

**REQUEST FOR APPROVAL UNDER THE “CFPB GENERIC
INFORMATION COLLECTION PLAN FOR STUDIES OF
CONSUMERS USING CONTROLLED TRIALS IN FIELD AND
ECONOMIC LABORATORY SETTINGS” (OMB CONTROL NUMBER:
3170-0048)**

PART A. GENERAL INFORMATION

1. Title of the Information Collection (Study):

Feedback Effects

2. Study Abstract:

This project centers on how consumers engage with measures of financial well-being and whether providing feedback to consumers about their own financial characteristics affects their subsequent choices and behaviors related to financial products, services, and information. We plan to identify how consumers’ (1) engagement with the CFPB Financial Well-Being (FWB) scale and (2) knowledge of their FWB score (relative to the FWB scores of others) influences their judgments, decisions, and behaviors, such as the likelihood of seeking out financial information, their intentions to save, spend, or repay debt, their desire to engage in other financial goals, and their propensity to take up financial commitment devices. This research builds on the Bureau’s efforts to develop measures of consumers’ financial characteristics (such as FWB) by allowing us to identify potential effects of providing consumers with information about their own financial characteristics. The findings from this research could help the Bureau refine its approach to delivering consumer-facing tools and materials. Additionally, this study will uncover whether simply completing the FWB scale (absent any feedback about performance) affects consumers’ responses to subsequent survey questions. An important implication for the CFPB is that the FWB scale is the first series of questions participants are asked on the Bureau’s Making Ends Meet survey. This research project will reveal whether opening a survey with questions related to financial well-being can unduly influence subsequent survey responses.

We will conduct three studies as part of this project. Each study will involve unique participants. We expect to recruit about 6,000 participants across the life of the project. The CFPB will not receive PII - any PII will be scrubbed by the contractor. We will collect demographics, measures of financial well-being, consumers’ feelings about their financial well-being, and behavioral measures related to seeking out financial information or willingness to take financial-related actions.

3. Type of Collection:

- a. **Will there be an informed consent?** Yes No N/A

Explain why or why not an informed consent is being used.

Informed consent is being used to explain the rights of the participant, the role of the participant in the study, and how their data will be collected, protected, and used so that the participant can make a fully informed choice about their participation in the study.

- b. **How will you collect the information?** (Check all that apply)

Field Study Laboratory Trials Cognitive Laboratory Testing or Pre-testing

Other, Explain _____

c. **Will interviewers or facilitators be used?** Yes No N/A

4. Federal Register Notice Citations:

a. **30-day *Federal Register* Notice** 87 FR 76030 **Date:** 12 / 12 / 2022

b. **Comments received in response to the 30-day Notice:** Yes No

c. **If yes, summarize the comments and the Bureau's response to those comments:** N/A

5. Personally Identifiable Information:

a. **Is personally identifiable information (PII) collected?** Yes No

1. **If yes, describe what PII is collected, why it is needed and how it will be used.**

b. **If Yes, is the information that will be collected included in records that are subject to the Privacy Act of 1974?** Yes No Not Applicable

1. **If Applicable, has a System or Records Notice (SORN) been published?**

Yes No

2. **If Yes, provide SORN title and *Federal Register* citation for the SORN** __ FR _____
Title: _____.

c. 1. **Has the Privacy Impact Assessment (PIA) been published?**

Yes No Not Applicable

2. **If Yes, provide link to PIA. If No, please describe the status of the PIA or not as not applicable:**

3. **Please identify any steps you are taking to mitigate the risks of "re-identification" of data from which PII has been stripped**

The information collected from respondents about their demographics will not be sufficient to identify them. We are not collecting location information, nor are we requesting any information from respondents that would be considered PII.

PART B. JUSTIFICATION

1. Purpose of the Study and Intended Uses of the Data:

This project centers on how consumers engage with measures of financial well-being and whether providing feedback to consumers about their own financial characteristics affects their subsequent choices and behaviors related to financial products, services, and information. By identifying potential effects of providing consumers with information about their own financial characteristics, the Bureau can use the findings to refine its approach

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to delivering consumer-facing tools and materials. Recently, individuals have received increased access to the Bureau-developed Financial Well-Being (FWB) scale score, as several financial institutions and apps have begun providing it to their customers. While this interest in and use of the score by outside institutions is a positive step for the field, it is largely unknown whether receiving one's FWB score influences financial behavior, and if so, how. On the Bureau's website, individuals who fill out the FWB scale through the "Find out your financial well-being" website are also automatically provided with comparison information along with their score; that is, how their scale score compares to the national average, as well additional comparisons (if they choose to click on the links) broken down by age, income and employment status. Previous research related to "feedback effects" has found that receiving information about one's own performance relative to their peers', as well as how individuals compare themselves to their peers, can influence behaviors in a variety of domains including information seeking. We plan to identify how consumers' (1) engagement with the CFPB Financial Well-Being (FWB) scale and (2) knowledge of their FWB score (relative to the FWB scores of others) influences their judgments, decisions and behaviors, such as the likelihood of seeking out financial information, their intentions to save, spend, or repay debt, their desire to engage in other financial goals, and their propensity to take up financial commitment devices.

The purpose of this research is **not** to make particular regulatory decisions, evaluate specific policies, or substantially inform a rulemaking. The findings from this study may identify opportunities for enhanced or improved regulatory or other policy actions; however, as noted, the Bureau will not initiate any policy changes based solely or primarily on this research project. Instead, the study is for developmental and informative purposes. This study uses a purposive sample that is not designed to be representative of a broader population. This project is intended to be internally valid, but not necessarily externally valid; that is, the projects will use scientifically rigorous methods, but may not always represent broader populations beyond the sample that is included in the study. The study is intended to improve the Bureau's understanding of consumer decision-making, and not to create official government statistics.

2. Payments or Gifts (Incentives) to Respondents:

Subjects are paid a fixed amount for their participation, in essence appreciation for their time. Study participants will come from a survey vendor that maintains a standing online panel of respondents, who will be paid by the provider of the panel service. The payment per response will vary according to the survey vendor's compensation policies but will generally be a few dollars (less than \$10 each). Payment will be administered directly by the survey vendor and will take the form of cash (through credit channels established for regular payment), a cash-equivalent gift card, or panel "points" that can be redeemed for various prizes or gift cards.

3. Assurances of Confidentiality and Justification for Sensitive Questions:

As applicable, the Bureau shall treat the information in accordance with applicable federal law, including but not limited to the Bureau's confidentiality rules, 12 C.F.R. 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 Bureau 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 Bureau recognizes that there are privacy and data security risks. The Bureau uses best practices of social science research design to inform the notice and consent vehicles. The Bureau 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.

The Bureau 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.

No directly identifying information such as names or contact information will be delivered to the Bureau or connected with any other data collected. Conducting field and lab studies 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 Bureau designs recruitment materials so as not to disclose sensitive information about those it seeks to recruit and uses appropriate privacy and 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 Bureau minimizes access to PII based on need-to-know and stipulates, in most instances, that contractors that collect data on behalf of the Bureau remove or redact all direct identifying PII, as defined by the Bureau's Privacy Office, before transmitting data to the Bureau. 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 C.F.R. 1070.40 et seq.). The Bureau treats the information collected from participating persons and institutions in a manner consistent with its confidentiality regulations, and all data and analyses are subject to legal and privacy review prior to their release.

Field and lab 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 Bureau has two SORNs that will cover field and lab research: CFPB.021 Consumer Education and Engagement Records, 77 FR 60382; and CFPB.022 Market and Consumer Research Records, 77 FR 67802.

When collecting information about consumer credit markets, the Bureau recognizes that there are privacy and data security risks. The Bureau 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 and the Market Analysis of Administrative Data Under Research Authorities PIA covers the data that will be collected under this clearance.

Sensitive Questions.

Questions about an individual's finances are commonly considered sensitive. We will collect general demographic characteristics from participants, including age, gender, and income, to examine differences in responses across these characteristics. Some participants may consider these demographic questions as potentially sensitive as well. Participants will not be required to complete these questions. These questions are included to permit analysis of responses in subgroups.

In addition, some people may believe that questions about race or other socioeconomic factors may be considered sensitive. However, the Bureau is mandated to enforce fair lending laws and focus on the risks to vulnerable populations, including service members, older Americans, and lower-income consumers. For this reason, the Bureau often needs to ask these types of sensitive questions. For information collections involving questions of race/ethnicity, the Bureau will ensure that the OMB standards for Classification of Federal Data on Race and Ethnicity (Federal Register, October 30, 1997, Volume 62, Number 210, pages 58781-59790) are followed.

Respondent participation and all activities within the online laboratory setting are voluntary, and subjects will be made aware of this fact. All respondents are free to opt-out of a data collection at any time and for any reason.

The Bureau 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.

4. Estimated Burden of Information Collection:

Information Collection	No. of Respondents	Frequency	Total Annual Responses	Average Response Time (hours)	Total Burden Hours
Study 1	1,000	1	1,000	0.5	500
Study 2	2,500	1	2,500	0.5	1,250
Study 3	2,500	1	2,500	0.5	1,250
TOTAL	6,000		6,000		3,000

5. Federal Costs (estimated annual cost to the Federal government):

\$50,000

There is \$50,000 budgeted for this project. This cost reflects all available options; the actual cost will be lower if the Bureau does not exercise all options in the contract. This is a one-time cost.

PART C. STATISTICAL METHODS

1. Respondent Universe and Selection Methods:

Respondents will be members of an online panel who are over the age of 18 and living in the US. For all studies, the contractor will obtain participants by advertising the study to one of its two panels, one which has tens of thousands of members and the second with over a million members, ensuring sufficient members of unique respondents for the study. Interested participants will access the study, participate, and be compensated by the contractor. The sample will be purposive and non-representative, and not intended to be externally valid or representative of a broader population.

2. Information Collection Procedures:

Results and findings from this research study will be used for developmental and informative purposes. The Bureau will not make regulatory decisions solely based on this study or use its findings to develop or evaluate specific policies. We will collect data through online surveys.

After responding to an invitation to participate in the study, respondents will be randomly assigned to one of several conditions. Participants will be asked to answer a set of questions about their financial wellbeing, their beliefs and feelings about their financial wellbeing, willingness to make financial commitments, and offered an opportunity to receive more consumer financial information. They will also be asked to answer demographic questions, including age, gender, education, and income, to see whether there are any differences in responses across these characteristics. After completing the study, participants are thanked and compensated by the contractor within 48 hours.

3. Methods to maximize response rates:

Because this project is focused on comparisons across different experiences to which participants are randomly assigned, non-response is less of a concern. That is, this study will not be used to generate estimates that are representative of the broader population, but rather to estimate effects of different experiences. Random assignment should ensure that any missing data is missing completely at random. The studies will also be designed to be easy to answer, which should increase the likelihood that respondents finish the survey. Compensation should also ensure high completion rates.

4. Contact Information for Statistical Aspects of the Design:

Patrick Heck, Research Scientist: patrick.heck@cfpb.gov

Caroline Ratcliffe, Senior Economist: caroline.ratcliffe@cfpb.gov

PART D. CERTIFICATION PURSUANT TO 5 CFR 1320.9, AND THE RELATED PROVISIONS OF 5 CFR 1320.8(b)(3) :

By submitting this document, the Bureau certifies the following to be true:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (d) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (e) It indicates the retention period for recordkeeping requirements;
- (f) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (g) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected;
- (h) It uses effective and efficient statistical survey methodology; and
- (i) It makes appropriate use of information technology.

PART E. CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC INFORMATION COLLECTION PLAN

- (a) The collection is voluntary.
- (b) The collection is low-burden for respondents and low-cost for the Federal Government.
- (c) The collection is non-controversial and does not raise issues of concern to other federal agencies.
- (d) The collection is not intended to be published to the public as an official government statistic to be externally valid and representative of a population of interest. The results are intended to be internally valid, not necessarily externally valid.
- (e) Information gathered will not be used for the purpose of substantially informing influential policy decisions.
- (f) The collection is targeted to the solicitation of opinions from respondents who have experience with the topics or issues being studied.
- (g) The results will not be used to measure regulatory compliance or for CFPB program performance evaluation.
- (h) The results are not intended to be generalizable or otherwise draw inferences beyond the survey population.