

SUPPORTING STATEMENT  
Survey of Household Use of Banking and Financial Services  
3064-NEW

The Federal Deposit Insurance Corporation (FDIC) is requesting approval from the Office of Management and Budget (OMB) of a new information collection entitled “Survey of Household Use of Banking and Financial Services” (“Household Survey”). This survey was previously named the FDIC National Survey of Unbanked and Underbanked Households and was approved under OMB Control No. 3064-0167 (the “Predecessor Surveys”). The Household Survey and the Predecessor Surveys are hereinafter referred to as the “Financial Services Household Survey.” The Financial Services Household Survey is a key component of the FDIC’s efforts to comply with a Congressional mandate that the FDIC conduct biennial surveys to provide “a fair estimate of the size and worth of the unbanked market in the United States” and to answer additional related questions. The Financial Services Household Survey is the only nationally- and state-representative survey of this type for the United States.

A. JUSTIFICATION

1. Circumstances and Need

The Financial Services Household Survey supports the FDIC’s mission of maintaining public confidence in the U.S. financial system. It has been conducted every two years since 2009 as a supplement to the U.S. Census Bureau’s Current Population Survey (CPS). The FDIC is requesting approval from OMB to continue the collection of information by conducting the Household Survey scheduled to be administered by the U.S. Census Bureau as part of the June 2021 CPS and expected to be revised and repeated every two years going forward.

The Financial Services Household Survey is a key component of the FDIC’s efforts to comply with a Congressional mandate codified in section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005 (“the Act”), Pub. L. 109-173, which requires the FDIC to conduct biennial surveys on “efforts by insured financial institutions to bring those individuals and families who have rarely, if ever, held a checking account, a savings account, or other type of transaction or check cashing account at an insured depository institution (the “unbanked”) into the conventional finance system.” The mandate further requires the FDIC to estimate the size and worth of the unbanked market in the United States and to identify the cultural, language and identification issues and transaction costs that prevent unbanked individuals from establishing conventional accounts.

The Financial Services Household Survey has yielded nationally-representative data, not otherwise available, on the size and characteristics of the population that is unbanked, the reasons that unbanked households do not have an account, and the use of bank and nonbank financial services and credit by banked and unbanked households. The Financial Services Household Survey is the only population-representative survey conducted at the national level that provides state-level

estimates of the size and characteristics of unbanked households for all 50 states and the District of Columbia. An executive summary of the results of the Predecessor Surveys, the full reports, the survey instruments, and the survey data are available at: <http://www.economicinclusion.gov/surveys/>.

Based on past survey experience, feedback received in response to the ongoing survey effort, and reflecting ongoing developments in markets for financial products and services, the FDIC has revised the Financial Services Household Survey for 2021. The revised survey preserves many elements of past survey questionnaires, including collecting household-level information about bank account ownership and use of an array of transaction and credit products from bank and non-bank providers. For households with bank accounts, the survey continues to ask about methods used to access their accounts, including mobile banking and visiting bank branches. The 2021 survey adds new questions about accounts with online payment services (e.g., PayPal), and the ways households use bank accounts and other transaction accounts (e.g. prepaid cards, online payment services) to handle their finances. The 2021 survey also includes a module that will explore how the Coronavirus pandemic may have impacted bank account ownership. Finally, miscellaneous changes to language were made for clarity.

In order to keep the survey instrument within U.S. Census Bureau time requirements and accommodate the new questions, a number of questions were dropped from the survey. Revisions made to the survey can be found in Attachment A2.

## 2. Use of Information Collected

The FDIC uses the information collected from the survey to produce studies on the number and the characteristics of households that do not have a bank account, the reasons that these households are unbanked, and banked and unbanked households' use of bank and nonbank financial products and services. The results are published and used to inform policymaking on issues related to economic inclusion and also to inform bank efforts to serve the unbanked. The survey results and corresponding data are publicly available at: [www.economicinclusion.gov](http://www.economicinclusion.gov).

## 3. Use of Technology to Reduce Burden

The Census Bureau collects CPS data using computer-assisted methods. Specifically, it uses computer-assisted personal interviewing (CAPI) for conducting in-person interviews and computer-assisted telephone interviewing (CATI) for conducting telephone interviews.

## 4. Efforts to Identify Duplication

Other than the Household Survey, there is currently no single source of national, state-level or metropolitan data for the United States on the number of unbanked

households, their characteristics, and the factors preventing or limiting their use of financial services offered by insured depositories. While a number of studies and surveys have been conducted on the general topic of unbanked households, these studies have focused on either narrow geographic areas within the United States, often including limited subsets of the unbanked population, or extremely broad, nationally aggregated survey data measures for the unbanked population.

5. Minimizing the Burden on Small Entities

The collection of information does not involve small businesses or other small entities.

6. Consequences of Less Frequent Collection

FDIC's statutory mandate requires the conduct of studies every two years to estimate the size and worth of the unbanked market in the United States and to identify the cultural, language and identification issues and transaction costs that most prevent unbanked individuals from establishing conventional accounts.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the FDIC

On December 2, 2020 (85 FR 77462), the FDIC issued an initial request for comment on possible revisions to the Household Survey. The FDIC received no comments related to this survey effort.

9. Payment or Gift to Respondents

No payments or gifts will be given to respondents.

10. Assurance of Confidentiality

The Census Bureau will collect data in compliance with the Privacy Act of 1974 and the OMB Circular A-130. Each sample household receives an advance letter approximately one week before the start of CPS interviewing (see Attachments D-1 and D-2). The letter includes the information required by the Privacy Act of 1974, explains the voluntary nature of the survey, and states the estimated time required for participating in the survey. Interviewers must ask if the respondent received the letter and, if not, provide a copy and allow the respondent sufficient time to read the contents. Also, interviewers provide households with the pamphlet, The U.S. Census Bureau Respects Your Privacy and Protects Your Personal Information and Fact Sheet for the Current Population Survey (see Attachments C1 and C2). All information given by respondents to Census Bureau employees is held in strict

confidence under Title 13, United States Code, Section 9. Every Census Bureau employee has taken an oath to that effect and is subject to a jail penalty and/or substantial fine if they disclose any information given to them. The FDIC will receive a microdata file containing the full battery of labor force and demographic data along with data from the supplemental survey. The actual identities of survey respondents will not be included in the data file received by the FDIC. Per the Federal Cybersecurity Enhancement Act of 2015, all data is protected from cybersecurity risks through screening of the systems that transmit the data.

11. Information of a Sensitive Nature

The study conforms to privacy rules and Census Bureau criteria and does not request any information of a sensitive nature.

12. Estimate of Annual Burden

Frequency of Response: Once.

Affected Public: U.S. Households.

Estimated Number of Respondents: 40,000.

Average time per response: 9 minutes (0.15 hours) per respondent.

Estimated Total Annual Burden: 6,000 hours.

Estimated Dollar Value of Burden Hours

Using the total estimated hour burden and the hourly cost estimate, the total estimated cost burden for the IC is:

$$6,000 \text{ hours} \times \$30.88/\text{hr.} = \$185,280$$

Wage Estimate:

Calculating a dollar value for the estimated time it will take respondents to complete the survey is difficult as it will vary from person to person depending on their propensity for leisure and work, their subjective value for engaging in the survey, and their profession. As a general proxy for the dollar value we use the 75<sup>th</sup> percentile wage for all occupations from the Bureau of Labor Statistics (BLS) as of February 2021. According to the May 2019 National Industry-Specific Occupational Employment and Wage Estimates the 75<sup>th</sup> percentile wage for all occupations is \$30.88 per hour. Therefore, the dollar value for the estimated time it will take respondents to complete the survey cost is \$30.88 per hour.

13. Capital, Start-up, and Operating Costs

There are no anticipated capital, start-up, or operating costs.

14. Estimates of Annualized Cost to the Federal Government

The estimated cost to the FDIC is approximately \$870,000, which includes programming, administration and testing of the survey over two years. This results in an annual cost of \$435,000

15. Change in Burden

We estimate that the revisions made in the 2021 survey instrument did not impact the average response time. The average time of 9 minutes for the survey burden estimate reflects the actual average time spent by 2019 survey respondents, of 8 minutes with a cushion of 1 minute to be conservative. In addition, the number of survey respondents is consistent with 2019 results.

16. Publication

The findings of this survey will be published by the FDIC.

17. Request to Not Display Expiration Date

The FDIC has been advised that the Census Bureau has requested a waiver of the requirement to display the expiration for the CPS because the respondents' length of participation in the CPS is not likely to coincide with the expiration date of this clearance. To avoid confusion that may arise from this fact and given that the CPS has been in place for over 50 years and the basic CPS interview has remained relatively unchanged over the past 10 years, we request a waiver of the requirement to display the expiration date.

18. Exceptions to Certification

None.

ATTACHMENTS

- A1. 2021 FDIC Survey of Household Use of Banking and Financial Services instrument
- A2. Redlined version of the survey instrument highlighting differences relative to the 2019 survey
- A3. 2019 FDIC How America Banks Report
- A4. 2019 FDIC How America Banks Report - Appendices
- B. Current Population Survey – Advance Letter and Frequently Asked Questions
- C1. Current Population Survey Confidentiality Brochure
- C2. Fact Sheet for the Current Population Survey

- D. Current Population Survey Design and Methodology, October 2019 (available at the following link: <https://www2.census.gov/programs-surveys/cps/methodology/CPS-Tech-Paper-77.pdf>)