



22 West Washington Street
Chicago
Illinois 60602

Telephone: +1 312 696-6000
Facsimile: +1 312 696-6001

DATE: June 17, 2011

TO: U.S. Securities and Exchange Commission

FROM: Morningstar, Inc.

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

Thank you for giving us the opportunity to offer our insights on what makes an effective investor education program. Although some retirement needs are filled by pensions and Social Security, there is often a large gap that can only be funded with personal savings. Shifting from professionally managed defined benefit plans to personal savings vehicles means that investors need help making decisions about how to manage risks, save, invest, and generate income. Morningstar has always seen its role as lifting the veil on investing, providing individual investors with the data, analysis, and tools to make better investing decisions.

At Morningstar, we believe there are five primary criteria that make financial education platforms robust and effective.

- **Independence**—Research and information should come from an unbiased source to help ensure that analysts express their true opinions about which investments best meet the needs of investors.
- **Action Oriented**—Investors need practical ideas that they can immediately put to work. They also need a resource that they can use to research investments when they are at the point of making a purchase and the information is the most relevant to them.
- **Simplicity**—A financial education platform must provide enough information for investors to make good decisions without overwhelming them to the point of inertia. Many investors have limited time and patience, especially those for whom investing is not a hobby but a necessity.
- **Comprehensiveness**—A financial education program must be relevant for investors at every stage of investing, from those just starting out with questions about their 401(k)s to those in retirement trying to figure out how to make their money last throughout their lifetimes.
- **Inclusiveness**—Investors have a wide variety of investing experience and knowledge, so an effective program will need to have tools, research, and information relevant to all investors.

Morningstar has a variety of educational offerings for individual investors that meet the criteria described above. The company's chief means of reaching individual investors is through its website, www.morningstar.com, which consistently ranks among the best investment sites on the web. Today, more than six million investors are registered users of the Morningstar site. Morningstar also offers books, newsletters, workshops, web-based seminars, and events, to help investors:

Learn the Essentials

Through books and events Morningstar helps investors learn investing essentials. Our books guide investors through the fundamentals of the stock and mutual fund markets. Written by top Morningstar analysts, each provides a roadmap to finding sound investment opportunities. We also host educational events like our Stocks and Retirement Forums that allow investors to talk one-on-one with Morningstar analysts and participate in hands-on workshops. In addition, investors can enroll in Morningstar's Investing Classroom, where they can select from 172 different online courses covering stocks, funds, bonds, and portfolio construction.

Create a Plan

Once investors understand the basics they can create a financial plan using the tools and guidance on Morningstar.com and the step-by-step guidebook, *30-Minute Money Solutions*. The Real Life Finance section of Morningstar.com offers investors practical information for every stage of investing as well as advice about saving for college and minimizing taxes. Worksheets on budgeting and retirement spending help investors organize their finances, while portfolio tools allow investors to create an optimal asset allocation and track their holdings.

Select Investments

Morningstar offers screening tools, research reports, newsletters, web seminars, and workshops to help investors wade through the hundreds of thousands of options to find the investments that best suit their needs. More sophisticated investors may elect to use the tools and research to make their own decisions while novice investors may select a hands-on workshop or web seminar.

Start Early

Beyond our offerings for individual investors, Morningstar partners with local high schools to run classes that teach investing and financial literacy to young people of all backgrounds. We also offer complimentary Premium website subscriptions to teachers, professors, and their students for their relevant coursework as well as high school and college investment clubs. Our goal is to foster basic knowledge and an interest in investing at an early age.

Financial literacy has never been more important than it is today. At the same time that fewer and fewer Americans are covered by pension plans, investment options and the platforms through which people can invest have multiplied exponentially in both number and complexity. Investors without at least a basic understanding of investing can easily be overwhelmed and make profound mistakes that can impact the quality of their lives. It is in our best interest as a society to promote financial literacy as fundamental education just as we promote other basic skills so that all people have the best chance of reaching their financial goals.

We serve over seven million individual investors worldwide and would be happy to share more of our experiences and insights into successful investor education.

Very truly yours,

Joe Mansueto
Chairman and Chief Executive Officer
Morningstar, Inc.