

CONSUMER FINANCIAL PROTECTION BUREAU

REQUEST FOR APPROVAL UNDER THE GENERIC CLEARANCE FOR QUALITATIVE CONSUMER EDUCATION, ENGAGEMENT, AND EXPERIENCE INFORMATION COLLECTIONS

(OMB Control Number: 3170-0036)

1. TITLE OF INFORMATION COLLECTION:

Young Adult Consumers Individual Financial Products and Services Interviews

2. **PURPOSE:** The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) (the Dodd-Frank Act) established the Consumer Financial Protection Bureau (the CFPB) to regulate the offering and provision of consumer products or services under federal consumer financial laws. Section 1013(d) of the Dodd-Frank Act established within the CFPB the Office of Financial Education (OFE), which is responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions.

In order to further this goal, the CFPB seeks to conduct individual interviews with young adult consumers (ages 22-36) to obtain a better understanding of their financial experiences and decisions, understand which financial services and products young adult consumers decide to use or not to use, and the reasons associated with their financial decisions. This data will help the CFPB develop new and improve current product offerings and services in order to better assist young adult consumers in the financial marketplace.

3. **DESCRIPTION OF RESPONDENTS:** Respondents will be a diverse mix young adult consumers ages 22 through 36 who are conversant in English and play an active role in making financial decisions for their household in Green Bay, WI, Miami, FL, Raleigh, NC, Little Rock, AR, Las Vegas, NV, and the other to be determined remote localities across the country. We wanted to conduct the data collection in cities with high school graduation and bachelor's degree attainment rates that either mirrored or exceeded the national averages. Of the five cities we selected, three of them (Green Bay, WI, Miami, FL, and Las Vegas, NV) have local high school graduation and bachelor's degree attainment rates that mirror the national averages. The remaining two cities (Little Rock, AR and Raleigh, NC) have local attainments rates that exceed the national averages.

4. TYPE OF COLLECTION (ADMINISTRATION OF THE COLLECTION INSTRUMENT):

a. How will you collect the information? Check all that apply.

☒ Web-based or other forms of Social Media

☒ In-person

☒ Telephone

☐ Mail

☐ Small Discussion Group ☐ Focus Group
☐ Other (please explain) _____

b. Will interviewers or facilitators be used?

☒ Yes ☐ No ☐ Not Applicable

5. FOCUS GROUP OR SURVEY:

If you plan to conduct a focus group or survey, please provide answers to the following questions:

a. Do you have a customer list or something similar that defines the universe of potential respondents and do you have a sampling plan for selecting from this universe?

☒ Yes ☐ No ☐ Not Applicable

b. If yes, please provide a description below. If no, please provide a description of how you plan to identify your potential group of respondents and how you will select them.

Fors Marsh Group (FMG) developed a screener intended to ensure that only the intended sample of young consumers will be included in the data collection. The screener will ask about demographic characteristics so that recruiters can ensure that participants feature a mix of age, gender, race and ethnicity.

Recruiting will be conducted locally by a consumer research facility in each city. All the facilities will be identified by CFPB and FMG to recruit participants on behalf of the CFPB. Green Bay, WI will be first location for the data collection; the order for the remaining data collections will be determined as specific facilities are identified.

6. INFORMATION COLLECTION PROCEDURES:

Demographic information will be collected from a diverse mix of young adult consumer (ages 22-36) respondents (100) via the screeners guide during the recruitment phase via a web-based recruitment screener. Based on the responses collected via the web-based screener, respondents that have been deemed eligible for participation in the data collection (75) will be contacted via phone to confirm their responses via a phone-based screener. Eligible respondents (69) who play an active role in making financial decisions for their household will be asked a random selection of questions via the discussion guides for the one hour individual interviews during the testing phase. Interviews will be conducted in six rounds. Five rounds will include 12 participants in each of the following locations: Green Bay, WI; Miami, FL; Raleigh, NC; Little Rock, AR; Las Vegas, NV. One round will be held remotely via phone or web conferencing platform with 9 young adult consumers from a remote locality, to be determined, within the United States. A total of 69 one-hour interviews with a total of 69 individuals will be held across six geographic locations.

The CFPB has contracted with Fors Marsh Group to undertake these individual interviews.

7. PERSONALLY IDENTIFIABLE INFORMATION:

- a. Is personally identifiable information (PII) collected? ☒ Yes ☐ No
- 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

- c. Has a System or Records Notice (SORN) been published?

☒ Yes ☐ No ☐ Not Applicable

If yes, list the SORN title and FR cite:

CFPB.021Consumer Education and Engagement Records SORN 79 FR: 78839.

- d. If applicable, what is the link to the Privacy Impact Assessment (PIA)?

https://s3.amazonaws.com/files.consumerfinance.gov/f/201409_cfpb_consumer-education_pia.pdf

8. INCENTIVES:

- a. Is an incentive provided to participants? ☒ Yes ☐ No
- b. If yes, provide a statement justifying the use and amount of the incentive *and* the amount or value of the incentive: \$ 75.

While sessions will last 60 minutes, participants are required to arrive 10 minutes early to sign in, and to ensure sessions begin as scheduled. Upon completion of the session, participants are required to sign out and receive their incentive. Thus, they are in the office for a total of 75 minutes. Further, many participants have to travel 30-60 minutes to and from the facility. In our experience, a \$75 incentive in the form of a gift card, cash or check for a 60 minute session allows for successful recruitment by reducing the amount of time required to recruit (i.e., it is more difficult and takes longer to recruit participants when we offer a lower incentive) and simultaneously increasing the attendance rate.

When considering the potential estimated time and cost of participating in this test, such costs as childcare, transportation, and potential lost wages could result in a high no show rate. For example, a conservatively estimated childcare cost of \$35, transportation cost \$32.10, and potential lost wages of \$18 amounts to an estimated \$85.10 cost of participation. The basis for our participant cost analysis is outlined below:

Summary of Estimated Participant Costs

- Child Care: \$35 (\$14 per hour / per child with up to 1 hour commuting + 1.5 hours at test site = 2.5 hours of child care)

- Transportation: \$32.10 (2017 Federal mileage rate of 53.5 cents per mile @ an average of 60 miles).
- Lost Wages: \$18 (Federal minimum wage of \$7.25 per hour x (1 hour commuting + 1.5 hours at test site) = 2.5 hours of potential lost wages)

Total: \$85.10 (Estimated participant cost)

Child Care: The national average babysitting rate is \$14 per hour for one child. While some participants will have multiple children who will require childcare, others will have none. Therefore, we are taking a conservative estimate of only one child.

Transportation: We used the Internal Revenue Service mileage rate of 53.5 cents per mile with a potential of 60 miles of travel.

Lost Wages: We have no specific data on the hourly wage of potential participants; therefore, in order to estimate the potential lost wages of participants, we took a very conservative approach and based this estimate on the Federal minimum wage.

In summary, given the difficulties of recruiting the desired population and the potential costs of participation, we believe that \$75 is the minimum incentive necessary to recruit and retain the desired test population. There is also a concern that if the incentive is not attractive enough to participants, there may be a high no-show rate and the test would need to be redone in order to obtain quality results. Redoing the test would be much costlier than an effective incentive. For example, at the \$75 incentive level, total incentives would be \$5,175 (69 participants x \$75) verses a test redo at a cost of approximately \$40,000.

9. ASSURANCES OF CONFIDENTIALITY:

- Will a pledge of confidentiality be made to respondents? ☐ Yes ☒ No
- If yes, please cite the statute, regulation, or contractual terms supporting the pledge.

10. JUSTIFICATION OF SENSITIVE QUESTIONS (if applicable):

Not applicable.

11. BURDEN HOURS:

Collection of Information	Number of Respondents	Frequency	Number of Responses	Response Time (hours)	Burden (hours)

Web-based Screener	100	1x	100	.08	8
Phone-based Screener	75	1x	75	.05	4
Individual Interviews	69*	1x	69	1	69
Totals	100**	//////////	244	//////////	81

*Actual number of respondents expected to participate in the data collection.

** Respondents to the Phone-based screener and Interview participants are subsets of those who responded to the Web-based screener.

12. **FEDERAL COST:** The estimated annual cost to the Federal government is
\$ 123,813.

13. **CERTIFICATION:**

*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.

*CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER A GENERIC
INFORMATION COLLECTION PLAN*

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

- The collection is voluntary.
- The collection is low-burden for respondents.
- The collection is non-controversial and does not raise issues of concern to other Federal agencies.
- Information gathered will not be used for the purpose of substantially informing influential policy decisions.

- The collection is not statistically significant; the results are not intended to be generalizable beyond the survey population.
- The results will not be used to measure regulatory compliance or for program evaluation.