

## Introduction

Today we are interested in obtaining your opinion on three different sample credit card disclosure statements. I will be showing you some handouts of the different disclosure statements and asking for your opinion on several things such as,

- if the statements are understandable to you,
- if you find them helpful, and
- how useful you find the information.

In considering the sample disclosures I show you, it is important that you answer the questions based on your own experience and preferences. Please do not answer the questions based on how you think other people might answer the questions or based on how relevant you think the information is to other people.

Section I: Background and Payment History

1. ☒ Not including debit cards, about how many credit cards do you currently own that are Visa, MasterCard, American Express, or Discover cards?
2. ☒ Do you receive any of your credit card billing statements electronically?
  - a. Yes
  - b. No
3. ☒ In general, which of the following best describes how you pay your credit card bills? Do you typically pay:
  - a. the minimum amount
  - b. more than the minimum amount, but not much more than the minimum amount
  - c. a lot more than the minimum amount
  - d. almost the entire balance
  - e. the entire balance
4. ☒ Thinking about the last year, do you always or almost always, sometimes, hardly ever, or, never pay off the total balance owed on your credit cards each month?
  - a. Always or almost always
  - b. Sometimes
  - c. Hardly ever
  - d. Never
5. ☒ In the last year, have you ever made just the minimum payment on a credit card? By “minimum payment,” I mean the amount on your bill that the credit card company says is the smallest amount that you can pay that month.
  - a. Yes (go to question #6)
  - b. No (go to question #8)
6. ☒ Thinking only about the card on which you paid the minimum amount due the most times over your last twelve monthly billing cycles, for how many months did you make the minimum payment?
7. What were the reasons why you paid the minimum amount due?
8. ☒ Over the last twelve monthly billing cycles, on how many of your cards did you pay more than the minimum payment but less than the entire balance on each of your credit cards?
  - a. None (go to question #10)
  - b. One or more (go to question #9)

9. Thinking about those times, what were the reasons you decided to pay less than the full amount due? (go to question #11)
10. What were the reasons you never paid just the minimum payment amount or some other amount less than the full amount due?

Section II: Consumer understanding of minimum payment consequences

11. Describe, if you can, what some consequences would be to you of consistently making just the minimum monthly payments on your credit card balance?
12. If you were to consistently make only the minimum payment, what do you think would happen to the length of time it would take you to pay off a credit card balance?
13. If you were to consistently make only the minimum payment, what do you think would happen to the total amount of interest you would pay on a credit card loan?

Section III: Disclosure Statement 1

14. Now I'm going to show you some sample disclosure statements that provide you with information on making minimum payments. The next few questions I have for you involve this disclosure statement. Please take a moment to read it to yourself and let me know when you are ready.

*Hand respondent Disclosure statement 1.*

Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For more information, call this toll-free number: \_\_\_\_\_.

In your own words, can you explain to me what this disclosure statement is telling you?

15.  How easy or difficult is this disclosure statement for you to follow and understand?

- a. Very easy
- b. Somewhat easy
- c. Neither hard nor easy
- d. Somewhat hard
- e. Very hard
- f. Don't know

16.  Are there parts of this disclosure statement that are confusing to you?

- a. Yes (go to question #17)
- b. No (go to question #18)

17. What parts of the disclosure statement are confusing to you?

18.  How influential do you feel this disclosure statement is in making you want to increase the amount you pay each monthly billing cycle on your credit card? Is it:

- a. Extremely influential
- b. Very influential
- c. Moderately influential
- d. Slightly influential
- e. Not influential at all
- f. Don't know

19.  How helpful do you feel this disclosure statement is in helping your understanding of the consequences of making only the minimum payment? Is it:
- a. Extremely helpful
  - b. Very helpful
  - c. Moderately helpful
  - d. Slightly helpful
  - e. Not helpful at all
  - f. Don't know
20.  Keeping in mind how you repay your credit card bills, how useful to you is the information provided in this disclosure statement?
- a. Extremely useful
  - b. Very useful
  - c. Moderately useful
  - d. Slightly useful
  - e. Not useful at all
  - f. Don't know
21. Why do you find this disclosure statement [extremely/very/moderately/slightly/not] useful?
22.  How likely would you be to call the toll-free number listed in the disclosure statement?
- a. Not likely
  - b. Somewhat likely
  - c. Very likely
23. What type of information would you expect to obtain by calling the toll-free number?
24.  If I told you that when you call the toll-free number you could obtain information on the length of time it would take you to pay off your balance if you made only minimum payments, would this make you more likely to call?
- a. Yes
  - b. No

Section IV: Disclosure Statement 2

25. Ok, now we are going to move on to another sample disclosure statement. The next few questions I'm going to ask you refer to this disclosure statement. Please take a moment and read it to yourself and let me know when you are ready.

*Hand respondent Disclosure statement 2.*

**Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 2% minimum monthly payment on a balance of \$1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only the minimum payments, call this toll-free number:**

\_\_\_\_\_.

In your own words, can you explain to me what this disclosure statement is telling you?

26.  How easy or difficult is this disclosure statement for you to follow and understand?

- a. Very easy
- b. Somewhat easy
- c. Neither hard nor easy
- d. Somewhat hard
- e. Very hard
- f. Don't know

27.  Are there parts of this disclosure statement that are confusing to you?

- a. Yes (go to question #28)
- b. No (go to question #29)

28. What parts of the disclosure statement are confusing to you?

29.  How influential do you feel this disclosure statement is in making you want to increase the amount you pay each monthly billing cycle on your credit card?

- a. Extremely influential
- b. Very influential
- c. Moderately influential
- d. Slightly influential
- e. Not influential at all
- f. Don't know

30.  How helpful do you feel this disclosure statement is in helping your understanding of the consequences of making only the minimum payment? Is it:
- a. Extremely helpful
  - b. Very helpful
  - c. Moderately helpful
  - d. Slightly helpful
  - e. Not helpful at all
  - f. Don't know
31.  Keeping in mind how you repay your credit card bills, how useful to you is the information provided in this disclosure statement?
- a. Extremely useful
  - b. Very useful
  - c. Moderately useful
  - d. Slightly useful
  - e. Not useful at all
  - f. Don't know
32. Why do you find this disclosure statement [extremely/very/moderately/slightly/not] useful?
33.  How likely would you be to call the toll-free number listed in the disclosure statement?
- a. Not likely
  - b. Somewhat likely
  - c. Very likely

Section V: Disclosure Statement 3

34. Ok, now we are going to move onto a third sample disclosure statement. Words that appear in brackets represent information that would be customized based on your credit card. The next few questions I'm going to ask you refer to this disclosure statement. Please take a moment and read it to yourself and let me know when you are ready.

*Hand respondent Disclosure statement 3.*

Minimum Payment Warning: Making only the minimum payment will increase the amount of interest paid and the length of time to repay the outstanding balance.

For example, your balance of [*Starting Balance*] will take [*Months*] to pay off at a total cost of [*Value in Dollars*] in principal and [*Value in Dollars*] in interest if only the minimum monthly payments were made. This information is based on an annual percentage rate of [*Your Interest Rate*], and a minimum payment of [*Percentage*] or the [*Minimum Dollar Amount Set by the Bank*], whichever is greater.

To pay off your balance in 3 years, you would need to pay [*Monthly Amount in Dollars*] monthly.

In your own words, can you explain to me what this disclosure statement is telling you?

35.  How easy or difficult is this disclosure statement for you to follow and understand?

- a. Very easy
- b. Somewhat easy
- c. Neither hard nor easy
- d. Somewhat hard
- e. Very hard
- f. Don't know

36.  Are there parts of this disclosure statement that are confusing to you?





- a. Yes (go to question #37)
- b. No (go to question #38)

37. What parts of the disclosure statement are confusing to you?



38.  How influential do you feel this disclosure statement is in making you want to increase the amount you pay each monthly billing cycle on your credit card?
- Extremely influential
  - Very influential
  - Moderately influential
  - Slightly influential
  - Not influential at all
  - Don't know
39.  How helpful do you feel this disclosure statement is in helping your understanding of the consequences of making only the minimum payment? Is it:
- Extremely helpful
  - Very helpful
  - Moderately helpful
  - Slightly helpful
  - Not helpful at all
  - Don't know
40.  Keeping in mind how you repay your credit card bills, how useful to you is the information provided in this disclosure statement?
- Extremely useful
  - Very useful
  - Moderately useful
  - Slightly useful
  - Not useful at all
  - Don't know
41. Why do you find this disclosure statement [extremely/very/moderately/slightly/not] useful?
42.  If your credit card company offered to provide you with this information for a nominal fee, how likely would you be to obtain it?
- Not likely
  - Somewhat likely
  - Very likely

Section VI: Comparison of the three disclosure statements

43.  My next few questions ask you to compare the 3 disclosure statements I've given you. Would you prefer to receive one of these three disclosure statements on your monthly billing statement or none of these disclosure statements on your monthly billing statement?  
[\[Go back to Disclosure 1\]](#) [\[Go back to Disclosure 2\]](#) [\[Go back to Disclosure 3\]](#)
- a. One of the 3 disclosure statements (go to question #44)
  - b. None of the disclosure statements (go to question #49)
44.  Which of the three disclosure statements would you prefer to receive?
- Disclosure statement 1
  - Disclosure statement 2
  - Disclosure statement 3
45. What are the reasons you would prefer disclosure statement [1/2/3]?
46.  How would you prefer to receive this information?
- a. Printed on your monthly billing statement (go to question #48)
  - b. Accessible through your credit card company's Web site (go to question #48)
  - c. By calling a toll-free telephone number (go to question #48)
  - d. Other (go to question #47)
47. What is the other method by which you would prefer to receive this information?
48. Why would you prefer to receive the information in this way? (go to question #50)
49. What are the reasons you would prefer not to receive one of these disclosure statements?
50.  Which of the 3 disclosure statements do you find most influential in potentially changing the amount you pay each monthly billing cycle on your credit card?
- a. Disclosure statement 1
  - b. Disclosure statement 2
  - c. Disclosure statement 3
  - d. All of the disclosure statements are equally influential
51. Why do you find [disclosure statement 1/2/3 more/equally] influential than the others?

52.  Which disclosure statement is most helpful to your understanding of the consequences of making only the minimum payment?
- Disclosure statement 1
  - Disclosure statement 2
  - Disclosure statement 3
  - All of the disclosure statements are equally helpful
53. Why do you find [disclosure statement 1/2/3 more/equally] helpful than the other?
54.  I'm now going to ask you a few questions that compare disclosure statements 2 and 3 and that require a bit of an introduction. Disclosure statement 2 uses a fixed dollar amount of \$1,000 to inform you of the length of time to pay off this credit card balance. This disclosure statement would appear the same on each billing statement provided to you by your credit card company. In contrast, disclosure statement 3 contains information that is specific to your account, such as your balance as of a point in time, and informs you of the length of time to pay off your balance and the interest you would pay if only minimum payments were made. Disclosure statement 3 is based on a number of assumptions. First, it assumes that you will make no additional purchases on this card. Second, it assumes that the APR, or interest rate, on your credit card will remain constant. If you are familiar with the nature of credit card products, you may know that many credit cards have what is called a variable APR, which means that the rate is subject to change for a number of reasons. Therefore, disclosure statement 3 provides you with a point-in-time estimate that will change if there is additional activity on your card, or if your APR changes. My next few questions are based on the information I just shared with you.
- Having been told this, how useful is disclosure statement 3 to you compared to disclosure statement 2? Would you say disclosure statement 3 is:
- Not as useful as the information provided in disclosure statement 2
  - Equally as useful as the information provided in disclosure statement 2
  - More useful than the information provided in disclosure statement 2
55. Why do you find disclosure statement 3 [not as/equally/more] useful than disclosure statement 2?
56.  Again, referring to what I told you about disclosure statements 2 and 3, does disclosure statement 3 help you understand the consequences of making only the minimum payment more than disclosure statement 2?
- Yes
  - No
57. What are the reasons for this answer?

Section VII: Options

58.  How frequently would you prefer to receive any of the 3 disclosure statements?

Would you choose to receive them:

- a. Monthly (go to question #60)
- b. Annually (go to question #60)
- c. Never (go to question #60)
- d. Other (go to question #59)

59. How frequently would you choose to receive them?

60.  Credit card companies are required by law to provide you with certain information on the front of your billing statement, such as your current balance, minimum payment amount, and your APR. Your credit card company has discretion to provide you with other pieces of information on the front of your billing statement. Some examples include, information on a rewards program you may belong to, or some promotions associated with your account. My next few questions are going to ask you what you would prefer to receive on the front of your billing statement.

On the front of your monthly billing statement, would you rather receive information such as that provided in disclosure statement 3 or information about your rewards program, including the status of your rewards account?

- a. Disclosure statement 3
- b. Reward information

61.  On the front of your monthly billing statement, would you rather receive information such as that provided in disclosure statement 3 or promotional information about new products or account features from your credit card company?

- a. Disclosure statement 3
- b. Promotional information

62.  There are Web sites on the Internet that enable you to enter information about your credit card balances and payment amounts to calculate the length of time it would take to repay your balance as well as the amount of interest you would pay. Were you aware of that?

- a. Yes
- b. No (go to question #66)

63.  Have you used them?

- a. Yes (go to question #64)
- b. No (go to question #65)

64. Could you explain the reasons why you have used them? (go to question #66)
65. Could you explain the reasons why you have not used them?
66. Can you think of other ways your credit card company could provide you with information on the cost of using credit cards that you would find useful?