

**Supporting Statement Part B for the
Compensation and Salary Surveys
(FR 29; OMB No. 7100-0290)**

Summary

For all information collections that involve surveys or require a statistical methodology, the Board of Governors of the Federal Reserve System (Board) is required to provide a complete justification and explanation of the use of such a methodology. For collections that employ surveys without such a methodology, the Board should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results.

Background

The Board implemented a market-sensitive salary structure in 1989, replacing one that paralleled the federal government's salary structure. The Board implemented the new structure based on several factors, including turnover of key employees in important positions (especially economists, attorneys, and financial analysts), difficulty in hiring experienced professionals and top-level graduates, and low employee morale because of actual or perceived noncompetitive pay. The Board met with the consulting firm of Coopers and Lybrand to identify key job families, select benchmark jobs, and draw the original panel for a salary survey.

In order to fill unanticipated staffing needs and to assist in human resources policy planning, the Board conducts limited surveys (FR 29b) on an ad hoc basis. These surveys gather information that is needed between annual salary surveys or information on topics that are not easily incorporated into the annual survey. For example, this may include information on the average salaries paid, hiring rates and job descriptions for certain job families. The surveys have proven to be effective instruments for the timely collection of such information.

Several human resources consulting firms produce data on salaries and compensation trends; however, these data are less detailed than the information that the Board collects. As noted above, this published information is used to supplement the FR 29 data, which focus on jobs comparable to those of Board employees.

Universe and Respondent Selection

The process of designing and conducting the FR 29b ad hoc surveys is informal. Also, Federal Reserve Banks are asked to participate in surveys. The Board cannot anticipate what information will be needed and the need for the information is usually very time critical. The Board plans to continue conducting the ad hoc surveys as needed and anticipates that it will conduct five ad hoc surveys per year, contacting about 10 respondents per survey with an 80% response rate.

Procedures for Collecting Information

The Board conducts ad hoc surveys throughout the year when the need arises. Due to the informal nature of these surveys, the good working relationships with many of the respondents, the small number of respondents per survey, and the use of phone and email instead of mailing paper surveys, the Board typically needs only a few days to design the survey and collect the responses. Statistical methods will vary from survey to survey.

Methods to Maximize Response

Due to consistently high response rates to surveys, no additional methods to maximize response rates used.

Testing of Procedures

There has been no pretesting of procedures for these surveys. Methods for previous surveys have varied depending on the collection goals.