

Request for Approval under the “**GENERIC CLEARANCE FOR QUALITATIVE CONSUMER EDUCATION, ENGAGEMENT, AND EXPERIENCE INFORMATION COLLECTIONS**” (OMB Control Number: 3170-0036)

TITLE OF INFORMATION COLLECTION:

Qualitative Research of Consumer Understanding and Decision-making Related Credit Reports, Auto Budgeting, Comparison Shopping, and Rules of Thumb

PURPOSE:

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) (“the Dodd-Frank Act” or “the Act”) requires the Consumer Financial Protection Bureau (CFPB) to regulate the offering and provision of consumer products or services under Federal consumer financial law. The Act also established the Office of Financial Education (OFE) within the CFPB, which is responsible for developing and implementing a strategy to improve the financial literacy of consumers that includes measurable goals and objectives, in consultation with the Financial Literacy and Education Commission (FLEC) and, together with the CFPB’s Office of Research, for conducting research related to financial education and consumer decision-making.

In order to improve financial decision-making skills in consumers, the Office of Financial Education has undertaken a consumer research and segmentation project to better understand current consumer behavior with the goal of developing innovative approaches to assist consumers in making informed financial decisions. Specifically, the information collection portion of this study aims to obtain insights into the financial decision-making processes of consumers across four topic areas:

- Consumer knowledge of and behavior related to credit reports and scores;
- Consumer information search and decision process around auto budgeting and financing;
- Comparison shopping for financial products; and
- Consumer rules of thumb in financial decision-making.

The qualitative data from this stage of the project will inform the next phase of the project which will entail the development and testing of tools, and messages that can be deployed to help consumers and improve financial education practices. This phase will be followed by a quantitative assessment of the tools and messages deployed.

Through this Request for Approval under the “Generic Clearance for Qualitative Consumer Education, Engagement, and Experience Information Collections,” the CFPB seeks approval to conduct the first phase of this project: qualitative research to understand the consumer decision-making process and the factors that influence their decisions. This qualitative research will entail small group interviews with both consumers and credit counselors in order to learn their thoughts and opinions about the variables that contribute to consumer decision-making in the four areas noted above.

The CFPB has contracted with Abt Associates to undertake this research.

Approval for information collection for each subsequent phase of this Project will be sought from OMB, as applicable.

The information collected through these processes will increase the CFPB’s understanding of consumers’ financial experiences and outcomes and therefore what type of financial education and empowerment programs and practices may improve financial decision-making skills and outcomes for consumers.

DESCRIPTION OF RESPONDENTS:

The study will target a range of consumers in order to understand the decision-making processes for working-age Americans in the following product and decision categories:

- Credit reports and scores

- Auto budgeting and financing
- Comparison shopping for products
- Rules of thumb used in financial decision-making

In order to obtain qualitative data on a variety of consumer experiences, we will include consumers with a range of incomes (focusing on low to moderate income populations) and a range of experience with financial decisions.

The study will also include information from credit counselors who have direct experience working with consumers who are involved in financial decision-making matters.

TYPE OF COLLECTION: (Check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> In-Person Meeting | <input checked="" type="checkbox"/> Qualitative Survey |
| <input checked="" type="checkbox"/> Interview | <input type="checkbox"/> Small Discussion Group |
| <input checked="" type="checkbox"/> Focus Group | <input type="checkbox"/> Online Discussion Forum |
| <input type="checkbox"/> Social Media Poll | <input type="checkbox"/> Other: _____ |

CERTIFICATION:

By submitting this document, the Bureau certifies the following to be true:

1. The collection is voluntary.
2. The collection is low-burden for respondents.
3. The collection is non-controversial and does not raise issues of concern to other federal agencies.
4. Information gathered will not be used for the purpose of substantially informing influential policy decisions.
5. The results will not be used to measure regulatory compliance or for program evaluation

Personally Identifiable Information:

1. Is personally identifiable information (PII) collected? Yes No

PII containing direct-identifiers (name and contact information) will only be collected for the purpose of recruiting respondents. Other than first names to facilitate conversation, no PII containing direct identifiers will be requested during the focus groups. For credit counselors, the following PII containing direct identifiers will be collected for recruiting purposes: full name, job title and phone number. This information will be used to contact practitioners for the interview. No PII containing direct identifiers will be linked to data (respondent answers) collected during the interview. CFPB will only be provided aggregate, data stripped of direct identifying PII. Any PII collected in the course of conducting the study will be appropriately protected and stored in a secure location.

2. If Yes, is the information that will be collected included in records that are subject to the Privacy Act of 1974? Yes No

3. If Applicable, has a System or Records Notice been published? Yes No N/A

Gifts or Payments:

Is an incentive (e.g., money or reimbursement of expenses, token of appreciation) provided to participants? Yes No

Focus group participants will receive \$75 for participating in a 140 minute group discussion.

The amount is based on Abt SRBI's experience in conducting interviews with consumer populations and we expect it to provide sufficient motivation for respondents to complete the interview. The consumers recruited for these groups have to meet strict recruiting specifications. It may be difficult to find enough consumers willing to participate in the study if an incentive payment is not offered because potential participants may be reluctant to discuss personal finances, leading to a lower response rate. The incentive payment is to thank the respondent for their time. It is also meant to offset any additional expenses incurred to participate in the focus group including travel costs getting to and from the focus group facility, parking, or child care costs.

Assurances of Confidentiality:

1. Will a pledge of confidentiality be made to respondents? Yes No
2. If Yes, please cite the statute, regulation, or contractual terms supporting the pledge.

The consent forms state that “no individual participant will be identified or linked to the results. All information obtained in this study will be kept private to the extent permitted by applicable law”. See attached informed consent form.

JUSTIFICATION OF SENSITIVE QUESTIONS (if applicable):

We will gather participants' full names, contact information, annual income, basic demographic, and general financial information (e.g., experience with services, amount of debt, but no account details) when we recruit the focus group participants. This is pivotal to have in order to ensure that consumers with backgrounds relevant for this study are recruited. These data points are also needed to classify consumers by level of experience with credit reports, financial products, etc. This information will be used to assign consumers to

focus groups. In addition, focus group participants will be asked to fill out a short self-administered questionnaire before the start of focus group discussions collecting additional general financial information as well as attitudinal information regarding financial decision making. This will inform the consumer segmentation that is the goal of this phase of the project and will also inform the next phase of the project that will require information about consumer attitudinal information. Procedures to protect participants' confidentiality include not collecting contact information in self-administered questionnaires, not using full names during the focus group discussions, moderators and observers not discussing participants outside of the research setting, and reporting only de-identified findings.

BURDEN HOURS

Category of Respondent	Number of Respondents	Participation Time	Burden
Focus Group Respondents	330	130 minutes per participant	715 hours
Total	330		715 hours

FEDERAL COST: The estimated annual cost to the Federal government is \$647,976.

Strategies for Selecting Respondents

Do you have a customer list or something similar that defines the universe of potential respondents and do you have a sampling plan for selecting from this universe?

- Yes
- No

If the answer is yes, please provide a description of both below (or attach the sampling plan)? If the answer is no, please provide a description of how you plan to identify your potential group of respondents and how you will select them?

The Abt Team will work with Abt SRBI, Abt Associates' dedicated survey research subsidiary, to conduct recruitment for the focus groups. Abt SRBI will manage participant recruitment and coordination with professional focus group facilities in each city where focus groups will occur based on a screening tool developed by the Abt team (see appendix) which recruits participants based on:

- Experiences with purchasing an automobile or their familiarity with credit reports and scores
- Experience level in finances and financial decision-making
- Certain behaviors that need to be represented in each of the two types of focus groups (such as purchasing a car, or financing car purchase through direct or indirect financing)

For the credit counselor segment, Abt SRBI will recruit 12 to 15 credit counselors who have significant experience in the field. Counselors will be recruited through local community-based organizations in the Boston area.

Information Collection Procedures

Please summarize the procedures that will be used to collect data from respondents.

The data collection portion of this project will occur during 330 focus group discussions using the attached focus group discussion guide. This will be used to collect data from respondents about these four topics of interest:

- Consumer knowledge of and behavior related to credit reports and scores;
- Consumer information search and decision process around auto budgeting and financing;
- Comparison shopping for financial products; and
- Consumer rules of thumb in financial decision-making.

Trained study team personnel will conduct the focus groups, which will be recorded for later transcription (with participant permission). Each focus group participant will be asked to sign a consent form and will also complete a self-administered qualitative questionnaire (also attached) prior to the focus group discussion. All recorded focus group conversations will be transcribed by a professional transcription service.

Administration of the Instrument

1. How will you collect the information? (Check all that apply)

- Web-based or other forms of Social Media
- Telephone (*during recruitment*)
- In-person (*during all study activities*)
- Mail
- Other, Explain

2. Will interviewers or facilitators be used? Yes No

All interviewers and facilitators are trained on the project and have passed the CITI IRB training and certification for human subject's protection.

Please make sure that all instruments, instructions, and scripts are submitted with the request.

Appendices:

Appendix A: Consent Forms

Appendix B: Focus Group Screening Questionnaire

Appendix C: Self-administered Questionnaire

Appendix D: Focus Group Discussion Guide – General

Appendix E: Focus Group Discussion Guide – Credit Counselors

Appendix A. Consent Forms

Consent Form: Focus Groups

Purpose:

Abt Associates is an independent national research firm that is currently working on an important study for the newly formed Consumer Financial Protection Bureau (CFPB). The Dodd-Frank Act authorizes the CFPB's Office of Financial Education (OFE) to "conduct research related to consumer financial education and counseling." Id. §1013(d) (3)(B). The CFPB wants to learn about how consumers use their credit reports and make financial decisions, such as buying a car or taking out a credit card. You are invited to participate. The purpose of the study is to obtain insights into the financial decision making processes of consumers.

Procedures:

If you participate in this study, you will be in a group of approximately 10 consumers. There will be a facilitator who will ask questions and facilitate the discussion. You will be asked questions about how you make financial decisions regarding various topics such as purchasing a car and obtaining financial products like a mortgage. CFPB seeks to better understand how consumers make decisions about financial products, and use that understanding to develop effective approaches to helping consumers make more informed choices.

Your participation is completely voluntary. You are not required to answer any question that you do not feel comfortable answering and you may withdraw from this study at any time without penalty. The focus group is estimated to take about 2 hours and 10 minutes and you will be compensated \$75 for your time participating. In accordance with the Paperwork Reduction Act of 1995, this study has been approved by the Federal government's Office of Management and Budget (OMB) under control number 3170-0036.

Benefits and Risks:

Your participation may benefit you and other consumers by sharing experiences about financial decision making. No risk greater than those experienced in ordinary conversation are anticipated. Everyone will be asked to respect the privacy of the other group members. All participants will be asked not to disclose anything said within the context of the discussion, but it is important to understand that other people in the group with you may not keep all information private and confidential.

Privacy:

Your participation will be audiotaped and videotaped to ensure an accurate transcript of our discussion. Only members from the study team will have access to the transcripts or audio/videotapes of the discussion. Responses to this data collection will be used only for statistical purposes. The reports prepared for this study will summarize findings across the sample and will not associate responses with a specific organization or individual. We will not provide information that identifies you or your affiliation to anyone outside the study team, except as required by law.

There are observers from the Abt project team who are interested in what you all have to say but will not be participating in our discussion. They are sitting behind the mirror/watching through closed-circuit viewing. They welcome your candid and open responses. We have these people sit

in another room so they can work together and discuss things without disturbing us. From time to time they may send in a note asking to hear more about something we are discussing.

Consent:

By signing this consent form, you are indicating that you fully understand the above information and agree to participate in this focus group.

Participant's signature: _____

Printed name: _____

Date: _____

For questions/concerns about your rights as a study participant, call Katie Speanburg at the Abt Institutional Review Board at 877-520-6835.

**Appendix B: Focus Group Screening Questionnaire
Research and Innovation Support Services for the
Consumer Financial Protection Bureau: Call 001
Contract # TPDCFPBPA130014**

[UNLESS OTHERWISE INDICATED, ALL CAPS TEXT SIGNIFIES PROGRAMMING INSTRUCTIONS; SECTION HEADERS ARE ALSO FOR INTERNAL REFERENCE ONLY.]

SCREENER

INTRODUCTION

Hello, my name is ____ and I work for Abt SRBI, an independent national research firm that is currently working on an important study for the newly formed Consumer Financial Protection Bureau. May I please speak with the person or one of the persons who makes financial decisions in the household?

[IF NECESSARY, SAY:] We're conducting a survey of adults between 18 and 64 years of age to better understand how consumers use financial information to make purchasing and budgeting decisions, such as buying a car or acquiring a credit card. This is a research study and not a sales call of any kind. Today we'd like to ask you just a few questions to determine if your experiences are among those we need to learn about. If so, we may ask you to be part of an in-person focus group of consumers. If you participate, you'd be compensated \$75 for participating in the focus group. Your participation and all responses are voluntary and your responses will be de-identified. The questions asked during this interview have been approved by the Federal government's Office of Management and Budget under OMB control number 3170-0036.

1. Yes, correct person on the phone [**PROCEED TO 2**]
2. Referred to new name [**ONCE CORRECT PERSON IS ON THE PHONE, SKIP TO 2;**
3. Referred to new name, but respondent not available [**SKIP TO NEW1a**]

[IF CORRECT PERSON IS NOT AVAILABLE]

NEW 1a. What is the name of the person I should speak with? [**ENTER NAME OF PERSON**]

NEW 1b. What is the best time to call back and speak to him or her? [**ENTER DAY/TIME TO CALL BACK**]

ONCE REQUESTED PERSON IS ON THE PHONE

1. We are working with the Consumer Financial Protection Bureau, the consumer agency established by Congress to protect consumers by carrying out federal consumer financial policies and laws, to conduct a survey about how consumers use information like credit reports to make financial decisions, such as buying a car or taking out a credit card. We would very much like to ask you a few questions about this topic.

[IF NECESSARY, PROMPT:] We're interested in learning about consumers' financial decision making process.

[IF NECESSARY, EXPLAIN:] I only have a few quick questions right now. If you qualify and are the right person for the survey you will be invited to be part of an in person focus group of consumers.

S1) Are you the person or one of the persons in your household who makes financial decisions in your household?

- 1 Yes
- 2 No [THANK AND TERMINATE]

S2) Do you or does anyone in your household work for a bank, another kind of financial institution, an advertising agency, a public relations firm, or a market research firm?

- 1 Yes [THANK AND TERMINATE]
- 2 No

IF S3=1 TERMINATE

S3) What was your age on your last birthday? _____

Enter 99 if Rather not say, **IF S4=99**
IF S4=/>65 TERMINATE

S4) Of the following categories, which includes your age as of your last birthday?

- 1 18-34
- 2 35-44
- 3 45-54
- 4 55-64
- 5 **65+ [TERMINATE]**

GENERAL BACKGROUND

To begin, I would like to ask you a few questions about your current financial conditions...

S9) How comfortable are you with your current level of savings, such as savings for college, retirement, or for a rainy day? [ACCEPT ONE RESPONSE]

- 1 Very comfortable
- 2 Somewhat comfortable
- 3 Somewhat uncomfortable
- 4 Very uncomfortable
- 5 No Answer/ Don't Know

S10) How comfortable are you with your current level of debt, such as loans, mortgages, or the amount of money you owe others? [ACCEPT ONE RESPONSE]

- 1 Very comfortable
- 2 Somewhat comfortable
- 3 Somewhat uncomfortable
- 4 Very uncomfortable
- 5 No answer/Don't know

S11) Which of these two statements best describes you? [RANDOMIZE LIST; READ LIST; ACCEPT ONE RESPONSE]

1. I prefer to use cash or debit for most of my everyday purchases [CODE AS CASH – USER].
2. I prefer to use credit cards for most of my everyday purchases [CODE AS CREDIT USER].
- 99 [VOL] DK/REF

S12) What is the most important thing to you when choosing a credit card? [ACCEPT ONE RESPONSE]

1. Interest rates [CODE AS INTEREST DRIVEN]
2. Points or other award features [CODE AS NON-INTEREST DRIVEN]
3. Organization providing the credit card [CODE AS NON-INTEREST DRIVEN]
4. Other (specify) _____
99. [VOL] DK/REF

S13) Which of these two statements best describes you? [RANDOMIZE LIST; READ LIST; ACCEPT ONE RESPONSE]

1. Thinking about money is stressful for me [CODE AS VULNERABLE USER]
2. I don't find thinking about money to be stressful [CODE AS CONFIDENT USER]
99. [VOL] DK/REF

CREDIT/FINANCIAL BEHAVIOR

S14) Which of the following personal financial products do you have today? Do not include any products or accounts that you use for business or any other purpose other than for personal use. [ACCEPT MULTIPLE RESPONSES]

- 1
- 2 Personal checking account (in your name or joint account)
- 3 Personal savings account (in your name or joint account)
- 4 A major credit card with a Visa, MasterCard, American Express, or Discover logo on it. Please exclude store cards, debit cards and cards used exclusively for business.

- 5 A debit card which automatically withdraws funds from your bank account and can be used for making purchases or getting cash from an ATM. It may have a MasterCard or Visa logo.
- 6 A money market account
- 7 CD's/certificates of deposit
- 8 Personal Retirement Plan (IRA/Keogh)
- 5 A home mortgage
- 6 A home equity line of credit
- 7 Another kind of account (list)
- 8 Prepaid or secured credit card
- 9 Car loan
- 10 None of these [SINGLE PUNCH TERMINATE]
- 11 Don't know [SINGLE PUNCH TERMINATE]

S14a) Which of the following types of financial institutions do you currently use for your personal banking needs? **[ACCEPT MULTIPLE RESPONSES]**

- 1 National bank [IF NEEDED, "EXAMPLES OF NATIONAL BANKS INCLUDE BANK OF AMERICA, CHASE, CITIBANK, OR WELLS FARGO."]
 - [IF YES] How many banks of this type do you use?
- 2 Regional bank [IF NEEDED, "A REGIONAL BANK OPERATES IN ONE STATE OR SET OF STATES BUT NOT NATIONWIDE. EXAMPLES INCLUDE BANKS LIKE BANK OF THE WEST, WASHINGTON FEDERAL, OR EASTERN BANK."]
 - [IF YES] How many banks of this type do you use?
- 3 Community bank [IF NEEDED, "COMMUNITY BANKS TEND TO WORK IN ONE PLACE AND BE FOCUSED ON THAT COMMUNITY."]
 - [IF YES] How many banks of this type do you use?
- 4 Credit Union (TYPE IN CREDIT UNION NAME)
 - [IF YES] How many credit unions do you use?
- 5 Online bank
 - [IF YES] How many banks of this type do you use?
- 6 Some other bank (TYPE IN BANK NAME)
 - [IF YES] How many banks of this type do you use?
- 7 None of these
- 8 Don't know
 - We have a list of financial institutions and which category they belong to. Would you mind telling me the name of the one you are not sure about and I will look it up to see what type of financial institution it is?
- 99 Prefer not to say

S15) [IF S14c Credit Cards=Yes, ASK] How many credit cards do you currently have for personal use? Include any you may have from a bank, a gasoline company or department store. [ACCEPT ONE RESPONSE]

- 1 1-2
- 2 3-5
- 3 6 or more
- 9 No answer/don't know

S16) Which of the following best describes how you manage your credit cards? [ACCEPT ONE]

1. I only use them in an emergency
2. I pay off the balance due each month before I am charged interest
3. I carry a small balance and pay it off as soon as possible
4. I have a balance that I am working to pay down
5. I use my card up to the credit limit and pay the minimum payment
6. Enter 99 if Rather not say

S17) In the past five years, which of the following have happened to you? [ACCEPT MULTIPLE RESPONSES]

- 1 Denied credit (such as a credit card or loan)
- 2 Used a pay day loan
- 3 Foreclosure
- 4 Short sale
- 5 Chapter 7 bankruptcy
- 6 Chapter 13 bankruptcy
- 7 Repossession (car, other vehicle, furniture, appliance, etc.)
- 8 None of the above
- 9 Don't know/Prefer not to say

AUTOMOBILE AND PURCHASING BEHAVIOR

S18) How long ago did you buy a car? [ACCEPT ONE RESPONSE]

- 1 Less than 1 month ago
- 2 2-3 months ago
- 3 4- 6 months ago
- 4 7-12 months ago
- 5 More than a year ago [NOT QUALIFIED FOR "AUTO" PURCHASING REPRESENTATION SKIP TO S19]

6 Never [NOT QUALIFIED FOR “AUTO” PURCHASING REPRESENTATION
SKIP TO S19]

S19) How did you pay for the car? [ACCEPT ONE RESPONSE]

- 1 Paid cash (from savings, checking, or cash on hand)
- 2 Financed the car through the dealership
- 3 Financed the car through a loan from a bank/credit union (bank loan)
- 4 Online loan
- 5 Borrowed money from a friend/family
- 6 Withdrew money from investment account, retirement account, pension, etc.
- 7 Combination- [PLEASE SPECIFY- _____]
- 8 No answer/don't know

S19a) Did you shop around for financing deals before deciding on the financing you chose? By deals I mean looking for the lowest interest rate (i.e. 0%) , longest terms (5 year term) or cash back?

- 1 Yes
- 2 No
- 3 No answer/Don't know

FINANCIAL MANAGEMENT ATTITUDES AND BEHAVIORS

S20) How would you rate yourself as a financial manager for your household? [ACCEPT ONE RESPONSE]

- 1 Very conservative
- 2 Conservative
- 3 Moderate
- 4 Aggressive
- 5 Very Aggressive
- 6 No answer/don't know

S20a. Why do you describe yourself as (INSERT ANSWER TO S20)?

S21) How frequently do you review your credit report information? [ACCEPT ONE RESPONSE]

- Monthly.....3
A few times during the year.....4
Once a year5
It has been a few years I have looked at my report.....6

- It has been 5 years or more since I have looked at my report.....7
- Have not looked at my credit report at all8
- Prefer not to say99

S21) How frequently do you review your credit score information? [ACCEPT ONE RESPONSE]

- Monthly.....3
- A few times during the year.....4
- Once a year5
- It has been a few years I have looked at my score.....6
- It has been 5 years or more since I have looked at my score.....7
- Have not looked at my credit score at all8
- Prefer not to say99

S22) What usually prompts you to review your credit score/report information? [ACCEPT ONE RESPONSE]

- Routinely review how my credit is performing1
- It was provided to me (through a service).....2
- In response to reminders from financial institutions.....3
- To determine if I could qualify for a mortgage, loan or interest reduction4
- Financial education/information encouraging me to do so5
- To check for credit or other financial fraud6
- If it is provided to me after I am denied credit.....7
- If it is provided to me by a lender for another reason (Please specify: _____).....8
- Marketing and advertising campaigns.....9
- Other (Please specify : _____).....10
- Prefer not to say99

S23) Which of the following classifications would you say describe you? [ACCEPT MULTIPLE RESPONSES]

- Young worker/new household just starting out1
- A recent immigrant to the US2
- A debt-free person without a mortgage, credit card balance or student loan ...3
- A person that lets someone else make most of your financial decisions4
- None of the above.....5

S24) Which of the following has ever happened to you? [ACCEPT MULTIPLE RESPONSES]

- 1 I have been denied a credit card I applied for [CODE AS NEGATIVE EXPERIENCE]
- 2 I have been denied for a loan (mortgage, car, personal) [CODE AS NEGATIVE EXPERIENCE]

- 3 I have had an account sent to collections. What kind of account? [CODE AS NEGATIVE EXPERIENCE]
- 4 I have had my credit limit reduced [CODE AS NEGATIVE EXPERIENCE]
- 5 I have bounced a check(s) [CODE AS NEGATIVE EXPERIENCE]
- 6 A spontaneous increase in a credit card limit CODE AS POSITIVE EXPERIENCE
- 7 Automatic upgrade to higher level credit card such as gold or silver level CODE AS POSITIVE EXPERIENCE
- 8 None of the above

S25) Have you ever felt discriminated against in a financial transaction (such as because of your language ability, race, gender, or age)? [CODE AS NEGATIVE EXPERIENCE]

- 1 Yes
- 2 No
- 3 Don't know/Rather not say

DEMOGRAPHICS

[DEMOGRAPHICS INTRO SHOW TEXT:] Now there are just a few more questions so that we can classify your answers...

D1) Which of the following best describes your current employment? [ACCEPT MULTIPLE RESPONSES]

- 1 Employed full-time
- 2 Employed part-time
- 3 Unemployed and looking for work
- 4 Unemployed and not looking for work
- 5 Student – Full-time
- 6 Student – Part-time
- 6 Military- Active
- 7 Military - Inactive
- 8 Retired
- 9 Self-employed
- 10 Homemaker
- 99 Don't know/Rather not say

D2) What was the last grade of school that you completed? [ACCEPT ONE RESPONSE]

- 1. Some high school or less
- 2. Graduated high school or GED
- 3. Some technical/trade school
- 4. Some college/university
- 5. Graduated technical/trade school

6. Graduated college/university
7. Master's degree
8. MBA
9. Law Degree
10. Ph.D.
11. Some other post graduate degree
- 99 Don't know/Rather not say

D3) Are you Spanish, Hispanic or Latino? READ IF NECESSARY: For example, Mexican, Mexican American, Chicano, Puerto Rican, Cuban, or another Spanish, Hispanic, or Latino group? [ACCEPT ONE RESPONSE]

- 1 Yes
- 2 No
- 99 Don't know/Rather not say

D4)

Are you White? Black or African American?

American Indian or Alaska Native? Asian? Native Hawaiian or Other Pacific Islander?

READ IF NECESSARY: For example, American Indian, Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, or Other Asian?

D5) Which of the following best describes your marital status? [ACCEPT ONE RESPONSE]

- 1 Married
- 2 Living with someone as married
- 3 Widowed
- 4 Divorced
- 5 Separated
- 6 Never been married
- 99 Don't know/Rather not say

D6) Which category best approximates your total household income before taxes last year? [ACCEPT ONE RESPONSE]

- 1 Less than \$25,000
- 2 Between \$25,000 and \$39,999
- 3 Between \$40,000 and \$49,999
- 4 Between \$50,000 and \$74,999
- 5 Between \$75,000 and \$99,999
- 6 Between \$100,000 and \$124,999
- 7 Between \$125,000 and \$149,999
- 8 \$150,000 or more
- 99 Don't know/Rather not say

D6a) Which of the following best describes your household's total investable assets? This includes checking and savings accounts, investments such as CDs, mutual funds, money market accounts, stocks, and so forth, but does not include personal retirement accounts such as IRAs, or assets you have accumulated through your work such as a 401k, or the value of your primary residence or any business assets. [ACCEPT ONE RESPONSE]

- 1 Under \$10,000
- 2 Between \$10,000 and \$24,999
- 3 Between \$50,000 and \$74,999
- 4 Between \$75,000 and \$99,999
- 5 Between \$125,000 and \$149,999
- 6 Between \$150,000 and \$199,999
- 7 Between \$200,000 and \$249,999
- 8 \$250,000 or more
- 9 Don't know/Rather not say

D7) Do you own or rent your primary residence? [ACCEPT ONE RESPONSE]

- 1 Own
- 2 Rent
- 3 Living rent-free
- 4 Prefer not to say

D9) How many adults 18 years of age and older live in your household including yourself? [ACCEPT ONE RESPONSE]

- 1 One
- 2 Two
- 3 Three
- 4 Four or more
- 5 Prefer not to say

D10) How many children under the age of 18 live in your household? [ACCEPT ONE RESPONSE]

- 1 None
- 2 One
- 3 Two
- 4 Three
- 5 Four
- 6 Five or more
- 7 Prefer not to say

D11) RECORD GENDER

- 1 Male
- 2 Female
- 3 Transgender
- 4 Other (Specify)

.Thank you, you have qualified to participate in the rest of our research study. We would like to have you participate in an upcoming in person focus group on _____ at _____. Would you be willing to participate in the focus group?

[IF NECESSARY] This is a research study for the Consumer Financial Protection Bureau and is not an attempt to sell you anything. Your responses will be confidential and combined as a group with those of other consumers nationwide. You will receive a \$50.00 check for your time and participation in the focus group..

1. Yes [CONTINUE TO INT1]
2. No [TERMINATE- REFUSED TO PARTICIPATE]

INT1. To set you up as a participant in the focus group, I will need some contact information from you. Rest assured this information will just be used for a reminder call for the focus group and for the \$75.00 check for your participation. What is your first and last name?

[IF NEEDED] Please be assured that your contact information will only be used for a reminder call for the focus group. It will not be used for any other purpose.

1. DK/Refused [TERMINATE, REFUSED TO PARTICIPATE]

INT3. Now what is the best phone number to call you to remind you about the focus group the day before?

Phone number: _____

Alternate phone number: _____

Those are all the questions I have today. Thank you for your time today and for agreeing to participate in the focus group on _____(READ IN DAYTIME FOR GROUP).

QUOTA DEFINITIONS FOR ‘LOW’, ‘MODERATE’ AND ‘HIGH’ EXPERIENCE

COUNT AS A ‘LOW’ EXPERIENCE USER If respondent answers S14 = 1 or 2 products/services, but did not experience a foreclosure/bankruptcy in S17

- (S14a = uses only 1 financial services institution),
- (S15 = has 0-2 credit cards)

- (S20= checks credit report less than once a year or never)
- (D20 = rents home)

COUNT AS A ‘MODERATE’ EXPERIENCE USER If respondent answers S14 = 3 or 4 products/services,

- (S14a= 1 to 3 Financial Institutions)
- (S15 = has 1-4 credit cards)
- (S20 = checks credit report 1 – 3 times a year)
- (D20 = rents or owns home)

COUNT AS a “HIGH” EXPERIENCE USER if respondent answers S14 = 3 OR MORE products/services, or experienced a bankruptcy/foreclosure in S17

- (S14a= 2 or more Financial Institutions)
- (S15 = has at least 3 credit cards)
- (S20 = checks credit report more than 3 times a year)
- (D20 = owns home)

RESPONDENTS WILL BE ASSIGNED TO THE HIGHEST GROUP FOR WHICH THEY QUALIFY.

Appendix C. Self-Administered Questionnaire



**Abt Associates Inc.
CFPB Research & Innovative Support Services
Participant Information Sheet**

Thank you very much for agreeing to participate in this study on consumer financial decision-making sponsored by the U.S. Consumer Financial Protection Bureau (CFPB). The research

team will be asking you questions about your experiences, ideas, and beliefs in person and in more detail. We are asking each participant in this project to fill out the information below. It will help us to understand consumers' backgrounds and experiences to have standard information about you, in addition to our interview or focus group discussion. Completing this questionnaire is voluntary and you may skip any question you do not know how to answer or would prefer not to answer.

Date: _____

City: _____

Financial Climate

1. How would you rate the condition of the economy in the area where you live these days?

- Excellent
- Good
- Only fair
- Poor

2. How would you rate employment opportunities for people like you who may be looking for work in the area where you live?

- Excellent
- Good
- Only fair
- Poor

3. Thinking about the big things people buy, such as furniture, a refrigerator, an automobile, a television and things like that, do you think it would be:

- An excellent time to buy
- A good time to buy
- Only a fair time
- A poor time to buy

4. Would you say your own personal financial situation is better now, worse now or about the same as it was a year ago?

- Better than a year ago
- Same as a year ago
- Worse than a year ago

5. Looking forward at the next twelve months or so, how are you feeling about the chances your financial situation will get better?

- Very optimistic
- Somewhat optimistic
- Somewhat pessimistic
- Very pessimistic
- Don't know/rather not say

6. Based on your experiences with lenders, how fair do you think lenders are when they offer consumers terms on a new loan or credit card?

- Extremely Fair
- Somewhat Fair
- Not at all Fair
- Don't know/rather not say

Personal Financial Experiences

7. Thinking about the last year, where have you gotten information that helped you make a financial decision, such as how much money to save, how to pay off debt, or whether to make a big purchase. [Check ALL that apply.]

- Family and friends
- Financial literacy course. Specify which: _____
- Financial counseling or coaching , Specify: _____
- Financial advisor (a professional whose advice you paid for)
- Newspapers, television or radio. Specify which: _____
- Websites or blogs. Specify which: _____
- Money management or budgeting software. Specify which: _____
- Religious organization (church, mosque, temple)
- Investment club
- Other. Please explain: _____

8. How much do you know about the following?

	Nothing	Very little	Some	A fair amount	A lot
a. Interest rates finance charges and credit terms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Credit ratings and credit files	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Managing finances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Investing money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. What is on your credit report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. In the space below, please list some rules of thumb or guidelines you use to help you make financial decisions.

10. Here are some ways people use to manage the way they spend and save. Thinking only of the last year, please tell us whether you have taken any of the following actions in response to your household financial situation: [CHECK ALL THAT APPLY]

- Cut down on credit card purchases
- Paid down debt/Reduced the amount of money you owe
- Postponed the purchase of a major item such as an automobile or furniture
- Reduced mobile phone costs for yourself or members of your household
- Taken money out of savings to cover living expenses
- Changed living arrangements in order to save money
- Worked longer hours or taken on a second job to earn more money
- Postponed retirement
- Put more purchases on your credit card so you didn't have to pay for things immediately
- Made minimum payments on credit cards rather than paying them off quickly
- Cut down on non-essential spending such as restaurants and vacations
- Cut back on premium products such as coffee and other expensive foods, and instead purchased less expensive options
- Shop more at discount stores or warehouse clubs
- Use layaway to make big purchases.

11. Looking back over the past few years, what is the biggest personal finance lesson you have learned (READ LIST AND CHECK ONE)?

- I should save more
- I should worry less about money because there are more important things in life
- I should plan more for the future
- I should carry less debt
- I need to be more knowledgeable about financial matters
- I should have been more financially cautious
- I should spend less than I earn
- I should have planned to rely on myself more
- I should invest less in the stock market
- I should have taken more risks

12. Which category do you think best describes your credit score?

- Very High (750-850)
- High (700-749)
- Middle (660-699)
- Somewhat Low (620-659)
- Very Low (340-619)

13. How sure are you of this score?

- Very Sure
- Sure
- Unsure
- Very Unsure
- Don't Know

14. Given your current financial situation, how confident are you that you would be able to obtain favorable terms on a new loan or credit card?

- Extremely Confident
- Somewhat Confident
- Not at all Confident
- Don't Know

15. Complete this statement: Going into debt is...

Household Information

16. Your Age: _____

17. Your Sex: _____

18. How many people live in your household? _____

How many adults 18 or over? _____

How many children under 18? _____

Are you listed as someone else's dependent on a tax return?

Circle one: Yes No

19. Marital status:

Married Do you and your spouse hold individual or joint accounts?

Partnered Do you and your partner hold individual or joint accounts?

Divorced

Single (never married)

Widowed

20. Are you Spanish/Hispanic/Latino? Mark : the "Yes" box if Spanish/Hispanic/Latino or the "No" box if not Spanish/Hispanic/Latino.

Yes, Spanish/Hispanic/Latino

No, not Spanish/Hispanic/Latino

21. What is your race? Mark : one or more races to indicate what you consider yourself to be.

White Black or African American

American Indian or Alaska Native

Asian

22. What was the last grade of school that you completed?

Some high school or less

Graduated high school or GED

Some technical/trade school

Some college/university

Graduated technical/trade school

Bachelor's degree (graduated college/university)

Master's degree

MBA

JD

PhD

Some other post graduate degree

Don't know/Rather not say

23. What is your occupation? _____

24. Which of the following best describes your current employment? [CHECK ALL THAT APPLY]

- Employed full-time
- Employed part-time
- Unemployed and looking for work
- Unemployed and not looking for work
- Student – Full-time
- Student – Part-time
- Military- Active
- Military - Inactive
- Retired
- Self-employed
- Homemaker
- Don't know/Rather not say

25. Annual household income: \$_____

26. Who is responsible for financial decisions in your household? (*Specify*: self, spouse, both share equal responsibility)

_____..

Appendix D. Focus Group Discussion Guide – General

Introductions (5 minutes)

Introduction of Moderator:

Hello, my name is _____ and I'll be leading our discussion today. My role is to direct the content and flow of the discussion and to make sure that we cover the topics of interest.

Purpose of the Focus Group:

I work for a company called Abt Associates, and we conduct research on a variety of social issues. The study we are here for today is sponsored by the Consumer Financial Protection Bureau (CFPB). “Congress established the CFPB to protect consumers by carrying out federal consumer financial laws.” “[Their mission] is to make markets for consumer financial products and services work for Americans.”¹ The CFPB is interested in learning more about how consumers make common financial decisions such as buying a car or applying for a credit card. During the next two hours, we'll be asking you about different aspects of financial decision making. The information you share with us today will help the CFPB identify opportunities to improve consumer financial knowledge and decision-making strategies in the future.

Disclosure:

No direct identifiers will be collected, and your answers to our discussion questions will be kept confidential to the extent permitted by applicable law. The discussion will be audiotaped and videotaped so that we can have an accurate transcript of our discussion. The transcripts will be used to write a report that will be shared with CFPB. Only project staff members will have access to notes and transcripts and will be able to see your responses or to use the recordings. All information from the interviews will be stored in a secure location.

Information that directly identifies you will not be disclosed outside the project team. Also, we will not share the transcripts or handwritten notes from our discussion with anyone outside of the project staff members.

There are observers from our project team who are interested in what you all have to say but will not be participating in our discussion. They are sitting behind the mirror/watching through closed-circuit viewing. They welcome your candid and open responses. We have these people sit in another room so they can work together and discuss things without disturbing us. From time to time they may send in a note asking to hear more about something we are discussing.

¹ <http://www.consumerfinance.gov/the-bureau/>

Just to make sure, at this point, everyone should have filled out a consent form and given us permission to audio and videotape this session. Is that correct?

Ground Rules:

Before we begin, let me go over a couple of ground rules.

- We want to keep the discussion informal and relaxed.
- We will not be taking an official break, so please use the restrooms as needed. They are located down the hall and to your right.
- During the discussion, participants should feel free to ask me or each other questions if something is not clear.
- We are not looking for any right or wrong answers, so feel free to offer both positive and negative viewpoints.
- If you have opinions or thoughts different from what someone else says, please say so or I'll think that you all agree. We want everyone to participate, the opinions and experiences of everyone in the room are important.
- Be careful not to talk all at once; I don't want to miss anything that is said.
- We would like to hear from everyone. Some people talk more than others, and I'll be encouraging everyone to speak up.
- You do not have to answer any specific questions you do not want to answer.
- The discussion we'll have today is confidential and should not be discussed after you leave the focus group.
- Please turn off your cell phones or put them on vibrate.

Does anyone have any questions?

Participant Introduction/Warm-up:

Let's start today by getting to know each other a bit more. Let's go around the room and please tell us a little about yourself by answering the questions written on the flip chart.

Your first name only

For ALL groups: Thinking back over the last year, what is the biggest personal finance lesson that you have learned? OR

- Looking forward to the new year, what is the greatest financial change you plan to apply to your life?

Module A: Credit Reports and Scores

Credit Reports

1. I'd like to start by asking each of you to describe what types of information would you expect to find on your credit report. In just a sentence or two in your own words.

Probes:

- What information do you think is included on your credit report?
 - How often would you say it is updated?
 - Who's in charge of your credit report?
 - Who has access to your credit report?
2. If you wanted to get information about your credit, how would you go about doing it?

Probes:

- Where would you go on the Internet?
 - What other resources would you use?
 - Do you think it would be easy to find?
 - Do you have to pay to access the report?
3. Have you ever gotten a copy of your credit report? Why/why not?

Probes:

- If yes, where did you get it from? Why?
 - Under what circumstances?
 - Was it one-time or do you pull it regularly?
 - When was the last time you saw your credit report?
 - What was the process of getting your credit report like? Did you pay for it?
 - If yes, have you heard of the website where you can get it for free (annualcreditreport.com)? Do you know the site? Have you tried using the free site? Was there a reason you didn't use the free site?
 - What did you do with your credit report when you got it?
 - Was it what you expected it to be?
 - If no, why/why not?
 - Do you know how to do it? Have you tried?
 - Did you have any concerns or reservations about pulling it? What?
4. How are your credit report and credit score related?

Probes:

- Do you think more about your credit report or credit score? Both?
- What is a "good" credit score?
- How is the credit report related to the credit score?

5. What are the main ways the information on your credit report is used?

Probes:

- For major purchases/loans/credit cards?
- For housing? Phone/utilities?
- For insurance?
- For employment?

6. Now, would you tell me about your most recent experience with your credit report or score?

Probes:

- How often have you used this information?
 - Few interactions/low response/irrelevant
- How often do you think about your credit report?
 - Do you talk with family/friends about credit reports/scores?
 - Do you talk with children/grandchildren?
 - Work colleagues?
- What events/purchases caused you to access it?
 - Only when making a big purchase
- How useful was it?
 - High relevance—positive or negative
- Did you find the process easy-to-use or more confusing? Why?

7. Do credit reports or scores come up in other situations for you?

Probes:

- What other situations?
- What's it like when your credit report/score comes up in these settings?
- Are these generally positive or negative?
- Surprising or expected?

8. Have any of you ever used anything like a credit monitoring service? Why/why not?

Probes:

- If yes, what was your experience with it like?
- Did you pay for it or was it provided to you (for example, by a company that had an information security breach)?
- Whether or not you've had one of these services, what do you think of what they offer?

9. Regardless of whether you've pulled your credit report before, we have a sample report here for you to look at. [Distribute copies of a sample or blinded credit report. Give group 5 minutes to thumb through the report, note any immediate reactions/comments/side conversations before group discussion resumes.]

Probes:

- What's your first reaction to this report? What do you notice?
- What makes sense, confuses, or surprises you? What seems relevant and irrelevant?
- How would you use this information?
- If you saw a discrepancy between their credit report/score and what you think it should be, what would you do?

10. Have you ever been told you didn't have enough credit history to qualify for something? If yes, please tell me about what the situation was, and what you thought about it.

Credit Scores

1. What do you know about your credit score?

Probes:

- What goes into calculating your credit score?
- What makes it change?
- How do you feel about your score?

2. If you wanted to get more information about your credit score, how would you go about doing that?

3. Have you seen your credit score?

- When?
- Under what circumstances?
- How did you access your credit score?
 - Purchased or free?
 - What are main concerns about buying credit score?

4. What do you think hurts your credit score? What do you think improves your credit score?

Probes:

- Have you ever been told your score was too low for something, or it caused you to have to pay more? If you're comfortable telling the story, please say more about it.
- Have you ever been aware of getting a better deal on something because of your credit score? If you're comfortable telling the story, please say more about it.

Module B: Use of Rules of Thumb in Financial Decision-Making

In this section, we want to talk to you about the ways you make financial decisions in general.

1. Do you have a system for keeping track of finances?
 - If yes, ask for (brief) details—e.g., self-made spreadsheet, other spreadsheets/workbooks (from where?), software such as mint.com.
 - If no, any reason why not?
 - What are the strengths and weaknesses of how you manage your finances?

2. Where do you normally turn for information about finances? Probe for:
 - Family and friends
 - Employer/Coworker
 - Religious figure or other mentor
 - Paid financial advisor
 - Financial counseling or coaching service
 - Websites, blogs
 - Software programs
 - Other?

3. How comfortable are you with your current level of savings, such as savings for college, retirement, or for a rainy day?

Probes:

 - If comfortable, what percentage of your income would you say you save each year?
 - If uncomfortable, what do you think you should be saving?
 - As a general rule, how much do you think people should be saving? Why?
 - Does the amount of savings vary by people's age, work, or family situations?
 - Does it vary by what they are saving for?

4. From another point of view, how comfortable are you with your current level of debt?

Probes:

 - What's your approach for paying any debts you have?
 - If you don't have debts, think about either how you paid them off or how you would plan to pay off any debts.
 - As a general rule, how much debt do you think is okay? Why?
 - Does the amount vary by people's age, work, or family situations?
 - Does it vary by the type of debt? (i.e. student loan vs. credit card)

5. Let's look at these ideas in practice. I have a scenario that lists some consumer situations. I want other people to give advice on how to manage these finances. Who wants to read the scenario? You're all invited to give advice.

[MODERATOR: Let a participant select ONE of the scenarios below at random. If time allows, you may do more.]

Scenario 1: *Laura and Adrian are a married couple in their 30s with one child who in elementary school. Both of them work full-time. Together they make \$64,000. They have \$26,000 in student loans. Two years ago they took out a \$188,000 mortgage at a 4.25% interest rate. They have no credit card debt. They own one car outright and owe \$6,500 on a second car.*

Scenario 2: *Gillian is a divorced woman in her 50s who earns \$55,000 per year. She has \$90,000 saved for retirement, after taking out money to help pay for her children's college. She also took out a mortgage on her condominium to pay for their college; the mortgage is \$45,000. She has \$4,000 in credit card debt and \$10,000 in medical bills on a payment plan.*

Scenario 3: *Freddie is a single man in his early 30s who earns \$30,000 per year. He has \$18,000 in student loans. He has \$2,500 in credit card debt on three different cards. He owns his car outright (no car loan) and rents his apartment (no mortgage).*

Scenario 4: *Simone and Paul are a couple in their 40s. Paul was unemployed last year and now has a job that pays less than before--\$25,000 per year. Their total income is now \$42,000 per year. They had always paid her bills on time and in full until he lost his job. When Paul was unemployed, they got behind on several accounts that have been sent to collections agencies. They do not use credit cards and had to borrow \$2,000 from Simone's brother.*

Imagine you're in this situation. (If you can't, imagine a good friend or close family member.) What do you think about these situations? Do you have feelings about these people? What would you do with these finances and why?

6. Think about the last time you had a major change in your financial situation. (Examples include getting a first job/changing jobs or careers, immigrating from another country, marriage/divorce, unemployment, going back to school, nearing retirement, sending child to college) Did, or how did, you have to change the way you handled—or thought about—your finances?

Probes:

- What did you change?
- Did you have any difficulties? What?
- How did you figure out what to do?
- Do you remember how you felt about these changes? Did it change the way you saw yourself?

Now we want to talk with you about whether or how you use rules of thumb to make financial decisions. What we mean by rules of thumb is some sort of guideline, shortcut, saying, or piece of wisdom about what to do with your money. For example, some people use ideas like “pay yourself first,” save 10% of your income, give 10% of your income to charity, you should spend 30% of your income on housing, or certain mixes in their investments.

7. Let’s start by brainstorming some financial rules you know. Call out a rule that you know of, and tell me where you heard it. [Write on flip chart; ~5 minutes.]

Probes:

- *Each rule:* Where do you remember first learning that?
 - Rules for savings
 - Rules for entertainment or luxury spending
 - Rules for investing
 - Rules for general management, such as checking credit, shopping around, etc.
 - Rules that apply to auto financing/budgeting
8. Of all these that you’re aware of, which ones have you ever used to make your own financial decisions? What are the sources of those rules of thumb? Probes:
 - How regularly do you use them?
 - Tell me more, please, about *how* you use them. Probe for
 - Ask them to get as specific as possible. (As in, one Saturday a year, my spouse and I sit down with an excel workbook to assess our budget. Or, I look at my mint.com spreadsheets after getting every other paycheck.)
 - How closely do you follow this rule?
 - How did you decide to start using this rule?
 - What effect do you think using this/these rules has had on your financial situation? As needed, probe for
 - Made you better off? Led you to lose money or put you in a worse financial situation?
 9. Of all these, are there any you knew about but *decided on purpose not to use* for your own situation? If so, why?
 10. Are there any rules you used to use but have stopped following? If so, why?
 11. Looking at the rules we came up with earlier, are there any you think are *especially useful for some people*?

Probes:

 - Who? Are there any you think are inappropriate for some people? Who? (Probe for details on why.)

- What tips about financial matters would you give to someone who is just starting out on their own?

Module C: Auto Financing and Budgeting

Now we are going to talk about all the factors that go into the decision of purchasing a car. Let's start at the beginning. As mentioned at the beginning of this discussion, often times an event or situation causes us to look into the purchase of a car (mention some of the reasons given for purchasing a car).

1. Once you decided to purchase a car, how did you prepare for that purchase? (Brainstorm activity)

Probes:

- Did you have a specific car in mind? (Just for context)
 - Did you fall in love with the car you purchased, or was it a practical "this will meet my needs" purchase? Were you in urgent need of a car, or could the purchase wait a few weeks/months for a "sale."
 - How did you decide where to buy your car? Did you shop around? How many dealers did you go to? Where were they located?
 - Did you do research on the internet or seek help in other ways? From who, what sites?
 - Did you have a friend or family member help you? Who? What decisions were they involved in? Why did you look to them for help?
 - Did you budget to see how much you could comfortably afford overall and on a monthly basis?
 - How did you finance your car? Did you shop around for financing/get pre-approved? From where?
2. Some of you mentioned that you bought new cars and some bought used cars. At the beginning of the decision-making process, did you consider whether you would purchase a new or used car? If so, tell me how you made that decision? IF PURCHASED A USED CAR: How did you determine the value of the car and its condition?
 3. Some of you mentioned that you had a specific budget in mind before you bought the car? How did you determine what that budgeted amount would be? What did that budget include?

Probes:

Did your budget include a downpayment amount? How did you come up with that amount?

Did your budget include a monthly cost of purchasing the car? A total overall cost of purchasing the car? What was included in these costs?

- Did your budget include items like auto insurance, maintenance, taxes, fees, and gas as part of the cost of buying the car?

- Do you consider these types of items as part of the cost of purchasing a car or are they separate items?
4. When you purchased your car did you purchase extra items such as special accessories, customized features, or extended warranties?

Probes:

- Did you plan on making that/those purchase(s)?
 - Were those items included in your budget?
 - Do you consider these items as part of the overall cost of purchasing the car or are they separate items?
5. Did you spend more on the purchase of the car than you expected? What cost more than you expected? How did you manage to cover those added expenses?
6. Let's talk about financing your car purchase. How did you finance your car? What if any, options did you look into for financing? What other options exist?

Probes:

- What are the pros and cons of each option?
 - Dealership
 - Bank or credit union
 - Online financial institution
 - Home equity
 - Family friends
 - Did you look around for different financing options? What made you decide to choose one option over another?
 - When did you start thinking about the financing aspect of the car purchase process? Before you went to the dealership, or while you were there?
7. FOR INDIRECT FINANCING CONSUMERS: Tell me about your financing arrangements.

Probes:

- How does the lender you are using compare with other lenders, in terms of auto loans?
- What is the interest rate of your auto loan? Was the interest rate discussed at the time of financing? Did you try to negotiate for a better rate? Why or why not?
- What is the length of the contract? Did you have options on the length of the loan?
- Did you comparison shop between dealers for financing? What criteria did you use to comparison shop?
- When you were trying to decide whether and where to purchase the car, which of the following was most important to you: the purchase price, the monthly

payment, the interest rate of the loan, the length of the loan? Second most important? Why?

8. FOR DIRECT FINANCING CONSUMERS: Tell me about your financing arrangements.

Probes:

- How did you choose where you got your auto loan? What obstacles did you face in choosing this type of loan?
 - Did you comparison shop for financing? What criteria did you use to comparison shop?
 - What is the interest rate of your auto loan? Did you try to negotiate for a better rate?
 - What is the length of the contract? How did you determine the length of the loan?
 - Did you get pre-approved for a loan before you went to the dealer?
 - When you were trying to decide whether and where to purchase the car, which of the following was most important to you: the purchase price, the monthly payment, the interest rate of the loan, the length of the loan? Second most important? Why?
9. What determines the interest rate you get on a car loan? Length of loan? Credit score?
10. If a person does not have the best credit history, what options do they have to purchase a car?
- Have you heard about “buy here, pay here” places to purchase a car? What have you heard about them?
11. What kind of research did you do about financing the car before you bought it?
- Probes:**
- Did you pull your credit report or obtain your credit score?
 - Did you review the pricing information on the manufacturer’s website?
 - Did you review the terms for auto loans at banks and lenders?
12. After you purchased your car, did you run into any problems with the financing? What kinds of problems? LOOK FOR YO-YO SCAMS. Were you able to resolve those problems? How?
13. How difficult did you find the car purchase process to navigate?
- Did you feel you were well-informed about your purchase before you negotiated with the seller for the car?
 - Did you feel you were well-informed about the financing aspects of a car purchase before you negotiated with the seller for the car?

14. Overall how satisfied are you with the process of financing a car purchase? Why? Are there any aspects of the financing process you would like to see improved?

Module D: Comparison Shopping for Financial Products

Now I'd like to discuss how you approach shopping for financial products such as a checking account, credit card, small dollar loans or prepaid cards.

1. Thinking about the last time you got a new credit card or pre-paid card, how did you decide what to get? Then repeat for a checking/savings account.
 - Did you respond to an offer? Describe?
 - Did you shop around before selecting the card/account you chose?
 - What criteria did you use to compare cards/accounts?
 - What was the process of obtaining that card/opening that account?

2. Generally, do you consider yourself a comparison shopper? Do you know any comparison shoppers?
 - What motivates you/them to take the time to comparison shop? Is it product features, cost, or something else?
 - What types of items or services do you shop around for? What makes it worth it?
 - How would you describe the people you know who are comparison shoppers?
 - Do you have any shopping apps that compare prices across retailers like Retail Me Not? Do you have any apps that compare financial products?

3. Have you ever shopped around for financial products? This includes things like credit cards, loans, checking or savings accounts, and so forth. Which products?
 - If yes:
 - Describe the comparison shopping experience.
 - What factors encouraged you to comparison shop?
 - Were you able to save any money by comparison shopping? How much?
 - How much time did you spend comparison shopping?
 - What would you do differently?
 - Will you be likely to compare financial products in the future?
 - Would you be willing to pay to get information/advice? How would you determine who to get that information from? How much would you be willing to pay?

 - If no:
 - Was there an opportunity to do so in the past? If so, what deterred you from comparison shopping? Do you think all financial products have similar features or costs?

- Based on your experience, would you take the same action or consider comparison shopping?
 - Will you be likely to compare financial products in the future?
 - Would you be willing to pay to get information/advice? How would you determine who to get that information from? How much would you be willing to pay?
4. If you were interested in opening a [INSERT ACCOUNT TYPE], describe how you would go about it. [START WITH CHECKING ACCOUNT AND REPEAT FOR CREDIT CARD AND PERSONAL LOAN]
- What factors/features are most important to consider? Convenience? Terms? Where does cost rank?
 - Where would you go for information about the financial product? How would you know what questions to ask?
 - Where do you think you will get the most information? The most reliable and accurate information? The most trust-worthy? The most unbiased?
 - How do you determine which sources to trust?
5. Who/where would you turn to first if you need more information about a financial product? Why?
- Online searching
 - Specific magazine or other print resource
 - Family/Friend
 - Government Resource
 - Mymoney.gov
 - Consumer Financial Protection Bureau
 - Your bank
 - The company you may buy a product from
 - Financial advisor
 - Informal blogs
6. What are some sources for financial information?

Probes:

- What have you heard about Consumer Reports? What was your experience?
- What have you heard about Better Business Bureau as a resource? What was your experience?
- Do you subscribe (free or otherwise) to financial information such as personal finance magazines or websites? Which ones? How would you rate the financial information presented in these publications or websites?

- Have you attended any workshops, lectures, or classes about financial products? Describe them and how you would rate the financial information presented.
- Do you belong to any financial fitness clubs, groups organizations? Which ones? How would you rate the financial information presented at these groups?

7. How would you prefer information to be presented?

- Direct communication (company representative)
- Advertising
- Experience of friend/family member
- Online Tools (Apps, comparison charts)
- Info graphics (Flow chart)

Close-out/Wrap-up (5 minutes)

We've talked about many things today. So, in our final few minutes, we'd like you to complete the following sentence:

- I would make better financial decisions if _____

USE FLIP CHART

Thank you very much for your insights today. Before we end, I'm going to step in the back room and see if they have any final questions for us. While I'm gone, please consider our purpose for chatting today – that is, learning about your experiences, as consumers, in financial decision-making – and let me know if there is anything else you'd like to add to the discussion or if there is something that I didn't ask, but should have.

(MODERATOR: LEAVE THE ROOM AND CHECK FOR ADDITIONAL QUESTIONS).

There is one additional question to ask. ***(ASK ADDITIONAL QUESTION)***

This concludes our discussion. Is there anything that I didn't ask or anything else anyone would like to add?

Thank you again for your time and contribution. This has been very helpful. As you leave the room, please see the facility staff to receive your honorarium and sign a receipt.

Appendix E. Credit Counselor Group Discussion Guide

Introductions (5 minutes)

Introduction of Moderator:

Hello, my name is _____ and I'll be leading our discussion today. My role is to direct the content and flow of the discussion and to make sure that we cover the topics of interest. We are not looking for any right or wrong answers, so feel free to offer both positive and negative viewpoints. We want everyone to participate, the opinions and experiences of everyone in the room are important.

Purpose of the Focus Group:

I work for a company called Abt Associates, and we conduct research on a variety of social science issues. I'm here today because we're doing a study for the Consumer Financial Protection Bureau (CFPB). The CFPB is interested in learning more about how consumers make common financial decisions such as buying a car or applying for a credit card. During the next two hours, we'll be asking you about different aspects of financial decision making. We are hoping to gain insights from your expertise and various experiences with consumers involved in financial decision-making matters. The information you share with us today will help the CFPB identify opportunities to improve consumer financial knowledge and decision-making strategies in the future.

Disclosure:

No direct identifiers will be collected, and your answers to our discussion questions will be kept confidential to the extent permitted by applicable law. The discussion will be audiotaped and videotaped so that we can have an accurate transcript of our discussion. The transcripts will be used to write a report that will be shared with CFPB. Only project staff members will have access to notes and transcripts and will be able to see your responses or to use the recordings. All information from the interviews will be stored in a secure location.

Information that directly identifies you will not be disclosed outside the project team. Also, we will not share the transcripts or handwritten notes from our discussion with anyone outside of the project staff members.

Just to make sure, at this point, everyone should have filled out a consent form and given us permission to audio and videotape this session. Is that correct?

Ground Rules:

Before we begin, let me go over a couple of ground rules.

- We want to keep the discussion informal and relaxed.

- We will not be taking an official break, so please use the restrooms as needed. They are located down the hall and to your right.
- During the discussion, participants should feel free to ask me or each other questions if something is not clear.
- Remember, there is no right or wrong answers.
- If you have opinions or thoughts different from what someone else says, please say so or I'll think that you all agree.
- Be careful not to talk all at once; I don't want to miss anything that is said.
- We would like to hear from everyone. Some people talk more than others, and I'll be encouraging everyone to speak up.
- You do not have to answer any specific questions you do not want to answer.
- The discussion we'll have today is confidential and should not be discussed after you leave the focus group.
- Please turn off your cell phones or pagers or put them on vibrate.
- Does anyone have any questions?

Participant Introduction/Warm-up:

Let's start today by getting to know each other a bit more. Let's go around the room and please tell us a little about yourself by answering the questions written on the flip chart.

- Your first name only
- How long have you been involved in credit counseling? Do you teach financial literacy courses? Financial coaching?

Module A: Experience in Credit Counseling

11. I'd like to start by asking you to describe the consumers that come in for credit counseling.

Probes:

- What are some socioeconomic characteristics?
- What main issues do they come into credit counseling for? (To prepare for a big purchase, in response to a credit denial, to proactively manage their credit profile?)
- What do consumers say were the primary causes of their financial difficulties? (If different by consumer profile, please explain.)
- Are there certain types of consumer profiles or "types" that you can identify?
- *Note to Moderator:* fill out different "types" or "profiles" of consumers if possible.

12. What are your clients' expectations coming in to credit counseling?

- What types of services are they looking for?
 - What types of “solutions” would they like?
13. Tell us a bit about the credit counseling process. What is the first thing that you do when consumers come in for counseling? What is the first thing you ask?
14. Please describe a typical credit counseling process.
- Does it vary by types of consumer?
 - What about differences between credit repair and other kinds of credit counseling sessions (such as education or financial literacy sessions)?
15. What are the most common issues you run into in credit counseling?
- Are these issues about consumers’ knowledge or attitudes? Getting access to credit reporting agencies?
 - How equipped do you feel to deal with it? Why?
 - What has been the greatest challenge?
 - What has been the best tool for handling it? Are you aware of any best practices for the issues we’ve mentioned?
 - What other tools do you think would help?
16. In your experience, what factor hurts consumers the most in terms of financial decision-making?
- Probes:**
- What about the institutions, programs, or services consumers have access to?
 - Consumers’ circumstances, such as job or family situations?
 - Personal characteristics of consumers? For example, knowledge about their credit worthiness or credit history, access to financial institutions, or particular attitudes towards debt?
 - What about the kinds of information consumers have access to? Or the kinds of information your clients access most often?

Module B: Credit Reports and Scores

Now we’d like to talk more specifically about credit reports and credit scores.

17. One of the goals of this research is to propose interventions and strategies to support consumers in making “good financial decisions.” Before getting into more specifics, I want to hear from you in your own words: What do you think making good decisions regarding credit reports looks like?
18. What are the main ideas your clients have about credit reports and scores when they come to credit counseling?

- How aware of/informed about these tools are they?
 - What do they know?
 - What do they not know?
 - What are common misconceptions you see?
 1. How do you address these?
- How do clients think their credit reports and credit scores relate to each other?
- How have consumers described their experiences with credit reports or score?

Probes:

- Few interactions/low response/irrelevant
- Only when making a big purchase
- High relevance—positive or negative
- Confusing or frustrating—why?
- Straightforward

19. How important are credit reports and credit scores to the work you do in credit counseling?

- Very important/moderately important/neither important nor unimportant/not very important/not at all important. Why/why not?
- What do you teach clients about credit reports and scores?
 - What tools or information do you use to do this?
 1. Annualcreditreport.com
 2. Mymoney.gov
 3. Credit reporting agencies
 4. Financial literacy curriculum (specify)
 5. Other
 - Is there anything you'd like to teach clients or do with credit reports that you cannot do? Why/why not?
- Are you aware of any best practices about credit reports or scores that we haven't talked about yet?
 - What ideas do you have for new tools, programs, or interventions that would help consumers handle their credit reports and/or scores?

20. What have your experiences been with the free annual credit report available because of the FACT Act, or annualcreditreport.com?

21. Now we'd like to ask you to take a look at some consumer scenarios and provide feedback as though these were clients coming to you. We have four scenarios so we'd like you to form four groups. What would you do if these people contacted you as a credit

counselor? What advice would you give them? What steps would you recommend they take for their financial health?

Moderator: let them pair off or count off in 4s. Once they are in small groups: take about 5 minutes to talk through the scenario in your group.

Scenario 1: *Laura and Adrian are a married couple in their 30s with one child who in elementary school. Both of them work full-time. Together they make \$64,000. They have \$26,000 in student loans. Two years ago they took out a \$188,000 mortgage at a 4.25% interest rate. They have no credit card debt. They own one car outright and owe \$6,500 on a second car.*

Scenario 2: *Gillian is a divorced woman in her 50s who earns \$55,000 per year. She has \$90,000 saved for retirement, after taking out money to help pay for her children's college. She also took out a mortgage on her condominium to pay for their college; the mortgage is \$45,000. She has \$4,000 in credit card debt and \$10,000 in medical bills on a payment plan.*

Scenario 3: *Freddie is a single man in his early 30s who earns \$30,000 per year. He has \$18,000 in student loans. He has \$2,500 in credit card debt on three different cards. He owns his car outright (no car loan) and rents his apartment (no mortgage).*

Scenario 4: *Simone and Paul are a couple in their 40s. Paul was unemployed last year and now has a job that pays less than before--\$25,000 per year. Their total income is now \$42,000 per year. They had always paid her bills on time and in full until he lost his job. When Paul was unemployed, they got behind on several accounts that have been sent to collections agencies. They do not use credit cards and had to borrow \$2,000 from Simone's brother.*

Moderator: After about 5 minutes of discussion, Okay, let's come back and talk through each scenario. I'd like someone from the group to read the scenario aloud and then summarize what you talked about in your group.

Probes:

Why was this the advice you'd give? Did you all agree immediately on what to suggest, or did you work through different ideas? If so, how did you decide on a course of action? Do others (from other groups) agree, disagree? If you disagree, what would you recommend to do differently? Why?

Module C: Consumer Financial Decision-Making

In this section, we want to talk to you about the ways consumers who have sought your counsel make financial decisions in general. We'll talk about some specific kinds of financial transactions to understand the decision-making process for those items and in general.

1. Do consumers have rules of thumbs they use in financial decision-making (e.g. rules about how much they should be saving)? What we mean by rules of thumb is some sort

of guideline, shortcut, saying, or piece of wisdom about what to do with your money. For example, some people use ideas like “pay yourself first,” save 10% of your income, give 10% of your income to charity, you should spend 30% of your income on housing, or certain mixes in their investments. Please describe some of these rules.

2. Do these rules seem to matter for successful financial decision-making? If not, what are more important factors?
 - If rules seem to matter,
 - Have you noticed any patterns in terms of what types of rules have been more successful or less successful in their financial decision making?
 - Are other factors are also important?
3. Do you suggest any rules as part of credit counseling /financial literacy classes or financial coaching? Why or why not? (i.e. how much consumers should be paying, how much they should be paying on their credit cards)
4. If yes, what are these rules? How successfully have consumers adapted these rules? Describe cases when they have been successful at adapting them. Cases when they were not successful at adapting. Any challenges to this approach?
 - If not, what approach do you favor instead?
5. Do you suggest different rules of thumb (or other approaches) to different types of consumers? Why or why not?
 - If yes, how do these rules of thumb vary by consumer type?
6. Can you think of any tools or interventions that would be helpful in dealing with some of the challenges related to rules of thumbs/how consumers make their financial decisions?
7. In your experience, how much do consumers comparison shop for financial products (e.g. checking account, credit card, debit cards, small loans)? *We are less interested in talking about mortgages and student loans at this point.*
 - What types of strategies do consumers use when shopping for financial products? (if differ by types of consumer, explain)
 - When and why do consumers comparison shop for these kinds of products?
8. What do you think of comparison shopping as a strategy for this kind of transaction?
 - What are the advantages? The disadvantages?
 - Is this something you recommend to consumers? Why or why not?

- If yes, what do you suggest they do? Do your recommendations for this strategy vary by types of financial product or by situation?
 - What would improve consumers' experiences with comparison shopping for these products?
9. Are there strategies you find more or equally as useful to helping consumers make the best choices for things like checking or savings accounts, credit cards, and small loans?
- What recommendations do you have for other tools and approaches?
10. Now we'd like to have a similar conversation about auto financing and budgeting. How does auto financing and/or budgeting come up in your credit counseling practice?
- How do they usually talk about this experience? (positive/negative experience?)
 - For those considering buying a car—What are usually their main concerns about buying a car?
 - For those who already bought a car—do they mention any regrets? What are they?
11. Does auto financing play an important role in the financial troubles consumers walk into credit counseling with?
- What are some of the things people struggle most with regarding the auto financing and budgeting process? Are there particular types of financing that seem to cause the most trouble for consumers? Why?
 - Are there any auto-budgeting practices you have noticed have tended to be particularly detrimental?
 - What type of advice do they tend to offer to consumers about buying a car? (does this advice vary by consumer?)
12. What type of financing do various types of consumer seem to prefer (if considering), or have used (if already bought)? What types of factors seem to impact their preferences?
13. What kinds of budgeting—positive or negative—have you noticed being common among your clients?
- Are there any auto-budgeting practices you have noticed have tended to be particularly helpful?
14. Is there anything about the auto purchasing/financing process that you've noticed consumers tend to find particularly confusing? Do you think that this has an impact on the types of decisions they make regarding auto-purchase?

15. In your opinion, what is the main challenge consumers face when budgeting for and financing an auto-purchase? Any suggestions for how this problem could be addressed?

16. **ACTIVITY:** Now we'd like you to brainstorm a list of mistakes people make when purchasing and financing a car. (Start at pre-purchase, at the dealership, after purchasing car. Finally, focus on what they would recommend people to do instead—what they would advise people who came to credit counseling at various points of the process).

Close-out/Wrap-up (10 minutes)

We've talked about many things today regarding consumer financial decision-making. So, in our final few minutes, we'd like to ask a few more open ended questions related to your attitude towards credit counseling in general.

1. How successful do you feel credit counseling has been in:
 - Improving consumers' credit
 - Changing their behavior
 - Changing how they think about and approach debt.

2. What are some shortcomings to credit counseling? What would improve the effectiveness of credit counseling?

3. What is the one change—whether it's institutional or personal—that would have the biggest positive effect on consumers' financial decision-making?

USE FLIP CHART

Thank you very much for your insights today. Before we end, I'm going to step in the back room and see if they have any final questions for us. While I'm gone, please consider our purpose for chatting today – that is, learning about your experiences, as consumers, in financial decision-making – and let me know if there is anything else you'd like to add to the discussion or if there is something that I didn't ask, but should have.

(MODERATOR: LEAVE THE ROOM AND CHECK FOR ADDITIONAL QUESTIONS).

There is one additional question to ask. ***(MODERATOR: ASK ADDITIOANL QUESTIONS)***

This concludes our discussion. Is there anything that I didn't ask or anything else anyone would like to add?

Thank you again for your time and contribution. This has been very helpful. As you leave the room, please see the facility staff, who will hand you your honorarium and ask you to sign a receiptform.

