



**Employer qualitative study on new product receptivity
Outline
DRAFT September 20, 2011**

Objectives and process:

The purpose of this research is to establish initial estimates of employer interest and potential involvement in the new products being developed by BPD, and to identify critical implementation issues.

Notes in CAPITAL LETTERS below are explanatory for reviewers, and will not be communicated to respondents.

This is qualitative research, so much of the interaction will be discussion and coaching by the moderator to ensure that respondents understand the exercises and complete their own thinking processes.

The interviews will be designed as follows:

Cell 1: Mid-Sized Employer Focus Groups

- Six focus groups will be conducted with decision makers from companies with 20-99 employees.
- The cities will be geographically dispersed: Minneapolis in the Midwest, Baltimore (Southeast) and Phoenix (Southwest).
- For each of these sessions we will recruit 7 respondents with the goal of having 5 or 6 participate in the discussion (business decision maker groups are much better if limited in size).
- Each group will take approximately 2 hours.
- Respondents will be individuals who self-report that they are a primary decision maker about issues related to employee benefits and payroll.
- The other central screening criterion will be that the company does not currently offer a payroll deduction plan. They will also have an automated payroll system.

Cell 2: Larger Employer One-on-One Interviews

- In addition to these group sessions, we will conduct one-on-one interviews with another 15 decision makers from larger companies – those companies with 100 or more employees.
- These interviews will be conducted over the phone and will take about 30 minutes.
- We will target a relatively broad sample:

make sense.

- o Ten interviews will be conducted among representatives of companies that currently offer payroll-based retirement (about four-fifths of the population).
- o Five interviews will be conducted among representatives of companies that don't current offer payroll based retirement plans (about one-fifth of the population).

Cell 3: Employers who Formerly Offered Savings Bonds

- Finally, we will complete 10 interviews with employers who used to offer their employees the ability to purchase savings bonds via payroll deduction, prior to the elimination of that program. This cell will include a mix of companies:
 - o Five interviews will be conducted among those who primarily employ blue-color or service workers
 - o Five interviews will be conducted among those who primarily employ white-collar workers.
- Each interview will take approximately 30 minutes over the phone.

I. Introductions and Background *GOAL IS TO GET PEOPLE COMFORTABLE WITH THE DISCUSSION AND TO INTRODUCE THE TOPIC* **10 minutes; 10 total**

Moderator introduction: THIS WILL BE MODIFIED FOR THE ONE-ONE-ONE INTERVIEWS TO INDICATE THAT THE INTERVIEW WILL LAST 20-30 MINUTES AND NO AUDIO/VIDEO TAPING.

- o Welcome and thank you for attending
- o Introduce moderator
- o Purpose: to get your thoughts on providing savings-related benefits to your employees
- o Informal – no wrong answers
- o 2 hours
- o Speak one at a time. Feel free to agree or offer different opinions
- o Confidentiality assured – no connection of what you say with you by name
- o Audio and videotaping and observers

Participant Self-introduction:

- o First name
- o Work synopsis, describe company
- o Types of benefits offered to employees

II. Discussion of Benefits *GOAL IS TO UNDERSTAND WHAT THEIR COMPANY OFFERS IN THE WAY OF RETIREMENT AND SAVINGS BENEFITS, HOW IMPORTANT THESE BENEFITS ARE, AND HOW DECISIONS ARE MADE IN THE ORGANIZATIONS.* **20 minutes; 30 total**

- a. How do you decide what benefits to offer to your employees?

- b. Who makes the decision in your organization? What is your role?
- c. How have employee benefits changed in your organization, if at all, in the past few years? Why?
 - o AMONG THOSE WHO HAD PAYROLL DEDUCTION FOR SAVINGS BONDS ASK THE FOLLOWING:
 - o What was your reaction when you found that savings bonds would not be offered in that form anymore?
 - o What was the reaction of your employees?
 - o Did you find a replacement for that benefit? IF YES:
 - ⇒ What are you using now? Are you satisfied with that solution, or not?
 - o IF NO:
 - ⇒ Why didn't you find a replacement? (PROBE FOR HARD TO FIND A SIMILAR PRODUCT, NOT IMPORTANT, ETC.)
- d. Do you expect these benefits to change in the next few years? Why? How?
- e. Thinking specifically about financial benefits, not healthcare, how important is it to your organization to offer your employees a way to save?
 - o Why is it important?
 - o What are the benefits to you as an employer?
 - o What are the benefits to your employees?
 - o How does this link, if at all, with your company's vision, mission, brand, etc.?
- f. What do you offer in the way of savings-related or retirement-related benefits to your employees?
 - o Is this offered via payroll deduction?
 - o What do you think of that benefit? How satisfied are you with it?
 - o How many employees take advantage of it?
 - o Why is there not 100% participation? What are the barriers? Are they operational – about the way it is offered, or are they personal – the employee's own decision? Or a combination? Which stands out the most to you?
 - o What do you hear from your employees about this benefit?
 - o Is this benefit something that you use to help recruit people to your company?
 - o What is lacking in your savings-related employee benefit package?

- g. Is there anything about your company, or the type of employees that you have, that makes your situation unique? Harder to offer benefits, or easier to offer benefits?

III. New Products *THIS SECTION WILL ASSESS REACTIONS TO THE NEW RETIREMENT PRODUCT CONCEPT OVERALL, AND THEN IT WILL PROBE SPECIFICS. THERE WILL BE SOME LADDERING IN ORDER TO PROVIDE EMOTIONAL ELEMENTS*

25 minutes; 55 total

- a. Here's a new way to save for retirement [SHOW CONCEPT TO GROUP, ALSO AVAILABLE IN WORKBOOK. READ TO RESPONDENTS ON THE PHONE.]

The US Treasury is considering offering an electronic Roth Retirement Savings Program that . . .

- o An investor can begin with as little as \$25
 - o Contributions can be automatically deducted each payday
 - o Has no fees
 - o Earns the same interest rate as the government fund in the retirement plans for federal employees.
- b. Let's go through this and I'd like you to tell me what these individual ideas mean?
- o Go through each phrase and ask "What does this mean?" "How would it work?" or other probe.
 - o Get specific reactions to "fees", "rate" – clarify what these suggest.
- c. How is this different from retirement savings options that you are familiar with?
- d. What are the advantages to you and your company? [CREATE LIST OF ADVANTAGEOUS FEATURES]
- e. Which of these are most important? Please use your workbook to complete the exercise. [LADDER]
- o Why is (xxxx) the most important factor for you in your position?
 - o What does it do for you when (xxx), what is the benefit to you?
 - o How does it make you feel when you know (xxx)?
 - o And why is that (xxx) important in your position at work?
- f. What are the reasons you might not want to use or invest in this program? [CREATE LIST]
- o Which of these is the biggest barrier?
 - ⇒ Why is it a problem?
- g. What other information would you want to know about this Retirement Savings program?

- h. Other guidelines or limits for the Retirement Savings Program: THIS WILL ALSO APPEAR IN THE WORKBOOK, READ FOR RESPONDENTS ON THE PHONE.
- o Maximum annual income limits for participation: \$122k for single person, \$179k for a couple.
- o Annual contributions will be limited to \$5,000 up to age 50 and \$6,000 over 50.
- o There are some rules about when money can be withdrawn from the account.
 - *Contributions* (not the interest) can be withdrawn at any time without penalty.
 - The *interest* withdrawn after the 5-year holding period is not subject to taxes or penalties if the owner of the Roth IRA:
 - Is at least 59 ½
 - Becomes disabled
 - Is buying first home or
 - Dies (distribution is made to the beneficiaries or estate)
 - Any other withdrawals of *interest* could be subject to taxes and a penalty, but the penalty may be waived in certain situations (e.g., educational or unreimbursed medical expenses).
- i. Go through each phrase and ask “What does this mean?” “How would it work?” or other probe. Capture all confusing or misleading words.
- j. Who is this program designed for? Does it seem well designed for your organization? What kinds of questions might your employees have? How do you think they’d react to it?

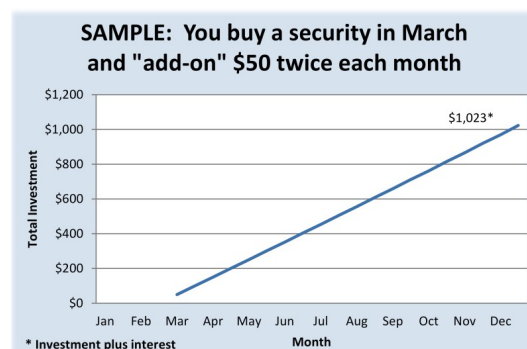
IV. New Products *THIS SECTION WILL ASSESS REACTIONS TO THE NEW PRODUCT CONCEPT OVERALL, AND THEN IT WILL PROBE SPECIFICS. THERE WILL BE SOME LADDERING IN ORDER TO PROVIDE EMOTIONAL ELEMENTS*
25 minutes; 80 total

- a. Here’s a new way to save [SHOW CONCEPT TO GROUP, ALSO AVAILABLE IN WORKBOOK. READ TO RESPONDENTS OVER THE PHONE.]

The U.S. Treasury is considering offering an electronic General Savings Program with . . .

- o No maintenance or annual fees.
- o A security can be purchased for as little as \$25.
- o Only one security is purchased per calendar year, but the security can be added-on to throughout the year (up to \$500 per month).
- o Contributions can be automatically deducted each payday.
- o After a security is no longer earning interest (10 years), funds will be redeemed back to the investor’s bank account.

EXAMPLE: A person starts a payroll deduction for a new security in March 2012, depositing \$50 twice a month. By the end of the calendar year, he or



she will have contributed \$1,000. Interest is earned on contributions throughout the year and will continue to earn interest until January 1, 2022.

- o The number of times the investor can partially redeem a security before it matures will be limited.
 - o Redeeming a security before it matures will not affect contributions, but may reduce the interest earned.
- b. Let's go through this and I'd like you to tell me what these individual ideas mean?
- o Go through each phrase and ask "What does this mean?" "How would it work?" or other probe.
 - o Get specific reactions to "rate" and "security" – clarify what these suggest.
[PROBE ON THE TERM SECURITY AS OPPOSED TO "PLAN,"
"PRODUCT" OR OTHER TERM]
- c. How is this different from other savings options that you are familiar with?
- d. What are the advantages to you offered and your organization by this program?
[CREATE LIST OF ADVANTAGEOUS FEATURES]
- e. Which of these are most important? [LADDER] Please record these in your workbook.
- Why is (xxxx) the most important factor for you?
 - What does it do for you when (xxx), what is the benefit to your company?
 - How does it make you feel when you know (xxx)?
 - And why is that (xxx) important to you in your professional position?
- f. What are the reasons you might not want to offer this to your employees? [CREATE LIST]
- ⇒ Which of these is the biggest barrier? Why is it a problem?
 - ⇒ Which is the second biggest barrier? Tell me more about it.
- g. What other information would you want to know about this General Saving Program?
- h. Other guidelines or limits for the General Saving Program: THIS WILL ALSO APPEAR IN THE WORKBOOK.
- o This security will be managed electronically like an online bank account.
 - o Interest will be taxed annually, like savings and checking accounts.
 - o Ownership registrations of "individual with a beneficiary" or "individual with co-owner" will be accepted.

- o After a security is no longer earning interest (10 years), funds will be redeemed back to the investor. Limited early redemption (withdrawal) options available.
- o Go through each phrase and ask “What does this mean?” “How would it work?” or other probe. Capture all confusing or misleading words.
- i. Who is this program designed for? Does it fit the needs of your organization? Why or why not?

<p>V. U. S. Treasury Brand <i>THIS SECTION WILL ASSESS THE STRENGTH OF THE U.S. TREASURY BRAND</i></p>

10 minutes; 90 total

- a. How interested would you be in products like we have discussed that are offered directly from the U.S. Treasury as opposed to through other options, such as banks, or other employee benefit providers?
 - o Would the fact that the U.S. Treasury is offering them be a net positive thing for you, negative, or would it make no difference at all? Why do you say that?
- b. What words – adjectives and phrases – would you use to describe your perception of the U. S. Treasury? Be honest, yet dig deep and be creative. MODERATOR TO WRITE ON FLIP CHART.

Thank you so very much for participating in this discussion today. I just have one last question since we have covered so many topics today: because of this discussion, is there anything that you would like to learn more about?