



Employee Benefit Security Administration Testimony Regarding RIN 1210-AB32

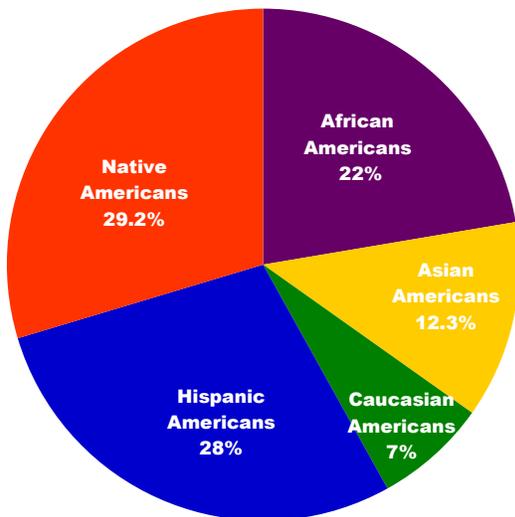
My career experience provides a multifaceted view of the need to protect vulnerable citizens: low to middle income, women and people of color – African, Arabic, Asian, Hispanic and Indian descent – in their pursuit to save for retirement. Often, these vulnerable populations receive conflict ridden advice or none at all. My experiences include:

1. Plan Sponsor of Defined Contribution Plan for large privately held retailer.
2. Financial Advisory firm President that grew to 353 million in assets under management.
3. Financial Educator having created the **SMART MONEY- Financial Fitness Course** for 1000 UAW/ Chrysler employees.
4. Author of **Breakin' Out of Your Financial Funk** Book.
5. President of nonprofit assisting low to middle income residents move out of poverty.
6. Mobile video game developer of economic strategy games.

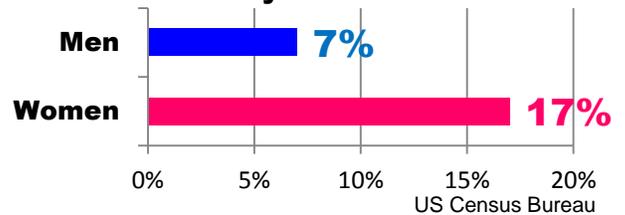
THE CORE PROBLEM

Women and people of color are retiring to poverty. As 10,000 Baby boomers reach age 65 daily, these numbers will only grow exponential.

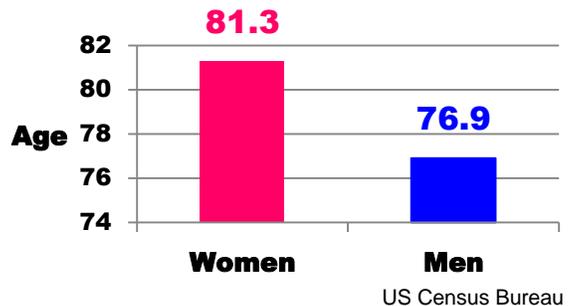
Poverty Rates Of Adults Ages 65+ By Ethnic Demographics



Poverty Rates Of Adults Ages 65+ By Gender



Life Expectancy By Gender



Cubanski, J., Casillas, G and Damico, A Poverty Among Seniors: An Updated Analysis of National and State Level Poverty Rates Under the Official and Supplemental Poverty Measures, Jun 10, 2015

Women have a life expectancy of 81.3 years of age, 4.4 years longer than Men who have 76.9 year life expectancy.

The discussion of **RIN 1210-AB32** has revived the age-old debate of fee-based advisors versus Commission-based advisors. Both advisors have assets under management whether or not they receive commissions for these assets directly. Many fee based advisors own commission based subsidiaries. I present a third advisor option to consider- **Financial Wellness Advisor**. This Financial Wellness Advisor does not have assets under management and hence they do not have a conflict of interest at all.

Retirement planning is more than the accumulation of a lump sum of monies. It is the visioning of a future lifestyle and potential health challenges. It requires more than just investment product knowledge, it requires general financial literacy, goal setting, understanding of both physical and emotional health. Financial wellness is an understanding of financial concepts and tools more than just products.

Vulnerable populations are in poverty during retirement as they lack understanding of financial concepts and tools. They hate the lecture-based jargon-ridden numbers-oriented financial education classes that are presented to them. Yet, they love mobile video gaming. Women, ages 25-54 control 45% of revenue in mobile video gaming. People of color control 64% of revenue. Here is a graph of revenues spent by ethnic demographics:



Gaming should be the preferred educational mechanism to educate this vulnerable population.

These Financial Wellness Advisors can be funded through fees in retirement plans, corporate Benefit plans or through government discretionary dollars allowing this service to be FREE to the individual citizen.

REQUESTS

1. I am asking the Department of Labor to consider expanding educational options in this ruling to allow for this category of Financial Wellness Advisor, both human and technology versions, to be funded by retirement plan fees.
2. I am asking the Department of Labor to consider a pilot of mobile video gaming as an educational option for adults, ages 18 and above. Our first game, My Jewel Empire, has a city building simulation of financial concepts necessary to build an empire of jewelry stores and affluent businesses. It is in development. Prototype will be entering beta September 15, 2015.
3. I am asking the Department of Labor to share this testimony with fellow agencies that are involved in the Financial Literacy Education Commission.