

CalPERS Stakeholder Focus Groups

July 17, 2024



CalPERS

Purpose and Methodology

- ▶ Four 90-minute focus groups were conducted in May 2024 among stakeholder groups, to investigate member satisfaction, perceptions, and confidence.
 - Retired Members
 - Employer Operations Staff administering CalPERS benefits
 - Employer Senior Leaders, Executive Directors, Finance Directors
 - Active Members
- ▶ Groups were 6-7 participants, moderated by EMC Research.
- ▶ Findings are compared with similar groups conducted in June of 2023.
- ▶ Focus groups are, by design, qualitative and not quantitative research and are not statistically representative of a population. Thus, 2024/2023 differences may be reflective of individual experiences rather than overall trends.

Key Findings

- ▶ Participants express satisfaction with CalPERS benefits, seen as superior to other jobs.
 - At the same time, some criticized a lack of health care network access, and some are expecting to pay more for health care soon.
- ▶ Last year, concerns about CalPERS' stability were rooted in “no one knows the future”; in 2024 we heard more specific concerns about the viability of the system
 - ...including benefits that could be overly generous despite their high praise of them, some social investing practices they believe may underperform, concerns about whether enough people will be working to fund the system, and concerns about “unfunded liabilities.”
- ▶ Early career members tend to understand much less about CalPERS and what future benefits might be. The most knowledgeable were retirees and those that cited helpful coworkers or proactive benefits managers for helping them learn about the plan.
- ▶ Customer service and CalPERS websites are still seen mostly positively, but there were more requests for suggestions/improvements to the call center and websites in the 2024 groups.
- ▶ Participants asked for more and better training and orientation materials, both digital and in person, particularly during onboarding but also for specific issues/problems.



Views of CalPERS

High Satisfaction with CalPERS and Benefits

- ▶ Consistent with last year's research, participants expressed personal satisfaction with their benefits.
- ▶ There was agreement across all groups that CalPERS benefits are much better than what is offered by the private sector.

“I was looking into a job opportunity in the private sector, and I didn't take it because the retirement that I get through CalPERS is basically unbeatable. Like, I couldn't replicate that anywhere else.” – Active Member

“I love my plan...Actually there's so many benefits to it... They make more money in private sector, but the benefits... There's nothing [that compares] to what CalPERS offers.” – Retired Member

But Uncertainty About Sustainability

- ▶ Across groups, confidence in CalPERS' ability to pay benefits to all current and future retirees was more uncertain than the 2023 groups, with specific concerns about whether PEPRA will be sufficient in stabilizing the system.

“People will be paying for it for years, and then they might have to do, like, PEPRA Version 2, right?... We're definitely... feeling the hit of the classic members. If we can survive the next 30 years, I think then... Maybe we'll be good ...but we gotta make it there.” – Operations Staff

- ▶ Some non-retirees also expressed uncertainty about their own benefits.

“I still have a long way to go in terms of how many more years I have to work. And oftentimes, ...I'm still thinking, by the time I retire, is that money still gonna be there for me, or are they gonna start cutting? I'm not sure.” – Active Member

Employer Senior Leader Concerns

- ▶ Like 2023, there was concern among senior employees about the long-term sustainability of the system from the employer side.

“They publish something called a ‘CalPERS Buck,’ and it says how much... your CalPERS investment pays, how much the employer pays, how much the employee pays. If you go back over time, you'll see that shifting where employers are paying more and more and more, and that's not sustainable.”

– Employer Senior Leader

- ▶ Senior employees also brought up concerns about the cost of CalPERS and particularly the burden of unfunded liabilities on smaller agencies, which we also heard in 2023.

“I think the unfunded accrued liability payments each year hurt quite a bit... I'm seeing the payments just increase. So, at some point we're gonna have to cut services to accommodate that and that's terrible.”

– Employer Senior Leader

- ▶ Across groups, members do not have a great understanding of the portfolio management and believe they would have more confidence in the system if this information was more readily available.

“I would hope that CalPERS can provide any kind of information that would improve my confidence in the system. Possibly annually, just give me more information regarding... how much money is in CalPERS.”
– Active Member

- ▶ Retirees expressed concern about “socially responsible investing” and were more aware of the recent Exxon news than other groups. Members who had heard of this thought these investments pose significant risk to the system, even though they didn’t really know how large/significant those investments are.

“And if we follow the stock market at all, the socially responsible companies are terrible investments. And they're starting to get too political in that regard, instead of just managing our money the correct way so that we stay healthy.” – Retired Member



Engagement & Experiences

Engagement with CalPERS: Active Members

- ▶ Some active members report difficulty with CalPERS' customer service.

“[My issue] was about my medical benefits. I couldn't understand something... I feel like it was not helpful for me. I just pretty much gave up on it. And it was a good like back and forth like three weeks. I didn't get the answer I wanted, or I didn't understand the clarity of it.” – Active Member

- ▶ Other participants had either had positive experiences themselves or watched coworkers come away from meetings happy.

“I work at a school district. Everybody knows when they kind of get like in their fifties, early fifties. They start having that meeting [with CalPERS]. Couple of years later they'll follow up, see if anything's changed. So I feel like everybody utilizes that.” – Active Member

Engagement with CalPERS: Retired Members

- ▶ Retirees continue to be very engaged with CalPERS news and had the highest awareness of communications about recent events, cost of living increases, and high-level staff turnover.

“It seems like they changed in the investment officer several times over the last several years, due to various reasons. I think one just lasted a year.” – Retired Member

- ▶ Senior employees report that some retirees are not comfortable contacting CalPERS, and will often try to go through their former employer to get answers.

“I can tell you that my experience with our retirees is they call me first... I have actually had retirees come into our office, and then I've called CalPERS and we've had a three-way conversation because they feel like they don't know the questions to ask properly, or they don't feel like CalPERS is going to give them the answers.” – Employer Senior Leader

Customer Service Experiences: Employers

- ▶ The admin group and senior employee group brought up a range of experiences with CalPERS customer service; basic questions seem relatively easy to get answered, but when the level of difficulty goes up, respondents tell us they get different answers, or that the answers take a long time.

“We have encountered representatives that give us different information. It's not consistent, and I almost feel that I'm concerned that it's not reliable. Because one thing you want to do when it comes to retirement is we want to have correct answers and timely information provided to us.” – Operations Staff

“I think the call center is good for entry level basic questions. And they've been very friendly... if they can walk you through something. I think if you have a specialized question or a real technical question, the call center is not good, and they usually pass you on to someone. But then it's like, ‘Oh, well, someone will get back to you in five to ten days,’ or something like that.” – Employer Senior Leader



CalPERS Resources & Trainings

Trainings for New Employees

- ▶ Participants in all four groups expressed interest in additional trainings for new employees and others interested in gaining a better understanding of their CalPERS benefits/retirement planning.

“I like the idea of a live web training session. Something like this [focus group], you know. Where they go over details... of CalPERS and what we need to understand... That'll be more convenient for me because a lot of times taking time away just to do these kind of training may not be feasible for some of us.” – Active Member

“[What I'd like to see improve is] just helping me understand CalPERS products. Right? Like, what are they? ...I would like to learn early on about it, as opposed to waiting when I'm getting close to the end. So, there's like this disconnect for me to understand CalPERS as a whole right now, as I'm going through my service credits.” – Active Member

Types of Trainings

- ▶ There were mixed reactions on how training could be delivered. Some felt the hands-on in-person trainings outweighed the convenience of online trainings, while others preferred online.

“I think the in-person training is far superior. And... back, when I used to do the payroll or enter members and stuff...I learned more at the in-person trainings because people would ask questions, and then they would show us how to do it or how to fix it. And I thought those were extremely valuable.”

– Employer Senior Leader

“I wanted to also say on-demand training. So, there’s [currently] a lot of classes that you can attend, but on a specific day and time. There’s... no webinar that you can go, then, after that has been completed, where [if] you couldn't make that day and time, where you can still get the information.” – Operations Staff



Suggested Improvements

Suggestions from Employer Senior Leaders

- ▶ New participant orientation and an onboarding process for new administrators.
- ▶ Find alternative solutions for funding shortfalls that don't include increasing costs for agencies that don't have variable revenue streams.
- ▶ Clearer instructions on follow-ups for technical issues; rather than leaving a message saying they should call back into the call center, instead leave an email or phone number so they don't have to restart the process.

Suggestions from Operations Staff

- ▶ Operations staffers are interested in a new/improved participant orientation.
- ▶ They'd like to get customer service answers that are consistent.
- ▶ A contact sheet for CalPERS customer service with more issue-specific specialists.
- ▶ Faster turnarounds on issues, particularly urgent ones where missing a deadline can result in a fine.
- ▶ Employer based trainings that are subject-specific and recorded so employees can go back and watch them on their own time.

Suggestions from Active Members

- ▶ More transparency on CalPERS' investments. One person suggested a yearly financial statement showing what CalPERS is invested in and the expected returns.
- ▶ An option to purchase back years for those who moved to the State system later in their careers.
- ▶ A discounted medical option for those whose agencies do not cover medical insurance upon retirement.
- ▶ A more consistent onboarding process that helps them better understand the CalPERS system and their benefits.

Suggestions from Retired Members

- ▶ More proactive communication from CalPERS about investment performance. One participant suggested a “state of the union” yearly showing how CalPERS is doing financially and the state of the larger economy.
- ▶ Faster turnarounds on customer service requests.
- ▶ More involvement from CalPERS as members approach retirement. They suggested “milestone” updates to members that might, for example, be sent at 5-year intervals to highlight where the member is on their benefits status and include relevant information for that point in their career about what could be done to prepare for future retirement.



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