



Society for Financial Education and Professional Development, Inc.

Enhancing financial and professional growth...

June 27, 2011

RE: Release No. 34-64306; File No. 4-626

Comment Request on Existing Private and Public Efforts to Educate Investors

Agency: Securities and Exchange Commission

Action: Request for comment.

The Society for Financial Education and Professional Development, Inc. respectfully submits the following comments in response to the questions reflected in the referenced release:

(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?

Our organization, the Society for Financial Education and Professional Development, Inc. developed and presents a face-to-face investor education program on the campuses of colleges and universities under the title "Creating Wealth through Investing." The goals of the program is create a population of young adults who understand the operation of the stock and bond markets; risk versus reward in investing; the process for buying and selling stocks and bonds; introduce college students the availability of investment vehicles to accumulate wealth and retirement income; and change their behavior in the use of money to a mindset to use money to create wealth.

The project provides a great opportunity to empower young people who are about to enter the workforce to be better prepared to accomplish their financial goals and prepare for their retirement. The project also provides an opportunity to infuse investment information and materials into every community.

The program covers: a) investing in stocks and bonds; b) strategies for investing in the financial markets; c) how to use investment vehicles to accumulate funds for retirement; d) investment strategies and diversification; e) investing in mutual funds; f) risk vs. reward analysis; g) investment categories; h) reading stock quotations; i) stock research; j) risk tolerance vs. time horizon; k) investor protection laws and rights; and l) establishing and implementing financial goals.



2120 Washington Blvd, Ste 400
Arlington, Virginia 22204
703.920.3807(p) 703.920.3803(f)

The program has been in existence for seven years. The targeted audiences include junior and senior college students as well as graduate student

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

The most important characteristics of an effective investor education program are the presentation of the practical application of investing. For example, the detailed steps a potential investor would take to purchase stocks and bonds; how to invest in stocks and bonds; how to develop strategies for investing in the financial markets based on risk tolerance and time horizon; how to use investment vehicles to accumulate funds for retirement; how to diversify investments; how to invest in mutual funds; how to understand risk vs. reward; investment categories; and understanding investor protection laws and rights.

(3) What programs do you view as most effective?

We feel that the programs that are most effective are those programs that provide the practical application of investment concepts, strategies and techniques.

(4) Has your organization or an independent third party evaluated any of your organization's 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.

Yes. Based on student evaluation forms submitted, 87% found our investor education seminar/workshops very helpful. While 98% stated that they would make investments in the future. In additionally, our longitudinal survey of college students who have attended our investor education indicated that 86.2% were likely to participate in their employer's 401(k) retirement savings plan upon employment. While 64.3% have begun to save to establish an emergency fund. 82.8% have established specific financial goals. The data reflected was compiled by an independent program evaluator.

(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?

Yes. We have relationships with over 80 colleges and universities located in 18 states (Alabama, Delaware, District of Columbia, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Mississippi, Missouri, New York, North Carolina, Oklahoma, Pennsylvania, South Carolina, Virginia, and West Virginia).

Based on the response we have received from college students, professors and faculty members the program can be replicated or expanded to a national audience.

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

We feel that investor education programs should include a component related to available Federal and state laws and regulations that protect investors.

(7) Which best describes you or your organization?

The Society for Financial Education and Professional Development, Inc. is a 501(c)(3) non-profit organization. The primary mission of the organization is to enhance the level of financial and economic literacy of individuals and households in the United States.

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

Most existing private and public efforts to educate investors are general in nature or bias to a particular investment vehicle(s) to generate sales or influence an investor's decision-making.

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