

October 5, 2012

Carrie Schwab-Pomerantz  
Chair, Partnerships Subcommittee  
President's Advisory Council on Financial Capability

RE: September 5 Request for Comments

Dear Ms. Schwab-Pomerantz:

On behalf of the Investor Protection Trust (IPT)<sup>1</sup> and the Investor Protection Institute (IPI),<sup>2</sup> I am submitting this response to your Request for Comments dated September 5, 2012. We welcome this opportunity to provide the President's Advisory Council on Financial Capability with the benefit of our experiences in working with employers to provide investor and financial education to their employees. On behalf of the boards of the IPT and IPI, I would like to extend an invitation for our organizations to work together in a collaborative fashion in the future.

This response covers the second and third questions in your Request for Comments.

### **WHAT WOULD MOTIVATE OR INSPIRE YOUR ORGANIZATION TO ADOPT THESE ELEMENTS?**

Based on practical experience from more than 10 years collaborating with dozens of state agencies responsible for providing investor education to employers, employees and consumers in general we find that the following strategies are very helpful in inspiring employers to participate in financial education programs:

- Organizing educational efforts in the form of an event-based competition or "challenge" designed to engage employers and employees to take action at a specific time and date
- Providing simple, effective and easy to implement programs that provide meaningful and measurable results (an online platform can be very helpful to accomplishing these goals)
- Providing a recognition or rewards structure to help recognize those employers who are actively taking effective steps to educate employees on financial topics

### **ARE THERE BEST PRACTICES YOU CAN SHARE? ARE THERE CHALLENGES?**

The answer to the question of how to get more employees to participate in workplace saving and investing programs is much sought after in the world of investor education. The good news here is that we now have a much better handle on what works. The Investor Education in Your Workplace® program is an employment-based best practice that is a proven product with measured and fully quantified empirical data spanning thousands of employees.

### **INVESTOR EDUCATION IN YOUR WORKPLACE®**

The nationally recognized Investor Education in Your Workplace® program provides employees with unbiased instruction in personal finance and investing fundamentals. The program is a proven answer to

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<sup>1</sup> The Investor Protection Trust (<http://www.investorprotection.org>) is a nonprofit organization devoted to investor education. The primary mission of IPT is to provide independent, objective information needed by consumers to make informed investment decisions. Founded in 1993 as part of a multi-state settlement to resolve charges of misconduct, IPT serves as an independent source of unbiased and non-commercial investor education materials. IPT operates programs under its own auspices and uses grants to underwrite important investor education and protection initiatives carried out by other organizations. The IPT provides investor education at both the state and national levels.

<sup>2</sup> The Investor Protection Institute (<http://www.protectinvestors.org>) is an independent nonprofit organization that advances investor protection by conducting and supporting unbiased research and groundbreaking education programs. IPI carries out its mission through investor education, protection and research programs delivered at both the national and grassroots level in collaboration with state securities regulators and other strategic partners. IPI is dedicated to providing innovative investor protection programs that will make a meaningful difference in the financial lives of Americans in all walks of life and at all levels of sophistication about financial matters.

a problem that has long plagued employers and policy makers: how to encourage employees to participate more fully in workplace saving and investing programs.

**Program Overview:** The Investor Education in Your Workplace® is an award winning, online training program that provides each employee with 10 hours of financial and investor education over a 10 week period. The course topics include: Saving & Investing, Personal Finance, Investing Basics, Investment Strategies, Investment Risks, Retirement Planning, Retirement Plan Options, Mutual Funds, Financial Advisors and Putting It All Together. Many employers provide time during the work day for employees to complete the courses. The Investor Education in Your Workplace® is designed for all employees, regardless of age, education or income and can be accessed 24/7 via a Web browser on computers, tablet devices and smart phones.

Provided as a “challenge” program with specific start and stop dates, it is built to encourage friendly competition among employees and participating employers.

**Since 2009**, and with the support of the Investor Protection Trust, Investor Protection Institute and state securities regulators, over 300 companies with more than 12,000 employees have engaged in 120,000 hours of financial education with impressive results.

**In 2012**, employees from 12 states will have participated in spring and fall programs. By the completion of the fall 2012 program (which starts on October 22nd) the total number of successful program participants is projected to approach 20,000 people and 200,000 hours of online education.

**Program Development:** From 2009 to 2011, the Investor Protection Trust worked with project partners in Wisconsin, Pennsylvania and North Carolina to pilot this online financial education program with the goal of providing employees with unbiased instruction in personal finance and investing fundamentals. The pilot program was exceptionally successful. In 2009 and 2010 researchers at the University of Wisconsin - Madison, in cooperation with the Wisconsin Credit Union League, administered a series of surveys to hundreds of employees at Wisconsin credit unions participating in Investor Education in Your Workplace® program. The researchers determined that the online investor education provided by the Investor Education in Your Workplace® program led to both sustained knowledge and changed behavior in program participants. The research was published by the Filene Research Institute ([http://filene.org/publications/detail/Investor Education](http://filene.org/publications/detail/Investor_Education)).

In 2012, the project team has worked with 14 state securities regulators’ offices to expand the program to provide the Investor Education in Your Workplace® program to thousands of employees nationwide. To date, the following states have undertaken support the program: Alaska, Alabama, Colorado, Delaware, District of Columbia, Illinois, Iowa, Michigan, North Carolina, Pennsylvania, Oklahoma, Washington, Wisconsin, and Vermont.

**Participants:** Employees of all ages, incomes, ethnicities and education levels have successfully completed the program. Past participants have included employees from credit unions; state, local and county governments; faculty of elementary schools, colleges and universities; office and healthcare workers; and many more.

**Program Results:** In general, participants who have completed the program show significant and documented improvement in their financial knowledge, attitudes and behaviors after completing the 10-week program. To date, the 10-week online Investor Education in Your Workplace® training program has produced groundbreaking results that have been verified with the program’s built-in pre- and post-testing and 3<sup>rd</sup> party independent evaluation including:

- Up to 40 percent improvement in investment knowledge measured through pre- and post-testing;
- Up to 50 percent improvement in participant attitudes and behaviors about money including increased financial well-being, such as setting investment goals; implementing a budget; and starting/increasing contributions to 401(k), IRA, or equivalent plans;
- Roughly 80 percent of participants complete the entire 10-week program; and
- Over 92% percent say they would like to participate in additional programs.

The program's value and success have been acknowledged with two Governor's Awards for Financial Literacy in Wisconsin, as well as national recognition from the media.

**Recent Results:** From April through August 2012, some 70 companies and over 3,000 employees in seven states participated in the Spring Investor Education in Your Workplace® program. In these tough economic times, the program delivered some significant and important benefits, including:

- A 34% improvement in knowledge through pre and post-testing data;
- Up to 18% increase in the number of participants creating a written budget;
- Up to 50% increase in the number of participants developing a written financial plan;
- Up to 17% decrease in the number of participants who paid a late fee in the past 3 months;
- Up to 13% increase in the number of participants creating an emergency savings fund (with at least 3 months of savings set aside to cover unexpected expenses);
- 10% increase in the number of participants saving more after the program (than before it);
- 4% increase in the number of participants who own a retirement account; and
- Roughly 100% increase in employees' confidence in understanding basics of investing.

Additional details on results of the spring 2012 program are available on pages 4–7.

**Program Future:** The Investor Education in Your Workplace® program is proving itself to be an effective and easy-to-implement program. It can be delivered cost effectively with verifiable results in participation and change in knowledge and behavior.

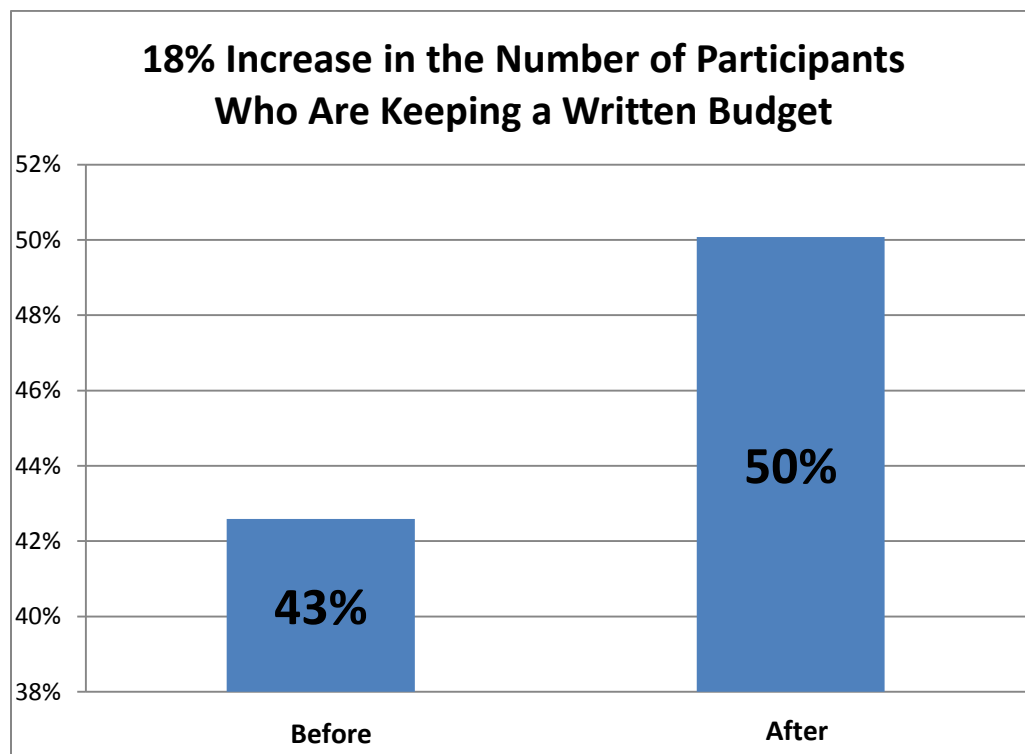
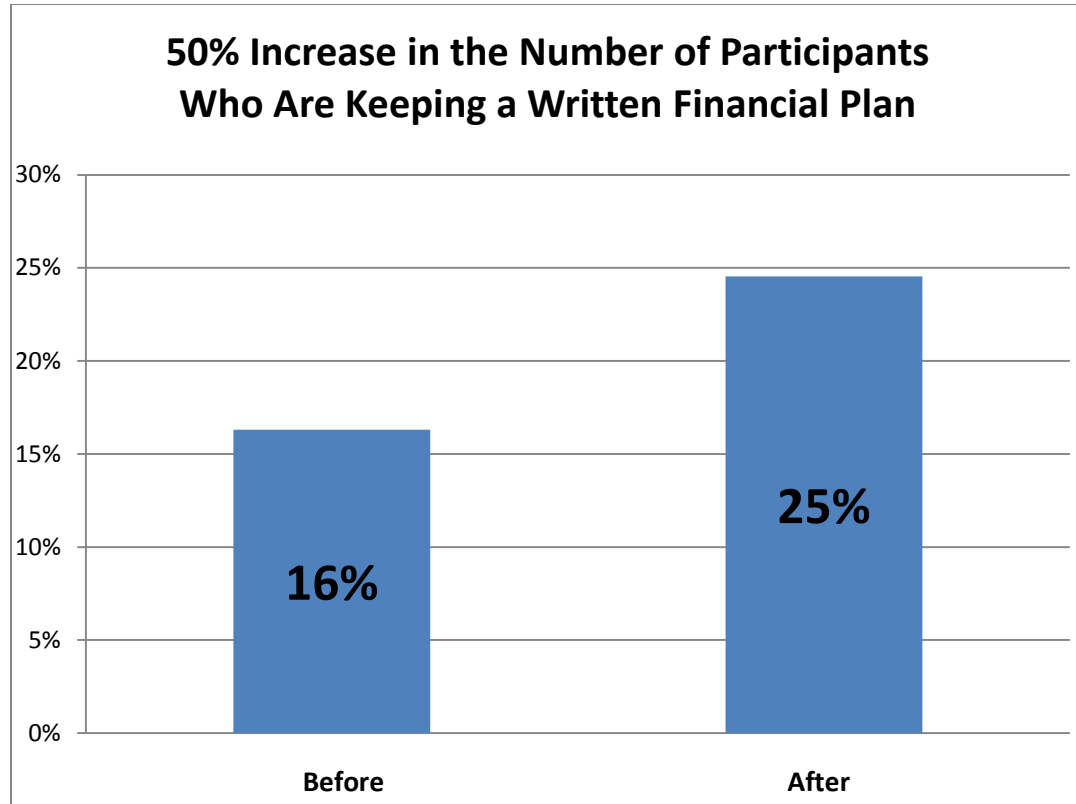
The program's online format and relevancy are constantly improved in response to participant, employer and expert feedback. The Investor Education in Your Workplace® program will continue to grow and provide a rich financial and investment education experience that delivers excellent results.

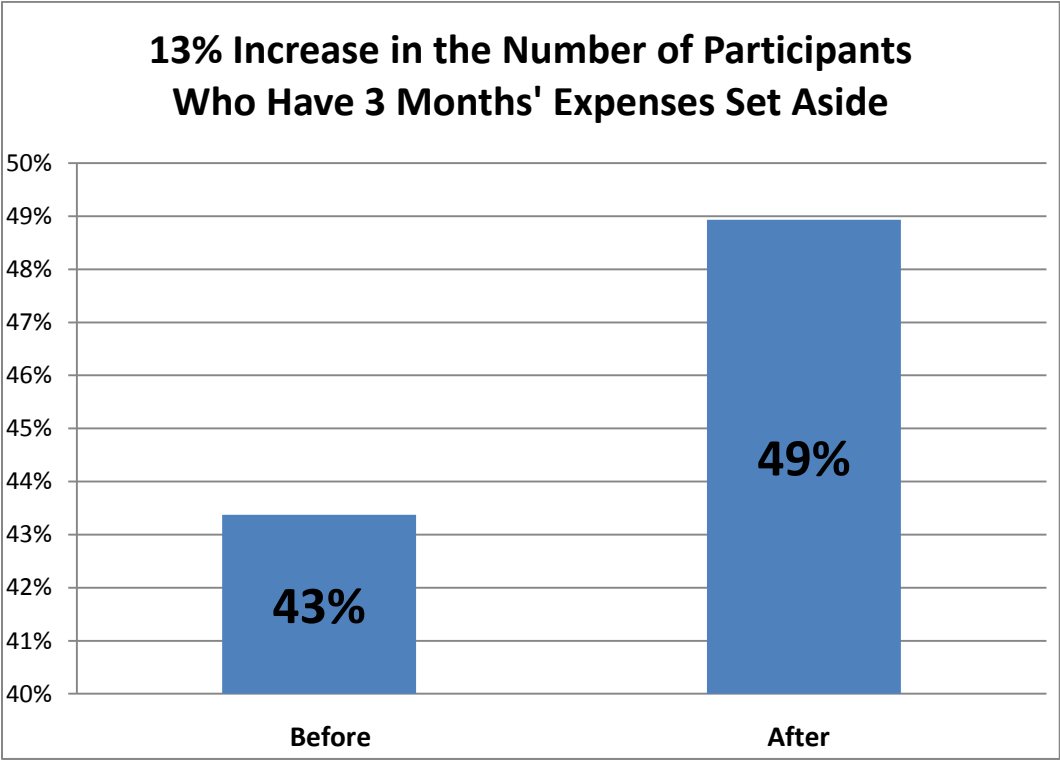
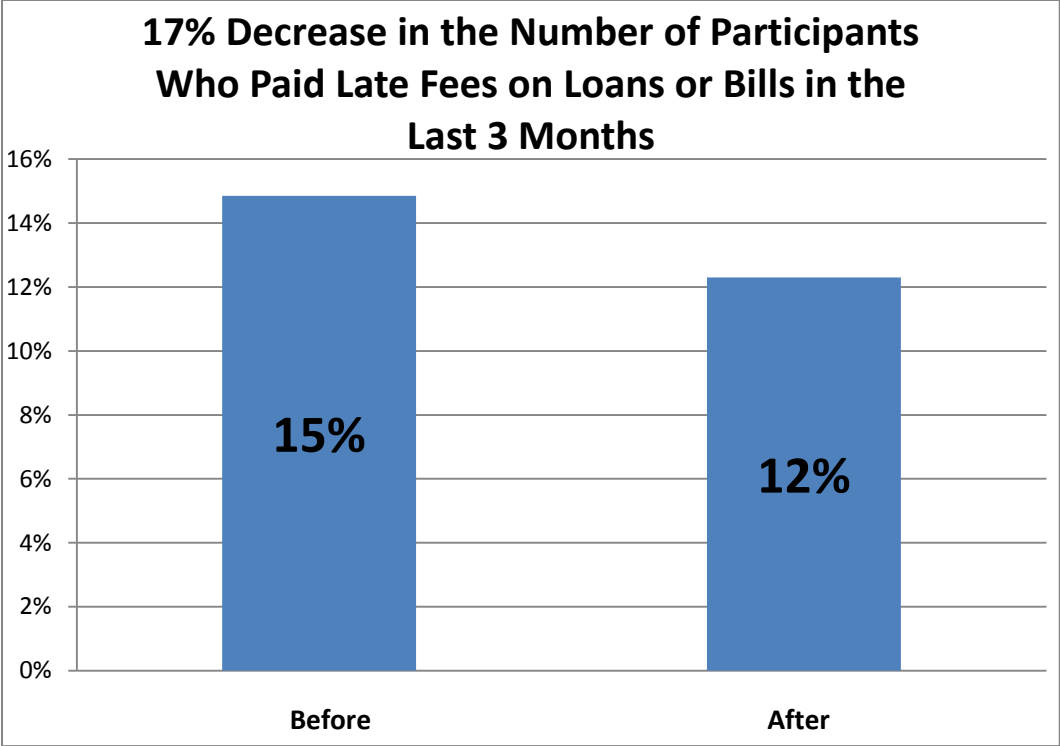
Additional information about the Investor Education in Your Workplace® is available online at:  
<http://www.investorprotection.org/learn/?fa=ieiyw>

Sincerely,

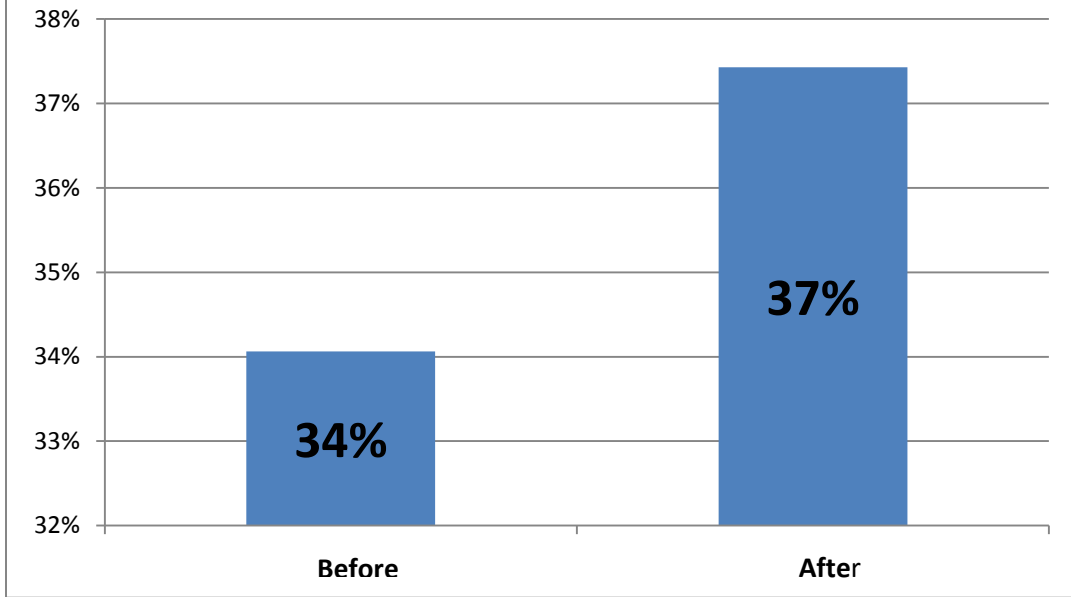
Don Blandin  
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**DETAILED DATA FROM 3000+ PARTICIPANTS IN SPRING 2012 INVESTOR EDUCATION IN YOUR WORKPLACE® PROGRAM**

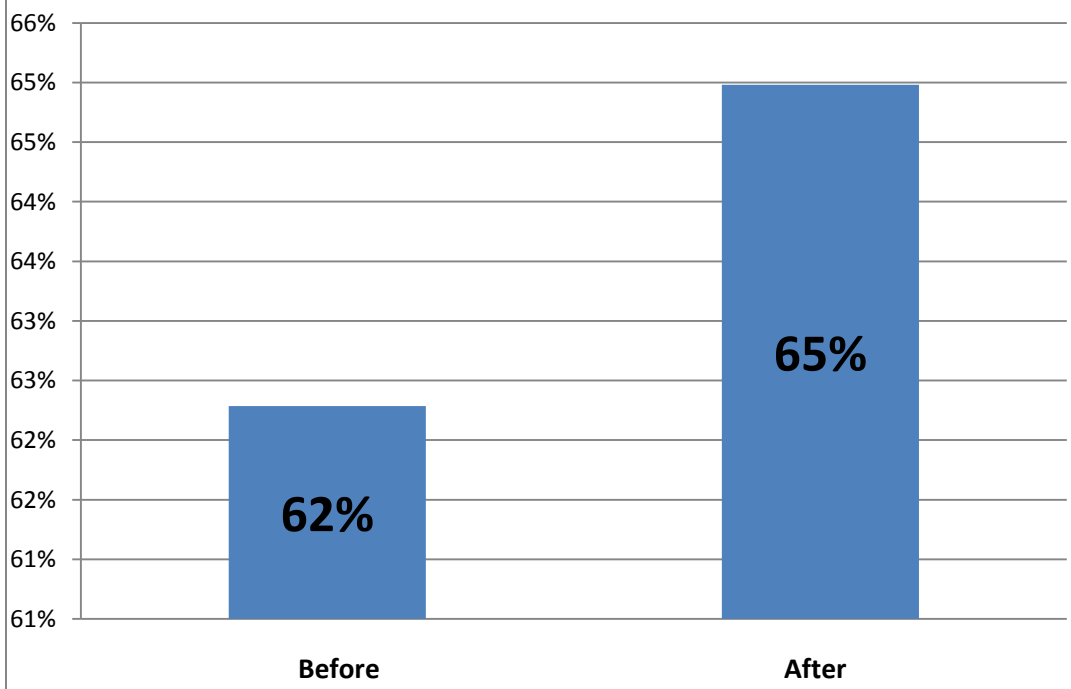




### 10% Increase in the Number of Participants Who Are Saving More Now Than 6 Months Ago



### 4% Increase in the Number of Participants Who Own a Retirement Account



## Increase in Confidence Regarding Knowledge of Financial and Investing Topics

