

**Supporting Statement for the  
Survey of Consumer Finances  
(FR 3059; OMB No. 7100-0287)**

**Summary**

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, without revision, the Survey of Consumer Finances (SCF) (FR 3059; OMB No. 7100-0287). This triennial survey is the only source of representative information on the structure of U.S. families' finances. The survey would collect data on the assets, debts, income, work history, pension rights, use of financial services, and attitudes of a sample of U.S. families. Because the ownership of some assets is relatively concentrated in a small number of families, the survey would make a special effort to ensure proper representation of such assets by systematically oversampling wealthier families.

For the 2022 SCF, the Board will conduct (1) up to 150 interviews averaging about 100 minutes (pretest) to be obtained in a test or series of tests of the survey procedures in 2019 and (2) up to 7,000 interviews averaging about 100 minutes (main survey) between April 2022 and March 2023. The pretest interviews and surveys would be conducted by an outside contractor.<sup>1</sup>

The pretest and the main survey would be collected by a field interviewer, either in person or on the phone, using a computer-assisted personal interview (CAPI) instrument. There is no hardcopy version of the questionnaire other than the text of the computer program. The wording of the survey questions would be modified to reflect the outcome of the pretest, but it is anticipated that such changes would be relatively small.

The estimated total annual burden for the FR 3059 is 11,917 hours.

**Background and Justification**

For many years, the Board has sponsored consumer surveys to obtain information on the financial behavior of households. The 2022 SCF would be the fourteenth triennial survey, which began in 1983, that provides comprehensive data for U.S. families on the distribution of assets and debts, along with related information and other data items necessary for analyzing financial behavior. The SCF is the only survey conducted in the United States that provides such financial data for a representative sample of all households.

In addition to providing baseline information for current analysis, data from earlier SCFs have proved directly useful in policy work at the Board. For example, these surveys have been used in Board briefings and numerous memoranda to examine wealth and income inequality, changes in the distribution of debt burdens in the population, coverage of household deposits by federal deposit insurance, ownership of mutual funds and stocks, automobile leasing, and many other areas. The surveys have also been used extensively for longer-term research within the

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<sup>1</sup> The National Opinion Research Center (NORC) at the University of Chicago was the contractor for 2019 survey. For the 2022 SCF, the contractor will be selected in February 2021.

Federal Reserve System, in the Office of Tax Analysis and other parts of the Treasury, in other government agencies, in academia, in other research institutions, and in businesses.

## **Description of Information Collection**

The FR 3059 survey is expected to provide a core set of data on family income, assets, and liabilities. For the survey, the contractor and the Board would draw samples for the survey designed to obtain at most 7,000 completed interviews. The sample selected by the contractor would be an area-probability design which is a type of geographically structured random sample that provides good national coverage of widely-distributed behavior. The sample selected by the Board would be drawn from statistical records derived from individual tax returns; this “list” sample would be designed to oversample wealthy households. Both samples would be selected in a way that is consistent with procedures used in earlier SCFs. When the two samples are combined and sample weights applied, the survey is representative of the number of households in the United States in the survey year. The 2019 SCF represented 128.6 million households.

The SCFs are conducted by a field interviewer, provided by the contractor, either in person or on the phone, using a computer-assisted personal interview (CAPI) instrument. For the 2019 SCF, a small set of interviews (about 200) were partially completed via a web instrument, and partially completed via in-person on phone interview. The web interviews were a test of the feasibility of conducting the interview via the web.

The core information collected by the pre-test and the main survey is summarized below.

- *Financial assets.* These include checking, savings, and money market accounts; holdings of publicly traded stock, bonds, certificates of deposit, mutual funds, annuities, trusts, and life insurance.
- *Real estate and business assets.* These include the value and purchase terms of the household’s principal residence and other properties, and detailed information on privately held businesses.
- *Pension assets.* These include IRA, Keogh, thrift, profit sharing, 401(k), and other tax-deferred account holdings. Information would also be collected on current or expected benefits from each pension and from Social Security. Questions on the expected date of retirement, spousal benefits, and amount in defined contribution accounts would enable the calculation of the present value of pension benefits. Sufficient information on each household member’s work history and future work plans would be collected such that the present value of Social Security benefits also could be calculated.
- *Other assets.* Information would be collected on other assets such as oil leases, mineral rights, and royalties. Some data would also be gathered on jewelry, art objects, other valuables, and major consumer durables such as automobiles and boats.
- *Household debts.* The purpose, amount outstanding, source, and terms of each household debt would be collected. These debts include home mortgages and home equity loans,

lines of credit, credit cards, other consumer loans, and other loans from businesses and individuals. Information would also be collected on major household expenditures related to debt acquisition including those for automobiles and home improvements.

- *Demographic data.* These include education, employment and marital history, age, health, race and ethnicity, and earnings for each household member.
- *Household income.* A detailed breakdown of income designed to align with tax data would also be collected.
- *Attitudes and financial decision making.* Attitudes toward saving and credit would be collected. Information on the use of financial services and methods of choosing among competing sources would also be sought. Institutional data would be sought for each account or financial service used by the household. These data would be collected in a way that would allow identification of any clustering of services at institutions. For each institution information would be obtained on the type, proximity, and typical mode of use.

### **Respondent Panel**

The FR 3059 panel comprises a sample of U.S. families.

### **Time Schedule for Information Collection**

The fieldwork for the pretest would be conducted during 2021. The fieldwork for the main survey would be conducted between April 2022 and March 2023. Very preliminary results from the main survey would be available to the Board in mid-2023.

### **Public Availability of Data**

It is expected that the data would be published in summary form in the *Federal Reserve Bulletin* in 2023. A version of the microdata, which would be altered to protect the identity of individual respondents, would be made available to the public through the Board's public website. None of the pretest data would be released to the public.

### **Legal Status**

Section 2A of the Federal Reserve Act (FRA) requires that the Board and the Federal Open Market Committee (FOMC) maintain long run growth of the monetary and credit aggregates commensurate with the economy's long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates (12 U.S.C. § 225a). In addition, under section 12A of the FRA, the FOMC is required to implement regulations relating to the open market operations conducted by Federal Reserve Banks. Those transactions must be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country

(12 U.S.C. § 263). The Board and the FOMC use the information obtained from the FR 3059 to help fulfill these obligations. The FR 3059 is a voluntary survey.

It is expected that the data collected would be published in summary form in the *Federal Reserve Bulletin*. A version of the microdata, which would be altered to protect the identity of individual respondents, would be made available to the public through the Board's public website. None of the pretest data would be released to the public. The information collected on the FR 3059 that identifies the individual respondents may be exempt from disclosure under exemption 6 of the Freedom of Information Act, which protects information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy (5 U.S.C. § 552(b)(6)).

### **Consultation Outside the Agency**

The final survey questionnaire would be developed jointly by the Board and the contractor. The contractor would conduct the computer-based interviews for this survey.

The data to support the part of the survey sample selected by the Board would be provided by the Statistics of Income Division (SOI) of the Internal Revenue Service under a contract that allows this use of the data as well as other more limited uses of the data for statistical adjustments to the final data and related purposes. As in past surveys, the sample selection and survey administration would be managed so that the Board would not be given any names of survey participants; SOI would not be given data to link survey responses with tax records; and the contractor would not be given income data derived from the tax returns.

### **Public Comments**

On February 3, 2021, the Board published an initial notice in the *Federal Register* (86 FR 8016) requesting public comment for 60 days on the extension, without revision, of the FR 3059. The comment period for this notice expired on April 5, 2021. The Board did not receive any comments. The Board adopted the extension, without revision, of the FR 3059 as originally proposed. On May 5, 2021, the Board published a final notice in the *Federal Register* (86 FR 23969).

### **Estimate of Respondent Burden**

As shown in the table below, the estimated annual burden for the FR 3059 is 11,917 hours. The Board estimates the pretest and main survey would require an average of 100 minutes per household. With 150 respondents, the estimated pretest burden would be 250 hours and would be incurred on a one-time basis in 2021. With 7,000 respondents, the estimated main survey burden would be 11,667 hours and would be incurred on a one-time basis in 2022 and 2023. These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

<b>FR 3059</b>	<i>Estimated number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average time per response</i>	<i>Estimated annual burden hours</i>
Pre-test	150	1	100 minutes	250
Main survey	7,000	1	100 minutes	<u>11,667</u>
	<i>Total</i>			11,917

The estimated total annual cost to the public for the FR 3059 is \$321,759.<sup>2</sup>

### **Sensitive Questions**

Respondents would be asked to identify the age and sex of individual family members; information on race would be collected using guidelines from the OMB. This information is needed in the proposed survey in order to analyze the demographic aspects of consumer finances. The information collected from the FR 3059 survey is maintained in the Board's System of Records, BGFRS-20 Survey of Consumer Finances.<sup>3</sup> A Privacy Act Statement will be read by the field interviewer to individual respondents prior to conducting the survey.

### **Estimate of Cost to the Federal Reserve System**

Work on the survey would be performed under a contract. The Board estimates that the contract price for collecting and processing this the FR 3059 survey would be \$19.8 million.

<sup>2</sup> The average consumer cost of \$27 is estimated using data from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages, May 2020*, published March 31, 2021, <https://www.bls.gov/news.release/ocwage.t01.htm>.

<sup>3</sup> 73 FR 24984 (May 6, 2008).