



April 29, 2016

G. Christopher Cosby
Employee Benefits Security Administration
U.S. Department of Labor, Room N-5718
200 Constitution Avenue NW
Washington, DC 20210

Re: Proposed Information Collection Request for On the Road to Retirement Surveys

Dear Mr. Cosby:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ is pleased to provide comments regarding the Department of Labor’s Employee Benefits Security Administration’s (the “Department”) proposed collection of information regarding a household survey, “On the Road to Retirement Surveys” (the “Survey”), that will investigate retirement planning and decision-making.

The Department’s Survey is part of a long-term research study that it is planning to undertake to develop a panel that will track U.S. households over several years in order to collect data and answer important research questions on how retirement planning strategies and decisions evolve over time. The Department believes that relatively little is known about how people make planning and financial decisions before and during retirement. The ultimate goal of the Department’s study is to gain insight into Americans’ decision-making processes and experiences that will provide policy-makers and the research community with valuable information that can be used to guide future policy and research. Issues of central interest to the Department in the Survey include individuals’ (a) eligibility for and participation in retirement plans, especially employer-sponsored defined contribution (DC) plans, (b) use of a financial advisor for retirement planning; and (c) holding of IRAs.

The Department is particularly interested in comments that:

- Evaluate whether the collections of information are necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

¹ SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

- Evaluate the accuracy of the agency's estimate of the collections of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., by permitting electronic submissions of responses.

SIFMA commends the Department for its efforts to understand how people make planning and financial decisions before and during retirement, and we believe that, if effectively executed, such research should be helpful in informing future regulatory guidance. We also note that it is likely there will be significant changes over the next several years with regard to how individuals plan for retirement, and as such encourage the Department to view this research activity and its emerging results in that context. We appreciate the opportunity to comment and hope that our comments below will be helpful to the Department in conducting the Survey. Our members have undertaken significant study over the years as they have sought to better assist and respond to the needs of their clients as they prepare for retirement. As a result, we hope that the Department will rely and build upon our members' experience and insights.

SIFMA strongly supports the Department's efforts in the execution of this Survey, and urges you to take into account the following suggestions, which we believe further the goal of the Survey:

Ensure a Representative Sampling

To ensure a representative sampling of the American population, SIFMA suggests that the Department ask participants in the Cognitive Interviews Recruitment Screener if they have a defined benefit (DB) plan, as opposed to solely asking whether they have a DC plan. We understand that a central interest of the Department in this Survey is individuals' eligibility for, and participation in, DC plans, but we are concerned that failing to ask during the initial testing of the Survey if a participant has a DB plan could result in an inadvertent underrepresentation of nearly retired or retired individuals who may have DB plans.

Remove Unintended but Implicit Bias About Savings

SIFMA suggests the Department remove the unintended but implicit bias about savings in certain parts of the Survey. For example, in the Internet IPS Baseline Interview (Appendix G), the Survey asks whether a respondent or a respondent's spouse or partner has a retirement *savings* plan, such as a 401(k) plans, IRAs, Keogh accounts and the like, from a current or previous business, employer or union. To avoid an implicit bias towards savings, which downplays both the investment and eventual income components of retirement plans, the Department should consistently refer to them as "retirement plans." This would not only eliminate the implicit bias, but also maintain consistency with other parts of the Survey.

Consider the Intensity of Individual and Household Retirement Planning

As the Department examines its Survey, SIFMA strongly believes that it would be extremely useful to the federal government, state and local governments, the financial services industry, researchers and other interested parties if the Survey included a set of questions to explore the extent or intensity of individual and household retirement planning. While the Survey does do this to some extent (i.e., asking how much is remaining on a participant's mortgage), we encourage the Department to include further questions to determine both the individual and household saving and investment rates.

Explore Underlying Obstacles to Retirement Saving and Investing

SIFMA also suggests that the Department include questions in the Survey that explore the obstacles individuals face in saving and investing for their retirement. Even individuals who are eligible for participation in an employer-sponsored retirement plan may face obstacles that prevent them from contributing to the plan, such as a lack of discretionary income, paying for a child's education, or access to or awareness of affordable investment advice. A better understanding of the obstacles that individuals face when planning for retirement would be valuable information to policy-makers and the research community.

Provide More Granularity in the 56+ Age Category

Finally, to gain a better understanding of how individuals' retirement planning decisions evolve over time, especially during and towards the end of their retirement, SIFMA suggests that the Department not only ensure there is a sufficient number of retired people in the Survey, but also provide subsets of ages in the 56+ age category. We believe that more granularity in this age category would be useful in understanding how individuals' retirement expectations evolve as their expectations of life expectancy increase with advances in medicine, for example. The utility of such information cannot be underestimated. Such information could, for example, assist younger generations planning for retirement by informing their expectations.

We thank the Department for its consideration of our comments. If you have any questions, please do not hesitate to contact either of the undersigned.

Sincerely,



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