
SEPTEMBER 20, 2018

**AGENDA ITEM 5
INFORMATION ITEM**

SCHOLARSHARE INVESTMENT BOARD

Marketing Update for ScholarShare 529

Background

TIAA-CREF Tuition Financing, Inc. has provided its “Q2 2018 Marketing Results” for ScholarShare 529. This update outlines marketing results for the second 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, Matching Grant Program, 529 Day campaigns, brand health study, new brand creative, social media, employer marketing and outreach activities, account owner initiatives, and 2018 budget.

Presenter

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



Q2 2018 Marketing Results

September 20, 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.		

ScholarShare 529 Business Results

Results

YTD Business Results strong growth over 2017, though Q2 not quite as impressive as blockbuster Q1.

Accounts and Contributions	June 30, 2017	June 30, 2018	% Change
Total New Accounts Opened	14,025	16,603	18.4%
Total New Contributions Collected	\$383.0 million	\$438.4 million	14.5%

Growth Rate	ScholarShare 529	Industry	% Difference
Annual Asset Growth Rate	11.2%	12.0% *	-0.8%

Rollovers	Performance Criteria	YTD 2018	% Change
% of Plan Accounts Closed Due to Rollovers	< 2.0%	0.29% **	-0.21% **

Accounts and Assets	June 30, 2017	June 30, 2018	% Change
Total Open Accounts	291,010	309,967	6.5%
Total Assets	\$7.73 billion	\$8.59 billion	11.1%
Market Share*	5.062%	5.025%	-0.037%

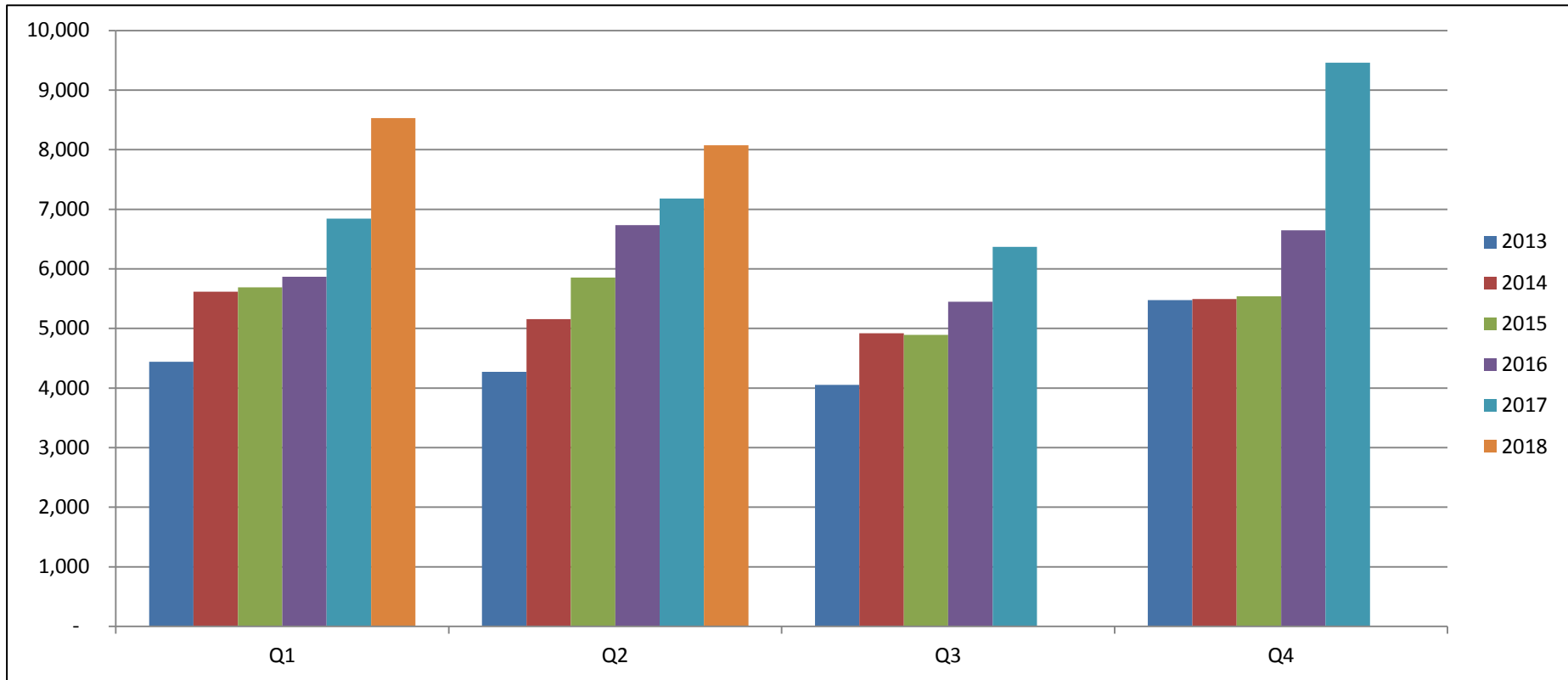
* Source: Strategic Insight –Direct Sold 529 Plans – Q2 2018.

** YTD 2018 (as of 6/30/18) versus Q2 2017.

All results in this report are for the period ending June 30, 2018.

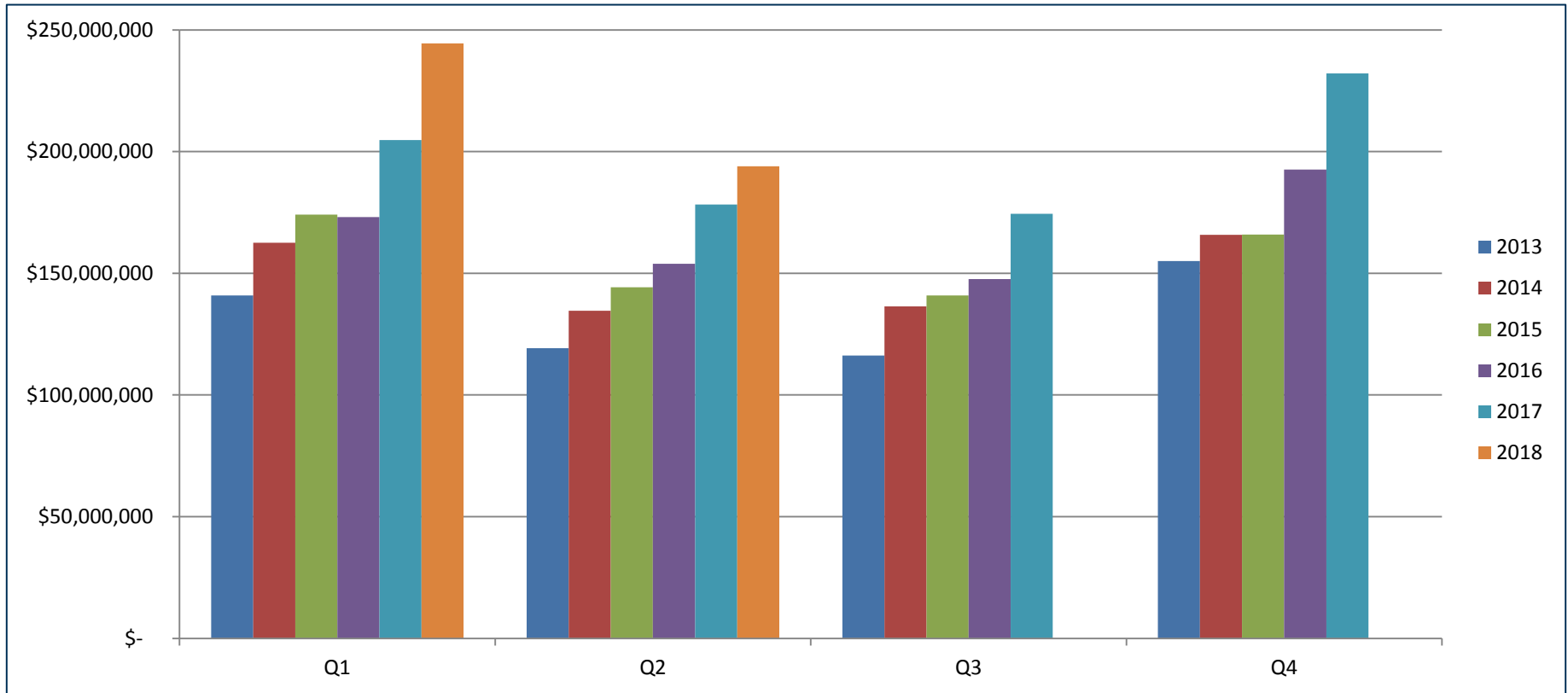


- Gross New Accounts Opened in Q2 2018, up 12.4% over Q2 2017



	2013	2014	2015	2016	2017	Year-to-Date 2018
TOTAL	18,247	21,187	21,976	24,700	29,858	16,603

- Gross Contributions for Q2 2018 up 8.8% over Q2 2017



	2013	2014	2015	2016	2017	Year-to-Date 2018
TOTAL	\$ 531,351,823	\$ 599,329,571	\$ 625,074,760	\$ 667,134,973	\$ 789,567,824	\$438,418,288

Marketing Plan – Q2 2018 Achievements

Results

Execution of 2018 Marketing Plan continues to go smoothly.
Key YTD business results are above targets and above prior years' results.

1. Lay the Foundation	2. Manage the brand	3. Gain new accounts/AUM	4. Employers/RIAs	5. Latino Initiative	6. Mature AO Relationships
<p>Educate families about ScholarShare 529 and the importance of saving for college.</p> <ul style="list-style-type: none"> 2018 Scholar Dollars Grant Program Ceremonies Held Matching Grant Program in-market 	<p>Ensure ScholarShare 529 brand is well-known and understood among key target audiences.</p> <ul style="list-style-type: none"> Second wave of Brand Health research completed and results have informed advertising content for the second half of 2018 	<p>Drive new account growth and increased AUM through initiatives that reflect the target market characteristics.</p> <ul style="list-style-type: none"> Tax-Time seasonal campaign executed. 2,032 new accounts attributed to campaign Email, Direct Mail and Digital Media, though not deduplicated. 529 Day campaign executed. Total new accounts opened: 1,914. Total Contributions:\$ 2 million. 	<p>Harness employer endorsements and RIA partnerships to build business.</p> <ul style="list-style-type: none"> Workplace Savings questions included in 2018 Brand Health research to inform Employer marketing strategy and execution. Workplace Savings materials developed for use at B2B (Business-to- Business) events and to support B2B2C (Business-to-Business-to-Consumer) communications. Created employer-targeted materials to support 529 Day campaign. 	<p>Engage Latino households on college savings topics.</p> <ul style="list-style-type: none"> Spanish language 529 Day campaign executed in San Diego market Telemundo and Univision partnerships included TV advertorial segments with Julio Lugo. 1MM emails were sent, with an open rate of over 13% (well above the 8% guaranteed rate) and generating almost 14,000 clicks . Digital video content had a completion rate of 75% - 100% (well above norm of 62%). 	<p>Drive Account Owner subsequent contributions through engagement initiatives and personalized communications.</p> <ul style="list-style-type: none"> Onboarding program for new AOs (Account Owners) continues. Content drip communications continued to keep AOs engaged.

Matching Grant Program



- Program was successfully launched on January 1, 2018.
- Outreach with partners continues to feed application pipeline.
- Paid advertising was tested in May, June, and July (Search, Display and E-mail). Campaign discontinued based on results.

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 6/30/18:

- 470 Applications Received
- 307 New Accounts
- \$186,497 in Contributions
- \$37,642 in Projected Matching Grants

Results as of 8/13/18:

- 595 Applications Received
- 374 New Accounts
- \$327,668 in Contributions
- \$52,538 in Projected Matching Grants

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

529 Day 2018 Campaign

Gain New
Accounts /
AUM

This year's campaign results were very similar to 2017.

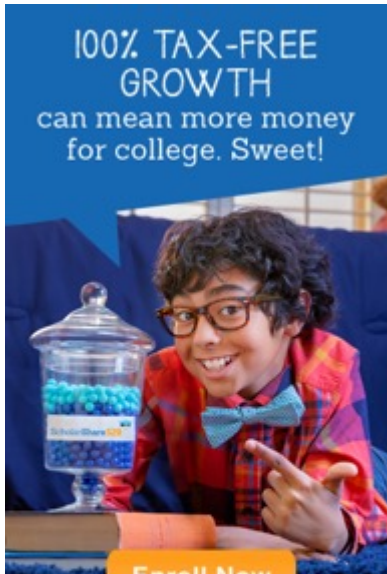
529 Day		
Strategy	Drive account openings and contributions with popular incentive offer.	
Target Audiences	Prospects	Account Owners
Offer	\$50 match for new accounts opened 5/29 – 6/1 with an initial deposit of \$50 and \$25 ACP for 6months+.	\$50 match for new accounts opened 5/29 – 6/1 with an initial deposit of \$50 and \$25 ACP for 6months+.
Timing	May 29 – June 1, 2018	May 29 – June 1, 2018
Media	Direct Marketing <ul style="list-style-type: none"> • 500,275 pieces / 345,584 emails Display Banners <ul style="list-style-type: none"> • 9,500,302 impressions • 5,887 clicks (0.06% CTR) 	Email <ul style="list-style-type: none"> • 107,121 emails delivered (35.8% open rate) Display Banners <ul style="list-style-type: none"> • 1,895,472 impressions • 1,533 clicks (0.08% CTR)
Results as of 6/15/18	Accounts:	1,914
	Total Contributions:	\$2,009,275

- Our brand health continues to mature according to plan.
- **Familiarity and Consideration are Growing**
 - Significant increase in ScholarShare 529's familiarity among college savers. We now lead Vanguard by +7/+10 points in terms of familiarity. Gains were also seen in consideration, and we now lead Vanguard by +14 points on this measure.
- **Drivers of Purchase Intent**
 - Tax advantages, performance, and low fees all tested well as drivers of interest. Thus, these messages will be featured prominently in promotion during the remainder for 2018.
- **Paths to Purchase**
 - Investors most often learn of 529 plans from friends and family more so than the internet (33% vs 24%). However, the opposite is true with new ScholarShare 529 investors (22% vs 34%). ScholarShare529.com and other websites dominate the sources of research among ScholarShare 529 investors.
 - Among website visitors, 85% visited the site multiple times during the purchase journey. Nearly 1/3 visited 4 or more times.
 - The shopping process lasts nearly 4.5 months on average, with 15% taking over a year to act.



As of August 1, our spokeskid is back to help us carry the momentum forward with refreshed messaging that reinforces the clear benefits of saving for higher education with ScholarShare 529.

100% TAX-FREE GROWTH
can mean more money for college. Sweet!

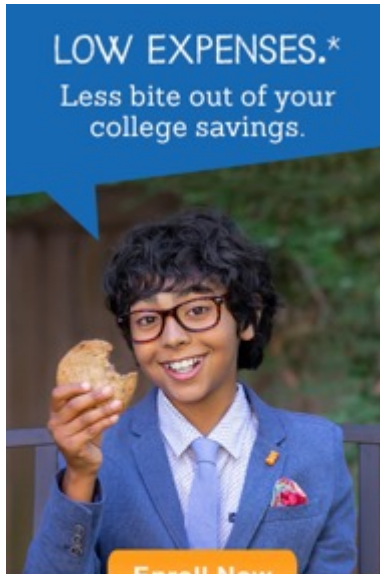


Enroll Now

ScholarShare 529 

TIAA-CREF Individual & Institutional Services, LLC,
Member FINRA, SIPC, distributor and underwriter for
California's 529 Plan. 502653

LOW EXPENSES.*
Less bite out of your college savings.

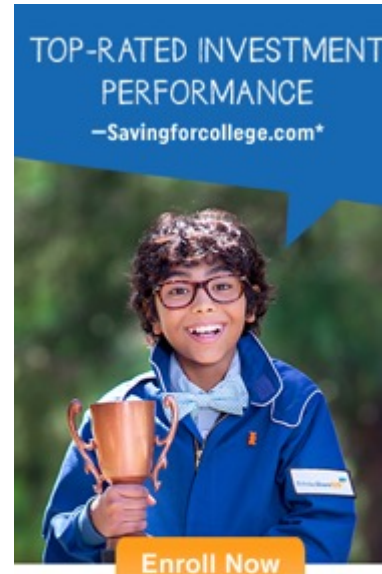


Enroll Now

ScholarShare 529 

*Strategic Insight 529 Plan Fee Analysis 2Q 2018
TIAA-CREF Individual & Institutional Services, LLC,
Member FINRA, SIPC, distributor and underwriter for
California's 529 Plan. 522851

TOP-RATED INVESTMENT PERFORMANCE
—Savingforcollege.com*



Enroll Now

ScholarShare 529 

*Direct-sold plans 3--year period, 3/31/18
TIAA-CREF Individual & Institutional Services, LLC,
Member FINRA, SIPC, distributor and underwriter for
California's 529 Plan. 501011

Each key message drives to a unique landing page, aiding in the education and consideration phase of the purchase process.



TOP-RATED INVESTMENT PERFORMANCE
—Savingforcollege.com*

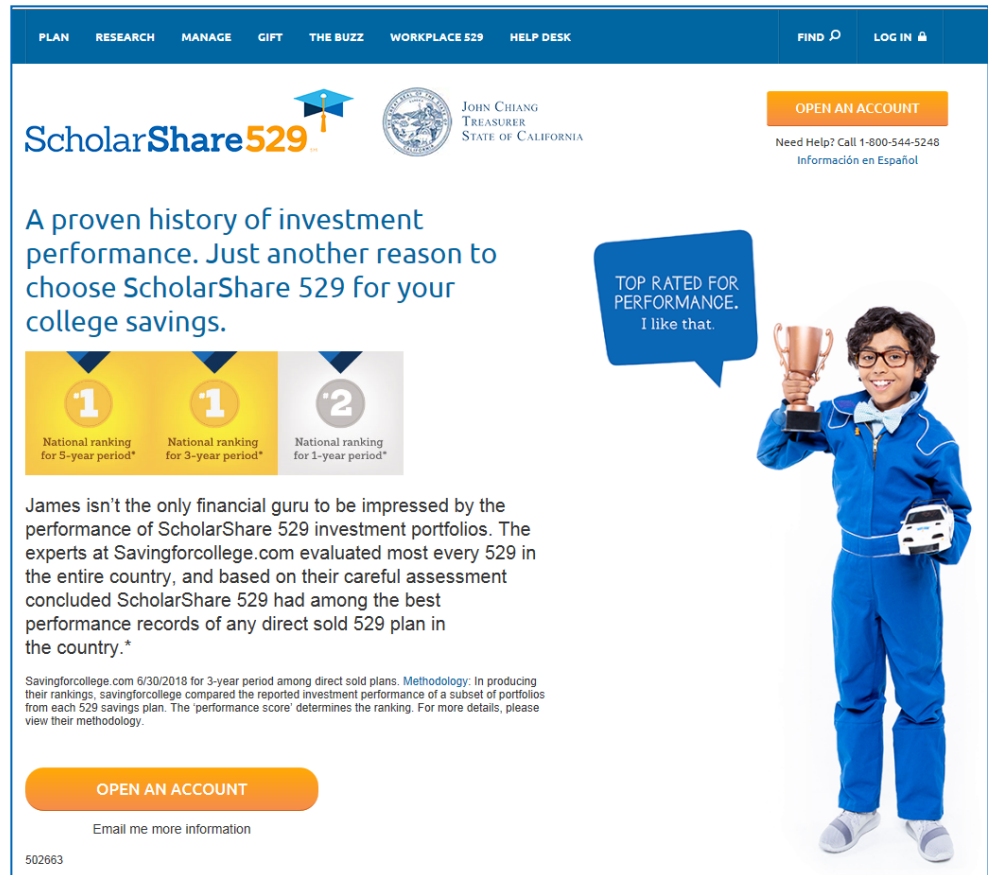
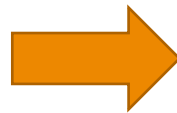


Enroll Now

ScholarShare529

*Direct-sold plans 3–year period, 3/31/18
TIAA-CREF Individual & Institutional Services, LLC,
Member FINRA, SIPC, distributor and underwriter for
California's 529 Plan. MRU#

2018 Performance Display Banner and Landing Page



PLAN RESEARCH MANAGE GIFT THE BUZZ WORKPLACE 529 HELP DESK

FIND LOGIN

ScholarShare529

JOHN CHIANG
TREASURER
STATE OF CALIFORNIA

OPEN AN ACCOUNT

Need Help? Call 1-800-544-5248
Información en Español

A proven history of investment performance. Just another reason to choose ScholarShare 529 for your college savings.

TOP RATED FOR PERFORMANCE. I like that.

1	1	2
National ranking for 5-year period*	National ranking for 3-year period*	National ranking for 1-year period*


James isn't the only financial guru to be impressed by the performance of ScholarShare 529 investment portfolios. The experts at Savingforcollege.com evaluated most every 529 in the entire country, and based on their careful assessment concluded ScholarShare 529 had among the best performance records of any direct sold 529 plan in the country.*

Savingforcollege.com 6/30/2018 for 3-year period among direct sold plans. Methodology: In producing their rankings, savingforcollege.com compared the reported investment performance of a subset of portfolios from each 529 savings plan. The 'performance score' determines the ranking. For more details, please view their methodology.

OPEN AN ACCOUNT

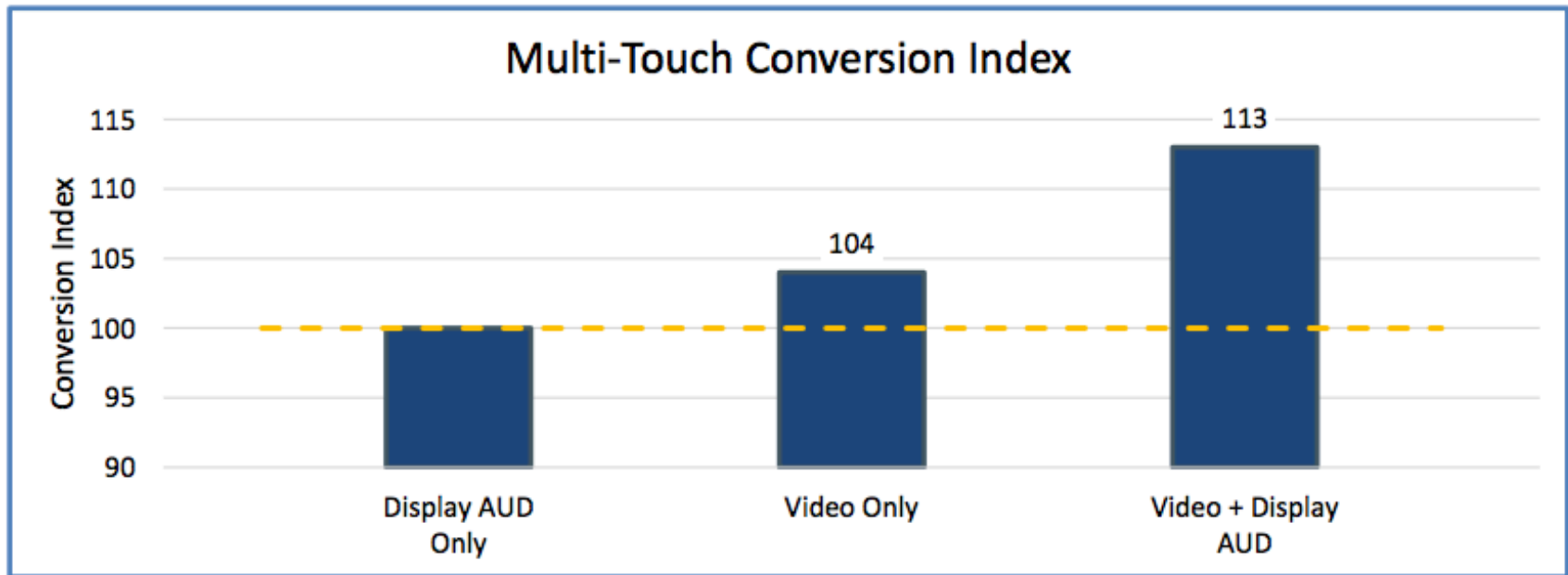
Email me more information

502663



Brand videos will be used to support awareness building goals, and to increase effectiveness of digital display banners.

During pre-529 Day campaign, audiences who received Video + Display impressions were +13% more likely to open an account than users who received only Video or Display.



Our 2018 social media strategy places greater emphasis on supporting brand attribute communications versus the holiday and general parenting topics of the past. This shift is playing an important role in driving increased site visitation.

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

Key Performance Indicators

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

Results

Significantly Improved Engagement for 2018 versus 2017

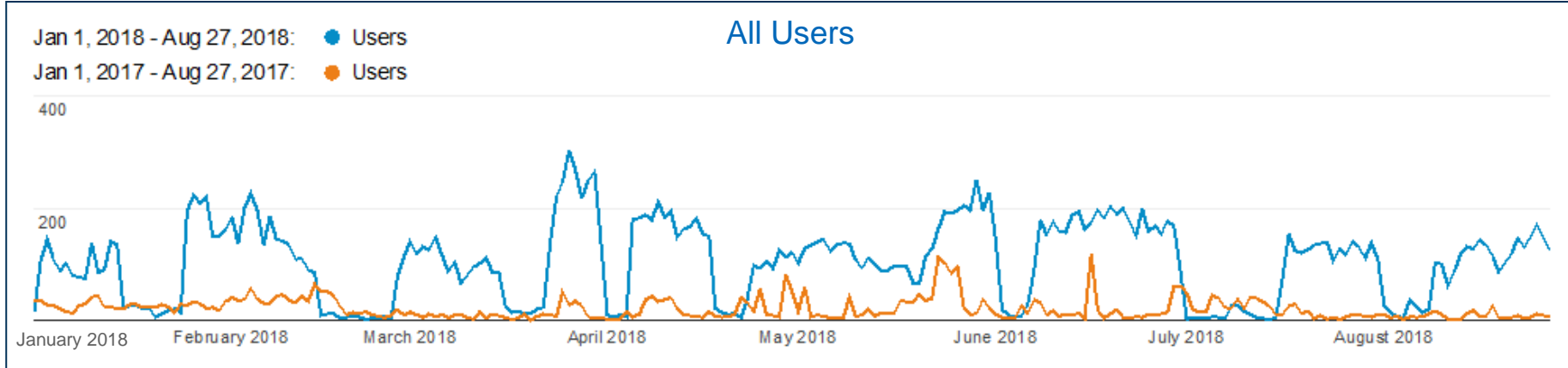
Paid Social Display

- 4,682,782 Impressions
- 34,098 completed video views
- 71,782 Link Clicks
- 1.53% CTR

Organic / Published Content

- 327,851 Impressions
- 1,000 Social Engagements
- 46,194 10-sec Views on “James Tips” videos

Strategic shift in content creation is helping to build advertising retargeting pool – our highest converting digital display targeting tactic. Social media channels have increased site visitation by more than 2.0% YTD.



Social Media: Creative Highlights

Gain New Accounts / AUM

Claims-based messaging has performed consistently well, attracting qualified prospects to ScholarShare529.com and generating positive site engagement.

ScholarShare California's 529 College Savings Plan

Sponsored ·

Like Page

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



SCHOLARSHARE529.COM

Learn More

Tax Time
0.89% CTR

ScholarShare California's 529 College Savings Plan

Sponsored ·

Like Page

100% tax-free growth is the way to go. It can mean up to 25% more money for college.



SCHOLARSHARE529.COM

Learn More

Pre-529 Day
0.75% CTR

Social Media: Creative Highlights

Gain New
Accounts /
AUM

\$50 match offer immediately spiked ad engagement.

ScholarShare California's 529 College Savings Plan
Sponsored · 🌐 Like Page

Just one week away! Starting 5/29 through 6/1, get \$50 when you open a new ScholarShare 529 account and enroll in automatic monthly contributions.

I've run the numbers — this is a huge deal!

SCHOLARSHARE529.COM
\$50 Match Coming Soon!
529 Day

Learn More

ScholarShare California's 529 College Savings Plan
Sponsored · 🌐 Like Page

Celebrate 529 Day! Get \$50 when you open a new ScholarShare 529 account and enroll in monthly automatic contributions!

I've run the numbers — this is a huge deal!

SCHOLARSHARE529.COM
Open an Account Today!
529 Day

Learn More

529 Day
1.22% CTR

Longer format videos explaining key aspects of the plan were among top performing published posts: 47k video views and 66 social shares.

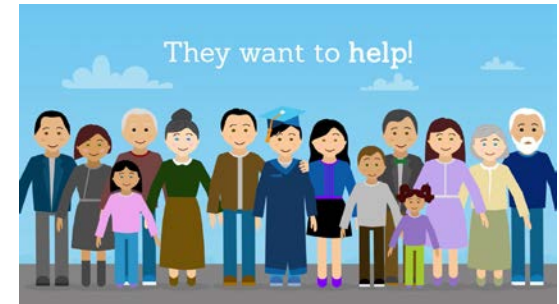
Compound interest



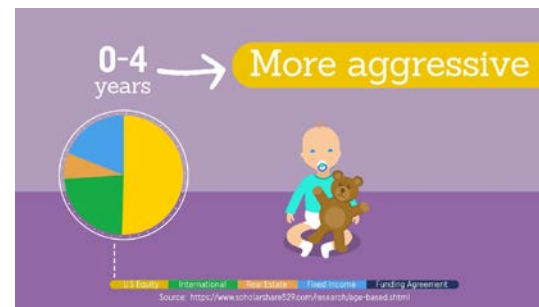
What & Where



E-gifting



Tax-free growth



Age-based portfolios

Our first integrated Spanish language campaign provided valuable insights that will inform future efforts targeting the Latino community. Telemundo and Univision partnerships offered opportunities to leverage community media personalities to effectively deliver our message.

Latino 529 Day Campaign

Strategy	Target Spanish-speaking Latinos in the San Diego market to drive account openings and contributions with popular incentive offer.
Offer	\$50 match for new accounts opened 5/29 – 6/1 with an initial deposit of \$50 and \$25 ACP for 6months+.
Timing	May 24 – June 1
Media	TV, Direct Mail, Display, Video, Social Media, Email
Results	<ul style="list-style-type: none">• TV Ad Campaign delivered over 1.3 Million Household impressions.• TV Advertorial (2 min segments with Julio Lugo) delivered over 320K Household Impressions.• 1MM emails were sent out, with an open rate of over 13% (well above the 8% guaranteed rate), with almost 14,000 clicks.• Delivered over 1.5MM digital display ad impressions.• Digital video content delivered more that 500K impressions, with a completion rate of 75% - 100%, performing well above norm of 62%.• On the social media front our reach was over 80K and engagement reached almost 4K.• Facebook ads generated over 176K impressions and the Facebook Lives had more the 3.9K. views.• Our google display ad campaign over a 4-day period delivered over 750K impressions with over 3K clicks to website.



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

Employer Outreach Activities: 55

- Presentations: 21
- Meetings w/ HR: 13
- Onsite Enrollment: 6
- Benefits & Wellness Fairs: 15

New employers on-boarded: 8

- City of Duarte
- The Claremont Club
- Salus University
- CRM Next
- Jurupa USD
- California Budget & Policy Center
- System Pavers
- Dr. Nelson Yamagata Psychiatry & Neurology Center

RIA Outreach Activities: 15

- Meetings w/ Advisors: 15

Outreach Events Summary

ScholarShare 529 Staff attended the following events in Q2 to promote the plan to California families.

Timing	Number of Events	Estimated Number of Attendees	List of Select Events
Second Quarter 2018	75	97,498	Oakland Zoo Earth Day, Orange County Ultimate Women's Expo, Festival de Los Ninos at Fresno Chaffee Zoo, CalPERS Benefits Education Events, Western Region IPMA-HR Annual Training Conference, CA State Legislative HR Conference, HR Benefits Fairs at City of Fort Bragg and City of Benicia, Wellness Fair at City of Richmond, Latino Business Expo, UCI Campus Wellness and Safety Fair, 529 Day Informational Tabling (FTB, CalSTRS, CalPERS, CalEPA, CDPH, DMV, STO), IEPMA-HR 2018 Training Forum, L.A. Ultimate Women's Expo, Bakersfield Kids Fest, City of Elk Grove Big Truck Day, San Diego Kids Expo, Japanese Community Youth Council, Boys and Girls Club of Stanislaus County All-Staff Meeting, SCPMA-HR Annual Training Conference, Chapman University Health & Resource Fair



Appendix

2018 Marketing Budget

- 2018 Marketing Budget: \$10 million
- Spending YTD totaled \$5.1 million

ACTUALS AS OF 6/30/18	Spending	%
Direct Marketing (Search, Display, DM, EM)	\$ 3,412,547	67%
Promotions / Community Outreach	\$ 462,137	9%
Radio	\$ 35,760	1%
Fulfillment, Printing & Postage	\$ 72,630	1%
Agency Staff	\$ 606,813	12%
Public Relations	\$ 387,937	8%
Promotional Items	\$ 71,192	1%
Research	\$ 66,839	1%
TOTAL	\$ 5,115,855	100%

