

**CONSUMER FINANCIAL PROTECTION BUREAU
INFORMATION COLLECTION REQUEST – SUPPORTING STATEMENT
STANDARD CLEARANCE FOR CONSUMER ATTITUDES, UNDERSTANDING, AND
BEHAVIORS WITH RESPECT TO FINANCIAL SERVICES AND PRODUCTS
(OMB CONTROL NUMBER: 3170-XXXX)**

TERMS OF CLEARANCE: None.

A. JUSTIFICATION

1. Circumstances Necessitating the Data Collection

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) (“the Act”) established the Consumer Financial Protection Bureau (“CFPB”) to regulate the offering and provision of consumer products or services under federal consumer financial laws.

The CFPB is charged with “developing and implementing initiatives intended to educate and empower consumers to make better informed decisions” (12 U.S.C. 5493(d)). In support of this mission, CFPB is seeking a standard clearance to conduct a consumer research survey to better understand the general attitudes, beliefs, and behaviors of adult consumers around issues of consumer finance. The core objective of the survey is to measure consumers’ awareness, understanding, and behaviors with respect to consumer financial services and products, and to use this knowledge to inform agency consumer engagement choices. The survey is not at all intended to inform public policy decisions, nor is it intended to be representative of the American public as a whole, but is only intended to provide insights for the agency to guide consumer engagement choices.

Specifically, the results of this study will guide the messages and tools that CFPB uses to fulfill its mandate to educate and empower consumers. By better understanding consumers’ attitudes toward finance, the CFPB will be able to calibrate its engagement and education efforts to achieve maximum effectiveness. The survey will provide insights into how consumers shop for financial products and services, how they approach financial decision making, and who they turn to for information. With the information gathered, the CFPB will gain an understanding of where the greatest opportunity for intervention lies, and what method of intervention (e.g., coached v. independent-style education, direct v. retail-style distribution, online v. print materials, etc.) would be most effective.

Without this information, the CFPB will not be able to appropriately calibrate its consumer education and engagement efforts to optimize its work on behalf of the public and fulfill its mandate under the Act. The information obtained through the proposed information collection will allow the CFPB to assess which delivery channels (e.g., online, phone) will most successfully reach American adults with its initiatives; what financial products and services should be targeted by its initiatives; what gaps currently exist in American adults’ understanding of those financial products and services; and what structure its initiatives should take in order to best educate and empower consumers to make better informed decisions.

2. Use of the Information

Information will be collected on consumer opinions on and attitudes toward financial issues and behaviors and on sources of information respondents use to make financial decisions.

Additionally, questions about selecting and paying for college will be asked to a group of parents who did not themselves graduate college who have a child thinking of attending college in the next three years.

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Information will be collected via an online survey. Survey questions include the following sections:

- **Household Composition:** Questions in this section are designed to sample survey respondents who are or expect to have children who are entering college in the next three years and are the first in their family to go to college.
- **Internet Use:** Questions in this section are designed to provide contextual understanding of consumers' Internet behaviors, which will inform the CFPB's design of online educational tools and resources.
- **Financial Information and Resources:** Questions in this section are designed to help the CFPB understand how consumers currently get financial information and what their current perceptions and knowledge are of the CFPB. Answers to these questions will inform the agency's decisions about the medium of tools and information and other efforts to reach consumers. Additionally consumers' existing perception of the CFPB will inform the CFPB's positioning in relation to those tools.
- **Financial Attitudes and Behaviors:** Questions in this section are designed to help the CFPB better understand consumers' attitudes and behaviors toward financial products and services, including shopping and financial decision-making.

These questions (in particular, Questions #22, #23, and #25) will also allow the CFPB to build upon qualitative consumer research conducted in 2011 and 2012 by mapping the population against four personas that differentiate how consumers approach complex financial decisions. The qualitative research found that consumers can be segmented across two different dimensions of attitudes: the rules of the financial system are either fixed or flexible; financial decisions are driven by information or identity. For example, a respondent who selects "Confident that I did the research and made the best possible decision" would correlate to a Fixed-Information persona. The data from these questions will enable the CFPB to understand how these different personas would be best served by different information and channels for information, resources, and tools that enable them to make better financial decisions.

- **Paying for College:** These questions are designed specifically to give insight into consumers' decisions around paying for college. The CFPB has developed a suite of tools and information to help consumers navigate this financial decision. The results of this survey will help inform which delivery channels will most effectively reach these consumers and

inform future optimizations of the tools.

These questions, in particular Question #31, were designed with language consumers can relate to. Based on prior research, consumers view financial transactions in terms of the goal it helps them reach. In this case, Paying for College.

Each of these sets of questions provides information that will help the CFPB learn how to best create tools and information for consumers, how to reach consumers with these tools and information in a way that fits with their current lifestyle, and how to continually improve the CFPB's educational efforts to the agency's education mandate under law (12 U.S.C. 5493(d)).

The CFPB intends to collect this information annually. The CFPB may share the information with other federal agencies when engaged in collaboration or financial education efforts but otherwise does not intend to share this information externally except as set out in paragraph 10.

This is the first time the information will be collected by the CFPB.

3. Use of Information Technology

This survey will be conducted online using KnowledgePanel, an online panel maintained by the company Knowledge Networks. KnowledgePanel is the only online panel based on a sample of the full U.S. population and therefore is the only online panel that is based on probability sampling, but is not intended to be used for any making nationally representative estimates as part of this study. Pacific Consulting Group (PGC), the contractor CFPB has hired to administer the survey, will be working with Knowledge Networks to administer the survey. KnowledgePanel was initially created using Random Digit Dialing (RDD), and is now continuously maintained using the U.S. Postal Service's Delivery Sequence File.

This data collection will be completed using the Internet, with computers provided to people who did not previously have them. Survey invitations, reminders, and all survey forms are distributed and collected via the Internet. These systems are backed up by live and email Panel Relations staff available seven days a week.

Currently, the Panel Support Call Center is open the following hours:

Monday – Friday - 9 AM to 12 Midnight Eastern Time

Saturday & Sunday - 12 Noon to 8 PM Eastern Time

Use of the Internet as a data collection media allows the survey to include only those questions that are relevant to the respondent. In addition, all previously collected demographic and other profile information is supplied from the respondent's annually updated profile records, thus minimizing respondent burden specific to this information collection.

As part of its routine process, KnowledgePanel collects the demographic information listed below from all panel participants when they register with KnowledgePanel.

- Age
- Household size

- Ages of household members
- Education level
- Race/ethnicity
- Gender
- Employment
- Income
- Who makes financial decisions
- Region of US (9 regions)
- Metro vs. non-metro area
- Ownership status of living quarters
- Marital status

Aggregates of the KnowledgePanel data will be available to the CFPB as an option to do cross-tabulations during analysis of the survey results. As set out in paragraph 10, the CFPB will not have access to information that would allow it to connect the data back to individual survey respondents and their personally identifiable information.

4. Efforts to Identify Duplication

The CFPB is a new federal government agency, so to date no quantitative information has been collected about consumers' attitudes toward the agency, its relationship to financial products and services, or how the agency might best reach consumers to equip them with tools and information to aid their financial decision making.

The Board of Governors of the Federal Reserve System (the "Board") conducts the Survey of Consumer Finance (the "SCF"), usually every three years. The SCF collects some of the information that is proposed in this information collection. While the SCF has been an invaluable resource to the CFPB in understanding the composition of the household balance sheet, these data are insufficient for the CFPB's purposes.

The SCF focuses on the current allocations of assets and debts and intended future economic decisions. This focus omits data about channels, strategies, and other methods that will help the CFPB meet its mandate under the Act to educate and empower consumers to make better financial decisions. The data do not include collections related to the CFPB's mission and its unique authorities as the federal regulator of consumer financial products and services.

5. Efforts to Minimize Burdens on Small Entities

No small businesses or other small entities are included in this research.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

Without this information, the CFPB will not be able to appropriately calibrate its consumer education and engagement efforts to fulfill its mandate under the Act. This information will allow the CFPB to assess which delivery channels (e.g., online, phone) will most successfully reach American adults with its initiatives; what financial products and services should be targeted by its initiatives; what gaps currently exist in American adults' understanding of those financial products and services; and what structure its initiatives should take in order to best educate and empower consumers to make better informed decisions. The information will inform how the agency targets its education and engagement initiatives, avoiding time and resources being spent on misdirected projects.

7. Circumstances Requiring Special Information Collection

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

8. Consultation Outside the Agency

On March 28, 2012, the CFPB issued a notice and request for public comment on this information collection in the Federal Register (77 FR 18795). No comments were received on this proposed collection.

9. Payments or Gifts to Respondents

Respondents to this survey under this proposed clearance will receive a small stipend from Knowledge Networks, which is the standard for all KnowledgePanel surveys. The standard incentive has two classes: those who provide their own computer and Internet Service Provider ("ISP") and those who use a computer and ISP provided as a part of their recruitment into KnowledgePanel. Those who use their own computer and ISP receive 1,000 loyalty points for completing this survey. 1,000 loyalty points is equivalent to \$1.00 and is deposited into their account for future use. When a computer and ISP is provided to a respondent, access to the Internet when not taking a KnowledgePanel survey represents their standard incentive. This practice has proven necessary and effective in recruiting subjects to participate in this small-scale research, and is also employed by the other Federal agencies, such as the Internal Revenue Service.

10. Assurances of Confidentiality

For the assurances of privacy provided to respondents by KnowledgePanel, please see: <http://www.knowledgenetworks.com/company/privacy.html> (privacy policy). KnowledgePanel will provide information from the respondents to PCG consistent with this privacy policy.

The CFPB will not obtain or access any personally identifiable information from PCG about survey participants. The CFPB will only obtain and access anonymous results and aggregated analyses of those results. The CFPB will treat the information received consistent with its confidentiality regulations at 12 C.F.R. Part 1070, *et seq.*

11. Justification for Sensitive Questions

This information collection does not include questions of a sensitive nature. KnowledgePanel participants already provided demographic information when they joined the KnowledgePanel.

12. Estimated Burden of Information Collection

There will be 2,500 respondents annually.. Average response time to this online survey is 20 minutes. This average response time is based on past experience that the contractor Pacific Consulting Group (PCG) has conducting online surveys of similar size and scope. This equals 833 burden hours. Using the June 2012 average hourly wage of \$23.50 and June 2012 labor participation rate of 63.8% [source: Bureau of Labor Statistics, bls.gov], the cost to respondents is approximately \$12,489.

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Estimated Cost to the Federal Government

The Government has hired a contractor, Pacific Consulting Group (PCG), to administer the survey. The total cost of the award is \$94,692.45. Other than the cost of the contract, there are no additional costs to the Federal Government.

15. Program Changes or Adjustments

This is the first time this study is being conducted; therefore, there are no program changes.

16. Plans for Tabulation, Statistical Analysis, and Publication

The primary analyses for this study include frequencies (topline results), cross-tabulations (banners), and means (averages) and distributions of consumer ratings. Significance testing of rating differences between items and analysis of variance (ANOVA) may also be conducted as well as cluster analysis on the set of attitudinal items to identify customer segments that CFPB can address in its educational program development.

The CFPB may share the information with other federal agencies when engaged in collaboration or financial education efforts but otherwise does not intend to share this information externally except as set out in paragraph 10.

Activity/Deliverable	Target Completion Date
Contract award	Jun 8, 2012
Kickoff meeting	Jun 20, 2012
CE sends areas of inquiry to PCG	Jun 26, 2012

Activity/Deliverable	Target Completion Date
Research Plan submitted	Jun 29, 2012
Draft questionnaire submitted (within 20 days of award)	Jul 9, 2012
Feedback on draft questionnaire	Jul 16, 2012
Final questionnaire submitted (within 30 days of award)	Jul 23, 2012
Supporting information for OMB package submitted	Jul 23, 2012
Clearance package submitted to OMB	Dec 28, 2012
Program and test survey	Mar 5-15, 2013
CE tests survey	Mar 19-20, 2012
OMB clearance received (60 calendar days after submission)	Mar 20, 2013
Pretest the survey	Mar 21-24, 2013
Survey administration	Apr 5-24, 2013
Conduct analysis: topline results and banners submitted (within 30 days of OMB clearance)	May 13, 2013
Review banners with CE	May 17-18, 2013
Draft presentation materials submitted to CE	May 28, 2013
Comments on draft presentation materials	June 3, 2013
Conduct presentation and discussion (within 45 days of OMB clearance)	June 10, 2013

17. Display of Expiration Date

The CFPB plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Exceptions to the Certification Requirement

There are no exceptions requested to the Certification Requirement.