



# Automatic 401(k) Plans

Employer Views on Enrolling New  
and Existing Employees | June 2010



**Automatic 401(k) Plans:  
Employer Views on Enrolling New and Existing  
Employees**

**Data Collected by Woelfel Research, Inc.  
Report Written By S. Kathi Brown**

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## **EXECUTIVE SUMMARY**

In the past few years, a growing number of employers have added automatic features, especially automatic enrollment, to their 401(k) plans. This national telephone survey of large employers with 401(k) plans, which was fielded from December 15, 2009 to February 24, 2010, was conducted in order to better understand large employer attitudes toward and experiences with two automatic 401(k) features—automatic enrollment and automatic escalation.

### **Key Findings**

#### ***Familiarity with Automatic Features***

Familiarity with automatic enrollment and automatic escalation is high among large employers with 401(k) plans. Specifically, the vast majority (94%) of employers surveyed report that they are either “very familiar” or “somewhat familiar” with automatic enrollment in 401(k) plans. While familiarity with automatic escalation is lower than familiarity with automatic enrollment, a majority (78%) of employers also report that they are either “very familiar” or “somewhat familiar” with automatic escalation.

#### ***Prevalence of Automatic Features***

Although nearly all large employers with 401(k) plans are at least somewhat familiar with automatic enrollment, the majority have not adopted it for their own 401(k) plan. Specifically, less than half (42%) of large employers with 401(k) plans report that their 401(k) plan includes automatic enrollment. Fewer (28%) report that their 401(k) plans have an automatic escalation feature.

Among employers with automatic enrollment, the average default deferral rate is 3.2 percent, with the majority of employers (55%) reporting a default rate of 3 percent.

#### ***Who Has Been Automatically Enrolled?***

The majority (58%) of employers with automatic enrollment report that they automatically enrolled only new hires when they first adopted automatic enrollment. Just over one third (35%) automatically enrolled all non-participating employees who were eligible for the plan.

Of those employers who automatically enrolled only new hires at adoption, only about one in ten (11%) report that they have automatically enrolled all non-participating employees at least once since adopting automatic enrollment.

#### ***What Types of Information Were/Would be Helpful?***

When asked which of 12 types of information were helpful (or would be helpful) in deciding whether or not to automate their 401(k) plan features, employers were most likely to select *information about legal and liability issues* (76%), *best practices* (72%), *impact on non-discrimination testing* (70%), *basic information about automatic enrollment* (67%), *information about implementation and maintenance* (67%), and *guidance handling employee communication* (66%).

### ***Reasons for Offering Automatic 401(k) Features***

Regardless of whether or not their 401(k) plan includes automatic features, all employers were asked to indicate the extent to which they believe each of six different statements represent a reason that companies adopt automatic features. In response, employers were most likely to identify the following as “major reasons” that companies offer automatic features:

- *It helps employees save more for retirement* (74%)
- *It is easier to pass nondiscrimination testing* (49%)
- *It demonstrates that we are a socially responsible company* (35%)

Interestingly, the three statements above were also the most frequently identified reasons for automatically enrolling all non-participating employees who are eligible for the plan.

### ***Reasons for Not Offering Automatic Features***

When asked why they do not have *automatic enrollment* for their 401(k) plan, employers without automatic enrollment most frequently cited *employee-related challenges* such as a concern that employees would not like automatic enrollment (30%), *costs* (20%), *contentment* with the status quo (14%), and a *lack of information* (10%).

When employers without *automatic escalation* were asked to explain their reasons for not including this feature in their 401(k) plan, the most frequent responses also related to employees and included the *company thinks employees would not like it* (66%) and the *company thinks employees would find it confusing* (52%). Additionally, one third of employers without automatic escalation (35%) indicated that the *company is concerned about matching costs*.

### ***Reasons for Automatically Enrolling Only New Hires***

Employers that automatically enroll only new hires were asked why they do not automatically enroll all non-participating employees who are eligible for the plan. As with the reasons expressed for not having automatic features, employee-related challenges were also the reasons most frequently expressed for limiting automatic enrollment to new hires. Specifically, the most frequent responses included *employee-related challenges* such as a concern that employees would not like automatic enrollment (21%), a belief that enrollment should be the *employee’s decision* (15%), *contentment* with the status quo (13%), *administrative challenges* (9%), and the state of the *economy* (8%).

### ***Likelihood of Adding or Expanding Automatic Features in the Next 12 Months***

Within the next 12 months, very few employers anticipate making changes to their 401(k) plans, such as adding either automatic enrollment or automatic escalation or expanding automatic enrollment to include all non-participating employees.

Specifically, when asked how likely they are to add automatic enrollment within the next 12 months, only one in six (16%) employers without automatic enrollment report that they are either “very likely” (4%) or “somewhat likely” (12%) to add it. Similarly, just over one in ten (11%) employers without automatic escalation report that they are either “very likely” (2%) or “somewhat likely” (9%) to add automatic escalation in the next 12 months.

Furthermore, among employers that have automatically enrolled only new hires within the past 12 months, only one in ten (10%) report that they are either “very likely” (3%) or “somewhat likely” (7%) to expand automatic enrollment within the next 12 months to include all non-participating employees who are eligible for the plan.

## **Implications**

Although the share of large employers with automatic enrollment and automatic escalation has grown over the past few years, these survey results are a reminder that obstacles to continued expansion of these automatic features remain. While some of the resistance expressed to adoption of automatic enrollment and/or automatic escalation (among those without these features) and expansion of automatic enrollment (among those who limit automatic enrollment to new hires) may reflect continued uncertainty about the direction of the economy and concerns about finances given that this survey was fielded relatively soon after a recession, the survey findings suggest that barriers unrelated to the economy persist. Such barriers include employee-related challenges, including concerns that employees would not like the changes or would find them confusing; costs; contentment with current policy; a lack of information; and administrative challenges.

The survey findings suggest that information about the cost implications of adopting automatic features, experiences of other employers, effects on plan pricing and plan provider fees, legal and liability issues, and best practices may be particularly useful in helping employers decide whether to automate their 401(k) plan features. In addition, efforts to encourage employers to expand automatic enrollment to all non-participating employees who are eligible for the 401(k) plan may be most effective if they focus on providing examples or data that show that employees do like automatic enrollment, countering the belief that the responsibility of enrolling should be left entirely up to the employee, and providing information that can reduce the administrative challenges.

Finally, messages that emphasize the fact that automation helps employees save more for retirement, makes it easier to pass non-discrimination testing, can be used to portray an employer as socially responsible, and can reduce the plan pricing or plan provider fees may also be useful in encouraging employers to adopt or expand automatic features.

## INTRODUCTION

In the past few years, a growing number of employers have added automatic features, especially automatic enrollment, to their 401(k) plans. This national telephone survey of large employers was conducted in order to better understand large employer attitudes toward and experiences with two automatic 401(k) features—automatic enrollment and automatic escalation.

Fielded from December 15, 2009 to February 24, 2010, the survey included 806 private sector employers that offer 401(k) plans and have at least 500 employees. In order to qualify for the survey, survey respondents had to be located at the organization’s headquarters or a subsidiary headquarters and be at least partially responsible for decisions regarding the organization’s employee benefits and 401(k) plan. The results from the study were weighted by company size to be nationally representative of private sector employers with at least 500 employees that offer a 401(k) plan. The margin of sampling error for the 806 interviews is plus or minus 3.5 percent.

It should be noted that this survey was fielded following a recession that had caused many employers to take cost-cutting steps such as layoffs, hiring freezes, and suspensions of 401(k) matches. The challenging economic conditions of the past two years coupled with a lack of certainty about the future direction of the economy may have affected some employer responses to this survey.

## DETAILED FINDINGS

### Familiarity with Automatic Enrollment

The vast majority (94%) of employers surveyed report that they are either “very familiar” (67%) or “somewhat familiar” (27%) with automatic enrollment in 401(k) plans.

#### Differences by Employer Size<sup>1</sup>

The largest employers are more likely than their smaller counterparts to be “very familiar” or “somewhat familiar” with automatic enrollment (98% of employers with at least 2500 employees vs. 92% of those with 500-999 employees and 94% of those with 1000-2499 employees). The larger employers are also more likely than their smaller counterparts to be “very familiar” with automatic enrollment (73% of employers with at least 2500 employees and 69% of those with 1000-2499 employees vs. 61% of those with 500-999 employees).

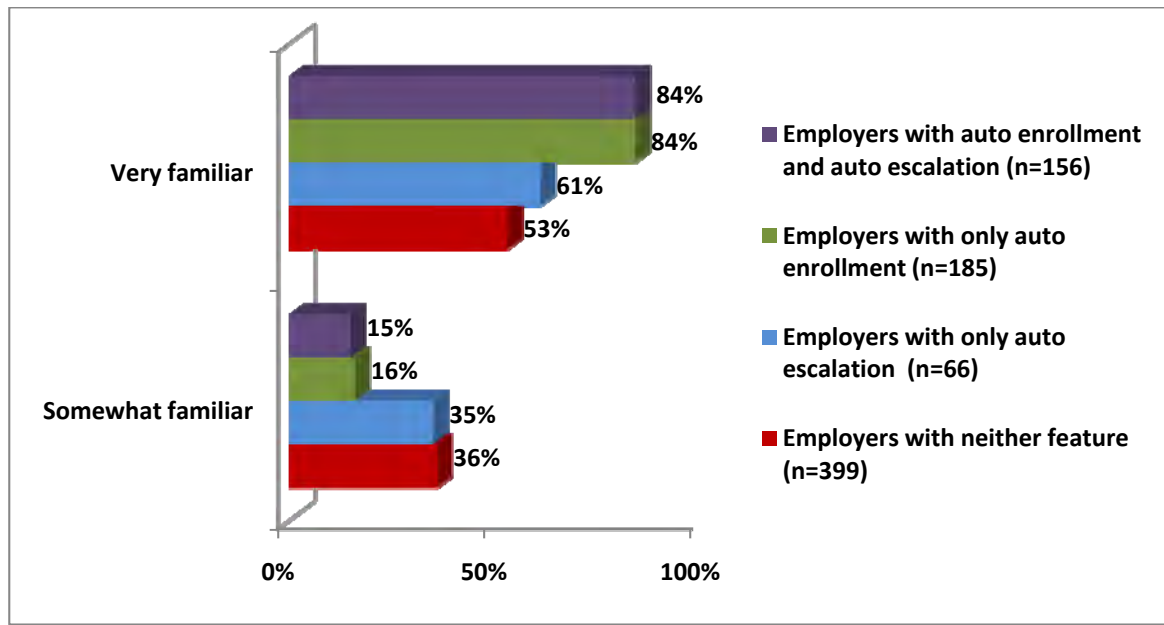
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<sup>1</sup> The report notes any statistically significant differences in response based on employer size, industry, presence of automatic features (including whether or not all non-participating employees have been automatically enrolled), and presence of an employer matching contribution. In cases where differences are not reported by one or more of the above subgroups, this indicates the absence of statistically significant differences.

### Differences by Presence of Automatic Features

Employers with automatic enrollment and/or automatic escalation are more likely than those without either automatic feature to be “very familiar” or “somewhat familiar” with automatic enrollment. Specifically, nearly all employers with at least one of these automatic features indicated that they are either “very” or “somewhat” familiar with automatic enrollment (99% of those with both automatic enrollment and automatic escalation, 100% of those with only automatic enrollment, and 96% of those with only automatic escalation) compared to approximately nine in ten (89%) of those without either automatic feature.

**Would you say you are very, somewhat, not too, or not at all familiar with automatic enrollment in 401(k) plans?\***



\*Source: Question 510 in annotated questionnaire (Appendix 2).

The share of respondents who are “very familiar” with automatic enrollment varies even more by the presence of automatic features than does the share who are either “very familiar” or “somewhat familiar.” Specifically, more than eight in ten employers with automatic enrollment (84%) (including those with and without automatic escalation) describe themselves as “very familiar” with automatic enrollment, while just six in ten (61%) employers with only automatic escalation and even fewer (53%) employers without either automatic feature are “very familiar” with automatic enrollment.

### Differences by Industry<sup>2</sup>

Employers in the goods-producing sector are more likely than those in the services sector to be at least somewhat familiar with automatic enrollment. Specifically, nearly all (98%) employers in the goods-producing sector are either “very familiar” or “somewhat familiar” with automatic enrollment, compared to 93 percent of those in the services sector. Moreover, employers in the goods-producing sector (73%) are also more likely than those in services (64%) to be “very familiar” with it.

Additionally, at the industry level, employers in the manufacturing industry (97%) are more likely to be at least somewhat familiar with automatic enrollment than are employers in the healthcare industry (89%).

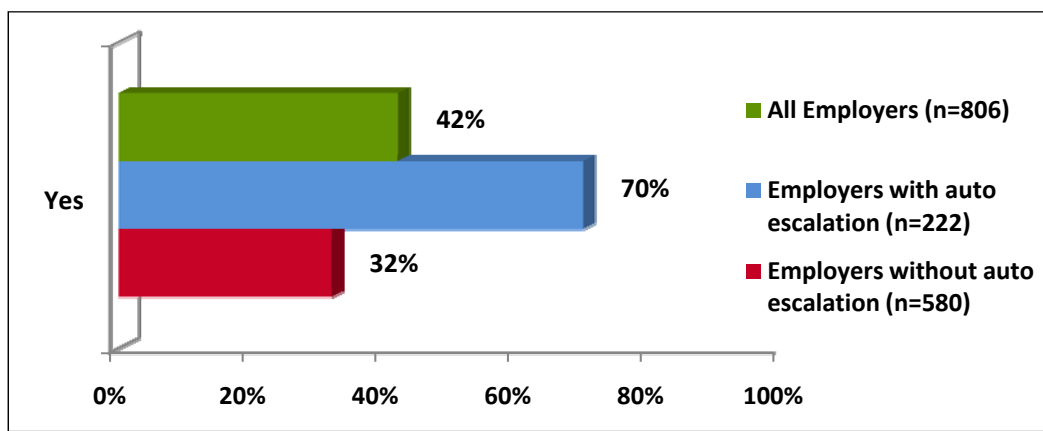
### **Automatic Enrollment Characteristics**

Approximately two in five (42%) employers report that their 401(k) plan includes automatic enrollment.

### Differences by Presence of Automatic Features

Employers with 401(k) plans that include automatic escalation (70%) are more than twice as likely as those without automatic escalation (32%) to report that their 401(k) plan includes automatic enrollment.

**Does your company’s 401(k) plan contain an automatic enrollment feature?\***



\*Source: Question 500 in annotated questionnaire (Appendix 2).

<sup>2</sup> The services sector includes industries such as healthcare, retail trade, leisure and hospitality, financial services (including insurance and real estate), professional and business services, technology and information services, transportation and warehousing, wholesale trade, utilities, educational services, social assistance, and other services. The goods-producing sector includes industries such as manufacturing, construction, oil and gas, agriculture, and other goods-producing industries. However, due to sample size restrictions, industry comparisons may only be drawn between the overall services sector and the overall goods-producing sector and between the healthcare industry and the manufacturing industry.

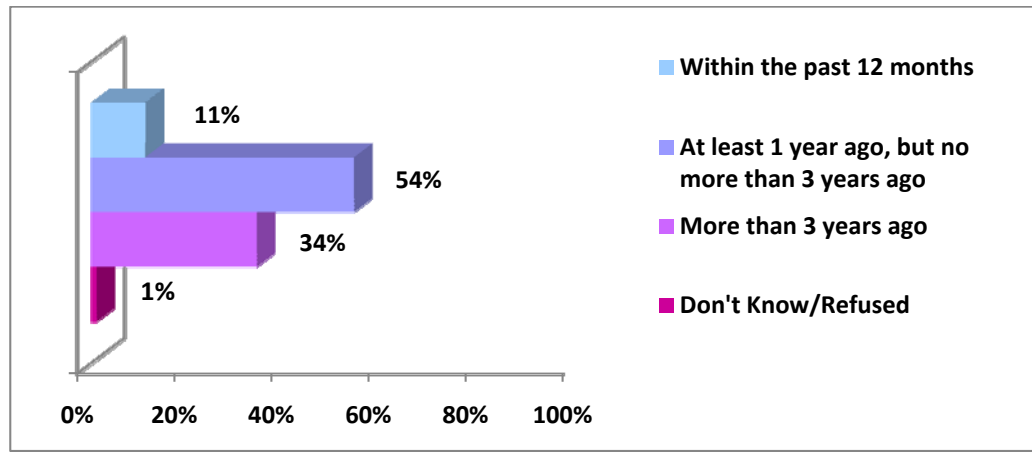
### Differences by Industry

In light of the goods-producing sector's greater familiarity with automatic enrollment, it should not be surprising that employers in the goods-producing sector (54%) are also more likely than those in the services sector (37%) to have automatic enrollment. Furthermore, at the industry level, employers in the manufacturing industry (54%) are more likely than those in the healthcare industry (36%) to have automatic enrollment.

### ***When Was Automatic Enrollment Adopted?***

Among those employers who do have automatic enrollment, most (54%) adopted it at least one year ago but less than three years ago. Another third (34%) adopted it more than 3 years ago, while approximately one in ten (11%) adopted it within the past 12 months.

**When did your company first adopt automatic enrollment for your 401(k) plan? Was it...\***  
(Base: Employers with Auto Enrollment; n=341)

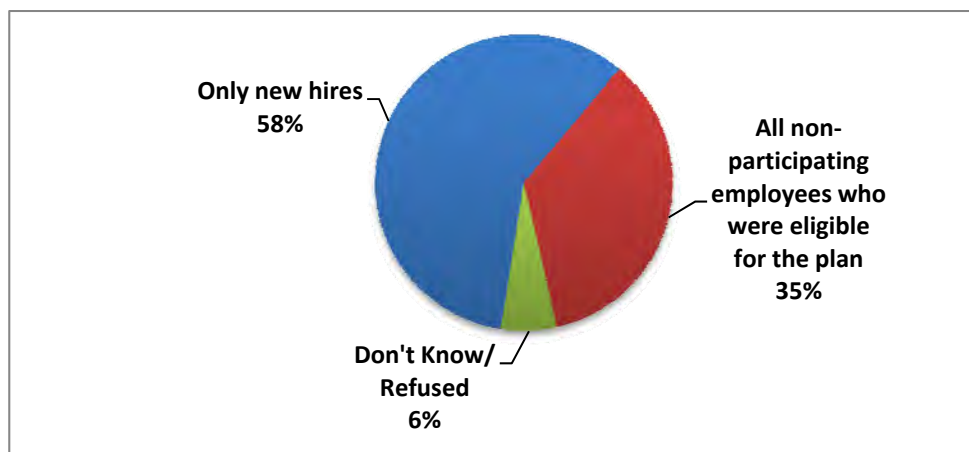


\*Source: Question 521 in annotated questionnaire (Appendix 2).

### ***Who Has Been Automatically Enrolled?***

When their organization first adopted automatic enrollment, the majority (58%) of employers with automatic enrollment report that they automatically enrolled only new hires. Just over one third (35%) report that they automatically enrolled all non-participating employees who were eligible for the plan.

**When your company first adopted automatic enrollment for your 401 (k) plan, did your company automatically enroll...\***  
**(Base: Employers with Auto Enrollment; n=341)**



\*Source: Question 522 in annotated questionnaire (Appendix 2).

Of those employers who automatically enrolled only new hires at adoption, approximately one in ten (11%) report that they have automatically enrolled all non-participating employees at least once since adopting automatic enrollment. However, the vast majority (87%) of those who automatically enrolled only new hires at adoption have used automatic enrollment only for new hires.

Differences by Employer Size

Larger employers were more likely than smaller employees to automatically enroll only new hires at adoption (67% of employers with 2500+ employees and 62% of employers with 1000-2499 employees vs. 50% of those with 500-999 employees). In contrast, employers with 500-999 employees were more likely than the largest employers to automatically enroll all non-participating employees at adoption (41% of employers with 500-999 employees vs. 28% of employers with 2500+ employees).

Differences by Presence of Automatic Features

Of those employers who automatically enrolled only new hires at adoption, employers that have both automatic enrollment and automatic escalation (16%) are more likely than those with only automatic enrollment (5%) to report that they have automatically enrolled all non-participating employees at least once since adopting automatic enrollment.

Differences by Industry

Employers in the goods-producing sector (65%) are more likely than those in the services sector (54%) to report that they automatically enrolled only new hires at adoption, as are employers in the manufacturing industry (69%) compared to those in the health care industry (42%).

***Who Has Been Automatically Enrolled Within The Past 12 Months?***

Within the past 12 months, nearly four in five (79%) employers that have automatic enrollment have automatically enrolled only new hires, while one in five (20%) have automatically enrolled all non-participating employees who are eligible for the plan.

Of those employers who automatically enrolled only new hires at adoption, the vast majority (95%) have continued to limit automatic enrollment to only hires within the past 12 months. Just a few (5%) have automatically enrolled all non-participating employees within this time period.

#### Differences Based on Presence of Employer Matching Contribution

Responses do not differ between employers that currently offer a match and those that do not currently offer a match. However, among employers that currently offer no match, those that have not offered a match at anytime since January 2008 (35%) are more likely than employers that suspended their match since January 2008 (9%) to say that they have automatically enrolled all non-participating employees within the past 12 months.

#### ***How Many Plan to Expand Automatic Enrollment?***

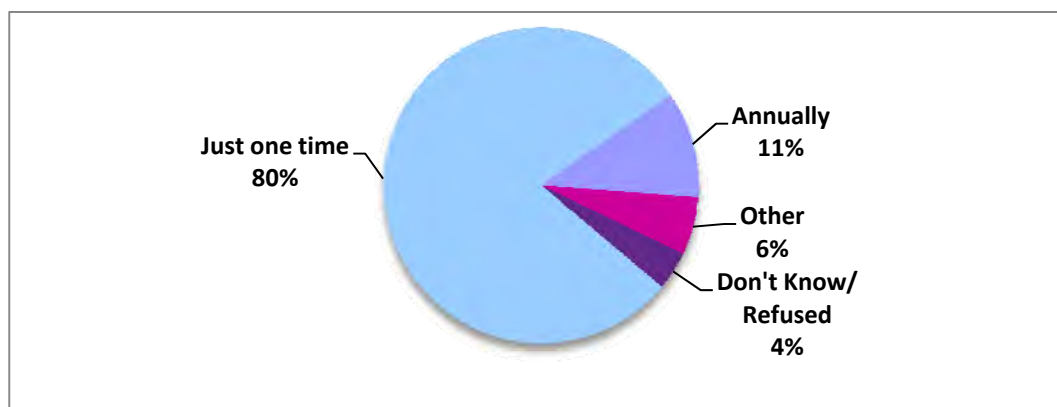
Very few (8%) employers with automatic enrollment for only new hires say that they are considering expanding their 401(k) plan's automatic enrollment features to automatically enroll more employees who are eligible for the plan rather than just new hires.

#### ***How Often Have Non-Participating Employees Been Required to Opt Out?***

Of employers that either currently automatically enroll all non-participating employees or have automatically enrolled all non-participating employees in the past, the vast majority (80%) report that they required non-participating employees to opt out "just one time." Approximately one in ten (11%) state that they have required non-participating employees to opt out annually, while another six percent gave a response other than just one time or annually, and four percent did not know how often non-participating employees were required to opt out.

#### **How often must non-participating employees opt out of company's 401(k) plan in order to avoid being automatically enrolled?\***

**(Base: Employers that have automatically enrolled all non-participating employees, n=149)**



\*Source: Question 525/526 in annotated questionnaire (Appendix 2).

#### Differences by Presence of Employer Matching Contribution

Among employers that have automatically enrolled all non-participating employees at least once, employers that offer an employer match (84%) are more likely than those that offer no match (67%) to say that they require non-participating employees to opt out "just one time."

### ***Why Are Non-Participating Employees Required to Opt Out Only Once?***

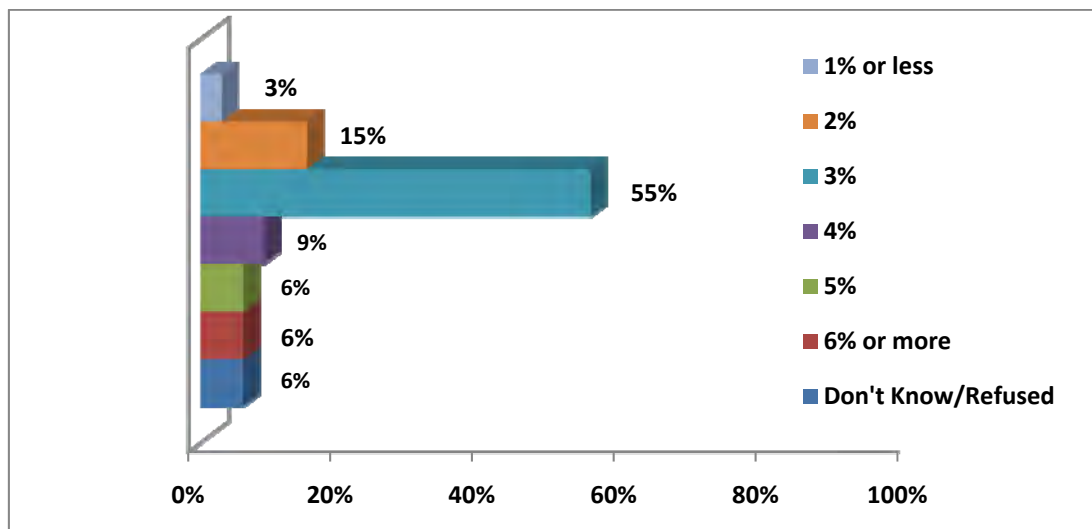
When employers that have required all non-participating employees to opt out of the 401(k) plan only once (rather than repeatedly) were asked to explain their reasons, the most common response was that the organization was content with its current policy and saw no need to automatically enroll the same employees more than once (18%) followed closely by concerns that employees would not like being automatically enrolled more than once (15%). Another one in ten (10%) cite the administrative burden of multiple automatic enrollments and nearly as many (8%) cite the belief that enrollment should be the employees' decision.

### ***What Is The Default Deferral Rate?***

Among employers with automatic enrollment, the average default deferral rate is 3.2 percent. Just over half (55%) of employers have a default deferral rate of three percent, while approximately one in five (21%) have a default deferral rate of more than three percent and slightly fewer (18%) have a default deferral rate of less than three percent. A few (6%) did not provide their plan's default deferral rate.

**For employees who are automatically enrolled into your company's 401(k) plan, what is the default percentage of pay that is deferred from each employee's pay check?\***

**(Base: Employers with Auto Enrollment; n=341)**



\*Source: Question 540 in annotated questionnaire (Appendix 2).

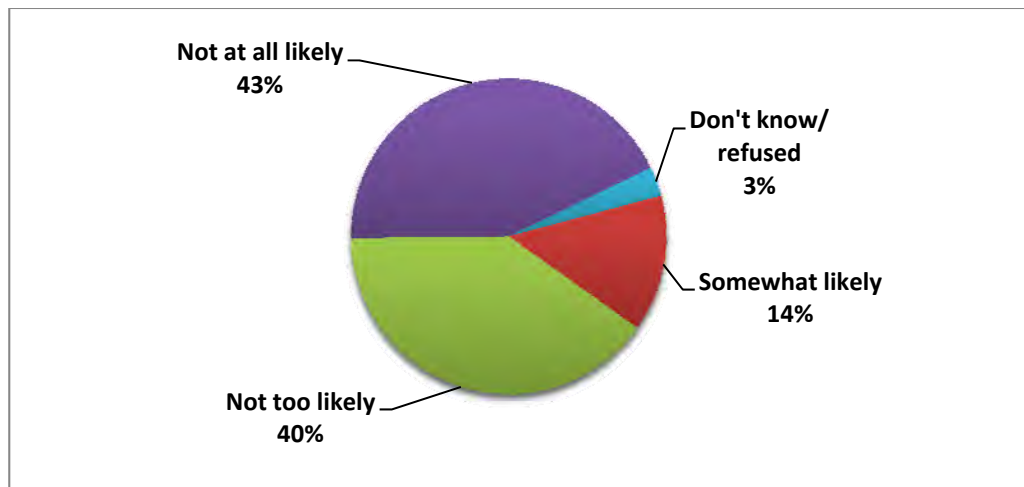
## Likelihood of Increasing Default Deferral Rate to Keep Up With Industry Peers

### *How Likely Would Employers Be To Increase Their Deferral Rate by Two Percentage Points?*

Employers with automatic enrollment were asked how likely they would be to increase their default deferral rate by two percentage points if they learned of other employers in their industry that automatically enroll employees at such a rate. In response, the vast majority (83%) of employers reported that they would be either “not too likely” (40%) or “not at all likely” (43%) to increase their deferral rate by two percentage points. No employers indicated that they would be “very likely” to do so, and just a few (14%) indicated that they would be “somewhat likely.”

### **How likely would your company be to consider increasing your default deferral rate by two percentage points?\***

**(Base: Employers who have auto enrollment and who reported their current default deferral rate; n=331)**



\*Source: Question 545-a in annotated questionnaire (Appendix 2).

Among employers with current default deferral rates of three percent, responses were very similar to those across all respondents, with over eight in ten (84%) indicating that they would be “not too likely” or “not at all likely” to increase their deferral rate by two percentage points, only 14 percent indicating that they would be “somewhat likely,” and no employers indicating that they would be “very likely” to do so.

### Differences by Employer Size

Among employers whose current deferral rate is three percent, employers with at least 2500 employees (27%) are less likely than the smaller employers (51% of those with 500-999 employees and 44% of those with 1000-2499 employees) to say that they are “not at all likely” to increase their deferral rate by two percentage points to keep up with peers.

### Differences by Automatic Enrollment Characteristics

Regardless of their current deferral rate, employers who have automatically enrolled all non-participating employees at least once (50%) are more likely than those who have automatically enrolled only new hires (36%) to say that they are “not at all likely” to increase their default deferral rate by two points to keep up with peers.

### Differences by Industry

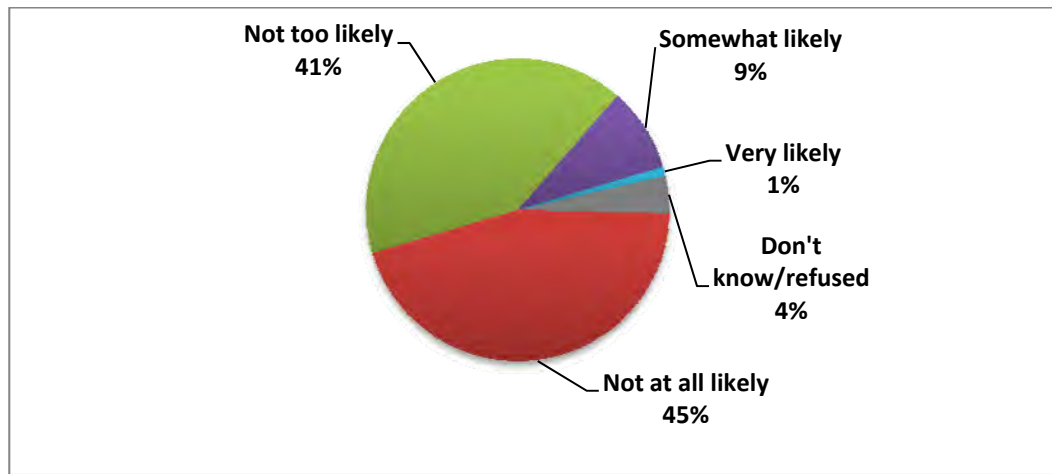
Regardless of their current deferral rate, employers in the services sector (49%) are more likely than those in the goods-producing sector (36%) to say that they are “not at all likely” to increase their deferral rate by two percentage points.

### ***How Likely Would Employers Be To Increase Their Deferral Rate by One Percentage Point?***

Those employers with automatic enrollment who are not likely to increase their deferral rate by two percentage points to keep up with their peers were asked how likely they would be to increase their default deferral rate by one percentage point. In response, the vast majority (86%) still indicated that they would be unlikely to increase their rate. However, one in ten of those who had been unlikely to increase their rate by two percentage points indicated that they would be either “very likely” (1%) or “somewhat likely” (9%) to increase their rate by one percentage point.

### **How likely would your company be to consider increasing your default deferral rate by one percentage point?\***

**(Base: Employers with auto enrollment who reported that they are unlikely to increase their rate by two percentage points; n=286)**



\*Source: Question 551-a in annotated questionnaire (Appendix 2).

### Differences by Automatic Enrollment Characteristics

When asked about their likelihood to increase their deferral rate by just one percentage point, employers who have automatically enrolled all non-participating employees at least once continued to exhibit more reluctance to increasing their rate than did employers who have automatically enrolled only new hires. Specifically among those who are unlikely to increase their rate by two points in response to peers, over half (55%) of employers who have automatically enrolled all non-participating employees at least once say that they are “not at all likely” to increase their default deferral rate by even just one percentage point to keep up with peers, compared to fewer than two in five (37%) employers who have automatically enrolled only new hires.

## Automatic Escalation

### *How Familiar Are Employers With Automatic Escalation?*

Over three in four (78%) employers report that they are either “very familiar” (51%) or “somewhat familiar” (27%) with automatic escalation.

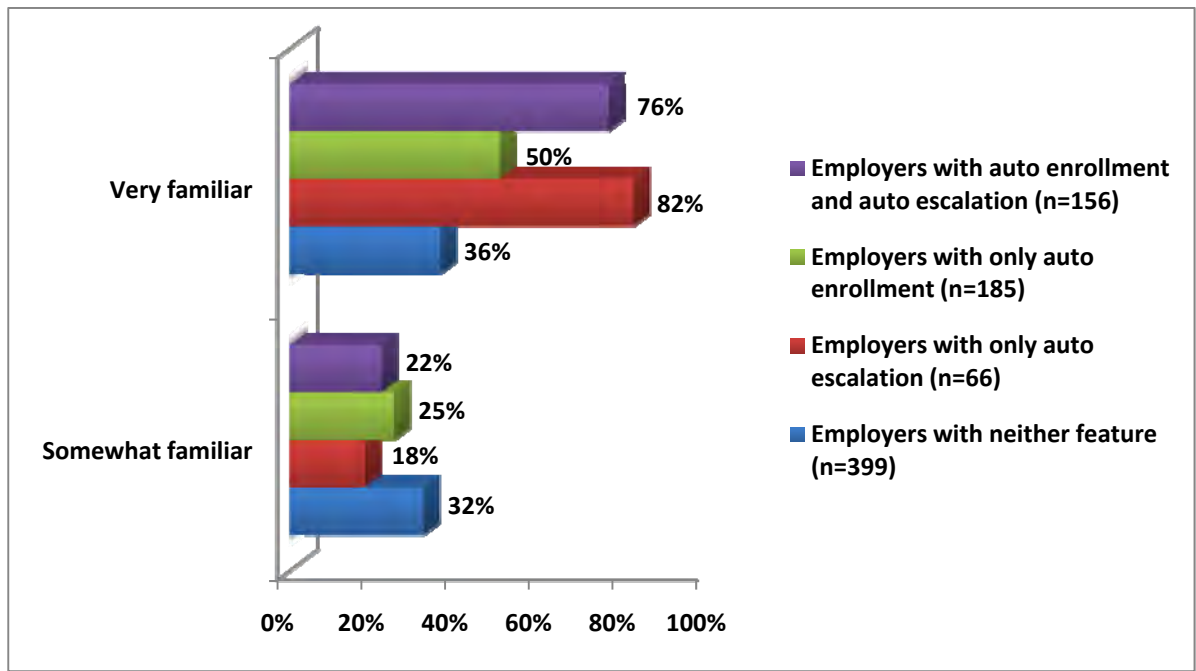
### Differences by Employer Size

Larger employers are more likely than their smaller counterparts to be familiar with automatic escalation (86% of employers with 2500+ employees and 83% of those with 1000-2499 employees vs. 69% of those with 500-999 employees).

### Differences by Presence of Automatic Features

Not surprisingly, employers with automatic escalation are more likely to be familiar with it than are employers that do not have automatic escalation. Specifically, all employers with only automatic escalation (100%) and nearly all employers with both automatic enrollment and automatic escalation (97%) are either “very” or “somewhat” familiar with automatic escalation, compared to just three in four (74%) employers with only automatic enrollment and fewer than seven in ten (68%) employers with neither automatic feature.

**Would you say you are very, somewhat, not too, or not at all familiar with automatic escalation?\***



\*Source: Question 584 in annotated questionnaire (Appendix 2).

### Differences by Industry

Employers in the goods-producing sector (83%) are more likely than those in the services sector (75%) to be either “very familiar” or “somewhat familiar” with automatic escalation, just as employers in the manufacturing industry (82%) are more likely than those in the health care industry (72%) to be familiar with this feature.

### ***How Many Employers Have Automatic Escalation?***

Just over a quarter (28%) of employers report that their 401(k) plans have an automatic escalation feature.

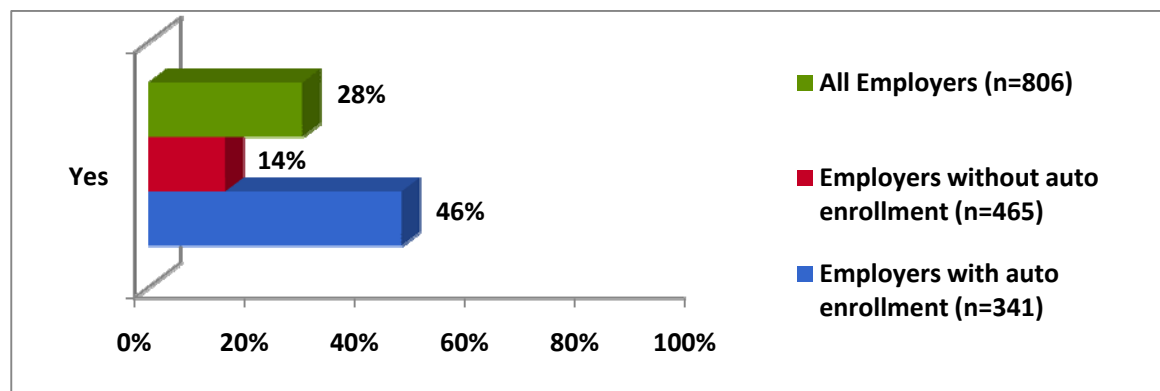
#### Differences by Employer Size

Employers with at least 2500 employees (34%) are more likely than those with 500-999 employees (23%) to have such a feature.

#### Differences by Presence of Automatic Features

Employers with automatic enrollment (46%) are considerably more likely than those without automatic enrollment (14%) to have an automatic escalation feature.

**Does your company's 401(k) plan contain an automatic escalation feature?\***



\*Source: Question 580 in annotated questionnaire (Appendix 2).

#### Differences by Presence of Employer Matching Contribution

Employers that offer an employer matching contribution are more likely to have automatic escalation than are employers who offer no matching contribution (30% vs. 22%).

#### Differences by Industry

Employers in the goods-producing sector (36%) are more likely than those in the services sector (23%) to report that their 401(k) plan has an automatic escalation feature, just as employers in the manufacturing industry (36%) are more likely than those in the healthcare industry (24%) to do so.

### ***Why Don't Some Employers Have Automatic Escalation?***

When employers who do not have automatic escalation were asked to explain their reasons, the most frequently selected reasons were that the *company thinks employees would not like it* (66%) followed by the *company thinks employees would find it confusing* (52%) and *company is concerned about matching costs* (35%).

### Differences by Employer Size

Employers with at least 2500 employees (44%) were more likely than their smaller counterparts (34% of employers with 500-999 employees and 30% of employers with 1000-2499 employees) to cite concern with matching costs.

The smallest employers surveyed were more likely than their larger counterparts to cite reasons related to a lack of knowledge. For example, employers with 500-999 employees were more likely than the larger employers to indicate that their *company doesn't know enough about it* (24% of employers with 500-999 employees vs. 13% of those with 1000-2499 employees and 15% of those with 2500 or more). Employers with 500-999 employees (30%) were also more likely than those with 2500 or more employees (21%) to say that they *haven't thought about it*.

Interestingly, however, both the smallest employers surveyed and the largest employers surveyed were more likely than those with 1000-2499 employees to say that they *need more information* (24% of employers with 500-999 employees and 22% of employers with 2500+ employees vs. 14% of those with 1000-2499 employees).

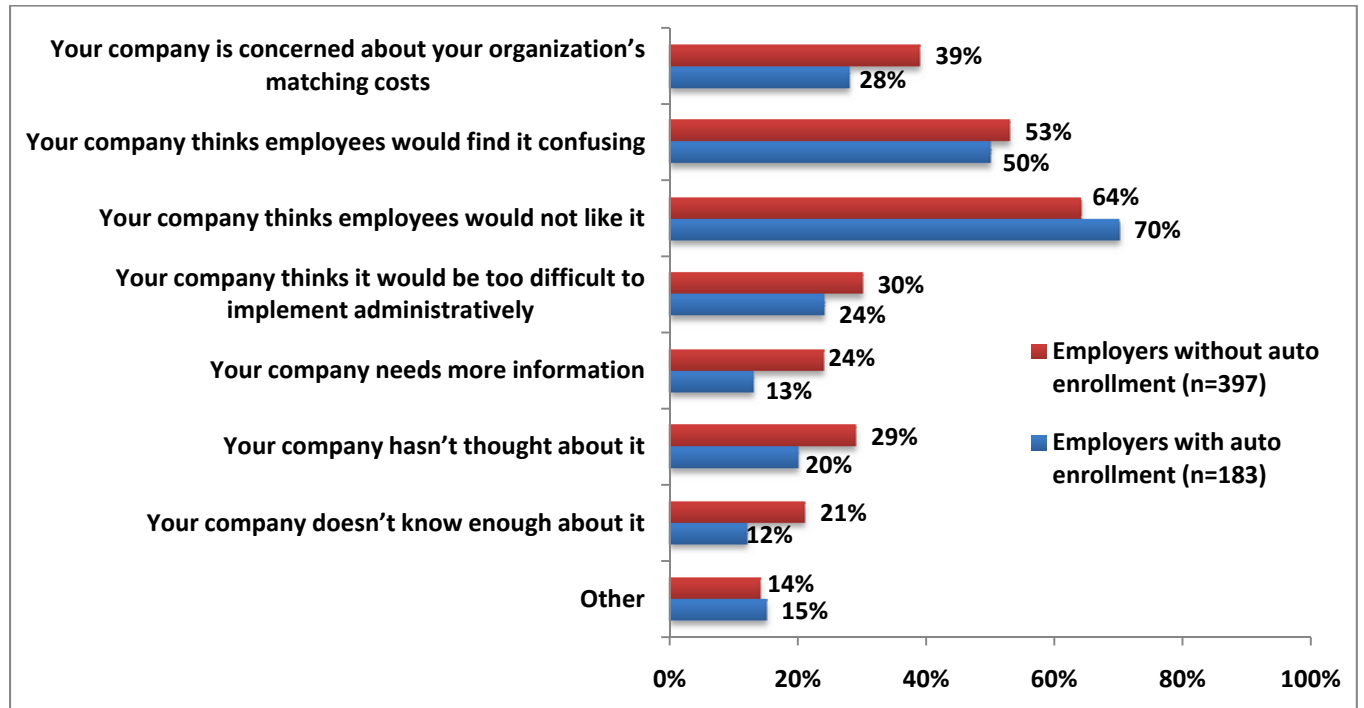
### Differences by Presence of Automatic Features

Employers that do *not* have automatic enrollment are more likely than those with automatic enrollment to cite the following reasons for not having automatic escalation:

- *Your company doesn't know enough about it* (21% of those without automatic enrollment vs. 12% of those with automatic enrollment)
- *Your company hasn't thought about it* (29% vs. 20%)
- *Your company needs more information* (24% vs. 13%)
- *Your company is concerned about your organization's matching costs* (39% vs. 28%)

Employers that have automatically enrolled only new hires (79%) are more likely to say that their *company thinks employees would not like it* than are employers that have automatically enrolled all non-participating employees at least once (63%).

Which of the following are reasons why your company does not automatically increase contributions?\*



\*Source: Question 587 in annotated questionnaire (Appendix 2).

Differences by Presence of Employer Matching Contribution

Not surprisingly, employers that currently offer an employer matching contribution (36%) and employers that have suspended their match at some point since January 2008 (44%) are more likely to say that their company is *concerned about matching costs* than are those that have not offered an employer match at any time since January 2008 (25%).

## Decision Making Process<sup>3</sup>

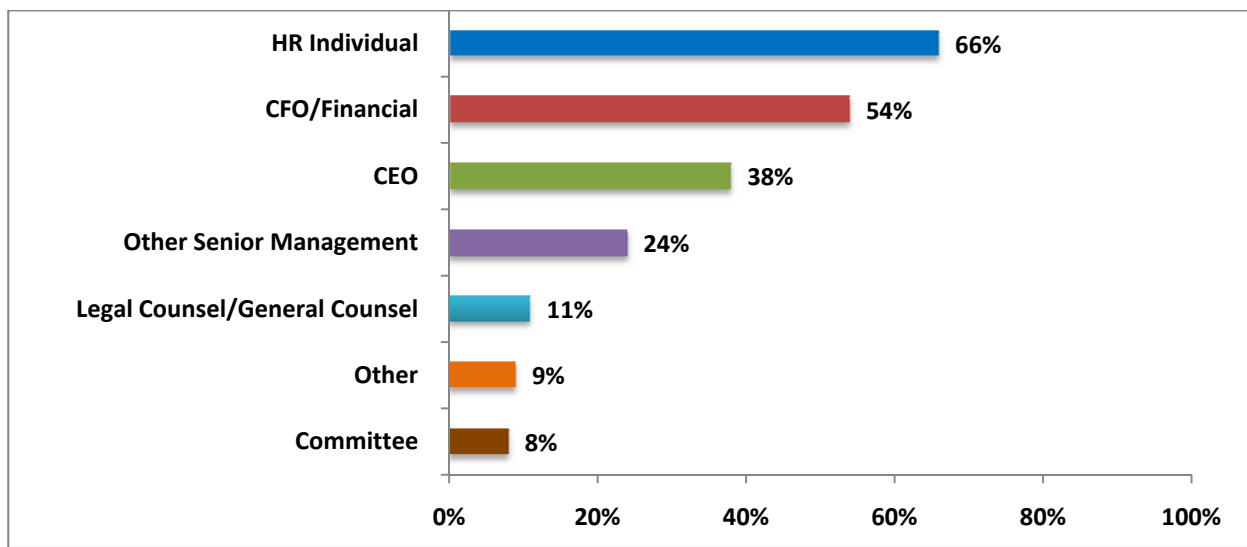
### *Does Primary Responsibility Reside With One Person or a Committee?*

Nearly all (96%) employers report that the primary responsibility for making the decision to add automatic features to their 401(k) plan resides (or would reside) with a committee or group of people. Only three percent indicate that the primary responsibility resides with one person.

### *Who Sits on the Committee?*

Employers with committees that have (or would have) primary responsibility for decisions related to automatic 401(k) features report that the following individuals take part in these committees: human resources personnel (66%), the chief financial officer or other finance personnel (54%), the chief executive officer or president (38%), other senior management (24%), and legal counsel (11%).

**By job title, who in your company is on the committee or in the group that (would be/has been) primarily responsible for making the decision to add auto 401(k) features to your plan?\***  
(Base: Primary responsibility resides with a committee or group; n=777)



\*Source: Question 602 in annotated questionnaire (Appendix 2). (open-ended question)

<sup>3</sup> Questions in the Decision-Making section were asked of all respondents regardless of whether or not their 401(k) plan contained automatic features. However, question wording varied based on whether the respondent had automatic enrollment. Respondents whose plans did not contain automatic enrollment were asked questions in the conditional verb tense (e.g. “In your company, *would* the primary responsibility for making decision to add automatic 401(k) features reside with one person or with a committee?”). See annotated questionnaire in Appendix 2 for a detailed explanation of the differences in question wording.

### Differences by Employer Size

Employers with 500-999 employees (49%) are more likely than employers with 1000-2499 employees (34%) and those with 2500+ employees (28%) to report that their CEO sits on the committee. In contrast, the larger employers are more likely than employers with 500-999 employees to report that their committee includes legal counsel. Specifically, nearly one in five (18%) employers with 2500 or more employees and 12 percent of those with 1000-2499 employees have legal counsel on their committees, compared to just six percent of employers with 500-999 employees.

### Differences by Presence of Automatic Features

Employers that have either automatic enrollment or automatic escalation but not both (68%) and employers that have neither of these automatic features (68%) are more likely than employers that have both of these features (56%) to report that human resources personnel sit on their committee.

Additionally, employers that have only automatic enrollment but not automatic escalation (61%) are more likely than those that have both of these automatic features (47%) to indicate that their chief financial officer or other finance department personnel sits on their organization's committee.

### Differences by Presence of Employer Matching Contribution

Employers that currently offer an employer matching contribution (12%) and those that suspended their match at some point since January 2008 (11%) are more likely to include legal counsel on their committees than are employers that have not offered a match at any time since January 2008 (2%). These differences may be at least partially attributable to employer size as employers that currently offer matching contributions tend to be larger than those that have not offered a match at any time since January 2008, and larger employers are more likely than smaller employers to include legal counsel on their committees.

### Differences by Industry

Responses regarding participation on the committee vary little by industry, with only one significant difference emerging. Specifically, employers in the manufacturing industry (75%) are more likely than those in the health care industry (62%) to indicate that their committee includes a member of their Human Resources department.

### ***How Often Does the Committee Meet?***

Approximately half (51%) of employers with committees that have (or would have) primary responsibility for decision making related to automatic 401(k) features say that their committee meets quarterly. Other employers with committees report that their committees meet twice a year (14%), as needed with no set frequency (13%), annually (9%), or monthly (7%).

### Differences by Presence of Automatic Features

Employers that have neither automatic enrollment nor automatic escalation (10%) are more likely to say that their committees meet monthly than are employers that have one of these automatic features but not both (4%).

Although the majority of employers report that their committees meet more often than annually, employers that have automatically enrolled all non-participating employees at least once (12%) are more likely to have committees that meet annually than are employers that have automatically enrolled only new hires (4%).

#### Differences by Presence of Employer Matching Contribution

Employers that suspended their matches at some point since January 2008 (62%) are more likely to say that their committees meet quarterly than are employers that currently offer matches (50%) and employers that have not offered a match at any point since January 2008 (43%).

#### Differences by Industry

Employers in the goods-producing sector (59%) are more likely than those in the services sector (47%) to say that their committee meets quarterly. At the industry level, employers in the manufacturing industry (60%) are more likely than those in the healthcare industry (36%) to say that their committees meet quarterly. Although few employers say that their committees meet monthly, healthcare employers (13%) are more likely than manufacturing employers (6%) to say so.

#### ***What Types of Outside Organizations or Individuals Are Influential?***

When employers were asked to identify outside organizations or individuals that have been (or would be) influential in their decision about whether to automate their 401(k) plan, they are most likely to name their plan provider or similar organizations (40%) followed by consultants (36%). However, many (30%) indicated that they did not know who would be among the most influential outside their organization.

#### Differences by Employer Size

Responses varied little by employer size. However, employers with 2500 or more employees (2%) are less likely than employers with 500-999 employees (8%) and employers with 1000-2499 employees (6%) to name a broker.

#### Differences by Presence of Automatic Features

The types of outside organizations or individuals identified as most influential in the decision-making process related to automating 401(k) plans varies little by whether or not an organization has automatic features. The only significant difference that emerged is that organizations without either automatic enrollment or automatic escalation (34%) are more likely than those with both of these automatic features (24%) to indicate that they don't know which outside organizations or individuals would be influential in this decision.

#### Differences by Presence of Employer Matching Contribution

Employers that have suspended their matches at some point since January 2008 (41%) are more likely to identify consultants as being among the outside organizations most influential in their company's decision than are employers that have not offered a match at any point since January 2008 (28%).

### Differences by Industry

Responses vary little by industry. However, employers in the manufacturing industry (41%) are more likely than health care employers (28%) to identify consultants as among the most influential parties outside their organization.

### ***What Types of Information Were/Would be Helpful?***

When asked which of 12 types of information were helpful (or would be helpful) in deciding whether or not to automate their 401(k) plan features, employers were most likely to select *information about legal and liability issues* (76%), *best practices* (72%), *impact on non-discrimination testing* (70%), *basic information about automatic enrollment* (67%), *information about implementation and maintenance* (67%), and *guidance handling employee communication* (66%).

### Differences by Employer Size

Employers with 500-999 employees (78%) were more likely than those with 1000-2499 employees (71%) to cite *information about legal and liability issues*.

The smallest employers surveyed were also more likely than the larger employers to cite other types of information. For example, employers with 500-999 employees (63%) were more likely than those with 2500 or more employees (55%) to cite *effects on plan pricing and/or fees charged by plan providers*. Employers with 500-999 employees (67%) were also more likely than both those with 1000-2499 employees (58%) and those with 2500 or more employees (57%) to indicate that *questions to ask your provider* would be useful.

### Differences by Presence of Automatic Features

As shown in the table below, employers with neither automatic enrollment nor automatic escalation as well as those with automatic escalation but no automatic enrollment are more likely than employers with automatic enrollment to indicate that the following types of information were (or would be) helpful:

- *Costs of additional employer matching contributions*
- *Other cost implications*
- *Experiences of other employers*
- *Effects on plan pricing and/or fees charged by plan providers*

Employers with at least one automatic feature are more likely than employers with neither automatic enrollment nor automatic escalation to indicate that the following types of information were (or would be) helpful:

- *Impact on non-discrimination testing*
- *Basic information about automatic enrollment*
- *Information about investment default options*

<b>Which, if any, of the following information (did/would) your company find helpful when deciding whether or not to automate your 401(k) plan features?*</b>				
	Both Automatic Features (n=156)	Automatic Enrollment Only (n=185)	Automatic Escalation Only (n=66)	Neither Automatic Feature (n=399)
	(A)	(B)	(C)	(D)
Costs of additional employer matches	52%	46%	67% <sup>A,B</sup>	61% <sup>B</sup>
Other cost implications	47%	44%	73% <sup>A,B</sup>	65% <sup>A,B</sup>
Impact on non-discrimination testing	76% <sup>D</sup>	69%	78% <sup>D</sup>	66%
Information about legal and liability issues	75%	77%	84%	75%
Basic information about auto enrollment	83% <sup>C,D</sup>	77% <sup>D</sup>	65%	57%
Experiences of other employers	54%	52%	70% <sup>A,B</sup>	65% <sup>A,B</sup>
Best practices	76%	71%	79%	70%
Benchmarking data	63%	60%	72%	66%
Guidance for employee communication	70%	66%	72%	64%
Implementation and maintenance	70%	65%	69%	66%
Effects on plan pricing / fees of providers	41%	53% <sup>A</sup>	77% <sup>A,B</sup>	68% <sup>A,B</sup>
Questions to ask your plan provider	57%	59%	55%	65%
Investment default options	67% <sup>D</sup>	65% <sup>D</sup>	58%	51%
None of the above	--	4%	8%	11% <sup>B</sup>

Source: Question 630 in annotated questionnaire (Appendix 2).

\*Letters are used to mark any percentages that are statistically significantly larger than corresponding percentages in other columns.

#### Differences by Presence of Employer Matching Contribution

In general, employers that have not offered a match at any point since January 2008 are less likely than other employers to consider many of these types of information to be helpful.

Employers that currently offer a match (60%) and those that have suspended their match at some point since January 2008 (55%) are more likely to consider information about *costs of additional employer matching contributions* to be helpful than are employers that have not offered a match at any point since January 2008 (33%). Similarly, employers that currently offer a match (59%) are more likely than those that have not offered a match at any time since January 2008 (48%) to identify information about *other cost implications* as helpful.

Additionally, employers that currently offer a match (66%) and those that suspended their match at some point since January 2008 (68%) are more likely to identify *benchmarking data that reveals the number of similar employers with automatic enrollment* than are employers that have not offered a match at any point since January 2008 (51%).

Employers that suspended their match at some point since January 2008 (70%) are more likely than those that currently offer a match (59%) and those that have not offered a match at any point since January 2008 (53%) to cite *effects on plan pricing and/or fees charged by plan providers*.

Employers that suspended their match at some point since January 2008 are also more likely than those that have not offered a match at any time since January 2008 to identify the following information as helpful:

- *Impact on non-discrimination testing* (76% of those that suspended their match since January 2008 vs. 60% of those that have not offered a match at any time since January 2008)
- *Information about legal and liability issues* (82% vs. 70%)
- *Experiences of other employers* (68% vs. 52%)
- *Benchmarking data* (68% vs. 51%)
- *Questions to ask your plan provider* (67% vs. 53%)

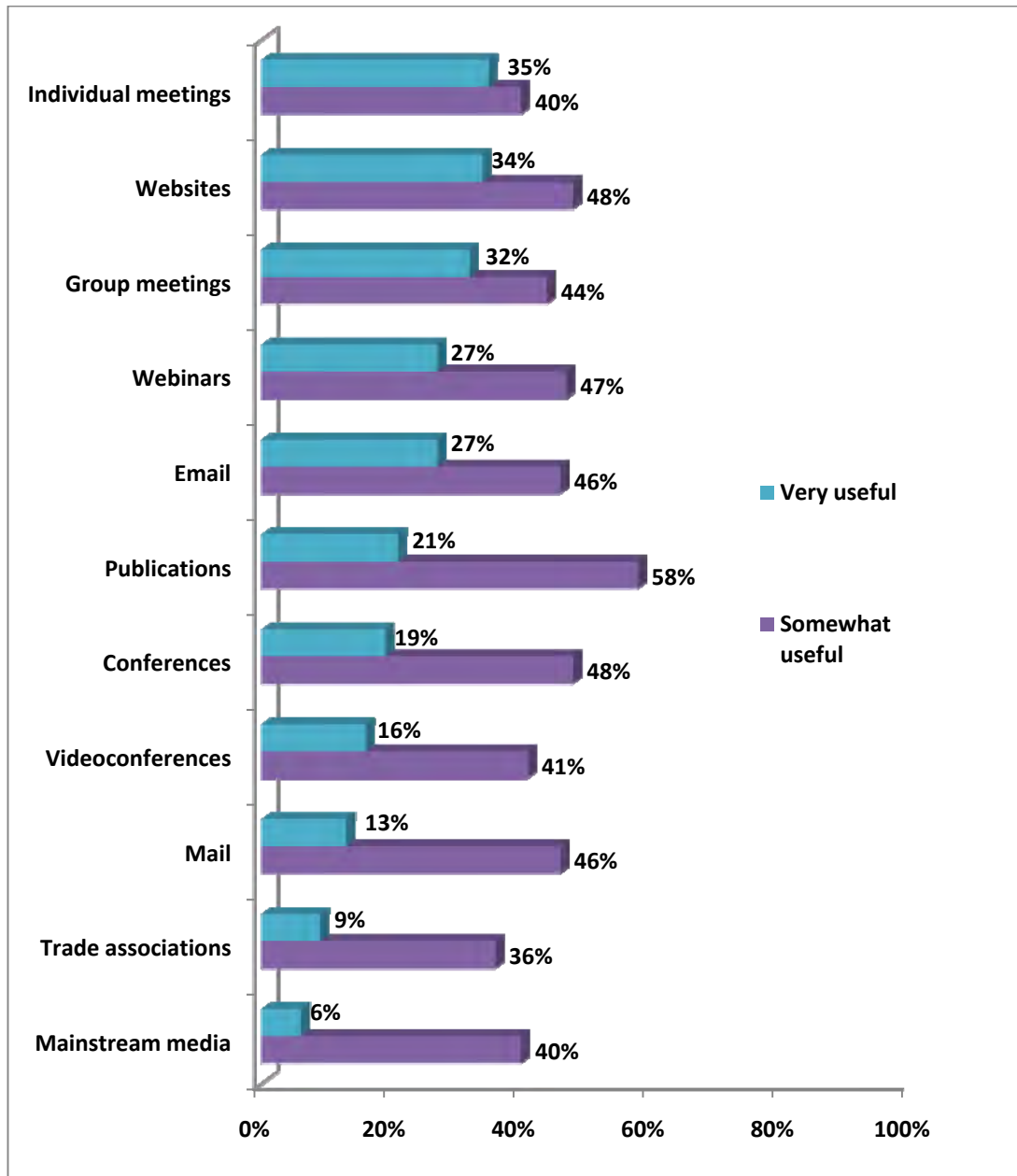
#### Differences by Industry

Responses vary little by industry. However, employers in the services sector (69%) are more likely than those in the goods-producing sector (62%) to indicate that *guidance handling employee communication* was (or would be) helpful.

#### ***How Useful Would Employers Find Various Sources of Information?***

When asked to rate how useful they would find each of 11 different sources of information about automatic 401(k) plans, employers were most likely to rate the following sources as either “very useful” or “somewhat useful: web sites (83%), publications (78%), group meetings (76%), individual meetings (75%), webinars (74%), and email (72%).

**Would you find the following sources of information about automatic 401(k)s very useful, somewhat useful, not too useful, or not at all useful?\***  
 (Base: All Employers; N=806)



\*Source: Questions 635 in annotated questionnaire (Appendix 2).

Differences by Employer Size

Employers with 500-999 employees (38%) and employers with 1000-2499 employees (38%) are more likely than those with 2500 or more employees (28%) to indicate that *individual meetings* would be “very useful.”

Employers with 1500+ employees (16%) are more likely than those with 500-1499 employees (11%) to identify *mail* as “very useful.”

### Differences by Presence of Automatic Features

Employers with automatic enrollment but no automatic escalation (81%) are more likely than those with both automatic features (71%) and those with only automatic escalation (67%) to say that *webinars* would be “very” or “somewhat” useful.

Moreover, employers with neither automatic enrollment nor automatic escalation are less likely than other employers to view the following sources of information as “very” or “somewhat” useful:

- Group meetings (73% of employers with neither automatic feature vs. 81% of employers with both features)
- Individual meetings (69% of employers with neither automatic feature vs. 80% of those with both features and 82% of those with one feature but not both)
- Conferences (61% of employers with neither feature vs. 75% of employers with both features and 72% of those with only one feature)
- Trade associations (40% of employers with neither feature vs. 52% of those with one feature but not both)
- Publications (73% of employers with neither feature vs. 87% of those with both features and 81% of those with one feature but not both)

Employers with neither automatic enrollment nor automatic escalation (18%) are more likely than those with automatic enrollment but no automatic escalation (12%) to view *videoconferences* as “very useful.” Employers with both features (18%) are more likely than those with only one automatic feature (11%) to view *mail* as “very useful.”

Among employers with automatic enrollment, those that have automatically enrolled all non-participating employees at least once are more likely those that have automatically enrolled only new hires to view the following sources of information as “very useful:”

- Videoconferences (20% of those that have automatically enrolled all non-participating employees vs. 8% of those that have automatically enrolled only new hires)
- Group meetings (44% vs. 29%)
- Conferences (27% vs. 17%)

### Differences by Presence of Employer Matching Contribution

Compared to employers that do not currently offer matches, employers that currently offer matches are more likely to identify several of these sources of information as useful.

Specifically, employers that currently offer matches are more likely than those that do not currently offer matches to consider the following sources of information to be either “very” or “somewhat” useful:

- Email (75% of employers with a current match vs. 62% of those that suspended their match since January 2008 and 64% of those that have not had a match since January 2008)
- Websites (84% of those with a current match vs. 74% of those that have not had a match since January 2008)
- Videoconferences (58% of those with a current match and 61% of those that suspended their match since January 2008 vs. 42% of those that have not had a match since January 2008)
- Webinars (76% of those with a current match vs. 63% of those that have not had a match since January 2008)

- Group meetings (78% of those with a current match vs. 66% of those that have not had a match since January 2008)
- Individual meetings (78% of those with a current match and 74% of those that suspended their match since January 2008 vs. 60% of those that have not had a match since January 2008)
- Trade Associations (47% of those with a current match and 46% of those that suspended their match since January 2008 vs. 29% of those that have not had a match since January 2008)
- Publications (81% of those with a current match vs. 67% of those that have not had a match since January 2008)
- Mainstream Media (48% of those with a current match vs. 34% of those that have not offered a match since January 2008)

### Differences by Industry

Employers in the services sector are more likely than those in the goods-producing sector to view several sources of information as “very useful,” including the following:

- Email (30% of those in the services sector vs. 21% of those in the goods-producing sector)
- Websites (39% vs. 26%)
- Webinars (31% vs. 21%)
- Conferences (22% vs. 15%)
- Publications (23% vs. 16%)

At the industry level, similar differences existed between the healthcare industry and the manufacturing industry. Specifically, health care employers are more likely than employers in the manufacturing industry to view the following sources of information as “very useful:”

- Email (32% of healthcare employers vs. 19% of those in manufacturing)
- Websites (45% vs. 25%)
- Videoconferences (21% vs. 12%)
- Conferences (26% vs. 14%)

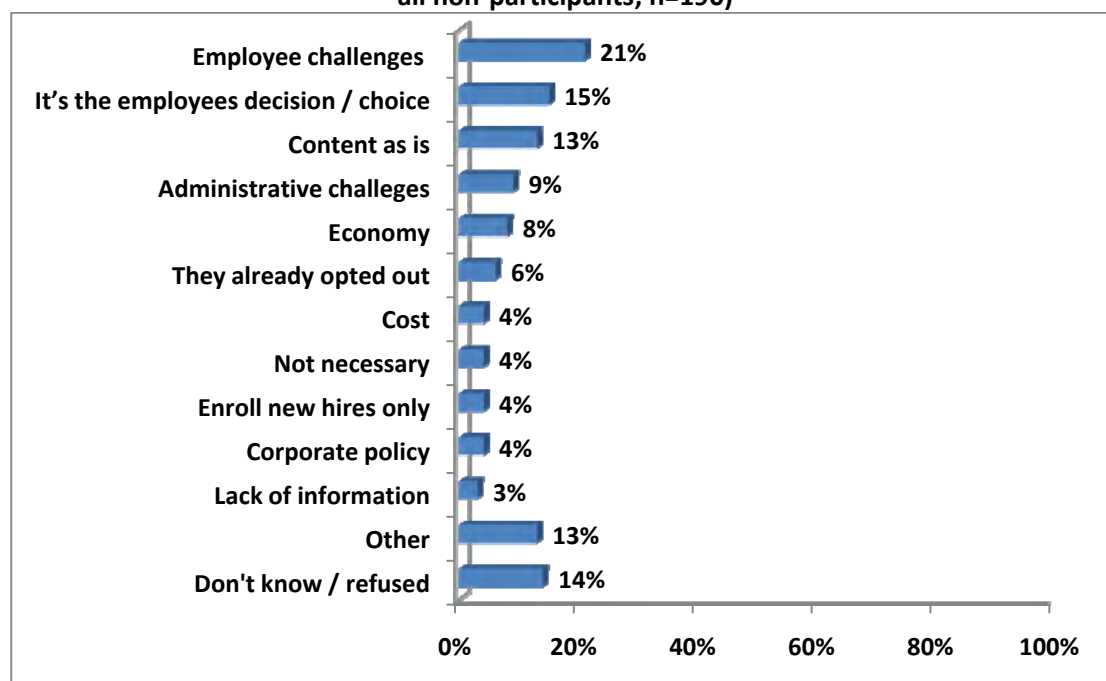
## Concerns and Barriers

### *Why Do Some Companies Automatically Enroll Only New Hires?*

Employers that automatically enroll only new hires were asked why they do not automatically enroll all non-participating employees who are eligible for the plan. The most common reasons include *employee-related challenges* such as a concern that employees would not like automatic enrollment (21%), a belief that enrollment should be the *employee's decision* (15%), *contentment* with the status quo (13%), *administrative challenges* (9%), and the state of the *economy* (8%).

### **Why does your 401(k) plan not have automatic enrollment for other non-participating employees who are eligible for your plan?\***

(Base: Employers with auto enrollment for new hires only and never auto enrolled all non-participants; n=190)



\*Source: Question 742 in annotated questionnaire (Appendix 2). (open-ended question)

Note: Chart only shows responses provided by at least 3% of respondents.

### Differences by Employer Size

While cost is not one of the most commonly identified concerns, employers with 1500 or more employees (8%) are more likely than those with 500-1499 employees (1%) to cite *cost* concerns.

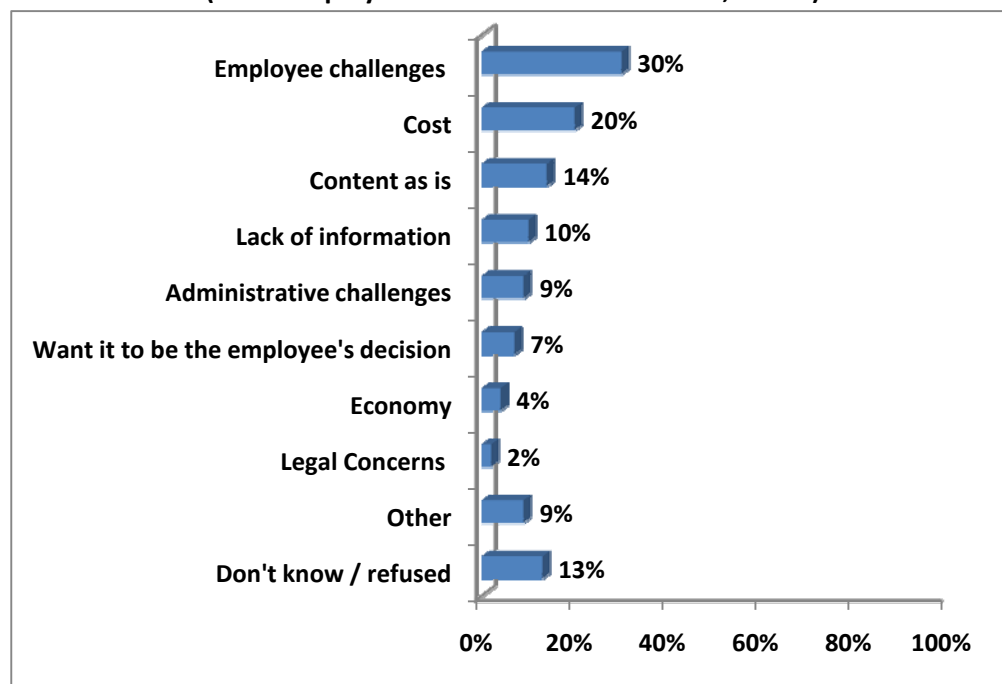
### Differences by Presence of Employer Matching Contribution

Employers that suspended their match at some point since January 2008 (28%) are more likely to cite the *economy* than are employers with a current match (5%) and those that have not offered a match at any point since January 2008 (6%). In contrast, employers with a current match (17%) are more likely than those that suspended their match since January 2008 (5%) to say that enrollment should be the *employee's decision*.

### ***Why Do Some Companies Not Have Automatic Enrollment?***

When asked why they do not have automatic enrollment for their 401(k) plan, employers without automatic enrollment most frequently cited *employee-related challenges* such as a concern that employees would not like automatic enrollment (30%), *costs* (20%), *contentment* with the status quo (14%), and a *lack of information* (10%).

**Why does your 401 (k) plan not have automatic enrollment?\***  
(Base: Employers without auto enrollment; n=465)



\*Source: Question 750 in annotated questionnaire (Appendix 2). (open-ended question)  
Note: Chart only shows responses provided by at least 2% of respondents.

### Differences by Employer Size

Employers with 2500 or more employees (34%) are more likely than those with 500-999 employees (13%) and those with 1000-2499 employees (17%) to cite concerns related to *costs*.

### Differences by Industry

While few employers point to *contentment* with the status quo as a reason that their organization does not have automatic enrollment, employers in the manufacturing industry (13%) are more likely than those in the healthcare industry (5%) to do so.

## Motivations for Adoption of Automated Features

### *Reasons for Offering Automatic 401(k) Features*

Regardless of whether or not their 401(k) plan includes automatic features, all employers were asked to indicate the extent to which they believe each of six different statements represent a reason that companies adopt automatic features. Employers with automatic enrollment were asked to indicate whether each statement represented one of their own company's reasons, whereas employers without automatic enrollment were asked if they would consider each statement to represent a reason that a company might adopt automatic enrollment.

When responding, employers were most likely to identify the following as “major reasons” that companies offer automatic features:

- *It helps employees save more for retirement* (74%)
- *It is easier to pass nondiscrimination testing* (49%)
- *It demonstrates that we are a socially responsible company* (35%)

### Differences by Employer Size

Responses varied little by employer size. However, employers with 1000-2499 employees (78%) were more likely than those with 500-999 employees (70%) to identify *helping employees save more for retirement* as a “major reason” that companies adopt automatic features.

### Differences by Presence of Automatic Features

Employers that have both automatic enrollment and automatic escalation are more likely than those that offer only one feature and those that offer neither to cite the following as “major reasons” for offering automatic features:

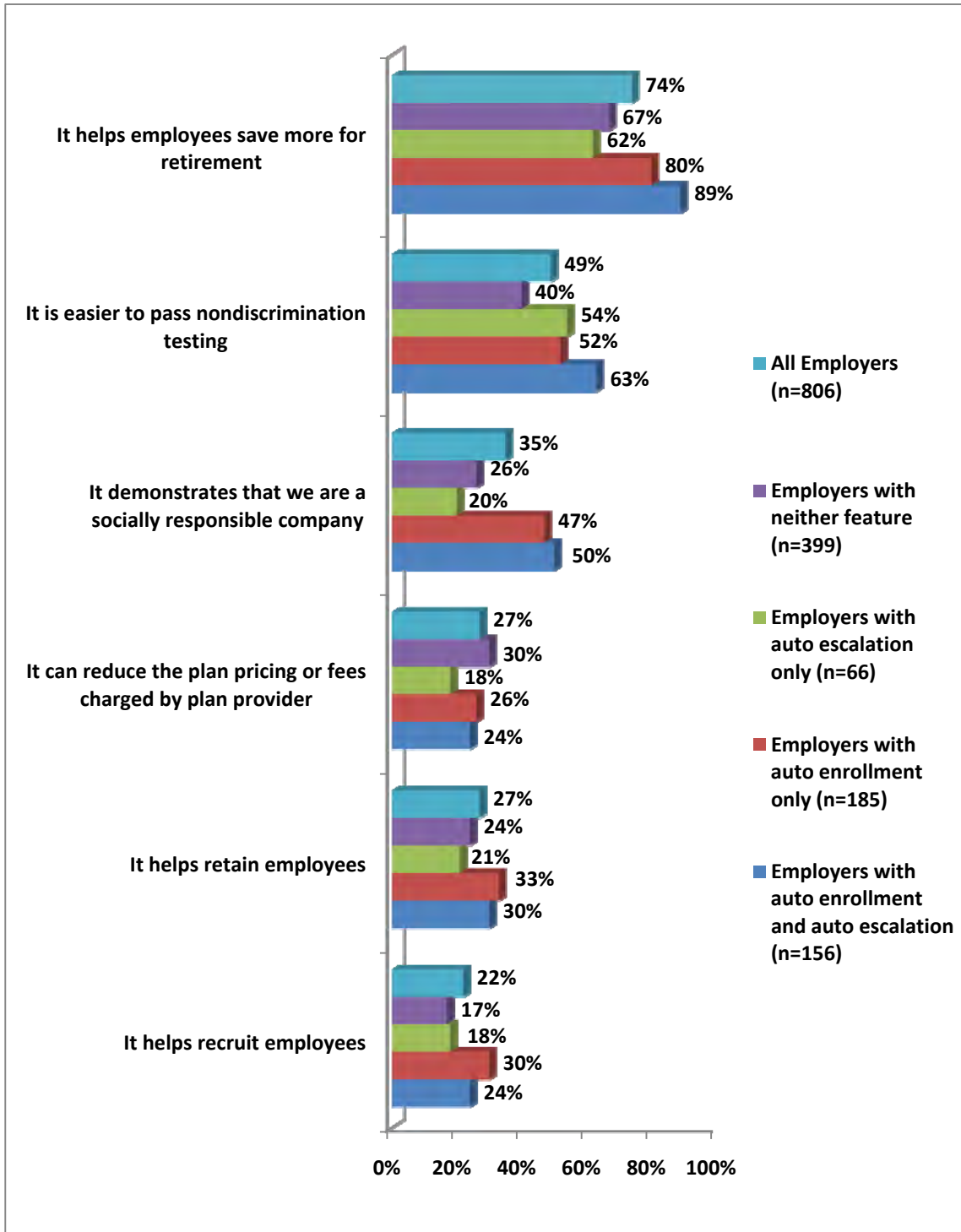
- *It is easier to pass nondiscrimination testing* (63% of employers with both automatic features vs. 52% of those with only one feature and 40% of those with neither feature)
- *It helps employees save more for retirement* (89% of employers with both features and 80% of those with only automatic enrollment vs. 62% of those with only automatic escalation and 67% of those with neither automatic feature)
- *It demonstrates that we are a socially responsible company* (50% of employers with both automatic features and 47% of those with only automatic enrollment vs. 20% of those with only automatic escalation and 26% of those with neither automatic feature)

Employers that have only automatic enrollment and no automatic escalation (33%) are more likely than those with neither automatic enrollment nor automatic escalation (24%) to identify *it helps retain employees* as a “major reason.”

Employers that have neither automatic feature (30%) are more likely than those that have only automatic escalation (18%) to cite *it can reduce the plan pricing or fees charged by plan provider* as a “major reason.”

Among employers with automatic enrollment, those that have automatically enrolled all non-participating employees at least once are more likely than those that have automatically enrolled only new hires to identify *it helps recruit employees* (34% vs. 21%) and *it can reduce the plan pricing or fees charged by plan provider* (30% vs. 20%) as “major reasons” for adopting automatic features.

Next, I'm going to read you some reasons why companies offer automatic 401(k) plan features. For each one, tell me if you consider it to be a "major reason" why your company adopted automatic 401(k) plan features.\*



\*Source: Question 810 in annotated questionnaire (Appendix 2).

### Differences by Presence of Employer Matching Contribution

Compared to employers that have not offered a match at any point since January 2008 (38%), employers that currently offer a match (50%) and those that suspended their match since January 2008 (54%) are more likely to identify *it is easier to pass non-discrimination testing* as a “major reason” for adopting automatic features.

Compared to employers that do not currently offer a match (25% of those that suspended their match and 25% of those that have not had a match since January 2008), employers that currently offer a match (39%) are more likely to identify *it demonstrates that we are a socially responsible company* as a “major reason.”

### Differences by Industry

Employers in the goods-producing sector are more likely than those in the services sector to identify *it helps employees save more for retirement* (80% vs. 71%) and *it is easier to pass non-discrimination testing* (55% vs. 45%) as “major reasons” for adopting automatic features.

One of these two differences holds true at the industry level. Specifically, employers in the manufacturing industry (54%) are more likely than those in the healthcare industry (43%) to point to *it is easier to pass nondiscrimination testing*.

### ***Reasons for Automatically Enrolling All Non-Participating Employees***

Regardless of whether they automatically enroll only new hires or all non-participating employees who are eligible for the plan, all employers that have an automatic enrollment feature in their 401(k) plan were asked to rate the degree to which they believe each of six different statements represent a reason that companies automatically enroll all non-participating employees. Employers that have automatically enrolled all non-participating employees were asked to indicate whether each statement represented one of their own company’s reasons for doing so, whereas employers that have only automatically enrolled new hires were asked if they would consider each statement to represent a reason that a company might automatically enroll all non-participating employees.

Interestingly, the three statements most often selected as “major reasons” for automatically enrolling all non-participating employees were the same statements most frequently selected as “major reasons” for adopting automatic enrollment in general:

- *It helps employees save more for retirement* (73%)
- *It is easier to pass nondiscrimination testing* (51%)
- *It demonstrates that we are a socially responsible company* (38%)

### Differences by Automatic Features

Employers that have both automatic enrollment and automatic escalation are more likely than those that have only automatic enrollment to identify the following as “major reasons” for automatically enrolling all non-participating employees:

- *It is easier to pass nondiscrimination testing* (58% of those with both automatic enrollment and automatic escalation vs. 45% of those with only automatic enrollment)
- *It demonstrates that we are a socially responsible company* (44% of those with both automatic enrollment and automatic escalation vs. 33% of those with only automatic enrollment)

Compared to employers that have automatically enrolled only new hires (21%), employers that have automatically enrolled all non-participating employees at least once (32%) are more likely to identify *it helps retain employees* as a “major reason” for automatically enrolling all non-participating employees.

#### Differences by Presence of Employer Matching Contribution

Employers that currently offer a match are more likely than other employers to cite the following as “major reasons” for automatically all non-participating employees:

- *It is easier to pass nondiscrimination testing* (53% of those with current matches and 63% of those that suspended their match since January 2008 vs. 28% of those that have not had a match since January 2008)
- *It helps retain employees* (28% of those with current matches vs. 13% of those that suspended their match since January 2008)

In contrast, employers that suspended their matches since January 2008 (57%) are more likely than those with current matches (25%) and those that have not offered a match at any point since January 2008 (31%) to cite *it can reduce the plan pricing or fees charged by plan provider*.

#### Differences by Industry

Employers in the goods-producing sector (80%) are more likely than those in the services sector (68%) to cite *it helps employees save more for retirement* as a major reason for automatically enrolling all non-participating employees. In contrast, employers in the services sector (33%) are more likely than those in the goods-producing sector (23%) to cite *it can reduce the plan pricing or fees charged by plan provider*.

## **Likelihood of Changing/Adding Automatic Features in 401(k) Plan**

### ***Have Employers Without Automatic Enrollment Considered Adopting It?***

Among those who do *not* have automatic enrollment, approximately two in three (65%) have never had automatic enrollment and are not considering adding it, while another three in ten (29%) have never had it but are considering it, and a very small share (3%) had it at one time but discontinued it.

### ***How Likely Are Employers Without Automatic Enrollment to Add It in the Next 12 Months?***

When asked how likely they are to add automatic enrollment within the next 12 months, approximately one in six employers without automatic enrollment reported that they are either “very likely” (4%) or “somewhat likely” (12%) to add it. However, the vast majority (82%) reported that they are either “not too likely” (24%) or “not at all likely” (58%).

### **Differences by Employer Size**

Employers with 500-1499 employees (19%) are more likely than those with 1500 or more employees (12%) to say that they are either very or somewhat likely to add automatic enrollment within the next 12 months.

### **Differences by Industry**

While very few employer are “very likely” to add automatic enrollment over the next 12 months, those in the goods-producing sector (9%) are more likely than those in the services sector (2%) to say that they are “very likely” to do so. A similar difference was detected at the industry level, with just under one in ten (8%) manufacturing industry employers reporting that they are “very likely” to add automatic enrollment over the next 12 months compared to just one percent of healthcare industry employers.

### ***How Likely Are Employers Without Automatic Escalation to Add It in the Next 12 Months?***

Employers that currently have no automatic escalation feature in their 401(k) plan were asked how likely they are to add automatic escalation within the next 12 months. Just over one in ten (11%) report that they are either “very likely” (2%) or “somewhat likely” (9%) to do so, while the vast majority (88%) indicate that they are either “not too likely” (24%) or “not at all likely” (63%).

### **Differences by Industry**

Employers in the goods-producing sector (15%) are more likely than those in the services sector (9%) to say that they are either “very likely” or “somewhat likely” to add automatic escalation within the next 12 months. A similar difference exists at the industry level, with a larger share of employers in the manufacturing industry (17%) than in the healthcare industry (7%) indicating that they are at least “somewhat likely” to add automatic escalation over this time period.

### ***Are Companies that Automatically Enroll Only New Hires Likely to Expand Automatic Enrollment to All Non-Participating Employees?***

Employers that have automatically enrolled only new hires within the past 12 months were asked how likely they are to expand automatic enrollment within the next 12 months to include all non-participating employees who are eligible for the plan. Only one in ten (10%) reported that they are either “very likely” (3%) or “somewhat likely” (7%) to do so, while the vast majority (89%) reported that they are either “not too likely” (27%) or “not at all likely” (62%).

### Differences by Presence of Automatic Features

Employers that have only automatic enrollment (93%) are more apt than those with both automatic enrollment and automatic escalation (84%) to report that they are either “not too likely” or “not at all likely” to expand their plan’s automatic enrollment within the next 12 months to include all non-participating employees.

### **Changes to Automated Features Under Consideration for Next 12 Months**

The vast majority of employers with automatic 401(k) plan features indicate that their company is not considering making any changes to their plan’s automatic features within the next 12 months.

#### ***Employers With Automatic Enrollment***

When asked what changes, if any, they are considering making to their plan’s automatic enrollment feature over the next 12 months, the majority (87%) of employers with automatic enrollment indicate that they do not expect to make any changes to their automatic enrollment feature. A very small share (3%) expect to expand automatic enrollment to more employees and one percent each expect to increase the default deferral rate (1%), add automatic escalation (1%), increase the number of times per year that non-participating employees are auto enrolled (1%), and change the default investment fund (1%).

#### ***Employers With Automatic Escalation***

Similarly, the vast majority (89%) of employers with automatic escalation report that they are not considering making any changes to their plan’s automatic escalation feature in the next 12 months. Approximately one percent each are considering increasing the amount of the automatic increase (1%) and increasing the number of times per year that the deferral rates are automatically increased (1%).

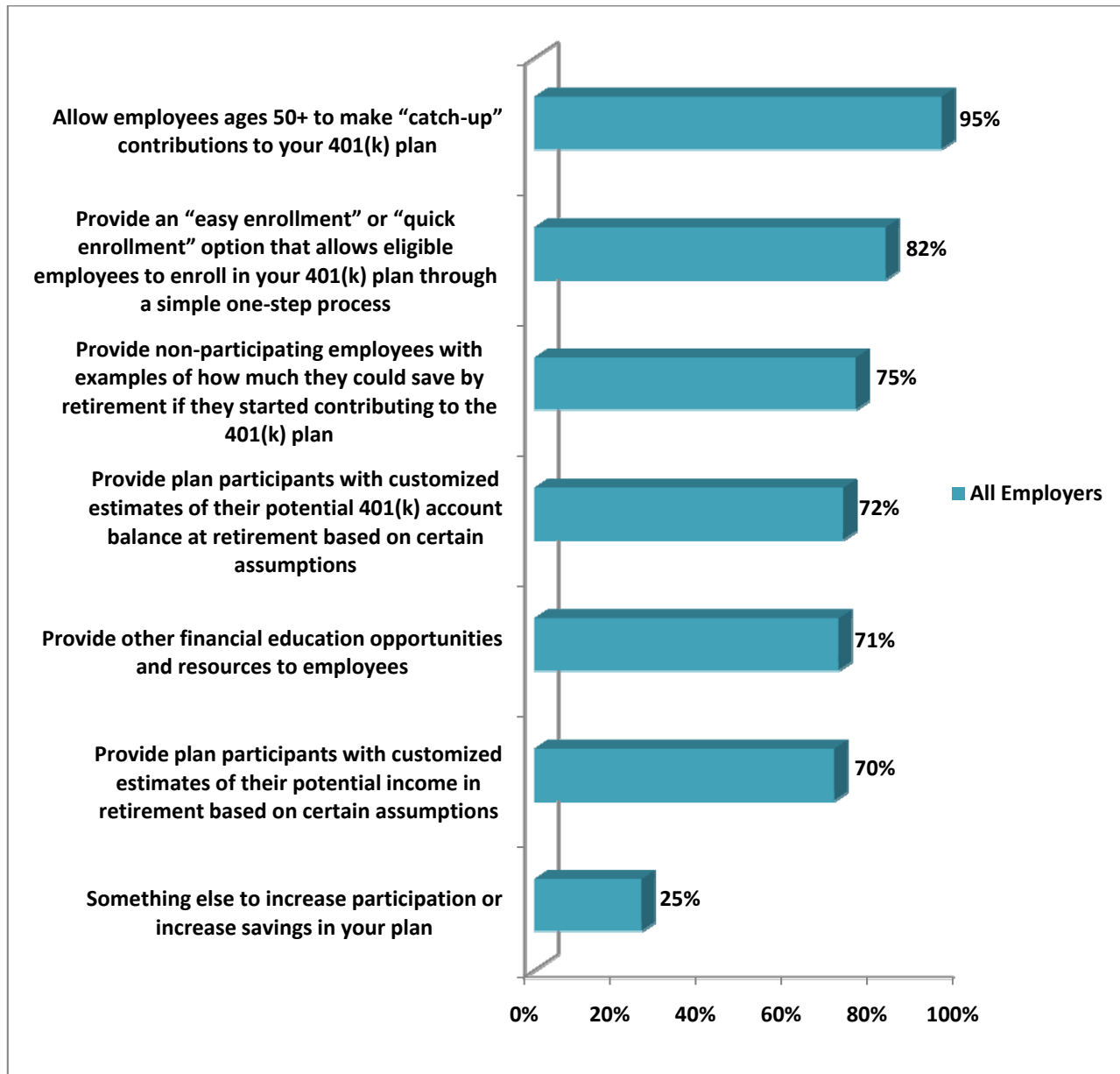
### **Other Efforts to Increase 401(k) Plan Participation or Savings**

#### ***Prevalence of Specific Practices to Increase Participation or Savings***

When asked if they engage in any of five specific efforts other than offering automatic plan features to increase 401(k) plan participation or increase savings in the plan, the majority of employers indicated that they engage in each of the five efforts:

- Allow employees ages 50+ to make “catch-up” contributions (95%)
- Provide an “easy enrollment” or “quick enrollment” option that allows eligible employees to enroll through a simple one-step process (82%)
- Provide non-participating employees with examples of how much they could save by retirement if they started contributing to the 401(k) plan (75%)
- Provide plan participants with customized estimates of their *potential 401(k) balance* at retirement based on certain assumptions (72%)
- Provide plan participants with customized estimates of their *potential income* at retirement based on certain assumptions (70%)

**Does your company engage in any of the following efforts to increase participation or increase savings in your 401(k) plan? Do you . . .\***  
 (Base: All Employers, n=806)



\*Source: Question 700 in annotated questionnaire.

Differences by Employer Size

Employers with 2500 or more employees are more likely than the smallest employers surveyed (those with 500-999 employees) to report that they engage in each of the following efforts:

- Allow employees ages 50+ to make “catch-up” contributions (98% of those with 2500+ employees vs. 93% of those with 500-999 employees)
- Provide non-participating employees with examples of how much they could save by retirement if they started contributing to the 401(k) plan (80% vs. 71%).

### Differences by Presence of Automatic Features

Employers with automatic escalation but no automatic enrollment (100%) are more likely than those with both automatic features (97%), those with automatic enrollment but no automatic escalation (95%), and those with neither automatic feature (94%) to report that their organization *allows employees ages 50+ to make “catch-up” contributions.*

Employers with automatic enrollment but no automatic escalation are more likely than other employers to say that their organization engages in the following practices:

- *provides plan participants with customized estimates of their potential 401(k) account balance at retirement based on certain assumptions* (78% of employers with automatic enrollment but no automatic escalation vs. 68% of those with neither automatic feature)
- *provides plan participants with customized estimates of their potential income in retirement based on certain assumptions* (79% of employers with automatic enrollment but no automatic escalation vs. 70% of those with both automatic features and 66% of those with neither automatic feature)

### Differences by Presence of Employer Matching Contribution

Employers that currently offer a match (97%) are more likely to allow employees ages 50+ to make “catch-up” contributions than are employers that have not offered a match at any point since January 2008 (90%).

### Differences by Industry

Employers in the goods-producing sector (86%) are more likely than those in the services sector (79%) to provide an “easy enrollment” or “quick enrollment” option, just as manufacturing industry employers are more likely than healthcare employers to do so (86% vs. 77%). Additionally, manufacturing industry employers are more likely than those in the healthcare industry to allow employees ages 50+ to make “catch-up” contributions (97% vs. 92%).

### ***Prevalence of Other Practices***

When asked if they engage in efforts to increase participation or savings other than those listed above, approximately seven in ten (71%) indicated that they provide *other financial education opportunities and resources* to employees and one in four (25%) said that they *do something else* to increase participation or savings. In total, about three in four (76%) employers indicated that they provide other opportunities or resources and/or do something else to increase participation or savings. The most common were meetings/conferences/classes (37%), information (21%), and opportunities to connect with consultants and external advisors (8%).

### Differences by Employer Size

Among the employers who indicated that they provide other resources to their employees or engage in other efforts to increase participation, only two differences emerged by employer size. Employers with at least 1500 employees are more likely than those with just 500-1499 employees to say that they provide information to their employees (24% vs. 18%). Although very few employers offer individual meetings, employers with 500-999 employees (7%) are more likely than those with 1000-2499 employees (2%) and those with 2500+ employees (3%) to offer such meetings.

### Differences by Presence of Automatic Features

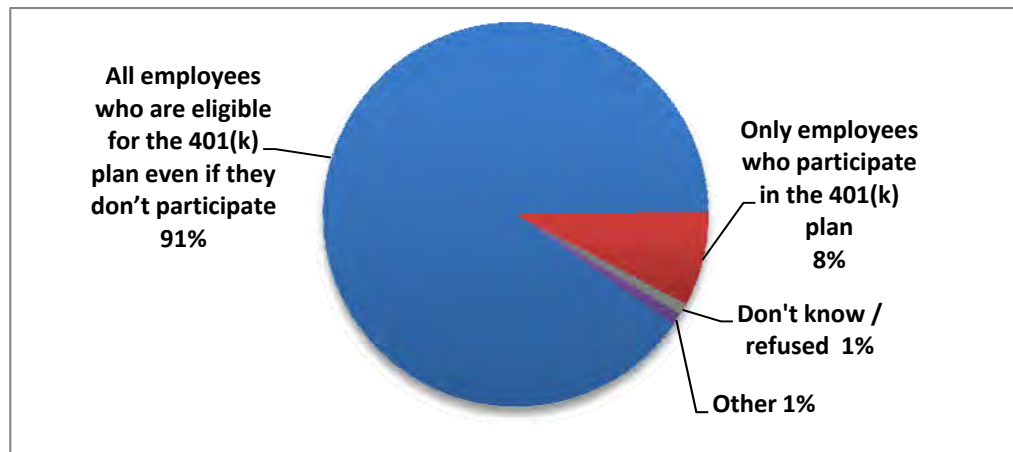
Among employers that have automatic enrollment, employers that have automatically enrolled only new hires are more likely to offer meetings, conferences, and classes than are employers that have automatically enrolled all non-participating employees at least once (43% vs. 32%, respectively).

### ***Which Employees Are Offered Other Financial Education Opportunities and Resources?***

Of those employers who provide *other financial education opportunities and resources* to employees (other than the five specific practices asked about by the interviewer), the overwhelming majority (91%) report that these other opportunities and resources are available to all employees who are eligible for the plan including employees who do not participate. Less than one in ten (8%) report that the other opportunities and resources are available only to employees who participate in the plan.

**Are the financial education opportunities and resources that your company provides available to only employees who participate in the 401(k) plan or to all employees who are eligible for the 401(k) plan even if they don't participate?\***

(Base: n=573)



\*Source: Question 710 in annotated questionnaire.

### Differences by Presence of Employer Matching Contribution

Compared to employers that currently offer a match (7%), employers that have offered a match at some point since January 2008 but whose match is currently suspended (15%) are more likely to say that their other financial education opportunities and resources are available only to employees who participate in the 401(k) plan (7% vs. 15%).

## **Profile of Respondents**

### ***Total Number of Employees***

Of all respondents, 41 percent have 500-999 employees, 33 percent have 1000-2499 employees, and 26 percent have 2500 or more employees.

### ***Employees Eligible for Plan***

When asked how many of their employees are eligible for their company's 401(k) plan, 14 percent of respondents indicated that fewer than 500 employees are eligible, 50 percent stated that 500-1499 employees are eligible, and 34 percent said that 1500 or more employees are eligible. Another three percent did not know how many employees are eligible for the plan.

### ***Employees Participating in Plan***

When asked how many of their employees actually participate in the 401(k) plan, 36 percent of respondents indicated that fewer than 500 employees participate, 34 percent stated that 500-1499 employees participate, and 19 percent said that 1500 or more employees participate. Approximately one in ten (11%) respondents did not know how many employees participate in the plan.

### ***Matching Contributions***

Approximately three in four (74%) respondents report that their 401(k) plan currently offers employer matching contributions.

Of the employers that are not currently offering a match, approximately half (49%) say that their plan has offered a match at some point since January 2008. Of these employers that are not currently offering a match but have offered one at some point since January 2008, the majority (72%) expect to resume the match within the next two years.

Of the employers that are not currently offering a match and have not offered a match at any point since January 2008, very few (14%) expect to start offering a match within the next two years. Responses did not vary by employer size.

### ***Other Benefits Offered to Employees***

When asked to indicate benefits that they offer to their employees other than a 401(k) plan, respondents most frequently identified medical insurance (99%), paid vacation leave (99%), and dental insurance (98%). Other benefits commonly mentioned include paid sick leave (87%) and vision insurance (84%).

Approximately three in ten (29%) respondents offer a defined benefit retirement plan, including either a traditional pension plan or a cash balance plan. Of those who offer a defined benefit retirement plan, approximately one in ten (11%) are considering making changes to their defined benefit plan within the next 12 months.

### ***Industry***

The majority (63%) of respondents are in services industries, while approximately one in three (34%) are in goods-producing industries. Healthcare (15%), retail trade (10%), leisure and hospitality (8%), and finance/insurance/real estate (8%) were the most commonly represented services industries. Manufacturing (28%) was the most commonly represented goods-producing industry.

### ***Labor Union Membership***

The majority (84%) of respondents stated that one quarter or less of their employees are members of a labor union, including 65 percent who indicated that none of their employees belong to a union. Only six percent of respondents reported that more than half of their employees belong to a union.

### ***Workforce Ages 50 or Older***

When asked roughly what percentage of their employees are ages 50 or older, one quarter (25%) of respondents indicated that they do not know or refused to answer this question. Respondents who provided an answer indicated that, on average, 27 percent of their employees are in this age group.

### ***Annual Sales Volume***

When asked to indicate their company's annual gross sales volume or revenue, more than two in five (44%) respondents said that they do not know or refused to answer. Of those who provided a response, 45 percent reported an annual sales volume of less than \$100 million, 25 percent reported a figure of at least \$100 million but less than \$500 million, and 30 percent reported a figure of \$500 million or more.

### ***Job Title of Respondent***

Approximately half (53%) of respondents were senior-level HR staff such as managers, directors, and vice presidents; about three in ten (31%) were non-senior HR staff such as specialists, generalists, and coordinators; and approximately one in seven (14%) included other senior-level staff.

### ***Gender of Respondent***

Approximately three in four (73%) respondents were women, and about one in four (27%) were men.

**APPENDIX 1:**  
**Profile of Employers That Have Automatically Enrolled All Non-Participating Employees vs. Employers That Have Automatically Enrolled Only New Hires**

<b>Employer Basic Characteristics and Basic Features of 401(k) Plan: Employers That Automatically Enrolled All Non-Participating Employees At Least Once vs. Employers That Automatically Enrolled Only New Hires*</b>		
	Employers that Have Automatically Enrolled Only New Hires (n=173)	Employers that Have Automatically Enrolled All Non-Participating Employees (n=149)
	<b>(A)</b>	<b>(B)</b>
<b>Employer Size</b>		
500-999 employees	37%	45%
1000-2,499 employees	34%	33%
2,500+ employees	30%	22%
Total	100%	100%
<b>Percentage of Workers Ages 50+</b>		
Average %	30%	28%
<b>Percentage of Workers in Labor Union</b>		
Average %	7%	12%
<b>Annual Revenue/Sales**</b>		
Less than \$100 million	36%	46%
\$100 million to less than \$500 million	26%	19%
\$500 million or more	36%	35%
Total	100%	100%
<b>Industry</b>		
Services sector (net)	51%	59%
Healthcare or health services	11%	15%
Retail trade	6%	13% <sup>A</sup>
Leisure and hospitality	1%	4% <sup>A</sup>
Finance, insurance, or real estate	12%	10%
Professional and business services	8%	5%
Technology, information, and information services	6%	4%
Transportation and warehousing	2%	3%
Wholesale trade	1%	--
Utility	2%	1%
Education and educational services	1%	2%
Social assistance	1%	2%

<b>Employer Basic Characteristics and Basic Features of 401(k) Plan: Employers That Automatically Enrolled All Non-Participating Employees At Least Once vs. Employers That Automatically Enrolled Only New Hires* (CONTINUED)</b>		
	Employers that Have Automatically Enrolled Only New Hires (n=173)	Employers that Have Automatically Enrolled All Non-Participating Employees (n=149)
	<b>(A)</b>	<b>(B)</b>
Other services	1%	--
Goods-producing sector (net)	48%	38%
Manufacturing	41% <sup>B</sup>	29%
Construction	3%	7%
Oil and gas	1%	1%
Energy	1%	1%
Agricultural	1%	--
Other	1%	1%
Don't Know/Refused	1%	1%
Total	100%	100%
<b>Benefits Offered***</b>		
Defined benefit retirement plan, including a traditional pension plan or a cash balance plan	36%	31%
Medical insurance	100%	99%
Dental insurance	99%	99%
Vision insurance	83%	85%
Paid vacation leave	98%	99%
Paid sick leave	89%	90%
Total	100%	100%
<b>Employees Eligible for Plan</b>		
Less than 500	7%	16% <sup>A</sup>
500-1499	46%	50%
1500+	46% <sup>B</sup>	29%
Don't Know/Refused	1%	4%
Total	100%	100%
<b>Employees Participating in Plan</b>		
Less than 500	23%	33% <sup>A</sup>
500-1499	40%	40%
1500+	28% <sup>B</sup>	16%
Don't Know/Refused	10%	11%
Total	100%	100%

<b>Employer Basic Characteristics and Basic Features of 401(k) Plan: Employers That Automatically Enrolled All Non-Participating Employees At Least Once vs. Employers That Automatically Enrolled Only New Hires* (CONTINUED)</b>		
	Employers that Have Automatically Enrolled Only New Hires (n=173)	Employers that Have Automatically Enrolled All Non-Participating Employees (n=149)
	<b>(A)</b>	<b>(B)</b>
<b>Automatic Escalation</b>		
Plan Has Automatic Escalation	45%	48%
Plan Does Not Have Automatic Escalation	55%	52%
Don't Know/Refused	1%	--
Total	100%	100%
<b>Employer Matching Contribution</b>		
Plan Has Employer Match	78%	73%
Plan Does Not Have Employer Match	21%	27%
Don't Know/Refused	1%	1%
Total	100%	100%

\*Letters are used to mark any percentages that are statistically significantly larger than corresponding percentages in other columns.

\*\* Responses to annual gross sales volume are shown after excluding those respondents who did not answer this question as nearly half (44%) of respondents did not answer this question.

\*\*\*Responses regarding benefits sum to more than 100% as most respondents offer more than one of the benefits listed.

<b>Answers To Selected Survey Questions Related To 401(k) Plan: Employers That Automatically Enrolled All Non-Participating Employees At Least Once vs. Employers That Automatically Enrolled Only New Hires*</b>		
	Employers that Have Automatically Enrolled Only New Hires (n=173)	Employers that Have Automatically Enrolled All Non-Participating Employees (n=149)
	<b>(A)</b>	<b>(B)</b>
<b>Willingness to Increase Deferral Rate by Two Percentage Points</b>		
Not at all likely	36%	50% <sup>A</sup>
<b>Willingness to Increase Deferral Rate by One Percentage Point **</b>		
Not at all likely	37%	55% <sup>A</sup>
<b>Usefulness of Various Information Sources (% very useful)</b>		
Videoconferences	8%	20% <sup>A</sup>
Group meetings	29%	44% <sup>A</sup>
Conferences	17%	27% <sup>A</sup>
<b>Motivations for Adopting Automated Features</b>		
It helps recruit employees	21%	34% <sup>A</sup>
It can reduce the plan pricing or fees charged by plan provider	20%	30% <sup>A</sup>
<b>Reasons for Automatically Enrolling All Non-Participating Employees</b>		
It helps retain employees	21%	32% <sup>A</sup>
<b>Other Financial Education Opportunities and Resources Offered</b>		
Meetings/conferences/classes	43% <sup>B</sup>	32%

\*This table displays responses to any survey questions that elicited statistically significantly different responses from employers that have automatically enrolled all non-participating employees than from employers that have automatically enrolled only new hires. The table displays only those responses that vary based on whether an employer has automatically enrolled all non-participating employees. Therefore, responses that are similar across both groups are not shown. Letters are used to mark any percentages that are statistically significantly larger than corresponding percentages in other columns.

\*\*Willingness to increase deferral rate by one percentage point was only asked of respondents who reported that they were not too likely or not at all likely to increase their rate by two percentage points. This includes 145 respondents who have only automatically enrolled new hires and 125 respondents who have automatically enrolled all non-participating employees at least once.

## APPENDIX 2: ANNOTATED QUESTIONNAIRE

### Employer Survey about Auto 401(k)s

Employers with 500+ Employees that have 401(k)s  
(Excluding government and public school systems)

**N=806, Sampling Error =±3.5%.**

#### SCREENING QUESTIONS

*Hello, I'm \_\_\_\_\_ from Woelfel Research. We're speaking with business people nationwide about important employee benefit issues facing American businesses. I am not selling anything and will not be asking for a donation of any kind. Your opinions will be used only on a confidential basis. IF NECESSARY READ: and will take about 15 minutes of your time. Please know that all your responses to this survey are completely confidential. Is this a convenient time for you? If not, we'd be glad to call you back at another time.]*

**Q. 400** Excluding nonpermanent employees, such as contract or temporary workers, approximately how many employees does your company have in TOTAL, in all locations in the United States? [IF NECESSARY, READ "Your best estimate is fine"]

[RECORD RESPONSE VERBATIM]  
9999 DK/REF [THANK AND TERMINATE]

#### **BASE: ALL RESPONDENTS**

##### **Q403** HIDDEN QUESTION

	Total N=806 %
1. 500-999 Employees	41
2. 1,000-2499 Employees	33
3. 2,500 or more Employees	26

#### **BASE: 500+ EMPLOYEES IN U.S.**

**Q404** Which of the following best describes the location of your office? Are you primarily located at your company's headquarters, a subsidiary headquarters, at the sole location for your company, or are you primarily located somewhere else?

	Total N=806 %
1. Headquarters	89
2. Subsidiary Headquarters	8
3. Sole Location	3
4. Somewhere Else	-
5. REFUSED	-

**BASE: HAVE 500+ EMPLOYEES IN U.S. AND LOCATED AT HQ, SUB HQ, OR SOLE LOCATION**

**Q405** And what is your level of involvement in making decisions about your organization's employee benefits? Are you the ...(READ LIST)

	Total
	N=806
	%
1. Primary decision maker	9
2. Do you share responsibility with others	91

**BASE: HAS PRIMARY OR SHARE RESPONSIBILITY IN MAKING DECISIONS ABOUT BENEFITS (Q405/1 OR Q405/2)**

**Q410** Thinking about your company's employee benefits, does your company offer a 401(k) plan to employees? By 401(k), I mean specifically a 401(k) and not an equivalent benefit such as a 403(b) plan or a defined benefit plan such as a traditional pension.

	Total
	N=806
	%
1. Yes, my company offers a 401(k) [Include companies that offer a 401(k) plan to either some or all employees]	100

**BASE: COMPANY OFFERS 401(K) (Q410/1)**

**Q412** And what is your level of involvement in making decisions about your organization's 401(k) plan? Are you the . . .

	Total
	N=806
	%
1. Primary decision maker	8
2. Do you share responsibility with others	92

**BASE: COMPANY OFFERS 401(K) (Q410/1) AND RESPONSIBLE FOR 401(K) DECISIONS [Q412=1 OR 2]**

**Q415** From the following list, which best describes your organization? [READ LIST]

	Total
	N=806
	%
1. Private school system or private university	1
2. Non-profit organization	12
3. For-profit company	88

## Awareness and Plan Characteristic

### **BASE: ALL QUALIFIED RESPONDENTS**

**Q500** As you may know, automatic enrollment is a process that automatically enrolls eligible employees into your company's 401(k) plan unless they specifically opt out. It is sometimes referred to as "negative election." **Does your company's 401(k) plan include automatic enrollment?**

	Total
	N=806
	%
1. Yes	42
2. No	58

### **BASE: ALL QUALIFIED RESPONDENTS**

**Q505** Hidden Question

	Total
	N=806
	%
1. Auto group (Q500/1)	42
2. Non-Auto group (Q500/2)	58

### **BASE: ALL QUALIFIED RESPONDENTS**

**Q510** And would you say you are very familiar, somewhat familiar, not too familiar, or not at all familiar with automatic enrollment in 401(k) plans?

	Total
	N=806
	%
1. Very familiar	67
2. Somewhat familiar	27
3. Not too familiar	3
4. Not at all familiar	3
5. DK/REF	-

### **BASE: ALL QUALIFIED RESPONDENTS**

**Q515** HIDDEN QUESTION

	Total
	N=806
	%
1. Assign Track 1 IF Have Auto Enroll	42
2. Assign Track 2 IF No Auto Enroll and Familiar	52
3. Assign Track 3 IF No Auto Enroll and Not Familiar	6

### **BASE: NO AUTO ENROLL [TRACK 2 (Q515/2) OR TRACK 3 (Q515/3)]**

**Q520** Which of the following best describes automatic enrollment at your company?

	Total
	N=465
	%
1. We never had it but are considering it	29
2. We never had it and are not considering it	65
3. We had it but discontinued it	3
4. DK/REF	2

**Base: Have Auto Enroll [Track 1 (Q515/1)]**

**Q521** To the best of your knowledge, when did your company first adopt automatic enrollment for your 401(k) plan? Was it

	Total
	N=341
	%
1. Within the past 12 months	11
2. At least 1 year ago, but no more than 3 years ago	54
3. More than 3 years ago	34
4. DK/REF	1

**Base: Have Auto Enroll [Track 1 (Q515/1)]**

**Q522.** When your company first adopted automatic enrollment for your 401(k) plan, did your company automatically enroll {Check one.}

	Total
	N=341
	%
1. Only new hires	58
2. All non-participating employees who were eligible for the plan	35
3. DK/REF	6

**Base: If only new hires auto enrolled when first adopted [Q522=1]**

**Q523.** Since adopting automatic enrollment for your 401(k) plan, has your company **ever** automatically enrolled **all non-participating employees** who are eligible for the plan or have you always used automatic enrollment for **only new hires**?

	Total
	N=198
	%
1. Company has used automatic enrollment for all non-participating employees (at least once)	11
2. Company has only used automatic enrollment for new hires (never for all non-participating employees)	87
3. DK/REF	3

**Base: Have Auto Enroll**

**{If adopted within past 12 mos [Q521=1]: AUTO FILL responses based on Q522 and Q523. If adopted more than 12 months ago and Q523=2, AUTO FILL “only new hire” response.}**

**Q524.** Within the past 12 months, has your company’s 401(k) plan automatically enrolled [Select one.]

	Total
	N=341
	%
1. Only new hires	79
2. All non-participating employees who are eligible for the 401(k) plan	20
3. DK/REF	1

**Base: Have auto enroll and all non-participating employees auto enrolled within past 12 mos [Q524 (including auto filled responses)= 2]**

**Q525.** How often must non-participating employees opt out of your company’s 401(k) plan in order to avoid being automatically enrolled? Do they need to opt out . . . {rotate}

*Results not displayed due to insufficient base*

**Base: Auto enrolled all non-participants in the past but not within past 12 mos [(Q522=2 or Q523=1) and Q524 does not equal 2]**

**Q526.** Thinking back to when your 401(k) plan's automatic enrollment feature was used to automatically enroll all non-participating employees, how often did non-participating employees have to opt out of your company's 401(k) plan in order to avoid being automatically enrolled? Did they need to opt out . . . {rotate}

*Results not displayed due to insufficient base*

**Q525/526 combination variable.**

	Total N=149
	%
1. Just one time.	80
2. Annually	11
3. Other	6
4. DK/REF	4

**Base: Auto enrolled/Auto enroll all non-participants annually [(Q526=2or Q525=2)**

**Q527-a.** At what point each year are your non-participating employees automatically enrolled? Is it {Randomize first two}

*Results not displayed due to insufficient base.*

**Base if another time each year [Q527-a=3]:**

**Q527-b.** When each year are your non-participating employees automatically enrolled? {Record Verbatim}

*Results not displayed due to insufficient base.*

**Base: Auto enrolled all non-participants just once [Q525=1 (within past 12 months) OR Q526=1 (in past) ]**

**Q528.** Companies have different reasons for requiring non-participating employees to opt out of the 401(k) plan only one time rather than requiring them to opt out periodically, such as on an annual basis. Why {if Q525=1: does / if Q526=1: did} your company require non-participating employees to opt of your 401(k) plan only one time? [Do not read list. Mark all that apply.]

	Total N=119
	%
1. Content (NET)	18
2. Employees (NET)	15
3. Administrative burden (NET)	10
4. Cost (NET)	3
5. Economy (NET)	3
6. Other (NET)	36
Employees decide/employee choice	8
Policy / industry standards	6
Only offer once / Given choice only one time	4
Potential negative PR	3
Other	16
7. DK/REF	20

**Base: Have auto enroll for new hires only [Track 1 and new hires per Q524 (including Q524 auto fills)]**

**Q533.** Which of the following best describes automatic enrollment at your company? {rotate}

	Total N=270 %
1. Your company is considering expanding your 401(k) plan's automatic enrollment feature to automatically enroll more employees who are eligible for the plan, rather than just new hires	8
2. Your company is not currently considering expanding the automatic enrollment feature	89
3. DK/REF	4

**Base: Have auto enroll [Track 1]**

**Q540.** For employees who are automatically enrolled into your company's 401(k) plan, what is the default percentage of pay that is deferred from each employee's pay check?

*[Note: Most responses should be around 3% and responses are unlikely to be higher than 10%. If response is higher than 10%, probe to ensure that respondent understands the question but accept response provided after probing even if it is higher than 10%.]*

	Total N=341 %
1. Less than 3%	18
2. 3%	55
3. More than 3%	21
4. DK/REF	6

**Base: Have auto enroll [Track 1] and provided response to Q540:**

**Q545-a.**

If your company learned of other employers in your industry that automatically enroll employees at a default deferral of {Q540 response +2 percentage points} percent of pay, how likely would your company be to consider increasing your default deferral percentage to {Q540 response + 2 percentage points} percent of pay?

	Total N=331 %
1. Very likely	-
2. Somewhat likely	14
3. Not too likely	40
4. Not at all likely	43
5. DK/REF	3
Base: Have auto enroll and provided response to Q540 = 3%	Total N=186 %
1. Very likely	-
2. Somewhat likely	14
3. Not too likely	42
4. Not at all likely	42
5. DK/REF	3

**Base: Have auto enroll [Track 1] and DK/Ref to Q540:**

**Q545-b.** If your company learned of other employers in your industry that automatically enroll employees at a default deferral of {5} percent of pay, how likely would your company be to consider instituting a default deferral of {5} percent of pay?

*Results not displayed due to insufficient base.*

**Q545-a/545-b combination variable.**

	Total N=341 %
1. Very likely	-
2. Somewhat likely	13
3. Not too likely	41
4. Not at all likely	43
5. DK/REF	3

**Base: Very/somewhat likely in Q545a [Q545a=1 or 2]:**

**Q548a.** And, if your company learned of other employers in your industry that automatically enroll employees at a default deferral of {Q545a test value +2 percentage points} percent of pay, how likely would your company be to consider increasing your default deferral percentage to {Q545a test value + 2 percentage points} percent of pay?

*Results not displayed due to insufficient base.*

**Base: Very/somewhat likely in Q545b [Q545b=1 or 2]:**

**Q548b.** And, if your company learned of other employers in your industry that automatically enroll employees at a default deferral of {Q545b test value +2 percentage points} percent of pay, how likely would your company be to consider instituting a default deferral percentage of {Q545b test value + 2 percentage points} percent of pay?

	Total N=0 %
1. Very likely	-
2. Somewhat likely	-
3. Not too likely	-
4. Not at all likely	-
5. DK/REF	-

**Q548-a/548-b combination variable.**

*Results not displayed due to insufficient base.*

**Base: Not too/not very likely/dk/ref in Q545a [Q545a=3 or 4 or 5]:**

**Q551a.** What about {Q545a test value – 1}? If your company learned of other employers in your industry that automatically enroll employees at a default deferral of {Q545a test value-1}, how likely would your company be to consider increasing your default deferral percentage to {Q545a test value-1} percent of pay?

	Total N=286 %
1. Very likely	1
2. Somewhat likely	9
3. Not too likely	41
4. Not at all likely	45
5. DK/REF	4

**Not too/not very likely/dk/ref/ in Q545a and Q540=3%**

	Total N=161 %
1. Very likely	1
2. Somewhat likely	11
3. Not too likely	41
4. Not at all likely	44
5. DK/REF	3

**Base: Not too/not very likely/dk/ref in Q545b [Q545b=3 or 4 or 5]:**

**Q551b.** What about {Q545b test value – 1}? If your company learned of other employers in your industry that automatically enroll employees at a default deferral of {Q545b test value-1}, how likely would your company be to consider instituting a default deferral percentage of {Q545b test value-1} percent of pay?

*Results not displayed due to insufficient base.*

**Q551-a/551-b combination variable.**

	Total N=296 %
1. Very likely	1
2. Somewhat likely	10
3. Not too likely	41
4. Not at all likely	45
5. DK/REF	5

**Base: Very/somewhat likely in Q548a [Q548a=1 or 2]:**

**Q554a.** In your opinion, what is the **highest** default deferral percent of pay that you think your company would consider instituting for employees who are automatically enrolled into your 401(k) plan?

*Results not displayed due to insufficient base.*

**Base: Very/somewhat likely in Q548b [Q548b=1 or 2]:**

**Q554b.** In your opinion, what is the **highest** default deferral percent of pay that you think your company would consider instituting for employees who are automatically enrolled into your 401(k) plan?

	Total
	N=0
	%
1. Very likely	-
2. Somewhat likely	-
3. Not too likely	-
4. Not at all likely	-
5. DK/REF	-

**Q554a/554b combination variable.**

*Results not displayed due to insufficient base.*

**Base: Not too/not very likely/dk/ref in Q548a [Q548a=3 or 4 or 5]:**

**Q557a.** What about {Q548a test value – 1}? If your company learned of other employers in your industry that automatically enroll employees at a default deferral of {Q548a test value-1}, how likely would your company be to consider increasing your default deferral percentage to {Q548a test value-1} percent of pay?

*Results not displayed due to insufficient base.*

**Base: Not too/not very likely/dk/ref in Q548b [Q548b=3 or 4 or 5]:**

**Q557b.** What about {Q548b test value – 1}? If your company learned of other employers in your industry that automatically enroll employees at a default deferral of {Q548b test value-1}, how likely would your company be to consider instituting a default deferral percentage of {Q548b test value-1} percent of pay?

	Total
	N=0
	%
1. Very likely	-
2. Somewhat likely	-
3. Not too likely	-
4. Not at all likely	-
5. DK/REF	-

**Q557-a/557-b combination variable.**

*Results not displayed due to insufficient base.*

**BASE: ALL QUALIFIED RESPONDENTS**

**Q580** In addition to automatic enrollment, there is also something known as Automatic Escalation. This is when the percentage of an employee's pay contributed to a 401(k) account automatically increases by a certain amount, unless the employee opts out. Does your company's 401(k) plan contain an automatic escalation feature?

	Total
	N=806
	%
1. Yes	28
2. No	72
3. DK/REF	1

**BASE: ALL QUALIFIED RESPONDENTS**

**Q584** Would you say you are very familiar, somewhat familiar, not too familiar, or not at all familiar with automatic escalation? **[DO NOT READ LIST]**

	Total
	N=806
	%
1. Very familiar	51
2. Somewhat familiar	27
3. Not too familiar	9
4. Not at all familiar	13
5. DK/REF	-

**BASE: ALL RESPONDENTS WHO HAVE NO AUTOMATIC ESCALATION [Q580/2]**

**Q587** Which of the following are reasons why your company does not automatically increase contributions? **[RANDOMIZE AND READ LIST, CHECK ALL THAT APPLY]**

	Total
	N=580
	%
1. Your company doesn't know enough about it	18
2. Your company hasn't thought about it	26
3. Your company needs more information	20
4. Your company thinks it would be too difficult to implement administratively	28
5. Your company thinks employees would not like it	66
6. Your company thinks employees would find it confusing	52
7. Your company is concerned about your organization's matching costs	35
8. Other	14
9. DK/REF	-

## Decision-Makers

### **BASE: ALL QUALIFIED RESPONDENTS**

**Q600.** In your company, [If Q515/2 or Q515/3: “would”] [If Q515/1: “does”] the **primary responsibility** for making the decision to add automatic 401(k) features to your company’s 401(k) plan reside with **one person** or [If Q515/2 or Q515/3: “would”] [If Q515/1: “does”] it reside with a **committee or group of people**? (Select one.)

	Total
	N=806
	%
1. One person	3
2. A committee or group	96
3. DK/REF	<0.5

### **BASE: Primary Responsibility resides with a committee or group [Q600=2]**

**Q602** By job title, who in your company is on the committee or in the group that [If Q515/2 or Q515/3 “would be”] [If Q515/1 “has been”] **primarily responsible** for making the decision to add automatic 401(k) features to your company’s 401(k) plan? **[PROBE FOR TITLE, NOT NAMES] [DO NOT READ LIST] [Probe for Multiple Responses. Who else?]**

	Total
	N=777
	%
1. HR Individual (NET)	66
2. CFO/Financial (NET)	54
3. CEO / President (NET)	38
4. Senior Management Misc. (NET)	24
5. Legal Counsel/General Counsel (NET)	11
6. Committee (NET)	8
7. Other (NET)	9
8. DK/REF	6

### **BASE: OTHER [Q602/7]**

**Q605** [Record job title of who else in their company is on the committee/in the group with primary responsibility for making the decision to add automatic 401(k) features to your organization’s 401(k) plan]. [RECORD VERBATIM]

### **BASE: Primary responsibility resides with one person [Q600=1]**

**Q607.** By job title, who in your company [If Q515/2 or Q515/3 “would be”] [If Q515/1 “has been”] **primarily responsible** for making the decision to add automatic 401(k) features to your company’s 401(k) plan? **[PROBE FOR TITLE, NOT NAMES] [DO NOT READ LIST] [Single Response.]**

*Results not displayed due to insufficient base.*

### **BASE: OTHER [Q607/7]**

**Q609** [Record job title of who in their company has primary responsibility for making the decision to add automatic 401(k) features to your company’s 401(k) plan] [RECORD VERBATIM]

**BASE: PROVIDED JOB TITLE IN RESPONSE TO Q607 [ Q607/1-7]-**

**Q610** **Who else would be involved in discussing** benefit related issues such as adding automatic 401(k) features to your company's 401(k) plan with your [IF Q607/1-6 INSERT ANSWER FROM Q607; IF Q607/7 INSERT VERBATIM FROM Q609]? [DO NOT READ LIST] [MULTIPLE RESPONSE] [PROBE FOR TITLE, NOT NAMES]

*Results not displayed due to insufficient base.*

**BASE: PRIMARY RESPONSIBILITY RESIDES WITH A COMMITTEE OR GROUP [Q600=2]**

**Q618.** Thinking again about the committee or group that [if Q515/1: "has"] [if Q515/2 or 3: "would have"] primary responsibility for making the decision to add automatic 401(k) features to your company's 401(k) plan, how often does this committee meet? [Do not read list. Multiple responses.]

	Total
	N=777
	%
1. Annually / Once a year	9
2. Twice a year	14
3. Quarterly	51
4. Monthly	7
5. As needed / No set time	13
6. 3-4 times per year	1
7. Weekly	1
8. Other	1
9. DK/REF	4

**BASE: ALL QUALIFIED RESPONDENTS**

**Q620** What types of outside organizations or individuals [IF Q515/2 or 3: "would be"] [IF Q515/1: "have been"] most influential in your company's decision about whether or not to automate your 401(k) plan? [DO NOT READ LIST] [MULTIPLE RESPONSE]

	Total
	N=806
	%
1. Plan provider & related (NET)	40
2. Consultants (NET)	36
3. Internal (NET)	3
4. Other (NET)	8
5. DK/REF	30

**BASE: OTHER [Q620/9]**

**Q625** Please specify.  
[RECORD VERBATIM]

**BASE: ALL QUALIFIED RESPONDENTS**

**Q630** [If Q515/1 “Which, if any, of the following information did your company find helpful when deciding whether or not to automate your 401(k) plan features?”] [If Q515/2 or Q515/3 “Which, if any, of the following information would your company find helpful when deciding whether or not to automate your 401(k) plan features?”] [READ & RANDOMIZE LIST; keep 1 before 2. ] [ALLOW MULTIPLE RESPONSES]

	Total N=806 %
<b>Costs of additional employer matching contributions</b>	
1. Yes	56
2. No	40
3. DK/REF	4
<b>Other cost implications</b>	
1. Yes	57
2. No	38
3. DK/REF	4
<b>Impact on non-discrimination testing</b>	
1. Yes	70
2. No	26
3. DK/REF	4
<b>Information about legal and liability issues</b>	
1. Yes	76
2. No	20
3. DK/REF	4
<b>Basic information about automatic enrollment</b>	
1. Yes	67
2. No	29
3. DK/REF	4
<b>Experiences of other employers</b>	
1. Yes	60
2. No	36
3. DK/REF	4
<b>Best practices</b>	
1. Yes	72
2. No	23
3. DK/REF	5
<b>Benchmarking data that reveals the number of similar employers with automatic enrollment</b>	
1. Yes	64
2. No	31
3. DK/REF	5

**Guidance handling employee communication**

1. Yes	66
2. No	30
3. DK/REF	4

**Information about implementation and maintenance**

1. Yes	67
2. No	29
3. DK/REF	4

**Effects on plan pricing and/or fees charged by plan providers**

1. Yes	60
2. No	36
3. DK/REF	5

**Questions to ask your plan provider**

1. Yes	61
2. No	34
3. DK/REF	5

**Information about investment default options**

1. Yes	58
2. No	38
3. DK/REF	5

**BASE: ALL QUALIFIED RESPONDENTS**

**Q635** Would you find the following sources of information about automatic 401(k)s very useful, somewhat useful, not too useful, or not at all useful? [READ & RANDOMIZE LIST]

	Total N=806
	%
<b>Mail</b>	
1. Very useful	13
2. Somewhat useful	46
3. Not too useful	18
4. Not at all useful	22
5. DK/REF	1
<b>Email</b>	
1. Very useful	27
2. Somewhat useful	46
3. Not too useful	13
4. Not at all useful	15
5. DK/REF	<0.5

	Total N=806 %
<b>Websites</b>	
1. Very useful	34
2. Somewhat useful	48
3. Not too useful	7
4. Not at all useful	10
5. DK/REF	1
<b>Videoconferences</b>	
1. Very useful	16
2. Somewhat useful	41
3. Not too useful	18
4. Not at all useful	25
5. DK/REF	1
<b>Webinars</b>	
1. Very useful	27
2. Somewhat useful	47
3. Not too useful	10
4. Not at all useful	16
5. DK/REF	<0.5
<b>Group meetings</b>	
1. Very useful	32
2. Somewhat useful	44
3. Not too useful	10
4. Not at all useful	14
5. DK/REF	1
<b>Individual meetings</b>	
1. Very useful	35
2. Somewhat useful	40
3. Not too useful	10
4. Not at all useful	14
5. DK/REF	1
<b>Conferences</b>	
1. Very useful	19
2. Somewhat useful	48
3. Not too useful	14
4. Not at all useful	19
5. DK/REF	<0.5
<b>Trade associations</b>	
1. Very useful	9
2. Somewhat useful	36
3. Not too useful	24
4. Not at all useful	28
5. DK/REF	3

**Publications**

1. Very useful	21
2. Somewhat useful	58
3. Not too useful	10
4. Not at all useful	11
5. DK/REF	1

**Mainstream media**

1. Very useful	6
2. Somewhat useful	40
3. Not too useful	26
4. Not at all useful	27
5. DK/REF	1

**Concerns and Barriers**

**Base: Have Auto Enroll for new hires only and never auto enrolled all non-participants [Track 1 and only new hires per Q524 and (Q522 doesn't equal 2 and Q523 doesn't equal 1)]**  
**Q742** Companies have different reasons for choosing to automatically enroll **only new hires** into their 401(k) plan. Why does your 401(k) plan not have automatic enrollment for **other non-participating employees** who are eligible for your plan? [DO NOT READ] [ALLOW MULTIPLE RESPONSES]

	Total
	N=190
	%
1. Employee challenges (NET)	21
2. Content as is (NET)	13
3. Administrative challenges (NET)	9
4. Economy (NET)	8
5. Cost (NET)	4
6. Lack of information (NET)	3
7. Other (NET)	45
It's the employee's decision	15
They already opted out	6
Corporate policy	4
Enroll new hires only	4
Not necessary	4
Potential negative PR	2
Other	12
8. DK/REF	14

**BASE: AUTO ENROLL FOR NEW HIRES ONLY BUT USED TO AUTO ENROLL OTHER EMPLOYEES [Q524=new hires and (Q522=2 or Q523=1)]**

**Q745.** Your 401(k) plan's automatic enrollment feature used to apply to employees other than new hires, but now it only applies to new hires. Why did your 401(k) plan stop automatically enrolling employees other than new hires? [Do not read list. Allow multiple responses.]

*Results not displayed due to insufficient base.*

**BASE: Q745/17 OTHER REASONS FOR NOT HAVING AUTO ENROLLMENT for all non-participants**

**Q746.** Please specify

**BASE: DO NOT HAVE AUTO ENROLL [TRACK 2 OR TRACK 3 [Q515/2 OR Q515/3]**

**Q750** Companies have different reasons for choosing not to have automatic enrollment in their 401(k) plan. Why does your 401(k) plan not have automatic enrollment? [DO NOT READ] [ALLOW MULTIPLE RESPONSES]

	Total
	N=465
	%
1. Employee challenges (NET)	30
2. Costs (NET)	20
3. Content as is (NET)	14
4. Lack of information (NET)	10
5. Administrative challenges (NET)	9
6. Legal concerns (NET)	2
7. Other (NET)	20
Want it to be employee's decision	7
Due to economy, employees wouldn't like it now	4
Haven't gotten to it yet	2
Other	2
8. DK/REF	13

**BASE: Q750/17 OTHER REASONS FOR NOT HAVING AUTO ENROLL**

**Q751** Please specify

**BASE Q750=64:**

**Q752.** You indicated that introducing automatic enrollment may lead to negative publicity. Why do you feel this way? [Do not read. Mark all that apply.]

*Results not displayed due to insufficient base.*

**Motivations for Adoption of Automated Features and Likelihood of Future Changes to Plan**

**BASE: DO NOT HAVE AUTO ENROLL [TRACK 2 OR TRACK 3 [Q515/2 OR Q515/3]**

**Q800** How likely is your company to add automatic enrollment to your 401(k) plan in the next 12 months? Would you say your company is...[READ LIST]

	Total
	N=465
	%
1. Very likely	4
2. Somewhat likely	12
3. Not too likely	24
4. Not at all likely	58
5. DK/REF	2

**BASE: ALL QUALIFIED RESPONDENTS – REGARDLESS OF WHETHER OFFER ANY AUTO FEATURES:**

**Q810** Next, I'm going to read you some reasons why companies offer automatic 401(k) plan features. [IF Q515/1 “For each one, tell me if you consider it to be a major, minor, or not a reason why your company adopted automatic 401(k) plan features.] [If Q515/2 or Q515/3 “For each one, tell me if you would consider it a major reason, minor reason, or not a reason for a company to adopt automatic 401(k) plan features.”]

	Total N=806 %
<b>It is easier to pass nondiscrimination testing</b>	
1. Major reason	49
2. Minor reason	28
3. Not a reason	19
4. DK/REF	5
<b>It helps employees save more for retirement</b>	
1. Major reason	74
2. Minor reason	18
3. Not a reason	7
4. DK/REF	1
<b>It helps recruit employees</b>	
1. Major reason	22
2. Minor reason	43
3. Not a reason	34
4. DK/REF	2
<b>It helps retain employees</b>	
1. Major reason	27
2. Minor reason	41
3. Not a reason	30
4. DK/REF	2
<b>It demonstrates that we are a socially responsible company</b>	
1. Major reason	35
2. Minor reason	42
3. Not a reason	21
4. DK/REF	2
<b>It can reduce the plan pricing or fees charged by plan provider</b>	
1. Major reason	27
2. Minor reason	42
3. Not a reason	27
4. DK/REF	4

**BASE: DO NOT HAVE AUTOMATIC ESCALATION [Q580=2]**

**Q812** {If Q515/1: Your 401(k) plan has automatic enrollment but it does not automatically increase contributions.} {If 515/2 or Q515/3: no prelude.} Within the next 12 months, how likely is your company to add a feature to your 401(k) plan that automatically increases contributions? Would you say your company is...[READ LIST]

	Total
	N=580
	%
1. Very likely	2
2. Somewhat likely	9
3. Not too likely	24
4. Not at all likely	63
5. DK/REF	2

**BASE: AUTO ENROLL FOR NEW HIRES ONLY TRACK 1 [Q515/1 AND Q524=1]**

**Q815.** Your 401(k) plan automatically enrolls new hires; but, within the past 12 months, it has not automatically enrolled all non-participating employees who are eligible for the plan. Within the next 12 months, how likely is your company to expand your 401(k) plan's automatic enrollment feature to automatically enroll all non-participating employees who are eligible for the plan? Would you say your company is . . . [READ LIST]

	Total
	N=270
	%
1. Very likely	3
2. Somewhat likely	7
3. Not too likely	27
4. Not at all likely	62
5. DK/REF	2

**BASE: All respondents with auto enroll– regardless of whether auto enroll just new hires or all eligible**

**Q820.** Next, I'm going to read you some reasons why some companies have 401(k) plans that automatically enroll all non-participating employees who are eligible for the plan. [If have ever auto enrolled all eligible [Q524=2 or Q522=2 or Q523=1]: "For each one, tell me if you consider it to be a major reason, minor reason, or not a reason why your company automatically enrolls all non-participating employees who are eligible for the plan.] [If have auto enrolled only new hires or dk [Q524=1 and (Q522 doesn't equal 2 and Q523 doesn't equal 1)]: "For each one, tell me if you would consider it a major reason, minor reason, or not a reason for a company to automatically enroll all non-participating employees who are eligible for the plan."]

	Total
	N=341
	%
<b>It is easier to pass nondiscrimination testing</b>	
1. Major reason	51
2. Minor reason	28
3. Not a reason	16
4. DK/REF	5

	Total N=341 %
<b>It helps employees save more for retirement</b>	
1. Major reason	73
2. Minor reason	19
3. Not a reason	5
4. DK/REF	3
<b>It helps recruit employees</b>	
1. Major reason	20
2. Minor reason	40
3. Not a reason	37
4. DK/REF	4
<b>It helps retain employees</b>	
1. Major reason	26
2. Minor reason	42
3. Not a reason	28
4. DK/REF	4
<b>It demonstrates that we are a socially responsible company</b>	
1. Major reason	38
2. Minor reason	39
3. Not a reason	20
4. DK/REF	4
<b>It can reduce the plan pricing or fees charged by plan provider</b>	
1. Major reason	29
2. Minor reason	39
3. Not a reason	27
4. DK/REF	5

**BASE: All with automatic enrollment [Q515/1]**

Q825. What changes, if any, is your company considering making to your 401(k) plan's **automatic enrollment** features within the next 12 months? [Do not read.]

	Total N=341 %
1. Expanding automatic enrollment to more employees	3
2. Increasing the default percentage of pay that is deferred/the default employee contribution rate	1
3. Auto escalation	1
4. Increasing the number of times per year that non-participating employees are auto enrolled	1
5. Changing the default investment/changing the default fund	1
6. Decreasing the default percentage of pay that is deferred / the default employee contribution rate	<0.5
7. Eliminating automatic enrollment	<0.5
8. Other	1
9. None / no changes	87
10. DK/REF	5

**Base: All with automatic escalation [Q580=1]**

Q 830. What changes, if any, is your company considering making to your 401(k) **plan's automatic escalation** features within the next 12 months? [Do not read.]

	Total N=222 %
1. Increasing the amount of the automatic increase/escalation	1
2. Implementing it	1
3. Increasing the number of times per year that deferral rates are increased	1
4. Decreasing the amount of the automatic increase/escalation	<0.5
5. Eliminating automatic escalation	<0.5
6. Other	3
7. None / no changes	89
8. DK/REF	4

## Other Efforts to Increase Participation (Other than Automation)

### **BASE: ALL QUALIFIED RESPONDENTS**

**Q700** Does your company engage in any of the following efforts to increase participation or increase savings in your 401(k) plan? Do you . . . {randomize, except keep 6 and 7 at end}

	Total N=806
	%
<b>allow employees ages 50+ to make “catch-up” contributions to your 401(k) plan</b>	
1. Yes	95
2. No	3
3. DK/REF	1
<b>provide an “easy enrollment” or “quick enrollment” option that allows eligible employees to enroll in your 401(k) plan through a simple one-step process</b>	
1. Yes	82
2. No	17
3. DK/REF	1
<b>provide plan participants with customized estimates of their potential 401(k) account balance at retirement based on certain assumptions</b>	
1. Yes	72
2. No	26
3. DK/REF	3
<b>provide plan participants with customized estimates of their potential income in retirement based on certain assumptions</b>	
1. Yes	70
2. No	27
3. DK/REF	2
<b>provide non-participating employees with examples of how much they could save by retirement if they started contributing to the 401(k) plan</b>	
1. Yes	75
2. No	23
3. DK/REF	2
<b>provide other financial education opportunities and resources to employees</b>	
1. Yes	71
2. No	27
3. DK/REF	2
<b>something else to increase participation or increase savings in your plan? (specify)</b>	
1. Yes	25
2. No	67
3. DK/REF	7

**BASE: Q700=6 or 7:**

**Q705.** Please specify.

	Base: Q700=6 or 7 N=614	Base: All N=806
	%	%
Meetings/Conferences/Classes	48	37
Information	27	21
Consultants/Other External Advisors	10	8
Tools	6	5
Plan Provider or Related	4	3
Education/Training	4	3
Other	21	16

**BASE: Q700=6:**

**Q710.** Are the financial education opportunities and resources that your company provides available to only employees who participate in the 401(k) plan or to all employees who are eligible for the 401(k) plan even if they don't participate? {Check one.}

	Total N=573
	%
1. Only employees who participate in the 401(k) plan	8
2. All employees who are eligible for the 401(k) plan even if they don't participate	91
3. Other	1
4. DK/REF	1

**BASE: Q710=other:**

**Q715.** Please specify

**Eligibility and Participation**

**BASE: ALL QUALIFIED**

**Q900.** Earlier you said that your company has a total of about {insert Q400 response} employees in all locations in the United States, excluding contract workers and temporary employees. About how many of your company's XXXX employees are eligible for your company's 401(k) plan?. [If necessary, read "Your best guess is fine." Record an actual #]

# of employees eligible for 401(k): \_\_\_\_\_ {Ensure that # does not exceed total # of employees per Q400}, OR

	Total N=806
	%
1. Less than 100	2
2. 100-499	12
3. 500-999	36
4. 1000-1499	13
5. 1500-2499	13
6. 2500-4999	10
7. 5000+	10
8. DK/REF	3

**BASE: Q900=DK or Ref:**

**Q901.** Would you say that {reverse order for 50%: all, most, some, or just a few} of your company's total employees are eligible for your company's 401(k) plan?

*Results not displayed due to insufficient base.*

**Q902.** And, of these employees who are eligible for your company's 401(k) plan, how many currently participate? [If necessary, read "Your best guess is fine." Record an actual #. { Ensure that # of participants does NOT exceed total # in Q900 if provided # in Q900. If no # provided in Q900, ensure that total # does not exceed Q400 response }

# of employees who participate in 401(k): \_\_\_\_\_

	Total N=806 %
1. Less than 100	8
2. 100-499	28
3. 500-999	26
4. 1000-1499	8
5. 1500-2499	10
6. 2500-4999	6
7. 5000+	4
8. DK/REF	11

**BASE: Q902=DK or Ref**

**Q903.** Of the employees at your company who are eligible for the 401(k) plan, would you say that {reverse order for 50%: all, most, some, or just a few} of them actually participate in the 401(k) plan?

*Results not displayed due to insufficient base.*

## Demographics

**Q903.** Which of the following benefits does your company provide to employees: [MULTIPLE RESPONSE]

	Total N=806 %
<b>A defined benefit retirement plan, including a traditional pension plan or a cash-balance plan, that provides employees a payment in retirement based on their salary and years of service</b>	
1. Yes	29
2. No	70
3. DK/REF	1
<b>Medical insurance</b>	
1. Yes	99
2. No	1
3. DK/REF	<0.5
<b>Dental insurance</b>	
1. Yes	98
2. No	2
3. DK/REF	<0.5
<b>Vision insurance</b>	
1. Yes	84
2. No	16
3. DK/REF	<0.5
<b>Paid vacation leave</b>	
1. Yes	99
2. No	1
3. DK/REF	<0.5
<b>Paid sick leave</b>	
1. Yes	87
2. No	13
3. DK/REF	1
<b>None of these</b>	
1. None of the above	<0.5

**Base: Offer a DB Plan [Q903=1]:**

**Q904.** Is your company considering making any changes to your defined benefit plan within the next 12 months?

	Total
	N=231
	%
1. Yes	11
2. No	86
3. DK/REF	3

**Base: Considering changing DB Plan [Q904=1]:**

**Q904-b.** Which of the following changes is your company considering making to your defined benefit plan within the next 12 months . . [Randomize. Allow multiple responses.]

*Results not displayed due to insufficient base.*

**Base: Q904-b=other changes:**

**Q904-c.** Please specify

**BASE: ALL QUALIFIED RESPONDENTS**

**Q905** Does your 401(k) plan currently offer employer matching contributions?

	Total
	N=806
	%
1. Yes	74
2. No	25
3. DK/REF	1

**Base: Q905= no match**

**Q907.** Has your 401(k) plan offered employer matching contributions at any time since January 2008?

	Total
	N=212
	%
1. Yes	49
2. No	50
3. DK/REF	1

**Base: If no match currently and offered a match at some point since Jan 08 [Q905=2 and Q907=1]:**

**Q908.** To the best of your knowledge, will your company resume offering employer matching contributions within the next 2 years?

	Total
	N=105
	%
1. Yes	72
1a. ....Within next 12 months	33
1b. ....More than 12 months from now	34
1c. ....Don't know when	5
2. No	8
3. DK/REF	20

**Base: If no match currently and did not offer a match at some point since Jan 08 [Q905=2 and Q907=2]:**

**Q909.** To the best of your knowledge, will your company start offering employer matching contributions within the next 2 years?

	Total
	N=106
	%
1. Yes	14
1a. ....Within next 12 months	4
1b. ....More than 12 months from now	10
2. No	80
3. DK/REF	6

**BASE: ALL QUALIFIED RESPONDENTS**

**Q910** Which of the following best describes the industry or type of business your organization is primarily involved in? [READ LIST]

	Total
	N=806
	%
1. Services (NET)	63
2. Goods-Producing (NET)	34
3. Other	2
4. DK/REF	1

**BASE: OTHER Q910/10**

**Q915** Please specify. [RECORD VERBATIM]

**BASE: ALL QUALIFIED RESPONDENTS**

**Q.920.** Roughly what percentage of your total workforce in all your locations in the United States is a **member of a labor union**? [IF RESPONDENT IS NOT SURE, READ: If you are not sure, your best estimate is fine.]

	Total
	N=806
	%
1. 0%-25%	84
2. 26%-50%	5
3. More than 50%	6
4. DK/REF	6

**BASE: ALL QUALIFIED RESPONDENTS**

**Q925** Roughly what percentage of your total workforce in all your locations in the United States is **age 50 years or older**? [IF RESPONDENT IS NOT SURE, READ: If you are not sure, your best estimate is fine.]

	Total
	N=806
	%
1. 0%-25%	37
2. 26%-50%	35
3. More than 50%	4
4. DK/REF	25

**BASE: ALL QUALIFIED RESPONDENTS**

**Q930** What is the annual gross sales volume or revenue for your organization? Is it...

	Total N=806 %	Base: All who responded (n=454) %
1. Less than \$5 million	4	6
2. \$5 million to less than \$25 million	10	18
3. \$25 million to less than \$100 million	12	21
4. \$100 million to less than \$500 million	14	25
5. \$500 million to less than \$1 billion	7	13
6. \$1 billion to less than \$2 billion	4	6
7. \$2 billion or more	6	11
8. DK/REF	44	--

**BASE: ALL QUALIFIED RESPONDENTS**

**Q935** What is your current job title? [DO NOT READ LIST]

	Total N=806 %
1. Senior HR Staff (NET)	53
2. Non-Senior HR Staff (NET)	31
3. Senior Non-HR Staff (NET)	14
4. Non-Senior Non-HR Staff (NET)	<0.5
5. Other	1
6. DK/REF	2

**BASE: ALL QUALIFIED RESPONDENTS**

**Q940** In which state, or states, does your business operate? [ALLOW MULTIPLE RESPONSES]

	Total N=806 %		Total N=806 %
Alabama	9	Nebraska	4
Alaska	3	Nevada	5
Arizona	10	New Hampshire	3
Arkansas	6	New Jersey	10
California	23	New Mexico	4
Colorado	11	New York	13
Connecticut	7	North Carolina	10
Delaware	3	North Dakota	2
District of Columbia	4	Ohio	11
Florida	19	Oklahoma	6
Georgia	14	Oregon	6
Hawaii	2	Pennsylvania	14
Idaho	4	Rhode Island	2
Illinois	17	South Carolina	6
Indiana	11	South Dakota	2
Iowa	6	Tennessee	10
Kansas	6	Texas	23
Kentucky	8	Utah	5
Louisiana	5	Vermont	1
Maine	3	Virginia	11
Maryland	6	Washington	8
Massachusetts	8	West Virginia	4
Michigan	9	Wisconsin	9
Minnesota	9	Wyoming	3
Mississippi	5	All of them	13
Missouri	8	DK/REF	4
Montana	2		

**BASE: ALL QUALIFIED RESPONDENTS**

**Q945** Gender [RECORD FROM OBSERVATION. IF NECESSARY, READ, "For classification purposes, can you please state your gender?"]

	Total N=806 %
1. Male	27
2. Female	73

**Base: All Who Have Auto Enrollment [Q500=1] Ideal respondents are those who answer “2” to Q525.**

**Q1000.** This survey is being sponsored by AARP. In an effort to educate other employers about best practices in the area of 401(k) plans, AARP may be interested in conducting follow-up interviews with you or another appropriate person at your company. We think your company may be a good candidate for a follow-up interview given your 401(k) plan’s noteworthy automatic features. Would you be willing to participate in a follow-up interview with either someone at AARP or a consultant working for AARP in order to answer a few more questions about your company’s experiences with automated 401(k) plan features?

[If respondent is unsure or if resistant, explain: The information provided by your company in any follow-up interview will be used to help educate other employers about the experiences of other companies that have implemented automatic 401(k) plan features and to help disseminate information about best practices. The information provided by your company in any follow-up interview will remain confidential unless you or your company chooses to give AARP permission to share the information.

	Total
	N=806
	%
1. Yes	52
2. No	48
3. DK/No response	1

**Base: Someone else would be better [Q1000=3]**

**Q1005.** Who at your company would you suggest we contact for this follow-up interview?

Capture name (first and last), title, and phone # with area code.

**Base: Willing to be contacted for follow-up interview [Q1000=1]**

**Q.1010.** Verify name (first and last), title, and phone # with area code.



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