

# TECH FUELED INVESTING & THE IMPORTANCE OF FINANCIAL & CORPORATE GOVERNANCE LITERACY EDUCATION

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# THE WIRELESS INVESTORS PROJECT

## Scholarship on Retail Investors

- **Colleen Baker & Sautter, *Democratization of the Private Markets?*, TRANSACTIONS: TENN. J. BUS. L. (forthcoming 2025)**
- Gramitto Ricci & Daniel J.H. Greenwood, *Total Governance*, 50 J. CORP. L. (forthcoming 2025)
- Gramitto Ricci, *The Vitruvian Shareholder*, 75 FLA. L. REV. F. 113 (2024)
- Sautter, *Corporate Governance Through Social Media*, 75 FLA. L. REV. F. 89 (2024)
- Gramitto Ricci & Sautter, *Harnessing the Collective Power of Retail Investors*, in A RESEARCH AGENDA FOR CORPORATE LAW (CHRISTOPHER M. BRUNER & MARC MOORE, EDs.) (EDWARD ELGAR PUBLISHING) (2023)
- Gramitto Ricci & Sautter, *Wireless Investors & Apathy Obsolescence*, 100 WASH. U. L. REV. 1653 (2023)
- Gramitto Ricci & Sautter, *The Corporate Forum*, 102 B.U. L. REV. 1861 (2022)
- **Gramitto Ricci & Sautter, *The Educated Retail Investor: A Response to “Regulating Democratized Investing,”* 83 OHIO ST. L.J. ONLINE 205 (2022)**
- Gramitto Ricci & Sautter, *The Wireless Investors Movement*, U. CHI. BUS. L. REV.: ONLINE EDITION (2022)
- Gramitto Ricci & Sautter, *Corporate Governance Gaming: The Collective Power of Retail Investors*, 22 NEV. L.J. 51 (2021)

## Comment Letter to the Securities and Exchange Commission

- Gramitto Ricci & Sautter, Comment letter on SEC proposed rule “Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker-Dealers and Investment Advisors,” File No. S7-12-23, filed October 9, 2023

## OpEd

- Gramitto Ricci & Sautter, *New Hollywood Blockbuster Depicts a Triumph for Savvy Retail Investors but It’s Just the Beginning*, FOX BUSINESS (Sept. 20, 2023)

## Resurgence of Retail Investors in the U.S.

American households directly investing rose from 15% in 2019 to 21% in 2022

~ 30 m. new accounts between 2020 and 2022 (2023 Public.com report)

*See Corporate Governance Through Social Media n.33 for more information*



# INCREASE IN DIVERSITY OF RETAIL INVESTORS

Beginning in 2020, there's been an increase in the diversity of retail investors.

There's more:

- Women investors
- Black/African American investors
- Hispanic/Latino investors
- Asian American/Pacific Islander investors
- Lower income investors

**World Economic Forum estimates 70% of retail investors globally are below the age of 45.**



Sources:

<https://www.cnbc.com/2022/01/19/most-of-last-years-new-investors-plan-to-buy-more-stocks-in-2022.html>

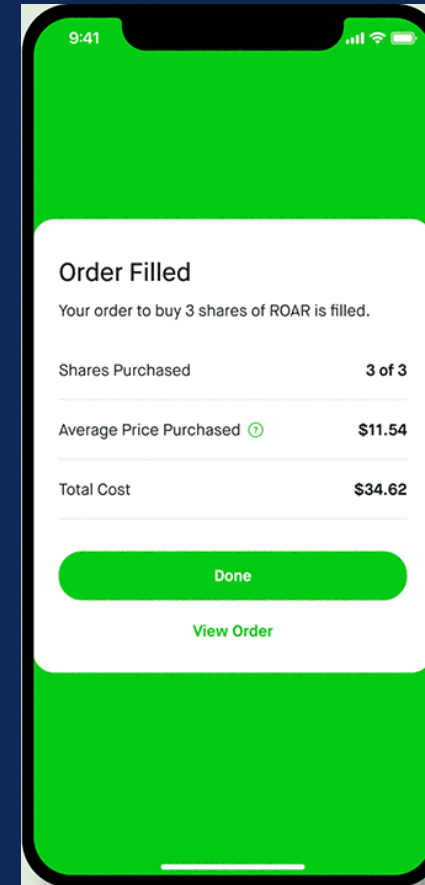
<https://www.finrafoundation.org/sites/finrafoundation/files/investors-of-color-in-the-us.pdf>

[https://www.finrafoundation.org/sites/finrafoundation/files/investing-2020-new-accounts-and-the-people-who-opened-them\\_1\\_0.pdf](https://www.finrafoundation.org/sites/finrafoundation/files/investing-2020-new-accounts-and-the-people-who-opened-them_1_0.pdf)

<https://www.finrafoundation.org/sites/finrafoundation/files/New-Investors-2022-Entering-The-Market-In-Novel-and-Traditional-Ways.pdf>

# SELF DIRECTED INVESTING

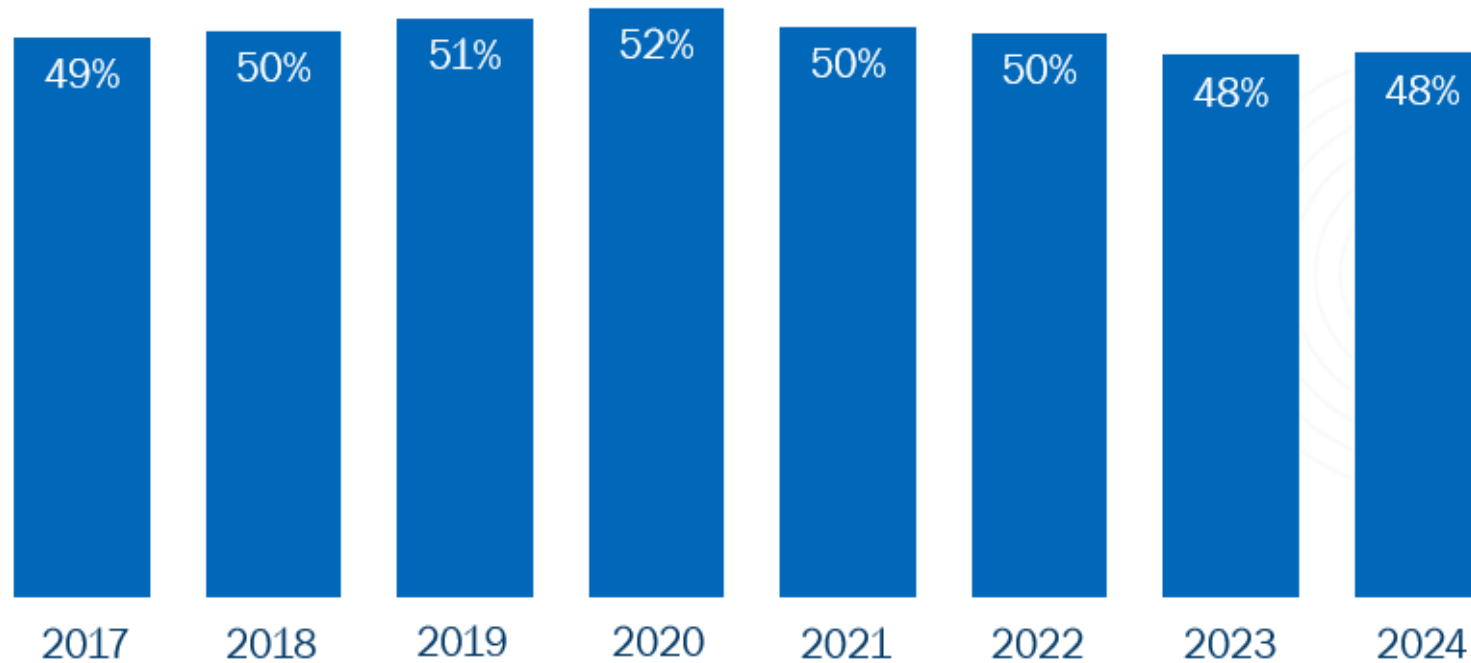
- With the increase of individual retail investors and self-directed investing via apps, there's been a shift:
  - away from mutual funds
  - toward direct ownership of company equity and to ETFs



# U.S. FINANCIAL ILLITERACY

## Financial (il)literacy is holding steady: 2017-2024

% of *P-Fin Index* questions answered correctly

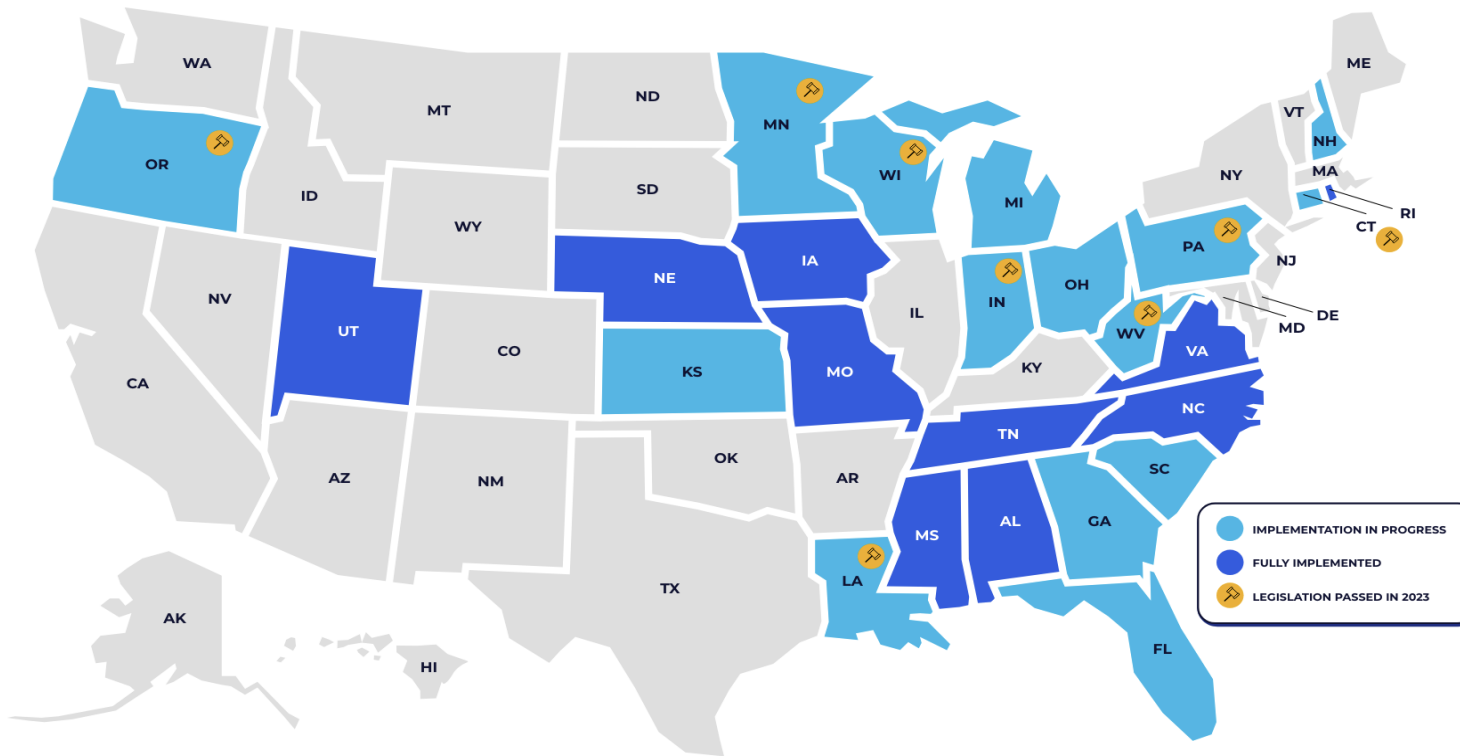


Source: TIAA Institute-GFLEC Personal Finance Index (2017-2024).

# PERSONAL FINANCE COURSES IN HIGH SCHOOL (2024)

## 25 states guarantee a Personal Finance course for all public high school students

Teenagers are making financial decisions today amid the explosion of personalized ads, financial influencers, and get-rich-quick schemes on social media. Access to financial education is growing in response to students' needs, along with strong parental demand. Since 2004, 25 states have adopted this guarantee, including eight states in 2023.



**NOTE:** This report, map, and underlying data are current as of March 2024. For the latest in personal finance education policy adoption and implementation, please refer to [NGPF's LIVE U.S. Dashboard](#) and LIVE Financial Education [Bill Tracker](#).

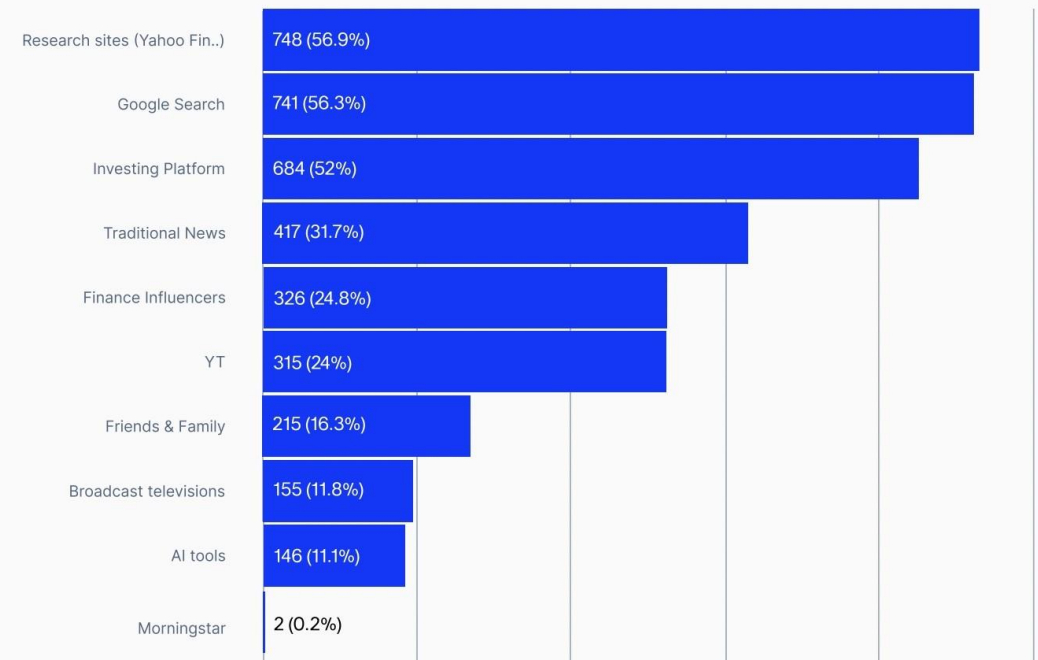
# INVESTING INFORMATION SOURCES

Top Sources of Investing Info (Public.com 2024 Survey)

1. Research Sites (Yahoo Finance, TradingView, or Google Finance)
2. Google search
3. Their investing platform
4. Traditional news
5. Finfluencers
6. Social media sites (TikTok, X, Meta, Reddit)
7. Friends and Family
8. Broadcast televisions
9. AI tools
10. Morningstar

## Where do you do your investment research?

1,315 responses





# EMPOWERING MAIN STREET IN AMERICA ACT (PROPOSED SEPT. 2024)

- Amends “accredited investor” definition to among other things:
  - Allow individuals to become certified as accredited investors if they pass an examination approved by the SEC, a state securities commission, or a self-regulatory organization
  - Exam should:
    - Evaluate whether the individual understands the benefits and risks of investments; and
    - Be designed in a way that an “individual with financial sophistication or training would be unlikely to fail.”
- Directs Department of Treasury & SEC to:
  - “study the level of investor inclusion, education, and confidence of the capital markets system” and
  - Submit recommendations to Congress on how “to enhance financial literacy programs, inclusion, and confidence for retail investors.”



Senator Tim Scott (R-South Carolina)  
Ranking Member of the U.S. Senate  
Committee on Banking, Housing, and Urban  
Affairs

# CENTER FOR RETAIL INVESTORS & CORPORATE INCLUSION

- Nonprofit formed in late 2024
- Focused on financial literacy & corporate governance education and the study of retail investors to further inclusion
- Follow the Center:
  - LinkedIn
  - X: @RICICenter
  - Bluesky: @ricicenter.bsky.social

