

SUMMARY OF PROJECT – NAGDCA 2019 LEADERSHIP RECOGNITION AWARD
CATEGORY: PARTICIPANT EDUCATION & COMMUNICATION

**EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS) –
SUMMER ENROLLMENT CAMPAIGN IMPROVES RETIREMENT READINESS
FOR ELIGIBLE AND PARTICIPATING EMPLOYEES**

When 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, they required a format for delivering critical messages in a way that was accessible, entertaining and easy to understand.

To meet these criteria, ERS partnered with Empower Retirement to create the *TexaSaver Two-Step* campaign which utilized multifaceted, targeted and plan-wide campaign tactics created to support the idea that 1) enrolling or increasing a contribution can easily be accomplished in two online steps and 2) having the TexaSaver program as your savings “dance” partner means planning for retirement can be something simple and enjoyable — something more like dancing the Texas two-step. The cohesive eligible state employee and participant outreach initiative was launched during ERS’s summer enrollment period (June 25 – July 27, 2018) 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.

Results

The *TexaSaver Two-Step* campaign improved retirement readiness for eligible state employees and TexaSaver program contributing participants.

- **Over 1,200** participants viewed the interactive campaign BrainShark presentation during the summer enrollment period.
- **63%** of BrainShark viewers watched 75%-100% of the presentation.
- **95** benefit fairs with more than **4,400** state of Texas employees in attendance resulted in **more than 440** one-on-one follow-up meetings.
- The first Two-Step targeted email, sent on June 26, experienced a **32%** open rate (almost 10 percentage points above the 23% industry average) and a **25%** click to open rate (over two times the 12% industry average).
- Of those who opened the first targeted email, **45%** clicked the “TRY IT TODAY!” link that went to the TexaSaver program website to enroll or increase their contribution.
- On July 19, a Two-Step reminder targeted email received an outstanding **56%** click to open rate – over four times the 12% industry average – and of those who opened the reminder email, **45%** clicked the “TRY IT TODAY!” link to enroll or increase their contribution amount on the website.
- **3%** of targeted eligible employees who were not automatically enrolled in the TexaSaver 401(k) plan took action from the campaign email and postcard by enrolling in the plan.
- **43%** of targeted email recipients and **10%** of targeted postcard recipients increased their contribution amount above the minimum amount in both the 401(k) and 457 plans – representing a **177%** increase of targeted email recipients and a **123%** increase of targeted postcard recipients who increased their contribution above the minimum during the same time period in the previous year.
- Year over year increased actions from the 2018 summer enrollment period versus the same 2017 time period:
 - **21%** 401(k) enrollment increase
 - **39%** 457 enrollment increase
 - **49%** 401(k) increase and **177%** 457 increase in number of automatic contribution increase elections
 - **569%** increase in Managed Account service enrollments (401(k) and 457 plans)
 - **256%** increase in 401(k) plan participants and an outstanding **16,650%** (335 vs. 2) increase in 457 plan participants who enrolled in the Managed Account service
 - Over **\$4M** in new assets under management – a **189%** increase

In their own words

“The purpose of the TexaSaver program is to provide State of Texas employees an opportunity to achieve financial independence in retirement by participating in the 401(k) and 457 plans where they can build and manage their investments through long-term planning and tax savings.”

- **Nora Alvarado, Manager, Voluntary Income Plans, Employees Retirement System of Texas**



WRITTEN JUSTIFICATION - NAGDCA 2019 LEADERSHIP RECOGNITION AWARD EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS) – SUMMER ENROLLMENT CAMPAIGN IMPROVES RETIREMENT READINESS AMONG ELIGIBLE AND PARTICIPATING EMPLOYEES

The *TexaSaver Two-Step* summer enrollment campaign reached eligible state employees and TexaSaver program participants with information, calculations and education through the deployment of creative, compelling and multifaceted campaign tactics.

Project Description

Campaign: TexaSaver Two-Step

In an effort to bring attention to the summer enrollment period (June 25 – July 27, 2018), ERS partnered with Empower Retirement to create and launch a custom, educational, informative and unique campaign to encourage enrollments among 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 TexaSaverSM 401(k) / 457 Program. The *TexaSaver Two-Step* campaign motivated eligible employees and current participants to take two easy online savings steps of enrolling in the TexaSaver program and/or increasing their contribution above the 1% or \$20 minimum through a one-time or automatic contribution increase. Campaign recipients learned having the TexaSaver program as your savings partner means planning for retirement can be something simple and enjoyable — something more like boot-scootin' their way toward their retirement goals with the Texas two-step.

In addition, to take the campaign a step further this year, the 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 investment professionals who create and manage an investment portfolio for them based on their individual goals.

The *TexaSaver Two-Step* 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 Manage 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 local TexaSaver Education Counselor.

The *TexaSaver Two-Step* campaign, launched on June 25, 2018, garnered substantial praise and was extremely well received with the rollout of the Two-Step pre-login web tile and post login web message on www.texasaver.com, the first of four Facebook posts and the first send of the targeted email – all linking to the animated and interactive Two-Step BrainShark and/or the TexaSaver program website.

The Two-Step BrainShark analytics showed that **over 1,200** TexaSaver participants and/or eligible employees viewed the interactive presentation during the campaign. Additional analytics showed that **63%** of viewers watched 75% - 100% of the educational campaign presentation to learn how to two-step their way to retirement savings.

In an effort to further encourage education and outreach of the *TexaSaver Two-Step* campaign during summer enrollment, **95** meetings were held with **4,427** current participants and/or eligible employees from throughout the state of Texas in attendance. From these fairs, **441** one-on-one meetings were scheduled or held with state employees and TexaSaver Education Counselors. At the summer enrollment meetings, the *TexaSaver Two-Step* campaign was represented by the Two-Step presentation (non-BrainShark version) given by the Education Counselors, the campaign easel banner and specialty TexaSaver program branded promo items – containing the program's website and phone number – were given away to attendees as a reminder of how they could get more information about two-steppin' to their retirement goals with the program.

The first Two-Step email was sent on June 26 to 17,937 eligible employees who were not automatically enrolled in the 401(k) plan and participants who were still contributing the minimum amount of 1% or \$20 per paycheck. The email received a **32%** open rate (almost



10 percentage points above the 23% industry average) and a **25%** click to open rate (over two times the 12% industry average). Also, of those who opened the email, **45%** of them clicked the “TRY IT TODAY!” link that directed recipients to the TexaSaver program website to enroll and/or increase their contributions.

On July 19, a second Two-Step email was sent as a follow-up reminder to participants who didn’t open the first email. The second email send received a **56%** click to open rate – over four times the 12% industry average. Of those recipients who opened the email, **39%** of them clicked the “TRY IT TODAY!” link to enroll and/or increase their contribution on www.texasaver.com.

TexaSaver Two-Step campaign-specific data from June 25 – August 31, 2018 showed **3%** of eligible employees who were not automatically enrolled took step one in the savings “dance” by enrolling in the 401(k) plan after receiving the targeted campaign email or postcard. Further campaign-specific data proved that **7,485** or **43%** of email recipients and **2,075** or **10%** of postcard recipients took step two in the savings “dance” by increasing their contribution amount above the 1% or \$20 minimum in the 401(k) and 457 plans. This represents a **177%** increase of targeted email recipients and a **123%** increase of targeted postcard recipients who increased their contribution above the minimum when compared to the same time period in 2017.

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, digital newsletter article and several Facebook posts (each of these digital tactics linked to the interactive BrainShark) contributed to the successful 2018 *TexaSaver Two-Step* summer enrollment campaign timeframe. Year over year summer enrollment campaign timeframe data pulled from June 25 – August 31, 2018 versus the same 2017 timeframe resulted in the following successes:

- a **21%** increase in 401(k) plan enrollments and a **39%** increase in 457 plan enrollments for eligible state employees.
- an increase of **17%** 401(k) plan participants and an increase of **23%** 457 plan participants who took action to increase their contribution in the TexaSaver program above the 1% or \$20 minimum.
- a **49%** increase in the 401(k) plan and a **177%** increase in the 457 plan for the number of participants who set up an automatic contribution increase.
- a **140%** increase in the number of 401(k) and 457 plan participants who set their automatic contribution level to **10% or more** and a **275%** increase in the number of 401(k) and 457 plan participants who set their automatically increased contribution amount to **\$50 or more**.

TexaSaver Advisor Service data from June 25 – August 31, 2018 indicated that **3%** of targeted email and postcard recipients enrolled in the Managed Account service (401(k) and 457 plans combined). Summer enrollment campaign timeframe data comparing June 25 – August 31, 2018 to the same time period from 2017 for both the 401(k) and 457 plans showed **702** participants enrolled in the Managed Account service versus **105** participants from the previous year, which represents a fantastic **569%** increase. Additionally, Managed Account specific year over year data for the time period above versus the same in 2017 showed a **256%** increase in 401(k) plan participants and an outstanding **16,650%** (335 vs. 2) increase in 457 plan participants who enrolled in the Managed Account service to take advantage of the first 90 days in the service being free to new enrollees. This outstanding increase in Managed Account enrollees represents over **\$4M** in new assets under management, which is a **189%** jump compared to assets under management during the same time period in 2017. Due to the summer enrollment meetings with the Education Counselors and the campaign’s education and encouragement to take advantage of the Managed Account service, these participants are now provided 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.

TexaSaverSM 401(k) / 457 Program TexaSaver Two-Step Custom Campaign Tactics

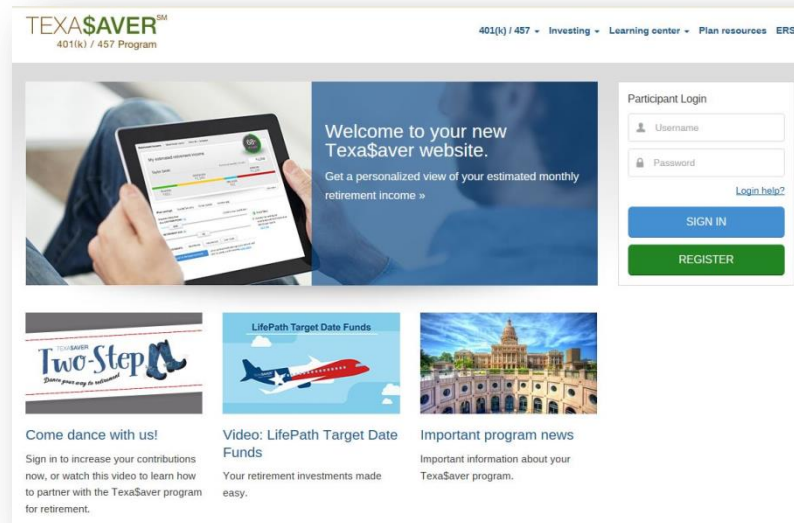
TexaSaver Program Promo Items (wallet and PopSocket cell phone stand)

front

back

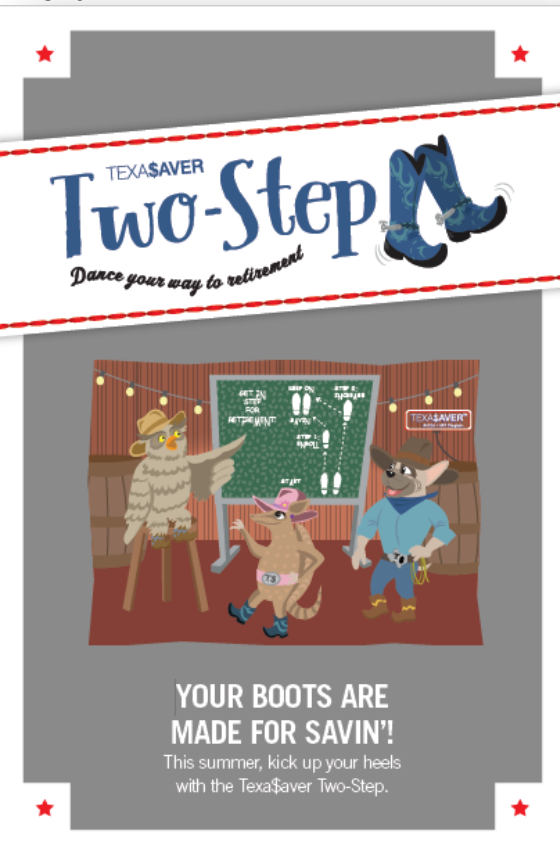


Two-Step [Pre-login Website Tile](#) (linked to the [BrainShark](#))

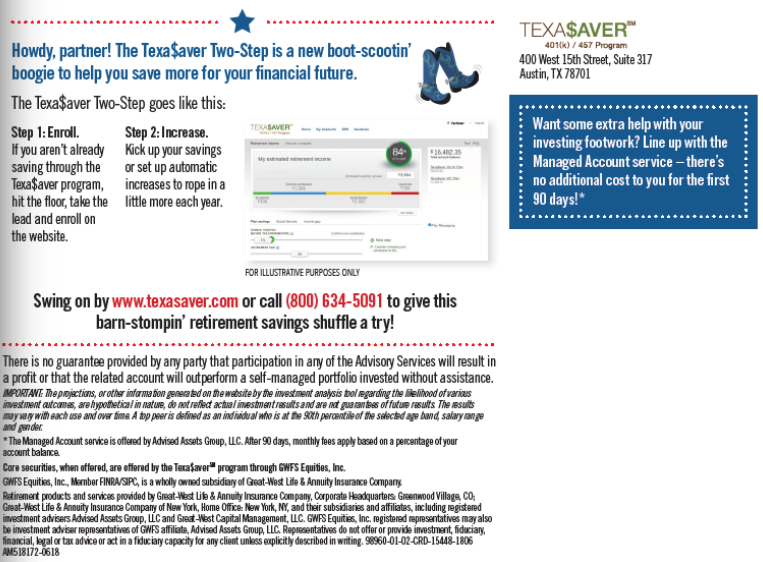


Targeted Two-Step Postcard

front



back



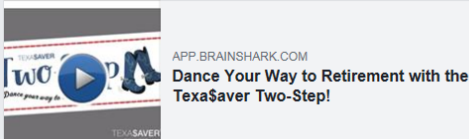
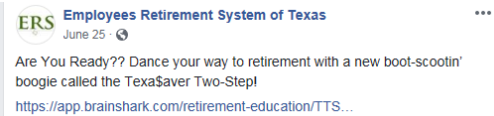
Two-Step Post login Website Message (linked to the [BrainShark](#))



TexaSaverSM 401(k) / 457 Program TexaSaver Two-Step Custom Campaign Tactics

Two-Step Facebook Posts

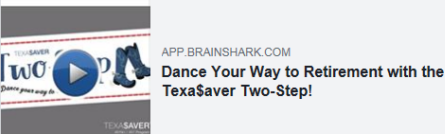
#1 Posted June 25 (linked to the [BrainShark](#))



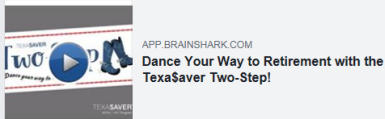
#2 Posted July 3 (linked to [www.texasaver.com](#))



#3 Posted July 10 (linked to the [BrainShark](#))



#4 Posted July 18 (linked to the [BrainShark](#))



Targeted Two-Step Email (linked to [www.texasaver.com](#) and the [BrainShark](#))

Subject line on 6/26: Bob, Kick up your heels with the TexaSaver Two-Step!

Subject line on 7/16: Bob, don't forget to get in step for retirement with the TexaSaver Two-Step!

Two-Step [BrainShark](#)



Two-Step Easel Banner