# REQUEST FOR APPROVAL UNDER THE "CFPB GENERIC INFORMATION COLLECTION PLAN FOR STUDIES OF CONSUMERS USING CONTROLLED TRIALS IN FIELD AND ECONOMIC LABORATORY SETTINGS" (OMB CONTROL NUMBER: 3170-0048)

## PART A. GENERAL INFORMATION

1. **Title of the Information Collection (Study): Laboratory research on price complexity**

2. **Study Abstract:**

In this laboratory research, we will conduct two projects related to financial disclosures. The first project studies the effects of different disclosure regimes on market outcomes. In order to estimate these effects, we will invite people to participate in laboratory research in which they will make choices in a marketplace environment that we construct. These marketplaces will vary in terms of the disclosure requirements. All respondents will be members of an institution's subject pool that express interest in taking part in this research study. They will come to the institution's laboratory to participate.

The second project will test whether participant attention to disclosed information varies depending on 1) laboratory staff behavior and 2) form design. Regarding staff behavior, we will vary whether a staff member is close to or far away from the participant when (s)he is reading the disclosure. Regarding form design, we will see whether placing a signature block at the top or the bottom of a disclosure form has an effect on consumers' attention to the disclosed information. Participants who are recruited for the first project (above) will receive a disclosure as part of standard laboratory practices. These disclosures will vary in terms of the location of the signature block.

The data that results from both of these projects will be analyzed for research purposes only.

3. **Type of Collection:**

   a. **Will there be an informed consent?** [ X] Yes [ ] No [ ] N/A

      **Explain why or why not an informed consent is being used.**

An informed consent will be given to participants as part of standard procedures required by the contracting institution's Institutional Review Board (IRB). The informed consent will cover both experiments (the market experiment and the attention experiment), as the experiments will be conducted during the same sessions with the same participants.

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

[ ] Field Study [ X] Laboratory Trials

[ ] Other, Explain _____

**c. Will interviewers or facilitators be used?** [ ] Yes [ X] No [ ] N/A

4. **Personally Identifiable Information:**

a. **Is personally identifiable information (PII) collected?** [X ] Yes [ ] No

**1. If yes, explain direct identifying PII and/or other PII and relevant uses.**

We will collect participant signatures (and therefore names) as part of the process of providing participants with information about this research study. Names and signatures will not be merged with any data from the institution, including information the institution uses for recruitment. In the market experiment, we will ask participants for their gender, age, and whether English is their primary language. No other PII will be collected.

Recruitment of participants will be accomplished using the contracting institution's internal procedures. Specifically, current members of the institution and surrounding community voluntarily sign up for research studies through an online portal. Sign-ups are automatically tracked in order to avoid duplicate enrollment from participants (i.e., no individual will participate in the study twice). There are no other requirements for participants, and they will not be asked any questions from researchers at this stage. The data from the portal will be kept separate from the study's data at all times.

**b. If Yes, is the information that will be collected included in records that are subject to the Privacy Act of 1974?** [X ] Yes [ ] No [ ] Not Applicable

**1. If Applicable, has a System or Records Notice (SORN) been published?**
[X ] Yes [ ] No

**2. If Yes, provide SORN title and *Federal Register* citation for the SORN** 77 FR 67802.
**Title**: CFPB.022 Market and Consumer Research Records.

c. **1. Has the Privacy Impact Assessment (PIA) been published?**
[X ] Yes [ ] No [ ] Not Applicable

**2. If Yes, provide link to PIA. If No, please describe the status of the PIA:**
**Name:** Consumer Experience Research
**Link:** http://files.consumerfinance.gov/f/201406_cfpb_consumer-experience-research_pia.pdf

**PART B. JUSTIFICATION**

**1. Purpose of the Study and Intended Uses of the Data:**

This study includes two research projects that are conducted simultaneously. The first project examines the effects of different disclosure regulations on market outcomes. In order to estimate these effects, we will invite respondents to participate in laboratory research in which they will make choices in a marketplace environment that we construct. Specifically, respondents will be assigned to one of two roles ("seller" or "buyer"). In the role of a seller, participants will set prices for a hypothetical good. In the role of a buyer, they will make hypothetical purchase decisions based on those prices.

Respondents who are interested in the study will come to the institution's laboratory to participate. All pricing and purchasing decisions will be made via a computer program; we will record these choices. The data that results from this experiment will be analyzed for research purposes only.

The second project is intended to examine whether consumers' attention is affected by 1) laboratory staff behavior and 2) changing the location of a signature block on a disclosure. For the first research question, we will vary whether a staff member is close to or far away from the participant when (s)he is reading the disclosure. The second research question is based off of previous research showing that signing one's name increases attention in a shopping task (Kettle and Häubl, 2011) and that signing the top of a form leads to more honest responses than signing the bottom of a form (Shu, et al., 2012).

The second study will be conducted during the normal course of operations for running laboratory research, when participants are provided with information about the study procedures. The participants will be the same as the participants in the first project described above, as they will have been recruited for participation in both. Each will receive one of the two signature forms while they are in the lab. All participants will come to the institution's laboratory to participate. The data that results from this experiment will be analyzed for research purposes only.

Recruitment of participants will be accomplished using the contracting institution's internal procedures. Specifically, members of the institution or the surrounding community voluntarily sign up for research studies through an online portal. Sign-ups are automatically tracked in order to avoid duplicate enrollment from participants (i.e., no individual will participate in the study twice). There are no other requirements for participants, and they will not be asked any questions from researchers at this stage. The data from the portal will be kept separate from the study's data at all times and will not be analyzed.

2. **Payments or Gifts (Incentives) to Respondents**:

Participants will be paid based on the choices that they make in order to encourage attention to the laboratory tasks. The practice of paying participants based on their choices is standard in the academic literature (e.g., Kalayci, 2015). Given that different participants are likely to make different choices, payments will vary on an individual basis. We anticipate that, on average, participants will be compensated approximately $35 for their participation. Excess recruits will be compensated $7 for arriving at the research lab in the event that we reach the total number of participants needed.

During recruitment, participants will be told that they will make a minimum of $7 for participating in this research, but that additional compensation will depend on the choices that they make and the choices of others. This incentive structure is standard in academic studies and is in line with the norms of the research pool we are using.

3. **Assurances of Confidentiality and Justification for Sensitive Questions**:

There are no sensitive questions asked in this study. Nevertheless, participants will be given Institutional Review Board (IRB) forms from the contracted institution that describe the study, including privacy information. Additionally, participants will also receive a Privacy Act Statement.

4. **Estimated Burden of Information Collection:**

| Information Collection | No. of Respondents | Frequency | Total Annual Responses | Average Response Time (hours) | Total Burden Hours |
|---|---|---|---|---|---|
| Laboratory research | 960 | 1 | 960 | 1.5 | 1440 |
| **Totals:** | //////////////// | //////////////// | 960 | //////////////// | 1440 |

5. **Federal Costs (estimated annual cost to the Federal government)**: $114,801.60

The contract to complete this work is a one-time contract that has a cost cap at $114,801.60. Since the contract involves fixed unit pricing the actual costs to the government may be lower.

## PART C. STATISTICAL METHODS

### 1. Respondent Universe and Selection Methods:

In order to participate in a specific study (including this one), individuals voluntarily sign-up as a participant using an online portal managed by the institution. Respondents will be enrolled on a first-come, first-serve basis until all sessions are complete. Individuals can only participate once. There are no additional restrictions on eligibility. We will not use any data from the online portal in our analysis.

Importantly, because participants have self-selected into this research study, this sampling procedure is not representative of a broader population. Recruiting a representative population is not the intention of this research.

### 2. Information Collection Procedures:

We will collect data in two ways. First, respondents will receive a form containing information about the research study, including a Privacy Act Statement. These forms will vary in terms of the location of the signature block. CFPB researchers who are running the laboratory tasks will record the data from these forms. This data will include the environment (i.e., whether a researcher was nearby or not) and whether respondents signed the form. These forms will be handled only by CFPB employees, and information from the forms will not be merged back into the institution's online recruitment system.

In order to participate in the experiment, respondents will enter responses into a computer program. There will not be any stratification on the sample. Both projects will be a one-time data collection.

### 3. Testing of Procedures or Methods:

We intend to continue data collection until all sessions are complete; thus, we do not anticipate that non-response will be an issue. As noted above, we do not intend to extrapolate these findings to a respondent universe. Instead, we will use differences between the research groups (built into the design of the research studies) to estimate the average causal effect of these differences on responses among the participant groups.

We will conduct internal testing of the software with 9 or fewer employees to ensure that the projects are coded correctly and perform as expected.

**4. Contact Information for Statistical Aspects of the Design:**

Dustin Beckett, Economist
Consumer Financial Protection Bureau
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**PART D. CERTIFICATION PURSUANT TO 5 CFR 1320.9, AND THE RELATED PROVISIONS OF 5 CFR 1320.8(b)(3) :**

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

(a) It is necessary for the proper performance of agency functions;
(b) It avoids unnecessary duplication;
(c) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
(d) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
(e) It indicates the retention period for recordkeeping requirements;
(f) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  (i) Why the information is being collected;
  (ii) Use of information;
  (iii) Burden estimate;
  (iv) Nature of response (voluntary);
  (v) Nature and extent of confidentiality; and
  (vi) Need to display currently valid OMB control number;
(g) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected;
(h) It uses effective and efficient statistical survey methodology; and
(i) It makes appropriate use of information technology.

**PART E. CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC INFORMATION COLLECTION PLAN**

(a) The collection is voluntary.
(b) The collection is low-burden for respondents and low-cost for the Federal Government.
(c) The collection is non-controversial and does not raise issues of concern to other federal agencies.
(d) The collection is not intended to be published to the public as an official government statistic to be externally valid and representative of a population of interest. The results are intended to be internally valid, not necessarily externally valid.
(e) Information gathered will not be used for the purpose of substantially informing influential policy decisions.
(f) The collection is targeted to the solicitation of opinions from respondents who have experience with the topics or issues being studied.
(g) The results will not be used to measure regulatory compliance or for CFPB program performance evaluation.
(h) The results are not intended to be generalizable or otherwise draw inferences beyond the survey population.