



October 30, 2020

Memorandum to: William E. Bestani  
Policy Analyst  
Office of Information and Regulatory Affairs  
Office of Management and Budget  
Executive Office of the President

From: Manny Cabeza  
Regulatory Counsel  
Legal Division  
Federal Deposit Insurance Corporation

RE: FDIC National Survey of Unbanked and Underbanked Households Additional Cognitive Interviews

Under the generic clearance titled, “Generic Information Collection for Qualitative Research” (3064-0198), the FDIC hereby submits for OMB review a revised set of questions from the 2021 FDIC National Survey of Unbanked and Underbanked Households that will be used in cognitive interviews. The final survey will be fielded as a supplement to the Current Population Survey in June 2021.

The purpose of this data collection is to pretest survey questions with the goal of reducing measurement error and item nonresponse. In order to pretest this survey, the FDIC plans to conduct cognitive interviews with up to 40 adult participants. These participants will include consumers who have a bank or credit union account and those who do not. Participants will also include consumers who have used one or more of several different financial transaction services or credit products. These participants are targeted for recruitment due to the analytic interests of the national survey that will be conducted in June 2021. On September 8, 2020 OMB approved a request under this generic clearance for conducting cognitive interviews with 40 adult participants to pre-test certain survey questions. The purpose of the pre-test is to reduce measurement error and item nonresponse.

Since OMB’s approval FDIC has conducted 25 cognitive interviews. Based on what we have learned from these 25 cognitive interviews FDIC has revised the survey questionnaire. To comprehensively test the revised survey questionnaire, FDIC is revising its request to increase the total number of cognitive interviews by 15 from the originally approved 40 to 55. Similar to the original request, cognitive interview participants will include consumers who have a bank or credit union account and those who do not. Participants will also include consumers who have used one or more of several different financial transaction services or credit products. These participants are also targeted for recruitment due to the analytic interests of the national survey that will be conducted in June 2021.

Respondents will be recruited by posting ads in virtual locations including: Facebook, Craig's List, and local neighborhood online classifieds (e.g. in Patch or Next Door). Additionally, we will contact organizations and businesses known to serve our population of interest to describe our research and the opportunity to participate. These locales will include community organizations serving low-income minority groups, NGOs helping with credit repair, and organizations offering free tax preparation services for low-income individuals. Respondents who complete the screener will be asked to provide contact information for one other person who may be interested or available to complete the study. Using this Respondent Driven Sampling approach will allow efficient recruitment of this hard-to-reach population.

Interviews will take an average of 60 minutes. Respondents will be determined to be eligible for the interview after completing a screening questionnaire (also enclosed), which asks questions about age, gender, whether they make financial decisions for their household, whether they have a checking or savings account, and whether in the past year they have used any of the financial services or credit products of interest.

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 survey to the participant. In light of the current pandemic, the cognitive interviews will be conducted virtually. Throughout the interview, the interviewer will probe the participant's understanding of the questions being tested and their understanding of key terms and concepts used in the interview. The interviewer will also assess recall and cognitive burden. Cognitive burden is increased as survey questions demand comprehension of complex concepts or recall of non-salient events. Increases in cognitive burden can lead to satisficing and measurement error, and thus should be identified at the pretesting stage.

The FDIC expects to use the outcomes from the cognitive interviews to identify ways in which the tested questions can be improved to ensure that they capture the intended information in a way that minimizes the cognitive burden on respondents. 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 also be produced, documenting methodology, findings, and recommendations for question revisions.

The anticipated burden for respondents is shown below. We anticipate screening an additional 60 respondents in order to complete interviews with 15 additional respondents. The screening process will take 5 minutes, and completed interviews will take 60 minutes. Therefore, FDIC is requesting approval for an additional 20 burden hours ( $((5*60) + (60*15))/60=20$  hours). To offset expenses, respondents will receive \$40 following the completion of the cognitive interview.

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