

SUMMARY OF PROJECT – NAGDCA 2019 LEADERSHIP RECOGNITION AWARD
CATEGORY: NATIONAL RETIREMENT SECURITY WEEK

**EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS) –
NATIONAL RETIREMENT SECURITY *MONTH* CAMPAIGN
IMPROVES RETIREMENT READINESS FOR ELIGIBLE AND PARTICIPATING EMPLOYEES**

In October 2018, ERS wanted to educate and inform participants about the benefits of the TexaSaverSM 401(k) / 457 Program during National Retirement Security Week. In order to reach as many state employees as possible, ERS partnered with Empower Retirement to deliver these critical benefits in a way that was accessible, impactful, entertaining and easy to understand over the entire month of October rather than just one week.

To meet the above criteria, the *Get Financially Fit National Retirement Security Month* digital campaign utilized multifaceted, targeted and plan-wide campaign tactics created to support the idea that with the TexaSaver program, saving for retirement is a marathon, not a sprint. Early- to mid-career state employees needed a workable plan to go from good intentions to reaching their retirement savings finish line. The *Get Financially Fit National Retirement Security Month* financial fitness goals focused on 1) enrolling again in the TexaSaver program by targeting state employees who opted out of being automatically enrolled in the 401(k) plan and 2) increasing contributions above the 1% or \$20 minimum through a one-time contribution increase or by setting up an automatic contribution increase election by targeting TexaSaver participants who were still contributing the minimum amount per paycheck. This cohesive National Retirement Security *Month* (NRSM) outreach initiative ran October 1 – October 31, 2018, encouraging employees to maximize the use of investment resources available through the TexaSaver program to increase their retirement savings fitness health.

Goals included:

- Informing eligible employees about the benefits of enrolling in the TexaSaver program.
- Highlighting the benefits of increasing their contributions above the minimum amount.
- Reinforcing the advantages of setting up an automatic contribution increase over several years.
- Showing eligible employees and participants how the TexaSaver program could help close their retirement income gap.
- Reminding state employees about the resources available to them as a TexaSaver program participant.

Results

The *Get Financially Fit NRSM* campaign improved retirement readiness for eligible state employees and TexaSaver program contributing participants.

- **Over 475** participants viewed the interactive campaign BrainShark presentation in October.
- **49%** of BrainShark viewers watched 75%-100% of the presentation.
- **114** group meetings and over **630** one-on-one meetings were held with more than **2,000** state of Texas employees and TexaSaver Education Counselors during October 2018.
- The first *Get Financially Fit* targeted email, sent on October 1, experienced a **42%** open rate (almost two times higher than the 23% industry average). Of those who opened the first targeted email, **51%** clicked the “GET FINANCIALLY FIT” link or the www.texasaver.com link to enroll or increase their contribution on the website.
- On October 16, a reminder targeted email, to those who didn’t open the first email, received an outstanding **47%** click to open rate – over four times the 12% industry average – and of those who opened the email, **50%** clicked the “GET FINANCIALLY FIT” or the www.texasaver.com links to enroll or increase their contribution amount online.
- The final reminder email, sent on October 30, to those who didn’t open the previous two emails, received an impressive **81%** click to open rate (almost seven times higher than the 12% industry average). Of those who opened the final targeted email, **50%** clicked the “GET FINANCIALLY FIT” link or the www.texasaver.com link to enroll or increase their contribution on the website.
- **10%** of the targeted eligible employees who opted out of automatic enrollment in the TexaSaver 401(k) plan took action from the campaign emails by reenrolling in either the TexaSaver 401(k) or 457 plan – representing a **9 percentage point increase** above the 1% campaign enrollment increase goal of opted out employees set by ERS and Empower.
- **Over 3%** of targeted email recipients increased their contribution amount above the minimum in both the 401(k) and 457 plans and/or set up an automatic contribution increase in the 401(k) plan – resulting in a **1.6 percentage point increase** above the 1.5% campaign goal of minimum savers to complete one or both increase contribution actions set by ERS and Empower.
- Year over year increased actions from the October *Get Financially Fit NRSM* 2018 time period versus the same October 2017 time period:
 - **11%** 401(k) plan enrollment increase
 - **51%** 457 plan enrollment increase
 - **33%** increase in 401(k) plan contributions above 1% or \$20
 - **65%** increase in 457 plan contributions above 1% or \$20
 - **36%** 401(k) plan increase and **175%** 457 plan increase in the number of automatic contribution increase elections
 - **56%** 401(k) plan and 457 plan increase in Managed Account service enrollments

In their own words

“The purpose of the TexaSaver program is to provide State of Texas employees an opportunity to achieve financial independence in retirement by participating in the 401(k) and 457 plans where they can build and manage their investments through long-term planning and tax savings.”

- **Nora Alvarado, Manager,
Voluntary Income Plans,
Employees Retirement System
of Texas**



**WRITTEN JUSTIFICATION - NAGDCA 2019 LEADERSHIP RECOGNITION AWARD
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS) – NATIONAL RETIREMENT SECURITY MONTH CAMPAIGN
IMPROVES RETIREMENT READINESS FOR ELIGIBLE AND PARTICIPATING EMPLOYEES**

The *Get Financially Fit National Retirement Security Month (NRSM)* campaign increased retirement readiness for eligible and participating state employees by providing information, calculations and education through the deployment of creative, compelling and multifaceted campaign tactics.

Project Description

Campaign: Get Financially Fit NRSM

In October 2018, ERS partnered with Empower Retirement to educate and inform participants about the benefits of the TexaSaverSM 401(k) / 457 Program during National Retirement Security Month. In an effort to reach as many state employees as possible and to deliver these critical benefits in a way that was accessible, impactful, entertaining and easy to understand, the *Get Financially Fit National Retirement Security Month* digital campaign was created and held over the entire month of October rather than just one week.

ERS and Empower chose to target eligible state employees and TexaSaver program participants (ages 25-45) who decided to opt out of being automatically enrolled into the TexaSaver 401(k) plan or who were contributing the 1% or \$20 minimum per paycheck. The *Get Financially Fit NRSM* campaign used multifaceted, targeted and plan-wide tactics to support the idea that with the TexaSaver program, saving for retirement is a marathon, not a sprint, and that these early- to mid-career state employees needed a financial fitness “coach” like the TexaSaver program to motivate them to get their savings across the retirement goal finish line.

To offer an additional savings “assistant coach”, the campaign tactics also educated eligible employees and current participants that the Managed Account service in the TexaSaver Advisor Service (offered by Advised Assets Group, LLC) is always available to participants at no additional cost for the first 90 days and provides access to investment professionals who create and manage an investment portfolio for them based on their individual goals.



The *Get Financially Fit NRSM* campaign was created to:

- Educate eligible employees and participants that their ERS retirement (defined benefit plan) may only provide them with about 50% of their current income in retirement and that additional savings, such as the TexaSaver 401(k) and 457 plans, may be necessary to bridge the retirement savings gap.
- Encourage those not enrolled in the TexaSaver program to enroll in order to help close the income gap they may face in retirement.
- Remind participants in the program about the benefits of compound growth so they would decide to take action to increase their contribution above the minimum 1% or \$20 per paycheck.
- Inform and show participants in the program how setting up an automatic increase of their contribution is easy and could positively impact their retirement savings due to compound growth.
- Encourage participants to enroll in the Manage Account service (offered through the TexaSaver Advisor Service) to benefit from an investment professional at no additional cost for the first 90 days.
- Remind eligible employees and participants about the resources available to them as a participant, such as the ability to meet with their local TexaSaver Education Counselor.

The *Get Financially Fit (NRSM)* campaign, launched on October 1, 2018, garnered substantial praise and was extremely well received with the rollout of the *Get Financially Fit* pre-login web tile and post login web message on www.texasaver.com, the first of several Facebook posts, and the first send of the targeted email – all linking to the animated and interactive *Get Financially Fit BrainShark* and/or the TexaSaver program website.

The *Get Financially Fit (NRSM)* BrainShark analytics showed that **over 475** TexaSaver participants and/or eligible employees viewed the interactive presentation during the campaign. Additional analytics showed that **49%** of viewers watched 75% - 100% of the educational campaign presentation to learn how to get in shape with their retirement savings.

In an effort to further encourage education and outreach of the *Get Financially Fit (NRSM)* campaign during the month of October, **114** group meetings and over **630** one on one meetings were held with more than **2,000** eligible state of Texas employees, current TexaSaver participants and the TexaSaver Education Counselors. At the NRSM meetings, the *Get Financially Fit (NRSM)* campaign was represented by the *Get Financially Fit* presentation (non-BrainShark version) given by the Education Counselors, the campaign easel banner, and specialty TexaSaver program branded promo items – containing the program’s website and phone number – were given away to attendees as a reminder of how they could get more information about reaching their retirement savings marathon goals with the program.

To make the three emails more engaging for this NRSM campaign, each one included a fun, motivational illustrated gif of crossing the TexaSaver program retirement savings marathon finish line as well as encouraging messages to get people in the race and/or keeping up with their retirement savings pace. The first targeted *Get Financially Fit (NRSM)* email was sent on October 1, 2018 to 16,537 eligible state employees who opted out of automatic enrollment and current TexaSaver participants who were still contributing the minimum amount of 1% or \$20 per paycheck. The email received a **42%** open rate (almost two times higher than the 23% industry average). Also, of those who opened the first targeted email, **51%** clicked the “GET FINANCIALLY FIT” link or the www.texasaver.com link to enroll in the program or increase their contribution on the website.

On October 16, 2018, a targeted reminder *Get Financially Fit (NRSM)* email was sent as a follow-up to participants who didn’t open the first email. The second email send received an outstanding **47%** click to open rate – over four times the 12% industry average – and of those who opened the email, **50%** clicked the “GET FINANCIALLY FIT” or www.texasaver.com links to enroll in the program or increase their contribution amount online.

The final targeted reminder email sent on October 30, 2018 to those who didn’t open the first two targeted email sends received an impressive **81%** click to open rate (almost seven times higher than the 12% industry average), and of those who opened the email, **50%** clicked the “GET FINANCIALLY FIT” link or the www.texasaver.com link to enroll in the program or increase their contribution on the website.

Get Financially Fit (NRSM) campaign-specific data from October 1 - December 31, 2018 showed **10%** of eligible employees who opted out of automatic enrollment in the TexaSaver 401(k) plan stepped up to the starting line of their retirement savings marathon again by reenrolling in either the TexaSaver 401(k) or 457 plan. This reenrollment data represents a **9 percentage point increase** above the 1% campaign enrollment increase goal of opted out employees set by ERS and Empower.

Further campaign specific data proved that **over 3%** of email recipients picked up their retirement savings pace by increasing their contribution amount above the 1% or \$20 minimum in the 401(k) and 457 plans and/or setting up an automatic contribution increase election in the 401(k) plan – resulting in a **1.6 percentage point increase** above the 1.5% campaign goal of minimum savers to complete one or both contribution increase actions set by ERS and Empower.

In addition to the targeted emails and educational meetings with the TexaSaver Education Counselors, general population tactics of a pre-login web tile, a post-login web message, digital newsletter article and several Facebook posts (each of these digital tactics linked to the interactive BrainShark) contributed to the successful 2018 *Get Financially Fit (NRSM)* campaign timeframe. Year over year NRSM campaign timeframe data pulled from October 1 – December 31, 2018, versus the same 2017 timeframe resulted in the following successes:

- an **11%** increase in 401(k) plan enrollments and a **51%** increase in 457 plan enrollments.
- an increase of **33%** of 401(k) plan participants and an increase of **65%** of 457 plan participants who took action to increase their contribution in the TexaSaver program above the 1% or \$20 minimum.
- a **36%** increase in the 401(k) plan and a **175%** increase in the 457 plan for the number of participants who set up an automatic contribution increase election.
- a **56%** increase in the number of 401(k) and 457 plan participants who enrolled in the Managed Account service to take advantage of the first 90 days in the service being free to new enrollees in order to receive retirement planning information from investment professionals, personalized savings amount and investment selection recommendations, withdrawal distribution suggestions and periodic consultations with investment adviser representatives throughout their entire savings marathon to and through retirement.

Relative Significance of Improvement/Perspective for the Change

By expanding the National Retirement Security Week campaign to run the entire month of October rather than one week, state of Texas employees received more financial information and education, which could potentially increase returns on their investments, savings rates and provide a greater likelihood of meeting their retirement income goals by closing the retirement savings gap.

Benefits Realized by Service Recipients

TexaSaver program participants benefit from educational resources that will raise overall financial knowledge and literacy. State of Texas employees are empowered with information to make them more informed and effective consumers of financial services.

There are several benefits to the state and its employees, including:

- The state meets its objective of providing a first-rate deferred compensation plan for its employees.
- The state empowers its employees to make more informed savings and investment decisions.
- The state sustains a commitment to address the larger issues of financial literacy and the retirement income gap – issues that impact not only its employees, but also future retirees nationwide.

Return on Investment

Long-term benefits for participants (and the state) include:

- Improved awareness and increased participant involvement in the voluntary program, due to a customized and creative education strategy.
- Increased utilization of the plan benefits and features (e.g., ongoing increases in contribution rates, use of catch-up provisions, informed retirement planning) due to the unbiased financial and educational support provided by plan communications.

Feasibility of Use by Other Governments

The approach taken by ERS is a model for state governments seeking to educate and inform participants regarding the benefits of deferred compensation savings during the entire month of October rather than one week in October.

TexaSaverSM 401(k) / 457 Program Get Financially Fit Custom National Retirement Security Month Campaign Tactics

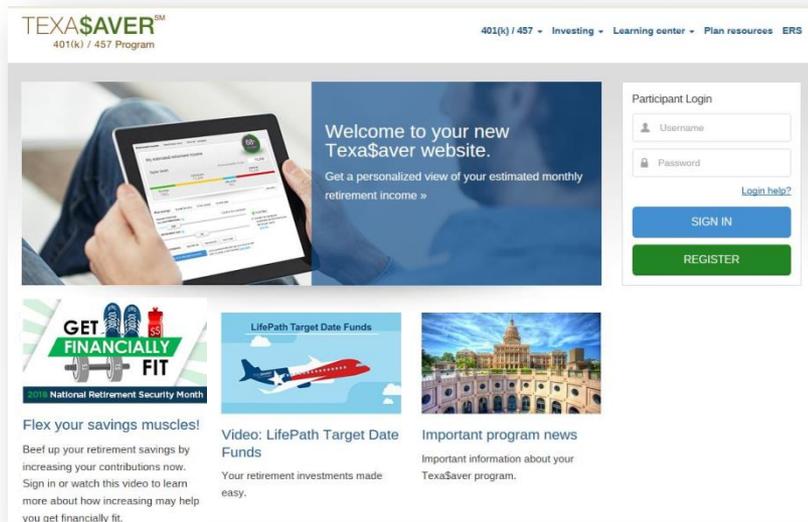
Get Financially Fit Facebook Posts #1 Posted September 27 (linked to the [BrainShark](#))



Get Financially Fit [BrainShark](#)



Get Financially Fit Pre-login Website tile (linked to the [BrainShark](#))



Get Financially Fit Easel Banner



#2 Posted October 11 (linked to the [BrainShark](#))



Get Financially Fit Post login Website Message (linked to the [Change Contribution](#) webpage)



TexaSaver Program Promo Item (waterproof cell phone pouch)



Texa\$averSM 401(k) / 457 Program Get Financially Fit Custom National Retirement Security Month Campaign Tactics

Three Get Financially Fit Targeted Emails (linked to the [website](#) and [BrainShark](#))

First Get Financially Fit Email (10/1/18)

Subject line: Mark, start your savings marathon with the Texa\$aver program!

Second Get Financially Fit Email (10/16/18)

Subject line: Mark saving for retirement is a marathon not a sprint!

Third Get Financially Fit Email (10/30/18)

Subject line : Mark it's not too late to get financially fit!

ERS | TEXA\$AVERSM 401(k) / 457 Program

**On your mark...
Get set...**

ERS | TEXA\$AVERSM 401(k) / 457 Program

Join the race

ERS | TEXA\$AVERSM 401(k) / 457 Program

Go the distance

Wait!

Before you hit the ground running and *Get Financially Fit* for your future, make sure you're ready for the savings marathon ahead.

Follow these race-day tips to stay on your route to retirement:

- ★ Automatically enrolled but decided to leave the Texa\$aver program?
 - > No problem! Head to the starting line by enrolling again.
- ★ Still enrolled at 1% or \$20?
 - > Increase your savings stride by contributing more, or
 - > Find the perfect pace by setting up automatic contribution increases!

GET FINANCIALLY FIT

 Saving for retirement is a marathon, not a sprint.



The Texa\$aver program helps you meet your goals in retirement — from start to finish! Watch the video above to see how you can flex your savings muscle during **National Retirement Security Month** this October.

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