



Executive Summary

Background:

This report represents the final deliverable associated with University of Connecticut's Management 391 course, entitled "Executives in the Classroom: Competitive Analysis in the Real World". This course was offered for the second time in the Spring of 1995 through the School of Business Administration's full time M.B.A. program at Storrs. The course, which is fairly unique within the based companies.

Project Scope:

The project team was assigned by Aetna Life Insurance and Annuity Company (ALIAC) to conduct a survey in order to define the trigger points for retirement, the needs of the people at that point and the way Aetna can meet those needs. The objective of this project is to search for the way Aetna can keep the money of its customers after their retirement. In other words, we have to define what will drive people rollover their money into Aetna's products after they leave or retire from their current jobs.

Besides the assigned tasks, we also did the industry analysis to define the retirement plan business and the potential competitors of Aetna in this market. Furthermore, we did research about the possibility of strategic alliances in this business.



The tasks in this project are divided into two major parts.

First part: - Identify the major competitive issue by using Michael Porter's Five Forces Model which comprises of the industry rivalry, buyers, suppliers, new entrants and substitutes.

We were focusing on the tax-deferred retirement plan, specifically 401(K) plan and the related products such as annuities and IRAs.

- Second part: - Conduct marketing survey. (personal interview)
- Analyze the result from the survey and do the research on the related issues.
 - Conclusion and Implication.

Implications:

Based on our observations and analysis, we are offering the following implications in order to satisfy the customers in the retirement plan business:

1. Improve communication programs by having individual interviews with employees, in-house educated sessions and vendors that can be accessed by customers at any time. The rationale here is the customers need to know their fund performances and need to be educated on investment topics.
2. Improve 401(k) Plan Characteristics such as the loan accessibility, choices of investments and the right to contribute the money after withdrawal. Even though most people are satisfied with their retirement plans, they still think that something should be changed. This implication is discussed in more detail later in this report.



3. Possible Alliances with other financial institutions in order to broaden the services and investment options.

Project Findings:

The above implications are based on the findings from our survey and the backup information we have got from our research. The followings are the summary we have found from our survey:

The majority of participants in our survey are highly educated people. They need frequent communication from the plan providers and they need to know more about investment options. Moreover, they need to get access to their account to check the fund performance easily.

People think that some features of the 401(k) plan are not fair. For instance, they cannot contribute their money for six months after they withdraw money from the plan. In addition, they have to pay the penalty and tax. This is considered to be a “double penalty” for them.

People in different ages have different perception on retirement and savings. Younger people are still not thinking about savings and having plans for retirement while older people or people who have families are thinking about their future.

Not only most people would like to have several options in investment, but they also would like to invest in the funds of different companies. The alliances between Aetna and the other financial institutions might be an appropriate way to satisfy this customers' need.

Methodology



The methodologies we used in this project are the following:

Marketing Survey: The personal interview was conducted from the mid February to the beginning of April. The details about the marketing survey are in the “Survey Overview” part.

Research: We did research on the issue related in this project, for example, the 401(k) plan, rollover products, potential competitors of Aetna in the tax-deferred retirement plan, legal issues in this industry and interesting survey conducted by the other companies. The sources of our backup information are from LAN, LEXIS-NEXIS and numerous financial articles.

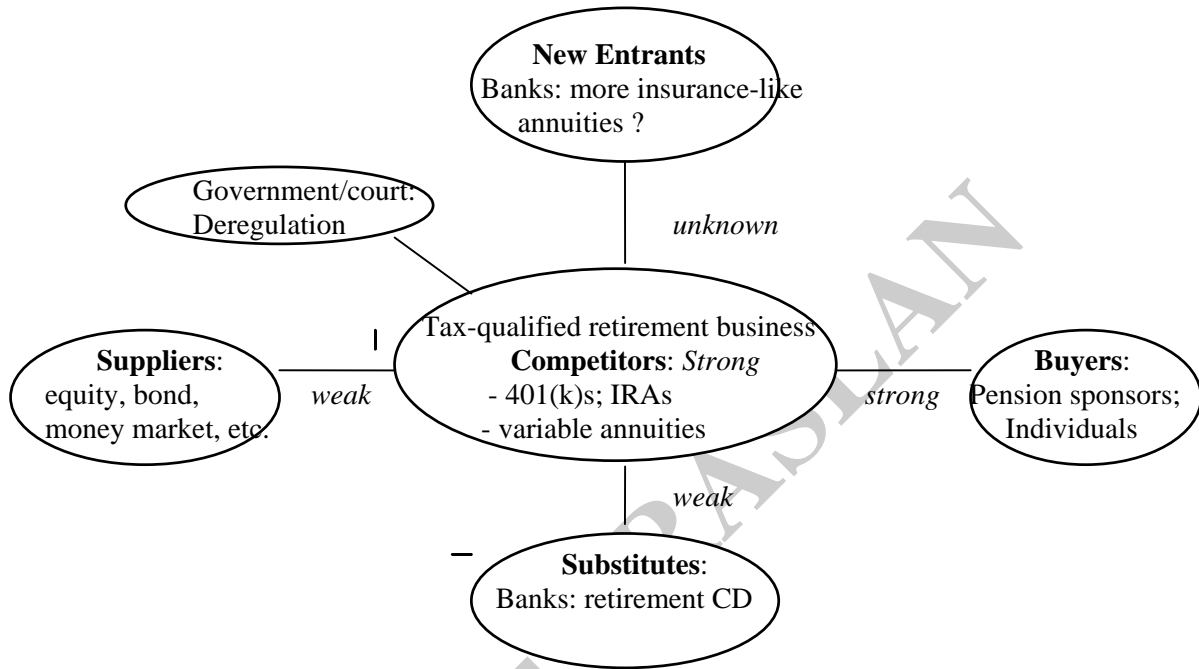
Hewitt’s Survey: We obtained a survey from Hewitt Associates on 401(k) plan. The title of this book is called “Survey Findings of Hewitt Associates: 401(k) Plan Hot Topics”. The information from Hewitt’s survey was in 1993. Related issues are: Investment options, investment education, new direct rollover provisions, and loan availability. However, this book was obtained after our own marketing survey had been conducted. Thus, the information from this book was used as a backup to our findings at the end of the project.

Faculty Advisor: The project team was worked closely to the professors from Finance and Marketing Departments in order to get the recommendations about conducting the survey and the sources to get information about this business. We would like to thank Professor James Brennan and Professor Robin Higie Coulter for their advice.

Industry and Competitor Analysis



Industry Overview



The core business we are focusing on is defined as tax-qualified retirement business. Major products are 401(k) plans, IRAs, and variable annuities. Buyers are defined as pension sponsors ; these are corporate employers and individuals as well. Suppliers are the general capital market offering broad investment options. Substitutes of the core business are considered mainly retirement CDs offered by banks. Potential entrants in this industry may be banks. Additionally, there is an external force influencing the business, which can be defined as the regulation coming from the government and the legal system. The changes of this force can produce critical impacts on the industry, by changing the dynamics of this environment - meaning the competing power of the competitors, substitutes and potential entrants.

Tax-qualified Retirement Business

Insurance companies continuously expand their traditional pension business represented by 401(k) plans, while holding their shares in the IRA (Individual Retirement Account/Annuity) and small-business (Keogh) pension plan markets. The most impressive fact in the industry has been the fast growing tax-deferred individual annuities, with investment choices similar to those previously available only to corporations. This type of annuities pushed annuity considerations to the point of outpacing insurance premiums as a source of revenue.

The big presence and great accessibility of IRAs and annuities has encouraged pension plan customers to rollover their balance of the former 401(k) accounts to IRAs and/or buy tax-qualified annuities after they retire or change employers. Insurance companies use this rollover transaction as a major way to retain their customers when they have to withdraw money from their 401(k) plans. The rollover allows the pension participants to move retirement money directly from their former employers to other tax-deferred saving channels, without paying the IRS the 10% penalty for early withdrawal of money from their pension plans. Thus, the rollover has been a revolutionary concept for insurance companies to keep the pension business rather than seeking replacement business in order to avoid fund losses.

The annuity products are similar to the mutual fund business, but in an insurance wrapper. In the next ten years, the annuity market is expected to grow tenfold to \$1 trillion. Variable annuities are sort of limitless individual retirement accounts. Like IRAs, they guarantee

investors tax-free accumulation of dividends and capital gains. They can act as the sources that the 401(k) plans can be rollovered, and they can also supplement other plans.

Competitor Analysis

The 401(k), IRAs and annuities business create a highly competitive market. Joining the insurance companies, mutual funds, banks and brokerage firms are other big players. According to a security firm (Sanford C. Bernstein), big mutual funds now have a third of the 401(k) business, insurance companies (selling mainly annuities) have more than 40% and big banks have another 10%. The rest goes to a few securities firms (among them American Express's IDS and Merrill Lynch). Yet a survey conducted by Charles D. Spencer & Associates, a marketing research company, suggests that from pension participants' (employees) preference mutual funds are most frequently cited as the pension service providers, followed by banks, insurance companies, and securities firms.

At least a fifth of all defined-contribution assets fall into mutual funds' management. The biggest mutual fund group in the US, Fidelity Investment, runs \$45 billion-worth of DC plans assets. Two business that used to be fairly distinct - institutional (insurance companies) and retail investment management (mutual funds) - are now competing for the same customers. The retail sector seems gaining more strengths.

What are mutual funds' strengths? Like any other retail business, mutual funds are basically a distribution game. As long as you grab the customer, products can be differentiated

through various combinations of quality, cost and convenience. For this reason, mutual funds are doing especially well in the small business and individual markets.

By end of 1987, the ten largest pension fund managers in the US were (in the order of the asset size): Prudential, Bankers Trust, J.P. Morgan, Wells Fargo Investment, Metropolitan Life, Aetna Life (ALIAC), State Street Bank, Travelers, CIGNA Asset, and Alliance Capital. Today, the three largest managers of 401(k) plans are: Fidelity Investment, Vanguard, and Bankers Trust. The first two are mutual fund groups.

So far, insurance companies and mutual funds are major players in the annuity market, yet banks are posed as a potential competitor in the near future. Today, the top 10 variable annuity advisors are (in the order of the asset size): Prudential, Capital Research, IDS Life, Equitable, Aetna, Fidelity, Franklin, Merrill Lynch, Putnam, and John Hancock.

With the trend of deregulation in financial services industry, banks are more and more aggressively approaching the tax-qualified retirement business. This involves a big judicial issue of banks' rights to sell insurance. The Supreme Court in mid-1993 ruled that a 1916 law, which authorized national banks with branches in towns of less than 5,000 to sell insurance, remains in force. Then, the Nationsbank of North Carolina vs. Variable Annuity Life Insurance Company Case was finally settled by the Supreme Court in January, 1995. The Court has reversed the Court of Appeal's decision favoring the VALIC; thus actually suggests that the banks with branches in towns even larger than 5,000 residents still can sell annuities. The reasoning was that the Supreme Court believes the annuities are investment products and not insurance products.

Buyers

The buyers' bargaining power is very strong due to the fact that competition is strong. In today's competitive market, what are plan sponsors' priorities regarding their pension plans? As usual, they focus on cost, value, complexity and risk. However, an emerging concern for the plan sponsors is the plan service providers' capacities to provide quality participant communications and education materials of investment/saving to their employees. The service providers must realize and respond to the needs of those pension participants as customers, and, finally, communicate their response effectively.

401(k) plans can be broken down into three pieces - investments, administration, and participant education/communications. Today the participant communication has become the most important part of the 401(k) business, in terms of differentiation. In the next few years, innovative communication techniques will bring major competitive advantages to the service providers, since the competition in the market has turned almost exclusively to the depth of investment communications. It is no longer enough to give generic investment information. However, the information provided for education purposes tend to be easily characterized as advice, which is barred by the regulation. The service providers must be very careful not to cross the line between education and advice.

In fact, the focus on participant education and communications represents a "natural evolution" of 401(k) plans, reflecting the trend towards defined contribution plans and increased employee responsibility for investing their retirement plan dollars. Yet, while aggressively building the best communication channels with plan participants, the plan providers should never ignore the other two parts of the business: investments and administration. The lack of either



good investment results, or efficient administration service will eventually make a plan provider lose its power of substance to attract customers. Essentially, the three parts of 401(k) business back up one another. A successful plan provider must offer strong investments, administration and education/ communication service at the same time.

According to a survey by William M. Mercer, Inc. of 167 medium-sized to large companies' education programs, the most common topics are the following:

- The importance of starting to save early (included by 87% of the 167 programs).
- How much retirement income is needed (82%) and how much pre retirement savings are needed to reach that level of income (80%).
- Investment strategies appropriate at different ages (78%).
- The impact of inflation (78%).
- Risk/reward trade-off (73%).
- Tax implications (70%).

Another survey by Access Research Company has shown some results of the participants' satisfaction with the communication programs on a 10-point scale.

- Procedures for making transfers among investment funds 8.4
- Procedures for taking out a loan 8.4
- Procedures for changing the allocations in future contributions 8.3



- Information on the benefits of investors in the plan 8.2
- Information about the compensation and objectives of the investment options 8.1
- Information to help participants to make asset allocation decisions 7.6
- Basic Investment education 7.5

The overall satisfaction with participant communications services is 8.0 considered as good at the 10-point scale. Even though there is still some room for improvement, further improvement is always harder to be achieved after reaching a certain level. Keeping making progress in the communications services is a real challenge for the plan providers of pension business.

Critical Success Factors (CSF) in the Pension Business

- investment communications capacity
- responsiveness to customers' needs (timing and quality of new products)
- tremendous research on the market and customers
- product design and innovations
- strategic alliances

Through the analysis of characteristics of tax-qualified retirement business and buyers' behavior, we consider the critical success factors for the business as listed above. The investment communication capacity is important, especially for helping the company to market new products to the customers. If a plan provider can offer the customers more information, so as to understand the advantages or uniqueness of its products, the customers will tend to accept the products. This is particularly true for insurance companies, a player traditionally strong at

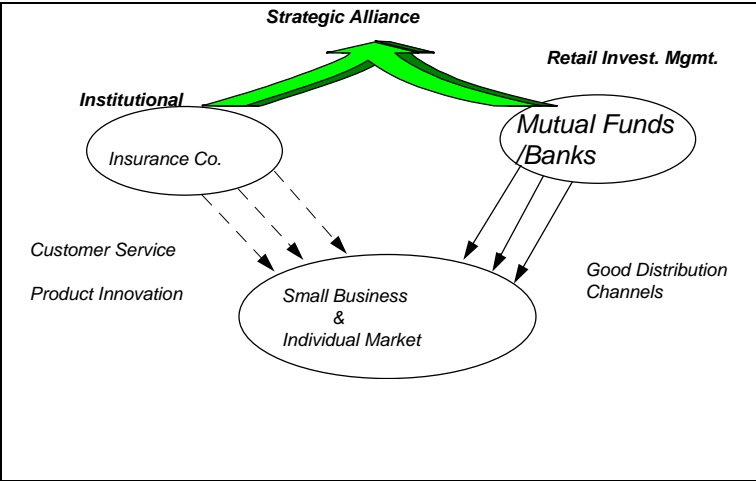


product innovations (especially for complicated product innovation). It is a real challenge for insurance companies to communicate the complicated products' features and strengths to the customers in a simple way.

Responsiveness to customers' needs means timing and quality of new products. In order to deliver right products to the customers, comprehensive research of the market is necessary, and the capability of product design and innovations is also important.

Actually, strategic alliances is only one way of extending business lines responding to a trend that exists today in the market. It is called "one-stop shopping" and "bundling", meaning that today's customers prefer the pension fund managers to provide broader services, not only limited as investment management, but also record-keeping, trustee services or investor education. Other ways to extend services include merge or acquisition between players with different focuses and strengths, like for example, a merger between a bank and an insurance company. Another way is when a player extends his business with new business lines, such as an insurance company extending its business by forming its own new bank and trust company.

Strategic alliances probably is a less costly option for service extension than merger, acquisition, or formation of new business lines. It involves the concepts of out-sourcing and virtual companies. The following exhibit reveals a general idea of strategic



alliances. As mentioned earlier, the two businesses that used to be distinct, the institutional side, with insurance companies, and the retail investment management side with mutual funds and banks, are now competing for the same customers. The retail side competitors have as a strength the good distribution channels, especially to the small business and individual market. Insurance companies, however, have less distribution power to these customers, but they are stronger on customer service and product innovations. So, if an insurance company can form a strategic alliance with a mutual fund or a bank, in order to provide broader and better services, both of them can gain competitive advantages over other competitors. Later in this report, we will further explore the possibility for Aetna to form strategic alliances with other players in the industry.

Suppliers

Today the pension plan providers/money managers have many investment options in terms of company stocks, GICs (Guaranteed Investment Contracts), equities, bonds, money market funds, balanced funds, etc., as the capital market becomes more diversified. In a Hewitt Associates survey of 401(k) plans at 487 companies, the plans offered an average of 4.5 investment options in 1993, up from 3.7 options in 1991 (*401(k) Plan Hot Topics: 1993, Hewitt*



Associates). Thus, the suppliers of the pension & annuities business do not have much bargaining power to the pension plan providers, since the competition in the direct capital market is strong as well.

Where the pension money is invested

<i>Option</i>	<i>1992</i>	<i>1993</i>
Company Stock	32.8%	33.9%
GICs	31.8%	34.1%
Equities	14.5%	14.3%
Balanced Funds	4.8%	8.7%
Bonds	5.8%	4.3%
Cash	7.8%	3.1%
Other	2.6%	1.6%

Source: IOMA's Report on Defined Contribution Investing, 11/23/93.

Substitutes and New Entrants

A present substitute for 401(k)s, IRAs and annuities would be the retirement CD, a new annuity-like product, designed with tax-deferred benefits. The retirement CD offered by banks is an annuity that carries the added benefit of deposit insurance; thus making it more attractive to some customers than annuities marketed by insurance companies. This product is devised by The American Deposit Corporation, a company in Pine, Colorado.

Until February of 1995 there are three tiny banks in Montana, New Mexico and Pennsylvania selling the product and a total of nine have been licensed. Many banks were excited about the potential market that might be occupied by retirement CD and started the marketing of this product. However, a recent move by Internal Revenue Service has dimmed this new product's future -- in April 1995 the IRS proposed that any bank issuing annuities be barred from getting the same tax deferral treatment that insurance companies get, when they offer annuities. Without tax benefits, retirement CD cannot compete with 401(k), IRA, or variable annuity. Therefore, currently the influence of retirement CD on the tax-qualified retirement business is considered as weak. Since the regulation is a on-going process, at this point we can hardly say about banks' insurance power in future.

The picture of potential entrants to the tax-qualified retirement business is not yet clear. A big threat for insurance companies, and also for other players in the business that we can reasonably anticipate at this point, would probably be the banks who are going to sell more insurance-type annuities. Whether the power of the new entrants will be strong or weak depends on the update decisions given by the legislation, regarding the banks' rights to sell insurance products. A certain observation though, is the trend that in the near future, commercial banking and insurance business will be less separated. Essentially, the deregulation trend comes along with another trend. The whole financial services industry will not be broken down by products/services provided.

Through all the above observations and analysis of the industry, we conclude that the competition in the tax-qualified retirement business is very strong and so is the buyers' bargaining power against the players in this business. In order to reduce buyers' bargaining



power, all players in the business, and Aetna in particular, should focus on delivery of superior products and diversified services. If they want to achieve this, investment communications capacity, responsiveness to customers' needs, and strategic alliances are the critical points of action. Retirement business is about to build life-time relationship with customers. Once this relationship has been strengthened by effective participant communications and all other demanded services, the customers will become more confident and will rely on the service providers. As a result, their bargaining power will be reduced.

Survey Overview

Data Sources	:	Secondary and primary data
Research Approach	:	Survey
Research Instrument	:	Questionnaire
Contact Method	:	Personal interview
Time Period	:	Mid February through beginning of April



Sample Size : 65
Participants : Small to large size companies

Data Sources

There were two sources of data applied in this survey: primary and secondary data. The primary data came from the personal interviews with several employees of companies in Connecticut. These interviews were held in order to define the needs of these people. The majority of the interviewees are mainly employees in small and large companies located in the State of Connecticut. Nevertheless, we had the opportunity to conduct a few interviews with residents of other states.

In order to do a quality analysis, we also did research on LAN, LEXIS-NEXIS and many articles to be the backup of our findings. We also found some interesting information from “Survey Findings of Hewitt Associates: 401(k) Plan Hot Topics” which is a survey conducted by Hewitt Associates in 1993. This survey is found related to the findings in our own survey. Thus, this is a good backup on our final results.

Research Approach

We did the survey research on the employees, who have the 401(k) plan, in small and large companies, basically, in Connecticut. The following are some of the companies that we had the opportunity to visit and conduct our interview sessions: Fleet Bank, The Liberty Bank, ABB

Financial Services, ABB Engineering, Mechanics Savings Bank. The survey sessions started in the mid of February 1995, and the last ones were planned for the beginning of April.

Research Instrument

The questionnaire is in the open-end form which allows respondents to answer in their own words. The questionnaire was designed in a standardized form, because each group member had to conduct several interviews. Our questionnaire consists of two parts. The first part has the demographic data and the second part has the questions. The example of the questions are “At what age do you plan to retire?”, “What might cause you to take money out of your pension plan?”, and “How could you improve your pension plan?”.

Design of The Questionnaire

We designed our questionnaire based on what we were asked by AETNA to find out. Of course the first section includes the demographic question that are needed so as to identify trends for the three different age groups we identified:

- ◆ Those below 30 years of age.
- ◆ Those between 30 and 45 years of age.
- ◆ Those above 45 years of age.

The second part of the questionnaire is the qualitative part. We divided it into two different subsections. One related with retirement questions and one related with roll over questions. Most of the questions are interrelated; therefore, when we analyzed the survey results we had to consider it as one big picture. Depending on the companies' demands, we were changing our questionnaire slightly from time to time. The changes were not major; they were rather wording changes. The representative sample of our questionnaire is in the appendix section (Appendix I).

Contact Methods

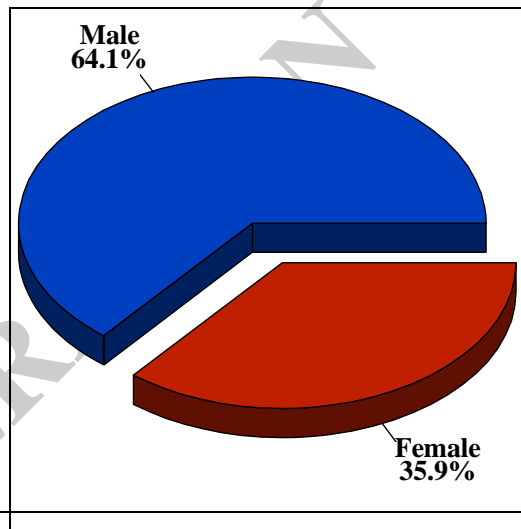
We did personal interviews with the employees of several companies, as mentioned above. By this way, we were able to ask more questions and we could observe and record additional reactions and comments made by the interviewees. Moreover, we can avoid the omission in the survey.

Demographic Data



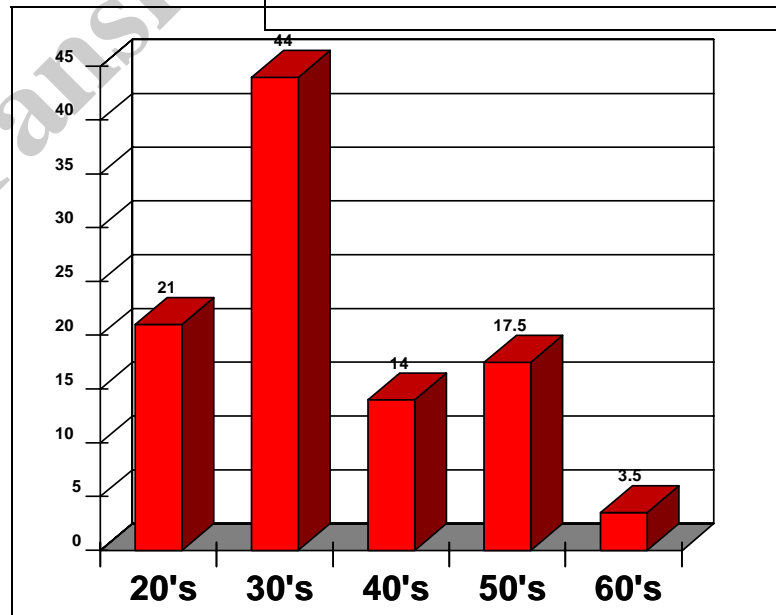
The demographic in the survey consisted of seven questions about the interviewees. The followings are the summary of the demographic data from the survey.

Gender: The interviewees are 64% males and 36% females. Since the majority of the employees in the workplace nowadays are males, this random number of male from our interviews is higher than the number of females (consistent with real work force sex representation percentages).



Age: The summary of the age ranges is as follows:

- 12% is in their 20's
- 25% is in their 30's
- 8% is in their 40's
- 10% is in their 50's
- 2% is in their 60's



The age ranges are skewed. The majority of the people from the survey is in 20-30 ranges of age. However, we have interviewed people from different age ranges. We have found that the perception about



retirement and savings of people in different ages varies, depending on their current needs. The younger people are not thinking about savings and retirement as serious as the older people.

Education:

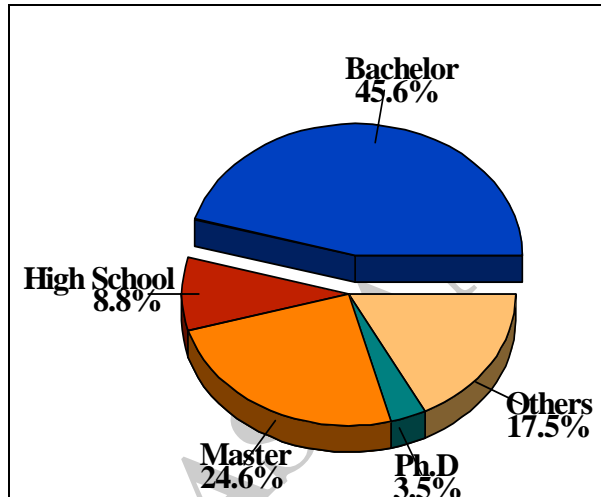
8.8 % graduated from high school

45.6% got a Bachelor's degree

24.6% got a Master's degree

3.5% Got a Ph.D.

17.5% Others



The majority of the people we interviewed has high education. Forty-six percent of them has a Bachelor's degree and twenty-five percent has a Master's degree. The results of this survey might be a good interpretation for the people in high education group rather than in general.

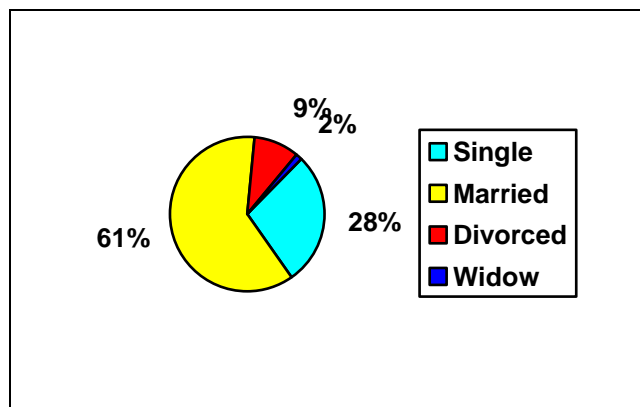
Marital Status:

27.7% is single

61.5% is married

9.2% is divorced

1.5% is widow





Numbers of children:

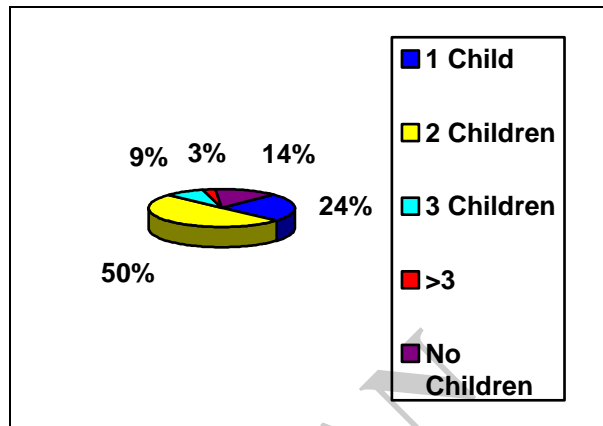
14% has no children

24% has one child

50% has two children

9% has three children

3% has more than three children



From the data about marital status and the number of children, we can conclude that the majority of the people from our sample have small to medium size families. Looking in the data, 27.7% is single and the majority of people who are married have at most 2 children. Children’s education is one of the major concerns for our sample. Therefore, this might be one of their financial needs in the future.

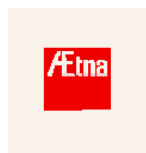
Ethnic Group:

84.6% is White

6.2% is Black

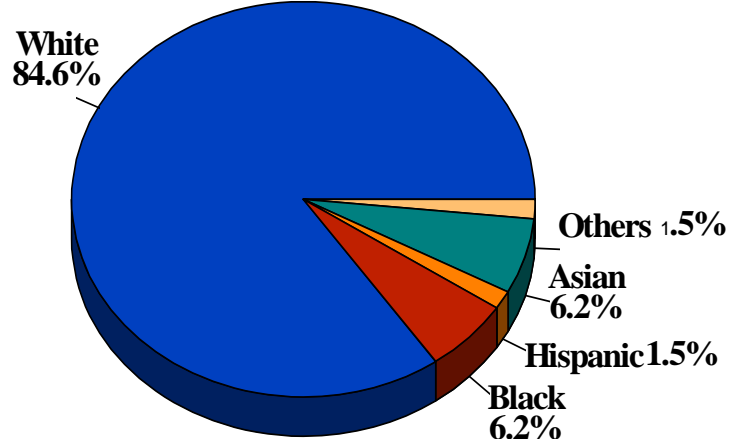
1.5% is Hispanics





6.2% is Asian

1.5% is Others



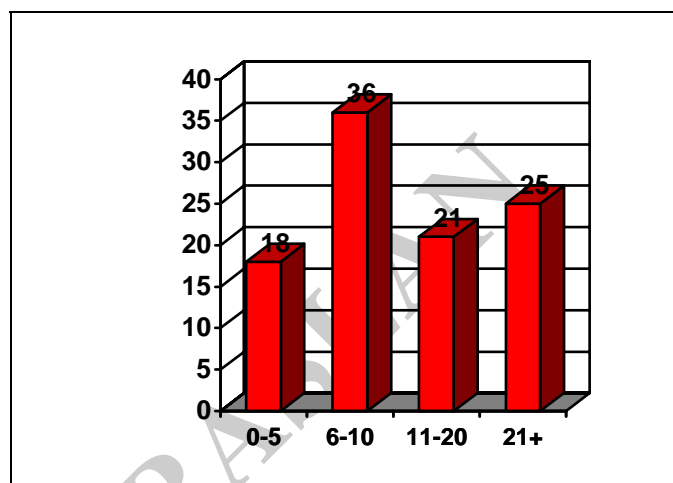
Total Years of Employment:

18% has 0-5 years of employment

36% has 6-10 years of employment

21% has 11-20 years of employment

25% has more than 21 years of employment



Findings Regarding Retirement Issues

Going deeper into our own survey, we would like to start with our findings. Our sample defined the concept of retirement as: “Quit full time job”. This is very important, because it can be connected with the findings we are going to present later. As we mentioned before, we

decided to break down our sample in three different age groups. Our reasoning for choosing these three instead of another type of breakdown is that our sample was skewed in the side of those in the middle age. In other words, we had too many people between the ages of 30 and 45. In addition, we believe that by dividing them into three age groups, we were able to show trends of the three age categories; the young, the middle aged and the older.

The first group had the following characteristics and perceptions. They believe that retirement is something very far away and they do not have to think about it now. In addition, they do not have enough money saved yet, since they are working for no more than eight years (that is the maximum).

The second group includes people that have characteristics from the other two groups. Those close to the first years of thirties think basically as those below thirty. On the other hand, the group close to forties is more concerned as far as savings for retirement are concerned. In any case, the major characteristics of this age group are 1) They start thinking about retirement and savings, and 2) They have some money saved anyway.

The third group includes all these people that are truly concerned about retirement. This group has members that are obsessed with their investments and their retirement plans. In addition, this group has a good amount of money saved and their current decisions will have an immediate impact on their retirement period.

At What Age Do You Plan To Retire?

One of the major trends we tried to identify is when people believe they will retire, or in other words, at what age they plan to retire. Our findings showed that men want to retire at the age of 55, but believe that they will retire sometime between the ages of 60-65. Women, and we are referring to married women, want to retire at fifty, but believe that they will retire sometime between 55-62.

In the following table you can see the answers we received and their classification into two groups: males and females.

41 Males	24 Females
<u>Age</u>	<u>Age</u>
1 = 52 (2.43%)	3 = 50 (12.5%)
6 = 55 (14.63%)	4 = 55-59 (16.66%)
1 = 55-60 (2.43%)	4 = 60 (16.66%)
3 = 60 (7.31%)	1 = 60-65 (4.16%)
1 = 62 (2.43%)	4 = 62 (16.66%)
1 = 60-62 (2.43%)	5 = 65 (20.83%)
1 = 60-65 (2.43%)	1 = 72 (4.16%)
13 = 65 (31.70%)	2 = Unsure (8.33%)
1 = 65-70 (2.43%)	
3 = 70 (7.31%)	
1 = 72 (2.43%)	
2 = Unsure (4.87%)	
1 = ASAP (2.43%)	
6 = Never (14.63%)	

What is very interesting is the fact that a total of 46.34% of men believe that they will retire between 60-65 and only 17.07% believe that they will retire before 60. In addition, another 15% of males said that they will never retire and a 5% was not sure as to when they will be able to retire.

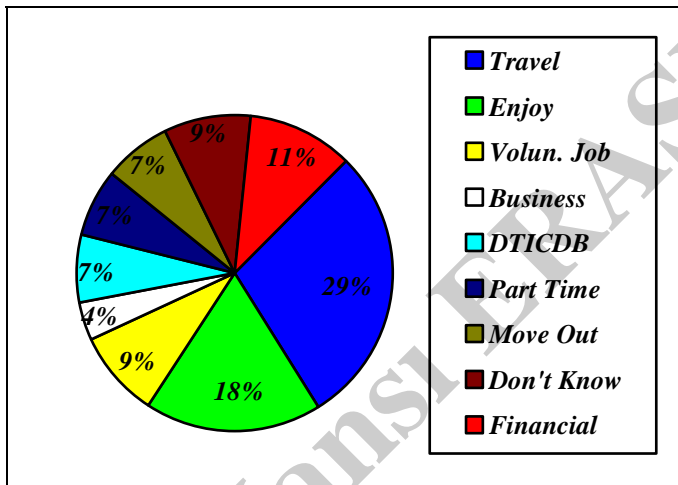
For women things are more clear.

More than half (54.16%) believe that they will retire between the ages 55-62 and only 12.5% believe that they can retire before 55. A very interesting trend we identified is that women tend to plan their retirement age based on what their husband will do. They do not want to keep working after the retirement of their husband.



What Will Be In Your Mind When You Retire?

The next crucial point we tried to identify was something very difficult to figure out and define. Mrs. Estes requested us to figure out what people have in their mind at the age of retirement, so as to relate it with the retirement age and their financial needs at this point. Following is a graphical representation of our results.



As you can identify, there are nine different categories of answers with the most popular being the “travel” answer. A really interesting finding is that almost 20% of the answers

are related one way or another with a kind of work. This means that people mention in their answers activities like voluntary job, part time job or own business, usually doing consulting. DTICDB means “Do Things I Couldn’t Do Before”. Below you can see the table with the detailed results of this answer.

Travel	29 (28.71%)
DTICDB	7 (6.93%)
Enjoy	18 (17.82%)
Volunteer Job	9 (8.91%)
Business	4 (3.96%)
Part Time	7 (6.93%)
Relocate (move to another area)	7 (6.93%)
Don't Know	9 (8.91%)
Enough Money	11 (10.89%)

At this point, we would like to clarify that we received multiple answers for this question. Some people said two or three different activities as answers. Therefore,

we prepared another table that includes the percentages based on the number of persons we interviewed. These information are presented in another table that follows and as you can see the trend is exactly the same. "Travel" and "enjoy" were the two most popular answers given to us. Obviously, an answer like "enjoy" is vague and cannot be defined, since every person has his/her own definition. What it shows though is that people will need money in order to "enjoy", as they say, and that is the valuable information we get from this answer.

Travel	44.61%
Enjoy	27.69%
Voluntary Job	13.84%
Business	6.15%
Part Time Work	10.76%
Move to Other Area	10.76%
Don't Know	13.84%
Enough Money	16.92%
DTICDB	10.76%

We decided to prepare an analysis based on the three different age groups we have already identified, so as to follow the trends based on the element of age. The young ones, those below 30, believe that they will have in their mind mostly the activities of "travel" and "enjoy". This shows something really important. Young people would like to have money, in order to do these activities, but surprisingly they do not include in their answers

activities like “business”, “part time job” or “voluntary work”.

Our middle age group ($30 < x < 40$) will have “travel” mostly in their mind. The answer about “enough money” or else “finance” comes second, showing their concern for their financial status at retirement age. Around 22% will continue doing something like “part time job”, “voluntary work” or own “business”.

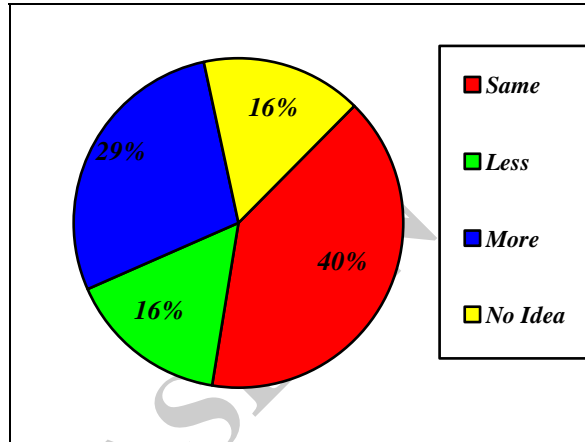
The older group of people would like to travel too. It was the most popular answer with 37%. Again, this group of people is very work oriented and around 29% said they will either work part time or continue their own business, or even voluntary job. The table below has the analytical results for the three different age groups. Interesting conclusions can be drawn by examining the results.

<i>Below 30 (Total 22)</i>	<i>30 < x < 45 (Total 55)</i>	<i>Above 45 (Total 27)</i>
Enough Money = 3 (13.63%)	Enough Money = 11 (20%)	Enough Money = 2 (7.40%)
Travel = 6 (27.27%)	Travel = 13 (23.63%)	Travel = 10 (37.03%)
Enjoy = 6 (27.27%)	Enjoy = 6 (10.90%)	Enjoy = 2 (7.40%)
Relocate = 1 (4.54%)	Relocate = 2 (3.63%)	Relocate = 4 (14.81%)
Don't Know = 4 (18.18%)	Don't Know = 6 (10.90%)	Don't Know = 1 (3.70%)
DTICDB = 2 (9.09%)	DTICDB = 5 (9.09%)	
	Business = 4 (7.27%)	Business = 1 (3.70%)
	Volunteer Job = 4 (7.27%)	Volunteer Job = 4 (14.81%)
	Part Time = 4 (7.27%)	Part Time = 3 (11.11%)

What Do You Believe Will Be Your Financial Needs When You Retire?



The responses we got from this question were classified in four different categories: “same”, “less”, “more” and “no idea”. The most popular answer was the “same” with around 40% and the second one was “more” with around 29%. This is indicative of the increased financial needs that people will have at their retirement age. In the graph, you can also see that “less” and “no idea” have the same percentage, 16%.



As far as the percentages based on the number of persons we interviewed, the results we got are showing the same trends. “Same” is first with 43.07%, “more” follows with 30.76%, and “less” along with “no idea” have 16.92%. It is obvious that our group has high financial expectations for the post retirement period.

What is interesting to examine though are the choices of the three different age groups. Not surprisingly, for the young people, the most popular answer was “more with almost 50%. For the middle age group, “less” was leading, but “more” and the “same” are following together and they actually constitute 50% of this small sample. More analytical results exist in the following table.

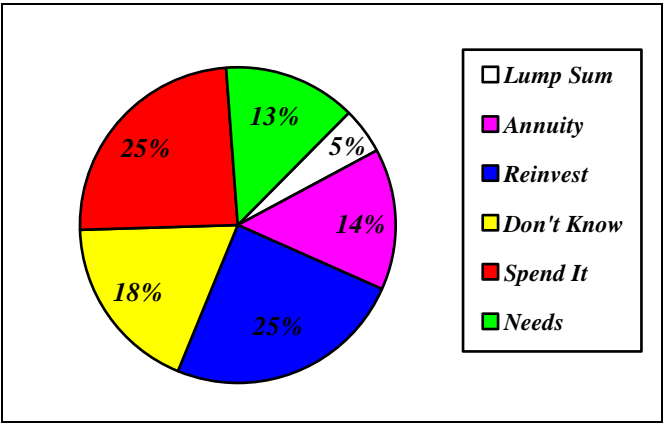
<i>Below 30 (Total 17)</i>	<i>30 < x < 45 (Total 31)</i>	<i>Above 45 (Total 17)</i>
Less = 2 (11.76%)	Less = 9 (29.03%)	Less = 4 (23.52%)
More = 8 (47.05%)	More = 8 (25.80%)	More = 4 (23.52%)
No Idea = 3 (17.64%)	No Idea = 6 (19.35%)	No Idea = 4 (23.52%)
Same = 4 (23.52%)	Same = 8 (25.80%)	Same = 8 (47.05%)



The major concern of the people in this question was health insurance. Every person would like to have more or the same financial resources as today, so as to cover any health emergencies. The fact that people feel insecure about their future as far as health insurance is concerned can be explained by the absence of health insurance coverage and ultimately the absence of safety. In addition, there is a trend in all three categories that shows an ignorance of the future financial needs. We had people feeling really confused about what answers they could give. This confusion has an impact on their financial rollover decision too and you will identify the connection in the following sections.

What Will You Do With Your Money When You Retire?

The last question, relevant with retirement issues, introduces indirectly the rollover concept. We had multiple answers and it is amazing how ignorant and uneducated are employees with 401(k) plans. As it is identified in the pie chart, there are six different answers. People did not realize, or didn't know,





that they either had to rollover their money or get a lump sum. Therefore we had all interesting type of answers.

The most popular answers were “reinvest” and “spend it”. What does really reinvest means? Some mentioned utility stocks or aggressive funds, but very few identified that they either had to take the lump sum and then reinvest or take an annuity. Actually, the “annuity” was the most popular answer for the group of people who are close to retirement with 45%. Again here, most of the people gave us multiple answers. They wanted to take the money and cover their current liabilities and then reinvest, or get a monthly income that will allow them to travel (remember previous question), or spend half of it in satisfying their current needs and reinvest the rest. Every person had a different answer.

In the following table, one can identify the trends that exist in the three different age groups. It is really surprising that the very young people didn’t mention the answer of lump sum. Is it because of ignorance or because of attitude? We believe that the truth is somewhere in the middle.

<i>Below 30 (Total 19)</i>	<i>30 < x < 45 (Total 38)</i>	<i>Above 45 (Total 20)</i>
	Lump Sum = 4 (10.52%)	Lump Sum = 2 (10%)
Annuity = 4 (21.05%)	Annuity = 5 (13.15%)	Annuity = 9 (45%)
Reinvest = 5 (26.31%)	Reinvest = 9 (23.68%)	Reinvest = 1(5%)
Spend It = 5 (26.31%)	Spend It = 8 (21.05%)	Spend It = 4 (20%)
Needs = 1 (5.26%)	Needs = 7 (18.42%)	
Don’t Know = 4 (21.05%)	Don’t Know = 5 (13.15%)	Don’t Know = 4 (20%)

As a final comment for this question, we would like to mention the fact that the older group was more knowledgeable, as in most cases. They were aware of their options and their



alternatives. On the contrary, the young group was lost and current situation was the guiding power of their answers. As a general remark about the retirement section, we would like to mention that most of the people we interviewed should lack of knowledge and education. These are matters that they were not familiar with. Our implications are closely tied with all these observations.

Findings Regarding The Rollover Decisions

Since the main part of this project is to find the propensity of people to rollover their pension money, rolling over decision findings deserve a special attention. We asked three critical questions to our interviewees to better understand their opinions about this important decision. We also used Hewitt Associates survey as a back-up information which had been conducted in 1993 among the 401(k) plan holders. Let us start with the first question.

How Many Jobs Did You Change So Far? What Did You Do With Your Money?

	%	AGE (%)			SEX (%)	
		<30	30-45	>45	Male	Female
Number of Jobs Changed						
i) 0	39	47	26	27	59	41
ii) 1-3	51	10	70	20	71	29
iii) >3	10	0	60	40	33	67
Rollover						
For "i"	-	-	-	-	-	-
For "ii"	-	42	8	84	8	86
For "iii"	40	0	50	50	50	50

As it can be seen from the above figures, while the male-female distribution is close to each other in the group where the participants did not change any jobs, males are dominating the category where the jobs were changed one to three times, and females are in majority where the number of jobs changed exceeded three. One very significant result is that men rolled over their pension plan money more when compared with their women subordinates and/or peers. In the category where the number of jobs changed is one to three, men rolled over their money with a proportion of 86% while they constitute only 71% of the whole category. Likewise, even though they constitute just 33% of the group where the participants changed more than three jobs, their proportion increased to 50% when the rolling over decision is taken into account.

We believe that mentioning here some of the very interesting responses we received could be very helpful. They are as follows:

- Even some of the employees who did not change any jobs said that they would rollover the money instead of receiving a lump-sum check if they needed to decide between these two alternatives (lump-sum and rollover).
- Most of the workers who received a lump-sum payment said that the trigger points NOT to rollover their money were: Health, financial hardship, buying a house, and paying the bills, which are all personal needs. We will come back to this section later.
- Some of the workers who did not rollover pointed out that their previous employer did not offer to take their money out (the so-called "defined benefit plans"). They emphasized that they would roll it over unless they had defined benefit plans.

Hewitt Associates Survey

As we have pointed out before, we used this survey's results as a supportive tool to our own survey. Hewitt conducted this survey in 1993 among 487 medium-and large-sized US employers, and only 401(k) plan holders participated. Before going further to the questions, let us see some interesting highlights of the survey:

- Almost one third (30%) of the employers give employees an option as to how the rollover is handled.
- 69% of plans mail rollover checks directly to participants.
- 30% of plans have participants electing to directly rollover part of their payment and receive the rest in cash. This finding is very close to some of the responses we received. Some interviewees said that they rolled over some portion of the money, and received the remaining part as a lump-sum check so as to pay their bills, their kids' tuition, or unexpected payments.
- Almost half of the plans (48%) have participants who elect to directly rollover shares of company stock.
- Only 13% of plans help participants identify specific IRAs for direct rollovers.
- Over 79% of plans allow direct rollovers into their plan.

Now, let us move to the questions from the Hewitt survey we want to examine.

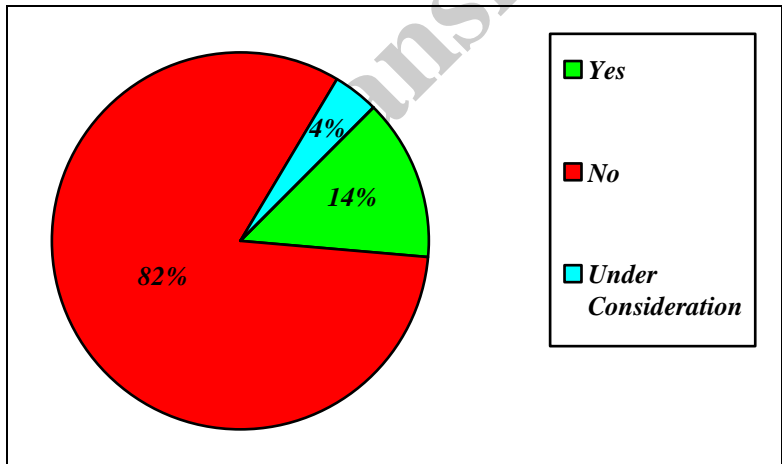
How Involved Is Your Company In Helping Participants Identify Specific IRAs For Direct Rollovers?



Employer involvement in identifying specific IRAs (478 plans reporting):

Not involved	87 %
Identify one IRA	9 %
Identify more than one IRA	2 %
Other	2 %

Do You Provide a Product With The Same Investment Options As Those Offered In The 401(k) Plan?

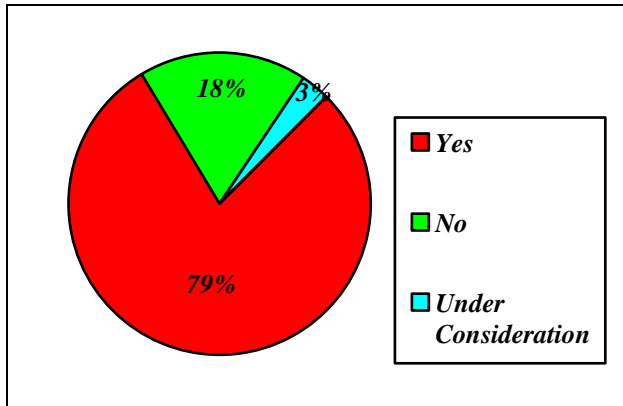


It is very clear that employers are also not very enthusiastic about offering IRA products, beyond the 401(k) plans, which have the same investment options with

401(k) plans. This finding, we believe, is crucial in the sense that not only are the employers not involved in offering IRAs to their workers beyond the 401(k) plans, but also they do not offer a pool of pension plans with same investment options.



Are You Allowing Direct Rollovers Into Your Plan?



Even though the employers are not willing to offer different pension plans beyond the 401(k), more than three out of four employers are allowing direct rollovers into their plans.

After using the Hewitt survey results as back-up data, let us turn back to our survey to see the concerns of 401(k) holders about the liquidity of their plans, and the trigger points for taking their money out.

Is It Important To Take Your Money Out Of Your Pension Plan?

	AGE (%)	AGE (%)			SEX (%)	
		<30	30-45	>45	Male	Female
Yes	35.3	11	56	33	62	38
No	64.7	24	53	23	62	38

Although we had a group of interviewees who are fairly distributed in terms of age, we see that 401(k) holders do not care too much about the liquidity of their plans (with an amount of 65%). The below comments made by these people explain this situation:

- "Not important now, but will be important in the future (especially for my kids' education)".
- "It does not make any good to take it out now. I care about my future".



- "Before my retirement, it is not important at all. After retirement, however, it should be accessible".
- "I like the fact that it is not easy to liquidate the money because I just want to get this money out when I am retired!".

The participants who said that the liquidity is important also described the TRIGGER POINTS which may cause them to take the money out instead of rolling it over. This will be given in the next part.

Before going further to the last question, two important results should be underlined:

- Middle-aged people (30-45) expect high liquidity (mainly because of their kids' education and health concerns). Another interesting point we have come up with is that even though most of these people have health insurance, they believe that their main concern will be health and emergency because after their retirement, their current insurance will expire.
- Some portion of the 65% who expressed that liquidity is not a big issue right now are afraid of early withdrawal penalties which can add up to from 40% to 70-80% in some cases.

What Might Cause You To Take Your Money Out Of Your Pension Plan?

	%	AGE (%)			SEX (%)	
		<30	30-45	>45	Male	Female
Health	26.8	7	63	30	57	43
Home Purchase	16.1	40	53	7	65	35
Kids' Education	14.3	17	75	8	79	21
Emergency	12.5	15	62	23	69	31
Financial Hardship	9.8	20	60	20	64	36
Nothing	9.8	30	30	40	55	45



Other 10.7 17 58 25 90 10

As given before, middle-aged people are more concerned about their children's education. Younger workers (below 30) are more apt to buying a house while 40 % of older employees (above 45) stated that nothing would cause them to take their money early. This shows how the older employees, by the time getting closer to retirement, are becoming more sensitive about their future.

How would you improve your 401K plan ?

We had a broad range of different answers to that question that we grouped in 5 sections :

- 1) More contribution from the employer.
- 2) Legal frame modifications.
- 3) Better loan accessibility.
- 4) More investment choices.
- 5) Better access to the information.

1. More contribution from the employer.

The first claim of the persons we interviewed is easy to guess. Participants would like to see their employers contribute more to their 401K plan by matching a higher percentage than they currently do. Around 33% of all the 401K plans are matched by \$0.50 for a dollar and only

10% of all the plans are matched by \$1 for a dollar (Hewitt Associates, 1993, Highlights). The persons interviewed usually consider “one dollar for one dollar” is a good contribution from their employer. They consider their employer’s contribution as “free money” that they get and this is actually the first reason why they like 401K plans.

2. Legal frame modifications.

Many interviewed people were concerned by some of the legal parts that frame 401K plans and mentioned the following claims, because they consider that financial institutions (insurance companies, mutual funds, etc.) are powerful enough to lobby and influence the legislators in order to modify this frame.

- Fifty-nine and a half is the age you have to be to get free access to the money saved in your 401K plan. Many employees though plan to retire earlier than that (55 is often quoted as an age people think they can retire) and this arises the following issue : people do not know if they can wait until they are 59 and a half to receive the income from their plan if they retire at 55. Therefore they would like to see this age of 59 and a half lowered to have the freedom to retire whenever they feel like it and not pay the tax penalty.
- The possibility for the employer to contribute to more than 6% of the income of his employee has been often mentioned too. This limit of 6% is often reached . This is why even though this modification would probably not appeal to the employers , employees would like to see their employers offered this possibility.

- Participants would like to be allowed to contribute to more than 15% of their income and still benefit from the tax-deferment. This is a wish expressed usually by people over 45 and that are very concerned about saving significantly for retirement. They are currently allowed to tax-defer up to 15% of their income and up to \$9600. If a 50-year old employee makes \$50000 and wants to put all his savings in his 401K plan, he can only contribute up to \$7500 a year. What about if he is willing to save up to \$9600, the limit that higher-income people are authorized to save ? A modification of this point would favor lower income employees who have not been able to save a lot during their thirties and early forties (they had to meet all kinds of needs at that time) and allow them to start saving more money now that retirement age is closer and that their expenses are lower.
- The possibility to contribute right after a withdrawal of money from the 401K plan is not always authorized according to the plans. In order to dissuade participants from withdrawing money from their plan, certain plans do not authorized contributions for a period of 6 months after the withdrawal. This is a measure which penalizes both the participant (who may need the money for a 2 weeks period and be able to contribute again very soon) and the plan provider (who cannot collect the money during 6 months). The persons interviewed believe that they are other ways to dissuade participants from withdrawing their money from their plan.

3. The loan accessibility.

Participants appreciate very much this option usually offered by 401K plans to obtain a loan and repay the money to themselves. First, let us note that 24% of the 401K plans still do not

offer this loan option (Hewitt Associates, 1993, Highlights). This number appears to be still high though it is decreasing. People like to have this option especially when they are in the 30 to 45 year-old age category and are likely to need emergency money for the reasons described above. An average of 21% of participants have outstanding loans (as reported by 322 plans by the Hewitt Associates survey, 1993). However they still think this loan option could be improved.

- If they are to take this option, they usually have to pay interests “to themselves” on their account. The rate is always at least the current prime rate. Participants would like to pay a lower interest “to themselves” : this would be logical in the sense that it would make the loan more affordable at the precise moment when they need the money and that there is no classic default risk which justifies a high rate (because the loan is due “to oneself”).
- When a loan is granted, there is a loan limit for the participants. Usually the loan option allows to borrow up to 50% of the existing balance of the plan and up to \$50,000. \$50,000 is considered to be a sufficient amount of money to meet an emergency need or realize a down payment for the purchase of a house. The 50% limit seems unfair to the participants in their mid-thirties who have only managed to save a small amount of money (say \$40000) and can only get a very small loan (\$20000 in this case where the participant may need \$25000 or \$30000).

On the other hand, the fact that participants have to justify their need for money to apply for a loan (and the loan will only be granted for an emergency reason or a house purchase) is fully understood and accepted.



4. The investment choices.

Participants declare being satisfied to assume the choice of the funds where they want to invest their money. On the other hand, they often complain about the limited number and the lack of diversity of funds. They would also like to be able to make more frequent changes in their choices.

- Participants want to have broader choices of investment funds. An average of 4.5 investment options are offered to employees for their Defined Contribution plan (Hewitt Associates, 1993, Highlights). This number was 3.7 in the survey carried out in 1991, showing a quick increase since then. But most of the employees still perceive this number to be too low. Participants who have acquired a certain knowledge about investments often complain that they do not have enough choices of “international funds” or “very aggressive funds”. They would also like to be able to invest in Certificate of Deposits (CDs) when they think financial markets will go down (certain 401K plans offer this option, among them Fleet Bank’s own 401K plan). They would also like the option to choose funds that are proposed by other pension plan providers. For instance, a participant whose plan is administered by Fidelity Investment would like to choose funds proposed by Aetna.

- Participants would also like to change their investment choices more often without penalty.

How often can changes in investments be made ?

Frequency	Transfer of existing balances	Investment of new contribution
Daily	22%	20%



Weekly	1%	2%
Monthly	18%	21%
Quarterly	44%	41%
Semiannually	7%	8%
Annually	3%	2%
Others	5%	6%

Source : Hewitt Associates, 1993.

However we believe that the flexibility Aetna offers (12 changes in fund investments allowed every year without charges) is enough to satisfy the employee.

5. The access to the information.

Participants complain about the difficulty to go through the documentation they receive describing the performance of their funds and about the educative documentation they receive that they find unadapted to employees with no background in finance fields. Moreover they stated that this documentation is not frequent enough.

- The systematic communication on how the funds of one employee are performing is mainly quarterly :

Frequency of fund performance communication (Hewitt Associates, 1993).

Do not communicate	1%
At enrollment only	2%



Monthly	19%
Quarterly	64%
Semiannually	5%
Annually	4%
Others	5%

But given the frequency of evaluation, plan providers would be able to communicate more often (monthly for instance, instead of quarterly).

Frequency of valuation (Hewitt Associates, 1993)

Daily : 29% Monthly : 42% Quarterly : 26% Others : 3%

- The communication and education on investment topics are not considered as sufficient either by the employees :

Frequency of providing investment education materials (Hewitt Associates, 1993).

Do not provide	19%
At enrollment only	20%
Monthly	1%
Quarterly	25%
Semiannually	6%
Annually	11%

Upon request only	4%
At enrollment and upon request	5%
Periodically - no schedule	5%
Other	4%

- It is also obvious that more communication and information about 401K plans is needed. Lots of employees we interviewed only knew the basic “rules” of their plans and were ignorant of topics such as loan options or taxes that apply when it comes to choose between an lump sum or an annuity option at the roll over point.

Thus communication must be more frequent and clearer.

As a conclusion from the survey we carried out and from the Hewitt Associates survey, it is clear that employees seek better and more frequent communication, education on investing their money, convenience to do things under their plans, and easier access to their money for various pre-retirement needs.

Implications

Here are some implications that ALIAC may want to consider and study the feasibility, in order to answer better the employee’s needs. A better satisfied client will be more likely to roll-over his money in Aetna’s funds.

1. Better communication.



- **Better information on the participant's portfolio performance** : employees receive statements more or less frequently depending on the company that administer their plan. But they often find it confusing and do not always read and interpret them properly. This is why we think the plan provider's staff could propose visits to the companies they serve and spend 10 to 15 minutes with whoever needs further explanations about their portfolio statements. These visits could occur once or twice a year (the cost of the operation is to be studied). A person from the staff would spend the day in the company and meet individually with the employees that would sign up for a personal presentation of their investment fund performance. After one or two such presentations, one employee should be able to interpret his statements and understand better the documentation he receives.

An access to one's individual fund performance through a "1-800" phone number (this is already proposed by the most important 401K plan providers) and through an E-mail account would be appreciated by the participants who follow closely how their retirement savings are growing (mainly people currently in their thirties and forties). Another improvement would be the possibility to use ATM machines to check the balance of your pension plan just by using your credit card.

- **Better education on investment topics** would include in-house educative sessions organized by ALIAC's staff. The staff could enjoy the day they go to visit the company to have personal interviews in the morning or in the afternoon and then organize short sessions (45 to 60 minutes) after working hours, possibly in a room provided by the company so that the employees volunteering to attend those sessions would not have to gather in an unknown place. These sessions would be organized once to twice a year and would take place only if a

sufficient number of employees are expected to attend. The sessions would deal with basic investment concepts, the presentation of funds proposed by Aetna (current or new funds) and the staff would also answer any question about 401K plans.

A newsletter describing clearly new investments options and explaining current financial issues could be sent every month to the participants (if it is not the case already). This is something serious competitors all do and they even join all kinds of advice about how saving money on an everyday life basis. All participants that receive that documentation do not necessarily go through it. But we believe that most of them read a couple of articles and that they always get some ideas out of them.

Once again a “1-800” phone number is needed to inform customers and answer any type of questions and possibly set up an E-mail account. This would not require somebody on-line to answer the participant’s questions because with World-wide-web site (under Internet) for instance, all the questions are stored and the most frequent questions are answered every week or every fortnight.

2. Improvements of the 401K plan characteristics.

This implication is about adapting better the 401K plan characteristics to the client’s claims described above. This includes :

- improving the loan accessibility (as described above).

- offering broader choices of investments to the participants (if possible) with access to more international funds, more aggressive funds and also Certificate of Deposits (as described above).
- allow the participant to contribute to his 401K plan even if he has just withdrawn a sum of money out of it for any emergency reason (as described above).

3. Alliances.

We have been studying 2 types of alliances that Aetna could possibly set up :

- On one hand, Aetna could realize an alliance with several banks in order to have access to the ATM network and be able to provide information to the 401K plan holders about how their funds are performing and what is their current balance. This would improve the communication between the participant and Aetna and from the sample of people we interviewed and the people we met at the focus group meeting we attended in Stamford we truly believe employees would use that new source of information. However, such an alliance would probably be very costly in time and in money if Aetna has to pay fees to the banks to obtain access to the network.
- On the other hand, Aetna could set up an alliance with another competing financial institution providing 401K plans. Thus, Aetna's customers would have the option to choose between investing their savings whether in Aetna's funds or in this company's funds whereas customers from this company would be able to invest their money in Aetna's funds. This alliance could be set up with an insurance company, a bank that proposes a choice of funds for its customized 401K plan or a mutual fund company. This would result in some kind of

swap between the 2 companies and would satisfy the clients by proposing them more choices at no cost for Aetna. Thus, both companies would have a competitive advantage over the rest of the industry. We believe that such an alliance is legally possible to work out but the difficulty lies in finding the right partner at this point.

Conclusion

Reaching the end of our research paper, we would like to finish with having presented our analysis that summarizes our findings, in terms of observations and our recommendations, in terms of implications. What is important is the fact that Aetna has already move towards these directions. According to Mrs. Estes, communication is always improving and technology will play a vital role in this direction (WWW). In addition, they already have formed alliances with other financial institutions. These show us that our industry and competitive analysis that lead us to the implications was successful. In a few words, we were able to add some value to Aetna Life Insurance and Annuity Company (ALIAC).



MAN

APPENDIX I
(Samples of Questionnaire)





Sex : M F
Age :
Education :
Marital Status : Single Married Divorced Widow
Children :
Home Location :
Ethnic Group : White Black Hispanics Asian Others
Total Years of Employment:

1. What kind of pension plan do you have?
2. Did you choose your plan? If yes, why did you choose this one?
3. How many jobs did you change so far? If more than one, what did you do with your retirement plan?
4. What might cause you to take money out of your plan?



5. Do you have a health insurance plan? Yes No
6. How important is the liquidity (ability to take money out) of your pension plan?
7. At what age do you plan to retire?
8. What is in your mind when you retire?
9. What do you believe will be your financial needs, when you retire?
10. What will you do with your money, when you retire?



11. How could you improve your pension plan?

Sex : M F

Age :

Education :

Marital Status : Single Married Divorced Widow

Children :

Home Location :

Ethnic Group : White Black Hispanics Asian Others

Total Years of Employment:

1. Did you choose your plan? If yes, why did you choose to enroll in 401(k)?

2. How many jobs did you change so far? If more than one, what did you do with your retirement plan?

3. What might cause you to take money out of your plan?

- a. Purchase new home.
- b. Personal hardship (death, illness, etc.).
- c. Prevent foreclosure.
- d. Would not take money out.
- e. Other (Children's Education, etc.):



4. Do you have a health insurance plan? Yes No
5. How important is the liquidity (ability to take money out) of your 401(k) plan?

6. At what age do you plan to retire?

7. What is in your mind when you retire?

8. What do you believe will be your financial needs, when you retire?

9. What will you do with your money, when you retire?

10. How could you improve your 401(k) plan?