

August 24, 2011- Non Material Change to No. 10

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT
SUBMISSION 1510-0074**

A. Justifications

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

In 2003, the Financial Management Service (FMS), a bureau of the Department of the Treasury (Treasury), requested the Federal Reserve Bank (FRB) of St. Louis (acting as Treasury's Fiscal Agent) to conduct research with Social Security Title II (SSA) and Supplemental Security Income (SSI) benefit payment recipients to identify barriers to significant increases in electronic funds transfer (EFT) for beneficiary payments. To perform this task, the FRB of St. Louis contracted with a national marketing firm and a research firm. The original study approved by OMB focused on Federal beneficiaries who receive their payments via checks. It was designed to uncover barriers to EFT use, probe preferred instruments for receiving payments and test product development, delivery mechanisms, and potential policy changes that may facilitate conversion to electronic payment instruments, primarily direct deposit. Follow up studies included qualitative testing of television and other types of advertising designed for the Social Security check recipient audience, and a telephone survey concerning attitudes toward direct deposit among general audience consumers. FMS has obtained OMB approval to conduct two surveys, one designed to find out what motivated a Social Security check recipient to contact the direct deposit call center and switch to direct deposit and the other to update information about attitudes toward direct deposit among general audience consumers.

The need for market research continues to arise from Congressional directive that accompanied legislation enacted in 1996, as part of the Debt Collection Improvement Act (Pub. L. No. 104-134), expanding the scope of check recipients required to use direct deposit to receive Federal benefit payments (see 31 U.S.C. 3332). Congress directed Treasury to “study the socioeconomic and demographic characteristics of those who currently do not have Direct Deposit and determine how best to increase usage among all groups.” 142 Cong. Rec. H4090 (daily ed. April 25, 1996).

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The information collected pursuant to this collection of information has been, and will continue to be, used by FMS to increase the efficiency of FMS’s marketing campaign (known as *Go Direct*) to persuade check recipients to switch to direct deposit. The research has been used by FMS to target key markets and hone in on the types of communications and messages that will move the most benefit recipients to direct deposit. In year four of the *Go Direct* campaign (July 2008-June 2009), an estimated 1,139,489 enrollments from check to direct deposit were attributed to the campaign’s

efforts. FMS/Treasury estimates that these conversions will save the government \$126 million over the next ten years.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

For currently approved collections, respondents will be surveyed by telephone. Future collections may be done via focus groups, telephone, mail and/or electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

To the best of FMS/Treasury's knowledge, other federal government agencies have not conducted similar qualitative and quantitative research of individual federal benefit check recipients. Therefore, no duplication exists. FMS conducts no more than one or two studies per year. The studies are used to obtain new information, for example, either to update previous research, or in the case of one upcoming study, to study beneficiaries who, in fact, switched to direct deposit as a result of the *Go Direct* campaign. Because FMS's focus is on federal check recipients, private sector research involving includes check recipients of non-federal payments is not useful.

While there has been increased use of EFT for federal benefit payments over the past several years, the growth rate has been superseded by an increase in the total volume of benefit payments, keeping the EFT percentage stagnant. Further, FMS's campaign is critical given the expected increase in Social Security payments as a result of the retirement of the baby boomer generation, which began in 2008.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

FMS's studies to date, and anticipated studies in the future, involve individuals only. No small businesses or small entities will be impacted.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Without the continued collections requested or anticipated in the future, FMS/Treasury, the FRB of St. Louis and its selected contractor will continue to develop an EFT marketing/communications plan and subsequent EFT educational communications, public relations and marketing campaign without the benefit of data from the target audiences of federal benefit check recipients. The lack of qualitative and quantitative information will impair the effectiveness of the educational and marketing campaign intended to significantly accelerate the use of EFT for federal benefit payments. There are no technical or legal obstacles to reducing the

burden of the study but the development of the marketing/communications plan and the results and effectiveness of the subsequent campaign will be lessened.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner: *requiring respondents to report information to the agency more often than quarterly; *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; requiring respondents to submit more than an original and two copies of any document; etc.

There are no such special circumstances.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

FMS/Treasury published a Federal Register notice on September 17, 2009, [Vol. 74 No. 179 pp. 447856] soliciting comments on the information collection prior to this submission to OMB. FMS/Treasury did not receive any comments in response to the notice. The comment period closes on November 16, 2009.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

Survey respondents will not receive any payments or gifts from FMS/Treasury, the FRB of St. Louis, or Weber Shandwick or KRC Research.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Respondents are told that responses will remain confidential as required by law, the research is for statistical purposes only; and that their responses will not be shared individually with anyone, but will be grouped with other respondents. KRC Research assures the respondents that they will receive no solicitation as a result of their participation in the survey. It is standard procedure for KRC Research to not release information on specific respondents to its clients or to any other party. Upon completion of their research, the FRB of St. Louis, Weber Shandwick and KRC Research provide FMS/Treasury with a data diskette, containing a string of responses for each respondent, but does not include the respondents' name, address, telephone number or other identifying information. Therefore, it will not be possible for FMS/Treasury or the FRB of St. Louis to attribute any particular responses to a given individual.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their

consent.

FMS's studies do not require answers to any questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should: *indicate the number of respondents, frequency of response, annual hour burden; and an explanation of how the burden was estimated.

The estimated total annual burden is 7,500 hours for a total of 19,500 respondents. These estimates incorporate the most recently approved surveys involving 1,000 respondents and 218 burden hours, as follows: approximately 1,000 respondents to the baby boomer telephone survey will spend no more than 12 minutes answering the survey questions, for a total estimated burden of 218 hours. All of FMS's surveys require one-time responses only.

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

There are no costs to the respondents.

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

The total cost to the federal government for the most recently approved surveys is approximately \$43,000. This cost includes: survey design, pre-testing, translations, professional services, computer programming, data collection, data processing, analysis, report preparation and report presentation for all of the phases of the studies.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

There are no program changes or adjustments.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of the studies will be analyzed by the FRB of St. Louis, Weber Shandwick, and KRC Research, on behalf of FMS/Treasury. The FRB of St. Louis and Weber Shandwick and KRC Research will develop and submit a comprehensive report with an executive summary, including the results from the segmentation, driver analysis, ranking exercises and cross tab analyses. Weber Shandwick and KRC Research will present the results to FMS/Treasury and FRB of St. Louis team with a management summary and strategic imperatives, based upon identification of key

audiences, their defining characteristics and the factors that drive EFT acceptance. Depending on the research, a study report may be published for general distribution.

Additional information regarding analytical techniques and time schedules are provided to OMB with each request for survey clearance under this generic survey approval.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

FMS is not seeking approval to not display the expiration date for OMB approval of information collection.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

There are no exceptions to the certification statement in Form 83-1, Item 19.

B. Collections of Information Employing Statistical Methods

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

Potential respondent universe, sampling/respondent selection methods, and expected response rates vary depending upon the survey. Potential respondents could be selected from FMS databases containing information about Federal benefit check recipients, individuals who have contacted the direct deposit call center about direct deposit, or national random digit dial sample using Nielsen’s Designated Market Area to define targeted markets.

2. Describe the procedures for the collection of information including:

- **Statistical methodology for stratification and sample selection,**
- **Estimation procedure,**
- **Degree of accuracy needed for the purpose described in the justification,**
- **Unusual problems requiring specialized sampling procedures, and**
- **Any use of periodic (less frequently than annual) data collection cycles to reduce burden.**

Procedures for collection of information vary depending upon the survey. Sample selection can be pulled from FMS’s check recipient database, national random digit dial sample, random sample of Federal benefit recipients who have switched from check to direct deposit through the direct deposit call center or web site and have agreed to participate in a survey. All collections are one-time collections/surveys. Any unusual problems are addressed in a particular survey.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

Various methods are used to maximize response rates and to deal with issues of non-response. Collectors will screen respondents to verify that the respondents meets the sample criteria. As appropriate, a number of oversample interviews may be conducted to ensure adequate number of responses, surveys are translated into Spanish to facilitate interviewing Spanish speaking respondents, formatted surveys will be tested for readability, non-telephone surveys may offer a telephone or electronic option, etc.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.

Pre-tests are generally conducted for all collections. Procedures and methods will vary depending upon the particular collection involved.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

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