

Case Study

The impact of communication plans



Communication plays an essential role in driving retirement readiness for employees and plan health for organizations. In our experience, teamwork is the key to success. The AIG Retirement Services approach to communication and education (C&E) is one of consultative partnership. We support plan goals and work alongside our plan sponsors to meet the unique communication needs of their employees.

An AIG Retirement Services communication consultant will create strategies and deliverables for their clients by drawing on core strengths in two areas: in-depth knowledge of a particular market (such as healthcare) plus experience driving retirement savings behaviors among employees. As this case study shows, our approach makes a measurable difference.

Plan sponsor profile

A large healthcare system with the following characteristics:

- Assets under management: \$200M-\$1B
- Employee population: 10,000-15,000 individuals across 50+ locations
- Plan design:
 - Auto enroll and auto escalation
 - Top hat plan offered
 - 401(a) plan for employer matching and discretionary contributions
 - 403(b) plan and Roth 403(b) option available

C&E plan objectives

In line with our consistent approach, the AIG Retirement Services communications consultant created a custom C&E plan to help employees make financial decisions—with retirement readiness as the overarching goal. Taking into account specific client challenges, we identified the following key objectives:

- Empower employees to feel more confident in making financial decisions
- Increase the percentage of employees who are maximizing employer matching contributions
- Increase the percentage of employees who are using auto escalation
- Target participants who remain in default investment elections and encourage them to consider changing their asset allocation, if appropriate

C&E plan elements and implementation

Custom C&E plans have been in place with this organization for three years, and as such, the communications consulting team follows a systematic approach that works well for the culture—across all locations and audience segments. To do this, we teamed up with the organization’s marketers and communicators to leverage their existing communication channels. We also consulted with them on how best to integrate other channels available through the AIG Retirement Services participant experience, such as their on-site AIG Retirement Services financial advisor and their custom plan website.

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Elements of the annual plan include:

- Monthly financial topics communicated throughout the system using multiple touchpoints to help meet employee preferences
- Targeted email communications to employee audiences underutilizing plan benefits
- Financial wellness messages featured in internal publications and on intranet site
- Monthly seminars hosted by the advisor team, on educational topics of interest
- Personal counseling sessions for all employees with one of their dedicated on-site advisors

Implementation follows a rolling 12-month calendar, in which the communication consultant oversees all communications, ensuring they are methodically scheduled, released and measured against plan objectives. All communications have clear calls to action specific to the subject matter (for example, meet the match); in addition, communications always encourage employees to meet with a financial advisor and/or to explore educational tools available on their custom plan website.

The communication consultant regularly monitors and reports on participant-level activities to prove the plan is having the desired impact, and improves the plan as needed based on data analytics and client feedback. In this sense, the communication consultant has become an extension of the client's internal team, working together and facilitating productive two-way communication to achieve shared goals.

Results

The AIG Retirement Services approach to custom C&E has delivered measurable results in the areas that matter most to this large healthcare client. Of note, average deferral rates have increased across all age and income categories, as well as all 100 locations. Additionally, the percentage of participants taking full advantage of employer matching dollars has increased steadily, up 53% over three years. As a result, contribution amounts have risen.

	Benchmark	Year 1	Year 3	Impact
Deferral rate	6.23%	6.28%	7.80%	+24%
Match utilization rate	N/A	28.39%	36.76%	+29% (+53% since 2015)
Average account value	\$53,909	\$57,356	\$64,431	+12%

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