

SUMMARY OF PROJECT – NAGDCA 2021 LEADERSHIP RECOGNITION AWARD
CATEGORY: PARTICIPANT EDUCATION & COMMUNICATION

**EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS®) –
SUMMER ENROLLMENT CAMPAIGN IMPROVES RETIREMENT READINESS
FOR ELIGIBLE AND PARTICIPATING EMPLOYEES**

Plan Profile:

As of April 30, 2021, the combined asset size of both the 401(k) and 457(b) plans is \$4.6 billion with a total participant count of 249,813.

Background:

Knowing State of Texas employees will only have about 50% of their pre-retirement income from their ERS retirement (defined benefit plan), Employees Retirement System of Texas (ERS) wanted to educate and inform eligible state employees and current participants about the benefits of the Texa\$averSM 401(k) / 457 Program during their summer enrollment period. To achieve this goal, they required a format for delivering critical messages in a way that was accessible, entertaining and easy to understand – all while social distancing.

To meet these criteria, ERS partnered with Empower Retirement to create the *Your Blockbuster Retirement* campaign which utilized multifaceted, targeted and plan-wide campaign tactics created to support the idea that saving for retirement doesn't have to be intimidating. Planning and saving for retirement could be something as simple and enjoyable, like going to a drive-in movie (while social distancing)! The campaign shared with the targeted audience that with a good retirement "script" and "supporting cast," participants could be the star of their own retirement picture! This cohesive eligible state employee and participant outreach initiative was launched during ERS's summer enrollment period (June 18 – August 31, 2020) and encouraged employees to maximize the use of investment resources available for retirement savings.

Goals included:

- Informing eligible employees about the benefits of enrolling in the Texa\$aver 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 Texa\$aver program could help close their retirement income gap.
- Reminding state employees about the resources available to them as a Texa\$aver program participant.
- Provide resources and education virtually during a national pandemic

Results

The *Your Blockbuster Retirement* campaign improved retirement readiness for eligible state employees and Texa\$aver program contributing participants.

- **2,075** participants viewed the interactive campaign Brainshark presentation during the summer enrollment period.
- **45%** of BrainShark viewers watched 100% of the presentation.
- **144** group meetings and **998** one-on-one meetings with **2,898** current participants and/or eligible employees in attendance from throughout the state of Texas. The number of one-on-one meetings increased by an incredible **64%** over the same time period in 2019.
- The first *Blockbuster* targeted email, sent on June 24, experienced a **36%** open rate (15 percentage points above the 21% industry average).
- Of those who opened the first targeted email, **39%** clicked the "START THE SHOW" link that went to the Texa\$aver program website to enroll or increase their contribution.
- On July 7, a *Blockbuster* reminder targeted email received an outstanding **38%** open rate and of those who opened the reminder email, **45%** clicked the "START THE SHOW" link to enroll or increase their contribution amount on the website.
- **2.3%** of targeted eligible employees who were not automatically enrolled in the Texa\$aver 401(k) plan took action from the campaign email and postcard by enrolling in the program.
- **2.5%** of targeted email and postcard recipients increased their contribution amount above the minimum amount in either the 401(k) or 457 plan.
- Year over year increased actions from the 2020 summer enrollment period versus the same 2019 time period:
 - **133%** increase in 401(k) plan participants raising their contributions above the plan minimum
 - **97%** increase in 401(k) plan participants setting automatic contribution increases to 10% or \$50+
 - **400%** increase in 457 plan participants setting automatic contribution increases to 10% or \$50+
 - **18%** increase in new assets under management in the Managed Account offering (401(k) and 457 plans combined)
 - Over **\$7.5M** in new assets under management

In their own words

"Employees Retirement System of Texas is deserving of a 2021 NAGDCA Leadership Award in the Participant Education & Communication category because of the originality, creativity and successful outcomes of the Summer Enrollment campaign for its 457 and 401(k) plans. With the positive results achieved for each of the initiatives, ERS was able to deliver on its goal of providing State of Texas employees an opportunity to achieve financial independence in retirement through participation in one or of these plans. With a concentrated focus on enrollment, saving and investment during this pre-determined period, ERS has provided a best practice for other states and municipalities to leverage in helping their employees achieve better financial and retirement outcomes"

- **Nora Alvarado, Director of Voluntary Income Plans, Group Benefits Division, Employees Retirement System of Texas**



WRITTEN JUSTIFICATION - NAGDCA 2021 LEADERSHIP RECOGNITION AWARD
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS[®]) – SUMMER ENROLLMENT CAMPAIGN IMPROVES RETIREMENT
READINESS AMONG ELIGIBLE AND PARTICIPATING EMPLOYEES

The *Your Blockbuster Retirement* summer enrollment campaign reached eligible state employees and Texa\$averSM 401(k) / 457 Program participants with information, calculations and education through the deployment of creative, compelling and multifaceted campaign tactics.

Project Description

Campaign: Your Blockbuster Retirement

Knowing State of Texas employees will only have about 50% of their pre-retirement income from their ERS retirement (defined benefit plan), Employees Retirement System of Texas (ERS) partnered with Empower Retirement to bring awareness to the summer enrollment period (June 18 – August 31, 2020) by launching a custom, educational, informative and unique campaign to encourage enrollments among early- and mid-career legacy state employees who were not automatically enrolled in the 401(k) plan and contribution increases and/or automatic contribution increase elections among participants who were still contributing the 1% or \$20 minimum in the Texa\$aver program (deferred compensation plan).

The *Your Blockbuster Retirement* campaign taught legacy eligible state employees and Texa\$aver minimum contributing participants that saving for retirement doesn't have to be intimidating because it's as simple and enjoyable as going to a drive-in movie – while still social distancing! The *Your Blockbuster Retirement* campaign taught eligible employees and current participants that with a good retirement "script" and "supporting cast," participants can be the star of their own retirement picture. After starting the show by enrolling in the Texa\$aver program and/or increasing their contribution above the 1% or \$20 minimum through a one-time or automatic contribution increase, participants could see their retirement savings story unfold on the screen.

To take the campaign a step further, multiple tactics also educated eligible employees and current participants that the Managed Account service in the Texa\$aver Advisor Service (offered by Advised Assets Group, LLC) is always available to participants at no additional cost for the first 90 days, and provides investment professionals who create and manage an investment portfolio for them based on their individual goals.

The *Your Blockbuster Retirement* 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 Texa\$aver 401(k) and 457 plans, may be necessary to bridge the retirement savings gap.
- Encourage those not enrolled in the Texa\$aver 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 Managed Account service (offered through the Texa\$aver 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 as a participant; such as the ability to meet with their Texa\$aver Education Counselor.

The *Your Blockbuster Retirement* campaign, launched on June 18, 2020, garnered substantial praise and was extremely well received with the rollout of the *Blockbuster* pre-login web tile on www.texasaver.com linking to the animated, educational and interactive campaign Brainshark, the first of several Facebook posts, the post-login web message and the first send of the targeted email linking to the Texa\$aver program website and campaign Brainshark.

The *Your Blockbuster Retirement* Brainshark analytics showed **2,075** Texa\$aver program participants and/or eligible employees viewed the interactive presentation during the campaign – which is inline with the amount of Brainshark views in 2019. What is most impressive is that **45%** of viewers watched **100%** of the video, while analytics showed that only **40%** of viewers watched **70% - 100%** of the 2019 summer enrollment campaign Brainshark.

In an effort to further encourage education and outreach of the benefits of the Texa\$aver program during June - August, Texa\$aver Education Counselors held **144** group meetings (**6.7%** increase over 2019 group meetings) and **998** one-on-one meetings (**64%** increase over 2019 one-on-one meetings) with **2,898** current participants and/or eligible employees in attendance from throughout the state of Texas.



The first *Blockbuster* email was sent on June 24 to 14,796 eligible employees who were not enrolled in the program and to 25,999 program participants who were still contributing the minimum amount of 1% or \$20 per paycheck. The email received an impressive **36%** open rate (15 percentage points above the 21% industry average). Also, of those who opened the email, **39%** of them clicked “START THE SHOW” which directed recipients to the Texa\$aver program website to enroll and/or increase their contributions.

On July 7, a second *Blockbuster* email was sent as a follow-up reminder to participants who didn’t open the first email. The second email send received another outstanding **38%** open rate. Of those recipients who opened the email, **45%** of them clicked “START THE SHOW” to enroll and/or increase their contribution on www.texasaver.com.

Blockbuster Retirement campaign-specific data from June 18 – August 31, 2020 showed **2.3%** of eligible employees who were not automatically enrolled rolled out the red carpet for their retirement by enrolling in the 401(k) or 457 plan after receiving the targeted campaign email or postcard. Further campaign-specific data proved that **2.5%** of email and postcard recipients put a spotlight on additional retirement savings by increasing their contribution amount above the 1% or \$20 minimum in the 401(k) or 457 plan.

In addition to the targeted email, targeted postcard mailing and educational meetings with the Texa\$aver Education Counselors, general population tactics of a pre-login web tile, a post-login web message and several Facebook posts (each of these digital tactics linked to the interactive Brainshark) contributed to the successful 2020 *Your Blockbuster Retirement* summer enrollment campaign timeframe. Year-over-year summer enrollment campaign timeframe data pulled from June 22 – August 31, 2020 versus the same 2019 timeframe resulted in the following successes:

- an outstanding **133%** increase in 401(k) plan participants raising their contributions above the plan minimum
- an impressive **97%** increase in 401(k) plan participants, and an unprecedented **400%** increase in 457 plan participants setting automatic contribution increases to 10% or \$50+

Texa\$aver Advisor Service data during the summer enrollment campaign timeframe comparing June 22 – August 31, 2020 to the same 2019 time period for both the 401(k) and 457 plans showed that **604** participants enrolled in the Managed Account service. While the number of participants enrolling in the Managed Account service slightly decreased when compared to the same time period in 2019, those participants who elected to enroll had account balances, on average, higher than participants from the prior year. During the campaign timeframe the newly enrolled participants brought in over **\$7.5M** in new assets under management. This represents an increase of **18%** in assets under management compared to the same time period in 2019. This indicates that the message around the value provided by the Managed Account service seemed to resonate particularly well with higher-balance participants in the midst of a volatile year. The combination of summer enrollment meetings with the Education Counselors and the campaign’s education and encouragement to take advantage of the Managed Account service served to provide these participants with 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 journey to retirement.

Relative Significance of Improvement/Perspective for the Change

The information presented in the campaign is significant as it addresses the larger issue of the retirement income gap. Participants have become more informed consumers of financial information, increasing the potential for higher returns on their investments, higher savings rates and a greater likelihood of meeting their retirement goals.

Benefits Realized by Service Recipients

Texa\$aver 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

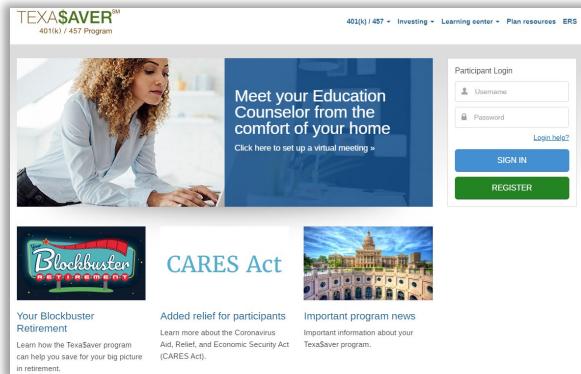
Long-term benefits for participants (and the state) include:

- 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.

Texa\$aver Your Blockbuster Campaign Pre-login Website tile (linked to the Your Blockbuster Retirement BrainShark)



The screenshot shows the Texa\$aver website's main landing page. It features a large banner on the left with a photo of a woman and text about meeting an education counselor virtually. To the right is a participant login form with fields for Username and Password, and buttons for SIGN IN and REGISTER. Below the login is a section titled "CARES Act" with a small image of the U.S. Capitol building and links to program news. At the bottom left is a "Your Blockbuster Retirement" logo, and at the bottom right is a link to "Important program news".

Texa\$aver Your Blockbuster Campaign Post-login Website Message (linked to the Your Blockbuster Retirement BrainShark)

Plan messages

June 22, 2020

Texa\$aver 457 Plan

How can the Texa\$aver program help you set the stage for your blockbuster retirement?

[Watch this presentation >>](#)

Texa\$aver Your Blockbuster Retirement Campaign Facebook Posts

#1 Posted June 29 (linked to the [Enroll Now](#))



#2 Posted July 22 (linked to the [Your Blockbuster Retirement BrainShark](#))



#3 Posted July 30 (linked to the [Your Blockbuster Retirement BrainShark](#))

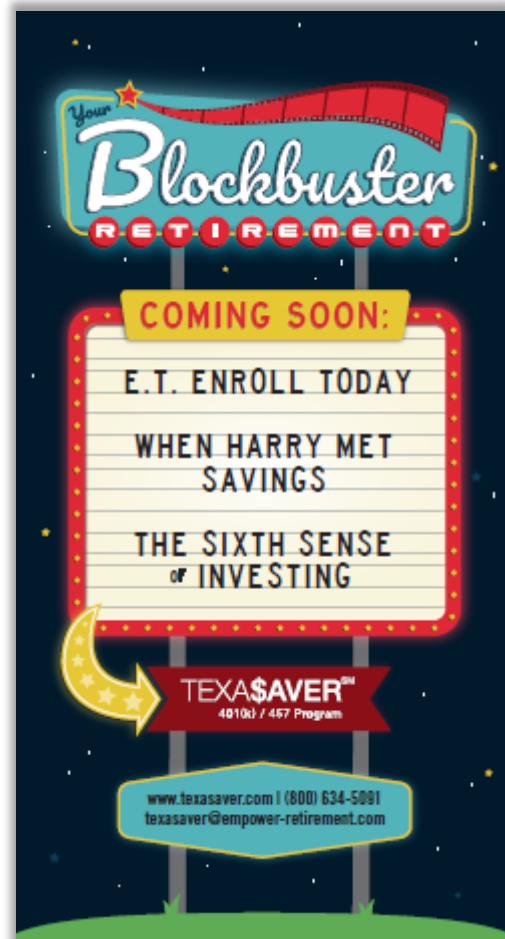


Texa\$aver Blockbuster Retirement [Campaign Email](#) (linked to [texasaver.com](#) and the [Your Blockbuster Retirement Brainshark](#))

Subject line: Kristin, prepare for your blockbuster retirement with the Texa\$aver program



Texa\$aver Your Blockbuster Retirement Campaign Easel Banner



Texa\$aver Your Blockbuster Retirement Campaign Promo Item

Texa\$aver Branded Hand Sanitizer with carabiner

