

**REQUEST FOR APPROVAL UNDER THE “CFPB GENERIC  
INFORMATION COLLECTION PLAN FOR STUDIES OF CONSUMERS  
USING CONTROLLED TRIALS IN FIELD AND ECONOMIC  
LABORATORY SETTINGS” (OMB CONTROL NUMBER: 3170-0048)**

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**PART A. GENERAL INFORMATION**

**1. Title of the Information Collection (Study): Financial Scale Development Testing**

**2. Study Abstract:**

In this research, we will develop a scale measuring financial behaviors. Specifically, we focus on the tendency of consumers to take action(s) to mitigate financial challenges that they anticipate. Previous research has distinguished between consumers who do and do not foresee these types of challenges.<sup>1</sup> However, research has not established whether the tendency to engage in these behaviors can be measured in a reliable way. Specifically, no valid scales currently exist to measure this trait. Our research fills this gap.

To develop this scale, we will perform two types of data collection. First, we will perform in-depth interviews with a small sample of consumers to ensure that our questionnaire is easy to understand and does not cause respondent confusion. Second, we will conduct a series of rounds of data collection in which we will collect responses to the questionnaire from U.S. consumers aged 18 and older. We will analyze the responses received in each round of data collection to refine the questionnaire.

Respondents will be sampled from an internet panel. All participants will volunteer to participate. The data that results from this project will be analyzed for research purposes only.

**3. Type of Collection:**

- a. Will there be an informed consent?** [ ] Yes [X] No [ ] N/A

**Explain why or why not an informed consent is being used.**

An informed consent will be given to participants as part of standard practices for the survey vendor. Therefore the Bureau is not doing one of its own.

- b. How will you collect the information?** (Check all that apply)

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<sup>1</sup> O'Donoghue, T., & Rabin, M. (1999). Doing it now or later. *American Economic Review*, 89(1), 103-124.

Field Study  Laboratory Trials

Other, Explain \_\_\_\_\_

c. **Will interviewers or facilitators be used?**  Yes  No  N/A

4. **Personally Identifiable Information:**

a. **Is personally identifiable information (PII) collected?**  Yes  No

1. **If yes, explain direct identifying PII and/or other PII and relevant uses.**

We will collect general demographic characteristics from participants, including age, gender, and income (reported in a range) to see whether there are any differences in scale responses across these characteristics. Such differences will allow us to assess whether the scale performs equally well across diverse respondents.

The CFPB's contractor will collect PII when recruiting participants to the cognitive testing sessions to facilitate scheduling and to prevent duplicate enrollment (i.e., that no single person responds twice). However, no directly identifying information such as names or contact information will be delivered to the CFPB or connected with any other data collected.

b. **If Yes, is the information that will be collected included in records that are subject to the Privacy Act of 1974?**  Yes  No  Not Applicable

1. **If Applicable, has a System or Records Notice (SORN) been published?**

Yes  No

2. **If Yes, provide SORN title and *Federal Register* citation for the SORN** 83 FR 23435

**Title:** CFPB.022 Market and Consumer Research Records.

c. 1. **Has the Privacy Impact Assessment (PIA) been published?**

Yes  No  Not Applicable

2. **If Yes, provide link to PIA. If No, please describe the status of the PIA:**

[https://s3.amazonaws.com/files.consumerfinance.gov/f/201412\\_cfpb\\_market-research-in-the-field-v1.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/201412_cfpb_market-research-in-the-field-v1.pdf)

## **PART B. JUSTIFICATION**

### **1. Purpose of the Study and Intended Uses of the Data:**

The specific purpose of this clearance is to allow the Bureau to better inform and advance scientific understanding of consumer credit markets and household finance, including consumer use of disclosures, consumer behavior with respect to consumer financial products and services, and more specifically, the design of disclosure forms. This project will generate data that will be used to iteratively test and develop scale items to accurately measure the tendency to take action to mitigate financial challenges. When making financial decisions, consumers must frequently deal with the challenge of wanting to spend more now but also to save for later. We focus on the tendency of consumers to take action(s) to mitigate financial challenges like this. However, research has not established whether the tendency to take these actions can be measured in a reliable way. This research will generate data to evaluate a measure of this type of action-taking.

The study is not designed to measure population statistics about the prevalence of this tendency, but will rather provide the Bureau with information that will help them to anticipate how consumers will respond to a disclosure or financial product that includes some kind of commitment device.

The purpose of this study is not to make particular regulatory decisions, evaluate specific policies, or substantially inform a rulemaking. The findings from this study may identify opportunities for enhanced or improved regulatory or other policy actions; however, as noted, the Bureau will not initiate any policy changes based solely or primarily on this research project. Instead, the study is for developmental and informative purposes. This study uses a purposive sample that is not designed to be representative of a broader population. This project is intended to be internally valid, but not necessarily externally valid; that is, the projects will use scientifically rigorous methods, but may not always represent broader populations beyond the sample that is included in the study. The study is intended to improve the Bureau's and understanding of consumer decision-making, and not to create official government statistics.

### **2. Payments or Gifts (Incentives) to Respondents:**

There will be two types of respondents: (1) participants in cognitive testing sessions and (2) participants in a web survey. The protocol for the cognitive testing requires that respondents come to the testing site for approximately one and a half hours. To improve response rates, respondents in the cognitive testing sessions will receive a \$35 Visa Debit Card. Respondents of the web survey will be recruited from a standing panel and they will be paid by the provider of the panel service. The payment per response will vary according to the survey vendor's compensation policies, but will generally be several dollars (less than \$5 each).

3. **Assurances of Confidentiality and Justification for Sensitive Questions:**

Respondents will be asked to provide basic demographic and socio-economic information including their race/ethnicity, gender, age, and income. This information is necessary to determine whether a socio-demographically diverse data set has been collected.

Respondents will also be asked to provide financial information relevant to their retirement, savings, debt, and general financial management strategies. This information will help determine the extent to which measures of subjective financial well-being reflect a consumer’s objective financial well-being. Additionally, during data collection, respondents may refuse to answer any question.

5. **Estimated Burden of Information Collection:**

<b>Information Collection</b>	<b>No. of Respondents</b>	<b>Frequency</b>	<b>Total Annual Responses</b>	<b>Average Response Time (hours)</b>	<b>Total Burden Hours</b>
Cognitive interviews	38	1	38	1.5	57
Online Pre-testing of scale	20	1	20	.25	5
Online Scale data collection	2,000	1	2,000	.25	500
<b>Totals:</b>	<b>2,058</b>	//////////	<b>2,058</b>	//////////	<b>562</b>

6. **Federal Costs (estimated annual cost to the Federal government):**

**\$107,736**

The data collection for this study will be conducted under a firm fixed-price contract for \$107,736. This is a one-time data collection.

## **PART C. STATISTICAL METHODS**

### **1. Respondent Universe and Selection Methods:**

Respondents will be American adults, over the age of 18, who volunteer to participate. There are two sets of respondents: the first will be sampled for our in-depth interviews, while the second will answer online questionnaires.

The first set of respondents will come from the Contractor's in-house panel of potential study participants, called the Study Participants Panel (SPP), that contains contact information for residents within the Dallas-Ft Worth metropolitan area who have expressed interest and willingness to participate in research studies. Potential participants are continuously recruited into the panel via activities with local businesses and civic groups. Recruiting for the first set of respondents will begin with the SPP trying to reach potential participants in various socioeconomic groups. These groups will be defined by crossing race/ethnicity categories (African American, Asian, Latino, White), with age categories (under 35 years old and 35 years old and above), and with household income categories (i.e., under \$45,000 and \$45,000 and above). Recruiting for the first round of cognitive testing will attempt to identify 2 people per group to ensure diversity amongst the respondents.

The second set of respondents will come from an online survey panel provider. This vendor uses panelists from numerous standing panels (referred to as panel aggregation) to ensure appropriate representation of specified sociodemographics. The vendor will provide participants that make or contribute to financial decisions and will ensure that the group of respondents will be distributed equally among the sociodemographic categories defined above (race/ethnicity, age, and household income).

The sample of respondents who choose to participate in this data collection are not intended to be representative of a broader population. Instead, we aim for a pool of respondents with diverse demographic and financial characteristics to ensure that the scale that we develop has been tested among a diverse group. We will not be generating statistics describing the prevalence of financial behaviors within a population, but rather we will be testing the internal consistency of the scale items.

## **2. Information Collection Procedures:**

We will collect data in two ways: through in-depth interviews and through online surveys. First, we will perform in-depth interviews with a small sample of consumers to ensure that our questionnaire is easy to understand and does not cause respondent confusion. Second, we will conduct a series of rounds of data collection in which we will collect responses to the questionnaire from U.S. consumers aged 18 and older. We will analyze the responses received in each round of data collection to refine how the questionnaire measures sophisticated behaviors. We will collect data through online surveys. We intend to conduct four phases of data collection. Collection in later phases will exclude participants from earlier phases, ensuring unique participants for each phase of collection.

After responding to the scale questions, respondents will be asked to answer demographic questions, including age, gender, and income (reported in a range) to see whether there are any differences in scale responses across these characteristics. Such differences will allow us to assess whether the scale performs equally well across diverse respondents. We will also gather metadata on the time spent per page of the survey. This can sometimes help researchers understand where the survey might have required more thought or was harder to answer. Together, this information will be used to develop and validate a scale of financial behaviors. Each round of the study will be available to participants until the study reaches the desired number of responses, which we expect will be between one and three weeks.

## **3. Testing of Procedures or Methods:**

The Bureau plans to use three types of pretesting to test the research instruments on a small scale prior to its use in full-scale research studies. First, pretesting is conducted with volunteers from within the Consumer Financial Protection Bureau, who have agreed to provide feedback on study materials. Pretesting of this type took place in August 2018, and was used to refine the study materials contained in this submission. Similar pretesting will be conducted by the contracted staff who will be fielding the study. They will review the program and provide feedback on the wording of items and the technical execution of the study. The second type of pretesting is conducted using a small sample of participants from the panel. In this “soft launch,” between 10 and 50 participants will complete the study, and the data will be examined to ensure there are no administrative or technical flaws in the survey leading to errors in the recorded data. Finally, as mentioned earlier, cognitive testing will be used to evaluate and refine the scale items prior to launching the quantitative data collection rounds. We conducted cognitive interviews with seven participants in June 2018, and pending OMB approval, we will conduct another series of cognitive interviews to further refine the items. These techniques are meant to reduce the total public burden of the

information collection by ensuring that the full study information collection is optimized. We will also monitor the amount of time it takes respondents to complete the questionnaire during pretesting, to ensure the time does not exceed the estimated burden estimates.

**4. Contact Information for Statistical Aspects of the Design:**

Brianna Middlewood, Research Scientist

Consumer Financial Protection Bureau

[Brianna.Middlewood@cfpb.gov](mailto:Brianna.Middlewood@cfpb.gov)

**PART D. CERTIFICATION PURSUANT TO 5 CFR 1320.9, AND THE RELATED PROVISIONS OF 5 CFR 1320.8(b)(3) :**

By submitting this document, the Bureau certifies the following to be true:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (d) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (e) It indicates the retention period for recordkeeping requirements;
- (f) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (g) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected;
- (h) It uses effective and efficient statistical survey methodology; and
- (i) It makes appropriate use of information technology.

**PART E. CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC INFORMATION COLLECTION PLAN**

- (a) The collection is voluntary.
- (b) The collection is low-burden for respondents and low-cost for the Federal Government.
- (c) The collection is non-controversial and does not raise issues of concern to other federal agencies.
- (d) The collection is not intended to be published to the public as an official government statistic to be externally valid and representative of a population of interest. The results are intended to be internally valid, not necessarily externally valid.
- (e) Information gathered will not be used for the purpose of substantially informing influential policy decisions.



- (f) The collection is targeted to the solicitation of opinions from respondents who have experience with the topics or issues being studied.
- (g) The results will not be used to measure regulatory compliance or for CFPB program performance evaluation.
- (h) The results are not intended to be generalizable or otherwise draw inferences beyond the survey population.