



Consumer Financial  
Protection Bureau

1700 G Street, N.W., Washington, DC 20552

**Date:** September 18, 2017

**Subject:** Project Catalyst Consumer Financial Well-Being Research Pilot

**Background:**

Project Catalyst leads the CFPB's work to encourage consumer-friendly innovation in markets for consumer financial products and services. As part of this initiative, the Project Catalyst team collaborates with CFPB subject matter experts and external organizations on research studies in order to gain insights and inform the Bureau's work. To facilitate the CFPB's commitment to empowering consumers with knowledge and skills to achieve greater financial well-being, the Bureau's Office of Financial Education and Office for Older Americans developed the CFPB Financial Well-Being Scale, a free tool to measure an individual's holistic level of financial well-being. Project Catalyst, the Office of Research, and the Office of Financial Education are particularly interested in better understanding how this measure of financial well-being relates to credit characteristics and to engagement with financial information and educational tools offered by companies like Credit Karma, Inc.

Credit Karma is a personal finance company that provides consumers with free online access to credit scores, reports, and monitoring tools. The company also gives members advice and access to complimentary tools, including the Credit Score Simulator, a variety of loan calculators, and the Direct Dispute™ tool to challenge erroneous credit-report entries. Through partnerships with credit providers, the platform offers product recommendations tailored to fit members' profiles. Because of its suite of services and engagement with its reported membership of more than 75 million consumers, Credit Karma is well-positioned to educate consumers about credit and help them meet their financial needs.

Results from this research pilot have the potential to contribute significantly to the Bureau's, practitioners', and researchers' understanding of the relationship between financial well-being and credit characteristics.

**Research Goals and Design:**

The CFPB's research study associated with this pilot will focus on two key questions:

1. How financial well-being varies across consumers with different financial and demographic characteristics.
2. How financial well-being relates to information use and consumer engagement.

Within these areas, the research goals for this project are to:

- Understand which specific financial factors may relate to a consumer's own sense of financial well-being; and
- How this measure of financial well-being relates to consumers' engagement with financial information and educational tools.

The company has agreed to share insights with the Bureau from a survey it will conduct using [the CFPB Financial Well-being Scale](#). In addition to the survey, Credit Karma will also share insights

around peoples' engagement with educational tools as well as information to help us to better understand how financial well-being may vary across people with different financial characteristics. As always, the information shared will be de-identified and appropriate precautions will be taken to ensure that individual consumers cannot be identified.