



CALSTRS®

Member Segmentation Study

Benefits & Services Committee
May 4, 2022

Background and Objective



Background

- Provide internal business areas with useful information about the CalSTRS membership that builds upon previous research:
 - 2010 Persona Research
 - 2020 Demographic Study

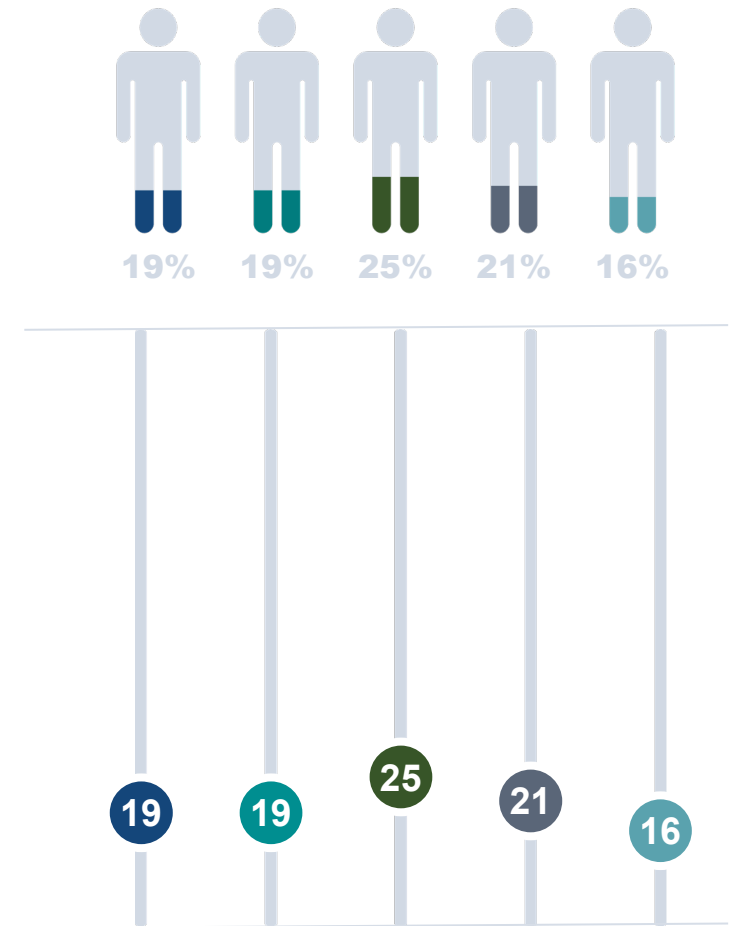


Objective

- Identify distinct segments within the CalSTRS membership and develop personas for each segment in order to better understand members and effectively communicate to them.

Segmentation Analysis

- An analysis of CalSTRS members based on shared demographic, behavioral and psychographic criteria.
- Segments represent groups of members identified as distinct from one another according to survey variables.
- Identifying unique member groups guides the development of personas for use within the organization.
- Personas provide a way to relate to members based on common needs and financial planning behaviors.



Survey Methodology



How

Online survey of active and retired members.



Who

131,764 email invitations with link to survey sent to all email addresses on file for 20 to 29-year-old members and stratified sample of other members.



When

Online survey opened on April 9, 2021, and closed on May 5, 2021.



Response Rate

3,046 emails bounced back, and 2,936 surveys were completed, resulting in a 2.3% response rate.

Key Variables

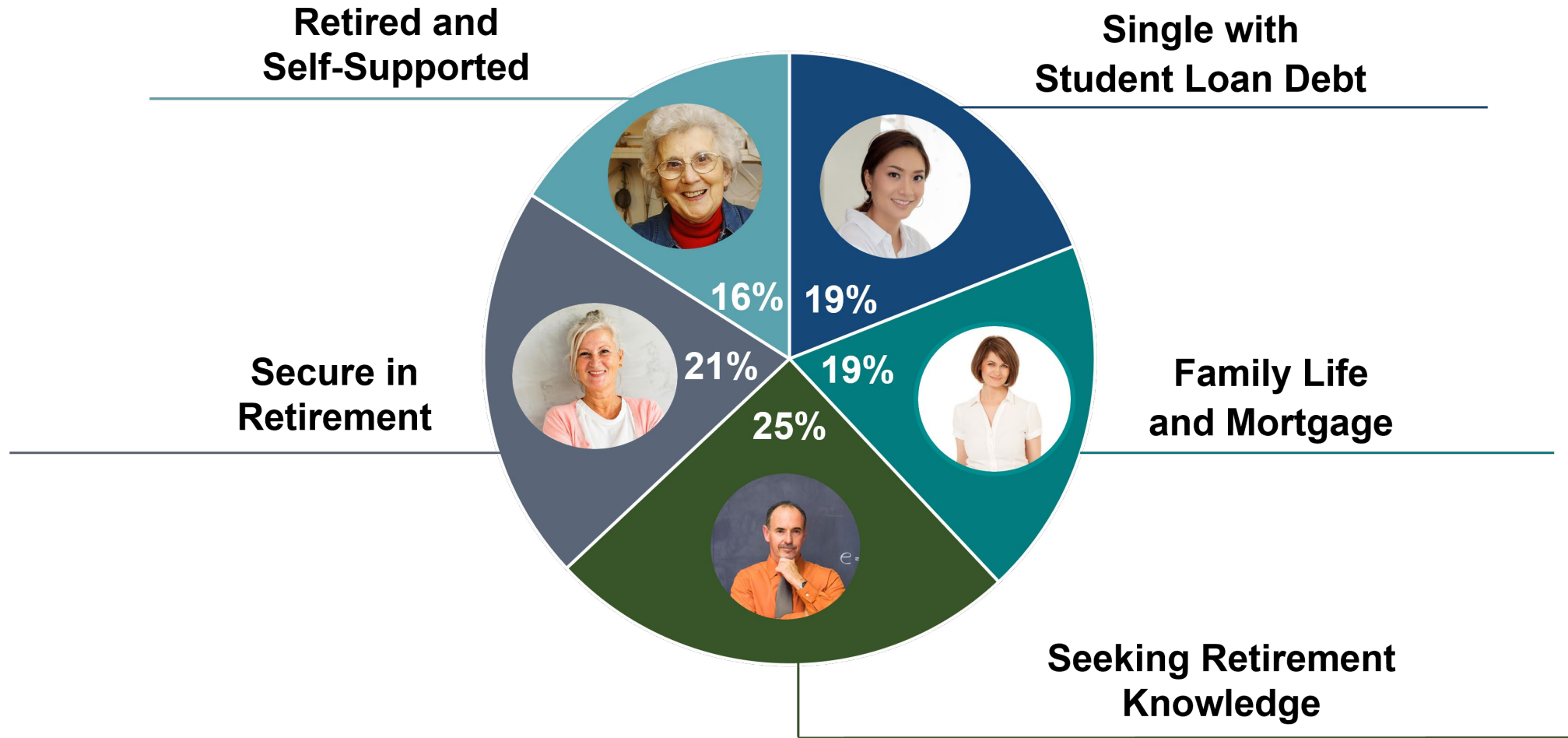


Key Variables in the Analysis

- Active or retired
- Current or most recent position
- Full-time or part-time
- CalSTRS and non-CalSTRS employment
- Years as a member
- Service credit
- Living in California or out of state (retired)
- Beneficiary option
- Confidence for retirement
- Satisfaction with retirement
- Primary sources of income in retirement
- Current household income
- Household balance of retirement accounts
- Total benefit amount (retired)
- On track for retirement goals
- Types of household debt
- Greatest household debt burden
- Level of comfort with debt
- Amount of total household debt
- Sources of information about CalSTRS
- Interactions with CalSTRS
- Frequency of financial planning tasks
- Sources of financial planning information
- Preferred devices
- Education
- Ethnicity
- Marital status
- Housing
- Dependents
- Primary financial decision maker
- Gender
- Age

Member Segments

(based on survey participants)





19%
of CalSTRS
survey
participants

Single with Student Loan Debt

- Active members likely to be under 40 years old.
- Most have never been married and do not have any financial dependents.
- More likely to rent or live rent-free. Buying a first home impacts planning and saving.
- Lowest household income of all segments. Debt from student loans is biggest debt concern.
- Tend to lack confidence regarding retirement planning. Most lack knowledge about CalSTRS benefits.
- Unlikely to read emails or publications from CalSTRS. Dislike receiving print materials.



Family Life and Mortgage

- Active members 44 years old on average.
- Over half have spouse/partner and dependent children and own home with mortgage.
- Most are equal decision makers, but more than other segments consider spouse/partner to be primary financial decision maker.
- Highest household income relative to the other segments but also highest debt.
- More likely to plan on relying on spouse/partner's income in retirement, but most will also depend on CalSTRS defined benefit.
- More likely to use mobile phone to access CalSTRS.com or *myCalSTRS*.



Seeking Retirement Knowledge

- Mix of active and retired members with average age of 55.
- About one-fifth have a spouse/partner who is an active CalSTRS member.
- Highly educated group with more Master's and Doctorate degrees than other segments.
- Not as uncomfortable with debt as other segments.
- Seeking financial information, with a higher understanding of benefits than other segments.
- Highest total household balance in retirement savings plans.



Secure in Retirement

- Retired members 75 years of age on average.
- Nearly two-thirds spent entire career in CalSTRS-covered employment.
- Majority are married and share financial decisions with spouse/partner.
- Likely to have little or no household debt, and about half own a home without a mortgage.
- Highest financial confidence for retirement. Most are satisfied with quality of life in retirement.
- Rely on CalSTRS benefit along with spouse/partner's defined benefit and Social Security benefit.



16%
of CalSTRS
survey
participants

Retired and Self-Supported

- Retired members with average age of 77.
- About three-quarters live alone and are widowed or divorced.
- Both household income and retirement savings plan balances are relatively low.
- Nearly half have no debt. Lowest percentage of members with mortgage and lowest with automobile debt.
- Primary source of retirement income is CalSTRS defined benefit.
- Overall satisfied with quality of life in retirement and confident in living comfortably in retirement.

General Findings



Nearly half of respondents across all segments are interested in reducing debt and putting money into a supplemental savings plan.



myCalSTRS is the primary method more than half of respondents prefer to interact with CalSTRS. CalSTRS.com and email are also preferred methods for more than 30% of members.

Next Steps

- CalSTRS Communications is creating a series of reference sheets that present the personas in a user-friendly manner to help internal business areas develop or modify member communication, outreach and education materials.
- CalSTRS Research and Development was provided with a tool for further application of the segmentation analysis. The first member survey to include the variables needed to use this tool is the 2022 Annual Member Survey.

Questions?

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