

Consumer Comprehension of Financial Privacy Notices

A Report on the Results of the Quantitative Testing

Submitted to
Interagency Notice Project

Alan Levy, Ph.D.

Senior Scientist, Food and Drug Administration
US Department of Health and Human Services

Manoj Hastak, Ph.D.

Kogod School of Business
American University

December 15, 2008

About the Authors

Dr. Alan Levy is a Senior Scientist in the Office of Regulations and Policy at the Center for Food Safety and Applied Nutrition at the Food and Drug Administration (FDA). He has worked extensively on consumer behavior and communication issues related to food labeling, warnings, nutrition education, and food safety. He was awarded a Presidential Design Award for his research on the Nutrition Facts Panel required for most food products, and received the Thomas Kinnear award for best article in the *Journal of Public Policy and Marketing* 1997-2000 for his research on food product health claims. He has published widely and consulted internationally. He has advised and collaborated with numerous other Federal agencies including the Federal Trade Commission, Centers for Disease Control, United States Department of Agriculture, Department of Energy, Comptroller of the Currency, and the Securities and Exchange Commission. He received a Ph. D. in social psychology from Columbia University and taught at Duke University prior to coming to FDA.

Dr. Manoj Hastak is Associate Professor in the Department of Marketing at the Kogod School of Business, American University, in Washington, D.C. He has published extensively in the leading peer-reviewed marketing journals including the *Journal of Consumer Research*, *Journal of Public Policy & Marketing*, *Journal of Advertising*, *Journal of Business Research*, and *Psychology & Marketing*. He currently serves on the Editorial Review Board for the *Journal of Public Policy & Marketing* and was a member of the Editorial Review Board for *Psychology & Marketing* from 1994-1996. He co-chaired the Marketing and Public Policy Conference in 2007 and the annual conference for the Society for Consumer Psychology in 1999. He has served as a consultant on consumer information processing, advertising communication, deceptive advertising and labeling, and research methodology issues for a number of federal government agencies including the Federal Trade Commission, the U.S. Department of Justice, the Food and Drug Administration, the Department of Housing and Urban Development, and the Bureau of Alcohol, Tobacco, and Firearms.

Table of Contents

Overview	1
Methodology	2
The Test Notices	2
Testing Procedure	3
Key Measures	4
Secondary Measures.....	5
Results	7
Judgment Quality	7
Perceptual Accuracy	11
Scanning Ease and Communication Effectiveness	14
Privacy Notice Ratings and Attitudes toward Generic Information Sharing Practices	15
Summary of Results	16
Conclusion	17
Appendices	18

Overview

This report describes the results of the second phase of a research project focusing on privacy notices that financial institutions are required to provide their customers under the Gramm-Leach-Bliley Act (GLBA). The project goals were to better understand consumer comprehension of privacy notices and to assess the communication effectiveness of several competing notice formats. The project was co-sponsored by seven federal agencies: the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Securities and Exchange Commission (collectively "the Agencies"). In the first phase, the Agencies contracted with Kleimann Communication Group (KCG) to use qualitative research techniques to develop a prototype privacy notice that communicated with consumers in a clear and effective manner. Complete details of this phase of the project are available in the final report submitted by KCG to the Agencies (<http://www.ftc.gov/privacy/privacyinitiatives/ftcfinalreport060228.pdf>). As a second phase of the project, the Agencies contracted with Macro International (Macro) to conduct the data collection for the quantitative study with analysis completed by the authors. This report discusses the methodology and findings of the quantitative study. As consultants to the research project, the authors prepared this report at the request of the Agencies.

Methodology

The main objective of the second phase was to assess the effectiveness of the prototype notice developed by KCG against three alternative notices using a mall-intercept study methodology. These notices are described below and included in Appendix A. Specifically, the study sought to assess and compare the notices in terms of their ability to help consumers (a) compare banks' information collection and sharing practices, (b) evaluate available "opt-out" choices described in the notices, and (c) make informed and reasoned choices between banks.

The study used a mall-intercept design and was conducted using CAPI (Computer Assisted Personal Interview) methodology in shopping malls in five geographically diverse locations (Baltimore, MD; Dallas, TX; Detroit, MI; Los Angeles, CA; and Springfield, MA) during March and April 2008. Respondents were screened to ensure that they were 18 years of age or over, fluent in reading and speaking English, and not an employee of a bank or other financial institution. Respondents were interviewed individually at the survey facility within the shopping mall. The sample of 1032 respondents was 50.0% male and 50.0% female. The age distribution of the sample was as follows: 36.0% were 18–34, 40.0% were 35–54, and 24.0% were 55–74. Sample distribution on other variables (education, race/ethnicity, number of people in the household, household income) is available in the Macro Report available at http://www.ftc.gov/privacy/privacyinitiatives/financial_rule_inrp.html.

The Test Notices

As noted earlier, four different privacy notice styles were evaluated in the study: the KCG Table Notice, the KCG Prose Notice, the Current Notice, and the Sample Clause Notice.

- **KCG Table Notice.** This notice is a slightly revised version of the model form developed in the phase 1 qualitative testing and form development research conducted by KCG for the Agencies. One distinguishing feature of this notice is the use of a table on page one to present three basic pieces of information: (1) the types of sharing engaged in by financial institutions; (2) for each type of sharing, whether a particular institution shares personal information; and (3) whether the institution offers the consumer an opportunity to opt out or limit such sharing. It is further distinguished by listing all options in a standard format so that consumers can see all possible ways of sharing as well as the specific practices of the individual financial institution.
- **KCG Prose Notice.** This notice is the prose version of the model form developed in the phase one qualitative testing and form development research. This notice differs from the KCG Table

notice only in that it replaces the table on page one with a bulleted list that describes the information contained in the table.

- **Current Notice.** This notice is a composite notice that is generally representative of notices currently provided by financial institutions to consumers. Distinguishing features of this notice include a strong opening statement assuring consumers that the bank secures and protects consumers' personal information; a “highlights” or summary of the bank’s policy; details of only the information the bank collects and shares; and a section, as applicable, on the consumer’s choices for opting out or limiting some sharing for that particular bank.
- **Sample Clause Notice.** This notice is comprised solely of the Sample Clauses that appear in the Appendix to the Agencies' regulations implementing the GLBA requirements. These Sample Clauses, which have been used extensively by financial institutions in their notices, were originally provided by the Agencies to demonstrate the level of detail sufficient to satisfy the disclosure requirements of the GLBA. The Sample Clauses provide only the specific information that relates to the individual financial institution.

Privacy notices for three fictitious banks—Mars, Mercury, and Neptune—were created for each of the four notice types. These three bank notices were identical except for the following:

- Their level of sharing (Mars shared the least, Neptune shared the most).
- Number of opt-out choices (Mars offered none, Neptune offered the most opt-outs).
- Level of sharing assuming a customer had exercised all possible opt-out choices (Mars shared the least, Neptune shared the most).

In sum, a total of 12 privacy notices—three each for the four notice styles—were created for the study. Each notice was printed in a double-sided format on 8 ½ x 11 size paper. The notices are in Appendix A.

Testing Procedure

Respondents were randomly assigned to see one of the four notice styles. Each respondent looked at notices for only one notice style so no comparative information across notice styles was collected. Each one-on-one interview was conducted in four segments using the same questionnaire and the entire interview took 15–20 minutes. See Appendix B for the text of the questionnaire.

- During segment one, respondents were shown notices for two of the three banks (Mars, Mercury, or Neptune) (“first pair”) and were asked to read through the notices. Respondents were then asked a series of open- and closed-ended questions about the first pair of notices. The questions were designed to assess (a) which bank respondents would choose as their bank and why, (b) perceptions about the information collection and sharing practices of the two banks, and (c) perceptions about the opt-out choices (if any) provided by the two banks. Respondents had the two bank notices in front of them while they responded to these questions.

- During segment two, one of the two bank notices was removed and replaced by the notice for the third bank (“second pair”), and all of the questions from segment one were repeated for the second pair of notices.¹
- During segment three, one of the two remaining notices was removed, and respondents were asked about information provided by the bank notice that respondents still had in front of them about how to contact the bank to limit or to opt out of the sharing of information.
- During segment four, respondents were asked (a) to rate the ease of reading and understanding of all the notices they had seen; (b) general attitudes about banks sharing their personal information; and (c) demographic questions.

Key Measures

Measures of how effectively the notices communicated information were obtained during segments one and two of the interview. Two types of measures of effective communication were obtained: (1) judgment quality and (2) perceptual accuracy.

Judgment Quality. After each presentation of a pair of notices (first pair and second pair), the respondents identified one of the two banks as the bank they preferred based solely on the notice content. Judgment quality focused on the extent to which the respondents could provide logical, defensible reasons for their choice regardless of whether they chose the bank that shared more or less of their personal information. Responses to Q13 and Q16 (for the first pair of notices) and to Q24 and 27 (for the second pair) were used to develop measures of judgment quality. Details are provided in the next section on “Results.”

The text for the judgment quality questions was as follows:

Q. 13/24 I want you to assume that these two banks are offering you identical products, services, and interest rates. Based on what you see in the notices, which one would you select to be your bank?

Q. 16/27 Why do you prefer the bank that you chose? (*verbatim response recorded*)

Perceptual Accuracy. Perceptual accuracy measures focused on the ability of respondents to accurately recognize differences between the banks in information collection and sharing practices, in offered opt-out choices, and in sharing levels after opt-out choices had been exercised. Responses to Q17 through Q20 for the first pair of notices and to Q28 through Q31 for the second pair were used to develop measures of perceptual accuracy.

¹ The sequence and repetition of the notices were rotated among the participants.

The text for perceptual accuracy measures was as follows:

- Q. 17/28* Does one of these banks collect more personal information about you than the other bank, or do they both collect the same amount of personal information?
- Q. 18/29* Does one of these banks share personal information with others more than the other bank, or do they both share your personal information equally?
- Q. 19/30* Which of these two banks gives you the opportunity to limit or to opt out of the sharing of your personal information?
- Q. 20/31* Assume you have limited or opted out of all the possible sharing that you can for both banks. Once you have done this, would one of these banks share your personal information more than the other bank, or would they both share your personal information equally?

Secondary Measures

In addition to the two communication effectiveness measures obtained in a realistic choice context in segment one and segment two of the interview, we also included other measures. These measures assessed whether respondents could find specific information in a notice, their opinions about the notices they saw, and their attitudes about certain generic bank information sharing practices.

In segment three of the interview, respondents looked at a single privacy notice and answered a question about what that notice said about how to contact the bank if they wanted to exercise an opt-out. The text for this question was as follows:

- Q. 32* Does this notice say how you could tell the Bank that you want to limit or opt out of the sharing of your information?

If the respondent said yes to Q32, the interviewer asked an additional question. The text for Q33 was as follows:

- Q. 33* According to this notice, how could you tell the Bank that you want to limit or opt out of the sharing of your information?

To answer this question, respondents had to scan the notice to identify what specific options were mentioned. They could provide more than one answer, but they received no prompts about possible answers. The pre-coded response categories were:

- Call the bank at the number listed.
- Go online to the bank's website.
- Write to the bank.
- I don't know.
- The Bank does not offer any way to limit or opt out of sharing.
- Other.

In segment four of the interview, we included several agree/disagree questions scored on a five-point scale that asked respondents to rate the privacy notices they saw and express their attitudes toward certain aspects of information sharing by banks in general.

The text for privacy notice ratings was as follows:

- Q. 35a* The notices were easy to read and understand.
- Q. 35b* The notices made it easy to compare the sharing practices of the different banks.
- Q. 35c* It was easy to find the information I needed for most questions.

The text for attitudes toward information sharing was as follows:

- Q. 36a* Most banks share their customers' personal information in very similar ways.
- Q. 36b* I like banks to share my personal information with nonaffiliates—that is, other companies that are not a part of the bank—because then these companies can offer me additional products and services that I might want or need.
- Q. 36c* I like banks to share my personal information with affiliates—that is, other companies that are a part of the bank—because then these companies can offer me additional products and services that I might want or need.

Results

Judgment Quality

To assess judgment quality, we looked at the cogency and relevance of reasons provided by respondents for their expressed choice using the following taxonomy. In the taxonomy, we define the category and provide a shorthand way to refer to it as a parenthetical comment.

- A true statement about the relative sharing characteristics of the two banks when choosing the lower sharing bank. [**True low-sharing**]
- A true statement about which bank offered more opt-outs as a reason to choose the higher sharing bank. [**True opt-out**]
- A statement about the relative characteristics of the chosen bank that was not based on anything in the privacy notice (e.g., Bank X offers lower interest rates). [**Invented**]
- An opinion about the privacy notice with no relationship to bank sharing characteristics (e.g., I thought Bank X privacy notice was clearer) [**Notice**]
- A false statement about the relative sharing characteristics of the two banks (e.g., I chose Bank X (the higher sharing bank) because it shares less than Bank Y. [**False-sharing**]
- A false statement about which bank offers more opt-outs. [**False opt-out**]
- No preference expressed. [**No Pref**]

The original codes for the verbatims and the recoding scheme used to reduce verbatims into the six categories above are contained in Appendix C.

The first two categories listed above (**True low-sharing** and **True opt-out**) represent reasons that are cogent and well-reasoned. Reasons are cogent and well-reasoned when they are based on facts that are logically related to the respondent's choice. In the study, some respondents chose the lower-sharing bank and gave reasons for their choice that were related to this difference in sharing between the choices (**True low-sharing**), while other respondents chose the high sharing bank and gave reasons related to the greater number of opt-outs provided by the bank (**True opt-out**). By giving cogent and well-reasoned reasons, respondents indicate more comprehension of the differences between the two banks than if they give reasons not based on anything in the notice at all (**Invented**), or give reasons based on subjective reactions to the notice rather than on actual bank practices (**Notice**) or give factually incorrect reasons (**False-sharing** and **False opt-out**).

It is important to note, however, that although the first two of our six categories of reasons (*True low-sharing* and *True opt-out*) represent cogent reasons, only the first category (*True low-sharing*) unambiguously represents reasons that are consistent with the respondent's underlying values or preferences and hence a positive indicator of judgment quality. Respondents who gave reasons in this category chose a low sharing bank and gave reasons indicating that they preferred the bank that shared less or not at all. By contrast, it is not clear that the second category of reasons (*True opt-out*) unambiguously represents reasons that are consistent with the respondent's underlying values. In the study, higher sharing banks always offer more opt-outs than lower sharing banks, and higher sharing banks engage in more sharing of personal information even when all opt-outs are exercised. As a consequence, it is not clear whether respondents who chose the higher sharing bank that offered more opt-outs and gave the greater number of opt-outs as the reason for their choice understood that their chosen bank would share more even after the opt-outs had been exercised. Those respondents who understood this and were consciously choosing a higher sharing bank were indeed giving reasons consistent with their underlying values. However, those respondents who comprehended the notice at only a shallow level and incorrectly assumed that choosing a bank with more opt-outs also would mean a choice of a lower-sharing bank ended up with a choice inconsistent with their true values or preferences. Later, we present some analyses to indirectly assess whether or not respondents who gave reasons in this second category (*True opt-out*) were choosing based on their underlying values.

Table 1 and Table 2 present the distribution of reasons generated by each of the notice styles for the first and second pairs of notices.

Table 1. Distribution of Expressed Reasons for Choice (first pair) by Notice Style

Notice Style	True low-sharing	True opt-out	Invented	Notice	False-sharing	False opt-out	No Preference
KCG Table Notice	40.6%A ¹	5.1%C	16.5%AB	10.2%A	3.5%A	4.3%B	18.9%AB ²
KCG Prose Notice	21.1%B	10.7%AB	22.6%B	15.7%B	3.8%A	3.8%B	21.1%AB
Current Notice	12.0%C	7.8%BC	29.8%C	16.7%B	2.3%A	1.2%AB	24.8%B
Sample Clause Notice	25.9%B	12.7%A	15.1%A	24.7%C	4.2%A	0.8%A	15.1%A

¹ Cells within a column which do not share the same letter are significantly different from one another, $P < .05$.

² Percentages across a row may not sum to 100% because some respondents gave no reason for their choice or a reason that was coded "other."

Table 2. Distribution of Expressed Reasons for Choice (second pair) by Notice Style

Notice Style	True low-sharing	True opt-out	Invented	Notice	False-sharing	False opt-out	No Preference
KCG Table Notice	37.0%A ¹	8.3%A	13.4%A	3.2A	3.5%A	7.5%B	17.7%B ²
KCG Prose Notice	24.9%B	11.1%A	16.1%A	9.6%B	2.7%A	5.8%AB	25.7%C
Current Notice	10.9%C	12.8%A	25.2%B	16.3%C	5.0%A	3.1%A	23.3%BC
Sample Clause Notice	26.6%B	13.3%A	15.1%A	18.2%C	2.3%A	2.7%A	13.1%A

¹ Cells within a column which do not share the same letter are significantly different from one another, $P < .05$.

² Percentages across a row may not sum to 100% because some respondents gave no reason for their choice or a reason that was coded "other."

Table 1 and Table 2 show a similar pattern of reasons given for the expressed choices for both the first and second pair of notices.²

Respondents who saw the KCG Table Notice were significantly more likely than respondents who saw other notice styles to give correct fact-based reasons for choosing the lower sharing bank (**True low-sharing**). They were also significantly less likely than respondents who saw other notice styles to give reasons based on subjective evaluations of the notice rather than on bank sharing practices (**Notice**). Overall, the KCG Table Notice seemed to encourage respondents to give more cogent and sharing-relevant reasons for their choices than any other notice style.

In contrast, respondents who saw the Current Notice were significantly more likely than respondents who saw other notice styles to give reasons not based on any information in the notice (**Invented**), and they were also significantly less likely than respondents who saw other notice styles to give correct fact-based reasons for choosing the lower sharing bank (**True low-sharing**). The Current

² While some respondents gave reasons based on differences in the notices, all respondents saw three notices in the same notice style. They did not make comparisons across different notice styles.

Notice produced about the same number of reasons as the other notice styles based on offered opt-outs (**True opt-out**), but overall, it produced fewer well-reasoned reasons than any other notice style.

Respondents who saw the Sample Clause Notice compared with other notice styles gave significantly more reasons based on subjective evaluations of the notice (**Notice**) rather than on actual bank practices. The Sample Clause Notice performed about as well as the KCG Prose Notice, but significantly less well than the KCG Table Notice in terms of producing correct fact-based reasons for choosing the low sharing bank (**True low-sharing**). The Sample Clause Notice also produced more, though not always significantly more, True opt-out reasons than other notice styles—particularly the KCG Table Notice. As we indicated earlier however, while the True opt-out category represents cogent reasons for choice, it may not represent reasons that are consistent with the respondent's values or preferences regarding sharing. By design (to ensure that there was a correct answer to Q20 and Q31), higher sharing banks in the study always offered more opt-outs than lower sharing banks, and higher sharing banks engaged in more sharing even when all opt-outs were exercised. As a consequence, respondents who chose a higher sharing bank because they believed that a bank that offered more opt-outs engaged in less sharing may have ended up with a choice inconsistent with their true values or preferences regarding sharing. Only those respondents who understood that the higher sharing bank would share more even after the opt-outs had been exercised and chose it anyway because they valued having the opt-outs could be considered to have a good comprehension of the choice situation.

To evaluate the possibility that respondents who gave True opt-out reasons may be confusing banks that offer more opt-outs with banks that share less, we examined their answers to a subsequent question asking them to rate (on a five-point scale) how favorable or unfavorable they were to the idea of banks sharing their information with nonaffiliates. We compared the percentage of respondents who said they favored information-sharing with nonaffiliates (i.e., who gave a rating of "4" or "5" on Q36b) between two groups—respondents who chose a higher sharing bank and gave the availability of opt-outs as the reason for their choice (i.e., a True opt-out reason—group 1) and respondents who chose a higher sharing bank and gave other (non opt-out related) reasons or no reasons for their choice (group 2). If group 1 respondents who give availability of opt-outs as a reason for their choice truly understand and are comfortable with the fact that they are choosing a higher sharing bank, then more of them (compared with group 2 respondents) would indicate a favorable attitude toward sharing on Q36b. However, if group 1 respondents choose a bank with more opt-outs because they mistakenly assume that this will result in choosing a lower sharing bank, then fewer of them would indicate a favorable attitude towards sharing on Q36b. The data show that the percentage of respondents in group 1 with a favorable attitude toward sharing is significantly lower than the corresponding percentage for group 2 (17.06% versus 31.88%). Indeed, the percentage for group 1 is comparable to the corresponding percentage for respondents who chose a lower sharing bank (19.65%). These results strongly suggest that respondents who gave availability of opt-outs as a reason for their choice may have mistakenly believed that this would lead them to choosing a lower sharing bank.

Overall, the results reported in Tables 1 and 2 indicate that the KCG Table Notice outperformed the other notices on measures that accurately captured judgment quality. The magnitude of differences between privacy notice styles demonstrated in Table 1 and Table 2 is quite large. The difference between the KCG Table Notice and the Current Notice is particularly instructive. Only one in eight respondents who were shown a Current Notice articulated a rationally sufficient basis for choosing the lower sharing bank while four in ten respondents shown the KCG Table Notice did so. The KCG Table Notice also performed much better than the KCG Prose Notice, which performed about as well as the Sample Clause Notice. It is noteworthy that a format change like providing a table can produce such a large improvement in understanding.

Perceptual Accuracy

As noted above, four factual questions (Q17/Q28, Q18/Q29, Q19/Q30, and Q20/Q31) were used to measure how well a privacy notice enables correct perception of institutional practices. Because factual questions allow for “don’t know” or “can’t tell” answers, and to correct for guessing, answers are scored as “right” = 1, “wrong” = -1 and “DK/Can’t tell” = 0.

For ease of presentation, response scores for the first and second pairs of notices were combined to create a summary accuracy score. A score of 2 indicates 100% correct responses; a score of 1 indicates 75% correct and 25% incorrect responses; a score less than 0 indicates more incorrect than correct responses.

Table 3. Perceptual Accuracy Scores by Notice Style

Notice Style	Sharing (Q18,Q29)	Collect (Q17,Q28)	Opt-Out (Q19,Q30)	AfterOptOut (Q20,Q31)
	Score	Score	Score	Score
KCG Table Notice	1.0a ¹	1.1a	-0.1c	-0.1a
KCG Prose Notice	0.6b	1.1a	0.0c	-0.6b
Current Notice	0.3c	0.6b	0.3b	-1.0c
Sample Clause Notice	0.9ab	0.9a	0.9a	-0.5b
Overall Mean	0.7	0.9	0.3	-0.6

¹ Cells within a column which do not share the same letter are significantly different from one another, $P < .05$.

Each perceptual accuracy question requires a different level of discrimination, some more difficult than others. Overall accuracy scores in Table 3 indicate the relative difficulty of the questions. The AfterOptOut question was significantly more difficult because, unlike other questions, to answer it correctly required a higher level of information processing, in which the respondent had to extract several pieces of information from the notice and analyze the likely outcome of opting out.

Table 3 shows a consistent ordering of perceptual accuracy across the 4 notice styles for Sharing and Collect (two of the simpler questions) and AfterOptOut (the more difficult question). The KCG Table Notice performed best, followed by the KCG Prose Notice and the Sample Clause Notice, with the Current Notice always being the worst. The KCG Table Notice was significantly better than the Current Notice on these three measures, significantly better than the KCG Prose Notice on two of the three measures, and significantly better than the Sample Clause Notice on one of the three measures. Significantly, the KCG Table Notice outperformed all other notices on the most difficult task—AfterOptOut.

The anomaly in Table 3 occurs in the responses to the Opt-Out question, “Which of these two banks gives you the opportunity to limit or to opt out of the sharing of your personal information?” For this question, we see a completely different pattern of results across the privacy notice styles, such that the KCG Table Notice and the KCG Prose Notice were significantly worse than the Current Notice and the Sample Clause Notice. Some hypothesis for the source of the aberrant results on the Opt-Out question seems required.

The mistake made in response to the Opt-Out question was almost always with respect to Mars Bank, which offered no opt-outs because it engaged in relatively little information sharing. Some respondents, particularly those who saw the KCG Table and KCG Prose notices, answered either that “Mars Bank” provided the opportunity to limit or opt out of sharing personal information or that “Both banks” provided the opportunity to limit or opt out of sharing where one of the banks they saw was Mars Bank.

The wording of the Opt-Out question used the construction “opportunity to limit or opt out” to describe what options a consumer has to limit or stop certain information sharing once one has **started** to do business with a bank. The “limit or opt out” construction, however, may have created a temporal ambiguity for respondents, especially in the context of a study where the main task was to **select** a new bank to serve as your bank. Specifically, the question was intended to be interpreted as

“which bank lets me stop sharing my information once I am a customer and am doing business with this bank?” However, the question could also be taken to mean, “Which bank shares less as a policy when I am choosing between them?” If the Opt-Out question is understood in this latter sense, it may explain why some respondents considered Mars bank to offer an “opportunity to limit or opt out” just like Mercury or Neptune banks that explicitly offered opt-outs.

To further examine this issue, we re-examined the factual mistakes reported in Table 1 and Table 2 made by respondents when they explained why they preferred one bank over another. Table 4 shows the incidence by privacy notice style of the two kinds of factual mistakes combined for the first pair and the second pair.

Table 4. Factually Mistaken Reasons for Choice by Notice Style

Notice Style	False Sharing %	False Opt-Out %
KCG Table Notice	3.5a ¹	5.9a
KCG Prose Notice	3.3a	4.8a
Current Notice	3.7a	2.1b
Sample Clause Notice	3.3a	1.8b

¹ Cells within a column which do not share the same letter are significantly different from one another, $P < .05$.

Table 4 indicates that factually mistaken reasons were fairly rare, but that notice style has a significant effect on the likelihood of one kind of mistake. Respondents who saw the KCG Table or KCG Prose notices were almost three times more likely than respondents who saw the Current Notice or Sample Clause Notice to make a False Opt-Out mistake, but they were no more likely to make a False Sharing mistake. A False Opt-Out mistake means respondents chose a lower sharing bank that typically shared relatively little information and did not offer any opt-out because the respondents said this bank offered them more opt-outs than the higher sharing bank. Such a mistake is consistent with thinking that “opt-out” applies at the time of choosing a bank rather than after one is doing business with that bank. For such a mistake to occur significantly more often when respondents see either the KCG Table or KCG Prose notices suggests the mistaken temporal reference is more likely when respondents see these notices.

A likely reason for this mistake pattern is that neither the KCG Table Notice nor the KCG Prose Notice mentions the term “opt-out” in the body of the notice so there is no opportunity in reading these notices to clarify the temporal reference of the opt-out concept (i.e., there is ambiguity about when the “opt-out” applies). On the other hand, since the Current Notice and the Sample Clause Notice explicitly use the term “opt-out” with no temporal ambiguity (i.e., it is clear that “opt-out” applies after one begins business with the bank), there is minimal confusion on the part of the respondents when they read the notices.

Additional evidence for a weak understanding of the term “opt-out” that might lead to a mistaken reading of the Opt-Out question came from regressions we ran to assess the effects of education on each of the four perceptual accuracy measures. The education variable produced a significant effect only on responses to the opt-out measure such that more educated respondents were more likely to give a correct response. This result suggests that many respondents may have a weak understanding

of the term “opt-out” which is entirely plausible given how little consumers know about the rules governing sharing of personal information by financial institutions. The results of the regression analyses are presented in Appendix D.

Scanning Ease and Communication Effectiveness

In the third segment of the interview, respondents were asked to identify from reading the notice which contact modes were mentioned in the notice as ways to reach the bank to ask to limit or opt out of some of that bank’s sharing.

Table 5 presents the results for the percent of respondents who correctly identified the two contact modes listed in each notice: call the bank or go to the website. Respondents who saw the Sample Clause Notice were significantly more likely to correctly identify the two listed contact modes than respondents who saw the KCG Table, KCG Prose, or Current notices.

Table 5. Percent of Respondents Who Correctly Identified Contact Modes by Notice Style

Notice Style	Call the bank %	Go to the website %	Overall %
KCG Table Notice	66.9b ¹	49.6b	58.2b
KCG Prose Notice	66.3b	52.5b	59.4b
Current Notice	72.5b	54.3b	63.4b
Sample Clause Notice	84.2a	68.3a	76.3a

¹ Cells within a column which do not share the same letter are significantly different from one another, P < .05.

This result calls attention to an important feature of the four notice styles, namely that they vary greatly in terms of length. Length may have an effect on reading ease, scannability, and whether the document will actually be read. Table 6 presents the privacy notice length (in inches) by the three kinds of banks (Mars, Mercury and Neptune) and notice style.

Table 6. Privacy Notice Length (in inches) by Bank and Notice Style

Notice Style	Mars Bank	Mercury Bank	Neptune Bank
KCG Table Notice	15.5	18.8	19.5
KCG Prose Notice	15.3	19.3	20.0
Current Notice	9.3	16.3	17.5
Sample Clause Notice	4.8	6.5	9.8

The Sample Clause Notice is much shorter (generally less than half as long) than any of the other notice styles. Given the nature of questions about contact modes, respondents had to essentially scan the notice in front of them to find the correct answer. Obviously, it was much easier to scan the shorter notices which might explain why the Sample Clause Notice performed best on this kind of question.

In the study, respondents always had the privacy notices in front of them when answering questions, even during the choice task given in the first two interview segments. Respondents could skim notices in front of them to find an answer to any given question and notice length was an obvious and important determinant of how easy and quick it was to scan a notice. The shortness of the Sample Clause Notice might have made it easier for respondents to find answers by skimming the notice, accounting for its relatively good performance on the relatively easy perceptual accuracy measures.

While scanning ease is important, effective communication should not be equated with how easy it is to skim a notice. Communication effectiveness implies improved judgment as well as scanning ease. The pattern of results from judgment quality and perceptual accuracy measures shows that the KCG Table Notice consistently outperforms all other styles. While the Sample Clause Notice is the second best performing format, its better performance is with the simpler perceptual accuracy questions.

Privacy Notice Ratings and Attitudes toward Generic Information Sharing Practices

As noted earlier, we assessed respondent attitudes towards banks sharing their personal information by having them agree/disagree (five-point scale) to three statements (Q36a, Q36b, and Q36c) in the last segment of the interview. The intent was to see if these attitudes were influenced or biased by the notice style that respondents were exposed to during the interviews. Table 7 shows the effects of notice style on the five-point scale responses to these three questions:

Table 7. Ratings on Attitudinal Questions by Notice Style (1=strongly disagree, 5=strongly agree)

Notice Style	Q36a	Q36b	Q36c
KCG Table Notice	3.87	2.23	2.69
KCG Prose Notice	3.91	2.39	2.74
Current Notice	3.97	2.28	2.73
Sample Clause Notice	3.85	2.25	2.67

The results show that respondents generally believe that banks share their information in similar ways (Q36a) and do not seem to like their information being shared with nonaffiliates (Q36b) or affiliates (Q36c). Importantly, there are virtually no differences in responses to these questions across the four notice styles. This shows that while notice style significantly influenced measures of perceptual accuracy and judgment quality, it had no effect on respondent attitudes towards banks' sharing practices.

Respondents also rated the notices they had seen on clarity and ease of use (Q35a, Q35b and Q35c) in the final interview segment. Respondents were generally positive about all notices. There were no differences in ratings of privacy notices by notice style.

Summary of Results

The results demonstrate a relative performance advantage of the KCG Table Notice over the other notices tested in this study. Even in comparison with the Sample Clause notice, the KCG Table notice shows a performance superiority for harder tasks that require complex comprehension, such as giving logically sufficient reasons for choice (Judgment Quality), or deciding how much information sharing is being done once opt-outs are exercised (AfterOptOut). On the other hand, the shorter Sample Clause Notice performs better on simpler tasks and actually performs better than the KCG Table Notice on the one task based on skimming the notice for the right answer (Contact Mode). The argument for well-designed notices that help consumers understand and apply the information in the notice to practically important tasks is strengthened by these results, but the results also demonstrate the value of short notices that are easy to scan.

Conclusion

The following conclusions can be drawn from this study:

1. The KCG Table Notice significantly outperformed other notice styles on measures of judgment quality as well as one measure of perceptual accuracy, the most difficult measure.
2. The Current Notice performed least well on measures of judgment quality as well as on perceptual accuracy measures.
3. The Sample Clause Notice performed relatively well on simple measures of perceptual accuracy, but not as well on more difficult perceptual tasks.
4. The KCG Table Notice and KCG Prose Notice performed poorly on a question about whether one or both banks they saw offered an opt-out. In this case, however, other evidence suggests that the result is explained by a temporal ambiguity in the phrasing of the question which was not corrected when respondents read either the KCG Table Notice or KCG Prose Notice, but was corrected when they read the Current Notice or Sample Clause Notice.

Overall, the testing indicates that the KCG Table Notice rates the highest on a diverse set of communication effectiveness measures.

The key feature responsible for improved performance in the KCG Table Notice seems to be the table that listed the several possible kinds of information sharing that can take place and identifies the ones engaged in by the particular institution. By providing a fuller context for the disclosure of information sharing characteristics by a particular institution, the part-to-whole display approach seems to help consumers focus on information sharing as important and differentiating features of financial institutions. The fact that comprehension is a precondition for differentiation is much noted in cognitive science. The relatively poor performance of the other styles, even when the same information is provided in text form, can be attributed to lower levels of comprehension, leading to information sharing characteristics being seen as less distinctive features of financial institutions. Because consumers have little prior knowledge and experience with information sharing characteristics of financial institutions, they will find it more difficult to understand privacy notice information unless they are provided with more context than is presented in current notices.

Appendices

Appendix A: Test Notices

Appendix B: Interview Protocol

Appendix C: Verbatim Codes and Taxonomy Scheme

Appendix D: Education Analysis

Appendix A: Test Notices

F A C T S

WHAT DOES MARS BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

When you are no longer our customer, we continue to share information about you as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business—such as to process transactions, maintain customer accounts, respond to court orders and legal investigations, and report to credit bureaus. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Mars Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Mars Bank share?	Can you limit this sharing?
For our everyday business purposes— to process your transactions, maintain your account, and report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Contact Us

Call 1-800-898-9696 or go to www.marsbankco.com/privacy

F A C T S

WHAT DOES MARS BANK DO WITH YOUR PERSONAL INFORMATION?

Who we are

Who is providing this notice?

Mars Bank is providing this notice to our customers.

Sharing practices

How often does Mars Bank notify me about its practices?

We must notify you about our sharing practices when you open an account and each year while you are a customer.

How does Mars Bank protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Mars Bank collect my personal information?

We collect your personal information, for example, when you

- open an account or deposit money
- pay your bills or apply for a loan
- use your credit or debit card

We also collect your personal information from others, such as credit bureaus or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- ***Mars Bank has no affiliates.***

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- ***Mars Bank does not share with nonaffiliates so they can market to you.***

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- ***Mars Bank doesn't jointly market.***

F A C T S

WHAT DOES MERCURY BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

When you are no longer our customer, we continue to share information about you as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business—such as to process transactions, maintain customer accounts, respond to court orders and legal investigations, and report to credit bureaus. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Mercury Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Mercury Bank share?	Can you limit this sharing?
For our everyday business purposes— to process your transactions, maintain your account, and report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	Yes	Yes (Check your choice, p.3)
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Contact Us

Call 1-800-631-8844 or go to www.mercurybankco.com/privacy

WHAT DOES MERCURY BANK DO WITH YOUR PERSONAL INFORMATION?

Who we are

<p>Who is providing this notice?</p>	<p>Mercury Bank is providing this notice for itself and for its affiliates, Mercury Investment, Sun Insurance, and Moon Marketing Agency.</p>
---	---

Sharing practices

<p>How often does Mercury Bank notify me about its practices?</p>	<p>We must notify you about our sharing practices when you open an account and each year while you are a customer.</p>
<p>How does Mercury Bank protect my personal information?</p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p>
<p>How does Mercury Bank collect my personal information?</p>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ pay your bills or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<p>Why can't I limit all sharing?</p>	<p>Federal law gives you the right to limit</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

<p>Affiliates</p>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies with a Mercury name; financial companies, such as Sun Insurance; and nonfinancial companies, such as Moon Marketing Agency.</i>
<p>Nonaffiliates</p>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Mercury Bank does not share with nonaffiliates so they can market to you.</i>
<p>Joint marketing</p>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Mercury Bank doesn't jointly market.</i>

F A C T S

WHAT DOES MERCURY BANK DO WITH YOUR PERSONAL INFORMATION?

If you want to limit our sharing

Contact us

By telephone: 1-800-631-7654 — our menu will prompt you through your choices

On the web: www.mercurybankco.com/privacy

If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice to you. However, you can contact us at any time to limit our sharing.

Check your choice

Your choice will apply to everyone on your account.

Check if you want to limit: *(See page 1)*

- Do not share information about my creditworthiness with your affiliates for their everyday business purposes.

F A C T S

WHAT DOES NEPTUNE BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

When you are no longer our customer, we continue to share information about you as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business—such as to process transactions, maintain customer accounts, respond to court orders and legal investigations, and report to credit bureaus. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Neptune Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Neptune Bank share?	Can you limit this sharing?
For our everyday business purposes— to process your transactions, maintain your account, and report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	Yes	Yes (Check your choices, p.3)
For our affiliates to market to you	Yes	Yes (Check your choices, p.3)
For nonaffiliates to market to you	Yes	Yes (Check your choices, p.3)

Contact Us

Call 1-800-543-2828 or go to www.neptunebankco.com/privacy

WHAT DOES NEPTUNE BANK DO WITH YOUR PERSONAL INFORMATION?

Who we are

Who is providing this notice?	Neptune Bank is providing this notice for itself and for its affiliates, Neptune Mortgage Company, Orion Insurance, and Saturn Marketing Agency.
--------------------------------------	--

Sharing practices

How often does Neptune Bank notify me about its practices?	We must notify you about our sharing practices when you open an account and each year while you are a customer.
How does Neptune Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Neptune Bank collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ pay your bills or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies with a Neptune name; financial companies, such as Orion Insurance; and nonfinancial companies, such as Saturn Marketing Agency.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Nonaffiliates we share with can include mortgage companies, insurance companies, direct marketing companies, and nonprofit organizations.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Our joint marketing partners include credit card companies.</i>

F A C T S

WHAT DOES NEPTUNE BANK DO WITH YOUR PERSONAL INFORMATION?

If you want to limit our sharing

Contact us

By telephone: 1-800-543-7879 — our menu will prompt you through your choices
On the web: www.neptunebankco.com/privacy

If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice to you. However, you can contact us at any time to limit our sharing.

Check your choices

Your choices will apply to everyone on your account.

Check any/all you want to limit: *(See page 1)*

- Do not share information about my creditworthiness with your affiliates for their everyday business purposes.
- Do not allow your affiliates to use my personal information to market to me. *(After 5 years, I can renew my choice when you send me a renewal notice.)*
- Do not share my personal information with nonaffiliates to market their products and services to me.

F A C T S

WHAT DOES MARS BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

When you are no longer our customer, we continue to share information about you as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business—such as to process transactions, maintain customer accounts, respond to court orders and legal investigations, and report to credit bureaus. In the section below, we list how financial companies can share their customers' personal information; how Mars Bank chooses to share; and whether you can limit this sharing.

Can you limit?

You **cannot limit** our sharing for:

- our everyday business purposes
- our marketing purposes

We **do not share*** for:

- joint marketing with other financial companies
- affiliates' everyday business purposes—information about your transactions and experiences
- affiliates' everyday business purposes—information about your creditworthiness
- affiliates to market to you
- nonaffiliates to market to you

***You do not need to do anything because we do not share in these ways.**

Mars Bank has no affiliates.

Contact Us

Call 1-800-898-9696 or go to www.marsbankco.com/privacy

F A C T S

WHAT DOES MARS BANK DO WITH YOUR PERSONAL INFORMATION?

Who we are

Who is providing this notice?

Mars Bank is providing this notice to our customers.

Sharing practices

How often does Mars Bank notify me about its practices?

We must notify you about our sharing practices when you open an account and each year while you are a customer.

How does Mars Bank protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Mars Bank collect my personal information?

We collect your personal information, for example, when you

- open an account or deposit money
- pay your bills or apply for a loan
- use your credit or debit card

We also collect your personal information from others, such as credit bureaus or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- ***Mars Bank has no affiliates.***

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- ***Mars Bank does not share with nonaffiliates so they can market to you.***

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- ***Mars Bank doesn't jointly market.***

F A C T S

WHAT DOES MERCURY BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

When you are no longer our customer, we continue to share information about you as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business—such as to process transactions, maintain customer accounts, respond to court orders and legal investigations, and report to credit bureaus. In the section below, we list how financial companies can share their customers' personal information; how Mercury Bank chooses to share; and whether you can limit this sharing.

Can you limit?

You **cannot limit** our sharing for:

- our everyday business purposes
- our marketing purposes
- our affiliates' everyday business purposes—information about your transactions and experiences

You **can limit*** our sharing for:

- our affiliates' everyday business purposes—information about your creditworthiness

We **do not**:

- share for joint marketing with other financial companies
- allow our affiliates to use your information to market to you
- share for nonaffiliates to market to you

***See page 3, "Check your choice," if you choose to limit this sharing.**

Contact Us

Call 1-800-631-8844 or go to www.mercurybankco.com/privacy

F A C T S

WHAT DOES MERCURY BANK DO WITH YOUR PERSONAL INFORMATION?

Who we are

<p>Who is providing this notice?</p>	<p>Mercury Bank is providing this notice for itself and for its affiliates, Mercury Investment, Sun Insurance, and Moon Marketing Agency.</p>
---	---

Sharing practices

<p>How often does Mercury Bank notify me about its practices?</p>	<p>We must notify you about our sharing practices when you open an account and each year while you are a customer.</p>
<p>How does Mercury Bank protect my personal information?</p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p>
<p>How does Mercury Bank collect my personal information?</p>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ pay your bills or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<p>Why can't I limit all sharing?</p>	<p>Federal law gives you the right to limit</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

<p>Affiliates</p>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies with a Mercury name; financial companies, such as Sun Insurance; and nonfinancial companies, such as Moon Marketing Agency.</i>
<p>Nonaffiliates</p>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Mercury Bank does not share with nonaffiliates so they can market to you.</i>
<p>Joint marketing</p>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Mercury Bank doesn't jointly market.</i>

F A C T S

WHAT DOES MERCURY BANK DO WITH YOUR PERSONAL INFORMATION?

If you want to limit our sharing

Contact us

By telephone: 1-800-631-7654 — our menu will prompt you through your choices

On the web: www.mercurybankco.com/privacy

If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice to you. However, you can contact us at any time to limit our sharing.

Check your choice

Your choice will apply to everyone on your account.

Check if you want to limit: *(See page 1)*

- Do not share information about my creditworthiness with your affiliates for their everyday business purposes.

F A C T S

WHAT DOES NEPTUNE BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

When you are no longer our customer, we continue to share information about you as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business—such as to process transactions, maintain customer accounts, respond to court orders and legal investigations, and report to credit bureaus. In the section below, we list how financial companies can share their customers' personal information; how Neptune Bank chooses to share; and whether you can limit this sharing.

Can you limit?

You **cannot limit** our sharing for:

- our everyday business purposes
- our marketing purposes
- joint marketing with other financial companies
- our affiliates' everyday business purposes—information about your transactions and experiences

You **can limit***:

- sharing for our affiliates' everyday business purposes—information about your creditworthiness
- our affiliates using your information to market to you
- sharing for nonaffiliates to market to you

***See page 3, "Check your choices," if you choose to limit this sharing.**

Contact Us

Call 1-800-543-2828 or go to www.neptunebankco.com/privacy

F A C T S

WHAT DOES NEPTUNE BANK DO WITH YOUR PERSONAL INFORMATION?

Who we are

<p>Who is providing this notice?</p>	<p>Neptune Bank is providing this notice for itself and for its affiliates, Neptune Mortgage Company, Orion Insurance, and Saturn Marketing Agency.</p>
---	---

Sharing practices

<p>How often does Neptune Bank notify me about its practices?</p>	<p>We must notify you about our sharing practices when you open an account and each year while you are a customer.</p>
<p>How does Neptune Bank protect my personal information?</p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p>
<p>How does Neptune Bank collect my personal information?</p>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ pay your bills or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<p>Why can't I limit all sharing?</p>	<p>Federal law gives you the right to limit</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

<p>Affiliates</p>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies with a Neptune name; financial companies, such as Orion Insurance; and nonfinancial companies, such as Saturn Marketing Agency.</i>
<p>Nonaffiliates</p>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Nonaffiliates we share with can include mortgage companies, insurance companies, direct marketing companies, and nonprofit organizations.</i>
<p>Joint marketing</p>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Our joint marketing partners include credit card companies.</i>

F A C T S

WHAT DOES NEPTUNE BANK DO WITH YOUR PERSONAL INFORMATION?

If you want to limit our sharing

Contact us

By telephone: 1-800-543-7879 — our menu will prompt you through your choices
On the web: www.neptunebankco.com/privacy

If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice to you. However, you can contact us at any time to limit our sharing.

Check your choices

Your choices will apply to everyone on your account.

Check any/all you want to limit: *(See page 1)*

- Do not share information about my creditworthiness with your affiliates for their everyday business purposes.
- Do not allow your affiliates to use my personal information to market to me. *(After 5 years, I can renew my choice when you send me a renewal notice.)*
- Do not share my personal information with nonaffiliates to market their products and services to me.

For more than 100 years, the Mars Bank name has been a trusted symbol of service and reliability, and we remain dedicated to those principles today. You can count on us to provide you with the responsive, professional service you deserve, and to protect your privacy and security along the way. This commitment forms the cornerstone of trust and confidence on which we hope to build long-lasting relationships with the customers we serve.

The Mars Bank Privacy Policy describes how we use and protect your customer information. We believe that protecting your privacy is an integral part of the customer service we provide to you. At Mars Bank, we value your relationship, and we work diligently every day to honor the trust you place in us. Thank you for banking with Mars Bank.

Highlights of Our Commitment To You

- Within Mars Bank, we safeguard your customer information carefully.
We carefully limit the sharing of your information solely to provide the products and services you request and to send you information about special offers that may interest you.
- We are committed to protecting your customer information in every transaction, at every level of our organization.
For this purpose, we have designed procedures, standards and technology, which are described in this notice.

How We Use Your Information

In the course of serving you, we collect information about you from a variety of sources such as:

- Information you provide to us on applications or forms, such as your income and accounts with others; or
- Information we receive from an outside company, such as a credit bureau, regarding information about your creditworthiness.

We use and share information to provide quality service and to offer financial services that may be of value or interest to you. For example, your information enables us to:

- Serve your accounts and meet your financial needs;
- Protect your accounts from unauthorized access;
- Process your requests such as loan applications, purchases, and ATM withdrawals, and to service your accounts by issuing checks, ATM cards, and account statements;
- Respond to subpoenas, to credit bureaus, or provide information in other situations at your authorized request.

We may share the information we collect with certain nonaffiliated third parties who provide services directly for us, including:

- Companies that perform support services for us, such as data processors, computer services, or mailing companies.

Protecting Your Personal Information

We take a number of steps to protect the privacy of information about you. We keep information under physical, electronic, and procedural controls that comply with or exceed governmental standards. We authorize our employees, agents, and contractors to get information about you only when they need it to do their work. We require companies working for us to protect information.

This policy applies to both our current and former customers.

- **For more information about us,** go to www.marsbankco.com or contact us at 1-888-234-5678.

For more than 100 years, the Mercury Bank name has been a trusted symbol of service and reliability, and we remain dedicated to those principles today. You can count on us to provide you with the responsive, professional service you deserve, and to protect your privacy and security along the way. This commitment forms the cornerstone of trust and confidence on which we hope to build long-lasting relationships with the customers we serve.

The Mercury Bank Privacy Policy describes how we use and protect your customer information. We believe that protecting your privacy is an integral part of the customer service we provide to you. At Mercury Bank, we value your relationship, and we work diligently every day to honor the trust you place in us. Thank you for banking with Mercury Bank.

Highlights of Our Commitment To You

- Within the Mercury Bank companies, we safeguard your customer information carefully. *You have a choice about how your information may be shared and used within Mercury Bank. We have made it easy to communicate your privacy preferences to us.*
- We are committed to protecting your customer information in every transaction, at every level of our organization. *For this purpose, we have designed procedures, standards and technology, which are described in this notice.*

How We Use Your Information

In the course of serving you, we collect information about you from a variety of sources such as:

- Information you provide to us on applications or forms, such as your income and accounts with others;
- Information we receive from an outside company, such as a credit bureau, regarding information about your creditworthiness; or
- Information about your transactions or experiences with companies affiliated with Mercury Bank.

We use and share information to provide quality service and to offer financial services that may be of value or interest to you. For example, your information enables us to:

- Serve your accounts and meet your financial needs;
- Protect your accounts from unauthorized access;
- Process your requests such as loan applications, purchases, and ATM withdrawals, and to service your accounts by issuing checks, ATM cards, and account statements;
- Respond to subpoenas, to credit bureaus, or provide information in other situations at your authorized request.

We share information among our affiliated companies so that we can work together to serve you, including:

- Our administrative and service units;
- Our affiliates, which provide financial and other services. These affiliates include consumer bankers, mortgage lenders, securities broker-dealers, insurance agencies, and real estate brokerage companies.

We may share the information we collect with nonaffiliated third parties.

- Companies that perform support services for us, such as data processors, computer services, or mailing companies.

Protecting Your Personal Information

We take a number of steps to protect the privacy of information about you. We keep information under physical, electronic, and procedural controls that comply with or exceed governmental standards. We authorize our employees, agents, and contractors to get information about you only when they need it to do their work. We require companies working for us to protect information.

This policy applies to both our current and former customers.

You Have a Choice at Mercury Bank

When we share personal information among our affiliated companies it can make it easier when you apply for accounts or services from these companies. In addition, sharing personal information can help you receive timely notice about products or services that may be of interest to you from our affiliated companies in the Mercury Bank family. For example, your personal information is used:

- To complete applications for new products or services that you request, thereby saving you time, and to manage our business and risks.
- To allow you to speak with a single customer service representative who has access to your information so that you will not have to speak to a representative from each affiliate. If you choose to restrict access to this information, you may need to give the same information multiple times for customer service and on applications for new products and services.

You have the right to limit how we share information about you.

- You may tell us not to share any information about your creditworthiness or credit eligibility among our affiliated companies.

If you choose to limit access to this information, it may take longer when you apply for new products or services from our affiliates.

If you wish to opt out of these disclosures, you may call our toll-free number at 1-888-333-5555 or visit our website at www.mercurybankco.com/privacy. We will ask you to verify your identity and the specific accounts to which your opt-out applies. Please have your account or reference numbers available when you call.

If you are satisfied with the current level of information you receive, you do not need to change your solicitation preference at this time. If you choose not to hear from us, you may not be notified about new services that may benefit you. You may always change your instructions at any time in the future by calling 1-888-333-5555 or visit our website at www.mercurybankco.com/privacy.

If you have already recorded your privacy preferences with us, there is no need to do so again.

For more than 100 years, the Neptune Bank name has been a trusted symbol of service and reliability, and we remain dedicated to those principles today. You can count on us to provide you with the responsive, professional service you deserve, and to protect your privacy and security along the way. This commitment forms the cornerstone of trust and confidence on which we hope to build long-lasting relationships with the customers we serve.

The Neptune Bank Privacy Policy describes how we use and protect your customer information. We believe that protecting your privacy is an integral part of the customer service we provide to you. At Neptune Bank, we value your relationship, and we work diligently every day to honor the trust you place in us. Thank you for banking with Neptune Bank.

Highlights of Our Commitment To You

- Within the Neptune Bank companies, we safeguard your customer information carefully. *You have a choice about how your information may be shared and used within Neptune Bank. We have made it easy to communicate your privacy preferences to us.*
- We are committed to protecting your customer information in every transaction, at every level of our organization. *For this purpose, we have designed procedures, standards and technology, which are described in this notice.*

How We Use Your Information

In the course of serving you, we collect information about you from a variety of sources such as:

- Information you provide to us on applications or forms, such as your income and accounts with others;
- Information we receive from an outside company, such as a credit bureau, regarding information about your creditworthiness; or
- Information about your transactions or experiences with companies affiliated with Neptune Bank.

We use and share information to provide quality service and to offer financial services that may be of value or interest to you. For example, your information enables us to:

- Serve your accounts and meet your financial needs;
- Protect your accounts from unauthorized access;
- Process your requests such as loan applications, purchases, and ATM withdrawals, and to service your accounts by issuing checks, ATM cards, and account statements;
- Respond to subpoenas, to credit bureaus, or provide information in other situations at your authorized request.

We share information among our affiliated companies so that we can work together to serve you, including:

- Our administrative and service units;
- Our affiliates, which provide financial and other services, for their direct marketing purposes unless you instruct us otherwise. These affiliates include consumer bankers, mortgage lenders, securities broker-dealers, insurance agencies, and real estate brokerage companies.

We may share the information we collect with nonaffiliated third parties, including:

- Companies acting on our behalf, such as companies that perform support services for us, or with selected companies we believe will be of interest to you so they can market their products and services to you.

Protecting Your Personal Information

We take a number of steps to protect the privacy of information about you. We keep information under physical, electronic, and procedural controls that comply with or exceed governmental standards. We authorize our employees, agents, and contractors to get information about you only when they need it to do their work. We require companies working for us to protect information.

This policy applies to both our current and former customers.

You Have a Choice at Neptune Bank

When we share personal information among our affiliated companies it can make it easier when you apply for accounts or services from these companies. In addition, sharing personal information can help you receive timely notice about products, services or other special offers that may be of interest to you from our affiliated companies in the Neptune Bank family or from nonaffiliated third parties. For example, your personal information is used:

- To complete applications for new products or services that you request, thereby saving you time, and to manage our business and risks.
- To allow you to speak with a single customer service representative who has access to your information so that you will not have to speak to a representative from each affiliate. If you choose to restrict access to this information, you may need to give the same information multiple times for customer service and on applications for new products and services.
- To introduce you to our affiliated companies that offer specialized products or services which may be of benefit to you.
- To extend special offers and discounts to you from selected companies based on our knowledge of your total relationship with us.

You have the right to limit how we share information about you.

- You may tell us not to share any information about your creditworthiness or credit eligibility among our affiliated companies.
- You may tell us not to allow your personal information to be used by our affiliated companies for their marketing purposes.
- You may tell us not to share personal information about you with nonaffiliated third parties, except we may disclose information as required or permitted by law.

If you choose to limit access to this information, you may not receive timely notices about special offers that may be of interest to you.

If you wish to opt out of these disclosures, you may call our toll-free number at 1-888-654-7777 or visit our website at www.neptunebankco.com/privacy. We will ask you to verify your identity and the specific accounts to which your opt-out applies. Please have your account or reference numbers available when you call.

If you are satisfied with the current level of information you receive, you do not need to change your solicitation preference at this time. If you choose not to hear from us, you may not be notified about new services that may benefit you. You may always change your instructions at any time in the future by calling 1-888-654-7777 or visit our website at www.neptunebankco.com/privacy.

If you have already recorded your privacy preferences with us, there is no need to do so again.

Information That We Collect From You

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, Social Security number, assets, and income;
- Information about your transactions with us or others, such as your account balance, payment history, parties to transactions, and credit card usage; and
- Information we receive from a consumer reporting agency, such as your creditworthiness and credit history.

Information We Disclose

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

This policy applies to both our customers and former customers.

Protecting Nonpublic Personal Information

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

- **For more information about us**, go to www.marsbankco.com or contact us at 1-888-777-8899.

Information That We Collect From You

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, Social Security number, assets, and income;
- Information about your transactions with us, our affiliates, or others, such as your account balance, payment history, parties to transactions, and credit card usage; and
- Information we receive from a consumer reporting agency, such as your creditworthiness and credit history.

Information We Disclose

We may disclose all of the information that we collect, as described above. We may disclose nonpublic personal information we collect about you to companies that are affiliated with us. Our affiliates include companies using the Mercury name and other financial and nonfinancial companies such as credit card, consumer finance, insurance, and securities companies and retailers.

We may also disclose nonpublic personal information about you to nonaffiliated third parties as permitted by law. We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf.

This policy applies to both our customers and former customers.

Opt-Out Choice

If you prefer that we not disclose information about your creditworthiness to our affiliates, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of disclosures of information about your creditworthiness to our affiliates, you may call the following toll-free number: 1-888-232-2020 or go to our website, www.mercurybankco.com/privacy.

Protecting Nonpublic Personal Information

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information That We Collect From You

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, Social Security number, assets, and income;
- Information about your transactions with us, our affiliates, or others, such as your account balance, payment history, parties to transactions, and credit card usage; and
- Information we receive from a consumer reporting agency, such as your creditworthiness and credit history.

Information We Disclose

We may disclose all of the information that we collect, as described above. We may disclose nonpublic personal information we collect about you to companies that are affiliated with us. Our affiliates include companies using the Neptune name and other financial and nonfinancial companies such as credit card, consumer finance, insurance, and securities companies and retailers.

We may also disclose nonpublic personal information about you to nonaffiliated third parties as permitted by law. We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

We may also disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers, such as mortgage bankers, securities broker-dealers, and insurance agents;
- Non-financial companies, such as retailers, direct marketers, airlines, and publishers; and
- Others, such as non-profit organizations.

This policy applies to both our customers and former customers.

Opt-Out Choices

- If you prefer that we not disclose information about your creditworthiness to our affiliates, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of disclosures of information about your creditworthiness to our affiliates, you may call the following toll-free number: 1-888-344-1111 or go to our website, www.neptunebankco.com/privacy.
- If you prefer that our affiliates not use your nonpublic personal information for their marketing purposes, you may opt out of such uses, that is, you may direct that our affiliates not use your information for their marketing to you (other than where permitted by law). If you wish to opt out of the use of your nonpublic personal information for marketing by our affiliates, you may call the following toll-free number: 1-888-344-1111 or go to our website, www.neptunebankco.com/privacy.
- If you prefer that we not disclose nonpublic personal information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of disclosures to nonaffiliated third parties, you may call the following toll-free number: 1-888-344-1111 or go to our website, www.neptunebankco.com/privacy.

Protecting Nonpublic Personal Information

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Appendix B: Interview Protocol

Notes about Interview Protocol:

- As described in this report, each participant was given three different privacy notices to review and respond to during the course of the interview. These three notices were for three different fictional banks: Mars Bank, Mercury Bank, and Neptune Bank. The order in which each respondent received these notices was randomized through the survey programming. Therefore, whenever one of these banks is referred to in this protocol, it is referred to as “_____ Bank”. When interviewers were actually using this protocol, these blanks were automatically filled in with the names of the banks.
- At points in this protocol, the item numbers are not consecutive. This is because several items in the instrument were not actually questions to respondents, but were underlying elements of the survey programming. These items have not been included here, to avoid possible confusion.

1) Interview Location:

- Baltimore
- Dallas
- Detroit
- Los Angeles
- Springfield
- Macro

2) Interviewer's Initials (Example: ES):

3) Do you read and speak English fluently?

- Yes
- No [POLITELY EXCUSE RESPONDENT]

4) Are you a current employee of a bank, savings and loan, credit union, or investment firm?

- Yes [POLITELY EXCUSE RESPONDENT]
- No

5) Gender

- Male
- Female

6) Which of the following categories best describes your age?

- 18-34
- 35-54
- 55 and over

7) What is the highest level of education you have completed?

- Less than high school
- High school graduate or G.E.D.
- Some college or post-secondary work
- College graduate
- Postgraduate work

INTERVIEWER READS: “Today we want to get your reactions to notices that you might get from a financial institution, like a bank, mortgage company, credit card company, or credit union that you do business with. Usually you get these notices in the mail from a company you already know, but today we are going to show you some examples of notices that we have created for fictional companies. We want to learn how easy these notices are to understand and use.

The whole interview should take about 15 to 20 minutes. Let’s get started.”

INTERVIEWER DIRECTIONS: Give the notice labeled _____ Bank to the participant.

INTERVIEWER READS: “Here is a notice for a bank. Please look at the bottom-right hand corner of this notice, and read me the letter and number that appear after the word "Form.””

8) Enter code provided by participant:

[If code is correct, interview continues; if code is incorrect, interview is aborted.]

INTERVIEWER READS: “Now I am going to give you a couple of minutes to read this notice. Make sure you look at each page of the notice, including front and back. I will then ask you some questions. You will be able to use the notice when answering them.”

[After participant is done reading, interview continues; participants are given a maximum of 4 minutes to read the notice.]

9) In one or two sentences, what is the main point of this notice? [Record verbatim response]

INTERVIEWER DIRECTIONS: Give the notice labeled _____ Bank to the participant.

INTERVIEWER READS: “Here is a notice for a different bank. Again, I am going to give you a couple of minutes to read it. Make sure you look at each page of the notice, including front and back. I will then ask you some questions. You will be able to use the notice when answering them.”

[After participant is done reading, interview continues; participants are given a maximum of 4 minutes to read the notice.]

INTERVIEWER DIRECTIONS: Pick up the two notices that the participant has read, and hand them to the participant.

INTERVIEWER READS: “Now I’m going to ask you some questions comparing these two banks. You can look at both notices when answering these questions.”

13) I want you to assume that these two banks are offering you identical products, services, and interest rates. Based on what you see in the notices, which one would you select to be your bank? [Do not read response options]

- Would select _____ Bank
- Would select _____ Bank
- No preference--both banks are similar
- Not sure

16a) (If Q13 = d) Why aren't you sure which bank you would select? [Record verbatim responses.]

16b) (If Q13 = c) Why do you say the banks are similar? [Record verbatim responses]

16c) (If Q13 = a or b) Why do you prefer the bank that you chose? [Record verbatim responses.]

**INTERVIEWER READS: “Now I’m going to ask you some questions about how much personal information these two banks collect and how much they share with others.”
Let me start first with the collection of personal information by the banks.**

17) Does one of these banks collect more personal information about you than the other bank, or do they both collect the same amount of personal information?

- Both collect the same amount of personal information
- _____ Bank collects more information
- _____ Bank collects more information
- Not sure

18) Does one of these banks share your personal information with others more than the other bank, or do they both share your personal information equally?

- Both share equally
- _____ Bank shares more information
- _____ Bank shares more information
- Not sure

19) Which of these two banks gives you the opportunity to limit or to opt out of the sharing of your personal information? Is it _____ Bank only, _____ Bank only, both, or neither?

- _____ Bank only
- _____ Bank only
- Both
- Neither
- Not sure

20) Assume you have limited or opted out of all the possible sharing that you can for both banks. Once you have done this, would one of these banks share your personal information more than the other bank, or would they both share your personal information equally?

- Both would share equally
- _____ Bank would share more information
- _____ Bank would share more information
- Not sure

INTERVIEWER DIRECTIONS:

#1: TAKE BACK the notice labeled _____ Bank.

#2: GIVE the participant the notice labeled _____ Bank.

INTERVIEWER READS: “Here is a notice for a third bank. Please look at the bottom-right hand corner of this notice, and again read me the letter and number that appear after the word "Form.””

21) Enter code provided by participant:

[If code is correct, interview continues; if code is incorrect, interview is aborted.]

INTERVIEWER READS: “Again, I'm going to give you a couple of minutes to read this notice. Make sure you look at each page of the notice, including front and back. I will then ask you some questions. You will be able to use the notice when answering them.”

[After participant is done reading, interview continues; participants are given a maximum of 4 minutes to read the notice.]

INTERVIEWER DIRECTIONS: Pick up the notices for _____ Bank and _____ Bank, and hand them to the participant.

INTERVIEWER READS: “Now I'm going to ask you some questions comparing these two banks. You can look at both notices when answering these questions.”

24) I want you to assume that these two banks are offering you identical products, services, and interest rates. Based on what you see in the notices, which one would you select to be your bank? (Do not read response options)

- Would prefer _____ Bank
- Would prefer _____ Bank
- No preference--both banks are similar
- Not sure

27a) (If Q24=d) Why aren't you sure which bank you would select? [Record verbatim responses.]

27b) (If Q24=c) Why do you say the banks are similar? [Record verbatim responses.]

27c) (If Q24=a or b) Why do you prefer the bank you chose? [Record verbatim responses.]

**INTERVIEWER READS: “Now I’m going to ask you some questions about how much personal information these two banks collect and how much they share with others.”
Let me start first with the collection of personal information by the banks.**

28) Does one of these banks collect more personal information about you than the other bank, or do they both collect the same amount of personal information?

- Both collect the same amount of personal information
- _____ Bank collects more information
- _____ Bank collects more information
- Not sure

29) Does one of these banks share your personal information with others more than the other bank, or do they both share your personal information equally?

- Both share equally
- _____ Bank shares more information
- _____ Bank shares more information
- Not sure

30) Which of these two banks gives you the opportunity to limit or to opt out of the sharing of your personal information? Is it _____ Bank only, _____ Bank only, both or neither?

- _____ Bank only
- _____ Bank only
- Both
- Neither
- Not sure

31) Assume you have limited or opted out of all the possible sharing that you can for both banks. Once you have done this, would one of these banks share your personal information more than the other bank, or would they both share your personal information equally?

- Both would share equally
- _____ Bank would share more information
- _____ Bank would share more information
- Not sure

INTERVIEWER DIRECTIONS: TAKE BACK the notice labeled _____ Bank. At this point, the participant should ONLY have the notice labeled _____ Bank.

INTERVIEWER READS: "I have one more question about _____ Bank."

32) Does this notice say how you could tell _____ Bank that you want to limit or opt out of the sharing of your information?

- Yes
- No
- Not sure

33) (If Q32 = Yes) According to this notice, how could you tell _____ Bank that you want to limit or opt out of the sharing of your information?

INTERVIEWER DIRECTIONS: Do not read response options; check off all that participant mentions. If participant provides responses that are not on the list, check "Other". Before moving to the next question, prompt participant: "Are there any other ways that you could limit or opt out of sharing?"

- Call the bank at the phone number listed
- Go online to the bank's website
- Write to the bank
- Don't know
- _____ Bank does not offer any way to limit or opt out of sharing
- Other

INTERVIEWER DIRECTIONS: Take out the laminated card with the 1 to 5 agreement scale, and show it to the participant.

34) Using the scale shown on this card, where 5 is strongly agree and 1 is strongly disagree, tell me how much you agree or disagree with the following statement:

	1. Strongly disagree	2. Disagree	3. Neither agree nor disagree	4. Agree	5. Strongly agree
With this notice, it was easy to find out the ways that _____ Bank allows you to limit or opt out of sharing information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INTERVIEWER DIRECTIONS: TAKE BACK the notice labeled _____ Bank. For the rest of the interview, the participant should have NO NOTICES to look at. Keep the laminated card with the five agreement choices out, so the participant can see it.

INTERVIEWER READS: “Now, I’d like to ask you your opinions about the three notices you just read.”

35) Using the scale shown on this card, tell me how much you agree or disagree with each of the following statements:

	1. Strongly disagree	2. Disagree	3. Neither agree nor disagree	4. Agree	5. Strongly agree
The notices were easy to read and understand.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The notices made it easy to compare the sharing practices of the different banks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It was easy to find the information I needed for most questions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INTERVIEWER READS: “Now I’d like to ask what you think about some of the practices of banks in general.”

36) Using the scale shown on this card, tell me how much you agree or disagree with each of the following statements:

	1. Strongly disagree	2. Disagree	3. Neither agree nor disagree	4. Agree	5. Strongly agree
Most banks share their customers’ personal information in very similar ways.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I like banks to share my personal information with nonaffiliates--that is, other companies that are not a part of the bank--because then these companies can offer me additional products and services that I might want or need.	<input type="checkbox"/>				
I like banks to share my personal information with affiliates--that is, other companies that are a part of the bank--because then these companies can offer me additional products and services that I might want or need.	<input type="checkbox"/>				

INTERVIEWER READS: “I have just a few additional questions to ask about you.”

Codes for Race/Ethnicity Responses:

- 1 = White (including Middle Eastern or Arab)*
- 2 = Black/African-American*
- 3 = Hispanic/Latino*
- 4 = Asian*
- 5 = American Indian/Alaska Native*
- 6 = Native Hawaiian/Pacific Islander*
- 7 = Other*
- 9 = No response*

37) Which category or categories in this list do you feel best describe you? You can select more than one.

First response: _____

Second response: _____

Third response: _____

38) Do you currently have an account with a bank, savings and loan, credit union, or investment firm? (Do not read response options)

- Yes
- No
- Don't know/No response

[If Q38=Yes, skip to Q40]

39) Do you regularly use a check cashing service or pay day lender? (Do not read response options)

- Yes
- No
- Don't know/No response

40) Including yourself, how many people live in your household? (Do not read response options)

- 1
- 2-3
- 4+
- No response

41) Which of these categories best describes your annual combined household income?

- 1) Under \$25,000
- 2) \$25,000 - \$50,000
- 3) \$50,000 - \$75,000
- 4) \$75,000 - \$100,000
- 5) Over \$100,000
- No response

Appendix C: Verbatim Codes and Taxonomy Scheme

The contractor, Macro International, was responsible for coding the verbatims. Macro labeled the codes as follows:

Code11 Clearer, easier to understand notice.
Code12 More detailed notice, provided more information
Code13 Notice was simpler/shorter
Code14 More information about sharing in the notice
Code21 [bank] Protects my information better
Code31 [bank] Provides better service, more helpful
Code32 [bank] Provides better interest rates
Code33 [bank] Offers more services
Code41 [bank] Shares less
Code42 [bank] Does not share my personal information
Code43 [bank] Shares less with affiliates
Code44 [bank] Does less joint marketing
Code51 [bank] Provides more options for opting out
Code98 Did not express a preference
Code99 Other

The following computer code was applied to create the taxonomy categories. Note that pscr_ch1 and pscr_ch2 are 1 when the lower sharing bank is chosen and -1 when the higher sharing bank is chosen.

The translation key for variable names is as follows:

Q16notic, Q27notic = Notice
Q16fancy, Q27fancy = Invented
Q16gdres, Q27gdres = True low-sharing
Q61optres, Q27optres = True opt-out
Q16mistk, Q27mistk = False sharing
Q16mistk2, Q27mistk2 = False opt-out
Q16nopref, Q27nopref = No Pref

```

if (q16code11 = 1 or q16code12 = 1 or q16code13 = 1 or q16code14 = 1) then q16notic
= 1;
else q16notic = 0;
if (q16code21 = 1 or q16code31 = 1 or q16code32 = 1 or q16code33 = 1) then q16fancy
= 1;
else q16fancy = 0;
if ((pscr_ch1 = 1) and (q16code41 = 1 or q16code43 = 1 or q16code44 = 1)) then
q16gdres = 1;
if ((pscr_ch1 = -1) and (q16code41 = 1 or q16code43 = 1 or q16code44 = 1)) then
q16mistk = 1; else q16mistk = 0;
if (comb1 = 1 and q16code44 = 1) the q16gdres = 0;
if ((pscr_ch1 = 1) and (comb1 = 1 or comb1 = 2) and q16code42 = 1) then q16gdres = 1;
if (q16gdres ne 1) then q16gdres = 0;

if ((pscr_ch1 = -1) and (q16code51 = 1)) then q16optres = 1; else q16optres = 0;
if ((pscr_ch1 = 1) and (q16code51 = 1)) then q16mistk2 = 1; else q16mistk2 = 0;
if (q16code98 = 1) then q16nopref = 1; else q16nopref = 0;

if (q27code11 = 1 or q27code12 = 1 or q27code13 = 1 or q27code14 = 1) then q27notic
= 1;
else q27notic = 0;
if (q27code21 = 1 or q27code31 = 1 or q27code32 = 1 or q27code33 = 1) then q27fancy
= 1;
else q27fancy = 0;
if ((pscr_ch2 = 1) and (q27code41 = 1 or q27code43 = 1 or q27code44 = 1)) then
q27gdres = 1;
if ((pscr_ch2 = 1) and (comb1 = 1 or comb1 = 2) and q27code42 = 1) then q27optres =
1;
if (q27gdres ne 1) then q27gdres = 0;

if ((pscr_ch2 = -1) and (q27code51 = 1)) then q27optres = 1; else q27optres = 0;
if ((pscr_ch2 = 1) and (q27code51 = 1)) then q27mistk2 = 1; else q27mistk2 = 0
if (q27code98 = 1) then q27nopref = 1; else q27nopref = 0;

```

Appendix D: Education Analysis

Included below are the GLMs for the perceptual accuracy measures Sharing (pscr_sht), Collect (pscr_cot), Opt-Out (pscr_opt) and AfterOptOut (pscr_xpt).

Variable Q7 is the education measure.
Variable q41 is an income measure.

The appropriate statistical tests are Type III F values.
Q7 and Q41 are significant for Opt-Out, but insignificant for Collect, Sharing and AfterOptout.

The GLM Procedure

Dependent Variable: pscr_sht

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	37	149.260969	4.034080	3.79	<.0001
Error	994	1057.246783	1.063629		
Corrected Total	1031	1206.507752			

R-Square Coeff Var Root MSE pscr_sht Mean
0.123713 167.8748 1.031324 0.614341

Source	DF	Type I SS	Mean Square	F Value	Pr > F
NoticeStyle	3	93.64224874	31.21408291	29.35	<.0001
comb1	2	9.98608006	4.99304003	4.69	0.0094
comb1*order2	3	0.69641915	0.23213972	0.22	0.8838
NoticeStyle*comb1	6	9.05441834	1.50906972	1.42	0.2041
NoticeS*comb1*order2	9	10.92188758	1.21354306	1.14	0.3305
Q5	1	4.47730764	4.47730764	4.21	0.0405
Q6	2	1.75776579	0.87888290	0.83	0.4380
Q7	4	5.99271335	1.49817834	1.41	0.2290
Q41	5	7.03355767	1.40671153	1.32	0.2521
Q36a	1	0.04864604	0.04864604	0.05	0.8307
Q36c	1	5.64992486	5.64992486	5.31	0.0214

Source	DF	Type III SS	Mean Square	F Value	Pr > F
NoticeStyle	3	87.92408768	29.30802923	27.55	<.0001
comb1	2	9.44976734	4.72488367	4.44	0.0120
comb1*order2	3	0.79424233	0.26474744	0.25	0.8621
NoticeStyle*comb1	6	6.98495974	1.16415996	1.09	0.3636
NoticeS*comb1*order2	9	10.69711916	1.18856880	1.12	0.3471
Q5	1	3.76096632	3.76096632	3.54	0.0603
Q6	2	0.59832350	0.29916175	0.28	0.7549
Q7	4	5.86581398	1.46645350	1.38	0.2393
Q41	5	6.14569111	1.22913822	1.16	0.3292
Q36a	1	0.16477930	0.16477930	0.15	0.6940
Q36c	1	5.64992486	5.64992486	5.31	0.0214

The GLM Procedure

Dependent Variable: pscr_cot

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
--------	----	----------------	-------------	---------	--------

Model	37	178.228207	4.816979	2.47	<.0001
Error	994	1936.390979	1.948079		
Corrected Total	1031	2114.619186			

R-Square Coeff Var Root MSE pscr_cot Mean
0.084284 153.3972 1.395736 0.909884

Source	DF	Type I SS	Mean Square	F Value	Pr > F
NoticeStyle	3	35.45065338	11.81688446	6.07	0.0004
comb1	2	0.15499486	0.07749743	0.04	0.9610
comb1*order2	3	18.34816074	6.11605358	3.14	0.0247
NoticeStyle*comb1	6	15.95604877	2.65934146	1.37	0.2257
NoticeS*comb1*order2	9	28.09931809	3.12214645	1.60	0.1097
Q5	1	0.73424160	0.73424160	0.38	0.5394
Q6	2	0.16610064	0.08305032	0.04	0.9583
Q7	4	5.59236425	1.39809106	0.72	0.5799
Q41	5	18.13301631	3.62660326	1.86	0.0984
Q36a	1	8.75981333	8.75981333	4.50	0.0342
Q36c	1	46.83349475	46.83349475	24.04	<.0001

Source	DF	Type III SS	Mean Square	F Value	Pr > F
NoticeStyle	3	36.77583003	12.25861001	6.29	0.0003
comb1	2	0.05686501	0.02843250	0.01	0.9855
comb1*order2	3	17.15353429	5.71784476	2.94	0.0325
NoticeStyle*comb1	6	16.35495533	2.72582589	1.40	0.2118
NoticeS*comb1*order2	9	31.44940817	3.49437869	1.79	0.0654
Q5	1	0.51216838	0.51216838	0.26	0.6082
Q6	2	0.13941877	0.06970938	0.04	0.9649
Q7	4	3.90992580	0.97748145	0.50	0.7345
Q41	5	20.92230635	4.18446127	2.15	0.0577
Q36a	1	5.83206062	5.83206062	2.99	0.0839
Q36c	1	46.83349475	46.83349475	24.04	<.0001

The GLM Procedure

Dependent Variable: pscr_opt

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	37	333.501797	9.013562	4.41	<.0001
Error	994	2029.892583	2.042145		
Corrected Total	1031	2363.394380			

R-Square Coeff Var Root MSE pscr_opt Mean
0.141111 2417.649 1.429037 0.059109

Source	DF	Type I SS	Mean Square	F Value	Pr > F
NoticeStyle	3	157.2428872	52.4142957	25.67	<.0001
comb1	2	4.2958571	2.1479286	1.05	0.3497
comb1*order2	3	23.7566378	7.9188793	3.88	0.0090
NoticeStyle*comb1	6	15.0249095	2.5041516	1.23	0.2901
NoticeS*comb1*order2	9	26.3660247	2.9295583	1.43	0.1684
Q5	1	0.2068937	0.2068937	0.10	0.7503
Q6	2	2.6671419	1.3335710	0.65	0.5207

Q7	4	37.8744869	9.4686217	4.64	0.0010
Q41	5	35.4290609	7.0858122	3.47	0.0041
Q36a	1	0.8777591	0.8777591	0.43	0.5122
Q36c	1	29.7601377	29.7601377	14.57	0.0001

Source	DF	Type III SS	Mean Square	F Value	Pr > F
NoticeStyle	3	167.0213631	55.6737877	27.26	<.0001
comb1	2	6.6263850	3.3131925	1.62	0.1979
comb1*order2	3	24.5009696	8.1669899	4.00	0.0076
NoticeStyle*comb1	6	12.2869321	2.0478220	1.00	0.4220
NoticeS*comb1*order2	9	29.7022641	3.3002516	1.62	0.1059
Q5	1	0.0745301	0.0745301	0.04	0.8485
Q6	2	1.4656976	0.7328488	0.36	0.6986
Q7	4	27.4898160	6.8724540	3.37	0.0095
Q41	5	34.1024300	6.8204860	3.34	0.0054
Q36a	1	1.8523425	1.8523425	0.91	0.3411
Q36c	1	29.7601377	29.7601377	14.57	0.0001

The GLM Procedure

Dependent Variable: pscr_xpt

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	37	205.870596	5.564070	2.84	<.0001
Error	994	1945.323202	1.957066		
Corrected Total	1031	2151.193798			

R-Square	Coeff Var	Root MSE	pscr_xpt Mean
0.095701	-213.5678	1.398952	-0.655039

Source	DF	Type I SS	Mean Square	F Value	Pr > F
NoticeStyle	3	99.86583268	33.28861089	17.01	<.0001
comb1	2	15.94191400	7.97095700	4.07	0.0173
comb1*order2	3	8.08782079	2.69594026	1.38	0.2482
NoticeStyle*comb1	6	20.45383619	3.40897270	1.74	0.1081
NoticeS*comb1*order2	9	10.59200321	1.17688925	0.60	0.7966
Q5	1	1.21111199	1.21111199	0.62	0.4317
Q6	2	10.42727208	5.21363604	2.66	0.0702
Q7	4	10.87187600	2.71796900	1.39	0.2358
Q41	5	17.43664366	3.48732873	1.78	0.1138
Q36a	1	7.23197335	7.23197335	3.70	0.0549
Q36c	1	3.75031227	3.75031227	1.92	0.1666

Source	DF	Type III SS	Mean Square	F Value	Pr > F
NoticeStyle	3	97.83964184	32.61321395	16.66	<.0001
comb1	2	15.49221536	7.74610768	3.96	0.0194
comb1*order2	3	6.24835330	2.08278443	1.06	0.3634
NoticeStyle*comb1	6	21.22953586	3.53825598	1.81	0.0944
NoticeS*comb1*order2	9	11.21171678	1.24574631	0.64	0.7664
Q5	1	0.22012058	0.22012058	0.11	0.7374
Q6	2	7.34482711	3.67241356	1.88	0.1537
Q7	4	10.17428389	2.54357097	1.30	0.2683
Q41	5	17.72478940	3.54495788	1.81	0.1079
Q36a	1	8.02340286	8.02340286	4.10	0.0432
Q36c	1	3.75031227	3.75031227	1.92	0.1666