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**DEFERRED COMPENSATION PLAN  
BOARD REPORT 05-11**



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Date: April 5, 2005

To: Board of Deferred Compensation Administration

From: Plan Staff/Great-West Staff

Subject: Communication/Education/Outreach Strategies

Recommendation

That the Board of Deferred Compensation Administration receive and file the following information regarding communication/education/outreach strategies for the City's Deferred Compensation Plan.

Discussion

Staff and Great-West have been working closely in recent months to develop and refine a communication/education/outreach strategy. The purpose of this effort has been to:

- (a) Continue and expand ongoing enrollment efforts, especially to populations with low participation rates; and
- (b) Create novel and engaging educational opportunities to encourage diversification and increase participant awareness regarding general investment concepts.

Staff and Great-West believe that in order for participants to derive the maximum benefit from the Deferred Compensation Plan it is important to:

- Enroll at the earliest possible date;
- Contribute the maximum amount appropriate for a participant's specific financial circumstances;
- Establish an investment mix appropriate for the participant's financial objectives and risk tolerance;
- Have sufficient access to information to provide for continuous assessment of risk/reward as it applies to the participant's financial objectives and investment mix.

Personnel Department staff and Great-West staff meet on a bi-weekly basis to discuss communication/outreach strategies, establish goals and monitor progress.<sup>1</sup> Following is a summary of recent progress/initiatives:

**Targeted Mailings to Low-Participation Populations** – Staff and Great-West are engaged in an ongoing effort to develop targeted mailings to specific employee populations, particularly those with low rates of enrollment. One such mailing, utilizing a custom brochure and test-marketed on non-represented employees, was issued in 2004. Based on the response, further refinement was made to the mailing materials. The next targeted mailing will be directed at SEIU Local 347 Service Employees and is scheduled to be issued in April, 2005

One goal of these mailings is to obtain, to the extent possible, a letter of support or “co-branding” from employee unions. Our goal is to measure success for each targeted effort in order to continue developing the most successful marketing approaches.

**“Gatekeepers” Presentation** – A recent objective has been to develop a targeted, high-level presentation that can be used with employee “gate-keepers” who might be able to provide crucial support in obtaining access to constituent groups. Potential gatekeepers can include union leadership, department heads, departmental personnel officers, and other similarly situated individuals. The focus of the presentation will be to generate awareness and enthusiasm for the Plan among these gatekeepers. The presentation could be offered to union leadership at their meetings, to gatherings of department heads and departmental officers, and the like. It is hoped that by generating enthusiasm it will be possible to enlist the support of gatekeepers in ongoing tasks such as scheduling group meetings, issuing targeted mailings, disseminating payroll stuffers, etc.

**Investor Forums** – Group meetings provide an opportunity for the Plan to support Plan participants in the ongoing assessment of risk/reward, helping to keep participants engaged with their investments and facilitating critical review of important considerations such as asset allocation and contribution levels. In a mature Plan such as the City’s, the task of finding engaging seminar topics becomes ever more challenging as higher enrollment penetration is achieved and participants are repeatedly exposed to the same information.

As a result, staff and Great-West have spent time recently in developing concepts for seminar topics which are topical, interesting and can provide information that may not have previously been offered under other seminars. Some of these topics are not directly related to the City’s Plan, but rather touch on more general investment and/or retirement related subjects.

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<sup>1</sup> These meetings, which may also include discussion of the full range of topics related to administration of the Plan, are held every other Monday afternoon, the Monday immediately following payday, at 1:30 in the Employee Benefits Conference Room - Board members who may wish to participate are welcome to attend, although the meeting should always be confirmed with staff prior to the actual time.

Our strategy is to obtain reputable speakers and structure half-day forums, making this more of a “symposium” or “conference” educational event, rather than a simple seminar. Following are some examples of considered topics:

- U.S./Local Economy/Markets - Current trends in the investment markets and the U.S. macro/local economy, including a focus on the Southern California real estate market (perhaps utilizing the Plan’s investment managers, several of whom have been contacted and are enthusiastic about participating in such an event);
- Estate Planning - Preparing heirs to work with wills, trusts and other estate planning devices (hopefully utilizing an expert in family law);
- Retirement Transition - Successfully transitioning from working to retired life (perhaps utilizing a published expert on some of the difficulties faced by newly retired individuals);
- Health Care Strategies – Navigating some of the health-care issues related to self-care and elder-care.

Staff and Great-West have already begun work on developing two events, one dedicated to the retired and the other dedicated to the active population, with possible early summer dates. The priority event is the retired forum. As a first step, staff will be conducting a focus group with an ad hoc group of retired participants to obtain feedback on proposed seminar topics, possible locations, etc. That focus group is presently scheduled for April 5<sup>th</sup>.

Submitted by:

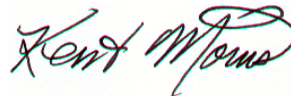
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Steven Montagna



\_\_\_\_\_  
Usha Archer

Approved by:

\_\_\_\_\_  
Maryanne Keehn



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Kent Morris