

**SUPPORTING STATEMENT (PART A) FOR NEW AND
REVISED INFORMATION COLLECTIONS**

OMB CONTROL NUMBER 3038-0107

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The U.S. Commodity Futures Trading Commission's Office of Consumer Outreach (OCO) develops campaigns to change consumer behaviors so that consumers can better protect themselves from fraud as defined under the Commodities Exchange Act. In accordance with 7 USC § 26, the U.S. Commodity Futures Trading Commission (CFTC)¹ is posing survey questions to the public. This survey will include screening questions to identify the correct respondents and questions to determine optimal messages to inform educational outreach efforts geared toward helping consumers identify, avoid, and report financial fraud as part of a consumer-facing anti-fraud campaign. .

Prior to this survey, the OCO has collected data on investment fraud from a variety of sources. Investment fraud data and research are limited in their scope and comprehensiveness. Therefore, we are relying on what trends seem to have emerged. One common theme that emerged is that investment fraud disproportionately impacts pre-retirement investors, typically described at those 50-65 with a college education, high income, and investment history. Our qualitative research showed, among many other things, that some current assumptions for outreach messaging did not match consumer expectations while others did. This survey will quantify those answers so that the OCO is working from a basis better than their assumptions or even the initial findings from the qualitative research. For initial communications efforts, OCO will focus on this pre-retirement investor group, and expand our outreach to cover other populations, such as the elderly (those roughly 65+) and mid-career investors (30-50), as the campaign gains momentum and success,

2. Indicate how, by whom, and for what purpose the data would be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The OCO will use the information collected in the survey to inform outreach efforts to the public on how to best detect and report financial fraud. That is, the results will be used to inform the messaging and content of outreach efforts with the public. This will be done by creating a final summary report that combines key findings from reports from both this survey from the qualitative research referenced in question 1.

In addition, this summary report will be made publically available. CFTC will post it in PDF format on the Consumer Protection sub-section of the agency website, under its 'Resources'

¹ See <http://www.law.cornell.edu/uscode/text/7/26> in section (g)(2)(B)

page. Therefore, anyone visiting the site will be able to view report. The only external communication OCO will undertake indicating this report is available is through its monthly e-newsletter to roughly 800 generally government, nonprofit, and academic contacts who have an interest in financial literacy, investor education, and/or consumer protection. The posting will include language indicating the report is not for any particular government statistical, policy, or regulator purpose, but rather possibly helpful in the overall body of knowledge within investor education. Also, the report's methodology will be listed up front near the executive summary, the section most likely to be viewed by readers, and clearly indicate the non-representative nature of the sample.

The goal for this study will be to have a final sample that draws upon a broad demographic mix of the targeted pre-retirement investor population, in terms of gender, age subgroup, geography, race, and Hispanic origin. This sample will permit testing the comparative effectiveness of different messages, but we do not intend to make broad conclusionary statements about the results that describe the targeted investor population or subpopulations. We are also using non-message questions for purposes of segmenting potential fraud victims, but not to report out as a generalizable finding for 50-65 year olds. For example, question 2 asks about the pace respondents are at relative to their investment goal, but the point of this question is not to report 47% are behind pace, but rather to look at message ratings among those who say they are behind pace (a classic sign of a investment fraud victim).

Findings from that summary report will be used to inform a directional document to be used by the OCO that will include recommendations on primary messages, support points, content, overall tone, phrasing and imagery of outreach efforts on financial fraud as well as how to use these messages in various communications channels (e.g. online, print, radio, TV and collateral materials). In these documents, any statistics from the survey cited will be as background points justify the inclusion of a message or specific strategy for internal discussion but will not be shown on any out-facing information.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The survey will be administered using an online survey tool. The online modality approach will allow presentation of test material to participants in a more convenient and time-efficient manner than other collection methods such as mall intercepts. The online method also allows for a quicker turnaround for data collection. No other collection methods will be used.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

No similar data are gathered or maintained by the OCO, or are available from other sources known to the OCO. This survey methodology is unique in that it serves to validate

specific messages (i.e. messages that have been originally developed for this effort to best inform consumers on detecting and reporting fraud) among a specific audience (i.e. potential targets of financial fraud).

5. If the collection of information involves small business or other small entities (Item 5 of OMB From 83-1), describe the methods used to minimize burden.

This collection of information does not involve small business or other small entities.

6. Describe the consequence to the Federal Program or policy activities if the collection were conducted less frequently as well as any technical or legal obstacles to reducing burden.

If the information required under this collection of information were not collected, the execution of the Commission's consumer outreach program would be adversely affected due to the need to quantifiably evaluate the results of the previous qualitative testing.

7. Explain any special circumstances that require the collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

None of the situations listed apply to this survey.

8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Notice was published on August 22, 2013 and can be found here: Federal Register Volume 78, Number 163, Pages 52166-52167.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any, and on the data elements to be recorded, disclosed, or reported.

The Commission is seeking public comments on the collection of information.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

Not applicable.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Participants recruited from existing panels will receive customary incentives offered for survey participation. The incentives are typically points that participants can collect and trade for money or merchandise. For a 15 minute survey, the number of points earned have a monetary value of less than \$1. Participants recruited using Internet intercept receive incentives dependent on the site from which they entered the survey. These incentives may be online game points redeemable for virtual items, coupons, and so forth. The monetary values of these incentives are also less than \$1.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.

Section 8(a) of the Commodity Exchange Act provides for data confidentiality except under limited circumstances. The survey will have a clear confidentiality statement on the first page informing participants that all data collected will be kept confidential.

Additionally, Ipsos, the vendor who will be fielding the survey has the following privacy assurance shown in this link and in Attachment A:

<http://i-say.com/Privacy/PRIVACYPOLICY/tabid/167/Default.aspx>

The CFTC will not obtain any personally identifiable information from respondents at any point in this survey process. Prior to submission of final analyses data, all personally identifiable information will be deleted. Reporting will be done as aggregate analysis of the survey population overall and subgroups, but of no individuals. Analysis will be provided in the form of a written report.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

None of the regulations require the giving of sensitive information, as that term is used in Question 11.

12. Provide estimates of the hour burden of the collection of information. The Statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than ten) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If the request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost to respondents for the hours burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

The recruitment for the survey will target respondents 50 and older, who are college educated, middle to upper income², and the financial decision makers in their household. Individuals with these characteristics will not be screened; rather, Ipsos will identify them through previously collected panel data. Ipsos will then confirm that these individuals meet the aforementioned demographic characteristics. Only those individuals who meet all of these criteria will be sent an invitation to participate in the study. Among those who agree to participate, Ipsos will then screen for financial literacy, ensuring that respondents meet our

² At least \$60,000 in household income.

definition of financially literate.³ We assume that approximately 50% of the respondents who fit the demographic characteristics will qualify for the survey based on the financial literacy criteria. Therefore to achieve the sample size of 1,100, 2,200 respondents will be screened. We further assume that the screening questions will take about 1 minute to complete. The survey for those who qualify will take 15 minutes. Based on these assumptions, the total burden hours will be 312 hours. The calculation of burden hours is presented below

- 1,100 respondents will complete only the one minute screener = 1,100 minutes = 18.3 hours
- 1,100 respondent will complete a 1 minute screener plus 15 minute survey (16 minutes) total = 17,600 minutes = 293.3 hours

Cost of data collection per burden hours is estimated at \$101.92. The calculation of the cost of data collection per burden hours is as follows:

- Estimated out of pocket costs are \$31,800 (See Question 14 for more detail) divided by the total burden hours (312) = \$101.92.

13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- **The cost estimate should be split into two components; (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software, monitoring, sampling, drilling and testing equipment, and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate, agencies may consult with a sample of respondents (fewer than ten), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3)**

³ Level of familiarity with different types of investment products (e.g., Stocks and shares, bonds, mutual funds, futures/commodities, an investment account).

for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There is no cost burden to respondents or record-keepers resulting from the collection of information, outside of the cost burden to respondents detailed in Question 12 and the estimated annualized costs to the Federal Government outlined in Question 14.

14. Provide estimates of the annualized costs to the Federal Government. Also provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

The proposed survey requires out of pocket costs owed to our research partner, Ipsos, who will be programming and fielding the survey, and labor cost for Porter Novelli Public Services (PNPS) staff to design the survey questions and analyze the results. Estimated out of pocket costs are **\$31,800**. Estimated labor costs are **\$17,642** (assumes 105 hours of labor on behalf of PNPS staff). Total estimated annual costs to the Federal Government for this research effort are **\$49,442**.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

There are no program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

16. For collection of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

A report summarizing the results of this survey will be shared on the CFTC website for educational purposes, however these results will not be used for statistical use. In other words, the data that is used to determine the results of our research will not be made public.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This question does not apply.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

This question does not apply.