



**American Savings Education Council (ASEC) Submission to
the U.S. Securities and Exchange Commission**

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

June 15, 2011

www.choosetosave.org/asec/

- 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 and objectives aimed at changing investor behavior. What specific topics are covered in its curriculum?**

ASEC's primary investor education tool is the Ballpark E\$estimate, an easy-to-use, two-page printed worksheet and an online tool, that helps an individual to quickly identify approximately how much is needed to be saved to fund a comfortable retirement. The Ballpark E\$estimate takes complicated issues, like projected Social Security benefits and earnings assumptions on savings, and turns them into language and mathematics that are easy to understand.

- Duration – both the print version and online tool are designed to take 10 to 15 minutes for an individual to complete.
- Target Audience – anyone who wants to get started saving for retirement and/or determine if they are on track to reach their retirement goal.
- Objectives – the tool is designed to help people get started with retirement planning. It is used by employers and financial services companies as part of a retirement planning seminar or one-on-one sessions, as well as by individuals who use the tool on their own.
- Utilizations Statistics – we have limited capability to measure the impact of the tool. What we can measure is the large number of visits to the tool on the Choose to Save website (average of 43,000 per month in 2010). We know this is a fraction of the total utilization of the tool, since we are not able to track the number of uses of the print version. A version of the Ballpark E\$estimate was created for the U.S. Office of Personnel Management for federal government employees, and is currently in use and has proven to be extremely popular.

During 2009 and 2010, ASEC engaged in direct educational outreach to consumers in the Washington, DC, metropolitan area. ASEC staff attended several community events and federal government agency financial fairs. At these events we brought packets containing a large variety of investor education materials. The goal of this outreach effort was to engage members of the general public in a dialog about financial issues of concern to them and provide guidance to appropriate resources.

- Duration – total time spent manning the booths was approximately 4 hours in one session. Average amount of time spent engaged with an individual was approximately 10 minutes.
- Target Audience – the general public, most often adults over the age of 18.

- Objectives – help raise the awareness of free investor education resources available to assist individuals reach their financial goals.
- Utilizations Statistics – we were not able to measure any effectiveness of this effort but did see a spike in the number of followers/fans to our social media accounts after the events.

2) What do you consider the most important characteristics of an effective investor education program?

- Easy-to-understand language.
- Information that is engaging to individuals and presented in an entertaining fashion is more likely to retain the audience's attention.
- Investor education programs must be educational, objective, and fact-based, and must not contain advertisements for the sale of products. The information should not be part of a sales pitch, as it will be recognized as such and discounted or ignored.
- Relatability to real-life scenarios. The program should be descriptive of the terms used to describe financial products that an individual will encounter.
- The program should be designed such that the individual gains a greater sense of self-confidence. This greater self-confidence will enable the individual to resist a sales pitch for a product that is not suited to their particular financial needs.

3) What programs do you view as most effective?

The FINRA Investor Education Foundation co-sponsors two investor education efforts, Smart investing@ your library and Financial Education in Your Community. These two efforts partner with national organizations, the American Library Association (ALA) and United Way, which have large distribution channels, and utilize local networks of community-based organizations. Through these networks, the investor education programs can be tailor to the specific needs of the community. The ALA and United Way provide education and services in venues that are neutral, non-threatening and convenient.

We see these two programs as excellent examples of addressing the most pressing need: getting investor education resources into the hands of people who need them.

4) Has your organization or an independent third party evaluated any of your organizations' programs? If yes, please describe the findings of the evaluation, including any statistical evidence of how your program effectively changed one or more investor behaviors among participants.

No, ASEC's programs have not been evaluated.

5) Are any of your organization's programs national in scope? If not, could any of these programs be replicated or expanded to reach a national audience?

The Ballpark E\$timate is national in scope. It appears on the Choose to Save website and other websites such as Investor.gov, is promoted through national PSAs, is routinely mentioned in

online and print articles, and is used by employers and financial services companies as part of retirement planning seminars.

The consumer financial engagement outreach efforts of ASEC in 2009 and 2010 can easily be replicated in any part of the country. Many of ASEC's non-profit partners do engage in these types of efforts across the country.

6) What types of investor behaviors or other topics do you think investor education programs should focus on? Why?

- Control emotional decision making. Nearly all bad financial decisions are made under emotional stress.
- Instill a sense of self-confidence, giving individuals the courage to not only ask questions but ask the same question repeatedly if not given a satisfactory answer.
- Provide the intellectual tools to recognize when someone is trying to defraud you.
- Teach investment basics such as: types of investment options, the importance of diversification, risk tolerance and management, and financial terminology an individual will encounter.

7) Which best describes you or your organization?

The American Savings Education Council (ASEC) is a nonprofit national coalition of public- and private-sector organizations undertaking initiatives to raise public awareness about what is needed to ensure long-term personal financial independence. ASEC's goal is to make saving and planning a vital concern of all Americans. [ASEC](#) was started in 1995 and is a program of the EBRI Education and Research Fund (the Employee Benefit Research Institute).

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

One of the main challenges we see to objective investor education efforts today is the lack of promotion. There are many resources available on a wide array of topics, yet little to no advertising. How effective can an investor education program be if very few people know it exists? We believe that the disparate resources (both financial and time) currently being allocated to the production of new financial education programs would be better spent on a sustainable national campaign that raises general public awareness of the need to become better informed on how to manage your financial assets.