

**Paper by Choice:
People of all ages prefer to receive
retirement plan information on paper**

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retirement plan information on paper**

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The data for this survey was collected for AARP through a telephone omnibus survey service administered by Social Science Research Solutions (SSRS). The report was written by Rebecca Perron in AARP's Research & Strategic Analysis department and reviewed by S. Kathi Brown. For additional information, contact Rebecca Perron at rperron@aarp.org.

AARP commissioned a national survey in October 2012 to determine current and former retirement plan participants' utilization of and preference for paper versus electronic information regarding their retirement plans. The survey was conducted by Social Science Research Solutions (SSRS) using its telephone omnibus survey service. Interviews were conducted from October 10 – October 21, 2012 and yielded 1,028 adults ages 25 and older who were current or former participants of 401(k) or pension retirement plans.

General overall results are presented and age differences are noted where statistically significant (ages 25-49 versus ages 50+).¹ The annotated questionnaire is included in the appendix.

Key Findings

Overall, respondents indicate an overwhelming preference for receiving retirement plan documents in paper format rather than in electronic form. This preference for paper format applies to respondents of all ages. Respondents are more likely both to read and save retirement documents that are on paper rather than in electronic form. Finally, respondents of all ages prefer a policy that requires retirement documents to be delivered in paper form with an option to choose electronic delivery, rather than allowing retirement documents to be delivered electronically with an option to choose paper.

- Seven in ten respondents go online at least once per day, with an additional nine percent going online less than daily, but at least once per week. Still, 15 percent never go online.
 - Not surprisingly, younger respondents (ages 25-49) are more likely than older respondents (ages 50+) to say that they go online at least weekly (89% vs. 70%), while older respondents are far more likely (24% vs. 6%) to say that they never go online or use the internet.
- For those who go online, home internet access is high (92%) and most also have an email address (93%).
- More than six in ten (62%) respondents currently receive their retirement plan documents in paper format only. An additional 27 percent receive them both on paper and electronically. Only 7 percent receive these documents electronically only.

¹¹Even though the majority of respondents in both age groups preferred paper, most of the survey questions revealed statistically significant differences between age groups, with respondents ages 50+ more likely than those ages 25-49 to express a preference for paper. We sought to determine whether the differences observed between the age groups were entirely attributable to the retirees in the older age group. They were not. The results of this analysis confirmed that most of the statistically significant differences between the 25-49 age group and the 50+ group remain after retirees are removed from the data, which indicates that this survey would have uncovered some statistically significant differences between the age groups even if it had focused only on people who had not yet retired.

- Although the majority of both age groups currently receive documents in paper format, older respondents were more likely than younger respondents to receive retirement plan information by paper only (66% vs. 58%). Conversely, younger respondents were more likely than older respondents to receive them both on paper and electronically (31% vs. 22%).
- Of those who currently receive retirement plan information electronically, nearly half (48%) have read the documents both on a computer and a cell phone. Slightly fewer have read the documents on a computer only (45%).
 - Older respondents are more likely to have read these documents only on a computer than to have read them on both a computer and cell phone (55% vs. 37%), while younger respondents are more likely to have read them both on computer and cell phone than only on a computer (57% vs. 36%).
- If forced to choose only one method for receiving retirement plan documents, three-quarters (75%) of all respondents ages 25+ prefer paper over online.
 - While older respondents are more likely than younger respondents (84% vs. 66%) to prefer paper over online, still two-thirds of younger respondents prefer paper.
- Of respondents who have email addresses, approximately seven in ten say they would be more likely to *read* (70%) and *save* (73%) retirement plan documents if they were delivered on paper versus online.
 - Although a small proportion, younger respondents are slightly more likely than older respondents to say they would be more likely to read and save plan documents if they were sent in electronic format (read: 29% vs. 21%; save: 31% vs. 15%). Still a large majority of both age groups say they are more likely to both read and save documents – important behaviors to protecting their rights – if they are sent in a paper format.
- The key motivation for conducting this survey was to shed light on legislative and regulatory policy proposals to permit retirement plan providers to make electronic delivery of documents the default delivery method, while maintaining an option for plan participants to request paper documents. Respondents were asked about which method (paper vs. online) should be the default for sending retirement plan information. The overwhelming majority -- nearly three-fourths (74%) -- say that retirement plans should be required to send out all retirement information in paper form but allow individuals to actively request email communications instead, which again accounts for the overwhelming majority of respondents in both age groups.
 - Only one-fifth of respondents (including just 27% of the younger age group), believed that a default in favor of electronic delivery should be the rule.

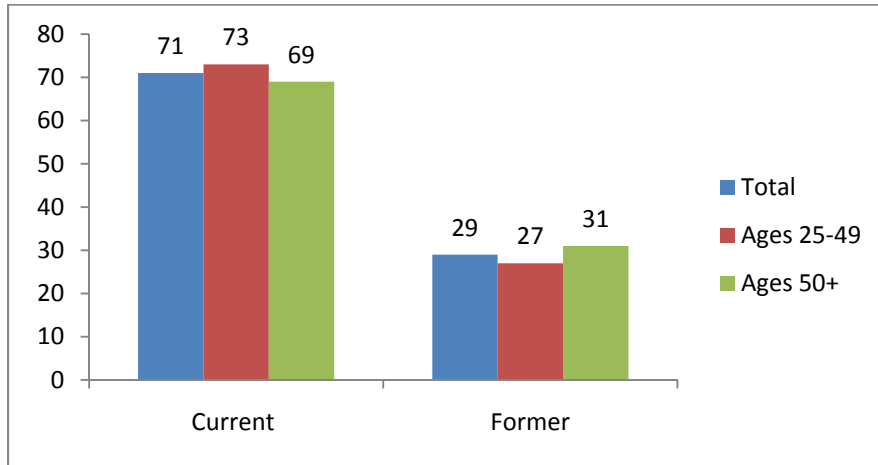
Detailed Findings

Profile of the Sample

Out of the 1,028 adults ages 25 and over who are current or former participants in a 401(k) or pension, 71 percent are current participants and 29 percent are former participants, with similar percentages across age groups.

Chart 1: Current and Former Retirement Plan Participants

(n=1028; in percent)

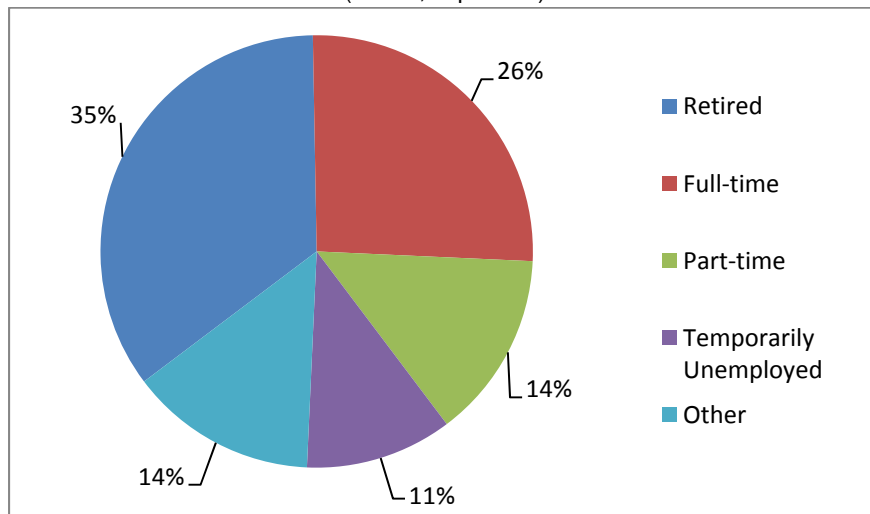


“Do you currently participate/Have you ever participated in a retirement savings plan such as a 401(k) or a pension plan?” Base: All respondents

Of those who are former participants, 35 percent are retired, 26 percent are employed full-time, 14 percent are employed part-time, and 11 percent are temporarily unemployed. Another 14 percent fell into an “other” category, including homemakers (7%) and those who are disabled (4%).

Chart 2: Employment Status of Former Retirement Plan Participants

(n=300; in percent)



Note: The “other” category includes those who self-identified as homemakers (7%), disabled (4%), student (1%), or simply stated that they were not employed (2%).

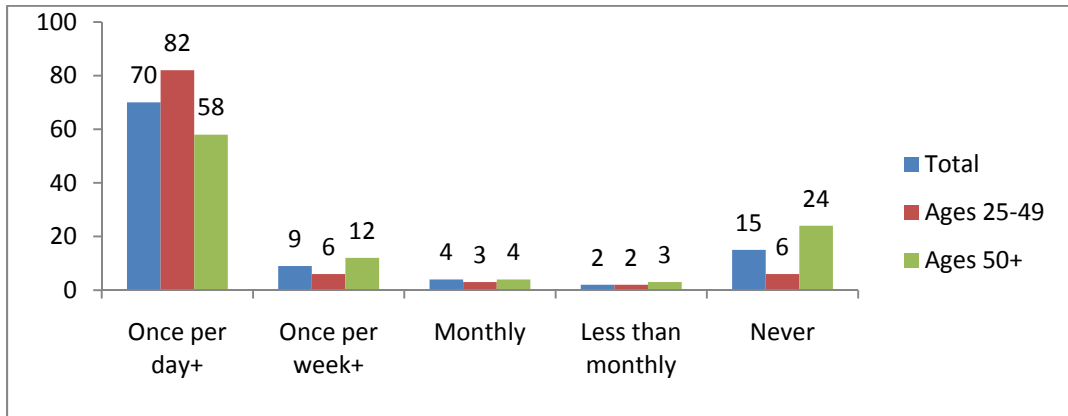
Internet and Email Use

Almost eight in ten respondents use the internet at least once per week (79%), with the majority using the internet at least daily (70%). Although internet use is high among the total respondent base, 15 percent never use the Internet.

Younger respondents (ages 25-49) are more likely than older respondents (ages 50+) to go online at least once per day (82% vs. 58%), while older respondents are more likely than younger respondents to go online less often than daily but at least once per week (12% vs. 6%) and never go online (24% vs. 6%).

Chart 3: Frequency of Internet Use

(n=1028; in percent)

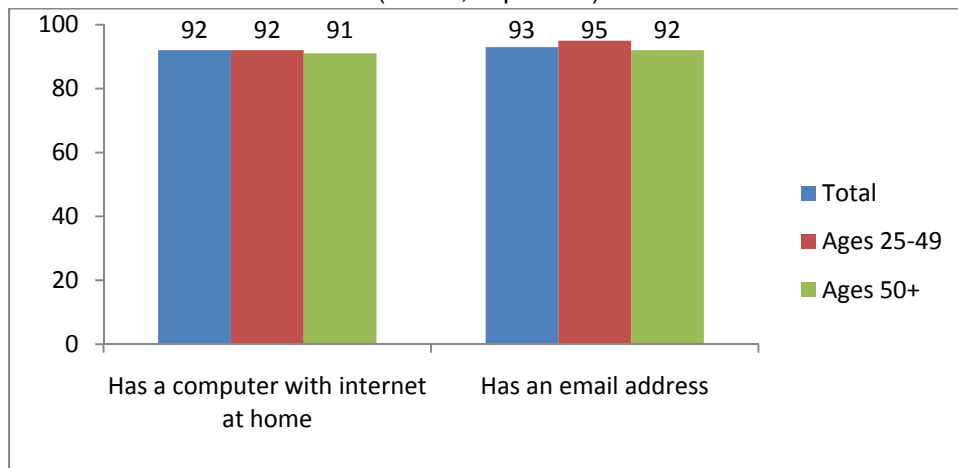


“How often do you go online or use the internet?” (Base: all respondents)

Over nine in ten respondents who go online have a computer at home that is connected to the internet (92%). A similar share of those who go online have an email address for sending and receiving emails (93%).

Chart 4: Home Internet and Email Address

(n=875; in percent)



“Do you have a computer at home that is connected to the internet?” (Base: Respondents who go online)

“Do you have an email address from which you can send and receive emails?” (Base: Respondents who go online)

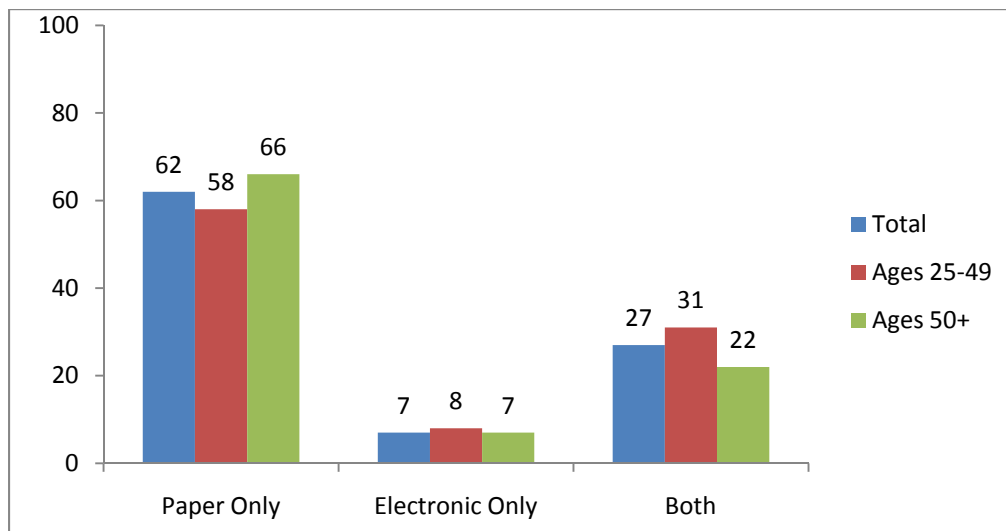
Current Methods of Receiving Retirement Plan Documents

Over six in ten (62%) respondents currently receive retirement plan documents on paper, in the U.S. mail. An additional 27 percent receive them both on paper and online, while only seven percent currently receive documents in electronic form only.

While delivery in paper format is most common for all respondents, older respondents were more likely than younger respondents to receive documents by paper only (66% vs. 58%) and younger respondents were more likely to receive them both on paper and electronically, relative to older respondents (31% vs. 22%).

Chart 5: Current Mode of Receiving Retirement Plan Documents

(n=1028; in percent)

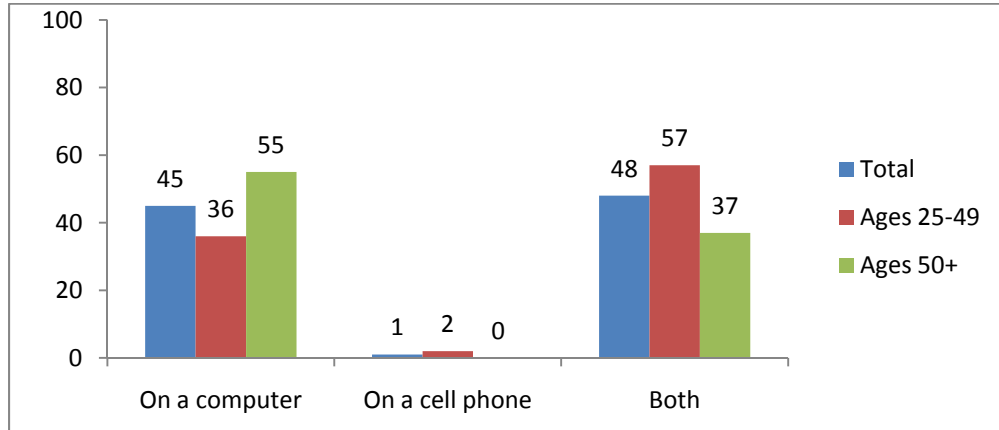


“Lots of people use the internet to seek out financial information. I’d like to ask you a few questions about how financial information gets sent to you. When your retirement plan sends you official documents about your retirement plan, how do you currently receive that information?” (Base: All respondents)

Of those respondents who receive retirement plan documents electronically (either electronically only or both ways), nearly half (48%) have read these documents both on a computer (such as a desktop, laptop, or tablet) *and* on a cell phone (such as an iPhone, Blackberry, or Android device). Only slightly fewer (45%) have read these documents on a computer only. A scant one percent have reviewed them on a cell phone only.

Younger respondents are far more likely than older respondents to read retirement plan documents on both a computer and a cell phone (57% of younger vs. 37% of older respondents). Older respondents were far more likely than younger respondents to read them on a computer only (55% vs. 36%).

Chart 6: Devices Used to Read Electronic Retirement Plan Documents
(n=353; in percent)



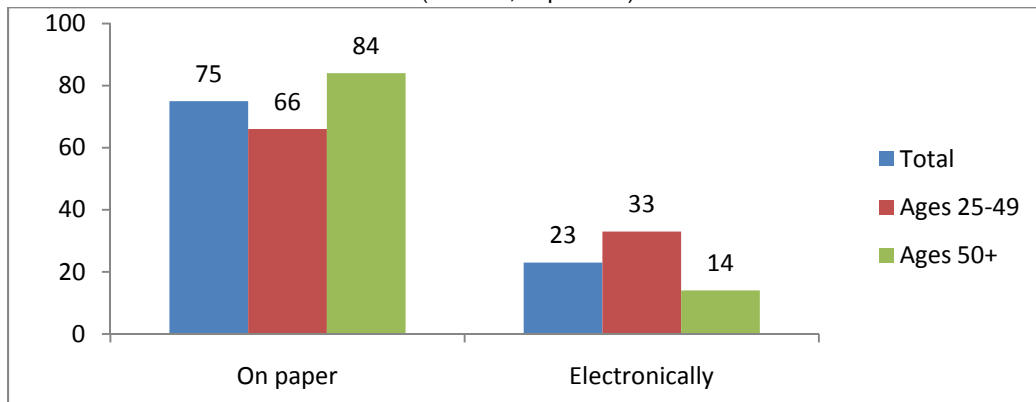
“Have you ever read those documents...” (Base: Respondents who receive retirement plan documents electronically)

Preferences for Receiving Retirement Plan Information

As indicated above, many retirement plan participants receive official documents about their plans in both paper and electronic form. In order to uncover participants’ preferences, we asked all respondents, regardless of how they currently receive plan information, to identify a preference if they were forced to choose one method. If they had to choose only one delivery method, respondents overwhelmingly say they would prefer receiving retirement plan documents on paper, in the U.S. mail (75%). Less than one-quarter say they would opt for delivery online (23%).

Older respondents were much more likely to select paper delivery of retirement information relative to younger respondents (84% vs. 66%). While younger respondents are more likely than older respondents to select online delivery (33% vs. 14%) as their preference, the majority of those ages 25-49 still prefer paper rather than online delivery (66% vs. 33%).

Chart 7: Mode of Delivery Preference
(n=1028; in percent)



“If you had to select only one method of receiving official documents about your retirement plan, would you prefer to receive them...” (Base: All respondents)

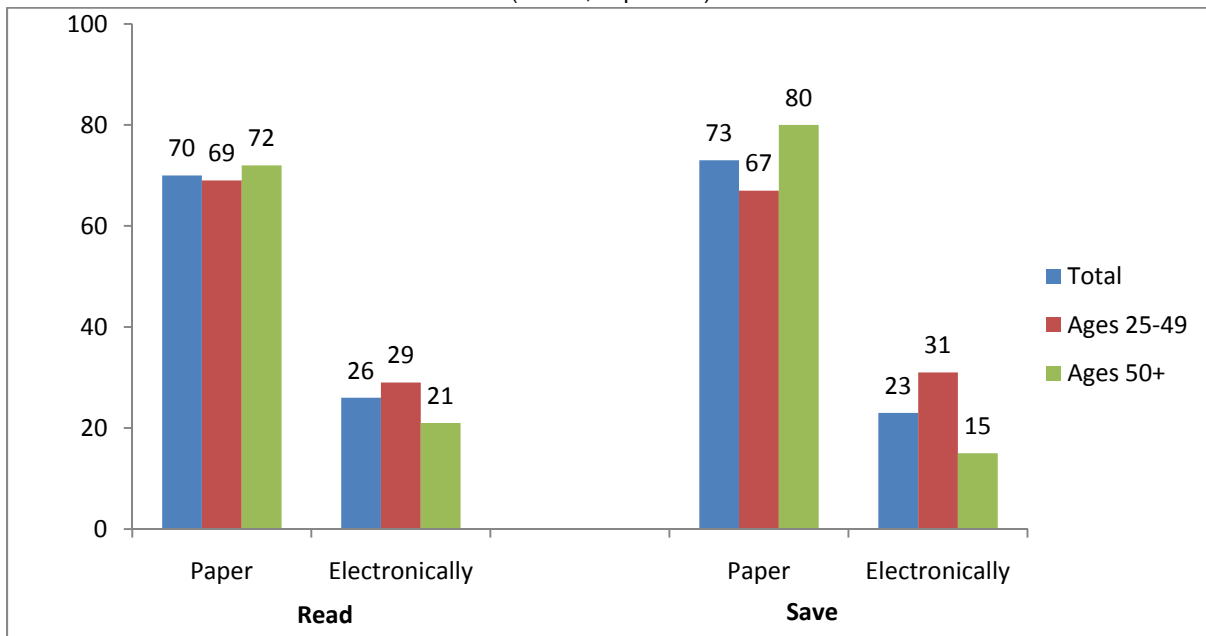
How Delivery Method Affects Likelihood of Reading and Saving Retirement Plan Information

Respondents who have email addresses were queried about how the mode of delivery (paper versus electronic) impacts the likelihood of *reading* retirement information and the likelihood of *saving* the information (presumably for future review or reference). Seven in ten (70%) would be more likely to *read* the information if delivered on paper and a slightly larger percentage (73%) would be more likely to *save* information if it was delivered on paper. Since respondents were asked these two questions only if they had an email address and could even potentially receive electronic correspondence, the overall affinity for paper for these questions would be higher if those without an email address were included in the base.

While the vast majority of both younger and older respondents say they would be more likely to *read* and *save* documents if they arrived by paper, of the small minority who are more likely to read and save electronic documents, a larger percent of younger respondents relative to older respondents say they would be more likely to *read* the information (29% vs. 21%) and *save* retirement plan information (31% vs. 15%) if it was delivered electronically.

Chart 8: Likelihood of Reading and Saving Information by Mode of Delivery

(n=822; in percent)



“And would you be more likely to read information about your retirement plan if it is delivered...”

Base: Respondents who have an email address

“Are you more likely to save information about your retirement plan if it is delivered...”

Base: Respondents who have an email address

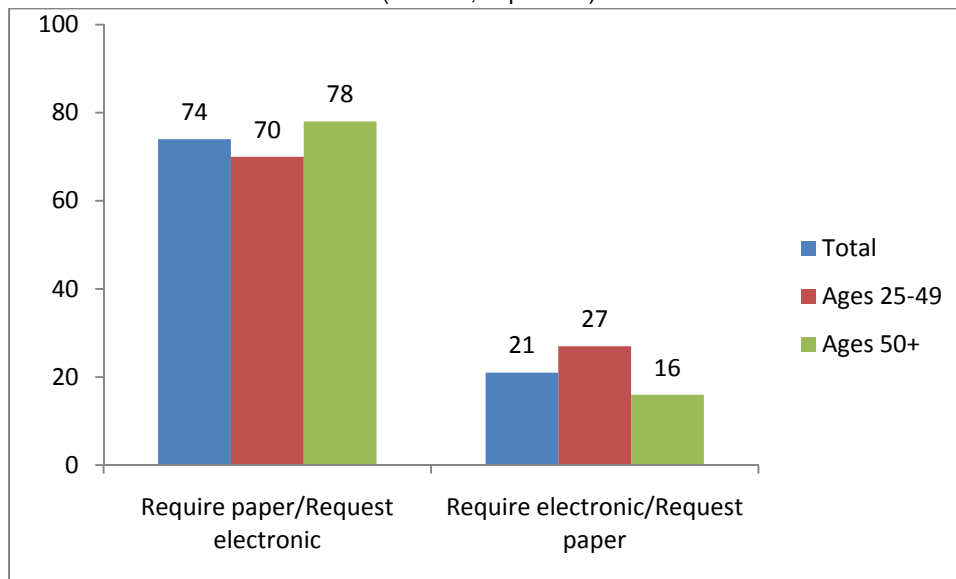
Policy Preference for Required Delivery Mode

Respondents were asked about their preferences regarding the policy governing default options for the delivery of retirement information. Do they believe that retirement plans should be required to send out paper copies of retirement plan information, while allowing people to ask for electronic delivery? Or, do they believe retirement plans should be able to send out electronic documents by default, while allowing people to ask for paper documents? Approximately three-quarters of survey participants of all ages (74%) think paper format should be the rule for delivery of retirement plan information, with information sent electronically when requested.

Older respondents were only slightly more likely than younger respondents to say that paper format should be the rule (78% vs. 70%), with 27 percent of younger respondents, (versus 16 percent of older respondents) saying the rule should be electronic with the ability to request paper.

Chart 9: Support for Requirement for Mode of Delivery

(n=1028; in percent)



“Some say retirement plans should be required to send out all retirement information in paper form, but allow individuals to actively request email communications instead. Others say retirement plans should be able to send out all retirement information online by sending an email with a link to a web site, but allow individuals to actively request paper communications instead. Which method do you think should be the rule for receiving retirement plan information?” (Base: All respondents)

Survey Methodology

The survey was conducted for AARP via telephone omnibus by SSRS, an independent research company. Interviews were conducted from October 10-October 21, 2012, among a nationally representative sample of 1,028 respondents ages 25 and older who are currently participating or have ever participated in a retirement savings plan, such as a 401(k) or pension plan. The margin of error for total respondents is +/- 3.06% at the 95% confidence interval.

Appendix Annotated Questionnaire

(margin of error for total respondents is +/- 3.06% at the 95% confidence interval)

ALL TABLE NUMBERS ARE PERCENTS

IP-A Do you currently participate in a retirement savings plan such as a 401(k) or a pension plan?

	Yes	No	Don't know	Refused
Total	71	29	*	*
Age 25-49	73	27	--	--
Age 50+	69	31	*	*

(Asked of total respondents age 25+ who are not currently participating in a retirement savings plan such as a 401(k) or a pension plan; n = 300)

IP-B Have you ever participated in a 401(k) plan or a pension plan?

	Yes	No	Don't know	Refused
Total	100	--	--	--
Age 25-49	100	--	--	--
Age 50+	100	--	--	--

IP-1. How often do you go online or use the internet? Would you say...? (READ LIST)

	Total	Age 25-49	Age 50+
Weekly (NET)	79	89	70
At least once per day	70	82	58
At least once per week but not everyday	9	6	12
At least once per month but less than once per week	4	3	4
Less often than monthly	2	2	3
Never	15	6	24
Don't know	--	--	--
Refused	--	--	--

(Asked of total age 25+ who are currently or have ever participated in a retirement savings plan such as a 401(k) or a pension plan and use the internet; n = 875)

IP-2. Do you have a computer at home that is connected to the internet?

	Yes	No	Don't know	Refused
Total	92	9	--	--
Age 25-49	92	9	--	--
Age 50+	91	9	--	--

(Asked of total age 25+ who are currently or have ever participated in a retirement savings plan such as a 401(k) or a pension plan and use the internet; n = 875)

IP-3. Do you have an email address from which you can send and receive emails?

	Yes	No	Don't know	Refused
Total	93	7	--	--
Age 25-49	95	5	--	--
Age 50+	92	8	--	--

IP-4. Lots of people use the internet to seek out financial information. I'd like to ask you a few questions about how financial information gets sent to you.

When your retirement plan sends you official documents about your retirement plan, how do you currently receive that information? Do you receive them...?

	On paper, in the U.S. Mail	Electronically, for instance by email or the internet	Receive them both ways	Don't know	Refused
Total	62	7	27	2	2
Age 25-49	58	8	31	1	2
Age 50+	66	7	22	3	2

(Asked of total age 25+ who are currently or have ever participated in a retirement savings plan such as a 401(k) or a pension plan and receive their documents electronically; n = 353)

IP-4a. Have you ever read those documents...?

	On a computer, such as a desktop, laptop, or tablet	On a cell phone such as an iPhone, Blackberry, or android device	Read them both ways	Don't know	Refused
Total	45	1	48	6	1
Age 25-49	36	2	57	4	2
Age 50+	55	*	37	8	--

IP-5. If you had to select only one method of receiving official documents about your retirement plan, would you prefer to receive them...?

	On paper, in the U.S. Mail	Online, by receiving an email with a link to a website	Don't know	Refused
Total	75	23	1	1
Age 25-49	66	33	1	*
Age 50+	84	14	1	1

(Asked of total age 25+ who are currently or have ever participated in a retirement savings plan such as a 401(k) or a pension plan and have an email address; n = 822)

IP-6. And would you be more likely to read information about your retirement plan if it is delivered...?

	On paper, in the U.S. Mail	Online, by receiving an email with a link to a website	Don't know	Refused
Total	70	26	3	1
Age 25-49	69	29	2	*
Age 50+	72	21	4	3

(Asked of total age 25+ who are currently or have ever participated in a retirement savings plan such as a 401(k) or a pension plan and have an email address; n = 822)

IP-7. Are you more likely to save information about your retirement plan if it is delivered...? (READ LIST; ENTER ONE RESPONSE ONLY)

	On paper, in the U.S. Mail	Online, by receiving an email with a link to a website	Don't know	Refused
Total	73	23	3	1
Age 25-49	67	31	2	*
Age 50+	80	15	4	2**

IP-8 Some say retirement plans should be (required to send out all retirement information in paper form, but allow individuals to actively request email communications instead).

Others say retirement plans should be (able to send out all retirement information online by sending an email with a link to a web site, but allow individuals to actively request paper communications instead).

Which method do you think should be the rule for receiving retirement plan information?

	Paper form, with an option to request email communications instead	Email with a link to a website, with an option to request paper communications instead	Don't know	Refused
Total	74	21	4	1
Age 25-49	70	27	3	1
Age 50+	78	16	5	1

AM-1 Are you or your spouse or partner currently a member of A-A-R-P?

	Yes	No	Don't know	Refused
Total	24	75	1	--
Age 25-49	5	95	*	--
Age 50+	42	57	1	--