan. Both of these digital communication solutions use technology to help bring City of Austin employees closer to their retirement income goals.

To achieve their objectives, the City used the following technologically and digitally driven tactics:

Implemented an ongoing technology of automated personalized emails that annually encourage participants to take action in reaching their retirement savings goals.

- First automatic email encourages participants to login and check how on track they are to replacing their income in retirement.
 - If this email is not opened, a one-time automatic reminder email with a similar message is sent a few days later.
- If the first email is opened, a follow-up personalized email, with an age specific message, is automatically sent a few days later to the appropriate audience to encourage these additional post login actions on the website.
 - **Participants under 35:** login and go to the peer comparison webpage to see how their savings goals compare to the same goals of their peers.
 - **Participants over 35:** login and go to the healthcare cost estimator to get an idea of how their healthcare could impact their income in retirement.
- **Combined results from all of the automated personalized emails sent to participants from January – December 2018.**
 - **62%** open rate (almost three times higher than the 23% industry average)
 - **20%** click to open rate (almost two times higher than the 12% industry average)
 - **21%** logged on to the website to take action in reaching their retirement savings goals
 - **19%** of engaged email recipients were Millennials
 - **81%** of engaged email recipients were Generation X and Baby Boomer participants

Launched an entirely digital enroll campaign to encourage enrolling in the plan with the following digital tactics.

- Enroll video
- Digital newsletter article (linking to the website)
- Pre-login website banner (linking to the enroll video)
- Targeted email (linking to the website and the enroll video)
- **Results (March 2018 – May 2018)**
 - **52%** email open rate (over two times the 23% industry average)
 - **12%** click to open rate (equal to the 12% industry average)
 - **12%** enrolled in the plan
 - **37%** set their contribution amount to **5% or more**
 - **10%** of enrollees were Baby Boomers
 - **90%** of enrollees were Generation Z, Millennial and Generation X employees

In their own words

“It’s not just simply getting out the message to save for retirement. It’s about getting a targeted message to each segment of your Plan Participants. By recognizing the advantage of offering a tailored message for each unique population within your Plan, you can help your Participants become better prepared to address their specific needs in retirement.”

AJ Padilla
Lieutenant, Austin Fire Department
Chairperson, City of Austin Deferred Compensation Committee

The graphic features the City of Austin logo and the text 'A RETIREMENT UNIQUE TO YOU' and 'City of Austin Deferred Compensation Plan'. It includes a photo of a woman smiling on a couch. Below the photo, it says 'Make every paycheck count'. Further down, it promotes enrolling with one click and provides a phone number: 866-613-6189. A section titled 'Saving earlier could mean greater financial independence in the future' shows a bar chart comparing savings over 10, 12, and 19 years, with values of \$, \$2X, and \$3X respectively. At the bottom, it says 'WATCH THE VIDEO'.

WRITTEN JUSTIFICATION - NAGDCA 2019 LEADERSHIP RECOGNITION AWARD CITY OF AUSTIN DEFERRED COMPENSATION PLAN – AUTOMATED AND PERSONALIZED EMAILS AND TARGETED DIGITAL ENROLLMENT CAMPAIGN ENCOURAGE ACTION AND IMPROVE RETIREMENT READINESS FOR ELIGIBLE AND PARTICIPATING EMPLOYEES

Knowing their participants and employees prefer digital forms of communication, the City of Austin Deferred Compensation Committee, in partnership with Empower Retirement, is focusing on technological and digital solutions to encourage participants and eligible employees to take action by becoming more engaged with their retirement savings goals and/or by enrolling in the City's deferred compensation plan.

Project Description

To encourage more engagement among its participants, the technology of using automated personalized emails that go to the right participant at the right time based on their personal retirement savings data and age has been implemented by the City of Austin Deferred Compensation Plan Committee to send on an ongoing annual basis. These personalized automated annual emails encourage participants to take action and be more engaged in their retirement savings goals with simple yet motivating messages and online steps. The first email encourages participants to login and check how on track they are to replacing their income in retirement. If the first email is not opened, a one-time reminder email with a similar message is automatically sent a few days later to help encourage participant action. However, if a participant does open the first email, a follow-up personalized email with an age-specific message is automatically sent a few days later to the appropriate audience to encourage the following additional actions on the website. Since the Millennial generation is motivated by knowing how they compare to their colleagues, participants under the age of 35 are sent an email that encourages them to login and visit the peer comparison webpage to see how their savings goals compare to those of their peers. Conversely, Generation X and Baby Boomers (participants over the age of 35) will have more of an interest in their healthcare costs rather than how they measure up to their peers, so they are automatically sent the actionable email to login and go to the healthcare cost estimator webpage. This website tool will encourage additional engagement as it gives these email recipients an idea of how the cost of their healthcare could impact their income in retirement.



To include even more retirement savings awareness among employees, the City also launch a targeted and entirely digital campaign in March 2018 to encourage eligible employees to close their retirement income gap by enrolling in the 457 plan. The use of digital technology for this targeted enrollment campaign consisted of the following electronic communications: an enroll video, a digital newsletter article that linked to www.dcaustin.com, a pre-login web banner (linking to the enroll video) and a targeted email (linking to the website and the enroll video).

Relative Significance of Improvement/Perspective for the Change

Automatic personalized email results

Combined automated email send results from January – December 2018 showed a fantastic **62%** open rate (almost three times higher than the 23% industry average) and a **20%** click to open rate (almost two times higher than the 12% industry average).

From January to December 2018, combined automatic email data supported that **21%** of recipients logged in to the website, engaged in their retirement account and were encouraged to take action to reach their retirement savings goals. Additional combined automatic email data, from the same time period above, provided age specific results that **19%** of Millennial recipients took action to engage with their retirement account after receiving the email to see how their saving goals compared with the goals of their peers. Conversely, the healthcare cost email encouraged **81%** of automated email Generation X and Baby Boomer recipients to go online, check how their health could impact their savings and then encourage them to take action to reach their retirement income goals.

Targeted, entirely digital enrollment campaign results

The targeted email to eligible employees received an outstanding **52%** open rate – over two times the 23% industry average – and a **12%** click to open rate (equal to the 12% industry average). Additional digital campaign data from March to May 2018 showed **12%** of email recipients enrolled in the plan, and **37%** of these new enrollees set their contribution amount to **5% or more**. Deeper enrollee data provided that **10%** of Baby Boomers enrolled in the plan. Conversely, the campaign theme proved to resonated more with younger recipients as **90%** of new enrollees were from the Generation Z, Millennial and Generation X eligible employee population. While all of the new enrollees are benefiting from additional retirement savings and the power of compound growth, the younger participants will also be receiving the additional benefit of saving early.

Benefits Realized by Service Recipients

City of Austin Deferred Compensation Plan participants and eligible employees have benefited from and continue to benefit from the use of technology and digital communications that raise overall financial knowledge and literacy. This results in employees that are empowered with information to make more informed and effective decisions for their retirement savings. Additionally, the City has met its objective to provide a best-quality deferred compensation plan for its employees by providing financial literacy that will help close their retirement income gap.

Return on Investment

The long-term benefits of digital communications and technology to participants, eligible employees and the City are improved awareness, additional enrollees and increased participant involvement in the deferred compensation plan due to this customized, automated, personalized, and creative education and unique outreach strategy.

Feasibility of Use by Other Governments

The personalized, automated emails and entirely digital campaign approaches used by the City of Austin Deferred Compensation Plan are a successful model for government entities seeking to use technology and digital communications to raise awareness, educate and inform participants about the benefits of enrolling in the deferred compensation plan and/or taking action to make sure they are on target to meeting their income in retirement savings goals.

City of Austin Deferred Compensation Plan – Technology and Social Media Category Automated and Personalized Email Examples

Actionable online engagement
automatically sent emails
(all linking to www.dcaustin.com)

First automatic targeted email

LOG IN

Or

CALL
866-613-6189

Open & click

No open & click

Additional automatic targeted emails

Email for ages under 35

LOG IN

Or

CALL
866-613-6189

OR

Email for ages 35 and over

LOG IN

Or

CALL
866-613-6189

Automatic reminder email

LOG IN

Or

CALL
866-613-6189

City of Austin Deferred Compensation Plan – Technology and Social Media Category Enrollment Digital Campaign Tactics

Targeted enroll email (linked to the website and the video)

Subject line: Kristin, enroll in the City of Austin Deferred Compensation Plan and make every paycheck count

Digital enroll newsletter article (linked to the website)

Enroll pre-login website banner (linked to the video)

A RETIREMENT UNIQUE TO YOU
City of Austin Deferred Compensation Plan

City of Austin Deferred Compensation Plan

Make every paycheck count

Saving through the City of Austin Deferred Compensation Plan is a smart, simple way to work toward a more rewarding future. Enroll today to start taking advantage of tax savings and other important benefits.

ENROLL WITH ONE CLICK!

ENROLL TODAY

CALL

866-613-6189

Saving earlier could mean greater financial independence in the future

The money you start saving today could double in just 12 years — and triple in 19 years.

FOR ILLUSTRATIVE PURPOSES ONLY. This is a demonstration of the rules of 72 and 114, mathematical rules used to approximate the number of years it takes a given investment to double and triple, respectively, in value. It assumes a 6% rate of return and is not a guarantee of future results.



See how participating in your City of Austin Deferred Compensation Plan can be a great way to work toward your financial goals for the future.

WATCH THE VIDEO

City of Austin Deferred Compensation Plan

Financial Footnotes

Spring/Summer 2018

Show a coworker you care – talk to them about retirement

When was the last time you did something nice for a coworker? If you'd like a simple way to tell a coworker how their retirement savings future could be improved, why not tell them about how the City of Austin Deferred Compensation Plan is helping you plan today for a better retirement tomorrow? You can explain how it makes saving for retirement automatic with each paycheck. You can point out the range of investment options available. You can tell them about the Plan's online experience and all the tools and resources that can help them in their planning and decision making. You can even encourage them to sign up today at www.dcaustin.com.

Let a coworker know you're looking out for their retirement savings future by encouraging them to enroll in the City of Austin Deferred Compensation Plan.

Five ways you can maximize your retirement savings

Did you know that the IRS limits how much you can save each year through your employer-sponsored retirement plan? In 2018, the annual limit for 401(k) and 457 plans is \$18,500. Participants age 50 and older could save even more through catch-up contributions! That may sound like a lot, but making out your annual retirement plan contributions isn't an impossible goal. The following suggestions can help you build the momentum to save more for your future.

1. Put your raise to work. An increase in your take-home pay doesn't automatically mean you have to spend more. If you already live within your means, you could save any raise you receive for your retirement without any additional penny pinching.
2. Retire your ride. How often do you buy a new car? Before you trade in your used ride for something newer and shinier, think about how the money you would spend on a higher car payment (not to mention insurance premiums!) could help fund your future retirement. The average monthly payment for a new car in 2017 was \$479 — and in 2018, the average car loan topped \$30,000! Sticking with an older vehicle could keep you on the road to a more comfortable retirement.
3. Keep the plastic in your pocket. Credit cards are convenient, but they can be expensive. In 2017, the average annual percentage rate on credit cards neared 16%. If you regularly carry a balance on your credit cards, you're paying a lot more than the sticker price on the things you buy. By using cash or a debit card instead, you can avoid those interest charges and then redirect the savings to your retirement account.
4. Right size your new home purchase. If you are shopping for a new home, your lender may give you approval for a bigger mortgage than you actually need. Your home is your castle, but it doesn't have to be an actual castle with a designer drawbridge and moat. There's no rule that says you have to buy the biggest house you can afford. Keeping your monthly mortgage payment lower could leave you with more to put toward your retirement.
5. Start early, increase often. When you save for retirement through your employer-sponsored plan, any earnings on the money you invest get reinvested in your chosen investment options. Those earnings can then generate additional earnings of their own. This is known as compounded growth. The earlier you start saving through your plan — and the more frequently you increase your contribution amount — the more compounded growth could work to your advantage.

Interested in learning about other ways to maximize your retirement savings? Schedule some time with your local retirement plan counselor today by calling **512-457-9240**.

A RETIREMENT UNIQUE TO YOU CITY OF AUSTIN DEFERRED COMPENSATION PLAN

About your plan • Investing • Learning center • Plan resources

Make every paycheck count.

Learn how saving through the City of Austin Deferred Compensation Plan can help you work toward a more rewarding future >

Participant Login

Username

Password

[Login/help](#)

SIGN IN

REGISTER

Start saving for your future

Enroll in your plan today for a better retirement tomorrow.

Increase your contribution rate today

A little more savings now could become a lot more for your future.

Meet your plan representative

Get to know the knowledgeable professional here to help you.

Enroll video

A RETIREMENT UNIQUE TO YOU
City of Austin Deferred Compensation Plan

Participate in your plan

Participate in your plan