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A T A G L A N C E

IRA Withdrawals in 2013 and Longitudinal Results 2010–2013, by *Craig Copeland, Ph.D., EBRI*

- Just over 22 percent of individuals who owned a Traditional or Roth individual retirement account (IRA) took a withdrawal in 2013. The overall IRA withdrawal percentage was largely driven by activity among individuals ages 70-½ or older owning a Traditional IRA—the group required to make withdrawals under federal required minimum distribution (RMD) rules for IRA owners beyond that age. In contrast, among individuals under age 60, 10 percent or fewer had a withdrawal.
- For those at the RMD age, the withdrawal rates at the median appeared close to the amount that was required to be withdrawn, though some were significantly more. For instance, looking at the consistent sample in the EBRI IRA Database, approximately 25 percent of those 71 or older took a withdrawal amount in excess of that required by law for Traditional IRAs.
- Among those ages 70 or older, withdrawal rates over a four-year period showed that most individuals were withdrawing at a rate that was likely to be able to sustain some level of post-retirement income from IRAs as the individual continued to age.

Satisfaction With Health Coverage and Care: Findings from the 2014 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, by *Paul Fronstin, Ph.D., EBRI, and Anne Elmlinger, Greenwald & Associates*

- The overall satisfaction rate among consumer-driven health plan (CDHP) enrollees increased in most years of the EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey (CEHCS), while it decreased in most years among enrollees in traditional health care plans.
- Differences in out-of-pocket costs may have explained some of the differences in overall satisfaction rates. In 2014, 48 percent of traditional-plan participants were extremely or very satisfied with out-of-pocket costs (for health care services other than prescription drugs), while 19 percent of high-deductible health plan (HDHP) enrollees and 26 percent of CDHP participants were extremely or very satisfied. Satisfaction with out-of-pocket health care costs has been trending upward among CDHP enrollees.
- CDHP and HDHP enrollees were found to be less likely than those in a traditional plan both to recommend their health plan to friends or co-workers and to stay with their current health plan if they had the opportunity to switch plans.

IRA Withdrawals in 2013 and Longitudinal Results 2010–2013

By Craig Copeland, Ph.D., Employee Benefit Research Institute

Data Security

The Employee Benefit Research Institute's (EBRI's) retirement databases (the EBRI/ICI Participant-Directed Data Collection Project, the EBRI IRA Database, and the EBRI Integrated Defined Contribution/IRA Database) have undergone multiple independent security audits and have been certified to be fully compliant with the ISO-27002 Information Security Audit standard. Moreover, EBRI has obtained a legal opinion that the methodology used meets the privacy standards of the Gramm-Leach-Bliley Act. At no time has any nonpublic, personal information that is personally identifiable, such as Social Security numbers, been transferred to or shared with EBRI.

Introduction

Individual retirement accounts (IRAs) are a vital component of U.S. retirement savings, representing approximately one quarter of all retirement assets in the nation.¹ A substantial portion of these IRA assets originated in other tax-qualified retirement plans, such as defined benefit (pension) and 401(k) plans, and were moved to IRAs through rollovers at job change. Thus, in many cases, IRAs are not only an independent retirement savings vehicle, but a repository for assets built up in the employment-based retirement system.

Despite IRAs' prominence in the U.S. retirement system, how these funds are used at retirement is not well understood, as the focus has been predominantly on the accumulation of funds. The Employee Benefit Research Institute (EBRI) developed the EBRI IRA Database, which includes a wealth of data both by calendar year and longitudinally on IRAs, including withdrawals or distributions, allowing for the examination of IRA asset holdings both at a point in time and as the individual ages and either changes jobs or retires.

This article examines the percentage of Traditional- and Roth-IRA owners in the EBRI IRA Database that made a withdrawal in 2013. In addition, the amount and the proportion of the account this withdrawal represents are investigated, by IRA type and account balance, as well as by the gender and age of the account owner.² Furthermore, this withdrawal activity is examined longitudinally over the years 2010-2013, with a particular focus on owners ages 70 or older (the point at which IRA rules on required minimum distributions become effective) in 2010.

Data

The EBRI IRA Database is an ongoing project that collects data from multiple IRA-plan administrators. For year-end 2013, it contains information on 25.8 million accounts owned by 20.6 million unique individuals, with total assets of \$2.46 trillion.³ For each account within the database, the following are delineated: the IRA type; the account balance, any contributions, rollovers, and withdrawals during the year; the asset allocation; and certain demographic characteristics of the account owner (among other items). In this study on withdrawals, only those individuals owning either Traditional or Roth IRAs in the database are examined, a total of 16.9 million individuals with \$2.14 trillion in assets.

In Figure 1, the distribution of Traditional- and Roth-IRA owners by IRA type, age, account balance, and gender is presented. Seventeen percent of the individuals who owned a Traditional or Roth IRA in the database were younger than age 40, 18.6 percent were in their 40s, 24.6 percent were in their 50s, and 38.2 percent were ages 60 or older.⁴ Looking at account balance, 19.1 percent of the individuals had a balance of less than \$5,000, while 13.1 percent had balances of \$250,000 or more. Over 80 percent of the individuals owned Traditional IRAs, while less than one-third owned Roth IRAs.⁵ Male owners represented 40.1 percent of the accounts and females 33.8 percent, while the gender was not identified for the remaining 26.1 percent.

Figure 1
Distribution of Account Owners Who Took Withdrawals from Traditional and Roth Individual Retirement Accounts (IRAs), by Various Characteristics, 2013

	All	All With Withdrawal	Traditional With Withdrawal	Roth With Withdrawal
All	100.0%	100.0%	100.0%	100.0%
Type				
Traditional	81.8	95.6	100.0	46.5
Roth	31.9	18.2	13.2	100.0
Age				
Less than 30	4.7	1.3	0.9	7.2
30–39	12.3	3.9	2.9	16.8
40–49	18.6	6.9	6.0	18.1
50–59	24.6	11.2	10.7	18.9
60–64	12.0	9.9	9.8	13.6
65–70	12.1	14.2	14.4	13.4
71–79	9.5	33.7	35.5	8.5
80 or older	4.6	17.1	18.0	2.7
Unknown	1.7	1.8	1.8	0.9
Account Balance				
Less than \$5,000	19.1	9.2	8.3	24.5
\$5,000–\$9,999	8.4	4.7	4.4	7.9
\$10,000–\$24,999	15.0	11.4	11.0	13.6
\$25,000–\$49,999	14.0	13.0	12.9	12.0
\$50,000–\$99,999	14.7	16.1	16.2	12.6
\$100,000–\$149,999	7.7	9.8	10.0	6.8
\$150,000–\$249,999	8.0	11.5	11.8	7.8
\$250,000 or more	13.1	24.4	25.5	15.0
Gender				
Female	33.8	32.0	31.9	31.9
Male	40.1	41.6	41.5	44.7
Unknown	26.1	26.4	26.6	23.4

Source: EBRI IRA Database.

Demographics of Those Taking Withdrawals

While just over 80 percent of the individuals examined in the EBRI IRA Database owned Traditional IRAs, 95.6 percent of the individuals who took a withdrawal owned a Traditional IRA (Figure 1).⁶ Only 18.2 percent of the individuals who took a withdrawal owned a Roth IRA. The disparity between the withdrawal rates between the IRA types was due almost entirely to the required minimum distribution (RMD) rules that apply to Traditional IRAs but not to Roth IRAs.⁷

Looking at withdrawal activity by age, 64.9 percent of the individuals who took a withdrawal were ages 65 or older and just over half (50.8 percent) were ages 71 or older, while just 12.2 percent were younger than age 50. For Traditional-IRA owners who took a withdrawal, the age distribution followed the overall age distribution, with 68.0 percent ages 65 or older and 53.6 percent ages 71 or older.⁸ In contrast, among Roth IRA owners who took a withdrawal, 42.1 percent were younger than age 50 and only 11.1 percent were ages 71 or older.

Just over 63 percent of the individuals who owned Traditional IRAs and took a withdrawal had account balances of \$50,000 or more, and 25.5 percent had balances of \$250,000 or more.⁹ Among Roth owners who took a withdrawal, 32.4 percent had balances of less than \$10,000. Similar percentages of Roth and Traditional owners who took a withdrawal were males, with 41.5 percent for Traditional and 44.7 percent for Roth (56.5 percent and 58.3 percent, respectively, for those with an identified gender).

Percentage of Individuals Taking a Withdrawal

Among Traditional IRA owners, 25.4 percent made a withdrawal in 2013, whereas 3.9 percent of Roth owners did (Figure 2). For Traditional-IRA owners ages 30 and above, the percentage who took a withdrawal increased from 7.5 percent for those in their 30s to 85.8 percent among those ages 80 or older. For Roth-IRA owners, the percentage with a withdrawal was right at 3 percent for those ages less than 60, before it increased from 5.2 percent for those ages 60-64 to 7.6 percent for those ages 80 or older.

With respect to the account balances of the Traditional-IRA owners, the percentage with a withdrawal increased from 12.1 percent for individuals with balances less than \$5,000 to 42.9 percent for those with \$250,000 or more.¹⁰ For Roth-IRA owners with balances greater than \$5,000, the percentage who took a withdrawal also increased with account balance size, as 2.7 percent of individuals with balances of \$5,000-\$9,999 took a withdrawal compared with 10.6 percent of those with balances of \$250,000 or more. There was little difference in withdrawal trends by gender. Males and females took withdrawals at 26.1 percent and 24.0 percent, respectively, among Traditional-IRA owners and 4.3 percent and 3.6 percent among Roth-IRA owners.

Average Withdrawal Amounts

The average withdrawal amounts from Traditional IRAs increased with the age of the owners through age 64, from \$9,227 (among those younger than age 30) to \$29,687 (among those ages 60-64) (Figure 3).¹¹ At that point, the average withdrawal amount started to decline with age, and slipped to \$16,111 for those ages 80 or older. The average withdrawal amounts of those who took a withdrawal from a Roth IRA also increased with the age of the owner, but, in contrast to the trend of Traditional-IRA withdrawals, continued through ages 80 or older, from \$5,176 for those younger than age 30 to \$33,229 among those ages 80 or older. Overall, the average Traditional-IRA withdrawal amount (\$20,188) exceeded the average Roth-IRA withdrawal amount (\$15,530).

Among owners of Traditional IRAs with balances of \$10,000 or more, the average withdrawal amount increased as the account balance increased, with the average withdrawal reaching \$45,368 for owners with balances of \$250,000 or more. The increases in the average withdrawal amounts in Roth IRAs started with balances of \$5,000 or more. Males had higher average withdrawal amounts than females: for example, for Traditional-IRA owners, \$26,763 for males compared with \$15,365 for females.¹²

However, there was significant variation in the amounts withdrawn from IRAs that could not be ascertained from just examining these averages. Figure 4 presents the 25th percentile, median (midpoint, half above and half below), and 75th percentile for each factor examined. The overall median withdrawal amount of those who took a withdrawal from a Traditional IRA was \$7,500, while the 75th percentile of the withdrawal amounts was \$20,000. This value for the 75th percentile was roughly \$200 less than the average withdrawal amount from Traditional IRAs. Consequently, there were some very large withdrawal amounts relative to the median withdrawal. The medians of the withdrawal amounts mostly followed the same patterns as the averages relative to the IRA owners' age and account balance.

Withdrawal Rates of Those Who Took a Withdrawal

Another measure of the withdrawals taken considers what percentage (or rate) the withdrawal for those taking a withdrawal represents as a fraction of the year-end account balance plus the withdrawal.¹³ The median withdrawal rate for those taking a withdrawal from Traditional IRAs was 5.6 percent, compared with 29.0 percent for those who took a withdrawal from Roth IRAs (Figure 5). The median withdrawal rates were much higher for younger owners of Traditional IRAs, where the median withdrawal rate for owners in their 30s was 50.0 percent. The median withdrawal rate decreased for each older age group through ages 71-79, reaching 4.1 percent. There was a slight uptick in the median rate for the oldest age group, where it hit 6.0 percent for owners ages 80 or older.¹⁴

Figure 2
Percentage of IRA Owners Who Took a Withdrawal, by Various Characteristics, 2013

	All With Withdrawal	Traditional With Withdrawal	Roth With Withdrawal
All	22.1%	25.4%	3.9%
Age			
Less than 30	6.2	9.3	3.0
30–39	7.1	7.5	3.5
40–49	8.2	8.6	3.2
50–59	10.1	10.6	3.2
60–64	18.1	18.9	5.2
65–70	25.9	27.2	5.7
71–79	78.4	83.6	6.0
80 or older	82.2	85.8	7.6
Unknown	23.0	25.0	3.8
Account Balance			
Less than \$5,000	10.6	12.1	5.8
\$5,000–\$9,999	12.3	15.9	2.7
\$10,000–\$24,999	16.7	20.8	3.0
\$25,000–\$49,999	20.5	24.6	3.2
\$50,000–\$99,999	24.1	27.8	3.5
\$100,000–\$149,999	28.2	30.6	4.9
\$150,000–\$249,999	31.5	33.5	6.9
\$250,000 or more	41.1	42.9	10.6
Gender			
Female	20.9	24.0	3.6
Male	22.9	26.1	4.3
Unknown	22.2	25.9	3.8

Source: EBRI IRA Database.

Figure 3
Average Withdrawal Amounts from IRAs, by Various Characteristics, 2013

	All With Withdrawal	Traditional With Withdrawal	Roth With Withdrawal
All	\$20,170	\$20,188	\$15,530
Age			
Less than 30	8,101	9,227	5,176
30–39	11,908	13,448	7,229
40–49	18,305	19,739	9,840
50–59	23,203	23,488	17,372
60–64	29,427	29,687	18,160
65–70	28,180	27,832	22,390
71–79	17,110	16,748	28,419
80 or older	16,390	16,111	33,229
Unknown	14,705	14,629	12,849
Account Balance			
Less than \$5,000	15,873	16,964	9,012
\$5,000–\$9,999	8,076	7,749	8,007
\$10,000–\$24,999	8,028	7,704	8,896
\$25,000–\$49,999	8,902	8,767	10,414
\$50,000–\$99,999	10,974	11,016	13,237
\$100,000–\$149,999	13,965	14,222	20,503
\$150,000–\$249,999	17,795	18,198	29,789
\$250,000 or more	45,409	45,368	131,247
Gender			
Female	15,383	15,365	11,648
Male	26,740	26,763	20,885
Unknown	15,616	15,738	10,580

Source: EBRI IRA Database.

The median withdrawal rates declined as account balances increased, both for those who took withdrawals from Traditional and those who took withdrawals from Roth IRAs. In particular, the median withdrawal rate for Traditional IRAs was 87.0 percent for accounts with less than \$5,000, compared with 4.2 percent for accounts of \$250,000 or more. The median withdrawal rates for Roth IRAs followed a similar pattern, dropping from 81.3 percent (for accounts with less than \$5,000) to 5.0 percent (among accounts of \$250,000 or more).

The distribution of the withdrawal rates for males and females were almost identical for Traditional IRAs. Males' withdrawal rates of those who took a withdrawal had a distribution of 3.7 percent at the 25th percentile, 5.7 percent at the median, and 16.7 percent at the 75th percentile. The comparable distribution for females was 3.7 percent, 5.4 percent, and 15.8 percent, respectively. For Roth IRAs, the withdrawal rate for males was higher at each percentile level than for females.

Longitudinal Analysis of Withdrawals from Traditional and Roth IRAs

In this section, the analysis included only those individuals who had an account in the database in each year of the analysis (2010–2013). This not only provides a focus on the activity within these accounts over a period of time, but also controlled for potential changes resulting from changes in the database due to the addition of new data providers into the database and accounts being closed or opened from continuing data providers. Consequently, the consistent sample developed for this analysis included only the individuals owning a Traditional or Roth IRA with a positive account balance in the database in each year (2010–2013).¹⁵

From this consistent sample, the percentage of individuals who took a withdrawal from a Traditional or Roth IRA rose from 13.1 percent in 2010, 15.5 percent in 2011, to 16.7 percent in 2012 and 18.4 percent in 2013 (Figure 6). Furthermore, the percentage of owners ages 71–79 that took a withdrawal increased from 43.5 percent in 2010 to 78.0 percent in 2013. This pattern is the result of the increasing percentage of individuals in this sample surpassing the required-minimum-distribution age each year due to the sample size being constant from year to year.¹⁶ Moreover, the likelihood of taking a withdrawal increased with age.

While the percentage of individuals who took a withdrawal in any one year was less than 20 percent, the percentage of this consistent sample that took a withdrawal in at least one of the four years was 27.1 percent (Figure 6). This broke down into 9.9 percent that took a withdrawal in only one year, 4.7 percent in two of the years studied, 5.5 percent in three of the years studied, and 7.0 percent in all four years. The IRA-owning individuals younger than age 40 had similar likelihoods of taking a withdrawal during those four years, with over 70 percent of those who took a withdrawal doing so in only one of those years.¹⁷ However, at ages 40 and older, the IRA owners were increasingly likely to have taken a withdrawal in more than one year, and, once the RMD age was attained, to take them in all four years.

Almost all of the withdrawal activity was observed coming from Traditional IRAs, as the percentage of Roth-IRA owners who took a withdrawal was almost constant at 2.7 percent in 2010, 3.1 percent in 2011, 3.3 percent in 2012, and 3.6 percent in 2013 (Figure 7). The percentage of Traditional-IRA owners in the sample who took a withdrawal increased each year from 14.3 percent in 2010 to 18.0 percent in 2011 to 19.8 percent in 2012 to 21.5 percent in 2013, as the individuals in the sample aged.¹⁸

For Traditional-IRA owners, the distribution of the withdrawal rates for individuals who took a distribution is similar for 2011–2013, but in 2010, higher median and 75th percentile rates resulted (Figure 8). In each year after 2010, the median withdrawal rate was right at 6.0 percent or slightly below (6.3 percent in 2011, 5.7 percent in 2012, and 5.4 percent in 2013), but in 2010 the median withdrawal rate was 8.3 percent. Furthermore, the 25th percentile was around 4 percent for each year, while the 75th percentile was around the 15–percent to 20–percent range for 2011–2013 and was 37.0 percent in 2010.

Figure 4

**Distribution of Withdrawal Amounts for Those Who Took
a Withdrawal from IRAs, by Various Characteristics, 2013**

	All With Withdrawal			Traditional With Withdrawal			Roth With Withdrawal		
	25th Prtl	Median	75th Prtl	25th Prtl	Median	75th Prtl	25th Prtl	Median	75th Prtl
All	\$2,631	\$7,229	\$19,985	\$2,615	\$7,500	\$20,000	\$1,800	\$5,000	\$10,633
Age									
Less than 30	1,000	3,201	7,950	948	3,000	8,651	853	2,700	5,768
30–39	2,500	5,500	12,370	2,500	6,136	15,000	1,500	4,279	8,678
40–49	3,000	7,223	19,985	3,000	8,500	21,730	1,626	4,838	10,000
50–59	2,685	7,700	21,547	2,596	8,157	23,000	1,856	5,000	10,700
60–64	4,500	12,000	30,000	4,667	12,222	30,000	2,495	6,000	14,100
65–70	4,938	12,000	28,000	5,000	12,000	28,086	2,300	6,000	15,000
71–79	2,225	6,148	16,484	2,218	6,103	16,320	2,000	6,000	16,000
80 or older	2,084	5,541	15,227	2,080	5,512	15,105	2,301	7,000	23,500
Unknown	2,331	6,000	15,000	2,330	6,000	15,000	1,391	4,375	10,000
Account Balance									
Less than \$5,000	900	3,700	11,500	950	4,454	12,231	1,121	3,328	8,000
\$5,000–\$9,999	439	2,493	7,719	396	1,906	7,500	1,804	4,958	9,000
\$10,000–\$24,999	804	2,000	8,283	771	1,585	7,576	1,964	5,000	10,000
\$25,000–\$49,999	1,511	2,705	8,500	1,500	2,500	8,000	2,000	5,200	11,017
\$50,000–\$99,999	2,735	4,440	10,000	2,779	4,268	10,000	2,397	5,745	12,500
\$100,000–\$149,999	4,425	6,374	12,493	4,576	6,500	12,624	3,300	6,936	20,000
\$150,000–\$249,999	6,413	9,575	16,846	6,818	9,907	17,127	4,975	10,000	29,350
\$250,000 or more	13,200	24,000	46,532	14,141	24,814	47,621	9,600	26,500	90,000
Gender									
Female	2,126	5,840	15,000	2,090	5,836	15,000	1,768	5,000	10,000
Male	3,608	10,000	26,340	3,653	10,413	27,150	2,000	5,392	12,748
Unknown	2,250	6,000	15,500	2,258	6,050	15,952	1,418	4,128	9,400

Source: EBRI IRA Database.

Figure 5

**Distribution of Withdrawal Rates for Those Who Took
a Withdrawal from IRAs, by Various Characteristics, 2013**

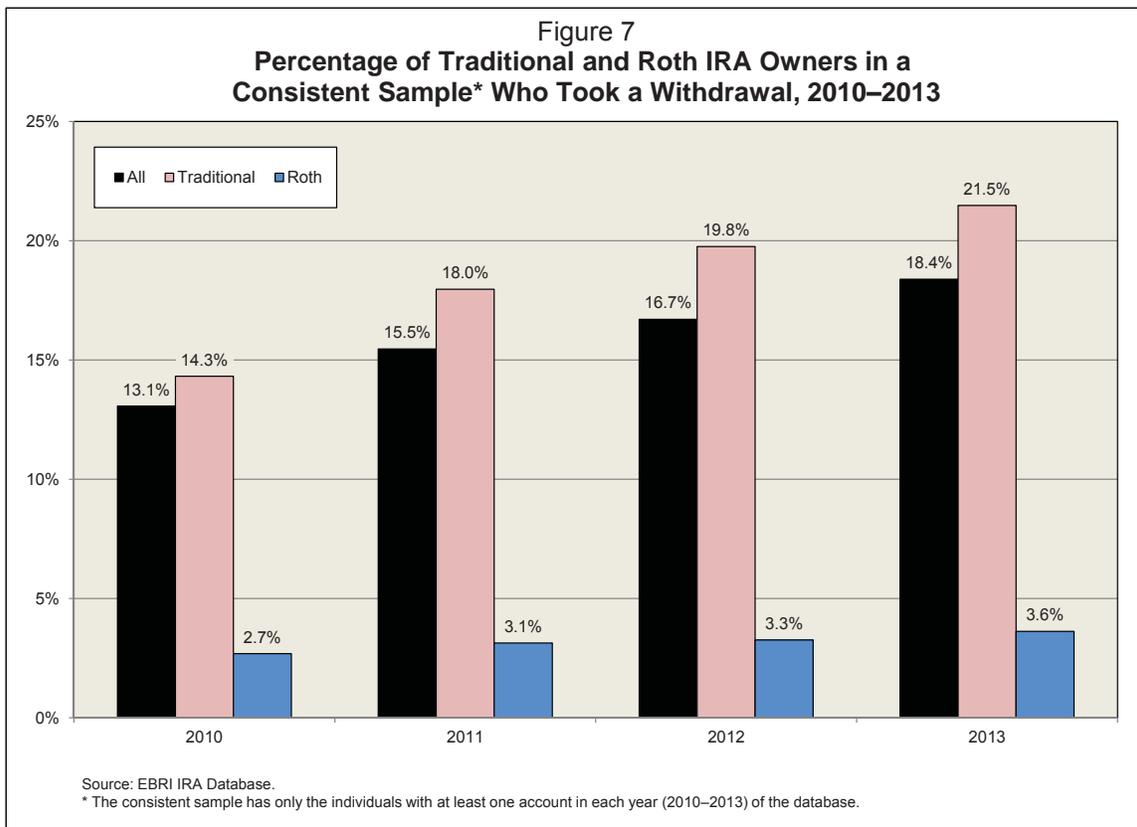
	All With Withdrawal			Traditional With Withdrawal			Roth With Withdrawal		
	25th Prtl	Median	75th Prtl	25th Prtl	Median	75th Prtl	25th Prtl	Median	75th Prtl
All	3.7%	5.7%	17.2%	3.7%	5.6%	16.2%	8.4%	29.0%	65.6%
Age									
Less than 30	5.6	33.3	71.0	2.0	33.1	82.9	14.3	43.9	79.5
30–39	12.8	37.8	72.9	19.5	50.0	90.2	15.8	44.0	78.3
40–49	7.3	28.0	62.7	8.9	34.0	72.6	11.9	39.0	74.8
50–59	3.2	14.1	45.4	3.3	15.2	48.4	7.9	30.0	65.0
60–64	3.8	10.3	30.9	4.0	10.6	31.8	8.1	26.1	60.1
65–70	3.3	6.7	18.0	3.4	6.9	18.5	6.2	18.7	47.8
71–79	3.4	4.0	5.9	3.5	4.1	6.0	4.8	12.6	34.1
80 or older	4.9	5.9	8.0	5.0	6.0	8.0	4.7	10.9	27.9
Unknown	3.7	5.3	9.7	3.8	5.3	9.5	4.6	17.3	53.4
Account Balance									
Less than \$5,000	50.0	83.2	98.4	50.0	87.0	99.4	54.8	81.3	96.6
\$5,000–\$9,999	5.4	25.1	51.4	4.9	19.9	50.9	19.5	39.2	55.0
\$10,000–\$24,999	4.4	10.2	33.5	4.3	8.3	31.8	10.0	23.4	40.2
\$25,000–\$49,999	4.0	6.8	18.9	4.0	6.3	18.2	5.3	12.9	24.9
\$50,000–\$99,999	3.7	5.6	12.0	3.8	5.5	12.0	3.3	7.7	15.7
\$100,000–\$149,999	3.5	4.9	9.3	3.6	5.0	9.4	2.7	5.6	13.7
\$150,000–\$249,999	3.3	4.6	7.9	3.5	4.7	8.0	2.4	5.0	13.3
\$250,000 or more	3.1	4.1	6.3	3.3	4.2	6.4	2.0	5.0	13.7
Gender									
Female	3.6	5.5	16.7	3.7	5.4	15.8	7.9	27.1	61.8
Male	3.6	5.8	17.4	3.7	5.7	16.7	8.6	29.0	65.5
Unknown	3.8	5.9	17.4	3.8	5.8	15.9	8.7	32.0	70.5

Source: EBRI IRA Database.

Figure 6
Percentage of Individuals From a Consistent Sample* of IRA Owners Who Took a Withdrawal and Number of Years One Took a Withdrawal, by Age, 2010–2013

	Took A Withdrawal				Number of Years Taking A Withdrawal					
	2010	2011	2012	2013	Zero	One	Two	Three	Four	At Least 1
All	13.1%	15.5%	16.7%	18.4%	72.9%	9.9%	4.7%	5.5%	7.0%	27.1%
Age (in 2012)										
Less than 30	4.2	4.3	4.2	4.8	88.1	8.6	1.8	1.0	0.6	11.9
30–39	6.4	4.9	4.5	5.0	85.4	10.4	2.6	1.2	0.4	14.6
40–49	7.1	5.9	5.5	5.9	85.0	9.3	3.0	1.8	0.9	15.0
50–59	7.3	6.8	7.1	7.8	84.2	8.4	3.3	2.4	1.7	15.8
60–64	10.3	12.6	14.1	15.7	74.7	10.8	5.6	5.0	4.0	25.3
65–70	16.0	18.4	23.7	31.1	59.2	15.8	9.6	7.4	8.0	40.8
71–79	43.5	67.9	74.3	78.0	15.5	8.5	10.8	27.2	38.0	84.5
80 or older	63.8	78.9	79.7	79.3	13.6	4.7	5.1	19.5	57.1	86.4
Unknown	23.2	27.6	27.8	29.9	62.4	8.6	4.4	7.2	17.3	37.7

Source: EBRI IRA Database.
 * The consistent sample has only the individuals with at least one account in each year (2010–2013) of the database.



While withdrawals by individuals younger than traditional retirement age occur, they are generally thought to be the result of the need for money either because of a hardship (loss of job, medical bills, etc.) or due to insufficient funds held elsewhere by individuals who need to finance purchases (house, business, etc.), though the resulting tax and premature withdrawal penalties imposed are significant. However, once an individual reaches retirement age, a withdrawal to cover expenses in retirement is the expected result from an IRA and is, in fact, mandatory for a Traditional IRA after age 70-1/2. The rate of these withdrawals is important in determining the likelihood of having sufficient funds for the duration of an individual's life, certainly where these balances are a primary source of post-retirement income. Given that the Traditional IRA is where the vast majority of post-retirement withdrawals occur, the remaining focus of withdrawal activity will be on the Traditional IRA.

For an analysis of establishing the withdrawal trends and sustainability of those converting their IRA account balances into income, the most salient age is when the owners reach the RMD age (generally age 70-1/2). In order to determine how, and how rapidly, the individuals in this group were withdrawing their money, for each individual who was age 70 or older in 2010 and withdrew money from their Traditional IRA in each year from 2010-2013, the geometric mean of the four years of withdrawal rates was calculated. The median of these geometric means was 5.2 percent (Figure 9); the 25th and 75th percentiles were not much different at 4.1 percent and 7.6 percent, respectively. Furthermore, given the required minimum withdrawal for these individuals, the 10th percentile was close to the median at 3.6 percent. At the 90th percentile, the rates reach a level (15.1 percent) that would not likely provide a sustainable level of the similar amount of funds for many more years.

Taking another step in this analysis, the geometric means of these withdrawal rates from 2010-2013 were calculated and broken out based on their initial 2010 level. For those IRA owners who had a withdrawal rate of less than 4.0 percent in 2010, the median geometric mean of the withdrawal rates from 2010-2013 for those in this group was 4.0 percent (Figure 10). The distribution of these geometric means was tight around the median, with a 10th percentile of 3.3 percent and a 90th percentile of 6.1 percent. The next 3 groupings also were tight around the median. In fact, not until the initial withdrawal rates reached 15 percent or more did the distribution of the geometric means really spread out. Consequently, the withdrawal rate in the current year appeared to be a good proxy for what an IRA owner would take out over the next couple of years.

The consistent sample allowed for the determination of whether the amounts actually withdrawn by Traditional-IRA owners ages 71 or older were in excess of what would be required to be taken out of Traditional IRAs under the RMD rules. The balances in the consistent sample were end-of-the-year balances, so these balances from the prior year divided by the RMD factors provided by the U.S. Internal Revenue Service (IRS) for the age in the current year of the owner determined the required amount to be withdrawn. When comparing the withdrawn amount with the calculated required amount, approximately one quarter of the IRA owners ages 71 or older withdrew an amount in excess of that required (Figure 11). In 2011, the percentage that withdrew more than the required amount was 23.9 percent, increasing to 26.9 percent by 2013.

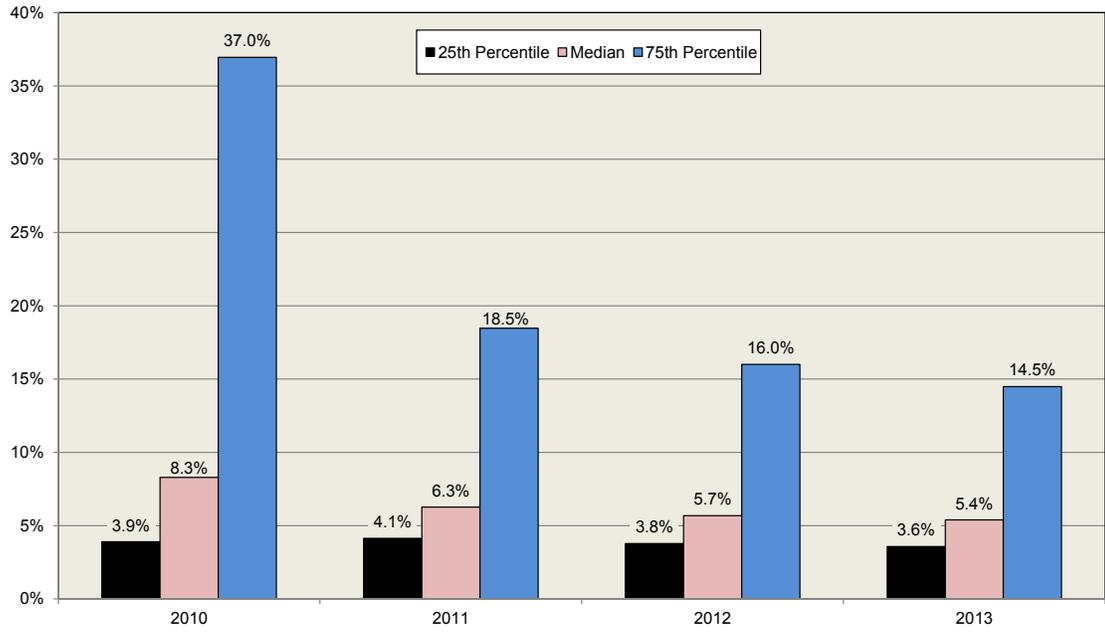
Conclusion

Just over 22 percent of individuals who owned a Traditional or Roth IRA took a withdrawal in 2013, including 25.4 percent of Traditional-IRA owners. The overall IRA withdrawal percentage was largely driven by activity among individuals ages 70-1/2 or older owning a Traditional IRA—the group required to make withdrawals under the RMD rules.¹⁹ In contrast, among individuals under age 60, 10 percent or fewer had a withdrawal.

For those at the RMD age, the withdrawal rates at the median appeared close to the amount that was required to be withdrawn, though some were significantly more. In fact, from the consistent sample approximately 25 percent of those 71 or older took a withdrawal amount in excess of that required by law for Traditional IRAs.

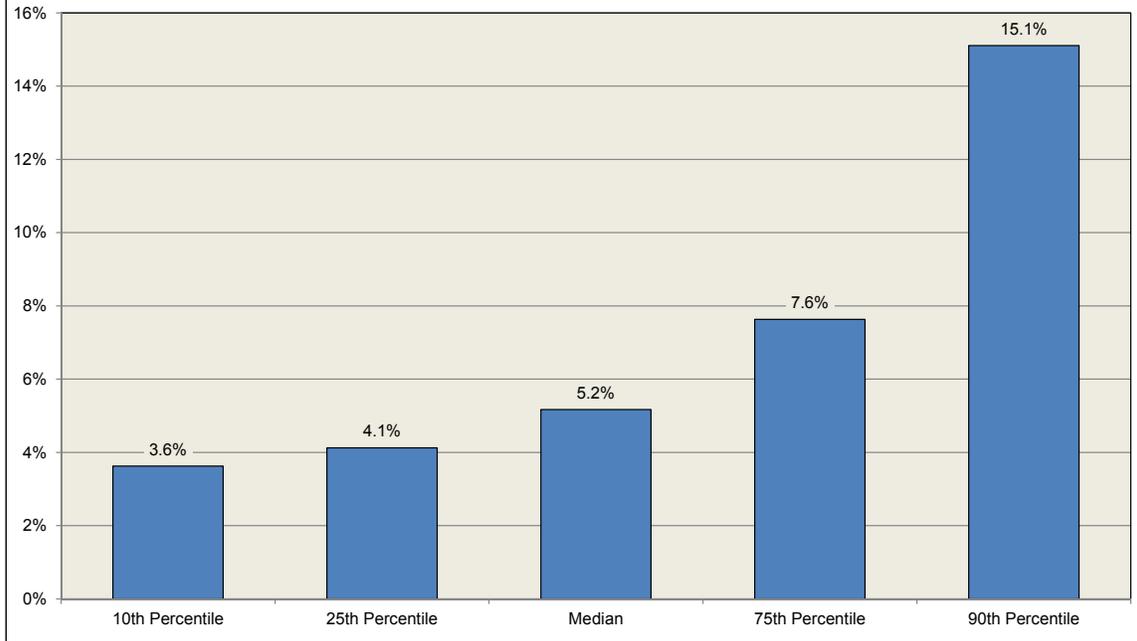
When withdrawal rates for those ages 70 or older were examined, the median of the average withdrawal rates over a four-year period also showed that most individuals were withdrawing at a rate that was likely to be able to sustain

Figure 8
Distribution of Withdrawal Rates by Traditional IRA Owners
in a Consistent Sample* Who Took a Withdrawal, 2010–2013



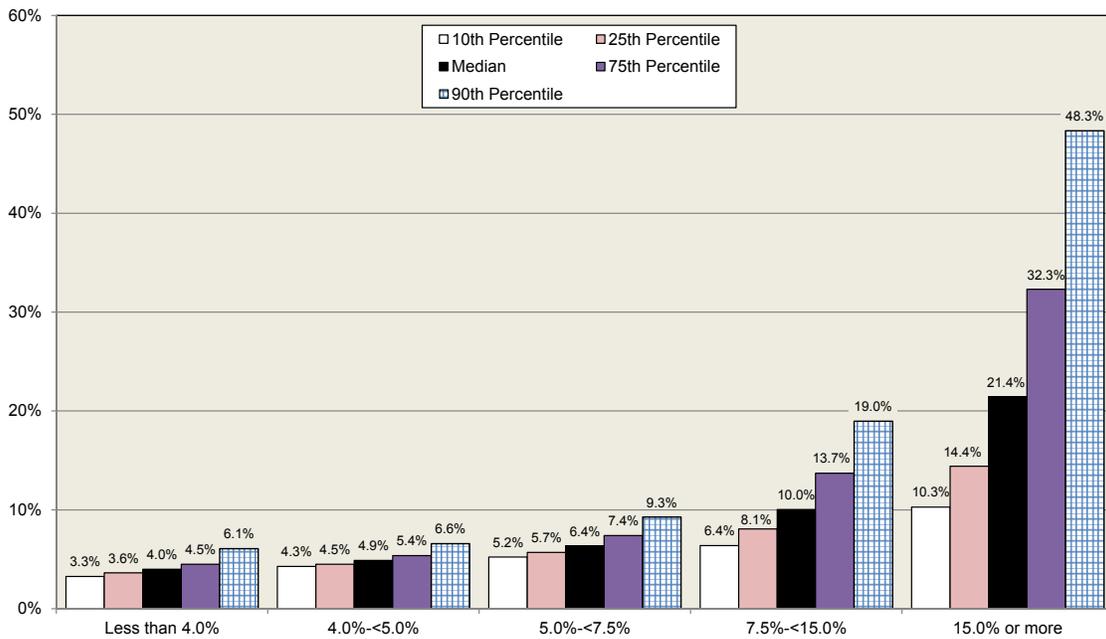
Source: EBRI IRA Database.
 * The consistent sample has only the individuals with at least one account in each year (2010–2013) of the database.

Figure 9
Distribution of the Geometric Mean of Withdrawal Rates
by Traditional IRA Owners Ages 70 or Older in 2010
Who Took a Withdrawal in Each Year 2010–2013



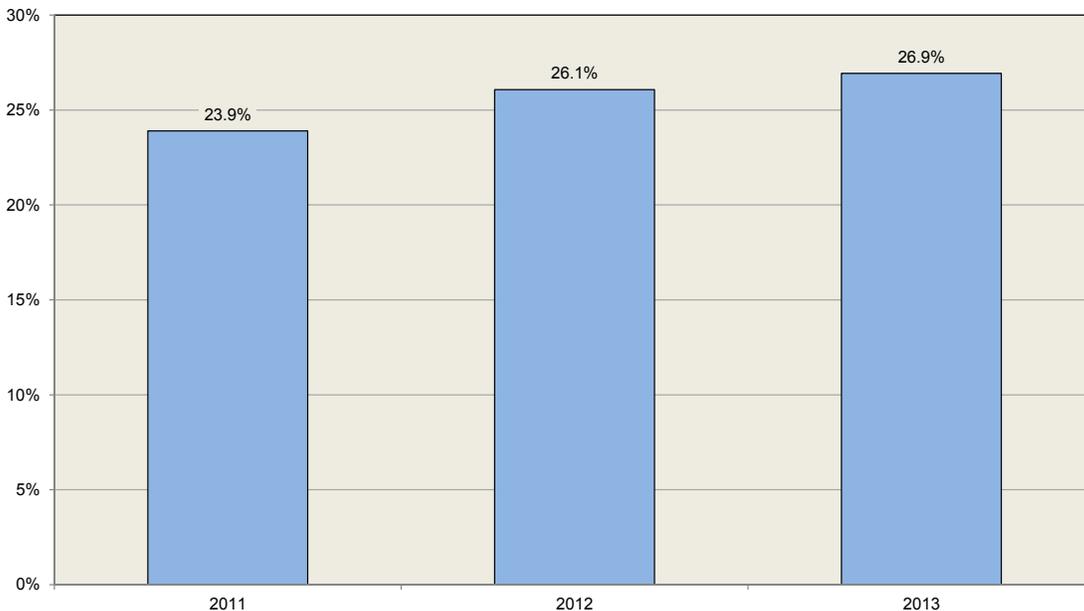
Source: EBRI IRA Database.

Figure 10
Distribution of the Geometric Mean of Withdrawal Rates by
Traditional IRA Owners Ages 70 or Older in 2010 Who Took a Withdrawal
in Each Year 2010–2013, Based on Initial Year’s Withdrawal Rate



Source: EBRI IRA Database.

Figure 11
Percentage of IRA Owners Ages 71 or Older Who Took A Withdrawal
From Their IRA That Was an Amount Larger Than the Required
Minimum Distribution for a Consistent Sample* of IRA Owners, 2011–2013



Source: EBRI IRA Database.

* The consistent sample has only the individuals with at least one account in each year (2010–2013) of the database.

some level of post-retirement income from IRAs as the individual continued to age. Furthermore, the initial withdrawal rate for those in this age group appeared to be one that these individuals were likely to continue to take the next year, based on the resulting distribution of average withdrawal rates over time given the initial year withdrawal rate.

While the median withdrawal rates are encouraging in that they suggest many individuals would be able to maintain the IRA as an ongoing source of income throughout retirement, further study is needed to see if these individuals are maintaining those withdrawal rates over longer periods of time. Additionally, the integration of IRA data with data from employment-based defined-contribution retirement accounts that is currently underway as part of initiatives associated with EBRI’s Center for Research on Retirement Income (EBRI CRI) will allow for a better picture of what individuals who may have multiple retirement account types do as they age through retirement.

Endnotes

¹ See Figure A in Craig Copeland, “Individual Retirement Account Balances, Contributions, and Rollovers, 2013, With Longitudinal Results 2010–2013: The EBRI IRA Database,” *EBRI Issue Brief*, no. 414 (Employee Benefit Research Institute, May 2015).

² See Copeland (2015) for results from the database for 2013 on balances, rollovers, and contributions. Also, see Craig Copeland, “IRA Asset Allocation, 2012, and Longitudinal Results, 2010–2012,” *EBRI Notes*, no. 10 (Employee Benefit Research Institute, October 2014): pp. 8–26 for asset allocation in IRAs.

³ Below is a comparison of the EBRI IRA Database with numbers from the Internal Revenue Service and the Federal Reserve’s *Financial Accounts* report:

	EBRI IRA Database 2010	EBRI IRA Database 2013	Internal Revenue Service 2010 Data	Flow of Funds 2013 Data
Total Assets	\$1.00 trillion	\$2.46 trillion	\$5.03 trillion	\$6.97 trillion
Percentage Traditional Assets	85.9%	85.3%	86.3%	
Average Rollover Amount	\$69,012	\$90,912	\$68,123	
Average Account Balance	\$89,427	\$118,185	\$92,404	

The above percentage of traditional assets is adjusted for known assets. With the unknown assets included, the Traditional IRA asset percentage is 82.5 percent. Based on this asset comparison, the database includes about 35 percent of the 2013 assets. The number of individuals owning IRAs in the database represents about one-third of all IRA owners, accounting for growth from the 54.5 million individuals the Internal Revenue Service reported owning an IRA in 2010. See Victoria L. Bryant and Jon Goyer, “Accumulation and Distribution of Individual Retirement Arrangements, 2010.” *Statistics of Income Bulletin*, Fall 2013, pp. 1-18 for complete IRS tabs of IRAs and see Board of Governors of the Federal Reserve System, “Financial Accounts of the United States: Flow of Funds, Balance Sheets, and Integrated Macroeconomic Accounts.” Fourth Quarter 2014 for the Federal Reserve numbers.

⁴ The remaining 1.7 percent of the individuals had an unknown age.

⁵ Individuals could own both types of IRAs leading to a higher than 100 percent ownership when added.

⁶ Bryant and Goyer (2013) reported that 13.4 million taxpayers had withdrawals from a Traditional or Roth IRA that totaled \$243.9 billion in 2010. Of these taxpayers, 13.3 million (99.3 percent) withdrew a total of \$243.3 billion from Traditional IRAs, and 0.1 million (0.7 percent) withdrew a total of \$0.6 billion from Roth IRAs. This number of individuals withdrawing from a Traditional IRA is 30.9 percent of the taxpayers with a traditional account at the end of the year in 2010, compared

with 0.7 percent of tax-paying owners making withdrawals from Roth IRAs. Some of the data administrators supplying data to the EBRI IRA database did not provide information for individuals with a zero balance at year-end, whereas the IRS data included withdrawals for taxpayers that depleted their accounts during the year.

⁷ Beginning in the year individuals turn age 70-½, owners of tax-deferred plans/accounts (e.g., 401(k)-type plans and Traditional IRAs) are required to make an annual minimum distribution (withdrawal). The required minimum distribution (RMD) is calculated by dividing the end of the prior-year balance by the longevity factor published by the IRS. For those with more than one IRA, the required minimum distribution does not have to be taken from each account but can be taken from only one account as long as the total minimum amount withdrawn from that one account equals the total that must be taken for all the accounts combined. Consequently, in this study of IRAs, not all Traditional-IRA owners over 70 years of age had a withdrawal. Owners of Roth IRAs are not required to take a distribution. For more information, see the IRS Publication 590, online at <http://www.irs.gov/publications/p590/index.html>

⁸ Age 71 is used as a cutoff, since this is the minimum whole age where the required minimum distribution rules are in effect for everyone of that age.

⁹ The balances were the end-of-year amounts in the accounts, so the balances were after the withdrawals occurred.

¹⁰ Some of this trend was due to older IRA owners being far more likely to have larger accounts, particularly among the largest accounts.

¹¹ Withdrawals in the database for 2013 amounted to \$81.9 billion.

¹² As will be shown in the next section, while the amount is much higher for males, the percentage of the account balance taken out between the two is very close to equal.

¹³ The withdrawal rate in this study is calculated by (withdrawal amount)/(year-end account balance + withdrawal amount) and is presented in percentage terms.

¹⁴ Since the remaining life expectancy of individuals decreases as they get older, the required minimum distribution amount increases, leading to higher withdrawal rates as individuals age.

¹⁵ This sample includes 9.9 million individuals with \$1.17 trillion (2013 value). See Copeland (2015) for more information on the consistent longitudinal sample.

¹⁶ Minimum withdrawals (distributions) from a Traditional IRA must commence by April 1 of the calendar year after the year the individual reaches age 70-½. This is referred to as required minimum distributions (RMDs).

¹⁷ This is calculated from Figure 6. For example, the percentage taking a withdrawal in only one year for 30 year olds (10.4 percent) divided by percentage of 30 year olds taking a withdrawal in at least one year (14.6 percent) equals 71.2 percent.

¹⁸ The required minimum distribution rules apply only to Traditional IRAs, not to Roth IRAs. See Copeland (2015) for more information.

¹⁹ As mentioned in endnote 7, individuals age 70-½ or older do not have to take a withdrawal from every Traditional IRA they own in which they have assets, but only an amount that satisfies the required minimum distribution. Therefore, individuals could take all their distribution out of one account and leave another one they own untouched. This is why *not* all individuals over this age have a withdrawal, as not all of an individual's accounts are necessarily included in this database.

Satisfaction With Health Coverage and Care: Findings from the 2014 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey

By Paul Fronstin, Ph.D., Employee Benefit Research Institute, and Anne Elmlinger, Greenwald & Associates

This survey was made possible with support from:

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-

Introduction

This article examines satisfaction with various aspects of health care by type of health plan. It examines satisfaction among three groups of health-plan enrollees: those with a consumer-driven health plan (CDHP), those with a high-deductible health plan (HDHP), and those with traditional coverage. The findings presented in this paper are derived from the 2014 Employee Benefit Research Institute (EBRI)/Greenwald & Associates Consumer Engagement in Health Care Survey (CEHCS), an online survey that examines issues surrounding consumer-directed health care, including the cost of insurance, the cost of care, satisfaction with health care, satisfaction with health care plans, reasons for choosing a plan, and sources of health information. This paper also presents trends in satisfaction using findings from the 2005–2007 EBRI/Commonwealth Fund Consumerism in Health Care surveys, and the 2008–2013 CEHCS.¹

To examine trends in satisfaction rates, the sample was divided into three groups:

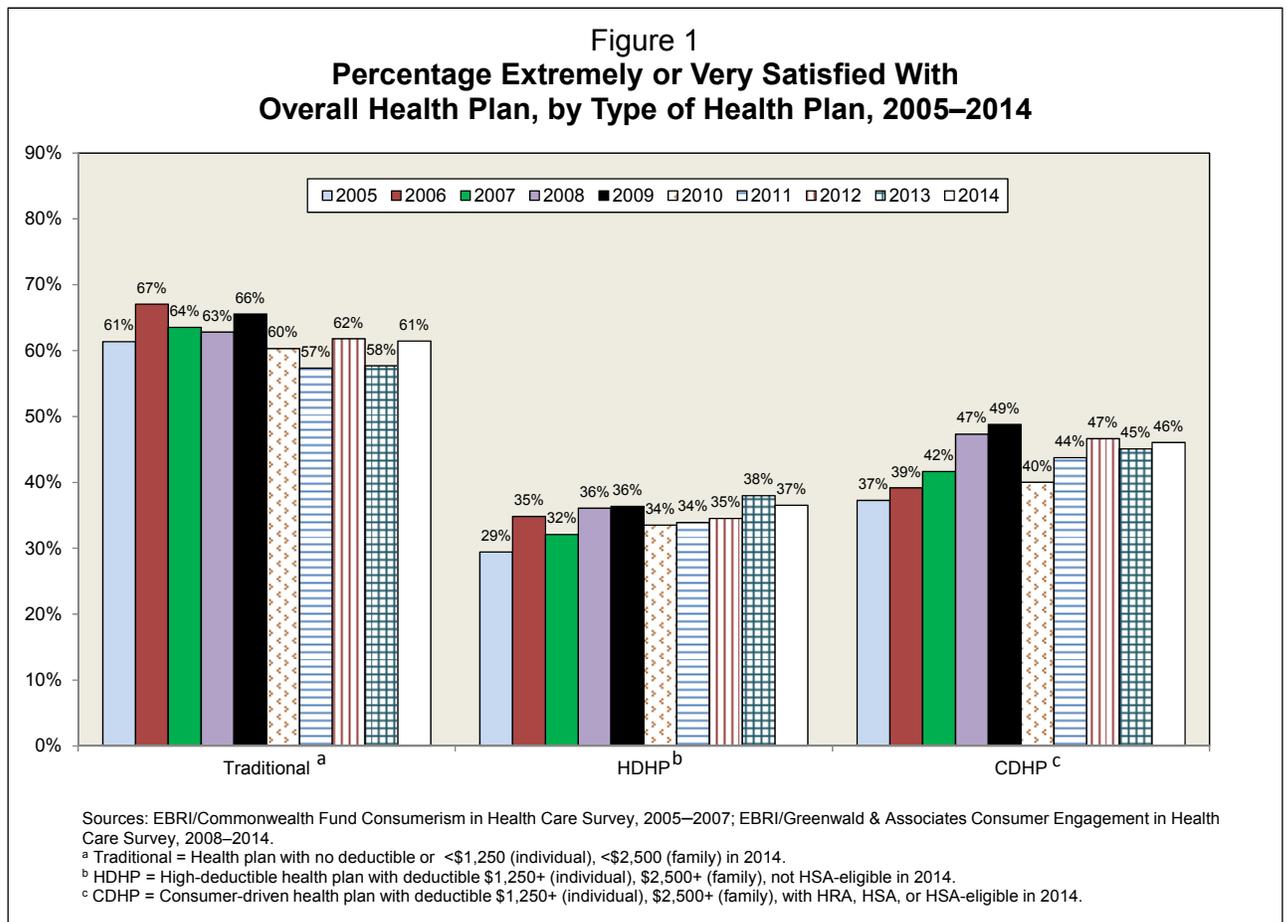
- Those with a consumer-driven health plan (CDHP).
- Those with a high-deductible health plan (HDHP).
- Those with traditional health coverage.

Individuals were assigned to the CDHP and HDHP groups if they had a deductible of at least \$1,250 for individual coverage or \$2,500 for family coverage. To be assigned to the CDHP group, they must also have been eligible to contribute to a health savings account (HSA) or had a health reimbursement arrangement (HRA) with a rollover provision that they could have used to pay for medical expenses or the ability to have taken their account with them should they have changed jobs. Individuals with only a flexible spending account (FSA) were not included in the CDHP group. Individuals were assigned to the HDHP group if they reported that they were not eligible for an HSA. The group with traditional health coverage included individuals in a broad range of plan types, including health maintenance organizations (HMOs), preferred provider organizations (PPOs), other managed-care plans, and plans with a broad variety of cost-sharing arrangements. The shared characteristics of these group members were that they either had no deductible or a deductible that was below current tax-preference thresholds for HSAs.

Satisfaction

Respondents were asked a series of questions regarding their attitude toward their health plan and their satisfaction with various aspects of their health care. Questions were asked about overall satisfaction with the health plan as well as satisfaction with the quality of care received, out-of-pocket expenses, choice of doctors, and ability to get doctor appointments.

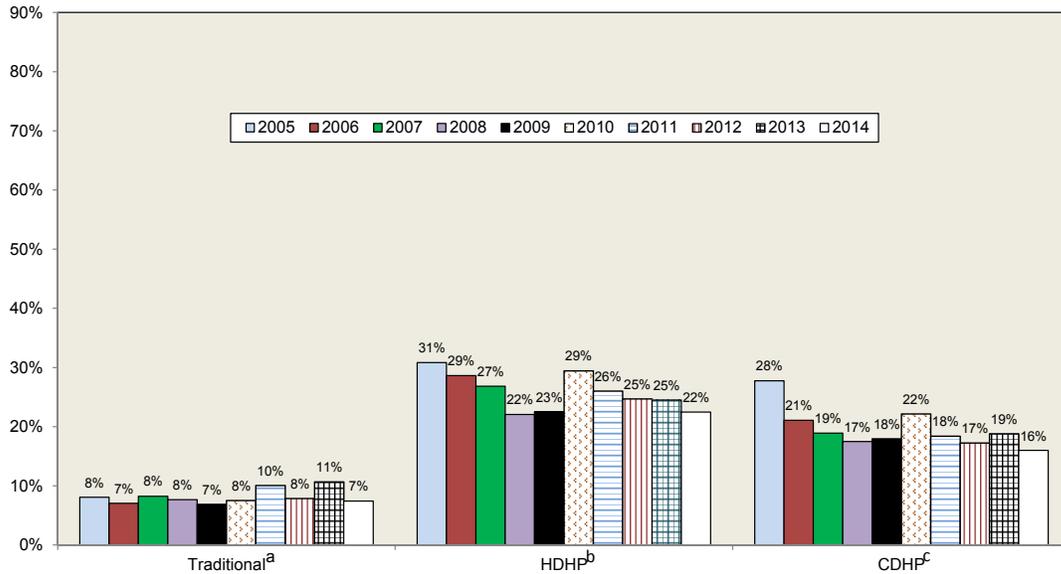
Overall Satisfaction With Health Plan—Traditional-plan enrollees were more likely than CDHP and HDHP enrollees to be extremely or very satisfied with their overall plan in all years of the survey. In 2014, 61 percent of traditional-plan enrollees were extremely or very satisfied with their overall health plans, compared with 46 percent among CDHP enrollees and 37 percent among HDHP enrollees (Figure 1).



Overall satisfaction rates among CDHP enrollees increased from 37 percent to 49 percent between 2006 and 2009. There was a drop in satisfaction rates between 2009 and 2010. Satisfaction rates increased from 40 percent to 47 percent between 2010 and 2012 and have been flat since then. Overall satisfaction rates have been trending upward for CDHP enrollees and downward for traditional enrollees.

Very few traditional-plan enrollees were not-too or not-at-all satisfied with their health plan in any year of the survey. In 2014, only 7 percent of traditional-plan enrollees were not-too or not-at-all satisfied with their health plan (Figure 2). In comparison, 22 percent of HDHP and 16 percent of CDHP enrollees reported that they were not-too or not-at-all satisfied with their health plan. Overall, dissatisfaction among CDHP and HDHP enrollees has been trending downward.

Figure 2
Percentage Not Too or Not at All Satisfied With Overall Health Plan, by Type of Health Plan, 2005–2014



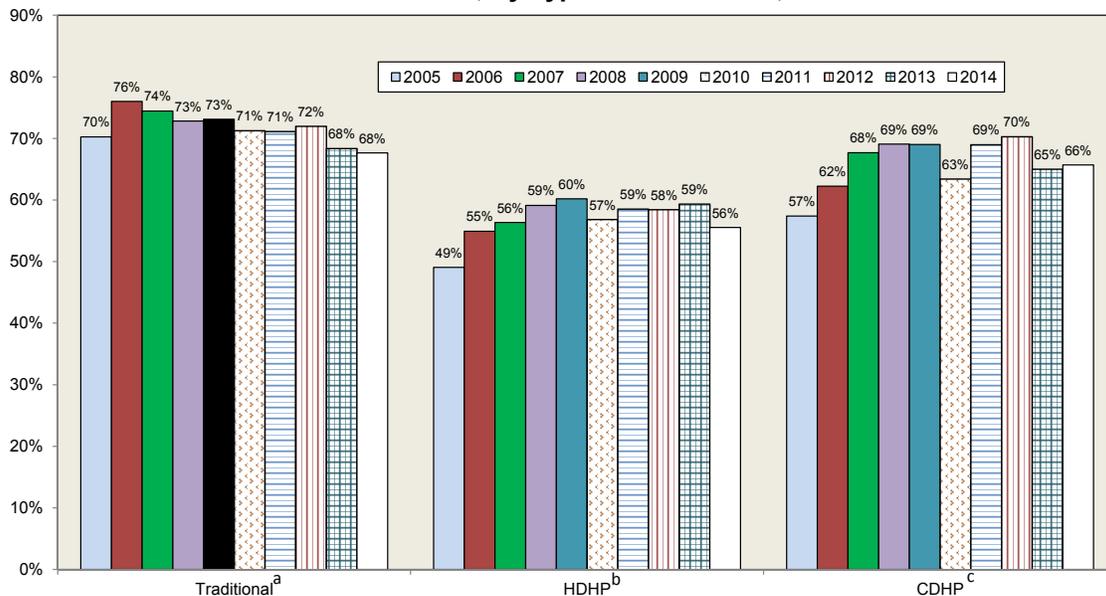
Sources: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

^b HDHP = High-deductible health plan with deductible \$1,250+ (individual), \$2,500+ (family), not HSA-eligible in 2014.

^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Figure 3
Percentage Extremely or Very Satisfied With Quality of Health Care Received, by Type of Health Plan, 2005–2014



Sources: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

^b HDHP = High-deductible health plan with deductible \$1,250+ (individual), \$2,500+ (family), not HSA-eligible in 2014.

^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Quality of Care—Recently, individuals in a CDHP were as satisfied as individuals in a traditional plan with the quality of care received. In 2014, about two-thirds of individuals either in a CDHP (66 percent) or in a traditional plan (68 percent) were extremely or very satisfied with the quality of care received (Figure 3). In contrast, individuals with an HDHP were less likely to be satisfied with the quality of care received than those with a traditional plan in every year of the survey. In 2014, 56 percent of HDHP enrollees were extremely or very satisfied with quality of care received.

Out-of-Pocket Costs—Differences in out-of-pocket costs may have explained some of the difference in overall satisfaction rates among enrollees in traditional plans, HDHPs, and CDHPs. In 2014, 48 percent of traditional-plan participants were extremely or very satisfied with out-of-pocket costs (for health care services other than for prescription drugs), while 19 percent of HDHP enrollees and 26 percent of CDHP participants were extremely or very satisfied (Figure 4). Satisfaction rates have been trending upward since 2011 for all three groups.

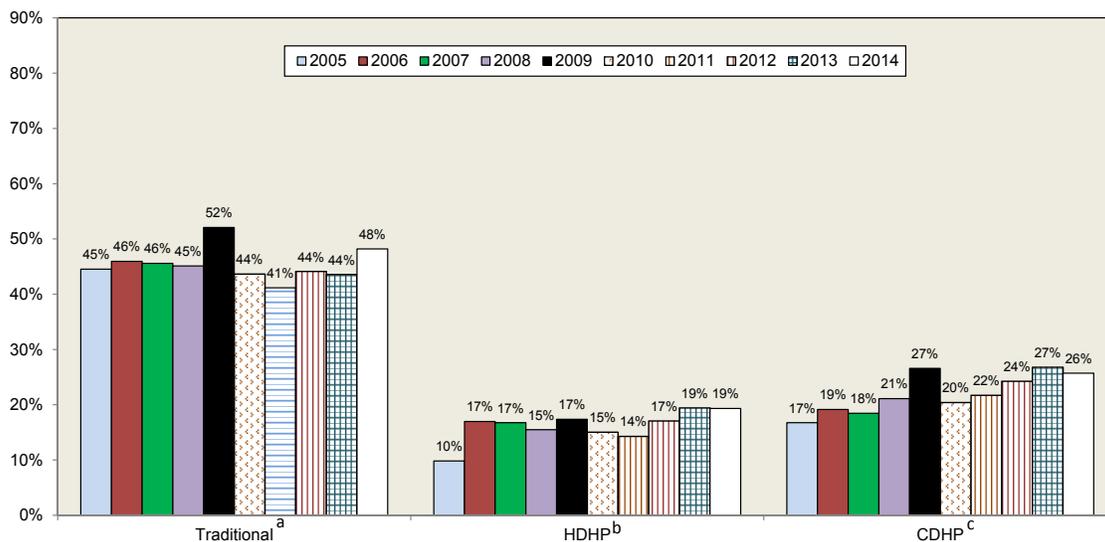
A separate question on out-of-pocket spending relating specifically to prescription drugs was added to the survey in 2009. Satisfaction with out-of-pocket spending on prescription drugs has been trending upward since 2010, regardless of plan type (Figure 5). While those with traditional coverage were more likely to report being extremely or very satisfied with out-of-pocket costs for prescription drugs than those with an HDHP or a CDHP, the relative increase in satisfaction rates for out-of-pocket costs for prescription drugs was much greater for HDHP and CDHP enrollees than it was for traditional-plan enrollees.

Access to Doctors—Satisfaction levels with getting doctor appointments were high relative to other aspects of health care regardless of plan type. In 2014, about two-thirds of plan participants were extremely or very satisfied with their ability to get doctor appointments (Figure 6). Satisfaction rates have been largely flat among traditional-plan enrollees, while they have been trending upward among CDHP enrollees. Among HDHP enrollees, satisfaction with ease of getting a doctor appointment fell from 63 percent in 2013 to 54 percent in 2014. This may have been related to the increasing number of narrow-network plans on public exchanges. However, among all groups, satisfaction levels fell between 2012 and 2013. One-fifth of the HDHP group received their coverage in the non-group market, compared with only 8 percent of those with traditional coverage, and 7 percent of those with a CDHP. Similar patterns were found for satisfaction with choice of doctors (Figure 7).

Attitude Toward Health Plan

As in previous years of the survey, in 2014, individuals in a CDHP or an HDHP were found to be less likely than those in a traditional plan both to recommend their health plan to friends or co-workers (Figure 8) and to stay with their current health plan if they had the opportunity to switch plans (Figure 9). However, the percentage of HDHP and CDHP enrollees reporting that they would be extremely or very likely to recommend their plan to friends or co-workers has been trending upward, while it has been flat among individuals with traditional coverage.

Figure 4
Percentage Extremely or Very Satisfied With Out-of-Pocket Health Care Costs, by Type of Health Plan, 2005–2014



Sources: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.

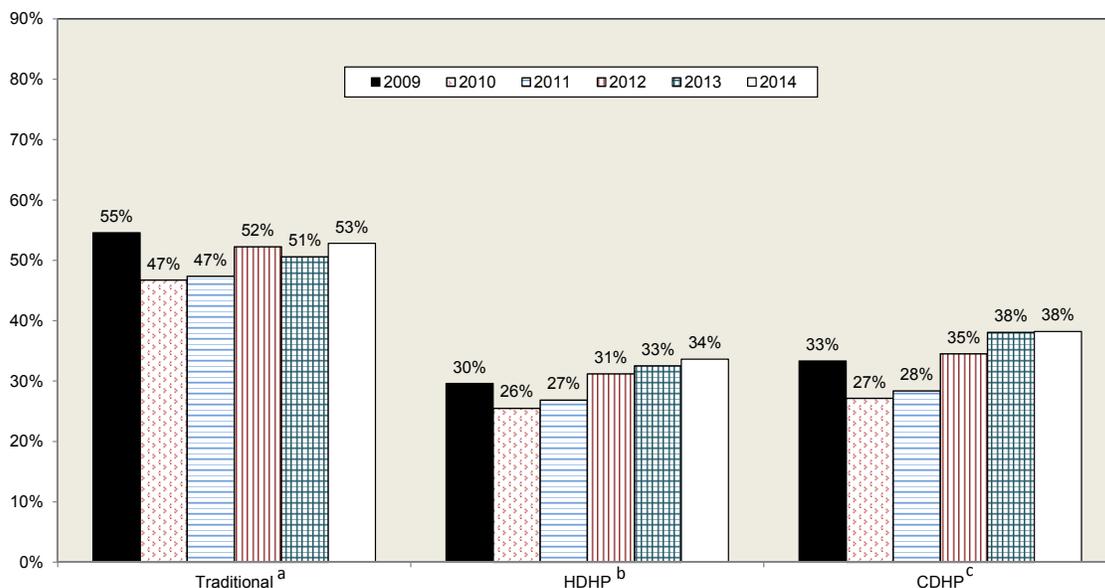
Note: survey question changed in 2009 from asking about "Out-of-pocket health care costs for my health care" to "Out-of-pocket health care costs for my other health care" because of the introduction of a question specifically asking about out-of-pocket costs for drugs.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

^b HDHP = High-deductible health plan with deductible \$1,250+ (individual), \$2,500+ (family), not HSA-eligible in 2014.

^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Figure 5
Percentage Extremely or Very Satisfied With Out-of-Pocket Prescription Drug Costs, by Type of Health Plan, 2009–2014



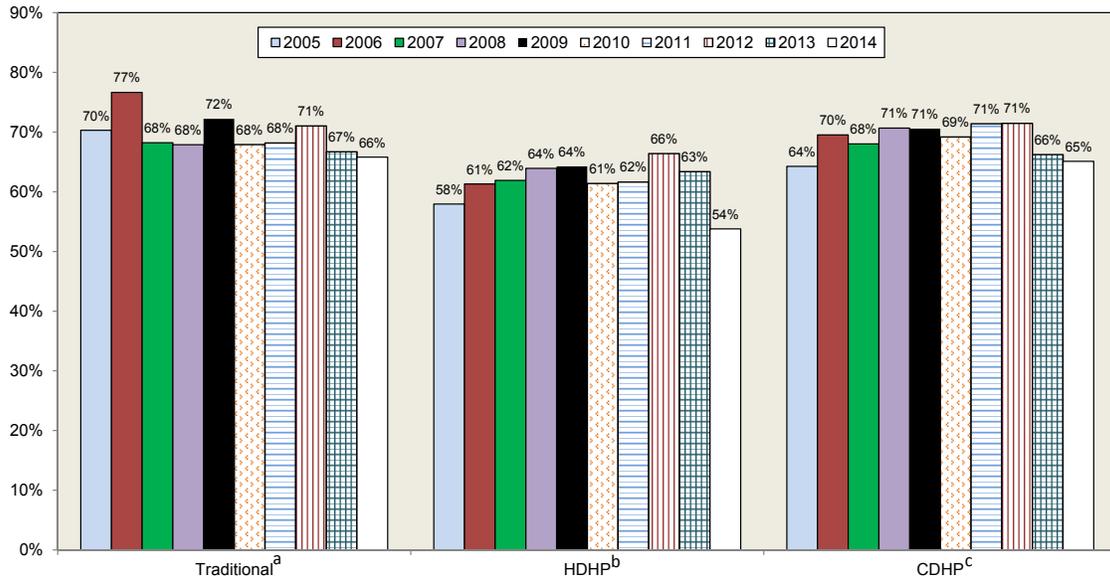
Sources: EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2009–2014.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

^b HDHP = High-deductible health plan with deductible \$1,250+ (individual), \$2,500+ (family), not HSA-eligible in 2014.

^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Figure 6
Percentage Extremely or Very Satisfied With Ease of Getting Doctor Appointment When Needed, 2005–2014



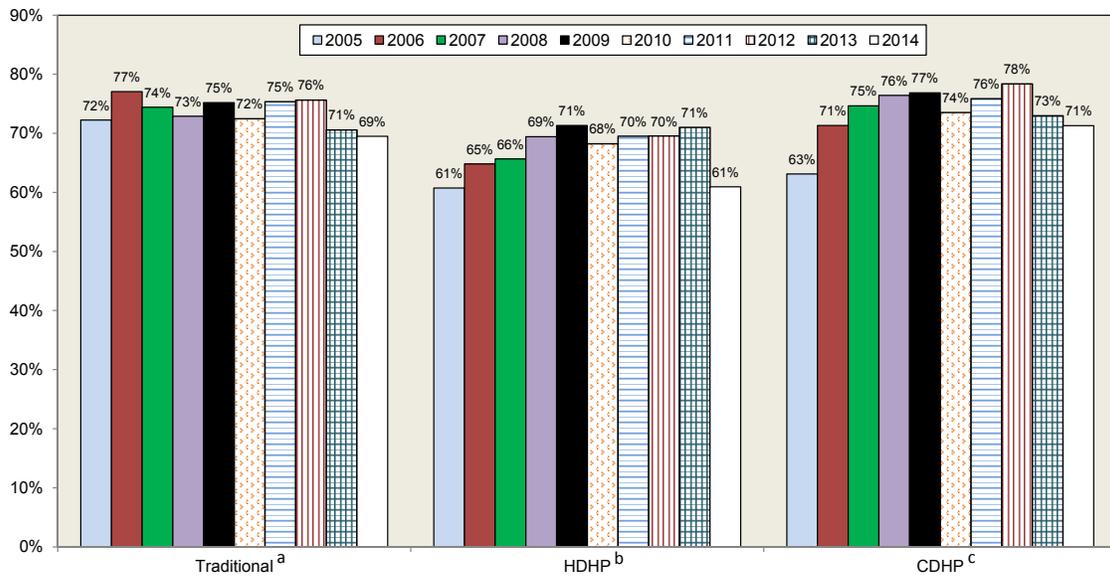
Sources: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

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^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Figure 7
Percentage Extremely or Very Satisfied With Choice of Doctors, 2005–2014



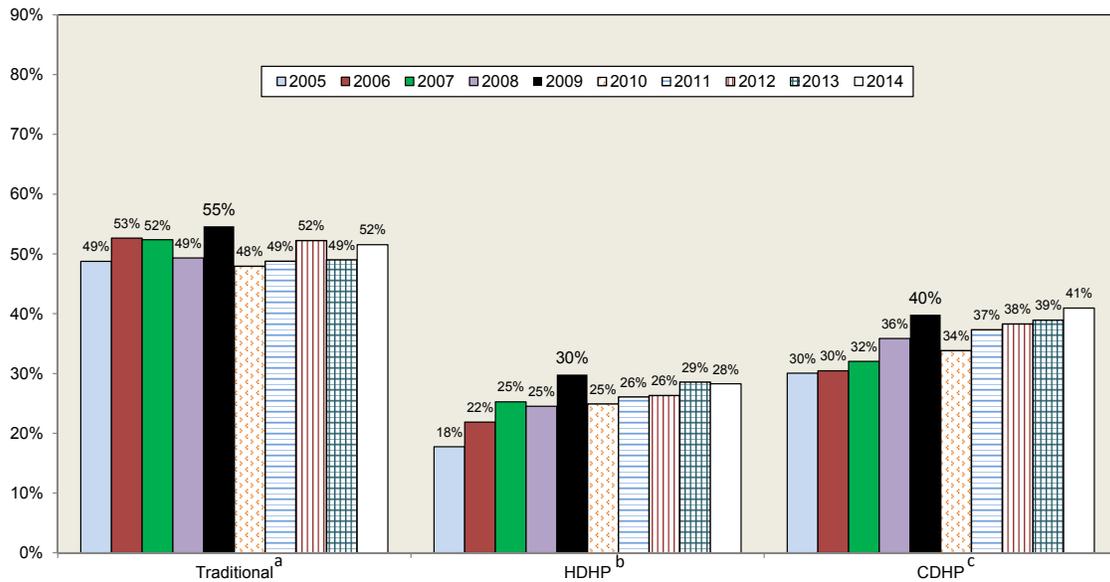
Sources: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

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^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Figure 8
Percentage Extremely or Very Likely to Recommend Health Plan to Friend or Co-Worker, by Type of Health Plan, 2005-2014



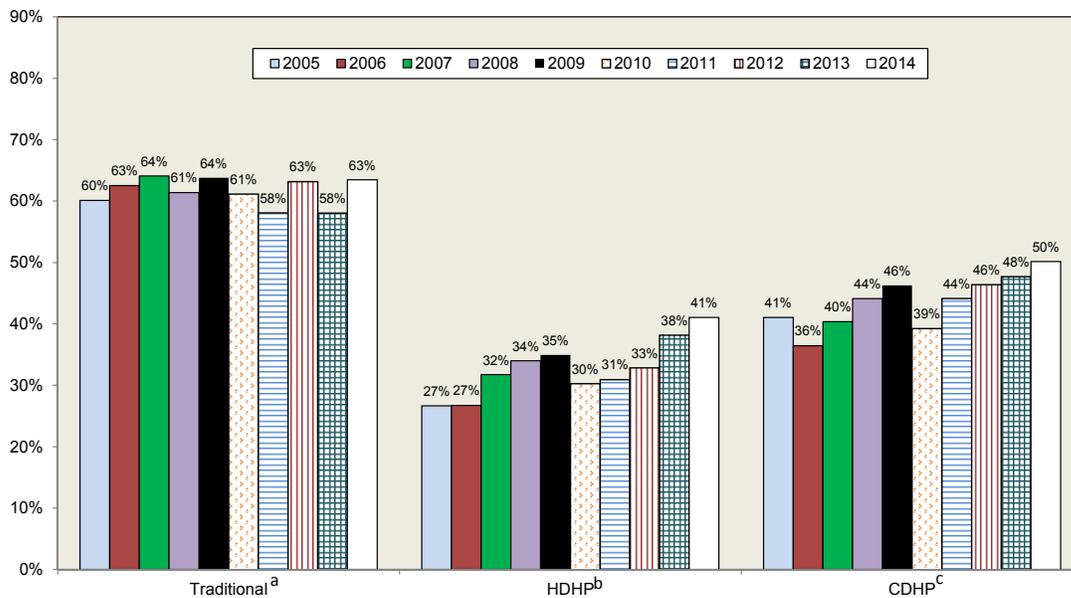
Sources: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

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^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Figure 9
Percentage Extremely or Very Likely to Stay With Current Health Plan If Had the Opportunity to Change, by Type of Health Plan, 2005–2014



Sources: EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2005–2007; EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey, 2008–2014.

^a Traditional = Health plan with no deductible or <\$1,250 (individual), <\$2,500 (family) in 2014.

^b HDHP = High-deductible health plan with deductible \$1,250+ (individual), \$2,500+ (family), not HSA-eligible in 2014.

^c CDHP = Consumer-driven health plan with deductible \$1,250+ (individual), \$2,500+ (family), with HRA, HSA, or HSA-eligible in 2014.

Appendix—About the 2014 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey

The Employee Benefit Research Institute (EBRI) and Greenwald & Associates created the EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey (CEHCS) to examine issues surrounding consumer-directed health care, including the cost of insurance, the cost of care, satisfaction with health care, satisfaction with a health care plan, reasons for choosing a plan, and sources of health information. The 2014 CEHCS is comparable with findings from the 2005–2007 EBRI/Commonwealth Fund Consumerism in Health Care surveys, and the 2008–2013 CEHCS.

The 2014 survey was conducted within the United States between Aug. 7 and Aug. 27, 2014, through an 11-minute Internet survey. The national or base sample was drawn from Ipsos's online panel of Internet users who have agreed to participate in research surveys. Nearly 2,000 adults ages 21–64 who had health insurance through an employer or who purchased health insurance on their own either directly from a carrier or through a government exchange, were drawn randomly from the Ipsos sample for this base sample. This sample was stratified by gender, age, region, income, and race. The response rate was 36.3 percent (26 percent for the base sample or national sample, and 48 percent for the oversample). As a non-probability sample, traditional survey margin-of-error estimates do not apply. However, had the survey used a probability sample, the margin of error for the national sample would have been ± 2.2 percent.

To examine the issues mentioned above, the sample was divided into three groups: those with a consumer-driven health plan (CDHP), those with a high-deductible health plan (HDHP), and those with traditional health plan coverage. Individuals were assigned to the CDHP and HDHP groups if they had a deductible of at least \$1,250 for individual coverage or \$2,500 for family coverage. To be assigned to the CDHP group, they must also have been eligible to contribute to an HSA or had a health reimbursement arrangement (HRA) with a rollover provision that they could use to pay for medical expenses or the ability to take their account with them should they change jobs. Individuals with only a flexible spending account (FSA) were not included in the CDHP group.

Because the base sample (national sample) included only 294 individuals in a CDHP and 237 individuals with an HDHP, an oversample of individuals with a CDHP or HDHP was added. The oversample included 1,162 individuals with a CDHP and 741 individuals with an HDHP, resulting in a total sample (base plus oversample) of 1,459 for the CDHP group and 978 for the HDHP group. After factoring out the base sample—the 294 individuals with a CDHP and the 237 individuals with an HDHP—there were 1,450 individuals in the sample with traditional health plan coverage.

In addition to being stratified, the base sample was also weighted by gender, age, education, region, income, and race/ethnicity to reflect the actual proportions in the population ages 21–64 with private health insurance coverage.² The CDHP and HDHP oversamples were weighted by gender, age, income, and race/ethnicity.

While panel Internet surveys are nonrandom, studies have demonstrated that such surveys, when carefully designed, obtain results comparable with random-digit-dial telephone surveys. Taylor (2003), for example, provides the results from a number of surveys that were conducted at the same time using the same questionnaires both via telephone and online. He found that the use of demographic weighting alone was sufficient to bring almost all of the results from the online survey close to the replies from the parallel telephone survey. He also found that in some cases, propensity weighting (meaning the propensity for a certain type of person to be online) reduced the remaining gaps, but in other cases it did not reduce the remaining gaps. Perhaps the most striking difference in demographics between telephone and online surveys was the under-representation of minorities in online samples.

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Endnotes

¹ More information about the survey can be found in the appendix and in Fronstin and Elmlinger (2014).

² In theory, a random sample of 2,000 yields a statistical precision of plus or minus 2.2 percentage points (with 95 percent confidence) of what the results would be if the entire population ages 21–64 with private health insurance coverage was surveyed with complete accuracy. There are also other possible sources of error in all surveys that may be more serious than theoretical calculations of sampling error. These include refusals to be interviewed and other forms of nonresponse, the effects of question wording and question order, and screening. While attempts are made to minimize these factors, it is impossible to quantify the errors that may result from them.

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