**-pTDI # 28 Eric S.**

**12/20/16 – 10:00 a.m.**

**Plan Entry Date 3/30/2006 Age: 53**

***(Opening Remarks)***

**I want to find out a little bit more about you, I just want to confirm that you’re in the state of New Jersey, I don’t need to know where, but I just want to make sure I’m talking to the right person.**

Yes that is correct, I am in New Jersey.

**And who else lives with you in your household, if anybody Eric?**

Currently or…

**Yeah currently.**

Like this second or in general?

**Not this second in general.**

My wife and my children.

**Alright and how old are your kids?**

My girls are 14.

**Okay, oh twins?**

Yes.

**You’re outnumbered in that house I bet.**

I certainly am.

**Sounds like. I just want to confirm that you’re working full time is that correct?**

Yes I am.

**Alright and you don’t have to tell me your employer because that’s confidential, but if you would tell me your occupation and what industry that is.**

I consider myself a printer and I work in the newspaper industry.

**And how long have you been with your current employer?**

It will be 20 years in March.

**Wow congratulations. Do you get a watch or anything when you hit that anniversary?**

I get an extra weeks’ vacation.

**Oh alright, well it took you a long time to earn that extra week.**

It certainly did.

**But I hope you enjoy it. That’s a great tenure, that something to be proud of I think. Well we’re going to be talking about financial services providers, specifically about retirement plans. Rest assured at no time are we going to be talking about balances or amounts, that’s confidential of course. And I just want to confirm, do you have a retirement plan with your current employer?**

Yes I do.

**And it is a, what type of plan, a 401(k) a 403(b) something else?**

It’s a 401(k).

**Alright and how long have you been enrolled in that 401(k)?**

I enrolled in as soon as I was eligible and when I joined the company I think I had, I think you had to be there six months before you could enroll.

***(6:00)***

**Okay and…**

They’ve changed the rule since then, I think now as soon as you join the company you can get in.

**So 20 years give or take maybe a little less than that in this 401(k). And did you contribute to it in 2016?**

Yes I’ve contributed to it every year I’ve been employed.

**In conversations like these I like to ask fill in the blank questions and this is the first one. When thinking about my 401(k) with my current employer I feel \_\_\_\_\_\_\_. How would you fill in that blank?**

I don’t really think about it that, I mean, it’s kind of an odd question.

**Why is it an odd question to you?**

Well I think that you have to put money aside for when you retire the fact that I have one I’m very happy about. I know there’s some companies where they don’t have 401(k)s. I used to work at one of those companies, it was a small company and when I first got there they had a profit sharing that they would put in for you and then just before I left they started a 401(k). But, I’m happy I work at a company that has a 401(k).

**Okay alright, so you answered the question. Do you look at this plan, this account as your retirement or as something else? I’ve talked to a lot of different people and some look at it and view it as this is my retirement and others view it in some other way. How do you view this account?**

I can view it in two respects, one that yes it is my retirement money, but two it’s also a way to save a little extra money that’s not going, you know not getting paid to taxes. You get the tax advantage, which is good.

**Alright and do you have any other retirement plans or from former employers that you’ve rolled over, now you mention that you were at a former employer that didn’t have one until when you left they were starting one, but they had a profit sharing plan.**

***(9:00)***

**Did you get to take that profit sharing plan or cash out on it or take it with you or roll it over? I don’t know how those things work.**

Yeah, no I rolled it over. So I have an IRA that I rolled it over into and back then because I wasn’t saving a lot with my old company I had started a Roth IRA and then I went to my current employer and was able to get into the 401(k) so I wasn’t able to make any more contributions to my Roth, but I still have that.

**I’m sorry.**

I used the Roth for I don’t know I think I was able to make contributions for two or three years.

**So you have the Roth, you have the rollover, what providers are those with?**

They’re in Schwab, Charles Schwab.

**Does your wife have any retirement plans or accounts?**

She does. She’s got a 403(b) and she’s also got a rollover from when she left her old employer.

**Alright and are those with, is the rollover with Schwab as well or a different provider?**

Yes it’s with Schwab as well.

**Okay and her 403(b) is current from her current employer?**

Yes.

**And who is that with, if you know.**

The 403(b)?

**Yeah.**

I’m not sure, they’ve changed it a couple of times. I think at one point it was with TIAA-CREF, but I don’t think they’re with them any longer. I don’t know who they’re with currently.

**So talking about your current 401(k) I just want to confirm is that with Vanguard or someone else?**

No, it is with Vanguard.

**And has it been with Vanguard for the 20 years that you’ve been there?**

I believe so. I’d have to go look at my records, but yeah I think they’ve been with Vanguard for the entire time.

**Do you have a good old school pen and piece of paper or pencil and piece of paper nearby?**

Yes I have one right here.

**I want to a couple of times in our conversation going to be asking you to write things down and the reason I do that is it just gives you a chance to listen to my question, think about your answers, write them down, let me know when you’re done because I can’t see what you’re doing and it just gives you a chance to think about and write the answers down without my interrupting you.**

***(12:00)***

**So this is the first of those questions. I’d like you to write down whatever you top of mind associations with Vanguard are. When you think about Vanguard, what comes to your mind? Perceptions, associations, attitudes, opinions, images, whatever comes to your mind put down on the paper. I’ll give you a few moments and then let me know when you’re done, alright?**

Okay.

**How are we doing?**

Good.

**Let me know when you’re done.**

Okay I’ve written down a couple of things.

**Great, alright why don’t you share with me what you wrote down.**

Okay, I felt that they were, or feel that they are a little lax, there was a point in time, even though I go the Internet and I do stuff, I don’t like financial information coming to me or where I have to go look for it on the Internet, I don’t like that. I like it mailed to me, I like the paper and at one point they somehow enrolled me in where I had to go online and I had to get my statements and I don’t remember receiving anything or asking me if I wanted to do that, they just kind of did it and I had to call back and have them reinstate the paper statements.

**How long ago did that happen, Eric?**

A couple of years ago.

**So it sounds like something got changed and they moved you to paperless and you didn’t want that and you had to change it back.**

No I didn’t. I don’t know if they had a companywide initiative and they just did it for everybody or if they sent me a piece of paper and said hey this is what we’re doing unless you opt out.

***(15:00)***

I don’t appreciate that, I am traditional in the fact that I like to get my paper statements and I noticed after a while I didn’t receive any. I used to get them quarterly and I called and asked them and they said oh we can send them to you, so they put me back on the list, but it took a while.

**Oh did it, okay.**

I don’t think there people are particularly well trained. When I turned 50 I had called and inquired about the catch up and the person or people that I spoke to couldn’t answer my question and didn’t really know what I was talking about. So now I’m almost 53, or I am 53, and I still haven’t enrolled in my catch up, so I’ve lost three years of potential money that I could use in retirement. The other two things I wrote down is its uninspiring the way I feel they take care of me, I don’t, if my company came and said hey we’re going to change to Prudential or we’re going to change to somebody else I wouldn’t care. I’m not that impressed with Vanguard. They don’t bring any value I should say.

**Once you said it took a while for them to get the statements to get back on, have you been getting them since? The paper statements.**

Oh yeah, once I called the very next quarter I got them.

**So it got turned off kind of unilaterally without your knowledge and then you called and it got turned back on.**

Correct.

**And you had a, sounds like a less than positive experience talking to them a few years ago about your catch up contribution and when they couldn’t answer your question, just curious haven’t called back since? It sounds like you’ve kind of given up on that.**

I think I called twice total and then I’ve given up. I’ve got it on my to do list, so I’m being lazy.

**Well once bitten or twice bitten, ones shy.**

***(18:00)***

Yeah, but the person I spoke to was totally clueless, I think I knew more about catch up contributions, they didn’t even know what I was talking about. That was what prompted me, or is probably one of the factors that keeps me from calling again is why do I want to waste my time if I’m going to call and get somebody with the same level of training who doesn’t know what I’m talking about and I waste 30 minutes of my time trying to explain it to them.

**Right, for sure. Do you ever get e-mails from Vanguard? Have they reached out to you, as far as you can recall.**

No, I don’t think so. No, I don’t believe I do.

**Now I want you to, this is another question where I want you to write things down and you kind of hinted at this, but I want you to write the answer down and not share it with me yet. You had a negative experience, or one or two, with the call as well as them turning off your paper statements, that aside you started to mention and I want you to write down the reason why, it sounds like you don’t have an account on Vanguard.com, like a username and password, is that correct?**

No, I do have one where I can check my daily balances or do whatever. Yes, I do have one.

**Oh you do, you are registered okay. And do you know the last time you went there?**

It’s probably been a few years.

**Okay and was that before or after, let’s take the catch up contribution, you called them after age 50, do you think you had been on the website before that or since then?**

I’ve been on there since then.

**When you stopped receiving the paper statements, do you remember if you tried to go on the website to turn them back on? If okay if you don’t recall because I don’t know what I did yesterday.**

No, I don’t think I went on to try to turn them on. When I realized I wasn’t getting them I called and asked because I’d much rather speak to a real person than try to do my own quality control or whatever you want to call it.

***(21:00)***

**Right, okay, well that maybe an answer or one of your answers, I’d like you to write down, you are registered, but you’re not using the site or haven’t in a while, I want you to write down the reason or reasons in your words why. And we’ll come back to this in a moment.**

Alright. Okay.

**Are you done?**

Yes.

**Alright we’re going to come back to this in a second or in a little while. I want to broaden the conversation and talk about how you describe your relationship with the Internet in general. I am a \_\_\_\_\_ user of the Internet.**

Casual.

**Okay tell me about that. Tell me about your use of the Internet and why you’re a casual user.**

Well I’m probably on the Internet daily, either with my iPhone or my pad or a computer. I get some news, I’ll get sports scores, I don’t like it for financial stuff, I don’t trust it. I think I read the other day, IBM or Sysco somebody said that the, oh what is it called; you know when they steal your computer?

**Hack.**

Yeah well they kind of hack it, but…

**Steal your identity.**

Oh the ransomware, ransomware is up 7,000% and they said 66% of the people who are hacked with the ransomware are paying the people who have taken their computers ransom. And so I don’t, I try not to use the compute or the Internet for more than casual things, I just don’t trust it.

***(24:00)***

**And by casual things you mean, what would that be?**

Reading the daily headlines or if I want to find out a sports score or if there was something that I was interested in buying. I do purchase some stuff online, but again I try to minimize it and I keep an eye on my card after I use it online.

**Because I was going to ask because there is a risk there when you’re using a credit card or something when you purchase online, I was going to ask if you did online shopping.**

Yeah, I bought something yesterday, but what I’ll do is I’ll use the same card that I normally use and I keep an eye on the transactions when afterwards.

**So who do you do your primary banking with? Your checking and saving account?**

PNC Banking.

**Right, so I gather from what you’re saying, but I was to confirm you don’t do a lot of online banking?**

No I try to stay away from it. My wife does more than I do.

**Speaking of your wife and I’ve talked to lots of different households in terms of how finances are handled in the household. There’s the day to day, bill paying, cash in, cash out and then there’s the biggest picture finances and investing what are the roles and responsibilities in your household? Who does what?**

My wife usually pays the bills and I take care of the investing and the retirements stuff.

**And you mentioned that she pays bills online?**

Yes she does.

**So she doesn’t have the same reservations that you do?**

Probably not as strongly as mine.

**What reason did you write down when we talked about not using the site more than you do? What did you write down?**

Security, Internet hacking, just trust of the websites in general, a lot of times you hear about the hackers will ghost a site, so how do you know that you’re really there. It looks exactly the same. So trust.

**And Schwab, you have accounts at Schwab, are you online with them?**

***(27:00)***

I am, but again I often will call them if I want to do a transaction. I do, or I have done online transactions, but I don’t buy and sell on a daily basis. I’m more of a, I research a stock and I buy and I hold. So when I do, do transactions, they are few and far between.

**But you have done them online with Schwab?**

Yes.

**So that cautiousness or that security that you gave as a reason for not being on, going on Vanguard.com why I’m curious as to reconciling that, whereas you will go on Schwab and occasionally do transactions, I’m trying to understand.**

I’m still very cautious and whatnot with Schwab and like I said I don’t trade daily.

**So for checking your balance with your Vanguard now that you got your paper in the mail, that’s how you, your paper statements turned back on, that’s how you keep track of your account?**

Yes.

**I want to talk about retirement and finances in general and this is a one to ten scale. On a scale of one to ten how confident do you feel when it comes to making financial decisions about retirement and investing for your future, where ten is you’re totally confident, you got this and one is not confident at all or any number in between.**

I don’t know I’d say eight and half or nine.

**Okay, which one?**

Maybe go with the nine.

**Okay tell me what the rationale for that high rating.**

I do a lot of reading on retirement and investing and will watch the various programs and so I think I’m as knowledgeable as probably anybody else that is trying to handle my money.

***(30:00)***

**Do you work with anybody? Do you work with a financial advisor or planner or broker?**

No. Although there’s somebody available at Schwab that I can work with, but no I make the decisions myself. I have various friends that are also investing and so I talk to them and they talk to me so it’s a network of likeminded people.

**If you think about your investment or investments your account at Vanguard has it, have you changed what has been invested, have you made any changes in terms of what it’s been invested in over the years, or have you left it at whatever it, the money is in?**

No, I haven’t changed it from my initial percentages.

**Okay initial percentages in terms of your contributions, what about the fund or funds or properties or securities that it’s invested in?**

Yeah no that’s what I meant, the different funds. My investment whatever I put in, my contribution I should say, is 100% and then from that I have different percentages that I put in to stocks and bonds, an aggressive fund and an International Fund or whatever, so those percentages I haven’t changed.

**And what about your contribution amount, the amount that you’ve been contributing over the years, the percentage, not the dollars, but the percentage, have you changed that over the years?**

No, because I can’t I’m at the maximum percentage. The only change I could make is my catch up contribution.

**Okay which you tried to and then kind of got thwarted a couple of times it sounds like.**

Yes.

**You haven’t been able to do that. So what I’d like to explore and this is a very open ended question, as I said before there is no wrong answer, its more you’re not using the site now and what I want to explore is what could the site offer you or do for you or have features and benefits that would motivate you or compel to use the site or find value in.**

***(33:00)***

**Whether it does now or not, I want to know what could it do for you to be a resource for you.**

I don’t think it can do anything for me that would cause me to change the way I am.

**Okay, because?**

I’m still not 100% sure that it’s as secure as they want you to believe it is. In general I don’t think the Internet is as secure as people want you to think it is. Companies are constantly getting hacked, information is constantly getting stolen and you don’t find out about the breach until two years later they’ll come out and say geez Yahoo just had a breach two years ago and two billion users were affected. Now two years is gone.

**I want to review some features and benefits, some of them we may have talked about, some of them we may not and I don’t want to assume the answer, your answers, so that’s why I want to review them. Features and benefits of the site, just want to find out your reaction to them whether or not that is a reason for you to access the site. And the first one, feature I want to talk to you about is a security feature that you may or may not be aware of. You can, if you’re registered on the site you can turn on a feature it’s called Two Factor Authentication where after you log in it sends a code to your phone, via text, a six digit numeric code and then you type that in. So it knows that it’s you and no one else.**

Right, okay.

**I want to get your reaction to that, whether that helps you allay your fears or concern about security.**

I think it definitely helps, but again now you’re putting one more step that I have to do correctly. That would be another password; it would be another username that you have to keep track of.

***(36:00)***

**Well you don’t have to keep track of it because you see it on your phone immediately.**

Right, well you have to make sure that it’s registered to your phone; you have to make sure that you have your phone with you.

**That’s true, right.**

It definitely would help, but again like I’ve said it’s another step.

**It’s a bit of a tradeoff right, enhanced security, but another step.**

Correct.

**Alright another feature or benefit, it allows you to and this may seem obvious, but I can’t assume that, it does allow you to check your balance up to date information, which when you get a paper statement its only as good as the time that paper was printed as well compare investment options and make changes if you want to, to your account as well as update your account maintenance, your account profile any changes you have to make, whether change in address, change in beneficiary, change your contribution things like that. Reaction to all of that?**

If I’m real concerned about my balance, yes I will go on and I will check online, but the market changes daily and as far as I’m concerned it’s not real money until you sell. So the fact that I get a statement and it’s a week old that tells me approximately where I am and I know if the market has gone up I’m worth more than whatever my last statement is and if the market has gone down I’m worth less. It doesn’t matter until you sell. In 2007 when the market crashed I wish I could have invested more money in the market because I knew it was going to go back up eventually, but I was already maxed out.

**Another thing and you had eluded to this the idea of catch up contributions; it can provide personalized suggestions on how you can increase your retirement savings, such as suggestions for catch up contributions and allow you to put that into effect. I know you tried to do this on the phone, didn’t get very far, the option is open to you to do it online.**

Then why have an 800 number if I have to do it online?

**Some people don’t like using the Internet.**

***(39:00)***

Why have people and why use Vanguard then if they’re not going supply more value.

**And what do you mean…**

I think talking to a real person is a whole lot better than trying to figure something out online. What if I click the wrong button and don’t know I’ve clicked the wrong button. Plus when you speak to a person they usually have the call recorded, so you do have some security in that.

**A few other features and benefits it does have financial tools like calculators to help you make the best decisions and plan for retirement. If you, it’s kind of the analogous, or analogy is a mortgage rate calculator, but this is for retirement where if I save x percent more per year this is what it will mean down the road. Just want to get your reaction, whether you would find that helpful, of value, or not?**

It’s definitely helpful, but you can find those kind of calculators on tons of websites. You can find them on Yahoo and Yahoo financial. So they’re helpful if that’s the only place you go for your information, but if you use multiple sources, everybody’s got one.

**And along those lines it’s got education like articles, videos, webinars, to learn more about finances and investing, for you share with me your reaction to that.**

Again if that’s your only source, then yes that is very helpful, but if you read other things or pick up publications, which I do, it’s not that much of an advantage.

**Okay and once again remember I said at the beginning this is all about you, so the questions are not is this a good idea, but it is a good idea for you, and it sounds like it would not be helpful to you because you’re finding that information other places.**

Yeah, I don’t, it’s not added value for me.

**Okay and that’s the question, or that’s what I’m trying to ascertain. A couple of other things it does allow you to if you wanted to take a loan from your account, I’m not sure if that’s relevant?**

Its good information to know, if I was in a situation where I needed to take a loan from my account, yes I would want that information easily accessible.

***(42:00)***

**If you needed to do that, would you go online or would you call someone?**

My first reaction is I would probably go online and see what was involved as far as what I needed to do and what the ramifications were and how would I pay back, and do I pay back with a penalty or whatever, and then I would probably call and speak to a person and confirm that I understood everything correctly that I read. I would try to do my homework first.

**And that’s the other thing the site offers, you know every plan has rules, every 401(k) has different rules of their plan and the rules too, so on the site you can get the access to the rules of your plan and what’s allowed and what’s not. And that has nothing to do with Vanguard its more about what your employer has set up underneath the Vanguard plan, but it’s there custom to your plan, the kind of the rules of your plan and you could go and access that. Does your employer offer any kind of portal or access to your information or the rules of your plan? Some employers have HR websites that they can go on and access.**

Yes, they have a link on their, on the corporate website.

**And can you check your balance, can you actually check your individual account that way, or just more information about the 401(k) in general?**

It’s got 401(k) just general information, but it goes right to the I guess the Vanguard website where I could put in my information and click on it and get into my account.

**And can you only access that from work or could you do that at home?**

Well I can access the Vanguard website from my home computer.

**No I understand that, but for what you were talking about the employer portal that you can click on a link and get in to Vanguard, is that only something that you can do from your computer at work? The reason I’m asking some employers have it set up that way so that you can’t access it from outside the employer.**

Yeah, well if I’m at home and I wanted to get to my company’s website the internal website I would VPN in.

***(45:00)***

**So you can.**

Yes, I do have that ability.

**Not everybody does, that’s why I asked, different employers set it up different ways for security reasons. But it sounds like you can access it and that provides the link to the Vanguard website if you wanted to go in that way.**

Yes.

**A few other things, we talked about paperless and how your statements got turned off and took a while to get them back on and the calls didn’t go so well, but you were able to get it turned back on, that also you could, did you try to go online to get that turned back on when that happened?**

I think I went online to see if it said anything about why it had happened and I didn’t see any general information that answered my question so I made the phone call and inquired.

**And it sounds like you; paper is something that you, when the statements come, what do you do with them? I’ve talked to many different people and there are many different answers to this question. When the statement comes from Vanguard in the mail what do you do with it?**

Well I read through it and I spend I don’t know ten, 15, 20 minutes just looking at it, looking at other funds that I might not be in and how they did and just kind of going through whether I should make any changes or if somethings not performing well then maybe try and figure out why it’s not performing well and then I’ll, I have a folder and I file it. Then I can look at older statements and compare last quarters or I could go back two years and compare that and just see hopefully growth.

**So just to wrap up here, because we’re getting close to quitting time, if you think about what I’ve shared with you about the site or anything else, is there anything I mentioned or anything else Vanguard could do to get you to or compel you or be compelling enough or provided added value to you to use this site?**

***(48:00)***

No, I don’t think so. I would much rather speak to a person whenever possible, just because I think a lot of companies that they can put stuff online and it’s going to replace a human on the other end that they don’t need to have, but sometimes sites aren’t designed intuitively and you end up getting frustrated trying to find something and it might be right in front of your face, whereas in Schwab it might be on the left hand side or down at the bottom and Vanguard’s got theirs up in the upper right hand corner under some different title, you can’t ask a website hey I’m looking for this whereas a person you could describe what you’re looking for, whether it’s a tool to figure out your retirement, they might have a dropdown menu that says retirement tools whereas somebody else, they’re not consistent. Whereas you could say to a person, alright retirement tools where am I going to find them, or can you suggest any and they can kind of walk you through it. I don’t think that they can replace the human touch.

**Well we are done, Eric. I want to thank you so much for your time today and sharing your opinions and insights with me. Smith Research will be sending you out your incentive check in the mail and I wish you a great rest of your day and I’m a neighbor. I’m in New York; you’re in New Jersey right?**

Yes.

**I hope we have nice weather coming up for, I actually haven’t looked at the weather forecast, but I hope we have nice weather here on the Northeast and happy holidays to you.**

Thanks you too.

**Thanks, bye now.**

Alright, bye.

***(End of Recording)***