

**BUREAU OF CONSUMER FINANCIAL
PROTECTION PAPERWORK REDUCTION ACT
SUBMISSION INFORMATION COLLECTION
REQUEST**

Supporting Statement – Part B

**Generic Information Collection Plan for Studies of Consumers using Controlled
Trials in Field and Economic Laboratory Settings**

(OMB CONTROL NUMBER: 3170-0048)

- 1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection has been conducted previously, include the actual response rate achieved during the last collection.**

The potential respondent universe will vary depending on the research question addressed and method of data collection employed. Many samples under this clearance will be purposive and non-representative, and not intended to be externally valid or representative of a broader population. In some cases, the Bureau may seek to develop a representative sample. The Bureau will describe selection methods used to create samples for each information collection request that is submitted under this proposed clearance.

- 2. Describe the procedures for the collection of information.**

The Bureau plans to gather primary data through controlled trials in field and economic laboratory settings. The sections below outline the types of data collections that the Bureau plans to conduct.

Trials may be broadly categorized into laboratory and field settings.

A laboratory setting provides researchers with a high degree of control over the research environment for a wide range of possible studies. Participants may be placed in situations that isolate features of economic activity or decision-making to be studied in

detail. The researcher may have them interact to provide insight into how people share information, solve problems, and make choices in competitive or cooperative environments.

One advantage of the lab setting is standardization. The researcher can ensure that participants are given the same instructions, placed in similar contexts, and otherwise treated the same way. Respondents are often asked to use electronic materials to standardize their experience and reduce measurement error in collecting their responses. Online lab settings are growing in popularity for this reason, and in some cases the Bureau will employ this type of setting for a lab study.

Another benefit of the lab setting is the quantity and quality of possible observations. Researchers may reproduce events in the lab that occur sporadically or unpredictably in a real world setting and would otherwise be difficult to observe. A lab setting may also facilitate collection of data on gaze (enabling inferences about attention) and on reaction times (enabling inferences about the ease of processing information).

Subjects for lab research are typically recruited using convenience sampling. Such samples are not representative of the general population, and therefore are not useful for estimating specific parameters or the costs and benefits of a policy. Although convenience sampling may introduce selection bias that could limit the applicability of the lab findings to other contexts, in many cases a laboratory provides a credible economic environment where the results of the study can be useful for informing hypotheses about behavior outside the lab. For example, if a laboratory study showed that one information format resulted in decisions different than another information format, researchers could reasonably expect that the pattern may be similar among other populations. Such studies can provide a foundation for a scientific understanding of consumer financial decisions and behavior in consumer financial markets.

In some cases, the Bureau may use recruitment strategies to create a sample that is representative of a population. This may be useful for studies that explore how consumer financial decisions and behavior vary across subgroups of consumers, for example. Such studies will identify a sampling frame and steps to ensure that the sampling method adjusts for nonresponse to ensure the estimates are not biased.

A field setting allows researchers to see how economic activity operates in real world

environments. It generally allows for research studies to occur over a longer period of time than in a lab. Respondents may be recruited from a variety of sources, including through web panels and existing channels of economic interaction; for example, users of a given financial product or service. Outcome data generally comes from some mix of existing administrative sources, which do not burden the participants, and from data collection instruments, such as surveys, that are designed to gather the minimal amount of additional data required to conduct the research.

The Bureau may also use individual interviews as part of a lab or field study conducted under this clearance. Interviews provide in-depth and qualitative information that can be more open-ended than the structured data collection techniques used in lab and field studies. These interviews would be individual interviews facilitated by a trained moderator.

The Bureau plans to use research studies under the proposed clearance to learn about behavior in markets and to test research hypotheses. Results and findings from these research studies are designed to be used for developmental and informative purposes. The Bureau will not make regulatory decisions solely based on these studies or use these studies to develop or evaluate specific policies.

Studies will often take the form of a randomized controlled trial (RCT).

Identifying causation is often essential in research to determine the effects on consumers of a particular factor (e.g., a financial product, disclosure form, or financial education training). In observational studies, there is often reason to believe that people who differ in exposure to the factor of interest also differ in other ways. For example, consumers who use a particular strategy for managing their finances may, on average, differ in many characteristics (education, employment status, income, etc.) from those who do not. In such a case, it would be incorrect to conclude that the financial strategy alone accounted for differences in outcomes between those who use it and those who do not.

Failing to account for relevant characteristics leads to bias in a researcher's estimate of whether a causal relationship exists and how strong or statistically significant it is. Since many of these characteristics are unobservable to the researcher, observational studies pose problems for causal inference.

In general, researchers are unable to observe a counterfactual for a given person; that is, they cannot observe what the outcome would have been if a person not exposed to the factor had been exposed and vice versa. Randomization of research participants into a treatment group that is exposed to the factor and a control group that is not exposed or is exposed to a lesser extent allows the researcher to determine whether the observed outcomes were caused by the factor.

A randomized controlled trial (RCT) is designed to overcome the selection bias problem. It uses a control group as a valid counterfactual for the treatment group. For a sufficiently large sample, the treatment and control groups will look very similar to one another since no participant characteristics are used in a random assignment, other than in a stratified approach where they are balanced by construction. This similarity can be verified for observable characteristics and safely assumed for unobservable characteristics. Differences in outcomes observed after comparing treatment and control groups are therefore attributable to the treatment factor.

- 3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling a special justification must be provided for any collection that will not yield “reliable” data that can be generalized to the universe studied.**

For lab research that uses convenience sampling, the sample will not be representative of the general population. Field studies will include purposive samples by design and therefore are not necessarily externally valid beyond the population from which those samples are drawn. In some cases where it is especially important, the study make seek to be representative of a specific population, the Bureau will consider best practices for maximizing response rates based on the sampling frame and sampling method used, and will detail these methods in the individual information collection request. And the study design will be available for public comment during the 30-day public comment period. Studies conducted under this clearance will be used for developmental and informative purposes, and will not be used as the main source for making regulatory decisions or a basis for specific policy at the Bureau.

4. Describe any tests of procedures or methods to be undertaken.

The Bureau plans to use pretesting and cognitive interviewing to test research instruments on a small scale prior to their use in full-scale research studies. Respondents will be debriefed to ensure that they understood the instrument, which in turn ensures that the resulting data collections are effective. These techniques are meant to reduce the total public burden of the information collection by ensuring that the full study information collection is optimized.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

The name and telephone numbers of these individuals will be provided in the clearance request for each specific data collection.

The Office of Research is currently staffed with a number of PhD researchers in social science, who are trained in relevant methods. For any research studies that employ statistical methods submitted for approval under this information collection plan, such methods will be reviewed by a qualified statistician for scientific rigor, including compliance with the Office of Management and Budget's (OMB) statistical programs and standards, prior to submission to OMB.