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Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F ST, NE  
Washington, DC 20549-1090

**Re: Comment Request on Existing Private and Public Efforts to Educate Investors**  
**File No. 4-626**

Dear Ms. Murphy,

This letter is submitted on behalf of BetterInvesting, its Board of Directors, members and volunteers.

**Question #1 : Have you attended or does your organization operate, organize, sponsor, promote or host any investor education programs? Please describe the program, including its duration, target audience and any measurable goals/objectives aimed at changing investor behavior. What specific topics are covered in the curriculum?**

BetterInvesting was founded in 1951 by George Nicholson and Tom O'Hara as the National Association of Investment Clubs (NAIC). It was classified as a 501(c)(3) non-profit organization in 1998. NAIC founded the investment club movement in the United States. Today, the organization provides educational programs for individuals and clubs that include stock and mutual fund analysis tools and resources, online classes and archives, and *BetterInvesting Magazine* in an effort to teach individuals how to invest in equities in a manner consistent with the investing principles as established by the founders. These fundamental principles are:

- Invest regularly, regardless of the market.
- Invest in quality growth stocks and equity mutual funds.
- Reinvest earnings and dividends.
- Diversify your investments.

NAIC was originally founded to help ordinary Americans participate in the growth of the American economy through long-term ownership in the companies that fueled the growth. NAIC/BetterInvesting is believed to be the oldest active investor education organization in the nation. In the 1950s it was very difficult for individuals to invest in equities due to high brokerage fees, obtaining the company data to analyze stocks for purchase, etc. By showing individuals how to pool their resources in investment clubs and by teaching them fundamental investing principles, NAIC/BetterInvesting (BI) enabled hundreds of thousands of individuals to become successful lifetime investors and to enjoy the benefits of America's economic growth. Over a 60 year span, BetterInvesting has provided investment education to more than five million people and is a charter member of the World Federation of Investors, which provides investment education in over 17 countries worldwide.

The following is a description of the investment education offered by BetterInvesting:

- I. Online (self-paced) *recorded* basic curriculum for our members includes a number of foundation courses:
  - **Introduction to Stocks** – helping any individual learn the fundamentals of investing in company stocks. Topics include the advantages and disadvantages of stock ownership, and how to find good quality companies;
  - **Getting Started In Investing** – a course focused on BetterInvesting’s Stock Selection Guide, which helps any investor learn how to use our methodology to build a solid portfolio;
  - **Introduction to Mutual Funds** – a course focused on the fundamentals of mutual fund investment, including the advantages and disadvantage of fund ownership and basic information about how mutual funds work;
  - **Analyzing Stock Mutual Funds** – a course that helps any investor use the BetterInvesting mutual fund analysis tools to sort through fund choices, examine many factors (including cost structures and any fund’s potential future direction);
  - **Financial Foundation** – a course which teaches the four basic stages of personal financial planning; how to assess your current financial situation, collect and keep appropriate financial records, and set realistic, achievable financial goals.
  
- II. Online, and more advanced, educational Webinars are offered multiple times per month by BetterInvesting’s Home Office Staff and Volunteers and include sample sessions like:
  - **A Monthly Online Stock Study** – a particular analysis of a single potential stock, using BetterInvesting’s methodology to examine the equity;
  - **Ticker Talk** – a variable 1 hour session given each month which covers research, tips, techniques employed by experienced BetterInvesting instructors and members.
  
- III. Quarterly and online, BetterInvesting offers a 7-seminar series aimed at both beginning and more advanced investors that includes the following topics:
  - a. **Why Invest In Stocks**
  - b. **Understanding (Investing) Jargon**
  - c. **Selecting the Best Companies**
  - d. **Determining a Fair Stock Price**
  - e. **Estimating Future Company Growth**
  - f. **Buy, Hold and Sell (A Strategy for Healthy Portfolio Development)**
  - g. **Review of the BetterInvesting Approach** (a recap of the 6 sessions)
  
- IV. BetterInvesting’s volunteer instructors offer a constantly-changing curriculum, in every state in the union, through in-person events aimed at both beginning and sophisticated investors. The association also has an annual conference that offers three information-packed days dedicated

to education. The sessions are too numerous to encapsulate here, but here are some typical topic examples:

- a. *An In-Depth Look at PEG Ratios*
- b. *Four Keys to a Great Portfolio*
- c. *Bonds: The Other Part of Your Portfolio*
- d. *Understanding Sustainable Growth*
- e. *A Primer on International Investing*
- f. *Sector and Industry Classification Systems (for Stock Research)*
- g. *Prepare for Retirement: Mapping Your 401(K)*
- h. *Why Dividends Matter*
- i. *Choosing and Using An Online Broker*
- j. *Analyzing Banks: Beyond the Basics*
- k. *How To Bring A Drug To Market ---- A Discussion of the Pharma Sector*

BetterInvesting's goal in offering all this education is to assist any individual investor (of whatever skill level) to feel more secure in making investment decisions. The measurement of the effectiveness of the goal attainment varies, dependent on the investor's experience, but one common denominator of measurement is that both individual investors and investment clubs actively trade, from the inception of their membership with us, and build solid portfolios over a number of years.

BetterInvesting, in partnership with DECA, serves over 5000 High School students annually, through the 18 week Building Wealth program.

Many more of our courses, information, and resources can be viewed from our Website: [www.betterinvesting.org](http://www.betterinvesting.org) and any potential student can register, at no obligation, to sample one of our monthly sessions by visiting: [www.betterinvesting.org/openhouse](http://www.betterinvesting.org/openhouse).

## **Question #2 – What do you consider the most important characteristics of an effective investor education program?**

Investor education curriculum must be:

- Accessible and offered through channels that can be easily visited by a potential student (which is why BetterInvesting has both a robust online series of programs and extensive “on the ground” programs as well);
- Tailored to the needs of both beginning and more advanced investors (as BetterInvesting's diversity of topics and instructors allow our programs to be);
- Comprehensible by people from most walks of life and educational levels(which is why one of our beginning classes, noted in Question #1, is titled: **Understanding The Jargon**)
- Affordable (which is why BetterInvesting builds numerous free-of-charge investing classes and sessions, as well as other information sources, tools and resources, into our low-priced annual association membership). Other classes are offered at a reasonable fee (e.g. \$40 for members; \$60 for non-members)



**Question #3 – Which programs do you view as most effective?**

BetterInvesting’s online programs given by instructors, via the Web, are our most effective programs. We can measure student growth through online tests, and tools. Our webinars have attendees anywhere from 100 to 800 participants for a single event. One example is our Monthly Stock Study, which occurs the first Wednesday of every month, and is completely lead and produced by our volunteers. This event tends to attract 400-800+ individuals. Our regional “in person” half-day seminars given frequently by highly experienced volunteer instructors (and investment club leaders) still offer an incomparable experience to our members and prospective members.

**Question #4 – Has your organization or an independent third party evaluated any of your educational programs?**

BetterInvesting strives to continuously evaluate our educational programs to ensure that we are providing the most effective programs that reach a wide array of individuals. Recently, our Beginning Investor Series has been evaluated, and completely revamped to be more effective and better serve beginning investors. We launched the new Beginning Investor Series in February 2010 and have presented the series via webinar three times nationally, serving 1400 individuals. Currently, we are evaluating and expanding the Intermediate Investment Program.

**Question #5 – Are any of your programs national in scope?**

Yes, all of our programs are national (and some are international) in scope, as briefly described in Question #1. Some of our national programs and webinars are also given by local BetterInvesting Chapters.

**Question #6 – What types of investor behaviors or other topics do you think investor education programs should focus on? Why?**

We pride ourselves on giving webinars and live sessions on a diverse array of investment topics. We have discussed such topics as: how individuals can analyze companies and invest in such companies, how to manage a portfolio to ensure growth and return, fundamentals of investing, tools and resources available, how to identify and evaluate new opportunities, how to study an industry, effective stock screening, mutual funds, managing dividend portfolios, and management retirement funds. We also believe that a discussion of the economy in terms of investing should also be shared with investors. In the past we have worked with FINRA to discuss investment fraud, and have also partnered with other organization to discuss social media in Investment Education.

**Question #7– Which best describes you or your organization?**

- a. Public, Federal government
- b. Public, State or local government
- c. Not-for-profit
- d. Foundation
- e. Private/business
- f. Individual
- g. Other (describe)



BetterInvesting is a 501(c)(3) not-for-profit entity.

**Question #8 – Do you have any other comments regarding the effectiveness of existing private and public efforts to educate investors?**

By 2011 many of the hurdles that faced individual investors in the early post-war years are no longer there. The computer and the Internet have made it easier to find information, analyze performance, estimate potential and purchase stocks and mutual funds. However, many individuals are still unaware of the benefits of long-term equity investing.

More than ever, today's workforce needs to participate in the stock market. Employers and governments are reducing and/or eliminating many of the programs that enable people to enjoy a financially secure retirement. Individuals no longer spend the majority of their career with one employer and must become more financially savvy regarding 401(k)s and other retirement plans. Increasingly, individuals are expected to fund their own retirements.

Small-business owners continue to struggle to find quality, low-cost financial guidance that frees them up to run their businesses. Conversely, many individuals employed by larger corporation are becoming aware of the limitations of their employer sponsored 401(k) plans, which can include fees that partially/fully negate the matching contributions of the employer. More individuals are moving to a "consultant" model of employment and will have "portfolio" careers consisting of contract-based employment with no access to retirement plans or other benefits. Understanding how to invest in high-quality growth stocks and mutual funds enables individuals to assume that responsibility for securing and protecting their long-term financial security regardless of their employer. There has never been a greater need for BetterInvesting and education, tools and resources to help individuals become successful lifetime investors.

It is critical to increase awareness among all individuals, and especially young people, that they need to protect their financial future by investing today. Individuals need to know that they can invest in equities successfully. Additional funding at the national level in support of unbiased third party investment education programs in stocks and mutual funds is required to better serve individual investors.

Best Regards,



Kathleen Zaracki  
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