

Stakeholder Assessment Project Final Report & Next Steps

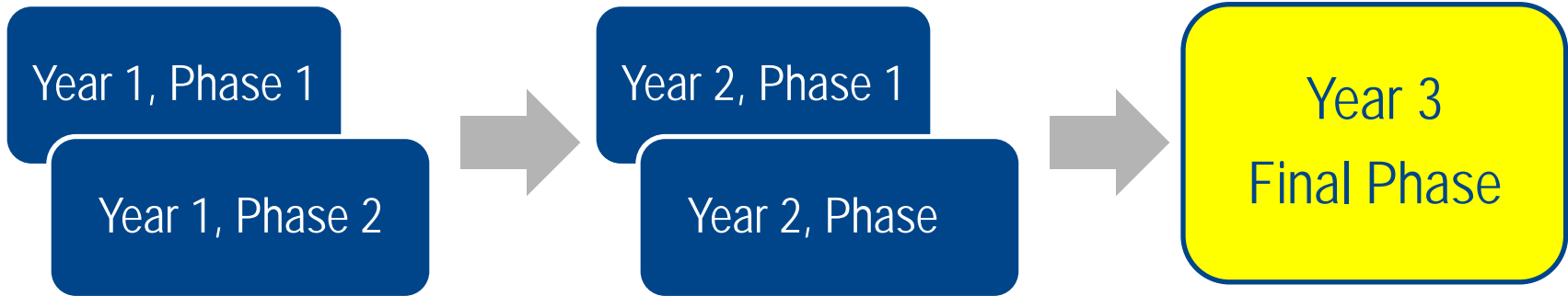
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2013

2014

2015



Three Research Methods

- Online Surveys
- Specialist Stakeholder Interviews
- Media Analysis



Interpreting Ratings

Rating	Meaning
10	Highest Possible
9	Very High
8	High
7	Above Average
6	Average
5	Average
4	Below Average
3	Low
2	Very Low
1	Lowest Possible

*"Average" appears twice since mean and median of a one-to-ten scale are 5.5.

Background

Online Surveys

Specialist
Stakeholders

Media Analysis

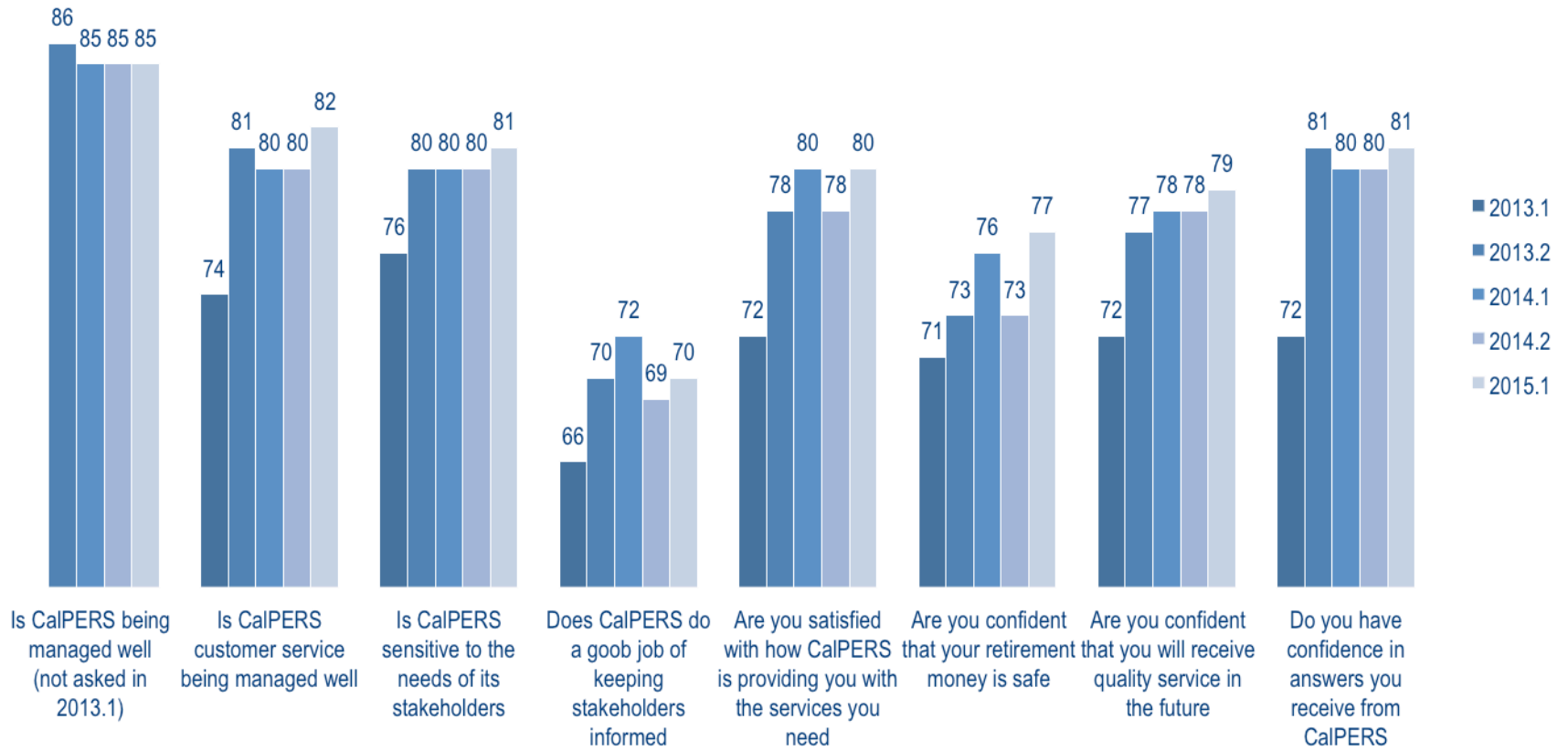
Conclusion

Online Surveys

- Stakeholder opinions rose among employer senior executives and upper-management
- Long-term trend approvals rose
- There were no downward trends in any of the 48 topic areas that were measured
- Communication remains an area for opportunity and growth

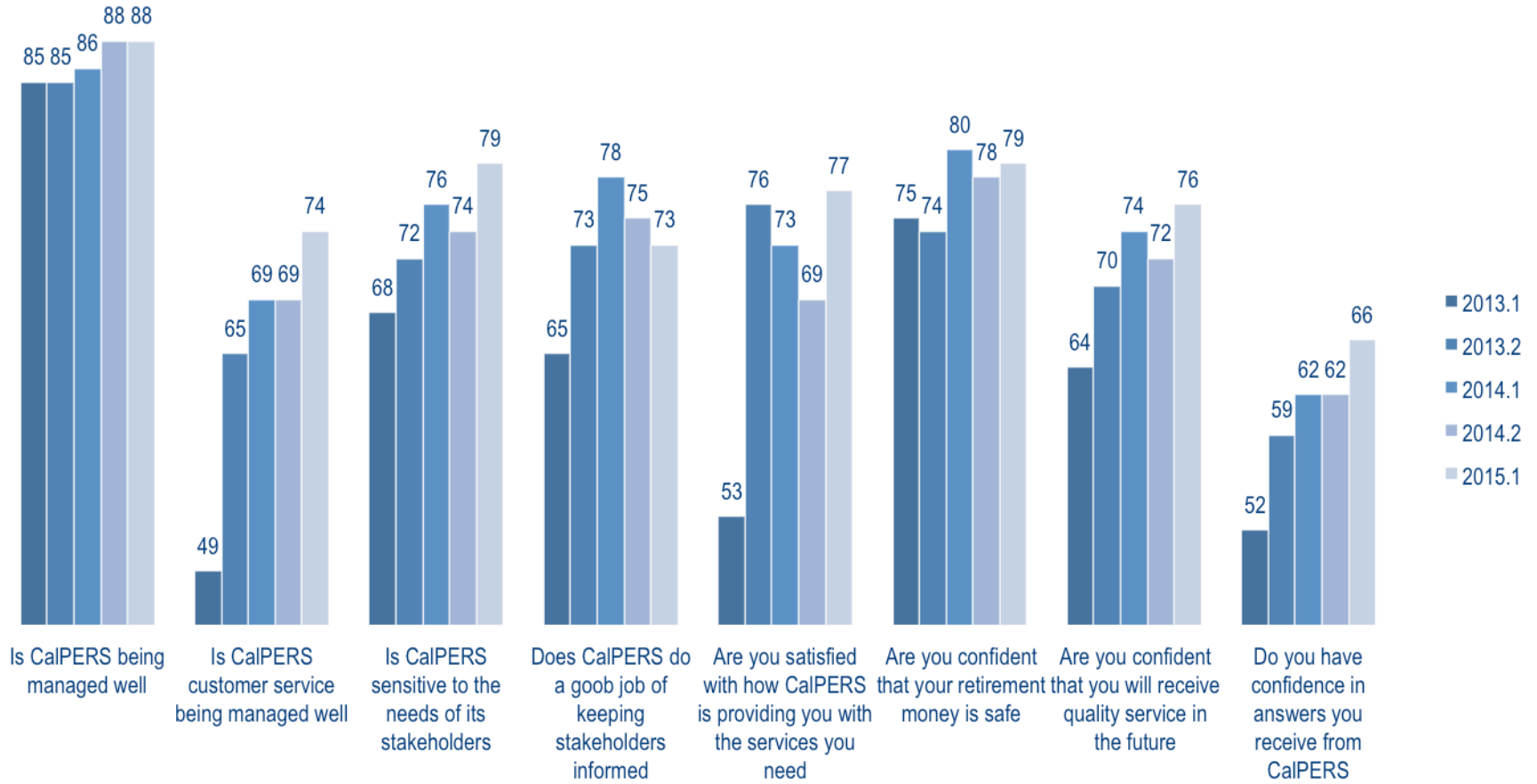


Percentage Approvals on Eight Long-Term Trend Questions, Members





Percentage Approvals on Eight Long-Term Trend Questions, Employers





Specialist Stakeholder Interviews

	Summaries
Academics & Think Tanks	Evidence of more engagement and greater appetite for information (data) from this group. Perspectives on management are high but more modest than before and doubts are expressed over fund sustainability
Industry Partners	Support for Board and Executive Team remain high, though some decrease in Board assessment. Greater efforts at communication and better access to data would be welcomed by this group. View CalPERS as a natural policy advocate.
Labor Unions	Support remains very high for both the Board and the Executive team. There is confidence in CalPERS as an advocate for the employee and confidence in the fund's sustainability.
Legislative Staff State	Support for the Board and Executive Team remain high but concern expressed over recent turnover in the team. Greater recognition of CalPERS for both information and opinion. Questions remain on fund sustainability.
Peer Pension Funds	Consistently have supported CalPERS and assessments remain high. Leadership strategy is regarded as bold and focused on improvement. Would like increase in access to information and engagement. Seeks more communication.
Tax Payer & Good Governance	Any gains made in support over the last year have been lost. Though there is evidence of greater and welcomed engagement the key arguments over labor affiliation, fund sustainability and tax payer's rights remain. Sustaining engagement efforts with access to information at least will keep the debate informed and seen to be informed.

Specialist Stakeholder Summary

- Perceptions of the Board and Executive team show some decrease from a high point 12 months ago. Concern over lay Board.
- Organization continues to be viewed as an effective policy advocate, with legislative work and efforts related to defined benefit plans positively endorsed
- Despite a small decline, the scores on communication and engaging with stakeholders remain above average
- Views of CalPERS' financial soundness vary across the different stakeholder groups

Background

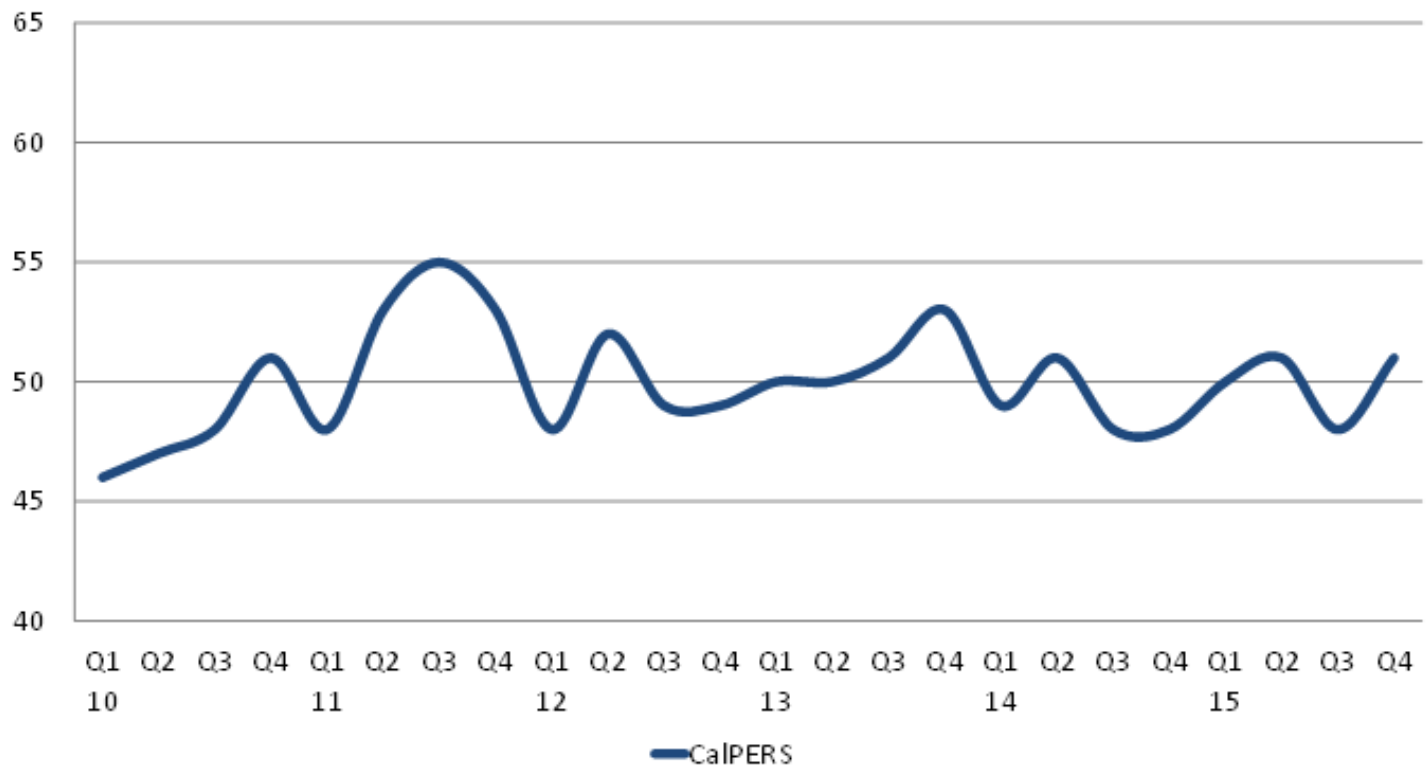
Online Surveys

Specialist Stakeholders

Media Analysis

Conclusion

Media Analysis for CalPERS Showed 3-Point Increase in Last Quarter



Background

Online Surveys

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Media Analysis

- Favorability rating rose three points to 51
- Private equity news related to disclosure boosted CalPERS rating to highest level since June 2014
- Risk Mitigation Strategy received mixed coverage, with initial reports generally favoring the action, but with some concern over how fast the policy will make improvements
- The most positively rated coverage focused on CalPERS efforts to reduce costs and complexity in its investment portfolio

What we learned and our response:

SAP Findings	Initiatives
Increase visibility of CalPERS leaders	<ul style="list-style-type: none"> - Employer Executive Visits - Exec. Leader Profiles - State of the System - Outreach Matrix
Improve customer service and communication with employers	<ul style="list-style-type: none"> - Employer Response Dialogues - Employer Response Team
Identify more outreach and engagement opportunities	<ul style="list-style-type: none"> - Institutionalized Stakeholder Engagement Briefings - Quarterly Roundtables - Webinars

Summary of 3-Year Project

- Stakeholder opinions rose among employer senior executives and upper-management
- Long-term trend topics improved in customer service, communication and confidence
- There were no downward trends in any of the 48 topic areas
- 32 ratings of the 48 topics surveyed were rated acceptable or above by all three populations

Summary of 3-Year Project (cont.)

- Overall outcome of this project has resulted in more knowledgeable stakeholder groups
- Specialist stakeholders have shown, overall, consistent support of CalPERS' leadership, strategy, ability to weather difficulties and public pension advocacy
- Fund sustainability continues to draw a mixed assessment and little has changed the minds of Tax Payer groups with regard to public pensions
- But there is evidence across the board of greater understanding and engagement with CalPERS – with commentary having become more informed and considered

Background

Media

Online Surveys

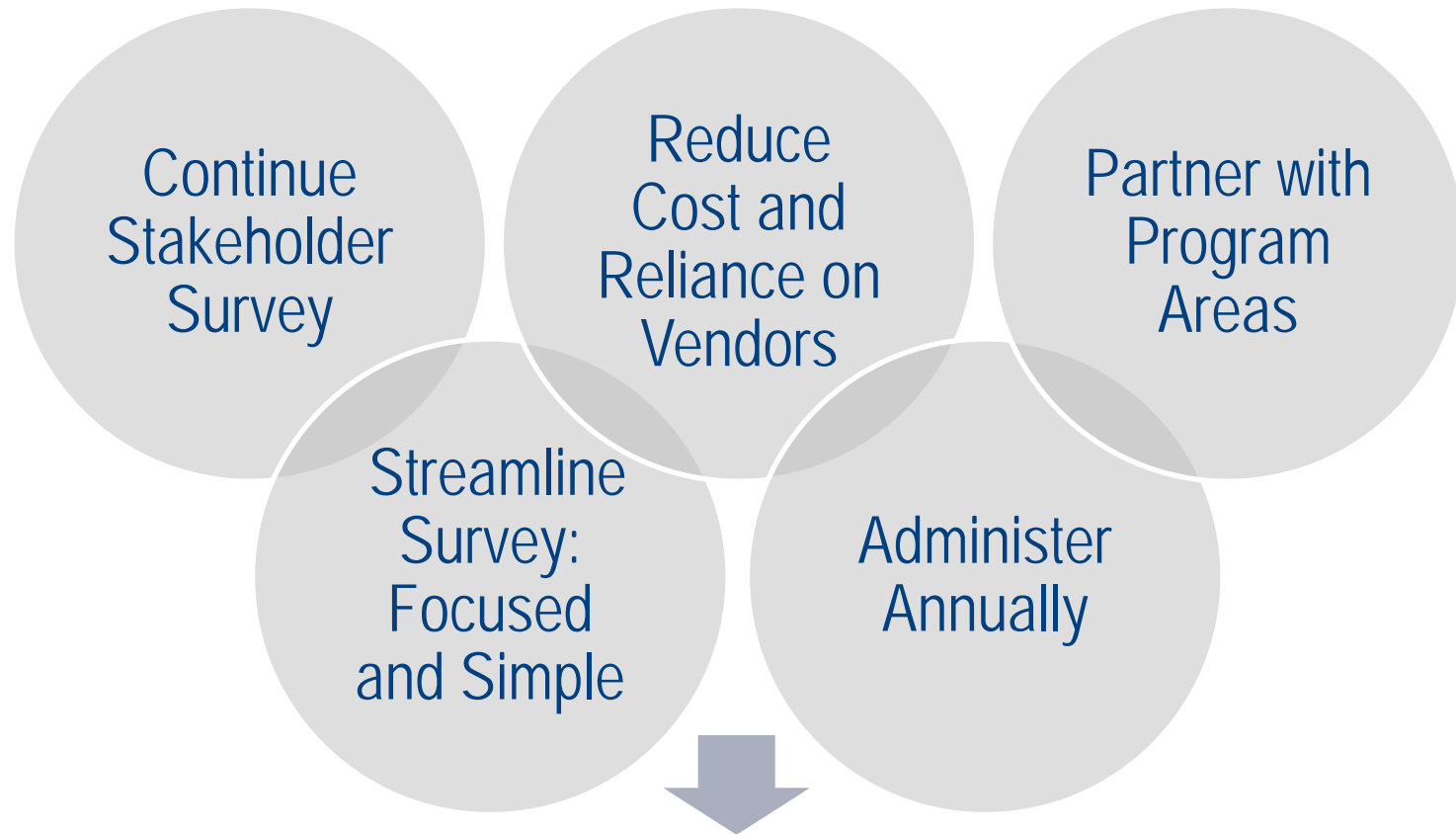
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Continued Areas for Growth & Opportunity

- Communication with stakeholders
- Customer service
- Employer senior executives and upper management
- Public misperceptions
- Leadership Visibility

Next Steps: Goals for the Future



Strategic direction for stakeholder communication and engagement

Best Practices for Stakeholder Surveys

Keep it Simple "Questions on the most successful surveys are concise and straight to the point"

Target your Audience "The more targeted your audience for the survey, the higher your completion rate will be. "

Less is More "The longer the survey, the smaller the active participants will be. Cut to the chase and make your time count. "

Use the Results "Compare results with historical data to set direction and develop future strategies. "

Recommended Structure

Conduct an annual online stakeholder survey

- Eliminate media analysis and state and federal representative interviews

Perform work internally

- Reduce costs and reliance on external consultants

Partner with program areas across CalPERS (RRPD, OFAS)

- Maintain integrity of survey process

Continue to ask long-term trend questions to all stakeholders

- Build on baseline data

Annual update to Executive Staff and the Board

- Use results to define future initiatives

Recommended Questions

1. Is CalPERS being managed well?
2. Is CalPERS customer service being managed well?
3. Is CalPERS sensitive to the needs of its stakeholders?
4. Does CalPERS do a good job of keeping stakeholders informed?
5. Are you satisfied with how CalPERS is providing you with the services you need?
6. Are you confident that your retirement money is safe?
7. Are you confident that you will receive quality service in the future?
8. Do you have confidence in answers you receive from CalPERS?
9. On a scale of one-to-ten, how would you rate CalPERS as an effective policy advocate?
10. On a scale of one-to-ten, how would you rate CalPERS on being effective in engaging and communicating with stakeholders

Eight long-term trend questions

Two strategic measure questions

★ Five to ten questions that change annually based on CalPERS key priorities and stakeholder issues

Recap: Future Stakeholder Perception Work

- Staff believes there is value in a stakeholder assessment
- Organizational efforts have resulted in some positive increases in reputation
- Continue to focus on areas for opportunity and growth
- Conduct a simplified survey annually in partnership with our program areas