
JANUARY 24, 2022

AGENDA ITEM 3

ACTION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Presentation of Executive Director's 2021 Year in Review Report

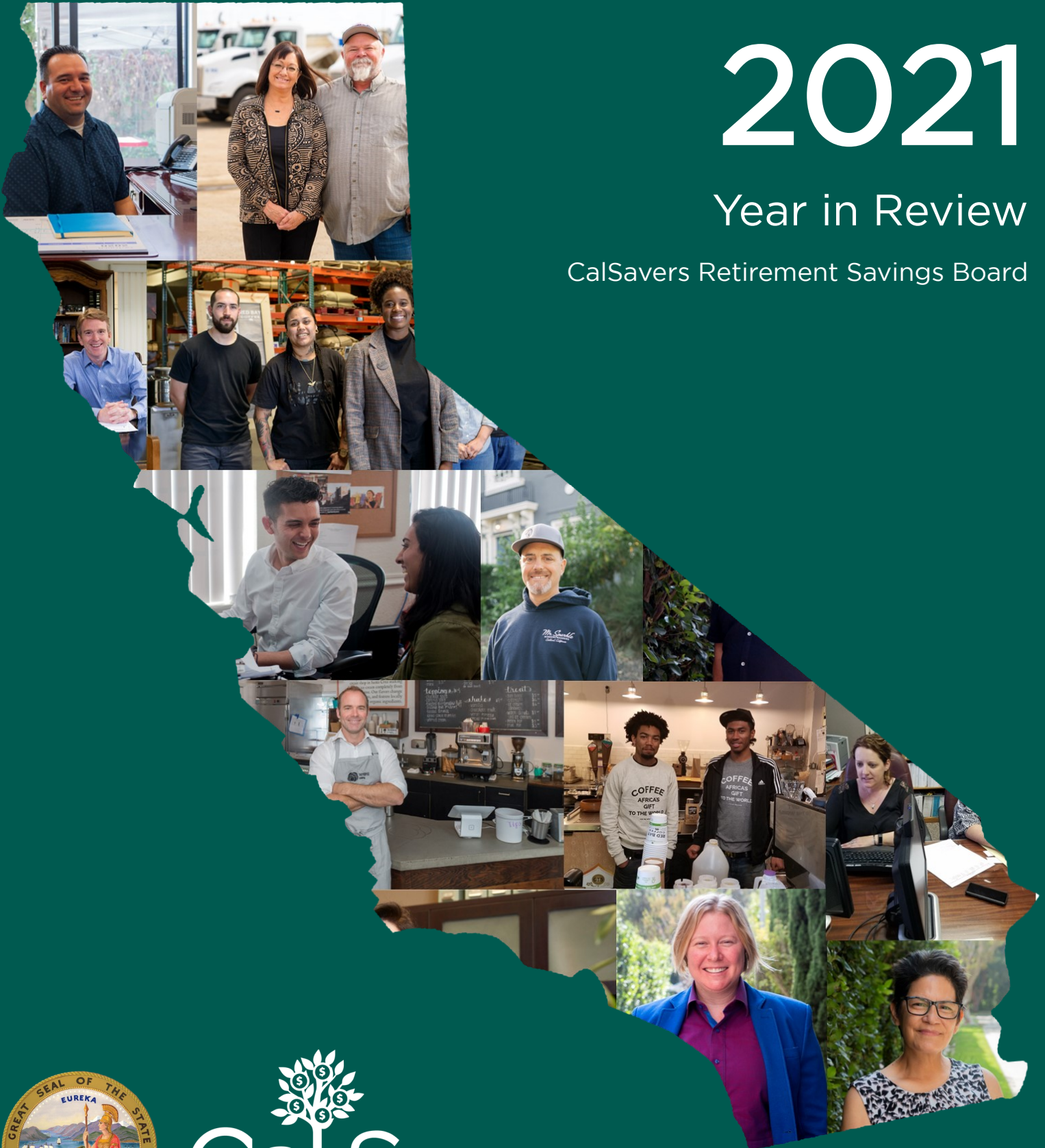
Attachment

- Attachment 3A: CalSavers 2021 Year in Review

2021

Year in Review

CalSavers Retirement Savings Board




CalSavers
RETIREMENT SAVINGS PROGRAM



As the second year of the pandemic changed how we live and work in ever-morphing ways, workers in every corner of California persevered and hundreds of thousands of them made CalSavers a part of their recovery.

The Board, staff, and partners stayed focused on serving our participants, providing flexible support to employers, and applying insights gathered from the early rollout toward scalable systems improvements.

This report highlights many of the statistics summarizing participant and program activity, but it can't begin to capture the impact the program is beginning to make in the lives of hard working Californians.

High Employee Participation Rates Despite Challenges

Despite ongoing labor market and economic challenges, employees across the state continued to participate at high levels, with a steady 70% participation rate among all employees offered the chance to join. Given the estimated median income of less than \$30,000 per year and the absence of financial incentives (other than the modest federal savers credit), this is an incredible demonstration of workers' willingness to save when given an easy, automatic, portable solution implemented via their paycheck.

In January 2021, 95% of savers accepted the automatic but voluntary escalation of their contribution rate by one percentage point (from 5% to 6% for most). During the course of the year, **saver assets grew five-fold**, from \$28 million to more than \$173 million. The number of Californians actively saving more than **doubled** from 96,000 to 218,000, and in aggregate they were contributing \$16 million per month by the end of the year, through an average contribution of \$150 per month.

As expected, the **portability** of CalSavers accounts is proving to be an essential element of the program, with an astounding 35% of savers showing contributions via more than one employer by the end of the year.

Employer Engagement & Compliance

The number of registered employers **tripled** during the year to more than 23,000. While by the end of 2021 we had passed two of the three annual employer compliance deadlines, in terms of volume of employers, more than 70% of employers had yet to face their deadline. The dramatic tilt of the distribution of employers in wave 3 posed operational and strategic challenges that the team continues to address with innovative direct marketing, outreach, and customer service staffing strategies. Board staff also engaged intensively with the Franchise Tax Board throughout the year to develop the penalty program set to begin in January 2022.

Looking Ahead

Early evidence suggests that the state's mandate for employers that don't offer a retirement plan to join CalSavers may be driving sizeable growth in private retirement plan adoption among employers. We are encouraged by this apparent expansion of quality retirement plan access and look forward to more research on this positive development.

The trajectory of the pandemic is of course unknown as we begin 2022, but we will continue to adapt. We expect more rapid growth driven by the final employer compliance deadline, enforcement, and our dynamic outreach strategies. We will continue to offer educational webinars every day of the week, enhance our technology and user experience, and make thoughtful changes to the design of the program as necessary to meet the needs of our participants.

Onward, to a better and brighter future.

Katie Selenski
Executive Director

BOARD LEADERSHIP

The CalSavers Retirement Savings Board, chaired by State Treasurer Fiona Ma, addressed new and ongoing challenges in overseeing the development of the program in 2021. The Board met in March, May, June, September, and December and heard 42 agenda items, covering topics ranging from employer enforcement and recordkeeping technology to marketing and investments. It reviewed progress on the prior strategic plan (2018-2021) and engaged in a several month process to set a [new strategic plan](#) for 2021-2024.

Founding Board Member Yvonne Walker retired in June 2021 after nearly nine years of service to the Board. Her seat, for an employee representative appointed by the Speaker of the Assembly, remained vacant at the end of the year. In June, the Governor appointed Michelle Gastelum of Pasadena to the Board to fill the small business seat. Full Board Member biographies are available on the [Board's website](#).

Chair



State Controller
Betty T. Yee



State Treasurer
Fiona Ma



Director of Finance
Keeley Martin Bosler



Edward De La Rosa



Michelle Gastelum



Heather Hooper



Stephen Prough



William Sokol



Yvonne Walker

Not pictured: Treasurer Ma's delegate Deputy Treasurer Audrey Noda; Controller Yee's delegates Chief Deputy Controller Karen Greene Ross and Deputy Controller Jacqueline Wong Hernandez (until September); and Director Bosler's delegate Chief Deputy Director for Policy Gayle Miller.

STORIES OF IMPACT

Our mission is to ensure all Californians have a path to retirement security. We continued to feature real stories from our participants that highlight the impact CalSavers has had on themselves or their business. During 2021, we interviewed savers and employers from four participating companies in Bakersfield, Compton, Los Angeles, and North Highlands and produced videos featuring their stories. Visit our [YouTube channel](#) to hear their stories and find other features.

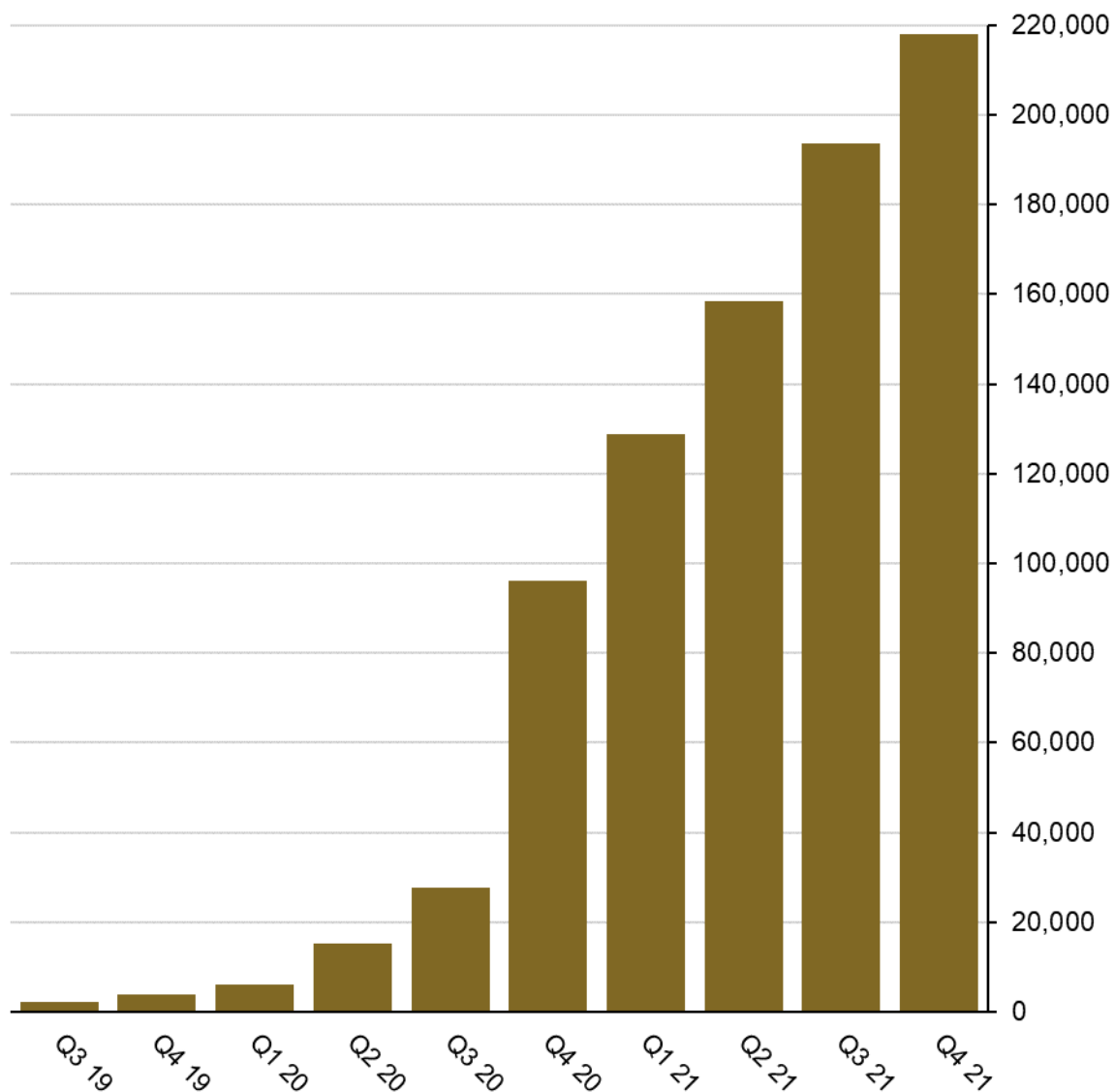


NEW SAVERS & PORTABILITY

During 2021, we saw a 127% increase in the number of funded CalSavers account holders from 96,000 to 218,000. While we have a long way to go to close the access gap, we are encouraged by this growth.

Remarkably, by the end of 2021, 35% of our savers had contributed to their accounts through more than one employer, which may reflect a high degree mobility in the labor market as well as the reality that many savers hold multiple jobs in order to meet cash flow needs.

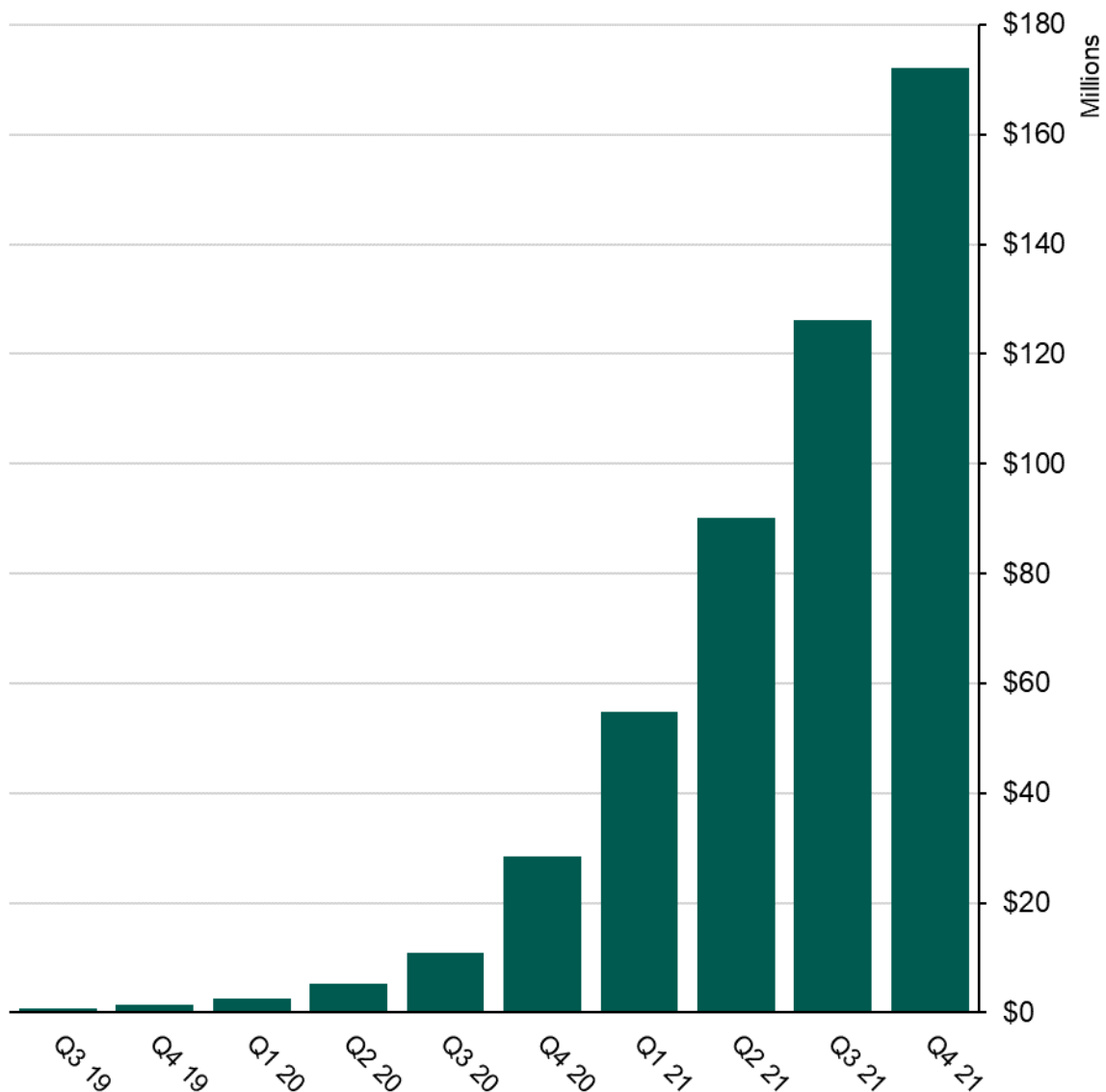
Funded Accounts



SAVER ASSET GROWTH

Saver assets, which include saver contributions and investment return and exclude withdrawals, grew 510%, from \$28 million to more than \$173 million by the end of 2021, driven largely by new savers and new contributions. Total contributions, before withdrawals and investment returns, amounted to \$187 million.

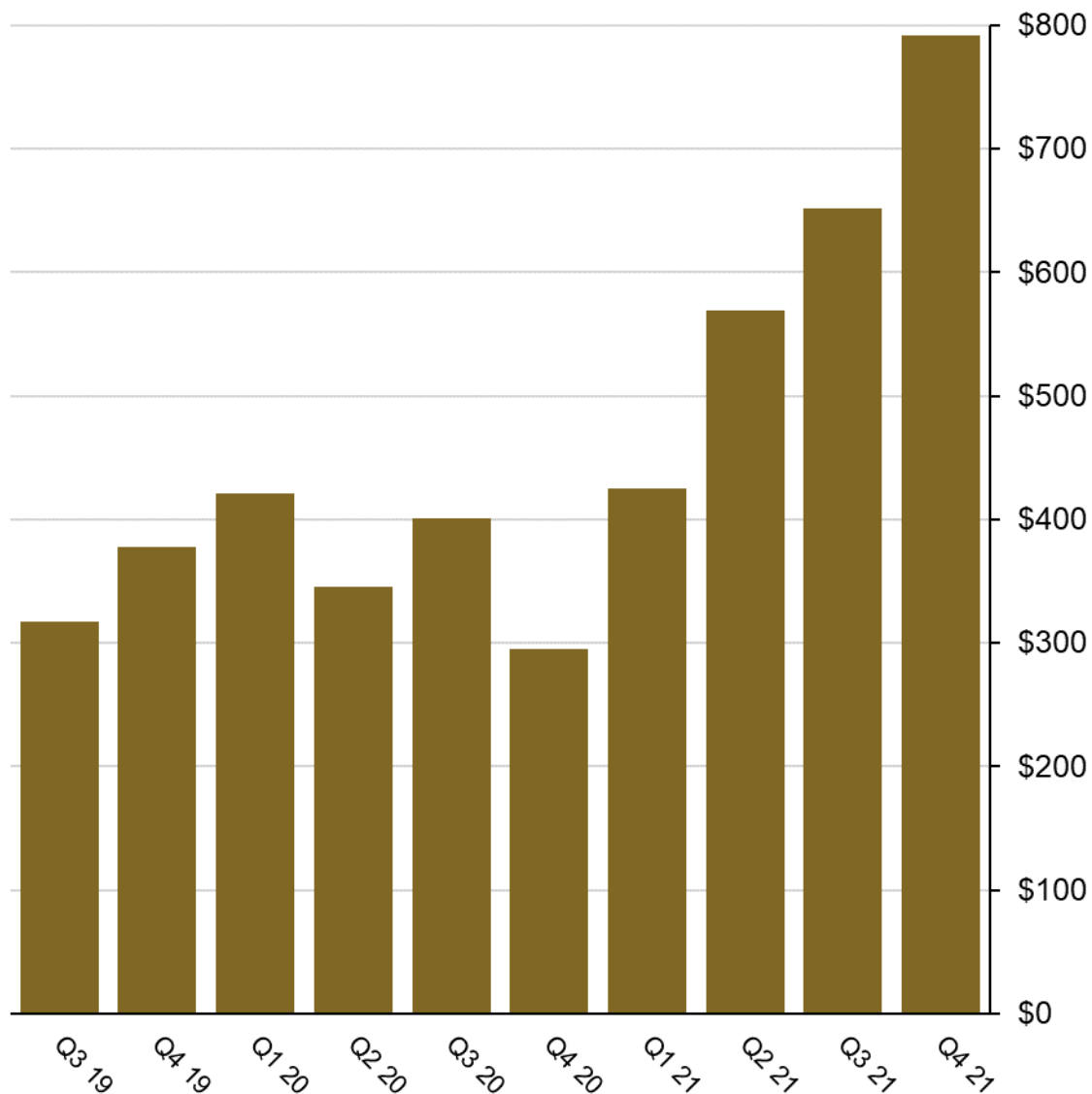
Total Saver Assets



INDIVIDUAL IMPACT

Even as brand new savers dominated 2021—the number of funded accounts more than doubled—the average funded account balance still grew substantially, from \$295 to \$794. This early growth represents meaningful progress for long-term savers just starting out and may lead to an improved sense of financial security in the short term for those concerned with or facing financial emergencies.

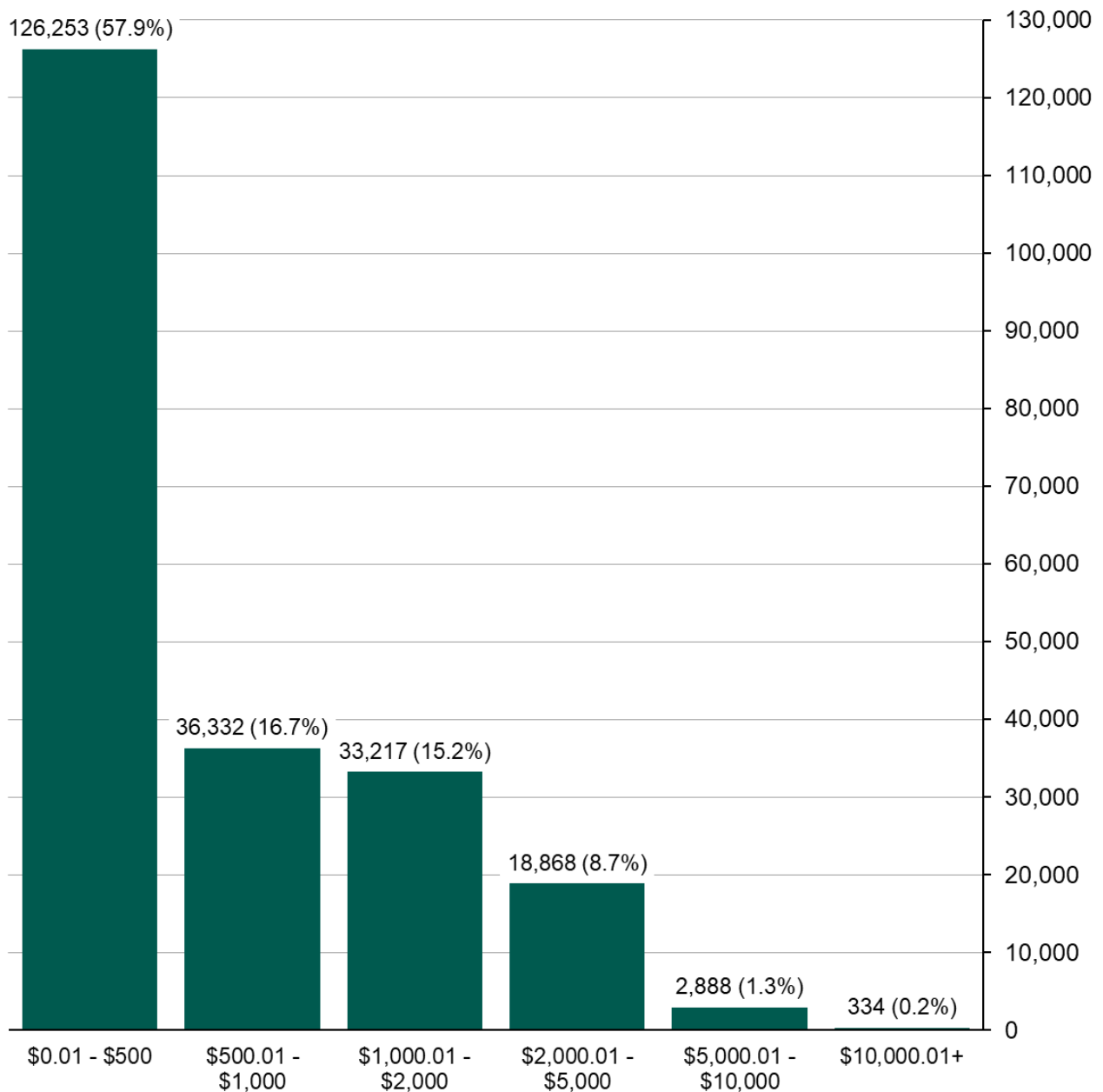
Average Funded Account Balance



“YOUNG” ACCOUNTS

Reflecting the growth in the number of brand new savers, 58% of funded accounts had balances of \$500 or less at the end of the year. Longer-held accounts naturally posted higher account balances, and more than 3,000 savers had more than \$5,000 amassed by the end of the year.

Distribution of Accounts by Balance



LEVELING THE PLAYING FIELD FOR SERVICE INDUSTRIES

CalSavers was created to ensure all Californians have a way to save for retirement by requiring employers to participate in the program if they don't offer a retirement plan. Naturally, CalSavers employers tend to come from industries that do not typically sponsor retirement plans: hotels, restaurants, retail, and other service industries. For many of these employers, CalSavers represents an easy, cost-free way to help their employees save for retirement — and a valuable tool to help with recruitment and retention of employees.

Saver Assets by Industry

Industry	Share of All Saver Assets
Accommodation and Food Services	25%
Administrative and Support and Waste Management and Remediation Services	18%
Health Care and Social Assistance	14%
Construction	8%
Agriculture, Forestry, Fishing and Hunting	7%
Retail Trade	5%
Manufacturing	5%
Other Services (except Public Administration)	3%
Professional, Scientific, and Technical Services	3%
Transportation and Warehousing	3%
All Others <3% each or Not Available	9%

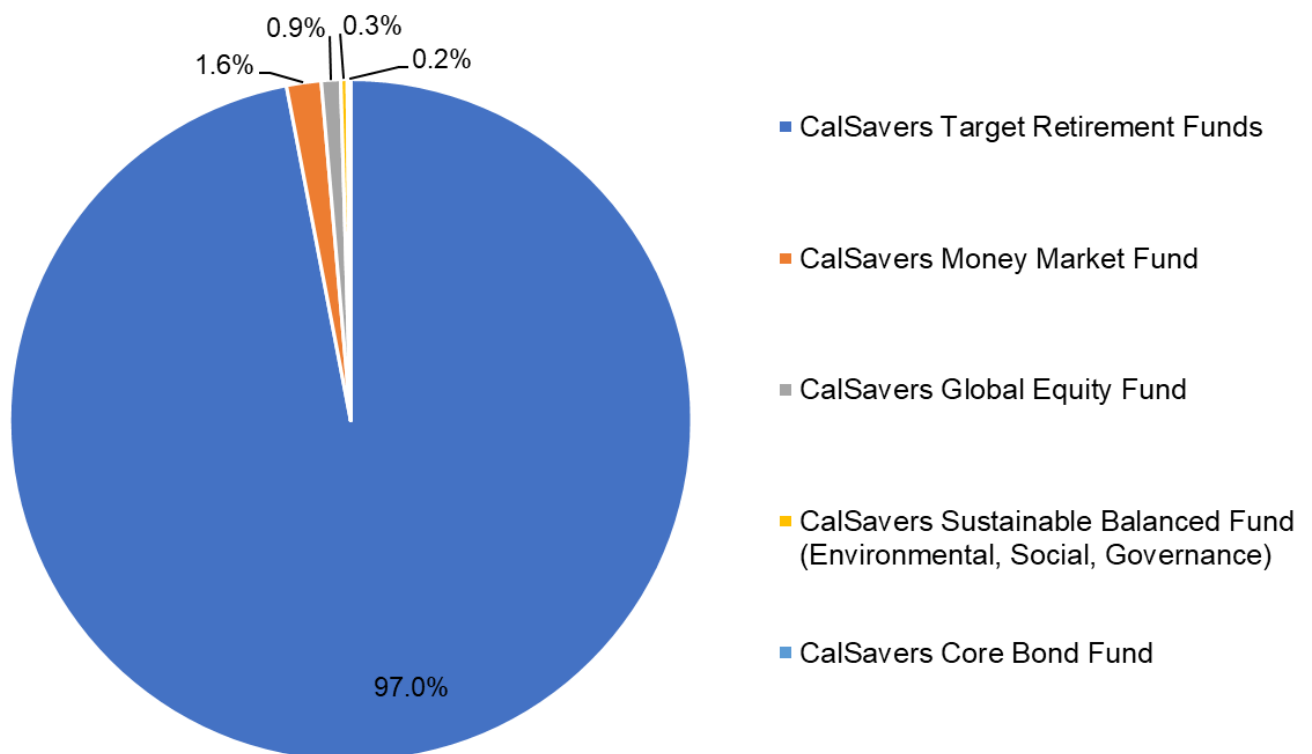
AGE-BASED INVESTMENT STRATEGY SUITS MANY

The default investment option dominates the distribution of assets by fund at 97%, a testament to the power of the “nudge” and the effectiveness of target retirement date funds for automatically enrolled participants. If they so choose, savers can “set it and forget it” and their asset allocations will automatically adjust over time to match the general risk profile associated with age groups.

In May, the CalSavers team executed a seamless transition from the prior default investment policy which kept the first \$1,000 of participant contributions in a money market fund, to a simpler policy moving participants quickly into a target retirement fund after an initial 30 day period in the money market fund.

Information on the quarterly performance of our five investment options may be found on our [reports page](#).

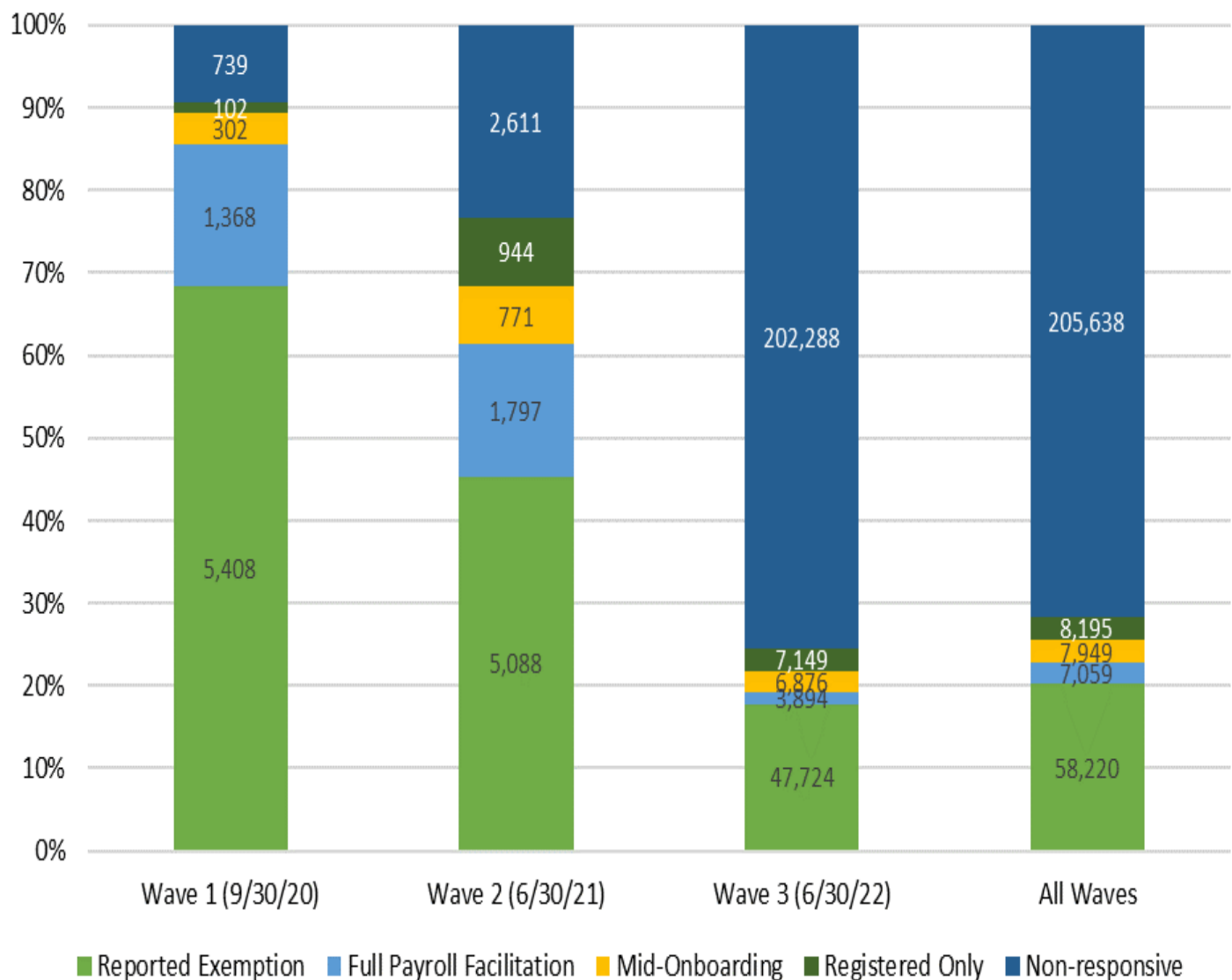
Saver Assets by Fund



ROLLOUT: TACKLING WAVE 3 & COMPLIANCE

While by the end of 2021 we had passed two of the three annual employer compliance deadlines and were just six months away from the last deadline, in terms of volume of employers, more than 70% of employers had yet to face their deadline. The dramatic tilt of the distribution of employers in wave 3 posed operational and strategic challenges that the team continues to address with innovative direct marketing, outreach, and customer service staffing strategies. Board staff also engaged intensively with the Franchise Tax Board throughout the year to develop the penalty program set to begin in January 2022.

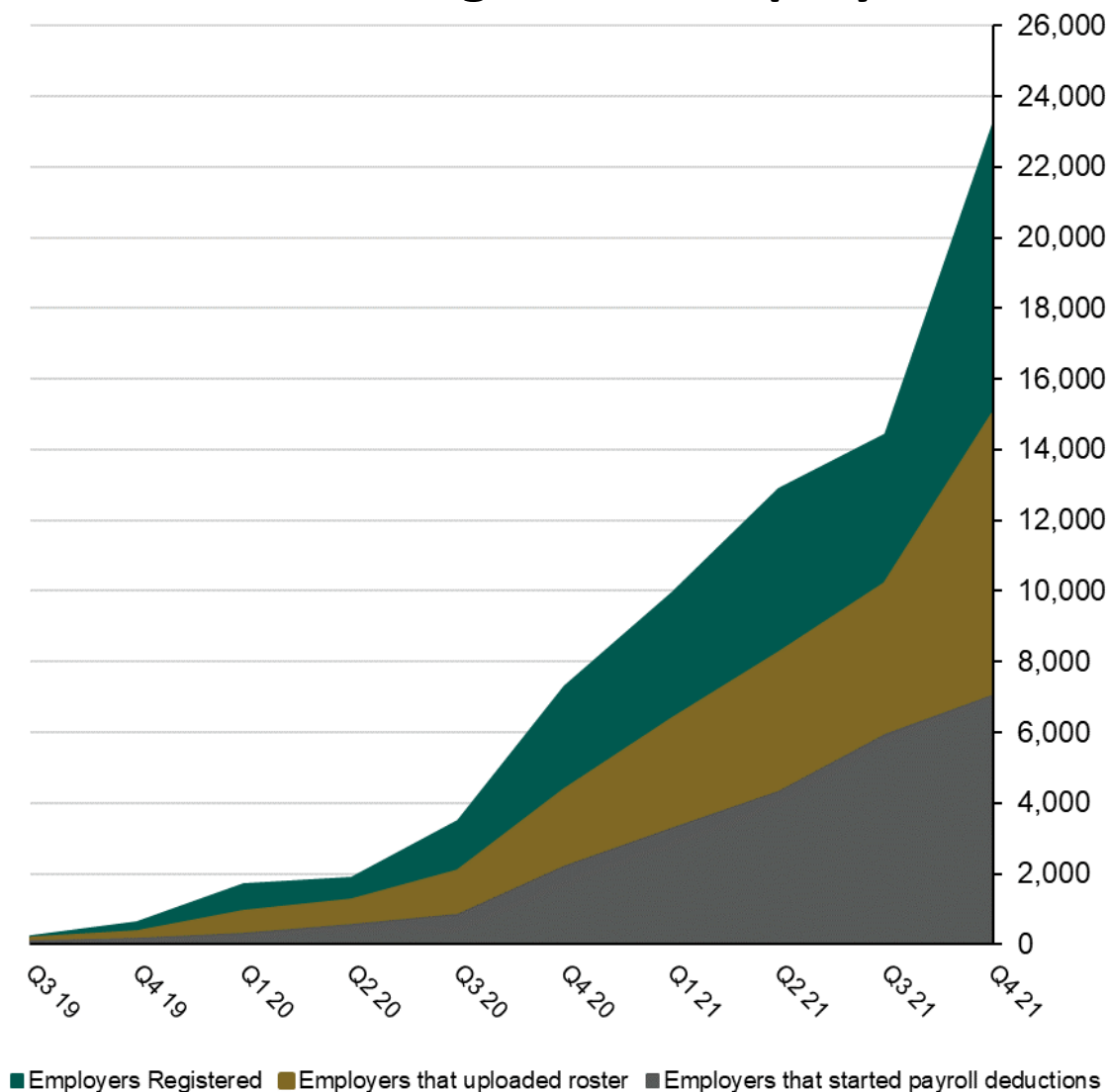
Status of All Employers by Wave Deadline



EMPLOYER ONBOARDING

The number of registered employers more than tripled in 2021, driven by the June 30, 2021 “wave 2” registration deadline, early efforts to reach “wave 3” employers in advance of their deadline in 2022, and ongoing enforcement efforts with late “wave 1” employers. The Board and the program administrator remained focused on high quality customer support and technology enhancements to reduce the average length of time from employer registration to full payroll facilitation. The imposition of penalties for noncompliant employers beginning in January 2022 is expected to drive substantially more employers to complete their onboarding duties.

Status of Registered Employers



DYNAMIC OUTREACH & EDUCATION

The CalSavers outreach team continued to expand our innovative free public webinar work and hosted 246 employer webinars that reached more than 7,810 attendees. Among those, 28 were conducted in Spanish, nine in Mandarin, and nine in Cantonese. In addition, we presented at 81 outreach events hosted by the Treasurer or community organizations, ranging from chambers of commerce to farm bureaus to restaurant associations and asset-building organizations. By autumn, the team was offering five to seven public webinars every week and will continue to do so throughout 2022. Employers, employees, and other interested parties are welcome to attend a webinar by registering through our [events calendar](#).

The screenshot shows a Zoom webinar interface. At the top, a status bar indicates 'LIVE on Custom Live Streaming Service', 'Recording', and 'You are viewing Jonathan Herrera,...'s screen'. The main content area is titled 'Resources/Client Services Assistance' and features three service boxes: 'Website' with the URL www.calsavers.com, 'Phone/Email' with two phone numbers (1-855-650-6918 for Savers, 1-855-650-6916 for Employers) and an email address (clientservices@calsavers.com), and '1 On 1 Support' with a list of services including 'Onboarding & field teams' and an email address (fieldsupport@calsavers.com). A green banner at the bottom of the content area says 'Join our webinars. Visit calsavers.com/events'. The right side of the screen shows a video feed of Jonathan Herrera, Office of Treasurer... The bottom of the screen displays the Zoom control bar with icons for Unmute, Start Video, Participants (43), Chat (7), Share Screen, Record, Raise Hand, Q&A, Live Transcript, and a red 'Leave' button.

EXCELLENCE IN CUSTOMER SERVICE

The Board's program administrator Ascensus provides customer service by phone and email, as well as in person with field representatives based throughout the state. Our call center, field, and outreach teams strive to create a best-in-class experience for employers and savers. Clients who engage with the teams overwhelmingly report excellent customer service and give positive feedback.

CALL CENTER

- 91% of calls were answered in under 30 seconds.
- Post-call survey to assess client satisfaction:
 - ⇒ Overall: 89% satisfied
 - ⇒ Saver (English): 88% satisfied
 - ⇒ Saver (Spanish): 91% satisfied
 - ⇒ Employer (English): 87% satisfied
 - ⇒ Employer (Spanish) 90% satisfied
- Translation service calls were conducted in over 40 languages

In addition, the call center handled 23,917 inbound emails and logged 9,598 outbound calls.

Saver Calls	126,201
English	68,991
Spanish	57,210
Employer Calls	47,179
English	43,971
Spanish	3,208
Translation Calls	4,545
TOTAL CALLS	177,925

ONBOARDING

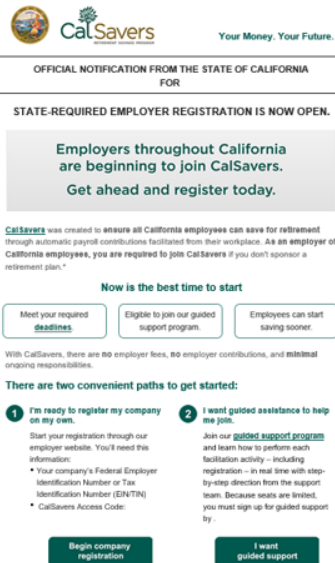
Ascensus' dedicated onboarding team (for employers who seek guided support) actively managed 4,840 employers through the entire enrollment process 2021. By comparison, in 2020 they actively managed 2,040 employers through the entire enrollment process. All employers were fully onboarded within an average of fewer than 100 days from the date of registration.

FEEDBACK

- ⇒ *"My rep for this area answered my issues promptly and cordially. I find ALL of your representatives to be knowledgeable and very helpful and kind."*
- ⇒ *"I'm really glad that this program is available. The emails, webinar and customer service have all been extremely helpful."*
- ⇒ *"Honestly, I have never spoken with such enthusiastic and helpful people than the Cal Savers help desk. Every time I called with a question they were great! So friendly and knowledgeable, I found it so refreshing."*
- ⇒ *"Just a compliment that your website and this presentation are very clear, thorough and well done!"*

DIRECT EMPLOYER MARKETING

2021 was a busy year for direct employer outreach. CalSavers distributed more than 1.6 million emails and letters to employers statewide, focusing on employers subject to the June 30, 2021 registration deadline and outreach to the smallest employers through a campaign that focused on the many tools and resources available to help employers get started: webinars, live phone support, and online tools.



CalSavers logo: Your Money. Your Future.

OFFICIAL NOTIFICATION FROM THE STATE OF CALIFORNIA
FOR

STATE-REQUIRED EMPLOYER REGISTRATION IS NOW OPEN.

Employers throughout California are beginning to join CalSavers. Get ahead and register today.

CalSavers was created to ensure all California employees can save for retirement through automatic payroll contributions facilitated from their workplace. As an employer of California employees, you are required to join CalSavers if you don't sponsor a retirement plan.*

Now is the best time to start

Meet your required deadlines | Eligible to join our guided support program | Employees can start saving sooner.

With CalSavers, there are no employer fees, no employer contributions, and minimal ongoing responsibilities.

There are two convenient paths to get started:

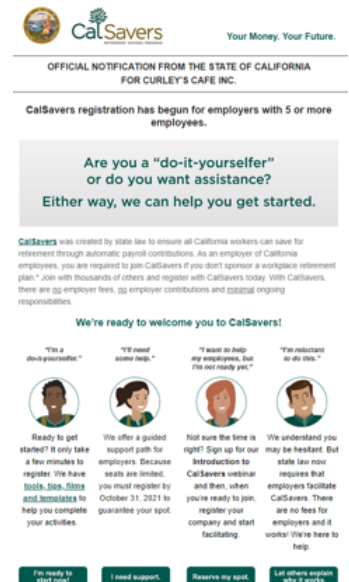
- 1 I'm ready to register my company on my own.
Start your registration through our employer website. You'll need this information:
* Your company's Federal Employer Identification Number or Tax Identification Number (EIN/TIN)
* CalSavers Access Code
- 2 I want guided assistance to help me join.
Join our [guided support program](#) and learn how to perform each facilitation activity -- including registration -- in real time with step-by-step direction from the support team. Because seats are limited, you must sign up for guided support by.

Begin company registration | I want guided support

DIRECT EMPLOYER OUTREACH CAMPAIGN

(waves 2 and 3 only)

- Total emails sent: 1,096,273 (48% open rate)
- Total print mail pieces sent: 550,014



CalSavers logo: Your Money. Your Future.

OFFICIAL NOTIFICATION FROM THE STATE OF CALIFORNIA
FOR CURLEY'S CAFE INC.

CalSavers registration has begun for employers with 5 or more employees.

Are you a "do-it-yourselfer" or do you want assistance?
Either way, we can help you get started.

CalSavers was created by state law to ensure all California workers can save for retirement through automatic payroll contributions. As an employer of California employees, you are required to join CalSavers if you don't sponsor a workplace retirement plan.* Join with thousands of others and register with CalSavers today. With CalSavers, there are no employer fees, no employer contributions and minimal ongoing responsibilities.

We're ready to welcome you to CalSavers!

"I'm a do-it-yourselfer." | "I'll need some help." | "I want to help my employees, but I'm not ready yet." | "I'm reluctant to do this."

Ready to get started? It only takes a few minutes to register. We have tools, tips, data and templates to help you complete your activities.

We offer a guided support path for employers. Because seats are limited, you must register by October 31, 2021 to guarantee your spot.

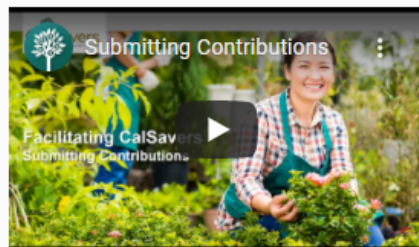
Not sure the time is right? Sign up for our Introduction to CalSavers webinar and then, when you're ready to join, register your company and start facilitating.

We understand you may be hesitant. But state law now requires that employers facilitate CalSavers. There are no fees for employers and it works! We're here to help.


I'm ready to start now! | I need support. | Reserve my spot. | Let others explain why it works.



Adding Bank Information. 



Instructions for Submitting Contributions 

Tips for Formatting the Contribution Template. 

Submit employee contributions

Add banking information

Add your bank information if you plan to fund contributions through ACH debit or have a specific account debited.

Submit employee contributions

With the first pay date that occurs 30 days after you upload your employee information, you will need to send your first contributions for participating employees. Information can be entered either manually by using an online form or in bulk using the Employee Contribution Information Template, part of the toolkit below.

Contributions must be sent within 7 days of taking the money out of your employees' paychecks. For each employee, you will need to provide:

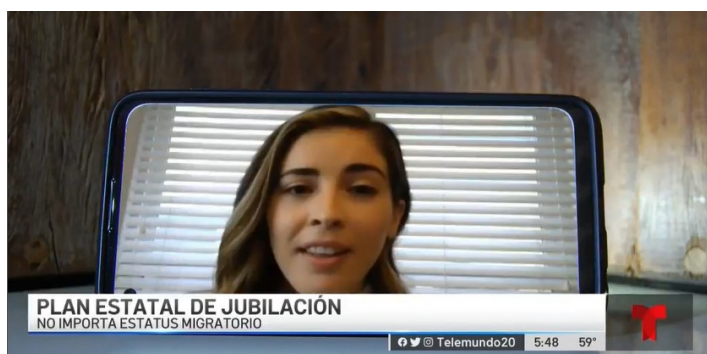
- Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)
- First & last name,
- Contribution dollar amount

CONTRIBUTION TOOLKIT

LOG IN TO SUBMIT CONTRIBUTIONS

EARNED, DIGITAL & SOCIAL MEDIA

CalSavers was featured in print, television, and podcast media 135 times in 2021, by outlets ranging from the Los Angeles Times to the San Francisco Chronicle, to Telemundo, Forbes, the Wall Street Journal, and CNBC.



Social media continued to be a vital tool for CalSavers to inform stakeholders, share information with thought leaders, advertise, and engage directly with savers and participating employers. CalSavers stayed active on Twitter, Facebook, LinkedIn, and Instagram.



PARTNERS

The Board oversees or collaborates with several essential state agency and contracted partners to implement CalSavers. This public-private-partnership leverages industry expertise while ensuring transparent and accountable public oversight for the benefit of savers.

State Agencies

The Franchise Tax Board partners with CalSavers on enforcement and penalty imposition and collection services. The Employment Development Department remains a vital partner as the source for employer data as well as assisting on outreach through EDD's employer communications channels.



Contractors & Consultants

The Board's contractors and consultants, each of which were selected through open competitive search processes, play vital roles in implementing the program and supporting the Board's fiduciary duties. Key among them is program administrator Ascensus, which includes engineers, product managers, marketing experts, customer service and field representatives, compliance officers, and cybersecurity experts. CalSavers and Ascensus staff work closely every day.



The Board's five-option investment menu is managed by State Street Global Advisors and Newton Investment Management. The default investment funds (target retirement date funds and the money market fund for the first 30 days) are managed by State Street along with the core bond fund and the global equity fund. Newton manages the sustainable balanced fund, which considers environmental, social, and governance (ESG) factors.



Meketa Investment Group serves as the Board's investment consultant, AKF Consulting is the program consultant, and K&L Gates provides legal advisory services to the Board.



calsavers.com

Board: treasurer.ca.gov/calsavers

Data & Reports: treasurer.ca.gov/calsavers/reports/2021

