

The Underconnected: Many Plan Participants Lack Access and Skills to Fully Engage With Technology

For plan sponsors with a significant percentage of participants who do not have access to the technology taking over our benefit plans, there is a worry that these participants will be left behind. Participants in this position feel frustrated and angry because they have difficulties connecting to their benefits. Plan sponsors in this area also have a great deal of frustration as vendors implement no-paper systems, roll out automation and use other technology that makes participants more disconnected from their benefits. The more disconnected these participants become, the less they will appreciate the benefits provided by the employer.

by **Carey R. Wooton, CEBS** | *IUE-CWA Pension Fund*

Telemedicine, online enrollment, online summary plan descriptions, online investment advice, online investment selections, contact the plan by clicking here, use our app to access your plan—For many plan sponsors, these terms are signs of the successful use of technology, expense-reduction processes and perhaps some time-saving efforts for plan staff. For many participants, however, these terms bring stress, fear and frustration because they lack access, technological knowledge and/or resources to purchase connectivity to online options.

Insurance carriers, 401(k) recordkeepers and plan sponsors continue to push the use of different technologies. And while there are certainly a number of participants who can

properly access these options, the fact remains that, whether through lack of geographical access, lack of funds to purchase access or fear of technology, there are millions of Americans who cannot take part in the technological services offered (or required) in their benefit plans.

Access, Connectivity and Costs

Workers who sit behind a computer all day or work from smartphones tend to assume that all workers have the same access and connectivity to their own workplaces. Some of these workers are the designers and cheerleaders of great technological tools designed to improve outcomes for health and retirement plan participants—and those tools do work

really well for many plan participants. However, plan sponsors with employees who work in areas such as manufacturing, construction, trades, services industries, landscaping, infrastructure, etc., know that they must communicate with their participants in different, old-school ways. These plan sponsors

in articles, at conferences and at other venues so often that many people accept the idea as fact. And, true, this could be a solution for some plan participants; without a doubt, smartphones have changed the way the world shops, talks, texts, exercises and so on. Why shouldn't they also change how

How often have you been in a building where you cannot get a signal on your phone? How often have you been traveling and found you can make a call, but the 4G or 3G service doesn't allow you to send e-mail or access Facebook? While that may be a temporary inconvenience for some, there are still many Americans who live and work in places that turn their smartphones into glorified phone-camera units. As of the end of 2015, per the most recent data available from the Federal Communications Commission (FCC), 31.6%² of the population lived in areas without complete Long-Term Evolution (LTE) coverage. More than 98 million people spend most of their time in places where wireless service to smartphones may or may not be able to access apps that require fast speeds and heavy data usage. Imagine attempting to use telemedicine on your smartphone because your health care plan is discouraging you to use the emergency department or even your local provider. Imagine waiting as the app churns while you try to enroll in the 401(k) plan because the plan has gone electronic and will not accept enrollments on paper forms. How long would you try before giving up?

Equally important to the smartphone/app usage conversation must be the cost of the phones and the plans to use them; data does not come cheap. Straight Talk Wireless is a discount service provider that offers a 4G LTE-capable phone, the Alcatel OneTouch Pixi Pulsar (refurbished) Android smartphone, for \$4.99 with a 30-day, unlimited-minute plan with two giga-

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know that many of their employees will have varying degrees of success in using technological tools. Some may have computer access at work for small portions of their job, but Department of Labor (DOL) regulations are clear: Unless an employee uses a computer as a required portion of his or her job, a plan may not use electronic distribution of plan documents (with some complicated exceptions). How, then, can participants in these plans use the technology available to them?

The answer generally is: "Everyone has a smartphone in their pockets, so they can just do everything from the app." This statement appears frequently

we use health care or enroll in retirement plans? Many insurance providers have apps that can connect people to their health plans, allow them to access their insurance cards to show to providers, search for in-network doctors and, more recently, allow participants to access providers via video chats. These online providers can diagnose, prescribe medications and/or refer patients to a brick-and-mortar provider in the area, if necessary. Surely this kind of enhanced access to health providers will improve patient access, patient outcomes and overall health within a plan ... UNLESS.¹ Unless the participants fit into that *other* demographic.

bytes (GB) of 4G LTE data for \$35 per month (plus taxes).³ This Android phone also can work on Wi-Fi and download apps, but that \$35-plus bill per month may be taxing on some people's budgets. While this phone may do the job, it is not the latest and greatest iPhone or Samsung with all of the features and support that come with those newer devices. Also, two GB of data will not go very far, and wireless providers do not give priority or free data for using health or retirement apps. When a participant goes over the allotted two GB of data, they are slowed down to 2G service, which is not fast enough for telemedicine or many other services.

The next argument for pushing technology tools and paperless plans on sponsors and participants is that, even though wireless services can be spotty and participants may not have the best smartphones or may run out of data, the access problem is still solvable because participants can just use computers . . . UNLESS. Unless participants live where they do not have access to high-speed Internet. Unless participants have access to but cannot afford high-speed Internet. Unless participants are not computer-savvy. Unless participants do not own a computer or own a very outdated one. Again, there is a frequent statement that many take as fact: "Everyone has Internet access." This, of course, is not true. Whether because of economic factors, accessibility, lack of interest or otherwise, about 33% of Americans still do not have high-speed Internet at home.⁴

Broadband Service

Microsoft, Google and other companies have had initiatives for a number of years to bring broadband to the millions of Americans who live in rural areas where fast Internet is not available. People in these areas use dial-up modems or perhaps a digital subscriber line (DSL), which is faster and more reliable than dial-up but does not always give the user a quick, flawless online experience. Many of these projects have converted from older, wired technology to wireless technology using both new concepts and older tech such as TV signals that are not currently in use.^{5,6} The slower technologies in Internet or older, slower computers have similar problems mentioned above for smartphone usage. Participants are not going to sit online while pages take minutes

instead of seconds to load in order to finish enrolling in a 401(k) plan or download an explanation of benefits from a health plan. Furthermore, they are even less likely to attempt using a feature like telemedicine.

The FCC has a great tool on its website (for those with access!) called Connect2HealthFCC.⁷ This is an interactive map of the United States that shows data for broadband access and health measures such as diabetes, obesity, etc. By choosing different parameters for the map, the user will be shown by color the states that have the broadband access, the health condition or both (meaning they have a high incidence of the health condition and the broadband access to use online tools). As an example, using parameters of 90-100% broadband access and 10-22% incidence rates of diabetes, the following is reported:

- Six states have the combination of a population with diabetes in the 10-22% range AND 90-100% access to broadband: Delaware, Florida, Maryland, North Carolina, Ohio and Pennsylvania.
- 14 states have a population with diabetes in the range of 10-22% but do NOT have 90-100% access to broadband: Alabama, Arkansas, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan, Mississippi, Missouri, Oklahoma, South Carolina, Tennessee and West Virginia.

There is a wealth of data on this site that can bring light to just how many participants are underserved by online technologies.

Costs for monthly broadband service and/or home computers continue to be the biggest barrier to home Internet usage.⁸ Much like with the challenges of smartphones and wireless data service, participants who have lower income may be hard-pressed to afford the cost of broadband or a newer, updated computer. Xfinity (Comcast) offers a ten megabits per second (Mbps) service for \$24.99 per month (plus taxes and fees).⁹ While this is less expensive than a limited data plan from a discount wireless provider, a computer to access the broadband data is considerably more expensive than the \$4.99 refurbished Android phone. If pressed to make a choice, younger adults, nonwhites and lower income Americans will choose to have a smartphone over broadband.¹⁰

Participant Skills

The last barrier to successful use of smartphone apps and online technologies for health and retirement comes down to the adeptness of the participant. Ally Bank has a television commercial in which it simultaneously promotes the fact that it does not have bank branches (thus touting its efficiency) and points out that “grandkids = free tech support”¹¹ because the grandparents (and supposedly the users of the no-branches bank) cannot properly use or support their computer, tablet, smartphone, etc. For those with skills in using the newest tech, this commercial both rings true and tickles the funny bone; how often do “the kids” get asked to help with “that darn computer” or get questions like “How do I use the Facebook”? For those on the side of begging for help from the tech savvy, there are strong feelings of frustration, embarrassment and anger.

The problem is that lack of tech skills is not exclusive to the over-65 generation, and neither is it a problem with a quick resolution. As people continue to have lack of access to smartphones, fast wireless, computers, broadband, etc., they will continue to lack the basic skills of using them. As the lack of access goes across generations, geography and socio-economic spheres, so will the lack of skills. The Organisation for Economic Co-operation and Development (OECD) studied adult skills across 33 OECD countries.¹²

Jakob Nielsen wrote a summary of the computer skills reviewed in the study in an article from 2016 titled “The Distribution of Users’ Computer Skills: Worse Than You Think.”¹³ Adults in the study are aged 16 to 65 and, based on the skills demonstrated, fit into one of five categories. In his article, Nielsen uses a chart to break down the skills by country, including the U.S., United Kingdom, Australia, Germany, Canada, Netherlands, Scandinavia, Singapore and Japan, as well as the OECD average. The five skills are listed as: Can’t use computers, Below 1 (terrible), Level 1 (poor), Level 2 (medium) and Level 3 (strong).

The chart shows the lack of skills that Americans, and adults around the globe, have when it comes to using computers. In the U.S., about 20% cannot use computers at all. Just under 50% of Americans have poor or terrible computer skills. This leaves a combined 30% of the country with medi-

um to strong computer skills. Among the countries studied, the U.S. has the worst score on these skills when combining no skills, terrible and poor. This is perhaps the most important problem with the online-only retirement plan, telemedicine and the “we’ve got an app for that” mentality that pervades society. A participant can have the fastest Internet, the newest smartphone and the best computer on the market, but if that person lacks the ability to understand the terms, follow the links or properly fill out the forms, all of that access is useless.

Serving All Participants

Plan sponsors, health insurers and retirement plan recordkeepers have a fiduciary duty to properly service all of their participants—not just because DOL or the Internal Revenue Service requires it, but also because participants without access or skills to use technology deserve the same benefits as those participants who do have access and skills. Plan sponsors spend a significant amount of time trying to make sure that the benefits and retirement plans they offer have value to their participants, that the benefits and retirement plans attract and retain the best employees, and that employees use all of the benefits and retirement plans available to them. How can they do this without meeting all the employees where they are in terms of access and skills?

With all of the noise in the benefits industry over this or that new technology, videos and blogs for choosing the right investments, visiting a doctor for allergies without leaving work, etc., it is easy to get sucked into the hype that these are the benefits for which all participants are clamoring. The facts show they are not. It is important for the industry to remember that there are still millions of participants out there who need paper forms, need to send a fax because they do not have a scanner to e-mail it to the benefits department, do not have a printer and therefore need a form mailed to their house, and need a human to talk to because they missed the prompts on the voice response unit (VRU) telephone system or the VRU didn’t understand their words. It is the responsibility of the benefits industry to ensure that new technology can mesh with old technology to reach all participants. 

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