

Summary of Revisions and Responses to Requests for Additional Information

Reading the revised supporting statement as well as the newly submitted documents, it seems that the overall project continues to focus on the original construct where financial well-being was considered as a function of financial knowledge and financial behavior—even though financial knowledge and behavior now seem to be combined in the newly presented concept of “financial ability”. For the purposes of this ICR, this new specification should be fine. However, I would like to urge CFPB to keep the concepts of financial knowledge and financial behavior separate for analytical purposes (for future phases of the overall project) since the way these concepts are related to financial well-being can be different and not always in the same direction.

The CFPB is planning to keep the concepts of financial knowledge and financial behavior separate for analytical purposes in future phases of the overall project.

This number [4] may not be adequate for [older American] cognitive testing purposes. Please increase this to at least 6.

We will conduct 6 cognitive interviews with working-age Americans and 6 cognitive interviews with older Americans.

Will cognitive testing take place in a focus group format or be conducted separately with each individual in the cognitive interview group?

The cognitive interviews will be one-on-one interviews. We have chosen this approach because we are likely to receive better information from one-on-one interviews given the sensitive nature of the topic of personal finance.

One additional item on this, we might have missed it, but we didn't see where the description for the data collection procedures for the mail and telephone surveys to evaluate mode effects is.

We have added the following description to Supporting Statement A pp 6-7: “Survey Sampling International will field both the online and phone questionnaires during this third round. 350 questionnaires will be administered to persons with landline phones and 150 questionnaires will be administered to persons with cell phones. The online and phone samples will have the same general socio-demographic profile as the respondents in the first two rounds of item testing.

CFED has received bids to conduct the mail (paper-pencil) questionnaires from a mail house that regularly partners with both SSI clients and the Wyoming Survey and Analysis Center (WYSAC). Surveys will be mailed to 2,500 addresses of persons who have the same general socio-demographic profile as the respondents in the first two rounds of item testing; we anticipate a 20% return rate netting us two samples of roughly 500.”

It seems the definitions CFPB developed for the concepts of financial well-being, financial knowledge, and financial behavior are essentially the same for both the working age and older adult populations. In addition, only one instrument was submitted, which we assume will be used for both samples (if there were separate instruments for the working age and older adult groups that were inadvertently not submitted, it would be helpful to look at them).

However, the supporting statement gives the impression that the data collection for the two groups would be separate. If the definitions for these critical concepts are the same and the same instrument is to be used for the two groups, a separate data collection for the working age and older adult samples is not really warranted. It would be great to have clarification from CFPB on this aspect of their data collection plan. Also, we assume that the submitted instrument is simply the starting point in CFPB's instrument development work and the instrument will evolve (with testing of other items in the item data bank they had shared earlier), and that is why it is designated as "Wave 1 (or Pilot 1)". It would be great to for CFPB to confirm that it does not have any additional instrument at this time that it plans to test in later steps in this ICR.

Yes, the data collection and analyses for working age and older Americans will be conducted separately. Our current design will allow us to develop the measurement models separately and then compare the structures across groups. More specifically, the results of the qualitative portion of the study found the same general concepts were important to both working age and older Americans, however the relative emphasis and reported importance of the concepts differed. Given these findings, it is entirely possible that working age and older American interact with the items in different ways which could then result in very different final scales. Of course, the structure within each group and how well the structures compare across groups will be evaluated.

We confirm that the CFPB does not have any additional instrument at this time that we plan to test in later steps in this ICR.