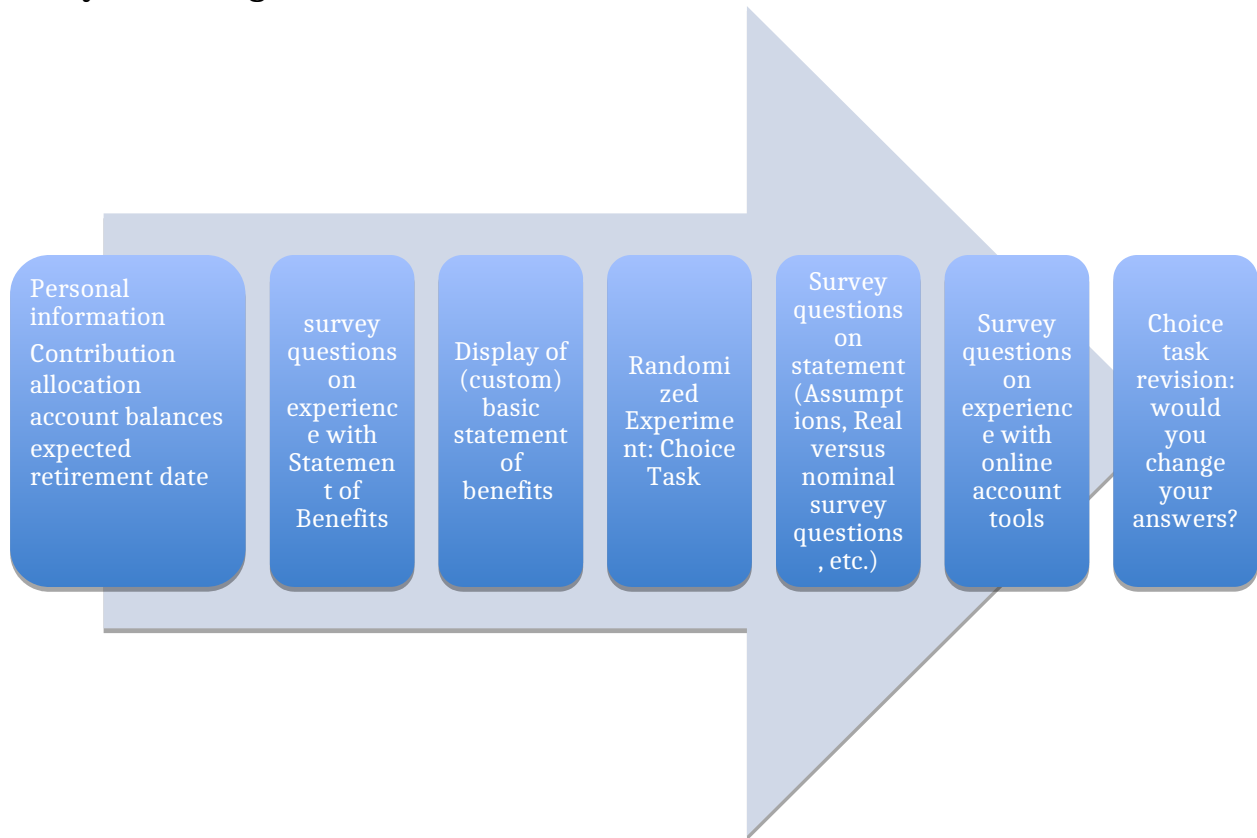


Survey Flow Design



Background information (either use data from previous waves, or re-use items from previous waves)

- Demographics
 - age, marital status, education, income
- Job status
 - Restrict sample to non-retired
- Participation in Defined Contribution plan
 - We will have this from Task 10 survey

Introduction Screen

Welcome to the survey. Section 105(a) of the Employee Retirement Income Security Act of 1974 (ERISA), which is administered by the Department of Labor (DOL), requires administrators of ERISA-covered individual account plans to automatically furnish periodic benefit statements to participants and beneficiaries. The Department of Labor's Employee Benefits Security Administration (DOL-EBSA) has contracted with RAND Corporation, a non-profit research organization to explore whether information contained in sample benefit statements can be presented in a way that improves recipients' understanding of the

statements and helps them better plan for retirement.

Topics probed in the survey include identification of participants' current allocations to their retirement accounts, their expectations for how long they will need to keep working, their financial goals for retirement, the basis for calculating those goals, questions about how frequently they view their current benefits statement, in what format (paper versus electronically) they view their benefit statements and what information in those statements do they focus on. Survey participants will then be provided with two different benefits statements that provide slightly different information and are asked to answer some questions based on those statements to better assess what they understand about the statements.

The study results, combined with findings from a literature review and analysis of existing data, will be used to inform the DOL's rulemaking regarding pension benefits statements.

Please remember that, as with all ALP surveys, your answers will be anonymous and will never be matched to your name. In addition, your personal information and the information you provide in the survey will be kept private and used only for the purposes of this research, except as required by law.

Paperwork Reduction Act Statement: This survey has been approved under Office of Management and Budget (OMB) control number 1210-ONEW (exp. 00/30/00). The Paperwork Reduction Act of 1995 provides that no person is required to respond to a Federal collection of information unless it displays a valid OMB control number. Your response is voluntary, and we will use this information to evaluate and improve the quality of our services. The Department estimates that it will take approximately 30 minutes (on average) for respondents to complete the survey. Please send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Employee Benefits Security Administration, Office of Policy and Research, Attention: G. Christopher Cosby, 200 Constitution Avenue, N.W., Room N-5718, Washington, DC 20210 or email Cosby.chris@dol.gov and reference the OMB Control Number 1210-NEW.

Check on DC participation

If Task 10 survey response indicates participation in DC plan:

1. In a recent American Life Panel survey, you indicated that you have money invested in an employer provided defined-contribution retirement plan, such as a 401(k) or 403(b) plan. Is this information correct? *Hyperlink "DC plan" to definition*

Otherwise,

2. Do you have money invested in an employer provided defined-contribution retirement plan, such as a 401(k) or 403(b) plan? *Hyperlink "DC plan" to definition*

If Q1 or Q2 = no, then skip out of survey

3. How much money do you contribute to your defined-contribution plan(s) **per pay period or per year?**

__ %

\$__ per year/pay period (specify pay period)

4. Now please think about the current allocation of the investments in your defined-contribution account(s). You may not be certain but please give us your best guess. If you are holding a fund that has an asset allocation split between stocks and bonds, please divide that investment according to what you think is the asset breakdown for that fund.

Response categories: stocks, bonds, money-market, other

5. What is total sum of all your current defined-contribution retirement account balances? Again, you may not be certain, but please give us your best guess.

IF R WORKING NOW and R IS <60:

6. Thinking about work in general and not just your present job, what do you think the chances are that you will be working full-time after you reach age 60?

OTHERWISE IF R <60:

7. What do you think the chances are that you will be working full-time after you reach age 60?

IF R WORKING NOW and R IS 60-64:

8. Thinking about work in general and not just your present job, what do you think the chances are that you will be working full-time after you reach age 65?

OTHERWISE IF R <65:

9. What do you think the chances are that you will be working full-time after you reach age 65?

IF R WORKING NOW and R IS 65-69:

10. Thinking about work in general and not just your present job, what do you think the chances are that you will be working full-time after you reach age 70?

OTHERWISE IF R <70:

11. What do you think the chances are that you will be working full-time after you reach age 70?

Retirement Goals

12. Have you set a financial goal for retirement?

If yes

13. When you think about retirement, how do you most commonly think about your goals?

Do you think about (please check all that apply)

- a. A target sum of money that I want to save
- b. A target sum of income that I want to have in retirement
- c. A certain standard of living that I want to achieve
- d. Specific activities that I would like to be able to afford (e.g. vacation, spending time with family)
- e. Other (please specify)

14. Do you have other sources of money or income, beyond your employer sponsored retirement plan, that you will rely on for your retirement?

- a. Social security benefits

Give other options, as a "check all that apply"

Statement of Benefits

15. When is the last time you reviewed your statements from your employer-sponsored retirement plan. These are the paper statements that you may receive in the mail, or the statements that you can access through your retirement plan provider's website, and describe the activity of your employer-sponsored retirement saving account, such as a 401(k) or 403(b).

- a. In the past week
- b. In the past month
- c. In the past six months
- d. In the past year
- e. I can't remember
- f. Never

If "Never" skip

16. How often do you review your statements from your employer-sponsored retirement plan?

- a. Every quarter
- b. Every year
- c. Rarely

17. When you review your statement, what information do you specifically look for? (check all that apply)

account balance

your rate of return

your portfolio allocation

projected account balance

projected monthly income during retirement

18. Based on your retirement account statement, how can you tell if your savings and investments are on track with your retirement goals? (check all that apply)
- The size of my account balance
 - The rate of return on my account
 - My portfolio allocation
 - projected account balance
 - projected monthly income during retirement
 - Other (specify)
 - I don't know
19. Suppose you have \$100,000 today and contribute \$100 to your plan every month, and plan to retire in 27 years. Suppose also that your plan returns 7% a year over that period. About how much would you expect to have at retirement?
20. And if you plan to draw on this for 25 years in retirement, how much monthly income do you think you would have when you retire?
21. How much do you think the amount you receive when you retire would buy in today's dollars?

Randomized experiment + choice task design

Based on focus group feedback, we will create two or three different sample statements of benefits (most likely one based on Version 1 and one or two based on Versions 2 and 3). Statements will be partially individualized, based on age, marital status, and responses to Q3-Q8, and will include Sections A-C on the current sample statements.

Respondents will be told:

Please examine the following sample statement of benefits. This statement is for someone aged [Respondent's age], who is [married/single], currently contributes [Q3] and has a current balance of [Q5]. This Sample Statement is not like the actual statements you currently receive in that it is much shorter. It is shorter because we would like to focus your attention on specific parts of the statement.

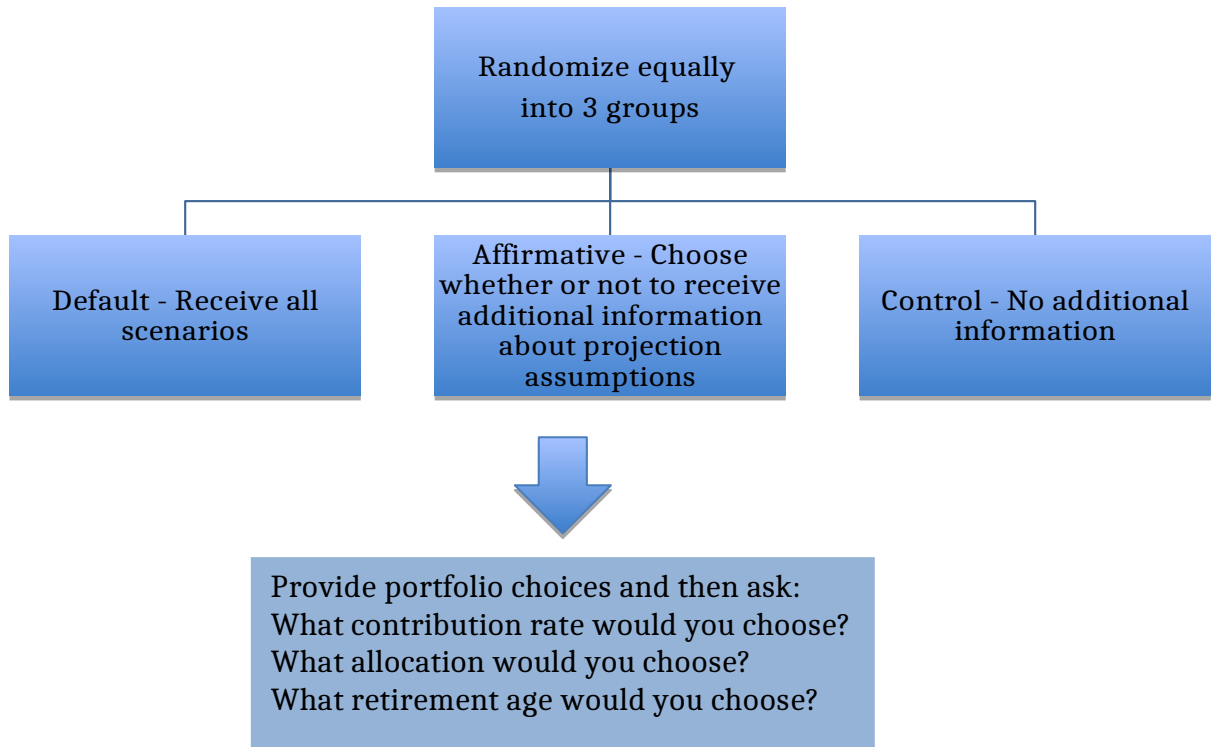
Respondents will then be asked whether, based on the statement that they see, they would want to 1) change their contribution level; 2) change their expected retirement date; 3) change their investment allocation.

Depending on treatment, respondents may receive additional information (essentially Section D of sample statements versions 2 and 3):

- The **Default** groups will be shown a page that looks like Section D*
- The **Affirmative Choice** group can choose whether they would like to "receive additional information on how your projected monthly income in retirement is affected by changes in contribution levels, retirement date, and investment returns."*

Those who select to receive the additional information will be shown a page that looks like Section D

- The **Control** group will not receive any additional information



For this section and next, we still need to work out what the interface would look like (ie, translating a “paper” statement to the ALP format)

Sample Statement Survey Questions

{We would like to ask you more about the retirement account statement that you have been examining

22. Based on this sample retirement account statement, how easy is it to find the following information (5 point scale)
 - a. account balance
 - b. projected account balance
 - c. projected monthly income during retirement [for Rs who receive Version 2 or 3 only]

23. Based on this retirement account statement, how easy is it to understand the impact of _____ on my projected monthly income in retirement? (5 point scale)
 - a. Changes in the rate of return
 - b. Changes in my retirement age
 - c. Increasing contributions

24. Would you say that you feel the projections of monthly income are more, less or about what you might have guessed on your own?
1. Very much more
 2. Somewhat more
 3. About the same
 4. Somewhat less
 5. Very much less
25. Would you say that you feel this person is likely to be adequately prepared for retirement, based on this retirement account alone?
1. Very likely
 2. Somewhat likely
 3. Somewhat unlikely
 4. Not at all likely
 5. I don't know
26. In terms of understanding whether or not this person is prepared for retirement, does this statement provide
1. Too much information
 2. Enough information
 3. Too little information
27. Do you agree or disagree with the following statements: (3 response options: Agree, Disagree, there is not enough information on the retirement account statement to answer)
- a. The future projections take inflation into account
 - b. The projections are guaranteed
 - c. The projections assume retirement age of 67
 - d. The projections assume that contributions will increase at 3% per year

28. In this retirement account statement, some assumptions are made in order to calculate projections. How reasonable do you think the following assumptions are **for your situation**:

- a. Retirement age of 65
 - i. I plan to retire much earlier than 65
 - ii. I plan to retire earlier than 65
 - iii. I plan to retire about age 65
 - iv. I plan to retire later than 65
 - v. I plan to retire much later than 65
- b. Continue to contribute the same amount until retirement
 - i. I plan to increase my contributions by a lot as I get closer to retirement
 - ii. I plan to increase my contributions a little as I get closer to retirement
 - iii. I plan to keep my contributions at the same level until retirement
 - iv. I plan to decrease my contributions a little as I get closer to retirement
 - v. I plan to decrease my contributions by a lot as I get closer to retirement
- c. Life expectancy of 85
- d. Survivor benefits of 50%
- e. 7% rate of return on retirement investments
- f. 3% inflation rate

Based on focus group responses, we may want to write one or two additional questions on how people think about the impact of inflation on their retirement savings.

Now we would like to ask you about your experiences with accessing your retirement account online.

29. When is the last time you visited your retirement plan's website to find out information about your retirement account?
- a. in the past week
 - b. In the past week
 - c. In the past month
 - d. In the past six months
 - e. In the past year
 - f. I can't remember
 - g. Never

If "Never" skip

30. Have you opted out of the paper statements so that you only receive your account information online?
- a. Yes
 - b. No

31. How often do you visit your retirement plan's website to find out information about your retirement account?
- a. Every week
 - b. Every month
 - c. Every quarter
 - d. Every year
 - e. Rarely
32. When you look at your account online, what information do you look at? Please check all that apply
- account balance*
 - your rate of return*
 - your portfolio allocation*
 - projected account balance*
 - projected monthly income during retirement*
33. What information from your retirement plan's website helps you figure out if your savings and investments are on track with your retirement goals?
- account balance*
 - your rate of return*
 - your portfolio allocation*
 - projected account balance*
 - projected monthly income during retirement*
34. Is your online account easier to access than the mailed statement?
35. Is your online account easier to understand than the mailed statement?
36. Is there information that you see online that you wish you could also get in the mailed statement of benefits?