

SUPPORTING STATEMENT  
NATIONAL SURVEY OF UNBANKED AND UNDERBANKED HOUSEHOLDS  
PART B

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

1. Universe and Respondent Selection

The Census Bureau will conduct the June 2017 National Survey of Unbanked and Underbanked Households supplement (“FDIC supplement”) in conjunction with the Current Population Survey (CPS), for which the universe is expected to be about 124.6 million U.S. households. From this universe, the Census Bureau selects a statistical sample of approximately 73,000 households each month, of which approximately 60,000 are eligible for CPS. The Census Bureau actually interviews about 53,000 households each month and will ask these households to participate in the FDIC supplement.

The FDIC supplement represents the fifth administration of this supplement. These surveys were previously conducted in January 2009, June 2011 and June 2013, and June 2015. As in previous survey efforts, the enumeration unit will be the household, and the respondent will be a household member who participates in the financial decisions of the household.

The response rate for the basic CPS was 87 percent. Although all respondents to the basic CPS will be invited to participate in the FDIC supplement at the conclusion of the basic CPS interview, there may not be a qualified household member available to provide responses to the FDIC supplement, and no follow-up interview attempts will be made. In addition, not all of the invited basic CPS respondents will choose to participate in the FDIC supplement. Based on our experience with the previous supplements, we expect that close to 70 percent of the approximately 53,000 basic CPS respondents will participate in the 2017 FDIC supplement.

If the FDIC supplement response rate does not exceed 80 percent, the FDIC plans to investigate the potential for nonresponse bias by performing some basic comparisons of the characteristics of the households that provide responses to the FDIC supplement to those that provide responses to the basic CPS but not to the FDIC supplement. For example, a comparison will be made for renter or owner-occupied households to see if the percent of renter-occupied households that responded to the FDIC supplement varied from the corresponding percent of households that did not respond to the FDIC supplement. The same type of comparison may be made for other household characteristics that are available,

such as type of structure (single or multiple-family) or household size (all persons in the housing unit, including unmarried children under 18 years of age).

If the FDIC finds that the percent of renter-owned units varies much between respondents and nonrespondents to the FDIC supplement, we will check to see if the answers to survey questions varies by renters versus owners, which would give us a measure of the potential for nonresponse bias. The same type of analysis will be conducted for additional household characteristics that are available.

The 2015 unbanked and underbanked supplement response rate was 68.5 percent. The FDIC conducted a non-response analysis to determine whether non-response rates varied across household characteristics. The analysis showed that non-response rates did not differ systematically by household characteristic. To perform the analysis, we compared the distribution of each characteristic in the base survey with the distribution in the supplement. These distributions were nearly identical. For example, the shares of survey respondents who were renter- or homeowner- occupied, were approximately the same in both the base CPS survey and the unbanked supplement. In addition, we implemented a logistic model to examine the probability of supplement response given household characteristics. While the average marginal effects revealed some statistically significant differences in response rates by household characteristic, the magnitudes of these differences were generally small.

## 2. Procedures for Collecting Information

The FDIC supplement will be a supplemental survey associated with the CPS in June 2017. Attachment D provides an overview of the CPS sample design and weighting methodology and response rates. As a CPS supplement, the statistical properties of this supplemental survey will be the same as those associated with the CPS itself.

## 3. Methods to Maximize Response

Response rates and data accuracy for the CPS are maintained at high levels through interviewer instruction, self-study training, and follow-up of refusal interviews with more experienced senior interviewers. Additionally, the Census Bureau closely monitors data output. (Refer to Item 5 of Attachment D for a discussion of the CPS nonresponse.)

## 4. Testing of Procedures

The 2017 questionnaire retains many of the questions from past surveys that were reviewed and tested by the Census Bureau's Demographic Surveys Division and the Labor Department's Bureau of Labor Statistics. The FDIC continues to build on past survey experience and survey methods to improve the type and quality of

data collected. Westat, Inc. performed two rounds of cognitive testing of the 2017 proposed questionnaire in December 2016 and January 2017 and suggested revisions and recommendations, which are incorporated in the revised survey instrument. The goal of each round of testing was to determine respondents' comprehension of each question, test the flow of the questions, find major recall difficulties, ascertain the sensitivity of any questions, and gauge the operational feasibility of the supplement.

5. Contacts Statistical Aspects and Data Collection

The following Census Bureau staff may be contacted on the statistical data collection and analysis operations:

Statistical Design

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Data Collection/Survey Design

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6. Data Analysis Plan

The main survey estimates to be prepared from the data collected in the June 2017 National Survey of Unbanked and Underbanked Households will be the number and percentage of households (and persons 16+) that are “unbanked” (i.e., do not have a deposit account at a bank or credit union), “underbanked” (i.e., have a deposit account but also rely on alternative, non-bank financial service providers), or “fully-banked”. These estimates will be prepared for the nation, for states, and for large metropolitan statistical areas (MSAs).

For unbanked households, results from the FDIC supplement will be used to quantify the reasons why households are unbanked. For both unbanked and underbanked households, estimates will be prepared of the usage levels of alternative, non-bank financial services, such as check cashing, international remittances, payday loans, pawn shop loans, and auto title loans. The analysis will also include estimates of usage levels of bank products, such as checking accounts, savings accounts, credit cards, and lines of credit. Survey results will also be used to gain insights into how unbanked, underbanked and fully banked consumers make use of mainstream credit products (mortgage, credit card, student debt, auto loan, and other personal loans/lines of credit). For banked households,

estimates of various mobile banking activities will be examined along with frequency of bank branch visits for all households.

The economic and demographic information included in the CPS will be used to prepare tables that show, and allow comparisons of, the economic and demographic characteristics of unbanked, underbanked, and fully banked households. This basic CPS data will permit the FDIC to examine whether the usage of and reasons for choosing alternative non-bank financial services providers varies across economic or demographic segments of the population.

The FDIC will produce cross-tabulations of many of the basic CPS variables with responses to questions about the following items: account ownership, reasons for not having a deposit account (for unbanked respondents), the usage of specific transaction, savings, and credit services from banks and nonbanks, methods for accessing banking services, and methods households used to receive income and pay bills.

Cross-tabulations of survey results will be produced for the nation, for states, and for large MSAs. Please refer to the 2015 Household Survey Report (Attachment A-3A and A-3B) for examples of the type of analysis that will be performed with the survey data.

#### ATTACHMENTS

- A1. 2017 FDIC National Unbanked and Underbanked Household Survey (English version)
- A2. Redlined version of the survey instrument highlighting differences relative to the 2015 survey.
- A3.A 2015 FDIC National Survey of Unbanked and Underbanked Households Report
- A3.B. 2015 FDIC National Survey of Unbanked and Underbanked Households Report- Appendices
- B. Current Population Survey – Advance Letter and Frequently Asked Questions
- C1. Current Population Survey Confidentiality Brochure
- C2. Fact Sheet for the Current Population Survey
- D. Current Population Survey Design and Methodology Overview, October 2006 (available at the following link: <http://www.census.gov/prod/2006pubs/tp-66.pdf>)