A Simple Question Goes a Long Way: A Questionnaire Experiment to Elicit Bank Account Ownership

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Ownership of a bank account is a rather objective measure

- should be easy to elicit via surveys
- should suffer from little or no recall error

Depending on the interview mode, question wording and placement within a survey may influence respondents’ answers even for such a simple construct

This is a story about a data puzzle concerning bank account ownership in an online panel and an attempt to solve it...
The context of this study is the Understanding America Study (UAS), an online panel representative of the adult population in the U.S.

The full Health and Retirement Study (HRS) instrument is administered to all UAS members every two years.

The HRS questionnaire is replicated, with some adaptation to accommodate differences in format between verbal and self-administered interviews.

In Angrisani, Finley, and Kapteyn (2019), we compare HRS and UAS-HRS data for several outcomes. By and large, our results suggest that Internet surveys can match high-quality traditional surveys.
The HRS module about financial assets is extremely detailed. In the following order, it asks about:

1. IRAs and KEOGH accounts
2. Pension accounts (e.g., 401k)
3. Annuities
4. Stocks or stock mutual funds
5. Corporate/municipal/government/foreign bonds or bond funds
6. Checking or savings or money market accounts
7. CDs, government savings bonds, or treasury bills

The question eliciting bank account ownership says:

*Aside from anything you have already mentioned, do you (or your husband/wife/partner/spouse) have any checking or savings accounts or money market funds? Please do not include certificates of deposit (CDs).*
Wave 1 of UAS-HRS was collected between 2015 and 2017

It used the original HRS questionnaire about financial assets without modifications

The (weighted) rate of bank account ownership in Wave 1 of UAS-HRS was 55%

According to

- the 2017 FDIC National Survey of Unbanked and Underbanked Households

and

- the CPS 2017 Unbanked/Underbanked Supplement File

bank account ownership in the U.S. was 93.5% in 2017
What may have caused such large discrepancy?

We guessed that the combination of question text and placement within the survey was the main responsible

- after a long series of questions, the expression *Aside from anything you have already mentioned* may trigger “No” answers if respondents think that they were already asked about checking/savings accounts

- the note *Please do not include certificates of deposit (CDs)* may cause confusion, especially if respondents are unfamiliar with this kind of financial assets

These effects may be more apparent when the survey is self-administered online
Bank Ownership in UAS-HRS, Wave 2

In Wave 2 of UAS-HRS, we simplified the text of the question about bank account ownership to the following:

*Aside from anything you have already mentioned, do you (or your husband/wife/partner/spouse) have any checking or savings accounts or money market funds? Please do not include certificates of deposit (CDs).*

The (weighted) rate of bank account ownership in Wave 2 of UAS-HRS was 79%

The majority of respondents switched ownership from No to Yes:

<table>
<thead>
<tr>
<th>Own Wave 1</th>
<th>Own Wave 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
<td>38.54%</td>
<td>61.46%</td>
</tr>
<tr>
<td>Yes</td>
<td>8.77%</td>
<td>91.23%</td>
</tr>
<tr>
<td>Total</td>
<td>21.16%</td>
<td>78.84%</td>
</tr>
</tbody>
</table>
Intrigued by this result, we designed a questionnaire experiment and administered it to all UAS members at the end of 2017.

To mimic the HRS instrument, we asked about financial assets in the following order:

1. Stocks or stock mutual funds
2. Corporate/municipal/government/foreign bonds or bond funds
3. CDs, government savings bonds, or treasury bills
4. Checking or savings or money market accounts

We randomly assigned respondents to three types of bank account ownership questions, using an increasing level of simplification.
Aside from anything you have already mentioned, do you (or your husband/wife/partner/spouse) have any checking or savings accounts or money market funds? Please do not include certificates of deposit (CDs).

Do you or your spouse/partner have any checking or savings accounts or money market funds?

Do you or your spouse/partner have any money market funds?
## Balance Test

**HRS**

<table>
<thead>
<tr>
<th></th>
<th>HRS (a)</th>
<th>Simple I (b)</th>
<th>Simple II (c)</th>
<th>H₀ : Δ = 0 p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Male (%)</strong></td>
<td>42.4</td>
<td>43.5</td>
<td>42.8</td>
<td>(a)-(b) 0.56</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>50.0</td>
<td>49.9</td>
<td>50.1</td>
<td>(a)-(c) 0.75</td>
</tr>
</tbody>
</table>

**Race/Ethnicity (%)**

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Black</th>
<th>Other</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>72.2</td>
<td>8.2</td>
<td>9.1</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Male (%)</strong></td>
<td>42.4</td>
<td>50.0</td>
<td>42.8</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>50.0</td>
<td>49.9</td>
<td>50.1</td>
<td>50.1</td>
</tr>
</tbody>
</table>

**Education (%)**

<table>
<thead>
<tr>
<th></th>
<th>≤High School</th>
<th>Some College</th>
<th>≥Bachelor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25.0</td>
<td>38.1</td>
<td>36.9</td>
</tr>
<tr>
<td><strong>Male (%)</strong></td>
<td>42.4</td>
<td>50.0</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>50.0</td>
<td>49.9</td>
<td>50.1</td>
</tr>
</tbody>
</table>

**Income (%)**

<table>
<thead>
<tr>
<th></th>
<th>&lt; $35,000</th>
<th>$35,000 – $74,999</th>
<th>≥ $75,000</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>32.6</td>
<td>32.7</td>
<td>34.7</td>
</tr>
<tr>
<td><strong>Male (%)</strong></td>
<td>42.4</td>
<td>42.8</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>50.0</td>
<td>50.1</td>
<td>50.1</td>
</tr>
</tbody>
</table>

**Cog Z-Score**

<table>
<thead>
<tr>
<th></th>
<th>-0.02</th>
<th>0.00</th>
<th>0.02</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Male (%)</strong></td>
<td>42.4</td>
<td>42.8</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>50.0</td>
<td>50.1</td>
<td>50.1</td>
</tr>
</tbody>
</table>

**FinLit Z-Score**

<table>
<thead>
<tr>
<th></th>
<th>-0.01</th>
<th>0.01</th>
<th>0.01</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Male (%)</strong></td>
<td>42.4</td>
<td>42.8</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>50.0</td>
<td>50.1</td>
<td>50.1</td>
</tr>
</tbody>
</table>

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Fraction of Bank Account Owners

Entire Sample

Primary Respondent Only

Orange line: fraction of households with a checking/savings account from the 2017 CPS Unbanked Supplement
Results

Fraction of Bank Account Owners

Entire Sample

Primary Respondent Only

Orange line: fraction of households with a checking/savings account from the 2017 CPS Unbanked Supplement

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Results

Fraction of Bank Account Owners

Entire Sample

Primary Respondent Only

Orange line:
fraction of households with a checking/savings account from the 2017 CPS Unbanked Supplement
Increase in the Fraction of Bank Account Owners

Unconditional

- HRS to Simple I: 11 percentage points
- Simple I to Simple II: 6 percentage points
- HRS to Simple II: 17 percentage points

Conditional on Demographics

- HRS to Simple I: 10 percentage points
- Simple I to Simple II: 7 percentage points
- HRS to Simple II: 16 percentage points

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Heterogeneity by Cognitive Ability

Increase in the Fraction of Bank Account Owners across Cognitive Ability Score Quartiles

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Demographic controls are included
Heterogeneity by Financial Literacy

Increase in the Fraction of Bank Account Owners across Financial Literacy Score Quartiles

Demographic controls are included
Conclusions

- Questionnaire simplification greatly affects survey reports, even for a relatively simple construct like bank account ownership.

- Treatment effects are significantly larger for respondents with low cognitive ability and low financial literacy.

- This suggests that the proposed simplification may reduce both recency and knowledge effects.

- Our results refer to self-administered online interviews and should not be generalized to other modes of interview.

- Our findings confirm that high quality survey data start from asking the “right” questions, which should be as simple and precise as possible.