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Office of Information and Regulatory Affairs  
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RE: National Survey of Unbanked and Underbanked Households Cognitive Interviewing

Under the generic clearance entitled, “Generic Information Collection for Qualitative Research” (3064-0198), the FDIC hereby submits for OMB review the enclosed National Survey of Unbanked and Underbanked Households Cognitive Interview Protocol. This survey will ultimately be fielded as a supplement to the Current Population Survey in June, 2017.

The purpose of this data collection is to pretest the survey with the goal of reducing measurement error and item nonresponse. In order to pretest this survey, the FDIC plans to conduct cognitive interviews with 40 adult participants who participate exclusively in mainstream banking services (fully banked), have a bank account, but also utilize alternative financial services, such as payday advance loans (underbanked), or do not have a checking or savings account (unbanked). These participants are targeted for recruitment due to the analytic interests and population of the nationwide study that will be conducted later in 2017.

Respondents will be recruited by posting ads in local venues and recruiting in-person at local businesses or organizations that are frequented by unbanked and underbanked consumers, like VITA sites, check-cashing businesses, payday loan institutions, rent-to-own stores, pawn shops, and grocery and convenience stores. Respondents will also be recruited using online advertisements placed on Craigslist. 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, which asks questions about age, gender, whether they make financial decisions for their household, whether they have a checking or savings account, and whether they have used any alternative financial services in the past year.

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 National Survey of Unbanked and Underbanked Households to the participant.

This administration will occur using a paper and pencil instrument. Throughout the interview, the interviewer will administer both scripted and unscripted probes in order to test the participant's understanding of the questions, key terms and concepts used in the interview, and to 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 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 areas where the questionnaire can be improved to ensure that it captures the information intended in a way that minimizes the cognitive burden on respondents. Insight will be gathered from participants and used to develop recommendations for edits to the questionnaire in advance of the nationwide data collection effort. 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 questionnaire revisions.

The anticipated burden for respondents is shown below. We anticipate screening 120 respondents in order to complete interviews with 40 respondents. The screening process will take 5 minutes, and completed interviews will take 60 minutes. Therefore, this effort will require 50 burden hours ( $((5*120) + (60*40))/60=50$  hours). To offset travel costs and time spent, respondents will receive \$40 following the completion of the interview.

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