

CONSUMER FINANCIAL PROTECTION BUREAU**REQUEST FOR APPROVAL UNDER FOR –
FINANCIAL COACHING PROGRAM FOR VETERANS AND LOW-
INCOME CONSUMERS****(OMB CONTROL NUMBER: 3170-0051)**

TERMS OF CLEARANCE: Not applicable. The Office of Management and Budget provided no Terms of Clearance when it last approved this collection of information in February 2015.

ABSTRACT: In early 2015, the Consumer Financial Protection Bureau (the “Bureau”) launched a Financial Coaching project to provide direct financial coaching services to transitioning veterans and economically vulnerable consumers nationwide. In order for the Bureau to understand whether the program is effective and for the financial coaches to be able to deliver efficient services and track clients over time, the Bureau needs to take steps to monitor program performance. This includes collecting administrative data about clients for programmatic purposes. The information is collected from the coaches and includes a combination of personal information (basic contact and demographic information), performance metrics (outputs), client-level outcomes (progress towards financial goals or other relevant outcomes) and programmatic and organizational outcomes.

The initial information collection request for the administrative data collected by coaches from financial coaching clients for programmatic and performance monitoring purposes was approved in 2015 and expires on February 28, 2018. In 2015, the Financial Coaching program was extended beyond the initial program period and subsequently, this request is for an extension of administrative data collection. In addition, this information request includes a modification, to add five questions to the administrative data collection. The five questions are part of the Financial Well-being Survey, which received approval under OMB Control Number 3170-0063 in order to measure the level of financial well-being of American adults and key sub-populations. This will help us understand the progress clients are making and is also in line with the Bureau’s overall efforts to be more consistent in the information we are collecting. This information collection is limited to the collection of administrative data for the purpose of program management.

JUSTIFICATION**1. Circumstances Necessitating the Data Collection**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), Pub. L. 111-203, established the Bureau to regulate the offering and provision of

consumer products or services under federal consumer financial laws. Consistent with the purposes of the Dodd-Frank Act, the Bureau's mission includes establishing and enforcing clear, consistent rules for the financial marketplace; protecting American families from unfair financial practices; and developing and implementing a strategy to improve the financial literacy of consumers. For additional background on the Bureau, please see <http://www.consumerfinance.gov/the-bureau/>.

Additionally, the goals of this project are in line with the individual office mandates of both the Office of Servicemember Affairs and the Office of Financial Empowerment. The Dodd-Frank Act assigns the Bureau's Office of Servicemember Affairs the responsibility to educate and empower servicemembers and their families to make better informed decisions regarding consumer financial products and services. Similarly, the Bureau's Office of Financial Empowerment seeks to meet the Bureau's statutory mandate to "provid[e] information, guidance, and technical assistance regarding the offering and provision of consumer financial products and services to traditionally underserved consumers and communities."¹

Because of the scope and size of the program, it is crucial that the Bureau collect data on those who receive financial coaching services, as part of the Bureau's program, in order to understand if the services are working well and how they might be improved upon.

The extended and modified data collection is necessary to help the Bureau and its stakeholders continue to understand client and program performance, and also to gain insights into how the program can be improved. The additional financial well-being questions allow the financial coaching program to use a tested methodology, used across the Bureau, for understanding consumer financial behavior and progress.

The justification for each survey question is provided in the attached spreadsheet.

2. Use of the Information

The information to be collected will include a combination of client personal information (i.e., basic contact and demographic information), performance metrics (outputs), client-level outcomes related to financial goals, as well as other relevant organization-level outcomes.

The coaches often work with the clients over multiple sessions and their information will be collected and housed in the client management system that has been in use since the data collection began. In addition to personal information intended for client management and follow-up, the coaches are also required to document high-level information about the client's financial goals and progress made towards those goals. The coaches will also continue to use the client data management system to capture the reasons why clients are working with the coach in the first place (for example, to reduce debt), and progress made towards those goals. Capturing the

¹ 12 U.S.C. § 5493.

outcomes from coaching sessions helps the Bureau determine if the sessions, the coach, and program overall are effective in helping clients achieve their financial goals. The Bureau can identify and learn from information that is gleaned from the success of clients and coaches. For example, if one site or coach is particularly effective in working with clients, the other coaches could learn from this site or person's processes or techniques.

Common client outcome measures such as income, savings, debt, and credit, will continue to be collected, based on the stated goals identified by individual clients. Also, a set of standard outcome measures will continue to be collected from clients across all coaching sites, as well as outcomes that vary by site and by the types of populations being served. These site-specific outcomes are based on the existing programs' service delivery needs and existing systems and/or processes for collecting and tracking outcomes. In addition, beyond client outcomes, the Bureau will continue to collect additional information (e.g., from coaches, the delivery organizations/agencies, etc.) to contribute to its knowledge and understanding of what has been effective and how to improve the program moving forward. By understanding the macro-level needs of the clients and coaches, the program can, for example, adjust and respond to training needs that coaches may have in response to issues that the clients are presenting. The bulk of the administrative information collected would be at the time of intake and captured in the client management system. Each time the client meets with the coach, the coach will document relevant information towards goal accomplishment.

The modification to the data collection will include the addition of five questions from the Bureau's Financial Well-being survey. These five questions will be asked in addition to the existing questions the coaches are approved to ask at intake and in subsequent client check-in meetings to track client progress.

Client-level raw data is not shared with the Bureau, nor is it shared outside of its contractors and subcontractors that are charged with data collection and analysis. Directly-identifying information (e.g., respondent names) is also not made available to the Bureau. The Bureau does, however, receive and may choose to release de-identified results and aggregated analyses of those results (such as trends in financial issues) in public reports it will issue. Those results would be reported in a way that could not reasonably identify any respondent. Veteran-specific data will not be released to the public.

3. Use of Information Technology

Although the administrative data will be collected through conversations that coaches have with their clients, they will be using an electronic client management system to document and report standardized information about the clients as well as progress towards their goals. While some interaction between coaches and clients occurs by phone or email, the majority of conversations between coaches and clients occur in person.

The data is inputted by coaches using laptops that are cyber-security configured and encrypted. The client-management system is also encrypted. During the first year of implementation, all Financial Coaches received in-person privacy and records management training from Bureau staff. Basic tenants of privacy and records management are also addressed during each new coaches' on-boarding session and through AFSC's annual security training and code of conduct and business ethics training. All financial coaches are required to complete the Bureau's 2018 annual privacy and records management training by mid-March 2018.

4. Efforts to Identify Duplication

This information collection is an extension and modification of an existing information collection for a specific Bureau program and is not available from any other source; therefore, there are no concerns about duplication.

5. Efforts to Minimize Burdens on Small Entities

The Bureau does not anticipate any small businesses being impacted by this collection of information. The burden is on clients requesting the financial coaching service.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

If the collection is not conducted, the Bureau would not be able to know how the program is performing, nor would it know how to improve the program moving forward. The additional questions allow the Bureau to track the program's progress on recently developed metrics that are more consistently used across the Bureau and the wider financial capability and education fields.

7. Circumstances Requiring Special Information Collection

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320. 5(d)(2).

8. Consultation Outside the Agency

In accordance with 5 CFR 1320.8(d)(1), the Bureau has published a notice in the Federal Register allowing the public 60 days to comment on this proposed new collection of information. Further and in accordance with 5 CFR 1320.5(a)(1)(iv), the Bureau will publish a notice in the Federal Register allowing the public 30 days to comment on the submission of this information collection request to the Office of Management and Budget.

The 60-day notice in the Federal Register received ten comments. The comments were reviewed, and this information collection request was adjusted where appropriate. The comments are addressed below as they pertain to the information that will be collected as part of the client intake and case management processes

Comment 1: The comment is from an organization that represents credit unions. The commenter requests that any data collection efforts from the Bureau do not require an unnecessary administrative burden on credit unions that employ financial coaches.

The data collection identified in this request does not apply directly to credit unions or any other outside organizations that employ a financial coach. This request is focused solely on financial coaches that provide their services as part of the Bureau's Financial Coaching Initiative, as subcontractors of the Bureau. Organizations volunteer to host coaches that are part of the Bureau program, and those coaches collect information as part of their routine work with clients. The organizations that host coaches are not liable for the data collection identified in this request.

Comment 2: The comment refers to US oil imports abroad.

The Bureau does not have authority to regulate the energy industry. The comment does not apply to this request.

Comment 3: The comment is from an organization that promotes financial literacy and support financial coaching. The commenter expresses support for the program and its use of data-driven strategies.

The Bureau agrees with the commenter that financial coaching is a promising practice that has a proven positive impact on the finances of participating clients. Information collection allows financial coaches to continue to track and support the progress of those who take part.

Comment 4: The comment refers to research studies related to drinking water.

The Bureau does not conduct environmental impact studies and does not have the authority over environmental policy. The comment does not apply to this request.

Comment 5: The comment refers to policies related to the manufacturing sector, particularly forestry and lumber production.

The Bureau does not have authority to regulate the lumber or forestry industries. The comment does not apply to this request.

Comment 6: The commenter expresses support for the Financial Coaching Initiative and asks three questions related to the request. 1) The commenter requests clarity on why veteran-specific data will not be released to the public. 2) The commenter asks for more information about the program's effectiveness in advertising the program 3) The commenter expresses concern that the administrative burden indicates a considerable and costly process. The commenter asks if the estimate includes data collection from the respondents during coaching sessions and if the process can be automated.

1) The majority of veterans receive coaching services at Department of Labor American Job Corps sites. The Bureau aligned data collection and disclosure with the host sites' protocols.

2) The program has never funded advertising activities. The way in which the program receives clients is by leveraging the trusted relationships and existing work of the host site organizations. For example, staff at host organizations refer clients in need of financial coaching to the financial coach. Additionally, the coaches conduct outreach in the communities if they have the capacity to serve more clients than what the host site organization is providing. In 2015, based from feedback from the coaches, the Bureau developed (in-house) "marketing material" that the coaches can use when they conduct their outreach, the flyer is included in this package. The coaches felt this was necessary for legitimacy and for consistency. In terms of effectiveness, we learn that the host site referrals and clients own referrals are the most effective ways to let potential clients know about the program. That said, the coaches appreciate having something that provides them the legitimacy they have felt they've needed, and prevents them from having to invest the time and "reinvent the wheel" to develop their own outreach materials across all 60 sites. 3) The request has been updated to reflect the following points. Information collection takes place as part of a regular financial coaching session. Many of the questions included in the Bureau information request are reflective of questions that are typical of a coaching engagement. If information collection was automated, for example, in a digital questionnaire filled out by clients, coaches may still ask these questions as part of a coaching engagement, increasing the burden on the client. Also, the current process of coach input of data into a cyber-secure client management system adds a necessary layer of data security. The Bureau estimates that approximately 7,600 unique clients will take part in the coaching program each year. The Bureau estimates that each response takes approximately 15 minutes. This takes into account the fact that not all questions included in this request are applicable to all clients, and to reduce the administrative burden, coaches have the authority to only ask relevant questions. In order to reflect the average number of sessions per a client, this has been multiplied by two. This results in a total of 3,600 hours in a calendar year. This administrative burden is spread across approximately 60 financial coaches. On average, each coach is responsible for approximately 60 hours of information collection, or approximately 7.5 working days. The Bureau estimates that the time and cost of information collection from this request is appropriate.

Comment 7: The comment refers to air quality studies and policies and requests a study of specific agricultural equipment to ensure it meets industry standards and does not cause an undue cost burden on the agricultural industry.

The Bureau does not have authority to regulate environmental policy or the agricultural industry. The comment does not apply to this request.

Comment 8: The commenter refers to regulation of the oil and gas industry.

The Bureau does not have authority to regulate the energy industry. The comment does not apply to this request.

9. Payments or Gifts to Respondents

No payments or gifts will be provided to respondents for the collection of the administrative data described in this request.

10. Assurances of Confidentiality

Coaches are trained to omit identifying details when discussing cases and soliciting input from program leadership. Personally Identifiable Information (PII) that are direct identifiers (e.g., respondent names) will stay with the contractor. Coaches are trained to tell clients that neither the Bureau nor the host site will obtain or access any information that directly identifies participants. Coaches provide clients with a Privacy Act Statement in hard copy when recruiting individuals to participate, and before the discussion starts. Further, any resulting reports on the program will consist only of de-identified results and aggregated analyses of those results that will be reported in a way that could not reasonably identify any respondent. Coaches are also required to maintain confidentiality as a part of their Financial Coaching certification.²

11. Justification for Sensitive Questions

Coaches will collect direct-identifying PII including name and basic contact information to facilitate participation in the counseling program. Additionally, coaches will collect demographic data and respondent data (goals, challenges, outcomes information provided by participants as outlined below) as part of program management efforts. Social Security Numbers (SSNs) will not be collected as a part of the administrative data collection process, and clients will not be required to provide SSNs in order to participate in the program. Instead, an alternative unique identification number will be developed to track coaching clients and service delivery.

The Bureau has a System of Records Notice (SORN), CFPB.021 – Consumer Education and Engagement Records (FR 77 FR 60382) in place to account for the collection, use, disclosure, and destruction of PII as it relates to this project. This project is covered under the Consumer

² Access the Association for Financial Counseling and Education here: <https://www.afcpe.org/resource-center/professional-standards/standards-of-practice>.

Education Privacy Impact Assessment (PIA)

(https://s3.amazonaws.com/files.consumerfinance.gov/f/201409_cfpb_consumer-education_pia.pdf); and the Market Analysis of Administrative Data Under Research Authorities PIA (https://s3.amazonaws.com/files.consumerfinance.gov/f/201312_cfpb_pia_admin-data-research.pdf) that covers collection of administrative data.

The project will collect and analyze response data provided by participants when coaches ask questions related to personal financial behavior, such as amount of savings, amount of debt, spending behavior and other personal financial information if applicable to the client's goals. This information is necessary to track clients' progress towards their identified goals. Such response data may include sensitive information but will be stripped of direct identifying PII for analysis purposes. Analysis includes (for example) assessing financial goals, outcomes and financial behavior relating to participation in the financial coaching program. Because of the individual nature of the program, the vendor, on the Bureau's behalf, will need to collect the sensitive information at the individual level for certain aspects of the program (such as intake for the client management system). However, where data is being reported, aggregate data stripped of direct identifiers will be reported wherever possible.

12. Estimated Burden of Information Collection

In Exhibits 1 and 2, we provide estimates of the collection burden on program participants. As of July 2017, the program has served approximately 600 clients a month during the 2017 calendar year. Assuming service continues at this rate, the estimated number of clients served annually will be approximately 7,200. All clients will be walked through their rights under the Privacy Act, and if the client is asked to complete a brief series of questions for the Client Information System to provide information for further research.

Using the average federal minimum wage for coaching clients (economically vulnerable and returning veteran) of \$7.25, we then multiply this figure by the number of burden hours for each of these activities, which generates estimates of the total annual cost burden.

Not all data collection items will be relevant to all clients, and the specific number of questions that will be asked on any given client will vary based on their specific financial goals and background. The time burdens in Exhibit 1 reflect an average estimate for each client. For the modification of the survey, in the form of five (5) additional Financial Well-being Survey questions, we estimate about thirty (30) additional seconds per a respondent. While many clients may come once, the average client meets with the coach approximately 2 times; therefore, the burden is estimated based on an average of two (2) responses per client. See Exhibit 1 below.

EXHIBIT 1. ESTIMATE OF ANNUALIZED TIME BURDEN TO RESPONDENTS

Collection of Information	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Average Burden per Response (in hours)	Total Annual Burden Hours	Average hourly wage rate ³	Total annual cost burden
Client Information for the Client Management System	7,200	2x	14,400	.25	3,600	\$7.25	\$25,100
Total:	7,200	////////////////	14,400	////////////////	3,600	////////////////	\$26,100

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

There are no other costs associated with this information collection other than what is discussed above in Item 12.

14. Estimated Cost to the Federal Government

We estimate that the Bureau will need to cover the costs (via the contract) of maintaining a client management/outcome tracking system in order to be able to collect and report data, as well as costs associated with the collection, analysis, and reporting of interview and survey data. The estimated cost for this work is \$125,000.

15. Program Changes or Adjustments

This submission to OMB is a request for renewal and modification – adding five questions from the Financial Well-being Survey (approved through OMB 3170-0063) to administrative questions for clients. However, since not all questions apply to all clients, the Bureau does not believe the addition of these questions results in an overall increase of the average response time.

The original submission included a number of respondents based on projected estimates of the number of clients that would engage with the program, prior to its launch. The current request includes a number of respondents that has been adjusted using actual monthly averages for the year of 2017. This number of respondents is 2,800 less than the original submission. Additionally, the estimated average response

³ While the Bureau does not ask for clients' income data across the program, the Bureau knows that many of the clients served by the program are low wage. Therefore, for these estimations we use the federal minimum wage as our estimate. The source the Department of Labor's Wage and Hour Division: Wage and Hour Division (WHD): <https://www.dol.gov/whd/minimumwage.htm>

time has been reduced from 30 to 15 minutes. See Exhibit 2.

Exhibit 2: Summary of Burden Changes

	Total Respondents	Annual Responses	Burden Hours	Cost Burden (O & M)
Total Annual Burden Requested	7,200	14,400	3,600	0
Current OMB Inventory	10,000	10,000	5,000	0
Difference (+/-)	(2,800)	4,400	(1,400)	0
Program Change	0	0	0	0
Discretionary	0	0	0	0
New Statute	0	0	0	0
Violation	0	0	0	0
Adjustment	(2,800)	4,000	(1,400)	0

16. Plans for Tabulation, Statistical Analysis, and Publication

The Bureau, at this time, plans to publish for stakeholders and the public at least one report that would provide basic information about the program's implementation, the types of issues clients are facing, what their outcomes have been, and general lessons learned to date. All data would be published in the aggregate. The Bureau does not know, at this time, what the publication(s) dates would be.

17. Display of Expiration Date

The expiration date will be displayed in OMB's public docket at www.reginfo.gov. There are no collection instruments on which to display expiration date. The coaches ask questions found in the attached spreadsheet in-person and record the information in a data collection system. The OMB number and expiration date will be displayed in the program brochure given to clients.

18. Exceptions to the Certification Requirement

The Bureau certifies this collection of information is consistent with the requirements of 5 CFR 1320.9, and the related provisions of 5 CFR 1320.8(b)(3) and is not seeking an exemption to these certification requirements.

PART B: STATISTICAL METHODS

This collection of information does not use statistical methods

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