

**From:** [Seth Schroeder](#)  
**To:** [Comments, Public](#)  
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- 1. What is the single most neglected area in the field of investor education? How might this area be developed?** I hear about people day-trading based on what I would call "word on the street." This is more like gambling and contributes to the fear of investing. It would be nice to see a website that compiled the earnings call information. There could also be a feature that told investors what common words or abbreviations meant. I can't help but to think that if people knew the debt and lack of earnings of some companies that it may change investing habits.
- 2. Which methods of educating investors have worked best to increase investor knowledge among self-directed retail investors? Please describe the modes and channels used to reach people and the demographic characteristics of the target audience for such efforts. What should be FINRA's role with regard to educating self-directed investors?** I have learned a lot by paying for a stock advisor service. There is also a free podcast to educate listeners on companies. The investing language I have learned has all been from here. Without this knowledge, I would only buy index funds as the return of the stock market is guaranteed over time. Disclaimers on podcasts are a good idea too. It seems like lots of people listen to them but not many have good financial advice, especially with regards to investing. I also personally teach/talk about it (I am a school teacher) often. to reduce the investing fear and educate people on what is actually happening when they invest. I also love the idea of turning all of the cash advance businesses into investing education centers. These are in the low SES neighborhoods and are often taken advantage of. Investing knowledge could help bring them out of hardships by increasing wealth.
- 3. Which education methods have worked best among investors who receive advice from registered financial professionals? Please describe the modes and channels used to reach people and the demographic characteristics of the target audience for such efforts. What should be FINRA's role with regard to educating investors who receive recommendations from registered financial professionals?** This is a difficult question. If you go to a surgeon, you will need surgery. If you go to a chiropractor, you will be out of line. And so on and so forth. Often times, portfolios presented to clients are a reflection of the professional's ideals. Unless the clients knows what they want, they may have little say in their portfolio. Like I said, I, a white male in my mid 30s, listen to podcasts and read earnings reports for companies I like. I have 100% control over what I buy and am comfortable with my choices.
- 4. What types of effective educational interventions have the highest potential to influence the behavior of investors, particularly newer investors? What are the costs of implementing such interventions?** As

with anything, it starts in grade school. We need to teach the young people about the terms and process of investing. I would say that most of the population knows very little of investing. The personal finance teacher at my school, who teaches about investing, does very little of it personally and is one of those that has some fear about it. The structure for implementing the youth is already in place and would have a very little cost to result ratio. Aside from this, I think there needs to be more clubs or places people want to go to talk investing. There are very few people I can talk to about it.

5. **What metrics do you use to track the results of educational interventions? To what extent do these results change over time?**

Brokerages could offer investment questionnaires yearly or maybe even randomly require them before purchasing (the score would have no impact on their ability to buy/sell). I personally would like something like this to see my own growth in comprehension.

6. **What experience and evidence of effectiveness can you share regarding the integration of investor education into other types of service delivery (such as workforce development, general financial planning or client cultivation)?**

From what I am hearing, day trading based upon what a coworker has heard, who heard it somewhere, who listens to Joe Schmo's opinion, etc. is happening in the service and trade skill communities. I haven't heard a good reason for why some of these people are buying what they are buying. At least in the financial planning industry, you are likely to get someone that knows about diversification so risk is mitigated (not all, or even many, of them do research on stocks). Again, I think the way to go is more investing clubs. There isn't much reason for a company to pay employees while educating them on anything other than, say, the company's 401k.

7. **What lessons have been learned from qualitative or quantitative study of target audiences, input from behavioral science professionals, data analytics or other inputs regarding effective ways to educate investors generally and newer investors specifically?**

I haven't done any formal studies.

8. **Does simulated trading help educate investors or potential investors about different aspects of investing, such as risk, diversification, costs and performance?**

To an extent. Our students do the marketwatch game. This is really geared toward day-trading, which I don't promote. Traders are not investors. I have a hard time seeing people play a trade simulation for long enough to see their picks develop over any meaningful amount of time. Things like this could be modified to so that it shows the portfolio allocation, more than just stock, bonds, etc. For my own portfolio, I would like an easier way to see how much is in energy, retail, real estate, etc.

9. **For broker-dealers and other financial services firms that offer investor education resources through mobile apps or websites, what has been your experience regarding customer usage of the tools and information you offer? Which platforms and modalities have the highest utilization? Which have been most effective? Have you measured changes in investor knowledge? If so, how and with what results?**

My answer to this is largely subjective based solely on what I am hearing. I personally don't read information put out by my brokerage services simply because I pay for

an investing service that aligns with my beliefs about investing. In conversation, my investing ideology gets drowned out by investing newswires. As with anything lately, the media, and social media, are making a way for less-than-wise opinions to be squeaky wheels.

10. **How might FINRA and the FINRA Foundation best serve the field of investor education?** I think new investors need to have their eyes opened a bit to see that it is so much more than "buy low, sell high". When this phrase comes out of someones mouth, I know not to engage too much. People really like investing. I think investors would be open to the idea of answering a series of questions once a year or so to gauge their understanding (at least, I would). As I stated before, the questions don't have to be mandatory and the score would have no impact on their ability to trade.