

# PERA Member Satisfaction 2022

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# Agenda

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- I. Planned areas of inquiry
- II. 2022 satisfaction measures
- III. Changes in sub-groups of PERA members
- IV. Key takeaways
- V. Appendices

# Planned areas of inquiry

# Two core questions

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How well is PERA serving its members today?

How has satisfaction shifted since 2019?

## Revisiting the 2019 study...

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Reach Advisors conducted an in-depth analysis of PERA members' satisfaction:

- Fielded a member satisfaction survey to generate attitudinal data
- Analyzed extensive member administrative data, behavioral data and follow-up interviews
- Meshed the data together to build a stronger picture of member segmentation and behaviors within each segment

# Revisiting the 2019 study...

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Key observations from 2019:

- Significant differences in attitudes and behaviors driving clusters that were categorized in the following groups:
  - Grateful, optimistic, angry or upset, reserving judgment, or confused
- In many cases, attitudes were set, but in other cases, modifications to member interactions could improve to reduce satisfaction concerns

## In 2019, we calculated satisfaction as follows:

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We asked multiple questions to track satisfaction, determining that this one served as the best benchmark for PERA:

“On a scale from 0 to 10, where 0 is not at all satisfied and 10 is extremely satisfied, how satisfied are you with the job PERA has been doing for you?”

Net Promoter Score (NPS) follows this methodology:

Promoters (9 and 10) - Detractors (0-6)

PERA Promoters (35%) – Detractors (30%) = 5

# What NPS does (and doesn't) do:

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- Net Promoter Score has been touted as “the one number you need to know,” which isn't how we view NPS
- As a one-off score in a vacuum, NPS almost irrelevant
- Instead, NPS most helpful as a benchmark to enable comparisons and analysis:
  - Comparison and analysis of shifts over time
  - Comparison and analysis among segments of the membership
  - Comparison with related entities

## PERA Plan Design vs PERA Operations

- Member and Retiree responses show the difficulty the membership has in separating satisfaction with PERA (how the organization interacts with them) and the PERA benefit plan (annual increase amounts, contribution rates)
- The scores reflect both positive and negative aspects of this conflation

# Some changes in the past three years are outside PERA's control.

A moment of deep cultural anxiety:

The pandemic

Inflation

Global instability

Stock market decline

Among PERA members, we saw a growing fraction concerned they wouldn't be able to retire comfortably, even though they are overwhelmingly satisfied with how PERA is handling their retirement assets (only 7% dissatisfied)

# 2022 satisfaction measures

# The 2022 member survey

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- Online survey (n=12,681) fielded 4/19/22 to 5/9/22
- All active, vested inactive, and retired members invited (4.2% response rate)
- Sufficient response rate for basic segmentation of members
- Large respondent pool allows confident generalization about members

## Satisfaction increased since 2019

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2019: PERA Promoters (35%) – Detractors (30%) = 5

2022: PERA Promoters (50%) – Detractors (21%) = 29\*

A 24-point gain? How?

## \* An important caveat

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- In 2022, retirees were 4.5x more likely to respond than non-retirees, creating greater sample response bias than we typically see in most surveys
- With retirees much more positive about PERA, the NPS calculation makes the total member base appear more satisfied than reality
- This was true in both 2019 and 2022, but was particularly pronounced in 2022
- **As a result, the increasing imbalance of retiree responses accounts for slightly more than half of the NPS gain between 2019 and 2022**

# Adjusted scores still show improvement

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To more accurately capture the real difference between 2019 and 2022, we created an adjusted NPS score by weighting the results based on the distribution of each member type (retiree, active, vested inactive)

This adjustment lowered the NPS score in both years, but still showed a gain over 2019:

- 2019 adjusted NPS score = -4
- 2022 adjusted NPS score = 5

That **9-point gain** between 2019-2022 is pretty consistent with other indicators

# Level of trust improved

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Satisfaction improved on two other questions we asked:

“On a scale of 0 to 10, where 0 is not at all trustworthy and 10 is extremely trustworthy, how trustworthy is PERA as a steward of public retirement plans?”

Adjusted scores	2019:	7	2022:	17	(10-point gain)
Unadjusted scores	2019:	15	2022:	39	(24-point gain)

## Likelihood of recommending PERA improved

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“How likely would you be to recommend someone choose a job that offered PERA benefits over the exact same job that offered a different retirement plan?”

Adjusted scores	2019:	2	2022:	12	(10-point gain)
Unadjusted scores	2019:	11	2022:	33	(22-point gain)

# Satisfaction improved for subgroups

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Disaggregating the NPS scores enabled a more accurate apples-to-apples comparison among retirees and non-retirees

# Satisfaction improved for retirees and non-retirees on all three questions

Question	Retirees		Non-retirees	
	2019	2022	2019	2022
Satisfaction	37	50	-24	-18
Trust	42	58	-11	-4
Recommendation	35	52	-15	-8

# Changes in sub-groups of PERA members

# Retiree sentiment in 2022

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On average, retirees have an NPS of 50

- 79% of retirees fell into the category **Retired and Grateful**: NPS 69
  - Even among grateful retirees, we heard high levels of anxiety (“I am grateful, but I am worried...”)
- 8% of retirees are **Angry or upset about PERA**: NPS -50
  - Half as many as 2019...but they are even more negative toward PERA
- 15% of retirees are **neither angry, upset, nor grateful**: NPS 24

# Active members are far-more polarized

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- Among non-retired members, more are optimists (delivering a strong positive assessment of PERA) than in 2019
- But more are angry and upset as well
- The angry and upset members are more negative than three years ago
- There are fewer members who seem confused, disengaged, or “reserving judgment” than in 2019, but those who remain in those groups are more negative than three years ago

# Key takeaways

# Modest satisfaction gains

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- Gains for retirees and non-retirees
- Not quite the 24-point gain from the unadjusted NPS score, but it's a real 9-point gain

# Retirees generally highly satisfied

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- NPS = 50
- 13-point gain vs. 2019
- Half as many angry or upset retirees vs. 2019
  - But that 8% have gotten sharply more negative
  - And there might not be much that can be done about that
- Overall, retirees view PERA well

# Active members more polarized

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- NPS -18
- But that's a six-point improvement over 2019
  - More have become optimistic about PERA
  - Fewer members who seem confused, disengaged, or "reserving judgment," but those who remain in those groups are more negative than they were three years ago
- But more are angry and upset as well...and they are more negative than before...and it's clustered among members under age 40

# Member engagement takeaways

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Members who engage with PERA are more positive, and sharpened focus on member communications and the customer journey likely contributed towards the modest but surprising satisfaction bump

- Likely contributed towards reducing the number of members 'on the bubble'
- Challenges ahead - Improving perceptions of the audiences that are sharply negative related to items beyond PERA's control

# The age of anxiety

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The biggest difference noted between 2022 and 2019 is the prevalence of anxiety over retirement finances

- Even among the grateful retirees, tempering many of their grateful comments

# Looking forward

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Consideration in future surveys of how to focus the attention on the services PERA provides vs. the benefit plan design to get a more accurate guide to meeting the expectations of the membership

# Appendices

# Changes since 2019

What explains these changes?

# Changes to Website

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- Members used the website heavily in the past year. 44.5% reported visiting COPERA.org, and 57.8% said they logged onto their PERA account
- Satisfaction with the website was virtually unchanged between 2019-2022
- When asked about recent changes to the website, most website users didn't notice or didn't think changes made a significant difference
- Those who did notice recent changes were more likely to find the changes helpful (16%) than not helpful (7%)
- This may simply be an issue of consumer expectations increasing each year, so advancements merely keep things stable

# More communication = greater satisfaction

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- Contact with PERA is highly correlated with member satisfaction
- Members who have read some PERA literature deliver an NPS satisfaction score of **36**, compared to **10** for those who haven't or don't recall
- They are 50% more likely to describe themselves as optimistic about PERA
- They are half as likely to describe themselves as confused

# Members expressed communications preferences

- 63% would prefer to learn about PERA by email (more members have read a PERA email in the last year than read any other PERA literature)
- Top three preferences for more resources on the website:
  - Retirement savings tips (29%)
  - Articles about retirement planning (25%)
  - Financial literacy information (25%)

# Social media correlates with satisfaction

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Following PERA on social media correlates highly with member satisfaction.

- Active members: NPS = **12** if they follow PERA on social media. **-18** if not.
- 61% of them describe themselves as optimistic vs. 42% who don't follow PERA on social media.
- Only 8% “confused” about PERA, vs. 13% who don't follow PERA on social media.

But 94% of members have never seen PERA on any social media platform.

(Correlation, not causality...but it's not just the super-happy who add PERA into their social media feeds.)

# Methodology: Additional notes

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Potential response bias issue:

- Lower response among non-retired members
- Very low response among vested inactive members
- Adjusted by sending reminder to vested inactive members
- In 2019, there was no significant difference between those who responded immediately and those who required multiple reminders.
- But response bias was enough of a concern this year to introduce the weighted score, which found that the overweighting of retirees explains slightly more than half the increase in the 2022 NPS score.

## Scores improved on all satisfaction questions

Question	2019	2022
Satisfaction	5	29
Trust	15	39
Recommendation	11	33

These are unadjusted satisfaction scores.

## Satisfaction by member type, 2022

Question	Retirees	Active	Vested inactive
Satisfaction	50	-18	-18
Trust	58	-6	2
Recommendation	52	-8	-10

## Age correlates with satisfaction

Age	Mean satisfaction		Age	Mean satisfaction
<30	5.2		60-64	7.9
30-39	5.8		65-69	8.3
40-49	6.3		70-74	8.6
50-54	7.1		75-79	8.8
55-59	7.5		80+	9.0

# Length of service correlates with satisfaction

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Length of service	Mean satisfaction
< 2 years	5.6
2-5 years	5.7
6-10 years	5.9
> 10 years	7.2

# Employers

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- Among active PERA members, those who are employed by school districts are less negative about PERA than employees in the state division. (Satisfaction **-13** for school employees vs. **-19** for state employees.)
- This is true even though state employees are more informed about PERA overall. (20% of school employees have had no contact with PERA in the past year, vs. 13% of state employees. 30% of school employees don't know what PERA plans they've participated in, vs. 15% of state employees.)
- It's also surprising given that more state employees (58% vs. 32%) say they have a defined benefit plan, and employees with a DB plan are generally more positive toward PERA.

(Note: Sample size is insufficient to draw conclusions about local government and judicial employees.)

# More details on retirees

Group 1: Retired and Grateful

Group 2: Angry at PERA

# Sentiment Question

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We asked retirees if any of the following statements described their feelings well:

- I am grateful that PERA has helped make my retirement comfortable.
- I am angry about actions PERA has taken with my retirement.
- I am upset about the circumstances surrounding what PERA does for my retirement.
- Other
- None of the above

(Respondents could check more than one answer, so there was some overlap.)

# Member group #1

Retired and Grateful

## Members who are Retired and grateful

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- Vast majority of PERA retirees are grateful: 79% of retired members
- NPS of 69. (72% are promoters. 4% are detractors.)
- In 2022, this group is similar in size and level of satisfaction to the "retired and grateful" segment we modeled in 2019.

# Member group #2

Angry Retirees

## Retirees who are **angry or upset *about* PERA**

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- About 8% of retirees say they are either angry or upset about PERA (or both).
- The NPS for this group is **-50**. (11% are promoters, 61% are detractors.)
- Even though they are sharply negative, they behave similarly to the grateful retirees.

They have similar levels of contact with PERA.

They are just as likely to talk about PERA as grateful retirees.

## Angry retirees are unhappy about

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- Windfall Elimination Provision
- Cost of Living increase
- Inflation

## Angry retirees: Changes over time

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The good news: fewer retirees are angry at PERA:

- In 2019, 20% of retirees seemed to be angry at PERA.
- In 2022, just 8% of retirees are angry or upset.

The bad news: those who are angry are a lot angrier:

- In 2019, the angry retirees had an NPS of **-29**.
- In 2022, the angry/upset retirees have an NPS of **-50**.

# Retiree recap

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On average, retirees have an NPS of 50.

- 79% of retirees are **Retired and Grateful**: NPS 69
- 8% of retirees are **Angry at PERA**: NPS -50
- 15% of retirees are **neither angry, upset, nor grateful**: NPS 24

# More details on non-retired PERA members

Group 3: Optimists

Group 4: Angry members

Group 5: Reserving judgment

Group 6: Confused and disengaged

# Sentiment question

We asked non-retired members if any of the following statements described their feelings well:

- I am optimistic that PERA will help make my retirement comfortable.
  - I am angry about actions PERA is taking with my retirement.
  - I am upset about the circumstances surrounding what PERA can do for my retirement.
  - I am reserving judgement on PERA since I'm not sure yet.
  - I'm still sort of confused about what PERA does for me.
  - Other
  - None of the above
- (Responses could overlap)

# Member sentiment #3

Optimists

# Optimistic PERA members

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The largest group of active members are optimistic that PERA will help them retire comfortably.

43% of active members and 33% of vested inactive members describe themselves as optimistic.

The NPS for this group is 32.

## Optimistic members: changes over time

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There may be more optimists today than in 2019.

In 2019, we modeled a group of optimists that accounted for 10% of members under 45. In 2022, 43% of active members describe themselves as optimists, and 38% of those under 50.

(This change may also be an artifact of the different methodologies we used.)

Satisfaction levels are similar.

In 2019, young optimists had an NPS of 35.

In 2020, optimistic members had an NPS of 32.

# Member group #4

Angry Members

## Angry or upset members

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- 14% of active PERA members describe themselves as angry, upset, or both.
- Satisfaction score = **-79**
- They are less engaged with PERA than their happier peers.
- They are less likely to talk *about* PERA, but when they do, their conversations are overwhelmingly negative.
- Angry members skew younger: the younger the member, the more likely they are to describe themselves as angry or upset. (More than a quarter of members under 40 say they are angry or upset.)

## Angry members: Changes over time

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There are more angry members.

In 2019, 7% of active members were angry.

In 2022, 14% are angry or upset with PERA.

And they are much angrier than before.

In 2019, angry members had a satisfaction score of **-28**.

In 2022, angry and/or upset members deliver an NPS of **-79**.

# Member segment #5

Reserving Judgment

# Reserving Judgment

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- 31% of active members of PERA say they are reserving judgment.
- Satisfaction is low: **-30**

## Reserving judgment: changes over time

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There are fewer PERA members in this category:

- In 2019, 40% of PERA members seemed to be reserving judgment.
- In 2022, 31% of active members said they were reserving judgment.

But this group has become much more negative:

- NPS of **-30** in 2022 compared to a satisfaction score of **0** in 2019.
- Indeed, it might not be accurate to say they are “reserving judgment,” since they seem to have judged already.

# Member group #6

The Confused

## The Confused

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- 18% of active PERA members have not been in contact with PERA in the last year.
- 25% say they haven't read any PERA emails or literature or can't recall.
- 25% don't know what PERA plans or services they have participated in.
- 13% describe themselves as "sort of confused about what PERA does for my retirement."

## The Confused: Sharply negative

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- Confused and disengaged members have a very negative view of PERA.
- Those who describe themselves as confused have a satisfaction score of **-56**.

## The Confused: Changes over time

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Compared to 2019, there are fewer confused active PERA members.

In 2019, 35% said they didn't know what PERA plans or services they had used.

In 2022, just 26% didn't know.

In 2022, only 13% described themselves as confused.

But those who are confused are more negative about PERA: **-56** satisfaction score compared to **-39** in 2019.

# Non-retiree sentiment and satisfaction recap

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43% of active members are **Optimists**: NPS 32

14% of active members are **Angry or Upset**: NPS of -79

31% of active members are **Reserving Judgment**: NPS of -30

13% of active members are **Confused**: NPS of -56

(On average, active members have an NPS of -18.)

# VOYA flashpoint gone

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- In 2019, we picked up a broad and intense degree of negativity about VOYA.
- In 2022, we picked up some grumbling about Empower, but nowhere near the level of comments and negativity we saw about VOYA.
  - Most comments seemed to reflect annoyance with having to adjust to a new system.