



Board of Administration

July 19, 2023

Item Name: Annual Stakeholder Perception Survey

Program: Communications and Stakeholder Relations

Item Type: Information

Executive Summary

The Office of Stakeholder Relations monitors and assesses CalPERS' reputation with key stakeholder segments to help support, shape, and implement the Strategic Plan goals and initiatives for the organization. An anonymous online survey was distributed to active and retired members, employers, and key stakeholder leaders from March 2023 (February 28 – March 14, then extended to March 24). The overall survey results indicate that the general perception of CalPERS remains positive among stakeholder segments. Highest favorability is from retired members cohort. Lowest overall ratings come from the senior employer leaders, which is consistent with prior years' results. Stakeholder who answered "Yes" to "Is CalPERS customers service being managed well?" tends to have higher scores in other categories as well. Two main areas of concern are confidence in retirement security and the cost of health care.

Strategic Plan

This item supports the Fund Sustainability, Health Care Affordability, Reduction of Complexity, and Risk Management strategic goals.

Analysis

The survey uses quantitative analytical methods to gain accurate, timely, and actionable information about CalPERS' standing and perception among its target stakeholders.

Survey Structure

- Eight long-term trend questions
- Eight perception statements on ethics, compliance, transparency, and health care cost and quality
- Three employment and engagement questions
- Opportunities for open-ended comments and suggestions

Changes to Survey Structure

- Shortened survey; eliminated low-value questions
- Option to provide comments on yes/no questions
- Mix of question types – Likert scaled, 1-10, yes/no
- Focus groups for qualitative analysis
- Elimination of:
 - Perception Statement 17 pertaining to the following of CalPERS news
 - Demographic questions pertaining to age, salary, county, employer size, and length of service
 - Two open-ended questions: one related to communication and engagement opportunities, and one for additional feedback
- Exclusion of the Inactive member population from this year and future surveys

Summary of Key Findings

General Perception of CalPERS is Positive

Overall, most respondents hold favorable perceptions of CalPERS:

- The 6,389 respondents generated a total of 45,194 cumulative responses for the eight Long-term Trend questions, and 38,724 (85.68%) of these responses were 'Yes'.
- Nearly half of the respondents (3,111/6,389 or 48.7%) answered 'Yes' to all eight questions.
- Respondents averaged a 5.34 (Somewhat Agree) on the 7-point Likert scale perception statements.
- Respondents averaged a 7.60 on the 10-point Likert scale perception statements. This score is consistent with the 7-point scale results, as $(5.34/7) \times 10 = 7.62$.

How Well CalPERS is Managed is a Key Indicator of Overall Perception

- From 2018 to 2021, Question 2 (Is CalPERS customer service being managed well?) was the primary metric associated with stakeholders' overall perception of CalPERS. In 2022, however, Question 1 (Is CalPERS being managed well overall?) was the primary metric. This year, Question 2 was again the Long-term Trend question for which a 'Yes' response would most elevate the cumulative 'Yes' responses to all other Long-term Trend questions.

Highest Confidence Scores in Overall Organization Management and Overall Positive Perception

- Of all the Long-term Trend questions, respondents answered most positively to the question "Is CalPERS customer service being managed well?", with 89.04% responding 'Yes'.
- Across all perception statements, respondents had the highest mean score of 5.72 (*Somewhat Agree to Agree*) for the statement "My overall perception of CalPERS is positive."

Lowest Confidence Scores in Retirement Money Security and Balancing Health Cost with Quality

- The lowest rated Long-term Trend question continues to be the question, “Are you confident your retirement money is safe at CalPERS and will be there when you retire?”, with only 79.65% of respondents answering ‘Yes’.
- The lowest rated Perception Statement is also consistent with prior years. The statement “CalPERS is an effective voice in ensuring a balance between health care costs and the quality of care”, had a mean response of 5.09 (*Somewhat Agree*).

Demographic Analysis

While all responses in general were positive (higher than Neither Agree nor Disagree), differences existed in the degree of how positive or favorable respondents rated a statement by survey group and demographic. The following sub-sections highlight these differences:

By Survey Group

Retirees

- Retirees had the most favorable opinions, which has been the sentiment for that group year over year. This year, Actives had the second most favorable responses, whereas last year, Stakeholders had the second most favorable responses.
- Retirees may rate their perception highly and hold positive opinions of CalPERS as they are already benefitting from their investment into the pension system.

Stakeholders

- Stakeholders were generally the most neutral respondents across the groups this year, except for questions “Is CalPERS customer service being managed well?” and “Are you satisfied with how CalPERS provides you with the services you need?”, in which they responded to most positively out of all survey groups. However, Stakeholders were the least positive group for question “Is CalPERS being managed well overall?” and question “Are you confident your retirement money is safe at CalPERS and will be there when you retire?”.

Employers at Operational Level

- Employer Bulletin was the most positive responding group for question “Is CalPERS doing a good job of keeping in touch with its members and keeping them informed?”, which could reflect this group receiving the CalPERS Employer Bulletin emails. More so, the Employer Bulletin group also rated statement “CalPERS strives to be transparent with the public” more positively than any other group.

Employer Leaders

- Throughout the entire survey, Employer Leaders had the least favorable opinions.
 - Employer Leaders might rank their opinion of CalPERS negatively relative to other survey groups due to employer pension and health care costs.
 - Out of all eight Long-term Trend questions, Employer Leaders responded least positively to Question “Are you confident your retirement money is safe at

CalPERS and will be there when you retire?”, with only 64.56% answering ‘Yes’, which is a notable decrease compared to last year (70.54%).

- Employer Leaders’ perceptions about CalPERS effectiveness in communication and engaging stakeholders were less positive this year with a mean of 6.71 (Agree) in comparison to last year’s mean of 7.38 (Strongly Agree).

By Professional Level

- There was a slight relationship between response positivity and professional level for both Long-term Trend questions and Perception Statements; the higher the professional level, the lower the survey respondent tended to rate the questions.

Executive Directors/Senior Executives

- Executive Directors/Senior Executive Officers responded less positively, relative to the other professional levels. However, their group still responded ‘Yes’ 78.09% of the time to Long-term Trend questions.
- One possible cause is executives being the most aware of rising employer pension contribution and increasing health care expenses.
- Executives rated Question “Are you satisfied with how CalPERS provides you with the services you need?” most positively compared to the other professional levels.

By Recent Contact with CalPERS

- Generally, the more contact a survey respondent had with CalPERS customer service during the past year, the more likely they were to poorly rate Long-term Trend questions or Perception Statements.

By Employer Type

PRDA also analyzed the data by employer type. There was a total of 1,940 Public Agency respondents, 1,651 School respondents, and 2,122 State respondents, making the State the group with the most respondents. Survey respondents with no employer type indicated or who could not be easily categorized (676) were excluded from this portion of the analysis.

- Across all employer types, Schools had the most favorable answers to Long-term Trend questions, responding ‘Yes’ 88.84% of the time, while Public Agencies had the least favorable opinions, responding ‘Yes’ 83.93% of the time. The State fell in the middle, on average, responding ‘Yes’ 84.53% of the time to all Long-term Trend questions.
 - While the State tended to fall between School and Public Agency responses, they were the least positive employer type for questions “Is CalPERS customer service being managed well?”, “Is CalPERS doing a good job of keeping in touch with its members and keeping them informed?”, and “Are you satisfied with how CalPERS provides you with the services you need?”.
 - For the statement “CalPERS is an effective voice in ensuring a balance between health care costs and the quality of care” the State was the most positive employer group.

Budget and Fiscal Impacts

The survey is administered by CalPERS team members in Stakeholder Relations and the analysis is completed internally by the Policy Research & Data Analytics division.

Benefits and Risks

The Stakeholder Perception Survey identifies areas of satisfaction and concern from CalPERS stakeholder segments. Review and evaluation of the data allows CalPERS leadership to develop initiatives that ensure consistent communication with stakeholders, enhance confidence in the System and help members and employers make informed decisions.

Attachments

Attachment 1 – Annual Stakeholder Perception Survey

David Teykaerts

Interim Division Chief
Office of Stakeholder Relations

Brad W. Pacheco

Deputy Executive Officer
Communications & Stakeholder Relations

Marcie Frost

Chief Executive Officer