Stakeholder Perception Survey

Brad Pacheco
Deputy Executive Officer
Communications & Stakeholder Relations
Background

- Survey continues stakeholder perception and reputational analysis work administered between 2013 - 2015
  - Final results reported to FAC in April 2016
Background

• Implemented recommendations for 2017:
  - Streamlined survey and administered electronically
  - Eliminated reliance on external consultants
  - Partnered with program areas to analyze results
  - Eliminated media analysis and state and federal interviews
  - Administered annually from January 10 – February 21
Survey Structure

- Eight long-term trend questions
- Six perception statements on ethics, compliance, transparency, and health care cost and quality
- Two perception statements tied to the new strategic plan goals
- Opportunities for open comments
- Demographics questions
CalPERS Population Segments Surveyed

- Members (Active & Retired)
- Employer Senior Leaders
- Inactive Members
- Employers (All Levels)
- Stakeholder Leaders
## Response Rates

<table>
<thead>
<tr>
<th>Segment</th>
<th>Surveys Sent</th>
<th>Surveys Completed</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
<td>100,005</td>
<td>13,972</td>
<td>13.9%</td>
</tr>
<tr>
<td>Inactive Members</td>
<td>25,001</td>
<td>1,889</td>
<td>7.6%</td>
</tr>
<tr>
<td>Employer Senior Leaders</td>
<td>2,500</td>
<td>242</td>
<td>9.7%</td>
</tr>
<tr>
<td>Employer</td>
<td>7,871</td>
<td>831</td>
<td>10.6%</td>
</tr>
<tr>
<td>Stakeholder Leaders</td>
<td>77</td>
<td>27</td>
<td>35%</td>
</tr>
<tr>
<td><strong>All</strong></td>
<td><strong>135,454</strong></td>
<td><strong>16,961</strong></td>
<td><strong>12.5%</strong></td>
</tr>
</tbody>
</table>
External Environment (January – February)

• Discount rate change in December 2016
  - Rising pension costs
  - Lower financial market returns for the next 10 years
  - 65% funded status

• Employer partner financial health
  - Pension reductions

• Increased calls for divestment
Commitment to Stakeholders

- Access to CalPERS leadership and team
- Listening and soliciting feedback
- Providing information and data to inform discussions/decisions
- Elevating issues early and often
- Mutual understanding that we may not always agree
Summary of Observations

• Overall the general perception of CalPERS remains positive
• Favorable opinions for customer service, sensitivity to member needs, keeping stakeholders informed
• Customer service scores drove other opinions
Summary of Observations

- Highest scores came from employer middle-management, members nearing retirement and retirees.
- Lowest scores from employer senior leaders.
- Less confidence by members and employers about the long-term security of the system.
Is CalPERS being managed well?

Is CalPERS Customer Service being managed well?

Is CalPERS sensitive to the needs of its stakeholders?

Does CalPERS do a good job of keeping stakeholders informed?

Are you satisfied with how CalPERS is providing you with the services you need?

Are you confident that your retirement money is safe?

Are you confident that you will receive quality service in the future?

Do you have confidence in answers you receive from CalPERS?
Long-Term Trend Questions - Employers

Is CalPERS being managed well?
Is CalPERS Customer Service being managed well?
Is CalPERS sensitive to the needs of its stakeholders?
Does CalPERS do a good job of keeping stakeholders informed?
Are you satisfied with how CalPERS is providing you with the services you need?
Are you confident that your retirement money is safe?
Are you confident that you will receive quality service in the future?
Do you have confidence in answers you receive from CalPERS?

Legend:
- 2013.1
- 2013.2
- 2014.1
- 2014.2
- 2015
- 2016
Strategic Measure Perception Statement #1

“CalPERS has effective functions and programs to address compliance and risk.”

<table>
<thead>
<tr>
<th>Segment</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Members</td>
<td>5.05</td>
</tr>
<tr>
<td>Retired Members</td>
<td>5.39</td>
</tr>
<tr>
<td>Employer All Levels</td>
<td>5.24</td>
</tr>
<tr>
<td>Employer Senior Leaders</td>
<td>4.92</td>
</tr>
<tr>
<td>Inactive</td>
<td>4.82</td>
</tr>
<tr>
<td>Stakeholder Leaders</td>
<td>5.15</td>
</tr>
<tr>
<td><strong>Total (ALL)</strong></td>
<td><strong>5.16</strong></td>
</tr>
</tbody>
</table>
Strategic Measure Benchmark Question #2

“I understand the risks inherent in the System and I am confident that CalPERS is taking steps to reduce the risks.”

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</tr>
</thead>
<tbody>
<tr>
<td>Active Members</td>
<td>5.01</td>
</tr>
<tr>
<td>Employer All Levels</td>
<td>5.29</td>
</tr>
<tr>
<td>Retired Members</td>
<td>5.48</td>
</tr>
<tr>
<td>Employer Leaders</td>
<td>4.86</td>
</tr>
<tr>
<td>Inactive</td>
<td>4.82</td>
</tr>
<tr>
<td>Stakeholder Leaders</td>
<td>4.93</td>
</tr>
<tr>
<td>Total (ALL)</td>
<td>5.17</td>
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Opportunities & Action Steps

• Increase communication and messaging on steps being taken to ensure long-term sustainability
• Initiate leadership visits with top employer leaders
• Continue to clarify roles in the administration of pensions through editorial board meetings, op-eds and letters to the editor
• Develop additional touch points for stakeholders
• Strengthen team understanding that every interaction reflects CalPERS overall brand