



**Wisconsin Deferred
Compensation Program**

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February 15, 2017

Ms. Shelly Schueller
Deferred Compensation Director
Department of Employee Trust Funds
801 W. Badger Road
P.O. Box 7931
Madison, WI 53707

RE: 2016 Participant Survey

Dear Shelly:

Empower Retirement strives to provide great customer service. As part of that commitment, Empower offered an online survey in 2016 to all Wisconsin Deferred Compensation (WDC) Program participants. All WDC participants (active and retired) were invited to complete the survey. Participants were notified of the survey via pre- and post-login web banners and bulletins as well as a survey tweet from ETF's Twitter account. The survey asked participants about their opinions and knowledge of WDC plan features, investment options and services provided.

Surveys allow us to gain a better understanding of what participants want and need from their deferred compensation program. Enclosed is a presentation with the tabulated results, and following is a summary.

Overview

A total of 1,477 Wisconsin Deferred Compensation (WDC) Program participant responses were received from August 10, 2016 through September 21, 2016.

Because customer satisfaction is important, eight questions on the survey asked for participants' satisfaction levels with the website, the voice response system, the WDC office in Madison, the WDC local retirement representatives and various educational and communication materials.

The combined overall satisfaction rate for the WDC administered by Empower Retirement was 94%, with respondents scoring a 3, 4 or 5 (Neutral, Satisfied and Extremely Satisfied).

Performance was strongest in the following areas, with respondents assigning the WDC a 4 or 5 (Satisfied or Extremely Satisfied):

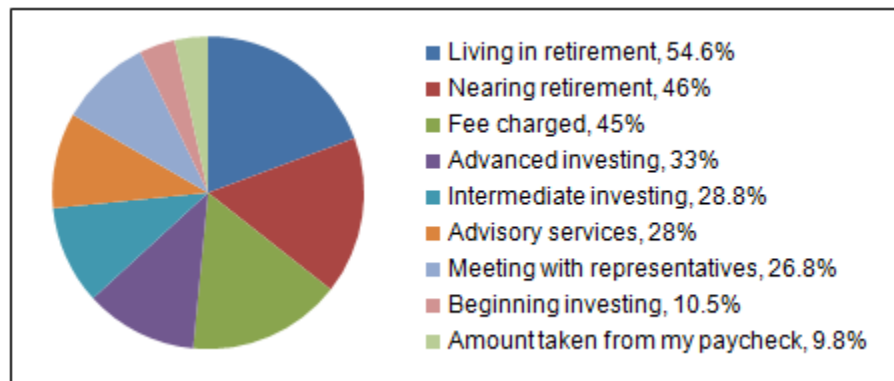
- Satisfaction with the WDC office in Madison, Wisconsin
- Accuracy of your WDC quarterly account statement
- Overall satisfaction with the WDC website

Highlighted Results

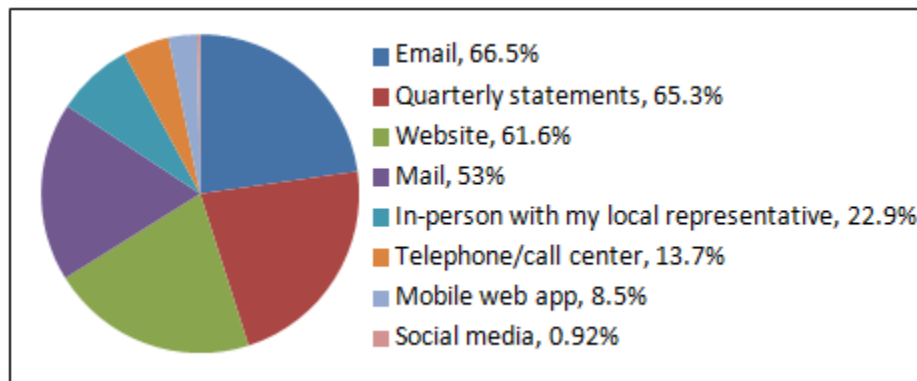
With a total of 50 questions, this is one of the most thorough surveys conducted with WDC participants. Some key findings are as follows:

Participants

- Question 37 – Confidence in retirement. Nearly 70% of respondents were confident or highly confident that they will have sufficient income in retirement. Only 4% were not confident at all.
- Question 18 – What topics are you interested in?



- Question 17 – How do you like to get information from the WDC?



Investments

- Questions 23, 25 and 26 – Usage and understanding of fixed accounts. Of the respondents, 27% had a high interest in fixed accounts, and 33.9% were neutral. Question 25 showed the highest level of interest in the Stable Value Fund versus the WDC's other fixed accounts. Safety and concern about market volatility were chosen as reasons for investing in cash, or a money market or stable value fund option.
- Question 27 – Target date fund usage. Respondents answered fairly evenly regarding their reasons for investing primarily in a target date fund option, but excluded having one fund for supplemental retirement savings as a strong reason.
- Questions 28 and 29 – Ticker symbols and CIT. When asked whether they follow performance of their investments using ticker symbols, 70.67% of respondents answered no. Over 93% of respondents answered that they are not familiar with collective investment trusts.

- Question 31 – WDC investment options. Respondents were asked whether they feel the WDC investment options provided are sufficient, and 82.6% said yes.

Future Enhancements

As a result of information gained through the 2016 survey, Empower will be exploring enhancements for WDC participants in the following areas:

1. **Webinars:** Survey results (particularly question 18) helped us understand the topics participants are interested in learning more about. Empower may be able to offer webinars on additional topics in the future and possibly record them for later viewing.
2. **Online distributions:** Respondents were asked how they would prefer to request a distribution once they are retired. Over 58% selected an online option with the next closest choice being with a representative over the phone. Just 13% wanted to complete the request in person, and 10.59% preferred a form. Empower will begin allowing participants to request distributions online by April 1, 2017. Empower currently offers participants the option to speak to a representative who will pre-fill the form and email it to them for signature.
3. **Asset allocation rebalancing service:** Just under 20% of respondents said they were using the rebalancing service. Nearly 60% said they do not use it, but 21% did not know it was available. Empower will be seeking to increase awareness of the service through reminders in quarterly newsletters and the website.
4. **Automatic increase:** Question 43 revealed that 32.5% of respondents were not aware of the automatic increase feature available in the WDC. This feature is on the website and will be highlighted in future communications. In addition, the field team will be working on communicating the advantages this tool can provide at upcoming events.

Empower appreciates working together with the Department and the Board to constantly improve service for all participants of the Wisconsin Deferred Compensation Program. We look forward to implementing plan enhancements in the near future based on these survey results.

As we continue this partnership, please inform us of any other opportunities you would like to see made possible.

Sincerely,



Emily S. Lockwood
State Director

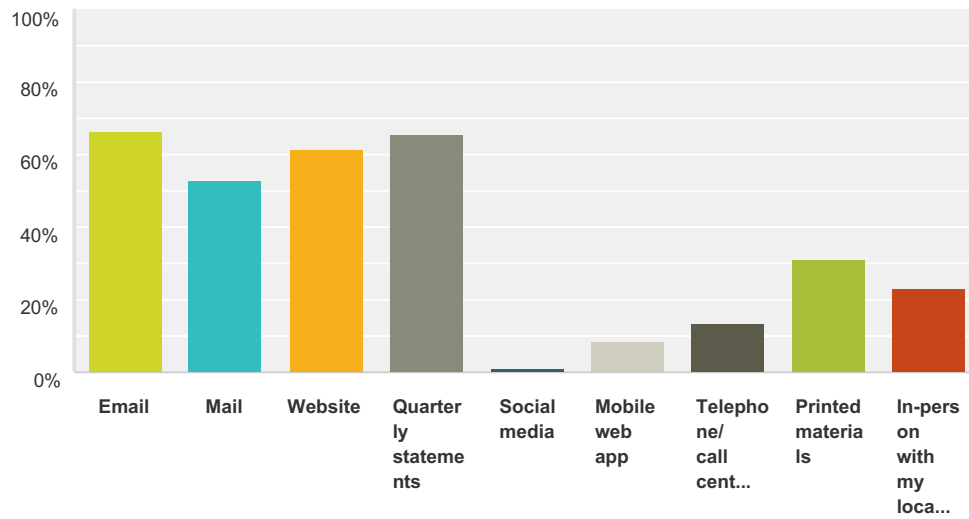
Attachment: Selected 2016 WDC Survey Results

Securities offered through GWFS Equities, Inc. and/or other broker dealers.

Insurance products offered by Great-West Life & Annuity Insurance Company, Corporate Office: Greenwood Village, CO; or in New York, by Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY.

Q17 How do you like to get information from WDC? (Select all that apply.)

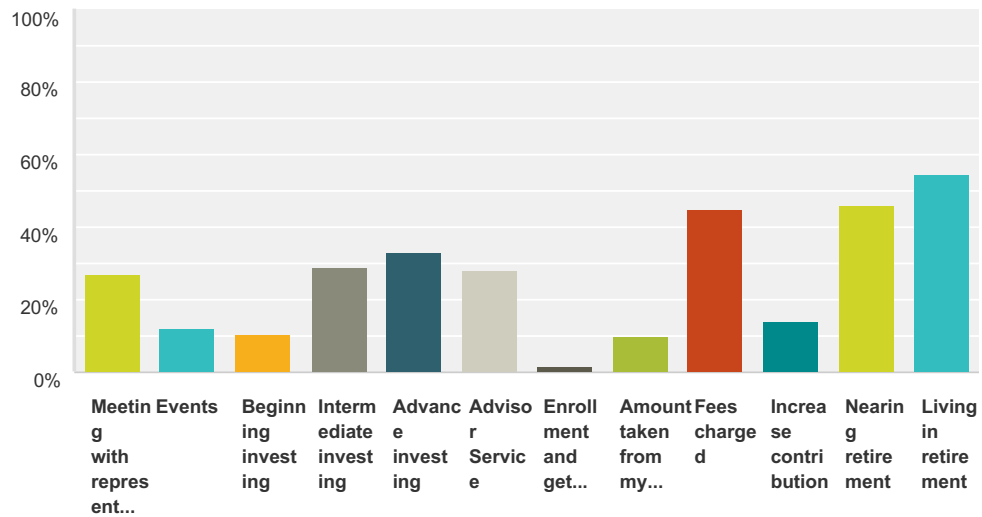
Answered: 1,082 Skipped: 395



Answer Choices	Responses
Email	66.54% 720
Mail	53.23% 576
Website	61.65% 667
Quarterly statements	65.34% 707
Social media	0.92% 10
Mobile web app	8.50% 92
Telephone/ call center contact	13.68% 148
Printed materials	31.24% 338
In-person with my local representative	22.92% 248
Total Respondents: 1,082	

Q18 What topics are you interested in? (Select all that apply.)

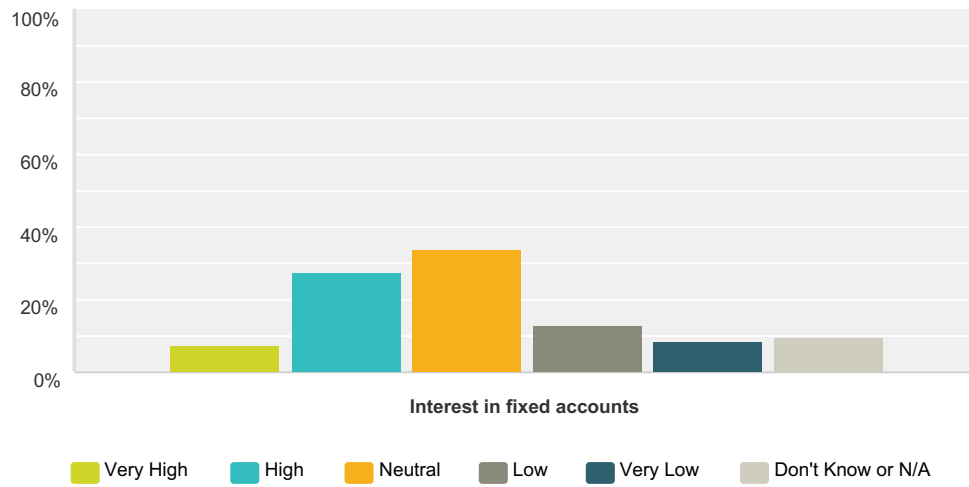
Answered: 1,077 Skipped: 400



Answer Choices	Responses
Meeting with representatives	26.83% 289
Events	11.98% 129
Beginning investing	10.49% 113
Intermediate investing	28.88% 311
Advance investing	32.96% 355
Advisor Service	28.23% 304
Enrollment and getting started	1.58% 17
Amount taken from my paycheck	9.84% 106
Fees charged	45.03% 485
Increase contribution	14.02% 151
Nearing retirement	45.96% 495
Living in retirement	54.60% 588
Total Respondents: 1,077	

Q23 What level of interest do you have in fixed accounts?

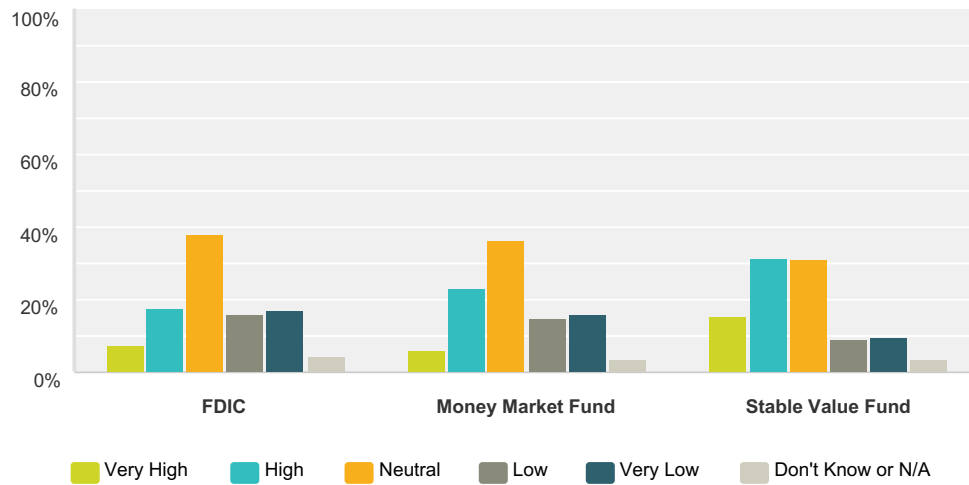
Answered: 1,056 Skipped: 421



	Very High	High	Neutral	Low	Very Low	Don't Know or N/A	Total	Weighted Average
Interest in fixed accounts	7.58% 80	27.56% 291	33.90% 358	12.97% 137	8.71% 92	9.28% 98	1,056	3.14

Q25 Please indicate your level of interest in the following accounts:

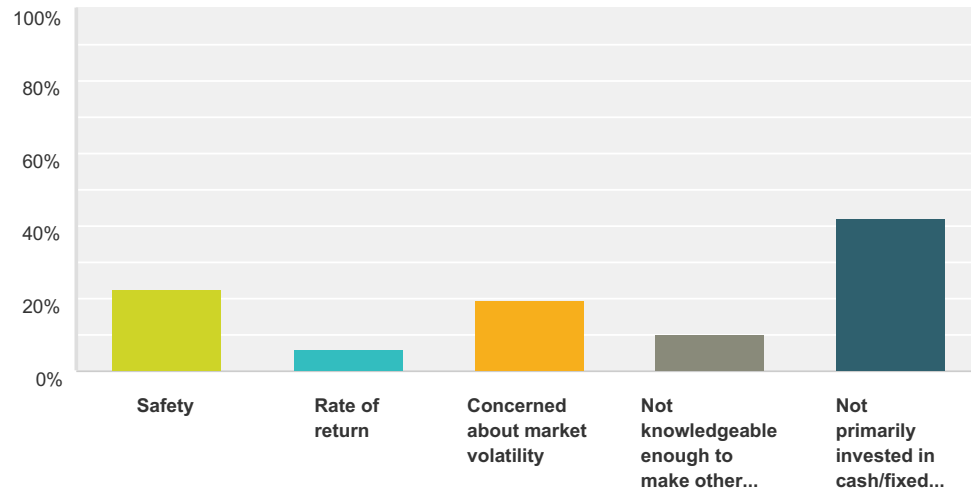
Answered: 845 Skipped: 632



	Very High	High	Neutral	Low	Very Low	Don't Know or N/A	Total	Weighted Average
FDIC	7.46% 63	17.40% 147	37.87% 320	15.86% 134	16.92% 143	4.50% 38	845	2.82
Money Market Fund	6.15% 52	22.96% 194	36.45% 308	14.91% 126	16.21% 137	3.31% 28	845	2.88
Stable Value Fund	15.74% 133	31.36% 265	31.01% 262	8.99% 76	9.59% 81	3.31% 28	845	3.36

Q26 If you are primarily invested in cash or a money market or stable value fund option, what is your main reason?

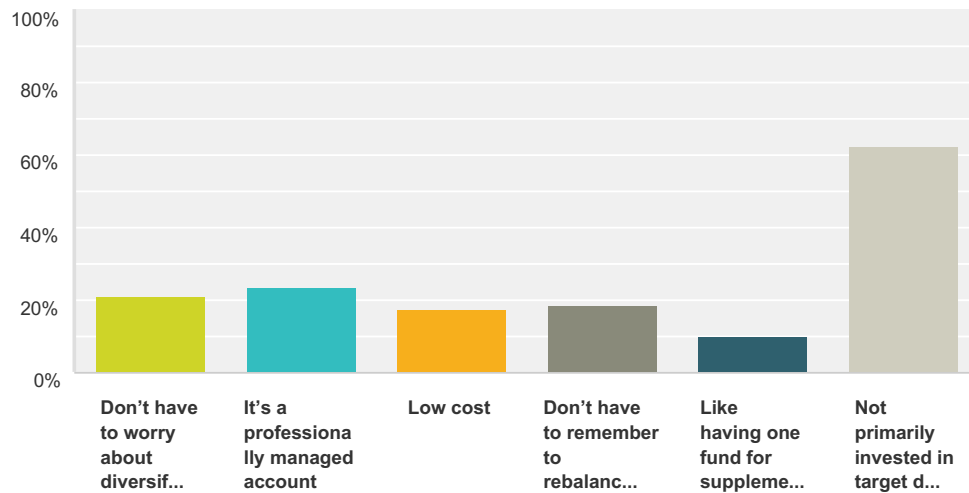
Answered: 1,046 Skipped: 431



Answer Choices	Responses	
Safety	22.47%	235
Rate of return	5.83%	61
Concerned about market volatility	19.41%	203
Not knowledgeable enough to make other selections	10.23%	107
Not primarily invested in cash/fixed option	42.07%	440
Total		1,046

Q27 Target date funds are funds that invest with a particular withdrawal date in mind. The date in a target date fund represents an approximate date when an investor would expect to retire or start withdrawing his or her money. If you are primarily invested in a target date fund option, what do you like about it? (Select all that apply.)

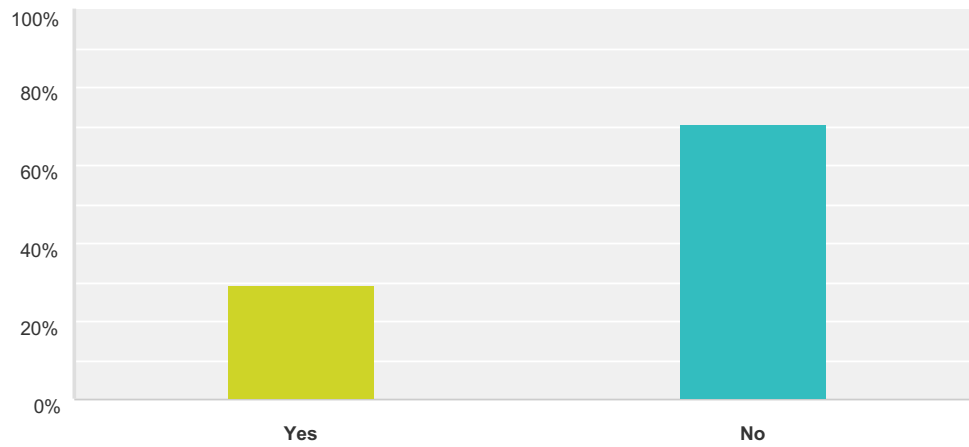
Answered: 1,036 Skipped: 441



Answer Choices	Responses
Don't have to worry about diversification	20.95% 217
It's a professionally managed account	23.26% 241
Low cost	17.66% 183
Don't have to remember to rebalance my investments	18.44% 191
Like having one fund for supplementary retirement savings	9.94% 103
Not primarily invested in target date fund option	62.45% 647
Total Respondents: 1,036	

Q28 Do you follow the performance of your investments using ticker symbols?

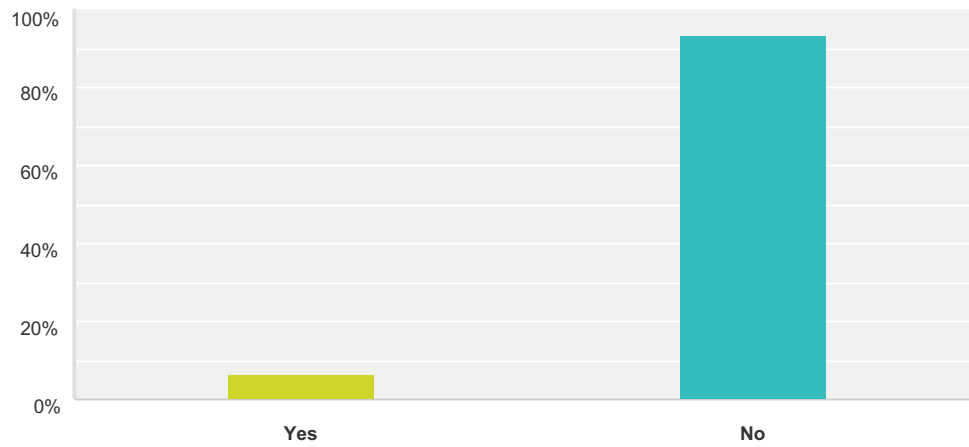
Answered: 1,033 Skipped: 444



Answer Choices	Responses	
Yes	29.33%	303
No	70.67%	730
Total		1,033

Q29 Are you familiar with collective investment trusts?

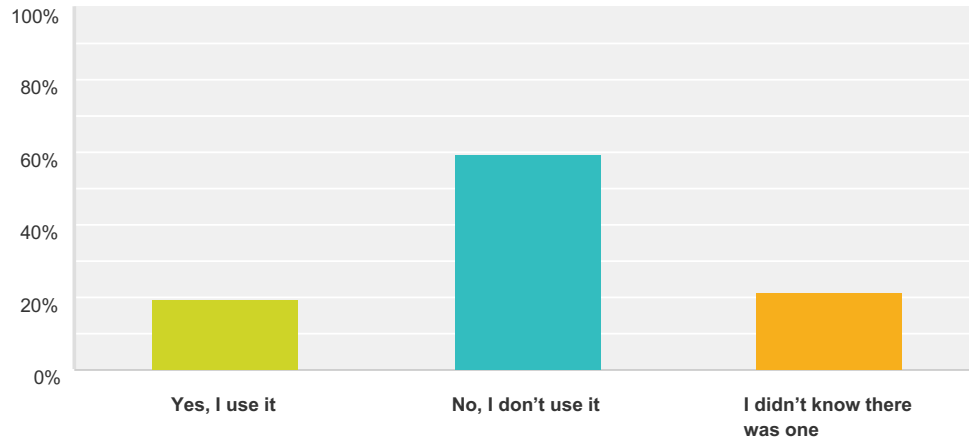
Answered: 1,032 Skipped: 445



Answer Choices	Responses	
Yes	6.49%	67
No	93.51%	965
Total		1,032

Q30 Do you currently use the WDC Asset Allocation Service? This service automatically rebalances your portfolio of investment options on a time schedule that you set and based on percentages you establish.

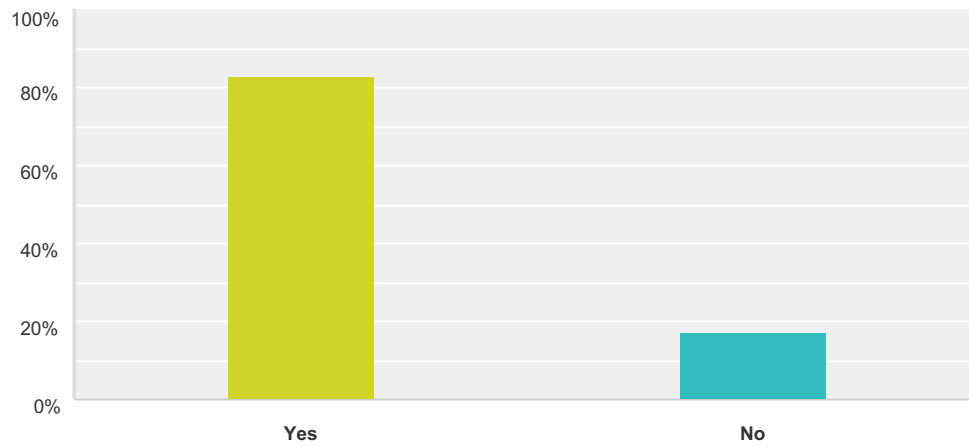
Answered: 1,031 Skipped: 446



Answer Choices	Responses
Yes, I use it	19.40% 200
No, I don't use it	59.26% 611
I didn't know there was one	21.34% 220
Total	1,031

Q31 Do you feel that the WDC investment options provided are sufficient?

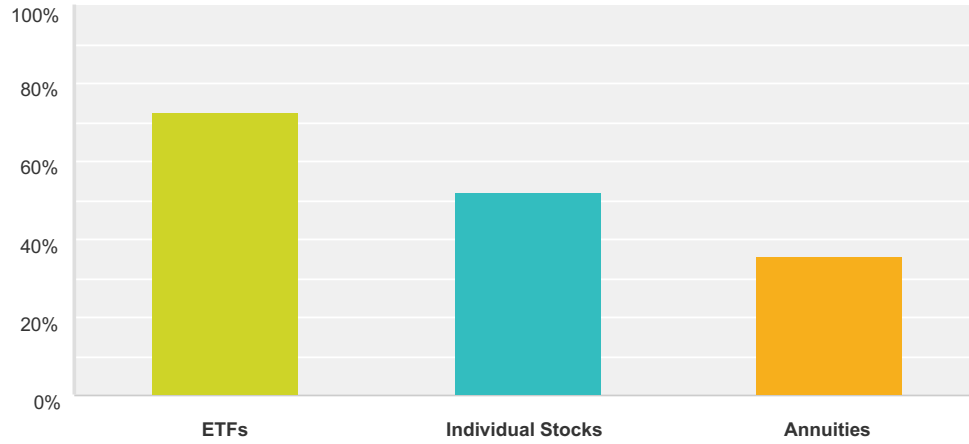
Answered: 1,029 Skipped: 448



Answer Choices	Responses	
Yes	82.60%	850
No	17.40%	179
Total		1,029

Q32 What other investment options would you like to see added? (Select all that apply.)

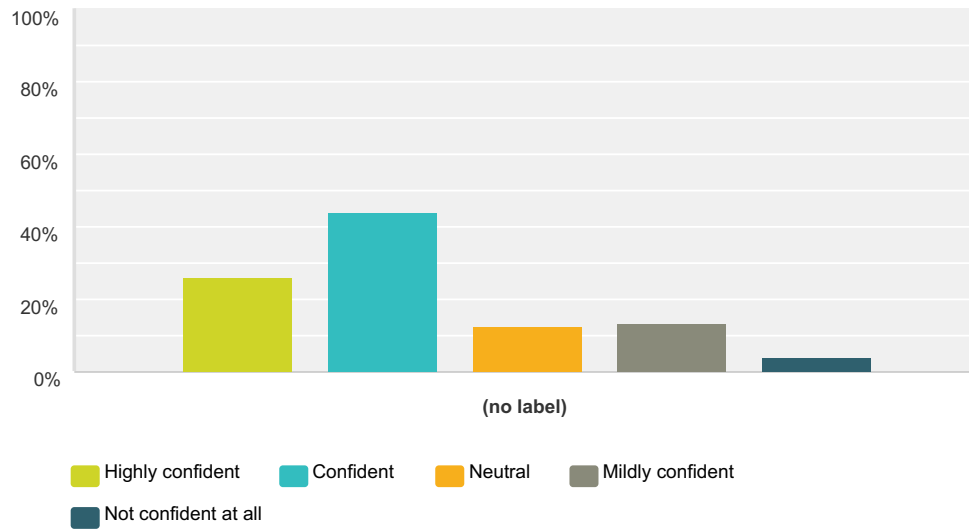
Answered: 179 Skipped: 1,298



Answer Choices	Responses	
ETFs	72.63%	130
Individual Stocks	51.96%	93
Annuities	35.75%	64
Total Respondents: 179		

Q37 Considering all your retirement income sources (Social Security, Wisconsin Retirement System and supplemental savings such as the WDC), are you confident that you will have sufficient income in retirement?

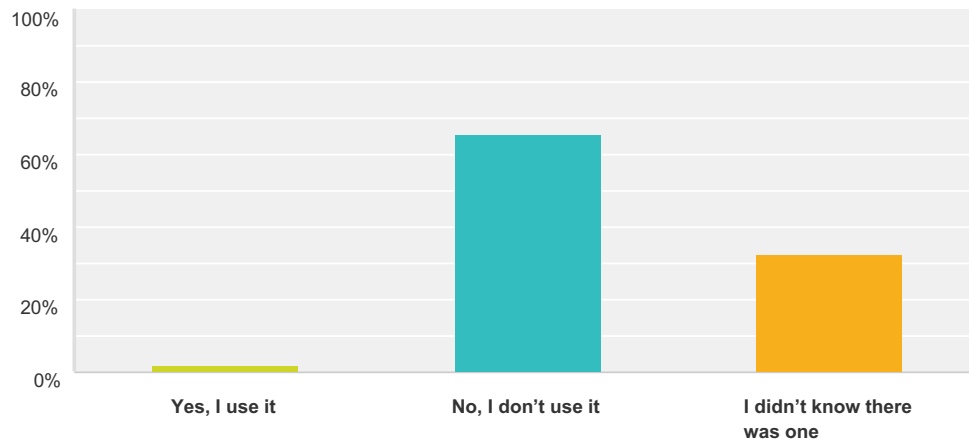
Answered: 914 Skipped: 563



	Highly confident	Confident	Neutral	Mildly confident	Not confident at all	Total	Weighted Average
(no label)	25.82% 236	44.09% 403	12.25% 112	13.68% 125	4.16% 38	914	3.74

Q43 Do you currently use the automatic increase feature?

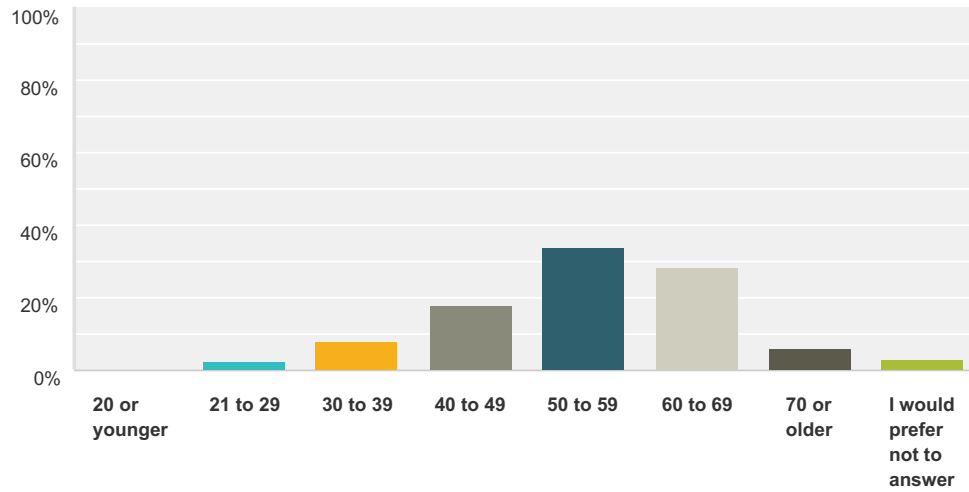
Answered: 912 Skipped: 565



Answer Choices	Responses
Yes, I use it	2.08% 19
No, I don't use it	65.35% 596
I didn't know there was one	32.57% 297
Total	912

Q46 Please indicate your age category.

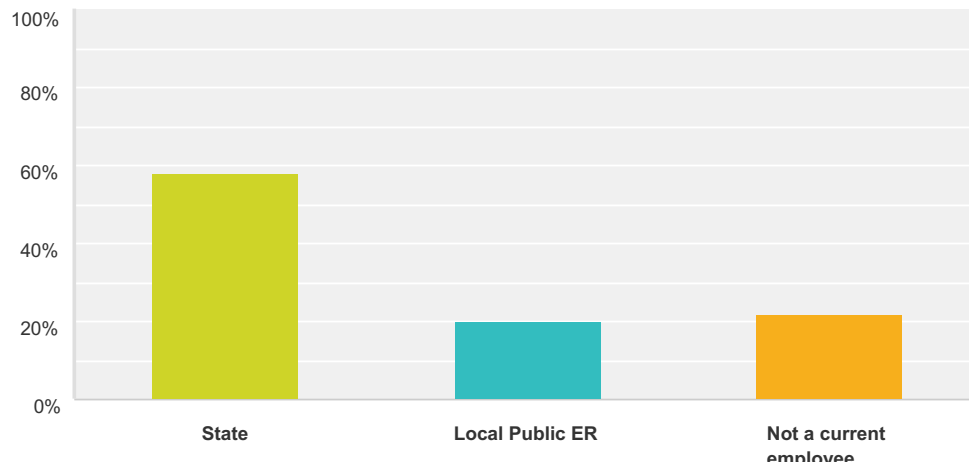
Answered: 909 Skipped: 568



Answer Choices	Responses
20 or younger	0.00% 0
21 to 29	2.31% 21
30 to 39	7.81% 71
40 to 49	18.15% 165
50 to 59	33.99% 309
60 to 69	28.49% 259
70 or older	6.05% 55
I would prefer not to answer	3.19% 29
Total	909

Q47 Which public employer do you work for?

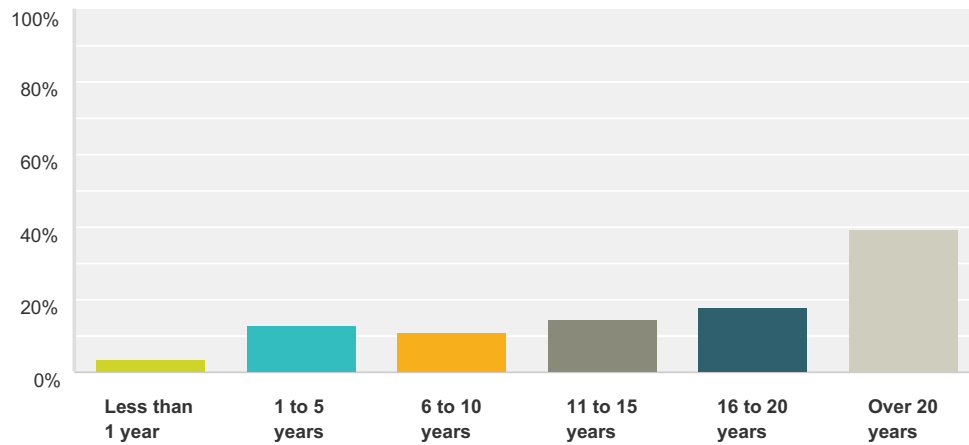
Answered: 909 Skipped: 568



Answer Choices	Responses	
State	58.20%	529
Local Public ER	19.91%	181
Not a current employee	21.89%	199
Total		909

Q48 How long have you had your WDC 457(b) account?

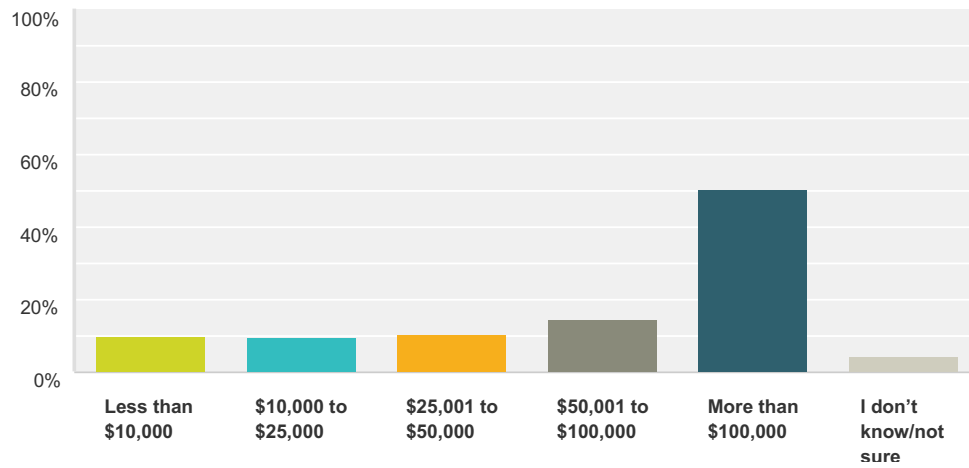
Answered: 909 Skipped: 568



Answer Choices	Responses	
Less than 1 year	3.74%	34
1 to 5 years	13.20%	120
6 to 10 years	11.22%	102
11 to 15 years	14.30%	130
16 to 20 years	17.93%	163
Over 20 years	39.60%	360
Total		909

Q49 What is your estimated account balance?

Answered: 909 Skipped: 568



Answer Choices	Responses	
Less than \$10,000	10.01%	91
\$10,000 to \$25,000	9.57%	87
\$25,001 to \$50,000	10.34%	94
\$50,001 to \$100,000	14.63%	133
More than \$100,000	50.72%	461
I don't know/not sure	4.73%	43
Total		909