

**CONSUMER FINANCIAL PROTECTION BUREAU
INFORMATION COLLECTION REQUEST – SUPPORTING STATEMENT
CLEARANCE FOR FINANCIAL EDUCATION PROGRAM EVALUATION**

(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 Dodd-Frank Act) established the Consumer Financial Protection Bureau (the CFPB) to regulate the offering and provision of consumer financial products or services under federal consumer financial laws. The Dodd-Frank Act also established the Office of Financial Education (OFE) within the CFPB. The Dodd-Frank Act mandates that “the Office of Financial Education shall develop and implement a strategy to improve the financial literacy of consumers that includes measurable goals and objectives, in consultation with the Financial Literacy and Education Commission, consistent with the National Strategy for Financial Literacy.” It is also responsible, with the CFPB’s Office of Research, for conducting “research related to consumer financial education and counseling.” Focusing on Goal 4 of the National Strategy for Financial Literacy 2011, which encourages “research on financial literacy and education strategies that affect consumer behavior,” and identification of “customized programs that address local and other needs,” OFE is responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions.

To develop and implement initiatives that encourage and enable informed financial decision making, it is first important to understand which elements of financial education programs contribute effectively and efficiently to improved financial decision-making. There is a growing realization among experts in the field of financial education that there is not enough evaluation-based evidence to indicate which financial education strategies are most effective. According to a recent Government Accountability Office (GAO) report on financial literacy: “Relatively few evidence-based evaluations of financial literacy programs have been conducted, limiting what is known about which specific methods and strategies are most effective.”¹ Without adequate evidence of what works, it is difficult to improve the effectiveness and quality of financial education, and therefore improve consumer outcomes.

To address this need, the CFPB has contracted with the Urban Institute (UI) to engage in a rigorous quantitative evaluation of two financial coaching programs to increase its understanding of which interventions can improve consumers’ financial decision-making skills. The CFPB has selected the Financial Clinic (the Clinic) and South Florida Urban Ministries (SFLUM), two community-based financial coaching providers, for the evaluation.² The evaluation will focus on

¹ United States Government Accountability Office. 2011. Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges. GAO-11-614.

² The CFPB selected the two test sites based on: (1) their preliminary evidence of program effectiveness, including length of history and consistency of programming; (2) program staff capacity and willingness to participate in a rigorous evaluation; (3) program size, demand, and suitability for impact evaluation; (4) the relative similarity of the two programs’ approaches being useful for meta-analysis; and, (5) the relative diversity of the two programs’ geographic context and target population.

the extent to which the selected sites' financial coaching interventions increase household non-retirement savings and reduce financial distress among program participants. The costs of providing coaching services are part of the two organizations' normal business and are not funded through this evaluation. The two programs are currently active providers of financial coaching and the proposed data collection does not incentivize them to modify their typical service model.

The proposed data collection described in this document will provide necessary information for an independent, statistically unbiased evaluation of the financial coaching programs provided by each site. Currently, each of these programs tracks a limited set of participant outcomes using data collected by program staff. Such data do not permit evaluators to determine the independent impact of financial coaching on participant outcomes, however, because these self-selected participants may have been motivated to improve their financial outcomes even without receiving financial coaching.

The primary method for evaluating the programs' effectiveness at improving financial decision making will be a randomized control trial (RCT) experiment, where evaluation participants will be randomly assigned to treatment and control groups, and the impact of the financial coaching will be measured by differences in financial outcomes between the two groups. By also collecting data on individuals who do not receive financial coaching services during the evaluation, the UI research team can be confident that any improvement in the treatment group's outcomes beyond that of the control group can be directly attributed to participation in the specific interventions, providing the CFPB with an empirical foundation for what strategies are effective for improving outcomes.

2. Use of the Information

As discussed above, the overall purpose of UI's data collection activities described in this document is to inform financial education programs by statistically analyzing, via a RCT experiment, the effectiveness of the financial coaching services provided by two community-based organizations selected by the CFPB for evaluation. This evaluation will help to fill the gap between theoretical research and programs that work in practice by providing solid statistical evidence of which interventions can improve consumers' financial decision-making skills. While impacts from two programs cannot be assumed to generalize to the universe of financial coaching interventions, this evaluation will provide much needed information about the impacts generated by the selected interventions.

The interventions UI will evaluate are the financial coaching programs offered by the Clinic in New York City, New York, and SFLUM in Miami, Florida. The Clinic serves a primarily low-income population at 24 sites, most of which are housed by partner nonprofit organizations, across New York City and Newark, New Jersey. SFLUM serves low-income clients through its

direct recruitment efforts, but also targets the broader Miami-area population through its workplace partnerships, including the Miami-Dade County government and the Miami-Dade County Public School district. The Clinic and SFLUM are headquartered in New York City and Miami respectively, but their service areas, and the service areas that will be used for the study, cover the broader New York City and Miami Dade county regions that extend beyond each city's limit.

The information gathered from these interventions will be used by UI to conduct an analysis of the effectiveness of the financial coaching services provided by the Clinic and SFLUM. Specifically, UI will test whether the programs:

- Improve households' balance sheets;
- Reduce household financial stress;
- Improve household financial behavior and decision-making;
- Facilitate progress towards individual financial goals; and
- Increase individual financial knowledge.

As discussed above, the primary method of evaluating the programs' effectiveness at improving financial decision making will be a RCT experiment, where evaluation participants will be randomly assigned to treatment and control groups. Subjects in the treatment group will immediately receive financial coaching, and subjects in the control group will be delayed access to financial coaching services for the duration of the evaluation. The impact of the financial coaching will be measured by differences in outcomes between the two groups.

UI will use administrative data collected by the program sites to assess whether the randomization process has occurred properly, and to identify any problems that may initially arise in implementing the randomization. However, it will still be necessary for UI to collect additional data on evaluation treatment and control participants, as the programs do not already conduct RCT analyses and have not done so in the past. Specifically, clearance is requested for the following data collection efforts:

- A one-time closed-ended application survey of 1,000 evaluation participants (500 at each site – 250 each in the treatment and control groups) administered in writing at the beginning of the evaluation; and
- A one-time closed-ended outcome survey of the same 1000 evaluation participants, administered over the phone by interviewers using computer-assisted personal interviewing software.

UI will also obtain credit reports for the evaluation participants via a third-party provider, Credit Builders Alliance, and rely on the two programs' administrative data about clients who receive coaching services. The credit reports will be obtained electronically by Credit Builders Alliance directly from TransUnion, a commercial credit reporting agency, and the provider will be compensated by UI for this service. Obtaining credit reports will not impose additional data collection burden on evaluation participants.

The application survey and outcome survey are included as appendices to this document. The application survey will be administered by the financial coaches and program staff on-site, while the outcome survey will be administered by a survey firm on behalf of UI. Table 1 provides a summary of the questions on each one-time survey that address each of the outcome areas of interest—household balance sheet, financial stress, financial behavior, financial goals, and financial knowledge. The remainder of this section provides more detail on how each of these data sources will be collected, analyzed, and shared as a part of the final report.

Table 1: Evaluation Data – Outcome Measures

| Data Measure/Outcome | Source | Purpose / Uses |
|--|--|--|
| Contact information for client and three contacts | Application survey | Contact participants |
| Social security number* | Application survey | Credit report retrieval |
| Gender, race*, citizenship*, birthdate, household composition, marital status, employment status | Application survey and/or outcome survey | Demographics, Check randomization |
| Financial dependents | Outcome survey | Demographics, Context |
| History with organization | Application survey | Context |
| Reason for seeking service* | Application survey | Context, Check randomization |
| Past use of financial services | Application survey | Research question on financial behavior, Context, Check randomization |
| Income sources and amount | Application, Outcome survey | Research question on household balance sheet, Check randomization |
| Recent change in income/expenses* | Outcome survey | Research question on financial stress, Context |
| Bank accounts and balance | Application survey, Outcome survey | Research question on household balance sheet, Check randomization |
| Use of direct deposit | Application survey, Outcome survey | Research question on financial behavior |
| Use of automatic savings | Application survey, Outcome survey | Research question on financial behavior |
| Retirement savings (type of account(s) and balance) | Outcome survey | Research question on financial behavior, RQ on household balance sheet |
| Financial assets (type of accounts and balance) | Outcome survey | Research question on household balance sheet |
| Number of and balance on credit cards | Application survey (number only) Outcome survey, Credit Report | RQ on financial behavior, RQ on household balance sheet |

| | | |
|---|---|--|
| Household debts | Outcome survey | Research question on household balance sheet |
| Mortgage information | Outcome survey | Research question on household balance sheet |
| Foreclosure information* | Outcome survey | Research question on financial stress, Context |
| Information on who handles household's finances | Outcome survey | Research question on financial behavior |
| Timeliness of bill paying | Application survey, Outcome survey, Credit Report | Research question on financial behavior |
| Method of bill paying | Outcome survey | Research question on financial behavior, Context |
| Use of budget | Outcome survey | Research question on financial behavior |
| Relationship of spending to income | Outcome survey | Research question on household balance sheet |
| Frequency of withdrawal from accounts | Outcome survey | Research question on financial stress |
| Information on bankruptcy* | Outcome survey | Research question on financial stress, Context |
| Use of debit card | Outcome survey | Research question on financial behavior, Context |
| Frequency of overdrafts | Outcome survey | Research question on financial behavior |
| Frequency of saving | Application survey, Outcome survey | Research question on financial behavior |
| Accounts used for savings | Application survey, Outcome survey | Research question on financial behavior |
| Reasons for not using bank accounts | Outcome survey | Research question on financial behavior |
| Bank fees (type and amount) | Outcome survey | Research question on financial behavior, Context |
| Use and knowledge of credit reports and scores | Application survey, Outcome survey | Research question in financial behavior, Research question on financial knowledge, Context |
| Use of alternative financial services | Application survey, Outcome survey | Research question on financial behavior |
| Use/existence of emergency fund | Application survey, Outcome survey | Research question on financial behavior, RQ on financial stress |

| | | |
|--|------------------------------------|--|
| ICEF COPE Scale ³ | Application survey, Outcome survey | Research question on financial stress |
| Identification of financial goals and measure of progress toward goal attainment | Application survey, Outcome survey | Research question on financial goals |
| Understanding of costs/benefits of savings options | Outcome survey | Research question on financial knowledge |
| Understanding of the effect of timely and in-full credit card payments | Outcome survey | Research question on financial knowledge |
| Understanding of the effect of late payments on credit history and the ability to obtain future credit | Outcome survey | Research question on financial knowledge |
| Number of delinquent/derogatory credit accounts | Credit report | Research question on financial behavior |
| Total amount past due on credit accounts | Credit report | Research question on household balance sheet |
| FICO score* | Credit report | Research question on financial behavior |

*Indicates questions/information of a sensitive nature. Additional justification for collecting this information is provided in Section 11.

Application Survey

The application survey will be administered once to every individual who agrees to participate in the evaluation, before individuals are randomly assigned to the treatment or control group. Each program's financial coaches and program staff will recruit evaluation participants and administer the application survey on-site. UI and the program directors at each of the sites will be jointly responsible for training coaching staff in the study recruitment and randomization procedures. The coaches will introduce the evaluation study using predetermined, program-specific scripts (included as Appendix A) developed by UI with input from each of the sites and tailored to the specific programs and randomization strategies. These scripts will describe the evaluation in detail as well as any possible participation risks (such as negative feelings resulting from discussions of financial difficulties) as determined by the research staff (with input from the UI Institutional Review Board (IRB)). In addition, the scripts will describe the program application survey and obtain informed consent to collect information from those who opt in to the study. The informed consent documents were jointly developed by UI and the programs and are attached as Appendix A. The informed consent documents will give the research team

³ The InCharge Education Foundation COPE Scale™ is an instrument constructed to help assess the changes, advances and progress people make with respect to their financial condition over time. (Information taken from InCharge website: "InCharge Education Foundation COPE Scale." *InCharge Education Foundation*. N.p., n.d. Web. 22 June 2012. <<http://www.inchargefoundation.org/research/cope-scale>>.)

permission to collect and analyze participants' demographic and financial information throughout the duration of the study.

The application survey, a condensed version of the outcome survey, collects data on roster items and clients' demographic information, as well as information on income, financial account holdings, financial goals, and financial well-being. The topics covered are necessarily small so as to minimize the burden on program applicants. Participants in both programs include speakers of English and Spanish, and the population served by SFLUM also includes speakers of Creole. Based on information provided by the program staff, UI plans to translate both the application survey and outcome survey into Spanish to better serve the needs of their target populations. Creole translation for SFLUM clients will be unnecessary, as the program director informed UI that their Creole-speaking clients generally speak and read English well. The survey will be administered via filling out paper survey forms by hand.

The principal purpose of the application survey is to provide baseline information on both the control group (which will not be in the programs' administrative database) and the treatment group. It will also allow UI to confirm that the randomization process was successful—i.e. that the observable characteristics of the treatment and control groups are statistically equivalent. UI has also included a few key financial indicators for which the research team wants to observe how much of an impact the financial coaching has on outcomes relative to the baseline measure, not only relative to the control group.

Outcome Survey

The outcome survey will be conducted in March 2014 (six months after the final evaluation participants are enrolled) for all evaluation participants, both treated and controls. Each participant will be asked to fill out the survey one time. UI is in the process of selecting a survey firm. UI is considering several highly qualified groups, all of which have successfully collected survey data via telephone for UI in the past.

The outcome survey is divided into three sections that look at: (1) household composition and finances, such as financial dependents, income, benefit receipt, financial account holdings, and assets and liabilities; (2) household financial practices, such as financial decision making practices in the household, financial habits, bank account usage patterns, savings behavior, alternative financial services usage patterns, and access to emergency funds; and (3) financial well-being and capability, using an assessment tool to gauge attitudes about financial well-being and the progress towards financial goals, as well as a multiple choice quiz section that gauges financial knowledge. UI will also ask whether applicants obtained financial coaching or education services from another source during the evaluation observation period, and if necessary, will adjust for the receipt of other financial education services in the analysis. Credit Reports and Credit Scores

UI also plans to obtain credit reports and credit scores from TransUnion, a commercial credit reporting agency, at the same time that the outcome survey is administered. UI will use a

nonprofit organization, Credit Builders Alliance, to facilitate its interactions with TransUnion.⁴ In order to obtain the credit reports, UI will need to ask subjects for their Social Security or Tax Identification numbers. UI will take all needed precautions with this sensitive information; please refer to section 11 for a detailed discussion of the security precautions and protections to be implemented.

Use of Data

UI will produce a report on the findings and conclusions of the evaluation, particularly focusing on differences between the treatment and control groups on measured outcomes related to the main research questions of the effect of financial coaching on households' balance sheets, financial stress, financial behavior and decision-making; and individual progress towards financial goals and increased financial knowledge. The report will document the programmatic elements of each selected intervention and, where possible, link program elements with participant outcomes. In particular, the report will highlight elements found to be important to participant success that are common across the selected programs.

The CFPB will have unlimited rights to the data collected as a result of this evaluation and may, in its sole discretion, disseminate such information to financial education practitioners and providers, researchers, policymakers, and relevant federal agencies. While impacts from two programs cannot be assumed to generalize to the universe of financial coaching interventions, this evaluation will provide much needed information about the impacts generated by the selected interventions. The CFPB will use UI's data analysis, findings and conclusions to inform the CFPB's work on promoting effective financial education. The research findings will be shared with other financial education practitioners, policymakers, and other stakeholders to improve practice and policy around financial education. The Clinic and SFLUM will also use the study's findings to inform operations and program design.

3. Use of Information Technology

Outcome survey data will be recorded by subcontractor staff via the survey organization's Computer Assisted Telephone Interviewing (CATI) system. This system allows interviewers to put pre-coded responses directly into an electronic database which reduces errors. It automatically guides interviewers through skip patterns⁵, which saves time. This system will

⁴ Credit Builders Alliance helps institutions serving low and moderate income individuals build client credit and financial access to grow their businesses and assets. The credit reports will be pulled from Transunion through the pre-established relationship between TransUnion and Credit Builders Alliance. TransUnion, the third-largest credit bureau in the United States, offers credit-related information to interested parties.

⁵ Skip patterns are the order in which survey questions are asked and skipped, and the sequence is used to guide respondents to certain questions depending on answers given. For example, if a survey respondent indicates that she is unemployed, the skip pattern will prompt the interviewer to skip questions regarding what kind of job the respondent has. Having skip patterns ensures that respondents are only asked questions relevant to their situations,

ensure that the interview data are accurately recorded and that the outcome survey imposes a reduced burden on respondents. All interviewers will receive explicit training on the administration procedures for surveys and interviews to ensure accurate data collection and recordation with the least possible burden on respondents. The application survey will be paper and pencil interview [PAPI] administered, which is appropriate given its short length and the need for the programs to simultaneously administer the survey to a group of applicants in various sites.

4. Efforts to Identify Duplication

To the CFPB and UI's knowledge, this will be the first ever evaluation of financial coaching interventions using an RCT approach to evaluate financial outcomes. UI researchers extensively reviewed the existing literature on the effects of financial coaching on financial outcomes and found no studies that were able to implement randomized controlled trials. This finding is in line with that of the recent GAO report on financial literacy: "Relatively few evidence-based evaluations of financial literacy programs have been conducted, limiting what is known about which specific methods and strategies are most effective."⁶

UI researchers have worked in tandem with staff from both financial coaching programs to ensure that the evaluation's data collection instruments do not duplicate information solicited by the programs themselves. Each program already administers an intake survey and follow-up assessments as a part of its coaching services, and this evaluation will use these data in analysis to the fullest extent possible. The two programs collect this data regardless of participating in this evaluation. However, there is still a need to conduct application and outcome surveys as part of the evaluation for two reasons. First, the additional information collected (i.e. the questions asked, at what point in the evaluation the questions are asked, and the order in which they are asked) needs to be consistent across the two program sites in order to make the results of the analysis comparable across sites. Second, in order to implement the RCT analysis, data needs to be collected from both treatment participants and control participants, and the financial coaching programs do not have the institutional capacity to collect information from individuals who do not receive financial coaching services.

5. Efforts to Minimize Burdens on Small Entities

This proposed information collection does not survey small businesses or other entities.

and also increases efficiency by ensuring that no additional time burden is added to respondents by asking them questions irrelevant to their circumstances.

⁶ United States Government Accountability Office. 2011. Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges. GAO-11-614.

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

Section 1013(d)(2) of the Dodd-Frank Act mandates that the CFPB “develop and implement a strategy to improve the financial literacy of consumers that includes measurable goals and objectives...” 12 U.S.C. 5693(d)(2). This project represents the first evaluation performed by the CFPB of financial coaching programs, and the first ever known evaluation of financial coaching interventions using an RCT approach to evaluate financial outcomes. The RCT approach is the most defensible and definitive method of showing whether financial coaching can change financial outcomes. While the programs collect administrative data from their clients, they do not collect similar data for non-participants. A failure to collect these data will result in insufficient information to evaluate the performance of these programs and participants’ resulting financial outcomes using an RCT approach. .

The CFPB will be unable to carry out its mandate if it does not have solid evidence about what strategies can in fact improve financial literacy. If the CFPB does not have a clear understanding of what financial education interventions work, its strategies, goals, and objectives will be without basis. Additionally, section 1013(d)(3)(B) provides that the CFPB “conduct research related to consumer financial education and counseling.” 12 USC 5493(d)(3)(B). Identifying and supporting the most rigorous research possible will help the CFPB fulfill its mandate.

7. Circumstances Requiring Special Information Collection

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320.6 (Controlling Paperwork Burden on the Public—General Information Collection Guidelines). There are no special circumstances that require deviation from these guidelines.

8. Consultation Outside the Agency

In accordance with the Paperwork Reduction Act of 1995, a 60-day Notice was published in the Federal Register on January 19, 2012 (77 FR 2684) announcing the CFPB’s intention to conduct a potential collection of information on this effort and solicit public comment on such collection. . No public comments were received in response to the Notice. A copy of the Notice is attached as Appendix D of this document.

UI solicited comments from the two evaluation sites on the research plan and survey instruments. Both sites provided detailed feedback, which was incorporated into the research design, application form, and follow-up survey. UI also conducted pre-tests of the application and outcome surveys, by administering the surveys to four clients currently receiving financial coaching services. The objectives of the pre-tests were to: (a) test the application for wording, flow, and meaning; (b) determine the average time to complete the survey; and (c) allow staff to discuss the application with respondents to better understand their interpretation of the questions. The pre-test experience was used to modify the instruments as well as the procedures related to

contacting potential respondents, scheduling interview time, explaining the survey purpose, and encouraging participation.

9. Payments or Gifts to Respondents

Neither UI nor the programs will provide any incentives to participants for enrolling in the study or completing the application survey. Respondents for the outcomes survey under this clearance will receive a small token of appreciation. This practice has proven necessary and effective in recruiting respondents to participate in this small-scale research and is also employed by other Federal cognitive laboratories. The incentive for participating in the outcome survey will be a \$30 gift card. UI and the programs may provide smaller incentives than these amounts at its discretion; however, any requests for larger amounts will be justified in writing to the Office of Management and Budget (OMB).

10. Assurances of Privacy

Per Section 60 of OMB's January 20, 2006 publication "Guidance on Agency Survey and Statistical Information Collections," and the Office of Personnel Management's System of Records Notice (SORN) Guide published April 22, 2010⁷, the CFPB has specified in its contract with the data collection contractor UI that the CFPB does not own and cannot receive personal identifying information⁸ in order to protect the privacy of respondent data and ensure the pledges of privacy made to clients by the UI research team.

UI is committed to securely collecting and using the private collected under this evaluation (i.e. application data, outcomes survey data, and administrative data). UI maintains a permanent Institutional Review Board (IRB), which reviews proposed collections of potentially sensitive or private data and associated data security measures.⁹ To receive IRB approval for a study, the data collection effort must adhere to the following principles:

⁷ Document available at <http://www.opm.gov/privacy/SORNGuide.pdf>.

⁸ The contract language includes the following: "Contractor shall not provide CFPB any information that could reasonably be used to identify individuals participating in the project. "

⁹ The IRB requires that the project's data security measures ensure that: (1) Data will only be collected about individuals for whom a signed active informed consent has been obtained. The consent procedures include assurances that requests for information are not mandatory and that the data will be used only for research purposes; (2) Access to privacy data will be limited to research team members who need access for evaluation purposes and who have agreed in writing to maintain the privacy of all data; (3) Adequate precautions will be taken to ensure administrative and physical security of personally identifiable information; (4) Project findings and reports prepared for dissemination will not contain information that could reasonably be used to identify an individual. Both electronic files and hard copy data materials will be secured at UI. De-identified privacy electronic files will be stored on a confidential network drive. Access to the confidential drive will be limited to researchers who have signed the project's pledge of privacy and who need access to conduct analyses. Upon receipt of identifying data (name, date of birth, and social security number), it will be kept on an encrypted local drive. Hard copy materials (completed application interview instruments, contact locator information forms, program records, and electronic CDs which link this information) containing identifying information will be secured on an encrypted medium in

- Subjects are informed of the nature of the research and how it will be used, and their consent is either obtained or explicitly waived, where risks to them are determined to be minimal.
- Adequate provision is made to protect the privacy of subjects and to maintain the privacy of data that are collected, where promised and as appropriate.
- Risks to subjects from the research are reasonable in relation to anticipated benefits, and are minimized to the extent possible.
- The selection of research subjects is as equitable as possible (the burdens and benefits of the research are fairly distributed), with particular attention paid to research involving vulnerable populations and protected health information.

For this evaluation, procedures to secure private data are in place for all data to be collected (see Footnote 9 for details). Any reports produced under this evaluation will not identify individual respondents by name or with any personal identifying information from the application survey or program administrative data, such as date of birth or Social Security number. For all report and presentation purposes (e.g. draft reports, final reports, and any presentations of the report findings), primary data that are collected for the evaluation will be aggregated to a level that will not result in the disclosure of the identities of those who provided the information. As specified in the contract terms described above, UI will not share personal identifying information with the CFPB.

The introductory scripts and survey instruments for telephone discussions will assure potential respondents that the information gathered in the application and outcomes survey will be combined with information from all other participants, will not be reported or shared in a way that would allow anyone to link what they tell the research team with who they are, and that no personal identifying information will be shared with anyone outside of the research team or at the CFPB.¹⁰ Within UI, identifying information for respondents will only be shared with evaluation staff who need the information for research purposes and who have signed a “Data Privacy Pledge” (Attachment D). The Data Privacy Pledge is a document developed by UI which

locked cabinets in the project Research Assistant’s office. Materials containing respondent names will always be stored separately from completed survey and interview instruments and separately still from clients’ social security numbers to preclude the inadvertent linking of private or sensitive information to an individual research subject, and ensure that data cannot be re-identified. To protect the privacy of research subjects, the data files submitted to the CFPB at the conclusion of the project will be “sanitized” to remove any information that could be used to identify a particular individual. All hard copy data files and materials containing personal identifiers will be destroyed within six months of project completion.

¹⁰ All data will first undergo standard non-disclosure testing to ensure that individuals cannot be identified. This may include suppressing certain fields altogether if necessary, or modifying data (for example through top-coding responses) to maintain privacy.

stipulates the data security and privacy procedures which must be followed by all those participating in the evaluation. All evaluation staff and consultants have signed this pledge. Hard-copy materials containing personal identifying information will be locked up when not in use, and electronic materials will be stored on a secured server in password-protected computers and/or encrypted.

11. Justification for Sensitive Questions

Some of the information collected under this evaluation is of a sensitive nature because it addresses matters commonly considered private, whose answers, if made public, could cause physical, mental, emotional, economic, or other harm to an individual. The questions pertain to study participants' race, citizenship status, Social Security number, FICO score, and questions related to recent household financial distress including the individual's reason for seeking financial coaching, recent changes in income and expenses, foreclosure, and bankruptcy. It is necessary to obtain information on respondent race and citizenship status to ensure that the randomization process was correctly executed and that the treatment and control groups are demographically similar with regard to factors known to impact financial outcomes. UI must request participants' Social Security numbers in order to obtain important outcome data from their credit reports. Similarly, the questions on financial distress and on personal FICO score are essential to understanding and assessing the impact of the financial coaching interventions provided by the two study sites on key financial outcomes.

Because of the sensitive nature of some of the data collected in these three efforts, UI will obtain informed consent to collect information only from those who choose to participate in the study. Informed consent documents (included in Appendix A) will be provided before participants fill out the application survey and again before they participate in the outcome survey. The informed consent documents were jointly developed by UI and the programs and will give the research team permission to collect and analyze participants' demographic and financial information (including some personal identifying and sensitive information, such as race/ethnicity, citizenship, Social Security number, credit report, and credit score) throughout the duration of the study. Using scripts developed jointly by UI and the programs, interviewers will stress that participation is voluntary, that participants have the right to refuse to answer any question without consequence, and that their identity will be kept private, with answers only reported in the aggregate. UI and the survey firm administering the outcome survey will take all necessary precautions to ensure that the information provided by individuals will remain secure, as described in Section 10 and Footnote 9 above.

12. Estimated Burden of Information Collection

UI anticipates 1,000 participants will participate in the one-time application survey, which will be administered by the two program sites. The survey firm will reach out to all 1,000 participants in the study for the one-time outcome survey, with an expected response rate of 80

percent. Therefore, UI anticipates that only 800 will complete the outcome survey, which coincides with the estimate the research team used in its minimum detectable effects calculations. The average response time for the application survey is estimated at 10 minutes. This will result in an estimated response burden of 166.7 hours. The average response time for the outcome survey is 40 minutes, which will result in an estimated total response burden of 533.3 hours (see Table 2). The instruments have been pre-tested in accordance with the PRA to make sure the wording is clear, and to confirm the length of time it takes to complete the survey. The total estimated respondent burden is 700 hours.

Table 2: Estimates of Burden Hours

| Description | No. of Respondents | No. of Responses per Respondent | Estimated Total Responses | Estimated Hours per Response | Total Burden Hours |
|--------------------|--------------------|---------------------------------|---------------------------|------------------------------|--------------------|
| Application Survey | 1,000 | 1 | 1,000 | 0.167 | 166.7 |
| Outcome Survey | 800 | 1 | 800 | 0.67 | 533.3 |
| TOTALS | | | 1600 | | 700 hours |

Applicants for the financial coaching programs across the sites are likely to be low-income, and from similar socioeconomic backgrounds. Table 3 shows median income for clients at each program location.

Table 3: Median Income for Each Program Site

| Organization | Average Client Annual Income |
|--|------------------------------|
| The Financial Clinic | \$12,018* |
| United Way Center for Financial Stability at South Florida Urban Ministries | \$31,250** |

*Based on data collected in 2010, reported in J. Michael Collins, “MoneyUp: A Field Study” Final Report. 2010.

** The median income of the SFLUM applicants (classified by Standard Occupational Classification, SOC, codes) was estimated using May 2011 Occupational Employment Statistics from the U.S. Department of Labor’s Bureau of Labor Statistics. For the employer applicants, median income was based on Office and Administrative Support Positions (major group 43-0000).

The median hourly wages for program applicants was calculated based on annual wages that were taken from site-specific surveys, or reported by the program. Below are the estimated cost calculations for respondents:

Financial Clinic:

35hr week x 46 weeks/year = 1,610 hours/year

\$12,018/1,610 = **\$7.46/hour**

SFLUM

35hr week x 46 weeks/year = 1,610 hours/year
31,250/1,610 = **\$19.41/hour**

Application Survey:

Financial Clinic: $\$7.46 \times 166.7 = \$1,243.33$

SFLUM: $\$19.41 \times 166.7 = \$3,235.00$

Outcome Survey:

FC: $\$7.46 \times 533.3 = \$3,978.67$

SFLUM: $\$19.41 \times 533.3 = \$10,352.00$

$\$1,243.33 + \$3,235.00 + \$3,978.67 + \$10,352.00 = \text{Total Respondent Costs of } \mathbf{\$18,809.00}$

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 cost to the CFPB of the contract with UI is \$1,102,700 over a 29-month period. There are no additional costs to the Federal Government.

15. Program Changes or Adjustments

This submission to OMB is a new request for approval; there is no change in burden.

16. Plans for Tabulation, Statistical Analysis, and Publication

Data Analysis and Reporting

UI will use treatment and control subjects' characteristics at baseline to evaluate the quality of the randomization process. If the assignment to treatment and control groups has truly occurred randomly, without any consideration to factors that might be correlated with later financial outcomes, then the descriptive characteristics should be statistically indistinguishable between the treatment and control groups. It may prove useful to calculate these statistics in the interim period after the first month of the participant application and assignment period (before the end of the enrollment period), to identify any subsamples where assignment may be nonrandom. The initial application survey will include basic information on demographic characteristics; current financial situation, including income, assets, and liabilities; alternative financial services usage patterns, financial goals, and savings behavior. Using these data, the research team will compare the characteristics of the treatment and control groups to determine whether statistically significant differences exist between the two groups.

The research team will also calculate basic descriptive statistics for evaluation participants as a whole, for participants by program, and for participants by program partner site. UI will report average measures, as well as the share of survey respondents answering each question. Using these descriptive statistics in conjunction with secondary data (e.g. the American Community Survey), the research team can get a sense of how similar the evaluation participants at each site are to the population in the programs' service areas, and to the national population of interest to the CFPB.

While UI expects that the vast majority of program enrollees will attend at least one financial coaching session, there may be some who are unable to participate or who lose interest. Focusing on evaluation participants who were assigned to treatment, UI will calculate the share of program enrollees who schedule financial coaching and/or workshop sessions, and the share of these participants who attend any of the sessions that they sign up for. Client attendance data will be provided by the programs, which collect and record data on the meetings or calls financial coaches hold with clients as a regular part of their operations.

Since program participants can schedule and attend as many coaching sessions as they choose, UI will also report the average number of financial coaching sessions (workshops, coaching, and both) attended, their average length, how many participants attend each number of sessions, and what the purposes of those meetings were. While the primary research question is whether the availability of financial coaching has an impact on financial outcomes, the size of the impact for individual subjects will be affected by the share of the treatment population that actually receives the services, and the intensity of their participation.

UI also will compare participant characteristics across these groups (participants who never schedule a session, participants who schedule a session but never attend, and participants who attend a single, or multiple, sessions). Systematic differences in certain characteristics between groups may highlight individual factors that make it more or less difficult to follow through and obtain financial coaching even when the opportunity is provided, or that are correlated with individual motivation to pursue financial coaching.

Impact Analysis

The primary method for estimating the impact of the availability of financial coaching services on financial outcomes among interested participants is to compare the average outcomes for participants who were provided access to these services to the outcomes for those who were deferred. This is referred to as the intent-to-treat model, because it estimates the effect of the "intent to treat" – which is the opportunity for subjects in the control group to get the financial coaching treatment. Assuming that the randomization process is carried out properly, the causal effects of access to financial coaching services will simply be the differences in each financial outcome between the treatment and control subjects. The research team will calculate these differences using data from the outcome survey, and also calculate statistical confidence intervals for these differences using standard distributional assumptions. Impact will be

measured separately for each program. The impact analysis will rely on information collected through the outcome survey and via credit reports, and will focus on outcome measures detailed in Table 1.

For a limited set of outcomes, the research team is interested in how program enrollees were able to make changes in their outcomes relative to the baseline values for these outcomes. For example, the research team may want to see whether financial coaching doubled the share of participants with savings accounts, or increased it by a more modest but still statistically significant amount. UI will measure this subset of outcomes in both the application and outcome surveys, and compare *changes* in outcomes in the treatment group to *changes* in outcomes in the control group.

Even in an RCT, sampling variation can lead to differences in the average characteristics of treatment and control participants, particularly in small samples. These differences may then lead to different outcomes between the two groups that should not be attributed to the effects of program availability. The intent-to-treat model can be augmented to control for these measured differences using a regression-based approach. By controlling for these differences, the research team can be more certain that the measured effects are caused by the availability of financial coaching services.

Among treatment subjects, some may be unable to or choose not to attend any financial coaching or workshop sessions. The research team may be interested in the effects of actually participating in financial coaching, rather than just the effects of being offered access to financial coaching. In order to estimate this effect, the research team will apply what is known as a “Bloom Adjustment.”¹¹ In this model, one must assume that being assigned to the treatment group has no effect for treatment subjects who do not go to any financial coaching sessions. Under this assumption, the Bloom statistical adjustment can be applied to estimate what is known as the treatment-on-the-treated effect – the causal effect of attending financial counseling or workshop sessions on financial outcomes.

Publication

The research team will analyze, integrate, and summarize data and findings from the process and outcome evaluations in interim and final reports. The final report, which will be made publically available by the CFPB, will describe the evaluation design and implementation, and then devote itself largely to the results of the outcome evaluation.

Table 5: Timeline for Evaluation Design, Implementation, and Analysis

| Task | Date |
|--|-------------|
| Receive OMB approval (allowing 9 weeks for OMB approval) | 12/30/2012* |

¹¹ Bloom, Howard. “Accounting for No-Shows in Experimental Evaluation Designs.” *Evaluation Review*, 8 (1984): 225-246.

| | |
|---|------------------------|
| Random assignment and program enrollment (on a rolling basis), including application survey data collection | 1/3/2013 – 9/30/2013 |
| Allow for at least three-month treatment for all clients | 10/1/2013 – 12/29/2013 |
| Allow for at least three-month post-treatment period for participant outcomes to develop | 12/2/2013 – 3/28/2014 |
| Complete collection of administrative data and post-treatment outcome survey | 4/1/2014 – 4/30/2014 |
| Complete analysis of impact data for surveyed programs | 5/1/2014 – 6/30/2014 |
| Complete draft report | 8/17/2014 |
| Complete final report | 9/20/2014 |

* Estimated date of OMB approval. All subsequent dates are based on this estimate.

17. Display of Expiration Date

Any reproduction of the data collection instruments approved by OMB for this collection will prominently display the OMB control number and expiration date for OMB approval.

Data collection materials will indicate the voluntary nature of the survey, procedures to ensure the protection of data provided, the OMB approval number for the data collection, and the date of expiration of the control number.

18. Exceptions to the Certification Requirement

This submission, describing data collection, requests no exceptions to the Certificate for Paperwork Reduction Act (5 CFR 1320.9).

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

1. Respondent Universe and Selection Methods

1.A Respondent Universe

For each of the two evaluation sites, The Financial Clinic in New York, NY, and South Florida Urban Ministries in Miami, FL, three separate data collection efforts employing statistical methods will be conducted. The respondent universe for each is as follows:

1. **For the application survey**, the respondent universe will be 1,000 program applicants (who consent to participate in the research study and complete the application form), i.e. those individuals assigned to the treatment and control groups. The application survey will be administered to evaluation applicants when they sign up to participate in the study, and it will be administered by the financial coaches and program staff on-site. The application survey will be translated into Spanish to better serve the needs of their target populations. Creole translation for SFLUM clients will be unnecessary, as the program director informed UI that their Creole-speaking clients generally speak and read English well.
2. **For the follow-up/outcome survey**, the respondent universe will be 1,000 program applicants (who consented to participate in the research study and completed the application form and who consent to complete the outcome survey). An expected 800 applicants will complete the follow-up survey from, an 80 percent response rate. This survey will be administered at least three months after treatment has ended for the participants enrolling at the end of the enrollment period. The outcome survey will be administered by UI's survey subcontracting partner. The outcome survey will be translated into Spanish to better serve the needs of their target populations.
3. **For credit bureau records**, the respondent universe will be all 1,000 program applicants who consented to participate in the research study, consented to and completed the application form, and consented to allow the research team to use their credit bureau records.

As described in more detail below, the data from these groups will allow the research team to examine the efficacy of (the offer of) financial coaching interventions in improving financial outcomes and well-being for applicants. The statistical methods will include an impact analysis that examines differences in outcomes between study applicants offered financial coaching and those who are not offered coaching for the duration of the study period. The research team will report the findings from the implementation and outcomes analysis in a final report that will summarize findings and draw implications for programmatic practice.

1.B. Sample Selection

The impact evaluation will not rely on sampling. UI will include the first 500 applicants to the Clinic and SFLUM programs in the evaluation, which is expected to last from December 2012 through August 2013. At both programs, financial coaching services will be offered as an “extra” service that potential clients can take up if they so choose. The Clinic participants will be generated from clients who received assistance with their taxes or a similar financial workshop. Therefore, financial coaching will be an “extra” service that the tax-time clients can choose to take-up if interested and all participants in the treatment and the control group will have received the services that initially drew them to the Clinic. Coaching will be introduced to clients after their tax or workshop session is finished and if a person is interested in coaching, clients will be told that there are limited spaces. They will be told that all control group members will be able to get access to coaching in a year’s time.

SFLUM will be travelling to the clients and presenting program offerings at workplaces. Financial coaching will be highlighted as an additional service that applicants can take up, but all employees in these workplaces will be able to receive an introductory workshop hosted by SFLUM. After the presentation, individuals interested in receiving SFLUM coaching services will be asked to sign up at that time and provide SFLUM with their contact information. SFLUM coaches will then follow-up with clients to schedule appointments. Those appointments can be held at any number of locations based on what is most convenient for the coach and client, including the client's office, the SFLUM office, or some other available meeting space. The office-based recruitment strategy ensures that none of the clients in the sample will be those who sought out SFLUM specifically for financial coaching services by approaching their offices apart from the workplace recruitment. Due to the large number of employees in workplaces partnering with SFLUM, it would be impossible for SFLUM to provide coaching to all interested clients. As such, a comparable number of potential SFLUM clients would need to wait to receive financial coaching services regardless of the study.

The Clinic research participants recruited from their tax time clients are not expected to differ significantly from their overall client base. SFLUM has many programs that are targeted towards different client groups, including employer-based groups. The clients in this study (i.e. participants recruited from places of employment) will not differ significantly from those in SFLUM’s other employer-based programs.

As the research team is not sampling applicants, the research team does not anticipate the need to rely on stratification. To the extent that the research team relies on clustering, it will be as an analytic tool. The research team will consider the merits of clustering applicants for analysis after investigating the pool of applicants and their characteristics. (One factor that may be useful to cluster by, for example, is each individual program office location, as The Financial Clinic and SFLUM both solicit applicants from a set of different program offices.)

UI has based its target of 250 applicants in each group, treatment and control, for each of the two evaluation sites on estimates of the potential effects of financial coaching on key financial

outcomes and expect that only 80 percent of the applicants (200 clients in each group) will participate in the outcomes survey due to nonresponse. Generating expected effects of the financial education relies on knowledge of financial coaching programs and what can reasonably be expected of them, as well as estimates of what these financial outcomes will be for treatment and control individuals before the evaluation. There have been few evaluations of comparable programs to provide good estimates of program effects. Studies of financial education programs, and education programs linked to incentive products such as Individual Development Accounts (IDAs), have documented positive effects on financial outcomes.¹² However, the majority of these studies were not RCTs, and the research team might think that the true effect sizes were smaller than those reported in these studies.

A detailed discussion of minimum detectable effects expected under this evaluation is presented below in section 2c.

1.C. Expected Response Rates

There are many factors which can influence expected response rates in a given low-income population. The primary factors are discussed below:

1. Mode. The application survey will be administered universally to all applicants who consent to participate in the research study. The follow-up outcome survey will be administered via telephone, a method that is more conducive to response than surveys administered through mail.

2. Good contact information. Non-response is often linked to non-contact rather than refusal of the client to participate. This issue is addressed by asking in the required application survey for the contact information of three individuals who do not live in the same household as the client. Therefore, should the research team lose contact with a client, the survey firm will have three independent resources to help locate the participant.

3. Experience of the survey administrator. The survey firm that will administer the outcome survey will have extensive experience fielding telephone surveys, and will be recognized for the high response rates it achieves.

4. Survey design. A well-designed survey encourages response—and completion. The outcome survey has been carefully designed to collect the necessary data needed for the analysis,

¹² See Mills, Gregory, William G. Gale, Rhiannon Patterson, Gary Engelhardt, Michael D. Eriksen, and Emil Apostolov. 2008. “Effects of individual development accounts on asset purchases and saving behavior: Evidence from a controlled experiment”. *Journal of Public Economics*, 92(5-6): 1509-1530. For a review of many evaluations, see Lusardi, Annamaria. 2008. “Household Saving Behavior: The Role of Financial Literacy, Information, and Financial Education Programs.” Cambridge, MA: National Bureau of Economic Research, NBER Working Paper 13824.

while not overburdening the participant. The research team drew from previous surveys which have been fielded among comparable populations to ensure that the survey will be appropriate for study participants. The surveys have been pre-tested with current program clients and then revised on the basis of those tests.

5. Incentives. Providing incentives is helpful in increasing response rates, and the research team will be providing a \$30 incentive in the form of a gift card to study participants taking the outcome survey as a token of appreciation.

6. Follow-up procedures. UI will subcontract with a survey organization that has extensive experience generating high response rates, and one that will be diligent in following up with applicants who agreed to participate in the research study and completed the application survey. In addition, program staff at both sites will assist with contacting study participants who they have had contact with for the outcome survey. The survey firm will use the script for the outcomes survey included in Appendix A.

7. Timeframe for data collection. The timeframe for survey data collection is one month, which is ambitious, but with sufficient staff at the survey administrator, should be adequate. The outcome survey will be collected six to 15 months after completing the application survey, so it is likely that even among applicants assigned to the control group, many will recall the evaluation study. The outcome survey will be conducted at one point in time for all members of the treatment and control groups. Clients' exit from services at both SFLUM and the Clinic is open-ended. As such, it is not possible to create a uniform time post-treatment to survey clients (with a comparable time period for the control group). While it would be theoretically possible to survey both the treatment and control group a set amount of time after their application to the program in question—i.e. to field an outcome survey on a rolling basis, a survey fielded only once has two key benefits. One is that it is more cost-effective, and will be logistically simpler to execute. The different response periods that come from the single collection wave may make it slightly more difficult to argue a pure link between receipt of financial coaching and reported outcomes. But analysis of those different response periods may become an interesting research question in its own right; UI may be able to detect variations in outcomes by the length of the follow-up period, which is especially interesting because a key research question involves the extent of detectable behavioral changes.

Evidence from prior field studies show that response rates among low-income populations often range from below 50 percent to 80 percent.¹³ Because the data collection strategy has been

¹³ Mitchell, Susan, Colette Lamothe-Galette, and Frank Potter. "Survey Response Incentives for a Low-Income Population: What Works?" *Mathematica* November, 2003. <http://www.mathematica-mpr.com/publications/PDFs/surveyresponse.pdf>.

Cantor, David and Patricia Cunningham (2002) "Methods for Obtaining High Response Rates in Telephone Surveys." in Citro, C., Moffitt, R.A. and M. Ver Ploeg (eds) *Studies of Welfare Populations: Data Collection and Research Issues*. National Academy Press: Washington D.C. at <http://aspe.dhhs.gov/hsp/welf-res-data-issues02/pdf/02.pdf>.

designed to preempt many of the challenges outlined above, as well as the additional incentives that have been included to encourage survey participation, the research team expects the response rate to be approximately 80 percent.

2. Information Collection Procedures

2.A. Protocols for data collection

The plans for each data collection component are discussed below.

Application survey. The application survey will be uniformly administered to all 1,000 individuals who agree to participate in the evaluation, before individuals are randomly assigned to the treatment or control group. Program staff will administer the survey in English or Spanish, depending on the participant's preference, and it should require an estimated 10 minutes for the client to complete on his or her own. The application is a condensed version of the post-program outcome survey that collects data on roster items and client demographic information, as well as information on income, accounts held, goals, and financial well-being. The topics covered are necessarily small so as to minimize the burden on program applicants. The principal purpose of the application survey is to provide baseline information on both the control group (which will not be in the programs' administrative database) and the treatment group. It will also allow UI to confirm that the randomization process was successful—i.e. that the observable characteristics of the treatment and control groups are statistically equivalent.

Outcome survey. UI and its survey subcontractor will field an outcome survey to all program applicants, both treated and controls. The survey will be administered over the telephone and will take about 40 minutes. Depending on the respondent's preference, the survey will be administered in English or Spanish. The one-time outcome survey is a compilation of field-tested and custom-designed questions that target the programs' goals of improving the household balance sheet, reducing financial stress, improving financial behavior and decision-making, increasing financial knowledge, and assisting individuals in achieving their financial goals. The survey uses a range of questions that approach each of these goals from a variety of angles so that the research team is able to have as thorough of an assessment as possible of each applicant's status and progress. **Credit reports.** UI plans to obtain credit reports and credit scores from a commercial provider at the same time that the outcome survey is administered, using social security numbers obtained through research consent. UI will take all needed precautions to ensure data security as the research team collects and uses this sensitive information, including storing the information on a secure drive at UI. The commercial provider will also make a site visit to UI to ensure that the data are being secured appropriately.

Beebe, Timothy J., Michael E. Davern, Donna D. McAlpine, Kathleen Thiede Call and Todd H. Rockwood (2005). "Increasing Response Rates in a Survey of Medicaid Enrollees: The Effect of a Prepaid Monetary Incentive and Mixed Modes (Mail and Telephone)" *Medical Care* , Vol. 43, No. 4 (Apr., 2005), pp. 411-414 at <http://www.jstor.org/stable/3768443>.

2.B. Statistical Methodology for Sample Selection

UI will include the first 500 study applicants to the Clinic and SFLUM programs in the evaluation. Study enrollment is expected to last from December 2012 through August 2013. As the research team is not sampling applicants, the research team does not anticipate the need to rely on stratification. The research team will consider the merits of clustering applicants for analysis after investigating the pool of applicants and their characteristics.

2.C. Estimation Procedures

The research design for evaluating the effects of the financial coaching programs on participant outcomes is a RCT experiment. In randomized controlled trials, potential program enrollees are randomly assigned either to participate in the program, or not to participate in the program, for the duration of the treatment period. The impact of financial education that the Urban Institute is able to measure in this type of RCT experiment is the effect of the availability of financial education (in this case financial coaching) for individuals who are interested in pursuing it, compared to individuals who are also interested in financial education but do not receive it. If the randomization process is carried out correctly, the baseline financial characteristics and outcomes of the treatment and control groups should be identical, and the estimated effects of the program interventions on the outcomes of interest are simply differences between outcomes for the treatment and control groups.

2.D. Degree of accuracy needed for the purposes described in the justification

Table 1 below presents the minimum detectable effects of financial coaching on financial outcomes, choosing an example financial outcome measure for each of the research questions, and where available, in the programs’ existing administrative data. To place these effects in context, pre-treatment values among currently-enrolled program participants at each of the evaluation sites are also reported, using existing program administrative data.

Table 1: Minimum Detectable Effects for Key Financial Outcomes

| | The Financial Clinic | | South Florida Urban Ministries | |
|---|-----------------------------|----------------------------------|---------------------------------------|----------------------------------|
| | <i>Average</i> | <i>Minimum Detectable Effect</i> | <i>Average</i> | <i>Minimum Detectable Effect</i> |
| Research Question 1: Household Balance Sheet | | | | |
| <i>How much owed on credit cards</i> | \$8,032 | -\$4,412 | \$2,752 | -\$1,022 |
| Research Question 2: Financial Stress | | | | |
| <i>Use payday loans regularly</i> | 2.0% | -2.0% | | |
| <i>Use payday loans at least once in past 3 months</i> | | | 14.0% | -7.4% |
| <i>Less than \$500 in emergency savings</i> | 78% | -11.1% | | |

| | | | | |
|---|-----|-------|-------|--------|
| <i>Less than \$300 in emergency savings</i> | | | 72.5% | -11.7% |
| Research Question 3: Financial Behaviors | | | | |
| <i>Participants with checking account</i> | 47% | 12.4% | 37.2% | 12.3% |
| <i>Participants with savings account</i> | 30% | 11.9% | 16.1% | 10.1% |

Note: One-sided Test where $p=.05$ and $power=.8$.

To understand these results, it is helpful to describe the results for one of the outcomes in detail, as an example. Among the Financial Clinic’s existing clients, 78 percent have less than \$500 in emergency savings when they initially enroll in financial coaching. In order to statistically detect the effect of financial coaching on the share of participants with less than \$500 in emergency savings in this population, with treatment and control groups of 250 participants each, the financial coaching must reduce the share of participants with less than \$500 in emergency savings by at least 11.1 percentage points (or 14 percent of the participants with low emergency savings). In other words, in a sample of 200 participants receiving financial coaching, at least 22 of the 156 participants with low emergency savings must increase their emergency saving to at least \$500 as a result of the coaching, for the research team to be able to statistically detect an effect of coaching on this level of emergency savings (given the baseline level of savings among people in this program). Similarly, at SFLUM, 72.5 percent of clients have less than \$300 in emergency savings at baseline, and given the sample design, the minimum statistically detectable effect of financial coaching on the share of clients with low emergency savings is 11.7 percentage points.

2.E. Unusual problems requiring specialized sampling procedures/Frequency of data collection

The research team does not anticipate any unusual problems with collecting these data that would require specialized sampling procedures. Currently, this evaluation requires three data collections: the application survey, follow-up survey, and obtaining credit reports. As this is not an annual data collection, the research team does not plan to develop or modify further data collection cycles at this point.

3. Methods to Maximize Response Rates and to Deal with Issues of Non-Response

Response rate and follow up.

The application survey will be fielded during study enrollment by the financial coaches at each site, therefore issues of non-response for the initial application are not likely to be a concern. Study participants who participate in the telephone outcome survey will receive a monetary token of appreciation, which is likely to facilitate a high response rate. The survey administrator UI selects will have an excellent record of high response rates, due mainly to regular follow-up calls to non-respondents. Furthermore, interviewers at the chosen survey

organization will strategically place multiple calls at varying times of the day and days of the week to non-respondents. If interviewers consistently reach voice mail when calling a number, they will leave the survey organization's toll-free number for the study participant to call back. If necessary, survey interviewers will also follow-up with the personal contacts listed by the client in the application form to maximize the likelihood of successfully contacting the client and administering the survey.

The telephone interviewers at the survey organization will have extensive experience conducting telephone surveys. All interviewers will have in-depth experience using the survey organization's CATI system and have undergone training that covers interviewing skills, techniques, etiquette, instilling confidence in the respondent, and converting refusals to responses, which allow the research team to ensure that the highest standards are maintained.

Issues of Non-Response

To test for the possibility of non-response bias, non-respondents will be compared to respondents on data pulled from the application survey with respect to demographic characteristics such as age, gender, minority status, and income. If differences beyond the standard error are observed, consideration will be given to applying a non-response weighting adjustment.

4. Testing of Procedures or Methods

UI researchers have pre-tested the application and outcome surveys, by administering the surveys to four clients currently receiving financial coaching services. The objectives of the pre-tests were to: (a) test the application for wording, flow, and meaning; (b) determine the average time to complete the survey; and (c) allow staff to discuss the application with respondents to better understand their interpretation of the questions. The pre-test experience was used to modify the instruments as well as the procedures related to contacting potential respondents, scheduling interview time, explaining the survey purpose, and encouraging participation.

5. Contact Information for Statistical Aspects of Design

- The agency responsible for receiving and approving contract deliverables is:

Office of Financial Education
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Persons Responsible:

Irene Skricki, Project Officer, Irene.Skricki@cfpb.gov
Cassandra McConnell, Contracts Officer, Cassandra.McConnell@cfpb.gov

- The organization responsible for statistical design of data to be collected is:

The Urban Institute
2100 M Street, NW
Washington, DC 20037

Persons Responsible:

Dr. Margaret Simms, Principal Investigator, (202) 261-5699, msimms@urban.org
Mr. Brett Theodos, Project Manager, 202-261-5685, btheodos@urban.org

- The organization responsible for analyzing all data to be collected is:

The Urban Institute
2100 M Street, NW
Washington, DC 20037

Persons Responsible:

Dr. Margaret Simms, Principal Investigator, (202) 261-5699, msimms@urban.org
Mr. Brett Theodos, Project Manager, 202-261-5685, btheodos@urban.org

APPENDIX A: DATA COLLECTION PROTOCOL SCRIPTS

Script for Introducing the Research Study

[The Financial Clinic/SFLUM] is working with the Urban Institute in Washington, DC and the Consumer Financial Protection Bureau, a federal agency, on a study on the effects of financial coaching programs on our customers. Your participation is voluntary but is much-appreciated. The report that results from this study will help researchers and policymakers understand how these programs can better serve individuals like you and communities like yours, so we hope that you will be willing to participate.

The goal of this study is to understand how financial coaching programs affect financial outcomes, so we are going to be looking at things such as: what your household income and expenses look like, what kinds of bank accounts you have, and how you feel about your finances in general.

Because we have a limited number of financial coaches, we will only be able to provide services to half of the study participants right now, and the other half will be able to receive services once the study period has ended in about a year. To make it fair, we will randomly decide who receives treatment now, and who will receive it later. In other words, you have about an equal chance of getting services now or getting them later.

Those receiving services now will meet with the [The Financial Clinic/SFLUM]'s financial coaches and work together to build your savings, improve banking and credit files, reduce debt and discuss taxes. We will also be pulling credit reports of study participants to help us better understand the financial situation of individuals who are receiving services at [The Financial Clinic/SFLUM].

Everyone who is in the study, whether you get services now or not, will be asked to complete our application form today, and a more in-depth outcomes survey over the phone at the end of 2013. We cannot stress how important this follow-up survey is to the study. We will also be providing a \$30 dollar gift card to you after you complete the outcomes survey in 2014.

We want to assure you that the information that we collect in the application form, from the credit report, and in the later outcomes survey will be kept private. This information will be combined with information from all other study participants and will not be reported or shared in a way that would allow anyone to link what you tell us with who you are. We will not publish your name or other personal identifying information in anything we write or talk about. We also will not share information that identifies you, including your name or information from your credit report, with anyone outside of the research team, including the Consumer Financial Protection Bureau. All of your answers will be stored in databases with secured password protection and accessed only by research staff who are committed to ensuring your privacy, and who have signed data privacy pledges.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number

assigned by the Office of Management and Budget (OMB). The OMB control number for this collection is 3170–XXXX. The collection expires on XX/XX/XXXX. Also, a federal law called the Privacy Act directs how the federal government treats personally identifiable information contained in your answers to these questions. To understand how and when your personally identifiable information may be shared, you can read the Privacy Act Statement on the CFPB’s website at www.consumerfinance.gov and search for CFPB.021 Consumer Education and Engagement Records. Additionally, the CFPB will treat the information received from you consistent with its privacy regulations at 12 C.F.R. Part 1070, *et seq.* We anticipate the application form taking about 10 minutes of your time, and the follow-up survey taking about 40 minutes of your time.

We have an informed consent document that we would like to review with you and have you sign to agree to participate in the research study. This document explains the study and your role as a participant. This also gives you contact information if you have any questions about the study, and we will make you a copy that you can keep for your own records.

[REVIEW CONSENT FORM, AND SIGN]

Do you have any questions before we begin?

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget (OMB). The OMB control number for this collection is 3170–XXXX. The collection expires on XX/XX/XXXX.

Consent for Participation in Research Evaluation of [The Financial Clinic/SFLUM]

Introduction/Purpose

[The Financial Clinic/SFLUM] is participating in a national study to understand how financial coaching programs such as the one provided by this organization can help improve the financial outcomes for coaching participants. The study is funded by the Consumer Financial Protection Bureau, the federal agency established in 2010 to protect consumers' interests. We would like to have you complete our application form today, and we would like to interview you by telephone in early 2014.

We want to assure you that the information that we collect in the application form and in the later outcomes survey will be kept private. This information will be combined with information from all other study participants and will not be reported or shared in a way that would allow anyone to link what you tell us with who you are. We will not publish your name or other personal identifying information in anything we write or talk about. We also will not share information that identifies you, including your name or information from your credit report, with anyone outside of the research team, including the Consumer Financial Protection Bureau. All of your answers will be stored in databases with secured password protection and accessed only by research staff who are committed to ensuring your privacy, and who have signed data privacy pledges. Your participation in this study is voluntary.

Benefits of Participating in the Study

We want to know from people like you, who are seeking out financial coaching programs like [The Financial Clinic/SFLUM]'s coaching program, what your relationship with your finances is like. Your participation in the study is incredibly important because you can contribute information from first-hand experience that can help to improve programs for others in financial distress throughout the country. The report that results from this study will help researchers and policymakers understand how these programs can better serve individuals like you and communities like yours. Again, please remember that the information you provide will be combined with information from all other study participants and will not be reported or shared in a way that would allow anyone to link what you tell us with who you are. Without the information we gather through this study, no one can be sure if the services help individuals like you or how current programs can be improved.

Possible Risks to You of Participating

You should know that we will ask you to talk about your personal financial situation, as well as circumstances that may have contributed to your desire to seek out financial coaching. This may remind you of difficult situations or cause negative feelings. If this happens, you should know that the interviewer will be able to refer you to resources in the community to help you, if you would like it.

Who Is Conducting this Study?

The Urban Institute, a research organization based in Washington, D.C., [The Financial Clinic/SFLUM], and [Survey Organization] are conducting this study. The principal investigator is Dr. Margaret Simms of the Urban Institute. If you are willing to be part of the study, you will complete an application administered by your financial coach, and an interviewer from [Survey Organization] will call you for an interview in early 2014 for a final telephone survey.

What Will I Be Asked About?

You will be asked about your:

- Family members, including your education level and employment status;
- Income, including any public benefits ;
- Expenses, bills, as well as how you pay your bills;
- Kinds of bank accounts you have, and other alternative financial providers you may rely on for services;
- Financial goals you have, and plans and progress you made towards achieving them; and
- Kinds of financial stress that you may experience.

Contact Information

You will be asked to provide the study with safe ways to contact you by telephone, either at your home or through trusted friends and relatives who will know where and how to reach you. [Survey Organization] will receive this contact information, and will use it only to contact you for the interviews.

What Other Information Will the Researchers Collect?

If you agree to participate, the research staff will collect information that you give to [The Financial Clinic/SFLUM] when you apply for its financial coaching program, and that [The Financial Clinic/SFLUM] stores in its computer databases. We will also ask for your social security or tax identification number so that we can retrieve your credit report as a part of the research study. If the interviewer loses touch with you while we are conducting the outcomes survey, he or she may try and find you by reaching out to the contact individuals you list on the application form, or the employees at [The Financial Clinic/SFLUM].

Procedure

If you agree to participate, a [The Financial Clinic/SFLUM] financial coach will ask you to fill out a study application form and will give [Survey Organization] your contact information. In late 2013, a [Survey Organization] staff member will contact you to schedule a telephone interview for the final telephone survey. They will not leave messages for you if you ask them not to, and will follow your instructions for how to reach you safely by telephone. Each interview should each take about 40 minutes of your time to complete.

Privacy

You should understand that no researcher, financial coach, or interviewer will reveal the fact that you are participating in this study—no one will know unless you tell them yourself. The information that we collect in the application form and in the later outcomes survey will be kept

private. This information will be combined with information from all other study participants and will not be reported or shared in a way that would allow anyone to link what you tell us with who you are. We will not publish your name or other personal identifying information in anything we write or talk about. We also will not share information that identifies you, including your name or information from your credit report, with anyone outside of the research team, including the Consumer Financial Protection Bureau. All of your answers will be stored in databases with secured password protection and accessed only by research staff who are committed to ensuring your privacy, and who have signed data privacy pledges.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget (OMB).. The OMB control number for this collection is 3170-XXXX. The collection expires on XX/XX/XXXX. Also, a federal law called the Privacy Act directs how the federal government treats the personally identifiable information contained in your answers to these questions. To understand how and when your personally identifiable information may be shared, you can read the Privacy Act Statement on the CFPB's website at www.consumerfinance.gov and search for CFPB.021 Consumer Education and Engagement Records. Additionally, the CFPB will treat the information received from you consistent with its privacy regulations at 12 C.F.R. Part 1070, *et seq.* We anticipate the application form taking about 10 minutes of your time, and the follow-up survey taking about 40 minutes of your time.

Compensation

You will receive a \$30.00 gift card as a token of appreciation for participating in the follow-up survey, which will be given to you after completing the final telephone survey. These funds are offered as a way to thank you for completing the outcome survey.

Questions

If you have any questions about the study you can contact the Urban Institute research staff at (202) 261-5574.

Signature of Subject or Legally Authorized Representative

My rights as a study participant have been explained to me and my signature below indicated that I understand my rights. I am willing to participate in this study of how financial coaching programs help participants. I have been given a copy of this form. I understand that by agreeing to participate in this study I grant the research team of [Survey Organization] and the Urban Institute the following permissions:

- Permission to use the contact information I provide only for the purposes of reaching me for an interview;
- Permission to obtain access to my credit report from a third party credit reporting agency;
- Permission for [The Financial Clinic/SFLUM] to share information that I give to [The Financial Clinic/SFLUM] when I apply for the financial coaching program and information that [The Financial Clinic/SFLUM] uses to keep track of participants using their services with the Urban Institute and Consumer Financial Protection Bureau;

- Permission to contact [The Financial Clinic/SFLUM] and the individuals I list as contacts on the application form, in case the interviewer and I lose touch.

Signature

Date

Printed Name

Signature of Staff

Date (must be same as respondent's)

Printed name of Staff

Script for Completing the Application Survey

At this point, we would like you to complete our program application survey that will help us understand the characteristics of people who are interested in financial coaching. The survey will take approximately 10 minutes. Completing the application form is voluntary. It is possible that you may find some of the survey questions to be personal; however, your information will be kept private and will help us to understand your financial background.

Please remember that the information that we collect in the application form and in the later outcomes survey will be kept private. This information will be combined with information from all other study participants and will not be reported or shared in a way that would allow anyone to link what you tell us with who you are. We will not publish your name or other personal identifying information in anything we write or talk about. We also will not share information that identifies you, including your name or information from your credit report, with anyone outside of the research team, including the Consumer Financial Protection Bureau. All of your answers will be stored in databases with secured password protection and accessed only by research staff who are committed to ensuring your privacy, and who have signed data privacy pledges.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget (OMB). The OMB control number for this collection is 3170-XXXX. The collection expires on XX/XX/XXXX. Also, a federal law called the Privacy Act directs how the federal government treats the personally identifiable information contained in your answers to these questions. To understand how and when your personally identifiable information may be shared, you can read the Privacy Act Statement on the CFPB's website at www.consumerfinance.gov and search for CFPB.021 Consumer Education and Engagement Records. Additionally, the CFPB will treat the information received from you consistent with its privacy regulations at 12 C.F.R. Part 1070, *et seq.* We anticipate this application form taking about 10 minutes of your time.

Also please remember that completing this form is voluntary; you can choose not to answer any question, and you can stop at any time.

Do you agree to complete the application survey?

[If Yes then continue]

Great, let's get started. Please fill it out the application survey as accurately as possible, and feel free to ask me any questions you have while completing it.

Script for Completing the Outcome Survey

Hello, my name is [_____]. We are calling you to complete a follow-up survey on behalf of the Urban Institute and [The Financial Clinic/SFLUM], and to arrange for you to receive your \$30gift card that we mentioned when you agreed to participate in this study. I'm calling from [Survey Organization], a research company in [STATE] that is working for the research team.

During an initial meeting with [The Financial Clinic/SFLUM] in [Month and Year of Application], you completed an application survey for a study on the financial coaching program. You may recall that the application asked a few questions about your financial situation and your interest in financial services. You may also recall the informed consent document that you signed at the beginning of the study. We would like to take this opportunity to review this document, and to answer any questions you may have at this point.

This telephone interview will last about 40 minutes and include questions about your income, employment, banking history, and financial experiences. The Urban Institute and [The Financial Clinic/SFLUM] are committed to protecting the privacy of the personal and financial information that we collect in this survey.

The information that we collect in this outcomes survey will be kept private. This information will be combined with information from all other study participants and will not be reported or shared in a way that would allow anyone to link what you tell us with who you are. We will not publish your name or other personal identifying information in anything we write or talk about. We also will not share information that identifies you with anyone outside of the research team, including the Consumer Financial Protection Bureau. All of your answers will be stored in databases with secured password protection and accessed only by research staff who are committed to ensuring your privacy, and who have signed data privacy pledges.

As required by federal law, the Office of Management of Budget has approved these questions under the Paperwork Reduction Act. The OMB control number for this collection is 3170-XXXX. The collection expires on XX/XX/XXXX. Also, a federal law called the Privacy Act directs how the federal government treats the personally identifiable information contained in your answers to these questions. To understand how and when your personally identifiable information may be shared, you can read the Privacy Act Statement on the CFPB's website at www.consumerfinance.gov and search for CFPB.021 Consumer Education and Engagement Records. Additionally, the CFPB will treat the information received from you consistent with its privacy regulations at 12 C.F.R. Part 1070, *et seq.* We anticipate this application form taking about 10 minutes of your time.

Also please remember that completing this form is voluntary; you can choose not to answer any question, and you can stop at any time.

Is this a good time and place to answer our questions?

[If Yes: Continue]

[If No: When would be a good time to reach you when you will be in a setting where you will feel comfortable answering these questions?]

Do you have any questions before we start?

[If Yes then attempt to answer them]

[If No then continue]

Do you consent to complete the survey?

[If Yes then continue]

APPENDIX B: DATA COLLECTION INSTRUMENTS

(included as separate documents: Application Form and Outcome Survey)

APPENDIX C: FEDERAL REGISTER NOTICE
(included as separate document)