



Wells Fargo & Company
420 Montgomery Street
San Francisco, California
wellsfargo.com

August 30, 2021

Via E-mail: *pubcom@finra.org*

Ms. Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

RE: Special Notice: FINRA Requests Comment on Effective Methods to Educate New Investors

Dear Ms. Mitchell:

Wells Fargo & Company, together with its affiliates and subsidiaries (collectively, “Wells Fargo”), welcomes the opportunity to comment on the Financial Industry Regulatory Authority’s (FINRA) Special Notice (the “Notice”),¹ seeking comments on effective methods to educate new investors.

Wells Fargo is a diversified, community-based financial services company with \$1.9 trillion in assets and approximately 259,000 employees, which provides banking, investment and mortgage products and services, as well as consumer and commercial finance. Our broker-dealer² and asset management affiliates comprise one of the largest retail wealth management brokerage and retirement providers in the United States, helping millions of customers of

¹ Special Notice, FINRA Requests Comment on Effective Methods to Educate Newer Investors (June 2021).
<https://www.finra.org/sites/default/files/2021-06/Special-Notice-063021.pdf>

² Wells Fargo Advisors (WFA) is the trade name for Wells Fargo Clearing Services, LLC, a dually-registered broker-dealer and investment advisor, member FINRA/SIPC and a separate non-bank affiliate of Wells Fargo & Company that administers approximately \$1.8 trillion in client assets. It employs nearly 12,400 full-service financial advisors in branch offices in all 50 states and over 4,800 licensed bankers in retail bank branches across the United States.

varying means and investment needs obtain the advice and guidance they need to achieve financial goals.

I. BACKGROUND

In June 2021, FINRA issued this Notice as part of a multi-year \$30 million initiative to explore innovative ways to reach and educate new investors. Both FINRA and the FINRA Investor Education Foundation (FINRA Foundation) have long provided free, unbiased information and tools to help retail investors protect themselves and better understand basic principles of investing and the markets. The feedback received from firms, investors and investor advocates on the Notice will help FINRA and the FINRA Foundation to launch a comprehensive program to educate novice retail investors and leverage technology to enter U.S. securities markets.

II. DISCUSSION

Wells Fargo appreciates FINRA's efforts to explore innovative ways to engage with and educate new investors. In recent years, Wells Fargo has been active in efforts to reach new investors with a wide variety of information available on its website. New investors are educated on how to set financial goals, provided analysis on paying down debt versus investing, and advised on investing with their spouse or partner. Wells Fargo feels new investors benefit from focusing on and understanding these and other life events in determining how they can build for their financial future.

Wells Fargo also believes leveraging technology to make this sort of information available through alternative formats allows investors greater opportunity to obtain needed information on handling their finances and investments. For example, Wells Fargo recently released a 10-part podcast series, "[About Money](#)," on how to discuss money with spouses, kids, and other family. We believe podcasts like these reach a larger audience with flexibility to listen on the investor's schedule. Accordingly, Wells Fargo would like to offer suggestions on how FINRA could take a similar approach to better reach and educate new investors.

The Notice highlights that nearly half of new investors reported accessing their account primarily through mobile applications, and that new investors were more likely to seek information from friends or family members rather than from a financial professional or through personal research. FINRA could consider developing a mobile application for download on smart phones with basic information for new investors on investing, how markets work, and realistic expectations for returns the investor can expect to receive. This application could contain important questions the investor should answer, such as why are they investing, what

are their short- and long-term investment goals, how can they achieve their desired outcome, and the benefits of getting investment advice from a financial professional.

The mobile application could also contain frequently-asked questions, providing foundational information to investors, such as describing the differences between investing and speculation and the pros and cons of trading through mobile devices. The FINRA website currently has good information for investors with varied levels of experience, including a section for Young Adults and Investing. Releasing a mobile application with this and other important information at the fingertips of new investors may help them get the information they need to make fully informed investment decisions.

Wells Fargo proactively provides information to investors on ways to improve their financial health, with tips and resources to further educate their customers. FINRA could highlight information on its webpage and mobile application focusing on the importance of investor financial health, with resources to assist in the educational development of new and continuing investors. FINRA could also make podcasts and webinars available on investor financial health to the public, and on other general topics important for new investors, accessible by a variety of means, such as mobile devices and applications.

FINRA could undertake an extensive review of social media outlets to determine if there are other methods through which it could disseminate information on financial education to new investors. However, FINRA also should caution investors on overly relying on investment information from social media and similar outlets, which may contain unverified or potentially misleading information. Additionally, with the rise and popularity of investing in cryptocurrencies and other digital assets, particularly with younger investors, FINRA should consider providing information for investors on the risks associated with different asset classes, including cryptocurrency investments, making this important information accessible through the alternative formats outlined above.

III. CONCLUSION

Wells Fargo appreciates the opportunity to respond to FINRA's request for comments on effective methods to educate new investors. If you would like to discuss these items further or need additional information, please contact Michael Liersch, Head of Advice and Planning for Wells Fargo Wealth and Investment Management, at michael.liersch@wellsfargo.com.

Jennifer Piorko Mitchell

August 30, 2021

Page 4

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Liersch". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Michael Liersch
Head of Advice and Planning
Wells Fargo Wealth and Investment Management