

# Education and Communication

## Crafting a Participant Education Campaign

A step-by-step guide to implementing a successful 401(k) education campaign.

By Jillian Perkins

**Y**ou've put together a great plan designed to guide your participants to successful outcomes. You've worked hard to select investment options and craft the menu. But one of the most important steps is making sure your participants are aware of, understand, and know how to use the plan to meet their needs. The crucial final step is understanding how to build a successful participant education program to ensure that the plan you carefully constructed is used to its greatest advantage.

### Why Participant Education

The defined contribution retirement system has been continually refined throughout the last 30–40 years as the industry and plan sponsors work to improve retirement outcomes by providing participants with high-quality investment choices. But as those options become more numerous and complex, participants want and need help navigating through this maze of

information and choices, which can be intimidating and overwhelming.

A participant education program can benefit the company as well, improving their investment in sponsoring the plan. Participants who are aware of the full value of the benefit they are receiving from the plan and all of its options will have a much deeper appreciation for their employer and the plan. A good education program can strengthen the ability of the retirement plan to improve employee satisfaction and reduce turnover.

### Diagnostic Review

The first step is to take stock and perform a diagnostic review, including a review of your existing educational services and tools, a look at what your objectives and goals are, and identify any problem areas in the plan or among participants.

Consider what success would look like for you. Work with your provider and consultant to examine plan statistics to determine where participants

are on track and meeting goals, where they are using plan features, or where there are gaps. Think about what makes your participants unique, as well as any common traits that may help you tailor education to them. Consider conducting a participant survey to provide direct feedback on what participants think and want; a survey can also provide a metric against which to measure your program later. This diagnostic analysis can affect how you structure your participant education, what channels you use, and how best to direct your educational resources.

From this information, you can build a set of goals and objectives to drive the development of education. Some possible long-term objectives of a participant education program or campaign you might consider include:

- Increasing participation in the plan,
- Improving general awareness of and understanding of the plan,
- Increasing participant deferral rates,
- Improve participants' asset allocations and use of plan investment options,

### Outcomes of a Successful Education Program

#### For the Plan Sponsor

- Improve visibility of the plan, resulting in greater appreciation by participants.
- Improved employee attraction and retention.
- Meet your ERISA 404(c) safe harbor requirements
- Reap the value of your contributions to the plan
- Improve employee productivity

#### For the Participant

- Improve long-term retirement security outcomes
- Increase participation and savings rates
- Reduce financial stress and increase happiness and wellbeing
- Improve financial literacy
- Improve long-term financial decision-making

- Reducing financial stress among employees and increase productivity,
- Meeting non-discrimination testing requirements,
- Improving employee satisfaction, and/or
- Helping employees plan for long-term retirement security.

This information lays the foundation for you to build a program to meet the needs of your plan that is tailored to your employees and your objectives. The following sections will identify some of the elements to consider as you move forward.

## Channels of Communication

People learn differently. Some people are visual learners, who learn best with images, while others learn better by listening, and for some people, learning is a physical activity. Some learners would prefer to read an article on paper, whereas others might be more likely to watch a quick online video instead. If you utilize a variety of different methods of communication, employees are able to choose the ones that work best for them, and the

more of them that you incorporate, the more participants you are likely to reach effectively.

While preferences for different methods of communication and different learning styles are generally spread out among a population, there are some generational differences to note. Younger generations, such as millennials, are more likely to be comfortable with a variety of online interactive tools or webinars, whereas baby boomers tend to prefer the familiarity of paper and printed materials or in-person meetings. Similarly, younger generations grew up with a more on-demand culture, and expect information to be at their fingertips and at their convenience, while older employees have more patience for scheduled events.

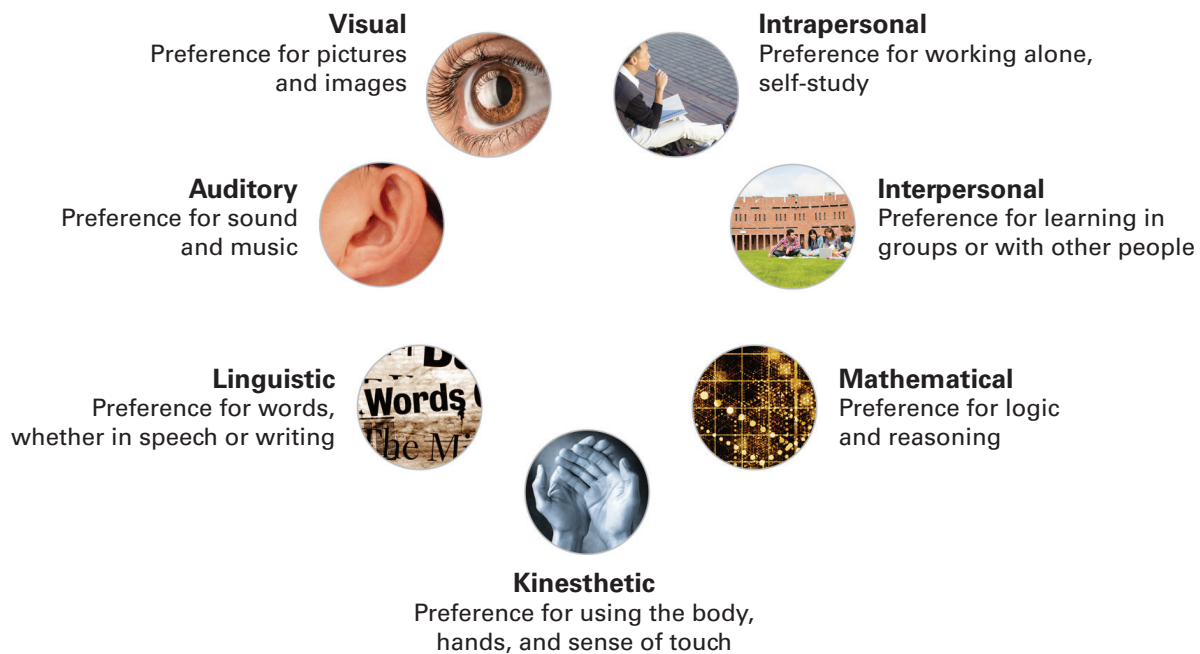
There are other factors to consider in selecting your communication channels, such as cost and facility of use. If most of your employees work on the factory or retail floor without access to computers, online/electronic education tools probably won't be the most effective. Or, if you have a large number of employees, finding ways to reduce the need for printed materials can help manage costs. Balance cost

and effectiveness to focus your efforts efficiently. Use your diagnostic review to help guide the direction you take.

## Make Education Friendly

Finances can be overwhelming and intimidating. People have very mixed feelings about money, and the subject is tied in deeply to emotions like self esteem and feelings of success. Additionally, there is a cultural taboo against talking about money. What all of this adds up to is a profound reluctance to dive into financial matters and discuss money openly and objectively. This is a hurdle that an education program will have to overcome in order to help people develop financial wellness. This is no small task, and requires an ability to view things from the employees' perspectives.

Nobody likes to read long, complex tracts full of impenetrable lingo. Engaging participants and getting them to interact with financial information requires a friendlier approach. The best educational materials and services are approachable, visual, easy-to-read, and even entertaining. People engage with stories, characters, graphics,



anecdotes, and real-world examples. Developing a successful education program requires a creative touch and an understanding of storytelling and communication techniques.

You can help make your campaign engaging and approachable by generating interesting themes and using characters and stories to give participants something relatable. Don't be afraid to be colorful — visually appealing materials are also easier to read and absorb. Create interactive moments like games, exercises, fillable forms and calculators, or even just phrasing ideas as questions. Lastly, use down-to-earth language — keep yourself in participants' shoes and avoid confusing or intimidating language.

## Put It All Together

Whether you partner with an education provider to help develop your participant education or have the internal resources to do it yourself, use the following steps as a roadmap, marking the major milestones of the process:

**Step 1:** Diagnostic review

**Step 2:** Establish goals/objectives

**Step 3:** Determine budget/resources

**Step 4:** Identify channel(s) of communication

**Step 5:** Brainstorm: how to target, themes, creative approaches

**Step 6:** Building/designing the program/campaign

**Step 7:** Implementation

**Step 8:** Measurement

## Measuring Success

Once you have rolled out your education campaign, it's important to measure its impact and success. Examining participant data and comparing it against a pre-campaign baseline provides measurable statistics about the effects of the campaign. Did participation increase? Did allocations change? Did usage of particular fea-

tures change? Most specifically, did the campaign achieve its goals?

There are also numerous digital tools for measuring any online aspects of your campaign. You can generally find out how many participants clicked on an email campaign, watched a video, or visited a web page.

A participant survey can measure those aspects that are less data-driven and more subjective or anecdotal. Did participants find the education valuable? Did it prompt them to take action? Did they find it relevant? Did the campaign change how they view the plan or their retirement planning process? This information can be just as useful and valuable as statistical information, highlighting the aspects of the program that were most impactful and pointing out where the campaign may have missed the mark.

Following are topic suggestions for a post-campaign participant survey. When developing the survey, keep in mind that inviting open-ended answers may give you more detailed and relevant information, but will also be more cumbersome to collate and review. If you have a very large number of employees, utilize multiple choice and rating questions to the extent possible.

## Post-Campaign Participant Survey — Suggested Question Topics

- Rating of overall experience
- Rating of specific materials, video, presenter, article, etc.
- Rating of the ease of understanding the material
- Rating of participants' confidence in their decisions — before and after the campaign
- Rating of participants' sense of financial wellness — before and after the campaign
- What action, if any, participants took as a result of the campaign
- What parts of the campaign were particularly appealing or impactful

## Bonus: An Education Checklist

### Getting started

- Develop education objectives and strategic goals.
- Perform a diagnostic review of existing services, tools, and materials available.
- Identify gaps and areas of focus (such as increasing participation, raising the profile of the plan, and improving understanding of the plan's investment options).
- Conduct a participant survey to evaluate participant experiences and preferences (optional).

### Program planning and design

- What delivery methods do you want to use to reach participants?
- Set a timeline for developing educational materials and implementing campaigns.
- What topics will be addressed?


### Implementation tools

- One-on-one in-person sessions
- In-person group workshops
- Printed materials
- Online materials
- Video/animation
- Email campaigns/targeted messaging
- Other

### Evaluation

- Participant surveys/feedback forms
- Annual program assessment
- Participant data review

- What parts of the campaign, if any, were unclear/difficult to understand
- What topics they would like to learn more about in the future

If your program or campaign was particularly successful and/or unique, you may want to consider entering it for a PSCA Signature Award! 

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