

Engaging a Diverse Workforce

Effective Communication Strategies for Retirement Plans



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Why are we talking about this?

- The workforce is changing and we must adapt
- Life and retirement goals are evolving
- Wide disparities in retirement plan outcomes and behavior among people of different ethnic groups and by gender
- Evidence that groups have different needs and areas of concern
- Action can have an impact





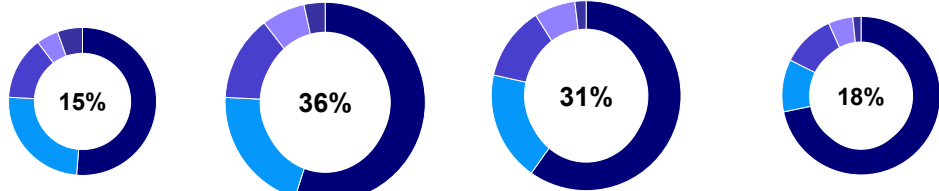
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Changing Workforce

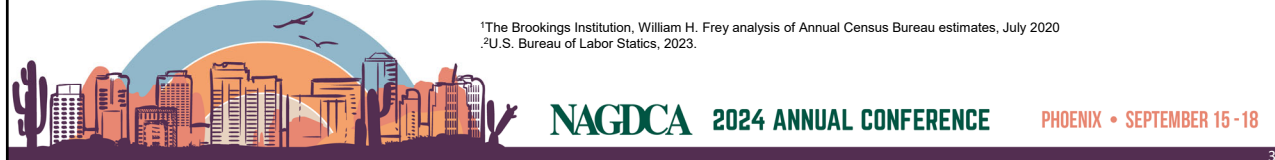
Distribution of the current US workforce by race¹ and generation²

■ White ■ Latino/Hispanic ■ Black ■ Asian American ■ Other



Gen Z 2001-2020 Millennials 1981-2000 Gen X 1965-1980 Boomers 1946-1964

¹The Brookings Institution, William H. Frey analysis of Annual Census Bureau estimates, July 2020
²U.S. Bureau of Labor Statics, 2023.



Signs of Trouble

Early Morningstar study (2009) showed disparities among women and minorities, but the data set was small

Collaborative for Equitable Retirement Savings (CFERS) – Joint project including DCIIA, Aspen Institute and Morningstar¹

- Includes 400,000+ participants
- Found gaps in balances by race/gender – not explained by salary and tenure
- Lower contribution rates across Black and Hispanic workers, particularly women
- More frequent loans and pre-retirement withdrawals - age 40-44 seems to be a trouble spot

¹Collaborative For Equitable Retirement Savings, 2024, with permission





Angela Harrell

SVP, Chief Diversity & Corporate Impact Officer
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Plan Participant Communication:

A Diversity, Equity & Inclusion Lens

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Effective communication is centered on the understanding of **diverse needs** and **varying life stages** of plan participants.




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Retirement gaps for underserved communities can, in part, be addressed through tailored **communication**, **engagement** and **education**.



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Inspiration, Simplicity, Measurement



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Engage and inspire

- **Craft plan participant communication** that is engaging, positive, confident, forward-thinking, and actionable.
- **Aim to inspire** through communication that illustrates understanding of unique needs among varying groups.
- **Remember voice and tone matter** — they affect how plan participants perceive, trust, and engage with their benefits and plans.



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Keep it simple

- **Reach people more effectively** through simple messages which are specific and clear.
- **Frame communications** to help participants better understand plans, benefits, and individual opportunities.
- “[Reducing Savings Gaps Through Pennies Versus Percent Framing](#),” a 2022 Voya Behavioral Finance Institute for Innovation study underscored that people earning \$50,000 or less annually were most helped by a reframing contributions in *pennies*, rather than percent-of-pay.



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Measure and recalibrate

- **Monitor participation and savings rates** across groups can help determine where differing communication is successful and where changes are needed.
- **Metrics include** email opens and clicks, account log-ins, calls to the contact center, downloading apps and tools (e.g., [myOrangeMoney](#)®), changes in contributions, webinar attendance, participant feedback about experiences.



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Case study

Inspiration, Simplicity, Measurement in action






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Oregon Savings Growth Plan (OSGP)


Objective: To reduce savings gaps and make savings more equitable for all participants.

The campaign: OSGP is a voluntary 457(b) deferred-compensation plan. In 2023, the state of Oregon introduced pennies language rather than percent-of-pay — via videos, postcards and emails — to determine if participants would switch from flat-dollar contributions to percent contributions.

Outcome: More than 1,000 OSGP participants made the switch in the first several months of using this simple language. The pennies-versus-percent message resonated more for specific groups, resulting in a better understanding how it can help participants save more for retirement.

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Thank You

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Emily Boesen

Communications Director & PIO
 Indiana State Comptroller's Office

Impact Communication

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State of Indiana



Hoosier START is the State of Indiana's 457(b) and 401(a) Deferred Compensation and Matching Incentive Plan sponsored by the Indiana State Comptroller

- Roughly **68k participants** are **auto enrolled**
- **\$2 billion in assets**
- Nationwide is our third-party record keeper (partner)

Engage participants with helpful information and resources to ensure understanding and inspire active participation.



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Communications Approach



1) Connect with participants using common sense

- *Educate participants using language they understand*
- *Ensure your call-to-action is clear*
- *Inspire change & action with positivity*

2) How you communicate is equal to WHAT you communicate

- *How does your audience want to receive their information – have you asked them?*
- *Are you checking the box – what are your analytics telling you?*
- *How is your communication flow – are you engaging your frontline specialists?*



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Communications Approach, cont.



3) Go the EXTRA mile

- Are you utilizing all your communication avenues?
- What partnerships can you foster to create additional avenues?
- Are you setting metrics to analyze after each correspondence/campaign?



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Maximizing Partnerships



Takes active partnerships between third party partners & administrators to execute a successful campaign

- *Understanding each of our roles*
- *Calculating what each of us brings*

Hoosier START

- Agency communications
- Employee engagement
- Statewide publications
- Special events & forums
- Website & social media
- Campus signage



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Hoosier START Beneficiary Campaign



- **Issue:** In 2023, data showed more than half of Hoosier START participants had incomplete beneficiaries in their account.



Awareness: Raise awareness about the importance of beneficiary designation.



Education: Understand the significance of updating beneficiary information.



Guidance: Provide clear instructions to update their beneficiary details.



Connection: Encourage participants to reach out to their retirement specialist.



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Beneficiary Campaign: TACTICS



Emails to Non-Beneficiary Participants

- Life changes (marriage, divorce, birth/adoption, death of an heir)
- Participants who never selected a beneficiary
- Further explanation to participants who may think Hoosier START mirrored their separate pension designation
- Participants with incomplete or outdated beneficiary selections

Quarterly Statement Messaging

- A specific message encouraging employees to review their beneficiary data & clear guidance on where to update their designation.

Website & Social Media

- Lead banner to grab the attention of participants following login
- Infographics addressing the high percentage of participants with incomplete beneficiary information, how to address & risks involved



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Beneficiary Campaign: TACTICS, cont.



Displays in High-Traffic Areas

- Campaign posters placed throughout government center campus & breakrooms to point out the importance of acting

State Employee Publications

- The Torch monthly statewide publication (43k subscribers) – three separate articles
- Manager Central statewide manager hub (12k subscribers) – permanent feature article

Communications Coordination

- Fostering partnerships with agency communications, payroll & human resource leaders
- Created employee messages, graphics for display, intranet posting & internal newsletter articles
- Created no-cost employee engagement initiatives for agencies



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Beneficiary Campaign: Results




3,293
Account
Beneficiary
Reviews



18,000+
Pageviews to
Manage
Beneficiaries



10,200
Edited
Beneficiary
Details Online

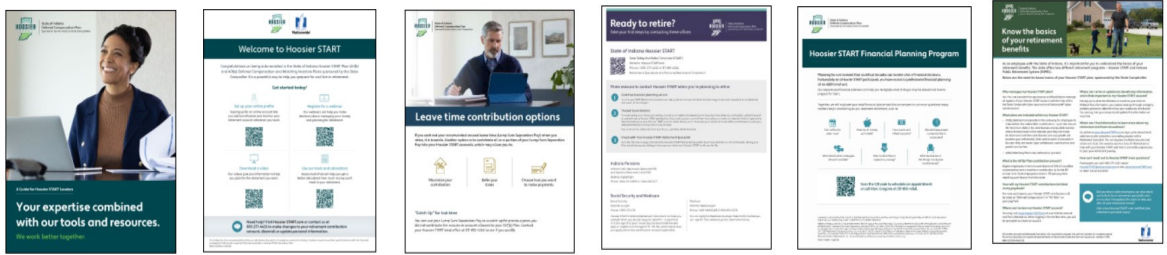


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Next Steps



- Adding beneficiary updates to onboarding statewide
- Indiana Leadership Campaign



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RetireReadyTN: Strategic focus on high-need participants

Hunter Bethea

Director of Deferred Compensation
Tennessee Department of Treasury



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What Is RetireReadyTN?

- 5 Total Plans – \$13.3 B in assets; 270K participants
- 401(k)/457: \$7.7 B / 232K participants
- Hybrid Plan: Tennessee Consolidated Retirement System (TCRS) and auto-enroll into 401(k)
- Dedicated Call Center answers calls for both the 401(k)/457 and TCRS
- TCRS benefit estimate included in Lifetime Income Score (LIS)
- 17 dedicated RetireReadyTN Plan Advisors (RPAs) licensed to provide advice and trained on TCRS



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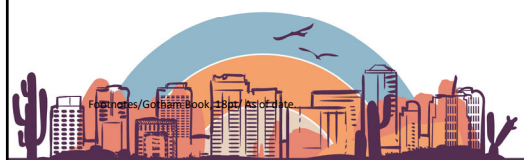
Identifying high-need participants

Leverage pension/recordkeeper system data sharing to improve retirement readiness metrics (Lifetime Income Score) and identify “high-need” participants

“High-need” participant defined as:

- LIS below 70%
- Hybrid plan member not saving in the 401(k)
- Equity risk
- Inflation risk

Strategic Partnership Plan focus for 3 years



Start your savings journey

You recently opted out of contributing to the State of Tennessee 401(k) Plan, but you may want to reconsider. Contributing to your 401(k) account is an easy and effective way to save for the financial future you want. Here are a few reasons why:

1. **Maximize contributions.** Build your savings by taking advantage of the match for 50% and employer Education Incentives, which is up to 100% a month for a \$50 monthly contribution.
2. **Saving is automatic.** Contributions are automatically deducted from your paycheck, making saving effortless. When deductions are made before you get paid, you don't miss the money!
3. **Tax advantages.** Your contributions are taken from your paycheck before taxes are deducted—which means you may lower your taxable income now!
4. **You're in control.** You can start small and build as you go. Begin saving with as little as \$10 or 1% of your salary per pay period.
5. **Help is at hand.** Get personalized assistance from local RetireReady™ Plan Advisors at no cost to you.
6. **A little may go a long way.** Start with a small amount today could have a big impact on your financial future. Here's an example:

Contribute now: \$50 per month → It could equal: \$450 per month more in retirement

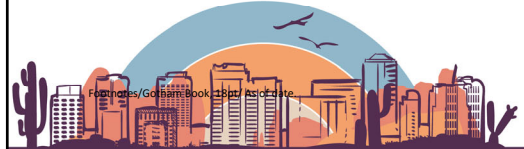
Ready to start saving for a healthy financial future? Go to RetireReadyTN page, click on the Login to your 401(k)/457 accounts button, then select the Register button. Enter your personal information, and the system will get you started.

Take me there

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Goals

- Personalized, targeted communications
- Increase 1:1 meetings with licensed plan advisors
- Maintain high level of participant actions from 1:1 meetings
- Reduce percentage of high-need participants in all categories
- Foster accountability by regularly reporting on progress each quarter



A powerful combination

As a member of RetireReadyTN, you benefit from the combined strengths of the Tennessee Consolidated Retirement System (TCRS) defined benefit plan and the State of Tennessee 401(k) Plan. Meeting with a RetireReadyTN Plan Advisor can help you find your retirement solution.

Schedule a meeting with your RetireReadyTN Plan Advisor to:

- Learn about your retirement plans, including TCRS and your State of Tennessee 401(k) account.
- Learn how much of your working income you are on track to replace in retirement.
- See if you have a gap in your savings based on your retirement goals.^{1,2}

Let's make sure your retirement strategy has all the right elements.

LET'S MEET

Your RetireReadyTN Plan Advisor
 <First name> <Last name>
 <email>
 <Phone>

It's all about you

Your financial situation is unique to you. A local RetireReadyTN Plan Advisor can answer questions specific to your needs and goals.

This is your opportunity to:

- Learn about your retirement plans, including TCRS and your State of Tennessee 401(k) account.
- See if you're saving enough to reach your retirement income goal.
- Look at your investment selection to make sure they align with your risk tolerance.^{1,2}
- Discuss personalized, adjustable plans you can take to plan and budget for your financial future.

Focus on your financial future

LET'S MEET

What is a Retirement Readiness Review?

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Results

- **44%** decrease in % of active participants with LIS below 70% from Q4 2021 to Q1 2024
- **43%** increase in participants on track for 100% income replacement between 2021-2023
- **15%** decrease in % of Hybrid members not participating from Q4 2021 to Q1 2024
- **16%** decrease in “do-it-yourself” investors with equity or inflation risk from 2021 to 2023
- **53%** increase in RPA meetings from 2020 to 2023 (15,073 1:1 meetings in 2023)
- **58%** of participants who met with RPA reported taking positive action in 2023
- RPA Net Promoter Score of **91** for 2023



75% of my goal

Here's a nudge to check in on your progress toward your retirement goals

Are you on track to reach your retirement income goals? There's an easy way to find out — log in to your account to view your Lifetime Income Score.

CHECK YOUR SCORE

Your Lifetime Income Score measures the percentage of your current working income you're on track to replace in retirement. The closer you can get to 100%, the better.

Currently, your score is below 70%, but don't worry, there are things you can do now to track your score and increase projected retirement income, such as:

- Saving more.
- Revising your investment strategy.
- Scheduling a Retirement Readiness Review!

Remember, a TCRS benefit projection is now included in the estimated retirement income and Lifetime Income Score for all selected TCRS members.

We're here to help! Get a Retirement Readiness Review! Your local RetireReadyTN Plan Advisor can walk you through your savings options, talk to you about your Lifetime Income Score and more. Click the link where you live to schedule a virtual meeting today.

West Tennessee Middle Tennessee East Tennessee

Did you know? If you are age 60 or older, you can use the Plan.org tool to help you understand how your savings rate and how your money will grow in retirement based on your available income sources and monthly income goal.

50% of my goal

What is your Lifetime Income Score™?

Has Lifetime Income Score

FIND OUT NOW

Log in to your account to view your Lifetime Income Score, an estimate of your progress toward your monthly retirement income goal.

A TCRS benefit projection is now included in the estimated retirement income and Lifetime Income Score for all vested TCRS members. Your estimated retirement income is based on your current savings and contribution amounts.

If your Lifetime Income Score is below 70%, use the slider bars to see how increasing your savings rate and the age you plan to retire could help boost your score and make a difference in your future!

Edit

We're here to help you... call up a Retirement Readiness Review! Your local RetireReadyTN Plan Advisor can walk you through your savings options, talk to you about your Lifetime Income Score and more. Click the link where you live to schedule a virtual meeting today.

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Questions?

1. In the conference app, select this session from the schedule.
2. Select “External QA/Survey.”
3. Type your question and tap send.

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