

May 2016

Academic Research Council

May 19- 20, 2016 Meeting Summary



Sixth Annual Meeting of the Academic Research Council

On May 19th and 20th, 2016, CFPB's Office of Research convened the Academic Research Council for its sixth annual meeting at 1275 First Street NE, in Washington, D.C.

Council Members Present

Ian Ayers

Raphael Bostic

John Campbell

Justine Hastings

Brigitte Madrian

Melvin Stephens Jr.

Richard Thaler

CFPB Staff Present

Ron Borzekowski

David Silberman

Office of Research Staff

Day 1: May 19, 2016

Breakfast Session: Ethics and FOIA Training

**Mark Vugrinovich, Senior Freedom of Information Act (FOIA) Analyst & FOIA Public Liaison
Margaret Plank, Senior Counsel**

Mr. Vugrinovich from the FOIA office gave a presentation on the Freedom of Information Act and standard records management practices for advisory board members. Ms. Plank from the Bureau's Ethics Office reviewed ethics rules Council members are subject to in their advisory role with the Bureau.

Welcome and Meeting Overview

Ron Borzekowski, Assistant Director, Office of Research

Ron Borzekowski, Assistant Director for Research, called the meeting to order, welcomed the Council members, and reviewed the day's agenda.

Subcommittee on Dynamics of Household Balance Sheets

Kenneth Brevoort, Section Chief, Office of Research, Credit Information Policy

Brian Bucks, Economist, Office of Research

David Low, Economist, Office of Research

Kenneth Brevoort presented an overview of the Consumer Credit Panel (CCP) to the Council. In the presentation, Mr. Brevoort highlighted the ability to provide timely and innovative information using the data. The Council members suggested the types of information that would be useful in such reports. Council members agreed with the

importance of analyzing information at the household level in light of information about the household debt that came to light during the financial crisis.

Brian Bucks discussed the survey of household views on debt. The Council discussed various issues regarding possible nonresponse bias in the analysis. They acknowledged that these data provide new insight into a population that goes beyond complaint data previously used. David Low ended the session with a presentation on the Bureau's computational household finance project. The Council suggested methods of expanding the use of these models in the academic community to encourage relevant and beneficial research in the consumer finance space.

Lunch Session

Academic Research Council members met as a whole for the subcommittee sessions during a working lunch to discuss a variety of different consumer finance topics in the academic literature.

Subcommittee on Disclosure

Jesse Leary, Section Chief, Consumer and Household Research and Policy

Dustin Beckett, Economist, Office of Research

Alycia Chin, Research Scientist, Office of Research

Dustin Beckett and Alycia Chin presented on the CFPB's ability to conduct controlled economic research trials, highlighting work that the Bureau has done testing how consumers respond to financial information. The Council raised innovative research techniques that could contribute to work on disclosure testing. They support the interest in understanding disclosure in context and suggested a goal of mirroring real life scenarios in the experimental design.

Jesse Leary presented on quantitative disclosure testing and the potential to integrate this with qualitative testing in order to improve disclosure forms. Discussion centered on how to measure

the effectiveness of disclosure and the important distinction between consumers reading and understanding disclosures. The Council also discussed the challenge of having consumers incorporate the knowledge from the disclosures into “decision-making processes,” which contributed to a broader conversation about identifying metrics for effective disclosure. The Council suggested that the Office of Research should continue to focus on this area of research in the future.

Information Exchange

Council members and Office of Research Staff discussed the academic publication process and the implications for staff submitting their self-directed research to academic journals and academic research conferences.

Administrative Session

The Council shared feedback on the day’s sessions with senior Office of Research staff. They also discussed the progress and challenges in building the Office of Research since the Council’s last annual meeting.

Day 2: May 20, 2016

Public Session

In this open to the public session, CFPB Director, Richard Cordray, and Assistant Director for Research, Ron Borzekowski offered opening remarks. Members of the Council reported on the proceedings of the previous day’s subcommittee meetings. This was followed by a presentation and discussion led by John Campbell based on his 2016 Ely lecture, entitled “Restoring Rational Choice: The Challenge of Consumer Financial Regulation”.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



Delicia Reynolds Hand
Staff Director, Advisory Board and Councils Office
Consumer Financial Protection Bureau