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Correspondence Memorandum

Date: May 28, 2019

To: Deferred Compensation Board

From: Tarna Hunter, Director of Government Relations
Office of the Secretary

Shelly Schueller, Director
Wisconsin Deferred Compensation Program

Subject: Employee Engagement and Education – Oconto County Pilot

This memo is for informational purposes only. No Board action is required.

The Department of Employee Trust Funds (ETF) recognizes that supplementary savings are essential for Wisconsin public employees to achieve a financially secure retirement. It is important that employees understand the importance of saving more for retirement, investing appropriately, and making mid-course corrections. Being prepared for retirement is easiest when employees start saving earlier and understand and use their benefits appropriately. A recent survey by AARP and the Association of Young Americans found that 46% of respondents were either not too confident or not at all confident that they would have enough money to live comfortably in retirement. That concern was relatively consistent across age groups, with 47% of millennials, 52% of Gen Xers and 40% of baby boomers worrying they might not be financially prepared.

In the past, ETF has explored using a multi-prong approach to engage and educate Wisconsin Retirement System-covered employees on financial wellness and saving more for retirement. These efforts have included targeted campaigns, an online financial fitness program, as well as access to a free financial fitness advisor. ETF also provided short informational videos and used other education and engagement methods during this time.

ETF recently designed and tested a new pilot program in which ETF partnered with public employers to engage and educate active employees on their ETF-administered benefits, the importance of saving more for retirement, and some of the specific challenges they may encounter.

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

Electronically Signed 6/3/19

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DC	6.13.19	10C2

Oconto County was the first employer to participate in the pilot. During 2018, while participating in ETF's Financial Fitness Program, Oconto County recognized the need to fully engage and educate their employees on their benefits in order to help them prepare for a financially secure retirement. Oconto County requested in-person presentations because the county believes in-person presentations are critical to fully engage employees on their benefits. Oconto County staff is 57% women and the County has recently had an influx of younger employees: 37% of Oconto County employees are under 40 years of age. Additionally, 43% were hired after 2013.

ETF worked with Oconto County's human resources director to develop a comprehensive presentation specifically customized to meet Oconto County employees' benefit information needs. This engagement and education pilot presentation was designed around three questions:

1. Who are the Oconto County employees?
2. What is the best way to reach the employees?
3. What do the employees need to know?

To begin the effort, Oconto County used ETF-developed questions to survey their employees about their current financial wellness, challenges to their financial well-being and retirement security, and their top financial goals.

The survey results provided essential information as ETF developed a custom presentation for Oconto County. Overwhelmingly, the survey results showed that saving for retirement was a top priority for Oconto County employees and that developing emergency savings, paying off debt and saving for a child's education were also important. Employees also said they wanted in-person educational presentations.

After reviewing the survey results and as part of working with ETF on employee benefits, Oconto County added the WDC as a supplementary retirement savings plan option for their staff in December 2018. WDC staff can now provide one-on-one retirement readiness reviews at no cost for county staff using the WDC. The addition of the WDC helps employers deliver a cost-effective, engaging and comprehensive educational approach to retirement planning obstacles and solutions to their employees.

Based on the demographic information, employee survey responses and requested information from Oconto County, ETF developed an interactive presentation for Oconto County titled "Preparing for a Financially Secure Future." This two-and-a-half-hour seminar on retirement was presented at three different times and dates during normal work hours. Oconto County also used funds from its wellness program to provide lunches for employees attending. The presentation provided relevant, actionable information to employees. Topics included:

- Retirement challenges and opportunities
 - Know your sources of retirement income

- Risks/challenges (longevity, caregiving, women, generational, etc.)
- The Wisconsin Retirement System
 - General overview of benefits and eligibility
 - Beneficiary designations
 - Additional contributions
 - Income Continuation Insurance
- Social Security
- WDC – including retirement readiness reviews
- Financial wellness and tips for planning for retirement at any age

Approximately 92 employees attended the first two presentations in April. As per a post-event survey of these participants:

- 25% of attendees were under age 25, which is traditionally a challenging group for ETF to reach;
- there was a nearly uniform distribution of years of service;
- 95% said the presentation was effective in helping understand benefits;
- 98% said the presenters were effective; and
- 98% said their questions were answered.

As a result of understanding the interests of Oconto County employees and carefully tailoring ETF benefit information to these interests, approximately eighty percent of Oconto County employees will have participated in the “Preparing for a Financially Secure Future” seminar by mid-June 2019.

The positive results of this pilot indicate that partnering with employers can help improve employee understanding of their ETF-administered benefits, and further ETF’s goal of creating an effortless customer experience for both employers and employees. The pilot presentations were extremely well received by both the employees and administrators at Oconto County. This indicates ETF should continue to formalize and expand this effort, as it can provide employers with additional recruitment and retention tools, and help employees learn how to prepare for a financially secure retirement.

ETF is currently developing its 2019-2021 strategic plan and is exploring expanding this pilot program to offer employers additional tools to educate and engage employees.

Staff will be available at the meeting to answer any questions.