

## **Request for OMB Approval of a Clearance for Collection of Information Retirement Savings Module of the Household Financial Survey**

### **OVERVIEW**

The Treasury Department is seeking OMB approval for an information collection to inform its administration of a new federal program being launched this year that aims to enable more low- and moderate-income individuals to save for retirement.

As part of its work to launch the program, Treasury is exploring several approaches for enabling eligible individuals to open and put savings into the retirement accounts, including the option of encouraging individuals to open and fund the accounts when they file their federal tax forms.

The Department contracted with the Center for Social Development (CSD) at Washington University in St. Louis to assist with research on this topic. CSD currently administers an annual privately-funded survey, the Household Financial Survey (HFS), through which it gathers savings information from low- to moderate-income tax filers immediately after they have filed their tax forms. This national survey is integrated into the no-cost version of Intuit's TurboTax tax preparation software, and it reaches a significant sample of people who could be eligible for the accounts.

Starting in the 2015 tax filing season, CSD will add a Treasury-funded Retirement Savings Module to the 2015 HFS survey. The module will consist of a series of questions focused on individuals' current retirement savings goals, practices, and attitudes surrounding retirement, along with questions designed to glean insights on the potential demand for the new retirement savings accounts, such as what aspects of the program would be desirable to low- to moderate income consumers, and whether these taxpayers may be interested in opening an account at tax time.

The 2015 iteration of the HFS survey will be administered throughout the tax-filing season (January through April 2015). The HFS survey is distributed electronically and takes approximately 20 minutes to complete. The Treasury-funded Retirement Savings Module, which will be added for the first time to the 2015 HFS, is intended to take less than 10 minutes (approximately ½ of the time needed to complete the overall survey). Participants will be invited to complete the survey when they file their federal income taxes. Participation in the survey will be voluntary.

The information collected through the Treasury-funded Retirement Savings Module of the HFS will provide baseline characteristics, needs, and practices of a segment of the population targeted by the federal program. By leveraging the existing privately-funded HFS survey, the additional information about low- and moderate-income consumers' retirement savings strategies can be gathered quickly and efficiently in a timeframe that allows for real-time feedback as Treasury rolls out the program in 2015 and 2016.

## **SUPPORTING STATEMENT**

### **A. JUSTIFICATION**

#### **(1) Circumstances Necessitating the Data Collection**

The Presidential Memorandum on Retirement Savings Security, issued by the President on January 29, 2014, directed the Treasury Department to finalize the development of a new retirement savings security. These securities will be housed in a new, simple, safe and affordable Roth IRA account that working Americans can use to start their own savings.<sup>1</sup>

Much about the retirement savings program is new. The successful implementation of the accounts requires that Treasury quickly gain important learnings and insights about consumers choices and actions regarding saving for retirement, particularly among consumers with low- to moderate-incomes and who would be eligible to open an account.

To help ensure a successful launch, the Treasury Department recently contracted with the Center for Social Development (CSD) at Washington University in St. Louis to conduct research and examine potentially effective strategies to encourage low- and moderate-income consumers to open and fund retirement savings accounts, at tax time. This information collection is designed to develop knowledge and test the demand among low- and moderate-income consumers for opening and funding the accounts at tax time. The Treasury-funded module will also include items to assess the current state of retirement preparedness and attitudes about retirement among this population.

#### **(2) Use of the Data**

The collected information enhance Treasury's understanding about retirement savings among low- to moderate income taxpayers, specifically about the potential demand for the retirement savings accounts among this population, aspects of the retirement savings program that are most desirable among this population, and whether this population would be likely to open and fund retirement savings accounts at tax time.

CSD will prepare an analysis of the aggregate results of the survey (not including any individual responses or personally identifiable data). Treasury anticipates that the information will be used by CSD in its ongoing research on savings strategies. Any publication developed will not include any information pertaining to specific answers or individual respondents.

---

<sup>1</sup> <http://www.whitehouse.gov/the-press-office/2014/01/28/presidential-memorandum-retirement-savings-security>

### **(3) Use of Information Technology**

To assure the highest quality data and lowest burden of participation, CSD will leverage several forms of information technology to gather information and the data required to draw conclusions relevant to the scope of the project.

CSD will work with Intuit to collect the information using the format and procedures they have used and perfected in administering two prior similar collections under the privately-funded Household Financial Survey. The procedures are as follows:

- 1) CSD and Intuit will identify 2015 tax filers who use the TurboTax Free File tax preparation service and who receive a federal refund.
- 2) Immediately after they submit their tax forms, and while still online with the TurboTax system, these tax filers will receive an on-screen message inviting them to participate in a web-based, online survey.
- 3) Those who agree to learn more will click to a page with more information about the survey plus details about the cash incentive to be paid to participants.
- 4) Those who agree to participate will be required to give informed consent before proceeding.
- 5) Those who agree and who provide consent will click to the online survey, which will be collected using Qualtrics Online Survey Software. All responses to this survey will be submitted within Qualtrics software platform.

Treasury and CSD plan to use the online survey platform for several reasons. For example, this use of information technology will: reduce the burden to participants; enable Treasury to quickly and efficiently collect relevant information from a large sample of tax filers, which will be vital for developing a thorough evaluation of retirement perceptions and behaviors; and maximize the validity of conclusions drawn regarding the retirement savings program and retirement savings behavior.

### **(4) Efforts to Identify Duplication**

No other currently available information sufficiently addresses Treasury's needs for designing and marketing the retirement savings product to low- and moderate-income individuals. No previous surveys have solicited information to inform Treasury about preferences among this population related to the new retirement savings program. As such, there is no similar information available that can inform the administration of the program.

Treasury has researched existing sources to identify existing or previous testing or information collections that could be used for its specific needs concerning administering the retirement savings program for this population. Some existing surveys, such as the Federal Reserve Board's Survey of Household Economics and Decision making, have asked retirement-related questions and are relevant for Treasury's work on the program. However, such surveys have not been focused specifically on the targeted population of low- to moderate-income

households and thus do not provide the level for information required for Treasury's purposes.

**(5) Impact on Small Entities**

All information will be collected at the household level. Therefore, the data collection is not anticipated to burden small businesses or entities.

**(6) Consequences to Federal Activities**

Treasury is supporting this research to better evaluate and assess consumers' potential interest in and desire for the new retirement savings product. The information to be collected and analyzed will be important because it will serve as a preliminary assessment of the demand for the new retirement accounts among low- and moderate-income consumers. It will be useful to Treasury also for identifying interventions that could be helpful for increasing retirement savings among this demographic of American taxpayers. This information will also serve as a foundation for identifying crucial improvements to the current design of the program that may otherwise remain undetected.

If Treasury is not allowed to collect this information, the department may lack insights to ensure that the retirement savings accounts and the program overall are as helpful as possible to low- and moderate-income Americans. In addition, the absence of this investigation may present further barriers to increasing access to retirement savings vehicles for low- and moderate-income employees.

**(7) Circumstances Requiring Special Information Collection**

There are no special circumstances involved in this information collection.

**(8) Solicitation of Comments on Information Collection**

Treasury published a notice for public comment in the Federal Register on May 27, 2014. No comments were received.

**(9) Payment or Gift to Respondents, Other than Remuneration of Contractors or Grantees**

Respondents will be offered an incentive of approximately \$10 in Treasury funds for responding to the Household Financial Survey overall. CSD has found that incentive payments have substantially increased response rates in past iterations of the HFS survey. The proposed sampling method is described in more detail in Part B.

**(10) Assurance of Confidentiality**

Participants in the Retirement Savings Module of the Household Financial Survey will be informed:

1. Why the information is being collected;
2. How the information will be used;
3. The estimated burden of participating in the *myRA* module;
4. That their participation is completely voluntary; and
5. The information provided will be protected and remain private to the extent permitted by law.

Respondents participating in the Retirement Savings Module will be provided a currently valid OMB control number.

CSD’s research team will fully abide with the data collection and security guidelines of Washington University’s IRB. It will not disclose, share or disseminate to any third parties any disaggregated, household-level data. Aggregated anonymous information may be reported.

CSD will store the data in encrypted volumes that will be both hidden (i.e. file names/contents are not searchable from the operating system) and password protected. The files will remain encrypted both during storage and use. All file transmission will use password protected files/archives, with passwords transmitted separately or via password-secured depositories.

**(11) Additional Justification for Questions of a Sensitive Nature**

There are no questions of a sensitive nature.

CSD will reduce the possibility that any respondent will perceive that the questions are seeking sensitive information by obtaining informed consent from all respondents who volunteer to participate in the survey.

**(12) Estimated Burden of Information Collection**

Type of Intake	Estimated Number of Respondents	Number of intakes	Average hours per intake	Total burden hours
Online questionnaire	8,000	1	10 minutes	1,333.3 hours

Treasury bases these estimates on data collections administered by CSD in prior iterations of the privately-funded Household Financial Survey overall. The estimated number of respondents is in line with the number of participants in the 2014 survey. The proposed 2015 survey will be implemented in a similar manner to the 2014 survey and targeted at the same population.

It is estimated that the Retirement Savings Module , which would be implemented for the first time in the 2015 iteration of the Household Financial Survey, will include roughly 20 items. Treasury estimates each respondent will take roughly 10 minutes for to provide responses. This estimate is based on CSD’s experience with similarly sized modules that were used in past Household Financial Surveys. Skip logic built into the online survey structure will reduce the

number of questions presented to some participants based on responses to previous questions. As a result, some participants will take considerably less than 10 minutes to complete the module.

CSD will test the Retirement Savings Module prior to broadly launching the survey to assess more precisely the burden to respondents. For this, CSD will provide the survey to a voluntary sample of fewer than 10 participants. Findings from this consultation may require reductions in the size of the module if they show that the burden is larger than expected.

**(13) Estimated Total Annual Cost Burden to Respondents**

There will be no annualized capital or start-up costs for the respondents to collect and submit this information.

**(14) Estimated Cost to the Federal Government**

The federally-funded Retirement Savings Module will be built into an already existing privately-funded HFS survey platform. Therefore, any start-up or capital costs for the module will be minimized.

As discussed in more detail in Part B, participants will receive a \$10 for completing the survey. With an expected sample size of 8,000 respondents, the overall cost of the incentives to Treasury will be \$80,000.

**(15) Reasons for Change in Burden**

Not applicable. This information collection is part of a new program.

**(16) Plans for Tabulation, Statistical Analysis, and Publication**

*Statistical and Analytical Techniques*

Analysis of descriptive statistics will present the demographic and main features of the sample. These descriptive data will also provide a better understanding of the sample-level characteristics of retirement savings behavior, awareness of and demand for the retirement savings account product, and attitudes toward the features offered through the accounts among low- to moderate-income tax filers. Additionally, econometric techniques, such as logistic binary regression, t-tests, and chi-squared analysis, will be employed to determine characteristics most strongly associated with awareness and interest in the account product and to identify other associations within the data.

*Publication*

Treasury may disseminate key findings via a final report as well as presentations at meetings and conferences. This may include research briefs for dissemination to a wider audience,

including (but is not limited to) practitioners working with low- to moderate-income populations through Treasury's and CSD's extensive research networks; state and local asset-building task forces across the United States; and policymakers.

*Timeline and Completion of Anticipated Projects*

The anticipated timeline of the implementation of the retirement module of the Household Financial Survey coincides with the 2015 income tax filing seasons from late January through April 2015. Analysis of the collected data will occur in the months immediately following tax season.

**(17) Reasons Why Displaying the OMB Expiration Date is Inappropriate**

Treasury is not seeking an exemption of this nature.

**(18) Exceptions to Certification Requirement of OMB Form 83-I**

Treasury is not seeking any exceptions to the certification requirements.