

BEHAVIORAL DECISION MAKING Benchmark at a Glance



Are you curious about how other organizations are implementing behavioral decision making into their plan design? Below is a composite of findings from International Foundation research that shows prevalence of various tactics. The research looks at tools that capitalize on behavioral research theories as well as some hurdles organizations face. Unless indicated, all data represents United States and Canadian responses. To find more International Foundation research, go to www.ifebp.org/research.

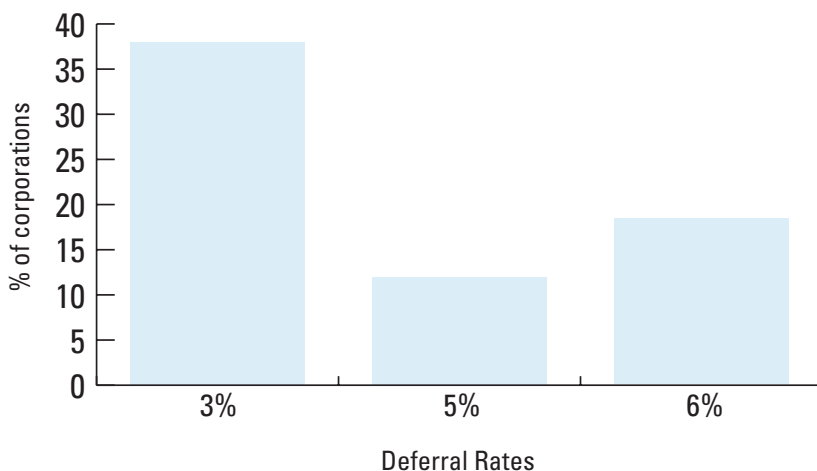
From *Employee Benefits Survey: 2016 Results* (U.S. data only)

Use of Automatic Enrollment in DC Plans

	Corporations n = 190	Public Employers n = 23	Multiemployer Plans n = 107	Overall n = 320
Yes	58.9%	26.1%	65.4%	58.8%
No	41.1%	73.9%	34.6%	41.3%

Default Deferral Rate for Those Automatically Enrolled in DC Plans

Among corporations, the most common default deferral rates are:



Use of Autoescalation in DC Plans

	Corporations n = 188	Public Employers n = 22	Multiemployer Plans n = 101	Overall n = 311
Yes	32.4%	4.5%	3.0%	20.9%
No	67.6%	95.5%	97.0%	79.1%

Autoescalation Deferral Rate Increase in DC Plans

Among corporations with an autoescalation feature, the typical rate of increase is 1%.

Autoescalation Cap in DC Plans

Corporations typically cap the autoescalated deferral rate at 10%.

Types of Simplified Investment Features in DC Plans*

	Corporations n = 193	Public Employers n = 24	Multiemployer Plans n = 112	Overall n = 329
Automatic portfolio rebalancing	45.6%	16.7%	22.3%	35.6%
Managed accounts	42.5%	41.7%	31.3%	38.6%
Target-retirement-date/lifecycle funds	79.3%	58.3%	46.4%	66.6%
Target-risk/lifestyle funds	25.4%	12.5%	21.4%	23.1%
None	9.8%	25.0%	34.8%	19.5%

*Respondents were asked to select all that apply.

DC Plan Final Distribution Options*

	Corporations n = 164	Public Employers n = 17	Multiemployer Plans n = 102	Overall n = 283
Annuity	41.5%	64.7%	53.9%	47.3%
Installment payments	59.8%	58.8%	62.7%	60.8%
Lump-sum payment	95.7%	94.1%	84.3%	91.5%
Other	0.0%	5.9%	3.9%	1.8%

*Respondents were asked to select all that apply.

From *Financial Education for Today's Workforce: 2016 Survey Results*

Biggest Obstacles in Providing Financial Education*

	Corporations (n = 157)	Public Employers (n = 66)	Multiemployer Plans (n = 183)	Overall (n = 406)
Lack of interest among participants	51.0%	48.5%	66.7%	57.6%
Lack of time/resources	44.6%	33.3%	20.8%	32.0%
Multiple locations/shifts	29.9%	33.3%	32.8%	31.8%
Cost of providing education	35.0%	22.7%	13.7%	23.4%
Lack of support from organization's leaders	17.8%	13.6%	12.6%	14.8%
Liability concerns	15.3%	18.2%	12.6%	14.5%
Not equipped to create or find financial education resources	9.6%	12.1%	8.7%	9.6%
Lack of trust among participants	10.8%	7.6%	7.1%	8.6%
Feeling this is not the role of our organization	5.7%	6.1%	12.0%	8.6%
Lack of need by participants	5.1%	7.6%	6.0%	5.9%
Multiple languages in the workplace	3.8%	1.5%	4.4%	3.7%
None. We have not experienced obstacles	6.4%	7.6%	8.2%	7.4%

*Respondents were asked to select up to three options.

Most Effective Financial Education Methods*

	Corporations (n = 120)	Public Employers (n = 51)	Multiemployer Plans (n = 98)	Overall (n = 269)
Free personal consultation services	60.0%	60.8%	55.1%	58.4%
Voluntary classes/workshops	50.8%	68.6%	51.0%	54.3%
Web-based/online resources and courses	41.7%	45.1%	38.8%	41.3%
Projected account balance statements and/or pension benefit statements	28.3%	35.3%	42.9%	34.9%
New-hire/participant orientation	31.7%	29.4%	27.6%	29.7%
Retirement income calculator	23.3%	21.6%	30.6%	25.7%
Newsletter	10.8%	21.6%	33.7%	21.2%
Gap statements that compare current savings to projected retirement needs	26.7%	9.8%	18.4%	20.4%
On-demand benefit statements	19.2%	7.8%	19.4%	17.1%
Mandatory classes/workshops	16.7%	7.8%	17.3%	15.2%
Retirement modeling software	19.2%	11.8%	12.2%	15.2%
E-mail messages	11.7%	17.6%	15.3%	14.1%
Internet links to informational sites	7.5%	11.8%	20.4%	13.0%
Workbooks	7.5%	3.9%	12.2%	8.6%
Payroll stuffers	4.2%	5.9%	9.2%	6.3%
Intranet information	4.2%	7.8%	8.2%	6.3%
Social media (e.g., tweets, blogs)	3.3%	5.9%	7.1%	5.2%
DVD or video materials	1.7%	3.9%	7.1%	4.1%
Personal consultation services for a fee	3.3%	2.0%	3.1%	3.0%
Books	0.0%	2.0%	3.1%	1.5%

*Respondents were asked to select up to three options.

Offer Financial Education Targeted For Life Events

	Corporations (n = 120)	Public Employers (n = 51)	Multiemployer Plans (n = 98)	Overall (n = 269)
Yes	8.3%	15.7%	5.1%	8.6%
No, but considering	20.8%	17.6%	16.3%	18.6%
No	70.8%	66.7%	78.6%	72.9%

Provide Participation Incentives

	Corporations (n = 120)	Public Employers (n = 51)	Multiemployer Plans (n = 98)	Overall (n = 269)
Yes	13.3%	13.7%	9.2%	11.9%
No, but considering	8.3%	3.9%	13.3%	9.3%
No	78.3%	82.4%	77.6%	78.8%

Uses of Participant Data*

	Corporations (n = 157)	Public Employers (n = 66)	Multiemployer Plans (n = 183)	Overall (n = 406)
To project upcoming workforce retirement trends	28.7%	42.4%	47.0%	39.2%
To determine whether retirement plan(s) help participants attain income replacement goals	23.6%	15.2%	23.5%	22.2%
To target participants not on pace to meet retirement income replacement goals with communication/education	19.7%	13.6%	10.4%	14.5%
None	52.2%	48.5%	44.3%	48.0%

*Respondents were asked to select all that apply.

From *A Closer Look: What's Working in Workplace Financial Education 2016-2017*

This study compared the strategies and initiatives of organizations with successful financial education programs with those of organizations not experiencing success to reveal hints for offering an effective program.

Financial Education Approach by Success/Nonsuccess

	Successful (n = 181)	Not Successful (n = 88)	Percentage Point Difference
It is our organizational responsibility to educate on pension and benefit options, encourage retirement savings and improve participant financial literacy/money management.	49.2%	37.5%	11.7
Improving participant/employee retirement asset allocation/investment decisions is among the most important reasons for providing financial education.	47.0%	33.0%	14.0
One of the biggest obstacles to providing financial education to participants/employees has been costs and/or a lack of leadership support.	25.4%	50.0%	-24.6

Financial Education Strategies by Success/Nonsuccess

	Successful (n = 181)	Not Successful (n = 88)	Percentage Point Difference
Education is provided during normal work hours.	78.5%	70.5%	8.0
Organization provides financial education to participants' spouses.	45.3%	28.4%	16.9
Organization has customized financial education programs for specific groups.	32.6%	13.6%	19.0
Data is used to determine whether retirement plans help participants attain income replacement goals.	30.4%	18.2%	12.2
Organization provides financial education in a language other than English.	29.8%	20.5%	9.3
Eligibility requirements for participation in your financial education	29.8%	30.7%	-0.9
Organization has assessed which financial education topics are most needed.	29.3%	0.0%	29.3
Organization provides financial education to retirees.	28.2%	12.5%	15.7
Organization has a budget devoted to financial education.	27.1%	5.7%	21.4
Data is used to target communication/education to participants not on pace to meet retirement income replacement goals.	23.2%	11.4%	11.8
Incentives are provided for participating in financial education initiatives.	12.7%	10.2%	2.5
Organization targets financial education around life events.	11.6%	2.3%	9.3
Some financial education is mandatory for participants/employees.	9.4%	9.1%	0.3
Average total number of strategies used	4.3	2.7	1.6

From *Workplace Wellness Trends: 2017 Survey Results*

Use of Wellness Incentives*

	Corporations n = 299	Public Employers n = 119	Multiemployer Plans n = 61	Overall n = 479
Gift cards or gift certificates	40.5%	43.7%	19.7%	38.6%
Noncash incentives/prizes/raffles	35.1%	44.5%	13.1%	34.7%
Cash awards	27.1%	25.2%	9.8%	24.4%
Gym/fitness center discounts/reimbursements	21.4%	26.9%	13.1%	21.7%
Contributions to health accounts (e.g., HSAs, HRAs or FSAs)	18.1%	10.9%	4.9%	14.6%
Shared recognition of participant progress	14.7%	15.1%	3.3%	13.4%
Additional time off	10.4%	10.9%	8.2%	10.2%
Reimbursement of worker costs upon completion of outside wellness initiative	5.7%	5.0%	4.9%	5.4%
Charitable contributions on behalf of workers	6.0%	4.2%	3.3%	5.2%
Salary incentives	0.0%	0.0%	1.6%	0.2%
No incentives offered	21.7%	20.2%	49.2%	24.8%

*Respondents were asked to select all that apply.

Initiatives With Attached Incentives*

	Corporations n = 299	Public Employers n = 119	Multiemployer Plans n = 61	Overall n = 479
Health screening	30.4%	36.1%	13.1%	29.6%
Health risk assessment/appraisal	28.4%	35.3%	19.7%	29.0%
Fitness program/competition	22.4%	37.0%	13.1%	24.8%
Smoking-cessation program	22.4%	21.8%	13.1%	21.1%
Weight loss/management program	18.4%	20.2%	8.2%	17.5%
Flu shot program	16.7%	23.5%	3.3%	16.7%
Health care coach/advocate	12.0%	21.0%	4.9%	13.4%
Health fair	10.0%	18.5%	8.2%	11.9%
Nutrition program	9.7%	16.8%	0.0%	10.2%
None	49.8%	42.9%	62.3%	49.7%

*Respondents were asked to select all that apply.