Respondent Use of Records and Impact on Data Quality

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SCF encourages respondents to reference financial records

- Tax records
- Bank statements
- Retirement accounts
- Etc.

But not all respondents utilize records

- Problematic because it affects data quality and precision
GOALS of this RESEARCH

Improve interactions with respondents

Inform the process of collecting financial data
  • Increase the use of records during the interview

Collect higher quality data
What is the relationship between respondent characteristics, use of documents, and data quality?
RESEARCH QUESTIONS

Respondent Characteristics

Are **early responders**, who cooperate with requests to complete the survey more readily than **late responders**, more likely to use records?

Are respondents who are **less interested in** the study less likely to use records?

Are respondents who are **more suspicious of** the study less likely to use records?
RESEARCH QUESTIONS

**Respondent Characteristics**

Are respondents with more **complex finances** more likely to use records?

Are respondents who are **less knowledgeable about their finances** less likely to use records?

Are respondents who are **less financially literate** less likely to use records?
2016 SCF data

6,261 completed interviews

4,754 Area Probability cases
## METHODOLOGY: MEASURES

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early</td>
<td>Respondent completed in the early part of data collection</td>
<td>1 = Early</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 = Not early</td>
</tr>
<tr>
<td>Late</td>
<td>Respondent completed in the late part of data collection</td>
<td>1 = Late</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 = Not Late</td>
</tr>
<tr>
<td>Interest level</td>
<td>Interviewer's report on respondents level of interest in the survey</td>
<td>1 to 5</td>
</tr>
<tr>
<td>Suspicion level</td>
<td>Interviewer's report on respondents level of suspicion in the survey</td>
<td>Ranges from 2 (lowest level of suspicion) to 10 (highest)</td>
</tr>
<tr>
<td>Variable</td>
<td>Description</td>
<td>Code</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Financial complexity</td>
<td>Respondent has more than 7 items on balance sheet, based on median score of 7</td>
<td>1 = More than 7 0 = 7 or less</td>
</tr>
<tr>
<td>Financial knowledge</td>
<td>Self-rated financial knowledge</td>
<td>1 = ‘not at all knowledgeable about personal finance’ 10 = ‘very knowledgeable about personal finance</td>
</tr>
<tr>
<td>Financial literacy</td>
<td>Continuous measure - based on three questions assessing understanding of stock investment, inflation, and interest rates</td>
<td>0 to 3</td>
</tr>
</tbody>
</table>
**INTERVIEWER:** Did the Respondent refer to any documents to answer any questions?

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of documents</td>
<td>Respondent referred to any documents during the interview</td>
<td>1 = Used documents 0 = Did not use documents</td>
</tr>
</tbody>
</table>
Examined 5 common financial assets/liabilities that include $:

- Home value
- Mortgage amount
- Amount in checking account
- Amount is savings account
- Annual wages
For example: What is the current value of this (home and land/ apartment/property)?

<table>
<thead>
<tr>
<th>Value provided</th>
<th>Classification</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>$125,392</td>
<td>Precise value</td>
<td>1</td>
</tr>
<tr>
<td>$100k to $150k</td>
<td>Range provided</td>
<td>0</td>
</tr>
<tr>
<td>Don’t know/refused</td>
<td>Don’t know/refused</td>
<td>Excluded</td>
</tr>
</tbody>
</table>

Home value, Mortgage amount, Amount in checking account, Amount is savings account, Wages
METHODOLOGY: MEASURES

Created 5 binary precision measures (1 for each asset)

1= reported a specific dollar amount

0= provided a range

(Excluded cases with “don’t know” or “refused”)
Logistic regression

Predict the likelihood of using documents during the interview

- Early responders compared to late responders
- Level of complexity
- Level of interest
- Level of suspicion
- Level of financial knowledge
- Level of financial literacy
Logistic regression

To predict likelihood of providing the precise number – for each financial asset/liability for those who used documents

Controlling for

- Early responders compared to late responders
- Level of complexity
- Level of interest
- Level of suspicion
- Level of financial knowledge
- Level of financial literacy
RESULTS

**Respondent Characteristics**

Are **early responders**, who cooperate with requests to complete the survey more readily than **late responders**, more likely to use records?  **YES!**

Are respondents who are **less interested in** the study less likely to use records?  **YES!**

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CONCLUSION

Respondent characteristics
- Greater interest in survey
- Financial complexity
- Greater financial knowledge
- Greater financial literacy

Use of records

Data Quality

Respondent characteristics
- Suspicion
- Late responder
Thank You!

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