

**Supporting Statement for the  
2013 Survey of Consumer Finances  
(SCF; FR 3059; OMB No. 7100-0287)**

## **Summary**

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to pretest and execute the 2013 Survey of Consumer Finances (SCF; FR 3059; OMB No. 7100-0287). This would be the eleventh triennial SCF since 1983, the beginning of the current series. This survey is the only source of representative information on the structure of U.S. families' finances. The survey would collect data on the assets, debts, income, work history, pension rights, use of financial services, and attitudes of a sample of U.S. families. Because the ownership of some assets is relatively concentrated in a small number of families, the survey would make a special effort to ensure proper representation of such assets by systematically oversampling wealthier families.

Authority is being requested to conduct: (1) up to 150 interviews averaging about 75 minutes (main pretest) to be obtained in a test or series of tests of the survey procedures in 2012; and (2) up to 7,000 interviews averaging about 75 minutes (main survey) between April 2013 and March 2014. The surveys would be conducted by National Opinion Research Center (NORC) at the University of Chicago, which has been the contractor for the survey since 1992. Funding for the pretest is included in the Federal Reserve's budget for 2012. Funding for the main survey will be requested in the 2013 budget.

The pretest and the main survey would be collected using a computer program; thus there is no hardcopy version of the questionnaire other than the text of the computer program. The questionnaire would follow the form of the 2010, with minor revisions. For convenience of review, a copy of the preliminary 2010 survey codebook is available upon request. The wording of the survey questions would be modified to reflect the outcome of the pretest, but it is anticipated that such changes would be relatively small. The total estimated burden for this information collection is 8,938 hours.

## **Background and Justification**

For many years, the Federal Reserve has sponsored consumer surveys to obtain information on the financial behavior of households. The 2013 SCF would be the latest in a triennial series, which began in 1983, that provides comprehensive data for U.S. families on the distribution of assets and debts, along with related information and other data items necessary for analyzing financial behavior. The SCF is the only survey conducted in the United States that provides such financial data for a representative sample of all households.

In addition to providing baseline information for current analysis, data from earlier SCFs have proved directly useful in policy work at the Federal Reserve. For example, these surveys have been used in Board briefings and numerous memoranda to examine the distribution and changes in the distribution of debt burdens in the population, coverage of household deposits by federal deposit insurance, ownership of mutual funds and stocks, automobile leasing, and many

other areas. The surveys have also been used extensively for longer-term research, within the Federal Reserve System, in the Office of Tax Analysis and other parts of the Treasury, in other government agencies, in academia, in other research institutions, and in businesses.

## Description of Information Collection

The core information collected by the survey is summarized below.

- *Financial assets.* These include checking, savings, and money market accounts, holdings of publicly traded stock, bonds, certificates of deposit, mutual funds, annuities, trusts, and life insurance.
- *Real estate and business assets.* These include the value and purchase terms of the household's principal residence and other properties, and detailed information on privately held businesses.
- *Pension assets.* These include IRA, Keogh, thrift, profit sharing, 401(k), and other tax-deferred account holdings. Information would also be collected on current or expected benefits from each pension and from Social Security. Questions on the expected date of retirement, spousal benefits, and amount in defined contribution accounts would enable the calculation of the present value of pension benefits. Sufficient information on each household member's work history and future work plans would be collected such that the present value of Social Security benefits also could be calculated.
- *Other assets.* Information would be collected on other assets such as oil leases, mineral rights, and royalties. Some data would also be gathered on jewelry, art objects, other valuables, and major consumer durables such as automobiles and boats.
- *Household debts.* The purpose, amount outstanding, source, and terms of each household debt would be collected. These debts include home mortgages and home equity loans, lines of credit, credit cards, other consumer loans, and other loans from businesses and individuals. Information would also be collected on major household expenditures related to debt acquisition including those for automobiles and home improvements.
- *Demographic data.* These include education, employment and marital history, age, health, race, and earnings for each household member. A detailed breakdown of income designed to align with tax data would also be collected.
- *Attitudes and financial decision making.* Attitudes toward saving and credit would be collected. Information on the use of financial services and methods of choosing among competing sources would also be sought. Institutional data would be sought for each account or financial service used by the household. These data would be collected in a way that would allow identification of any clustering of services at institutions. For each institution, information would be obtained on the type of institution, proximity, and typical mode of use.

## Time Schedule for Information Collection and Publication

The field-work for the pretest would be conducted during 2012. The field-work for the main survey would be conducted between April 2013 and March 2014. Very preliminary results from the main survey would be available to the Federal Reserve in mid-2014. It is expected that the data would be published in summary form in the *Federal Reserve Bulletin* in 2015. A version of the microdata, which would be altered to protect the identity of individual respondents, would be made available to the public through the Federal Reserve's public website. None of the pretest data would be released to the public.

## Legal Status

The Board's Legal Division has determined that the statutory basis for collecting this information is section 2A, and 12A of the Federal Reserve Act [12 U.S.C. § 225a and 263]. Respondent participation in the survey is voluntary. The names and other characteristics that would directly identify respondents will be retained by the Federal Reserve's contractor and not made available to the Federal Reserve. Accordingly, the Federal Reserve believes that such data are not records subject to the Freedom of Information Act. If these data are deemed records, however, the Board's Legal Division believes that the records are exempt from disclosure pursuant to the Confidential Information Protection and Statistical Efficiency Act and section (b) (3) of the Freedom of Information Act [5 U.S.C. § 552(b)(3)].

## Sensitive Questions

Respondents would be asked to identify the age and sex of individual family members; information on race would be collected using guidelines from the OMB. This information is needed in the proposed survey in order to analyze the demographic aspects of consumer finances.

## Consultation Outside the Agency

The final survey questionnaire would be developed jointly by the Federal Reserve and the contractor. The contractor would conduct the interviews for this survey.

The data to support the part of the survey sample selected by the Federal Reserve would be provided by the Statistics of Income Division (SOI) of the Internal Revenue Service under a contract that allows this use of the data as well as other more limited uses of the data for statistical adjustments to the final data and related purposes. As in past SCFs, the sample selection and survey administration would be managed so that the Federal Reserve would not be given any names of survey participants; SOI would not be given data to link survey responses with tax records; and the contractor would not be given income data derived from the tax returns.

On February 1, 2012, the Federal Reserve published a notice in the *Federal Register* (77 FR 5015) requesting public comment for 60 days on the proposal to pretest and execute the 2013 Survey of Consumer Finances. The comment period for this notice expired on April 2, 2012. The Federal Reserve did not receive any comments. On April 10, 2012, the Federal Reserve published a final notice in the *Federal Register* (77 FR 21560).

### **Estimate of Respondent Burden**

The Federal Reserve estimates the pretest and main survey would require an average of 75 minutes per household. With 150 respondents, the estimated pretest burden would be 188 hours and would be incurred on a one-time basis in 2012. With 7,000 respondents, the estimated main survey burden would be 8,750 hours and would be incurred on a one-time basis in 2013 and 2014. This information collection represents less than 1 percent of the total Federal Reserve System paperwork burden.

	<i>Number of respondents</i>	<i>Estimated annual frequency</i>	<i>Estimated response time</i>	<i>Estimated Annual burden hours</i>
Pre-test	150	1	75 minutes	188
Main survey	7,000	1	75 minutes	<u>8,750</u>
<i>Total</i>				<u>8,938</u>

Based on a rate of \$21 per hour, the estimated cost to the public for the information collection would be \$187,698.

### **Estimate of Cost to the Federal Government**

Work on the survey would be performed under a contract. The Federal Reserve estimates that the contract price for the survey would be \$10 million.