

2013 Thrift Savings Plan Survey Results





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Executive Summary

The Federal Retirement Thrift Investment Board (FRTIB) contracted with Aon Hewitt, an independent consultancy, in a survey of Federal employees and uniformed services members with regard to their perspectives, attitudes, understanding, satisfaction, and behaviors related to the Thrift Savings Plan (TSP). The survey was designed as a follow up to prior studies conducted in 2006/2007, 2008, and 2011. The 2013 survey was redesigned to significantly reduce the length while maintaining an emphasis on the key topics. The survey was conducted from September to November, 2013 through a paper-based mailing to the homes of a random sample of 46,733 active participants and separated Federal employees and uniformed service members who participate in the TSP. Those invited have the option of completing the survey on paper or on-line. Of those sampled, 5,524 responded, achieving a 12% response rate (slightly below the 2011 rate of 15%) and representing a good cross-section of the sample. The response rate may have been negatively impacted by the three-week government shutdown occurring within the administration period.

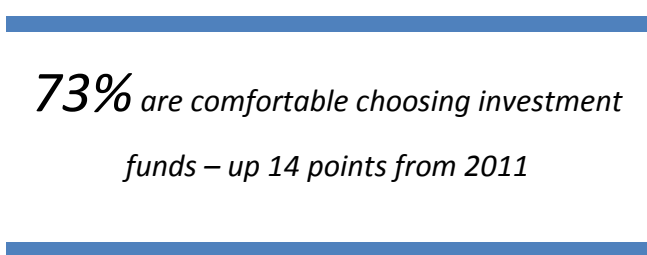
Key findings of the survey include:

Subgroup Differences of Note

Though there are many subgroup differences in specific areas, detailed throughout the report, overall results show somewhat less positive responses from those in uniformed services, those under 40 years of age, those with household incomes under \$40,000, and those with lower balances or contribution rates compared to other related subgroups. Results for those who were automatically enrolled were very positive, and this group also had slightly higher average savings rates, indicating this feature is contributing towards helping this group prepare for retirement.

TSP Participant Behaviors

The average savings rate across all three retirement systems reported by respondents is 11.6% of basic pay, relatively unchanged from 2011 (11.5%) and higher than typical private sector savings plan average contributions of 7.3%¹, indicating a continued strong level of engagement with the TSP; however, the FERS average contribution rate declined 1.1% from 2011. Self-described investment approaches are similar to 2011, with about one-third split between aggressive, balanced, and cautious categories. Similar to past results, uniformed services respondents tend to be the most aggressive investors. Nearly three-quarters (73%) of respondents are comfortable choosing investment funds to meet their goals. This result is consistent across retirement systems and significantly higher than 2011 results, indicating a very positive change. Only about half of respondents express confidence in their understanding of the Roth TSP option and L Fund investments, so these topics may be areas for further education efforts.



73% are comfortable choosing investment funds – up 14 points from 2011

Tax benefits, payroll deduction convenience, and matching contributions continue to be the primary reasons for contributing to the TSP. However, the percentage of participants citing lower administrative costs as a reason rose significantly to 24% of active participant contributors (from 18% in 2011). For those not contributing to the 5% match level, about one-third cite the perceived inability to afford that level of

¹ Source: Aon Hewitt 2013 Universe Benchmarks: Measuring Employee Savings and Investing Behavior in Defined Contribution Plans, data as of December 31, 2012.

savings—similar to benchmarks from private employer plan surveys.² Given this perceived affordability issue, finding ways to promote savings opportunities that do not take away from current earnings is important, such as during times of pay increases. Private sector plans have addressed this affordability perception by emphasizing how better budgeting can provide opportunities to save.

TSP Participant Experience

Overall, Federal employees and uniformed services participants are quite satisfied with the TSP and its competitiveness compared to similar private sector plans. Over four-fifths (87%) of respondents are satisfied, an increase of 1 percentage point over 2011 levels. Ninety-five percent rate the TSP as competitive or better compared to other employers' savings plans; further, well over half (58%) say the TSP is above or well above others, significantly higher than private sector ratings in this regard (28%)³.

87% are satisfied with TSP and **58%** say

TSP is better than other employer savings plans

*Uniformed services members are more likely to rank **electronic sources as preferred**, relative to those in other retirement systems.*

Similar to 2011 results, satisfaction is also strong for the TSP website, annual statements, and the ThriftLine, with over 80% indicating being satisfied or very satisfied with important characteristics of these channels. Respondents vary in terms of their most preferred sources of communication, though the TSP website and mailed statements dominate as both current channels and most preferred relative to others. Though currently not available, email is considered a top preference by nearly one-quarter of respondents (23%) overall, and therefore should be considered in the future as it is often effective in private sector efforts to drive participation and saving behaviors. Communication preferences are fairly consistent across subgroups.

The addition of a monthly income estimate to the statements appears to have been well-received with 61% saying they reviewed the estimate. Of those who reviewed the estimate, the two actions taken most often were increasing the contribution amount (12%) and changing how the account is invested (10%).

*Nearly **one-third** of those who reviewed the monthly income estimate on the statement **took action** based on that estimate.*

² Source: 2013 Aon Hewitt Benefits Perception Database of 314,326 respondents from 97 organizations.

³ Source: 2013 Aon Hewitt Benefits Perception Database of 314,326 respondents from 97 organizations.

While overall plan satisfaction is strong, participant satisfaction with TSP administrative services and communication efforts is lower. Most respondents are satisfied with their ability to take a loan (69%), ways to withdraw money after separation (61%), and their ability to transfer money into the TSP from other retirement vehicles (57%).

In considering ways to enhance the value of the plan and the participant experience, most responded favorably to services related to guidance—specifically, they have high interest in how to optimize withdrawals from the TSP (84% valuable or very valuable), how much money will be needed in retirement (77%), and retirement income planning (75%). Investment options offered, mobile access to account information and transactions, and financial advice or counseling are cited by most as favorite services provided by other financial institutions.

TSP Account Actions and Approaches

Many respondents like the idea of consolidating another retirement account into their TSP account. Of those with another account, 46% say they would consider rolling it into their TSP (up from 35% in 2011), while 42% say they would not consider this.

For those who expect to transfer money from the TSP upon separation (or upon retirement for separated, but not-yet-retired participants), consolidation of accounts, better investment options, or better withdrawal options are the most often cited reasons. Focusing further on new alternatives or options in these areas or further education on what is available in TSP should be considered.

The Federal budget concerns getting significant media attention during and just prior to the survey administration did not trigger action by most TSP respondents (75%). For those who took action, reductions in contribution or withdrawals/loans were the most often cited actions.

Retirement Preparation and Planning

Over **two-thirds (70%)** of respondents say they do not have a specific financial goal for retirement.

*Consolidation of accounts, better investment options, or better withdrawal options are the **most often cited reasons for transferring money** from the TSP after separation.*

Respondents generally rank the TSP, available system pensions/annuities, and Social Security in the top three sources of income. Not surprisingly, given the retirement system design differences, respondents view sources differently depending on the retirement system in which they participate. Across all three systems, though, the TSP is cited by about two-thirds (67%, up significantly from 56% in 2011) as a top three source, making it a critical income source overall.

Over two-thirds (70%) of respondents say they do not have a specific financial goal for retirement. For the minority that report having a goal, the vast majority (83%) have a specific dollar amount in mind versus a multiple of pre-retirement pay. Though confidence that retirement income sources will be sufficient for a comfortable retirement has risen since 2011 (up 4 percentage points), fewer than two-thirds agree or strongly agree they are confident.

Future Considerations

The results of this survey reaffirm the importance participants place on the TSP in their retirement planning and goals, and their high regard for the plan overall and the services provided. Continuing to provide the highly-satisfying services, information, and guidance tools will be important to maintaining the high level of overall satisfaction with the TSP.

Given the lower relative perceptions of the plan and key components from those in lower income ranges, lower balances, and lower age ranges, consider more targeted communication and education to these groups about the value of saving, actions that can help identify more money to save (e.g., budgeting tools), and the services and tools available through the plan to help. Consider further leverage of text, mobile and social media channels to better reach these audiences as their use of these tools tends to be higher than other groups. Mobile access is one of the well-liked elements from other financial institutions. Combining high-tech and high-touch methods have proven to be most effective in driving better behaviors in savings plans in the private sector.

Participants placed high value on the personal statements, so continue to reinforce that channel for communication—to the extent possible, leveraging personal emails could be a way to further extend this personalized information to engage participants while potentially producing cost savings as well. Email is a significant part of most communication strategies in the private sector and continues to be a preferred approach to obtaining personal information or reminders to employees from employers.

Further extension of guidance efforts should also be considered as participants responded very favorably to services related to guidance tools and information, including how to optimize withdrawals, how to determine how much money is needed in retirement, and retirement income planning in general.

With a reasonably-sized portion of participants being unwilling to roll over other accounts into the TSP, this is an area where further investigation and research may be valuable to uncover the underlying reasons why this option is not viewed more positively. Integrating quantitative efforts, such as this survey, with supplemental qualitative research—interviews, focus groups, or website feedback—may be a good way to listen to participants and determine ways to add further value and improve quality and performance.

Survey Methodology and Context





Survey Methodology

The Federal Retirement Thrift Investment Board (FRTIB) partnered with Aon Hewitt to conduct a survey of participants in the Thrift Savings Plan (TSP). The survey was initially conducted with a sample of participants from September 11 to October 9, 2013. The administration was extended to November 17, 2013 to allow for more response, especially given the government shut down that occurred October 1 through October 16, 2013. The survey design builds from previous survey designs and current strategic objectives.

Aon Hewitt and FRTIB collaborated to design the survey content by building from prior survey items and designing new survey items through an iterative process. It was determined that to better serve the different audiences, two versions of the survey would be used—one for active participants and another for separated participants (see Appendix). The surveys contained 45 closed-end response questions on the active participants version and 27 closed-end response questions on the separated participants version—a core of 21 close-ended questions are the same across both versions. Both versions include one open-ended comment section in which participants were asked to provide additional comments or suggestions. Finally, the survey included eight demographic questions to allow analyses by key population subgroups.

The original stratified, random sample was 48,146 Federal employees and uniformed services members. Aon Hewitt mailed an announcement postcard to the sample on August 30, 2013 alerting them that the survey would be coming. In addition to the postcard announcement, TSP website banners and a related video posted to the TSP channel on YouTube were used to further promote the survey effort.

On September 11, 2013, Aon Hewitt mailed survey packets containing a cover letter, questionnaire, and postage-paid return envelope to the sample to achieve a reliable and representative sample. In the cover letter, potential respondents were given the option and related instructions to complete the survey online as well. There were 1,413 survey packets returned as undeliverable, leaving 46,733 eligible for completion. The sample was sent a reminder postcard on September 24, 2013. An additional reminder postcard announcing the survey deadline extension was mailed to the sample on October 22, 2013. In addition, reminder messages and deadline extension announcements were posted on the TSP website banner and plan news/announcement pages as well as on the account access page of the sampled participants.

A total of 5,524 participants completed the online or paper survey (useable surveys) for a total response rate of 11.8%. This response rate lags the typical range Aon Hewitt generally obtains from similar surveys in the private sector (typically 25%–35%). It should be noted that this benchmark is for on-line survey administration via email invitation, which may account for much of the difference.

	Mailed*	Responding	Adjusted Response Rate	Online %	Paper %
Nov 2006/ March 2007	26,852	5,053	18.8%	N/A	N/A
Nov 2008	34,250	4,891	14.3%	32%	68%
Oct 2011	55,055	8,246	15.0%	22%	78%
Oct 2013	46,733	5,524	11.8%	31%	69%

In analyzing the survey items, the margin of error will vary based on the number of respondents answering that item and the related variance of those responses. Using a 95% confidence interval, the approximate margin of error for the overall population would be 1.2%.

**Not including undeliverable*

Survey Context

Given the survey administration timing, we would reasonably expect some impact on responses to retirement expectations and the TSP from the continued uncertainty and concern about the economy, job security, and general financial markets. The table below outlines general economic data for the survey administration periods, illustrating a somewhat improved picture since the prior survey in 2011.

It is not possible to determine the magnitude of the impact in the responses overall or as a comparison between time periods. Comparisons to prior results have been provided where available throughout this report to provide some insight into how perceptions have changed between the periods.

In addition to the above, the Federal workforce experienced pay freezes from 2011 to 2013 and the impact of sequestration in 2013. The only meaningful change to the plan during this period was the introduction of Roth TSP in May 2012.

	Nov 2006	Nov 2008	Oct 2011	Nov 2013
Consumer Price Index (end-period)	203.1	211.3	227.3	233.1
Prior Quarter GDP Growth (% real change)	2.7%	- 0.3%	1.7%	2.5%
U.S. Recorded Unemployment Rate	4.6%	5.8%	9.0%	7.0%
Dow Jones Industrial Average	12,280	8,829	12,232	15,962

Report Information

Throughout the report, the results for 2013 are shown based to those answering the related question. In some cases the populations upon which a percentage is based (either for 2013 or prior years' results) are changed or re-based to allow for appropriate comparisons between years. In many cases, those who indicated "Don't Know" or "Not Applicable" are also removed from the base for calculating proportional results where noted.

Throughout the report, results are shown by subgroups, including by retirement systems (e.g., FERS, CSRS, and uniformed services). A brief overview of the systems is provided below to provide important context for the survey results:

FERS is the Federal Employees' Retirement System established by Public Law 99-335; TSP benefits are codified in chapter 84 of title 5 U.S. Code. FERSA became effective January 1, 1987. Individuals covered under FERS pay Social Security taxes and FERS basic benefit deductions. They also receive an automatic agency/employer contribution to a TSP account in their name equivalent to one-percent of their basic pay and receive dollar/dollar matching on the first three-percent of contributions and 50-cents/dollar matching on additional contributions up to five-percent of basic pay. Contributions in excess of five-percent of basic pay are not matched.

It should be noted that effective 2006, participants were able to make contributions from basic pay to their TSP accounts up to the Internal Revenue Code (I.R.C.) section 402(g) excess deferral limit. Effective June 2009, newly hired FERS employees immediately became eligible (no waiting period) for agency automatic and matching contributions. Effective August 2010, all newly hired Federal employees who were eligible to participate in the Thrift Savings Plan automatically had 3 percent of their basic pay contributed to the TSP (default employee contribution) unless they elected to not contribute or elected to contribute at some other level prior to the end of the employee's first pay period. The TSP is a core component of the three-tiered retirement benefits of FERS employees; the other two components are Social Security and the FERS basic annuity program.

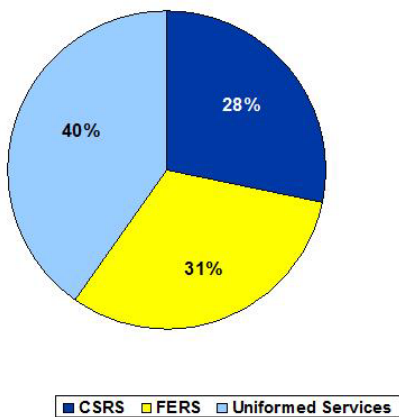
CSRS is the Civil Service Retirement System (the TSP benefits are codified in subchapter III of chapter 83 of title 5 U.S. Code). The law that created CSRS was enacted in 1920. Individuals covered under CSRS pay CSRS employee deductions and are excluded from OASDI taxes of Social Security. Effective 2006, they were able to make contributions from basic pay to their TSP accounts up to the 402(g) limits, however, they do not receive any agency/employer contributions. The TSP is a supplemental retirement benefit for CSRS employees.

Uniformed services personnel became eligible to participate in the TSP in 2002 following the enactment of the Floyd D. Spence National Defense Authorization Act for 2001 (Public Law 106-398). For TSP purposes, the uniformed services include members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and Commissioned Officers of the National Oceanic and Atmospheric Administration, as well as members of the Ready Reserve and the National Guard. Effective 2006, uniformed service personnel may make contributions from basic pay to their TSP accounts up to the 402(g) limits, but they do not receive any agency/employer contributions. Members of the uniformed services can also contribute from 1 to 100 percent of any incentive pay, special pay, or bonus pay—as long as they also elect to contribute from their basic pay. Members can make contributions from tax-exempt pay (i.e., pay that is subject to the combat zone tax exclusion). Their tax-exempt contributions are not subject to the 402(g) limits; however, they must not exceed the I.R.C. section 415(c) annual addition limits.

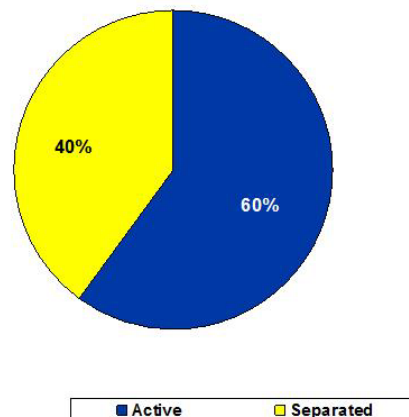
Overview

The profile of respondents represents a good cross-section of the population. Given the stratification of the sample and different response rates by retirement system, we would expect differences between the profile of respondents and the total population or total sample in some areas, including by retirement system. In fact, CSRS responded at the highest rate (21%), while uniformed services' rate was only 8% (see Appendix A for details). To understand the potential impact of this difference, the results were weighted by the population proportions in each retirement system, e.g., 10% CSRS, 63% FERS, and 27% uniformed services. **The weighted results are not materially different from the unweighted results, so the remainder of this report uses the unweighted results. Unweighted results were also used in prior survey periods.**

Combined Retirement System



Active/Separated



Though respondents represent a diverse group, the “typical” respondent tends to be currently employed (60%), male (62%), Caucasian/White (72%), 50 years of age or older (63%), married (70%), with a college degree (68%), with a median length of service of 24 years, and earning a median annual pay of \$73,000. A detailed profile of respondents can be found in Appendix A.

Contributions

All those eligible for the sample had to have a non-zero balance in their TSP account—through their own contributions, agency contributions, or both. Of the active participants who responded to the survey, 92% say they are currently contributing, though 15% of those active participants either did not know how much they contribute (8%) or did not answer the question (7%). Among private sector defined contribution plans, participation averages 78.0%.³

As in prior surveys, the deferral rate results reflected here are self-reported and exclude eligible employees who are not currently contributing to the TSP.

Among active participants currently contributing and answering the question related to deferral rates, the average savings rate is 11.6% of basic pay, about the same as 2011 (11.5%). The median deferral rate among active participants remains unchanged at 10.0%. These rates are higher than average private sector savings plan pre-tax contributions of 7.3% of pay⁴ (relatively unchanged from 7.2% in 2011).

Deferral rates are highest among uniformed services and lowest among FERS respondents. As estimated from self-reported data, the FERS average rate is down markedly from 2011—private sector average rate was flat over the same time period. The median rate across uniformed services and CSRS is 10.0%, while the median for FERS is 8% (down from 10% in 2011). Most respondents self-report deferral rates above the “match” rate of 5%.

Interestingly, respondents with household incomes of \$25,000 or less report a higher average deferral rate of 14.8% compared to other income ranges, except those with over \$150,000, who defer at an average of 14.1%. Female respondents defer at lower average rates compared to their male counterparts (10.9% versus 12.0%).

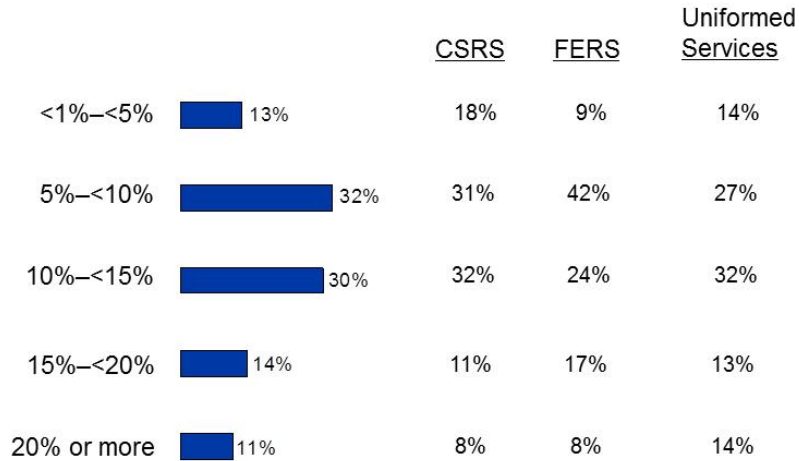
Average TSP Deferral Rates by Retirement Systems*

	2006	2008	2011	2013
CSRS	9.1%	9.2%	10.2%	11.1%
FERS	9.0%	9.2%	11.6%	10.5%
Uniformed Services	11.9%	11.8%	12.1%	12.5%
TOTAL	10.2%	10.3%	11.5%	11.6%

**Includes active participants of the Federal Government who are currently contributing a portion of pay to the TSP and provided their contribution rate on the survey (N=2,581). Contribution amounts were derived using self-reported contribution rates at the time of the survey times the mid-point of their annual pay group. Amounts could be over- or under- estimated due to changes over the year and annual pay which is estimated based on participants' survey response.*

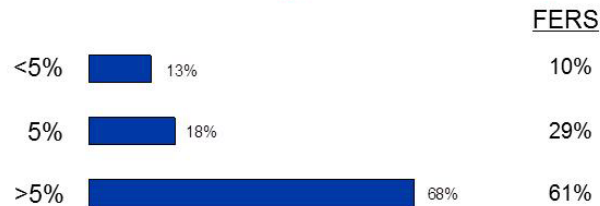
⁴ Source: Aon Hewitt 2013 Universe Benchmarks: Measuring Employee Savings and Investing Behavior in Defined Contribution Plans, data as of December 31, 2012.

Contribution Amount—Active Participants



Note: Includes Active Participants who are currently contributing a portion of their basic pay to the TSP and responded to the question related to saving rates (n=2,581). Does not include those responding "I Don't Know" (8%).

Contribution Relative to Matching—Active Participants



Note: Includes Active Participants who are currently contributing a portion of their basic pay to the TSP and responded to the question related to saving rates (n=2,581). Does not include those responding "I Don't Know" (8%).

The top reasons for contributing to the TSP among active participants continue to be the tax benefits (56%) and convenience of payroll deduction (51%), similar to prior results.

Matching contributions are mentioned as a reason by 82% of FERS respondents as a reason for contributing (this is their top reason and consistent with the 85% in 2011). (Note: CSRS and uniformed services do not have a matching feature in their plan.) Those citing lower administration costs rose significantly from 18% in 2011 to 24% of active contributors in 2013. With the addition of the

Roth option, 12% cite the tax-free earnings from this option as a reason they contribute—**over 54% of those citing this as a reason are uniformed services participants (although uniformed services participants comprise only 40% of the survey respondents).**

Top Reasons for Contributing

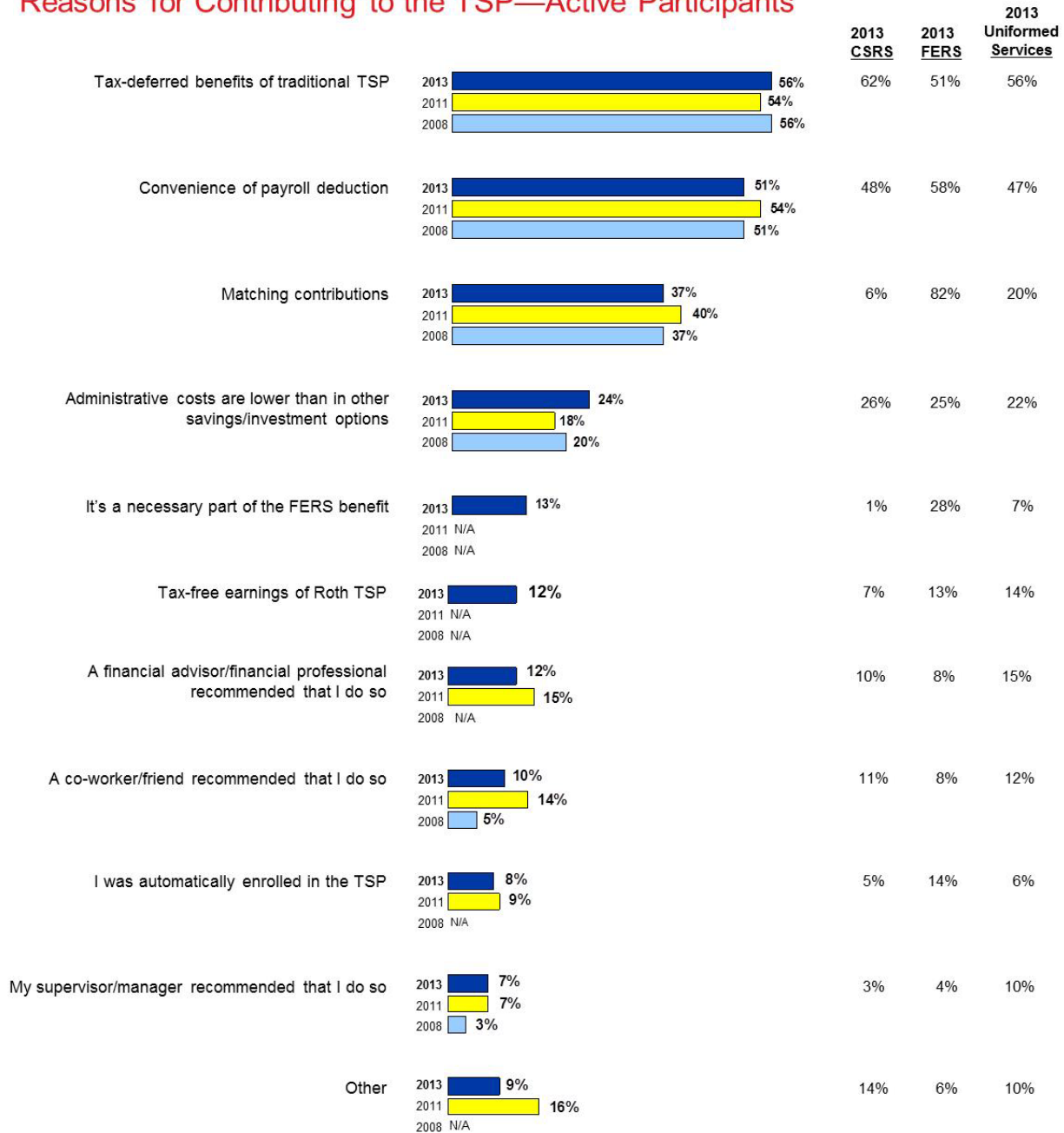
#1 Tax Benefits

#2 Convenience

#3 Matching

Not surprisingly, auto-enrollment is more likely to be cited by those who were auto-enrolled and often with less tenure since auto-enrollment was implemented in 2010. Respondents under 40 years of age are more likely to cite recommendations from others (colleagues, friends, financial advisors), reinforcing the notion that this group values social influences more significantly than older participants. **This younger cohort is also more likely to cite the tax benefits associated with Roth TSP as an important reason to participate.** Older respondents (60 years or older) are more likely to cite tax benefits, matching, and lower administration costs as important reasons they participate.

Reasons for Contributing to the TSP—Active Participants



Note: Responses based to the 2,833 Active Participants who contribute to the TSP and answered the question.

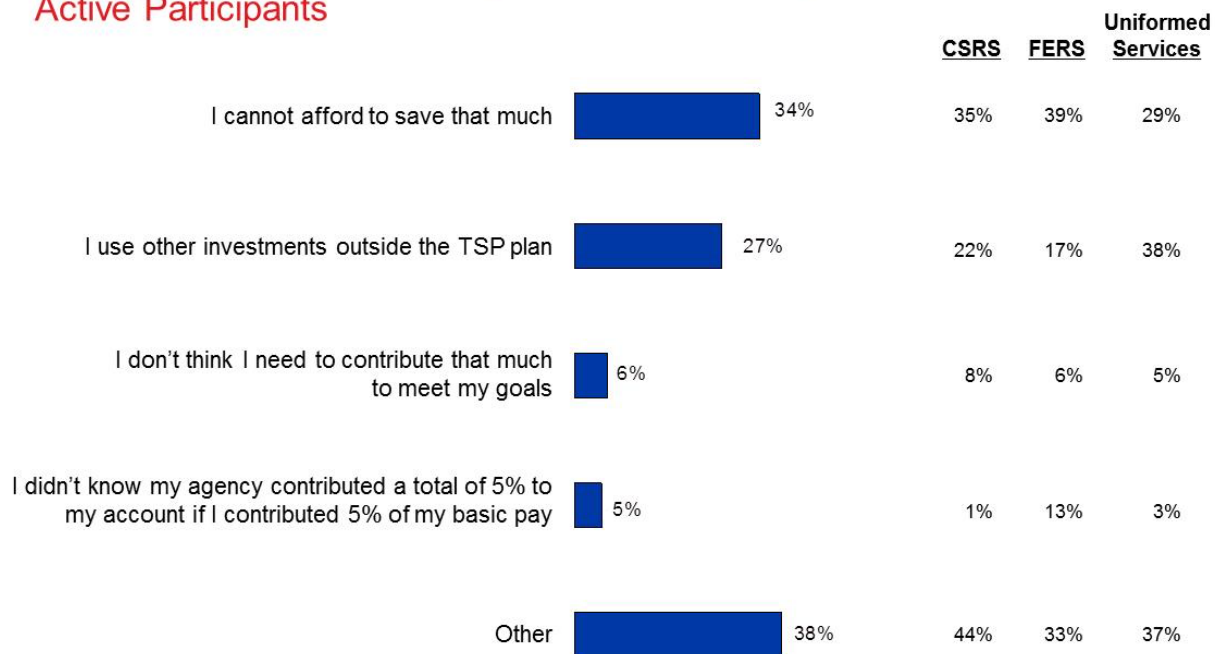
Among active participants currently not contributing at least 5 percent of pay, the primary reason for not contributing at that level is the perception that they cannot afford to (34%), though over one-quarter (27%) cite use of outside investments. Over three-quarters selected “Other”—most often, those selecting this mentioned the fact they are nearing retirement or need the money for loan repayment. In private sector surveys, 39% of respondents typically indicate affordability as a reason for not contributing to a defined contribution savings plan.⁵ As in prior years, those earning \$25,000 or less annually are more likely to cite affordability as a reason for not contributing up to 5 percent—46% of this group cite this as a reason. Also more likely to cite affordability are females (40% versus 29% for males) and those with household incomes of \$60,000–\$80,000 (44%).

Top Reasons for Not Contributing at Least 5% of Pay

#1 Affordability

#2 Use of Outside Investments

Reasons for Not Contributing at Least 5% of Pay to the TSP—Active Participants



Note: Responses based to the 744 Active participants (22%) who are not currently contributing at least 5% of their basic pay and answered this question. Only FERS participants receive a matching contribution on their first 5% of pay contributed.

⁵ Source: 2013 Aon Hewitt Benefits Perception Database of 314,326 respondents from 97 organizations.

Investment Approaches

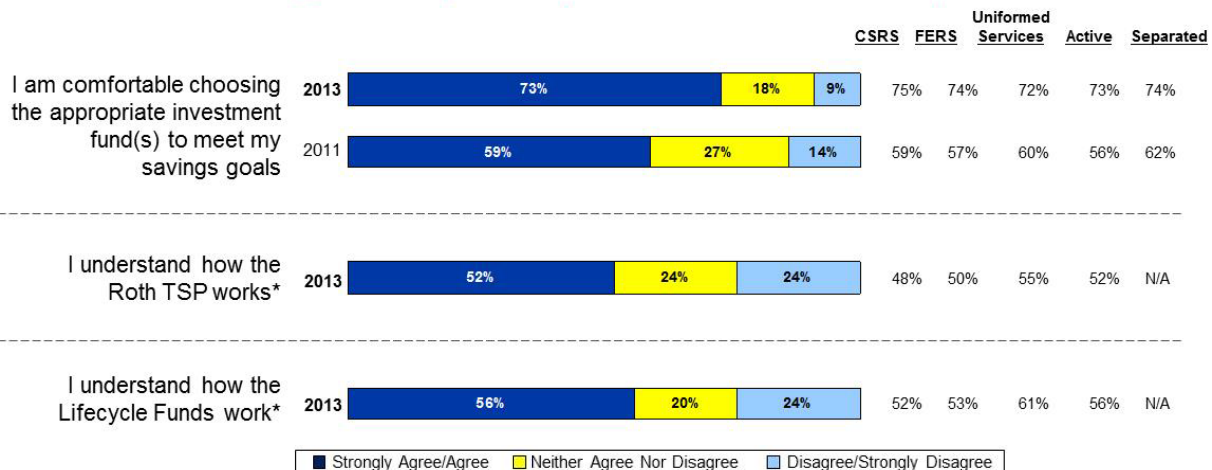
Nearly three-quarters (73%) of respondents are comfortable choosing investment funds to meet their goals. This result is consistent across retirement systems and significantly higher than 2011 results. Male respondents are much more likely than females to say they are comfortable choosing investment funds (78% versus 65% for females). Those contributing at 15% or more of pay are also more likely to be comfortable choosing investments.

73% are comfortable choosing investment funds—up 14 points from 2011.

Roth and Lifecycle Fund understanding lags for older, lower earning, and African-American/Black participants.

Participants' understanding of Roth TSP and Lifecycle Funds lag a bit with about one-quarter (24%) indicating a lack of understanding. Those contributing at higher rates (15 percent or more) are more likely to understand the Roth TSP and Lifecycle Fund options. Those without loans, those under 40 years of age, and those with household incomes over \$80,000 are more likely to say they understand the Roth and Lifecycle Fund options as well. African-American/Black respondents are less likely than others to say they understand Roth TSP (40%) and L Funds (37%). No significant differences among other subgroups were found.

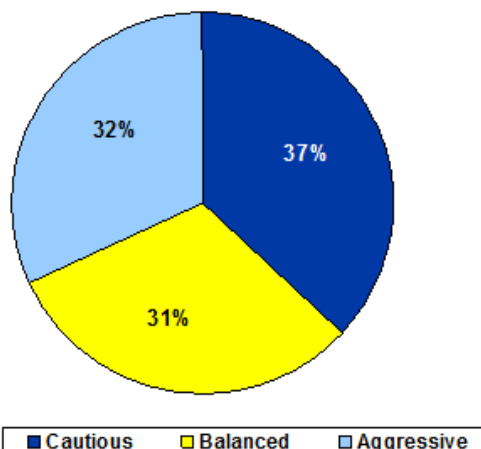
TSP Account Usage/Participant Experience—Active Participants



*Percentages reflect responses from Active Participants only

Self-described investment approaches are similar to 2011, with about one-third split between aggressive, balanced, and cautious categories. Similar to past results, uniformed services respondents tend to be the most aggressive, followed by FERS, with CSRS respondents being the most cautious relative to others.

Not surprisingly, self-reported investment approaches vary by demographics. Male, younger, and those with incomes over \$80,000 tend to have a more aggressive approach to investing compared to their female, older, and lower income counterparts.



TSP Investment Approach—All Participants

		CSRS	FERS	Uniformed Services
Very Aggressive/High Risk	2013	4%	7%	9%
	2011	6%	7%	10%
	2008	9%	19%	11%
	2006	—	—	—
		7%	7%	11%
Somewhat Aggressive/Moderate Risk	2013	18%	22%	32%
	2011	16%	20%	30%
	2008	18%	20%	30%
	2006	—	—	—
		25%	22%	30%
Balanced between Aggressive and Cautious	2013	31%	31%	32%
	2011	27%	28%	34%
	2008	23%	26%	28%
	2006	—	—	—
		31%	31%	32%
Somewhat Cautious/Low Risk	2013	29%	26%	18%
	2011	29%	26%	18%
	2008	25%	21%	14%
	2006	—	—	—
		24%	26%	18%
Very Cautious/No Risk	2013	18%	14%	8%
	2011	22%	19%	9%
	2008	20%	15%	10%
	2006	—	—	—
		13%	14%	8%

Note: 2013 percentages do not include the 306 participants (6%) who indicate they "Do Not Know/Not Applicable."

2011 percentages do not include the 638 (8%) employees who indicate they "Don't Know/Not Applicable."



When choosing investment funds, most ranked economic factors, length of time until money is needed, fund risk level, and past fund performance as most influential. This is consistent across retirement systems.

Top Factors Influencing TSP Investment Decisions—All Participants

	Ranked Most Influential	Ranked in Top 3	Top 3 by System		
			CSRS	FERS	Uniformed Services
Economic factors (stock market, inflation, etc.)	23%	53%	56%	54%	49%
Length of time until money is needed/my age	19%	51%	47%	50%	54%
Historical fund performance	15%	46%	46%	45%	47%
Fund's risk level	13%	48%	51%	47%	47%
I left my funds where they were automatically invested (G Fund)	12%	22%	25%	25%	17%
Professional financial advisor	5%	12%	10%	12%	14%
Colleagues/friends/family recommendations	4%	14%	14%	13%	14%
Information on the TSP website and publications	4%	22%	21%	22%	22%
Benefits/Human Resources representative	3%	7%	6%	9%	6%
Financial investment publications or websites not provided by TSP	3%	13%	14%	11%	15%
Other	2%	3%	3%	2%	3%

■ Top Influences

Investment influencers differ by age, income, race/ethnicity, and household income

The youngest group of respondents, those under age 30, is more likely than others to cite fellow participants/friends/family (34% versus 14% ranked in top three), providing further evidence of the influence social connections may have on younger participants.

Other differences of note include (see tables on page 20):

Asian/Pacific Islander respondents are less likely to cite economic factors as an influence in economic decisions compared to the other race/ethnic identities, while economic factors are also less likely to be influential for women compared to men.

Financial investment publications have more influence for higher income participants than lower income participants.

Factors Influencing TSP Investment Decisions—Ranked in Top 3: Key Employee Segments

	Age				Gender	
	Under 30	30–39	40–49	50+	Female	Male
Economic factors (stock market, inflation, etc.)	45%	47%	51%	55%	46%	56%
Length of time until money is needed/my age	57%	64%	52%	48%	52%	51%
Historical fund performance	37%	42%	52%	46%	41%	49%
Funds' risk level	43%	44%	47%	50%	46%	49%
I left my funds where they were automatically invested (G Fund)	21%	17%	16%	25%	26%	19%
Professional financial advisor	13%	15%	13%	11%	15%	11%
Colleagues/friends/family recommendations	34%	17%	14%	12%	19%	11%
Information on the TSP website and publications	20%	20%	22%	22%	22%	21%
Benefits/Human Resources representative	8%	7%	7%	7%	8%	6%
Financial investment publications or websites not provided by TSP	10%	12%	15%	14%	10%	15%
Other	1%	3%	3%	3%	2%	3%

■ Shaded results are significantly different (lower or higher) than other groups in the demographic category.

Factors Influencing TSP Investment Decisions—Ranked in Top 3: Key Employee Segments (cont'd.)

	Race/Ethnicity					
	African American/ Black	Asian/ Pacific Islander	Caucasian/ White	Hispanic/ Latin American	Native American/ Alaskan Native	Multi-Racial
Economic factors (stock market, inflation, etc.)	49%	11%	53%	53%	44%	44%
Length of time until money is needed/my age	50%	51%	51%	48%	45%	61%
Historical fund performance	42%	51%	48%	39%	37%	40%
Funds' risk level	42%	47%	50%	42%	42%	44%
I left my funds where they were automatically invested (G Fund)	36%	22%	20%	29%	32%	22%
Professional financial advisor	14%	11%	12%	10%	16%	15%
Colleagues/friends/family recommendations	23%	12%	13%	17%	23%	17%
Information on the TSP website and publications	24%	21%	21%	22%	31%	17%
Benefits/Human Resources representative	16%	11%	5%	13%	10%	10%
Financial investment publications or websites not provided by TSP	14%	15%	13%	8%	6%	15%
Other	3%	1%	3%	1%	—	10%

	Household Income						
	\$25K or Less	>\$25–\$40K	>\$40–\$60K	>\$60–\$80K	>\$80–\$100K	>\$100K–\$150K	\$150K or More
Economic factors (stock market, inflation, etc.)	42%	44%	49%	51%	53%	55%	58%
Length of time until money is needed/my age	49%	46%	50%	48%	51%	53%	55%
Historical fund performance	31%	38%	41%	44%	46%	53%	49%
Funds' risk level	47%	45%	49%	45%	48%	49%	50%
I left my funds where they were automatically invested (G Fund)	40%	40%	31%	29%	21%	15%	10%
Professional financial advisor	11%	9%	13%	11%	11%	12%	16%
Colleagues/friends/family recommendations	29%	16%	18%	18%	16%	11%	8%
Information on the TSP website and publications	23%	27%	23%	22%	21%	22%	19%
Benefits/Human Resources representative	12%	11%	10%	10%	7%	4%	3%
Financial investment publications or websites not provided by TSP	7%	10%	9%	10%	14%	15%	18%
Other	2%	2%	3%	3%	2%	3%	3%

■ Shaded results are significantly different (lower or higher) than other groups in the demographic category.

Asset Allocations

Survey results indicate a strong link between self-reported investment risk approaches and actual investment choices with lower risk approaches favoring G Funds and higher risk approaches favoring other asset class funds. The percentage in L Funds is consistent across risk levels, though those categorizing themselves as “balanced” are somewhat more likely to use L Funds in their mix, and those categorizing themselves as “no risk” are less likely to leverage L Funds, not surprisingly opting for G Funds primarily.

Risk Response by Percentage of Total TSP Account Balance by Fund

Self-Reported Risk Tolerance	G Fund	One Other Asset Class Fund (F, C, S, I)	L Fund
High Risk	11%	77%	12%
Moderate Risk	17%	68%	15%
Balanced	29%	47%	24%
Low Risk	58%	24%	18%
No Risk	91%	5%	4%

As respondents age, they are more likely to allocate a greater portion of assets to the G Fund in their portfolio. Respondents under age 30 have a relatively larger portion (29%) of their funds in the G Fund (though down from 35% in 2011), than might be considered appropriate. Respondents with 100% of their balance in the G fund are more likely to be older with lower household income (17% under \$40,000 versus 9% total), and more likely to have been auto-enrolled (43% of respondents who were auto-enrolled retain their entire balance in the G Fund). There are no relevant differences across other demographics for this very conservatively invested group. Though we may expect greater use of L Funds at younger ages since they were more recently introduced, the low use at higher ages (where still appropriate) may signal a need for further education on this option. That said, for each age group over 50, the percentage allocated to the L Fund has gone up between two and five percentage points from 2011 results.

Age by Percentage of Total TSP Account Balance by Fund

Age	G Fund	One Other Asset Class Fund (F, C, S, I)	L Fund
Under 30	29%	41%	30%
30–39	18%	52%	31%
40–49	22%	56%	22%
50–59	35%	46%	19%
60–69	44%	40%	16%
70 and over	49%	41%	10%



When considering household income categories, we see much greater allocation to the low risk G Fund among those at lower household income ranges, a greater allocation to other core asset classes among higher income ranges, and somewhat consistent allocation to an L Fund across ranges with the exception of those with incomes below \$25,000 where L Fund allocation is only 6%—likely due to the significant weight allocated to the G Fund.

Household Income by Percentage of Total TSP Account Balance by Fund

Household Income	G Fund	One Other Asset Class (F, C, S, I)	L Fund
\$25,000 or less	69%	24%	6%
\$25,001–\$40,000	57%	32%	11%
\$40,001–\$60,000	49%	38%	13%
\$60,001–\$80,000	47%	40%	13%
\$80,001–\$100,000	41%	42%	17%
\$100,001–\$150,000	36%	44%	20%
\$150,001 and over	30%	52%	18%

TSP Participant Experience



TSP Participant Experience

Overall Perspective

Overall satisfaction (those indicating being satisfied or very satisfied) with the TSP is up to 87% from the 86% result in 2011. Satisfaction is highest among CSRS (90%) and FERS (88%), while uniformed services lags at 84%, though still quite positive.

Satisfaction lags for younger, less tenured, and lower income respondents, though satisfaction among these groups is still relatively high.

Satisfaction is relatively consistent across all demographics (age, gender, race/ethnicity, and income or pay levels), with some minor exceptions: those earning under \$25,000 in pay or with household incomes under \$25,000 (79% and 73%, respectively), and those under 30 years of age (80%—up from 76% in 2011) are less likely to be satisfied. Respondents with account balances over \$50,000 are more likely to be satisfied (91%) relative to those with lower balances.

With the relatively lower satisfaction among lower incomes and younger participants, there are also similar results by tenure—those with less than three years of service are somewhat less likely to be satisfied. This may be the result of this group having less experience in the plan or with less experience, a less complete understanding of the value. The TSP has experienced changes and additions over the years including the addition of uniformed services in 2002, daily valuation in 2003, the addition of Lifecycle Funds in 2005, and auto-enrollment in 2010. In fact, those joining after 2005 are less likely to be satisfied than those with longer tenure (81% versus 88%), which also coincides with the elimination of the TSP open seasons and accompanying universal focus on the TSP.

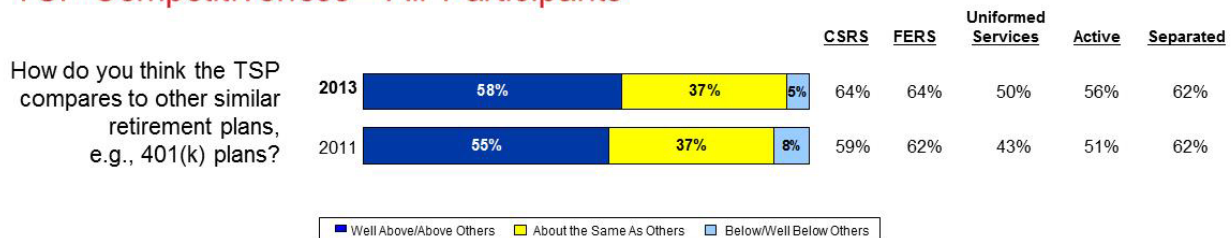
TSP Overall Satisfaction—All Participants



Note: Bar chart does not include the employees who indicated "Don't Know/Not Applicable" (2%).

When considering the TSP relative to what respondents know or have heard about other employers' retirement savings plans, again results are positive with 95% saying TSP is the same as or better than others' plans—over half (58%) say TSP is above or well above others, up from 55% in 2011.

TSP Competitiveness—All Participants



This compares favorably to private sector perceptions of 401(k) programs where only 28% say their plan is above or well above others.⁶ This result differs significantly by retirement system, with uniformed services being less likely than CSRS or FERS to say the plan is above others (50% of uniformed services say well above or above others), though perceptions have risen over 2011 across each system. Though Active participants' view of competitiveness has risen (56% from 51% in 2011), it lags somewhat the views from Separated participants (62%, unchanged from 2011). Respondents over age 50 (63% above or well above), males (60%), and those with account balances over \$50,000 (66%) are more likely to view the TSP as above or well above other plans. Though more likely to be satisfied, African-American/ Black and multi-race respondents are less likely to view the TSP as above others (54% and 45%, respectively) relative to other ethnic identities.

Overall Perceptions: Plan Satisfaction And Competitiveness

	Age						Race/Ethnicity					
	Under 30	30–39	40–49	50–59	60–69	70 and Above	African American/ Black	Asian/ Pacific Islander	Caucasian/ White	Hispanic/ Latin American	Native American/ Alaskan Native	Multi-racial
TSP Overall Satisfaction	80%	86%	86%	86%	89%	90%	88%	87%	88%	87%	85%	76%
TSP Competitiveness	51%	48%	51%	58%	66%	67%	54%	59%	60%	62%	68%	45%

	Household Income							Gender	
	\$25K or Less	>\$25–\$40K	>\$40–\$60K	>\$60–\$80K	>\$80–\$100K	>\$100K–\$150K	\$150K or More	Female	Male
TSP Overall Satisfaction	73%	83%	85%	88%	88%	90%	87%	87%	87%
TSP Competitiveness	51%	56%	61%	59%	56%	58%	60%	56%	60%

■ Shaded results are significantly different (lower or higher) than other groups in the demographic category.

“TSP seems to be doing a good job adjusting to changing times and developing tools, investment options, and services beneficial to investors.”

—Uniformed services participant

“Considering investment options in the private sector, I think the TSP is excellent.”

—FERS participant

⁶ Source: 2013 Aon Hewitt Benefits Perception Database of 314,326 respondents from 97 organizations.

Communication and Education—Overall Use and Preferences

Respondents vary in terms of most preferred sources of communication, though the TSP website and mailed statements dominate as both current channels and most preferred relative to others. Though currently not available, email is considered a top preference by nearly one-quarter of respondents (23%) overall. Communication preferences are fairly consistent across subgroups, though uniformed services is more likely to rank electronic sources as preferred relative to those in other systems.

Communication Preferences—All Participants

	Currently Use Source TOTAL	Ranked in Top 3 TOTAL	Ranked in Top 3				
			CSRS	FERS	Uniformed Services	Active	Separated
TSP website	81%	82%	78%	79%	88%	86%	77%
Annual/Quarterly statement via US mail	72%	71%	76%	70%	67%	68%	75%
Telephone representative/ThriftLine	31%	39%	44%	44%	33%	36%	45%
TSP booklets and other printed material	37%	33%	40%	35%	27%	30%	38%
Email (would require personal address)	N/A	23%	17%	22%	28%	24%	21%
Agency/Service Personnel Office	13%	13%	14%	16%	11%	14%	13%
Mobile application and/or text	N/A	8%	5%	6%	13%	11%	5%
Social media	N/A	1%	1%	1%	2%	2%	1%
Other	1%	1%	1%	1%	1%	1%	1%

■ Top Preferred Sources

Those with household incomes under \$25,000 are more likely to prefer mobile application or text.

As expected, those under 40 years of age are more likely to prefer electronic methods, while older respondents and those with lower household incomes are less likely to prefer electronic. That said, the TSP website is most preferred across all groups except those over 70 years old or those with household incomes under \$40,000, where it is second to mailed statements. Interestingly, those with household incomes under \$25,000 are more likely to prefer

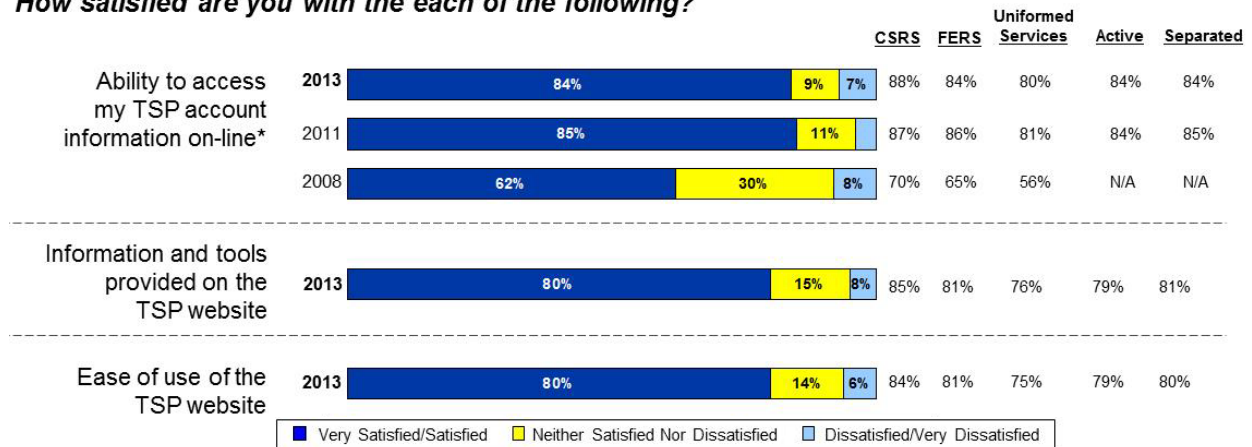
mobile application or text (13% versus 8% for total) compared to others. According to Forrester Research in 2013, use of mobile devices is similar across income levels, but three times more prevalent for those under 40 years of age. African-American/ Black respondents are more likely to use the ThriftLine (45%) and more likely to prefer it (50% top three preference) compared to others.

Communication and Education—TSP Website

Consistent with 2011 results overall, 2013 respondents continue to be positive about the TSP website with at least 80% satisfied or very satisfied with the ability to access account information, support information and tools provided, and overall ease of use. The results differ across retirement systems with uniformed services less likely to be positive and CSRS more likely to be positive compared to respondents in the other systems.

TSP Services Satisfaction—All Participants

How satisfied are you with the each of the following?



Note: Bar charts do not include "Don't Know/Not Applicable."

**2008 question is "Ability to access information about my account and general plan features from the TSP website."*

Across the website items, respondents under age 40, those with household incomes under \$40,000, and multi-race respondents are less likely to be as positive as others, though favorable responses still tend to be in the 70% or higher range in these groups. Though the cause for the less positive perceptions cannot be fully explained, we often find younger participants have higher expectations for web site design, functionality, and interactivity. Therefore these higher expectations may be driving lower overall perceptions—further research with this subgroup could provide more insight into the reasons for the lower perceptions and what action might help to enhance their experience. Longer-tenured respondents and those with loans are more likely to be satisfied across the website survey items.

"Keep the website as simple and uncomplicated as possible."

—FERS participant

"Everything I need is in the website."

—Uniformed services participant

"The website is easy to navigate and understandable. It would be nice to see the history of my funds, say over a year, in a chart or graph form."

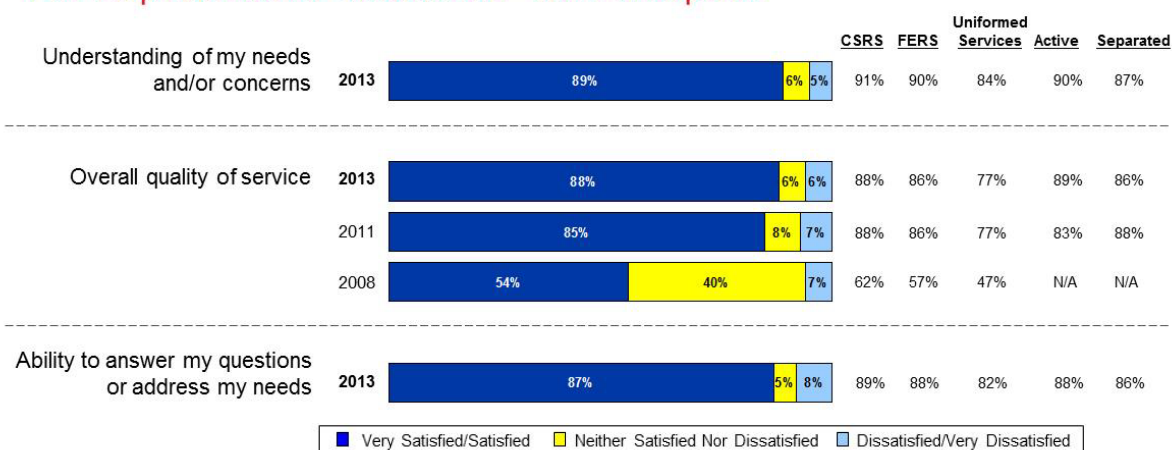
—FERS participant

Communication and Education—TSP ThriftLine

Up 3% from 2011, nearly nine out of ten respondents who have used the ThriftLine in the past 12 months (25% of total respondents) are satisfied or very satisfied with the quality of service received. This result is up dramatically from 54% in 2008.

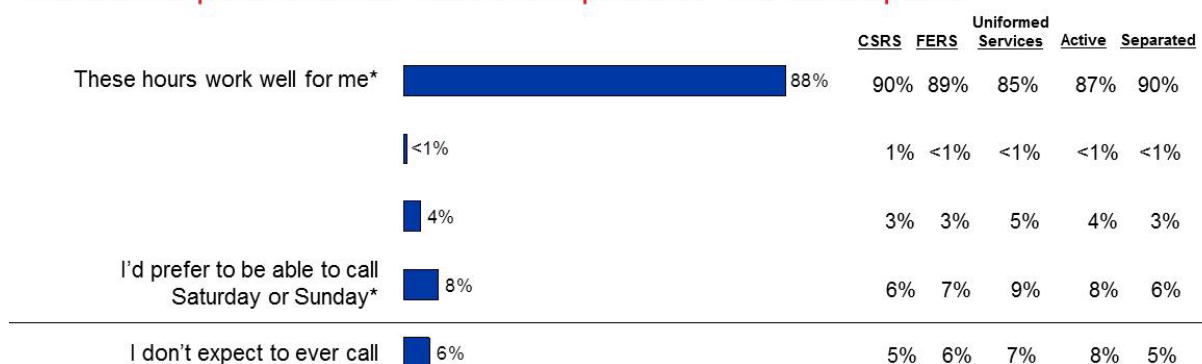
Results across retirement systems, Active/Separated status, and other demographics are reasonably consistent, though perceptions from uniformed services lag slightly. The current hours of operation work well for over four-fifths of respondents (82%), though some (7%) prefer to be able to call during weekends. Those respondents who do prefer to be able to call on the weekend have similar overall communication preferences to others, though slightly more likely to prefer the phone channel. This group also tends to be more likely to be uniformed services, younger, and female compared to other respondents.

TSP Representative Satisfaction—All Participants



Note: 2013 bar chart percentages are based to the 960 participants (18%) who called the ThriftLine in the past 12 months. 2011 bar chart does not include the "Have Not Spoken to a PSR in the Past 12 Months." 2008 bar chart does not include "No response" or those selecting "Not Applicable" (54%).

Service Representatives Hours of Operation—All Participants

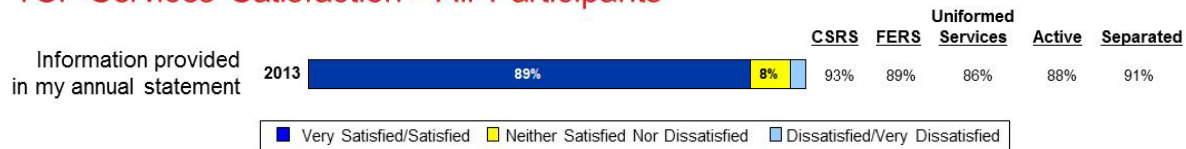


*Figures do not include those that don't expect to ever call.

Communication and Education—TSP Annual Statement

The annual statement is used by 72% of respondents and ranks second only to the website as the most preferred communication source for TSP information. Nearly nine out of ten respondents (89%) express satisfaction with the information provided in the annual statement. Respondents under 30 years of age and those with household incomes of \$25,000 or less are less likely to be satisfied with the information provided in the annual statement, though at 80%, the vast majority of these two groups are still quite satisfied.

TSP Services Satisfaction—All Participants

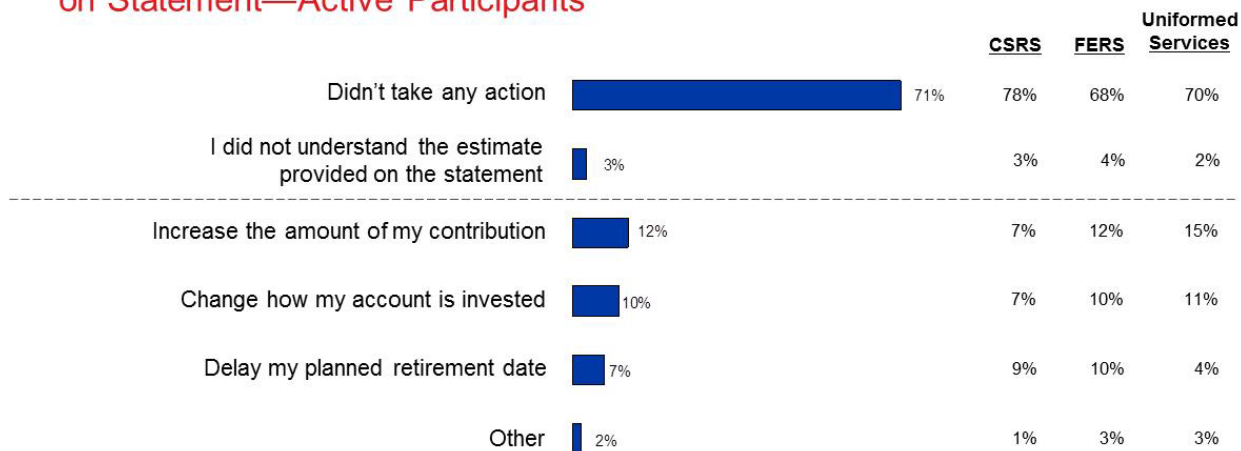


Note: Bar charts do not include "Don't Know/Not Applicable."

Nearly three-quarters (73%) of separated participants agree that the estimate of monthly retirement income on the annual statement is helpful. Over one-quarter (29%) of active participants report that they took some action based on the monthly income estimate, most often either increasing the amount they contribute or revising the investment mix. FERS and uniformed services respondents were more likely to take action compared to CSRS respondents. Those who did take some action based on the monthly income estimate are more likely to be younger (48% under 50) and in uniformed services (47% versus 40% in total population). This compares favorably to a recent EBRI study which found 36% thought the illustration was useful.⁷

12% increased their contributions as a result of the estimate of monthly retirement income on the annual statement.

Actions Taken From Estimate of Monthly Retirement Income on Statement—Active Participants



Note: Percentages reflect responses from Active Participants only.

⁷ EBRI Benefit Research Institute, 2014 Retirement Confidence Study.

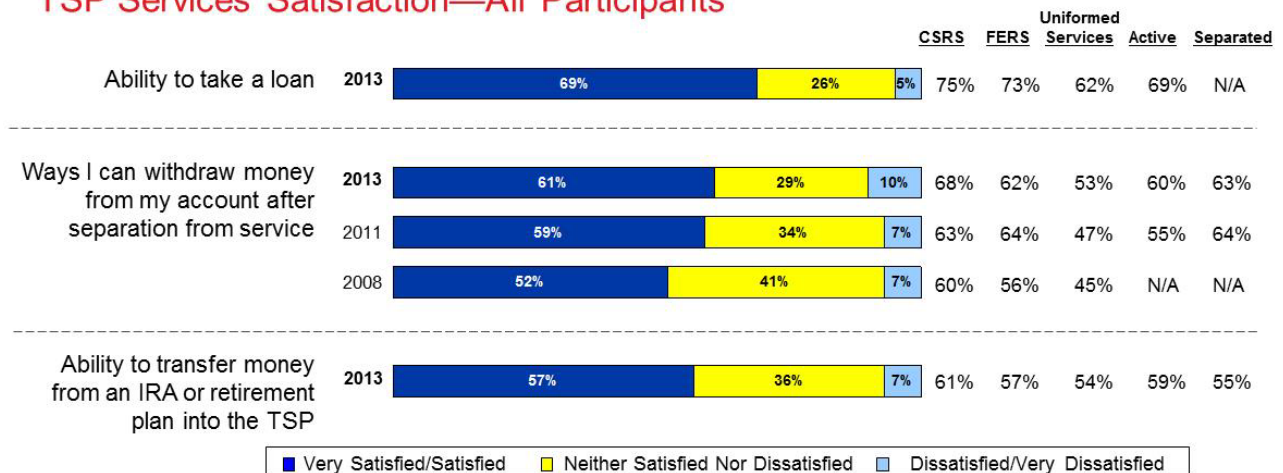
TSP Administrative Services

Most respondents are satisfied with their ability to take a loan (69%), ways to withdraw money after separation (61%), and ability to transfer money into TSP from another retirement vehicle (57%). Though satisfaction with ways to withdraw money after separation has generally improved since 2008, a slight rise in dissatisfaction appears this year (up to 10% from 7% in 2011).

Respondents under 40 years of age are less likely to be satisfied with the ability to take loans, while female respondents are more likely to be satisfied with this ability. Those with account balances of \$50,000 or more and those ages 70 or older are more likely to be satisfied with the ways to withdraw money after separation, while those ages 30–39 are less likely to be satisfied with withdrawal methods.

Younger respondents are less likely to be satisfied with administrative services like loans and withdrawal methods.

TSP Services Satisfaction—All Participants



Note: Bar charts do not include "Don't Know/Not Applicable."

"Wish there was more flexible withdrawal options in retirement."
—FERS participant

"I'd like to be able to take my money out in "chunks" here and there over the years rather than having to take monthly withdrawals."
—CSRS participant

When asked which services they value from other financial institutions, respondents cited investment options, mobile access for information and transactions, and available financial advice or counseling most often.

Those under 40 years of age are more likely to say they like mobile access (61%) and modeling/calculator tools (29%) from their financial services institutions. Those with household incomes over \$80,000 are also more likely to say they like modeling/calculator tools (23%). Female respondents are more likely to cite financial advice/counseling as a service they like relative to males (45% versus 40% for males), whereas males are more likely to favor investment options offered (49% versus 40% for females) and ability to download account information into other software (22% versus 16% for females).

*Investment options, mobile access for information and transactions, and available financial advice or counseling are **most liked services** from other financial institutions.*

Most Liked Services From Other Financial Institutions—All Participants

		CSRS	FERS	Uniformed Services	Active	Separated
Investment options offered	46%	46%	43%	49%	45%	48%
Mobile access to my account information	44%	38%	41%	50%	47%	38%
Financial advice/counseling	42%	43%	42%	42%	44%	40%
Mobile transaction capabilities	34%	30%	30%	41%	38%	29%
Individual modeling or calculator tools	21%	14%	18%	27%	23%	16%
Ability to download my account information to use with other financial applications/software	20%	19%	20%	21%	20%	19%
Ability to engage via social media	2%	3%	2%	2%	2%	2%
Other	8%	9%	9%	6%	6%	10%

Note: Respondents could select up to three services.

“I’d very much like to be able to download my current account information and transactions into Quicken so I don’t have to wait for the statement and then manually enter the information.”

—FERS participant

“I’d like to be able to download data into my financial software.”

—Uniformed services participant

“Consider a TSP app for mobile phones.”

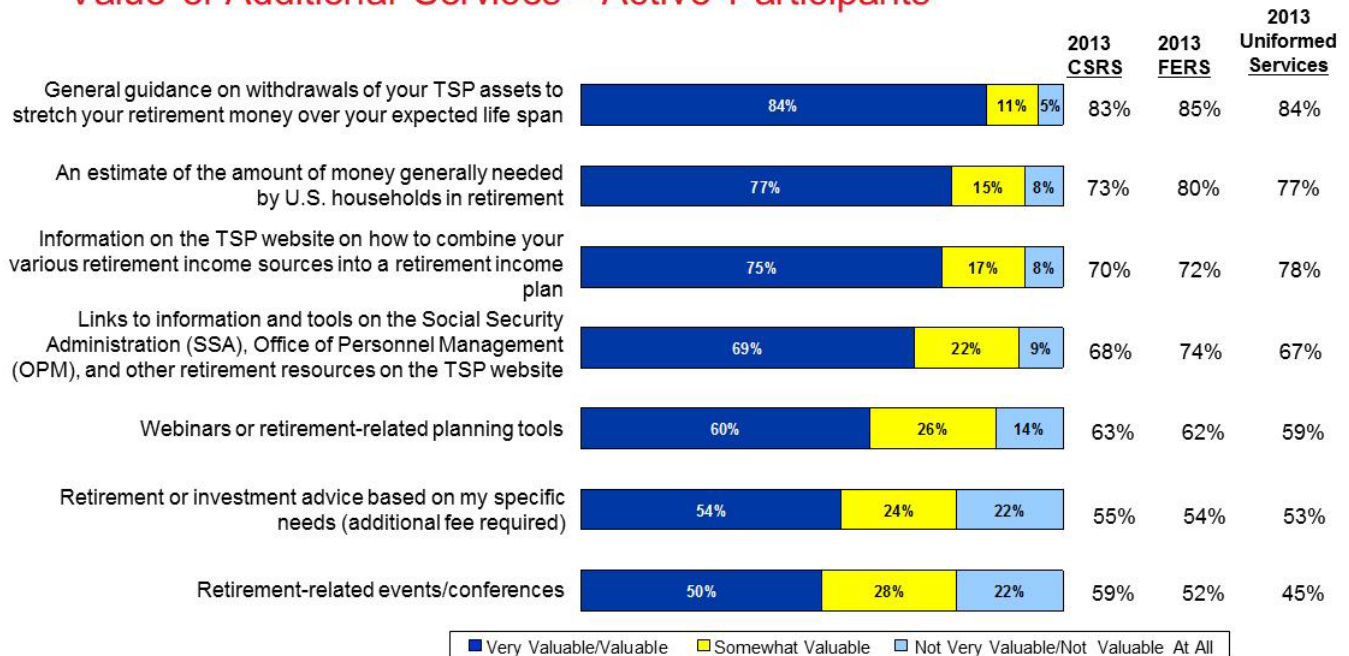
—FERS participant

Most participants say each of the potential new services or additional information tested in the survey would provide at least some value. Those cited as valuable or very valuable by at least three-quarters of respondents focus primarily on guidance—on how to optimize withdrawals from the TSP (84%), on how much money will be needed in retirement (77%), and on retirement income planning (75%).

Guidance tools and information are seen as most valuable new ideas.

CSRS respondents are more likely to value retirement-related events/conferences (59%), while those under 40 years of age are less likely to view this as valuable (42%). Female respondents are more likely than males to find value in all the options considered, though the relative rank of each is similar between groups, e.g., general guidance on withdrawals is highest value for both groups. African-American/Black respondents are more likely to find value in the general estimate of money needed (89%), retirement-related events/conferences (73%), and investment advice (74%), compared to others.

Value of Additional Services—Active Participants



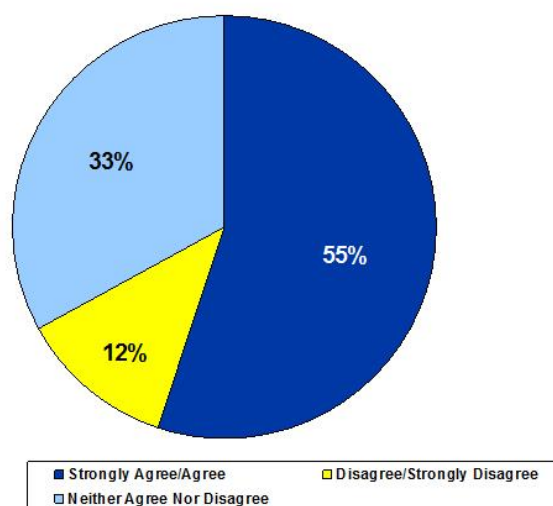
Note: Percentages reflect responses from Active Participants only.

TSP Account Actions and Approaches

Respondents were asked what actions they are or would consider related to retirement accounts outside TSP. Overall, most respondents (55%) like the idea of consolidating another retirement account into their TSP account—similar results across retirement systems. Of those that have another retirement account, 11% have already rolled it into their TSP and another 46% would consider doing so (up from 36% in 2011), though 42% would *not* consider rolling over another retirement account into their TSP.

Perspectives differ across retirement systems, with uniformed services participants more likely to consider rolling another account into their TSP, and CSRS and FERS less likely to consider it. Also respondents over 50 years of age with another retirement account are less likely to consider rolling them over to the TSP account (47% would *not* consider it as compared to 42% of all respondents).

Like Idea of Consolidating Another Retirement Account Into My TSP



Actions Regarding Another Employer's Retirement Account—Active Participants

		CSRS	FERS	Uniformed Services
I have another retirement account and would consider rolling it into my TSP account*	2013	46%	36%	41%
	2011	36%	36%	31%
	2008	19%	12%	18%
I have another retirement account and would not consider rolling it into my TSP account*	2013	42%	55%	44%
	2011	40%	46%	38%
	2008	16%	12%	10%
I have already rolled another retirement account into a non-TSP account*	2013	15%	11%	14%
	2011	22%	13%	27%
	2008	8%	3%	9%
I have rolled another retirement account [401(k), IRA, etc.] into my TSP account*	2013	11%	9%	15%
	2011	11%	12%	13%
	2008	4%	3%	6%
Not applicable (e.g., I don't have any other retirement accounts)	2013	40%	50%	49%
	2011	45%	56%	44%
	2008	—	—	—

*Percentages do not include the 1,343 (40%) Active Participants who selected "Not Applicable."

Though most active participants do not plan to transfer money out of the TSP into another account after separation (57%), those that do plan to transfer money are most likely to cite consolidation of accounts (42%), investment choices (36%), and more flexible withdrawal options (32%) as reasons. Respondents under age 50 are less likely to say they expect to transfer money out of the TSP after separation (62% versus 51% for those over age 50).

Reasons for Transferring Money From the TSP—Active Participants

		<u>CSRS</u>	<u>FERS</u>	<u>Uniformed Services</u>
I don't think I'll transfer my TSP account	57%	52%	54%	60%
Want to consolidate all retirement accounts	42%	28%	38%	52%
More or better investment choices	36%	33%	34%	40%
More flexible withdrawal options available	32%	40%	38%	25%
Available financial advisory services	24%	27%	28%	20%
Available or better investment or financial planning tools	17%	15%	18%	18%
Lower costs or administrative fees	12%	9%	13%	13%
Better customer service	9%	9%	9%	10%
Other	17%	21%	17%	14%

Note: Percentages do not include the 1,882 Active Participants (57%) who do not plan to transfer their TSP account.

“Right now I have two TSP accounts, one from civilian service and the other from them the military reserve – please offer an option to combine them so I don’t have to.”

—Uniformed services participant

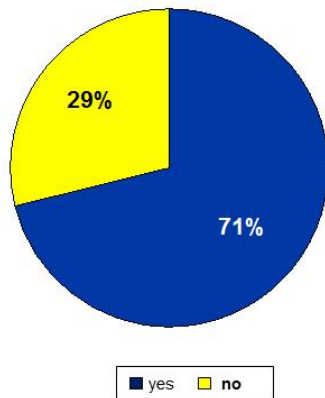
“I would like to see a little more flexibility in withdrawing funds instead of having to wait until the one time during the year.”

—FERS participant

Of separated respondents who have not yet retired (29% of separated respondents), one-quarter (26%) expect to withdraw money immediately upon retirement—this result is consistent across retirement systems.

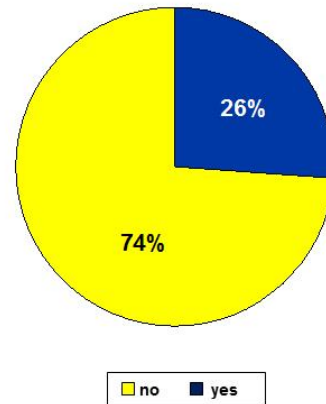
Separated Retirement Status/Plans

Are you currently retired from full-time employment?



Note: Percentages reflect responses from Separated Participants only.

Do you plan to withdraw money from your TSP account immediately after retirement?*



Note: Percentages based to the 619 Separated Participants (28%) who have not yet retired and answered this question.

The withdrawals are most likely to be used to pay living expenses, though about one-quarter expect to pay down debt (25%) or invest the money elsewhere (21%). Separated, not-yet-retired respondents under age 30 are most likely to say they expect to withdraw money immediately upon retirement (43%).

Plans for Withdrawing Money From TSP (If Withdrawing Money When Retirement-Eligible)—Separated Participants

		CSRS	FERS	Uniformed Services
Pay living expenses	60%	54%	60%	61%
Invest the money elsewhere	21%	23%	10%	26%
Buy a home/pay off a mortgage	16%	23%	26%	11%
Pay down non-mortgage debt	9%	—	12%	9%
Take a vacation	8%	8%	2%	11%
Pay tuition	3%	—	5%	3%
Other	9%	8%	10%	9%

Note: Percentages based to the 159 Separated Participants (26%) who plan to withdraw money from their TSP account immediately after retirement.

Among separated, yet-to-rotate participants that do plan to transfer money from their TSP to another retirement account after retirement (40% of separated, yet-to-rotate respondents), the primary reason is to consolidate accounts (65%).

Plans For Transferring Money From TSP—Separated Participants

		<u>CSRS</u>	<u>FERS</u>	<u>Uniformed Services</u>
Want to consolidate all retirement accounts	65%	73%	66%	65%
More or better investment choices	33%	9%	33%	35%
More flexible withdrawal options available	22%	18%	23%	22%
Available financial advisory services	21%	55%	18%	20%
Available or better investment or financial planning tools	15%	18%	15%	15%
Lower costs or administrative fees	15%	18%	18%	14%
Better customer service	12%	9%	11%	12%
Other	7%	18%	18%	14%

Note: Percentages do not include the 381 Separated Participants (60%) who do not plan to transfer their TSP account.

Separated respondents keeping money in the TSP (retired or not) cite lack of need to withdraw (57%), satisfaction with investment options and performance (54%), and leveraging low administrative fees (39%) as primary reasons for doing so. About one-quarter (26%) cite the fact they are receiving monthly payments from the TSP as a reason they keep money in the account—a significant part of these are FERS (39%) participants.






Reasons For Keeping Money in TSP—Separated Participants

		<u>CSRS</u>	<u>FERS</u>	<u>Uniformed Services</u>
I don't need to use my TSP funds now	57%	59%	49%	65%
I am satisfied with the TSP investment options and/or performance	54%	59%	51%	52%
I want to take advantage of the TSP's low fees	39%	40%	38%	39%
I am receiving monthly payments from the TSP	26%	32%	39%	2%
I don't know what other choices are available	10%	9%	10%	13%
I am using the TSP to consolidate all of my other retirement funds	4%	4%	4%	4%
Other	6%	4%	6%	9%

Note: Percentages based to the 2,122 Separated Participants who do not plan to withdraw all funds in the next six months (97% of all Separated Participants) and answered this question.

Just prior to and during survey administration, there was significant media and public attention on government budget issues and the related potential government shutdown. In light of this, respondents were asked if the recent budget conditions sparked any action related to their TSP account. For most (75%), no action related to the TSP was triggered. For those who did take some action based on the budget conditions, reducing the amount they were contributing or taking a loan or withdrawal were the actions most often cited. Respondents under 50 years of age who did take action were more likely than older respondents to decrease their contribution (40% cite as reason versus 19% for those 50 or older). There were no significant differences among other groups.

Impact of Workplace Budget Conditions—Active Participants

		<u>CSRS</u>	<u>FERS</u>	<u>Uniformed Services</u>
Yes, I decreased the amount I contribute each pay period*	 30%	18%	23%	43%
Yes, I took out a loan or withdrawal from my TSP account*	 30%	38%	38%	18%
Yes, I stopped the amount I contribute each pay period*	 18%	32%	15%	10%
Yes, I changed how my balance or contributions are invested*	 18%	16%	16%	20%
Yes, I increased the amount I contribute each pay period*	 13%	6%	11%	18%
Yes, other*	 10%	8%	14%	7%
<hr/>				
Did not take any action	 75%	71%	74%	78%

*Percentages do not include the 2,503 Active Participants (75%) who indicated budget constraints did not cause them to take any action within their TSP account.

Retirement Preparation and Planning



Retirement Preparation and Planning

Of course, key factors to consider in retirement planning include current assets, income/assets required at time of retirement, estimated amount of time before retirement, and estimated amount of time to be spent in retirement.

As might be expected, respondents overall rank the TSP, available pensions/annuities, and Social Security in the top three sources of income. Not surprisingly, given the retirement system design differences, respondents view sources differently depending on the retirement system in which they participate. Across all three systems, though, the TSP is cited by about two-thirds (up significantly from 56%) as a top three source, making it a critical source overall.

Top Sources of Retirement Income—All Participants

	Ranked Most Important		Ranked in Top 3		Top 3 by System					
	2013	2011	2013	2011	CSRS		FERS		Uniformed Services	
					2013	2011	2013	2011	2013	2011
Annuity from FERS/CSRS	31%	40%	45%	55%	94%	92%	58%	57%	15%	15%
Annuity from Uniformed Services (military pension)	29%	21%	44%	31%	6%	5%	17%	16%	78%	76%
TSP account	12%	6%	67%	56%	72%	58%	70%	57%	63%	52%
Pension plan or 401(k) from previous employer	8%	3%	18%	11%	6%	5%	15%	10%	24%	19%
Social Security	7%	10%	37%	44%	23%	29%	66%	73%	26%	34%
Income from continuing to work in retirement	6%	5%	21%	21%	18%	20%	16%	14%	24%	21%
Mutual funds, stocks, bonds, or brokerage accounts	3%	3%	18%	16%	19%	23%	13%	15%	20%	17%
Other personal savings	2%	2%	13%	15%	17%	23%	13%	15%	12%	13%
IRA accounts	1%	2%	16%	19%	11%	14%	12%	12%	20%	28%
Income from spouse or other family members	1%	—	11%	—	18%	—	9%	—	8%	—
Home equity	1%	1%	6%	8%	8%	10%	6%	8%	5%	6%
Stock ownership or stock purchase plan from previous employer	0%	0%	2%	1%	1%	0%	2%	1%	2%	1%

■ Top Sources

Note: Percentages reflect responses from Actives only.

*Figures are self-reported and may, theoretically, represent prior roles in FERS/CSRS or Uniformed Services before current role.

Respondents under 40 years of age are more likely to cite the TSP account as a top three source (75% rank it in top 3, up from 63% in 2011) and working during retirement (27%), while less likely to cite Social Security (23%). Among the under-40 group, the TSP account is the most often cited top-three source. FERS/CSRS annuity and Social Security are more likely to be in the top three for those age 50 or older (66% and 48%, respectively—similar to 2011), though TSP is the second most often cited source at 62%, up from 47% in 2011, for this group.

Those with household incomes of \$25,000 or less are more likely to include income from working in retirement as a top-three source (41%) and other personal savings (32%). Those earning annual pay under \$60,000 place somewhat more emphasis on previous employer plans and Social Security than higher earners. Hispanic/Latin American respondents are more likely to cite other personal savings as a top three source (24%), while African-American/Black are less likely to cite “mutual funds, stocks, bonds, or brokerage accounts” as a top source (10%).

Top 3 Sources of Retirement Income by Key Employee Segments

	Ranked in Top 3 TOTAL	Age				Gender	
		Under 30	30-49	40-49	50+	Female	Male
TSP account	67%	77%	74%	68%	62%	70%	65%
Pension plan or 401(k) from previous employer	18%	19%	19%	21%	15%	13%	20%
Social Security	37%	24%	22%	30%	48%	38%	36%

	Ranked in Top 3 TOTAL	Race/Ethnicity					
		African-American/Black	Asian/Pacific Islander	Caucasian/White	Hispanic/Latin American	Native American/Alaskan Native	Multi Racial
TSP account	67%	67%	70%	67%	65%	65%	71%
Pension plan or 401(k) from previous employer	18%	14%	19%	18%	18%	12%	21%
Social Security	37%	46%	47%	35%	41%	33%	32%

	Ranked in Top 3 TOTAL	Annual Salary						
		\$25K or Less	>\$25-\$40K	>\$40-\$60K	>\$60-\$80K	>\$80-\$100K	>\$100K-\$150K	\$150K or More
TSP account	67%	57%	60%	67%	73%	67%	69%	57%
Pension plan or 401(k) from previous employer	18%	28%	27%	17%	14%	18%	16%	19%
Social Security	37%	37%	48%	47%	37%	35%	31%	31%

■ Shaded results are significantly different (lower or higher) than other groups in the demographic category.

Over two-thirds (70%) of respondents say they do not have a specific financial goal for retirement. For the minority that report having a goal, most (83%) have a specific dollar amount in mind versus a multiple of pre-retirement pay. CSRS respondents, who likely see the TSP as more of a supplemental savings plan, are more likely to say they have no specific goal and just save as much as they can. Respondents under age 30, female, those contributing less than 10% of pay, and those 70 years and older are less likely to say they have a specific goal.

Retirement Financial Goals—Active Participants

		<u>CSRS</u>	<u>FERS</u>	<u>Uniformed Services</u>
No specific goal, but I save as much as I can		47%	62%	41%
Yes, I have estimated an amount of money I think I'll need to have saved when I retire (e.g., \$500,000)		25%	18%	30%
No specific goal, but I save at least 5% of my basic pay		23%	16%	24%
Yes, I have estimated a multiple of my pay I think I'll need to have saved when I retire (e.g., 10 times my pay)		5%	4%	6%

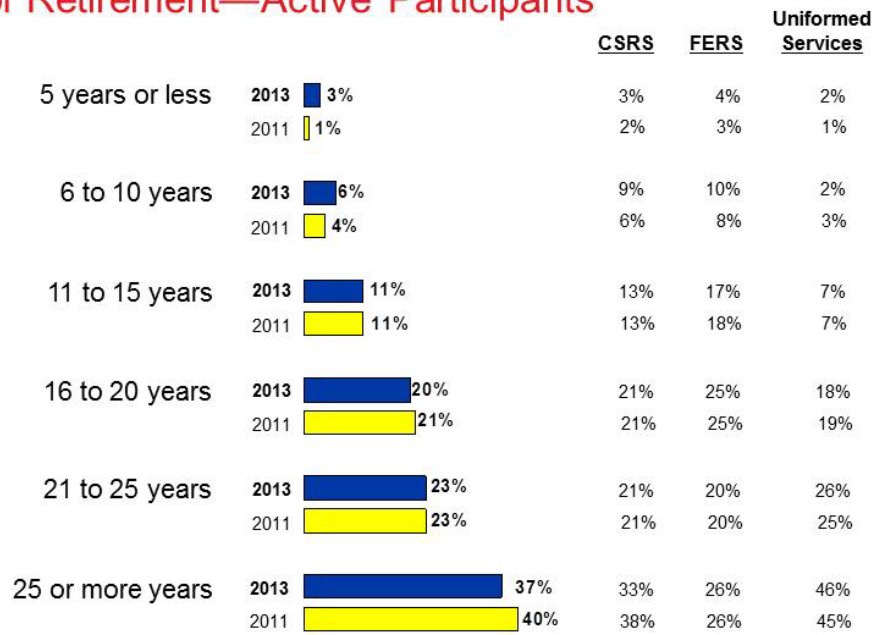
Note: Percentages reflect responses from Active participants only.

Length of Time Before Retirement—Active Participants

		<u>CSRS</u>	<u>FERS</u>	<u>Uniformed Services</u>
5 years or less		34%	72%	43%
6 to 10 years		18%	23%	18%
11 to 15 years		13%	3%	10%
16 to 20 years		12%	1%	9%
21 to 25 years		9%	<1%	7%
25 years or more		13%	1%	13%

Note: Percentages reflect responses from Active participants only.

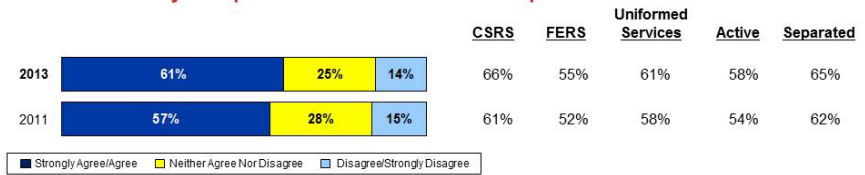
Expected Length of Retirement—Active Participants



Note: Percentages reflect responses from Active participants only.

Though confidence that retirement income sources will be sufficient for a comfortable retirement has risen slightly since 2011, fewer than two-thirds (61%) agree or strongly agree they are confident.

Confidence in Pay Replacement—All Participants

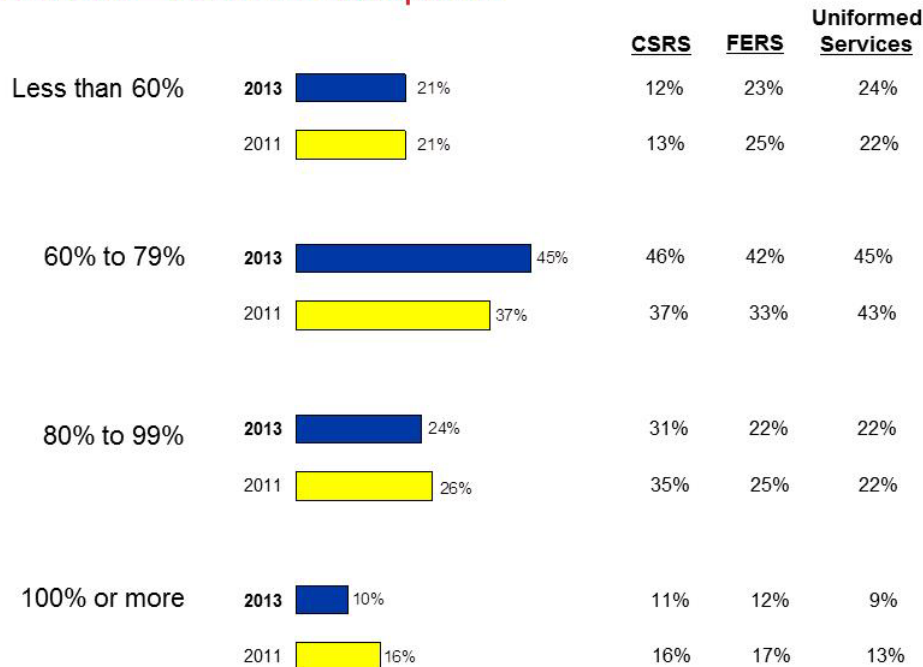


FERS respondents are less likely to feel confident compared to other system respondents, perhaps partly due to the reduction in the available defined benefit component in their plan.

Separated respondents, those without loans, those with higher account balances, males, Caucasian/White respondents, and those over 50 years of age are more likely to express confidence that they will have sufficient income in retirement, while those under age 50 are less likely to express this confidence.

Participants' estimates of the income replacement level necessary to live comfortably in retirement declined from 2011. Two-thirds (66%) of respondents estimate that a replacement level less than 80% would be sufficient as compared to 58% of respondents 2011.

Pay Replacement—Active Participants



Note: Percentages reflect responses from Active participants only.

“Be cognizant of the large number of people who will retire within the next ten years and the services they would appreciate: total retirement planning/packaging that is web-based, user-friendly, and well-explained.”

—FERS participant

“I feel privileged to be a Federal employee with access to the TSP program. But as I have approached retirement, my agency offers less useful information. This is an opportunity for TSP to fill in the gap with retirement seminars, etc.”

—CSRS participant

Closing

Overall, participants are quite satisfied with the TSP and its competitiveness compared to similar private sector plans. While overall satisfaction is high, satisfaction lags in administrative service areas such as the perceived ability to transfer other accounts into the TSP and ways to withdraw money from the account after separation from service. These lower satisfaction levels may come from either a lack of knowledge about how to execute these activities on the part of participants or from an assessment from participants that these services are not addressing their expectations fully.

A continued focus on providing information and education on TSP participant benefits, diversification of investments, and appropriate support for savings and investment decisions will likely provide the greatest impact on overall satisfaction.

Given the lower relative perceptions of the plan overall and key plan components from those in lower income ranges, lower balances, and lower age ranges, consider more targeted communication and education to these groups about the value of saving, actions that can help identify more money to save (e.g. budgeting tools), and the services and tools available through the plan. Consider further leverage of short videos, text, mobile and social media channels to better reach these audiences as their use of these tools tend to be higher than other groups. Mobile access is one of the well-liked elements from other financial institutions. Combining high-tech and high-touch methods have proven to be most effective in driving better behaviors in savings plans in the private sector.

Participants placed high value on the annual statements. To the extent possible, leveraging personal emails could be a way to further engage participants while potentially providing cost savings. Email is a significant part of most communication strategies in the private sector and continues to be a preferred approach to targeting information or reminders to participants.

Offering guidance should also be considered as participants responded favorably to these services and information when assisting with optimizing withdrawals, determining how much money is needed in retirement, and retirement income planning in general.

With a reasonably-sized portion of participants being unwilling to roll over other accounts into the TSP, this is an area where further investigation and research may be valuable to uncover the underlying reasons why this option is not viewed more positively. Integrating quantitative efforts, such as this survey, with supplemental qualitative research—interviews, focus groups, or web-site feedback—may be a good way to listen to participants and determine ways to add further value and improve quality and performance.

"I am very pleased with TSP and wish I would have started contributing at my earliest possible point."
—Uniformed Services participant

"I have been a TSP member from the start. It is one of the best programs every provided for Federal workers. Thank you for all your efforts. You are a very professional organization."
—CSRS participant

"I think you have a great program and offer great services. Keep up the good work."
—FERS participant

Appendix A: Detailed Profile of Respondents





Combined Retirement System

	Survey Respondents		Sample		Response Rate
	#	%	#	%	
Total Employees	5,524	100%	48,146	100%	11%
CSRS	1,574	28%	7,677	16%	21%
FERS	1,730	31%	13,184	27%	13%
Uniformed Services	2,220	40%	27,285	57%	8%

Active/Separated

	Survey Respondents		Sample		Response Rate
	#	%	#	%	
Active	3,327	60%	35,110	73%	9%
Separated	2,197	40%	13,036	27%	17%

Age

	Survey Respondents	
	#	%
Under 30	286	5%
30-39	636	12%
40-49	1,068	19%
50-59	1,298	23%
60-69	1,168	21%
70 and over	994	18%
No response	74	1%
Median Age	55.6 years	

Race/Ethnicity

	Survey Respondents	
	#	%
African-American/Black	557	10%
Asian or Pacific Islander	269	5%
Native American or Alaskan Native	68	1%
Caucasian/White	3,988	72%
Hispanic/Latin American	260	5%
Multi-racial	138	2%

Gender

Survey Respondents		
	#	%
Female	1,984	36%
Male	3,429	62%

Annual Pay

Survey Respondents		
	#	%
\$25,000 or less	420	8%
\$25,001–\$40,000	513	9%
\$40,001–\$60,000	989	18%
\$60,001–\$80,000	973	18%
\$80,001–\$100,000	875	16%
\$101,000–\$150,000	1,003	18%
\$151,000 and over	348	6%
Approximate Median Annual Pay*	\$73,000	

*Since actual pay levels are not available, the Median Annual Pay is calculated using the mid-point of the salary ranges self-reported on the survey, excluding "No response."

Household Income

Survey Respondents		
	#	%
\$25,000 or less	187	3%
\$25,001–\$40,000	358	6%
\$40,001–\$60,000	653	12%
\$60,001–\$80,000	783	14%
\$80,001–\$100,000	924	17%
\$101,000–\$150,000	1,288	23%
\$151,000 and over	1,011	18%
No response	320	6%
Median Household Income	\$93,300	

*Since actual household income is not available, the Median Household Income is calculated using the mid-point of the income ranges self-reported on the survey, excluding "No response."

Highest Education Level

	Survey Respondents	
	#	%
Some High School	19	<1%
High School Graduate	441	8%
Some College	1,267	23%
College Graduate	1,416	26%
Some Advanced/Post-Graduate Education	541	10%
Advanced/Post-Graduate Degree	1,757	32%
No response	83	2%

Marital Situation

	Survey Respondents	
	#	%
Married	3,850	70%
Net: Not Married	1,561	28%
Single	810	15%
Widowed	191	3%
Divorced	560	10%
No response	113	2%

Length of Service with Federal Government/Uniformed Services

	Survey Respondents	
	#	%
< =2 years	126	2%
>2 to ≤5 years	302	5%
>5 to ≤10 years	533	10%
>10 to ≤15 years	576	10%
>15 to <25 years	1,376	25%
More than 25 years	2,426	44%
No response	185	3%
Median Length of Service	24.0 years	

Appendix B:
Active
Participant
Survey



Hi, I'm Greg.
Tell me what
you think!



DOMESTIC Q PUBLIC
PO BOX Anywhere USA
1234 Any Street
Suite 1234
DOYLESTOWN, PA 18902

90001

September 9, 2013

Dear TSP Participant:

Hi — I'm Greg Long. I lead the agency that runs the Thrift Savings Plan, and I need your help.

I have randomly selected you to complete a confidential survey about the Thrift Savings Plan (TSP). What you tell me and my team will help us improve the TSP, and that's a good thing, right?

So, please tell me what you think! Take the online survey today by putting this address into your Web browser:

<https://www.tsp.gov/survey?i=This-is-for-proofing-purposes-only>

The online survey closes on October 4, 2013, so please sit down soon and respond. Or, you can complete the paper version you're holding in your hand and send it back to me by October 4, 2013, in the enclosed prepaid envelope.

Here's some other stuff you should know about the survey:

- It only takes about 15 minutes to complete.
- We created it with Aon Hewitt, an independent consultant. They'll be the ones collecting your responses, which they'll keep strictly confidential. I won't receive any identifying information about you.
- What you tell me will help us improve TSP features, services, and communications — and serve you better!

Thanks in advance from me, my team, and all the other TSP participants you'll be helping by filling out the survey. Please tell me what you think. You can make a difference!

Sincerely,

Gregory T. Long
Executive Director
Federal Retirement Thrift Investment Board



THRIFT SAVINGS PLAN PARTICIPANT SURVEY 2013



**Tell me what
you think!**

We encourage you to submit your survey online by accessing the Web address on the letter included with this booklet. If you complete this survey booklet, here are some tips to keep in mind:

- Answer the questions based on your own opinions, not on how you think others may feel.
- To answer any question, simply mark an "X" next to the response that corresponds to your answer.

Please use a blue or black ballpoint pen.

CORRECT MARK:

INCORRECT MARKS:

- If you make a mistake or change your mind, please completely fill in the box, then mark the correct box with an "X."

PRIVACY ACT NOTICE

The Federal Retirement Thrift Investment Board is authorized to solicit this information under 5 U.S.C. § 8474. Your individual responses to the survey will be kept strictly confidential. Our staff and consultants will use the information to prepare summary statistical reports of all responses received. This information will help us measure participant satisfaction with TSP features, services, and communications. Furnishing this information is voluntary. There are no consequences to you for not furnishing this information.



1. What percentage or dollar amount of your basic pay are you currently contributing to the TSP per pay period?

_____ % of basic pay OR \$ _____ per pay period

- I don't currently contribute to the TSP → (Skip to Question 4)
- I don't know → (Skip to Question 3)

3. Why are you contributing to the TSP?
(Select all that apply.)

- I am not currently contributing → (Continue to Question 4)
- I was automatically enrolled in the TSP
- Tax-deferred benefits of traditional TSP
- Tax-free earnings of Roth TSP
- Matching contributions
- Convenience of payroll deduction
- Administrative costs are lower than in other savings/investment options
- A financial advisor/financial professional recommended that I do so
- My supervisor/manager recommended that I do so
- A co-worker/friend recommended that I do so
- It's a necessary part of the FERS benefit
- Other, please specify:

2. How often do you get paid? (Select one response.)

- Weekly (52 times a year)
- Biweekly (26 times a year)
- Semi-monthly (24 times a year)
- Monthly (12 times a year)

4. If you are not currently contributing at least 5% of your basic pay, please tell us why.
(Select all that apply.)

- I am already contributing at least 5% of my basic pay → (Continue to Question 5)
- I cannot afford to save that much
- I didn't know my agency contributed a total of 5% to my account if I contributed 5% of my basic pay (FERS only)
- I use other investments outside the TSP plan
- I don't think I need to contribute that much to meet my goals
- Other, please specify:



5. How satisfied are you with each of the following? (Select one response for each.)

	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Very Dissatisfied	Don't Know/Not Applicable
• Ability to access my TSP account information on-line.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Information and tools provided on the TSP website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ease of use of the TSP website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Information provided in my annual statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ability to take a loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ways I can withdraw money from my account after separation from service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ability to transfer money from an IRA or retirement plan into the TSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The TSP overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



6. How do you think the TSP compares to other similar retirement plans, e.g., 401(k) plans?

- Well Above Others
- Above Others
- About the Same As Others
- Below Others
- Well Below Others

7a. Have you called the TSP ThriftLine in the past 12 months?

- Yes → (Continue to Question 7b)
- No → (Skip to Question 8)

7b. If you called the TSP ThriftLine in the past 12 months and spoke to a Participant Service Representative, please indicate your satisfaction with the representative's:

	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Very Dissatisfied
• Understanding of my needs and/or concerns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ability to answer my questions or address my need.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Overall quality of service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Participant Service Representatives are available weekdays from 7:00 a.m. to 9:00 p.m., Eastern Time. Please tell us if these hours work for you. (Select one response.)

- These hours work well for me
- I'd prefer to be able to call before 7:00 a.m. ET
- I'd prefer to be able to call after 9:00 p.m. ET
- I'd prefer to be able to call Saturday or Sunday
- I don't expect to ever call

9. Select the current sources of information about the TSP you use in Column 1. Then, in Column 2, select the three most preferred ways you'd like to receive information about the TSP.

	Column 1 Select ALL Current Sources You Use	Column 2 Select THREE Most Preferred Sources
• TSP website.	<input type="checkbox"/>	<input type="checkbox"/>
• Telephone representative/ThriftLine.	<input type="checkbox"/>	<input type="checkbox"/>
• Agency/Service Personnel Office	<input type="checkbox"/>	<input type="checkbox"/>
• Annual/Quarterly statement via US mail	<input type="checkbox"/>	<input type="checkbox"/>
• TSP booklets and other printed material	<input type="checkbox"/>	<input type="checkbox"/>
• Email (would require personal address).	N/A	<input type="checkbox"/>
• Social media	N/A	<input type="checkbox"/>
• Mobile applications and/or text	N/A	<input type="checkbox"/>
• Other, please specify:	<input type="checkbox"/>	<input type="checkbox"/>



10. How would you describe your approach to investing money in your TSP account? (Select one response.)

- Very aggressive/High risk
- Somewhat aggressive/Moderate risk
- Balanced between aggressive and cautious
- Somewhat cautious/Low risk
- Very cautious/No risk
- Don't know/Not applicable

11. Rank the Top 3 factors that most influence your TSP investment decisions. Write the number "1" in the space to the left of the factor that is most influential to you, a "2" next to the second most influential factor, and a "3" next to the third most influential factor. Please use each number only once.

- ___ Benefits/Human Resources representative
- ___ Economic factors (stock market, inflation, etc.)
- ___ Historical fund performance
- ___ Colleagues/friends/family recommendations
- ___ Financial investment publications or websites not provided by TSP
- ___ Funds' risk level
- ___ Information on the TSP website and publications
- ___ Length of time until money is needed/my age
- ___ Professional financial adviser
- ___ I left my funds where they were automatically invested (G Fund)
- ___ Other, please specify:

12. I am comfortable choosing the appropriate investment fund(s) to meet my savings goals.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

13. I understand how the Roth TSP works.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

14. I understand how the Lifecycle Funds work.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

15. I like the idea of consolidating another retirement account [401(k), IRA, etc.] into my TSP account.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Not Applicable

16. Have you done or considered doing any of the following? (Select all that apply.)

- I have rolled another retirement account [401(k), IRA, etc.] into my TSP account
- I have rolled another retirement account into a non-TSP account
- I have another retirement account and **would consider** rolling it into my TSP account
- I have another retirement account and **would not consider** rolling it into my TSP account
- Not applicable (e.g., I don't have any other retirement accounts)

18. Did you review the estimate of monthly retirement income on your annual statement?

- Yes
- No → (Skip to Question 20)

19. Did the estimate of monthly retirement income on my annual statement cause you to take any of the following actions? (Select all that apply.)

- Increase the amount of my contribution
- Change how my account is invested
- Delay my planned retirement date
- Didn't take any action
- I did not understand the estimate provided on the statement
- Other, please specify:

20. Have recent workplace budget constraints caused you to take some action within your TSP account? (Select all that apply.)

- No, budget constraints did not cause me to take any action within my TSP account
- Yes, I stopped the amount I contribute each pay period
- Yes, I decreased the amount I contribute each pay period
- Yes, I increased the amount I contribute each pay period
- Yes, I took out a loan or withdrawal from my TSP account
- Yes, I changed how my balance or contributions are invested
- Yes, other, please specify:

You're almost there!

Just a few more questions...



17. If you plan to transfer money from your TSP account into another account after separation, why? (Select all that apply.)

- I don't think I'll transfer my TSP account → (Continue to Question 18)
- Want to consolidate all retirement accounts
- More flexible withdrawal options available
- More or better investment choices
- Better customer service
- Available financial advisory services
- Available or better investment or financial planning tools
- Lower costs or administrative fees
- Other, please specify:



21. Do you have a specific retirement financial goal at this time? *(Select the one statement that best describes your situation.)*

- No specific goal, but I save as much as I can
- No specific goal, but I save at least 5% of my basic pay
- Yes, I have estimated an amount of money I think I'll need to have saved when I retire (e.g., \$500,000)
- Yes, I have estimated a multiple of my pay I think I'll need to have saved when I retire (e.g., 10 times my pay)

22. How many years do you plan to work from now until retirement? *(Select one response.)*

- 5 years or less
- 6 to 10 years
- 11 to 15 years
- 16 to 20 years
- 21 to 25 years
- 25 or more years

23. How many years do you expect to live in retirement? *(Select one response.)*

- 5 years or less
- 6 to 10 years
- 11 to 15 years
- 16 to 20 years
- 21 to 25 years
- 25 or more years

24. What will be your sources of income in retirement? *(Rank up to your top five sources) Write the number "1" in the space to the left of the most important source of retirement income, a "2" next to the second most important source, and so on. Please use each number only once. You may rank fewer than 5 sources if appropriate.*

- ___ Annuity from FERS/CSRS
- ___ Annuity from Uniformed Services (military pension)
- ___ TSP account
- ___ Home equity
- ___ Income from continuing to work in retirement
- ___ Mutual funds, stocks, bonds, or brokerage accounts
- ___ Pension plan or 401(k) from previous employer
- ___ Stock ownership or stock purchase plan from previous employer
- ___ Other personal savings
- ___ Social Security
- ___ IRA accounts
- ___ Income from spouse or other family members

25. What percentage of your pre-retirement pay do you think you will need to live comfortably when you retire? *(Select one response.) For example, if you think you will require 50% of your annual pay, please choose "Less than 60%"; if you think you will require the same amount as you earn before retirement, choose "100% or more."*

- Less than 60%
- 60% to 79%
- 80% to 99%
- 100% or more

26. Considering my income sources and the amount I think I'll need, I am confident that I will have sufficient income in retirement.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

27. Select the services you like most from your bank, mutual fund company, or other financial institution.

(Select up to three responses.)

- Financial advice/counseling
- Investment options offered
- Mobile transaction capabilities
- Mobile access to my account information
- Individual modeling or calculator tools
- Ability to engage via social media
- Ability to download my account information to use with other financial applications/software
- Other, please specify:

28. How valuable would each of the following be to you if provided by the TSP?

(Select one response for each.)

	Very Valuable	Valuable	Somewhat Valuable	Not Very Valuable	Not Valuable At All
• An estimate of the amount of money generally needed by U.S. households in retirement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• General guidance on withdrawal of your TSP assets to stretch your retirement money over your expected life span	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Webinars or retirement-related planning tools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Retirement-related events/conferences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Information on the TSP website on how to combine your various retirement income sources into a retirement income plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Links to information and tools on the Social Security Administration (SSA), Office of Personnel Management (OPM), and other retirement resources on the TSP website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Retirement or investment advice based on my specific needs (additional fee required)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

29. Please provide any comments or suggestions for areas the TSP might improve.



Your answers to the following will help us determine whether different groups have different opinions, perspectives, and needs. (Please select one response for each question unless otherwise noted.)

30. Age:

- Under 30
- 30–39
- 40–49
- 50–59
- 60–69
- 70 or over

31. Gender:

- Female
- Male

32. Race/Ethnic Identity:

- African-American/Black
- Asian or Pacific Islander
- Caucasian/White
- Hispanic/Latin American
- Native American or Alaskan Native
- Multi-racial

33. Annual Pay:

- \$25,000 or less
- \$25,001 – \$40,000
- \$40,001 – \$60,000
- \$60,001 – \$80,000
- \$80,001 – \$100,000
- \$100,001 – \$150,000
- \$150,001 or more

34. Household Income:

- \$25,000 or less
- \$25,001 – \$40,000
- \$40,001 – \$60,000
- \$60,001 – \$80,000
- \$80,001 – \$100,000
- \$100,001 – \$150,000
- \$150,001 or more

35. Highest Education Level:

- Some High School or less
- High School Graduate
- Some College
- College Graduate
- Some Advanced/Post-Graduate Education
- Advanced/Post-Graduate Degree

36. Marital Status:

- Married
- Single
- Widowed
- Divorced

37. Number of years employed by the Federal Government/uniformed services:

2	5	Years			Years
<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	<input type="checkbox"/>	0
<input type="checkbox"/>	<input type="checkbox"/>	1	<input type="checkbox"/>	<input type="checkbox"/>	1
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2	<input type="checkbox"/>	<input type="checkbox"/>	2
<input type="checkbox"/>	<input type="checkbox"/>	3	<input type="checkbox"/>	<input type="checkbox"/>	3
<input type="checkbox"/>	<input type="checkbox"/>	4	<input type="checkbox"/>	<input type="checkbox"/>	4
<input type="checkbox"/>	<input checked="" type="checkbox"/>	5	<input type="checkbox"/>	<input type="checkbox"/>	5
<input type="checkbox"/>	<input type="checkbox"/>	6	<input type="checkbox"/>	<input type="checkbox"/>	6
<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	7
<input type="checkbox"/>	<input type="checkbox"/>	8	<input type="checkbox"/>	<input type="checkbox"/>	8
<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	9

Example



Appendix C: Separated Participant Survey



Hi, I'm Greg.
Tell me what
you think!



DOMESTIC Q PUBLIC
PO BOX Anywhere USA
1234 Any Street
Suite 1234
DOYLESTOWN, PA 18902

90001

September 9, 2013

Dear TSP Participant:

Hi — I'm Greg Long. I lead the agency that runs the Thrift Savings Plan, and I need your help.

I have randomly selected you to complete a confidential survey about the Thrift Savings Plan (TSP). What you tell me and my team will help us improve the TSP, and that's a good thing, right?

So, please tell me what you think! Take the online survey today by putting this address into your Web browser:

<https://www.tsp.gov/survey?i=This-is-for-proofing-purposes-only>

The online survey closes on October 4, 2013, so please sit down soon and respond. Or, you can complete the paper version you're holding in your hand and send it back to me by October 4, 2013, in the enclosed prepaid envelope.

Here's some other stuff you should know about the survey:

- It only takes about 15 minutes to complete.
- We created it with Aon Hewitt, an independent consultant. They'll be the ones collecting your responses, which they'll keep strictly confidential. I won't receive any identifying information about you.
- What you tell me will help us improve TSP features, services, and communications — and serve you better!

Thanks in advance from me, my team, and all the other TSP participants you'll be helping by filling out the survey. Please tell me what you think. You can make a difference!

Sincerely,

Gregory T. Long
Executive Director
Federal Retirement Thrift Investment Board



THRIFT SAVINGS PLAN PARTICIPANT SURVEY 2013



**Tell me what
you think!**

We encourage you to submit your survey online by accessing the Web address on the letter included with this booklet. If you complete this survey booklet, here are some tips to keep in mind:

- Answer the questions based on your own opinions, not on how you think others may feel.
- To answer any question, simply mark an "X" next to the response that corresponds to your answer.

Please use a blue or black ballpoint pen.

CORRECT MARK:

INCORRECT MARKS:

- If you make a mistake or change your mind, please completely fill in the box, then mark the correct box with an "X."

PRIVACY ACT NOTICE

The Federal Retirement Thrift Investment Board is authorized to solicit this information under 5 U.S.C. § 8474. Your individual responses to the survey will be kept strictly confidential. Our staff and consultants will use the information to prepare summary statistical reports of all responses received. This information will help us measure participant satisfaction with TSP features, services, and communications. Furnishing this information is voluntary. There are no consequences to you for not furnishing this information.





1. How satisfied are you with each of the following? (Select one response for each.)

	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Very Dissatisfied	Don't Know/Not Applicable
• Ability to access my TSP account information on-line.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Information and tools provided on the TSP website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ease of use of the TSP website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Information provided in my annual statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ways I can withdraw money from my account after separation from service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ability to transfer money from an IRA or retirement plan into the TSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The TSP overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. How do you think the TSP compares to other similar retirement plans, e.g., 401(k) plans?

Well Above Others
 Above Others
 About the Same As Others
 Below Others
 Well Below Others

3a. Have you called the TSP ThriftLine in the past 12 months?

Yes → (Continue to Question 3b)
 No → (Skip to Question 4)

3b. If you called the TSP ThriftLine in the past 12 months and spoke to a Participant Service Representative, please indicate your satisfaction with the representative's:

	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Very Dissatisfied
• Understanding of my needs and/or concerns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Ability to answer my questions or address my need.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Overall quality of service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Participant Service Representatives are available weekdays from 7:00 a.m. to 9:00 p.m., Eastern Time. Please tell us if these hours work for you. (Select one response.)

These hours work well for me
 I'd prefer to be able to call before 7:00 a.m. ET
 I'd prefer to be able to call after 9:00 p.m. ET
 I'd prefer to be able to call Saturday or Sunday
 I don't expect to ever call



5. Select the current sources of information about the TSP you use in Column 1. Then, in Column 2, select the three most preferred ways you'd like to receive information about the TSP.

	Column 1 Select ALL Current Sources You Use	Column 2 Select THREE Most Preferred Sources
• TSP website.....	<input type="checkbox"/>	<input type="checkbox"/>
• Telephone representative/ThriftLine.....	<input type="checkbox"/>	<input type="checkbox"/>
• Agency/Service Personnel Office.....	<input type="checkbox"/>	<input type="checkbox"/>
• Annual/Quarterly statement via US mail.....	<input type="checkbox"/>	<input type="checkbox"/>
• TSP booklets and other printed material.....	<input type="checkbox"/>	<input type="checkbox"/>
• Email (would require personal address).....	N/A	<input type="checkbox"/>
• Social media.....	N/A	<input type="checkbox"/>
• Mobile applications and/or text.....	N/A	<input type="checkbox"/>
• Other, please specify:.....	<input type="checkbox"/>	<input type="checkbox"/>



6. How would you describe your approach to investing money in your TSP account? (Select one response.)

- Very aggressive/High risk
- Somewhat aggressive/Moderate risk
- Balanced between aggressive and cautious
- Somewhat cautious/Low risk
- Very cautious/No risk
- Don't know/Not applicable

7. Rank the Top 3 factors that most influence your TSP investment decisions. Write the number "1" in the space to the left of the factor that is most influential to you, a "2" next to the second most influential factor, and a "3" next to the third most influential factor. Please use each number only once.

- _____ Benefits/Human Resources representative
- _____ Economic factors (stock market, inflation, etc.)
- _____ Historical fund performance
- _____ Colleagues/friends/family recommendations
- _____ Financial investment publications or websites not provided by TSP
- _____ Funds' risk level
- _____ Information on the TSP website and publications
- _____ Length of time until money is needed/my age
- _____ Professional financial adviser
- _____ I left my funds where they were automatically invested (G Fund)
- _____ Other, please specify:

8. I am comfortable choosing the appropriate investment fund(s) to meet my savings goals.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

9. The estimate of monthly retirement income on my annual statement is helpful to me.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

10. I like the idea of consolidating another retirement account [401(k), IRA, etc.] into my TSP account.

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Not Applicable



11. Are you currently retired from all full-time employment?

- Yes → (Skip to Question 14)
- No, I have not yet retired → (Continue to Question 12a)

12a. Do you plan to withdraw money from your TSP account immediately after retirement?

- Yes → (Continue to Question 12b)
- No → (Skip to Question 13)

12b. If you plan to withdraw money from your TSP account immediately after retirement, what are you going to do with the money? (Select all that apply.)

- Buy a home/pay off a mortgage
- Take a vacation
- Pay down non-mortgage debt
- Pay tuition
- Invest the money elsewhere
- Pay living expenses
- Other, please specify:

13. If you think you will transfer money from your TSP account to another retirement account or IRA immediately after retirement, what would be your reason for doing so? (Select all that apply.)

- I don't think I'll transfer my TSP account → (Continue to Question 14)
- Want to consolidate all retirement accounts
- More flexible withdrawal options available
- More or better investment choices
- Better customer service
- Available financial advisory services
- Available or better investment or financial planning tools
- Lower costs or administrative fees
- Other, please specify:



14. What are the primary reasons you continue to keep money in the TSP? (Select all that apply.)

- I plan to withdraw all my funds from the TSP within the next 6 months → (Continue to Question 15)
- I am receiving monthly payments from the TSP
- I want to take advantage of the TSP's low fees
- I am satisfied with the TSP investment options and/or performance
- I don't need to use my TSP funds now
- I am using the TSP to consolidate all of my other retirement funds
- I don't know what other choices are available
- Other, please specify:

15. Considering my income sources and the amount I think I'll need, I am confident that I will have sufficient income in retirement

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

16. Select the services you like most from your bank, mutual fund company, or other financial institution.
(Select up to three responses.)

- Financial advice/counseling
- Investment options offered
- Mobile transaction capabilities
- Mobile access to my account information
- Individual modeling or calculator tools
- Ability to engage via social media
- Ability to download my account information to use with other financial applications/software
- Other, please specify:

17. Please provide any comments or suggestions for areas the TSP might improve.



Your answers to the following will help us determine whether different groups have different opinions, perspectives, and needs. (Please select one response for each question unless otherwise noted.)

18. Age:

- Under 30
- 30–39
- 40–49
- 50–59
- 60–69
- 70 or over

19. Gender:

- Female
- Male

20. Race/Ethnic Identity:

- African-American/Black
- Asian or Pacific Islander
- Caucasian/White
- Hispanic/Latin American
- Native American or Alaskan Native
- Multi-racial

21. Annual Pay:

- \$25,000 or less
- \$25,001 – \$40,000
- \$40,001 – \$60,000
- \$60,001 – \$80,000
- \$80,001 – \$100,000
- \$100,001 – \$150,000
- \$150,001 or more

22. Household Income:

- \$25,000 or less
- \$25,001 – \$40,000
- \$40,001 – \$60,000
- \$60,001 – \$80,000
- \$80,001 – \$100,000
- \$100,001 – \$150,000
- \$150,001 or more

23. Highest Education Level:

- Some High School or less
- High School Graduate
- Some College
- College Graduate
- Some Advanced/Post-Graduate Education
- Advanced/Post-Graduate Degree

24. Marital Status:

- Married
- Single
- Widowed
- Divorced

25. Number of years employed by the Federal Government/uniformed services:

Example

2	5	Years			Years
<input type="checkbox"/> 0	<input type="checkbox"/> 0		<input type="checkbox"/> 0	<input type="checkbox"/> 0	
<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 1	<input type="checkbox"/> 1	
<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2		<input type="checkbox"/> 2	<input type="checkbox"/> 2	
<input type="checkbox"/> 3	<input type="checkbox"/> 3		<input type="checkbox"/> 3	<input type="checkbox"/> 3	
<input type="checkbox"/> 4	<input type="checkbox"/> 4		<input type="checkbox"/> 4	<input type="checkbox"/> 4	
<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5		<input type="checkbox"/> 5	<input type="checkbox"/> 5	
<input type="checkbox"/> 6	<input type="checkbox"/> 6		<input type="checkbox"/> 6	<input type="checkbox"/> 6	
<input type="checkbox"/> 7	<input type="checkbox"/> 7		<input type="checkbox"/> 7	<input type="checkbox"/> 7	
<input type="checkbox"/> 8	<input type="checkbox"/> 8		<input type="checkbox"/> 8	<input type="checkbox"/> 8	
<input type="checkbox"/> 9	<input type="checkbox"/> 9		<input type="checkbox"/> 9	<input type="checkbox"/> 9	



