



June 18, 2018

Memorandum to: Shagufta Ahmed  
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Office of Management and Budget

From: Manny Cabeza  
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RE: Cognitive Interview Protocol for the 2019 Survey of Unbanked and Underbanked Households

Under our generic clearance entitled, “Information Collection for Qualitative Research” (Control number: 3064-0198), the FDIC hereby submits for OMB approval the “Cognitive Interview Protocol” for the 2019 National Survey of Unbanked and Underbanked Households (the “Survey”) (OMB Control number 3064-0167) which seeks to pre-test the Survey with the goal of reducing measurement error and item nonresponse. The cognitive testing interviews will be conducted in mid-July 2018 in preparation for the Survey administration in June 2019 as a supplement to the Census Bureau’s Current Population Survey.

Purpose: The purpose of this data collection is to pre-test the Survey with the goal of reducing measurement error and item nonresponse. The cognitive interviews will test the participant’s understanding of questions; key terms; and concepts used in the survey, and will assess recall and cognitive burden. Cognitive burden is increased when survey questions demand comprehension of complex concepts or recall of non-salient events. Increases in cognitive burden lead to satisficing and measurement error, and thus should be identified at the pretesting stage. The FDIC expects to use the outcomes from the interviews to identify areas where the questionnaire can be improved to ensure that it captures the information intended in a way that minimizes the cognitive burden on respondents. Insight will be gathered from participants and used to develop recommendations for edits to the questionnaire in advance of the nationwide data collection effort.

Methodology: In order to pretest this survey, the FDIC plans to conduct 40 interviews with adults of different income levels, ethnic backgrounds, and genders. Participants will include individuals who participate exclusively in mainstream banking services (fully banked), have a bank account, but also utilize alternative financial services, such as payday advance loans (underbanked), or do not have a checking or savings account (unbanked).

Interviews will be conducted in person in Rockville MD, Arlington VA, and Memphis TN. Interviews will take an average of 60 minutes. Prior to beginning each interview, the cognitive interviewer will explain the study to the participant, read aloud a consent form explaining their

rights as a research participant, and then administer the National Survey of Unbanked and Underbanked Households to the participant. This administration will occur using a paper and pencil instrument. Throughout the interview, the interviewer will administer both scripted and unscripted probes in order to assess the participant’s understanding of the survey questions.

The respondents for this cognitive testing will be selected through the use of the screening questionnaire recently approved by OMB (ICR Ref. No. 201708-3064-003). Data collected from these cognitive interviews are for questionnaire design purposes. Results will not be inferred to any larger population. A final data collection report will be produced, documenting methodology, findings, and recommendations for questionnaire revisions.

Burden Estimate: The anticipated burden for respondents is shown below. We plan to conduct 40 interviews, each of which will take 60 minutes. Therefore, this effort will require 40 burden hours (40\*1 hour=40 hours). Participation is voluntary, To offset travel costs and time spent, respondents will receive \$50 following the completion of the interview.

Estimated Number of Annual Respondents:	40
Frequency of Response:	1
Estimated Time per Response:	1 hour
<b>Total Estimated Annual Burden:</b>	<b>40 hours</b>

If you have any questions, please let me know. Thank you for your consideration.