

**SUPPORTING STATEMENT FOR
MAKING ENDS MEET SURVEY
OMB CONTROL NUMBER: 3170-0080**

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

One of the “primary functions” of the Consumer Financial Protection Bureau (“CFPB” or “Bureau”) (as set forth in section 1021(c) of the Dodd-Frank Act) is “collecting, researching, monitoring and publishing information relevant to the functioning of markets for consumer financial products and services.” Effectively performing that function is integral to assuring that the CFPB achieves the purposes and objectives set forth in sections 1021(a) and 1021(b) of the Act.

To that end, section 1013(b)(1) of the Dodd-Frank Act required the creation of a research unit whose “functions shall include researching, analyzing and reporting on” a number of topics including “consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services;” “consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services;” and “consumer behavior with respect to consumer financial products or services.”

The CFPB seeks approval to continue information collection under the survey program known as the “Making Ends Meet” survey. Making Ends Meet surveys use the Consumer Credit Information Panel (CCIP), a proprietary random sample of de-identified credit records from one of the three major national credit reporting agencies, as a frame to survey people about their experiences in consumer credit markets. This survey will also solicit information on the sampled consumer’s experience related to use of credit products contained in the CCIP as well as credit products that are not reported to credit reporting agencies. Because the CCIP includes extensive historical credit-record information, surveys based off the CCIP will be especially helpful in understanding how households’ finances evolve due to economic shifts, changes in financial products and service, and consumers’ decisions. The size of the CCIP and auxiliary information it includes, such as estimated demographic information, will help in identifying specific subpopulations for whom obtaining or using a specific financial product may warrant deeper future research.

A key piece of the CFPB mission focuses on monitoring consumer financial markets and rigorously study and report on consumer decisions and outcomes. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) authorizes the CFPB to

engage in research and market monitoring activities to assess trends and to identify emerging risks in consumer financial markets. Section 1013(b)(1) of the Dodd-Frank Act establishes the Office of Research for the purpose of researching, analyzing, and reporting on topics related to the CFPB's mission, including consumer behavior, consumer awareness, and developments in markets for consumer financial products and services. The Office of Research bases its understanding in these areas in rigorous empirical analyses that can, in turn, be used to benefit consumers, businesses, and researchers, among others. Surveys that are directly linked to the CCIP are invaluable to this research agenda because the CCIP provides extensive longitudinal data on households' liabilities and their credit score—a key measure of creditworthiness as perceived by lenders. Surveys connected to the CCIP can provide information that are not available in credit records such as perceptions, behaviors, experiences, income, expenditures, economic shocks, and ownership and values of various assets (e.g. homes, savings accounts, etc.)

This information collection will improve the CFPB's understanding of consumer financial markets, including, potentially, mortgage loans, car loans, student loans, installment loans, small dollar loans, and credit, debit, and prepaid cards, as well as markets for emerging financial products. In addition, this information collection and research may be related to the CFPB's mission regarding financial education, including financial planning behaviors, including savings, spending, and investing behavior.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The specific purpose of these two annual surveys is to advance the CFPB's research into household balance sheets allowing the CFPB to inform and advance scientific understanding of consumer credit markets and household finance. This research program aims to help the CFPB and stakeholders better understand how consumer experiences, perceptions, and decisions affect households' balance sheets over time. These data collections will allow the CFPB to understand how markets are evolving and to discover problems or concerns, providing opportunity for further study with more targeted research projects.

Surveys that are directly linked to the consumer credit panel (CCP) are invaluable to this research agenda because the CCP provides extensive longitudinal data on households' liabilities and their credit score—a key measure of creditworthiness as perceived by lenders. Surveys connected to the CCP can provide information that are not available in credit records such as perceptions, behaviors, experiences, income, expenditures, economic shocks, and ownership and values of various assets (e.g. homes, savings accounts)

The main research question for this information collection relates to the persistence of external shocks (e.g. an unemployment episode) on the dynamics of household balance sheets. Very little is known about the persistence of these effects over time or how they

interact with financial services and other strategies consumers use to cope with financial difficulties because the necessary data is scarce. Here are some example questions that the CFPB seeks to answer:

- are consumers able to use credit effectively to smooth these types of shocks and recover relatively quickly? Or does the income disruption have ramifications that affect the household's balance sheet for years, or a lifetime?
- How can financial markets affect these outcomes?
- How do households use savings to avoid having a shock become a larger financial problem?

The information will also serve as the basis for the CFPB's Making Ends Meet report, which the CFPB produces and which serves as an annual gauge of consumers' financial wellbeing and balance sheet conditions. The information collected will also provide information on topics of interest to researchers who study consumer finances especially areas where existing data cannot answer key research questions. For example, recent work using the Making Ends Meet survey has provided unprecedented detail on the use of Buy-Now-Pay-Later products.¹

Where appropriate, the Office of Research plans to disseminate the results of this research and make versions of the data and analysis available publicly. Therefore, the data to be collected under this clearance will not only improve the CFPB's understanding of consumer financial markets, but it will also increase the knowledge available to other policymakers and researchers. Publication of our research will increase transparency toward the public about the work that the CFPB is doing.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

The CFPB will employ information technology as appropriate to reduce the burden of respondents who agree to participate in its research. The survey is provided to respondents in both paper and electronic forms. Respondents are encouraged to use the electronic form if they find it most convenient.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.

¹ Li, Greta, Scott Fulford, and Cortnie Shupe, 2023 "Consumer Use of Buy Now, Pay Later: Insights from the CFPB Making Ends Meet Survey", available at <https://www.consumerfinance.gov/data-research/research-reports/consumer-use-of-buy-now-pay-later-insights-from-the-cfpb-making-ends-meet-survey/>.

The Making Ends Meet survey program is one of the only surveys of American consumers that uses a panel dataset of consumer credit information as a sampling frame. The information that this design provides is unique among data available on consumer finances. Other surveys that employ similar methods focus specifically on mortgage borrowing (e.g. American Survey of Mortgage Borrowers, National Survey of Mortgage Originations). Making Ends Meet, on the other hand, is a holistic survey of many aspects of a consumer's financial life.

In addition, we consult with internal and external experts to determine the content of the survey and ensure that the research questions we are asking are novel, timely, and/or tailored to specific CFPB mission requirements.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Information collection under this clearance is not anticipated to burden small entities significantly. Information collected under this clearance will come from individuals, not small entities. Further, participation in the Making Ends Meet program is voluntary and participants may opt out of them at any time. The CFPB will provide details regarding such efforts within each collection request.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The proposed clearance will allow the CFPB to collect a variety of types of data to develop a more complete understanding of consumers' decision-making regarding consumer financial products and the characteristics of markets for these products. This knowledge will improve the Office of Research's ability to inform the CFPB in developmental and formative ways. Without these data collections, the CFPB will be hindered in its work to achieve its mission to understand consumer financial markets, consumer decisions and outcomes in these markets, and how to improve the effectiveness of information provided to consumers in consumer financial markets.²

In addition, Congress has mandated that the CFPB, in consultation with the Financial Literacy and Education Commission and consistent with the National Strategy for Financial Literacy, "develop and implement a strategy to improve the financial literacy of consumers that includes measurable goals and objectives" (12 U.S.C. 5493 Sec. 1013(d)(1)). The CFPB will be unable to carry out this mandate if it does not have information about consumer experiences navigating the financial marketplace and what strategies can improve financial literacy. Without periodic information collections on consumer experiences and best practices in financial education, the CFPB will not have timely information to adjust its programming to meet consumer needs.

² Bureau of Consumer Financial Protection Strategic Plan FY 2018 - 2022, Goal 1, <https://www.consumerfinance.gov/about-us/budget-strategy/strategic-plan/>

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances. The collection under this information collection plan is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5 CFR 1320.8(d)(1), the CFPB has published a notice in Federal Register that provides the public 60 calendar days to comment on the extension of reporting requirements contained within OMB Control No. 3170-00XX.³ One comment was received. The commentor supported the use and necessity of the collection but suggested that the initial survey and the follow-up survey be consolidated and collection be automated. For methodological and data quality reasons, the CFPB prefers its current approach.

Also, in accordance with 5 CFR 1320.5(a)(1)(iv), the CFPB has also published a notice⁴ in the Federal Register providing the public 30 days to comment on reporting requirements contained within this information collection request.

9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.

Respondents for activities conducted under this clearance will receive incentive payment. This practice has proven necessary and effective in recruiting subjects to participate in this research. Survey respondents will receive a \$5 pre-completion incentive and a \$20 post-completion incentive (along with an additional \$10 if the respondent completes the survey online). The CFPB may update this protocol as appropriate to reflect more recent survey response trends or in response to established OMB policy on incentive payments.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

As applicable, the CFPB shall treat the information in accordance with applicable federal law, including but not limited to the CFPB's confidentiality rules (12 CFR Part 1070) and the federal laws and regulations that apply to federal agencies for the protection of privacy, confidentiality, security and integrity. To the extent a pledge of confidentiality is provided to respondents of covered studies, the CFPB will accompany such a pledge with the legal authority and discuss accordingly with the accompanying submission to OMB.

When collecting information about consumer credit markets, the CFPB recognizes that there are privacy and data security risks. The CFPB uses best practices of social science research design to inform the notice and consent vehicles. The CFPB always provides notice to individuals that explain how their information will be used through appropriate vehicles, such as Privacy Notices, Privacy Act Statements or Informed Consent forms. Such notice is made available prior to the collection of information and explains whether the information is mandatory or voluntary; whether there are any opportunities to consent to sharing and submission of information; how the information will be secured, and when a System of Records is created under the Privacy Act.

³ 88 FR 31251 (published on 05/16/2023).

⁴ 88 FR 66820 (published on 9/28/2023).

When the CFPB collects information from third parties, commercial sources, and public databases, individuals to whom information may pertain do not have the opportunity to consent to uses, decline to provide information, or opt out. In such cases, it is those third parties' responsibility to provide any opportunity that may be required to consent, decline, or opt out of how their information may be used. In such instances, the CFPB reviews the privacy policies or other public disclosures from the third-parties regarding their use of the information to verify that there are no contradictions with information sharing and the research. In addition, the CFPB encourages the development of notice and consent opportunities.

The information collected under this clearance by contractors will include direct identifying personally identifiable information (PII) in order to contact survey participants and match the survey data to administrative records. The CFPB will only receive and keep response data stripped of direct identifying PII.

Conducting this research study implicates privacy concerns because a breach of confidentiality, or re-identification, could result in an individual suffering harm. To reduce the risk of breaches of confidentiality, the CFPB designs recruitment materials so as not to disclose sensitive information about those it seeks to recruit and uses appropriate security controls to protect information used in research. There is also risk related to misuse of information collected for research. Misuse might involve secondary types of research that are incompatible with the purposes of the initial collection, or a use of the information that individuals do not understand or to which they have not provided consent.

To reduce the risk of misuse, the CFPB minimizes access to PII based on need-to-know and stipulates, in most instances, that contractors that collect data on behalf of the CFPB remove or redact all direct identifying PII, as defined by the CFPB's privacy office, before transmitting data to the CFPB. Any contractor staff assigned to the project also sign confidentiality agreements. When appropriate, research results will be presented in aggregated form to protect the confidentiality of firms or consumers, and any publicly released version of data will use disclosure protection techniques (e.g. rounding, imputation, exclusion of some variables, aggregation of categorical responses) to minimize the risk of releasing personally identifiable or otherwise sensitive information (12 CFR 1070.40 et seq.). The CFPB treats the information collected from participating persons and institutions in a manner consistent with our confidentiality regulations, and all data and analyses are subject to legal and privacy review prior to their release.

The CFPB also evaluates the potential privacy risk and harm to individuals of specific research relative to that authorized purpose, and vets research proposals to ensure that they serve an authorized purpose. Research conducted under this clearance will be consistent with the Privacy Act and the E-Government Act. The requisite SORNs and PIAs will document the collection, use, disclosure, and retention of PII; the technical, administrative, and physical controls used to minimize privacy risks.

Research will be conducted consistent with the Privacy Act and the E- Government Act. The requisite SORNs and PIAs will document the collection, use, disclosure, and retention of PII; the technical, administrative, and physical controls used to minimize

privacy risks. The SORN that will cover this collection is CFPB.022 Market and Consumer Research Records, 83 FR 23435.

When collecting information about consumer credit markets, the CFPB recognizes that there are privacy and data security risks. The CFPB outlines the way it plans to mitigate these risks when collecting data using this clearance later in this supporting statement. The Consumer Experience Research PIA covers the data that will be collected under this clearance.⁵

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Questions about an individual's finances (e.g. how much a person makes or how much their mortgage costs each month) are commonly considered sensitive.

Nonetheless, the CFPB must ask such questions to understand consumer behavior and recognize financial trends and emergent risks relevant to consumers. The CFPB believes that these types of sensitive questions are justified because they are central to its mission.

Respondent participation and all activities within the research setting are voluntary. Respondents will be made aware of this fact. All respondents are free to opt-out of this data collection at any time and for any reason. The CFPB will use standard social science research practices to minimize risks of negative impacts to the respondents.

The CFPB will ensure that a citation is made to any applicable System of Records Notice (SORN) and a Privacy Impact Assessment (PIA) in the individual submissions under this clearance and in published research.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and**

⁵ Consumer Experience Research PIA
https://s3.amazonaws.com/files.consumerfinance.gov/f/201406_cfpb_consumer-experience-research_pia.pdf

explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The following tables present estimates of the total number of respondents and burden hours for proposed collection. The number of respondents and average burden per response is based on previous experience fielding surveys of similar length, complexity, and sample size:

Making Ends Meet Survey					
Information Collection Requirement	Number of Respondent	Number of Responses per Respondent	Total Responses	Average Burden Hours	Annual Burden Hours
MEM Follow-up Survey 2022 ⁶	1,500	1	1,500	0.25	375
MEM Survey 2023 ⁷	3,000	1	3,000	0.33	1,000
TOTAL	4,500		4,500		1,375

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

There will be no capital, operating, or maintenance costs to respondents as a result of participation in any information collection submitted under this clearance.

14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.

These surveys are estimated to cost the Federal Government \$750,000.

15. Explain the reasons for any program changes or adjustments.

This is a new data collection.

⁶ Sample 4/Wave 2.

⁷ Sample 5/Wave 1.

However, the Making Ends Meet surveys have historically been submitted under generic clearances prior to 2023 under OMB Control Number 3170-0048. The Bureau is now and will be submitting these surveys under normal information collection requests to maximize our potential usages for the collected data.

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The CFPB’s research projects are intended to expand scientific understanding of consumer decision-making in financial domains. Publication of our research will increase the public transparency about the work that we are doing. Research findings will be published as technical articles that are publicly disseminated as working papers, published in peer-reviewed journals, or published as CFPB white papers or CFPB staff reports. Where appropriate, the CFPB will make versions of the data and analysis available publicly.

Collection, analysis, and publication of data will span the entire period of the anticipated clearance. The Office of Research plans to conduct an ongoing program of research and therefore plans to apply for an extension to the anticipated clearance when it expires.

Because of publication delays, a typical academic journal article is published one or more years after initial submission. Information collection for a professional publication typically takes at least three to four months and in some cases could be longer. Data analysis and article preparation typically lasts another three to four months. Thus, professional articles in a peer-reviewed outlet of any kind are estimated to be published from 12 months to 36 months from the time that data collection begins.⁸ The publication process for CFPB “in-house” products is shorter than that for external academic publications.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The information collection is not collected in a manner that allows the display of the current expiration date. However, the expiration date can be found under the “Information Collections under Review” section of www.reginfo.gov (<https://www.reginfo.gov/public/do/PRAMain>).

⁸ P.K. Trivedi (2006), “An Analysis of Publication Lags in Econometrics” *Journal of Applied Econometrics* 8(1): 93-100.

18. Explain each exception to the certification statement.

The CFPB certifies that this collection of information is consistent with the requirements of 5 CFR 1320.9 and the related provisions of 5 CFR 1320.8(b)(3). The CFPB is not seeking an exemption to these certification requirements.