

SUMMARY OF PROJECT – NAGDCA 2022 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 14, 2022, the combined asset size of both the 401(k) and 457 plans is \$4.66 billion with a total participant count of 258,451.

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 TexaSaverSM 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 navigating the ongoing challenges of the pandemic.

To meet these criteria, ERS partnered with Empower to create the *Your Retirement Adventure* 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 simple and enjoyable, with steps you can take right from your own backyard! The campaign shared with the targeted audience that with "great neighbors" a good retirement journey could begin with tools and help that are accessible right in your very own backyard. This cohesive eligible state employee and participant outreach initiative was launched during ERS's summer enrollment period (June 21 – August 31, 2021) 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 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.
- Provide resources and education virtually during a national pandemic.

Results

The *Your Retirement Adventure* campaign improved retirement readiness for eligible state employees and TexaSaver program contributing participants.

- **2,905** participants viewed the interactive campaign Brainshark presentation during the summer enrollment period, which is a **40%** increase over the previous year.
- **48%** of Brainshark viewers watched at least 50% of the presentation.
- **54** group meetings and **832** one-on-one meetings with current participants and/or eligible employees in attendance throughout the state of Texas.
- The first *Your Retirement Adventure* targeted email, sent on June 29, experienced a **23%** open rate.
- Of those who opened the first targeted email, **8%** clicked the "Schedule a meeting" link that went to the TexaSaver program website to schedule a personal meeting with a TexaSaver Education Counselor.
- On July 13, a *Retirement Adventure* targeted reminder email received an open rate of **19%** and of those who opened the reminder email, **8%** clicked the "Schedule a meeting" link to meeting with a TexaSaver Education Counselor.
- Year over year increased actions from the 2021 summer enrollment period versus the same 2020 time period:
 - **14%** increase in the 457 plan and **21%** increase in the 401(k) plan in participants updating their beneficiary information
 - **7%** increase of participants who increased their contributions in the 401(k) plan from the 1% or \$20 minimum; these were participants who were automatically enrolled in the 401(k) plan upon hire
 - **3% increase in enrollments** in the TexaSaver 457 plan
 - **62.7%** increase in new assets under management in the Managed Account offering (401(k) and 457 plans combined), with over **\$12.2M** in new assets under management and a **3.8% increase** in new participant enrollments in the Managed Account service

In their own words

"Employees Retirement System of Texas is deserving of a 2022 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 both 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 2022 LEADERSHIP RECOGNITION AWARD
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS®) – SUMMER ENROLLMENT CAMPAIGN IMPROVES RETIREMENT
READINESS AMONG ELIGIBLE AND PARTICIPATING EMPLOYEES**

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

Project Description

Campaign: Your Retirement Adventure

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 to bring awareness to the summer enrollment period (June 21 – August 31, 2021) by launching a custom, educational, informative and unique campaign to encourage enrollments among eligible higher education employees into the 457 plan, 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 TexaSaver program (deferred compensation plan).

The *Your Retirement Adventure* campaign taught legacy eligible state employees, eligible higher education employees, and TexaSaver minimum contributing participants that saving for retirement doesn't have to be intimidating; employees already have the tools and resources to begin saving for their retirement adventure right in their own backyard through the TexaSaver program. The *Your Retirement Adventure* campaign taught eligible employees and current participants that achieving a good retirement can happen right from your own backyard. With ample resources and "great neighbors," participants can begin their retirement journey without leaving home. After enrolling in the TexaSaver 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 journey begin!



To take the campaign a step further, multiple 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 *Your Retirement Adventure* 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 Managed 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 as a participant, such as the ability to meet with their TexaSaver Education Counselor.

The *Your Retirement Adventure* campaign, launched on June 21, 2021, garnered substantial praise and was extremely well received with the rollout of the *Your Retirement Adventure* 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 TexaSaver program website and campaign Brainshark.

The *Your Retirement Adventure* Brainshark analytics showed **2,905** TexaSaver program participants and/or eligible employees viewed the interactive presentation during the campaign – which is considerably higher than we've seen over the past two years. While **48.2%** of the viewers watched at least **50%** of the video, what is most impressive is that there was a **40%** increase in views when compared to the same period in 2020.

To further encourage education and outreach of the benefits of the TexaSaver program during June - August, TexaSaver Education Counselors held **54** virtual group meetings and **832** virtual one-on-one meetings with current participants and/or eligible employees in attendance from throughout the state of Texas.

The first *Retirement Adventure* email was sent on June 29 to 53,943 eligible employees who were either not enrolled in the program or were still contributing the minimum amount of 1% or \$20 per paycheck. The email received a **23%** open rate, which is in line with

industry standards. Of those who opened the email, **16.4%** clicked the “Schedule a meeting” button to schedule time to meet with a TexaSaver Education Counselor and **11.7%** watched the Brainshark.

On July 13, a second *Your Retirement Adventure* email was sent as a follow-up reminder to participants who didn’t open the first email. The second email send received an open rate of **19%**. Of those recipients who opened the email, **8%** clicked the “Schedule a meeting” button to schedule time to meet with a TexaSaver Education Counselor.

Retirement Adventure campaign-specific data from June 21 – August 31, 2021 showed an increase of **3%** of eligible employees who were not automatically enrolled, enroll in the 401(k) after receiving the targeted campaign email or postcard when compared to the same time period in 2020.

In addition to the targeted email, targeted postcard mailing and educational meetings with the TexaSaver 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 2021 *Your Retirement Adventure* summer enrollment campaign.

TexaSaver Advisor Service data during the summer enrollment campaign timeframe, comparing June 21 – August 31, 2021 to the same 2020 time period for both the 401(k) and 457 plans, showed that **710** participants enrolled in the Managed Account service. This represents an increase of almost **4%** compared to the same time period in 2020. Additionally, those participants who elected to enroll had higher account balances, on average, than participants from the prior year. During the campaign timeframe the newly enrolled participants brought in over **\$12.2M** in new assets under management, which is an impressive increase of **62.7%** in assets under management compared to the same time period in 2020. This indicates that the message around the value in getting professional advice and investment management, provided by the Managed Account service, seemed to resonate particularly well with higher-balance participants amid a pandemic and 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

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.

CAMPAIGN TACTICS – NAGDCA 2022 LEADERSHIP RECOGNITION AWARD
CATEGORY: PARTICIPANT EDUCATION & COMMUNICATION

Click here to view all campaign tactics.

Facebook posts:

Post 1

With the TexaSaverSM 401(k) / 457 Program, powerful retirement savings tools are right in your own backyard. Consider enrolling today!
<https://texasaver.empower-retirement.com/participant/#/articles/TexasWR/457EnrollNow>



Post 3

Saving a little more with the TexaSaverSM 401(k) / 457 Program could help you make a big splash in retirement.
<https://texasaver.empower-retirement.com/participant/#/d/deferrals>



Post 2

Schedule a no-cost meeting with your local Education Counselor to learn how the TexaSaverSM 401(k) / 457 Program can help bring retirement savings home!
<https://texasaver.empower-retirement.com/participant/#/articles/TexasWR/meetYourRepresentatives>



Post 4

Explore a galaxy of retirement possibilities, all from your own backyard! Learn how the TexaSaverSM 401(k) / 457 Program can help.
<https://www.brainshark.com/retirement-education/Texas-SE21>



Post 5

Warm up to professional investment advice with the Managed Account service — available as part of the TexaSaverSM 401(k) / 457 Program at no additional cost to you for 90 days. Learn more.
<https://www.brainshark.com/retirement-education/Texas-SE21>

