

## **Supporting Statement for Studies of Board Publications (FR 1373a,b; OMB No. 7100-0301)**

### **Summary**

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend, without revision, the voluntary Studies of Board Publications (FR 1373a,b; OMB No. 7100-0301). This series consists of two distinct studies: The Study of Current Consumer Education Resource Materials (FR 1373a) and The Study of Users of Selected Board Publications (FR 1373b). The Federal Reserve uses the FR 1373a to: 1) conduct periodic reviews and evaluations of the consumer education materials and 2) develop and evaluate consumer education materials under consideration for distribution. Respondents for the FR 1373a are community-based educators, key stakeholders, and other educators who have previously requested consumer education materials from the Federal Reserve. The Federal Reserve conducts the FR 1373a once or twice a year in the form of a written survey and once a year in the format of a guided discussion with up to three groups of fifteen respondents.

The Federal Reserve uses the FR 1373b to help evaluate other Federal Reserve publications. The Federal Reserve uses the FR 1373b data to help determine if the Federal Reserve should continue to issue certain publications and, if so, whether the public would like to see changes in the method of information delivery, frequency, content, format, or appearance. The respondents for the FR 1373b are current subscribers of the publications being surveyed. The Federal Reserve anticipates conducting approximately eight studies per year.

The annual reporting burden for FR 1373a,b is estimated to be 748 hours. A sample survey and guided discussion for the FR 1373a are presented in Attachment 1. A sample publication survey for the FR 1373b is presented in Attachment 2.

### **Background and Justification**

#### *FR 1373a*

The Federal Reserve explores alternatives to regulation for providing consumer protection in retail financial services. The program focuses on bringing research information to bear more directly on the policymaking process, both in the formation of consumer regulations and in the implementation of outreach initiatives to consumers and financial service providers.

In addition to the role played by regulation, the Federal Reserve's model of consumer protection includes voluntary disclosure and compliance from financial institutions as well as consumer information and education. The Federal Reserve targets both sides of the marketplace and uses a broad model of consumer protection that recognizes the contribution of voluntary compliance, regulation, and consumer education. The Federal Reserve seeks to develop and implement policies based on sound information garnered from both consumers and financial institutions and to enable consumers to make financial decisions based on sound information and a clear understanding of how to use that information to meet their personal needs.

A key component of the Consumer Education and Research program involves developing educational resources for use by community-based educators. Recent initiatives include the Mortgage Comparison Calculator. In addition, the Federal Reserve has worked on several interagency consumer education initiatives including *Protecting Yourself from Overdraft and Bounced-Check Fees* and *Interest-Only Mortgage Payments and Payment-Option ARMs: Are They for You?* The Federal Reserve anticipates future consumer education outreach efforts on topics such as mortgage refinancing, electronic banking, and bank account choices. Recent reviews of existing publications included the *Consumer's Handbook on Adjustable-Rate Mortgages*.

From time to time the Federal Reserve conducts focus groups or guided discussions with groups of up to fifteen respondents. For example, topics related to payroll card use or credit card disclosures can be better addressed in focused discussions on the materials to be included and the design formats to be utilized in the final products. The goal for such focused discussions is to identify what issues consumers want addressed and how they would like to receive this information. The Federal Reserve works with community groups or other appropriate stakeholders to recruit small groups of consumers to serve as voluntary respondents. These group discussions may take up to ninety minutes.

As the Federal Reserve develops and disseminates resources to educators, it is important to know whether these resources are meeting the needs of consumers. This means asking educators and key stakeholders to identify key issues and to review and evaluate drafts of materials as well as asking for their assessment of existing materials as the staff updates them. Survey and other study data help gauge their effectiveness. The information requested is not available from any other source.

#### *FR 1373b*

In the spring 2000, the Federal Reserve conducted two one-time surveys regarding the Federal Reserve's publication activities: a Customer Satisfaction Survey of *Federal Reserve Bulletin* Subscribers (FR 1371) and a Customer Satisfaction Survey of Publication Subscribers (FR 1372). The latter survey solicited comments on the quality of the customer service provided by the Federal Reserve's former Publications Services Section. The data were used to assess whether the needs of the Federal Reserve's subscribers were being met in a courteous and expeditious manner and whether changes should be made to the ordering and payment policies and processes in order to increase efficiency and customer satisfaction.

The Customer Satisfaction Survey of *Federal Reserve Bulletin* Subscribers solicited comment on the content and usefulness of the Federal Reserve's monthly *Bulletin* from a sample of subscribers. The Federal Reserve focused on the *Bulletin* because it had about 10,000 subscribers and because the Federal Reserve devotes substantial resources to this longstanding publication. In response to the survey results and the increased use of the Internet to access information, the *Bulletin* is now published on the Federal Reserve's public website<sup>1</sup> (PubWeb) on a continuing basis and the quarterly paper version is no longer in print. Subscribers receive

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<sup>1</sup><http://www.federalreserve.gov/pubs/bulletin/default.htm>

an automated alert via the Federal Reserve's e-mail notification service. The tables that appeared in the Financial and Business Statistics section of the *Bulletin* are now published monthly as a separate print publication titled *Statistical Supplement to the Federal Reserve Bulletin*. Subscribers were given the option of accessing an electronic version of the publication free of charge or continuing to receive the print version for an annual subscription rate. The combination of these initiatives has reduced the Federal Reserve's production, print, and distribution costs, while enhancing the availability of some of the content on Pub Web. Surveys conducted under FR 1373b over the next three years would be similar in purpose and usage to the *Bulletin* survey but would focus on obtaining feedback on other Federal Reserve publications from both print and PubWeb users, as appropriate.

### **Description of Information Collection**

Each study includes communication from the Federal Reserve encouraging the prospective volunteer respondents to participate and respond to the survey or study. Survey forms are customized for the resource material or publication under review. Specific questions cover content, format, and media. Currently, the surveys and studies are conducted in either a traditional paper-based form, or electronically (e-mail or web-based).

#### *FR 1373a*

The questions in the FR 1373a studies and surveys are tailored for the materials being evaluated. The specific questions vary depending on:

- 1) whether the material is an existing piece or one that is in development,
- 2) the media under evaluation (video, calculator, brochure, website materials),
- 3) the subject matter or topic, and
- 4) the anticipated respondent panel.

In general, the questions cover both the educators' materials and materials provided to consumers. The Federal Reserve expects the educator to respond on behalf of consumers rather than have the educator solicit consumer responses, although in some instances the Federal Reserve may opt to involve consumers directly by working through community groups. In addition to some open-ended questions, forms of ordinal scales (such as a Likert scale) or ranking scales are used to ascertain the respondent's view on the degree to which the resource fits a particular criterion (for example, "On a scale of 1 (too small) to 5 (ideal), how would you rate the size of the print?"). Most surveys are designed for completion in less than thirty minutes.

The Federal Reserve has a network of consumer educator and community group contacts, including educators who have requested existing resources from the division. This information is used to draw up volunteer respondent panels for upcoming studies. Depending on the number of educators who have requested a particular resource material, the Federal Reserve either draws a non-statistical sample or prepares a mailing to all educators who have obtained copies of the resource material scheduled for review. In field-testing new materials, the Federal Reserve solicits volunteers (from the Federal Reserve database) to review the materials and respond to the

survey. All volunteer reviewers are encouraged to return surveys on the materials; however, participation is voluntary. Experience with previous mail surveys and e-mail requests for review indicates that it is reasonable to expect a 25 percent response rate from mailed surveys and about a 10 percent response rate from e-mail solicitations.

Every year the Federal Reserve conducts internal reviews of one or two current resources prior to making any significant revisions and reprinting. The Federal Reserve also develops one or two new resources that are dependent on emerging consumer issues, and on new laws and regulations with a consumer education component. Based on the internal review process and the ongoing need for information, the Federal Reserve selects one or two resources per year for an evaluation survey. The FR 1373a study is conducted when new materials are in the development and field-testing phases and when current materials are scheduled for revision and updating.

#### *FR 1373b*

The FR 1373b surveys solicit reader feedback on the Federal Reserve's publications that have public subscribers. Surveys vary somewhat based on the type of publication (manual, statistical release, periodic report, etc.) with questions tailored to the content of each publication. The surveys seek the public's views relative to four questions:

- How does the subscriber receive or access the publication.
- Is the content relevant and of value?
- Could the Federal Reserve improve the format/appearance of the print or electronic presentation? (Readability of type size or of charts and graphs; organization of information; ease of locating information through indexing, search tools, and links)
- Does the timing and frequency of the publishing schedule meet your needs?

The surveys are mailed to publication subscribers and contain open-ended questions. The surveys have been designed for completion in less than fifteen minutes. The Federal Reserve may also use variations of such questions to obtain voluntary public feedback from users of PubWeb. The Federal Reserve currently obtains such comments through a general feedback e-mail mechanism that appears at the end of certain PubWeb pages. Because such website comments are ad-hoc, burden estimates for such comments are not included in this justification.

Excluding the *Federal Reserve Bulletin*, the Federal Reserve has twenty-three print publications with public subscribers (banks, educators, libraries, government agencies, attorneys, individuals, etc.) that could be surveyed. The Federal Reserve has determined that surveys may be a worthwhile effort for about eleven publications. For five of the twenty-three publications (which average 255 subscribers), the respondent panel comprises the entire subscriber list for each publication. These subscribers are considered to be small-panel respondents. For the three publications with the largest number of subscribers (ranging from 849 to 2,096), the Federal Reserve applies a sampling approach and sends questionnaires to no more than 1,600 randomly selected subscribers per publication. These subscribers are considered to be large-panel respondents. Experience with previous mail surveys indicates that it is reasonable to expect a 25 percent response rate from all mailed surveys. The Federal Reserve anticipates conducting the

FR 1373b survey eight times per year, five times for the small-panel survey and three for the large-panel survey.

### **Time Schedule for Information Collection**

Once a study is implemented, data collection should take about six to eight weeks, with another six to eight weeks spent on analyzing the results. The responses to the evaluations would be tabulated and summarized as appropriate for assisting with materials development and publications updates. The data may be grouped with responses from other surveys. The Federal Reserve does not anticipate releasing or publishing the data.

### **Legal Status**

The Board's Legal Division has determined that the FR 1373a survey is authorized pursuant to the Federal Trade Commission Improvement Act (15 U.S.C. §57a(f)); also, the FR 1373b study is authorized pursuant to the Federal Reserve Act (12 U.S.C. §248(i)). Participation in the FR 1373a and b surveys is voluntary and the specific information collected is not considered confidential.

### **Estimates of Respondent Burden**

As shown in the burden table below, the respondent burden for the FR 1373a,b is estimated to be 748 hours annually. The Federal Reserve anticipates conducting one or two FR 1373a surveys per year with about 400 respondents. Each respondent should be able to complete the survey in thirty minutes. The Federal Reserve also anticipates conducting focus group or guided discussions once a year with about forty-five respondents. Each discussion should take ninety minutes. The Federal Reserve anticipates conducting the FR 1373b small-panel survey five times each year with an average of sixty-four respondents per survey and the large-panel survey three times each year with an average of 400 respondents to each survey. Each FR 1373b respondent should be able to complete the survey in fifteen minutes. The respondent numbers in the burden table below represent the expected number of survey responses. This represents less than 1 percent of total System burden for all Federal Reserve reports.

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	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b>FR 1373a</b>				
Survey	400	1.5	.5	300
Discussion groups	45	1	1.5	68
<b>FR 1373b</b>				
Small-panel	64	5	.25	80
Large-panel	400	3	.25	<u>300</u>
<i>Total</i>				748

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Based on a rate of \$18 per hour, the estimated cost to the public for the FR 1373 surveys is \$13,464.<sup>2</sup>

### **Cost to the Federal Reserve System**

The Federal Reserve would incur costs in terms of staff time; graphics and information technology services to develop any survey forms (both the print and electronic versions); printing, distributing, and mailing; posting on the web; and processing of the returned surveys. In the case of group discussions, participants may be provided a stipend for their participation. The cost would depend on the target groups involved (for example, consumers and community educators). Where necessary (for example, in the case of focus groups to help formulate a consumer resource), a statement of work, request for proposal, and competitive bidding process will be utilized. The total annual cost to the Federal Reserve System for this information collection is estimated to be \$36,000.

### **Consultation Outside the Agency**

On August 7, 2007, the Federal Reserve published a notice in the *Federal Register* (72 FR 44136) requesting public comment for sixty days on the extension, without revision, of the Studies of Board Publications. The comment period for this notice expired on October 9, 2007. The Federal Reserve received no comments. On October 19, 2007, the Federal Reserve published a final notice in the *Federal Register* (72 FR 59291).

### **Sensitive Questions**

These studies contain no questions of a sensitive nature, as defined by OMB guidelines.

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<sup>2</sup> According to the U.S. Department of Labor Bureau of Labor Statistics, 2002 Quarterly Census of Employment and Wages <http://www.bls.gov/cew/state2002.txt>

