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

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.

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?*

![Bar chart showing differences in familiarity across employers with various features.]

*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

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.

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

---

2 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)

Only new hires 58%  
All non-participating employees who were eligible for the plan 35%  
Don’t Know/Refused 6%

*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 employers 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)

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just one time</td>
<td>80%</td>
</tr>
<tr>
<td>Annually</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
<tr>
<td>Don’t Know/Refused</td>
<td>4%</td>
</tr>
</tbody>
</table>

*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)

![Pie chart showing percentages of responses](image)

*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.

![Pie chart showing responses](image)

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

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%).

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

<table>
<thead>
<tr>
<th>Reason</th>
<th>Employers without auto enrollment (n=397)</th>
<th>Employers with auto enrollment (n=183)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your company is concerned about your organization’s matching costs</td>
<td>28%</td>
<td>39%</td>
</tr>
<tr>
<td>Your company thinks employees would find it confusing</td>
<td>53%</td>
<td>50%</td>
</tr>
<tr>
<td>Your company thinks employees would not like it</td>
<td>64%</td>
<td>70%</td>
</tr>
<tr>
<td>Your company thinks it would be too difficult to implement administratively</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>Your company needs more information</td>
<td>24%</td>
<td>13%</td>
</tr>
<tr>
<td>Your company hasn’t thought about it</td>
<td>29%</td>
<td>21%</td>
</tr>
<tr>
<td>Your company doesn’t know enough about it</td>
<td>21%</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
<td>15%</td>
</tr>
</tbody>
</table>

*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

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)

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Individual</td>
<td>66%</td>
</tr>
<tr>
<td>CFO/Financial</td>
<td>54%</td>
</tr>
<tr>
<td>CEO</td>
<td>38%</td>
</tr>
<tr>
<td>Other Senior Management</td>
<td>24%</td>
</tr>
<tr>
<td>Legal Counsel/General Counsel</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
</tr>
<tr>
<td>Committee</td>
<td>8%</td>
</tr>
</tbody>
</table>

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

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
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?*

<table>
<thead>
<tr>
<th></th>
<th>Both Automatic Features (n=156)</th>
<th>Automatic Enrollment Only (n=185)</th>
<th>Automatic Escalation Only (n=66)</th>
<th>Neither Automatic Feature (n=399)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A)</td>
<td>(B)</td>
<td>(C)</td>
<td>(D)</td>
</tr>
<tr>
<td>Costs of additional employer matches</td>
<td>52%</td>
<td>46%</td>
<td>67%&lt;sup&gt;A,B&lt;/sup&gt;</td>
<td>61%&lt;sup&gt;B&lt;/sup&gt;</td>
</tr>
<tr>
<td>Other cost implications</td>
<td>47%</td>
<td>44%</td>
<td>73%&lt;sup&gt;A,B&lt;/sup&gt;</td>
<td>65%&lt;sup&gt;A,B&lt;/sup&gt;</td>
</tr>
<tr>
<td>Impact on non-discrimination testing</td>
<td>76%&lt;sup&gt;B&lt;/sup&gt;</td>
<td>69%</td>
<td>78%&lt;sup&gt;D&lt;/sup&gt;</td>
<td>66%</td>
</tr>
<tr>
<td>Information about legal and liability issues</td>
<td>75%</td>
<td>77%</td>
<td>84%</td>
<td>75%</td>
</tr>
<tr>
<td>Basic information about auto enrollment</td>
<td>83%&lt;sup&gt;C,D&lt;/sup&gt;</td>
<td>77%&lt;sup&gt;D&lt;/sup&gt;</td>
<td>65%</td>
<td>57%</td>
</tr>
<tr>
<td>Experiences of other employers</td>
<td>54%</td>
<td>52%</td>
<td>70%&lt;sup&gt;A,B&lt;/sup&gt;</td>
<td>65%&lt;sup&gt;A,B&lt;/sup&gt;</td>
</tr>
<tr>
<td>Best practices</td>
<td>76%</td>
<td>71%</td>
<td>79%</td>
<td>70%</td>
</tr>
<tr>
<td>Benchmarking data</td>
<td>63%</td>
<td>60%</td>
<td>72%</td>
<td>66%</td>
</tr>
<tr>
<td>Guidance for employee communication</td>
<td>70%</td>
<td>66%</td>
<td>72%</td>
<td>64%</td>
</tr>
<tr>
<td>Implementation and maintenance</td>
<td>70%</td>
<td>65%</td>
<td>69%</td>
<td>66%</td>
</tr>
<tr>
<td>Effects on plan pricing / fees of providers</td>
<td>41%</td>
<td>53%&lt;sup&gt;A&lt;/sup&gt;</td>
<td>77%&lt;sup&gt;A,B&lt;/sup&gt;</td>
<td>68%&lt;sup&gt;A,B&lt;/sup&gt;</td>
</tr>
<tr>
<td>Questions to ask your plan provider</td>
<td>57%</td>
<td>59%</td>
<td>55%</td>
<td>65%</td>
</tr>
<tr>
<td>Investment default options</td>
<td>67%&lt;sup&gt;B&lt;/sup&gt;</td>
<td>65%&lt;sup&gt;B&lt;/sup&gt;</td>
<td>58%</td>
<td>51%</td>
</tr>
<tr>
<td>None of the above</td>
<td>--</td>
<td>4%</td>
<td>8%</td>
<td>11%&lt;sup&gt;B&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

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)*

![Bar Chart]

*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)

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee challenges</td>
<td>21%</td>
</tr>
<tr>
<td>It’s the employee’s decision/choice</td>
<td>15%</td>
</tr>
<tr>
<td>Content as is</td>
<td>13%</td>
</tr>
<tr>
<td>Administrative challenges</td>
<td>9%</td>
</tr>
<tr>
<td>Economy</td>
<td>8%</td>
</tr>
<tr>
<td>They already opted out</td>
<td>6%</td>
</tr>
<tr>
<td>Cost</td>
<td>4%</td>
</tr>
<tr>
<td>Not necessary</td>
<td>4%</td>
</tr>
<tr>
<td>Enroll new hires only</td>
<td>4%</td>
</tr>
<tr>
<td>Corporate policy</td>
<td>4%</td>
</tr>
<tr>
<td>Lack of information</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
<tr>
<td>Don’t know/refused</td>
<td>14%</td>
</tr>
</tbody>
</table>

*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%).

![Chart showing reasons for not having automatic enrollment](chart-image)

*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)

<table>
<thead>
<tr>
<th>Effort</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow employees ages 50+ to make “catch-up” contributions to your 401(k) plan</td>
<td>95%</td>
</tr>
<tr>
<td>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</td>
<td>82%</td>
</tr>
<tr>
<td>Provide non-participating employees with examples of how much they could save by retirement if they started contributing to the 401(k) plan</td>
<td>75%</td>
</tr>
<tr>
<td>Provide plan participants with customized estimates of their potential 401(k) account balance at retirement based on certain assumptions</td>
<td>72%</td>
</tr>
<tr>
<td>Provide other financial education opportunities and resources to employees</td>
<td>71%</td>
</tr>
<tr>
<td>Provide plan participants with customized estimates of their potential income in retirement based on certain assumptions</td>
<td>70%</td>
</tr>
<tr>
<td>Something else to increase participation or increase savings in your plan</td>
<td>25%</td>
</tr>
</tbody>
</table>

*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)

- All employees who are eligible for the 401(k) plan even if they don’t participate: 91%
- Only employees who participate in the 401(k) plan: 8%
- Don’t know/refused: 1%
- Other: 1%

*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%).