Information, Preferences and Public Benefit Participation: Experimental Evidence from the Advance EITC and 401(k) Savings – Online Appendix

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Preliminary Survey

In preparation for the field experiment, I conducted a preliminary survey among a small sample of EITC recipients in 2005. With help from the nonprofit Center on Economic Progress (CEP), respondents were interviewed during tax filing season at various free tax preparation sites in the greater Chicago area. The survey was designed to identify whether EITC recipients were aware of the Advance option and to explore why individuals prefer the lump sum EITC payment. The demographic make-up of this survey sample is presented below in Table A.1. Consistent with previous studies, I found that a majority of the respondents, 70 percent, were unaware of the Advance EITC. In addition, after being made aware of the option, a small share, 10 percent, expressed interest in the program. These findings are shown in Table A.2. The experiment is designed to primarily address this suggestive evidence on information. Survey respondents indicate a higher level of interest conditional on being informed about the Advance EITC. I test whether and to what extent this is true in the field.

Survey responses also show that uncertainty may play some role. Table A.3 reports answers to questions about the expected EITC credit. While I find that most individuals, 73 percent, correctly expected to receive the EITC, they generally underestimated the size of their credit. Underestimating the credit is not as costly as being wrong about receiving any EITC credit. In the latter case one may have to repay Advance EITC payments. I cannot comment on the likelihood of this Type I error, since this sample only includes individuals who had received a refund. Nevertheless, fear of making this error may limit participation, as noted in previous studies.

Finally, the survey reveals intriguing results regarding the general preference for the lump sum EITC payment. First note that in Table A.3, the most popular use of the EITC is pay off past bills and debt. This indicates that earlier payments, possibly from the Advance EITC, might have been very useful. Nonetheless, an overwhelming majority of respondents, 90 percent, report that they would not be willing to try the Advance. In Table A.2, I ask about the preference for the one-time EITC payment. While a significant share, 34 percent, wish to avoid the prospect of owing back, a majority, 58 percent, simply state a preference for the lump sum. When asked why they prefer to receive the EITC all at once, the primary response is that it will be used to pay off past debt. That is, individuals prefer to receive a large EITC refund next year to pay off debt that will accumulate throughout the current year, which seems to be at odds with traditional,

life-cycle models.

Robustness Checks

Placebo Regressions

As a robustness check, I compare the treatment and control groups during the weeks that precede the actual experiment. As will be shown, there are no treatment effects in this preceding period. The treatment dummy is artificially set to 1 in treatment stores during the second half of these pre-treatment weeks, creating a so-called "placebo" effect. Under a valid experimental design, we would expect to observe no treatment effect for Advance EITC or 401(k) participation. Note that the data here is at the individual level, which as compared to the district-level specifications would bias one toward finding an effect. Table A.4 presents results for these regressions. As can be seen, there are no statistically significant "placebo" effects. Thus, we are assured that the experimental analysis is not simply picking up differential trends in participation.

Two Period Difference-in-Difference Estimates

One objection to the district-level, panel estimates used in the main specification is that the standard errors may be biased downward due to serial correlation. This is especially a concern since I have binary outcome and treatment variables and a long time series of data for each district. The problem of serial correlation is discussed extensively by Marianne Bertrand, Esther Duflo and Sendhil Mullainathan (2002). One possible method of addressing this is to use one pre- and one post-treatment observation for each district. Thus, I estimate the following specification:

$$ (1) \qquad\qquad y_{st} = \eta_s + \eta_t + \beta T_{st} + \Gamma \mathbf{X}_{st} + \varepsilon_{st}, $$

where y_{st} is average participation in the Advance EITC program or 401(k) savings plan in district s at week t. The η_s and η_t are district and time fixed effects, $\mathbf{X}_{st}$ is the vector of control variables used in the main text, and T_{st} is a binary variable indicating whether the treatment has taken place. This specification is identical to that used in the main text, except that only two periods of data are used for each district. For Advance EITC participation, I use data from the last week preceding the treatment implementation phase and the first week following the implementation. For the effect on 401(k) savings, I use a later date for the post-treatment week, halfway between the first and last post-treatment weeks used in the main, panel estimates. Since the 401(k) effect gradually increases over time, and since the panel estimates average over all post-treatment weeks, using this midway point allows for better comparability between the two-period and full panel estimates.

As can be seen in Table A.5, the results remain consistent with the full panel results, though the standard errors are now larger. The Advance EITC results remain significant,

more so in the "Advance EITC and 401(k)" treatment group, and the 401(k) results also remain significant. Since there are only two periods of data, the standard errors are unclustered.

Alternative Serial Correlation Correction

An alternative method of addressing serial correlation is suggested by Bertrand, Duflo and Mullainathan (2002). This method involves using all the pre- and post-treatment data, collapsing the data into district and then into two time periods: before and after the intervention. Since collapsing the data significantly reduces the sample size, I must use the appropriate t-statistics in hypothesis testing a la Stephen G. Donald and Kevin Lang (2007). As a variant on Donald and Lang (2007), I follow Jeffrey M. Wooldridge (2003) in utilizing a minimum distance chi-square (MD) approach to estimating the treatment effect. This two stage method first estimates district-by-time dummies in a pooled regression. These dummies are then modeled as a linear function of the district's treatment status, resulting in an MD estimate of $\hat{\beta}$, the intent to treat (ITT) effect. The overidentifying restrictions allow me to test whether there is a significant district-by-time component to individual error terms. If so, I must use the appropriate t-distribution for the standard error of $\hat{\beta}$.

The details of the procedure are provided in Wooldridge (2003), and I summarize them here. Consider the empirical model of Advance EITC participation for the *ith* individual in district s at time period t:

$$(2) \qquad\qquad y_{ist} = \eta_s + \eta_t + \beta T_{st} + \Gamma \mathbf{X}_{ist} + \varepsilon_{ist},$$

where the error term may consist of a district-by-time component and an individual level component:

$$(3) \qquad\qquad \varepsilon_{ist} = c_{st} + u_{ist}.$$

Recall that T_{st} is an indicator for whether or not district s has received the treatment by time period t. Let S be the number of districts and T the number of time periods. We aim to measure the intent to treat (ITT) effect, β. For the time being, assume that there is no district-by-time component of the error term, $c_{st} = 0$, and rewrite Equation (2) as

$$(4) \qquad\qquad y_{ist} = \delta_{st} + \eta_s + \eta_t + \Gamma \mathbf{X}_{ist} + u_{ist},$$

where

$$(5) \qquad\qquad \delta_{st} = \beta T_{st}.$$

First, we estimate $\hat{\delta}_{st}$ from Equation (4) using pooled ordinary least squares (OLS). With 19 districts and 2 time periods, Equation (5) defines 38 moments with which we may identify β. Wooldridge (2003) suggests an MD estimator. This can be implemented by estimating Equation (5) via weighted least squares (WLS). The efficient weights are $1/\left[SE\left(\hat{\delta}_{st}\right)\right]^2$, where the $SE\left(\hat{\delta}_{st}\right)$ are the standard errors estimated in Equation (4). The overidentifying restrictions from Equation (5) can be used to test the null hypothesis that $c_{st} = 0$. Specifically, under the null, the weighted sum of squared residuals from our WLS regression is asymptotically distributed $\chi^2_{(S \times T)-1}$. If we reject the null hypothesis, then the (conditional) variation in Advance EITC participation across district-by-time observations is not fully explained by the treatment. That is:

$$(6) \qquad\qquad \delta_{st} = \beta T_{st} + c_{st}.$$

In this case, one may still hope to identify β under assumptions outlined by Donald and Lang (2007): $c_{st} \sim \mathcal{N}\left(0, \sigma_c^2\right)$ and c_{st} is independent of T_{st}. Inference about β must use the appropriate $t_{(S \times T)-1}$ distribution, as in the classical OLS setting. The normality assumption may be reasonable given the large sample sizes within each group-by-time cell and the independence assumption may be reasonable given the random assignment of treatment at the district level.

The results of this alternative estimation procedure are presented in Table A.6. As seen in Panel A, the results for Advance EITC participation are generally consistent with main results of the paper. With the chi-square statistics in Columns (3) and (6), we fail to reject the null hypothesis, indicating that the richest set of control variables is enough to account for the district-by-time level correlation in error terms, c_{st}. In contrast, the 401(k) participation results are not robust to this alternative method of estimation. As compared to the main results of the paper, the point estimates are generally shifted downward, are noisier and are more sensitive to control variables. Nevertheless, the same pattern is preserved from the main results: the point estimates for the "Advance EITC Only" treatment group are (weakly) negative while those for the "Advance EITC and 401(k)" treatment are (weakly) positive.

Alternative Specification for Advance EITC Results

An alternative specification for estimating the Advance EITC treatment effect is:

$$(7) \qquad\qquad y_{st} = \eta_s + \eta_t + \beta_1 T_{st}^{Any} + \beta_2 T_{st}^{401(k)} + \Gamma \mathbf{X}_{st} + \varepsilon_{st},$$

where as before y_{st} is average participation in the Advance EITC program in district s at week t. The η_s and η_t are district and time fixed effects and $\mathbf{X}_{st}$ is a vector of control variables. Now, the data are pooled across both treatment groups, and T_{st}^{Any} is a binary variable indicating that a district received either of the two treatments. The other new variable, $T_{st}^{401(k)}$, specifies in addition whether a treatment district was a member

of the "Advance EITC and 401(k)" treatment group. The coefficient β_1 measures the treatment effect in the "Advance EITC Only" treatment group, while the coefficient β_2 measures the difference between the baseline treatment effect and that of the "Advance EITC and 401(k)" treatment group. That is, the treatment effect for the "Advance EITC and 401(k)" group is $\beta_1 + \beta_2$. Thus, another way to test the long-term, forced savings hypothesis is to see whether $\beta_2 > 0$. I present the results of this alternative specification in Table A.7, for both the two-period Difference-in-Difference and the full panel specifications. As can be seen, the treatment effect in the "Advance EITC and 401(k)" group is slightly larger, but the difference is not statistically significant.

Heterogeneous Treatment Effects

Characteristics of the Marginal Advance EITC Participant

Table A.8 compares the characteristics of newly enrolled Advance EITC recipients to other employees, using baseline data that predates the field experiment. Because there are so few employees enrolled, it is hard to make many sharp distinctions. In terms of hours worked, tenure and age, the two groups are nearly identical. Thus, there is no evidence here which suggests that more stable employees are more likely to take up. In terms of 401(k) participation, the newly enrolled employees are slightly less likely to be eligible for the 401(k) and only half as likely to participate, conditional on being eligible. This may indicate that Advance recipients need more liquidity and are thus less likely to be net savers. There are significant demographic differences between the two groups, though they do not systematically differ in a way that yields more insight into low Advance EITC take-up. Finally, the Advance EITC recipients are more likely to be located in the Southern region. This may be a mechanical effect owing in part to fact that more treatment stores were located in the Southern region, as indicated in the baseline comparison of the control and treatment districts.

Treatment Effect by Hours Worked and Tenure

To further explore the possibility that uncertainty is driving low Advance EITC tenure, I separately estimate the treatment effect for employees with above- and below-median weekly hours worked and tenure. The assumption here is that a higher number of hours worked per week and higher tenure are associated with more stable employment within the firm. This may be correlated with more stable earnings in the near future at the prevailing wages within the firm and possibly a more stable expectation of qualifying for the Advance EITC. Thus, if uncertainty is driving low Advance EITC participation, then one would predict that employees with higher hours worked and higher tenure have a higher treatment effect, all things equal. To check for this, I take the full panel of data, and calculate average weekly hours for each individual. I then split the sample into those above and below the median average weekly hours. I then repeat the exercise, splitting the panel at median tenure in the week preceding the treatment.

With respect to hours worked, the results are ambiguous. Table A.9 reports the treatment effects by weekly hours at the district level, both for a two-period difference-in-difference specification and a full panel of the data. For employees in the "Advance EITC Only" treatment group, those with above median weekly hours do have a higher estimated treatment effect as predicted. However, this comparative static is not present for the "Advance EITC and 401(k)" treatment group. The treatment effect changes very little for above- and below-median employees. The results for tenure go in the opposite direction than is predicted by a theory of uncertainty. I have presented the results for above- and below-median tenure employees in Table A.10. As can be seen, the treatment effect among higher tenured employees is actually smaller. Thus, the results in this sample do not provide consistent support for the hypothesis that higher weekly hours and/or higher tenure are associated with higher take-up.

Heterogeneity Across Districts and Stores

An alternative way of examining heterogeneity in treatment effects is to present the results at the district and store level. It is possible that certain types of districts or stores exhibit particularly high treatment effects. The characteristics of these outliers may offer some insights into Advance EITC take-up. In Figure A.1, I plot the treatment effects by district. The top panel includes districts in the "Advance EITC Only" treatment group, while the bottom panel shows participation for the "Advance EITC and 401(k)" treatment group. As can be seen, the majority of districts have very similar treatment effects. There is one district in each treatment group that may be viewed as an outlier. I have separately highlighted these districts in Figure A.1 as "Outlier District 1" and "Outlier District 2."

In Table A.11 I compare the baseline characteristics of these two outlier districts to the rest of the treatment districts. Though these "outlier" districts differ in significant ways from the other treatment stores, there does not appear to be a clear systematic difference. In terms of tenure, employees in the first outlier district have significantly lower tenure, while those in the second outlier district have about the same as the other treatment stores. In terms of average hours worked, both outlier districts have slightly higher hours worked. For other characteristics, the differences between the outlier districts and the other stores go in opposite directions.

In Figure A.2 I plot the distribution of net enrollment changes at the store level following the first phase of treatments. The changes shown are for all treatment stores. A majority of stores saw no increase in Advance EITC enrollment. For stores that did experience an increase, the greatest increase was four employees, while one new employee was the modal increase. In Table A.12 I compare the baseline characteristics of stores based on whether or not there was an increase in Advance EITC enrollment. We see that employees in these stores have higher hours worked per week and also a significantly lower turnover rate, which is suggestive evidence in support of an uncertainty explanation of low Advance EITC participation.

Additional Outcomes: Hours Worked and Tenure

It is possible that the Advance EITC may have an effect on hours worked and/or tenure. As opposed to the one-time EITC payment, Advance payments may make the connection between labor supply and EITC more salient. The effect of the EITC on labor supply depends on total income and the margin of adjustment. In terms of intensive margin adjustments, those in the "phase-in" range of income face a wage subsidy, and thus have an ambiguous response to the credit. Those on the "plateau" range are given a flat transfer, and therefore are expected to reduce labor supply due to income effects. Finally, those on the "phase-out" range face a higher marginal tax rate, and are also predicted to decrease hours. Since income from other jobs is not observable in this sample, it is difficult to make predictions as to the direction in which labor supply should be adjusted along the intensive margin in response to Advance EITC participation. Along the extensive margin, labor supply is predicted to increase.

In Figure A.3 I plot average weekly hours by treatment group. As can be seen, average hours across the groups are very similar over time. There does not appear to be any effect of the Advance EITC treatment. Similarly, to measure the effect of the treatment on tenure, I plot the probability of remaining with the firm following the implementation of the treatment in Figure A.4. Again, there are no noticeable effects of the treatment on survival probabilities. As previously mentioned, the small magnitude of the treatment effect may not allow for such a test to be sharply conducted.

Treatment Materials

The materials used in the implementation of the field experiment are:

1) Store manager instructions

2) Informational flier

3) IRS Form W-5, for Advance EITC enrollment

4) 401(k) Easy Enrollment Form, for 401(k) enrollment

5) Advance EITC promotional video

I will present all of the above listed materials except for the promotional video, as the video would compromise the identity of the participating firm and therefore violate a confidentiality agreement.

Store Manager Instructions

Store managers were given training sessions in which the Advance EITC and the design of the experiment were explained. The project was presented as an outreach effort, which is a typical event within the firm for various employee-related initiatives. The managers also received written instructions to assist with the implementation. Managers in the

"Advance EITC and 401(k)" treatment stores received additional instructions on promoting the 401(k) savings plan along with the Advance EITC. The original instructions are presented below in Figures A.5 through A.8.

Advance EITC Flier

During the treatment implementation phase, employees were provided with an informational Advance EITC flier. The flier for employees in the "Advance EITC and 401(k)" treatment stores included additional information regarding the 401(k) Savings plan. These fliers are presented in Figures A.9 and A.10. The final fliers used in the field experiment were double-sided, with a Spanish translation of the flier on the opposite side.

IRS Form W-5

In addition to an informational flier, employees were provided with the W-5 form necessary for receiving Advance payments. The form is available online from the IRS at `http://www.irs.gov/pub/irs-prior/fw5--2006.pdf`.

401(k) Easy Enrollment Form

Employees in the "Advance EITC and 401(k)" treatment stores were given an Easy Enrollment form. The form is ordinarily included in a more detailed 401(k) packet that is distributed to eligible employees every spring. The Easy Enrollment Form is presented in Figures A.11 and A.12.

REFERENCES

Bertrand, Marianne, Esther Duflo, and Sendhil Mullainathan. 2002. "How Much Should We Trust Difference-In-Differences Estimates?" National Bureau of Economic Research Working Paper No. 8841.

Donald, Stephen G., and Kevin Lang. 2007. "Inference with Difference-in-Differences and Other Panel Data." *The Review of Economics and Statistics*, 89(2): 221–233.

Wooldridge, Jeffrey M. 2003. "Cluster-Sample Methods in Applied Econometrics." *American Economic Review*, 93(2): 133–138.

TABLE A.1—DESCRIPTIVE STATISTICS FOR PRELIMINARY SURVEY RESPONDENTS

	Mean	Median
Adjusted Gross Income	13,484 (792.3)	12,688
Wages/Salary	11,949 (833.6)	10,571
Business Income	1,257 (323.4)	0
Unemployment Compensation	708 (160.6)	0
Child Tax Credit	521 (62.6)	0
Federal Refund	2,822 (153.1)	2,803
State Refund	121 (13.9)	97
Earned Income Tax Credit	1,973 (100.9)	2,050
Number of Dependents	1.62 (0.10)	2
Refund Anticipation Loan in Previous Year	0.140	–
TANF, Food Stamps or Medicaid	0.479	–
Banking Account	0.734	–
Black/African-American	0.661	–
Hispanic	0.158	–
White	0.063	–
Asian/Pacific Islander	0.047	–
Other	0.071	–
N	128	

Note: Descriptive statistics for a sample of EITC recipients interviewed during the 2005 tax season. Interviews were administered at various free tax preparation sites with the help of the Center for Economic Progress, based in Chicago, IL.

TABLE A.2—PRIOR KNOWLEDGE AND WILLINGNESS TO TRY THE ADVANCE EITC

Were you aware of the Advance EITC?	
Yes	0.299
No	0.701
$N = 127$	
Now that you know about the Advance payment option, would you would you have prefered to receive the Advance payment?	
Yes	0.102
No	0.898
$N = 128$	
Why would you not have prefered to receive the Advance EITC?	
Too much hassle	0.082
Prefer the lump sum	0.582
Do not wish to owe money back	0.336
$N = 110$	
Why do you most prefer to receive the EITC all at once in your tax refund check?	
Put money in savings	0.191
Pay future bills	0.095
Pay off past bills or debt	0.540
Purchase household/personal items	0.016
Move or get a new apartment	0.032
Pay tuition for me or family member	0.079
Purchase or repair a car	0.000
Leisure, entertainment, vacation or shopping	0.016
Buy gifts for friends or family members	0.000
Other	0.032
$N = 63$	

Note: Responses to a preliminary survey of EITC recipients during the 2005 tax season. Interviews were administered at various free tax preparation sites with the help of the Center for Economic Progress, based in Chicago, IL.

Table A.3—Expectations and Use of EITC

Did you expect to receive the EITC before coming to the tax center?	
Yes	0.725
No	0.233
Not sure	0.042
$N = 120$	
Average difference between expected and actual EITC:	
Mean	-$1,075
Standard Error	(178.2)
$N = 84$	
What do you plan to do with your tax refund?	
Put money in savings	0.195
Pay future bills	0.102
Pay off past bills or debt	0.445
Purchase household/personal items	0.047
Move or get a new apartment	0.031
Pay tuition for me or family member	0.109
Purchase or repair a car	0.031
Leisure, entertainment, vacation or shopping	0.008
Buy gifts for friends or family members	0.000
Other	0.031
$N = 128$	

Note: Responses to a preliminary survey of EITC recipients during the 2005 tax season. Interviews were administered at various free tax preparation sites with the help of the Center for Economic Progress, based in Chicago, IL.

TABLE A.4—PLACEBO REGRESSIONS

	(1)	(2)	(3)	(4)	(5)	(6)
Placebo A: Advance EITC						
Advance EITC Only Treatment Effect	−0.020 (0.073)	0.009 (0.056)	0.025 (0.052)	– –	– –	– –
Advance EITC & 401(k) Treatment Effect	– –	– –	– –	0.005 (0.030)	−0.005 (0.006)	−0.005 (0.019)
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
N	17,820	13,328	13,328	18,946	14,158	14,158

	(7)	(8)	(9)	(10)	(11)	(12)
Placebo B: 401(k)						
Advance EITC Only Treatment Effect	0.053 (0.410)	−0.346 (0.373)	−1.015 (0.863)	– –	– –	– –
Advance EITC & 401(k) Treatment Effect	– –	– –	– –	−0.372 (0.262)	−0.219 (0.262)	−0.754 (0.550)
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
N	7,905	5,892	5,892	8,764	6,534	6,534

Note: Estimates for "placebo treatment effects" as described in the appendix. Point estimates are reported in terms of percentage points (i.e. the estimate from Column (1) should be interpreted as a decrease in Advance EITC participation of -0.02 *percentage points*). Standard errors, clustered at the district level, are reported in parentheses.
*Significantly different from 0 at the 10-percent level.
**Significantly different from 0 at the 5-percent level.
***Significantly different from 0 at the 1-percent level.

TABLE A.5—TWO PERIOD DIFFERENCE-IN-DIFFERENCE ESTIMATES

	(1)	(2)	(3)	(4)	(5)	(6)
Placebo A: Advance EITC						
Advance EITC Only Treatment Effect	0.535 (0.262)*	0.544 (0.262)*	0.543 (0.265)*	– –	– –	– –
Advance EITC & 401(k) Treatment Effect	– –	– –	– –	0.780 (0.321)**	0.797 (0.324)**	0.800 (0.321)**
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
N	26	26	26	26	26	26
	(7)	(8)	(9)	(10)	(11)	(12)
Placebo B: 401(k)						
Advance EITC Only Treatment Effect	−0.459 (1.130)	−0.233 (0.856)	−1.182 (1.053)	– –	– –	– –
Advance EITC & 401(k) Treatment Effect	– –	– –	– –	4.452 (1.953)**	4.352 (1.632)**	3.632 (1.534)**
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
N	26	26	26	26	26	26

Note: Difference-in-Difference estimates for Advance EITC and 401(k) treatment effects as described in the appendix. Point estimates are reported in terms of percentage points (i.e. the estimate from Column (1) should be interpreted as an increase in Advance EITC participation of 0.5 *percentage points*). Robust standard errors, unclustered, are reported in parentheses.
*Significantly different from 0 at the 10-percent level.
**Significantly different from 0 at the 5-percent level.
***Significantly different from 0 at the 1-percent level.

TABLE A.6—ALTERNATIVE SERIAL CORRELATION CORRECTION

	(1)	(2)	(3)	(4)	(5)	(6)
Placebo A: Advance EITC						
Advance EITC Only Treatment Effect	0.706 (0.257)**	0.637 (0.199)***	0.771 (0.304)**	– –	– –	– –
Advance EITC & 401(k) Treatment Effect	– –	– –	– –	0.706 (0.298)**	0.637 (0.235)**	0.793 (0.303)**
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
χ^2 p-value	462.79 0.00	155.01 0.00	3.17 1.00	652.77 0.00	159.00 0.00	3.35 1.00
N	26	26	26	26	26	26
	(7)	(8)	(9)	(10)	(11)	(12)
Placebo B: 401(k)						
Advance EITC Only Treatment Effect	−0.270 (3.038)	−3.274 (4.695)	−2.786 (3.963)	– –	– –	– –
Advance EITC & 401(k) Treatment Effect	– –	– –	– –	7.476 (3.654)*	2.408 (5.081)	1.413 (5.221)
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
χ^2 p-value	815.99 0.00	745.29 0.00	10.86 0.99	1,674.98 0.00	799.38 0.00	15.81 0.89
N	26	26	26	26	26	26

Note: Alternative serial correlation correction, as suggested by Bertrand, Duflo and Mullainathan (2002) . Point estimates are reported in terms of percentage points (i.e. the estimate from Column (1) should be interpreted as an increase in Advance EITC participation of 0.7 *percentage points*). Robust standard errors, unclustered, are reported in parentheses. Chi-square statistcs test the null hypothesis of no district-by-time specific error components.
*Significantly different from 0 at the 10-percent level.
**Significantly different from 0 at the 5-percent level.
***Significantly different from 0 at the 1-percent level.

TABLE A.7—ALTERNATIVE SPECIFICATION FOR MAIN ADVANCE EITC RESULTS

	(1)	(2)	(3)
Panel A: Difference-In-Difference			
Treatment District	0.535 (0.262)*	0.551 (0.263)*	0.539 (0.269)*
Treatment District x Advance EITC & 401(k) Treatment	0.245 (0.415)	0.248 (0.418)	0.262 (0.420)
Controls	No	Yes	Yes
Interactions and Polynomials	No	No	Yes
N	38	38	38
	(4)	(5)	(6)
Panel B: Full Panel			
Treatment District	0.503 {0.239}**	0.534 {0.227}**	0.537 {0.220}**
Treatment District x Advance EITC & 401(k) Treatment	0.223 {0.362}	0.213 {0.361}	0.192 {0.363}
Controls	No	Yes	Yes
Interactions and Polynomials	No	No	Yes
N	627	608	608

Note: Estimated treatment effects for Advance EITC participation as described in the appendix. The first coefficient in each column reports the treatment effect for the "Advance EITC Only" treatment group, while the second coefficient is the difference between the first treatment effect and that of the "Advance EITC and 401(k)" treatment group. Point estimates are reported in terms of percentage points (i.e. the estimate from the first row of Column (1) should be interpreted as an increase in Advance EITC participation of 0.5 *percentage points*). The estimates in Panel A use two observations per district, in a Difference-in-Difference regression, while those in Panel B use a panel of district-level observations from weeks prior to and after the treatment implementation. Robust standard errors are reported in parentheses, while those in braces are clustered at the district level.
*Significantly different from 0 at the 10-percent level.
**Significantly different from 0 at the 5-percent level.
***Significantly different from 0 at the 1-percent level.

Table A.8—Baseline Characteristics of Marginal Enrollees

	Non-Enrollees	New Enrollees	Difference		Non-Enrollees	New Enrollees	Difference
401(k) Participation (Among those eligible)	45.085 (0.894)	23.077 (11.689)	−22.008 (11.720)**	Hispanic	30.399 (0.552)	19.444 (6.597)	−10.955 (6.620)**
401(k) Contribution Rate	6.045 (0.164)	8.333 (2.723)	2.288 (2.728)	Black	21.784 (0.496)	50.000 (8.335)	28.216 (8.349)***
401(k) Eligibility Rate	44.705 (0.597)	36.111 (8.007)	−8.594 (8.029)	Asian	8.068 (0.327)	2.778 (2.739)	−5.290 (2.759)**
Tenure	2.698 (0.046)	2.811 (0.850)	0.114 (0.851)	Native American	0.720 (0.102)	0.000 (0.000)	−0.720 (0.102)***
Median Wage	$7.51 (0.011)	$7.23 (0.305)	−$0.28 (0.304)**	Married	30.457 (0.552)	22.222 (6.930)	−8.234 (6.952)
Weekly Hours	26.98 (0.13)	27.05 (1.23)	0.07 (1.24)	Female	79.643 (0.483)	86.111 (5.765)	6.468 (5.785)
W-4 Allowances	1.47 (0.09)	1.69 (0.27)	0.23 (0.28)	Southern Region	58.291 (0.592)	75.000 (7.218)	16.709 (7.242)**
Age	34.29 (0.18)	34.35 (1.92)	0.06 (1.93)	Store Size	43.71 (0.16)	42.44 (1.88)	−1.26 (1.88)
N	6,941	36	–	N	6,941	36	–

Note: Descriptive statistics for sample one week prior to the implementation of treatment. The first column corresponds to employees that do not enroll in the Advance EITC, while the second column corresponds to employees that do enroll in the Advance EITC program following the treatment. The third column reports the difference between the two. Shares are reported in percentage terms (i.e. 401(k) participation for non-enrollees should be interpreted as 45.1 *percentage points*). Robust standard errors are reported in parentheses. Standard errors for median wages are calculated via the bootstrap method.
*Significantly different from 0 at the 10-percent level.
**Significantly different from 0 at the 5-percent level.
***Significantly different from 0 at the 1-percent level.

TABLE A.9—TREATMENT EFFECT BY WEEKLY HOURS

	(1)	(2)	(3)	(4)	(5)	(6)
	Low Hour Employees			*High Hour Employees*		
Advance EITC Only Treatment	0.151 (0.198)	0.150 (0.199)	0.120 (0.196)	0.721 (0.352)*	0.754 (0.350)**	0.759 (0.344)**
Advance EITC & 401(k) Treatment	0.787 (0.685)	0.778 (0.686)	0.739 (0.673)	0.623 (0.209)***	0.666 (0.209)***	0.676 (0.215)***
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
N	627	608	608	627	608	608

Note: Estimated treatment effects for Advance EITC participation as described in the appendix. The treatment effects are separately estimated for "Low" and "High" hour Employees. "Low" hour employees have a below median, average weekly hours, while "High" hour employees are above the median. Point estimates are reported in terms of percentage points (i.e. the estimate from the first row of Column (1) should be interpreted as an increase in Advance EITC participation of 0.4 *percentage points*). The estimates in Panel A use two observations per district, in a Difference-in-Difference regression, while those in Panel B use a panel of district-level observations from weeks prior to and after thet treatment implementation. Standard errors, clustered at the district level, are reported in parentheses.
*Significantly different from 0 at the 10-percent level.
**Significantly different from 0 at the 5-percent level.
***Significantly different from 0 at the 1-percent level.

Table A.10—Treatment Effect by Tenure

	(1)	(2)	(3)	(4)	(5)	(6)
	Low Tenure Employees			*High Tenure Employees*		
Advance EITC	0.681	0.660	0.684	0.359	0.403	0.375
Only Treatment	(0.396)	(0.389)	(0.373)	(0.167)**	(0.140)**	(0.137)**
Advance EITC &	1.071	1.088	1.043	0.517	0.529	0.531
401(k) Treatment	(0.697)	(0.690)	(0.684)	(0.148)***	(0.160)***	(0.175)***
Controls	No	Yes	Yes	No	Yes	Yes
Interactions and Polynomials	No	No	Yes	No	No	Yes
N	627	608	608	627	608	608

Note: Estimated treatment effects for Advance EITC participation as described in the appendix. The treatment effects are separately estimated for "Low" and "High" tenure Employees. "Low" tenure employees have a below median tenure as measured in a baseline week preceding the treatment, while "High" hour employees are above the median. Point estimates are reported in terms of percentage points (i.e. the estimate from the first row of Column (1) should be interpreted as an increase in Advance EITC participation of 0.7 *percentage points*) The estimates in Panel A use two observations per district, in a Difference-in-Difference regression, while those in Panel B use a panel of district-level observations from weeks prior to and after the treatment implementation. Robust standard errors are reported in parentheses.
*Significantly different from 0 at the 10-percent level.
**Significantly different from 0 at the 5-percent level.
***Significantly different from 0 at the 1-percent level.

TABLE A.11—BASELINE CHARACTERISTICS OF OUTLIER DISTRICTS

	Treatment Districts	Outlier District 1	Outlier District 2		Treatment Districts	Outlier District 1	Outlier District 2
Advance EITC Participation	0.228 (0.076)	0.514 (0.363)	0.249 (0.249)	Hispanic	28.792 (0.720)	40.360 (2.488)***	34.913 (2.381)**
401(k) Participation (Among those eligible)	46.286 (1.193)	41.451 (3.549)	46.111 (3.718)	Black	23.079 (0.670)	7.969 (1.374)***	36.908 (2.411)***
401(k) Contribution Rate	5.900 (0.200)	7.100 (0.600)*	6.800 (0.900)	Asian	6.850 (0.402)	20.566 (2.050)***	6.484 (1.230)
401(k) Eligibility Rate	44.237 (0.790)	49.614 (2.536)**	44.888 (2.485)	Native American	0.859 (0.147)	0.514 (0.363)	0.998 (0.496)
Tenure	2.752 (0.063)	2.362 (0.158)**	2.917 (0.197)	Married	29.828 (0.728)	35.219 (2.423)**	27.182 (2.222)
Median Wage	7.493 (0.032)	8.101 (0.123)***	7.285 (0.208)	Female	79.879 (0.638)	69.666 (2.332)***	83.042 (1.875)
Weekly Hours	25.366 (0.206)	26.428 (0.572)*	26.931 (0.596)**	Southern Region	69.767 (0.730)	0.000 (0.000)***	100.000 (0.000)***
W-4 Allowances	1.654 (0.146)	1.116 (0.074)***	0.955 (0.253)**	Store Size	43.473 (0.189)	54.391 (0.856)***	44.913 (0.815)*
Age	34.407 (0.243)	34.313 (0.772)	32.722 (0.722)**	Weekly Turnover Rate	0.355 (0.095)	0.771 (0.444)	0.249 (0.249)
N	3,959	389	401	N	3,956	389	401
Districts	10	1	1	Districts	10	1	1

Note: Descriptive statistics for sample one week prior to the implementation of treatment. The first column corresponds to employees in all treatment districts, except for two. The second and third columns correspond to employees in two "Outlier" districts that experienced exceptional growth in Advance EITC participation following the first phase of the treatment. Shares are reported in percentage terms (i.e. Advance EITC participation in the first Column should be interpreted as 0.2 *percentage points*). Robust standard errors are reported in parentheses. Standard errors for median wages are calculated via the bootstrap method.

*Significantly different from other treatment districts at the 10-percent level.

**Significantly different from other treatment districts at the 5-percent level.

***Significantly different from other treatment districts at the 1-percent level.

TABLE A.12—BASELINE CHARACTERISTICS OF STORES BY ENROLLMENT CHANGE

	Zero Change Stores	Positive Change Stores		Zero Change Stores	Positive Change Stores
Advance EITC Participation	0.238 (0.079)	0.310 (0.179)	Hispanic	29.717 (0.744)	32.368 (1.505)
401(k) Participation (Among those eligible)	46.556 (1.216)	43.052 (2.364)	Black	23.207 (0.687)	22.234 (1.337)
401(k) Contribution Rate	6.000 (0.200)	6.500 (0.400)	Asian	7.806 (0.436)	8.480 (0.896)
401(k) Eligibility Rate	44.562 (0.809)	45.398 (1.601)	Native American	0.662 (0.132)	1.551 (0.397)**
Tenure	2.741 (0.063)	2.707 (0.128)	Married	29.293 (0.740)	32.989 (1.512)**
Median Wage	7.500 (0.000)	7.453 (0.114)	Female	79.254 (0.660)	79.524 (1.298)
Weekly Hours	25.379 (0.209)	26.394 (0.391)**	Southern Region	65.705 (0.772)	70.114 (1.472)***
W-4 Allowances	1.505 (0.134)	1.728 (0.306)	Store Size	44.137 (0.207)	45.870 (0.471)***
Age	34.165 (0.247)	34.614 (0.487)	Weekly Turnover Rate	0.451 (0.109)	0.104 (0.104)**
N	3,779	967	N	3,779	967
Stores	99	25	Stores	99	25

Note: Descriptive statistics for sample one week prior to the implementation of treatment. The first column corresponds to employees in treatment stores that experienced zero net Advance EITC enrollment, while the second column corresponds to employees in treatment stores that experienced positive, net Advance EITC enrollment. Shares are reported in percentage terms (i.e. Advance EITC participation in the first Column should be interpreted as 0.2 *percentage points*). Robust standard errors are reported in parentheses. Standard errors for median wages are calculated via the bootstrap method.
*Significantly different from zero change stores at the 10-percent level.
**Significantly different from zero change stores at the 5-percent level.
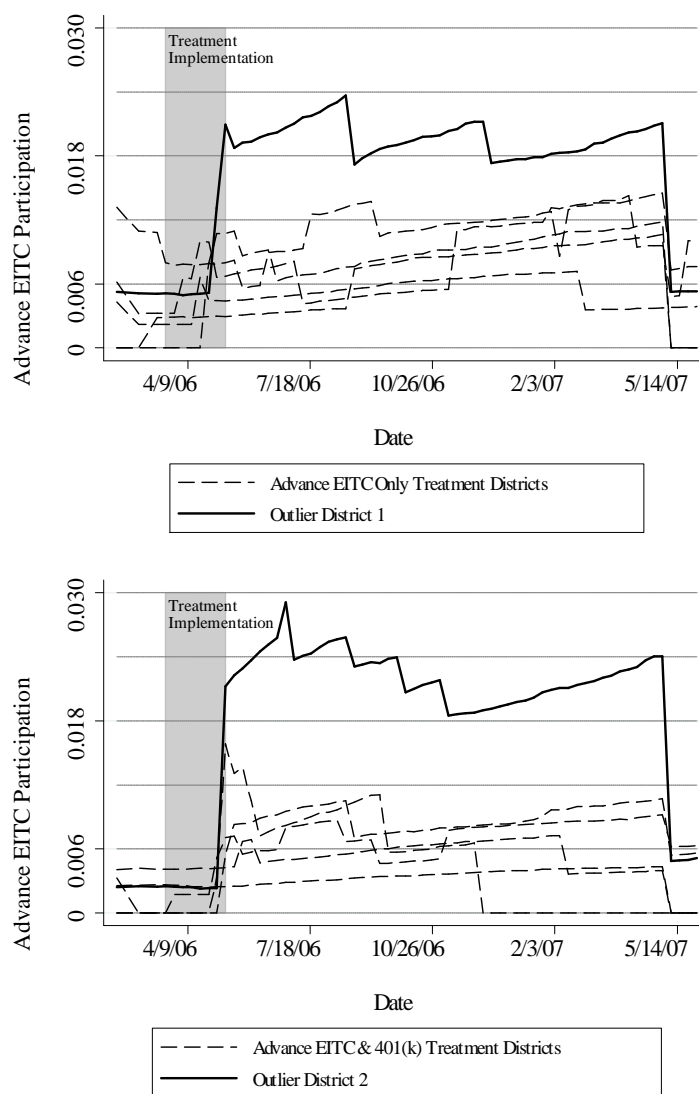***Significantly different from zero change stores at the 1-percent level.

FIGURE A.1. ADVANCE EITC PARTICIPATION BY DISTRICT

Note: Advance EITC participation rates by district, among all hourly employees, including non-eligible employees. The topt panel displays participation rates for the "Advance EITC Only" treatment group, while the bottom panel displays participation rates for the "Advance EITC and 401(k)" treatment group. Two districts with relatively high growth in participation, "Outlier District 1" and "Outlier District 2", are separately identified. Shaded areas denote the treatment implementation period.
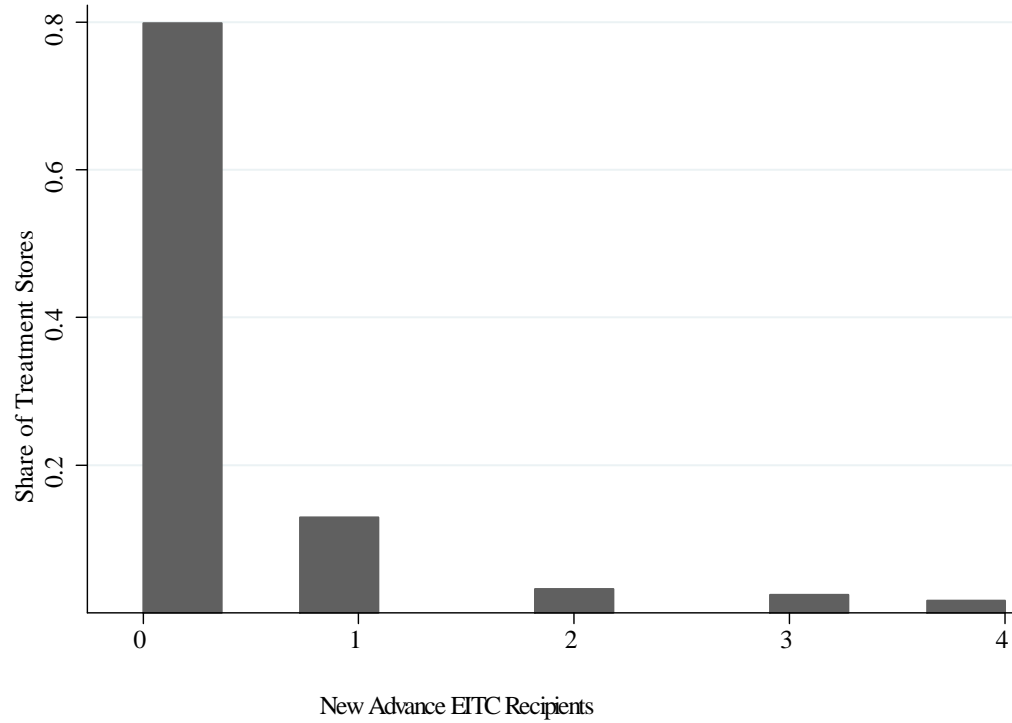
FIGURE A.2. DISTRIBUTION OF STORE-LEVEL ADVANCE EITC ENROLLMENT CHANGES

Note: Distribution of the net change in Advance EITC enrollment at the store level, following the implementatoni of the treatment. Changes are shown for stores in the "Advance EITC Only" and "Advance EITC and 401(k)" treatment groups.
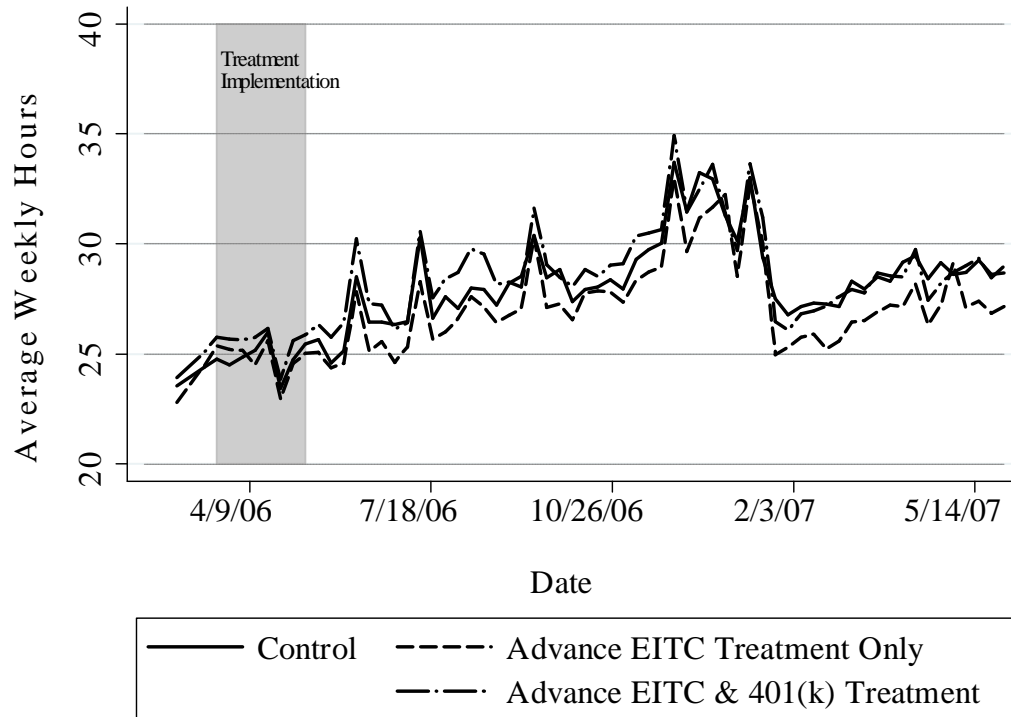
FIGURE A.3. AVERAGE WEEKLY HOURS BY TREATMENT GROUP

Note: Average weekly hours worked by treatment group. Shaded area denotes the treatment
implementation period.
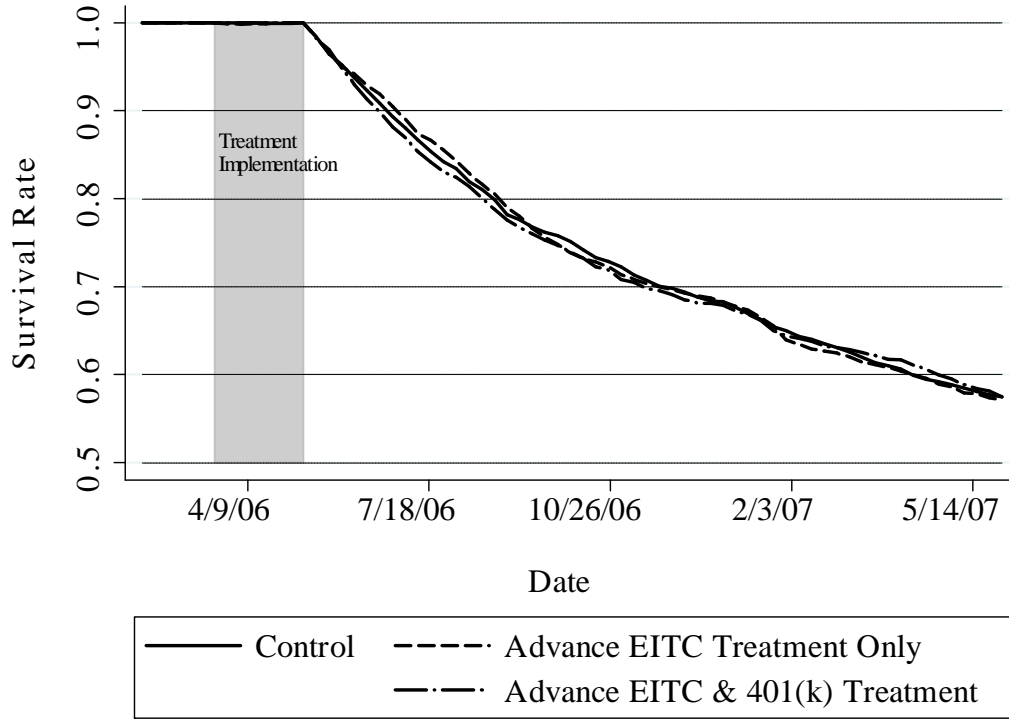
FIGURE A.4. SURVIVAL BY TREATMENT GROUP

Note: Survival probability by treatment group. Survival is defined as the probability of being presently employed with the firm, conditional on having been present in the firm at the time of the first phase of the treatment.

Advance Earned Income Tax Credit (EITC)
2006 Outreach Campaign

INTENT: To encourage participation in the Advance EITC program.

PROCESS: 1. Show Advance EITC Video to every associate during the next two weeks.
2. Provide Advance EITC brochure and W-5 form to every associate.
3. Ask *all* associates to hand in a form, checking "no" if they are not interested.
4. Answer questions and help associates enroll using the tables below.
5. Remind associates of Advance EITC during week following video showing.

TALKING POINTS	**What is the Advance EITC?**
	A **tax credit** that allows associates to take home up to $30 extra per week as a partial advance on the Earned Income Tax Credit (EITC) they file with their tax return the following year.
	Who is eligible for the Advance EITC?
	Associates who:
	1. Expect to earn less than $32,000 ($34,000 if married filing jointly)
	2. Have at least one qualifying child
	3. Expect to qualify for the EITC
	(See *Advance EITC Checklist* on reverse side for more details)
	What are the benefits of the Advance EITC?
	• Extra cash for rent, groceries, shopping, transportation, and other day-to-day needs
	• Extra money to pay off debt
	• Extra money to put into savings
	How do associates sign up for the Advance EITC?
	• Verify eligibility by using the *Advance EITC Checklist*
	• Complete W-5 form
	• Submit W-5 Form to a Member of Management for forwarding to Payroll

FIGURE A.5. "ADVANCE EITC ONLY" STORE MANAGER INSTRUCTIONS - P. 1

Advance EITC Checklist	
Income limit	• $32,000 • $34,000 if married filing jointly
At least one qualifying child	• son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister or a descendant of any of these • under age 19 at the end of 2006 • under age 24 at the end of 2006, if a full time student • any age if permanently and totally disabled at any time during 2006 • lives with associate in the United States for more than half of 2006 • no one else is claming the child as a dependent for tax purposes
Eligible for the EITC this tax year	• taxpayer, spouse, and qualifying children have valid SSNs • filing status is *not* "married filing separately" • not filing Form 2555 (dealing with foreign earned income) • no more than $2,800 in investment income • taxpayer and spouse not claimed by someone else as a qualifying child
Note: If, during the year, an associate no longer expects to qualify for earned income tax credit, a new Form W-5 must be completed and sent to Payroll so that advance payments are stopped. If this is not done, the associate may have to pay money back during tax filing season.	

FIGURE A.6. "ADVANCE EITC ONLY" STORE MANAGER INSTRUCTIONS - P. 2

Advance Earned Income Tax Credit (EITC)/ 401(k)
2006 Outreach Campaign

INTENT: To encourage participation in the Advance EITC program in combination with the 401(k) Savings Plan.

PROCESS: 1. Show Advance EITC/401(k) Video to every associate during the next two weeks.
2. Provide Advance EITC/401(k) brochure, W-5, Easy Enrollment, and Beneficiary form to every associate.
3. Ask *all* associates to hand in a **W-5** form, checking "no" if they are not interested.
4. Answer questions and help associates enroll using the tables below.
5. Remind associates of Advance EITC/401(k) during week following video showing.

TALKING POINTS	**What is the Advance EITC?** A **tax credit** that allows associates to take home up to $30 extra per week as a partial advance on the Earned Income Tax Credit (EITC) they file with their tax return the following year. **How does the Advance EITC work with the 401(k) Savings Plan?** The Advance EITC increases take home pay by as much as 20%. By simultaneously signing up for the 401(k) Savings Plan, associates can start saving for retirement without reducing their take home pay. **Who is eligible for the Advance EITC?** Associates who: 1. Expect to earn less than $32,000 ($34,000 if married filing jointly) 2. Have at least one qualifying child 3. Expect to qualify for the EITC (See *Advance EITC/401(k) Checklist* on reverse side for more details) **Who is eligible for the 401(k) Savings Plan?** Associates who: 1. Are at least 21 years old 2. Have worked at least 1,000 hours in a given year from the first day of employment **What are the benefits of the Advance EITC/401(k)?** • Extra cash for rent, groceries, shopping, transportation, and other needs • Extra money to pay off debt • Extra money to put into savings, including the 401(k) Savings Plan • 401(k) savings are matched by XXX for up to 5% of earnings **How do associates sign up for the Advance EITC/401(k)?** • Verify eligibility by using the *Advance EITC/401(k) Checklist* • Complete W-5, Easy Enrollment, and Beneficiary forms (See *Advance EITC-401(k) Converter* on reverse page) • Submit forms to a Member of Management for forwarding to Payroll

FIGURE A.7. "ADVANCE EITC & 401(K)" STORE MANAGER INSTRUCTIONS - P. 1

Advance EITC Checklist	
Income limit	• $32,000 • $34,000 if married filing jointly
At least one qualifying child	• son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister or a descendant of any of these • under age 19 at the end of 2006 • under age 24 at the end of 2006, if a full time student • any age if permanently and totally disabled at any time during 2006 • lives with associate in the United States for more than half of 2006 • no one else is claming the child as a dependent for tax purposes
Eligible for the EITC this tax year	• taxpayer, spouse, and qualifying children have valid SSNs • filing status is *not* "married filing separately" • not filing Form 2555 (dealing with foreign earned income) • no more than $2,800 in investment income • taxpayer and spouse not claimed by someone else as a qualifying child

Note: If, during the year, an associate no longer expects to qualify for earned income tax credit, a new Form W-5 must be completed and sent to Payroll so that advance payments are stopped. If this is not done, the associate may have to pay money back during tax filing season.

401(k) Checklist	
Minimum age	• At least 21 years old
Minimum Hours	• At least 1,000 hours in a given year from first day of employment

Note: If associates are already enrolled in the 401(k) Savings Plan and would now like to increase their contribution rate, they may call XXX at 1-800-xxx-xxx, or visit www.XXX.com or www.XXX.com.

Advance ETIC – 401(k) Converter

Instructions: If an associate decides to sign up for the Advance EITC, use the following table to figure out how much can be contributed to the 401(k) Savings Plan without reducing take home pay.

	Single		Married		Married w/ two earners	
Average Weekly Pay	Advance EITC Increase	Safe 401(k) Contribution	Advance EITC Increase	Safe 401(k) Contribution	Advance EITC Increase	Safe 401(k) Contribution
$20 - $100	15%	5%	15%	5%	15%	5%
$100 - $150	20%	5%	20%	5%	10%	5%
$150 - $200	15%	5%	15%	5%	5%	2%
$200 - $300	10%	5%	10%	5%	2%	0%
$300 - $400	5%	2%	5%	2%	0%	0%
$400 - $500	2%	0%	2%	0%	0%	0%

FIGURE A.8. "ADVANCE EITC & 401(K)" STORE MANAGER INSTRUCTIONS - P. 2

THE ADVANCE EARNED INCOME TAX CREDIT

Get Next Year's REFUND In This Week's PAYCHECK

What is the Advance EITC?

Boost your take home pay by as much as $30 each week by filing for the Advance EITC! This tax credit allows associates who are raising at least one child to get a part of their tax refund earlier, with each paycheck. You receive the rest when you file your tax return.

How do I sign up?

1. Verify your eligibility
2. Complete the attached W-5 form
3. Submit the W-5 form to your Operations Manager

You can sign up for the Advance EITC at anytime.

Advance EITC Checklist

☑ You expect to earn less than $32,000 this year, or $34,000 if you are married filing jointly

☑ You have at least one qualifying child (See attached W-5 form)

☑ You expect to qualify for the EITC (See attached W-5 form)

If you have checked all boxes, you qualify!

Things to Remember:

- If you become ineligible for the Advance EITC, you must hand in another W-5 form to stop the payments.
- You can only receive Advance EITC payments from one employer.
- If you are married, and your spouse is working, you both must hand in a W-5 form.
- If you receive the Advance EITC, you must file a tax return next year.
- You must renew the Advance EITC at the beginning of every year if you wish to continue the payments.
- Bottom line, be sure that you are eligible. You will have to pay the money back to the IRS if you incorrectly receive payments!

FIGURE A.9. "ADVANCE EITC ONLY" FLIER

THE ADVANCE EARNED INCOME TAX CREDIT AND 401(k) SAVINGS PLAN

Get Next Year's REFUND In This Week's PAYCHECK & Start Saving For RETIREMENT

What is the Advance EITC?

Boost your take home pay by as much as $30 each week by filing for the Advance EITC! This tax credit allows associates who are raising at least one child to get a part of their tax refund earlier, with each paycheck. You receive the rest when you file your tax return.

PLUS: Put your Advance EITC payment into a 401(k) Savings Plan and start saving for retirement without lowering your paycheck!

How do I sign up?

1. Verify your eligibility
2. Complete the attached W-5 and Easy Enrollment forms
3. Submit the forms to your Operations Manager

You can sign up for the Advance EITC at anytime.

Advance EITC Checklist

☑ You expect to earn less than $32,000 this year, or $34,000 if you are married filing jointly

☑ You have at least one qualifying child (See attached W-5 form)

☑ You expect to qualify for the EITC (See attached W-5 form)

If you have checked the above boxes, you qualify for the Advance ETIC!

401(k) Checklist

☑ You are at least 21 years old

☑ You have worked at least 1,000 hours in a given year from the first day of your employment

If you have checked these additional boxes, you may also qualify for the 401(k) Savings Plan!

Things to Remember:

• If you become ineligible for the Advance EITC, you must hand in another W-5 form to stop the payments.

• You can only receive Advance EITC payments from one employer.

• If you are married, and your spouse is working, you both must hand in a W-5 form.

• If you receive the Advance EITC, you must file a tax return next year.

• Once you have enrolled in the 401(k) Savings Plan, you remain in the program, while you must renew the Advance EITC at the beginning of every year.

• Check with your Operations Manager to find out how to combine the Advance EITC and the 401(k) Saivings Plan.

• Bottom line, be sure that you are eligible. You will have to pay the money back to the IRS if you incorrectly receive payments!

FIGURE A.10. "ADVANCE EITC AND 401(K)" FLIER

401(k) Savings Plan
EASY Enrollment Form

Instructions: Complete sections 1, 2, 3 and 4 below.
Complete a 401(k) Beneficiary Designation form.

Return your completed form to your manager or directly to XXX.

1. Associate Information

   Social Security Number   _____

   Name (please print)   _____

2. Your Pre-tax Savings Amount

   Select the amount you would like to contribute from your paycheck each pay period to your
   401(k) Savings Plan. The amount you contribute, up to the first 5% of your pay, is eligible for the
   Company match contributions.

   ☐ 1%   ☐ 2%   ☐ 3%   ☐ 5%   ☐ 7%   ☐ 10%   ☐ _____

                                                                        other (up to 50%)

3. Your Portfolio Selection

   Note: In order to assist you in making your investment allocations, XXX, an
   independent securities firm, was retained by XXX to create four model
   portfolios for your consideration. Each portfolio has been designed to diversify investments based
   on a specific investment goal (conservative to aggressive). Simply select the portfolio that most
   closely fits your situation. Please see the reverse side of this form for descriptions of the following
   investment options. The model you choose will apply to both your contribution as well as to the
   Company match.

   ☐ Model A: Conservative Portfolio

   ☐ Model B: Moderate/conservative Portfolio

   ☐ Model C: Moderate/aggressive Portfolio

   ☐ Model D: Aggressive Portfolio

4. Your Signature

   Signature: _____   Date: _____

Please don't forget to complete your Beneficiary Designation form.
Please return these two forms to: XXX.   701

Please Turn Over   rev. 12/2004

FIGURE A.11. 401(K) EASY ENROLLMENT FORM - P. 1

EASY Portfolios

Under the Plan, you are responsible for directing the investment of your account. The EASY Portfolios illustrated below are already diversified among stocks and fixed income, based on a particular investment style (conservative to aggressive). Your time horizon (how long before you need your money), retirement needs, and willingness to accept risk are matched with the funds chosen for each of these portfolios. The portfolios were developed by XXX, designated financial advisors, by considering historical performance and investment objectives of each of the funds. At least semi-annually, the Plan's ERISA Committee, with guidance from XXX, Inc., will evaluate each fund against the Plan's Investment Policy. A fund that does not continue to meet the selection criteria will be subject to review and replacement. If you select one of the model portfolios as your Investment Option, that portion of your account will be rebalanced at least annually to ensure that your allocation will remain invested in accordance with the model you selected.

EASY Portfolios	Model A: Conservative Portfolio	Model B: Moderate Conservative Portfolio	Model C: Moderate Aggressive Portfolio	Model D: Aggressive Portfolio
	80% Fixed Income/Bonds 20% Stocks	60% Fixed Income/Bonds 40% Stocks	40% Fixed Income/Bonds 60% Stocks	20% Fixed Income/Bonds 80% Stocks
Portfolio Description	The Conservative Portfolio is designed for an investor who has a relatively short time-horizon. The conservative investor is looking for a stable investment with low volatility (up and down swings in value). The goal of this portfolio is preservation of assets, and stability of principal is the primary consideration.	This portfolio is designed for an investor with an intermediate time horizon (5-10 years until you need your money). The moderate/conservative investor would like some opportunity for modest growth with less than average volatility. This model is designed for the investor who can tolerate some risk, and is willing to accept moderate returns.	This portfolio is designed for an investor with an intermediate time horizon (5-15 years until you need your money). The moderate/aggressive investor is willing to tolerate up and down swings in value in exchange for long-term growth potential.	The Aggressive Portfolio is designed for an investor with a long time horizon (15 or more years until you need your money). The aggressive investor is looking for greater than average long-term returns. Growth of capital is the primary consideration and this investor is willing to ride out market swings.
	40% Stable Value (UBOC Stable Value Fund) 40% Bonds (Dreyfus Interm Income Fund) 10% Large Value (Fidelity Adv Equity Income) 5% Large Growth (American Funds Growth Fund of America A) 5% International (American Funds EuroPacific Growth)	30% Stable Value (UBOC Stable Value Fund) 30% Bonds (Dreyfus Interm Income Fund) 15% Large Value (Fidelity Adv Equity Income) 15% Large Growth (American Funds Growth Fund of America A) 5% Small/Mid Cap (Lord Abbett Small-Cap Value) 5% International (American Funds EuroPacific Growth)	10% Stable Value (UBOC Stable Value Fund) 30% Bonds (Dreyfus Interm Income Fund) 20% Large Value (Fidelity Adv Equity Income) 20% Large Growth (American Funds Growth Fund of America A) 10% Small/Mid Cap (Lord Abbett Small-Cap Value) 10% International (American Funds EuroPacific Growth)	20% Bonds (Dreyfus Interm Income Fund) 25% Large Value (Fidelity Adv Equity Income) 25% Large Growth (American Funds Growth Fund of America A) 20% Small/Mid Cap (15% Lord Abbett Small-Cap Value) (5% Dreyfus Mid Cap Value) 10% International (American Funds EuroPacific Growth)

Note: The above allocations will apply to both your own as well as employer match contributions.

Past performance does not guarantee future results.

This is for informational purposes only and is not intended to be used as the primary basis of investment decisions. Due to individual client requirements, it should not be construed as advice designed to meet the particular needs of any investor. Securities products and services are offered through XXX, Inc.

Mutual funds are sold by prospectus. The prospectus contains more complete information, including investment objectives, risks, changes and expenses, which should be carefully considered before investing. Please read it carefully before investing.

FIGURE A.12. 401(K) EASY ENROLLMENT FORM - P. 2