

Deferred Compensation Plan BOARD REPORT 15-42

Date: August 11, 2015
To: Board of Deferred Compensation Administration
From: Staff
Subject: National Save for Retirement Week Promotion:
Proposal for 2015 Campaign

Board of Deferred
Compensation Administration

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Recommendation:

That the Board of Deferred Compensation Administration approve staff's proposed promotional strategy for the 2015 National Save for Retirement Week campaign.

Discussion:

Each year the United States Senate passes a resolution for "National Save for Retirement Week," which takes place in the month of October to help American workers focus on the importance of saving for retirement. The City's Deferred Compensation Plan typically participates in this annual event, in that it provides an excellent opportunity to promote engagement, awareness, and successful outcomes for Plan participants.

The National Association for Government Defined Contribution Administrators (NAGDCA) has led this effort in prior years by drafting and working on an annual basis with key U.S. Senators to introduce the resolution. This year NAGDCA is proposing modifications to the resolution which would reframe it as "National Retirement Security Week." The intent of this is to refine the scope of the resolution to communicate (a) retirement "security" is a broader and more substantive objective than merely "saving" for retirement in the abstract and without a specific objective in mind; and (b) include both active and retired participants in recognition that account accumulation and distribution are both vital components of not only achieving but maintaining retirement income security prior to and following retirement.

Whether the Senate adopts this language or not, as was the case in the City's 2014 promotion for National Save for Retirement Week, staff believes it is important to communicate this broader and more inclusive messaging in its annual campaign.

A. CAMPAIGN OBJECTIVES

As stated previously, this annual event provides an opportunity to promote engagement, awareness, and successful outcomes for Plan participants. Staff has reviewed its efforts in 2014 and met with its consultants at Segal to identify proposed objectives for 2015.

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In 2014 the goals of the campaign were to (a) increase the number of regular website users; (b) increase the number of participants using the calculator and account review tools; and (c) engage retired participants on the topic of retirement income adequacy.

In 2015 staff recommends refining and broadening these objectives to include the following:

- Increasing participant engagement with three distinct audiences: Active Employee Plan Participants, Retired Plan Participants, and Active Employee Non-Participants
- Promote use of the Plan's Retirement Income Projection Calculator
- Promote voluntary enrollment (since participating in the Plan is a pre-requisite for achieving retirement income security)
- Engage active and retired participants on the topic of achieving a successful retirement (including, but not limited to, achieving retirement income security)
- Increase participant utilization of the Plan website
- Introduce new communication content that employs video, testimonials, and other user-friendly information that will be available beyond the conclusion of the campaign.

Towards that end, staff is working with Segal's communications consultants to refine an action plan that is intended to include certain core elements detailed in the following discussion.

B. CAMPAIGN ELEMENTS

The direction for this year will be a multi-faceted approach, geared to increase overall discussion and interest in the Plan through direct and peer-level communication. A detailed timeline of these approach elements is provided in Attachment A but includes:

CAMPAIGN ELEMENTS
1. Campaign Theme – The theme of the campaign is tentatively entitled, “Time Traveling & Your Retirement” and will focus on engaging participants in moving from present to future and future to past with respect to retirement success.
2. Campaign Engagement: Active Employee Participants – Active employee participants and non-participants will be invited to participate in a brief interactive exercise incorporating both visual-based and word-based questions allowing them to associate their current selves with a future retirement vision (for example, choosing from a range of images representing different retirement residential locales, choosing from a range of images representing different retirement activities, etc.) and inviting but not requiring them to use the Retirement Income Projection Calculator on a post-login basis.

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<p>3. Campaign Engagement: Active Employee Non-Participants – Active employee non-participants will be similarly invited to participate in a brief interactive exercise incorporating both visual-based and word-based questions allowing them to associate their current selves with a future retirement vision (for example, choosing from a range of images representing different retirement residential locales, choosing from a range of images representing different retirement activities, etc.) and inviting but not requiring them to use the Retirement Income Projection Calculator on a stand-alone basis. This survey will also include questions specifically targeted at identifying their reasons for not enrolling in the Plan.</p>
<p>4. Campaign Engagement: Retired Participants – Retired participants will be invited to participate in a brief interactive exercise incorporating both visual-based and word-based questions allowing them to associate their current selves with prior choices and key decisions which allowed them to achieve their current retirement status (for example, choosing from a range of images representing the era during which they began their participation, attributing the most important decisions they made impacting their success, etc.).</p>
<p>5. Mayoral Endorsement – As was the case last year, the Plan would seek a proclamation from the Mayor or City Council encouraging City employees to participate in the Deferred Compensation Plan and promoting its value towards the objectives of achieving a successful retirement.</p>
<p>6. Joint Communications – Where possible, staff will reach out to City employee labor organizations and the City’s defined benefit plan administrators to help communicate the campaign through assorted media.</p>
<p>7. Video Content – Staff is working with Segal and reviewing internal options for developing one or more video-based communications that could be introduced during the campaign.</p>
<p>8. Results – Following or, if possible, within the campaign, the aggregate results of the interactive exercise will be shared with the City active/retired population as a whole so that they can see how their responses compare within their peer groups and also see how the other groups have responded to their questions.</p>

C. CAMPAIGN METRICS

The fundamental objective of this type of promotion campaign is engagement. As employees and participants are more engaged with the Plan they become more engaged with those actions supportive of the Plan’s core mission of having participants achieve/maintain retirement income security. These actions can include enrollment, increasing saving, and successfully managing account distribution following separation from service.

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Key metrics which can be monitored include:

- (1) **New Enrollments** – Achieve a 10% increase in the number of enrollments attributable to the promotion campaign relative to the prior one-year average number of ongoing enrollments.
- (2) **Interactive Exercise Utilization** – Achieve a 10% utilization rate within each target population of the proposed interactive exercises.
- (3) **Retirement Income Projection Calculator Utilization** – Achieve a 10% increase in the number of sessions attributable to the promotion campaign relative to the prior one-year average (excluding last year's National Save for Retirement Week campaign) number of ongoing sessions.

D. CAMPAIGN INCENTIVES AND COMMUNICATIONS DEVELOPMENT COSTS

Consistent with last year's campaign, staff proposes offering opportunities to win gift cards as part of the promotion campaign. Also consistent with last year, staff proposes the total value of those gift cards would not exceed \$5,000. However, unlike last year, in which all gift card amounts were valued at \$25, staff will incorporate opportunities for winning one or more larger prizes and subsequently announce and profile that winner in a subsequent Plan communication. Incorporating a larger grand prize has been shown to increase participation in these types of campaigns. In addition to the incentives, communications development and consulting costs for the campaign are expected to be within a range of \$10-15,000 and would come from the third-party-administrator communications budget and consulting services budget.

E. CONCLUSION

This proposed promotional campaign for National Save for Retirement Week provides an opportunity for the City's Plan to drive key factors impacting successful participant outcomes. Staff recommends that the Board adopt the proposed promotional strategy for the 2015 National Save for Retirement Week campaign.

Submitted by:

Steven Montagna

2015 NATIONAL SAVE FOR RETIREMENT WEEK PROMOTION CAMPAIGN

National Save for Retirement Week: **October 21-27, 2015**

Promotional Period (Survey Drawing): **October 1-31**

CAMPAIGN COMPONENT	TARGET DEVELOPMENT LAUNCH DATE	TARGET COMPLETION DATE
Interactive Employee/Participant Exercises	August 18	October 1
Mayoral/Council Proclamation for Signature	August 18	October 1
Develop and Issue Participant Communications	August 18	September 29
1st Citywide and Plan Participant Email	August 18	September 29
Launch Interactive Exercises	August 18	October 1-31
Introduce Video Content Material (tentative)	August 18	October 1-31
2nd Citywide and Plan Participant Email	August 18	October 14
3rd Citywide and Plan Participant Email	August 18	October 27
Incentives Awarded/Announced on Plan Website	N/A	November 16