

**2013 ERISA Advisory Council
Successful Retirement Plan Communications
for Various Population Segments**

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Description:

Different audiences have different communication needs. Since ERISA was passed, communication has moved from mass communication to the ability to target retirement messages for different population segments as a way of encouraging retirement savings. In addition, advances in behavioral science have demonstrated new insights as to what drives retirement saving decisions by various groups.

In 2010, the Council identified empirical data from multiple sources that demonstrated women and minorities have less than optimal participation in the retirement system. In addition, previous Councils have studied education and communications to participants from a behavioral economics standpoint.

Objective and Scope:

This year, the Council would like to expand upon earlier findings by looking at both the message and the media for additional population segments to determine what communication efforts and plan design options are most effective in encouraging participants to save for retirement. An effort will be made to balance the need to have the most cost effective channels with the most specific information possible.

The Council recognizes that the identification and sub-division of audience segments can be quite demanding and challenging and so has decided to examine demonstrated successful communication strategies for the following population segments:

1. Income level and
2. Life events
3. Household type
4. Age by generation
5. Gender
6. Ethnic background

The Council will focus on providing the Department of Labor with recommendations of the best ways to communicate with participants and employees with the goal of increasing plan participation and savings through communication and defaults in plan design features.

The Council's examination will focus on the following:

1. What are the practical applications learned from behavioral economics that encourage plan participation and increased retirement savings?
2. What are the practical lessons from segmented communications that have worked (or not worked):
 - a. Do the number and types of channels used to communicate increase effectiveness? What channels are the most effective? What channels are preferred by various population segments?
 - b. What are the results from communications that are targeted to a particular population segment? What are the concerns with cost and use of resources needed to tailor communications?
 - c. Are there techniques from consumer targeting that can be applied to participants in retirement and savings plans?
3. What strategies have been employed by those who have been successful in increasing participation and/or savings rates?
4. What plan designs are most successful in encouraging employee participation? Are certain designs (e.g., automatic/ mandatory or default features) more effective for various population segments?
5. What are the potential legal issues for plan sponsors, such as utilizing plan assets, privacy, discrimination for analysis and communication segmented to a portion of the plan's population?
6. Are there systemic gaps in communication and plan design that impact retirement plan participation?
7. What can DOL do to help plans achieve more effective communications to eligible participants?