



# Increasing TSP Participation among USPS Employees

Testing mailings to increase USPS TSP enrollment and contributions

**Target a Priority Outcome** The US Postal Service (USPS) offers a Thrift Savings Plan (TSP) program to help postal employees save for their future. Yet, as many as 86,000 employees do not participate in the program. USPS is interested in ensuring all employees who are eligible and interested are taking advantage of TSP.

**Translate Evidence-Based Insights** Some USPS employees who are eligible but not currently participating in TSP may be interested in doing so but have not yet signed up for a variety of reasons. Some may not know how to sign up. Others may not be motivated to sign up. And others may have intended to sign up but have not yet taken action.

USPS partnered with the Office of Evaluation Sciences (OES) to design a new mailing to encourage TSP enrollment and contributions. The new mailing included a behaviorally-informed cover letter and TSP participation form designed to address each of these barriers to participation. To clarify how to sign up, the cover letter described what TSP was, explained how employees could participate, and provided an example of how an employee might contribute to TSP.

To motivate employees to sign up, the cover letter encouraged employees to enroll in TSP and informed them that 7 out of 8 postal employees contribute to TSP. Evidence suggests that informing people that most of their peers participate in a retirement plan can be an effective way to motivate them to enroll and contribute to a retirement plan.<sup>1</sup>

To encourage employees to take action, the TSP participation form prompted employees to make an active choice to enroll or not to enroll. Evidence suggests that prompting people to make an active decision can make them more likely to take action.<sup>23</sup>

<sup>1</sup> Jeffrey J. Bailey, John R. Nofsinger, and Michele O'Neill, "401(K) Retirement Plan Contribution Decision Factors: The Role of Social Norms," *Journal of Business and Management*, 9, 4 (2004): 327-344.

<sup>2</sup> Gabriel D. Carroll, James J. Choi, David Laibson, Brigitte C.

This project is a collaboration between the Office of Evaluation Sciences and the U.S. Postal Service.

**Embed Tests** The new mailings were tested with an individual-level randomized control trial. USPS sent the new mailings to 86,899 employees who were eligible for TSP but not yet enrolled in TSP. Of these USPS employees, 42,999 were randomly assigned to receive the new mailing in August 2017 (Wave 1) and 43,900 were randomly assigned to receive the new mailing in September 2017 (Wave 2).

USPS and OES planned to evaluate the effect of the mailing by comparing the TSP enrollment and contributions from individuals who received the mailing in August 2017 with the enrollment and contributions from those who did not receive the mailing in August 2017. The plan was to analyze data and compare TSP enrollment and contributions across the two Waves prior to the September 2017 (Wave 2) mailing.<sup>4</sup>

**Analyze Using Existing Data** USPS administrative data on TSP enrollment and contributions were to serve as the primary outcome measures.

**Results** OES was not able to complete the analysis as planned. In cases where data are not available or the evaluation did not provide comparable comparison groups, OES does not report results. In this case, outcome data were not available.

**Build Evidence** This test demonstrates the feasibility of sending behaviorally-informed mailings to encourage TSP enrollment and contributions. It also shows the potential for embedding a rigorous evaluation into agency operations.

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Madrian, and Andrew Metrick, "Optimal Defaults and Active Decisions," *Quarterly Journal of Economics*, 124 (2009): 1639-1674.

<sup>3</sup> "On-Base Active Choice for TSP," Office of Evaluation Sciences (2016).

<sup>4</sup> The pre-specified analysis plan can be found at

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