
OCTOBER 4, 2017

**AGENDA ITEM 7
INFORMATION ITEM**

SCHOLARSHARE INVESTMENT BOARD

Marketing Update for the ScholarShare 529 College Savings Plan

Background

TIAA-CREF Tuition Financing, Inc. has provided its “Marketing Update” for the ScholarShare 529 College Savings Plan. This update outlines marketing results for the second quarter of 2017 and the marketing activities planned for the remainder of the year. The update includes an overview of the account and asset results, 2017 budget, and marketing activities, such as online, print, radio, employer, and ethnic outreach advertising, customer direct marketing and communications, social media, public relations, and local marketing.

Presenter

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



SCHOLARSHARE

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CALIFORNIA'S 529 COLLEGE SAVINGS PLAN
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Marketing Plan Update | October 4, 2017



2017 Marketing Plan

1. Lay the Foundation	2. Manage the brand to pave the way	3. Gain new accounts/AUM	4. Employers/RIAs	5. Mature Account Owner Relationships
<p>Educate families about ScholarShare and the importance of saving for college.</p>	<p>Ensure ScholarShare brand is well-known and understood among key target audiences.</p>	<p>Drive new account growth and increased AUM through initiatives that reflect the target market characteristics.</p>	<p>Harness employer endorsements and RIA partnerships to build business</p>	<p>Drive Account Owner subsequent contributions through engagement initiatives and personalized communications.</p>
<p>1. Amplify ScholarShare's voice to strengthen families' understanding of effectively funding a child's education throughout their development (start-up through distribution).</p>	<p>1. Assess and monitor ScholarShare's brand health among key target audiences.</p>	<p>1. Target parents of newborns to establish accounts – potentially through healthcare/hospital partnerships and baby gift registries.</p>	<p>1. Leverage SIB staff contracts and associated outreach efforts to engage municipal employers/affinity groups.</p>	<p>1. Build on successes of ACP and Jumpstart programs to drive subsequent purchases.</p>
<p>2. Activate community dialogue regarding the value of education by establishing a K-8 Grant Program to enrich student experiences and prepare college-bound students.</p>	<p>2. Through paid media, media/public relations and non-paid media, strengthen ScholarShare's brand identity to ensure tactical marketing initiatives deliver desired results.</p>	<p>2. Develop packaged offer leveraging defaults to lower purchase barriers (create mobile app for express account opening).</p>	<p>2. Support Field Consultants and SIB Staff with a robust employer/ employee communications system.</p>	<p>2. Leverage content marketing techniques to further engage Account Owners and drive purchases/retention.</p>
<p>3. Embrace diverse and underserved communities by establishing a Matching Grant Program targeting LMI households to instill the idea that a college education is attainable.</p>	<p>3. Strategically leverage sponsorships and partnerships to drive brand awareness.</p>	<p>3. Develop offer tailored to consumers of greater affluence and financial knowledge.</p>	<p>3. Build richer connections with RIAs to ensure ScholarShare program benefits are well understood.</p>	<p>3. Demonstrate how gifting can help families to reach goals and feel satisfied by their collective impact.</p>
	<p>4. Activate influencers, including friends and family, to advocate for the ScholarShare brand.</p>	<p>4. Leverage multi-cultural marketing techniques to engage Asian and Spanish speaking communities.</p>		



ScholarShare Business Results

Marketing Performance Criteria

Accounts and Contributions	June 30, 2016	June 30, 2017	% Change
Total New Accounts Opened	12,602	14,025	11.3%
Total New Contributions Collected	\$326.9 mil	\$383.0 mil	17.1%
Growth Rate	ScholarShare	Industry	% Difference
Annual Asset Growth Rate	9.8%	10.4% *	-0.6%
Rollovers	Performance Criteria	YTD 2016	YTD 2017
% of Plan Accounts closed due to Rollovers	< 2.0%	0.29% **	0.27% **

Accounts and Assets

Accounts and Assets	June 30, 2016	June 30, 2017	% Change
Total Open Accounts	277,135	291,012	5.0%
Total Assets	\$6.7 billion	\$7.7 billion	14.5%
Market Share*	5.1%	5.1%	0.0%

* Source: Strategic Insight –Direct Sold 529 Plans – Q2 2017.

** YTD 2017 (as of 6/30/17), 738 Accounts valued at \$20.6M rolled out vs. 671 Accounts valued at \$19.4M during the same period in 2016. All results in this report are for the period ending June 30, 2017.

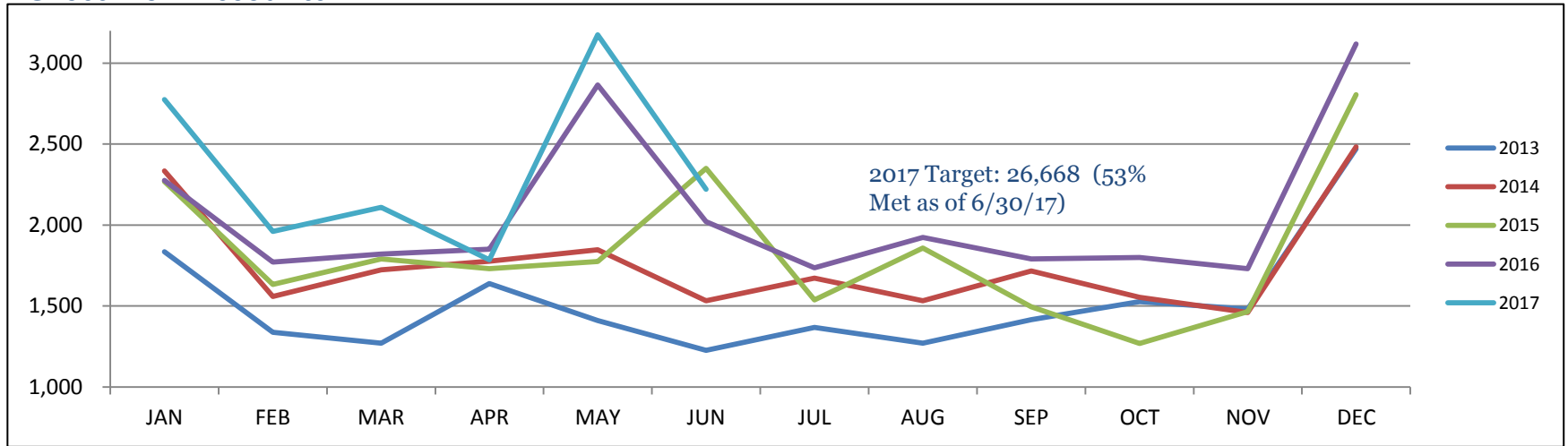


SCHOLARSHARE
CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

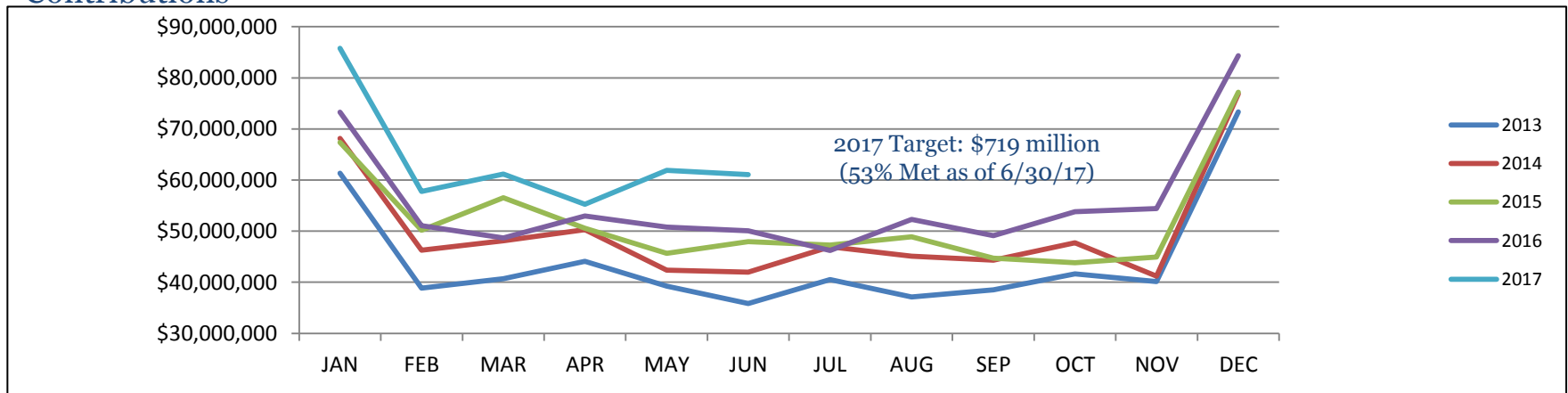


Gross New Accounts & Contributions

Gross New Accounts



Contributions



Marketing Plan – Q1/Q2 Achievements

1. Lay the Foundation	2. Manage the brand to pave the way	3. Gain new accounts/AUM	4. Employers/RIAs	5. Mature Account Owner Relationships
<p>Educate families about ScholarShare and the importance of saving for college.</p>	<p>Ensure ScholarShare brand is well-known and understood among key target audiences.</p>	<p>Drive new account growth and increased AUM through initiatives that reflect the target market characteristics.</p>	<p>Harness employer endorsements and RIA partnerships to build business</p>	<p>Drive Account Owner subsequent contributions through engagement initiatives and personalized communications.</p>
<ul style="list-style-type: none"> Scholar Dollars Grant Program executed, with nearly 400 schools participating, over 400,000 votes cast, and \$300,000 in grants awarded. Financial Literacy Month Social Media campaign executed in April. 	<ul style="list-style-type: none"> Brand Health Research completed, revealing opportunities to connect ScholarShare brand to strong “529” awareness and tailor offers to a more tax-sensitive audience. Always-On display campaign planned and launched. 	<ul style="list-style-type: none"> Integration of new advertising agency began, and creation of new core marketing program initiated. Tax-Time campaign completed in April, with over 1,000 accounts opened by Prospects and AO’s. 529 Day campaign generated 1,634 accounts and initial contributions of \$1.36 million, 2.5X 2016. Switch campaign in market through 7/1/17, with \$53.1 million in rollovers-in gathered 8/20/16 – 7/1/17. 	<ul style="list-style-type: none"> New employer-focused literature series completed, and print advertising test began in Sacramento market. Employer webpage updated. 	<ul style="list-style-type: none"> On-boarding program developed for new Account Owners, setting the stage for a more engaged client experience.



2017 Promotions Calendar

January		February		March	
Chinese New Year Events (January/February) ✓		Scholar Dollars Registration ✓		Scholar Dollars Community Voting ✓	Tax-Time Campaign ✓
<i>10 events in SoCal</i>		<i>Encourage school registration</i>		<i>Promote voting</i>	<i>Digital, EM, DM to Prospects and AOs.</i>
April		May		June	
National Financial Literacy Month ✓	Scholar Dollars Ceremonies ✓	529 Day Match ✓		GOC Giftcards for Graduation ✓	Switch Campaign Ends ✓
<i>Weekly tips to improve your financial IQ</i>	<i>5 events to recognize winners</i>	<i>Financial incentives for new AOs</i>		<i>Promote GOC cards as a graduation gift</i>	<i>Promote Switch incentive offer</i>
July	August			September	
Always On	Test AO ACP Incentive	New Parent Trigger	Test New Employer Workshop Concept	Back To School Campaign	College Savings Month
<i>Digital display and search continues</i>	<i>Financial incentive for ACP at AO milestones</i>	<i>Monthly DM begins to modeled new parents (Qty: 32,000/mo.)</i>	<i>Mike Diephouse to begin testing new prototype meeting</i>	<i>Digital, EM, DM to Prospects and AOs.</i>	<i>Increase awareness of Employer 529 offer.</i>
October		November		December	
Rebranding Campaign		Matching Grant Media Launch	Report on Higher Ed	Holiday Promotion	
<i>Re-introduce the ScholarShare brand to Californians saving for college</i>		<i>Announce MGP to Public/Media</i>	<i>Annual AO Newsletter</i>	<i>Campaign to drive new account openings</i>	



529 Day Campaign Recap

Gain Accounts/AUM

- **Offer:** \$50 Match for new accounts opened with an opening balance of \$50+ and ACP of \$25 for 6 months.
- **Timing:** 5/24 – 5/26/17
- **Target:** Modeled Prospect Audience and Existing AO's.
- **Media:** Online Display, Search, Social, DM, EM and Print.
- **Events:** Pop-Up Activations with “Green Screen” Photo-Booths in Oakland, San Diego and Los Angeles + Diploma Dog visits to Legislators at Capital and local Sacramento media.
- **Online Outreach:** Webinars tailored for state employee audiences and moms .
- **Press Relations:** Engaged reports with custom market research on consumer attitudes on college savings.
- **Results:** 1,634 Accounts opened. Initial Contributions for 2017 were 2.5 times those seen in 2016.



Account Type	2017 Results			2016 Results		
	#	Initial Contributions	Total ACP	#	Initial Contributions	Total ACP
Total Accounts Opened	1,634	\$1,361,498	\$119,799	1,623	\$545,155	\$109,496

Public Relations Initiatives: 529 Day

Gain Accounts/AUM

To drive interest in this year's 529 Day Match Promotion, public relations initiatives were strategically deployed, resulting in the following outcomes in May:

- Secured nine visits with assembly members and senators. 7 of 9 legislators posted about the visit and the matching promotion on Facebook, Instagram and Twitter
- Pop-up activations resulted in hundreds of in-person interactions with interested consumers who had one-on-one conversations with field consultants (Los Angeles Zoo, Oakland Zoo, and the New Children's Museum in San Diego).
- Article placement with U.S. News & World Report.



Legislator Visits



Pop-Up Activations



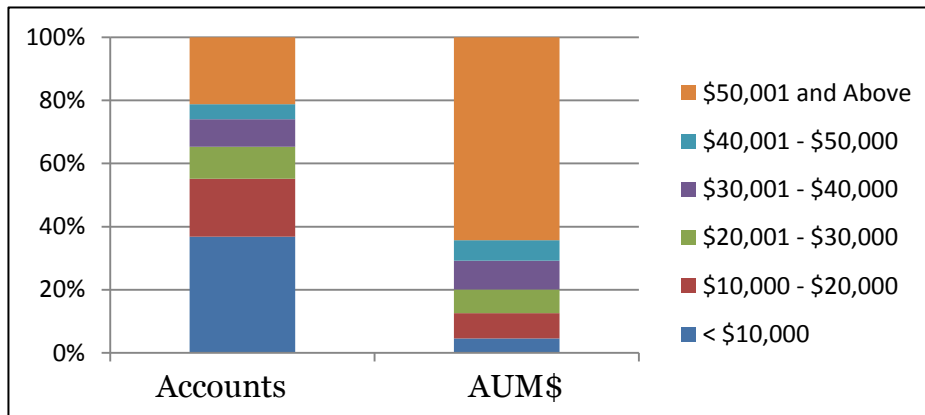
U.S. News Article



Switch Campaign Recap

Gain Accounts/AUM

- **Offer:** Cash incentives paid for transfer of 529 assets from other plans to ScholarShare
- **Timing:** 8/20/16 - 7/1/17
- **Target:** Higher net worth “Savers” in California and Washington
- **Media:** Online Display, Search and Print
- **Results:**
 - \$53.1 million in total rollovers-in during the campaign period
 - 1,622 Accounts; Average balance: \$32,737
 - Accounts of \$50,000+ accounted for 64% of new AUM\$
 - Overall, the campaign lifted rollovers-in from roughly \$3 million/month to over \$5 million/month.



Balance amount	Bonus
\$10,000 – \$20,000	\$100
\$20,001 – \$30,000	\$200
\$30,001 – \$40,000	\$300
\$40,001 – \$50,000	\$400
\$50,001+	\$500

- **Brand Health Research Recap – What we learned:**

- California families saving for college are generally affluent and self-sufficient in their personal finance decision-making
- Consumer awareness of the 529 category is strong, but ScholarShare’s brand awareness is relatively weak – (69% vs 28%, respectively).
- ScholarShare competes with both other 529 Plans as well as other savings vehicles.
- ScholarShare was relatively strong on accessibility, trustworthiness and core features, yet weak on “Smart” and “Leader” perceptions.



- **These insights have informed:**

1. A new logo designed to more clearly identify ScholarShare as a college savings program
2. A refreshed set of target audience parameters
3. A defined brand promise to drive creative messaging
4. The development of marketing claims designed to resonate with our audiences

Target Audience

- Savvy Savers – HHI \$150k+, saving for college. This discerning saver is aware of 529 plans. However, they aren't entirely certain a 529 is the right solution for them.
- Challenged Non-Savers – HHI less than \$150k, not currently saving for college, or doing so in a savings or checking account. Challenged Non-Savers are scared and believe they can't save enough to make a difference.
- Financial advisors, employers offering benefits packages and their influencers (third party administrators, community benefit officers, etc.)
- Community and promotional partners.

Brand Promise

California's College
Savings Plan

A goal we deliver against via 100%
tax-free earnings, proven
performance and low cost

ScholarShare 529

**maximizes the impact of every dollar you save,
so you know you are doing the best job preparing
to pay for higher education.**

We give our investors the confidence
they need to sleep at night,
certain they have made a wise choice

Our target sees college as critical for their
child's future. In helping them
pay for it, we are helping them achieve one
of their most important tasks
as a parent



Initiatives that will go to market in mid-October:

- New logo that makes clear ScholarShare is a 529 College Savings Plan
- Launch campaign that leverages online video via Hulu, Spotify, YouTube and programmatic Video to re-establishes ScholarShare's identity
- Spotlited claims that connect to top consumer interests and that demonstrate ScholarShare's superiority versus competitive alternatives:
 - 100% Tax-Free Growth
 - Up to 25% more money for college (due to tax benefits)
 - Low Cost – Half the cost of the national average for 529 plans
- Public relations initiatives to give attention to the leadership, trustworthiness and innovation characteristics of the ScholarShare brand and the plan's management

Core Program Elements

Gain Accounts/AUM

Core programming stood up in early/mid-2017 in partnership with Epsilon.

Program	Strategy	Audience
Episodic	Drive account openings and contributions with seasonal, topically relevant communications that highlight the benefits of opening or contributing at market-defined times	AO, PRO, INQ
Always On - Digital	Support lead generation and capture low-hanging fruit through brand presence and targeted message/offer delivery online	AO, PRO
Lifestage Trigger Based	Drive account openings and contributions with topically relevant communications that highlight the benefits of opening or contributing at triggered times based on life stage events. Behavior driven, multi-touch. New baby strategy in development.	PRO
Inquirer Content Drip	Cultivate leads and drive engagement by informing, educating and driving online interaction.	INQ

Key: AO = Account Owners; PRO = Prospects; INQ = Inquirers



Core Program Highlights 2Q17

Gain Accounts/AUM

Core Program Type	Campaigns Measured	Audience Reach Highlights	Engagement and Conversion Highlights	Campaign Highlights
Prospects	<ul style="list-style-type: none"> Direct Mail & Email provided support for Tax Time & 529 Day 	<ul style="list-style-type: none"> ~799K Prospect HHs Reached via DM Over 685K Prospect HHs Reached via EM 	<ul style="list-style-type: none"> Over 1.7K new accounts attributed to DM; ~\$5.9MM in initial contributions 197 new accounts attributed to EM; ~\$522K in initial contributions 	<ul style="list-style-type: none"> 529 Day messaging was a major driver of site traffic and new account openings: <i>Over 8K clicks generated</i> <i>1,562 new accounts; ~\$4.9MM in initial contributions</i>
	<ul style="list-style-type: none"> Episodic Display provided support for Tax Time, Switch & 529 Day Programmatic Display & Search Engine Marketing are “always on” 	<ul style="list-style-type: none"> Over 220MM Digital Impressions Served* 	<ul style="list-style-type: none"> Implementation and testing of conversion pixels has been completed for the display programs; development team implementing conversion pixels for search engine marketing program 	<ul style="list-style-type: none"> Programs have yielded ~134k clicks to campaign landing pages; .06% click-through rate Active optimizations of SEM program resulted in a 2x increase in CTR throughout 2Q
Inquirers	<ul style="list-style-type: none"> Monthly DM and EM Inquirer Stream Communications 	<ul style="list-style-type: none"> Over 67K unique inquirers reached in 2Q 	<ul style="list-style-type: none"> 10% e-mail open rate 129 new accounts; ~723K in initial contributions 	

* Includes some Tax Time impressions & clicks served 3/1 through 3/31.



Core Program Highlights YTD

Gain Accounts/AUM

Core Program Type	Campaigns Measured	Audience Reach Highlights	Engagement and Conversion Highlights	Campaign Highlights
Account Owners	<ul style="list-style-type: none"> • AO emails provided support for Tax Time and 529 Day • Episodic Targeted Online Display provided support for 529 Day; program launched in May • Evergreen Targeted Online Display launched in April 	<ul style="list-style-type: none"> • Over 253K e-mails delivered to date • ~4.6MM Digital Impressions Served 	<ul style="list-style-type: none"> • ~25% e-mail open rate • Over 3.8K clicks to date for Targeted Display • ~1.5K new accounts generated among email recipients; over \$931K in new account contributions 	<ul style="list-style-type: none"> • 529 Day email generated ~28% e-mail open rate and nearly a 1% CTR • Digital List Activation has driven 1,923 site visits among AO



Radio: Our 2-year radio advertising contract with NPR concludes in December 2017, and we have decided not to renew it. We plan to redirect the budget toward more trackable media types like digital in 2018.

NPR Media Statistics:

- Average Reach: 16.2 million Adults Ages 25-44
- 52-weeks a year; Five :15-second units/week; AM/PM Drive Time

Print: Our print spending in 2017 has supported the promotion of the following initiatives:

- Scholar Dollars
- 529 Day
- Gift of College
- Employer Program

Publication	Frequency	Audience per Issue
Comstock's	6x/year	85,000
Roll Call	Monthly	457,150
Peachjar	6x/year	300,000

A new Onboarding Program has been established to drive greater engagement with new AOs

Deliverables

- Direct Mail – “Thank You” Note
- Email Series – 4 Emails that welcome and introduce the plan benefits to new Account Owners

What are the ideal outcomes?

- Account Owners will trust and feel connected to the plan and increase contributions to their account
- Account Owners will feel so connected to the brand that they will become advocates

What are the Key Performance Indicators (KPIs)?

- Number of emails opened
- Number of clicks to pertinent content on the website
- Number of incremental accounts opened
- An increase in AO contributions



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

Twitter	Facebook	Instagram
<ul style="list-style-type: none"> • 2,982 follows • 85 Brand Tweets • 167 Mentions • 408 Engagements (Retweets, Replies, Favorites) • 1,261 Link Clicks • 15,920 Video Views • 616,150 Potential Reach • 3,348,252 Potential Imps <p>Highlights:</p> <ul style="list-style-type: none"> • Used channel to create awareness of 529 Day and all associated events • Activated to provide real-time coverage of ScholarDollars awards ceremony • Current and prospective customers actively contacting ScholarShare for customer care needs 	<ul style="list-style-type: none"> • 65,227 fans • 50 Page Posts • 6,562 Engagements (Likes, Comments, Shares) • 1,186 Link Clicks • 48,491 Video Views • 105 Event Responses • 604,825 Reach • 882,988 Impressions <p>Highlights:</p> <ul style="list-style-type: none"> • Used channel to create awareness of 529 Day and all associated events • Utilized Facebook Live to drive real-time engagement of Crib Notes and the ScholarDollars awards ceremony 	<ul style="list-style-type: none"> • 332 follows • 7,291 Engagements • 162 Link Clicks <p>Highlights:</p> <ul style="list-style-type: none"> • Engagements are the result of promoted posts that initiated in Facebook but reached audiences in Instagram

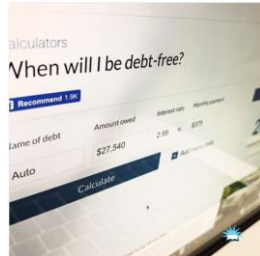
Top Tweets

Do you give your kiddos an allowance? Reply and share your tips for doing it out.



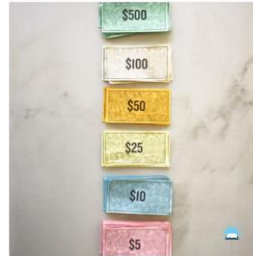
104,482 Imps
39 Engagements

Is 2017 the year you pay off some debt? Stay on track with your goals using these practices: bit.ly/2nrzeon



25,655 Imps
20 Engagements

April is Financial Literacy Month! Start strong by reducing your household spending: bit.ly/2nvU7vj



56,485 Imps
20 Engagements

Don't delay! Now through May 26, open a ScholarShare 529 account with \$50 and we'll match your \$50! scholarshare.com/529day #529Day



22,913 Imps
14 Engagements

This Thursday, learn the ins and outs of 529 plans in 30 minutes flat! Register for 529 Crib Notes now: cc.callinfo.com/r/1p5q1wq92jo...



45,752 Imps
10 Engagements

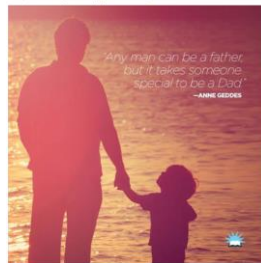
Top Facebook Posts

Today we honor those who have sacrificed to serve our country. #MemorialDay



14,001 Reach
20,055 Impressions
935 Engagements

Dads, we salute you. Happy #FathersDay!



8,269 Reach
10,962 Impressions
519 Engagements

Moms, today is your day. Happy Mother's Day.



6,24 Reach
8,209 Impressions
330 Engagements

Happy Easter from ScholarShare!



4,848 Reach
6,116 Impressions
241 Engagements

"If you want children to keep their feet on the ground, put some responsibility on their shoulders." - Abigail Van Buren #Parenting



4,469 Reach
6,171 Impressions
223 Engagements

Outreach Events Summary

Gain Accounts/AUM

Timing	Number of Events	Number of Attendees	Events
Q2	112	237,000	Kids Expo California 2017, 9 th Annual Babies and Bumps, Oceanside Business Expo, 2017 OC Fair Imaginology, LA TIMES Festival of Books, Los Angeles Ultimate Women's Expo, San Diego Kids Expo, Latino Business Expo, UC Irvine Benefits Fair, Whittier College Health Fair, Department of Business Oversight Financial Literacy Fair

Onboard 5 New Employers



17 Employer Presentations

15 HR Association Mtgs & Conferences

15 Community Events

12 Webinars

7 Employee Benefits Fairs

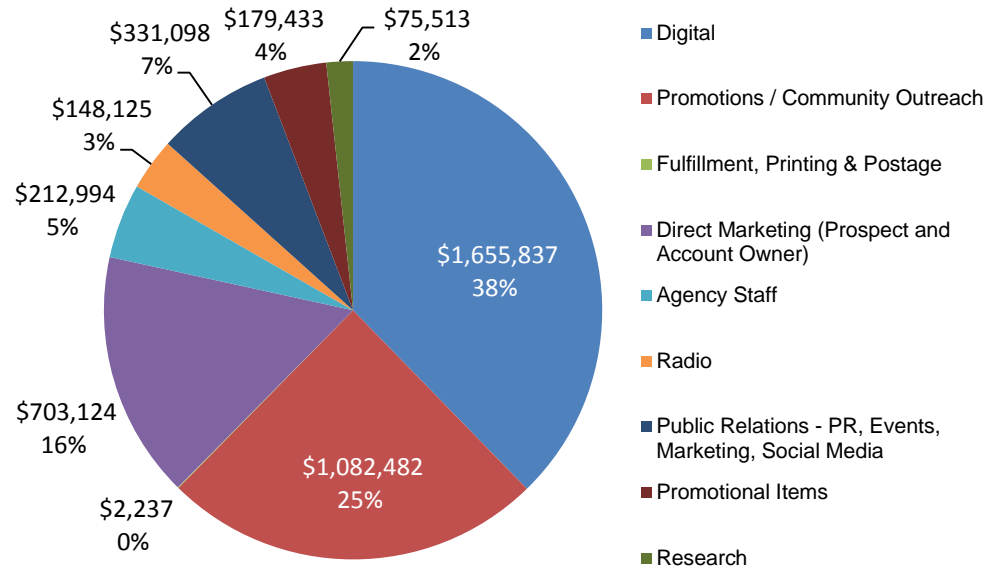
6 RIA Mtgs & Conferences

5 Multi-language Outreach Events

Appendix

2017 Marketing Budget

- Total annual marketing budget for 2017: \$10 million.
- YTD 2017 spending as of 6/30/17 totaled \$4,390,845.
- Digital spending is the largest category as in prior years.
- Promotions/Community Outreach includes incentives paid to new account owners.



ACTUALS AS OF 6/30/17	Spending	%
Digital	\$ 1,655,837	38%
Promotions / Community Outreach	\$ 1,082,482	25%
Fulfillment, Printing & Postage	\$ 2,237	0%
Direct Marketing (Prospect and Account Owner)	\$ 703,124	16%
Agency Staff	\$ 212,994	5%
Radio	\$ 148,125	3%
Public Relations - PR, Events, Marketing, Social Media	\$ 331,098	8%
Promotional Items	\$ 179,433	4%
Research	\$ 75,513	2%
TOTAL	\$ 4,390,845	100%