

**CONSUMER FINANCIAL PROTECTION BUREAU
PAPERWORK REDUCTION ACT SUBMISSION
INFORMATION COLLECTION REQUEST**

SUPPORTING STATEMENT PART A

**BRIDGES TO FINANCIAL SECURITY: A MULTI-SITE DEMONSTRATION
PROJECT**

(OMB CONTROL NUMBER: 3170-00xx)

OMB TERMS OF CLEARANCE: Not applicable. This is a new information collection request.

ABSTRACT: The Consumer Financial Protection Bureau (CFPB), beginning in 2015, will launch a multi-site financial education demonstration project to provide one-on-one and group financial counseling/coaching services to individuals with disabilities transitioning into the workplace or already employed. The goal is twofold: 1) to improve the financial skills of approximately 15,000 individuals across the spectrum of disability to effectively navigate the financial marketplace, resulting in improved credit, reduced debt, and increased savings; and 2) to build the capacity of diverse multi-sector systems (non-disability and disability) in up to 14 cities to unite around the common purpose of building financial security for individuals with disabilities. CFPB envisions the need to collect a combination of client personally identifiable information (PII), including direct-identifying PII (i.e., basic contact and demographic information),

performance metrics (outputs), as well as other relevant organization-level outcomes. Monthly qualitative reports and quantitative aggregated individual data will be collected from participating sites to document the design, growth and impact of up to 14 integrated diverse delivery models serving primarily low-income populations with disabilities.

PART A. JUSTIFICATION

1. Circumstances Necessitating the Data collection

The Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd Frank Act”), Public Law 111203, established the Consumer Financial Protection Bureau (“CFPB” or the “Bureau”) to regulate the offering and provision of consumer products or services under federal consumer financial laws. Consistent with the purposes of the Dodd Frank Act, the CFPB mission is to help consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Section 1013(d)(2) of the Dodd Frank Act mandates that the Bureau provide opportunities for consumers to access a range of financial activities, including savings and wealth building, financial counseling (including community-based counseling), and information to better understand credit products and credit histories. Additionally, Section 1013(b)(2) states that a unit shall be established whose function includes providing “information, guidance, and technical assistance regarding the offering and provision of consumer financial products to traditionally underserved consumers and communities”.

The Office of Financial Empowerment at CFPB interprets these provisions as the foundation for our vision to serve low-income and economically vulnerable consumers, including individuals with disabilities who face unique challenges in meeting their financial needs in the marketplace. The Office of Financial Empowerment is interested in identifying approaches to support the financial capability of individuals with disabilities transitioning into the workforce or reentering the workforce after a period of time.

People with disabilities comprise 12 – 19 percent of the U.S. population¹ and experience significant disparities in employment and participation in the labor force. The employment rate for people with disabilities may be low due to lower educational attainment, individual and systemic barriers to employment, and discrimination. Among those who do work, people with disabilities, on average, earn about \$10,000² less than people without disabilities. The poverty rate of people with disabilities is more than double the rate of those without disabilities.³ These economic disparities are further exacerbated by higher costs associated with living with a disability. The material conditions, including economic hardship, of people with disabilities may inhibit access to high quality of life and well-being. Economic hardships have also been linked to significant negative health outcomes, ranging from an increased risk of depression or mental illness to an increased risk in mortality.⁴

¹ Conroy, N.D., McDonald, K.E., Morris, M., & Jennings, E. (2014). Financial Capability of Adults with Disabilities. Findings from the FINRA Investor Education Foundation 2012 National Financial Capability Study.

² StatsRRTC, “Annual disability statistics compendium”, (2013), <http://disabilitycompendium.org/compendium-statistics/earnings>.

³ Ibid.

⁴ Organization for Economic Co-Operation and Development (OECD). “Well-being and the global financial crisis”, http://www.keepeek.com/Digital-Asset-Management/oecd/economics/how-s-life-2013/well-being-and-the-global-financial-crisis_how_life-2013-7-en#page25.

The positive financial or tax situation of an individual with disabilities transitioning into the workforce or reentering the workforce after a period, such as good credit or receipt of the Earned Income Tax Credit, often contributes to successful placement and stability on the job. However, data indicate that people with disabilities have less overall financial capability compared to other Americans.⁵ The National Disability Institute examined the FINRA Investor Education Foundation 2012 National Financial Capability Study and found, among other things, that people with disabilities reported greater difficulty in covering monthly expenses and lower financial literacy and were less likely to have rainy day funds set aside and more likely to carry credit card balances⁶. Further, the first ever reports produced by the IRS in 2007⁷ and 2010⁸ on the characteristics and profile of taxpayers with disabilities highlighted multiple discrepancies, such as “1.3 to 1.6 more tax returns could be filed from working disabled residents ages 18 to 59” and the need to make tax software readily accessible.⁹ The IRS surveys found that the majority of taxpayers with disabilities reported incomes less than \$20,000, yet despite the low Adjusted

⁵ Conroy, N.D., McDonald, K.E., Morris, M., & Jennings, E. (2014). Financial Capability of Adults with Disabilities. Findings from the FINRA Investor Education Foundation 2012 National Financial Capability Study p. 7 (noting that respondents were identified as having disabilities if they selected “permanently sick, disabled, or unable to work” in response to the study’s question on work status).

⁶ Conroy, N.D., McDonald, K.E., Morris, M., & Jennings, E. (2014). Financial Capability of Adults with Disabilities. Findings from the FINRA Investor Education Foundation 2012 National Financial Capability Study p. 7 (noting that respondents were identified as having disabilities if they selected “permanently sick, disabled, or unable to work” in response to the study’s question on work status).

⁷ Disabilities Research Report Characteristics of Disabled Taxpayers Ages 18 to 59: Study of Filing Patterns and Preferences for Receiving Tax information & Services Internal Revenue Service Publication 4640 (10-2007). Catalog Number 50912H Department of Treasury Internal Revenue Service www.irs.gov.

⁸ Taxpayers with Disabilities 2010 IRS report Prepared for Stakeholder Partnerships, Education and Communication. Wage & Investment Research & Analysis September 2010. Publication 4640 (Rev.9-2010) Catalog Number 50912H Department of the Treasury Internal Revenue Service. www.irs.gov.

⁹ Disabilities Research Report Characteristics of Disabled Taxpayers Ages 18 to 59: Study of Filing Patterns and Preferences for Receiving Tax information & Services Internal Revenue Service Publication 4640 (10-2007). Catalog Number 50912H Department of Treasury Internal Revenue Service www.irs.gov. p.32

Gross Income, over 60 percent reported using paid tax professionals to prepare their most recent tax returns.¹⁰

Additionally, the most economically vulnerable consumers, of whom persons with disabilities are frequently numbered, are part of the “traditionally underserved consumers and communities.” These persons are typically the hardest to reach and the most difficult to serve. This necessitates in person, individualized guidance delivered at a trusted, convenient, and accessible location.

This first-of-its kind pilot seeks to determine and demonstrate the value of imbedding financial capability services in existing service delivery networks, both providing free financial counseling/coaching and disability services to individuals with disabilities. The data collection is necessary to help CFPB understand the effectiveness of the approaches and delivery model used in this project.

2. Use of the Information

The purpose of the demonstration is to integrate financial capability services into existing service delivery systems to improve the problem of financial insecurity for individuals with disabilities.

The goal is twofold: 1) to improve the financial skills of over 15,000 individuals across the spectrum of disability to make more informed financial decisions and effectively navigate the financial marketplace resulting in improved credit, reduced debt, and increased savings; and 2) to build the capacity of diverse multi-sector systems (non-disability and disability) in up to 14 cities to unite around the common purpose of building financial security for individuals with

¹⁰ Taxpayers with Disabilities 2010 IRS report Prepared for Stakeholder Partnerships, Education and Communication. Wage & Investment Research & Analysis September 2010. Publication 4640 (Rev.9-2010) Catalog Number 50912H Department of the Treasury Internal Revenue Service. www.irs.gov.

disabilities.

In order to understand the individual and organizational impact of the program, CFPB envisions the need to collect a combination of client personal information (i.e., basic contact and demographic information), performance metrics (outputs), as well as other relevant organization-level outcomes.

A developmental evaluation that utilizes the client information, performance metrics and organization-level outcomes will document the design, growth and impact of up to 14 integrated diverse delivery models that serve primarily low-income populations with disabilities.

The instrument that the coaches will use to gather individual data is attached to this submission. The information collected includes demographic information, employment status, financial information, receipt of public benefits, and financial behaviors, habits, attitudes and skills. The instrument includes questions from the FINRA Investor Education Foundation's National Financial Capability study, which is can be found here,

<http://www.usfinancialcapability.org/about.php> According to FINRA this study was developed in consultation with the U.S. Department of the Treasury, other federal agencies and President Obama's Advisory Council on Financial Capability, and the overarching research objectives are to benchmark and measure key indicators of financial capability and evaluate how these indicators vary with underlying demographic, behavioral, attitudinal and financial literacy characteristics. Using these indicators for which there is nationally representative data will enable coaches to have an enhanced understanding of their clients' financial capability.

This may include the accompanying Self-Sufficiency Matrix, which will be used to track a customer's progress over time, based on his or her area of focus. This matrix is a modified version of the Arizona Self-Sufficiency Matrix, which has been used a basis for evaluating outcomes in other social services programs across the country.¹¹ These questions support the main strategy of the Bridges project, which is to integrate financial capability services into existing programs that serve people with disabilities. As a result, the categories in the matrix are intended to capture the complexity and interconnectedness of family and community support in the financial stability of people with disabilities. The breadth of the questions will allow customers with disabilities who seek services in these organizations to identify and discuss a range of their current financial barriers and solicit help from their coaches in getting appropriate services from the host organization or referrals to other community groups.

Some of the questions and information requested through the financial assessment and follow-up exercises may be of a sensitive nature. Additional justification for collecting the data can be found in Section 11.

Clients, coaches, and supervisors would provide informed consent before participating in any interview and/or survey. The client-level raw data will not be shared outside of the financial coaches/counselors working with the clients and the CFPB contractor responsible for collecting and analyzing the data. CFPB will not receive client-level raw data or any personally identifiable information (PII), including direct-identifying PII. CFPB will receive and may choose to release

¹¹ See e.g. Omni Institute, *Self-Sufficiency Matrix: An Assessment and Measurement Tool for Boulder County Community Services and Housing Programs* (June 2009), at <http://communityimpact.unitedwaycm.org/eplodge/servlet/eAndar.WebExtDocument/313037/31/DenverStudy>; Greg White et al., *TG 5 Sub-Group: Outcomes and Evaluation of Housing Models* (no date), at <http://www.fairfaxcounty.gov/homeless/forums/presentations/outcomes-and-evaluations.pdf>

de-identified results and aggregated analyses of those results (such as trends in financial issues) in public reports it will issue.

3. Use of Information Technology

Individual outcomes survey data will be collected and recorded by subcontractor staff via Social Solutions Global, Inc. (SSG) software. SSG will host the service via a SSG-controlled Website. SSG will provide help desk, error correction, and maintenance services for the Solution as per its most-current published maintenance schedule

3a. Universal Access and Design

As part of the overall data collection process, and in accordance with applicable federal law (American's with Disabilities Act and Section 508 of the Rehab Act¹²), all data collection tools, disclosures will be made available in alternative formats. Additionally, any online data collection tools will be 508 compliant.

4. Efforts to Identify Duplication

Some of the data points CFPB will be collecting from participants may already be collected if the participants are regular clients within partnering disability organizations. CFPB will consult with service providers to identify potential duplication of data collection to determine the utility of duplicating data already collected from the participants to ensure that unnecessary duplication and undue burden does not occur for participants.

¹² American With Disabilities Act of 1990, 42 U.S.C. 12101; <http://www.gpo.gov/fdsys/pkg/USCODE-2009-title42/htmlUSCODE-2009-title42-chap126.htm>.

5. Efforts to Minimize Burdens on Small Entities

Not applicable. Respondents are participants in the Bridges demonstration project and, therefore, no small entities are impacted by this collection of information.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

If the collection is not conducted, CFPB would not be able to know how the program is performing nor would it know how to improve the program moving forward on behalf of individuals with disabilities.

7. Circumstances Requiring Special Information Collection

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

8. Consultation Outside the Agency

In accordance with 5 CFR 1320.8(d)(1), the Bureau has published a notice in the Federal Register allowing the public 60 days to comment on this proposed new collection of information. No comments were received in response to this notice. Further and in accordance with 5 CFR 1320.5(a)(1)(iv), the Bureau published a notice in the Federal Register allowing the public 30 days to comment on the submission of this information collection request to the Office of Management and Budget.

In the process of developing the procurement for this program, CFPB consulted extensively with people outside the Bureau.

Specifically, the Bureau released a public request for information (RFI) in late Fall 2013 to solicit feedback from organizations, potential vendors, and experts. The RFI was sent to hundreds of stakeholders working with individuals and families with disabilities, including organizations serving these respective populations, experts in financial coaching, financial counselors, and others. CFPB conducted outreach to several Federal agencies including, the IRS, Department of Labor, Social Security, and others to learn more about the disability network and understand the best way to deliver services to the respective populations. Further, prior to the solicitation, the Bureau convened a two-day meeting in Washington, DC with over two dozen key national disability leaders to understand existing financial services and products and needs.

9. Payments or Gifts to Respondents

No payment or gifts will be provided to respondents for the administrative data. No payments or gifts will be provided to counselors/coaches or supervisor respondents for interview or survey responses.

10. Assurances of Confidentiality

The Contractor is committed to securely collecting and using the private collected data under this demonstration (i.e., financial assessment data, administrative and program data). The Bridges Demonstration will convene a respected advisory board of national disability and financial capability experts to assist in the review and ongoing oversight of the project.

Individuals with disabilities will be informed of the nature of the demonstration and opportunity to receive individual or group financial counseling/coaching, and how the information being collected will be used. CFPB will market to individuals with disabilities through six separate model/sites providing established financial counseling/coaching programs and disability benefits training. Each site will advertise the availability of financial counseling/coaching services through its marketing and communication collateral. The volunteer opportunity will be offered to individuals with disabilities who may drop in to a location or make an appointment. Each participant will be screened using the Financial Health Assessment Tool and Informed Consent. Participants will then be asked to sign their permission to participate in the demonstration.

Reports produced under this demonstration will not include directly-identifying PII collected during the demonstration. Additional PII, such as outcome data or program administrative data, such as date of birth, will not be included in reports produced. CFPB will be given aggregate, rolled up results, and all individual level data will be stripped of the direct identifiers. All Interim and Final Reports and any presentations given on the demonstration will ensure that primary data is aggregated to a level at which the individual identities of those who provided the information could not reasonably be discerned.

At the time of initial meeting, a PRA and Privacy notice will be provided to the customer before any assessment of information is collected. Information collected will be done in accordance with the Privacy Act and as described in the Bureau's System of Records Notice, CFPB.021 – Consumer Education and Engagement Records. A revised SORN was submitted to OMB in December 2014 and is expected to be published shortly. Furthermore, the Bureau has published a PIA, Consumer Education, which outlines how it will manage information collected as part of

this program. This PIA can be located on CFPB's website at

http://files.consumerfinance.gov/f/201409_cfpb_consumer-education_pia.pdf .

11. Justification for Sensitive Questions

Financial counselors/coaches will collect direct-identifying Personally Identifiable Information (PII) including name and basic contact information to facilitate participation in the counseling program. In addition, coaches will collect non-direct identifying demographic data and financial/benefits/disability data to understand the impact of the demonstration. Two pieces of demographic data that may be collected include gender and citizenship. The purpose for collecting these pieces of data are to enable the counselors/coaches to effectively serve each client and tailor the programs around each client's individual financial circumstances, goals, knowledge and experiences with the financial system. If these characteristics impact the clients' experiences or opportunities, it is important that the counselors/coaches have that information, and can respond as appropriate. In addition, the CFPB needs to understand how these programs impact consumers with different demographics or characteristics, to evaluate the program effectiveness and make changes, as appropriate, to tailor programs to meet the needs of a range of consumers.

Counselors/coaches specifically trained to pull and review credit (consumer) reports and scores may collect other directly identifying information, including Social Security numbers (SSN) and financial account information (credit reports), providing the individual with a disability understands that providing this information is entirely voluntary and has read and signed Financial Health Assessment Screening Tool and Informed Consent. Clients will also be given the option to pull their credit reports themselves, which would eliminate the need for the counselors/coaches to collect their SSN. Clients who choose not to provide their SSN, or who choose not to pull or review their own credit report will not be kept from participating in the program. The choice to review one's credit report and score is voluntary and does require that the participant provide a SSN for that purpose only. Only the counselors pulling the credit reports and scores will see that information. No SSN will be recorded into the demonstration data collection. Only credit score numbers will be recorded and only at the request of the individual

requesting the credit pull. The only reason for pulling the credit score is to link other self-reported financial data and outcomes with credit bureau records. After the credit bureau information is accessed and linked to self-reported outcome data, the documents containing the SSNs will be destroyed. SSNs will not be used as an administrative identifier or tracking number to aid in the delivery of services. An alternative identification number will be developed. SSNs will not be collected as a normal course of action for program operation purposes.

All participation in the financial counseling/coaching project is optional. Sites will be required to obtain informed consent to collect information from those who choose to participate. All participants will be asked to complete a financial assessment intake form. All participating sites and staff will take the necessary precautions to ensure that the information provided by individuals will remain secure, as described in Section 10 above.

This is the first time that the collection and analysis of financial data (demographics, financial, self-sufficiency and disability specific) of individuals with disabilities is being conducted on a national scale. Information collected will help frame the needs of individuals with disabilities and the systems serving them (state, non-profit or private) to:

- 1) understand the effectiveness and impact of the financial counseling/coaching models on individual debt, credit and savings;
- 2) understand what community-based model and what channels of service delivery most impact individuals with disabilities;
- 3) understand any unique factors that influence outcomes (role of Waivers, receipt of means-tested benefits, asset limits for saving, and lack of access to traditional banking services);
- 4) understand what model of financial education - group or one-on-one counseling/coaching is most popular with individuals with disabilities;
- 5) understand top five most popular financial goals set by individuals with disabilities;
- 6) understand which financial capability services are most frequently utilized and impact;
- 7) understand how six different site models worked and how well each is integrated into the existing service delivery model overall to build scale and sustainability;
- 8) produce a series of briefs that document individual and systems impact;

- 9) produce a series of Playbooks for other partners in geographic areas to replicate the disability inclusive model; and
- 10) inform the development of new curriculum and products specifically targeted for individuals with disabilities.

12. Estimated Burden of Information Collection

It is estimated that approximately 15,000 respondents will complete the financial assessment, which will take approximately thirty minutes. It is expected that a portion of respondents who complete the financial assessment will participate in a subsequent individual financial counseling session, in-person, follow-up appointment, and a later electronic financial assessment.

Estimate of Annualized Time Burden to Respondents (Total Project)					
Information Collection Requirement	Number of Respondents	Frequency	Total Responses	Avg. Burden per Response (hours)	Total Burden Hours
Financial Assessment	15,120	1	15,120	2.0	30,240
Creating Financial Counseling (budget & action plans)	6,048	1	6,048	1.0	6,048
In-person Follow-up (credit report/bank statement review)	3,024	1	3,024	1.9	5,746
Electronic Follow-up (doc review, no appointment)	2,268	1	2,268	0.2	454
Total	15,120*	///////	37,800	////////////////	42,488

*The estimated number of responses is 15,120. Respondents to Creating Financial Counseling, In-person Follow-up, and Electronic Follow-up are a subset of those responding to the Financial Assessment.

To estimate the value of the time invested by the respondents, an hourly wage of \$10.90 was used. This wage is representative of the current hourly 25% wage of all occupations available

from the Bureau of Labor Statistics¹³

Estimate of Annualized Time Burden to Respondents (Total Project)				
Information Collection Requirement	Number of Respondents	Total Burden Hours	Avg. Hourly Wage Rate	Total Cost Burden
Financial Assessment	15,120	30,240	\$ 10.90	\$ 329,616
Recording Financial Counseling (budget & action plans)	6,048	6,048	\$ 10.90	\$ 65,923
In-person Follow-up (credit report/bank statement review)	3,024	5,746	\$ 10.90	\$ 62,631
Electronic Follow-up (no appointment)	2,268	454	\$ 10.90	\$ 4,949
Total	15,120	42,488	////////	\$ 463,119

13. Estimated Total Annual Cost Burden to Respondents or Record-keepers

This collection of information will not result in any costs to respondents other than those costs already captured above in Item 12.

14. Estimated Cost to the Federal Government

The estimated cost for this work is still to be determined. However, we estimate that CFPB will need to cover the costs (via the contract) of a client management/outcome tracking system in order to be able to collect and report data, as well as costs associated with the collection, analysis, and reporting of interview and survey data.

¹³ May 2013 National Occupational Employment and Wage Estimates, Bureau of Labor Statistics, http://www.bls.gov/oes/current/oes_nat.htm, Accessed 9/11/2014.

15. Program Changes or Adjustments

This is a new information collection request; therefore, the entire burden associated with this collection of information is considered a program change.

16. Plans for Tabulation, Statistical Analysis, and Publication Timetable for Project

Demonstration Sites will provide CFPB with monthly qualitative and quantitative updates on the individual site models and data collection to understand how, why and what is working. An Interim and Final Year Report will provide CFPB with an analysis of the monthly data reports. There are no scheduled publication timetables at this time.

Timeline for Individual and Systems Evaluation

INDIVIDUAL DATA

PROGRAM SITE DATA

Task	Date	Task	Date
Receive OMB Approval	February 1, 2015	Pre-Contract: Complete site needs self-assessment	October 2014
Program enrollment on a rolling basis for at least five months of treatments	March 1, 2015 – July 31, 2015	Pre Contract: Complete analysis of self-assessment to establish training and technical assistance needs	November 2014
Administer Financial Assessment Survey and Collect Informed Consent	Ongoing	Pre Contract: Sites provide customer flow information to inform best intersections for service delivery	December 2014
Complete collection and provide analysis of administrative and impact data	July 31, 2015 – August 31, 2015	Contract Period: Monthly online reports to share what is working what is not	January 2015 – July 2015
Complete Baseline Year Report	September, 2015	Contract Period: Monthly aggregated data reports uploaded to Bridges portal and shared with CFPB.	March 2015 – July 2015

17. Display of Expiration Date

The Bureau plans to display the OMB control number expiration date for OMB approval of the information collection on all data collection materials.

18. Exceptions to the Certification Requirement

The Bureau 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) and is not seeking an exemption to these certification requirements.