

Federal Reserve Board Forum on Consumer Research & Testing: Tools for Evidence-based
Policymaking in Financial Services, November 9, 2010
Introduction (2) Jeanne Hogarth

I want to just reiterate the goals for today are to do this exploration of what we've learned and what we have yet to learn about consumer behavior and doing that through consumer research and consumer testing -- but really to emphasize the importance of using that in the policy process, whether it be in policy formation or policy implementation or policy evaluation. Getting research, good evidenced based research, into the policy process, in the formative stages, in the implementation stages and in the evaluation stage we believe is very critical. And so the conversations today are going to be around those topics.

We're going to start with a series of panels, one looking at some root disciplines -- some may be traditional and some may be a little less traditional. Law and economics have historically been important to us at the Board but we have seen marketing and psychology and design come into play. And we're now recognizing also some other important disciplines like sociology, communication, neuroscience -- and so we're looking at those as disciplines that we want to bring into this evidenced base policy making research mode.

We're going to move into panel two into looking at some research methodologies -- definitely the traditional ones of quantitative research, survey methodologies, some new ways to do survey methodologies. Basic empirical research, the things that Anna has already mentioned that we've been doing in terms of focus groups and cognitive interviewing but also looking at some new methods that we might need to adapt for the future. For example, some of you know that the Board uses the University of Michigan Surveys of Consumers, which is a phone-based survey. It's really great except that if you have a teenager, you know their use of land line phones. These phone based surveys are based on land line numbers -- so how do we move forward in an era where land lines are not as prevalent as they were 10, 15 years ago. So looking at some of these new methodologies, experiments, the use of internet, visualization are all going to be important. Then we want to turn a little bit to some key consumer issues that we might be facing in the future. The Board historically has done research on the areas that we have supervisory authority for, which makes a whole lot of sense -- credit, credit cards, mortgages, home equity loans and lines of credit -- you heard Anna list the kinds of things that we've been doing recently. But there are other financial products. There is a broad range of consumers that are being impacted by these -- how will the payment systems of the future function and what are some of the issues that we need to be thinking about? As the proliferation of products and ways that consumers can execute transactions proliferate, how do we as regulators think about that? Anna mentioned in our mobile banking forum --what do you do with that "screen of choice?"

Later in the afternoon we are going to put you to work in some discussion groups to focus on these key issues that Anna has already mentioned. How do we make better use of the tools in our tool boxes? How do we close some important gaps in our knowledge about consumer behavior and consumer finance? How can we incorporate some of these key perspectives and insights to our work to better inform policy formation, policy implementation and policy evaluation? And

how can we be more intentional about fostering the kind of dialogue that we hope really will happen today?

I want to say to you that the goal after the panels is not for this to be a Q and A, but is for it to be a dialogue. For that reason, believe it or not, we actually have limited the size of this audience. So we encourage you to be vocal, please.

And so with that, we're a little early but I don't think anybody will mind, let's get started. Bob if you can bring your panel up to the front we'll get going, thank you.