

Draft SEC Investor Education Subcommittee PSA Resolution

Resolution

As part of a broad investor education campaign, the Securities and Exchange Commission (SEC) should create made-for-tv 30 second public service announcements (PSA's) using celebrities to teach the general public about basic, vital personal finance topics. These PSA's would cover a wide range of topics, and would be released individually over the next few years.

Background

The SEC has always strived to educate investors about the basic principles of personal investing and its associated risks. At a previous meeting of the SEC Investor Advisory Committee, the idea of developing PSA's using celebrities to convey important points about seminal personal finance topics was discussed. These PSA's would serve as an excellent platform for edgy and novel productions that would attract a broader audience. At the April 2010 meeting of the Investor Education Subcommittee, the subcommittee agreed this would be an interesting avenue for the SEC to heighten its mission of educating investors.

Topics

Topic selection would be key to the success of this campaign. One important topic that could be covered is fraud. This particular topic may be discussed in different facets across multiple PSA's. Other topics could include the importance of an emergency fund, understanding mutual funds, and the concept of risk versus return. The number of topics is practically limitless. Topics could be discussed in the Investor Education Subcommittee and then presented to the full SEC Investor Advisory Committee. The full committee could then determine the proper topics and the order of filming, and present its recommendations to the appropriate individuals at the Securities and Exchange Commission.

Challenges

Television spots can be costly to produce. With the networks and their affiliates donating air-time, the costs are considerably reduced. These PSA's have an added layer of complexity because they would be using celebrities. Choosing and securing the proper talent for each PSA may take considerable time and effort. The timing of these PSA's would also be important. We want to reach as many people as possible, which may be in direct conflict with the networks' desire to run paying commercials.

Positive Outcomes

If the SEC is able to produce memorable PSA's about relevant topics, then not only will it heighten investor awareness, but it will also improve the reputation of the SEC.