



*Lynnae D'Alleva,  
Owner of DryLand Salon,  
will be featured in our next  
employer testimonial.*



Q3 Board Meeting  
September 13, 2024

# AGENDA

1. Chair's Report
2. Executive Director Update
3. Marketing & Communications Update
4. Committee Reports

# Chair's Report

Hon. Josh Gotbaum



# Executive Director's Report

Glenn Simmons



# How we're doing: Some Observations

## Employer Registration/Participation

- Employer registrations continue to grow at a steady rate.
- In our first two years, employer participation is comparable to other state programs that use penalties vs our fee waiver.
- Participation rates are increasing in other state programs as they roll out compliance enforcement efforts.
- Increased direct marketing to employers has not had a significant impact on employer registrations so far this year. Fall direct marketing will be supported by a PSA campaign and targeted digital advertising.

# How we're doing: Observations about Employers

## **A significant number of registered employers are not making payroll contributions**

- Only 1/3 of our registered employers are currently making payroll contributions.
- Similar across all state programs.
- Increased communications to this population are in progress to make it easy for them to begin payroll contributions or opt out if they registered only to receive SDAT waiver.
  - Automated communications from Vestwell
  - Targeted messages from MarylandSaves

# How we're doing: Observations about Savers

## Saver Participation

- **MarylandSavers are saving more on average than most other states.** *We're trying to figure out why.*
- The vast majority of our Savers **have not made any withdrawals**
- Average savings rates are consistent with our early projections\*:
  - Average account balances for savers enrolled less than a year is \$552
  - Savers enrolled for 1 year = \$1,626
  - Savers enrolled for 2 years = \$2,549.

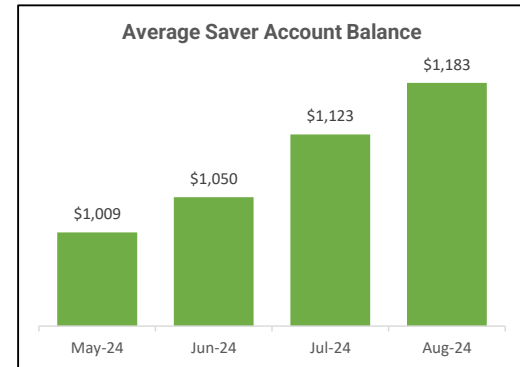
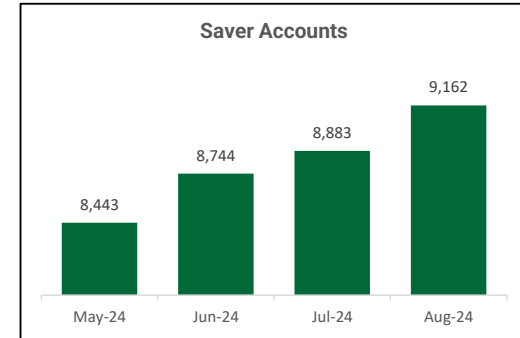


**Monthly Dashboard**  
As of August 31, 2024

Savers	December 31, 2022	August 31, 2024	Change
Total Savers	578	9,162	8,584
Average Account Balance	\$365	\$1,183	\$818
Average Monthly Savings	\$170	\$162	-\$8
Average Saving %	5.2%	5.3%	0.1%
Multiple Employer Accounts	435	1,594	1,159
Total Accounts with a Withdrawal	22	1,863	1,841
Opt-Out Action Rate (first 30 days)	24%	24%	0%

Employers	December 31, 2022	August 31, 2024	Change
Total Registered Employers	1,286	3,900	2,614
Actively Submitting Payroll (Past 90 Days)	309	1,234	925

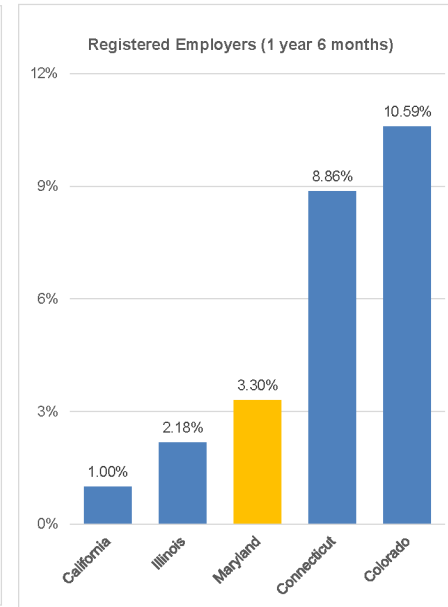
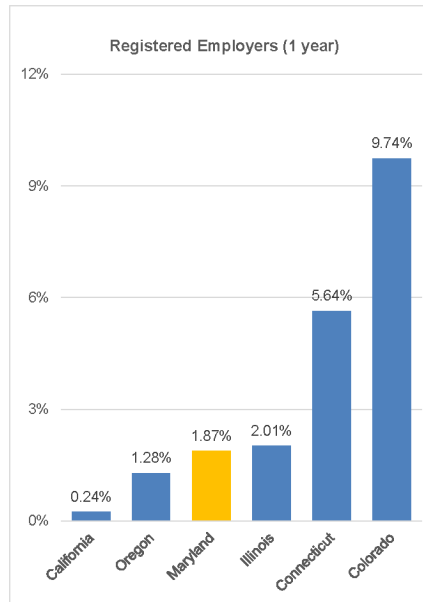
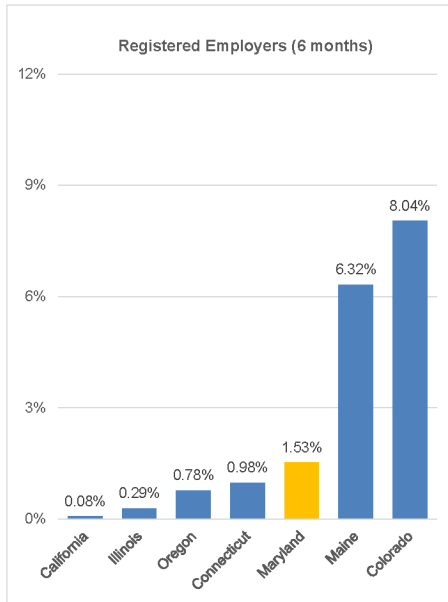
Program	December 31, 2022	August 31, 2024	Change
Total Savings (in 1,000s)	\$211	\$10,843	\$10,632
Total Monthly Contributions (in 1,000s)	\$83	\$884	\$801
Amount of Withdrawals since inception (in 1,000s)	\$7	\$2,121	\$2,114
Withdrawal Rate	3.7%	15.3%	11.6%





# Employer signups thus far are comparable to other state programs

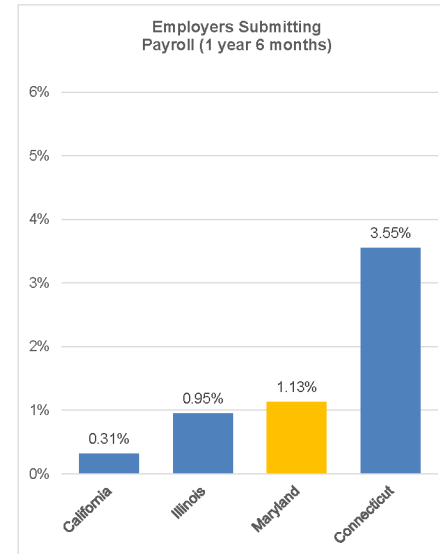
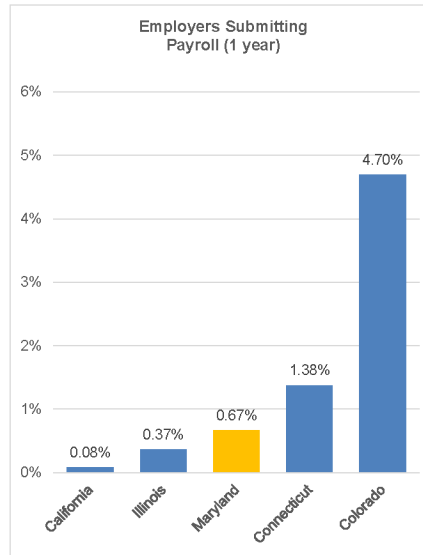
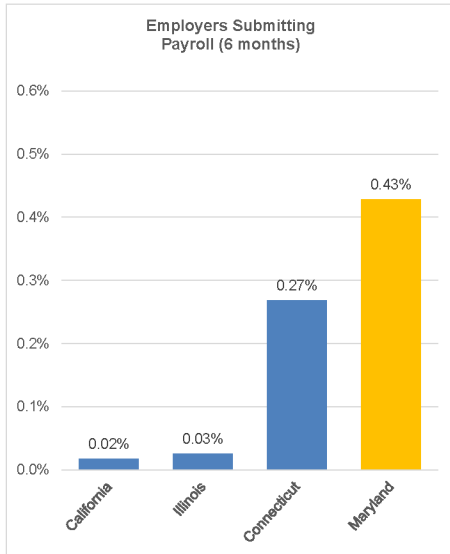
## Registered Employers As % of Number of Employers in Each State\*



6-month data is not available for Colorado.  
18-month data is not available for Oregon.  
Data analysis by AKF Consulting.  
\*per 2020 US Census data.

# Employer signups thus far are comparable to other state programs

## Employers Submitting Payroll As % of Number of Employers in Each State\*



6-month and 18-month data is not available for Colorado.  
Data analysis by AKF Consulting.

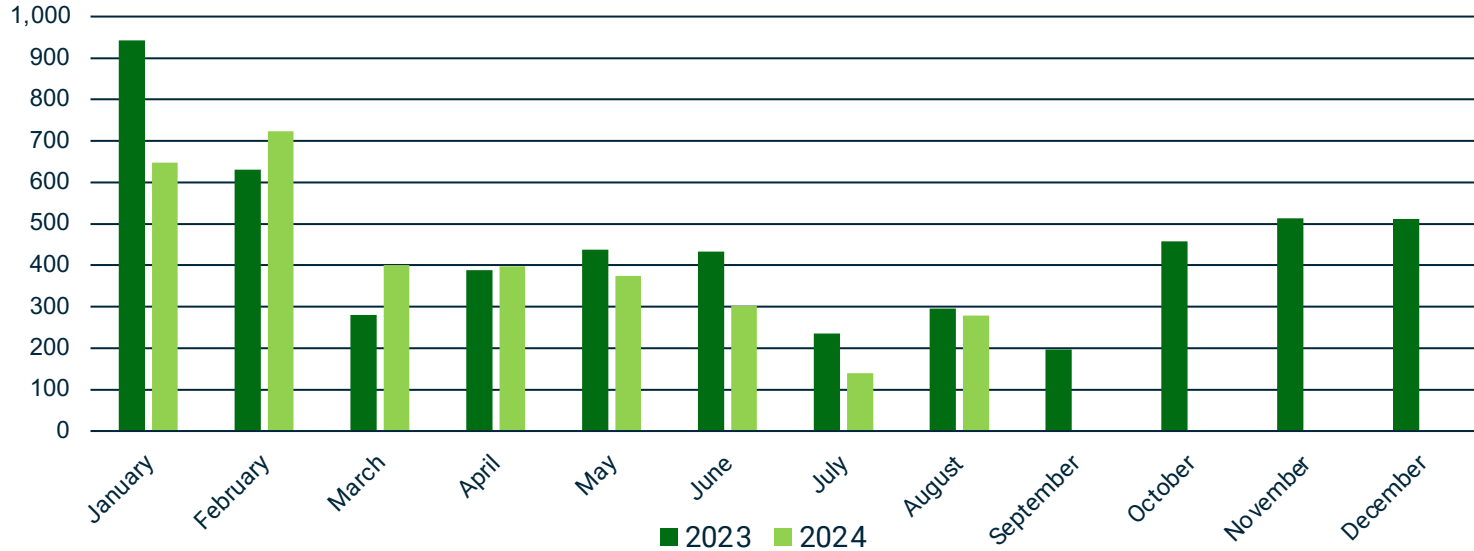
# Research Activity on Employers

## Employer Nonrespondent Survey

Pick the one aspect of MarylandSaves that is the most compelling to you:		%
Providing a benefit to employees, giving them an automatic way to save for emergencies and retirement		30%
Comply with the law		21%
\$300 Savings		21%
It's FREE to me		8%
Other		20%

Pick the one that best describes your primary reason for not responding		%
Already have a retirement plan in place		28%
Business closed or have no employees		25%
My employees won't be interested		13%
I never saw any emails		11%
Don't see any value in participating		11%
It seems like a hassle		5%
Received survey in error		2%
The \$300 isn't worth it		1%
Other		4%

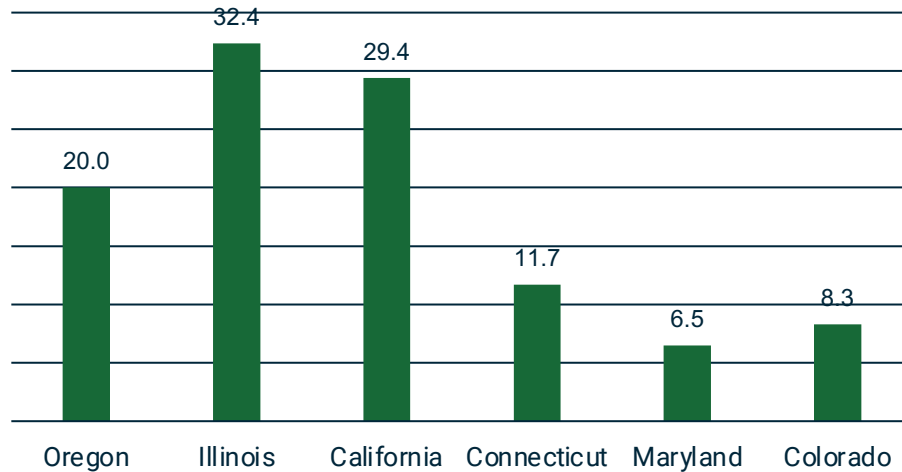
# New Funded Accounts – growing at a similar rate as 2023



- Jan – August 2023 = 3,644
- Jan – August 2024 = 3,262
- Jan – December 2023 = 5,322

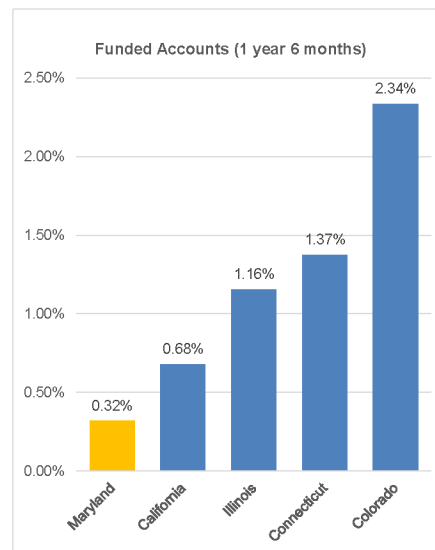
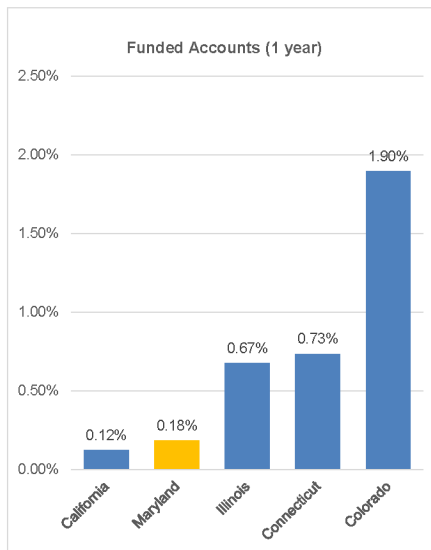
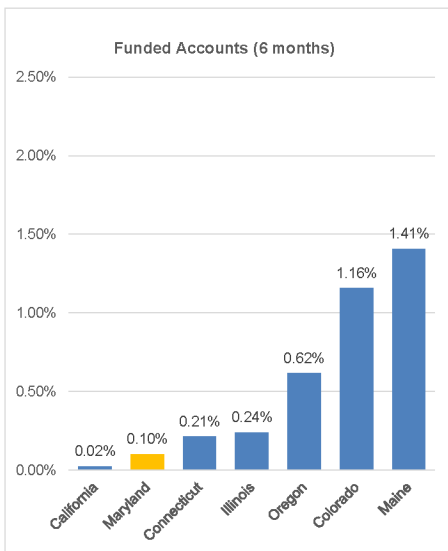
# Our registered employers have fewer employees

## Average Number of Savers per Payroll-contributing Employer



# We cover a smaller % of all employees than other states, but...

## Funded Accounts As % of Total Number of Employees in Each State

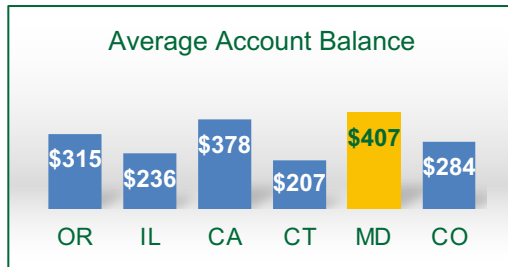


1-year and 18-month data is not available for Maine.  
Data analysis by AKF Consulting.  
\*per 2020 US Census data.

# We have fewer savers than other states, BUT they're saving more.

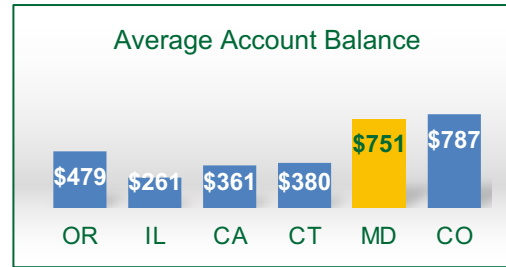
## Fund Balance & Average Contributions

### 6 Months After Launch

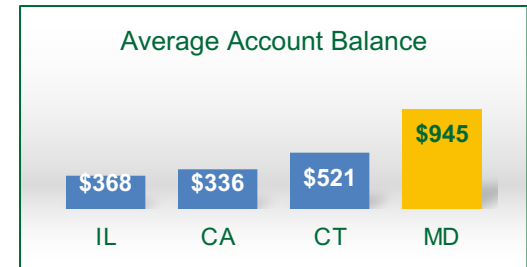


9-month data for OR, 7-month data for IL,  
5-month data for CO

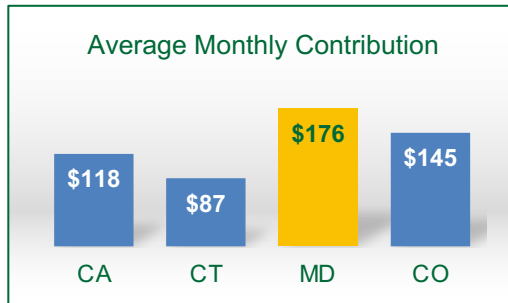
### 1 Year After Launch



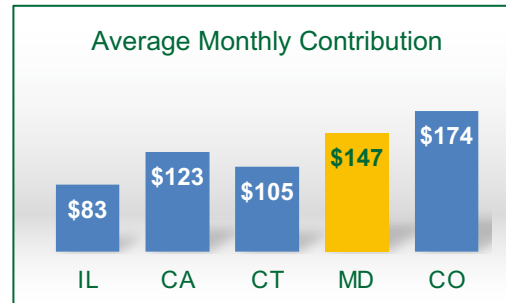
### 18 Months After Launch



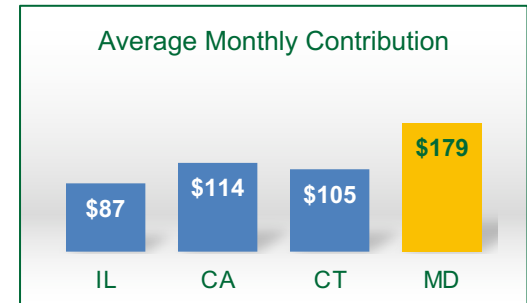
18-month data not available for OR or CO



6-month data not available for OR and IL

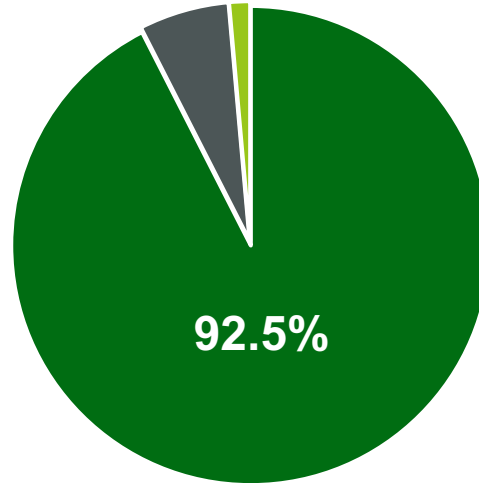


1-year data not available for OR



18-month data not available for OR or CO

# 90+% of accounts have no withdrawals



- Accounts with NO WITHDRAWALS (92.49%)
- Accounts with 1-3 withdrawals (6.1%)
- Accounts with 3+ withdrawals (1.41%)

**9,162 Funded Accounts as of 8/31/2024**



# Withdrawal rates as a % of contributions are significant but most accounts have no withdrawals at all.

## Asset Withdrawal Rates

Total Withdrawals/Total Contributions

	Oregon	Illinois	California	Connecticut	Maryland	Colorado
6 months since full launch	n/a	8.20%	9.90%	1.42%	<b>5.57%</b>	4.04%
1 year since full launch	n/a	9.76%	8.42%	4.21%	<b>9.54%</b>	9.25%
1 year 3 months since full launch	n/a	10.93%	7.79%	5.05%	<b>11.53%</b>	11.29%
1 year 6 months since full launch	n/a	11.09%	7.92%	6.78%	<b>13.76%</b>	n/a
2 years since full launch	n/a	13.00%	9.45%	10.64%	-	-
3 years since full launch	n/a	17.94%	13.95%	-	-	-
4 years since full launch	22.31%	22.21%	17.40%	-	-	-
5 years since full launch	27.28%	25.36%	22.81%	-	-	-
6 years since full launch	32.31%	-	-	-	-	-
Withdrawal Rate as of 12/31/23	33.01%	25.60%	19.24%	7.33%	<b>11.53%</b>	7.45%
Withdrawal Rate as of 3/31/24	33.84%	26.69%	20.93%	9.67%	<b>13.76%</b>	10.47%
Withdrawal Rate as of 6/30/24	34.61%	27.31%	22.30%	11.61%	<b>16.38%</b>	12.30%

Data analysis by AKF Consulting.

# Most withdrawals are to pay bills or for emergencies

## From June 2024 Data

Bill or everyday expenses	48.7%
Financial emergency	25.5%
Loan or debt payment	8.0%
Other	5.2%
Large purchase	4.5%
Have access to a new retirement account	2.9%
Unaware I had this savings	2.5%
Not satisfied with investment options or performance	1.8%
Not satisfied with customer service	0.9%
Retired: planned withdrawal	0.2%

## Research Activity on Savers

- Organizing research study to compare our Savers' withdrawal behavior to 401k participants (Morningstar Study). Results by the end of December.
- More detailed analysis of our savers' opt out & withdrawal histories should help us to identify ways to improve long-term outcomes.
- We will develop a strategy to increase funded accounts from the populations highlighted in the chart below in 2025.

As of 9/2/24	
<b>Total Employee Records Added Since Inception</b>	<b>50,769</b>
Funded Accounts	9,162
Pending account within 30-day window	1,254
Opted out in first 30 days	11,897
Opted Out post 30-day window	6,298
Pending account beyond 30-day window (Failed KYC process)	9,418
Non-participating (employer not making payroll contributions)	12,740

# Marketing & Communications Update

Chris Cullen



# Marketing Analysis and Assumptions

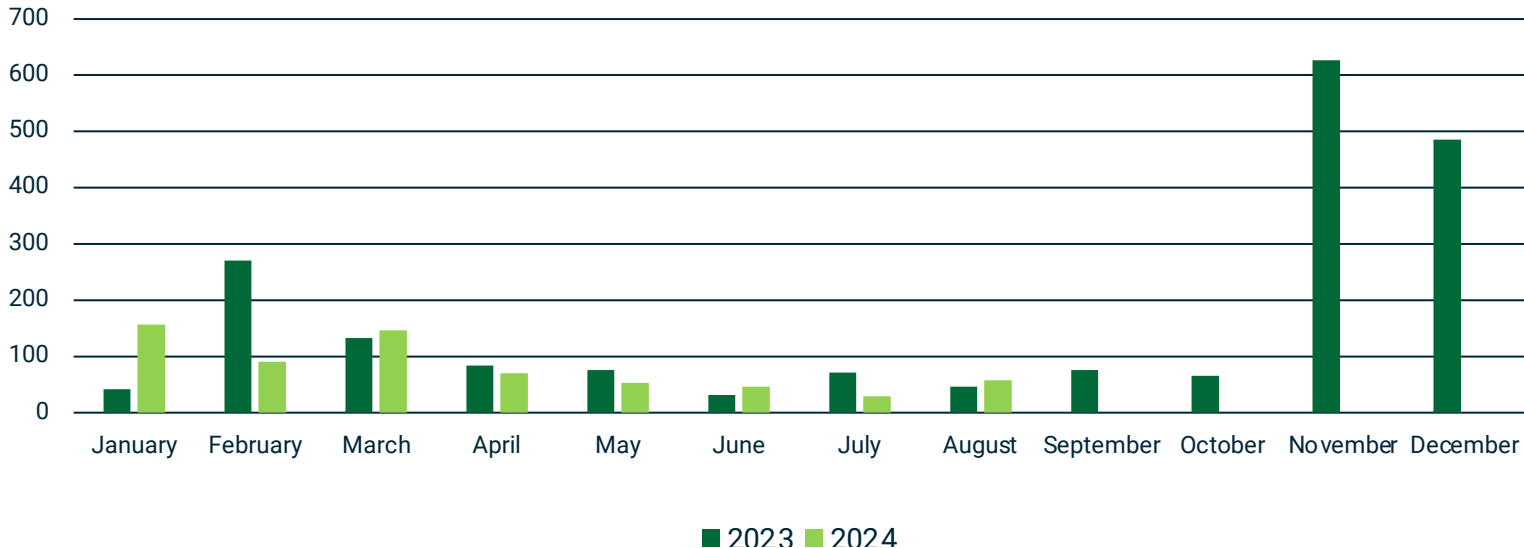
## Analysis:

- Our direct marketing efforts target small business owners who have elected not to offer employees a retirement plan for reasons we can presume—***perceived hassle, expense, necessity***.
- Based on our survey, more than 10% had “not seen” the communication and almost 20% said their employees wouldn’t be interested.
- We are promoting an elective solution to an unrecognized problem.
- The survey of nonrespondents told us “a \$300 incentive” wasn’t compelling enough to make them act.
- We also learned that the message carries more weight when it comes from a state official.
- Market awareness of MarylandSaves is still limited.

## Assumptions:

- We will benefit when we tell our story in ways that can’t be ignored, and that can’t happen if they won’t open the envelope or the email.
- The Comptroller PSA is an example of the kind of solution we should continue to pursue to broadcast to a broader audience, telling the story in a more compelling and powerful way to generate action.

# Despite shift to direct marketing, new employer registrations are similar to last year



- Jan – August 2023 = 753
- Jan – August 2024 = 651
- Jan – December 2023 = 2,007

# 2024 Strategy Has Been More Focused on Direct Marketing

Campaigns & Activities				
Name	Owner	Status	Due date	Month
Newsletter (prospects/participants/advisors)		Done	2024-02-15	February/March
Prospect Reminder e/mail		Done	2024-03-07	March
No Waiver Granted Notice		Done	2024-03-28	March
Treasurer Message		Done	2024-04-05	April
Non-Respondents Survey		Done	2024-04-30	April
Newsletter (prospects/participants/advisors)		Done	2024-04-15	April/May
General Assembly Letter		Done	2024-05-02	May
Newsletter (prospects/participants/advisors)		Done	2024-06-15	June/July
Chamber & Association Telemarketing		Ongoing	2024-06-04	June +
Program Alert - CPAs & Financial Advisors		Done	2024-07-15	July
Savers Survey		Delayed	2024-08-06	August
Newsletter (prospects/participants/advisors)		Done	2024-05-15	August/September
Comptroller Email		On target	2024-09-03	September
Comptroller Followup email		On target	2024-09-26	September
Treasurer Mail and Email		On target	2024-10-15	October
Treasurer Followup Email		On target	2024-10-31	October
Newsletter (prospects/participants/advisors)		On target	2024-10-15	October/November
MarylandSaves Urgent Deadline Reminder		On target	2024-11-05	November
Postcard Deadline Urgent Alert		On target	2024-11-15	November
MarylandSaves Q1 Notification email/mail		On target	2024-01-15	January

# 2024 PSA Placement September – October 2024



Helping Public Nonprofits get messages on TV and Radio without the fees associated with airtime purchases.



# 2024 Fall Cooperative Media Buy (RF Binder)

Platform	Projected Impressions	Projected Clicks	Projected Video Views
YouTube	720,000	480	180,000
Hulu/Disney+	180,000	-	180,000
iHeartRadio	1,200,000	-	-
WBAL - Display banners	500,000	500	-
WBAL - News radio	516,667	-	-
WBAL – Very Local Video	65,000	130	20,000
	3,181,667	1,110	380,000

# MarylandSaves Digital Ads & TV/Radio Testimonial

## Sample Imagery

Mobile Banner (320x50)



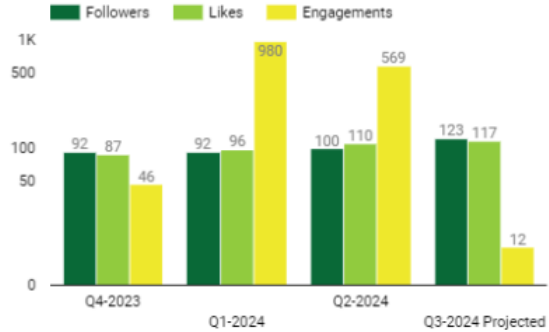
Billboard (970x250)



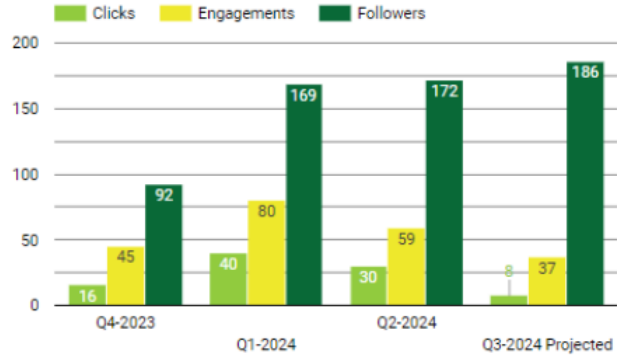
DryLand  
Salon

# Digital Media

## Facebook



## LinkedIn



MarylandSaves  
113 followers

Attention Maryland employers! MarylandSaves offers a comprehensive video series to help you navigate our resources and make the most of our platform.

- Learn how to onboard your company, submit contributions, and integrate payroll with our step-by-step guides.

Streamline your processes and support your employees' financial well-being with ease. Check out our video series today at <https://lnkd.in/g/hKqKqG>

**EMPLOYERS: HOW TO VIDEO SERIES**

MarylandSaves  
141 followers

Running a seasonal business can be both rewarding and challenging. For summer businesses like resorts and landscaping, staying busy is great—but managing wild revenue fluctuations can be tough. With July already in full swing, now is the time for summer businesses to plan ahead, manage cash flow, innovate, and build up your network to thrive year-round.

**TAKE CONTROL OF BUSINESS SEASONALITY**

# Audit & Finance Committee Update

Jerry Dawson



# Audit & Finance Committee Update

<b>FY24 Budget to Actual Report</b>					
	<b>FY23 Budget</b>	<b>FY24 Budget</b>	<b>FY24 Expenditures</b>	<b>FY24 Ending Balance</b>	<b>FY24 YTD % of Budget</b>
<b>EXPENSES</b>					
Marketing	400,000	200,000	166,743	33,257	83%
Total Personnel	725,400	533,400	479,851	53,549	90%
Total Office & Misc	55,300	56,000	49,863	6,137	89%
Professional Services					
Total Professional Services	377,800	301,600	261,352	40,248	87%
Total Expenses	1,558,500	1,091,000	958,962	133,192	88%
<b>REVENUES (projected)</b>	-	28,000		38,968	139%

# FY24 Revenue & Expense Summary

	<b>FY24</b>
Revenue	\$25,264
Expenses	\$958,963
<b>Operating Income</b>	<b>(\$933,699)</b>
Interest Income	\$6,542
<b>Net Income</b>	<b>(\$788,191)</b>

# FY24 Cash Position Summary

	<b>FY24</b>
<b>Opening Cash Balance</b>	<b>\$1,117,055</b>
Net Sales	\$25,264
Vestwell	\$7,233
Cash from Other Income	\$6,471
Cash Expenses	(\$958,963)
Depreciation	(\$6,139)
Liabilities Paid	\$884,672
<b>Ending Cash Balance</b>	<b>\$1,075,594</b>

# FY23 and FY24 Balance Sheet Summaries

	Jun-23	Jun-24
<b>Assets</b>		
Current	\$1,117,055	\$1,075,594
Fixed	\$2,909	\$9,048
Other	\$1,121,045	\$21,862
<b>TOTAL ASSETS</b>	<b>\$1,121,045</b>	<b>\$1,106,503</b>
<b>Liabilities</b>		
Current	\$35,873	\$64,496
Long Term	\$4,904,800	\$5,812,342
<b>Total Liabilities</b>	<b>\$4,940,673</b>	<b>\$5,876,838</b>
<b>Capital</b>	<b>(\$3,819,628)</b>	<b>(\$4,770,334)</b>
<b>TOTAL LIABILITES &amp; CAPITAL</b>	<b>\$1,121,045</b>	<b>\$1,106,503</b>



# Appendix



# FY24 Revenue & Expense

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Revenue			-	-	-	\$25,264	-	-	-	-	-	-
Expenses	\$110,252	\$77,854	\$72,785	\$68,855	\$81,328	\$110,042	\$77,568	\$70,112	\$56,473	\$81,317	\$69,902	\$82,474
<b>Operating Income</b>	<b>(\$110,252)</b>	<b>(\$77,854)</b>	<b>(\$72,785)</b>	<b>(\$68,855)</b>	<b>(\$81,328)</b>	<b>(\$84,778)</b>	<b>(\$77,568)</b>	<b>(\$70,112)</b>	<b>(\$56,473)</b>	<b>(\$81,317)</b>	<b>(\$69,902)</b>	<b>(\$82,474)</b>
Interest Income	\$413	\$495	\$694	\$686	\$626	\$602	\$564	\$525	\$518	\$467	\$523	\$429
<b>Net Income</b>	<b>(\$109,839)</b>	<b>(\$77,359)</b>	<b>(\$72,091)</b>	<b>(\$68,169)</b>	<b>(\$80,702)</b>	<b>(\$84,176)</b>	<b>(\$77,004)</b>	<b>\$69,587</b>	<b>(\$55,955)</b>	<b>(\$80,850)</b>	<b>(\$69,587)</b>	<b>(\$82,045)</b>

# FY24 Cash Position

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
<b>Opening Cash Balance</b>	<b>\$1,117,055</b>	<b>\$957,616</b>	<b>\$1,780,257</b>	<b>\$1,717,774</b>	<b>\$1,639,794</b>	<b>\$1,525,920</b>	<b>\$1,430,558</b>	<b>\$1,409,056</b>	<b>\$1,339,197</b>	<b>\$1,253,220</b>	<b>\$1,167,453</b>	<b>\$1,123,187</b>
Net Sales	-	-	-	-	-	\$25,264	-	-	-	-	-	-
Vestwell	-	-	-	-	(\$33,171)	(\$27,395)	\$60,566	-	(\$18,792)	(\$6,085)	\$32,110	-
Cash from Other Income	\$413	\$495	\$694	\$686	\$626	\$602	\$564	\$525	\$518	\$467	\$452	\$429
Cash Expenses	(\$110,252)	(\$77,854)	(\$72,785)	(\$68,855)	(\$81,328)	(\$110,042)	(\$77,568)	(\$70,112)	(\$56,473)	(\$81,317)	(\$69,902)	(\$82,474)
Depreciation	-	-	-	-	-	\$1,154	-	-	-	-	(\$7,293)	-
Liabilities Paid	(\$49,600)	\$900,000	\$9,608	(\$9,811)	-	\$15,055	(\$5,064)	(\$272)	(\$11,229)	\$1,167	\$367	\$34,452
<b>Ending Cash Balance</b>	<b>\$957,616</b>	<b>\$1,780,257</b>	<b>\$1,717,774</b>	<b>\$1,639,794</b>	<b>\$1,525,920</b>	<b>\$1,430,558</b>	<b>\$1,409,056</b>	<b>\$1,339,197</b>	<b>\$1,253,220</b>	<b>\$1,167,453</b>	<b>\$1,123,187</b>	<b>\$1,075,594</b>

# FY24 Balance Sheet

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
<b>Assets</b>												
Current	\$957,616	\$1,780,257	\$1,717,774	\$1,639,794	\$1,559,091	\$1,491,124	\$1,409,056	\$1,339,197	\$1,272,013	\$1,192,330	\$1,123,187	\$1,075,594
Fixed	\$2,909	\$2,909	\$2,909	\$2,929	\$2,909	\$1,755	\$2,909	\$2,909	\$1,755	\$1,755	\$9,048	\$9,048
Other	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862	\$21,862
<b>TOTAL ASSETS</b>	<b>\$982,387</b>	<b>\$1,805,028</b>	<b>\$1,742,545</b>	<b>\$1,664,565</b>	<b>\$1,583,862</b>	<b>\$1,514,742</b>	<b>\$1,433,827</b>	<b>\$1,363,968</b>	<b>\$1,295,630</b>	<b>\$1,215,947</b>	<b>\$1,154,097</b>	<b>\$1,106,503</b>
<b>Liabilities</b>												
Current	\$30,223	\$30,223	\$39,831	\$30,020	\$30,020	\$45,075	\$28,753	\$28,480	\$28,509	\$29,677	\$30,044	\$64,496
Long Term	\$4,912,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342	\$5,812,342
<b>Total Liabilities</b>	<b>\$4,942,565</b>	<b>\$5,842,565</b>	<b>\$5,852,173</b>	<b>\$5,842,362</b>	<b>\$5,842,362</b>	<b>\$5,857,417</b>	<b>\$5,841,095</b>	<b>\$5,840,822</b>	<b>\$5,840,851</b>	<b>\$5,812,342</b>	<b>\$5,842,386</b>	<b>\$5,876,838</b>
<b>Capital</b>	<b>(\$3,960,178)</b>	<b>(\$4,037,537)</b>	<b>(\$4,109,628)</b>	<b>(\$4,177,797)</b>	<b>(\$4,258,499)</b>	<b>(\$4,342,676)</b>	<b>(\$4,407,267)</b>	<b>(\$4,476,854)</b>	<b>(\$4,545,222)</b>	<b>(\$4,626,072)</b>	<b>(\$4,688,289)</b>	<b>(\$4,770,334)</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$982,387</b>	<b>\$1,805,028</b>	<b>\$1,742,545</b>	<b>\$1,664,565</b>	<b>\$1,583,862</b>	<b>\$1,514,742</b>	<b>\$1,433,827</b>	<b>\$1,363,968</b>	<b>\$1,295,630</b>	<b>\$1,215,947</b>	<b>\$1,154,097</b>	<b>\$1,106,503</b>

*Fixed assets increased in May increased by amount of accumulated depreciation on fixtures & equipment.*