



Center for Audit Quality (CAQ)

August 27-September 3, 2009

1000 Investors Nationwide

Margin of Error: +/-3%

In a telephone survey conducted August 27 – September 3, 2009, The Glover Park Group asked a series of questions related to investing and the capital markets. The findings representing 1,000 investors nationally are included below.

With a sample of this size, one can say with 95% certainty that the results have a sampling error of +/- 3 percentage points of what they would be if the entire population of investors¹ had been polled with complete accuracy. Where available, data from previous years has been provided for comparison.

QUESTIONNAIRE

Q.1 Are you the person who is MOST, or at least equally, responsible for making the decisions about how to handle your household's savings and investments?

	Total
Yes, most	73
Yes, equally	27
No (TERMINATE)	-
(Don't know/refused) (TERMINATE)	-

Q.2 In order to make sure our sample represents various types of investors, I need to know, do you, or does anyone else in your household, own any stocks, bonds, or mutual funds in an investment account, or in a self-directed IRA or 401(k) retirement account?

	Total
Yes	100
No (TERMINATE)	-
(Don't know/refused) (TERMINATE)	-

¹ In this survey, "investors" are defined as: Adults (18+), Primary/shared decision-makers for handling household's savings and investments, and Reside in a household with \$10,000 or more in investments – including stocks, bonds, mutual funds, IRAs, 401k, etc.

Q.3 Thinking for a moment about the total value of all these stocks, bonds and investment accounts, would you say the total amount is worth less than \$10,000, or is the total worth \$10,000 or more?

	Total
Less than \$10,000 (TERMINATE)	-
\$10,000 or more	100
(Don't know/refused) (TERMINATE)	-

Q.4 Would you say the total value is worth?

	Total
\$10,000 to \$49,999	26
\$50,000 to \$74,999	12
\$75,000 to \$99,999	8
\$100,000 to \$149,999	8
\$150,000 or more	26
(Don't know/refused)	20

We understand that each individual participating in this survey will have a different level of knowledge and experience. We are looking for a broad range of opinions and are interested in your thoughts based on what you know or may have heard about the topics presented in this survey.

Q.5 At the current time, how much confidence would you say you have in U.S. capital markets? Would you say you have...?

	2009	2008	2007
A great deal of confidence	7	11	14
Quite a bit of confidence	17	15	25
Some confidence	49	44	45
Very little confidence, OR	22	23	12
No confidence at all	4	5	2
(Don't know/refused)	1	2	3
Great deal/quite a bit	24	26	39
Some	49	44	45
Very little/no	26	29	14

*nets may not add up to 100% due to rounding

[734 Respondents]

Q.6 (IF AT LEAST SOME CONFIDENCE IN U.S. MARKETS IN Q5) You indicated that you have at least some confidence in U.S. capital markets. For what reasons do you have confidence in U.S. capital markets? (OPEN END W/PRE-CODES)

MULTIPLE RESPONSES ACCEPTED

	Total
Based on information/ economic data I see/read/hear	40
Confidence/trust in U.S. and government/Pres. Obama	31
Market is strong	12
More gov't controls / regulations / transparency	4
Financial information is independently audited	4
Low tax rates	1
(Other)	6
(Don't know/refused)	9

*data may not add up to 100% due to multiple responses

[259 Respondents]

Q.7 (IF LITTLE OR NO CONFIDENCE IN U.S. MARKETS IN Q5) You indicated that you have little or no confidence in U.S. capital markets. For what reasons do you have little or no confidence in U.S. capital markets? (OPEN END W/PRE-CODES)

MULTIPLE RESPONSES ACCEPTED

	Total
Economic Crisis/Recession	23
Too much government spending/interference	15
Weak government oversight of the capital markets	14
Volatility in the US stock market	14
Bank failures	11
Weakness of the US dollar	7
Corporate greed	6
Financial information isn't audited thoroughly/enough	5
Home foreclosure crisis	5
Credit crunch	4
Lack of jobs/outsourcing	3
Gas and oil prices	3
Instability in the Middle East/War/Terrorism	2
(Other)	9
(Don't know/refused)	4

*data may not add up to 100% due to multiple responses

Q.8 At the current time, how much confidence would you say you have in capital markets outside of the U.S.? Would you say you have...?

	2009	2008	2007
A great deal of confidence	4	6	4
Quite a bit of confidence	8	14	18
Some confidence	45	42	43
Very little confidence, OR	20	18	19
No confidence at all	8	8	8
(Don't know/refused)	15	14	9
Great deal/quite a bit	12	20	22
Some	45	42	43
Very little/no	28	25	27

Q.9 How much confidence would you say you have today investing in U.S. companies that are publicly traded? Would you say you have...?

	2009	2008
A great deal of confidence	8	12
Quite a bit of confidence	20	18
Some confidence	47	45
Very little confidence, OR	15	16
No confidence at all	6	4
(Don't know/refused)	4	5
Great deal/quite a bit	28	30
Some	47	45
Very little/no	21	20

Q.10 All publicly traded companies in the U.S. are required to put out regular financial reports. Before they are published, certain information in these reports is required by law to be audited by an external public company audit firm. Based on what you know, how much confidence do you personally have in audited financial information released by publicly-traded U.S. companies? Would you say you have...?

	2009	2008	2007
A great deal of confidence	6	11	8
Quite a bit of confidence	22	25	30
Some confidence	42	37	42
Very little confidence, OR	21	15	13
No confidence at all	5	5	3
(Don't know/refused)	3	6	4
Great deal/quite a bit	28	36	38
Some	42	37	42
Very little/no	27	20	16

Q.11 There are many ways investors take part in the U.S. capital markets, such as enrolling in company 401 (k) programs, buying real estate, investing in mutual funds or buying stocks and bonds in publicly traded companies. Today, there are a number of different individuals and institutions that help protect the rights of investors who put their money in the capital markets. In your opinion, which of the following does the best job of protecting investor interests? (ROTATED)

FIRST CHOICE ONLY

	Total
Individual investors themselves	25
Government regulations and oversight	13
Auditors who audit publicly-traded companies	13
Investigative journalists	9
Financial analysts/brokers	9
The markets themselves	9
Institutional investors	5
Corporate Boards of Directors	3
Corporate management	2
(Other)	2
None of the above	11

Q.12 And aside from **FIRST CHOICE**, who else does a good job of protecting investor interests?
(ROTATED)

TOTAL RESPONSES - MULTIPLE RESPONSES ACCEPTED

	Total
Individual investors themselves	38
Auditors who audit publicly-traded companies	27
Government regulations and oversight	23
Financial analysts/brokers	18
Investigative journalists	18
The markets themselves	17
Institutional investors	13
Corporate Boards of Directors	7
Corporate management	5
(Other)	2
None of the above	30

*data may not add up to 100% due to multiple responses

Q.13/14 Given the current state of the economy, would you say your investment behavior has changed in the last six months? IF YES: How would you say your behavior has changed?
(OPEN END W/PRE-CODES)

MULTIPLE RESPONSES ACCEPTED

	2009	2008
No-Behavior has not changed	39	40
(Yes-Behavior has changed)	61	60
Invested less money	22	23
Diversified my investments	8	11
Left my current investments alone	7	15
More conservative approach	6	-
Invested more	5	3
Yes-Financially unable to invest more	4	5
Invested in bonds	3	-
Sold my investments	2	3
Invested more in U.S. companies (vs. foreign)	1	2
Invested more in foreign companies (vs. U.S.)	1	2
Yes- (Other)	6	2
(Don't know/refused)	1	3

*data may not add up to 100% due to multiple responses

-not volunteered

Q.15-22 As you evaluate publicly-traded companies to determine whether or not to invest, how important are the following pieces of information in your decision-making process? Would you say each statement is very important, fairly important, or not important when you decide whether or not to invest, or do you not know?

(RANKED BY VERY IMPORTANT)

	Very Important	Fairly Important	Not Important	DK/ Ref
15. Financial performance measures	62	26	6	6
16. Disclosures about off-balance sheet entities.....	47	24	12	17
19. Compensation and incentives for senior executives	42	24	27	7
18. Management's commentary on the risks facing the business	39	36	19	7
22. Sustainability or climate change information	34	33	23	11
17. Management's commentary on the business's performance.....	33	34	26	7
21. Environmental performance indicators.....	26	37	26	11
20. Non-financial performance indicators.....	25	40	18	17

Now thinking ahead for a few moments...

Q.23 How much longer do you think the current recession will last: six months, a year, two years or more than two years?

	Total
Six months	15
A year	35
Two years	22
More than two years	25
(Don't know/refused)	3

Q.24 Which of the following best describes your view on what needs to be done given the current state of the U.S. financial market: (ROTATED)

	Total
We need tougher enforcement of existing financial regulations in order to correct the market.....	44
We need an entirely new set of financial regulations in order to correct the market	22
The financial market is currently self correcting, and nothing more needs to be done to existing financial regulations	18
We need to reduce existing regulations in order to correct the market	10
(None of the above)	3
(Don't know/refused)	4

Q.25 Do you agree or disagree with the following statement: The financial crisis of 2008 demonstrates the need for a more globally consistent approach to standards, regulation, and enforcement in such areas as accounting, auditing, ethics and supervision. **IF AGREE OR DISAGREE: "Is that strongly or somewhat?"**

	Total
Strongly agree	48
Somewhat agree	24
Somewhat disagree	8
Strongly disagree	16
(Neither)	1
(Don't know/refused)	3
TOTAL Agree	72
TOTAL Disagree	24

[503 Respondents]

Q.26 And which of the following scenarios do you think is most likely for our economy?
(ROTATED)

	Total
The economic stimulus money is having an insignificant impact on the economy.	34
The economic stimulus money is having a positive impact on the economy.	33
The economic stimulus money will make the economy run too hot, causing inflation to rise.	23
(None of the above)	5
(Don't know/refused)	5

[497 Respondents]

Q.27 Which of the following do you think would do a better job of protecting you as an investor? (ROTATED) **IF ANSWER:** “Is that strongly or somewhat?”

A: Specifically task a single regulatory agency with monitoring systemic risks that could impact the entire financial sector, to prevent the failure of one firm from causing other businesses to fail

OR

B: Create a council of agencies charged with monitoring systemic risk throughout the financial sector, to prevent the failure of one firm from causing other businesses to fail

	Total
STATEMENT A - Strongly	20
STATEMENT A - Somewhat	12
STATEMENT B - Somewhat	25
STATEMENT B - Strongly	19
(Neither)	13
(Don't know/refused)	10
 TOTAL STATEMENT A	 33
TOTAL STATEMENT B	44

And now one final question on corporate fraud...

Q.28 Which of the following activities do you think would do the most to enhance the detection and deterrence of corporate fraud? (ROTATED)

FIRST CHOICE ONLY

	Total
Enforce stronger penalties for those who commit fraud	41
Increase transparency of company financial information	22
Provide enhanced training in detecting and deterring fraud for public company auditors	8
Develop best practices by market sector for detecting and deterring fraud	7
Educate corporate management and boards to better identify fraud indicators	6
Establish an entity to collectively share information and learning from previous frauds	5
(All of the above)	7
(Don't know/refused)	5

*data may not add up to 100% due to multiple responses

Q.28 Which of the following activities do you think would do the most to enhance the detection and deterrence of corporate fraud? (ROTATED)

TOTAL RESPONSES - MULTIPLE RESPONSES ACCEPTED

	Total
Enforce stronger penalties for those who commit fraud	56
Increase transparency of company financial information	36
Provide enhanced training in detecting and deterring fraud for public company auditors	18
Educate corporate management and boards to better identify fraud indicators	16
Develop best practices by market sector for detecting and deterring fraud	13
Establish an entity to collectively share information and learning from previous frauds	12
(All of the above)	10
(Don't know/refused)	34

*data may not add up to 100% due to multiple responses

Now, just a few final questions for background and statistical purposes...

Q.29 Gender

	Total
Male	50
Female	50

Q.30 What is your approximate age?

	Total
18-24 years	0
25-29 years	2
30-34 years	4
35-39 years	7
40-44 years	8
45-49 years	11
50-54 years	13
55-59 years	13
60-64 years	12
65-69 years	9
70-74 years	9
75 and over	12
(Don't know/refused)	*

Q.31 What is the last grade of school you completed?

	Total
Less than high school	1
High school graduate	13
Trade/Technical/Vocational training	4
Some college	21
College graduate	35
Post graduate (e.g., MA, MBA, JD, MD, PhD)	27
(Don't know/refused)	1

Q.32 Are you currently employed full-time outside the home, employed part-time, self-employed, looking for a job, are you a homemaker, a student or retired?

	Total
Employed full-time	45
Employed part-time	8
Self-employed	7
Looking for work/unemployed	3
Homemaker	5
Student	-
Retired	32
(Don't know/refused)	*

Q.33 What is your total annual household income before taxes?

	Total
Under \$20,000	3
\$20,000 to \$29,999	4
\$30,000 to \$39,999	6
\$40,000 to \$49,999	7
\$50,000 to \$59,999	8
\$60,000 to \$74,999	11
\$75,000 to \$99,999	14
\$100,000 to \$149,999	12
\$150,000 to \$199,999	5
\$200,000 to \$249,999	2
\$250,000 or more	4
(Don't know/refused)	24

Q.34 Are you currently registered to vote?

	Total
Yes	96
No	3
(Don't know/refused)	1

Q.35 Generally speaking, do you think of yourself as...?

	Total
Republican (SKIP TO Q37)	30
Democrat (SKIP TO Q37)	31
Independent	33
(Other)	1
(No preference)	3
(Don't know/refused)	2

[390 Respondents]

Q.36 As of today, do you lean to the Republican Party or the Democratic Party?

	Total
Republican	36
Democrat	24
(Neither)	31
(Other)	2
(Don't know/refused)	7

Q.35/36 Combined

	Total
Republican	30
Lean Republican	14
Independent	12
Lean Democrat	9
Democrat	31
(Other)	1
(Don't know/refused)	3

Q.37 What is your race? Are you...?

	Total
White	90
African-American/Black	3
Hispanic (SKIP TO Q39).....	2
Asian (e.g., Chinese, Japanese, Korean, Pacific Islander) (SKIP TO Q39).....	2
American Indian/Native American (SKIP TO Q39).....	1
Other	1
(Don't know/refused)	2

[958 Respondents]

Q.38 Are you, yourself, of Hispanic origin or descent, such as Mexican, Puerto Rican, Cuban or other Spanish background?

	Total
Yes	2
No	98
(Don't know/refused)	*

Q.37/38 Combined

	Total
White	89
African-American/Black	3
Hispanic	3
Asian (e.g., Chinese, Japanese, Korean, Pacific Islander)	2
American Indian/Native American	1
Other	1
(Don't know/refused)	1

Q.39 Which of the following types of long-term financial investments do you or does anyone else in your household have? (Multiple responses allowed)

	Total
An employer sponsored 401k, 403b or similar employer sponsored retirement plan	58
Individual retirement accounts such as Roth IRA or regular IRA	51
Mutual funds	43
Individual company stocks	36
Bonds	26
(Don't know/refused)	5

*data may not add up to 100% due to multiple responses

Q.40 Thinking about making changes to your investment portfolio, which of the following best describes your typical approach?

	2009	2008	2007
You actively participate in your investment decisions. You decide when and how to make changes to your portfolio and execute the changes on your own.	38	30	35
You actively participate in your investment decisions. You decide when and how to make changes to your portfolio, then call your broker/money manager to execute the changes.	26	28	27
You typically follow the advice of your broker/money manager in making investment decisions.	32	38	32
(Don't know/refused)	5	5	5

Q.41 And, using a scale from 1 to 5, where 1 means you disagree completely and 5 means you agree completely, how much do you agree or disagree with the following statement?

I consider myself a very experienced investor.

	2009	2008	2007
<i>Mean</i>	2.77	2.69	2.88
1 - Disagree completely	14	18	12
2	20	23	19
3	45	37	45
4	11	13	14
5 - Agree completely	8	8	8
(Don't know/refused)	2	2	3
Total inexperienced (1-2)	35	41	31
Total experienced (4-5)	19	21	22

Q.42 Which of the following best describes your investment portfolio:

	Total
My portfolio includes stocks in non-U.S. based publicly traded companies.	19
My portfolio includes mutual funds that invest in non-U.S. based publicly traded companies.	28
My investment portfolio does not include any stocks or mutual funds that invest in non-U.S. based publicly traded companies.	22
Not sure if my investment portfolio includes stocks or mutual funds that invest in non-U.S. based publicly traded companies.	19
(Don't know/refused)	12

Q.43 In what state do you reside?

[U.S. census regions combined]	Total
Northeast	20
Midwest	26
South	37
West	17