

# 2020 Participant Satisfaction Survey

August 24, 2020



**Thrift Savings Plan**

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
tsp.gov

tsp4gov @



# Agenda



-  1) **Survey Overview**
-  2) **Overall Satisfaction**
-  3) **Contributions**
-  4) **Transactions**
-  5) **Communications and Interactions**
-  6) **TSP after Separation/Retirement**
-  7) **Desired Plan Features**
-  8) **Recommendations**
-  9) **Appendix**



# 2020 Survey Overview



**2017**

Year prior survey  
conducted

**20 Mar -11 May**

Fielding dates of  
survey

**14%**

Overall response  
rate

**22%**

FERS  
response  
rate

**3%**

BRS response  
rate (new  
population)

**15%**

US-Legacy  
response rate



## Key Takeaways

- The 2020 survey is the sixth since 2006
- CSRS not surveyed – small & rapidly declining population

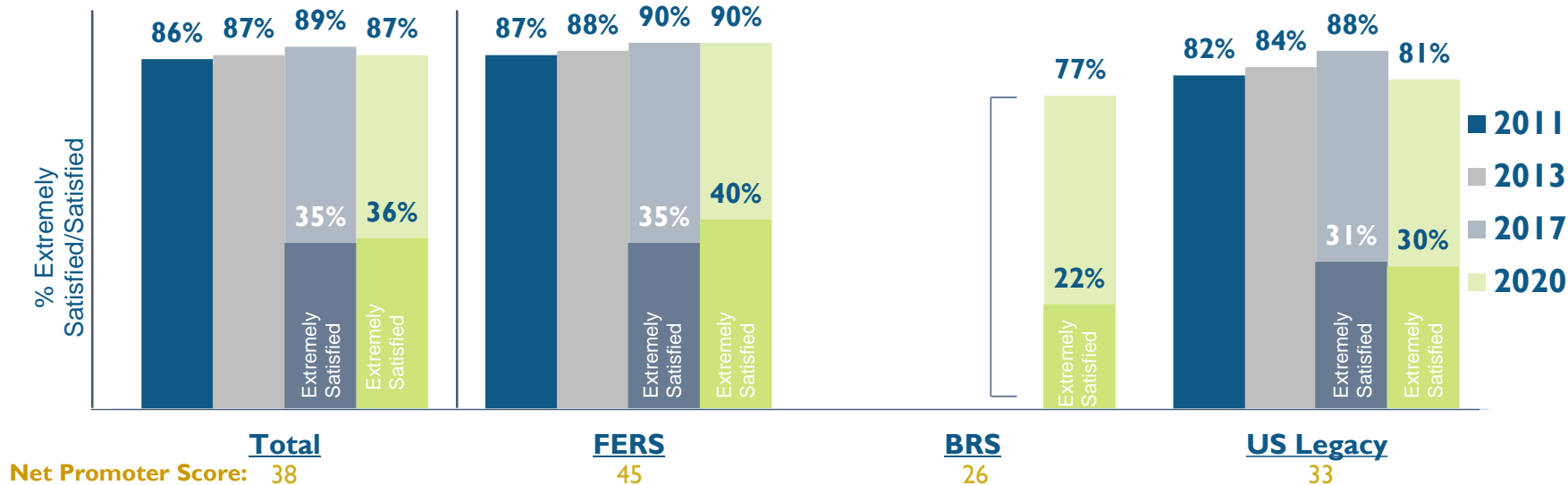
- Focus of survey was feature satisfaction (separate financial wellness survey planned for late 2020)



# Overall Satisfaction



## 2.1 How satisfied are you with the TSP overall?



### Key Takeaways

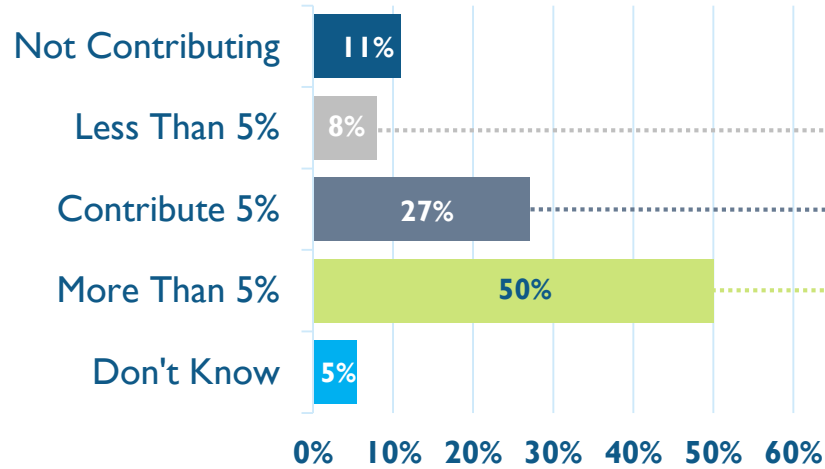
- Overall satisfaction down slightly – but on par with previous surveys
- Decline attributable to lower satisfaction of new BRS & US-Legacy groups

- BRS/Legacy ratings lower in many areas: **Access to account, Flexibility of WD options, and Ability to out a take loan**



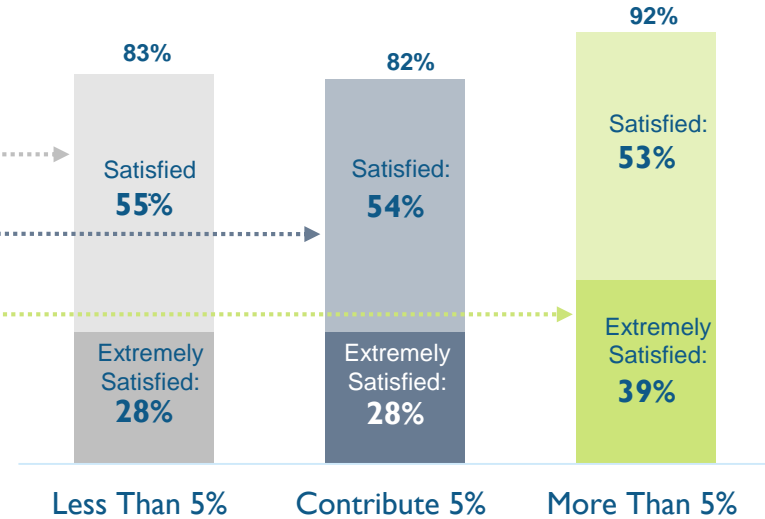
# Contributions

## 3.1 Contribution Amount to TSP\*



\*Self-reported Contribution Rate of Active Participants

## 3.2 TSP Satisfaction by % Contribution



### Key Takeaways

- Self-reported contribution rates track closely with observed contribution rates

- Participants contributing more than 5% are most satisfied with TSP

# Contributions - Less than 5%



## 3.3 Why are you currently contributing less than 5%\*

	Total Contribute <5%	<\$60,000	\$60,000 - <\$100,000	>\$100,000
Currently cannot afford to save that much	47%	30%	55%	54%
Never changed from original enrollment amount	26%	41%	24%	20%
Use other investments outside the TSP	13%	17%	5%	18%
Didn't know agency matched 5%	10%	7%	12%	3%
Other	9%	10%	10%	6%
Don't need to contribute that much to meet retirement goals	4%	0%	5%	6%
The process to change your contributions is too difficult	4%	1%	5%	6%

\* By household income



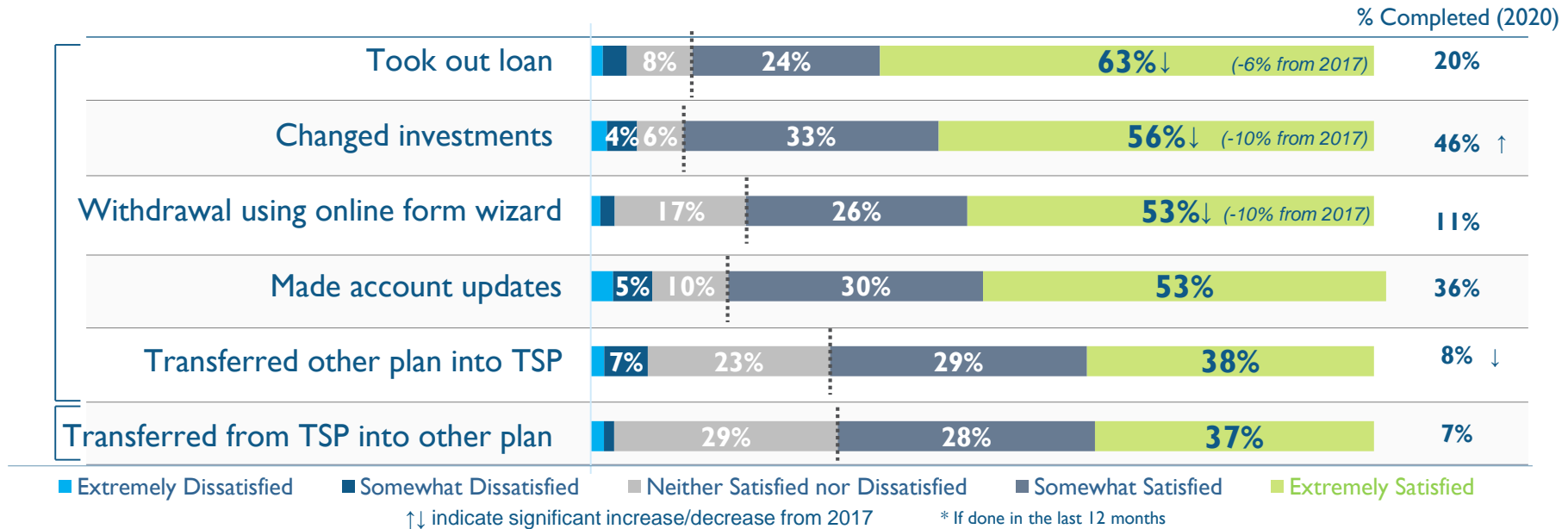
### Key Takeaways

- Affordability and inertia are the top reasons for not contributing 5%
- Inertia, not affordability, drives low contribution rate for lower earners
- Inertia suggests that lower income participants are less likely to opt-out when the default deferral rate increases to 5% in October 2020



# Transactions – Completion Times

## 4.1 Rate your satisfaction with the time it took to complete the following transactions:\*

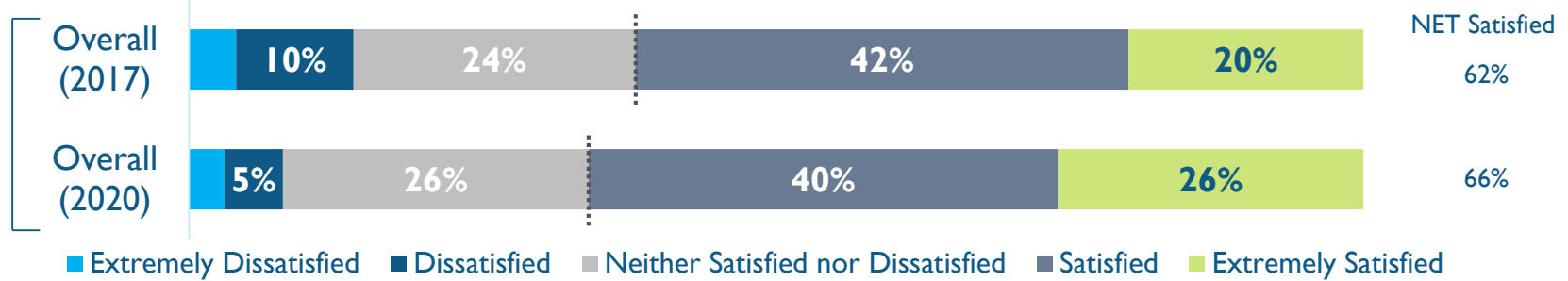


### Key Takeaways

- Majority are satisfied with transaction times across all transactions
- Satisfaction with Roll-ins / Roll-outs transaction times rated relatively lower

# Transactions – Withdrawal Options

## 4.2 How satisfied are you with the flexibility of withdrawal options?



## 4.3 How satisfied are you with the new withdrawal options?



### Key Takeaways

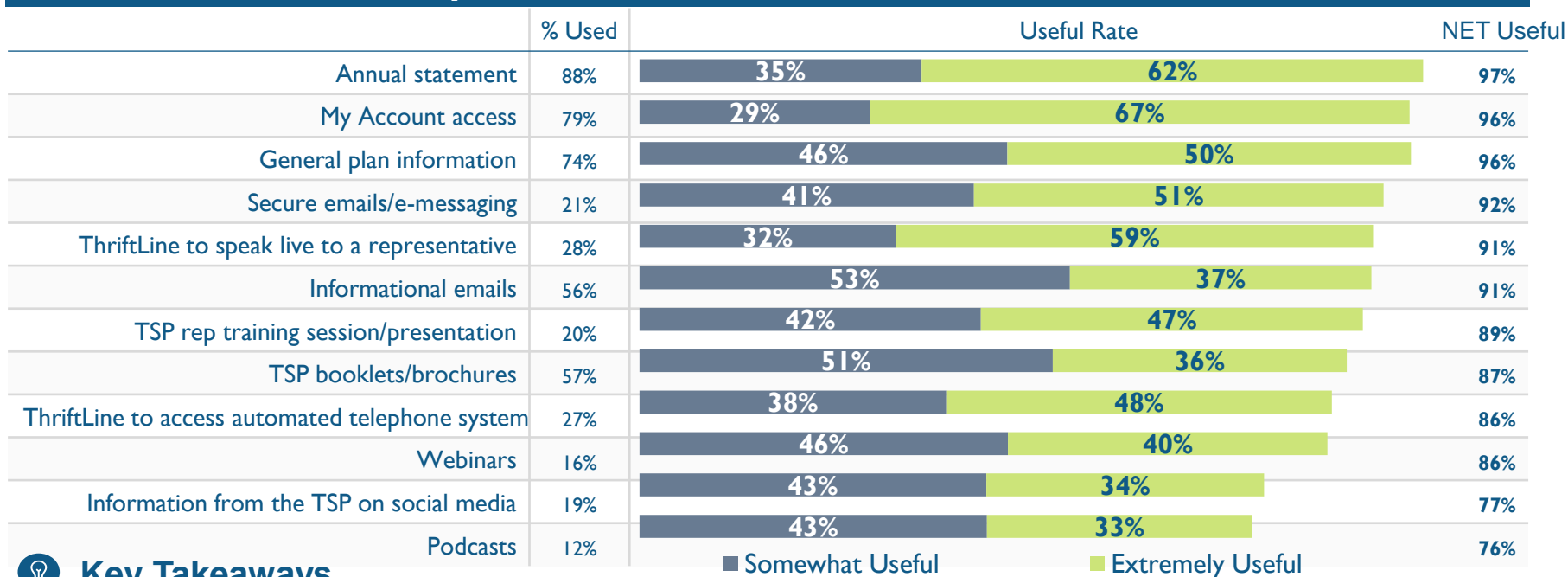
- Majority are satisfied with new withdrawal options
- Only 39% are aware of new withdrawal options



# Channel Usefulness



## 5.1 How would you rate the usefulness of the interactions with TSP?



### Key Takeaways

- The top three interactions participants have used are the annual statements, My Account, and plan info on tsp.gov
- Participants also rate these three channels as top in usefulness



# Communication Preferences



## 5.2 Select ways you prefer the TSP to communicate with you:

		Age		
		<30	30-49	50+
TSP website (tsp.gov)	69%	55%	77%	67%
Email	54%	63%	57%	50%
Paper statements by mail	50%	50%	39%	58%
Electronic statements on website	28%	23%	33%	27%
Participant Service Representative (Telephone)	16%	11%	11%	22%
Mobile applications	12%	25%	14%	6%
Printed material	12%	12%	6%	16%
Webinars/online training	8%	6%	8%	9%
In-person training	7%	12%	6%	7%
Online chat/assistance	6%	8%	8%	5%

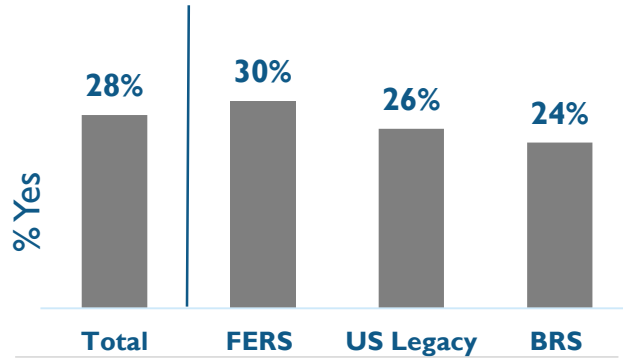
### Key Takeaways

- TSP.gov, email, and paper statements remain preferred communications channels
- Younger participants had a stronger preference for email, mobile applications and in-person training as compared to older participants

# Plan to Withdraw after Retirement

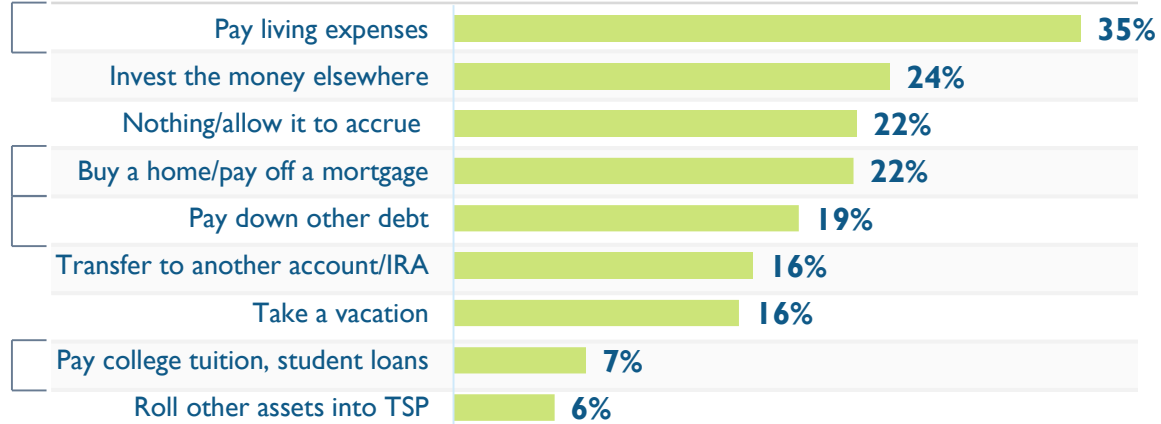
## 6.1 Plan to Withdraw Immediately?

(Separated / Not Retired)



Yes, plan to withdraw from TSP immediately after retirement

## 6.2 What are you going to do with Withdraw money after retirement?



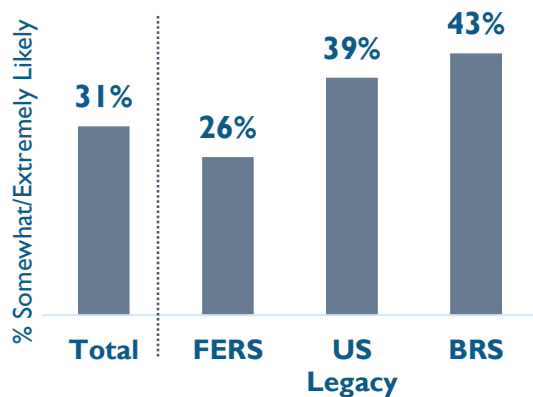
## Key Takeaways

- 28% of separated participants plan to withdraw immediately after retirement.
- 35% will draw down to pay living expenses / 22% will wait to take RMDs.
- Participants are using TSP in retirement as intended – paying living expenses, addressing housing needs, and managing debt.
- Only about one in four (24%) plan to invest the money elsewhere.

# Reasons Transferring TSP Funds

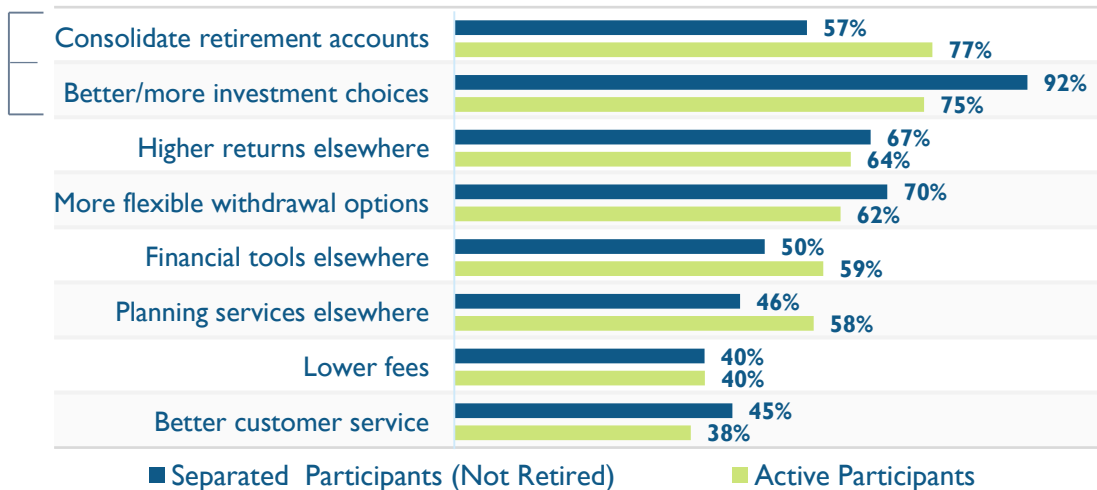


## 6.3 Active Participants' Transfer Plans



Likely to transfer money from TSP after leaving federal service

## 6.4 What reason do you plan to transfer money from your TSP account?



## Key Takeaways

- Three in ten (31%) of active participants plan to transfer money from the TSP after leaving Federal service
- Consolidation of retirement accounts and more investment choice are top reasons for moving funds out of the TSP

- In 2017, more flexible withdrawal options was the most named reason.
- Separated participants cared most about investment choices after retirement



# Desired Plan Features



## 7.1 Which of the following options would you **MOST** want the TSP to offer?\*

Options	Total	Age					
		>30	30 - 39	40 to 49	50 to 59	60 to 69	70+
SS, FERS/BRS/Military Pension, and TSP in one statement	45%	38%	37%	40%	56%	52%	35%
TSP mobile app	36%	68%	53%	43%	27%	15%	8%
Retirement savings calculator tool	34%	38%	40%	38%	34%	27%	19%
Tool to draw down TSP throughout retirement	29%	10%	18%	22%	36%	44%	50%
Convert TSP tax-deferred balance to Roth TSP	24%	17%	22%	25%	28%	25%	14%
Broader range of investment options	20%	16%	20%	26%	19%	18%	12%
Online financial advice (additional fee service)	17%	20%	23%	19%	15%	12%	9%
Auto rebalance	15%	18%	16%	10%	14%	18%	19%
Download account information for other financial applications	10%	7%	11%	11%	11%	10%	8%
AI personalized investment tools	10%	15%	12%	9%	9%	9%	5%



### Key Takeaways

\*Asked of all participants; three responses allowed

- Older participants want a statement that combines benefits and a tool to help with draw down decisions

- Younger participants want a mobile app



# Participant Suggestions

## 7.2 What ONE thing could the TSP do to better meet your retirement planning needs?

		FERS
Better instructions/information/tutorials	18%	18%
Provide investment advice/retirement plan	10%	14%
Easier access/log-in/CAC capability/easier password reset	9%	7%
More investment options	8%	9%
More transaction availability/transfers/deposits/withdrawals	7%	8%
Offer a mobile app	7%	5%
Other	4%	4%
More flexibility with contributions/sources/better matching	4%	2%

Only responses 4% or greater are shown.

### Key Takeaways

- Top requests (better instructions/information, investment advice/retirement planning, & more investment options) were similar to those in 2017
- Additional top requests in 2020 also included a request for easier online access and a mobile app

# Recommendations



## Participant Engagement: Findings

Auto-enrolled BRS participants had significantly lower response rates which are largely attributable to stale postal addresses (due to highly transitory nature) and to a lack of email addresses (due to fact that majority have not logged in to their accounts yet). Thus, many did not receive the survey.

BRS and US-Legacy groups have generally lower overall satisfaction rates with all features of the TSP.

Although participants identified TSP.gov as a key source of information and rated it as highly useful, participants predominantly named “better/ more information” when asked for one thing TSP can do better.

## Recommendations

Consider adding email address as one the data elements agencies/services submit when a new account is established. Alternatively, consider more proactive outreach to services after account establishment to collect participant emails.

Consider conducting focus groups with these populations to better understand their needs and establishing partnerships with service representatives to provide targeted educational materials.

The newly revised TSP.gov website may address this participant concern. However, consider continued post-implementation focus groups and enhancements to ensure TSP.gov is meeting participant information needs.



# Recommendations



## Contributions: Findings

Nearly 1/3<sup>rd</sup> of participants say they do not save at least 5% because they have not changed from the default deferral rate and therefore are not receiving the full 5% matching contributions.



## Recommendations

The planned increase in the default deferral rate in October 2020 will address this issue. Consider continued outreach and targeting messaging emphasizing the importance and advantages of savings at least 5% of income during implementation.



## Communication Channels: Findings

Over 57% of those younger than 40 want to interact with the TSP using mobile applications compared with 25% of those over 40.



## Recommendations

Consider providing a mobile app which participants can use to conduct transactions without the need for a laptop/desktop.





# Recommendations

## Transactions: Findings

Flexibility of Withdrawals remains a key driver in overall satisfaction and intent to stay with TSP. Separated participants specifically identified the ability to withdrawal from a specific fund as a withdrawal option that would help make withdrawal decisions easier.

## Retirement Planning: Findings

5 out of 11 (45%) of participants desire to see a consolidated estimate of their federal retirements in one place.

About 1/3rd of participants want individually tailored tools and calculators.

## Recommendations

While increased awareness and use of the new post-separation withdrawal options will further improve satisfaction in this area, consider providing the ability to make withdrawals from specific funds as opposed to pro-rata. Also, consider additional education on why in-service withdrawals are limited.

## Recommendations

Consider collaborations with the Social Security Administration, OPM and DFAS in order to examine ways to provide consolidated Federal retirement benefits information.

Consider providing enhanced tools to determine amount to save for retirement as well as how to drawdown savings in retirement. Consider enhancing current calculators to utilize individual participant information to provide a more personalized response.

Questions?

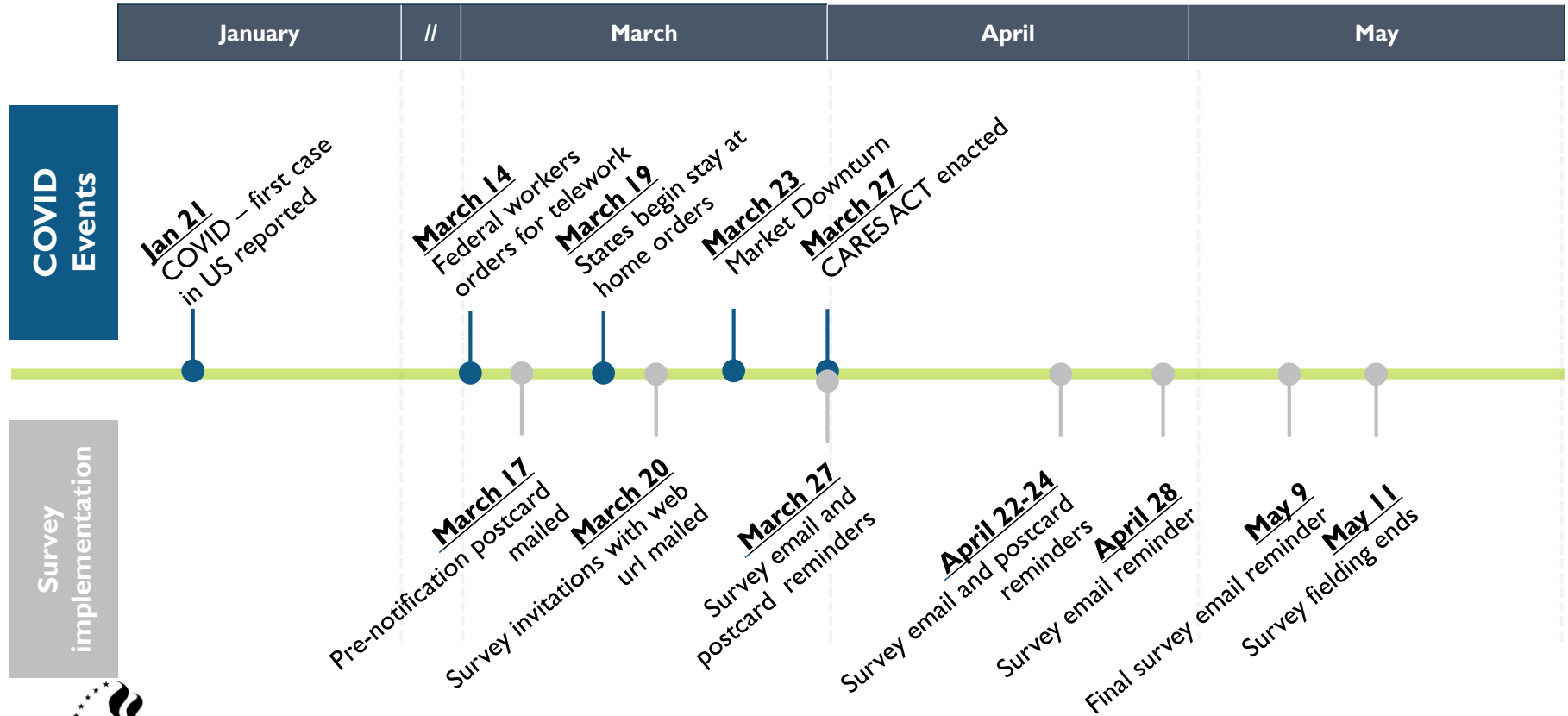


# Appendix

## Supplemental Survey Information



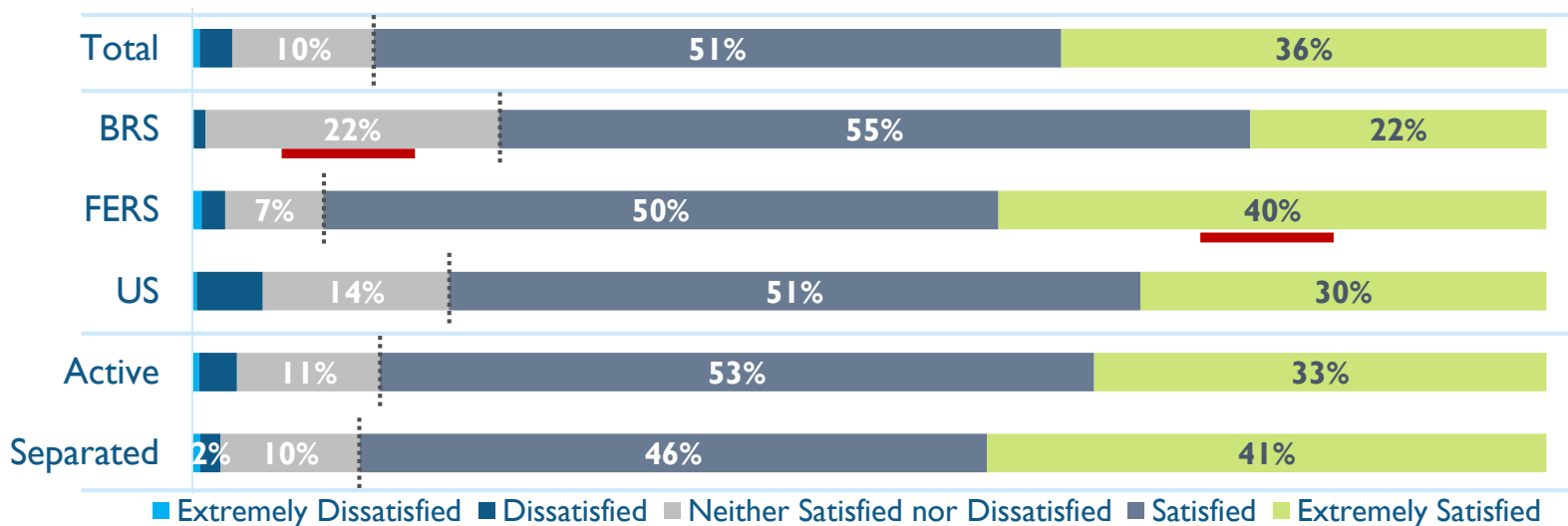
# Survey Environment



# Overall Satisfaction



## A.1 How satisfied are you with the TSP?



### Key Takeaways

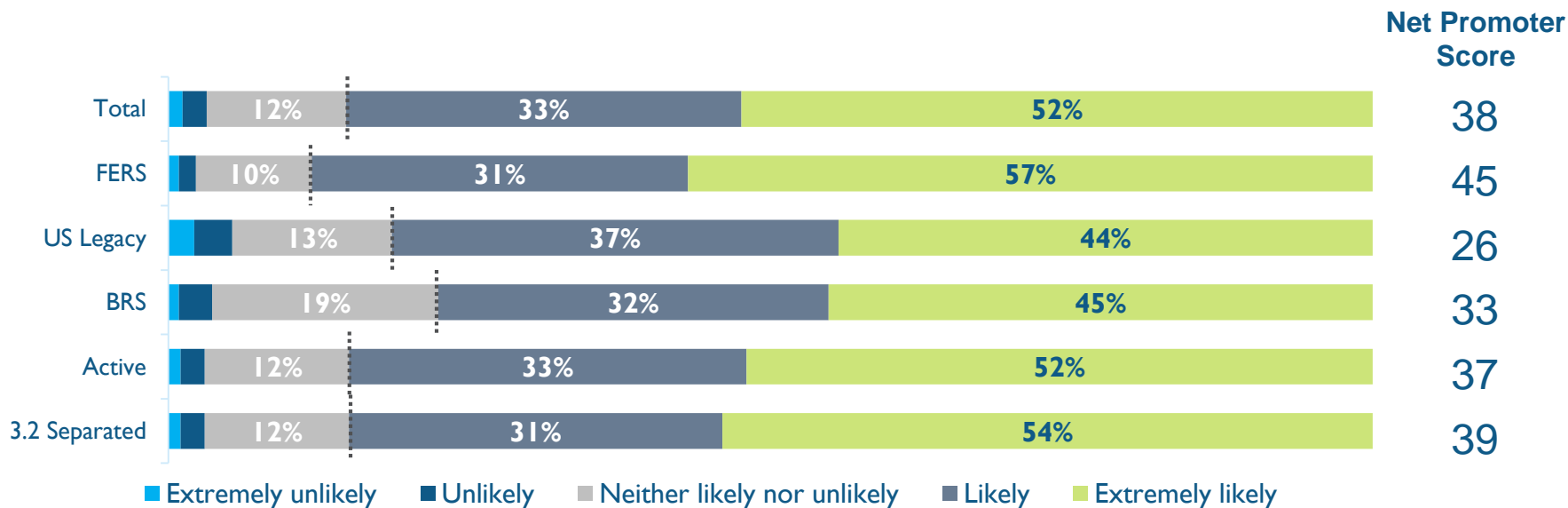
- FERS had the largest percentage (40%) of extremely satisfied participants, up from 35% in 2017

- BRS participants had the largest neutral ratings (22%) providing an opportunity for continued outreach and education for this new, primarily auto-enrolled population

# NET Promoter Scores



## A.2 How likely are you to recommend TSP?



### Key Takeaways

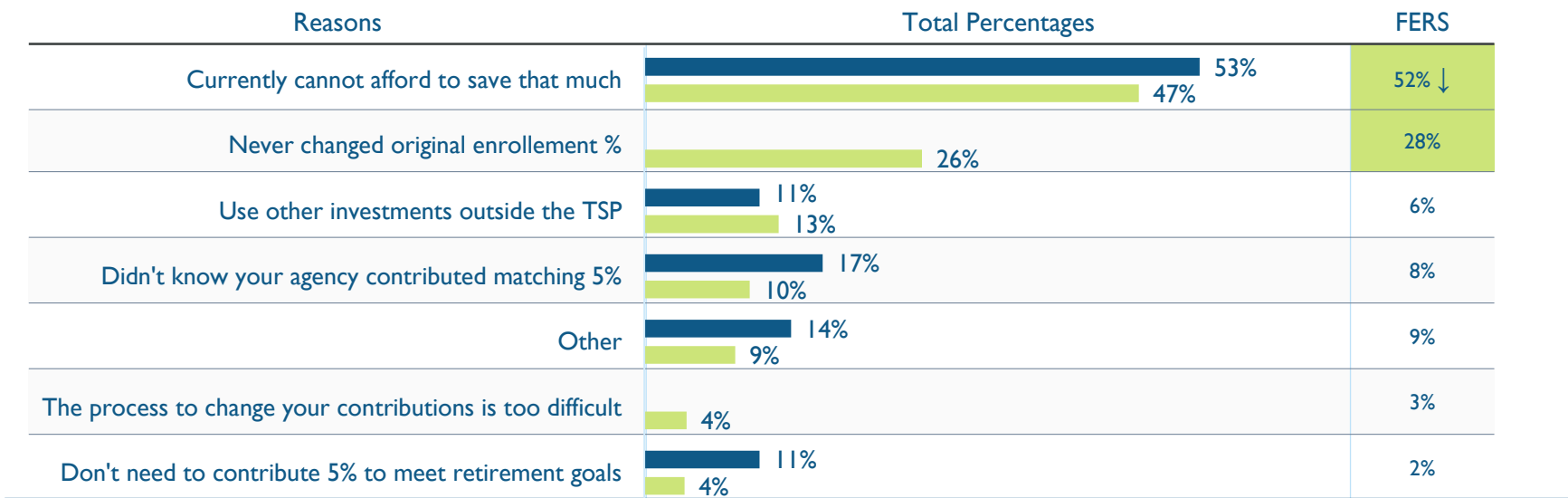
- Overall, 85% would recommend TSP to eligible friend, with 52% extremely likely to recommend

TSP promotor score compares favorably to overall financial services industry with NPS of 34.

# Contributions



## A.4 Why are you contributing less than 5%?



### Key Takeaways

■ 2017

■ 2020

↑↓ indicate significant increase/decrease from 2017

- Affordability and inertia are the top reasons for not contributing 5%

- Low-contributions (<5% of basic pay) with higher incomes cite affordability. Low-contributors with lower incomes cite never changing from default deferral rate



**Thrift Savings Plan**

# Communication Preferences



## A.3 Select ways you prefer the TSP to communicate with you:

		FERS	BRS
TSP website (tsp.gov)	69%	70%	60%
Email	54%	51%	67%
Paper statements received in the mail	50%	54%	42%
Electronic statements accessed on tsp.gov	28%	30%	22%
Participant Service Representative (Telephone)	16%	18%	10%
Mobile applications	12%	8%	23%
TSP booklets/other printed material	12%	14%	8%
Webinars/online training	8%	8%	7%
In-person training	7%	7%	15%
Online chat/assistance	6%	6%	7%
ThriftLine automated telephone service	6%	8%	3%

■ 2020

Shading denotes higher-rated items than other groups



### Key Takeaways

- TSP.gov, email and paper statements remain preferred communications channels

- BRS prefer email, mobile apps and in-person training more than FERS & US-Legacy participants



**Thrift Savings Plan**



# Account Access



## A.5 What, if any, difficulties have you had logging in to your My Account in the past 3 months?

		FERS	US-Legacy	BRS
Hard to remember my user ID/account name	<div><div></div></div> 13%	12%	14%	18%
Forgotten password difficult to retrieve	<div><div></div></div> 13%	12%	13%	18%
Didn't remember which email account	<div><div></div></div> 6%	5%	5%	14%
Didn't have phone/email access for authentication	<div><div></div></div> 4%	3%	5%	4%
Could not access from home	<div><div></div></div> 3%	4%	2%	4%
Didn't receive a code/access code timed out	<div><div></div></div> 3%	3%	3%	7%
Did not know how to access the code in my email	<div><div></div></div> 2%	2%	1%	4%

### Key Takeaways

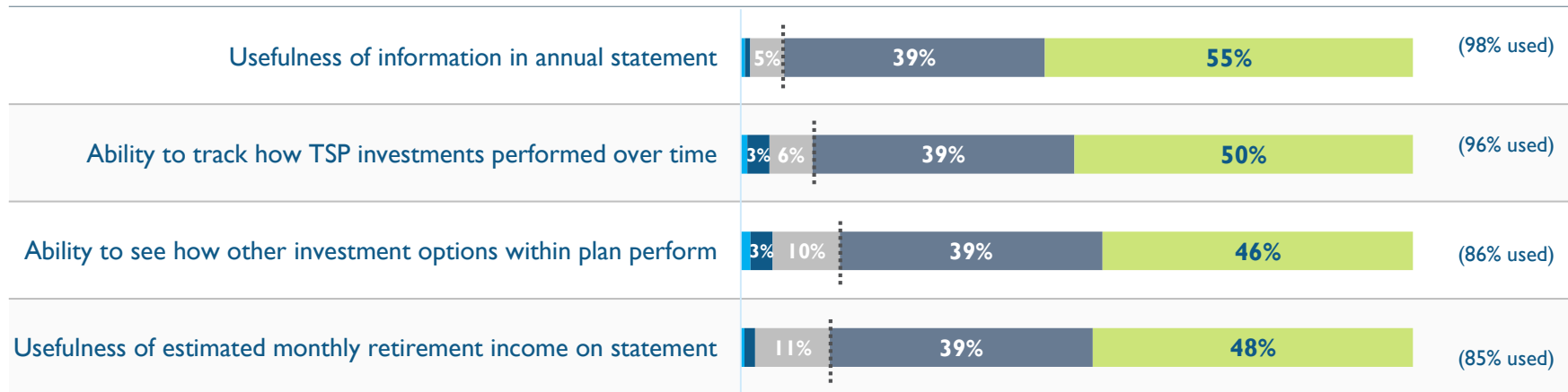
- Majority had no difficulties logging into their “My Account” – biggest issues are around user names and passwords - especially with BRS



# Annual Statements



## A.6 How satisfied are you with the following on your annual statement?\*



■ Extremely Dissatisfied ■ Somewhat Dissatisfied ■ Neither Satisfied nor Dissatisfied ■ Somewhat Satisfied ■ Extremely Satisfied

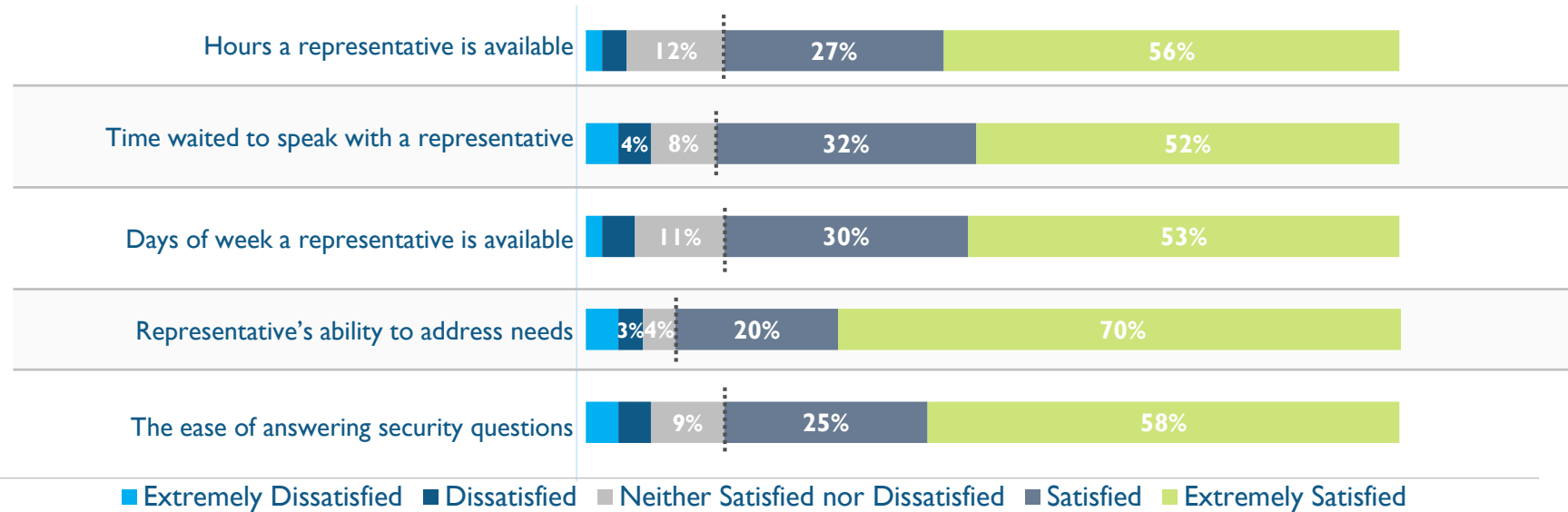
\* Among 88% of respondents who have read their annual statement

### Key Takeaways

- Annual statements continue to be well received with usefulness of information rated higher since last survey
- After reading statement, 27% drawn to action, primarily changed their fund options and increasing contribution amounts

# ThriftLine Communications

## A.7 Indicate your satisfaction with ThriftLine Participant Service representatives:



### Key Takeaways

- Vast majority of ThriftLine users are extremely satisfied with participant service reps' ability to answer questions
- US are least satisfied overall, with hours of availability and with understanding of needs/concerns