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**MARCH 22, 2017**

**AGENDA ITEM 5  
INFORMATION ITEM**

**SCHOLARSHARE INVESTMENT BOARD**

*Review of 2016 Marketing Performance for the ScholarShare College Savings Plan*

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***Background***

TIAA-CREF Tuition Financing, Inc. (TFI), the program manager for the ScholarShare College Savings Plan (Plan), has provided its “2016 Marketing Results” for the Plan. It includes an overview of the account and asset results for 2016 and how they measure against the marketing performance criteria adopted by the ScholarShare Investment Board.

The overview also outlines the budget and results for marketing activities completed in 2016 which include:

- Online, print, and radio advertising,
- Email and direct mail communications,
- Local marketing, sponsorships, and event strategy,
- Statewide initiatives, including employer and ethnic outreach, and
- Public relations and social media.

***Presenter***

Doug Harrison, Senior Director, TIAA-CREF Tuition Financing, Inc.



**Start small.**

**2016 Marketing Results**  
**ScholarShare College Savings Plan**

March 22, 2017



**SCHOLARSHARE**

CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

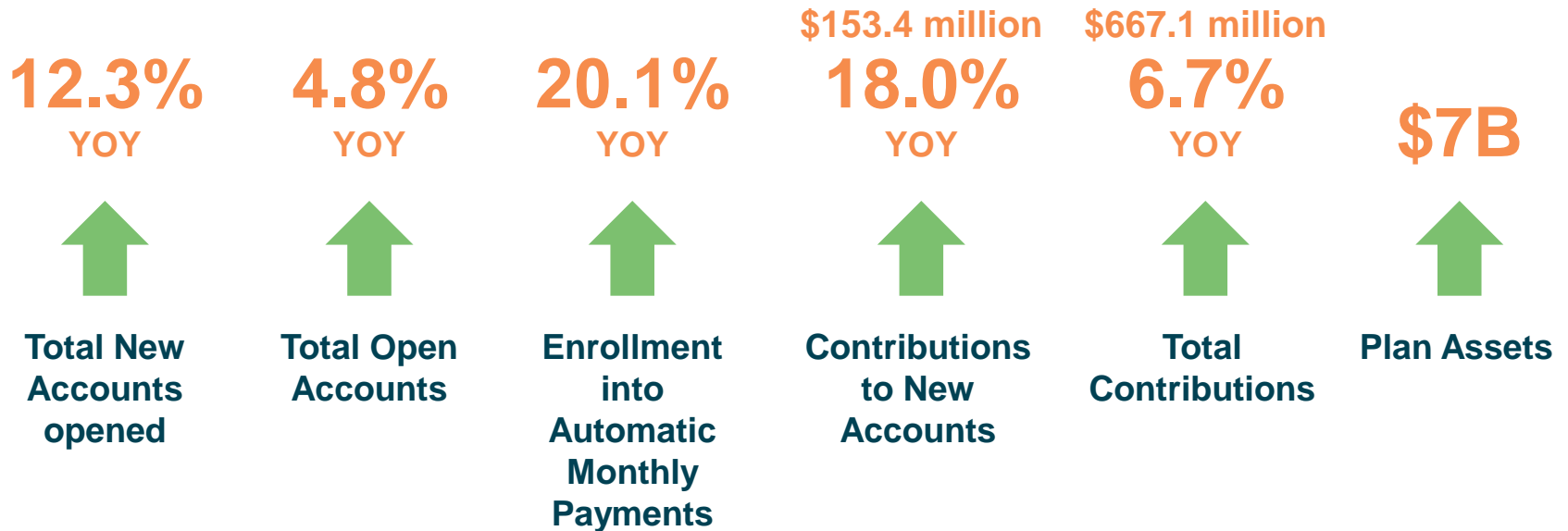
# Marketing Objectives - 2016



- Generate new ScholarShare 529 College Savings Accounts
- Encourage contributions to existing Scholar Share Accounts
- Build upon image of ScholarShare as trusted college savings resource/advocate



## Key 2016 Business Results



# Marketing Update – Executive Summary



## Key 2016 Initiatives

- Launched "Start Small" advertising campaign
- "Switch" promotion incentivized account owners in competitive 529 plans to roll over to ScholarShare
- Activated partnership with Gift of College and launched co-branded gift card in California
- Matching promotions drove immediate account openings
- Social media promotions created awareness and engaged audiences with timely, contextually relevant content
- Employer partnership model was developed and deployed
- RIA Outreach initiated with December webinar

**SWITCH  
YOUR 529**  
COLLEGE SAVINGS PLAN  
*and*  
**GET UP TO \$500.**

*(We'll even fill out the paperwork for you.)*



**SCHOLARSHARE**  
CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

To redeem visit:  
[ScholarShare.com/redeem](http://ScholarShare.com/redeem)

# ScholarShare Business Results



## Marketing Performance Criteria

Accounts and Contributions	December 31 2015	December 31 2016	% Change
Total New Accounts Opened	21,981	24,693	12.3%
Total New Contributions Collected	\$625.1 mil	\$667.1 mil	6.7%
Growth Rate	ScholarShare	Industry	% Difference
Annual Asset Growth Rate	10.3%	12.1% *	-1.8%
Rollovers	Performance Criteria	2015	2016
% of Plan Accounts closed due to Rollovers	< 2.0%	0.56% **	0.45% **

## Accounts and Assets

Accounts and Assets	December 31 2015	December 31 2016	% Change
Total Open Accounts	270,135	282,562	4.6%
Total Assets	\$6.4 billion	\$7.0 billion	10.3%
Market Share*	5.2%	5.1%	-0.1%

\* Source: Strategic Insights –Direct Sold 529 Plans

\*\* 1,294 Accounts valued at \$36.3M for full-year 2016 vs. 1,523 Accounts valued at \$42.1M for full-year 2015.

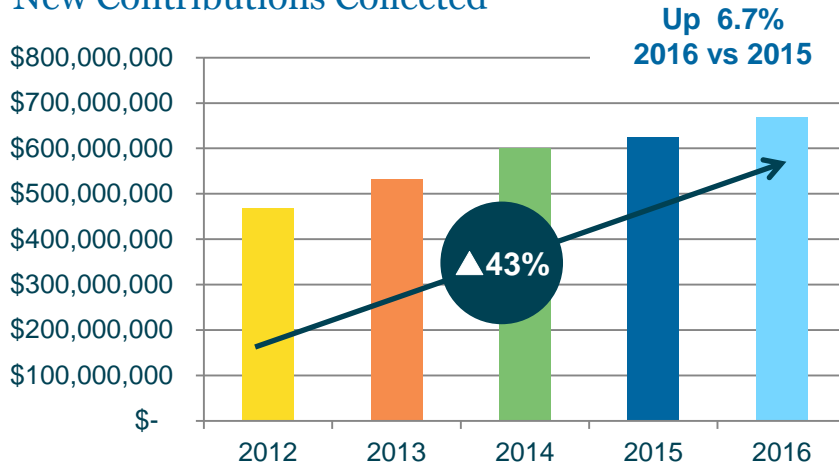
All results in this report are for the period ending December 31, 2016 unless noted.

# ScholarShare Business Results

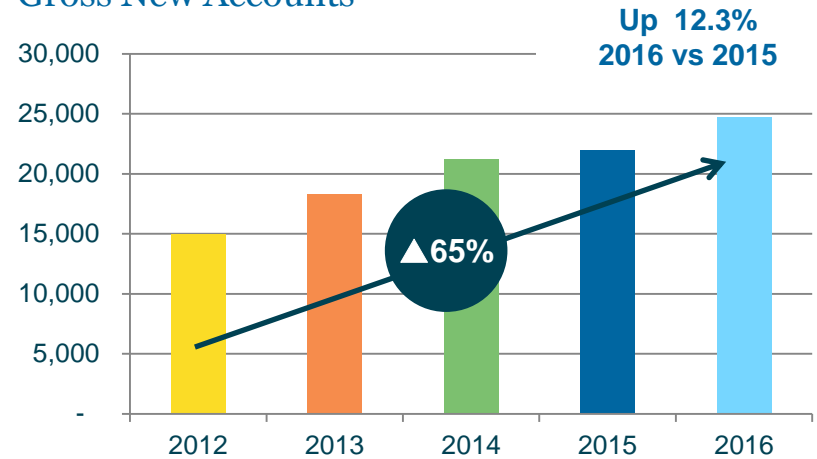


## 5-Year Trends

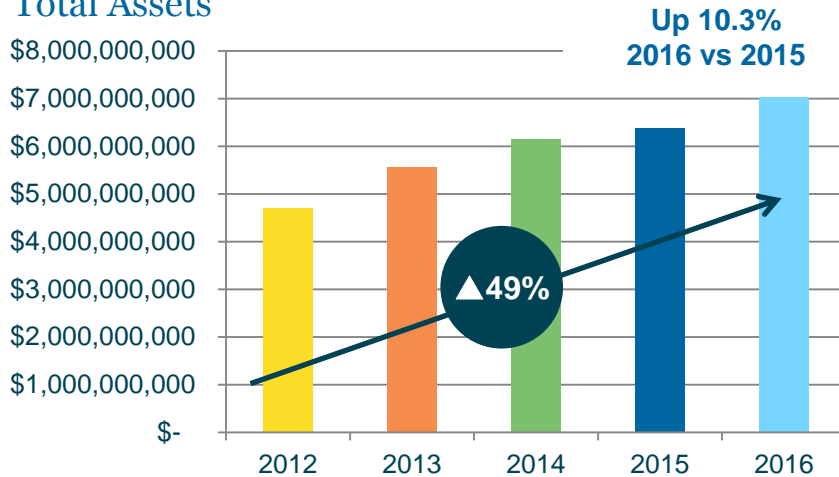
### New Contributions Collected



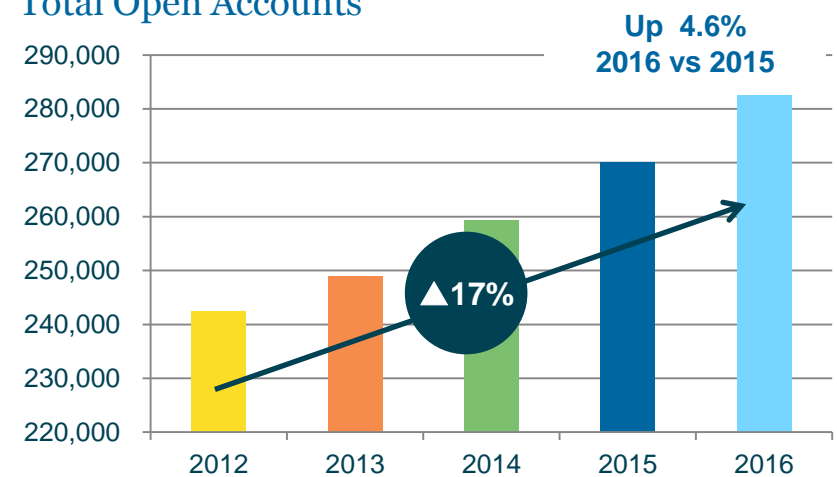
### Gross New Accounts



### Total Assets



### Total Open Accounts



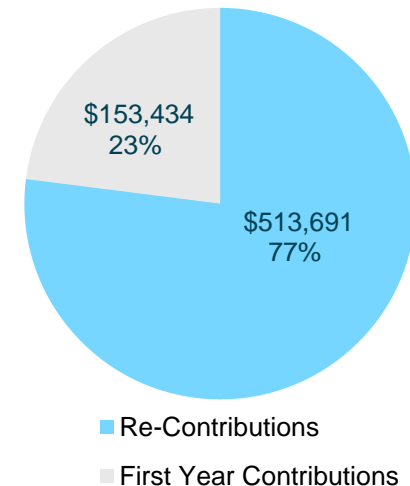


## Contribution Composition

- Significant increase in First Year Contributions versus 2015, though Re-Contributions exceed First Year Contribution 3:1
- Switch campaign has contributed to higher First Year balances
  - 2016 Rollovers were \$51 Million, of which 75% went into new (First Year accounts).
- Trends suggest even more opportunity to increase balances among existing account owners

	2015 (\$000)	2016 (\$000)	% Change
Re-Contributions	\$495,027	\$513,691	3.8%
First Year Contributions	\$130,048	\$153,434	18.0%
Annual Total	\$625,075	\$667,125	6.7%
Rollover Portion	5.6%	7.7%	2.1%

2016 Contribution Mix

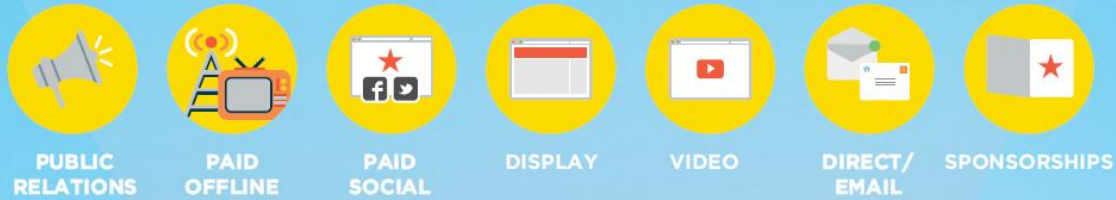




# Marketing Plan Framework



**AWARENESS**.....



**CONSIDERATION**.....



**EVALUATION**

**CONVERSION**.....



**ENROLLMENT**



**PURCHASE**



**WORD OF MOUTH**

# Measuring Marketing Impact



- A multi-touch, prolonged engagement facilitates a prospect's progression through the purchase cycle toward investment
- Identifying which touchpoints are compelling is challenging; current methodology for credit is “last touch gets credit”
- In reviewing our 2016 marketing initiatives on their effectiveness, we must first consider which metrics they were designed to impact.
  1. What is driving new account growth?
  2. What is growing contributions to existing accounts?
  3. How are we enhancing our reputation as a trusted college savings resource/advocate?

# Drivers of New Account Growth



## Sources of new account growth ...

- “Start Small” messaging platform offers a solid foundation for promotion
- Paid Media Attribution

Media Type	New Accounts	Contribution \$
Display Banners*	5,831	\$16.1 million
Direct Mail	4,543	\$14.6 million
Email	2,007	\$5.4 million

\*Data inconsistencies discovered and corrected in 1Q; New account creation and contributions are higher than reported above.

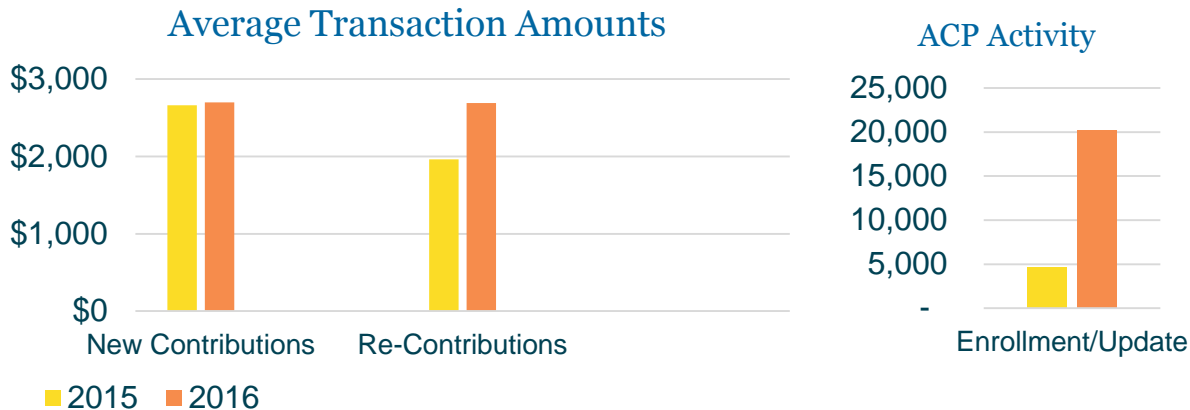
# Drivers of New Growth - Display



## Revised display buying strategies yielded a more efficient media program, reaching an audience that was more likely to convert

### Highlights

- Average contribution amounts resulting from paid ads up YOY
- Increased ACP activity new and existing account owners; more people are enrolling



### Program Deliveries

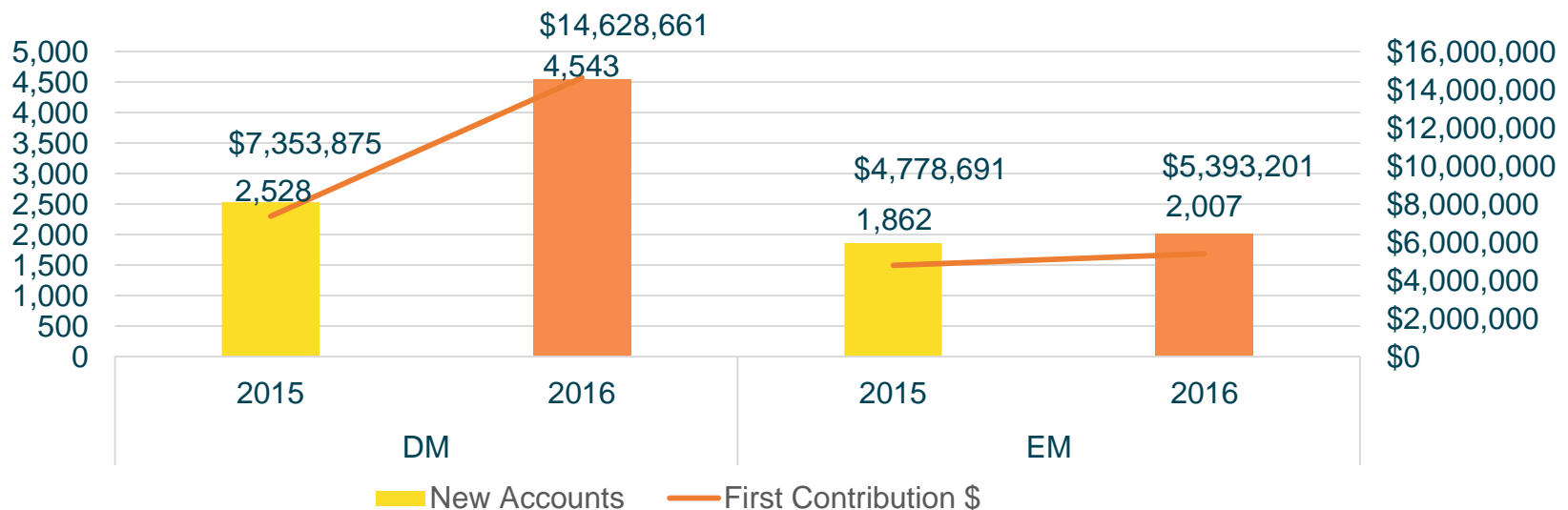
- 2016 Spend: \$2,982,094 (+16.7% YOY)
- 463,164,000 Impressions Delivered (+183% YOY) – shift from site-specific placements to programmatic
- New Account Creation: 5,831 accounts / \$16,114,971 deposits / \$2,764 average deposit
- Additional Contributions: 10,687 transactions / \$28,750,657 deposits / \$2,690 average deposit
- ACP Updates: 20,190 accounts updated to ACP

# Drivers of New Growth – Direct Mail & Email



- New accounts up 49% and first contributions up 65% 2016 vs. 2015
- Most notable growth in direct mail results

Calendar New Accounts and First Contribution \$ through Q4



- Attribution Methodology: The Calendar View shown here represents accounts opened and investments made in 2016, though the marketing efforts may have been initiated in prior periods.

# Drivers of New Growth - Offers

- **Matching Promotions:** 529 Day and Double the Joy (Holiday)
  - Combined total of 2,232 accounts qualified for \$50 match
  - New accounts opened during promo periods, enrolled in ACP
- **Social Media Promotions:** March Madness & College Savings Pledge
  - Drove 6,368 registrations
  - Registrations get added to inquirer stream communications program
- **Switch Incentive**
  - 634 rollover accounts (8/20 – 12/31/16)
  - \$18.6 million
  - Average rollover balance \$29,383
- **Employer-based contributions** are significant, and now growing beyond traditional state employers





## Sources of greatest existing account contributions ...

- **Paid Media Attribution**
  - Display Banners & Search Engine Marketing
    - 10,686 contributions totaling \$28.8 million to existing accounts
    - 20,190 account updates to ACP activity
    - Retargeting ads are meaningful driver of account activity among Account Owners
  - Direct Marketing tactics resulted in 52,031 calls or clicks from current account owners

# Drivers of Contributions to Existing Accounts



## Social content contributes to reinforcing key themes, such as:

- Saving is a family affair
- Set it and forget it
- Contribute \$25 on the 25<sup>th</sup> of every month

## Gift of College Gift Cards

- Launched in Q4
- Average card size: \$400
- Gift cards are sold through ScholarShare.com, and Toys “R” Us and Babies “R” Us stores (co-branded in California stores).
- Press Conference in LA was widely covered by the press



Gift of College Press Conference



# Trusted College Savings Resource



## Outcomes of initiatives to enhance our reputation

- National coverage in US News & World report
- SEO Release Metrics
- Coverage of Gift of College Launch across media
- Continued Blogger coverage
- Social Media core content buckets humanizes the brand
  - Awareness and Engagement metrics up YOY



# Advertising Overview – Banner/Search



 <p><b>Start small.</b></p>	 <p><b>A little change</b></p>	 <p><b>A little change can go a long way.</b></p>	<p>Tax-deferred saving opportunity. Compound interest potential. Low minimum contribution to start.</p>	 <p><b>SCHOLARSHARE</b> <small>CALIFORNIA'S 529 COLLEGE SAVINGS PLAN</small> scholarshare.com <b>Click to open your account today.</b></p> 
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 <p><b>Start small.</b></p>	 <p><b>Put education</b></p>	 <p><b>Put education within reach.</b></p>	<p>Tax-deferred saving opportunity. Compound interest potential. Low minimum contribution to start.</p>	 <p><b>SCHOLARSHARE</b> <small>CALIFORNIA'S 529 COLLEGE SAVINGS PLAN</small> scholarshare.com <b>Click to open your account today.</b></p> 
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 <p><b>Start small.</b></p>	 <p><b>Choosing the right vehicle</b></p>	 <p><b>Choosing the right vehicle can determine how far you'll go.</b></p>	<p>Tax-deferred saving opportunity. Compound interest potential. Low minimum contribution to start.</p>	 <p><b>SCHOLARSHARE</b> <small>CALIFORNIA'S 529 COLLEGE SAVINGS PLAN</small> scholarshare.com <b>Click to open your account today.</b></p> 
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Start Small Banner Display

# Advertising Overview – Email



## Prospects

- 1,764,300 Emails Delivered

- 25,052 Emails Opened
- 1.42% Open Rate
- 1,391 Email Clicks
- 0.08% Click Rate
- Inbound Calls: 110
- Website Visits: 1,272
- Inquiry Rate: 0.08%
- 369 New Account Owners

## Account Owners

- 583,740 Emails Delivered
- 1,292,012 eNewsletters Delivered
- 1,875,752 Total Quantity

- 504,548 Emails Opened
- 27.00% Open Rate
- 24,069 Email Clicks
- 1.28% Click Rate

- 8 Prospecting email campaigns still active in market:  
Start Small, Switch, Holiday Match, New Parent Trigger
- 8 Account Owner email campaigns still active in market

# Advertising Overview – Direct Mail



## Prospects

- 2,457,314 DM Pieces Delivered

- 1,073 Website Visits
- 439 Inbound Calls
- Inquiry Rate 0.06%
- 2,663 New Account Owners
- \$1,699,932 First Contribution


## Account Owners

- 55,282 DM Pieces Delivered

- 32 Website Visits
- 542 Inbound Calls
- Inquiry Rate 1.04%

- 2 Prospecting direct mail campaigns still active in market
- 1 Account Owner direct mail campaign still active in market

# Advertising Overview – Direct Marketing Creative


## Switch to ScholarShare & get up to \$500!\*

**LEARN MORE**


We want to invest in your child's future. Transfer your 529 college savings plan account to **ScholarShare** — California's highly rated<sup>†</sup> 529 college savings plan — and, depending on your balance, get up to \$500.

[Click here to get started.](#)\*\*

\*Minimum balance required. Promotion ends 7/1/2017. Bonus paid by ScholarShare as a deposit into account.




**scholarshare.com/switch**



ScholarShare has received a Silver rating from Morningstar, making it one of the best-rated plans in the nation.

<sup>†</sup>In an annual review (10/20/2015) of the largest 529 college savings plans (84 total), Morningstar identified 29 plans that rose above their typical peers, awarding those plans Gold, Silver, and Bronze Morningstar Analyst Ratings for 2015. These forward-looking, qualitative ratings signal Morningstar's conviction in the plans' abilities to outperform their relevant benchmark and peer groups on a risk-adjusted basis over the long term. Morningstar evaluates college savings plans based on five key pillars — Process, Performance, People, Parent, and Price. For more information about Morningstar's overview of ScholarShare, go to [529.morningstar.com](http://529.morningstar.com). Past performance does not predict future results. Source: <http://529.morningstar.com>



Any questions? Call 866-230-7413

Switch Incentive Campaign

## Better start saving for college now.

### Congratulations!

You can see it already: with every smile, with every "first" that comes just a little bit early, you've got a really smart baby. So there's no time to waste. Open a **ScholarShare 529 College Savings Plan account**, offered by the state of California. Invest just a little every month, and be better prepared — whatever college, university or trade school in the United States your child may choose.

- Any earnings on your ScholarShare account are tax-deferred. Withdrawals are federal and California state tax-free when used for qualified higher education expenses at eligible schools.
- Just \$25 will get you started — or \$15 per pay period if your employer offers payroll deduction.

The sooner you open a ScholarShare account, the more time your baby's college account can grow tax-deferred. So be smart. **Open your account today!**

Call XXX-XXX-XXXX or visit [ScholarShare.com/XXXXXXXX](http://ScholarShare.com/XXXXXXXX).

Relatives and friends can give the perfect baby gift by contributing to your child's college account online with our "Give a Gift" option.





New Parent Campaign

## A gift so BIG it won't fit in a box.

### Unwrap the gift of an education.


**GET STARTED**



A college education is a gift that will last a lifetime. Open a **ScholarShare 529 College Savings Plan account** this holiday season and help make your child's BIG dreams come true!

- ▶ **IT'S EASY AND AFFORDABLE.**  
Open an account in 15 minutes with as little as \$25.
- ▶ **IT'S TAX-ADVANTAGED.**  
Tax-free growth potential and tax-free withdrawals are available for qualified higher education expenses.
- ▶ **IT'S A COMMUNITY EFFORT.**  
Friends and family can contribute by using our convenient [eGift feature!](#)

Call 866-348-4201 or [click here](#) to learn more about ScholarShare now.

Any questions? Call 866-348-4201

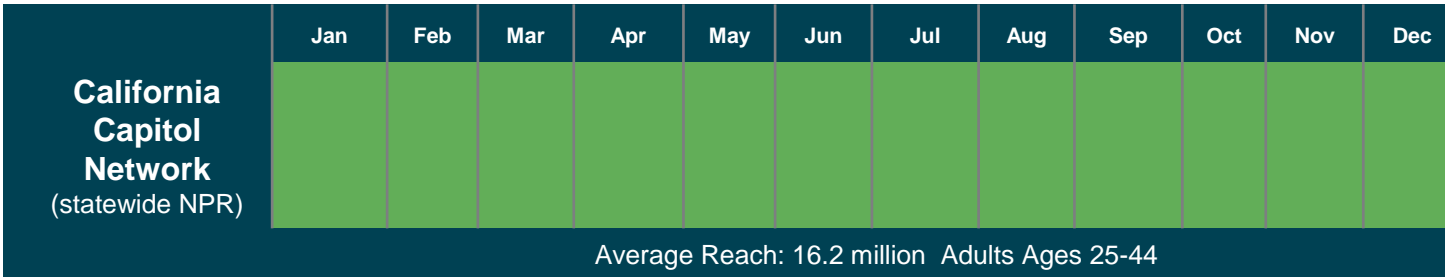
November Prospecting Campaign

# Radio & Print Advertising



## Our print and radio advertising initiatives deliver both brand awareness and opportunities to promote specific offers.

- NPR provides good reach across the state and supplements our digital spend.
  - 52-weeks a year
  - Five :15-second units/week
  - AM/PM Drive Time



Publication	Frequency	Audience per Issue
Comstock's	Monthly	85,000
San Diego Family	6x per year	225,000
Roll Call	Monthly	457,150

# Social Media



## Engagement with social media content indicate platforms are successfully positioning ScholarShare as a trusted resource for parents.

Twitter	Facebook	Instagram	Bloggers
<ul style="list-style-type: none"> <li>• 2,922 follows</li> <li>• 369 Brand Tweets</li> <li>• 1,319 Mentions</li> <li>• 2,636 Engagements (Retweets, Replies, Favorites)</li> <li>• 42,563,081 Impressions</li> </ul> <p><b>Highlights:</b></p> <ul style="list-style-type: none"> <li>• Published 239 branded Tweets</li> <li>• Engagements +22% YOY</li> <li>• Live activation at events</li> <li>• Recirculation of partner/blogger content</li> <li>• Secondary support of social promotions</li> </ul>	<ul style="list-style-type: none"> <li>• 65,435 fans</li> <li>• 178 Page Posts</li> <li>• 35,428 Engagements (Shares, Comments, Reactions)</li> <li>• 36,258 Link Clicks</li> <li>• 2,204 Video Plays</li> <li>• 4,135,816 Reach</li> <li>• 5,802,626 Impressions</li> </ul> <p><b>Highlights:</b></p> <ul style="list-style-type: none"> <li>• Published 165 pieces of branded content               <ul style="list-style-type: none"> <li>• Social engagements +52% YOY</li> <li>• Posts generated 36,528 web links to deeper content</li> <li>• Primary vehicle for social promotions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 307 follows</li> <li>• 65 Page Posts</li> <li>• 3,284 Engagements</li> </ul> <p><b>Highlights:</b></p> <ul style="list-style-type: none"> <li>• Highly curated to appeal to young families</li> <li>• Lifestyle and parenting content garnering strongest engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Engaged 11 bloggers to act as ScholarShare brand ambassadors</li> <li>• Selection of bloggers was consistent with segmented messaging strategy to reach key prospects: Moms, Dads, Grandparents and Financial Interest</li> <li>• Bloggers published 65 posts featuring ScholarShare</li> <li>• Content generated 2,607,683 impressions</li> </ul>

# Public Relations Initiatives



## Strong partnership developed in 2016 with STO Communications Office resulting in greater exposure for key initiatives

Program	Month	Description	Results
College Savings Madness	March	Social Media Promotion	<ul style="list-style-type: none"> <li>• 3,808 registrations (+19% YOY)</li> <li>• Organic Facebook and Twitter content generated 2,262 social engagements</li> <li>• Paid ads reached 547,124 people and drove 12,134 clicks to the promotion page</li> </ul>
529 Day Matching Promotion	May	Limited Time Offer Promotion	<ul style="list-style-type: none"> <li>• Multimedia effort to educate consumers on 529s and drive immediate account openings</li> <li>• 1,576 new accounts opened totaling \$545,000 in initial deposits</li> </ul>
College Savings Pledge	September	Social Media Promotion	<ul style="list-style-type: none"> <li>• 2,560 registrations/pledges</li> <li>• Utilized multiple channels to drive awareness and engagement: email, bloggers, social media</li> </ul>
Gift of College Press Conference	November	Media Event with STO, Toys “R” Us	<ul style="list-style-type: none"> <li>• 11 media outlets attended event</li> <li>• Generated 27 pieces of coverage in multiple languages: TV, radio, print, online</li> <li>• 5.7 million impressions</li> </ul>
Holiday Match Promotion	December	Limited Time Offer Promotion	<ul style="list-style-type: none"> <li>• Multimedia effort to educate consumers on 529s and drive immediate account openings</li> <li>• 656 new accounts opened totaling \$230,326 in initial deposits</li> </ul>



# Outreach Events Summary



## Partnerships/Sponsorships

- Enhanced partnerships included: Los Angeles Zoo, Fairytale Town, Kidspace Children’s Museum, Fresno Chaffee Zoo, The New Children’s Museum, and Univision.

## Outreach Events

Timing	Number of Events	Number of Attendees	Events
Q1	78	74,600	Napa Moms Preschool and Kindergarten Expo, Pathways to College Workshop, CalPERS Benefits Education Event, Steps to College - Pasos a la Universidad 2016, Contra Costa Camp & School Fair, CA Federation of Teachers Annual Conference, Silicon Valley Financial Planners Association Presentation, L.A. Zoo’s Big Bunny’s Spring Fling, CA Charter School Conference, USC Women’s Conference, Sierra Moms 10th Annual Children’s Activity & Preschool Expo.
Q2	70	159,875	College: Making It Happen at Sac State, Dia de los Ninos at Fresno Chaffee Zoo, Tehama Children’s Fair, 8th Annual Babies & Bumps, Telemundo Cuenta Conmigo, CA PTA Statewide Conference, Start Small Event at Roseville Galleria, Irvine Junior Games, Chapman University Health and Resource Fair
Q3	95	127,547	2nd Annual North LA County Maternity and Baby Show, 3rd Annual Ready-Set Back 2 School Health & Wellness Fair, Univision Education Forum, California School Employee Association (CSEA) Annual Conference 2016, Kids N Fun Festival, CSU Bakersfield Benefits Fair, College Quest, Fairytale Town ScholarShare Children’s Book Festival, Cal Poly San Luis Obispo Benefits and Wellness Open Enrollment Fair, Razor USA Benefits Fair, PIHRA Annual Conference, Sony Employee Benefit Fair
Q4	77	77,600	2016 League of Cities Annual Expo, Feria de Educacion at CSU Northridge, Monterey Bay Aquarium Fiesta del Mar, Savings Plus Financial Fair in Sacramento, California League of Schools 2016 Fall Conference, University of California Merced Benefits Fair, GuideWire Software Health Fair, Los Angeles Cash for College, Castaic Lake Water Agency Benefit Fair, City of Sierra Madre Benefits Fair, 2016 San Diego Museum Mashup, Disney Benefit Fair Prospect Studios, University San Francisco Benefit Fair, San Diego Padres Health & Wellness Fair, City of Escondido Health Fair, LA Care Benefit Fair

# Outreach Initiatives



## Employer Outreach

- New to payroll: 26– Google, NVIDIA, Jerome’s Furniture, JM Turner, Ariat, Fetzer, Axis Community Health, Judd Law School, Solar Reserve
- Benefit/Wellness Fair: 69
- Presentations: 117
- Other employer activities – Meeting with HR, Onsite 1:1 Counseling, Co- Branding, Link to Employer/Organization Intranet Site – 77



## Register Investment Advisor (RIA) Outreach

- Webinar presented 12/6: Advanced “Late Stage” College Planning: Helping Middle- and High-Income Parents Reduce Their Out-of-Pocket College Expenses
- Hosted by:
  - Deborah Fox, CEO & Founder, Fox College Funding, LLC
  - Michael Diephouse, Tuition Financing Consultant, TIAA-CREF Tuition Financing, Inc.
- 15,000 RIAs invited, 60 registered, 16 attended.
- Follow-up emails sent with recorded webinar for later viewing.

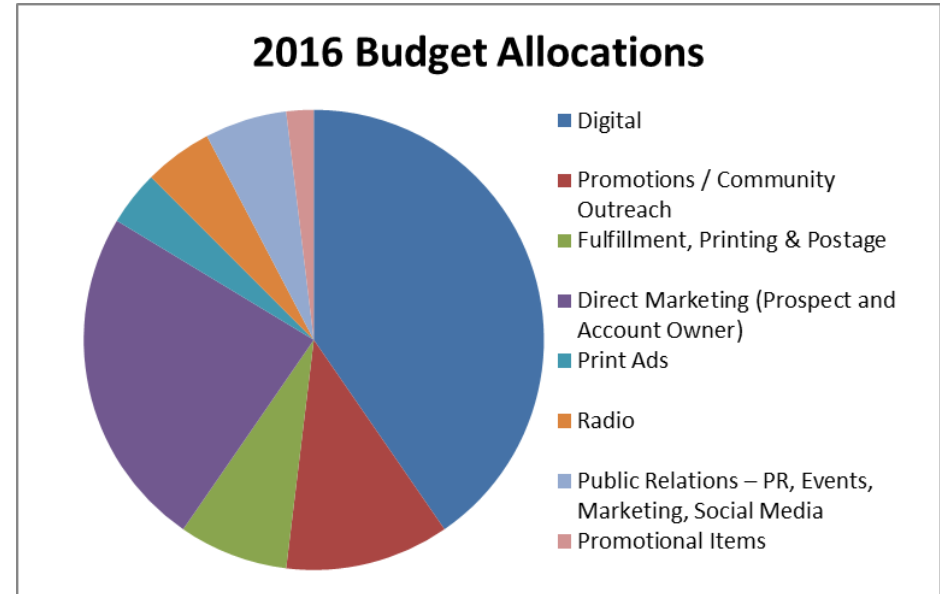


# Appendix

# 2016 Marketing Budget



- Total annual marketing spending for 2016: \$10.4 million.
- Expenses related to the Gift of College gift cards, Golden State Warriors partnership and Puzzle Event caused the Promotions/Community Outreach and Public Relations categories to be higher than the original budget allocations.



Activity	Allocations	Actuals 12/31/16
Digital	\$ 4,200,000	\$ 3,907,854
Promotions / Community Outreach	\$ 1,200,000	\$ 1,446,560
Fulfillment, Printing & Postage	\$ 800,000	\$ 1,019,120
Direct Marketing (Prospect and Account Owner)	\$ 2,500,000	\$ 1,884,120
Print Ads	\$ 400,000	\$ 648,253
Radio	\$ 500,000	\$ 417,749
Public Relations - PR, Events, Marketing, Social Media	\$ 600,000	\$ 926,929
Promotional Items	\$ 200,000	\$ 121,677
<b>Total</b>	<b>\$ 10,400,000</b>	<b>\$ 10,372,262</b>