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DALBAR Uncovers Trends in Online Enrollment

(Marlborough, MA) [DALBAR](#)'s 2020 review of digital plan enrollment processes revealed numerous interesting trends including retirement plan providers':

1. Acknowledgement that one size does not fit all, and
2. Deliberate, yet subtle tactics to drive contribution rates.

A review of 27 enrollment experiences indicates that firms are trending heavily toward offering two paths: the more traditional step-by-step enrollment process paired with an express option requiring little more than one-click acceptance of pre-determined selections. Those who wish to simply "get it done" can invest less than 5 minutes to complete a crucial step toward future financial health. Conversely, those wishing to carefully consider each decision can still go that route. John Hancock's *Guided* and *Express* paths both rank among the top 5 (#2 and #5 respectively) and the firm strikes the right balance between quick and seamless enrollment in just a few minutes, or the DIY path which allows for enrollment with or without some handholding.

Providers also employ subtle tactics to drive higher contributions. Many input default contribution rates and/or make rate suggestions, with 64% utilizing one or both of those methods. Securian Financial's #1 ranked enrollment process utilizes multiple highly effective tactics for driving enrollees to a sufficient rate including the use of a 10% default coupled with the statement "*financial experts recommend saving 10-15%.*" With 10% representing the lower end of the recommended range, enrollees are likely to see that figure as the less 'painful' option and accept it, rather than reduce it.

Voya's #3 enrollment experience uses a rarely seen strategy: providing a benchmark relevant to the specific enrollee in the form of the statement, "*People like you on track for retirement save xx%.*" The tax savings resulting from pre-tax contributions is also displayed and enrollees are alerted to the tax rate utilized to calculate their savings.

The #4 ranked enrollment experience, Principal, displays highly pertinent messages as rates are adjusted up or down within the firm's contribution tool. Opting for less than 6% generates the suggestion to contribute enough to receive the full employer match while a 6-9% rate selection informs enrollees that studies indicate a minimum of 10% may be necessary to have sufficient income at retirement.

For more information about DALBAR's [State of the Industry: Online Enrollment](#) study, please visit the [DALBAR Intellect store](#), or email DALBARIntellect@dalbar.com.