



PARTICIPANT BEHAVIOR AND DEMOGRAPHICS

Analysis of 2006 - 2010

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DATA COLLECTION

- ✘ Data for years 2006 – 2010
- ✘ Extracts from TSP and OPM records
- ✘ Presentation focuses on FERS population
- ✘ Approx. 2.5 million records were matched, excluding
 - + Uniformed Services
 - + Separated participants
 - + Employees of the Legislative and Judicial Branches
 - + Participants with incomplete data
 - + Part-time and intermittent employees
- ✘ Gender, race, employment grade and education are not reported in this analysis
- ✘ Data is presented as of year-end

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FERS PARTICIPATION RATES

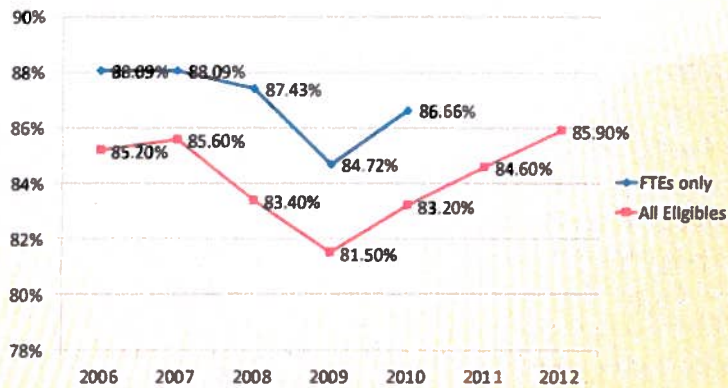
FERS Participation = $\frac{\text{Contributing FERS participants}}{\text{(Contributing FERS participants + Agency 1\% automatic contribution only)}}$

(Contributing FERS participants
+
Agency 1% automatic contribution only)

Eligible universe = (Contributing FERS participants + Agency 1% automatic contribution only)

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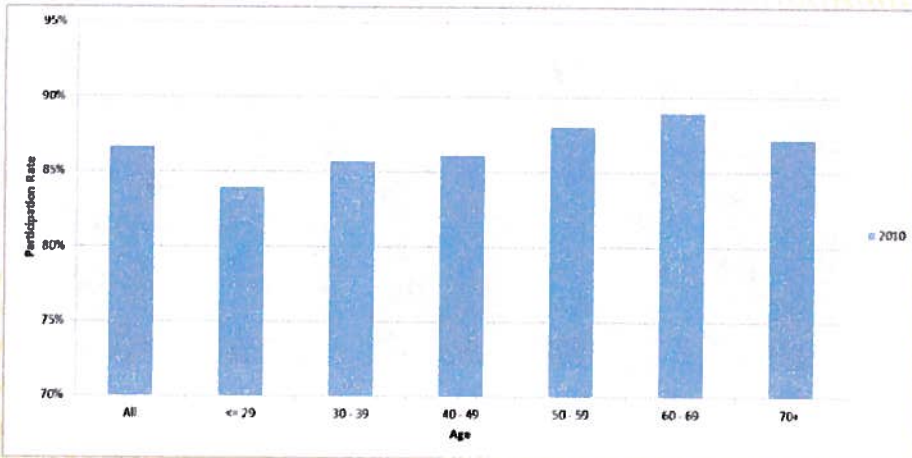
FERS PARTICIPATION RATES



- ✘ Feb 2009 - market low
- ✘ June 2009 - immediate contributions
- ✘ August 2010 - automatic enrollment

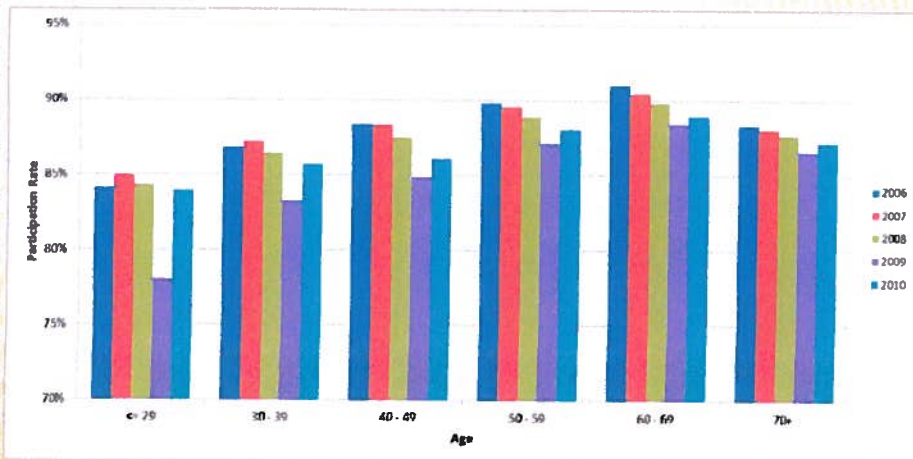
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FERS PARTICIPATION RATES BY AGE (2010)



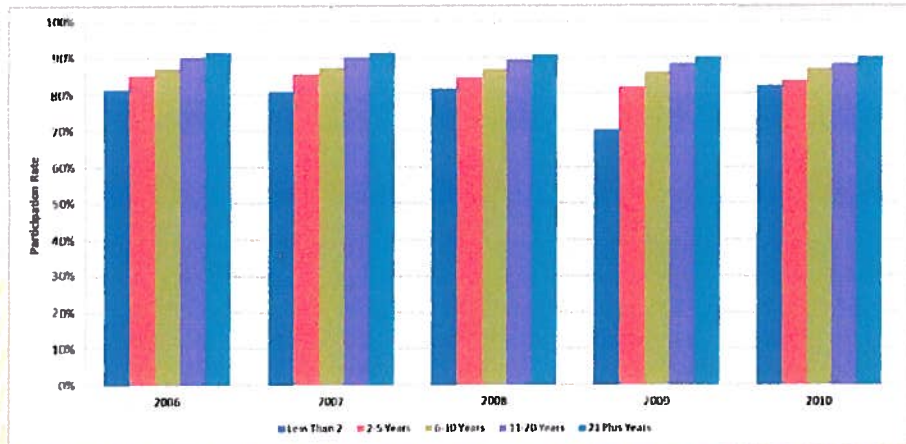
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FERS PARTICIPATION RATES BY AGE (2006-2010)



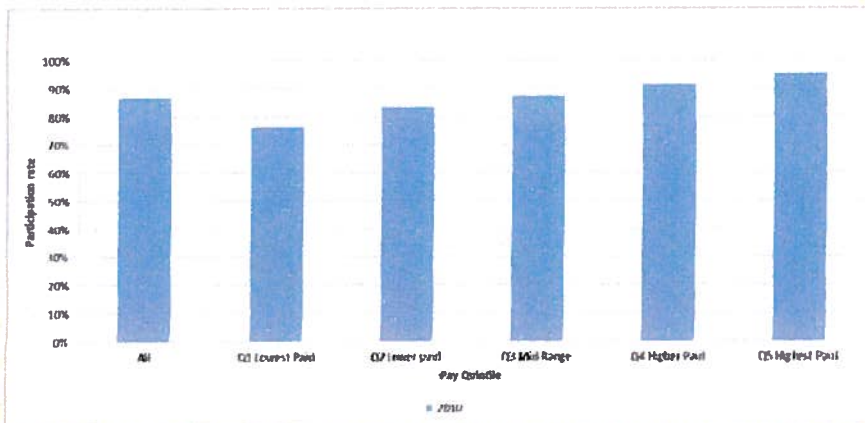
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FERS PARTICIPATION RATES BY TENURE (2006-2010)



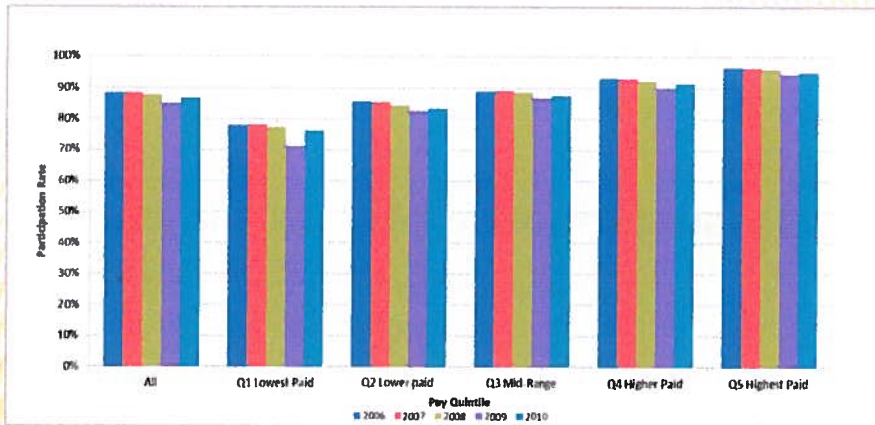
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FERS PARTICIPATION BY SALARY (2010)



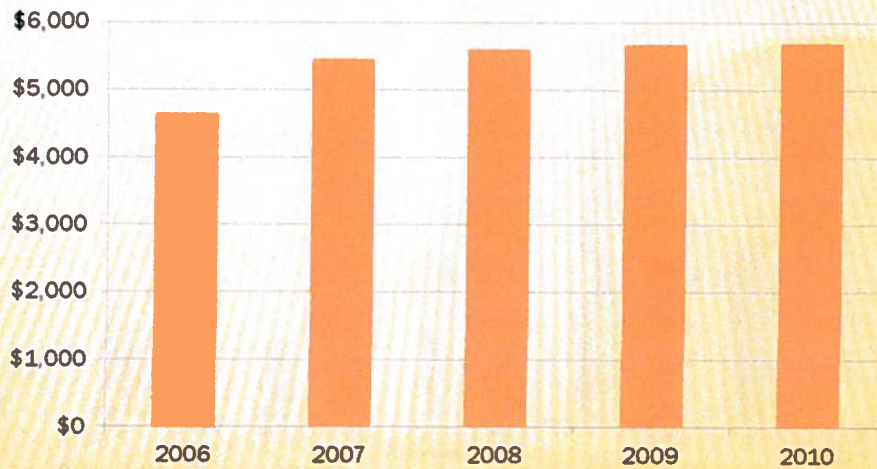
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FERS PARTICIPATION BY SALARY



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AVERAGE ANNUAL FERS CONTRIBUTION



Source: FRTIB

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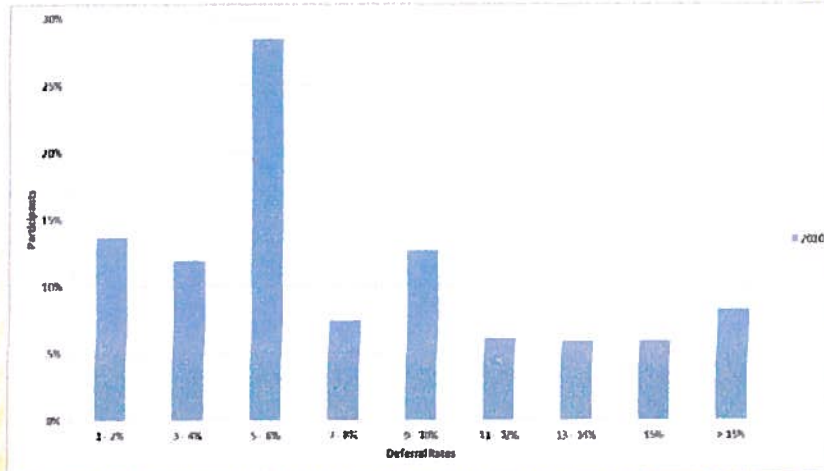
FERS DEFERRAL RATES

- ✗ Calculated for this analysis

$$\text{Deferral rate} = \frac{\text{Total annual contribution}}{\text{Annual base salary}}$$

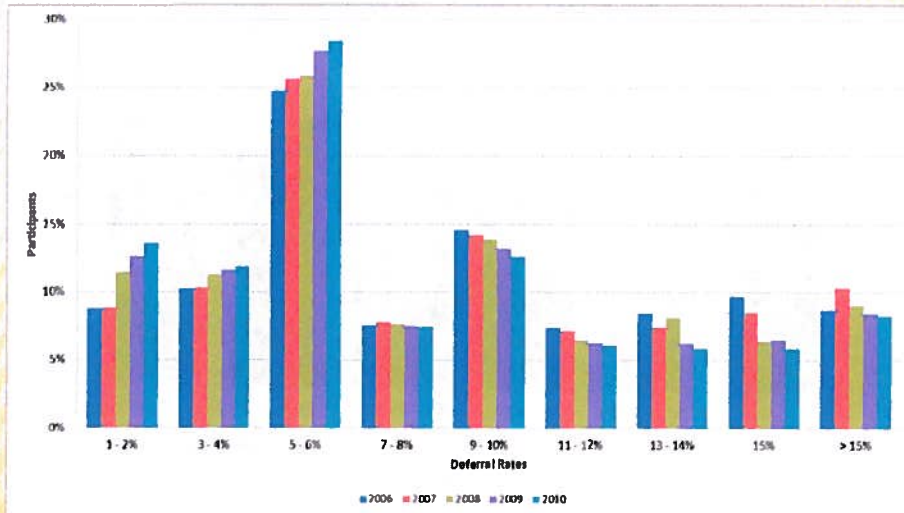
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FERS DEFERRAL RATES (2010)

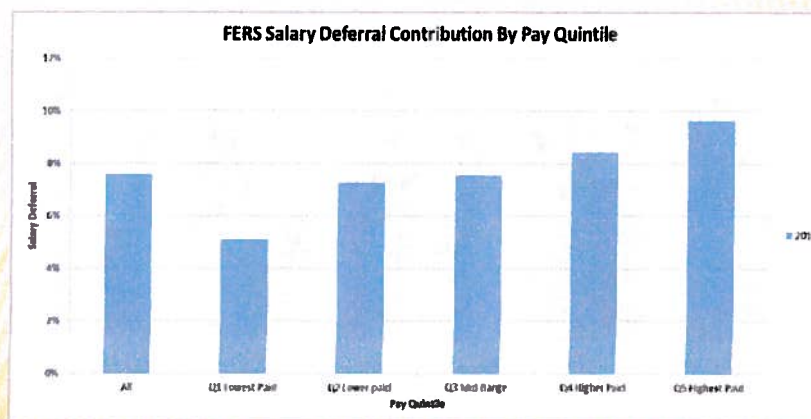


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FERS DEFERRAL RATES (2006-2010)

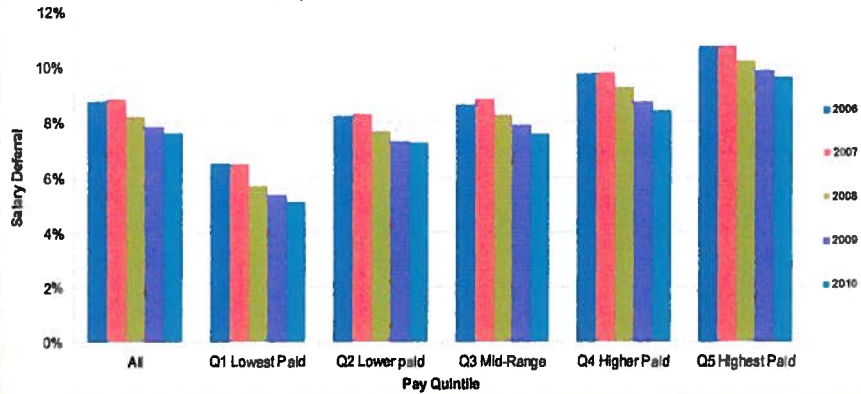


FERS DEFERRAL RATES (2010)

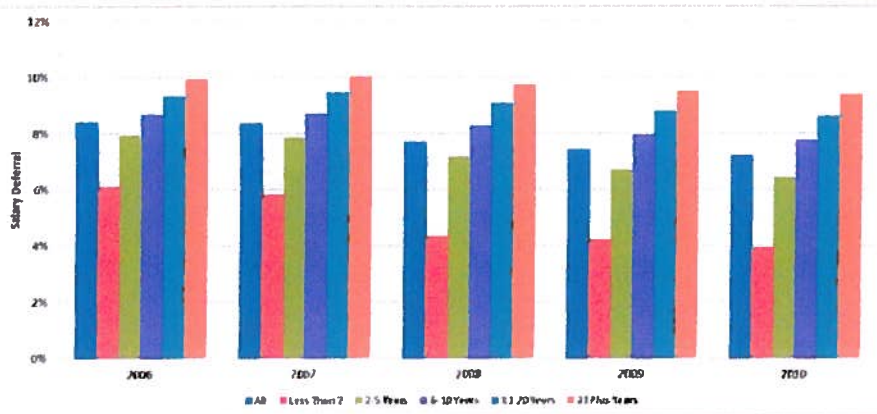


FERS DEFERRAL RATES BY PAY

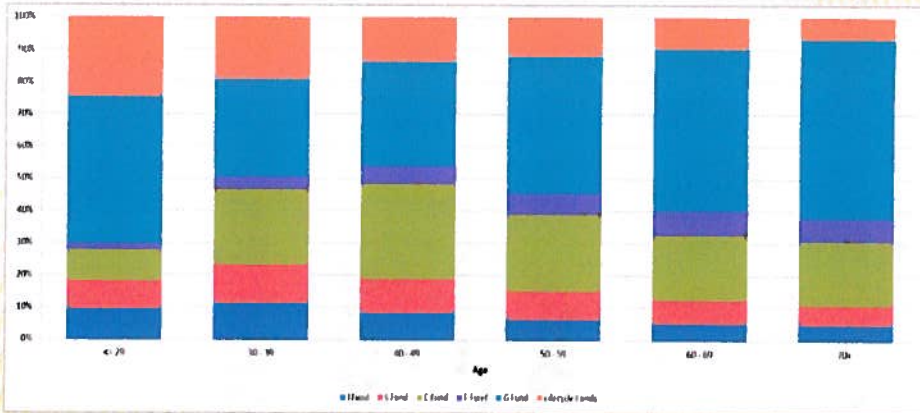
FERS Salary Deferral Contribution By Pay Quintile



FERS DEFERRAL RATES BY TENURE (2010)

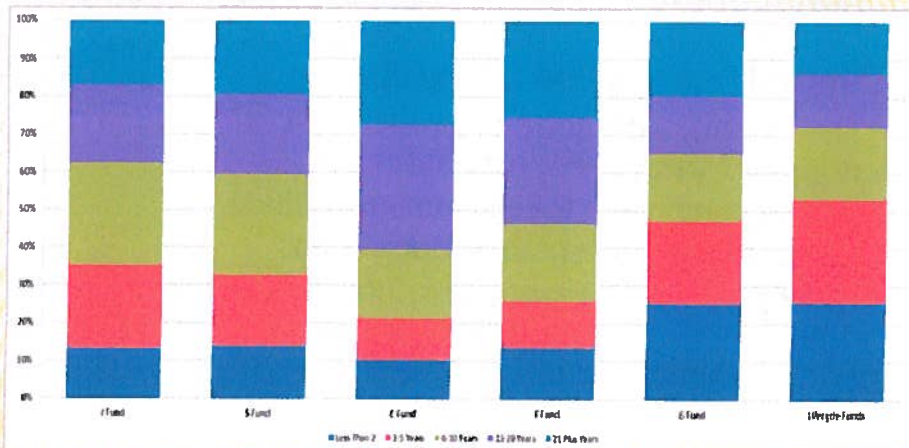


INVESTMENT ALLOCATION (2010)



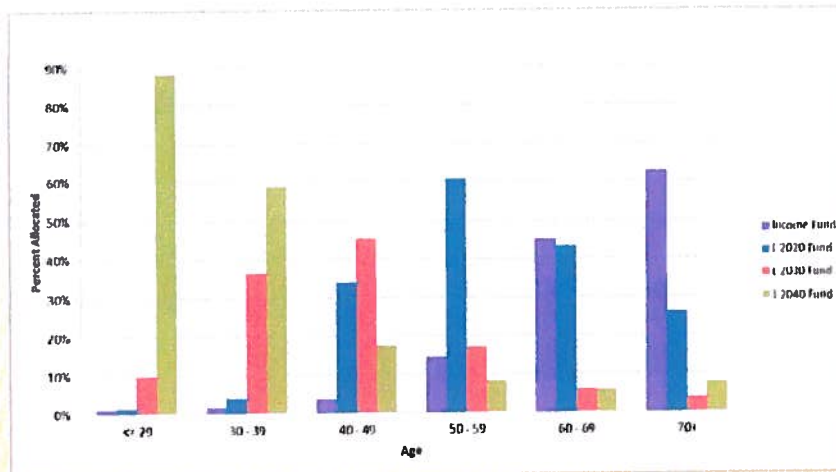
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INVESTMENT ALLOCATION BY TENURE



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INVESTMENT ALLOCATION BY L FUND (2010)



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TAKE-AWAYS

- ✗ TSP participation rates are strong
- ✗ Deferral rates overall are declining
- ✗ The younger population appears to be less engaged than older participants
 - + disproportionate allocation to the G Fund
 - + likely a reflection of the default option
- ✗ Lower paid participants are deferring at rates allowing them to take full advantage of matching contributions

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WHAT'S NEXT?

- ✘ Run sequential data match with OPM for 2011 and 2012
- ✘ Additional data elements for gender, race, employment grade level and education will be analyzed in the 2012 Demographics Report
- ✘ Run parallel data match with DoD for 2006 - 2012 (above data elements to be included)
- ✘ Data and security agreements being reviewed