

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

**(OMB CONTROL NUMBER: 3170-XXXX)**

**TERMS OF CLEARANCE: None.**

**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.

## 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>
<b>Research Question 1: Household Balance Sheet</b>				
<i>How much owed on credit cards</i>	\$8,032	-\$4,412	\$2,752	-\$1,022
<b>Research Question 2: Financial Stress</b>				
<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%
<b>Research Question 3: Financial Behaviors</b>				
<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](mailto:msimms@urban.org)  
[Mr. Brett Theodos, Project Manager, 202-261-5685, btheodos@urban.org](mailto:btheodos@urban.org)

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

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

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