

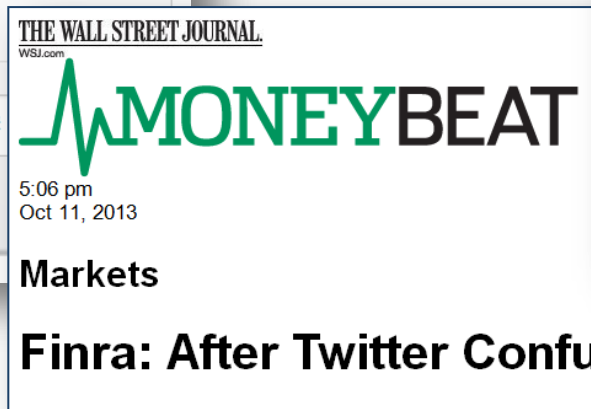
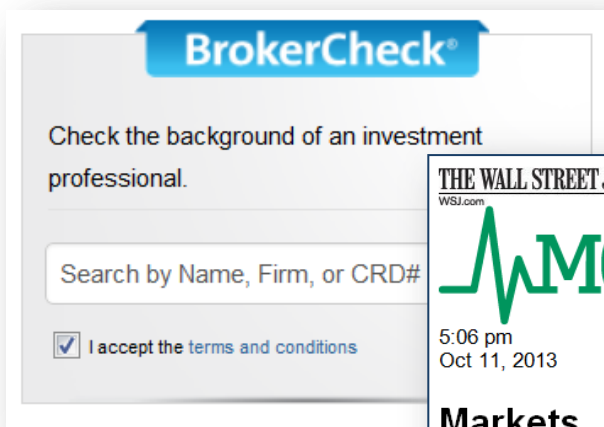
Overview: FINRA Investor Education & FINRA Investor Education Foundation

Global Financial Literacy Summit
13 November 2013 • Amsterdam



Investor Education

- Alerts and Publications
- Tools and Podcasts
- Coordination with Other Departments and Agencies
- International Forum for Investor Education



WHO IS AN ACCREDITED INVESTOR?

Regulation D investments are generally only available to **accredited investors**.
For most investors this means:

Net Worth exceeds **\$1,000,000** 
 **Not including** primary residence

or

Income exceeds

 \$200K Individual – EACH of last 2 years	 \$300K Joint with spouse – EACH of last 2 years
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 VISIT FINRA.ORG FOR MORE INFORMATION. 

FINRA Investor Education Foundation

- **Established:** December 2003
- **Mission:** to provide underserved Americans with the knowledge, skills and tools necessary for financial success throughout life
- **Funding:**
 - **\$38.0 million in cash contributions from FINRA since inception**
 - **\$7.2 million in fines from FINRA settlements**
 - **\$55 million from Global Research Analyst Settlement**

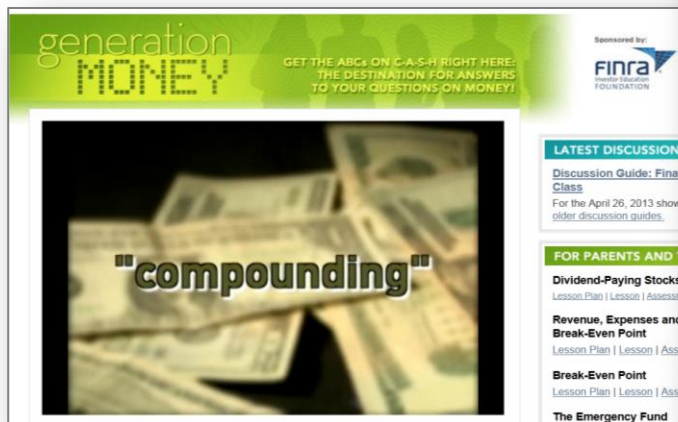


Grant Programs

- **Awarded 218 grants for a total of \$34.9 million in funding since 2004**
- **Current Grant Programs:**
 - General Grant Program
 - Research
 - Education
 - Smart investing@your library
 - Financial Education in Your Community
 - Investor Advocacy Clinics

Targeted Projects

- Military Financial Readiness Project
- Investor Protection Campaign
- Teen Financial Literacy Project



generation MONEY

GET THE ABCs ON C-A-S-H RIGHT HERE: THE DESTINATION FOR ANSWERS TO YOUR QUESTIONS ON MONEY!

Sponsored by: **FINRA** FINANCIAL INSTITUTE FOUNDATION

"compounding"

LATEST DISCUSSION
 Discussion Guide: Final Class
 For the April 26, 2013 show order discussion guides.

FOR PARENTS AND TEENAGERS
 Dividend-Paying Stocks
 Lesson Plan | Lesson | Assessment

Revenue, Expenses and Break-Even Point
 Lesson Plan | Lesson | Assessment

Break-Even Point
 Lesson Plan | Lesson | Assessment

The Emergency Fund



FINANCIAL FRAUD⁽ⁱⁿ⁾ THE UNITED STATES
 LEARN TO PROTECT YOURSELF

\$50 BILLION per year lost to fraud

More than **8 in 10** solicited for potentially fraudulent offers

Part of the problem is that many Americans have unrealistic expectations of market returns.

100% APPEALING
 Shown a sample fraud pitch, 42% of respondents found returns of "110% a year" appealing—but such returns are highly unlikely and a red flag.

9.9% REALITY
 Average long-term annual returns on large stocks.

Americans age 65 and older are more likely to be targeted and 34% more likely to lose money once targeted than respondents in their 40s.

Fraudsters use many tactics to get to your money. **WHAT DO THESE OFFERS LOOK LIKE?**

67% of survey respondents received an email offering a large amount of money but required an initial deposit or fee.

64% were invited to an "educational" investment meeting that was likely a sales pitch.

36% received a letter stating they had won the lottery in another country.

BE SURE TO ASK → CHECK.

ASK if the person is licensed to sell you the investment and if the investment is registered.

CHECK the answers with FINRA or the SEC. You can use FINRA's BrokerCheck and the SEC's EDGAR database.

VISIT SAVEANDINVEST.ORG FOR MORE INFORMATION.
Source: FINRA Investor Education Foundation research report, Financial Fraud and Fraud Susceptibility in the United States (2013). Study and methodology available online at www.SaveAndInvest.org.

SaveAndInvest.org



MILITARY CENTER > FRAUD CENTER > SIGN UP FOR OUR NEWSLETTER [] Search Keywords []

SaveAndInvest.org

Financial Basics | Control Debt | Save for the Future | Protect Your Money | Financial Tools

We're a not-for-profit resource dedicated to your financial health.

BrokerCheck >
 Retirement Calculator >
 Savings Calculator >

NATIONAL CRIME PREVENTION COUNCIL

FIGHTING FRAUD

Crime Prevention Month Kit >
 Fraud prevention is crime prevention! Use this kit from the National Crime Prevention Council to learn simple steps you can take to help "Take a Bite Out of Financial

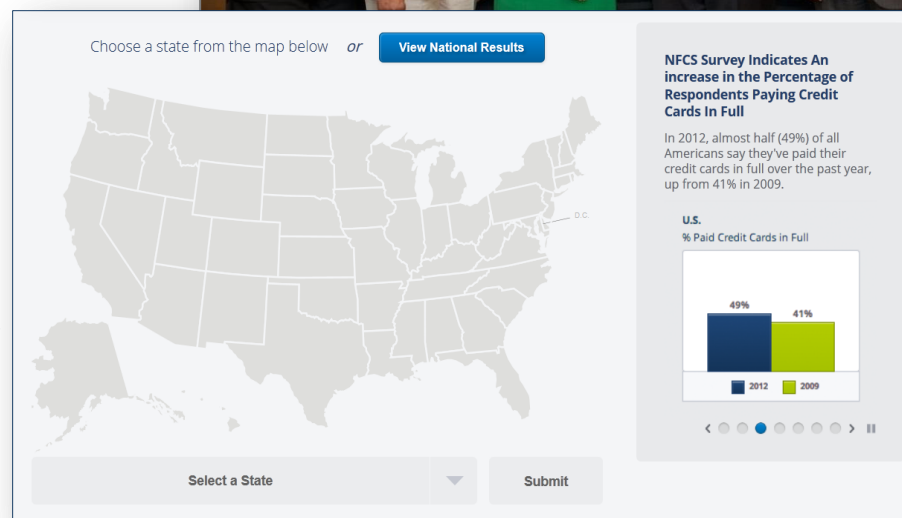
ALERT

Closed-End Fund Distributions >
 Be sure you understand where a closed-end fund is getting the money to pay distributions because part of it may come from the return of principal.

2012 Financial Capability Study

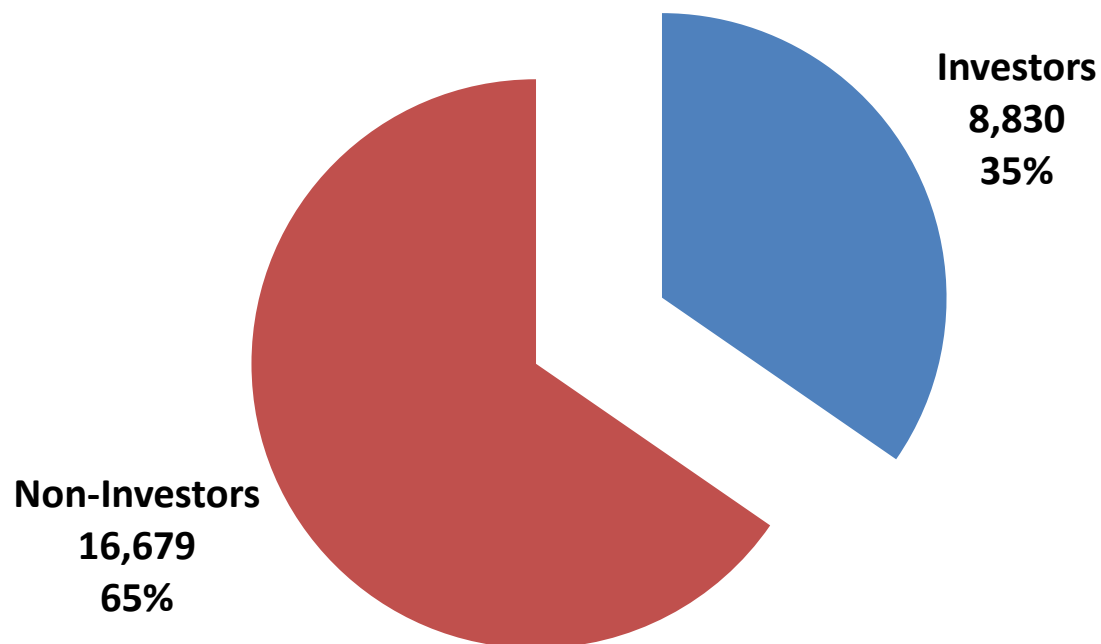
- Released May 29, 2013
 - C-SPAN coverage
 - 50+ news stories and more
- Reach:
 - Urban Institute Research brief
 - Upcoming academic articles & conferences

usfinancialcapability.org

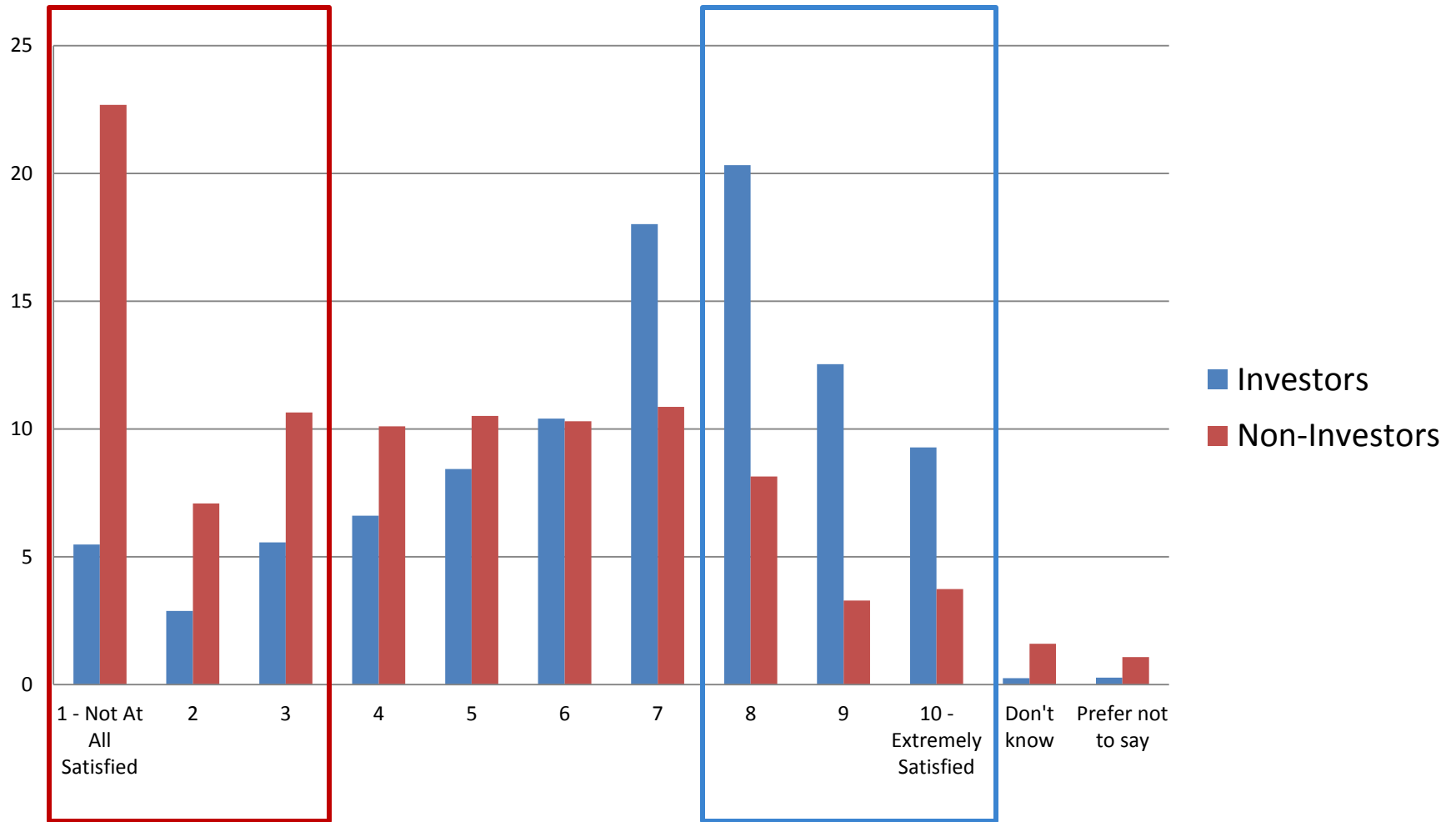


Breakdown of 2012 NFCS Respondents

Not including retirement accounts, do you [does your household] have any investments in stocks, bonds, mutual funds, or other securities?



Satisfaction with Personal Financial Situation

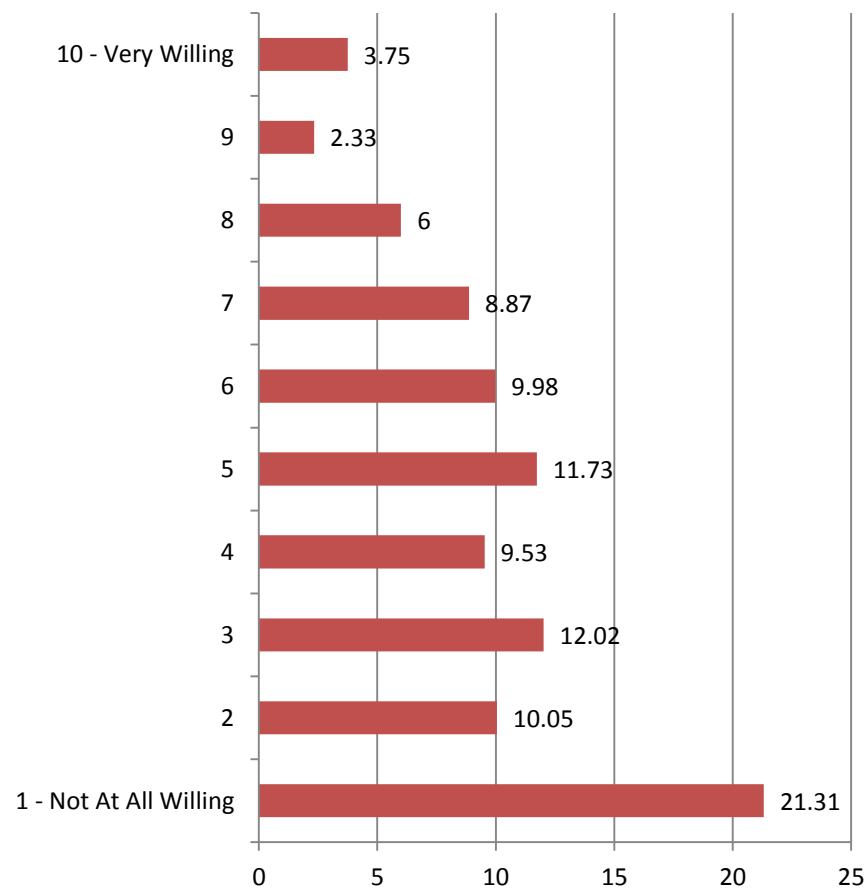


Willingness to Take Risk

Investors



Non-Investors



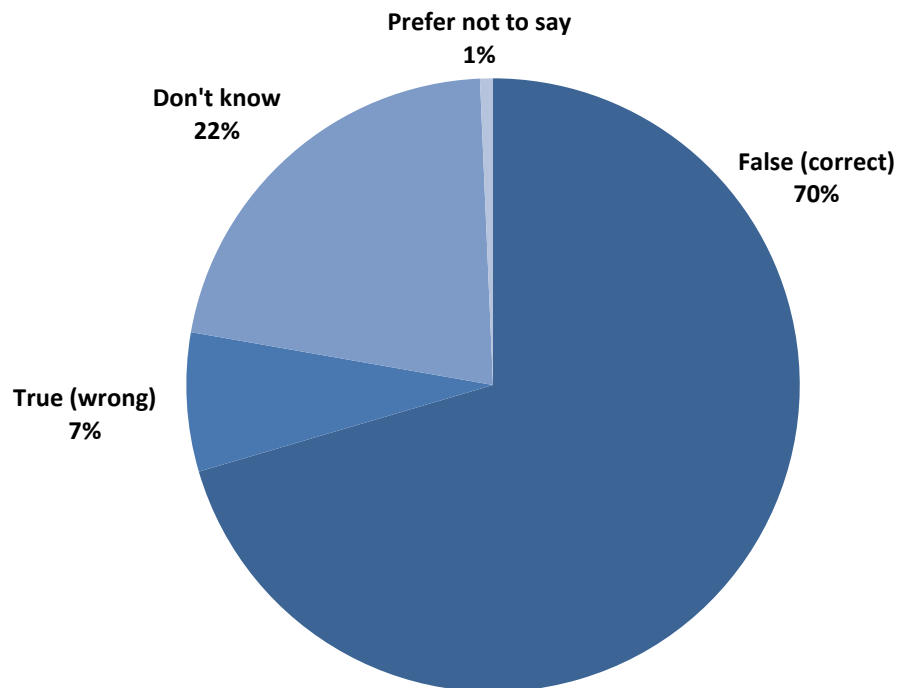
Investors versus Non-Investors

	Investors	Non-Investors	Full Sample
Financially Fragile	12%	51%	40%
No "Rainy Day" Fund	27%	70%	56%
Sought Advice on Saving or Investing	56%	17%	29%
Answered Bond Question Correctly	43%	22%	28%

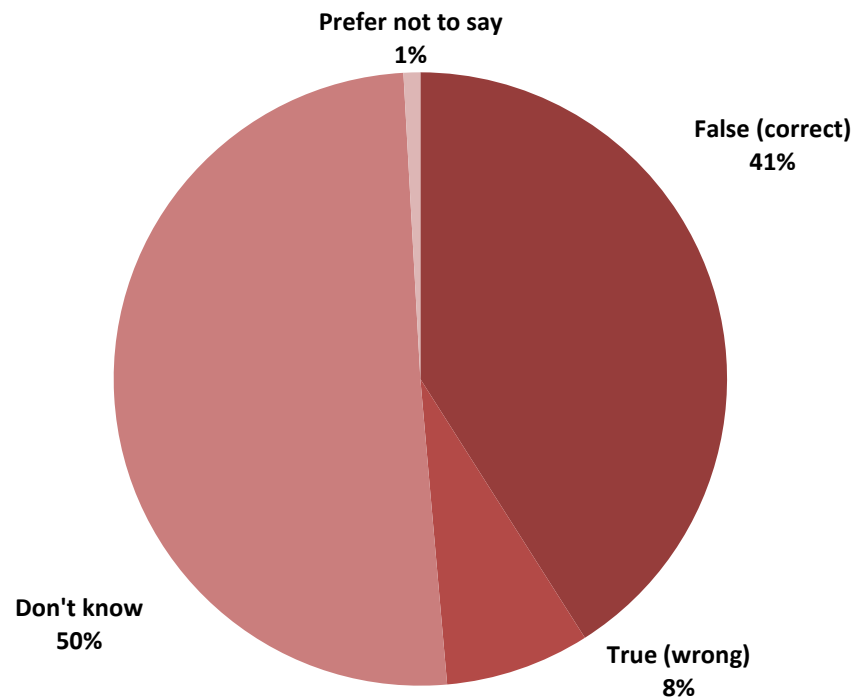
Risk / Diversification Question

True or False: Buying a single company's stock usually provides a safer return than a stock mutual fund.

Investors



Non-Investors



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