

**Consumer Survey Content Sample
(FR 3073; OMB No. to be assigned)**

The Federal Reserve analyzes emerging issues in consumer financial services policies and practices in order to understand their implications for the economic and supervisory policies that are core to the Federal Reserve's functions, as well as to gain insight into consumer decision-making. Consumer surveys are an important tool for informing understanding of consumer financial decisions and markets, and the Federal Reserve has a long history of using surveys to inform its work.¹ To augment and complement existing survey efforts, the Federal Reserve has recently begun to conduct surveys utilizing internet panels to explore emerging and current issues with implications for the Federal Reserve's work.² Internet panels provide another avenue for obtaining data on consumer financial topics that can be more timely and cost-effective than telephone, mail, or in person surveys for some data collections, in part because baseline information on panel participants (such as age or homeownership) can aid in identifying potential respondents for a particular study. In addition, these panels provide the opportunity to survey the same respondents over time, which can provide additional insights into consumer behavior and financial conditions.

The Federal Reserve believes that quantitative surveys like internet panel surveys may be complemented by other methods of data collection, such as qualitative surveys using focus groups and individual interviews (which can provide more in depth information from a smaller group of consumers – e.g. 10 to 12 consumers in a focus group, or 8 to 10 consumers in individual interviews).³ This type of collection allows for qualitative research methods to be

¹ The Ongoing Intermittent Survey of Households (FR 3016; OMB No. 7100-0150) enables the Federal Reserve to collect data using the University of Michigan's Survey of Consumers, helping the Federal Reserve understand consumer credit markets and consumer behavior. The Survey of Consumers is a telephone survey, while the quantitative consumer surveys under the FR 3073 are likely to be conducted using internet panels. Both survey modes are useful tools, and the choice of mode varies with the needs of a particular project. The 2013 Survey of Consumer Finances (FR 3059; OMB No. 7100-0287) and earlier surveys in this triennial series provides representative information on the structure of U.S. families' finances, including detailed data on the assets, debts, income, work history, pension rights, use of financial services, and attitudes of a sample of U.S. families. The consumer surveys conducted under the FR 3073 would augment information available from other regularly occurring surveys such as the Survey of Consumer Finances by asking new questions to expand understanding of a topic, and potentially by providing information between waves of these other surveys.

² For example, survey findings on mobile banking and payments have been released in reports and discussed in a *Federal Reserve Bulletin* article and in Congressional testimony. See Board of Governors of the Federal Reserve System (2012), Consumers and Mobile Financial Services, (Washington: Board of Governors, March), www.federalreserve.gov/econresdata/mobile-devices/files/mobile-device-report-201203.pdf and Board of Governors of the Federal Reserve System (2013), Consumers and Mobile Financial Services 2013, (Washington: Board of Governors, March), <http://www.federalreserve.gov/econresdata/consumers-and-mobile-financial-services-report-201303.pdf>. See also Matthew B. Gross, Jeanne M. Hogarth, and Maximilian D. Schmeiser (2012), "Use of Financial Services by the Unbanked and Underbanked and the Potential for Mobile Financial Services Adoption," *Federal Reserve Bulletin*, vol. 94, no. 4, www.federalreserve.gov/pubs/bulletin/2012/articles/MobileFinancialServices/mobile-financial-services.htm and Sandra F. Braunstein, Director, Division of Consumer and Community Affairs (2012), "Mobile payments," Before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, March 29, www.federalreserve.gov/newsevents/testimony/braunstein20120329a.htm.

³ In the past, the Board has made extensive use of focus groups and interviews for the purpose of developing consumer disclosures. A number of the studies conducted to inform regulatory development work are available at

used for exploring consumer responses to documents and disclosures and also for other purposes such as exploring a new topic or an ongoing area of focus in more depth, testing and developing the wording of survey questions, and complementing a quantitative survey in a mixed method research design.

Description of Information Collection

Consumer Surveys

The consumer surveys would be used to gather quantitative and qualitative information directly from individual consumers or households. Topics explored in quantitative and qualitative consumer surveys are likely to vary over time, although some topics may be repeated. Surveys may relate to various aspects of consumer financial knowledge, attitudes, and behavior, and may inform understanding of changes in the markets for consumer financial services, including changes stemming from regulatory or legislative developments as well as from changes in technology and business practices. Some surveys may be needed to address issues of immediate concern, and such issues may not be anticipated in advance. Examples of topics for consumer surveys may include:

- use of financial products and services;
- use of technology and various service delivery channels;
- ability to notice, comprehend, and use disclosures,
- ability to comprehend terms of credit or account agreements;
- preferences about the delivery of information (content, format, timing, and method);
- comprehension of particular deliveries of information (electronic and paper media);
- abilities to use a particular method of delivery, such as web-based disclosures;
- sources and incidence of financial stress, and resources for coping with adverse shocks;
- behaviors related to searching, shopping, and negotiating for credit or asset purchases;
- financial planning, borrowing, investment, and insurance decisions;
- financial knowledge, attitudes, and advice-seeking behaviors; and
- human capital investment decisions and labor market outcomes.

For the quantitative consumer surveys, the Federal Reserve would typically contract with an outside vendor to collect the data. At present, two private firms providing internet panels have been identified to enable timely and cost-effective collection of data on consumer financial attitudes and decisions. GfK's KnowledgePanel is a probability-based online Non-Volunteer Access Panel.⁴ The American Life Panel (ALP) operated by the RAND Corporation is a group of more than 6,000 individuals ages 18 and over who have agreed to participate in occasional online surveys.⁵

For surveys administered via an outside vendor, the Federal Reserve would design the survey and draft the survey questions in consultation with the vendor. The questions asked on

http://www.federalreserve.gov/econresdata/consumerresearch_testing.htm.

⁴ For more on KnowledgePanel, see <http://www.knowledgenetworks.com/>. KnowledgePanel was created by Knowledge Networks, which is now a part of GfK Custom Research North America.

⁵ For more on RAND's American Life Panel, see <https://mmicdata.rand.org/alp/>.

any given survey would be specific to the particular topic of interest. Some questions may be repeated in subsequent surveys, but others may be asked on a single survey. The firm would be responsible for testing the survey procedures, following the sampling protocol and conducting the survey as specified by the Federal Reserve, preparing data files containing the responses, computing analysis weights, and documenting all survey procedures. Data editing and analysis of the results may be conducted either solely by the Federal Reserve and any research partner or jointly with the firm depending on the needs of the project.

The number of respondents to any given survey would vary depending on the purpose of the survey and the sample size needed to obtain statistically valid results. The Federal Reserve anticipates fielding up to two large surveys each year and four medium (in sample size and survey time length) surveys focused on particular topics for which data needs have arisen.

Qualitative surveys with consumers such as focus groups and interviews may be conducted on a variety of topics, either as a standalone study or as a complement to a quantitative study as a part of a larger project. Formal or informal qualitative surveys may be conducted by the Federal Reserve and any outside partners collaborating with the Federal Reserve. They also may be conducted through a private contractor, which would be chosen in a competitive bidding process or other acceptable negotiated process.⁶ The research instruments may be developed by the Federal Reserve and any research partner or jointly with the contractor working on behalf of the Federal Reserve. As necessary, the contractor may be responsible for testing the study procedures, following the sampling protocol established by the Federal Reserve, conducting the study as specified by the Federal Reserve, collecting and coding responses, and documenting all procedures. Data editing and analysis of the results may be conducted by both the Federal Reserve and any research partner, by the contractor, or some combination of these depending on the project.

The number of respondents to any given qualitative survey would also vary depending on the purpose of the survey and the number of respondents needed to provide a range of viewpoints. FR 3073 would enable the Federal Reserve to conduct up to eight qualitative surveys each year with about 50 respondents per survey. For example, a qualitative survey could include several focus groups on a particular topic for which data needs have arisen.

⁶ Contractors used by the Federal Reserve Board in the past to conduct qualitative research include ICF International and Rockbridge Associates, Inc.