

Securities and Exchange Commission

100 F Street, NE,

Washington, DC 20549

June 15, 2011

Re: File Number 4-626

Dear Commissioners:

The National Labor College applauds the Securities & Exchange Commission's commitment to studying investor education in the United States. We share our experiences in the hopes that they help serve the Commission's goal of identifying successful practices already being implemented nationally. The NLC's Investor Education Program has taught us valuable lessons that we would be privileged to share with the SEC.

### About Us

Founded in 1969, the National Labor College (NLC) is one of a kind, the only college in the United States with an exclusive mission to serve the educational needs of the labor movement. It is an institution made up of students, faculty and alumni who together form a learning community based on a common understanding of the world of work and the ecology of the labor movement. The College respects that its student body is made up of experienced, highly skilled working adults who have multiple commitments to family, job, union and community. In its academic programs, the NLC honors higher learning that takes place both inside and outside the collegiate community. We are a fully accredited, degree granting institution of Higher Education.

By establishing the physical and intellectual space for the labor movement to imagine its future, the mission of the NLC is to make higher education available to workers, to prepare union members, leaders and staff for the challenges of a changing global environment; and to serve as a center for progressive thought and learning.

## Our Program

The American Federation of State, County and Municipal Employees (AFSCME) founded the *Investor Education for Working Families* program in 2007. In 2010, the program was relocated to the National Labor College (NLC), where it is supported, as it was at AFSCME, by the FINRA Investor Education Foundation. The NLC's *Investor Education Project* is comprised of a broad spectrum of investor education programs aimed at rank-and-file union members. Our experience shows that average people are hungry for credible information and for appropriately-designed learning opportunities. From our perspective, the SEC should promote the creation of expanded educational program and we can offer some of the lessons we have learned to advance that goal.

For the past four years this program has been offering union members nationwide educational programs to help them understand savings and investment. This program includes three major components—in-person training sessions, online on-demand courses, and multimedia resources (including a DVD and handbook). In the midst of these challenging financial times, interest in our program has blossomed. Since we began our training program in 2007, demand has increased as more than six thousand AFSCME members, and now many more members of other unions have taken part in our 90-minute investment workshops, nearly 20,000 members have received our handbooks and DVD, and roughly two thousand have signed up to take courses on our website.

Because our in-person training program requires trainers all around the country, we organize Train-the-Trainer (TtT) events. Over the course of three years the program has been actively training trainers, 73 have been trained. That group includes union members and union staffers. We use a 2-day curriculum that includes a program on how adults learn, a teaching demonstration, curriculum review, small group practice sessions with feedback, a group review of challenging questions, and a moving-to-action exercise. Our TtTs focus on participants practicing teaching parts of the curriculum in a safe setting with expert involvement. Over the course of the two days, participants spend 8 hours in their small groups as they practice and offer feedback to their colleagues. Since we are preparing them to teach in the field, they need to get practice teaching the material. Our method moves trainees to actively engage with the teaching materials. Once they do, they are more engaged in the working sessions, gain a practical sense of what they need to know, and focus on obtaining the relevant information and skills to make themselves successful trainers. We know that some trainers learn best by observing, others by collaborating, some by doing, and others by reading. Teaching demonstrations, small group discussions, curriculum reviews, and practice sessions effectively bring all these kinds of learners together. In two days we are able to equip people with an interest but without expertise in the area to teach their fellow union members important investor education topics. These Train-the-Trainers are reinforced with Introduction to Investment Handbooks made available to the trainers and those that attend their workshops.

We are in the midst of developing a website focused on specific life-moments around which people seek financial advice. Our members rarely take the time to find resources on financial topics without a precipitating event. For that reason, we have, in partnership with union leaders, union members, and union staff members identified topics around which to offer resources, overviews and further reading

opportunities. For instance: buying a home, leaving a job, having a child, retiring, saving for college, marriage and divorce are all topics which many of our constituents want to see covered. This website, our previous AFSCME website, and interim NLC website all complement our in-person training. These websites and our training help build an audience for our handbook. Together, these different teaching methods drive interest in the other resources. Together, they can engage all different kinds of learners and create a comprehensive introduction while leading our members to seek more advanced training where appropriate.

We have worked with an outside program evaluator, Dr. Michelle Kaminski of Michigan State University. Her analysis of our programs has helped us understand the impact that our work is having. Dr. Kaminiski studied a group of workshop attendees 6-10 months after they attended a workshop to discern how it had impacted them. She compared the group of attendees with comparable union members who never attended a workshop. According to our Impact Assessment:

***Program goals:***

- Over 40 percent of participants said they achieved each of the five program goals.
- 70 to 85 percent said they achieved these three goals: understanding the power of investing small amounts of money over time, understanding how to make choices to invest small amounts, and knowing how to get started investing.
- Program participants were significantly more likely to have reached each of these five goals than the comparison group was.

***Knowledge***

- Much of the gain in knowledge that was documented immediately after the training has dissipated.
- Score on knowledge items are significantly higher for the training participants than for the comparison group, but this may reflect a different level of interest in investment issues.

***Behavior***

- The real success of this program is demonstrated in the change in behavior. Over half said they started saving more money, reviewed their asset allocation, and made other changes in their investment behavior.
- A significantly greater percentage of training participants said they reviewed their asset allocation and made other changes than did the comparison group.
- 65 percent of the participants said the program had a long term impact on them.

## Learning From Our Experience

Through the *Investor Education for Working Families* program we have learned that there is tremendous demand for common-sense education in plain English delivered through organizations that people trust. In partnership with Dr. Kaminski we have drawn some insights about what lessons are important to consider in designing future investor education opportunities and curricula .

### *Meet Participants Where They Are*

To be successful, programs need to meet their participants at their level. For us, this has meant starting with basic subjects and using everyday language to teach concepts. Our experience in adult education shows us that adults learn best when objectives are clearly defined, topics are practical (with clear implications), and the methods employed are varied. It is important to give ample opportunities for learners to speak from their own experiences as it's impossible to know where they are without asking.

### *Use Many Different Teaching Methods*

People learn in many different ways and, since groups are invariably made up of many types of learners, successful teaching requires using multiple methods. Our in-person workshops, for instance, include mini-lectures, group exercises, individual exercises, group participation, and discussion formats. By employing multi-modal approaches, more learning styles are included and the workshops engage a broader population of people. In addition to building our in-person workshops with a multi-modal approach, we have also found it important to offer training besides standard classroom teaching. We also offer a print handbook, DVD, and web-based learning to better meet the needs of auditory, visual, and reading/writing-preference learners.

### *Actively Promote Educational Opportunities*

It is not enough, in our experience, to develop a rich set of resources and assume people will flock to them. People are busy and most will not make affirmative efforts to find these tools no matter how much need they have for the educational experiences. Though creating excellent materials is important, the end goal is to educate and empower people. To do this effectively the available resources need to be actively promoted. It is critical to have multiple ways to enter the program since every additional avenue increases the number of people who learn about the opportunities available. Since our resources are interconnected and reinforcing, any of the experiences can be an entry point. Having a framework for advertising is necessary to attract learners to the resources. In our case, we use internal e-mails, website links with our affiliates, and newsletter advertisements as the major prongs of our outreach strategy.

### *People Want Advice From Those They Trust*

Trust is an important part of our program's success. Though *Investor Education for Working Families* is an NLC program, workshops are offered by specific union affiliates (International Association of Firefighters, AFL-CIO, AFSCME, etc). People who are active in the union understand that it is fighting for their financial well-being. As a result, most are previously disposed to think of the union positively and consider its financial advice to be an extension of that financial advocacy. That we don't recommend products nor do we have any related financial incentives also helps to build trust. Another source of comfort is our use of peer-to-peer training. All of our trainers are part of the labor organization as staff or members.

### Our Conclusion

*Investor Education for Working Families'* use of multi-modal workshops, multiple points of access, focus on marketing, and trust-building created a successful program. We recount these lessons to assist the SEC as we urge you to place a high priority on improving investor education. We hope that you will help revolutionize the array of resources available to everyday consumers. People very much need help and guidance. Most people we speak with overpay a great deal for financial services. The industry has done a very effective job of building the perception that higher fee services will provide better returns. We hope the SEC will promote educational opportunities and that those opportunities will lead to more and more people to receive appropriate financial services at reasonable costs.

Sincerely,

Thomas J. Kriger, PhD

VP for Academic Affairs and Provost

National Labor College