



Interviews: 800 adults, 671 investors
Margin of error: ± 3.5 for all adults, ± 3.9 for investors
Interview dates: June 7-9, 2002

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BUSINESSWEEK INVESTOR STUDY
JUNE 7-9, 2002
PROJECT #36-2013-03

NOTE: all results shown are percentages unless otherwise labeled.

- 1a. Do you currently invest in stocks or stock mutual funds inside an employer-sponsored defined contribution plan such as a 401(k) or Keogh plan?

	ALL ADULTS		Investors	
	<u>6/7-9/02</u>	<u>2/11/02</u>	<u>6/7-9/02</u>	<u>2/11/02</u>
Yes	34	33	68	65
No	65	65	32	35
Refused	1	2	-	-

- 1b. Do you currently invest in stocks or stock mutual funds outside an employer-sponsored 401(k) plan?

	ALL ADULTS		Investors	
	<u>6/7-9/02</u>	<u>2/11/02</u>	<u>6/7-9/02</u>	<u>2/11/02</u>
Yes	38	38	74	75
No	62	61	26	25
Refused	-	1	-	-

(ASKED ONLY OF THOSE WHO SAY THEY INVEST IN Q.1a OR Q.1b.)

- 1c. In 2001, how many times did you make changes in your investments – buying or selling stocks or stock mutual funds either within or outside an employer-sponsored 401(k) plan?

	Investors	
	<u>6/7-9/02</u>	<u>2/11/02</u>
25 or more	3	3
20 to 24.....	1	1
15 to 19.....	2	2
10 to 14.....	4	5
5 to 9.....	9	9
Less than 5	39	38
None	40	39
Not sure	2	3

(ASKED ONLY OF THOSE WHO SAY THEY INVEST IN Q.1a OR Q.1b.)

2. Over the next six months, do you think you will probably invest a lot more in stocks or stock mutual funds, invest somewhat more in stocks or stock mutual funds, reduce your investment in stocks or stock mutual funds somewhat or reduce your investments a lot?

	Investors				
	6/7- 9/02	2/11/02	11/30- 12/3/01	11/28- 12/4/00	12/2- 7/99
Invest a lot more	3	4	4	7	10
Invest somewhat more	24	25	24	35	37
Reduce somewhat	12	13	15	13	10
Reduce a lot	6	8	9	5	5
(DO NOT READ) Stay the same	53	47	42	32	29
Not sure	2	4	6	7	10
Total Invest More	27	29	28	42	47
Total Reduce	18	21	24	18	15

NOTE: Results prior to 2/11/02 come from surveys conducted for Business Week by Harris Interactive.

3. How much confidence do you have (READ ITEM)?

THIS TABLE IS RANKED BY THE PERCENTAGE OF ALL ADULTS WHO SAY A GREAT DEAL

	A Great Deal	Only Some	Hardly Any	None At All	Not Sure
In company 401(k) retirement savings plans					
ALL ADULTS June 7-9, 2002	29	47	15	4	5
ALL ADULTS February 11, 2002	30	44	17	4	4
Investors June 7-9, 2002	36	49	8	3	4
Investors February 11, 2002	33	49	11	3	5
That the stock market treats individual investors fairly					
ALL ADULTS June 7-9, 2002	16	48	26	5	5
ALL ADULTS February 11, 2002	22	51	21	3	4
Investors June 7-9, 2002	22	52	19	4	3
Investors February 11, 2002	29	51	15	2	3
In those running big business					
ALL ADULTS June 7-9, 2002	16	52	25	5	2
ALL ADULTS February 11, 2002	14	54	25	5	2
ALL ADULTS June 29-July 5, 2000	19	58	17	N/A	5
ALL ADULTS December 9-11, 1999	15	69	13	N/A	3
Investors June 7-9, 2002	18	60	17	3	2
Investors February 11, 2002	17	58	20	3	2
In those running big auditing companies such as Arthur Andersen					
ALL ADULTS June 7-9, 2002	11	43	29	14	3
ALL ADULTS February 11, 2002	11	45	27	8	8
Investors June 7-9, 2002	10	46	29	11	4
Investors February 11, 2002	11	48	27	9	5

NOTE: Results prior to 2/11/02 come from surveys conducted for Business Week by Harris Interactive.

Q.3 (cont.)	A Great Deal	Only Some	Hardly Any	None At All	Not Sure
In the ability of Congress to write effective rules governing corporate financial practices					
ALL ADULTS June 7-9, 2002	8	46	33	12	1
ALL ADULTS February 11, 2002	12	48	31	8	1
Investors June 7-9, 2002	7	44	35	13	1
Investors February 11, 2002	9	47	33	11	-
In the ability of federal government agencies to regulate corporate financial practices					
ALL ADULTS June 7-9, 2002	8	43	36	12	1
ALL ADULTS February 11, 2002	12	45	33	8	1
Investors June 7-9, 2002	6	47	35	11	1
Investors February 11, 2002	7	48	34	10	-

NOTE: Results prior to 2/11/02 come from surveys conducted for Business Week by Harris Interactive.

4. Do you favor or oppose the following proposals? **(IF FAVOR/OPPOSE, ASK:)** Is that strongly or somewhat?

THIS TABLE IS RANKED BY THE PERCENTAGE OF ALL ADULTS WHO SAY STRONGLY FAVOR

	Strongly Favor	Some-what Favor	Some-what Oppose	Strongly Oppose	Not Sure	Total Favor	Total Oppose
Making top corporate officials who are found guilty of serious financial fraud liable for criminal prosecution							
ALL ADULTS June 7-9, 2002	87	8	1	3	1	95	4
ALL ADULTS February 11, 2002	85	10	2	2	1	95	4
Investors June 7-9, 2002	88	9	1	2	-	97	2
Investors February 11, 2002	89	10	1	1	-	98	1
Requiring executives to release to employees and investors more timely and accurate information about a company's financial health							
ALL ADULTS June 7-9, 2002	80	14	1	3	2	94	4
ALL ADULTS February 11, 2002	84	12	2	2	1	95	4
Investors June 7-9, 2002	83	13	2	1	1	96	3
Investors February 11, 2002	87	9	2	1	2	95	3
Beefing up the Securities & Exchange Commission auditing and enforcement division to increase federal policing of the accounting industry							
ALL ADULTS June 7-9, 2002	49	28	8	11	4	77	19
ALL ADULTS February 11, 2002	53	27	11	8	2	79	19
Investors June 7-9, 2002	49	30	10	8	3	79	18
Investors February 11, 2002	47	29	12	9	2	76	22

Q.4 (cont.)

	<u>Strongly Favor</u>	<u>Some- what Favor</u>	<u>Some- what Oppose</u>	<u>Strongly Oppose</u>	<u>Not Sure</u>	<u>Total Favor</u>	<u>Total Oppose</u>
Putting limits on employees' ability to invest in their own company's stock as part of their retirement plans							
ALL ADULTS June 7-9, 2002	31	22	17	27	3	53	44
ALL ADULTS February 11, 2002	27	22	20	28	3	49	48
Investors June 7-9, 2002	25	23	19	31	2	48	50
Investors February 11, 2002	23	23	21	31	3	46	52
Reducing the time periods when participants in company 401(k) retirement plans cannot sell their shares							
ALL ADULTS June 7-9, 2002	26	25	21	20	8	51	40
ALL ADULTS February 11, 2002	33	21	17	20	10	54	37
Investors June 7-9, 2002	31	25	20	16	8	56	36
Investors February 11, 2002	40	21	15	16	8	62	31
Creating a new government corporation to handle corporate auditing, a move that would replace private accounting firms as primary auditors							
ALL ADULTS June 7-9, 2002	15	18	20	44	3	33	64
ALL ADULTS February 11, 2002	18	16	21	41	5	33	62
Investors June 7-9, 2002	9	16	22	51	2	25	73
Investors February 11, 2002	12	12	22	50	4	24	72

(ASKED ONLY OF THOSE WHO SAY THEY INVEST IN Q.1a OR Q.1b.)

5. Looking ahead, how will the recent accounting and other corporate scandals affect your actions as an investor in the next six months?

	<u>Investors</u>	
	<u>6/7-9/02</u>	<u>2/11/02</u>
It will not seriously affect your investment actions	39	43
It will make you much more cautious before you make an investment in a particular company	41	41
It will make you reluctant to invest any more money in any stocks until you get a better understanding of the extent of the problem	19	14
(DO NOT READ:) It will make you or has made you sell some stocks	-	-
Not sure	1	1

NOTE: In February 2002, the question was phrased, "Looking ahead, how will the Enron case affect your actions as an investor in the next six months?"

6. How much do each of the following issues cause you to worry about a fall in the stock market in the next six months? For each issue, please tell me whether it causes you to worry about a fall in the market a lot, somewhat, not too much or not at all.

	<u>A Lot</u>	<u>Some- what</u>	<u>Not Too Much</u>	<u>Not At All</u>	<u>Not Sure</u>	<u>Total A Lot/ Somewhat</u>	<u>Total Not Too Much/ Not At All</u>
Terrorism							
ALL ADULTS	45	29	12	14	-	74	25
Investors	37	37	14	12	-	74	26
Bad economic news							
ALL ADULTS	29	45	15	11	-	74	26
Investors	25	52	14	9	-	77	23
Poor corporate profits							
ALL ADULTS	26	50	12	11	1	76	23
Investors	25	52	14	9	-	77	22
A lack of integrity in corporations							
ALL ADULTS	46	35	9	10	-	80	19
Investors	40	40	11	9	-	80	20

7. How confident are you that corporations accurately report how much money they make? Are you ...

	ALL <u>ADULTS</u>	<u>Investors</u>
Very confident	4	4
Somewhat confident	32	44
Not too confident	39	35
Not at all confident.....	24	17
Refused	1	-
Total Very/Somewhat Confident	36	48
Total Not Too/Not At All Confident	63	51

8. Do you agree or disagree that corporations can reform themselves without new laws and regulations? (IF AGREE/DISAGREE, ASK:) Do you (agree/disagree) strongly or only somewhat?

	ALL <u>ADULTS</u>	<u>Investors</u>
Strongly agree	19	19
Only somewhat agree	26	28
Only somewhat disagree.....	26	25
Strongly disagree	27	27
Refused.....	2	1
Total Agree	45	47
Total Disagree	53	52

DEMOGRAPHICS

D1a. First of all, in what year were you born?

D1b. Have you already had a birthday this year?

(IF RESPONDENT REFUSES Q.D1a OR Q.D1b, Q.D1c ASKED. RESULTS SHOWN IN SUMMARY BELOW.)

D1c. Are you:

	ALL ADULTS	Investors
18-24.....	7	3
25-34.....	13	12
35-44.....	19	22
45-54.....	21	28
55-64.....	18	18
65 and over	21	17
Refused.....	1	-

D2a. Are you employed:

	ALL ADULTS	Investors
Full time	48	61
Part time.....	12	9
Not employed	12	8
Retired	28	22
Refused.....	-	-

(Q.D2b ASKED ONLY OF THOSE WHO ARE EMPLOYED FULL OR PART-TIME IN Q.D2a.)

D2b. We would also like to have just a general idea of what type of occupation you have. Which one of the following best describes your current job?

	ALL ADULTS	Investors
Professional.....	18	25
Senior executive or manager.....	9	13
Clerical or administrative	7	8
Sales or services	9	7
A skilled trade or technical occupation	9	10
Blue-collar work or laborer.....	4	4
Farming or fishing.....	-	-
Other (VOL).....	4	3
Refused/not sure	-	-
Not Employed Full/Part Time (Q.2a).....	40	30

D3. What is the last year of school you completed?

	ALL ADULTS	Investors
Grade school or some high school	7	2
Completed high school	22	18
Some community college or university, but did not finish	21	17
Completed technical school or a community college	14	14
Completed a university or Bachelor's degree	21	28
Completed a post-graduate degree such as a Master's or Ph.D.	14	21
Refused	1	-

D4. Now, I am going to read a list of income ranges. When I get to the income range that best describes your household income from all sources in 2001, please stop me. Was your household income for 2001:

	ALL ADULTS	Investors
Under \$15,000	10	2
\$15,000 to less than \$20,000	4	2
\$20,000 to less than \$25,000	5	3
\$25,000 to less than \$30,000	8	6
\$30,000 to less than \$40,000	12	11
\$40,000 to less than \$50,000	13	14
\$50,000 to less than \$75,000	17	20
\$75,000 to less than \$100,000	13	18
\$100,000 or more	10	17
Refused/not sure	8	7

D5a. Are you white, black, Asian, or some other race?

D5b. Are you of Hispanic ethnicity?

(RESULTS SHOWN IN SUMMARY BELOW.)

	ALL ADULTS	Investors
White	84	89
Black	7	4
Hispanic	5	3
Asian	1	1
American Indian	1	-
Other	1	1
Refused	1	2

D6. Are you currently registered to vote at this address, or not?

	ALL ADULTS	Investors
Yes	82	90
No	17	10
Refused/not sure	1	-

D7a. Do you consider yourself a Democrat, a Republican, an Independent or none of these?

(IF "DEMOCRAT" TO Q.D7a, Q.D7b ASKED. IF "REPUBLICAN" TO Q.D7a, Q.D7c ASKED. IF "INDEPENDENT" or "NONE OF THESE" TO Q.D7a, Q.D7d ASKED. RESULTS SHOWN IN SUMMARY BELOW.)

D7b. Do you lean strongly or only moderately toward the Democratic Party?

D7c. Do you lean strongly or only moderately toward the Republican Party?

D7d. Do your beliefs tend to lean more toward the Democrats or the Republicans?

	ALL ADULTS	Investors
Strongly Republican	23	23
Moderately Republican	23	28
Definitely Independent/neither	11	10
Moderately Democrat	23	24
Strongly Democrat	19	14
Refused/not sure	1	1
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Total Republican	45	50
Total Democrat	43	38

REGION:

	ALL ADULTS	Investors
Northeast	19	20
Midwest	21	24
South	40	33
West	20	23

METROPOLITAN STATUS:

	ALL ADULTS	Investors
Urban	28	22
Suburban	48	59
Rural	24	19

GENDER:

	ALL ADULTS	Investors
Male	48	50
Female	52	50