



## Board Report 24-22

Date: May 21, 2024

To: Board of Deferred Compensation Administration

From: Staff

Subject: 2024 DCP Participant Questionnaire

Board of Deferred Compensation Administration
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### **Recommendation:**

That the Board provide feedback and approval for the 2024 DCP Participant Questionnaire.

### **Discussion:**

The Board adopted new 2024 Participant Outcome Goals in its meeting on January 16, 2024 ([BR 24-05](#)). Included in that strategy was to develop a DCP Participant Questionnaire in order to obtain information about participant satisfaction, habits, behavior, and desires. While the DCP does regularly survey participants who receive assistance from the Local Retirement Counselors and presents the data quarterly to the Board in its Projects and Activities report, the DCP has not undertaken a participant-wide survey in several years.

#### **A. Peer Research**

Drew Russell, Strategic Initiatives Director for the DCP, reached out to several peers to determine the types of surveys used by other plan sponsors in recent years. In 2022, CalPERS issued a Plan Participant Satisfaction survey to all participants of the CAIPERS 457 Plan, consisting of ten (10) questions gauging their overall satisfaction with the 457 plan and offering opportunity to provide comments or suggestions. In 2023, the Nevada Public Employees' Deferred Compensation Program initiated a satisfaction survey with similar structure and questions. Staff drew from these examples to develop a starting point for the DCP's participant questionnaire.

#### **B. Proposed Questions**

The main goals of the Participant Questionnaire will be to determine how the responses may be used to impact and persuade participant behavior and to better understand how participants intend to use their DCP funds in retirement. As part of the overall participant outcomes strategy, the DCP is focusing on providing essential information to its participants in a manner that will ideally drive a particular behavior. Staff is planning to develop a survey for both Active

participants (those who have actively enrolled in the DCP) and Eligible but not Participating participants (those who have not yet enrolled in the DCP, but are eligible as they are a member of one of the defined benefit systems). The list of questions have been grouped into categories (demographic information, plan satisfaction, and behavioral impact) and are provided in **Attachment A**.

Upon receiving feedback from the Board for the list of questions and subsequent approval, staff will distribute the survey via SurveyMonkey. A communications campaign will be coordinated to include targeted emails, postcards, LA457 website blog posts, and social media posts. Additionally, to encourage survey responses, a random drawing will be made available for participants who complete the survey for a chance to win prizes.

Submitted by: Eric Lan, Benefits Analyst

Approved by: Esther Chang, Defined Contribution Plan Manager

## **2024 DCP Participant Questionnaire (Draft)**

### **Demographic Questions:**

- 1) What stage are you in on your retirement path?
  - a. Getting started
  - b. Active/mid-career
  - c. Nearing retirement
  - d. At retirement age
- 2) What pension program are you currently a member of?
  - a. LACERS
  - b. WPERP
  - c. LAFPP
  - d. I don't know
- 3) How do you save with the City of Los Angeles Deferred Compensation Plan (DCP)?
  - a. Percent-of-pay (%)
  - b. Fixed-dollar amount (\$)
  - c. I am not currently saving
- 4) What is your primary goal for your DCP funds in retirement?
  - a. Supplemental income (supplement your pension benefit)
  - b. Travel or other bigger purchase items
  - c. Save to pass on as an inheritance
  - d. Other
- 5) Which DCP account management tools do you use?
  - a. Online account access at LA457.com
  - b. Mobile app
  - c. Both online account access and the mobile app
  - d. Neither online account access or the mobile app

### **Satisfaction Questions:**

**Please respond to the following statements on a scale of 1-5, with 1 being “do not agree”, 3 being “neutral”, and 5 being “strongly agree”.**

- 1) I believe saving in the DCP is the most important savings vehicle for my retirement.
- 2) I believe my pension program is the most important savings vehicle for my retirement.
- 3) I understand how the DCP provides retirement income that supplements my City pension benefit.
- 4) I am confident that I am saving enough for retirement.
- 5) The DCP gives me access to the tools and education I need to make decisions about how to prepare for retirement.
- 6) I am satisfied with the level of service I receive from the call-by-phone Service Center.
- 7) I am satisfied with the level of service I receive from the team of Local Retirement Counselors.
- 8) I am able to easily access DCP information on LA457.com.
- 9) The DCP offers me support that is convenient and works with my work arrangement and hours.
- 10) Would you be interested in the DCP providing robo-advisors?
- 11) Would you be interested in the DCP providing financial advisors, with an additional fee?
- 12) Would you be interested in more investment education opportunities?

- 13) Overall, I am satisfied with the features, benefits, and service offered by the DCP.
- 14) I would recommend the DCP to other City of Los Angeles employees.

**Behavioral Questions:**

- 1) In the last 12 months, have you attended one of the DCP's monthly Money Matters webinars?
- 2) Do you check your retirement savings progress using the online Retirement Calculator on LA457.com at least once a year?
- 3) Do you stay up-to-date with DCP news by reading the quarterly DCP Newsletter that arrives with your quarterly account statement?
- 4) Do you review your investment options at least once a year to ensure you are invested appropriately?
- 5) Are you currently utilizing one of the asset allocation portfolios or target risk funds (TRFs)?
  - a. If yes, what is your intention with the investment selection?
- 6) Are you interested in Target Date Funds (TDFs)?
- 7) Do you invest more aggressively in the DCP knowing you are receiving a pension benefit?
- 8) Are you currently working with a personal financial/tax advisor to help manage aspects of your financial life?
- 9) Do you currently have at least 3-6 months of emergency savings to help cover unexpected life events?
- 10) Would you find it helpful if the DCP offered professional investment advice or guidance to help manage your retirement savings?
- 11) Excluding your City pension program and DCP account, do you have other retirement savings accounts (i.e. 401(k) plans or IRAs from previous employers)?