



## PLAN PROFILE

**Plan: California Savings Plus**

401(k) pre-tax and Roth

457(b) pre-tax and Roth

**Participants:** 240,107

**Assets:** \$19.6 billion

**Administrator:** Nationwide

**Investment Consultant:** Callan

**Category:** Participant Education and Communication

**Initiative:** Savings Plus Participants Save Campaign

## BACKGROUND

In 2022, state of California residents faced an unprecedented economic challenge. The inflation rate soared to a **40-year high of 8.6%** in May<sup>1</sup>, significantly impacting the cost of living. The Consumer Price Index (CPI) in California accelerated to **7.7%** in April, marking the fastest pace since June 1982<sup>2</sup>. This surge in inflation was compounded by the state's high cost of living, which is among the highest in the nation. For example, the average annual cost of living in California was reported to be **\$53,082**<sup>2</sup>, placing a substantial financial burden on our participants.

As a retirement plan provider, we observed a concerning trend where participants were either reducing their contributions or halting them altogether, jeopardizing their financial security in retirement. In 2022, participant assets invested in the plan **decreased by \$3 billion** from the previous year. At that time, plan assets were \$200 million lower than 2020, when Americans across the country faced economic hardship due to the COVID-19 pandemic. Between 2021 and 2022, the average participant balance **decreased from \$89,000 to \$75,000**.

## GOALS

- Encourage participants to increase their contributions to improve their financial security in retirement.
- Provide education to empower participants to make informed decisions about their finances and retirement plans.

*Knowing times have been hard and understanding state employees' defined benefit pensions have been impacted by pension reform, I knew it was imperative to provide participants education and resources to not only get through current struggles, but also to look ahead toward a financially secure retirement. We aligned our education and campaigns with an emphasis on empathy, career stage, technology, and simplicity, — Sandy Blair, Savings Plus Plan Administrator*

## Written justification

### DESCRIPTION

We took six approaches:

<sup>1</sup> [California Department of Finance, "June 2022 Finance Bulletin." Published June 2022.](#)

<sup>2</sup> [Sofi, "Cost of Living in California." Updated March 13, 2023.](#)

1. **Timely educational resources:** In observance of key industry and national financial wellness efforts, we created timely education and action-oriented resources to help participants progress towards their retirement goals, improve their personal finances, and better understand financial concepts that can help change their financial outlook throughout their lives. We promoted these educational resources through monthly emails and other web channels to the full participant base. Email messages were segmented to best resonate with participants at different points in their career. We also optimized send time on an ongoing basis to ensure that participants were more likely to open and read the emails. Industry and national financial wellness efforts included Financial Literacy Month, America Saves Week, 401(k) Day, and National Retirement Security Month.
2. **Campaign for Participants Who Received Salary Increases:** Each month in 2023, we targeted participants who received a salary increase in the previous 30 days to encourage them to also pay their future selves, highlighting the benefits of compound interest and the long-term impact of incremental savings. Tactics included a mix of email and postcards, depending on participant preferences. We segmented audiences based on the following life stages: those who were just getting started with saving for retirement (ages 37 and under), those who had been saving for retirement (age 38-51), and those nearing retirement (ages 52+). We used photography in line with an Everyday Adventures theme—universal, intimate moments that many participants enjoy with loved ones—to set a tone that increasing their contribution was simple and easy so they could spend more time on the moments that matter the most. To ensure the imagery resonated, we also segmented the photography to depict Every Adventures that aligned with common milestones from each life stage.
3. **Welcome Email Journey for New Participants:** As part of our Welcome Email Journey, new participants receive a series of emails to help onboard them with their plan after enrollment. Among these is an email that encourages participants to increase their contributions.
4. **Annual Contribution Increase Emails:** A separate email journey prompted participants to review and increase their contributions annually, based on the date they last increased their contributions. These emails also offered education around the benefits of increasing contributions.
5. **Webinars and field outreach interactions:** To help participants make informed decisions and offer a human element, we also offered virtual webinars, in-person presentations, and on-site discussions on financial and retirement topics. Our primary outreach goal was to drive participants to scalable interactions like webinars and group events to ensure Retirement Specialists, Personal Retirement Consultants, and Savings Plus representatives could better serve more participants.
6. **Timely Newsletter Articles:** We leveraged quarterly newsletters to provide education on timely and top-of-mind financial topics. Keeping participant needs, retirement readiness and decreased contributions central to each issue, articles also included actionable education and guidance on how to navigate market volatility, inflation, and other economic factors without compromising retirement savings goals. To ensure content was relevant for participants, we selected topics based on quarterly participant data and insights, consumer trends, national and state current events, and legislative changes.

## RESULTS

We saw strong results across the audiences targeted by the campaign:

- Overall, within the 2023 calendar year, **22.3% of targeted participants increased** their contributions. This included **16.3%** of participants who were targeted by the welcome, annual increase, and industry and national financial efforts messages and approximately **10%** of participants who were targeted by the email campaign for participants who received salary increases. An additional **0.9%** of the former group also rolled money into their Savings Plus plan, which **added \$16 million** to the plan.
- Plan assets increased by **\$1.4 billion overall**, and the average participant balance increased from **\$75,000 to \$86,000** in the calendar years 2022 and 2023 respectively.
- These efforts contributed to **34,682 outreach interactions with participants**, including 1-on-1 consultations, webinars, in-person presentations, and on-site discussions. Compared to 2022, we decreased 1-on-1 consultations by **48.83%** in 2023, instead driving participants to relevant webinars, group events, and digital resources when possible. Interactions directly related to contributions and investing accounted for approximately **14.4%** of total interactions, a **516.54%** increase from 2022. This is a testimony to not only the continued need to include a human element in outreach but also participants' interest and willingness to obtain more information on timely topics that affect their retirement readiness and overall financial wellness.
- In 2023, the number of **sessions on the website increased by 5%** while **page views decreased by 0.1%**. While these are incremental percentages, they help demonstrate a shift when looking at a scale of 3 million sessions and 23.5 million pageviews. All campaign assets helped direct participants to curated content, ensuring that they didn't need to locate it on the site themselves.
- In 2023, session count escalating by **5%**, indicative of a robust increase in the context of **3 million sessions**. We also saw a marginal **decrease of 0.1% in page views**, which, against the backdrop of **23.5 million pageviews**, signals a shift towards more efficient content delivery. This campaign was instrumental in steering participants directly to the essential content, streamlining their journey and improving overall user experience.
- Throughout the 2023 calendar year, **16.7% of targeted participants** used tools to track their progress towards their retirement goals and/or project the impact an increase would have on their income in retirement.
- The timely newsletter content was met with positive feedback, with a **208.8% increase** in engagement with digital newsletters, indicating that participants found the content valuable and relevant to their financial and retirement planning efforts.

## FEASIBILITY

Overall, other plans could also find success with similar campaigns. Our strategies are not only effective but also scalable and adaptable, making them an excellent addition to any retirement plan provider's toolkit for participant education and communication.

- While this campaign included a spread of tactics and approaches, other plans don't need to replicate every facet to find success. Other plans can find success by creating campaigns that resonate with participants' top-of-mind concerns and unmet needs. Regardless the form that the campaign takes, it's important to ensure that you're getting the right message to the right audiences at the right time for them to take action—or want to take action.
- The **email campaigns** can be easily replicated with minimal cost, using existing email marketing tools and participant data and insights. When creating messaging, it's important to remain empathetic to factors that can affect participants' ability to contribute to their plans.
- The **postcard mailings** should be strategic to ensure that plans are balancing participant outreach with results that justify a print investment.
- **Outreach and webinars/presentations** can be easily scaled to increase reach and overall education for participants.
- Plans should take advantage of **key industry and national efforts** to amplify plan messaging, encourage participants to take steps to improve their financial wellness and retirement security, and demonstrate commitment to helping participants secure their financial futures, thus establishing trust.
- **Newsletter communications** can help provide timely education and guidance and can be tailored to the unique demographics of each retirement plan's participant base.

## Supporting examples

### Monthly messaging for salary increases – Spring 2023 emails and postcards



Even small increases can make a difference.

Consider an increase to your Savings Plus contributions to help you feel confident that what you're doing now can positively impact your longer-term goals.

Starting with \$100 contribution<sup>1</sup>

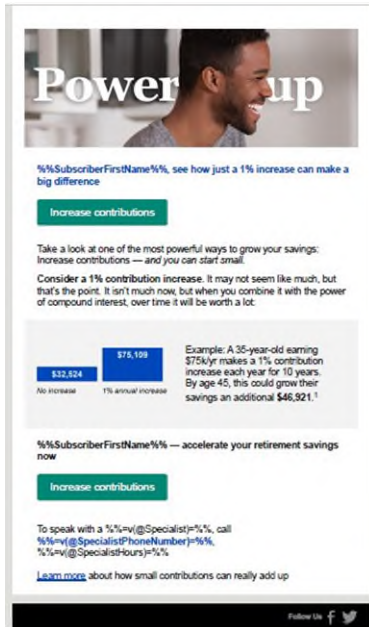


Consider increasing your contributions today

Log in to your account at [savingsplusnow.com/!App/rsc/login.x](https://savingsplusnow.com/!App/rsc/login.x)



## Welcome increase email



**Power up**

%%SubscriberFirstName%%, see how just a 1% increase can make a big difference

[Increase contributions](#)

Take a look at one of the most powerful ways to grow your savings: Increase contributions — and you can start small.

Consider a 1% contribution increase. It may not seem like much, but that's the point. It isn't much now, but when you combine it with the power of compound interest, over time it will be worth a lot.

No increase	\$32,524
1% annual increase	\$75,199



Example: A 35-year-old earning \$75k/yr makes a 1% contribution increase each year for 10 years. By age 65, this could grow their savings an additional \$46,921.<sup>1</sup>

%%SubscriberFirstName%% — accelerate your retirement savings now

[Increase contributions](#)

To speak with a %%=mv(@Specialst)=%%, call %%=v(@SpecialstPhoneNumber)=%%, %%=v(@SpecialstHours)=%%

[Learn more](#) about how small contributions can really add up

Follow Us  

## Annual increase email



How can you help reach your retirement goals?

**Make it automatic**

[Increase now](#)

%%SubscriberFirstName%%, automatic contributions can help you stay ahead of inflation. Just set it and forget it with [Auto Increase](#). Over time this could have a significant impact on your savings.

Take a look at how your savings could potentially grow in this example, see how an annual \$50 automatic contribution increase could grow to \$699,000.\*



Year	Projections with \$50 automatic increase per pay, year over year	Projections without automatic increase
1/18	\$100,000	\$100,000
5/18	\$150,000	\$150,000
10/18	\$250,000	\$250,000
15/18	\$400,000	\$400,000
20/18	\$600,000	\$600,000
25/18	\$900,000	\$900,000
30/18	\$1,400,000	\$1,400,000

Help reach your retirement goals with Auto Increase. It's easy, just log in and select: [Contribution Information](#) > [Manage automatic increases](#)

[Increase now](#)

Call %%=v(@SpecialstPhoneNumber)=%% to speak with a %%=v(@Specialst)=%%, %%=v(@SpecialstHours)=%%

[Schedule an appointment](#)

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## Quarterly newsletter communications



SECOND QUARTER 2023

**HORIZONS** 

IN THIS EDITION

- Pay down debt and invest simultaneously
- Invest in your social connections
- Five tips to improve your financial health this summer

**Pay down debt and invest simultaneously**

When the market is uncertain or inflation is high, it can be difficult to balance everyday expenses, debt, and saving for the future. While everyone's financial situation is unique, you can take small steps today to pay down debt and start working toward your retirement goals.

Here are five steps you can take to get started:

1. **Fix your money in your budget.** Look for expenses to reduce or eliminate to make room for saving and paying off debt. Consider optional costs you can cut back on. From streaming services to dining out, if you shave \$200 from your monthly expenses, that's \$200 you can apply toward your savings and debt. Use our [budgeting tips and worksheet](#) to get started.

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Second quarter newsletter cover

[Fourth quarter 2022 \(January 2023\)](#) – In observance of Financial Wellness Month, we offered five steps that participants could take to build financial wellness, starting with budgeting and saving for retirement. We also encouraged participants to take advantage of the new IRS contribution limits in 2023 to increase their contributions.

[First quarter \(April 2023\)](#) – In observance of Financial Literacy Month, we offered education on ways participants could help improve their ability to weather economic and market downturns. We also encouraged participants to take advantage of new tool enhancements to check their progress towards financial security in retirement.

[Second quarter \(July 2023\)](#) – As consumer credit card debt hit \$1 trillion and the restart of student loan repayment was announced, we offered five steps to help participants tackle debt while continuing to follow financial wellness best practices, like building an emergency fund and saving for retirement. We also encourage participants to use the summer to take steps to improve their financial health.

[Third quarter \(October 2023\)](#) – In observance of National Retirement Security Month, we offered tips to help participants build confidence in their retirement security. We also encouraged participants to end 2023 on a strong note by taking actions like increasing their contributions, using tools, and attending webinars.