
JUNE 14, 2018

**AGENDA ITEM 5
INFORMATION ITEM**

SCHOLARSHARE INVESTMENT BOARD

Marketing Update for ScholarShare 529

Background

TIAA-CREF Tuition Financing, Inc. has provided its “1Q18 Marketing Update” for ScholarShare 529. This update outlines marketing results for the first quarter of 2018 and the marketing activities planned for the remainder of the year. The update includes an overview of marketing plan, account and asset results and other achievements, Scholar Dollars, Matching Grant Program, studies and assessments, seasonal and evergreen campaigns, 529 Day, social media, employer marketing and outreach, account owner initiatives, and 2018 budget.

Presenter

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



Q1 2018 Marketing Results

June 14, 2018

2018 Marketing Plan

1. Lay the Foundation	2. Manage the brand	3. Gain new accounts/AUM	4. Employers/RIAs	5. Latino Initiative	6. Mature AO Relationships
Educate families about ScholarShare 529 and the importance of saving for college.	Ensure ScholarShare 529 brand is well-known and understood among key target audiences.	Drive new account growth and increased AUM through initiatives that reflect the target market characteristics.	Harness employer endorsements and RIA partnerships to build business.	Engage Latino households on college savings topics.	Drive Account Owner subsequent contributions through engagement initiatives and personalized communications.
A. Use press and other platforms to demonstrate ScholarShare 529's thought leadership in the college savings arena.	A. Continue to monitor ScholarShare 529's brand health against 2017 benchmarks among key target audiences.	A. Leverage data-driven marketing techniques to efficiently attract and convert prospect leads.	A. Improve our understanding of the B2B audiences.	A. Assess ScholarShare 529 experience for Latinos.	A. Build on successes of Q3 2017 ACP incentive pilot to drive subsequent purchases.
B. Activate community dialogue regarding the value of education through the execution of Scholar Dollars Grant Program (Year 2) to enrich student experiences and prepare college-bound students.	B. Through paid media, media/public relations, influencer marketing, and non-paid media, strengthen ScholarShare 529's brand identity to ensure tactical marketing initiatives deliver desired results.	B. Monitor current efforts that target parents of newborns to establish accounts. Based on initial test, consider healthcare/hospital partnerships and baby gift registries.	B. Build out the content and infrastructure needed to scale up the employer + RIA programs.	B. Address Latino pain points and refine the overall experience.	B. Leverage content marketing techniques to further engage Account Owners and drive subsequent purchases and retention.
C. Embrace diverse and underserved communities by implementing the Matching Grant Program targeting LMI households to instill the idea that a college education is attainable.	C. Strategically leverage sponsorships and partnerships to support brand promise.	C. Launch streamlined web NASU account opening process.	C. Improve employee utilization levels among staff at participating organizations.	C. Develop and maintain a Spanish language Facebook page.	C. Continue to demonstrate how gifting can help families to reach college savings goals collectively.
			D. Strengthen RIA communications program.		

Q1 2018 Business Results show strong growth over Q1 2017.

Accounts and Contributions	March 31, 2017	March 31, 2018	% Change
Total New Accounts Opened	6,845	8,531	24.6%
Total New Contributions Collected	\$204.8 million	\$244.5 million	19.4%

Growth Rate	ScholarShare 529	Industry	% Difference
Annual Asset Growth Rate	12.9%	13.7% *	-0.8%

Rollovers	Performance Criteria	YTD 2018	% Change
% of Plan Accounts Closed Due to Rollovers	< 2.0%	0.14% **	-0.02% **

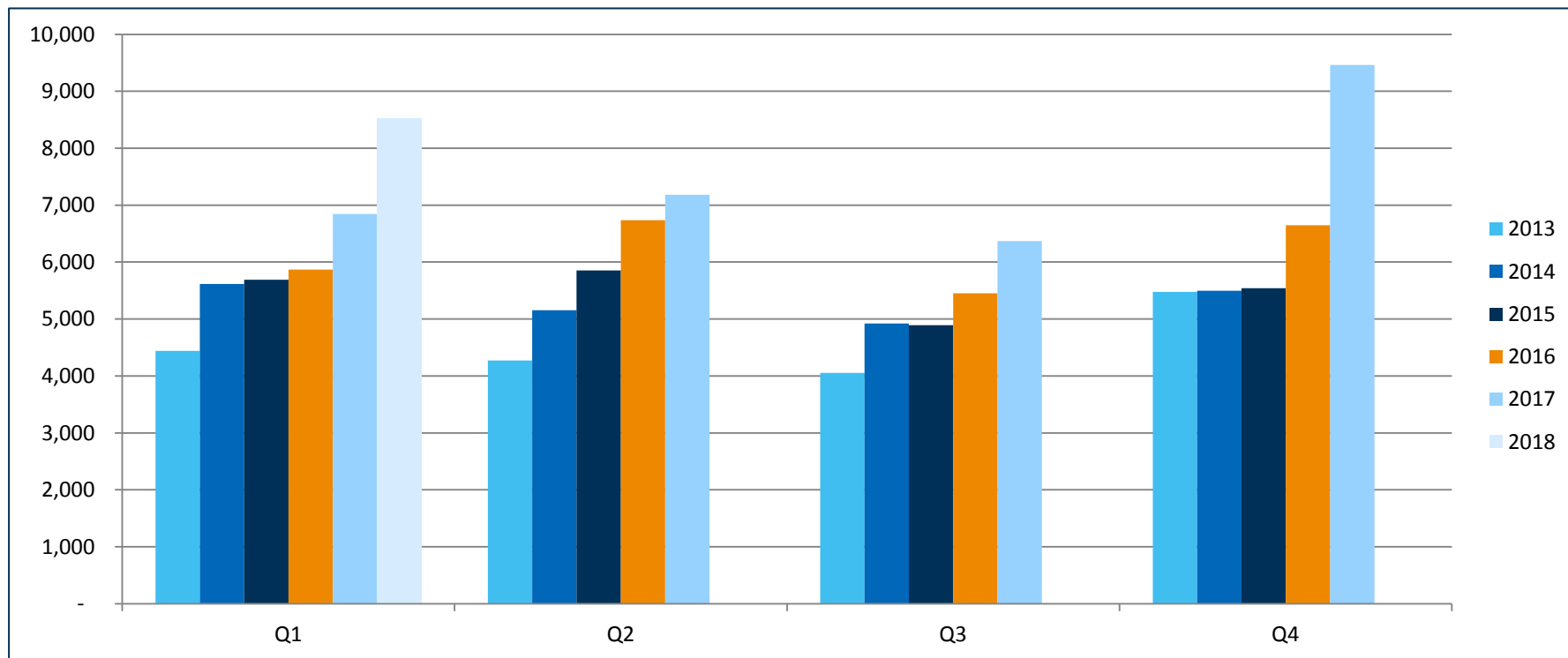
Accounts and Assets	March 31, 2017	March 31, 2018	% Change
Total Open Accounts	286,488	305,297	6.6%
Total Assets	\$7.41 billion	\$8.36 billion	12.9%
Market Share*	5.06%	5.02%	-0.04%

* Source: Strategic Insight –Direct Sold 529 Plans – Q1 2018.

** YTD 2018 (as of 3/31/18) versus Q1 2017.

All results in this report are for the period ending March 31, 2018.

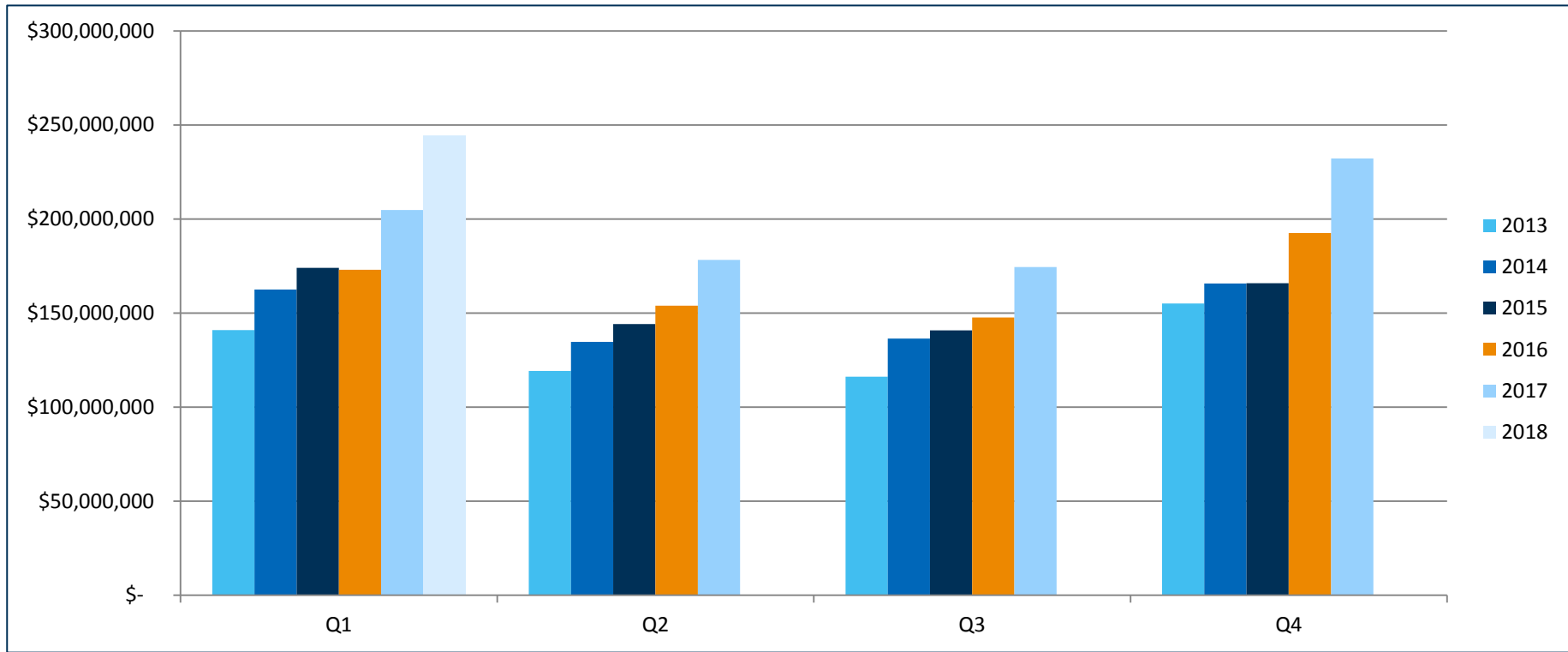
- Gross New Accounts Opened in Q1 2018, up 24.6% over Q1 2017



TOTAL YTD	2013	2014	2015	2016	2017	YTD 2018
	18,247	21,187	21,976	24,700	29,858	8,531

Gross Contributions

- Gross Contributions for Q1 2018 up 19.4% over Q1 2017



	2013	2014	2015	2016	2017	YTD 2018
TOTAL YTD	\$ 531,351,823	\$ 599,329,571	\$ 625,074,760	\$ 667,134,973	\$ 789,567,824	\$244,476,810

Marketing Plan – 1Q 2018 Achievements

Results

Execution of 2018 Marketing Plan going very smoothly. Key YTD business results are above targets and above prior years' results. Our positive momentum continues.

1. Lay the Foundation	2. Manage the brand	3. Gain new accounts/AUM	4. Employers/RIAs	5. Latino Initiative	6. Mature AO Relationships
Educate families about ScholarShare 529 and the importance of saving for college.	Ensure ScholarShare 529 brand is well-known and understood among key target audiences.	Drive new account growth and increased AUM through initiatives that reflect the target market characteristics.	Harness employer endorsements and RIA partnerships to build business.	Engage Latino households on college savings topics.	Drive Account Owner subsequent contributions through engagement initiatives and personalized communications.
<ul style="list-style-type: none"> Launched 2018 Scholar Dollars Grant Program Launched Matching Grant Program 	<ul style="list-style-type: none"> Implemented Claims Test to understand which messages are most likely to drive intent/conversions Initiated second wave of Brand Health research 	<ul style="list-style-type: none"> New Year's and Tax-Time seasonal campaigns executed Incorporated initial Claims Test learnings into Evergreen digital messaging to immediately capitalize on audience triggers Created robust marketing campaign for 529 Day Refreshed Social Media Strategy to better leverage channels as web traffic drivers 	<ul style="list-style-type: none"> Incorporated Workplace Savings into Brand Health research to capture Employee sentiment for Employers that support their savings goals Expanded Workplace Savings materials for use B2B (Business-to-Business) events and to facilitate B2B2C (Business-to-Business-to-Consumer) communications Created employer-targeted materials to support 529 Day campaign 	<ul style="list-style-type: none"> Completed Latino Readiness Assessment to inform marketing strategy Created Spanish language 529 Day campaign to test in San Diego market 	<ul style="list-style-type: none"> Onboarding program for new AOs (Account Owners) established. Content drip communications implemented to keep AOs engaged.

Program was successfully planned and executed. We built on successes of the 2017 program, and tested new school and voter engagement techniques using video. Good increase in participation.

Strategy	Heighten awareness of college savings and ScholarShare 529 through school grant program
Offer	20 grants totaling more than \$300,000 awarded to schools submitting grant applications and garnering the most community votes
Timing	January – April 2018
Media Mix	Direct Mail, Email, Social Media, Bloggers, Press Release, Award Ceremonies, Local media outreach
Results	<p>465 schools registered (+17% YOY) 117,004 voters with verified email addresses (+58% YOY) 405,007 confirmed votes</p> <p>Press coverage of ceremonies: Limited media coverage due to breaking news – 5/2: Golden State Killer capture, and 5/11: Palmdale school shooting.</p>



Matching Grant Program



Program was successfully launched on January 1, 2018 and will run the entire calendar year. While local nonprofits and community based organizations continue to partner with us, we have not yet exhausted all grant funding. Paid advertising began in May.

Offer: \$200 dollar-for-dollar match for qualifying accounts opened in 2018. \$25 bonus for ACP set-up.

Target Audience: Low to Moderate-Income California Families

Qualifications:



Be a resident of California



Open an account for a beneficiary who will be 14 years or younger on December 31, 2018. The beneficiary cannot have an existing ScholarShare account



Be the parent or legal guardian of the beneficiary



Have a household annual adjusted gross income of \$75,000 or less



Have a Social Security number or a federal tax identification number. Your beneficiary must as well

Results as of 3/31/18:

- 245 Applications Received
- 139 New Accounts
- \$84,625 in Contributions
- \$13,945 in Projected Matching Grants

Results as of 5/25/18:

- 375 Applications Received
- 215 New Accounts
- \$148,178 in Contributions
- \$26,131 in Projected Matching Grants

Note: These are total figures. Eligibility has not been fully determined at this point.

Q1 Claims Test yielded important insights to inform our brand messaging for the rest of 2018. These insights, paired with our annual Brand Health Study learnings, offer critical strategic direction for new creative development to support the brand.

Strategy	<ul style="list-style-type: none">• Deploy a test campaign to capture insights around which marketing claims are more likely to drive interest, intent, and conversion.• Utilize efficient digital display media in order to access data quickly• Implement initial learnings to improve performance of 2Q and beyond media
Offers	<ul style="list-style-type: none">• (2) Tax-based claims• (3) Fee-based claims• (1) Multi-claim
Timing	January 24 – March 21, 2018
Media Mix	<ul style="list-style-type: none">• Programmatic digital display banners• Paid Social
Initial Results	<ul style="list-style-type: none">• Insights around top-performing messages varied by audience and funnel position:<ul style="list-style-type: none">• "100% tax-free growth" - Attracted audiences that were ready to take action; Lowest Cost Per New Account among both prospect and retargeting audiences• "Pay Less" drove the highest Return on Ad Spend (ROAS) and highest average contributions among prospect audiences• "25% more money for college" performed best among retargeting audiences; second highest ROAS and second highest average contributions• Key findings were incorporated into the pre-529 Day campaign; impacted messaging and landing page architecture• Full campaign results delivered in mid-May

Ad Directions

The ad creatives are arranged in a 2x3 grid. Each ad features the ScholarShare 529 logo at the top left and a 'GET STARTED' button at the bottom. The messages are:

- Top Left:** 100% tax-free growth on your college savings.
- Top Middle:** Tax-free growth can mean up to 25% more money to help pay for college.
- Top Right:** Investment expenses that are 50% lower cost than the national average for 529 plans.
- Bottom Left:** Pay less & keep more with investment fees that are 1/2 the national average for 529 plans.
- Bottom Middle:** Choose a lower cost leader for your college savings.
- Bottom Right:** Smarter college savings
 - + 100% tax-free growth
 - + Low cost investments
 - + Use anywhere in the U.S.A.

Landing Page

The landing page features a navigation bar with 'Home', 'About Us', 'Contact Us', and 'Log In'. The main content includes a header with the title 'A Smarter Way to Save for College', a sub-header 'ScholarShare 529', and a 'GET STARTED' button. Below this is a section titled 'ScholarShare 529' with a 'GET STARTED' button. The page also contains a 'How Your Growth Can Help' section with a bar chart, a 'Make Us the Best in Your Neighborhood and Around' section with a map of the U.S., and a 'Getting Started is Easy' section with three numbered steps. The footer contains contact information and a '© 2014 TIAA' notice.

Metrics

Overall
Return On Ad Spend

eCPA

Diagnostics
Click Through Rate
(Ad Effectiveness)

Conversion Rate
(Landing Page Effectiveness)

Average Sale
(Audience Value)

- Second annual survey to gain insights on ScholarShare 529's brand health fielded in April/May. Additions to this year's study include: updated claims, investor sentiment, brand persona, workplace savings appeal, views on advisors, and a larger Latino audience.
- Early findings show ScholarShare 529 has improved its brand reputation over the past year, with meaningful gains on being seen as trustworthy and an industry leader.
- ScholarShare 529 performs at parity with Vanguard on a number of variables including "For everyone," "Smart," "Leader," and "Easy."
- ScholarShare 529 slightly leads Vanguard on "Low Fees."
- Vanguard perceptions outperform ScholarShare 529 on "Trust" and "For Families Like Mine." Vanguard's largest advantage is on "Performance."



Q1 Seasonal Campaigns

Gain New
Accounts /
AUM

These two campaigns have successfully generated more business than in 2017.

New Year's

Tax Time

Strategy	Drive account openings/contributions with seasonal, topically relevant communications that highlight the program's benefits.		
Target Audiences	Prospects	Prospects	Account Owners
Offer	No monetary incentive offered	No monetary incentive offered	No monetary incentive offered
Timing	Drop date: January 5, 2018 <i>Performance measured for 60 days, results complete</i>	Drop date: March 14, 2018 <i>Results based on 17 days of activity, data still being compiled</i>	Drop date: March 14, 2018 <i>Results based on 17 days of activity, data still being compiled</i>
Media	Email	Direct Mail Display Banners	Email Display Banners
Results	635,872 emails delivered 286 new accounts 139 enrolled in ACP (48.6%) Initial contributions totaled \$765k	Direct Mail <ul style="list-style-type: none"> • 298,495 pieces mailed • 25 new accounts • 55 enrolled in ACP (44%) • Initial contributions totaled \$279k Display Banners (thru 3/31) <ul style="list-style-type: none"> • 12,509,788 impressions • 8,233 clicks (0.07% CTR) • 781 conversions • \$1,654,516 contributions 	Email <ul style="list-style-type: none"> • 96,898 emails delivered • 48.9% email open rate • 138 new accounts • Initial contributions totaled \$335k Display Banners (thru 3/31) <ul style="list-style-type: none"> • 451,192 impressions • 398 clicks (0.09% CTR) • 222 conversions • \$348,532 contributions

Evergreen Campaigns

Gain New
Accounts /
AUM

Display and search support “always-on” messaging in-market throughout the year. Display plays a dual role in promoting both special offers and brand attributes.

	Display	Search
Strategy	Utilize advanced targeting methods to establish awareness and build consideration among Prospect audiences and to drive additional account openings and contributions among Account Owners; display banners play a role throughout the Consumer Decision Journey.	Use paid media to intercept audiences performing online searches for information relevant to college saving; a variety of keywords and ad copy are used to increase relevance among audiences at different points in the Consumer Decision Journey.
Offer	No monetary incentive offered Segmented messaging by audience: <ul style="list-style-type: none"> • Prospects & Retargeting - “25% more money” • Account Owners – “100% tax-free growth” 	No monetary incentive offered Ad copy refreshed to include approved marketing claims
Timing	January 1 – 23, 2018 <i>Lead-in to Claims Test</i>	Annual
Media	Digital display banners delivered to three audience segments: Prospects, Account Owners, and previous site visitors.	Text ads appearing on Google.
Results	20,880,794 impressions 9,832 clicks (0.05% CTR) 5,839 conversions \$14,871,440 contributions	845,550 impressions 35,817 clicks (4.24% CTR) 2,038 conversions

529 Day 2018 Campaign

Gain New
Accounts /
AUM

Our upcoming 529 Day Campaign offers an opportunity to significantly increase our new accounts for the year.



529 Day

Strategy	Drive account openings and contributions with popular incentive offer.
Target Audiences	Prospects and Existing AOs.
Offer	\$50 match for new accounts opened 5/29 – 6/1 with an initial deposit of \$50 and \$25 ACP for 6months+.
Timing	Paid media runs 5/23 to 6/1.
Media	Email, Direct Mail, Display, Social Media, State Employee Payroll Stuffer, Partner Marketing Initiatives.

New James Tips Videos on key 529 principles

- Series of 5 videos in English and Spanish promoted through social media and press relations

Tiny Financial Guru. Big College Savings Tips.

ScholarShare 529's Spokeskid shares some of the most important tips for saving for college in this helpful (and fun!) video series.

Tax-free growth
See what can happen to your earnings in a taxable account versus a tax-free account.

Funds used in all levels of colleges and vocational schools

Age-based portfolios
James explains how the popular option of an age-based portfolio works.

0-4 years, 9-10 years, 18+ years

Our 2018 social media strategy places greater emphasis on supporting brand attribute communications versus the holiday and general parenting topics of the past.

Goals & Objectives

- Trigger awareness and increase relevance among mass affluent parents
- Drive traffic to scholarshare529.com; build a retargeting pool
- Capture sales proxy data resulting from organic and promoted content
- Drive engagement with organic and promoted content

Key Strategies

- Utilize social channels as ad platforms
- Develop focused editorial calendar that closely follows larger marketing themes
- Support STO/SIB activities by distributing messaging, as needed

KPIs

- Impressions
- Clicks
- Click-through Rate
- Social Engagements

Results

Paid Social Display

- 4,002,488 Impressions
- 122,650 Link Clicks
- 3.06% CTR

Organic / Published Content

- 195,666 Impressions
- 857 Social Engagements
- 14,267 Video Views

Social Display Ads

- Paid ads target mass affluent parents and drive them to campaign landing pages.
- Parent audiences are segmented by children's ages; parents of children 6-10 are showing a 48.8% higher likelihood to click.

ScholarShare California's 529 College Savings Plan
Sponsored (demo) · 🎓

Imagine how much your little one will grow this year! Prepare for a bright college future, starting today!

Watch your college savings
GROW FASTER
than I grow out
of my sneakers.

California's 529 plan.
25% more money for college.

[Learn More](#)

Evergreen

ScholarShare California's 529 College Savings Plan
Sponsored (demo) · 🎓

Discover what 100% tax-free growth with ScholarShare 529 can do for your college savings goals.

Get started today.
Make your money work harder.

[Learn More](#)

Claims Test

Sponsored (demo) · 🎓

Parents, spread the word! ScholarShare 529 is awarding more than \$300,000 in grants to K-8 schools in California. Tag a friend, tell your teachers!

Register by March 7.
The Scholar Dollars grant program helps fund public school programs that enrich students' experiences.

Scholar Dollars

ScholarShare California's 529 College Savings Plan
Sponsored (demo) · 🎓

With a ScholarShare 529 account, you can benefit from tax-deferred compound savings and yield \$1000s more for college.

Save for college and on taxes.

[Learn More](#)

Tax Time

Top Social Posts



149 Social Engagements
348 Link Clicks
8,962 Video Views



68 Social Engagements
12 Link Clicks



62 Social Engagements

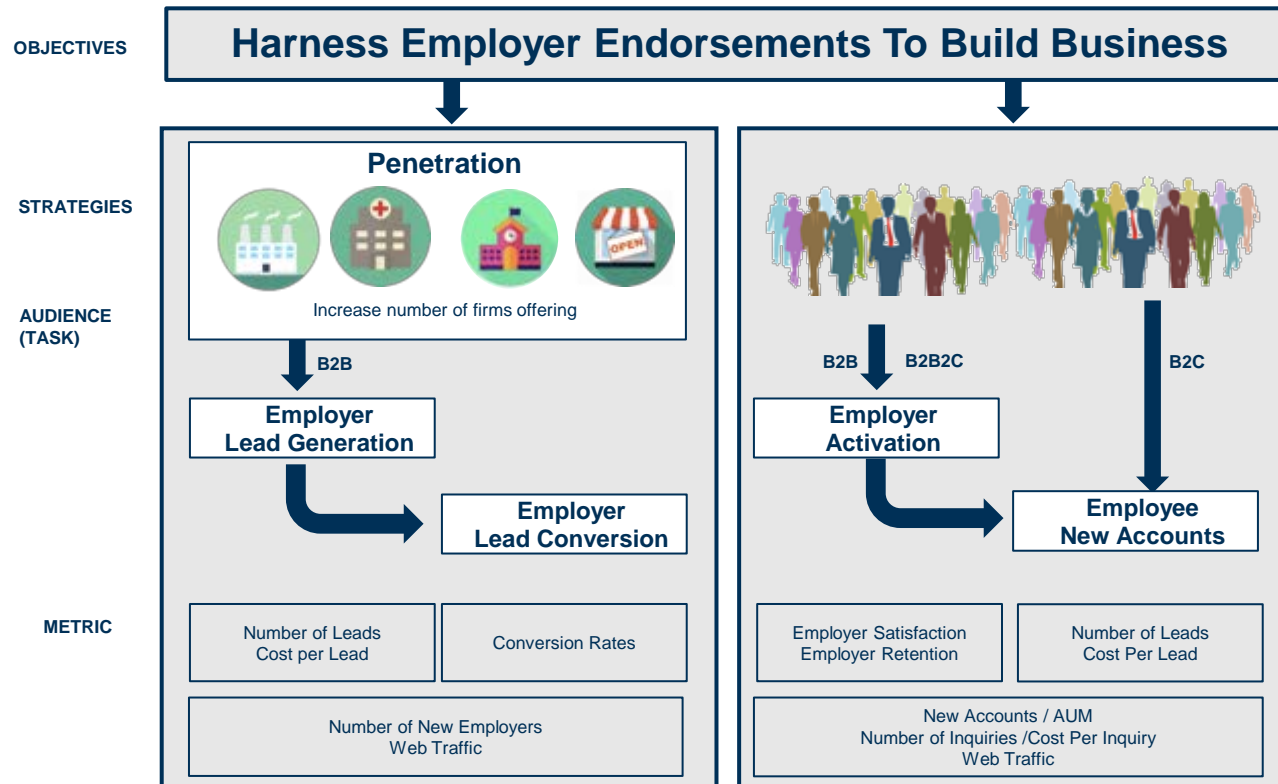


53 Social Engagements
11 Link Clicks



45 Social Engagements
9 Link Clicks
4,711 Video Views

The strategic framework developed to guide our 2018 Employer Marketing initiatives ensures client needs are understood and leveraged in creating audience-specific communications.



2018 Employer Positioning / Support

ScholarShare529 Workplace Savings is free and extremely easy for your firm.

It is worth thousands of dollars to your employees and helps address a need many of your employees care about passionately.

Over 900 firms already participate in the program.

Direct deposit program
Just assign a slot to ScholarShare and let us help educate your employees

No reporting
5500 or tax reporting

No contract

No cost to employer

Popular & low risk

Largest CA employers*

Of the best companies to work for in the US*
(that happen to be in California)

100% tax-free growth
Up To 25% more money

Only 1 in 4
College savings \$ currently benefiting

“Most Important Things”
(Saver Study)

**Creative Platform:
Be An HR Hero**

An assessment was commissioned in Q1 to better understand reactions of the Latino community to our current go-to-market strategies, and identify barriers to success and opportunities for improvement.



Among the findings:

- Opportunities to become a trusted resource in the community by providing financial literacy content beyond college savings.
- Geographic concentrations allow market testing possibilities prior to broader investments.
- Opportunities for greater exposure with influential Spanish language media.
- Messaging can be enhanced to reflect cultural nuances.
- Partnerships with professional Latino organizations offer valuable forums for introduction and community activation.

Onboarding communications and persistent content delivery to AOs is proving to drive increased engagement and continued investment by existing account owners.

Onboarding

Strategy	Welcome new account owners and encourage early adoption of good saving behaviors such as enrolling in ACP, engaging family and friends in saving for a child's higher education, making one-time contributions throughout the year as funds are available, etc.
Offer	No monetary incentive offered.
Timing	Monthly, ongoing.
Media	Direct Mail Email
Results	<ul style="list-style-type: none"> • 8,656 physical pieces mailed • 28,612 emails sent / 13,465 email opens (47% open rate) • 1,204 clicks (4.2% CTR) • 84 additional accounts opened • 48.8% ACP enrollment

ScholarShare 529 [View Online](#)
[Plan](#) [Research](#) [Manage](#) [Gift](#) [Help](#)

Help achieve your college savings goals with an Automatic Contribution Plan.

You've made a great start, so keep the momentum going by growing your account with convenient automatic contributions. That's the easiest way to establish a regular routine, and you can change the contribution amount as needed.

When it comes to saving for college, time is one of your most valuable assets. The earlier you start — and the more you invest — the more opportunity your money has to grow with compounding earnings.


The Advantages of an Automatic Contribution Plan (ACP)

Time Period	Initial Contribution	\$25 Weekly Contribution	Earnings	Total Value
1 Yr.	\$5,000	\$0	\$0	\$5,000
5 Yrs.	\$5,000	\$1,250	\$0	\$6,250
10 Yrs.	\$5,000	\$2,500	\$1,000	\$8,500
15 Yrs.	\$5,000	\$3,750	\$4,000	\$12,750
18 Yrs.	\$5,000	\$4,500	\$11,440	\$31,340
20 Yrs.	\$5,000	\$5,000	\$22,900	\$59,240

Our custom content reminds AOs of the many benefits of the ScholarShare 529 plan.


Content Drip


Strategy	Enrich relationships with Account Owners through contextually relevant content and regularly timed cadence.
Offer	No monetary incentive offered.
Timing	January February (performance data still being collected)
Media	Email
Results	<ul style="list-style-type: none"> • 203,499 emails sent / 97,846 opens (48.1% Open Rate) • 2,245 website clicks (1.10% Click Thru Rate) • 632 additional accounts opened • Initial contributions totaled \$687,391


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**The concept of money is changing.
Make sure your child is keeping pace.**





Make Money Funny

For younger kids, there are several interactive games such as **ABCYa! and Keep the Change Kids** that not only keep them entertained, but help them understand the basic concepts of money and saving. They're great for helping kids learn that money isn't necessarily something physical.



Get Smart With Smartphones

There are several mobile apps like **Bankaroo and iAllowance** that not only allow you to digitally pay your child's allowance, but also let you help them track their savings. Best of all, the apps do some of the work for you by offering kids fun, interactive lessons on how to budget.



Our long-term commitment to the employer market continues to pay off, with a record level of new partnerships formed YTD.

- **Employer Outreach Activities: 62**

- Presentations: 28
- Meetings w/ HR: 29
- Onsite Enrollment: 2
- Benefits & Wellness Fairs: 3

- **New employers on-boarded: 11**

- Western Municipal Water District
- City of Chino
- East Valley Water District
- Filice Insurance
- Tabor Academy
- City of Rancho Palos Verdes
- City of Mission Viejo
- Contra Costa Mosquito & Vector Control District
- Nevada Irrigation District
- California Cryobank
- Pebble Beach Community Services District

- **HR Assoc. Meetings/Conferences: 8**

- PIHRA Legal Update
- So. Cal. Public Management Association
- HR Star Conference

- **Community Events: 10**

- 9th Annual SGV Youth Summit
- Alliance College—Ready Public Schools
- Orange County Private Schools Fair
- Elks Club Presentation
- Toddle Time (SD New Children Museum)

- **Multicultural Events: 5**

- Shuren PTA Meeting (Mandarin)
- Dream Higher Conference (Bilingual Spanish)

Outreach Events Summary

SIB Staff attended the following events in Q1 to promote ScholarShare 529 to California families.

Timing	Number of Events	Estimated Number of Attendees	List of Select Events
First Quarter 2018	57	23,700	Redding Health Expo, Sacramento Regional Transit Financial Wellness Fair, UC Davis Health & Wellness Fair, 5th Annual Santa Clarita Preschool Fair, CalPERS Benefits Education Events (San Luis Obispo, Sacramento, Visalia), Toddler Time at The New Children's Museum, F.U.N. Mother's Club 14th Annual Preschool Faire, Dream Higher Conference, San Francisco Summer Resource Fair, 2018 USC Alumni Association Women's Conference, Northern California Chapter International Public Management Association - Human Resources (MCCIPMA-HR) Annual Chapter Conference & Expo, Spring Fling at the Los Angeles Zoo, HR Star Conference, South Pasadena Colorfest, UC Berkeley Finance Fair



Appendix

2018 Marketing Budget

- 2018 Marketing Budget: \$10 million
- Q1 Spending totaled \$2.8 million

ACTUALS AS OF 3/31/18	Spending	%
Direct Marketing (Search, Display, DM, EM)	\$ 2,115,598	75%
Promotions / Community Outreach	\$ 174,130	6%
Fulfillment, Printing & Postage	\$ 38,071	1%
Agency Staff	\$ 188,443	7%
Public Relations	\$ 218,525	8%
Promotional Items	\$ 39,231	1%
Research	\$ 35,418	1%
TOTAL	\$ 2,809,416	100%

