



**Ipsos Reid**

# **CSA Investor Index 2009**

**Prepared for:**

**Canadian Securities Administrators**

**Investor Education Committee**

**Final Report**

**October 5, 2009**

---

# Table of Contents

1. EXECUTIVE SUMMARY .....	1
1.1 Highlights .....	1
1.2 Overview of Findings .....	2
1. RÉSUMÉ .....	9
1.1 Faits saillants.....	9
1.2 Aperçu des constatations.....	10
2. INTRODUCTION .....	18
2.1 Methodological Summary.....	18
2.2 Analysis .....	19
3. PROFILE OF CANADIAN INVESTORS .....	20
3.1 Savings and Investments .....	20
3.2 Investor Confidence and Knowledge about Investments.....	27
3.3 Investor Risk Orientation.....	38
3.4 Financial Advisors and Financial Plans.....	46
3.5 Investor Behaviour – Most Recent Financial Investment.....	53
4. INVESTMENT FRAUD .....	61
4.1 Experience with Fraud Attempts .....	61
4.2 Fraudulent Investments .....	70
4.3 Understanding Successful Fraud Attempts .....	78
<i>Who is approached?</i> .....	79
<i>Who is a victim?</i> .....	80
5. YOUNG PEOPLE AND INVESTING.....	82
APPENDIX 1: TELEPHONE OMNIBUS	
APPENDIX 2: CSA INVESTOR INDEX QUESTIONNAIRE	

# 1. EXECUTIVE SUMMARY

Canadian provincial securities regulators provide information to help investors make appropriate investment decisions and recognize, avoid and report fraudulent investments. In 2006, the CSA Investor Education Committee conducted an inaugural CSA Investor Index study, designed to understand Canadians' knowledge about investments and experience with fraudulent attempts and provide a baseline for measurement. A partial follow-up survey was conducted in 2007. In May of 2009, Ipsos Reid was commissioned to conduct the first full follow-up of the 2006 study, to provide tracking for key metrics.

More specifically, the research investigates:

- ✓ Canadians' investment behaviour
- ✓ Knowledge and confidence about investing
- ✓ Investor understanding of financial fraud
- ✓ Canadians' experiences with financial fraud
- ✓ Variables associated with susceptibility to fraud
- ✓ Awareness of the provincial securities regulators

In addition, the CSA Investor Index 2009 includes a new section on the importance of education about personal finances and investing for young people.

Ipsos Reid interviewed 6,319 Canadian adults online, between July 20 and 27, 2009, comprised of two groups: 1) a "general population" sample, in which disproportionate sampling by province was used in order to provide reliable provincial samples, and 2) an over-sample of Canadians who say they have been victims of financial fraud.

Separately, Ipsos Reid asked several questions in a national telephone survey of 1,004 Canadian adults between July 21 and 23, 2009. This survey was conducted in order to verify distributions from the online survey on key weighting variables. Incidence rates were used to weight the online sample to make it representative of the Canadian population.

## 1.1 Highlights

- Canadians express confidence and believe that they are knowledgeable and responsible about investing. Yet, their behaviour may indicate otherwise.
- A majority of Canadians are not accessing information about investments, even though they believe that they would know where to go for this information.
- Fewer than half of Canadians have worked with their advisor or someone in a financial institution to create a formal assessment of their willingness to take risk. Among those who have, only half have reviewed their risk profile within the past year.

- Only one-in-four Canadians has a formal written financial plan that includes clear investment goals, despite the fact that two-thirds agree that having a formal, written financial plan is important for people like them.
- Most Canadians recognize various “flags” that indicate potential fraudulent investments. Yet, Canadians are more likely than in 2006 to trust fraud artists. The nature of fraudulent attempts may be changing as fewer are received by email. As a percentage of fraudulent attempts that have occurred other than by email exclusively, approaches are more likely to be personal, creating a stronger likelihood of trust.
- Fraud victims tend to be over-confident and to be more accepting of investment risk. Fraud victims are more likely to believe that people can be trusted, that risk = reward and that you can miss good opportunities by not acting immediately.
- A separate segment that has higher susceptibility to fraud is visible minorities. These investors are not over-confident, but are more aggressive with respect to taking risk with their investments. While not asked about in this survey, other research conducted by Ipsos Reid with first generation new Canadians (*Canadians & Financial Advice 2009*) does suggest that new Canadians have a higher propensity to trust those who are recommended by family or friends.
- A majority of parents claim to be at least somewhat confident in their ability to teach their children about personal finances and investing. Most agree that it is important to pass along personal experiences and insights to children and that teaching children financial skills is among the most important things a parent can do for their child.

## 1.2 Overview of Findings

### Savings and Investments

- Most Canadians (85%) believe that it is important to build up your own personal savings and investments. A smaller percentage (65%) has some savings or investments set aside for the future. One-in-three (35%) do not have any savings or investments, an increase from 27 percent in 2006.
- Despite the fact that two-thirds of Canadians have some savings or investments, fully six-in-ten (60%) Canadians worry that they do not have enough savings to meet their financial needs.
- Canadians show signs of optimism. They are much more likely to agree (48%) than disagree (27%) that 2010 will be a good year for them financially. The vast majority of Canadians who own investment products plan to either stay invested (52%) or invest more (31%) over the next 12 months, while just under one-in-ten (8%) say they plan to reduce their investments.

### Investor Confidence and Knowledge about Investments

- Eight-in-ten Canadians agree that it is their responsibility to acquire the skills they need to make sound investment decisions and agreement is stronger than in 2006 (32% agree strongly in 2009, compared to 27% in 2006).

- Over half of Canadians (56%) express confidence in their ability to make investment decisions, while two-in-five say they are not very (25%) or not at all confident (13%). The proportion who are confident has increased slightly since 2006 (51%).
- Over seven-in-ten agree that they know where to go to obtain information about investing in general (75%) or about specific investments (71%).
- Over eight-in-ten Canadians describe the need for reliable, unbiased information about investing as very (58%) or somewhat (26%) important.
- Though they recognize the need for reliable, unbiased information about investing and two-thirds own investments, many Canadians are not accessing information about investments. One-in-three Canadians (32%) say that they have sought information about investing in the past 12 months, while two-thirds (66%) have not. Even among the subgroup of active investors (those who trade at least once or twice annually), six-in-ten have looked for information in the past 12 months, while four-in-ten have not.
- Fewer than one-in-five looked for information about the return of an investment (18%), the risks of an investment (16%) and/or information about different types of investments (14%).
- Four-in-ten claim awareness of a provincial agency responsible for regulating financial investments in their province, while the majority say that they do not know if one exists. Among Canadian investors, just under half (46%) are aware of provincial regulators. Among those who have looked for investment information in the past 12 months, over half (55%) are aware. Only three percent have sourced information about investing from a provincial regulator (4% among those who have looked for investment information in the past 12 months).
- Young Canadians, aged 18-34 years of age, are less confident about making investment decisions and are significantly less likely to know where to go for information about investing or specific investments. Additionally, awareness of provincial regulators is lowest in this age group; few are aware.

### Investor Risk Orientation

- While the majority of Canadians are somewhat (47%) or very conservative (17%) with respect to their investment style, one-in-three investors describe themselves as aggressive with respect to risk (5% very aggressive, 27% fairly).
- In 2009, fewer have reviewed the level of risk they are willing to take with their investments within the past year. Only half of investors have reviewed the level of risk they are willing to take (50%), compared to 62 percent in 2006.
- The level of trading frequency has increased since 2006. Thirty-six percent of investors buy or sell investments at least once per quarter, compared to 31 percent in 2006. The incidence of those buying or selling investments on a weekly basis has doubled to six percent, from three percent in 2006.
- Only three percent expect a negative return on their investments over the next 12 months. One-in-ten expect more than a 10% return.
- The incidence of entering contest, lotteries or sweepstakes is directionally higher, with 40 percent entering at least several times per month, compared to 37 percent in 2006.

- Higher income and education increase the likelihood of taking risk with investments. Males are more likely to describe themselves as aggressive with respect to investment risk, trade more frequently and expect higher returns.
- Canadians in B.C. are most likely to say they have an aggressive investment style and trade most frequently, while those in Quebec are more conservative and trade least frequently.

### Financial Advisors and Financial Plans

- Fewer than half of Canadians (46%) say they have a financial advisor (consistent with 2006, when 42% said they had an advisor). More than nine-in-ten (92%) of those with a financial advisor are comfortable bringing forth concerns or questions when talking to their advisor.
- Just over four-in-ten (43%) Canadians have worked with their advisor or someone in a financial institution to create a formal assessment of their willingness to take risk.
- One-in-four (25%) Canadians say that they have a formal written financial plan that includes clear investment goals, despite the fact that two-thirds agree that having a formal, written financial plan is important for people like them.
- The likelihood of having an advisor increases with age. Among those who have an advisor, comfort level with their advisor, likelihood of having worked with a financial advisor on a formal risk assessment and likelihood of having a financial plan also increase with age.
- Canadians in Newfoundland and Labrador are least likely to have a financial advisor and are least likely to have a formal risk assessment or a formal written financial plan.

### Investor Behaviour – Most Recent Financial Investment

- Half of Canadian investors had their most recent investment opportunity recommended to them while they were discussing their investments with their advisor or someone from their bank. They are the least likely group to have personally researched the investment.
- Three-in-ten came across the opportunity on their own; they cite the internet, a prospectus or investment marketing materials, newspaper or television as the source. They are most likely to have personally researched the investment (72%) and say that they proceeded cautiously; only 15 percent invested immediately, while 79 percent took the time to think about it.
- One-in-ten invested in an opportunity that someone approached them with directly; they cite their financial advisor or someone from their bank, but just as many found their investment opportunity from a family member or someone they work with. Just over half researched the investment personally and four-in-ten invested immediately. They were also the most likely to be told to act immediately (37%).
- In total, one-in-four investors invested immediately with their most recent investment, a directionally higher incidence than in 2006, and one-in-four agree that if you do not act immediately on a new investment opportunity, you may miss a good opportunity. Significantly more potential investors than in 2006 are also being told to act immediately; 15 percent of investors overall were told that they

needed to act immediately so as not to miss the investment opportunity, compared to 10 percent in 2006.

- Young Canadians, 18-34 years of age, the group that is less confident about making investment decisions and significantly less likely to know where to go for information, are far more likely to have been told to act immediately and are most likely to have acted immediately.
- Those with high income and education are more likely to have personally researched their investment and to be confident about understanding their recent investment in detail.

### Experience with Fraud Attempts

- Most Canadians recognize various “flags” that indicate potential fraudulent investments. Eight-in-ten believe that no written information or a reluctance to provide it, a strong push to act now and a guarantee of high returns with little or no risk are strong indicators of fraud. Six-in-ten agree that the availability of inside information is a strong indicator. Fewer than one-in-four agree that one of the best ways to make money in the market is to look for inside tips or that most people can be trusted.
- Just under four-in-ten Canadians (38%) believe that they have been approached with a possible fraudulent investment, a level that is relatively consistent compared to 2006 and 2007. Among those approached, a much lower number say that all fraudulent attempts came via email spam (21%, compared to 38% in 2006).
- Among those who had been approached from sources other than email exclusively, more than one-in-four were approached over the telephone, while one-in-five were introduced to a fraud artist through a friend, neighbour, co-worker or family member.
- Levels of trust developed with the person who offered the fraudulent investment are higher than in previous years. More than one-in-ten (12%) developed a very strong or somewhat strong level of trust. Canadians who own a home and other real estate and who have higher income and/or higher education are more likely to have been approached and are more likely to have developed a sense of trust.
- Those who have been approached are more likely to report the fraudulent attempt to the authorities. One-in-four (26%) say that they reported the attempt (compared to 17% in 2007 and 14% in 2006).
- At the same time, the incidence of thinking that it is important to report even the suspicion that someone has approached them with an investment fraud has declined since 2006, most likely because it was email spam, they did not think that reporting it would do anything/make a difference and/or did not want to be bothered.
- Canadians in B.C. and in Manitoba are notably more likely to say that they have been approached, while those in Quebec are considerably less likely. Personal introductions from a friend, neighbour, etc. and door-to-door solicitations are more common in Quebec and, consistent with personal introductions being more likely, Quebecers are more likely to have developed a sense of trust

## Fraudulent Investments

- Among those who believe that they have been approached, one-in-ten (11%) say that have actually invested money in what turned out to be a fraudulent investment. As a percentage of total Canada, this means that four percent of Canadians have been fraud victims, the same incidence as in 2006 and 2007.
- However, there is an increase relative to 2007 in the incidence of fraud victims who say they have invested in fraudulent investments more than once. The amount invested has also increased.
- More than three-in-four told their friends or family about the investment fraud, a higher level of disclosure than in 2006. Their friends and family are more likely to feel that the investment fraud was at least partially the victim's own fault.
- Attempted fraud, for half of the victims, occurred while they were experiencing changes in their lives; for more than one-in-ten, when starting a new job and/or losing their old job. Other life events correlated with fraud attempts are receiving a financial windfall, getting divorced or separated and being within five years of retirement.

## Understanding Successful Fraud Attempts

### *Who is approached?*

- Canadians who are more likely to be approached with a fraudulent investment:
  - Are "DIYers": They are more likely to research their investments on their own, believe that they are very familiar with their most recent investment and could explain the risks and benefits in detail, and have looked for information about investing in the past 12 months.
  - Are more likely to take risk with investments: They expect higher returns on their investments, consider themselves very or fairly aggressive with respect to willingness to take risk to achieve above-average returns and choose more aggressive investments/portfolios, even though the downside is higher.
  - Trade at least monthly.
  - Are more active online: They purchase goods and services on the internet and/or by telephone at least every couple of months.
  - Are male and have higher levels of education.
  - Are less likely to work with advisors (even if they have one): They are more likely to have been approached directly on their most recent investment and are less likely to rely on their advisors when it comes to making decisions about investments.
  - Are confident and believe that they are knowledgeable about investments: They know where to go for information about investing in general and are very or somewhat confident about making investment decisions.



### *Who is a victim?*

- Once approached, different factors predict who is likely to be a victim of fraud. While actively researching investments may increase the likelihood of being approached, this does not increase the likelihood of investing in fraudulent investments. The strongest predictors of being a victim relate to over-confidence, attitudes about investments and level of investment activity.
- Canadians who are more likely to invest in a fraudulent investment:
  - Are over-confident: They make decisions on their own as opposed to sharing decision making with someone else in the household and they are very confident about making investment decisions.
  - Are “DIYers”: They are the most likely group to have looked for information about investing in the past 12 months and believe that they are very familiar with their most recent investment and could explain the risks and benefits in detail.
  - Are more likely to be frequent traders (trade on a weekly basis).
  - Are risk-oriented with investments and attitudinally: One-in-five expect returns of 10% or more and one-in-ten consider themselves very aggressive, willing to take risk to achieve above-average returns. They are more likely to agree that the riskier the investment, the greater the reward, that most people can be trusted and that if you do not act immediately you may miss a good opportunity. They enter contests, lotteries and/or sweepstakes frequently.
  - Are highly educated: Half have college or university undergraduate degrees, one-in-ten have post-graduate degrees.
  - They are more likely to own both their home and other real estate.
  - Gender is not related to the likelihood of having ever invested in a fraudulent investment, although those who have invested more than once are far more likely to be male.
- A separate segment that has higher susceptibility to fraud is visible minorities. These investors are not over-confident, but are more aggressive with respect to taking risk with their investments.

### Young People and Investing

- Almost nine-in-ten indicate that a financial advisor is an important source of information for young people and half believe that a financial advisor is the most important source. Other important sources are a bank or financial institution's website, information/newsletters sent from a financial advisor or institution, research reports, financial or business media, books and prospectuses or annual reports.
- Just under six-in-ten agree that parents are an important source of information for young people, half feel that family and friends are important and just under four-in-ten agree that schools and teachers are important. Only two-in-ten feel that the responsibility should fall primarily to the parents.
- Seven-in-ten Canadians feel that children should be taught about finances and investing in junior high/ middle school or high school.
- Half of Canadian parents have taught their children about finances and investing. One-in-four young parents with young children say they have taught their children about personal finances and

investing, while half of parents with teenagers have taught them. Seven-in-ten older parents (who have children aged 18 or older) say they have taught their children.

- Two-in-three parents claim to be confident in their ability to teach their children about personal finances and investing, although not overwhelmingly so (half claim to be only somewhat confident).
- On the whole, the vast majority (eight-in-ten or more) agree that it is important to pass along personal experiences and insights to children and that teaching children financial skills is among the most important things a parent can do for their child.
- Eight-in-ten also agree that it is important to find outside sources of information for teaching purposes. Fewer, seven-in-ten, agree that they know where to go for information to aid in their teaching and only one-in-four strongly agree that they know where to go.
- If they were looking for information to teach their children, seven-in-ten parents consider a financial advisor the most important source. Three-in-ten name parents and books. One-in-five consider teachers among the most important sources of information.

# 1. RÉSUMÉ

Les autorités provinciales en valeurs mobilières diffusent de l'information à l'intention des investisseurs pour les aider à prendre des décisions d'investissement éclairées et à reconnaître, à éviter et à dénoncer les placements frauduleux. En 2006, le Comité sur la sensibilisation des investisseurs des ACVM a effectué une première étude sur l'indice des investisseurs, étude qui avait pour objet d'évaluer les connaissances des Canadiens en matière de placement, de déterminer s'ils avaient déjà reçu des propositions frauduleuses et d'établir une base de référence. Un suivi partiel a ensuite été réalisé en 2007. En mai 2009, Ipsos Reid a été chargée de réaliser le premier suivi complet sur l'étude de 2006, dans le but de présenter l'évolution des indicateurs principaux.

L'étude porte plus particulièrement sur les éléments suivants :

- ✓ le comportement des Canadiens en matière de placement;
- ✓ les connaissances et le niveau de confiance des Canadiens en matière de placement;
- ✓ les connaissances des investisseurs au sujet de la fraude financière;
- ✓ l'expérience que les Canadiens ont de la fraude financière;
- ✓ les variables associées à la vulnérabilité à la fraude;
- ✓ la connaissance qu'ont les Canadiens des autorités provinciales en valeurs mobilières.

En outre, l'édition 2009 de l'Indice ACVM des investisseurs comporte un nouveau volet sur l'importance de sensibiliser les jeunes au sujet des finances personnelles et des placements.

Entre le 20 et le 27 juillet 2009, Ipsos Reid a soumis 6 319 adultes canadiens à un sondage en ligne. Le sondage portait sur deux échantillons : 1) un échantillon « population générale », pour lequel un échantillon disproportionné a été utilisé pour chacune des provinces afin de fournir des échantillons provinciaux fiables; et 2) un échantillon comprenant une surreprésentation de Canadiens qui déclarent avoir été victimes d'une fraude financière.

Par ailleurs, lors d'un sondage téléphonique réalisé entre le 21 et le 23 juillet 2009 à l'échelle du pays, Ipsos Reid a posé plusieurs questions à 1 000 adultes canadiens. Ce sondage avait pour objet de confirmer les répartitions du sondage en ligne selon les variables clés de pondération. Des taux d'incidence ont été utilisés pour pondérer l'échantillon du sondage en ligne afin qu'il soit représentatif de la population canadienne.

## 1.1 Faits saillants

- Les Canadiens sont confiants et s'estiment bien informés et responsables en matière d'investissement. Par contre, leur comportement témoigne parfois du contraire.
- Bien qu'ils estiment savoir où trouver de l'information en matière d'investissement, la majorité des Canadiens ne la consultent pas.

- Moins de la moitié des Canadiens ont fait, de concert avec leur conseiller ou un représentant d'une institution financière, une évaluation en bonne et due forme de leur profil de risque. Parmi ceux qui l'ont fait, moins de la moitié ont révisé leur profil de risque au cours de la dernière année.
- Seulement un Canadien sur quatre a établi par écrit un plan financier bien défini qui contient des objectifs d'investissement clairs, même si les deux tiers des Canadiens estiment qu'il est important pour les gens comme eux d'avoir un tel plan.
- La majorité des Canadiens reconnaissent différents signes indiquant un placement potentiellement frauduleux. Malgré cela, les Canadiens sont davantage susceptibles de faire confiance à des fraudeurs qu'ils ne l'étaient en 2006. Il est possible que les formes de tentatives de fraude évoluent, car les fraudeurs ont de moins en moins recours au courrier électronique. En pourcentage de tentatives réalisées par d'autres moyens que le courriel exclusivement, il est plus probable que les approches se fassent personnellement, ce qui établit plus facilement un climat de confiance.
- Les victimes de fraude tendent à faire trop confiance et à accepter davantage le risque lié aux placements. Elles sont davantage susceptibles de croire que l'on peut faire confiance aux gens, que le risque peut rapporter gros et que l'on peut rater de bonnes occasions si on n'agit pas immédiatement.
- Les minorités visibles représentent un segment de la population plus vulnérable à la fraude. Ces personnes ne font pas preuve d'un excès de confiance, mais sont plus enclines à effectuer des placements risqués. Bien que la question n'ait pas été posée dans le présent sondage, d'autres études réalisées par Ipsos Reid auprès de néo-Canadiens de première génération (*Canadians & Financial Advice 2009*) semblent indiquer que ces derniers sont plus enclins à faire confiance aux personnes qui leur sont recommandées par des membres de leur famille ou des amis.
- La majorité des parents se disent assez confiants de pouvoir transmettre des connaissances à leurs enfants en matière de finances personnelles et d'investissement. La plupart d'entre eux estiment qu'il est important de transmettre leurs expériences personnelles et leurs connaissances à leurs enfants et que l'enseignement de compétences financières fait partie des choses les plus importantes qu'ils peuvent faire pour leurs enfants.

## 1.2 Aperçu des constatations

### Économies (épargne) et placements

- La majorité des Canadiens (85 %) croient qu'il est important d'épargner et d'investir. Une plus petite proportion de Canadiens (65 %) possèdent des économies ou des placements. Un Canadien sur trois (35 %) n'a pas d'économies ni de placements, soit une hausse considérable par rapport à 2006 (27 %).
- Malgré le fait que les deux tiers des Canadiens possèdent des économies ou des placements, 6 Canadiens sur 10 (60 %) craignent de ne pas avoir suffisamment d'économies pour répondre à leurs besoins financiers.

- Les Canadiens font preuve d'optimisme. Ils sont beaucoup plus nombreux à croire (48 %) qu'à ne pas croire (27 %) que 2010 sera pour eux une bonne année sur le plan financier. La grande majorité des Canadiens qui possèdent des placements ont l'intention de les conserver (52 %) ou d'y investir plus d'argent (31 %) au cours des 12 prochains mois, tandis qu'un peu moins de 1 Canadien sur 10 (8 %) prévoit réduire ses placements.

### Confiance et connaissances des investisseurs en matière de placement

- Huit Canadiens sur 10 estiment qu'il leur incombe d'acquérir les connaissances dont ils ont besoin pour prendre des décisions d'investissement éclairées, les répondants étant plus fortement d'accord avec cet énoncé qu'en 2006 (32 % en 2009, contre 27 % en 2006).
- Plus de la moitié des Canadiens (56 %) ont confiance en leur capacité de prendre des décisions d'investissement, tandis que deux répondants sur cinq ont peu confiance (25 %) ou pas confiance du tout (13 %). La proportion de Canadiens qui ont confiance a légèrement augmenté depuis 2006 (51 %).
- Plus de 7 Canadiens sur 10 déclarent savoir où s'adresser pour obtenir de l'information générale en matière de placement (75 %) ou de l'information sur certains placements en particulier (71 %).
- Plus de 8 Canadiens sur 10 estiment qu'il est très important (58 %) ou assez important (26 %) de pouvoir compter sur de l'information fiable et impartiale en matière de placement.
- Bien qu'ils reconnaissent la nécessité de compter sur de l'information fiable et impartiale en matière de placement et que les deux tiers d'entre eux possèdent des placements, nombre de Canadiens ne consultent pas de tels renseignements. Un Canadien sur trois (32 %) déclare avoir cherché de l'information en matière de placement au cours des 12 derniers mois, tandis que les deux tiers d'entre eux n'en ont pas cherché. Même dans le sous-groupe des investisseurs actifs (ceux qui effectuent au moins une ou deux opérations par année), 6 sur 10 ont cherché de l'information dans les 12 derniers mois, contre 4 sur 10 qui n'en ont pas cherché.
- Moins de 1 Canadien sur 5 s'est renseigné au sujet du rendement d'un placement (18 %), des risques associés à un placement (16 %) ou de différents types de placements (14 %).
- Quatre Canadiens sur 10 déclarent connaître un organisme provincial chargé de réglementer les placements financiers dans leur province, tandis que la majorité des Canadiens ignorent si un tel organisme existe. Parmi les investisseurs canadiens, près de la moitié (46 %) ont connaissance des autorités de réglementation provinciales. Parmi ceux qui ont cherché de l'information en matière de placement au cours des 12 derniers mois, plus de la moitié (55 %) en ont connaissance. Seulement 3 % des répondants se sont renseignés sur l'investissement auprès d'une autorité de réglementation provinciale (4 % chez ceux qui ont cherché de l'information en la matière au cours des 12 derniers mois).
- Les jeunes Canadiens, âgés de 18 à 34 ans, sont moins confiants lorsqu'ils prennent des décisions d'investissement et sont beaucoup moins susceptibles de savoir où obtenir de l'information sur l'investissement ou au sujet d'un placement en particulier. En outre, la connaissance des autorités de réglementation provinciales est plus faible dans ce groupe d'âge, peu des membres de ce groupe connaissant leur existence.

### Aptitudes des investisseurs en matière de risque

- Bien que la majorité des Canadiens qualifient leur style d'investissement d'assez prudent (47 %) ou de très prudent (17 %), environ un investisseur sur trois se définit comme audacieux en matière de risque (5 % très audacieux, 27 % assez audacieux).
- En 2009, une plus petite proportion d'investisseurs ont révisé le niveau de risque qu'ils sont prêts à assumer en ce qui concerne leurs placements. Seulement la moitié des investisseurs ont révisé le niveau de risque qu'ils sont prêts à assumer (50 %), contre 62 % en 2006.
- La fréquence des opérations a augmenté depuis 2006. Trente-six pour cent des investisseurs achètent ou vendent des placements au moins une fois par trimestre, contre 31 % en 2006. Par semaine, la proportion d'achats ou de ventes de placements, qui s'établissait à 3 % en 2006, a doublé pour atteindre 6 %.
- Seulement 3 % des investisseurs s'attendent à ce que leurs placements génèrent un rendement négatif au cours des 12 prochains mois. Un investisseur sur 10 prévoit un rendement supérieur à 10 %.
- Le taux de participation à des concours, à des loteries ou à des tirages est en hausse, 40 % des répondants participant au moins plusieurs fois par mois à de telles activités, contre 37 % en 2006.
- Les personnes ayant un niveau de scolarité et de revenu élevé sont davantage susceptibles d'effectuer des placements risqués. Les hommes sont plus enclins à se décrire comme audacieux en matière de risque, effectuent un plus grand nombre d'opérations et s'attendent à des rendements plus élevés.
- Les Britanno-Colombiens sont les plus susceptibles d'affirmer qu'ils ont un style d'investissement audacieux et qu'ils effectuent un grand nombre d'opérations, tandis que les Québécois sont les plus susceptibles de se dire prudents et déclarer qu'ils font peu d'opérations.

### Conseillers et plans financiers

- Moins de la moitié des Canadiens (46 %) ont recours à un conseiller financier (ce qui correspond aux données de 2006, année où 42 % des investisseurs ont déclaré avoir recours à un conseiller). Parmi les Canadiens qui ont recours à un conseiller financier, plus de 9 sur 10 (92 %) se sentent à l'aise de lui poser des questions ou de lui faire part de leurs préoccupations.
- Un peu plus de 4 Canadiens sur 10 (43 %) ont fait, de concert avec leur conseiller ou un représentant d'une institution financière, une évaluation en bonne et due forme de leur profil de risque.
- Un Canadien sur quatre (25 %) a établi par écrit un plan financier bien défini qui contient des objectifs d'investissement clairs, même si les deux tiers des Canadiens estiment qu'il est important pour les gens comme eux d'établir un tel plan.
- La probabilité que les investisseurs aient recours à un conseiller augmente avec l'âge. Parmi ceux qui ont recours à un conseiller, la probabilité qu'ils soient à l'aise avec celui-ci, qu'ils aient établi en bonne et due forme leur profil de risque avec un conseiller financier et qu'ils aient élaboré un plan financier augmentent aussi avec l'âge.

- Les Canadiens résidant à Terre-Neuve-et-Labrador sont les moins susceptibles d'avoir recours à un conseiller financier, d'avoir établi leur profil de risque et d'avoir élaboré un plan financier en bonne et due forme.

### Comportement des investisseurs concernant leur dernier investissement financier

- Pour la moitié des investisseurs canadiens, la dernière occasion d'investissement leur a été recommandée lors d'un entretien qu'ils ont eu avec leur conseiller ou un représentant de leur banque au sujet de leurs placements. Ils font partie du groupe de personnes étant le moins susceptibles d'avoir personnellement fait des recherches sur le placement.
- Trois investisseurs sur 10 ont trouvé l'occasion de placement par eux-mêmes; ils ont indiqué des sources d'information telles qu'Internet, un prospectus, des documents de promotion au sujet du placement, les journaux ou la télévision. Ils sont davantage susceptibles d'avoir personnellement fait des recherches sur le placement (72 %) et d'affirmer agir avec prudence; seulement 15 % ont fait un placement dès qu'ils ont eu connaissance de l'occasion, tandis que 79 % ont pris le temps de réfléchir avant de prendre une décision.
- Une personne sur 10 a investi dans un placement qu'elle s'est fait directement proposer, notamment par leur conseiller financier ou par un représentant de leur banque. Une même proportion de personnes a entendu parler du produit d'investissement par un membre de leur famille ou un collègue. Un peu plus de la moitié des investisseurs ont personnellement fait des recherches au sujet du placement, et 4 sur 10 ont fait un placement dès qu'ils ont eu connaissance de l'occasion. Ces personnes sont aussi les plus susceptibles d'être incitées à agir immédiatement (37 %).
- Au total, un investisseur sur quatre a fait un placement dès qu'il en a eu connaissance, soit une hausse par rapport à 2006, et un investisseur sur quatre est d'accord avec l'énoncé suivant : « si on ne saisit pas immédiatement une nouvelle occasion de placement, on pourrait rater une bonne occasion ». Par rapport à 2006, un nombre sensiblement plus élevé d'investisseurs potentiels se sont fait dire d'agir immédiatement; dans l'ensemble, 15 % des investisseurs ont été incités à agir immédiatement pour ne pas rater l'occasion de placement, contre 10 % en 2006.
- Les jeunes Canadiens, âgés de 18 à 34 ans, étant les moins confiants lorsqu'ils prennent des décisions d'investissement et sensiblement moins susceptibles de savoir où obtenir de l'information, sont largement plus susceptibles d'être incités à agir immédiatement et sont les plus enclins à le faire.
- Les personnes ayant un niveau de scolarité et un revenu élevés sont davantage susceptibles d'avoir personnellement fait des recherches sur le placement et d'être sûrs de comprendre en détail le dernier placement qu'ils ont fait.

### Expérience en matière de tentatives de fraude

- La majorité des Canadiens reconnaissent différents signes indiquant un placement potentiellement frauduleux. Huit Canadiens sur 10 croient que les éléments suivants constituent les principaux signes de fraude : l'absence d'information écrite ou la réticence à en fournir, les pressions exercées pour que l'investisseur agisse immédiatement, et la garantie de rendements élevés avec peu ou pas de risque. Six investisseurs sur 10 estiment que se faire offrir de l'information privilégiée est un signe manifeste de fraude. Moins de 1 personne sur 4 est d'avis que l'une des meilleures façons de faire de

l'argent sur le marché est de chercher de l'information privilégiée, ou que l'on peut faire confiance à la plupart des gens.

- Un peu moins de 4 Canadiens sur 10 (38 %) estiment s'être fait proposer un placement potentiellement frauduleux, ce qui correspond essentiellement aux données de 2006 et de 2007. Parmi ces personnes, une proportion beaucoup moins élevée de répondants affirment que toutes les tentatives de fraude provenaient de pourriels (soit 21 %, contre 38 % en 2006).
- Parmi les personnes qui se sont fait proposer un placement potentiellement frauduleux par d'autres moyens que le courriel exclusivement, plus de un répondant sur quatre a été contacté par téléphone, tandis que un répondant sur cinq déclare que le fraudeur lui a été présenté par un ami, un voisin, un collègue ou un membre de sa famille.
- Le niveau de confiance envers la personne qui a proposé le placement frauduleux est plus élevé que pour les années antérieures. Plus de 1 personne sur 10 (13 %) a tissé des liens de confiance très solides ou assez solides avec le fraudeur. Les Canadiens qui sont propriétaires d'une résidence et d'autres biens immobiliers et dont le niveau de scolarité ou de revenu est élevé sont davantage susceptibles de se faire proposer un placement frauduleux et d'avoir établi un lien de confiance avec le fraudeur.
- Les personnes qui se sont fait proposer un placement frauduleux sont davantage susceptibles de dénoncer la tentative de fraude aux autorités. Une personne sur quatre (26 %) déclare avoir dénoncé la tentative (contre 17 % en 2007 et 14 % en 2006).
- Cependant, par rapport à 2006, moins de personnes sont d'avis qu'il est important de signaler tout soupçon de placement frauduleux leur ayant été proposé, vraisemblablement parce qu'il s'agit d'un pourriel, parce qu'elles croient que la dénonciation resterait lettre morte ou ne changerait rien, ou parce qu'elles ne veulent pas s'en donner la peine.
- Les Britanno-Colombiens et les Manitobains sont largement plus susceptibles d'affirmer qu'ils se sont fait proposer un placement frauduleux, tandis que les Québécois le sont beaucoup moins. Au Québec, il est plus courant de se faire présenter un fraudeur par un ami, un voisin ou une autre connaissance ou de faire l'objet d'une sollicitation de porte à porte et, partant, les Québécois sont plus susceptibles d'établir un lien de confiance avec le fraudeur.

### Placements frauduleux

- Parmi les personnes qui estiment s'être fait approcher par un fraudeur, 1 sur 10 (11 %) déclare avoir investi de l'argent dans un placement qui s'est révélé frauduleux. En pourcentage de la population canadienne, c'est donc 4 % des Canadiens qui ont été victimes de fraude, ce qui correspond aux données de 2006 et de 2007.
- Cependant, par rapport à 2007, on constate un accroissement du nombre de victimes de fraude qui déclarent avoir investi à plus d'une reprise dans des placements frauduleux. Les sommes investies dans des placements frauduleux ont également connu une hausse.
- Plus de trois personnes sur quatre ont affirmé avoir parlé du placement frauduleux à leurs amis et aux membres de leur famille, soit une hausse par rapport à 2006. Leurs amis et les membres de leur famille sont plus susceptibles de croire que le placement frauduleux était à tout le moins partiellement la faute de la victime.



- Pour la moitié des victimes, la tentative de fraude a eu lieu à l'occasion d'un changement dans leur vie; pour plus de 1 personne sur 10, elle s'est produite au début d'un nouvel emploi ou au moment de la perte d'un emploi. Parmi les autres événements de la vie associés aux tentatives de fraude, citons un gain financier inattendu, un divorce ou une séparation, et le départ à la retraite dans les cinq années à venir.

## Facteurs à l'origine d'une tentative de fraude « réussie »

### *Qui sont les personnes ciblées?*

- Les Canadiens les plus susceptibles de se faire proposer un placement frauduleux sont les suivants :
  - Les investisseurs « autonomes » : Ces personnes sont plus susceptibles de faire elles-mêmes leurs recherches au sujet de leurs placements, d'estimer qu'elles connaissent très bien leur dernier placement et qu'elles peuvent donner une explication détaillée des risques et des avantages qui y sont associés, et finalement d'avoir cherché de l'information en matière de placement au cours des 12 derniers mois.
  - Les personnes enclines à prendre des risques sur les placements : Ces personnes s'attendent à des rendements plus élevés sur leurs placements, se disent très ou assez audacieuses en ce qui concerne la prise de risque pour obtenir des rendements supérieurs à la moyenne et choisissent des placements ou des portefeuilles plus risqués, même si ceux-ci peuvent subir des baisses plus importantes.
  - Les personnes qui effectuent des opérations au moins une fois par mois.
  - Les personnes actives en ligne : Ces personnes achètent des produits et des services sur Internet ou par téléphone tous les deux mois ou plus souvent.
  - Les hommes qui ont un niveau de scolarité élevé.
  - Les personnes qui sont moins susceptibles de faire appel à un conseiller (même si elles en ont un) : Ces personnes sont davantage susceptibles de s'être fait proposer directement leur dernier placement et sont moins susceptibles de se fier à leur conseiller pour prendre des décisions.
  - Les personnes qui sont confiantes et qui estiment bien connaître l'investissement : Ces personnes savent où obtenir de l'information générale en matière de placement et sont très ou assez confiantes lorsqu'elles prennent des décisions d'investissement.

### *Qui sont les victimes?*

- Certains facteurs permettent de prévoir quelles personnes, si elles se font approcher par un fraudeur, sont susceptibles d'être victimes de fraude. Le fait de rechercher activement des placements peut accroître la probabilité de se faire approcher par un fraudeur, mais n'augmente pas la probabilité d'investir dans des placements frauduleux. Les variables prédictives ayant le plus de poids parmi les victimes potentielles sont liées à l'excès de confiance, aux attitudes envers l'investissement et au niveau d'activité d'investissement.

- Les Canadiens les plus susceptibles d'investir dans un placement frauduleux sont les suivants :
  - Les personnes qui font preuve d'un excès de confiance : Ces personnes prennent des décisions de façon isolée plutôt que de les prendre avec d'autres membres de leur famille, et elles sont très confiantes lorsqu'elles prennent des décisions d'investissement.
  - Les investisseurs « autonomes » : Ces personnes sont les plus susceptibles de s'être renseignées en matière de placement au cours des 12 derniers mois et croient qu'elles connaissent très bien leur dernier placement et qu'elles peuvent donner une explication détaillée des risques et des avantages qui y sont associés.
  - Les investisseurs qui effectuent fréquemment des opérations (de façon hebdomadaire).
  - Les personnes qui recherchent le risque dans leurs placements et leur comportement : Une personne sur cinq s'attend à des rendements de 10 % ou plus, et 1 personne sur 10 se dit très audacieuse et prête à assumer des risques pour obtenir des rendements supérieurs à la moyenne. Ces personnes sont plus susceptibles de croire que plus un placement est risqué, plus le rendement est élevé, que l'on peut faire confiance à la plupart des gens et que l'on peut rater une bonne occasion si l'on ne la saisit pas immédiatement. Elles participent souvent à des concours et à des tirages et jouent souvent à la loterie.
  - Les personnes qui ont un niveau de scolarité élevé : La moitié des victimes de fraude sont titulaires d'un diplôme collégial ou d'un diplôme universitaire de premier cycle, et 1 sur 10 est titulaire d'un diplôme d'études supérieures.
  - Le sexe des personnes n'est pas associé à la probabilité d'avoir investi dans un placement frauduleux, bien que les personnes qui ont investi à plus d'une reprise dans un tel placement soient en grande partie des hommes.
- Les minorités visibles représentent un segment de la population davantage susceptible de faire l'objet d'une fraude. Ces investisseurs ne font pas preuve d'un excès de confiance, mais sont plus enclins à effectuer des placements risqués.

### Les jeunes et les placements

- Près de 9 personnes sur 10 ont déclaré que les conseillers financiers constituent une source d'information importante pour les jeunes, et la moitié des répondants estiment que les conseillers financiers sont la source la plus importante. Parmi les autres sources d'information importantes, citons les sites Web des institutions financières, les documents d'information ou les bulletins envoyés par des conseillers financiers ou des institutions financières, les rapports de recherche, les médias spécialisés dans le domaine des finances ou des affaires, les livres, les prospectus et les rapports annuels.
- Un peu moins de 6 répondants sur 10 estiment que les parents sont une source d'information importante pour les jeunes, la moitié des répondants estiment que les membres de la famille et les amis sont une source importante et un peu moins de 4 répondants sur 10 sont d'avis que l'école et les professeurs sont une source importante. Seulement 2 personnes sur 10 estiment que la responsabilité de former les jeunes incombe principalement aux parents.

- Sept Canadiens sur 10 sont d'avis que les enfants devraient apprendre les finances et l'investissement à l'école secondaire.
- La moitié des parents au Canada ont transmis à leurs enfants des connaissances en matière de finances et d'investissement. Un jeune parent sur quatre ayant de jeunes enfants déclare avoir transmis à ses enfants des connaissances en matière de finances personnelles et d'investissement, tandis que la moitié des parents d'adolescents l'ont fait. Sept parents âgés sur 10 (dont les enfants ont 18 ans ou plus) déclarent avoir transmis de telles connaissances à leurs enfants.
- Deux parents sur trois ont confiance en leur capacité d'apprendre les finances personnelles et l'investissement à leurs enfants, la plupart n'étant toutefois pas très confiants (la moitié des parents se disent assez confiants).
- Dans l'ensemble, la grande majorité des répondants (soit au moins 8 personnes sur 10) sont d'avis qu'il est important de transmettre ses expériences personnelles et ses connaissances à son enfant et que l'enseignement de connaissances financières fait partie des choses les plus importantes qu'un parent puisse faire pour son enfant.
- En outre, 8 répondants sur 10 estiment qu'il est important de trouver des sources d'information externes pour l'apprentissage de leurs enfants. Une plus petite proportion de répondants, soit 7 sur 10, disent savoir où trouver de l'information susceptible de les aider à cette fin, et seulement un répondant sur quatre croit fermement savoir où trouver de tels renseignements.
- Sept parents sur 10 sont d'avis que les conseillers financiers sont la source la plus importante pour trouver de l'information qui les aidera à donner une éducation financière à leurs enfants. Trois parents sur 10 citent les parents et les livres comme sources d'information. Un sur cinq considère les professeurs comme l'une des principales sources d'information.

## 2. INTRODUCTION

Canadian provincial securities regulators provide information to help investors make appropriate investment decisions and recognize, avoid and report fraudulent investments. In 2006, the CSA Investor Education Committee conducted an inaugural CSA Investor Index study, designed to understand Canadians' knowledge about investments and experience with fraudulent attempts and provide a baseline for measurement. A partial follow-up survey was conducted in 2007. In May of 2009, Ipsos Reid was commissioned to conduct the first full follow-up of the 2006 study, to provide tracking for key metrics.

More specifically, the research investigates:

- ✓ Canadians' investment behaviour
- ✓ Knowledge and confidence about investing
- ✓ Investor understanding of financial fraud
- ✓ Canadians' experiences with financial fraud
- ✓ Variables associated with susceptibility to fraud
- ✓ Awareness of the provincial securities regulators

In addition, the CSA Investor Index 2009 includes a new section on the importance of education about personal finances and investing for young people.

The CSA Investor Education Committee will use this research to help with a current understanding of investor knowledge and needs, in order to support program development.

### 2.1 Methodological Summary

Ipsos Reid interviewed 6,319 Canadian adults online, between July 20 and 27, 2009. A sample of this size is associated with a  $\pm 1.2$  percentage point margin of error (calculated at a 95% confidence interval).

The sample was comprised of two groups: 1) a "general population" sample, consisting of 5,521 respondents, in which disproportionate sampling by province was used in order to provide reliable provincial samples, and 2) an over-sample, consisting of an additional 798 respondents who had identified themselves as victims of financial fraud in an earlier survey. In combination with the identified victims of fraud from the nationally representative sample, this created a sub-sample of 1,034 fraud victims in the survey. All respondents are members of the Ipsos Online Household Panel.

Separately, Ipsos Reid asked several questions as part of the Ipsos Reid Express telephone omnibus survey. Interviews were conducted among 1,004 Canadian adults between July 21 and 23, 2009. This survey was conducted in order to verify distributions from the online survey on key weighting variables. A sample of this size is associated with a  $\pm 3.1$  percentage point margin of error (calculated at a 95% confidence interval). Data from the telephone omnibus survey are shown in Appendix 1.

Weights were applied to the online data to reflect Canada's adult population. Weighting was conducted by region, age and gender and using incidence data on fraud victims. The table on the following page shows the actual number of interviews conducted per province ("general population" and "fraud victim" samples

combined) and the weighted number of interviews per province to bring the total sample in line with Statistics Canada census data.

Province/Territory	Actual Sample	Weighted sample
Newfoundland and Labrador	212	95
Prince Edward Island	195	25
Nova Scotia	513	177
New Brunswick	230	139
Quebec	1180	1472
Ontario	2037	2452
Manitoba	252	227
Saskatchewan	242	196
Alberta	622	682
British Columbia	808	834
Territories: Yukon, NWT, Nunavut	28	19
<b>Canada – total</b>	<b>6,319</b>	<b>6,319</b>

\*Note: Population statistics source: Statistics Canada, updated January 15, 2009

The questionnaire for the CSA Investor Index 2009 is shown in Appendix 2.

## 2.2 Analysis

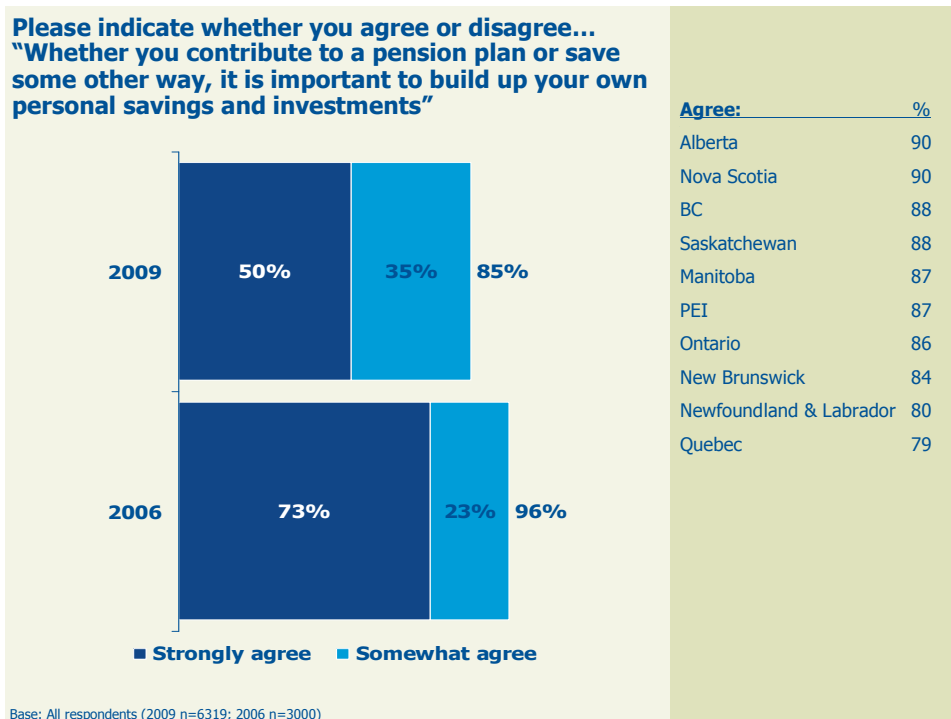
The data were tabulated on a national basis, with detailed cross-tabulations by province, demographics and a series of behaviour and attitudinal variables that impact susceptibility to fraud. In the summary of results, the data are presented for Canada in total and by province where there are notable provincial differences in results. Note that, because of the very small sample size in the Territories, data are not presented for this region.

In addition, an analysis was conducted to determine those variables that predict susceptibility to fraud. Demographic, behavioural and attitudinal data were used as inputs to a correlation-based analysis of what drives the likelihood of being exposed to a fraudulent investment and, among those variables, what predicts who is most likely to invest. A detailed description of this analysis and the findings about those variables that impact susceptibility to fraud is contained in Section 4.3.

### 3. PROFILE OF CANADIAN INVESTORS

#### 3.1 Savings and Investments

Canadians agree that whether you contribute to a pension plan or save in some other way, it is important to build up your own personal savings and investments. Over eight-in-ten (85%) agree overall, with 50 percent agreeing strongly and 35 percent agreeing somewhat.

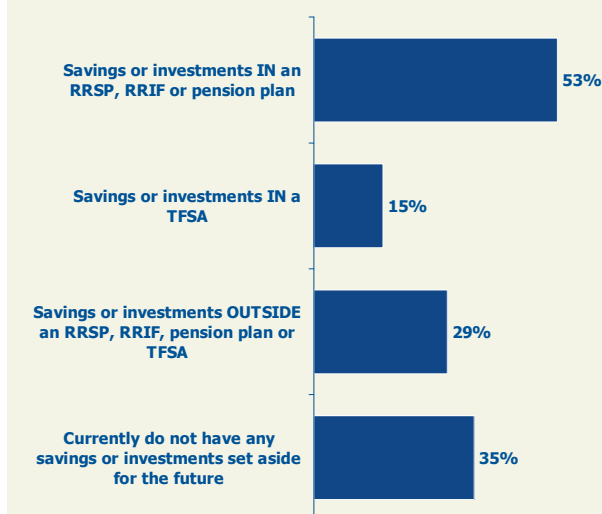


A smaller percentage (65%) has some savings or investments set aside for the future. Over half (53%) have savings or investments in an RRSP, RRIF or pension plan, while three-in-ten (29%) have non-registered savings or investments. Fifteen percent of Canadians have opened a TFSA account.

One-in-three (35%) do not have any savings or investments set aside for the future, an increase from 27 percent in 2006.

- Canadians in Newfoundland and Labrador, New Brunswick and Quebec are more likely to not have any savings or investments set aside for the future.
- Young Canadians, aged 18-34 years, those with household income under \$40,000 and/or those with high school or less education are more likely to not have any savings or investments set aside for the future.

### Do you personally have any savings or investments set aside for the future?



Base: All respondents (n=6319)

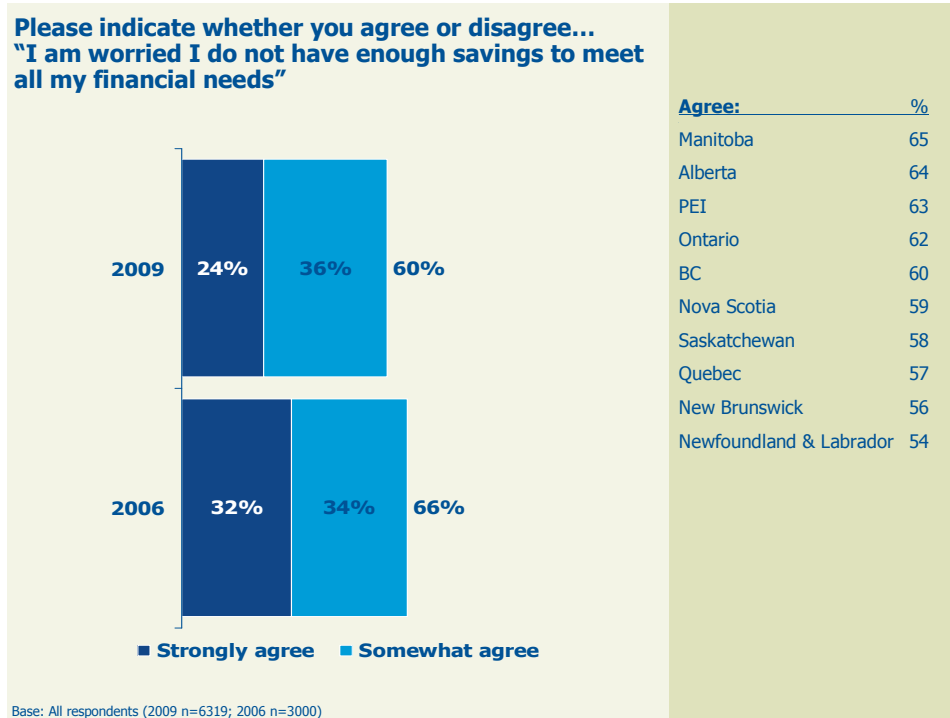
### Currently do not have any savings or investments set aside for the future:

	%
Newfoundland & Labrador	41
New Brunswick	40
Quebec	38
Ontario	36
Alberta	34
BC	33
Nova Scotia	31
PEI	30
Saskatchewan	29
Manitoba	27
Territories*	23

**2006:** 27

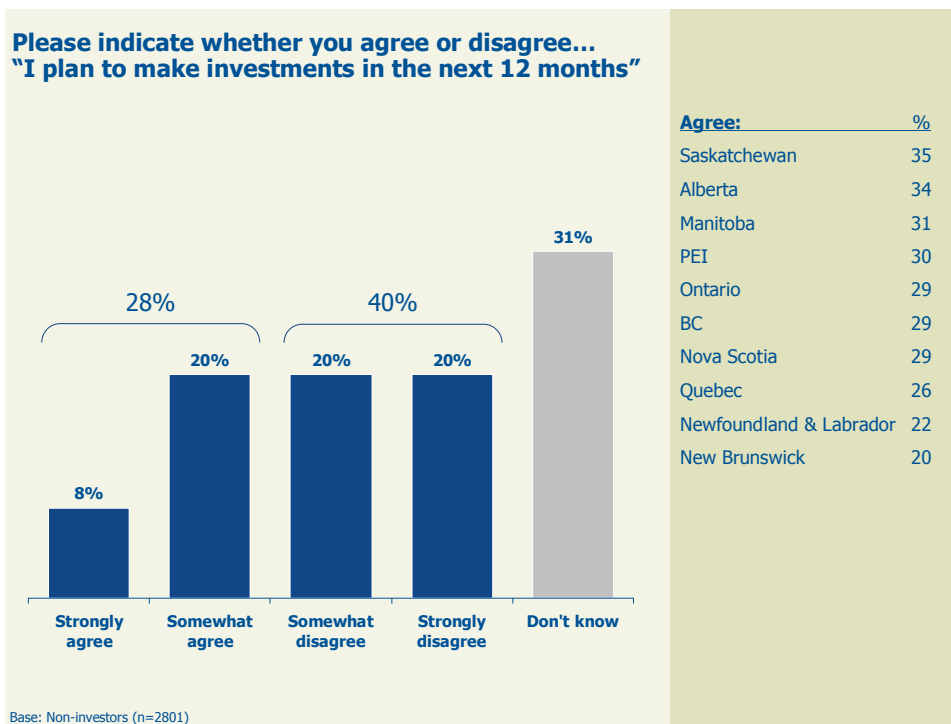
\*Caution: extremely small base size

Despite the fact that two-thirds of Canadians have some savings or investments, fully six-in-ten (60%) Canadians worry that they do not have enough savings to meet their financial needs (24% agree strongly and 36% agree somewhat).





Three-in-ten non-investors (28%) agree that they may make some investments in the next 12 months, although most are tentative, agreeing somewhat (20%), rather than strongly (8%). Four-in-ten (40%) disagree, while 31 percent do not know.

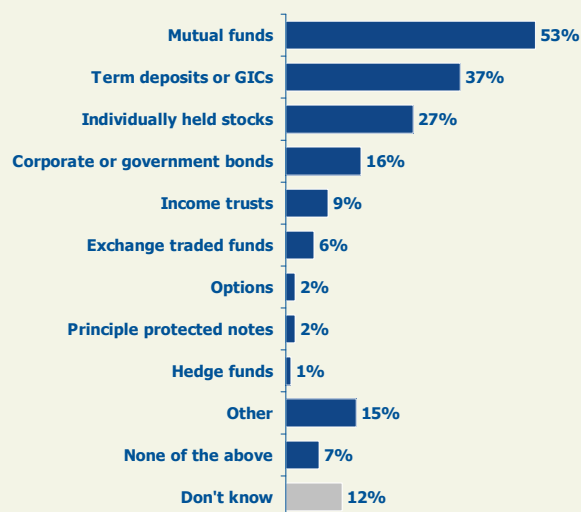


Among those who do have savings or investments set aside for the future, over half (53%) hold mutual funds, 37 percent hold term deposits or GICs, 27 percent hold stocks, 16 percent hold corporate or government bonds, nine percent hold income trusts and six percent hold exchange traded funds (ETFs).

Three-in-four (75%) savers/investors have investment products (defined as not having GICs only).

- Males and/or those with household income of \$150,000 or more are more likely to hold a range of investment products.

#### Which of the following savings or investment products do you own?



Base: Have savings or investments set aside for the future (n=4253)

#### Mutual funds: %

PEI	62
Nova Scotia	61
BC	59

#### Individually held stocks: %

BC	35
Alberta	30
Nova Scotia	31
New Brunswick	31

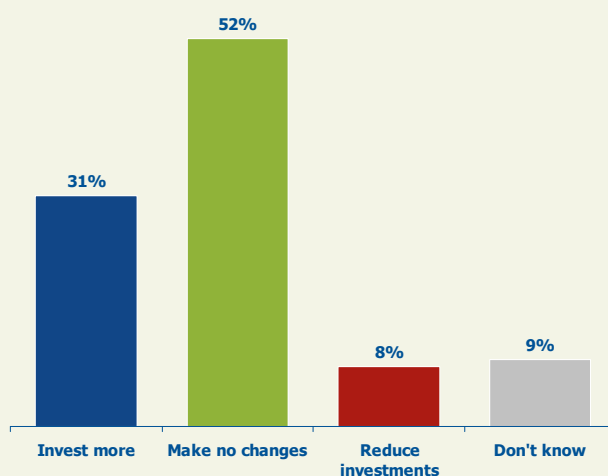
#### Don't know: %

Quebec	18
--------	----

Canadians with investment products plan to stay invested (52%) or invest more (31%) over the next 12 months. Fewer than one-in-ten (8%) plan to reduce the amount of their investments.

- Canadians in Alberta are most likely to invest more over the next 12 months, while those in Quebec are more likely to reduce the amount of their investments.
- Younger (18-34 years) and middle-aged (35-54 years) Canadians, those with household income of \$150,000 or more and/or those with college or university education are more likely to invest more over the next 12 months.

**And over the next 12 months do you plan to invest more money, not make any changes or reduce the amount of your investments?**



Base: Respondents with financial investments (n=3518)

**Invest more:** %

Alberta	38
Nova Scotia	36
PEI	35
Ontario	34
BC	34
Saskatchewan	33
Newfoundland & Labrador	32
Manitoba	31

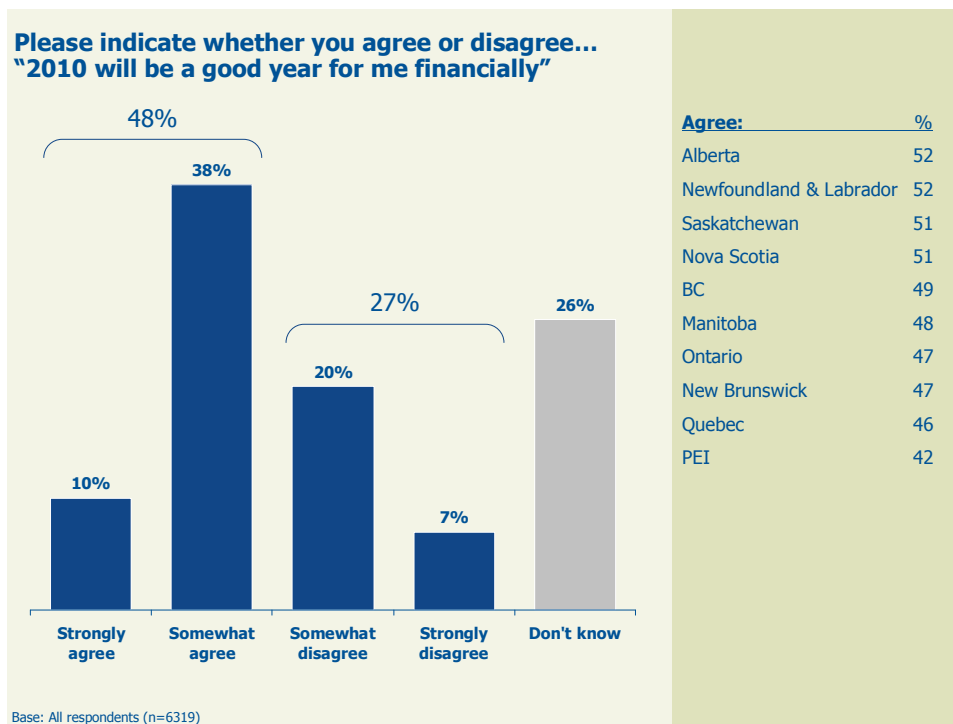
**Make no changes:** %

New Brunswick	62
Quebec	62

**Reduce investments:** %

Quebec	11
--------	----

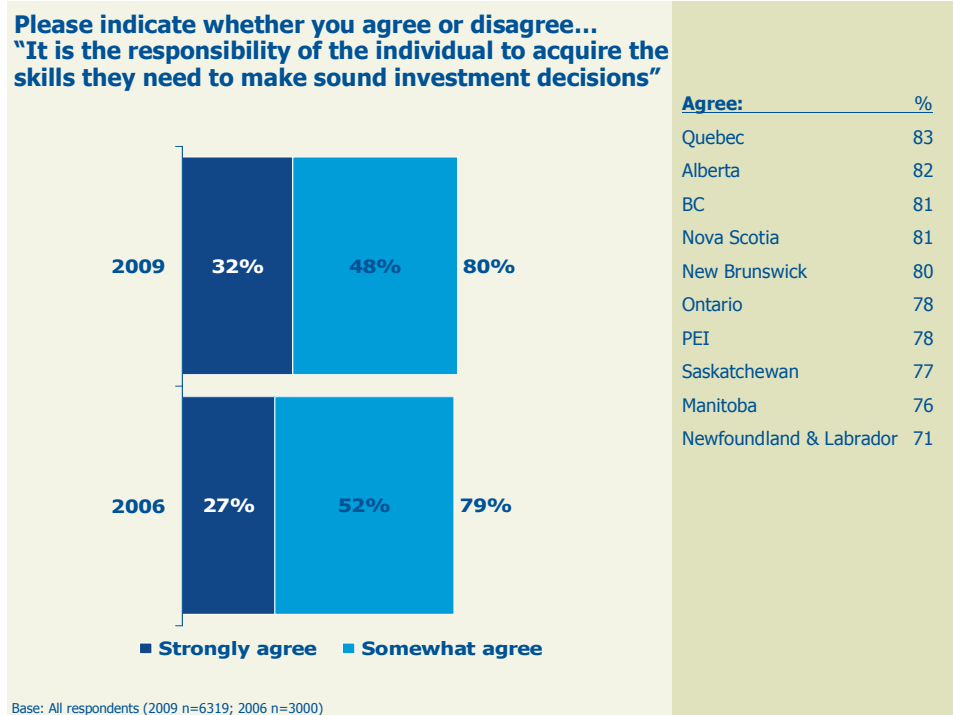
Half of Canadians are reasonably optimistic about their personal situation. One-in-ten (10%) agree strongly that 2010 will be a good year for them, while a further four-in-ten (38%) agree somewhat. Only one-in-four (27%) disagree, most disagreeing somewhat (20%) rather than strongly (7%).



## 3.2 Investor Confidence and Knowledge about Investments

Canadians believe that it is their responsibility to acquire the skills they need to make investment decisions and they believe they are fairly knowledgeable and confident.

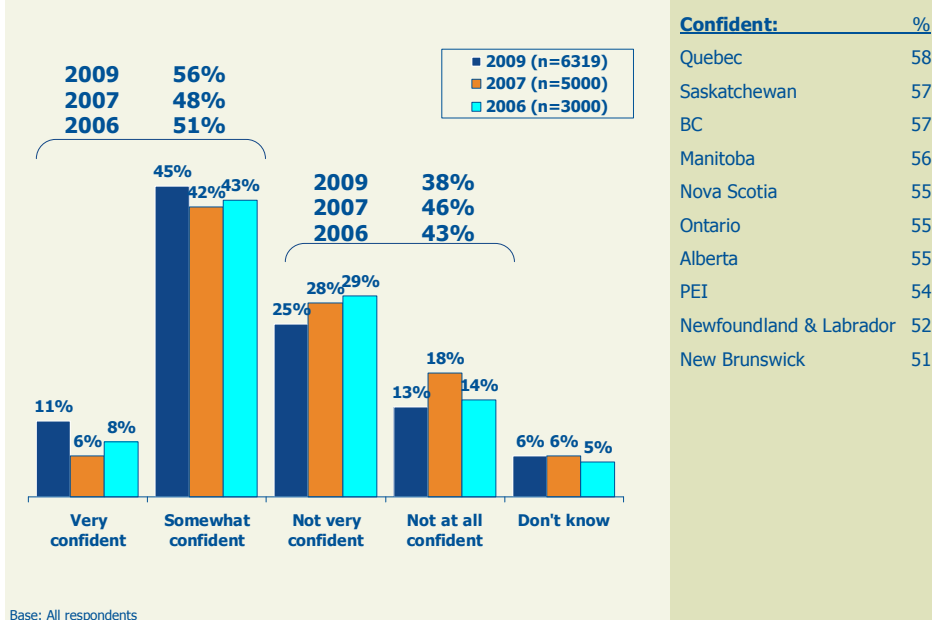
There is wide agreement that it is the responsibility of the individual to acquire the skills they need to make sound investment decisions. Eight-in-ten (80%) agree and agreement is stronger with this statement than in 2006 (32% agree strongly, compared to 27% in 2006).



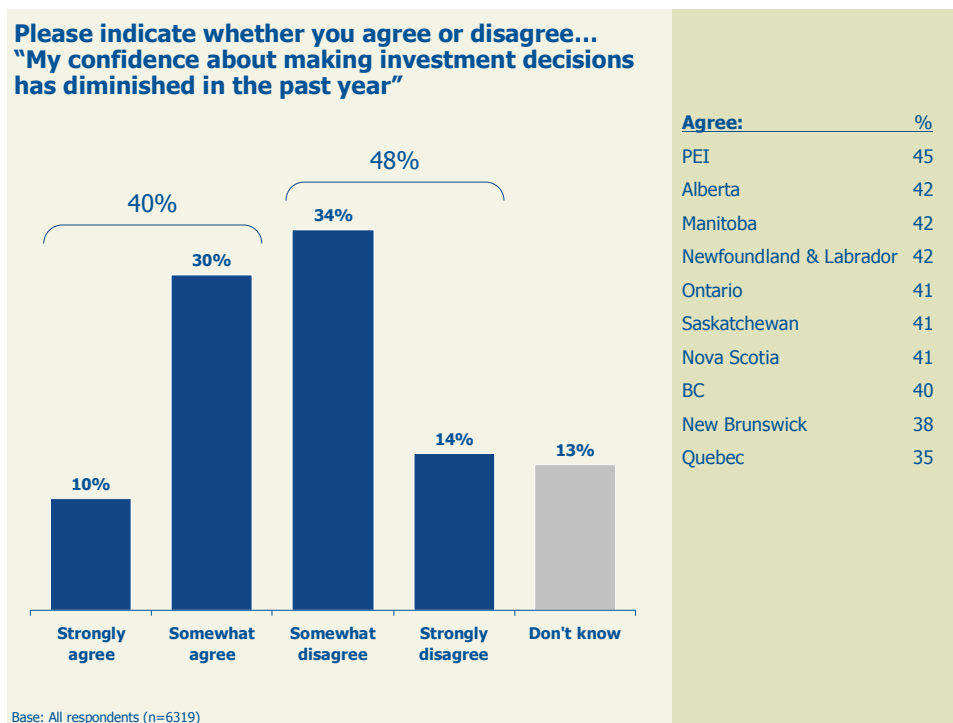
More than half (56%) of all Canadians feel at least somewhat confident about making investment decisions. One-in-ten (11%) say they are very confident, but most are somewhat confident (45%). This level of confidence has increased slightly since 2006 (51%).

- Canadians in New Brunswick, Newfoundland and Labrador and PEI are less confident about making investment decisions.
- Confidence is inversely related to age and income; young Canadians, 18-34 years, and/or those with household income under \$40,000 are least confident about making investment decisions.

#### How confident are you when it comes to making investment decisions?



More disagree than agree that their confidence about making financial decisions has diminished in the past year (40% agree, while 48% disagree).

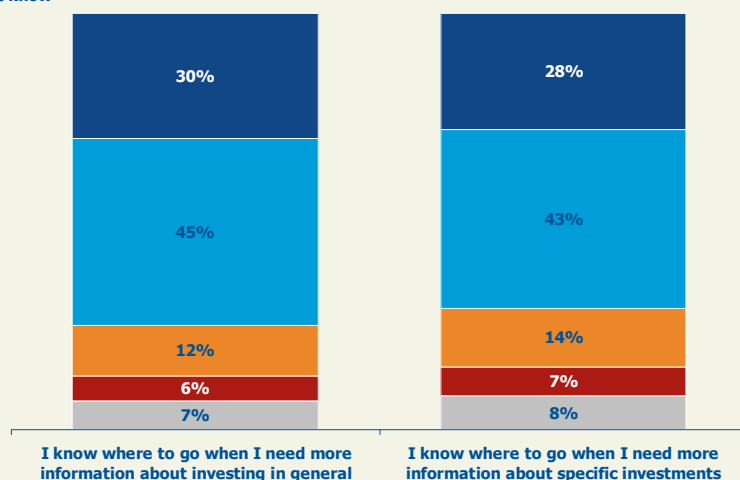


Along with their confidence about investment decisions, most Canadians are confident that they know where to go to obtain information about investing in general or about specific investments. Three-in ten (30% and 28%, respectively) strongly agree that they would know where to go, and over four-in-ten (45% and 43%, respectively) somewhat agree.

- Canadians aged 55 or older are more likely to know where to go for information about investing or specific investments. Young Canadians, 18-34 years, and/or those with household income under \$40,000 are significantly less likely to know where to go.

**Please indicate whether you agree or disagree...**

■ Strongly agree  
■ Somewhat agree  
■ Somewhat disagree  
■ Strongly disagree  
■ Don't know



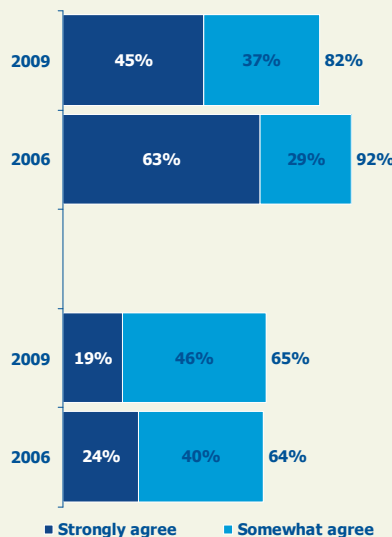
Base: All respondents (n=6319)



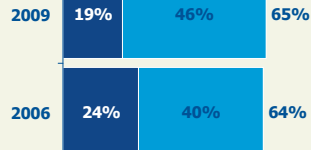
Further, over eight-in-ten (82%) agree that you should never make an investment without doing independent research (45% agree strongly and 37% agree somewhat) and almost two-thirds (65%) agree that they are confident about where to look for information to check out investment opportunities (19% agree strongly and 46% agree somewhat). Only one-third (36%) agree that they are not interested in learning more about investing (10% agree strongly and 26% agree somewhat).

**Please indicate whether you agree or disagree...**

**You should never make an investment without doing independent research on any new investment opportunity**



**I am confident about where I should look for information to check out investment opportunities**



Base: All respondents (2009 n=6319; 2006 n=3000)

**Agree:** %

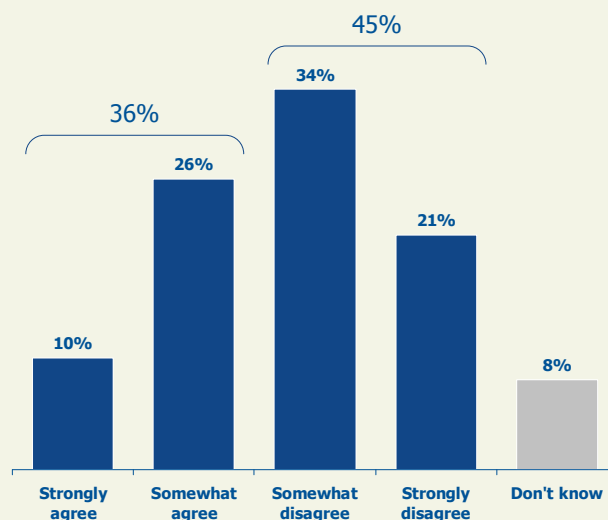
**Independent research**

New Brunswick	85
Alberta	84
BC	83
Quebec	83
Manitoba	83
Ontario	82
Nova Scotia	81
PEI	81
Saskatchewan	79
Newfoundland & Labrador	77

**Confident about where to look**

BC	68
Nova Scotia	68
PEI	68
Alberta	67
Manitoba	65
Ontario	64
Quebec	64
Saskatchewan	64
New Brunswick	62
Newfoundland & Labrador	60

**Please indicate whether you agree or disagree...  
"I am not interested in learning more about investing"**



Base: All respondents (n=6319)

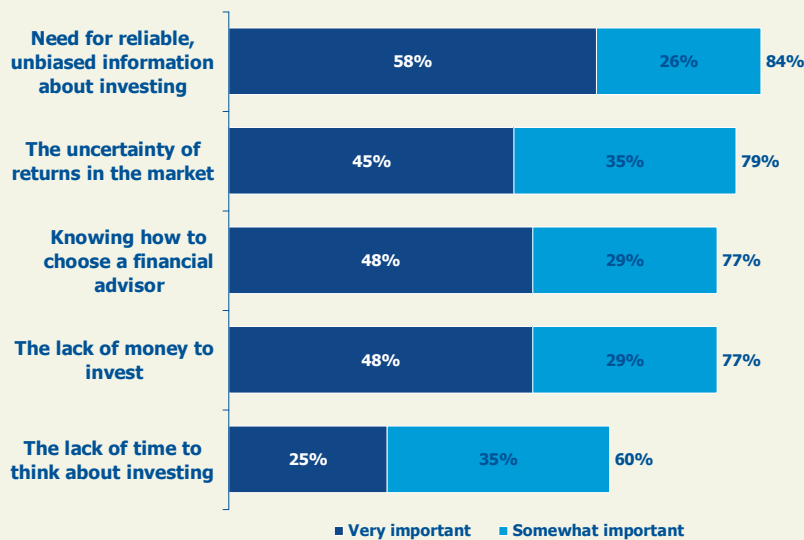
**Agree:** %

Quebec	39
Nova Scotia	39
BC	38
New Brunswick	36
Ontario	35
PEI	34
Alberta	34
Newfoundland & Labrador	34
Manitoba	33
Saskatchewan	33

When asked about important issues when it comes to investing, almost all (84%) say that there is a need for reliable, unbiased information about investing and that it is important to know how to choose a financial advisor (77%). Currently, the uncertainty of returns in the market (79%) and a lack of money to invest (77%) are occupying investors' minds. Fewer, but still a majority (60%), also believe that they do not have enough time to think about investing.

- The importance of most of these issues increases with age, except for a lack of time to think about investing, which peaks at 35-54 years.

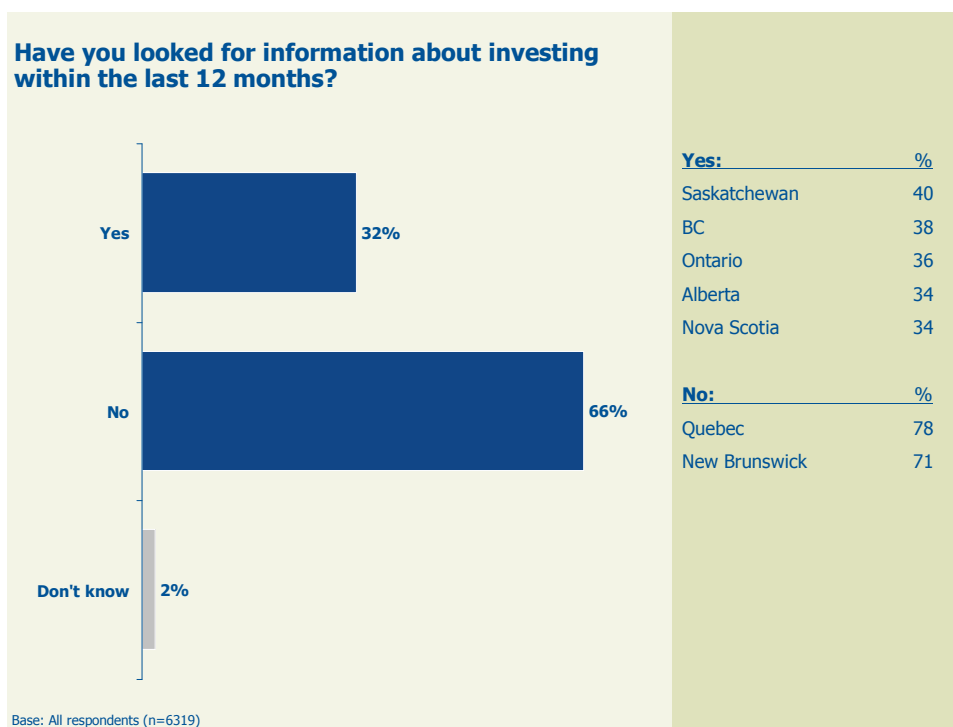
**When it comes to investing, how important do you consider each of the following issues to be?**



Base: All respondents (n=6319)

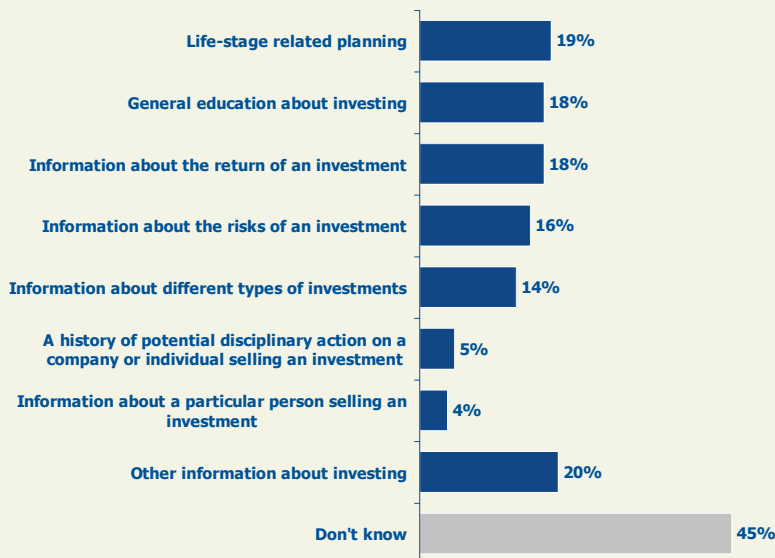
Yet, despite their confidence about knowing where to go for information about investing and the stated need for reliable, unbiased information about investing, many Canadians are not accessing information about investments. Only one-in-three Canadians (32%) say that they have sought information about investing in the past 12 months, while two-thirds (66%) have not.

- Even among the subgroup of active investors (those who trade at least once or twice annually), six-in-ten (58%) have looked for information in the past 12 months, while four-in-ten (42%) have not.
- Canadians in Saskatchewan, B.C. and Ontario are more likely to have looked for information about investing, while those in Quebec and New Brunswick are least likely.
- The likelihood of looking for information about investing increases with household income and with education.



One-in-five (19%) Canadians has looked for life-stage planning information within the past 12 months. Fewer than one-in-five looked for information about the return of an investment (18%), the risks of an investment (16%) and/or information about different types of investments (14%). One-in-five says they have looked for general information about investing (18%) and/or some other type of information about investing (20%).

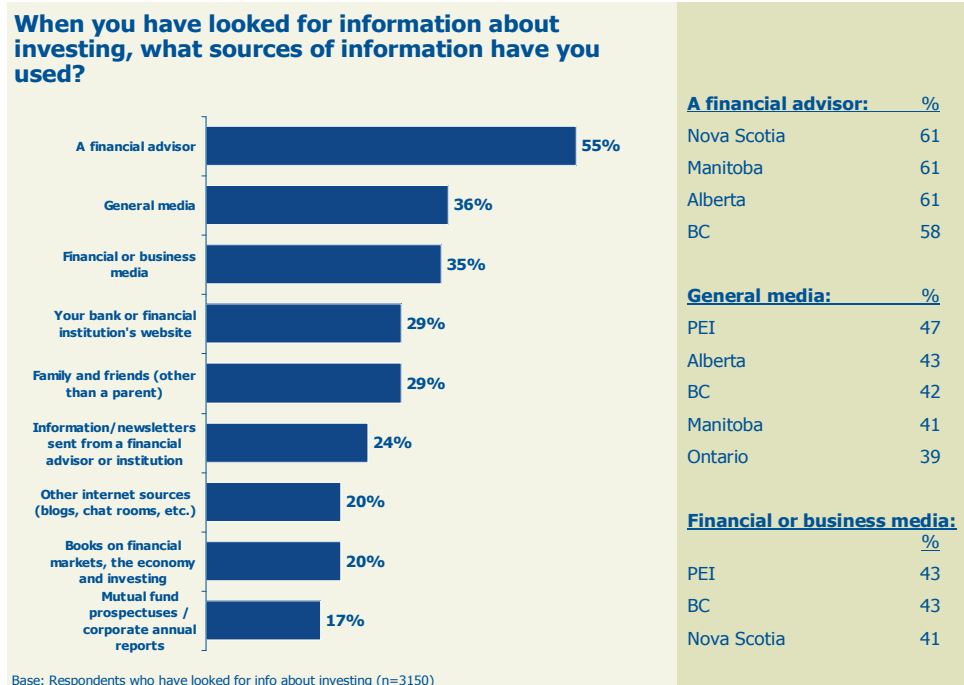
**Have you looked for any of the following types of information within the past 12 months?**



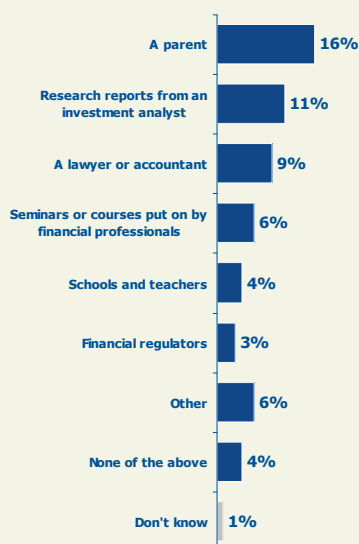
Base: All respondents (n=6319)

Those who had looked for some type of information about investing were most likely to rely on a financial advisor (55%), general (36%) and/or financial media (35%), their bank or financial institution's website (29%) and/or family or friends (29%).

- Canadians in Nova Scotia, Manitoba, Alberta and B.C. are more likely to have used a financial advisor for information.
- The likelihood of relying on a financial advisor for information about investing increases with age.



**When you have looked for information about investing, what sources of information have you used? (cont'd)**

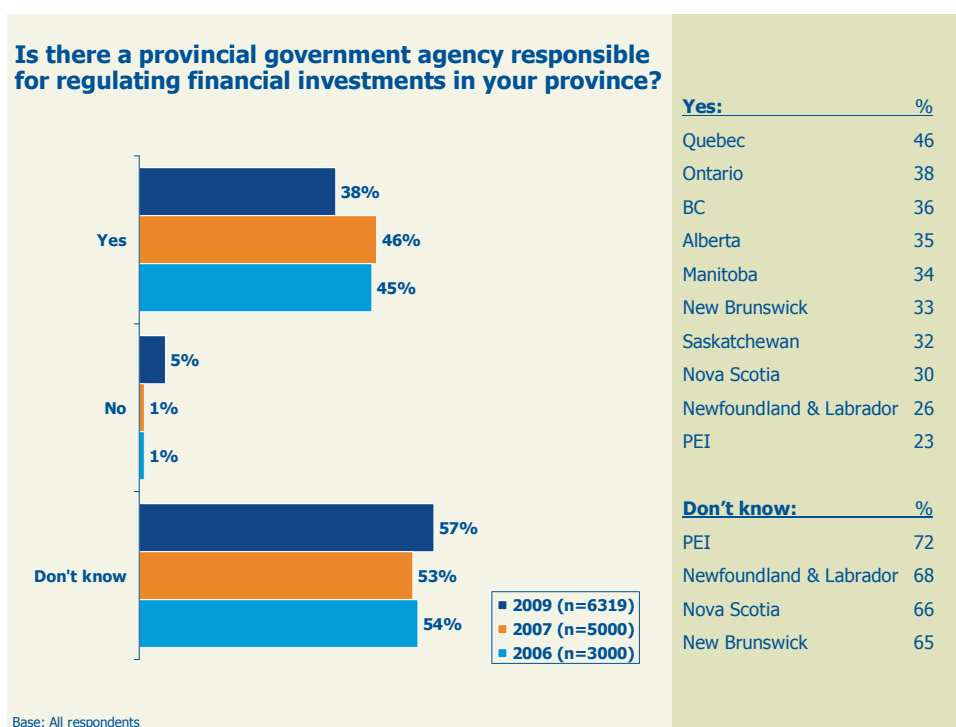


Few (3%) use provincial regulators as a source of financial information. This is consistent with the fairly low level of awareness of provincial regulators. Four-in-ten (38%) claim awareness of a provincial agency responsible for regulating financial investments in their province, while the majority say that they do not know if such an office exists in their province (57%).

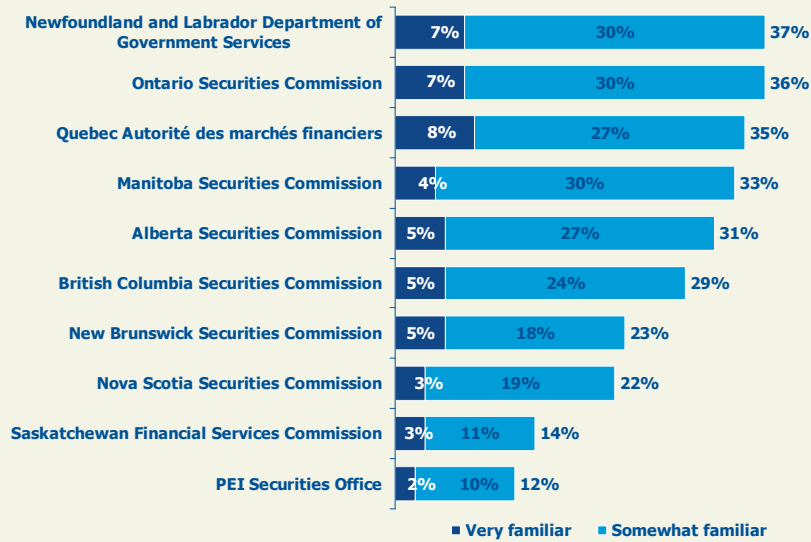
- Among Canadian investors, just under half (46%) are aware of provincial regulators.
- Among those who have looked for investment information in the past 12 months, over half (55%) are aware.

On an aided basis, stated familiarity with specific provincial regulators is highest in Newfoundland and Labrador (37%), Ontario (36%), Quebec (35%), Manitoba (33%), Alberta (31%) and B.C. (29%).

- Awareness is generally higher among men than women and increases with age. Few of those aged 18-34 years are aware.



### How familiar are you with...



Base: Respondents in each province. Territories not shown because of very small sample size.

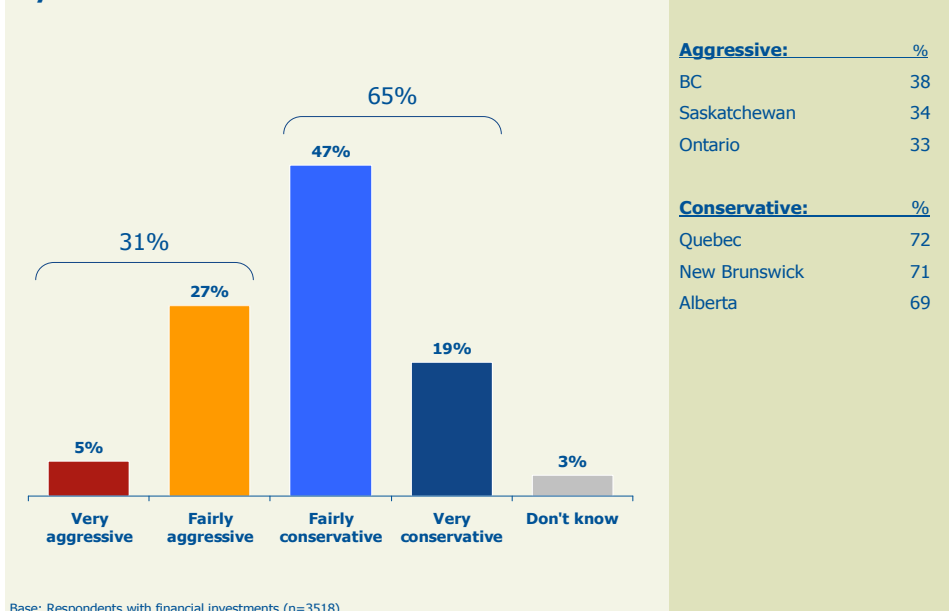
### 3.3 Investor Risk Orientation

Most Canadians (65%) describe their approach to investing as fairly (47%) or very conservative (19%). In addition, Canadians more often indicate a preference for investment options that involve a lower return and less downside risk than ones that carry a higher possible return, and higher downside risk. Despite these tendencies, we identify a substantial minority of Canadians who are more risk-oriented. In addition, we find that Canadians are less apt to have reviewed the risk they are willing to accept than in 2006, even as they are more actively buying and selling investments.

One-in-three (31%) Canadian investors describe themselves as very (5%) or somewhat (27%) aggressive in their investment style. When asked to choose between a GIC with a guaranteed return of 4% and a mutual fund with the potential for a 20% return (with no mention of downside risk), four-in-ten (41%) choose the mutual fund. Even when it is specified that the mutual fund carries a risk of a 10% decline, one-in-three (32%) choose the mutual fund. When asked to choose from among four hypothetical portfolios, with the most conservative promising probable returns from +13% to -2%, and the most aggressive promising probable returns from +37% to -20%, almost three-in-ten choose the two most aggressive portfolios (20% choose a portfolio with a probable range of +28% to -13%, while 8% choose the most aggressive portfolio of +37% to -20%).

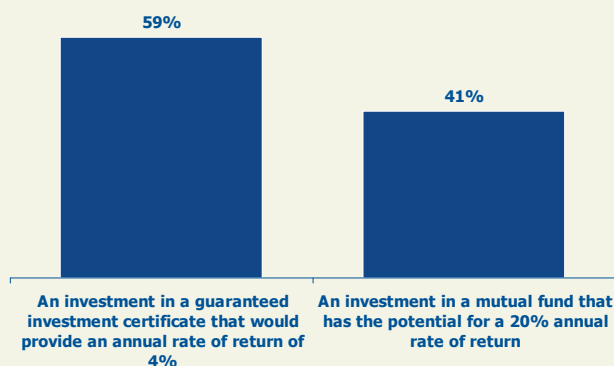
- Canadians in B.C. are most likely to say they have an aggressive investment style, while those in Quebec, New Brunswick and Alberta are more conservative. Canadians in Quebec consistently choose more conservative investment options.
- Males are more likely to have an aggressive investment style than females. Higher income and more educated Canadians are more likely to describe themselves as fairly aggressive, as opposed to fairly conservative.

#### Which of the following best describes your investment style?





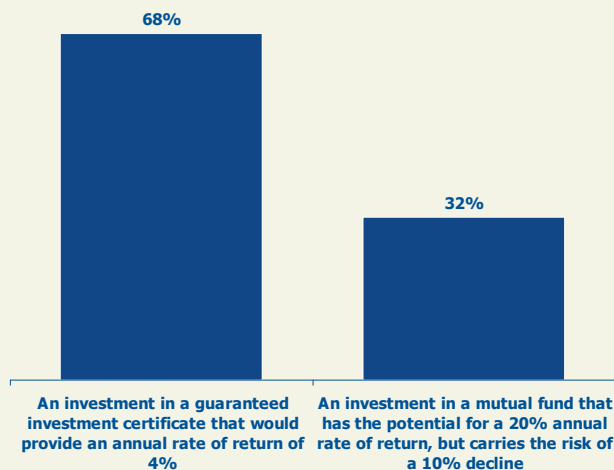
**If you had to choose between one of the following two investments, which one would you be more likely to make?**



Base: All respondents/ Split sample (n=3161)

<u>Guaranteed investment certificate:</u>	<u>%</u>
Quebec	67

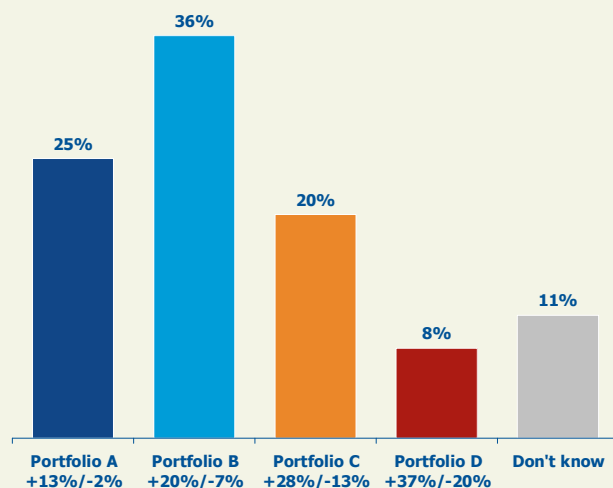
**If you had to choose between one of the following two investments, which one would you be more likely to make?**



Base: All respondents/ Split sample (n=3158)

<u>Guaranteed investment certificate:</u>	<u>%</u>
Quebec	75
PEI	72
Manitoba	71
BC	70
 <u>Mutual fund:</u>	 <u>%</u>
Saskatchewan	43
Nova Scotia	38
Newfoundland & Labrador	36
New Brunswick	35
Ontario	35
Alberta	35

A portfolio is a basket of different investments. The returns earned depend on the mix of investments. The following graph shows the probable range of returns (from best to worst) of four hypothetical portfolios over a one-year period. Which of these portfolios would you prefer to invest in?



Base: Respondents with financial investments (n=3518)

**Portfolio A:** %

Quebec	30
PEI	28
Alberta	28

**Portfolio C:** %

Newfoundland & Labrador	27
-------------------------	----

**Portfolio D:** %

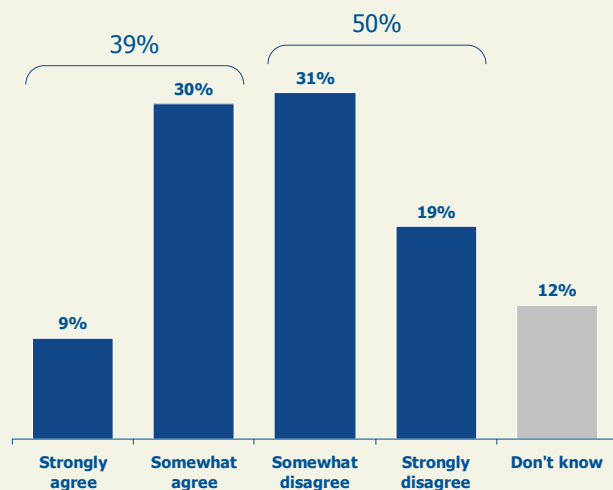
Saskatchewan	14
--------------	----

**Don't know:** %

Saskatchewan	17
New Brunswick	15
PEI	15

When asked whether they agree with a statement “the riskier the investment, the greater the reward”, four-in-ten (39%) agree (9% agree strongly and 30% agree somewhat).

Please indicate whether you agree or disagree...  
“The riskier the investment, the greater the reward”



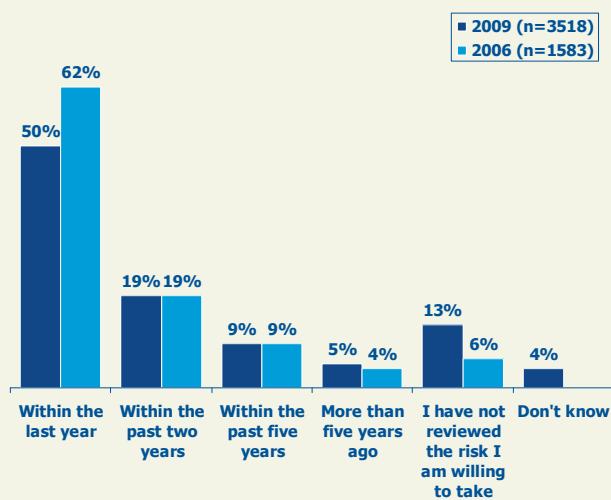
Base: All respondents (n=6319)

**Agree:** %

Alberta	44
Quebec	42
Manitoba	41
Saskatchewan	39
Nova Scotia	39
Newfoundland & Labrador	38
Ontario	37
New Brunswick	36
BC	35
PEI	33

Yet in 2009, fewer have reviewed the level of risk they are willing to take with their investments within the past year. Half of investors have reviewed the level of risk they are willing to take (50%), compared to 62 percent in 2006.

**When was the last time you thoroughly reviewed the level of risk you're willing to take with your investments?**



Base: Respondents with financial investments

**Within the last year:** %

Saskatchewan	56
Nova Scotia	55
BC	53
Ontario	52
PEI	51
Alberta	51

**Within the past two years:** %

New Brunswick	26
Manitoba	24

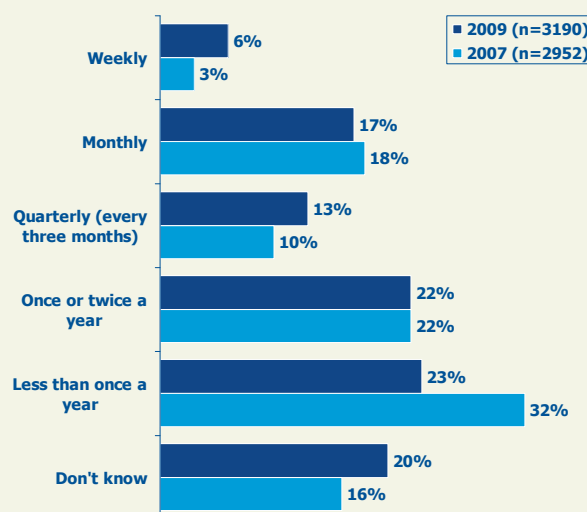
**More than 5 years ago:** %

Newfoundland & Labrador	11
-------------------------	----

The level of trading frequency has increased since 2006. Thirty-six percent of investors buy or sell investments at least once per quarter, compared to 31 percent in 2006. The incidence of those buying or selling investments on a weekly basis has doubled to six percent, from three percent in 2006.

- Canadians in B.C. trade most frequently, while Canadians in Quebec trade least frequently.
- Similarly, males, those with higher income and more educated Canadians trade more frequently.

**In general, how often do you - or your financial advisor on your behalf - buy or sell investments like stocks, bonds, mutual funds or other investments in the financial markets?**



Base: Respondents with financial investments

**At least once per quarter:**

	%
BC	45
Newfoundland & Labrador	39
Ontario	36
Nova Scotia	35
New Brunswick	35
Saskatchewan	35
Alberta	34

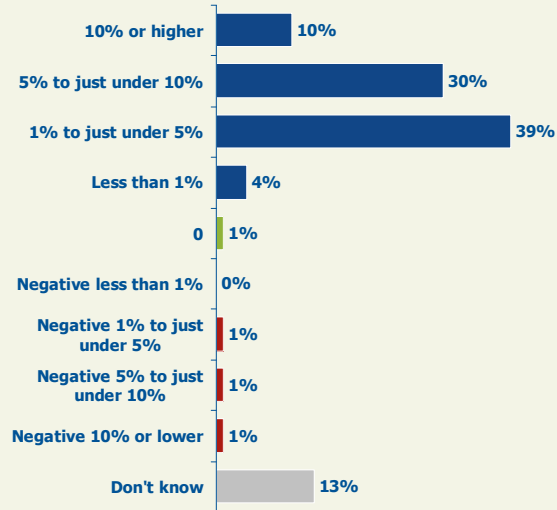
**Less than once per year:**

	%
Quebec	35

When asked about their expected overall, combined rate of return on their investments over the next 12 months, only three percent expect a negative return. Most say they expect either 1% - <5% (39%) or 5% - <10% (30%), with one-in-ten (10%) expecting more than a 10% return.

- Males, those with higher income and more educated Canadians expect higher returns.

**What do you expect your overall, combined rate of return on all of your savings and investments to be over the next 12 months?**

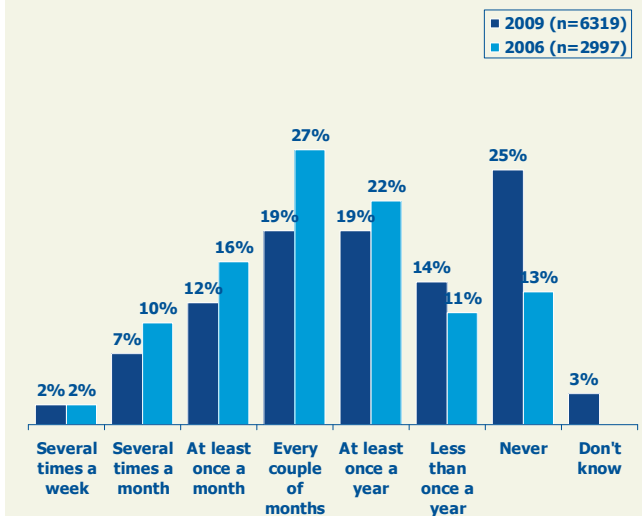


Base: Respondents with financial investments (n=3518)

Fewer Canadians report purchasing goods and services over the internet in 2009. One-in-five (21%) had done so in the past month, compared to 28 percent in 2006, and 25 percent respond “never,” compared to 13 percent in 2006. The incidence of entering contest, lotteries or sweepstakes is directionally higher, with 40 percent entering at least several times per month, compared to 37 percent in 2006.

- Canadians in Quebec and New Brunswick are less likely to purchase goods over the internet, but Quebecers are more likely to enter contests frequently.
- Males, those with higher income and more educated Canadians are more likely to purchase goods and services over the internet. Males also enter contests more frequently, but there is less of a relationship between entering contests and income or education.

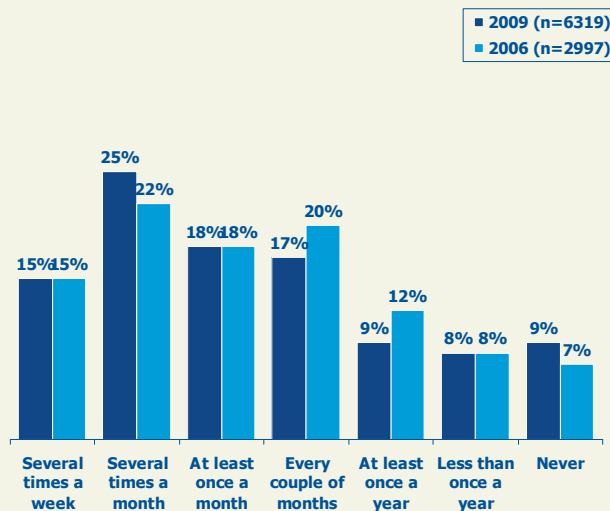
#### How often do you purchase goods and services over the internet or telephone?



Base: All respondents

<b>Never:</b>	<b>%</b>
Quebec	32
New Brunswick	30

### How often do you enter contests, lotteries or sweepstakes?



Base: All respondents

#### Several times a week: %

Quebec	19
Newfoundland & Labrador	17

#### Never: %

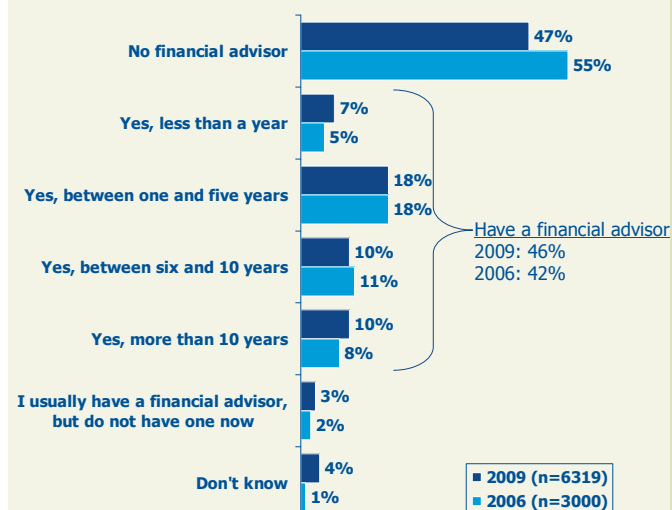
New Brunswick	12
Newfoundland & Labrador	12
PEI	11
Quebec	11

### 3.4 Financial Advisors and Financial Plans

The proportion of Canadians who have a financial advisor is consistent with 2006. This year, 46 percent say they have an advisor, compared to 42 percent in 2006. A similar percentage (48%) agree that, when it comes to investing, they rely on the advice of their advisor(s) (13% agree strongly, 35 percent agree somewhat).

- Canadians in Newfoundland and Labrador are least likely to have a financial advisor.
- Males, Canadians 35 years of age or older, those with higher income and more educated Canadians are more likely to have a financial advisor.

#### Do you have a financial advisor and, if so, how long have you had your current advisor?



Base: All respondents

#### No financial advisor: %

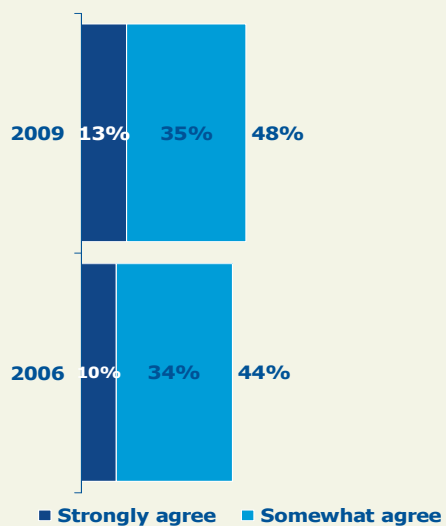
Newfoundland & Labrador	57
New Brunswick	51

#### Yes, more than 10 years: %

Nova Scotia	14
BC	13



Please indicate whether you agree or disagree...  
 "When it comes to making an investment, I  
 completely rely on the advice of my advisors"

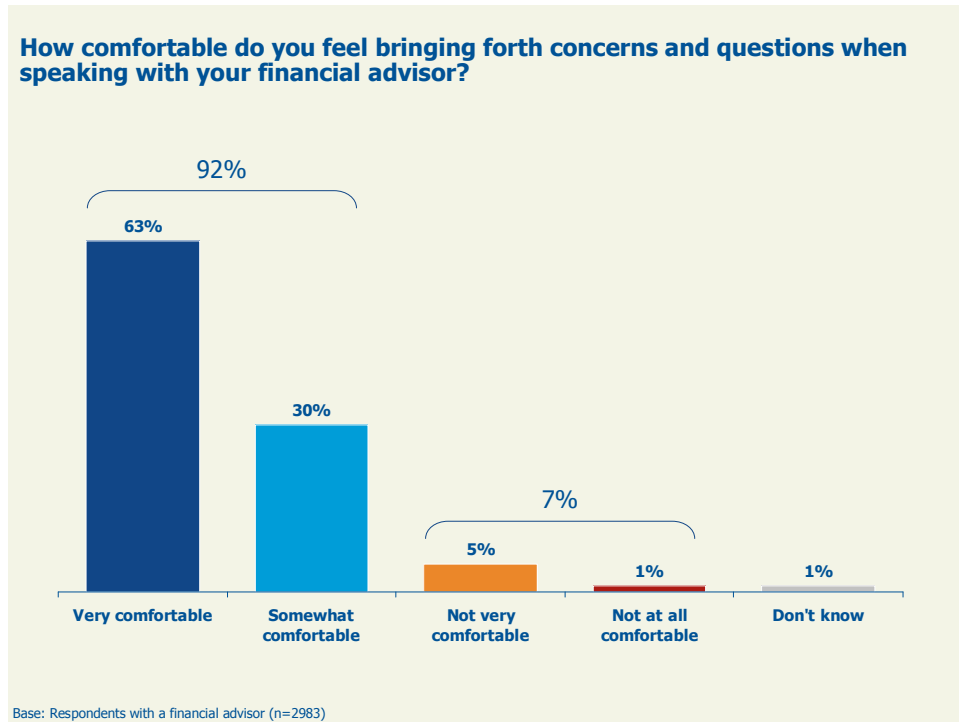


Base: All respondents (2009 n=6319; 2006 n=3000)

Agree:	%
Quebec	53
Saskatchewan	51
PEI	51
Manitoba	49
Nova Scotia	48
Ontario	47
Alberta	47
New Brunswick	47
Newfoundland & Labrador	47
BC	46

Those with a financial advisor appear comfortable bringing forth concerns or questions when talking to their advisor (63% are very comfortable and 30% are somewhat comfortable).

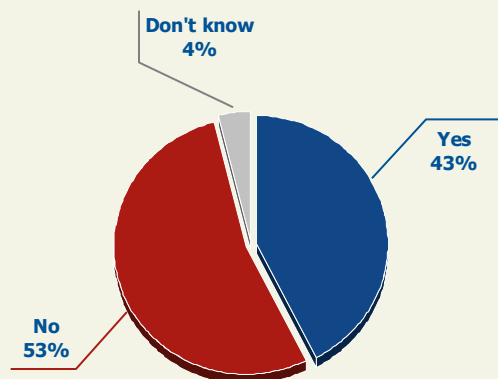
- Comfort with a financial advisor increases with age.



Just over four-in-ten (43%) Canadians have worked with their advisor or someone in a financial institution to create a formal assessment of their willingness to take risk.

- Canadians in PEI, Manitoba and Saskatchewan are more likely to have worked with a financial advisor on a formal risk assessment, while those in Newfoundland and Labrador and in Quebec are less likely.
- The likelihood of having worked with a financial advisor or someone in a financial institution on a formal risk assessment increases with age.

**Have you worked with a financial advisor or someone in a financial institution to create a formal assessment of your willingness to take risk?**

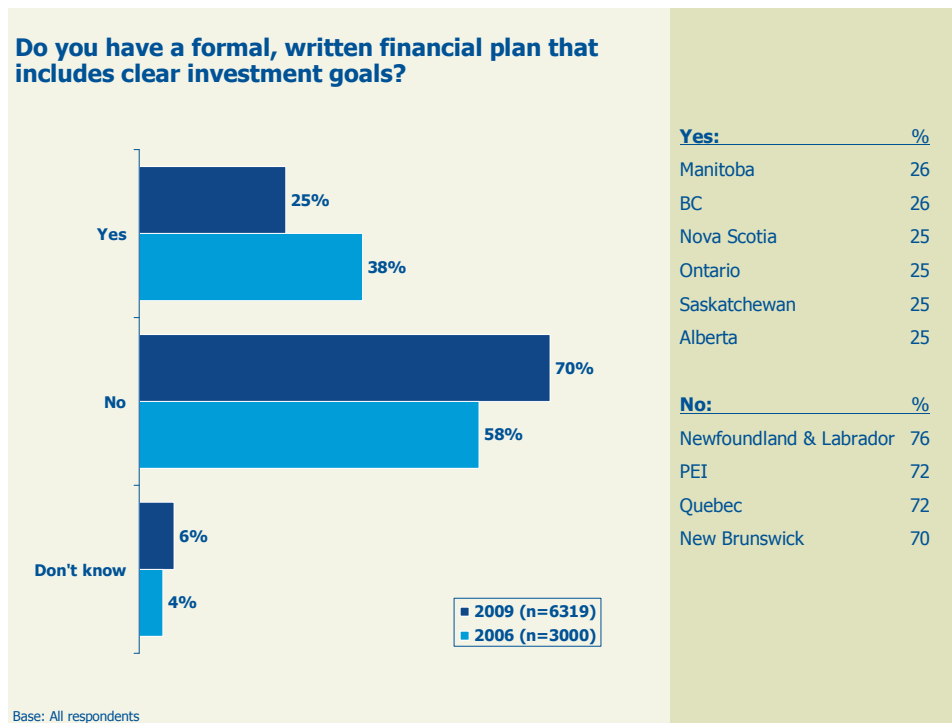


<b>Yes:</b>	%
PEI	50
Manitoba	49
Saskatchewan	49
Nova Scotia	46
BC	45
<b>No:</b>	%
Newfoundland & Labrador	63
Quebec	58

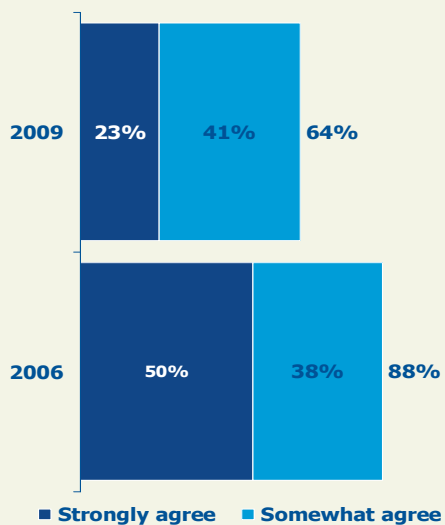
Base: All respondents (n=6319)

One-in-four (25%) Canadians say that they have a formal written financial plan that includes clear investment goals, despite the fact that two-thirds agree that having a formal, written financial plan is important for people like them (23% agree strongly and 41% agree somewhat). (Caution: The wording of the question changed from “a financial plan” in 2006 to “a formal, written financial plan” in 2009; some or all of the drop in incidence of having a plan between 2006 and 2009 may be a result of how the question was asked.)

- Canadians in Newfoundland and Labrador are even less likely to have a formal financial plan.
- The likelihood of having a financial plan increases with age.



**Please indicate whether you agree or disagree...**  
**"Having a formal, written financial plan is important**  
**for people like me"**

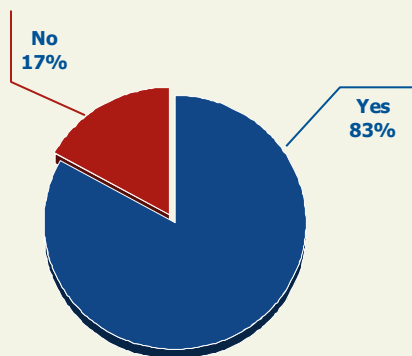


Note: Wording changed from "a financial plan" in 2006 to "a formal, written financial plan" in 2009  
 Base: All respondents (2009 n=6319; 2006 n=3000)

<b>Agree:</b>	<b>%</b>
PEI	69
Quebec	66
Saskatchewan	66
Alberta	66
Nova Scotia	65
Manitoba	64
Ontario	63
BC	63
New Brunswick	61
Newfoundland & Labrador	60

Among those with a financial plan, 83 percent have reviewed it in the past 12 months and 81 percent believe that the plan has been useful to them over the past 12 months.

### Have you reviewed your financial plan in the past 12 months?



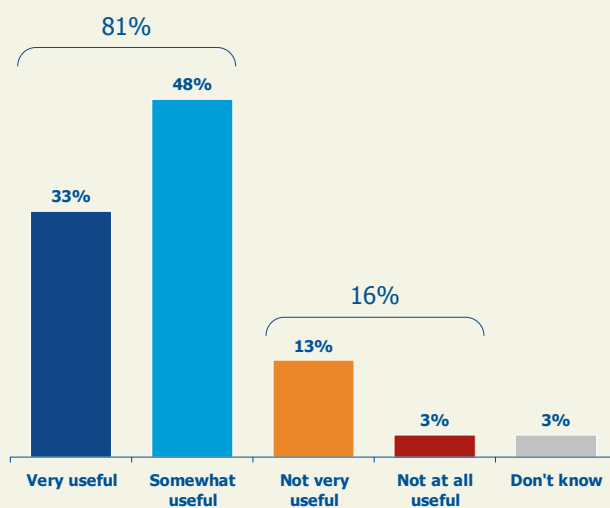
Base: Respondents with a formal written financial plan (n=1613)

<b>Yes:</b>	%
BC	87
Nova Scotia	86

<b>No:</b>	%
Alberta	23

\*Note: sample sizes are too small to show results for some provinces

### How useful has your plan been to you personally, over the past 12 months?



Base: Respondents with a formal written financial plan (n=1613)

<b>Useful:</b>	%
BC	87
Ontario	84

<b>Not useful:</b>	%
Quebec	25

\*Note: sample sizes are too small to show results for some provinces

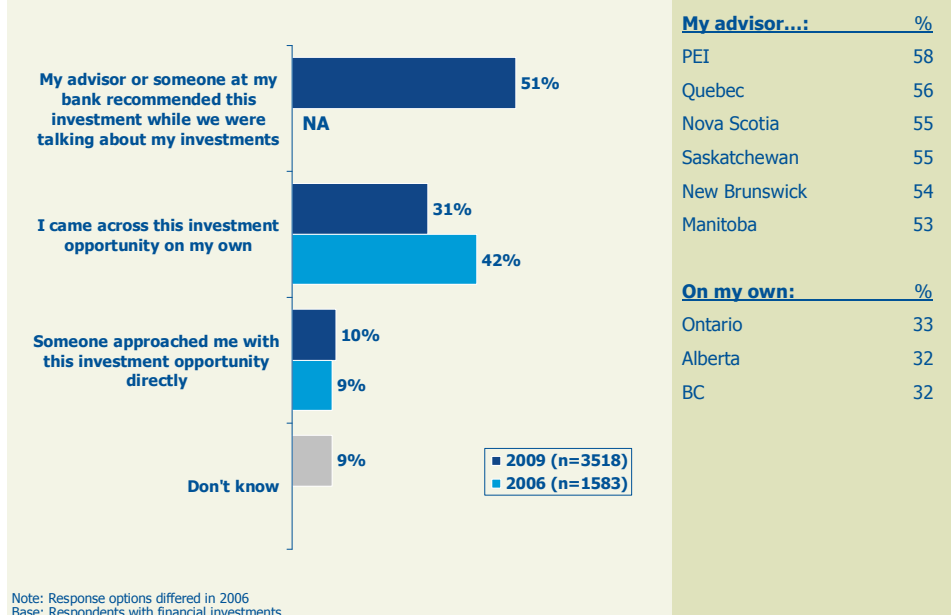
### 3.5 Investor Behaviour – Most Recent Financial Investment

In order to understand investment behaviour among Canadian investors, we asked a series of questions about their most recent investment.

Half (51%) of Canadian investors had their most recent investment opportunity recommended to them while they were discussing their investments with their advisor or someone from their bank. Three-in-ten (31%) came across the opportunity on their own (compared to 42% in 2006) and a further one-in-ten (10%) invested in an opportunity that someone approached them with directly (a similar level to 9% in 2006).

- Males are more likely to have come across the investment on their own; there is no relationship to age, income or education.

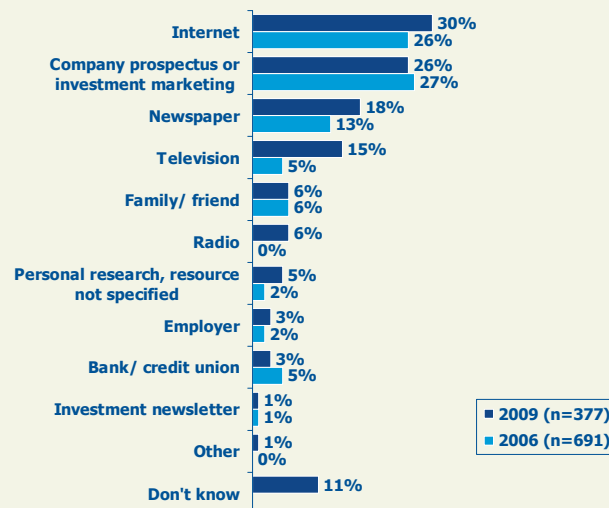
#### Thinking back to your most recent financial investment, how did you become aware of the opportunity?



The three-in-ten who came across the opportunity on their own were asked how they became aware of the opportunity. Three-in-ten (30%) say that they discovered the investment on the internet, 26 percent mentioned a prospectus or investment marketing materials, 18 percent mentioned the newspaper and 15 percent mentioned television. Relative to 2006, significantly more became aware via media.

- Canadians in Newfoundland and Labrador and in B.C. are more likely to have discovered the investment on the internet.
- Finding an investment on the internet is inversely related to age; younger Canadians who found their most recent investment on their own, particularly those aged 18-34, are more likely to have found it on the internet.

#### How did you become aware of your most recent financial investment?



Base: Respondents who found their most recent investment on their own

#### Internet: %

Newfoundland & Labrador	46
BC	37

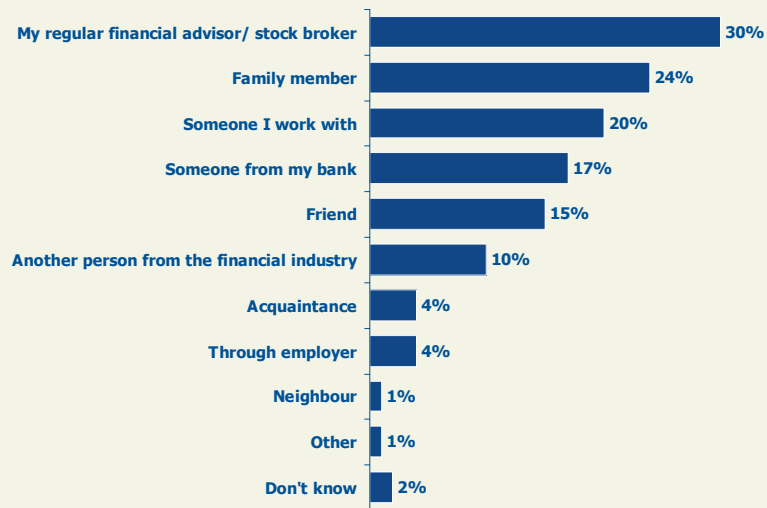
#### Company prospectus...: %

Nova Scotia	32
Newfoundland & Labrador	32
Manitoba	30
Quebec	29
Saskatchewan	29
Alberta	29



The one-in-ten who were approached by someone directly named their financial advisor (30%) or someone from their bank (17%). But just as many found their investment opportunity from a family member (24%) or someone they work with (20%).

#### Who told you about your most recent financial investment?

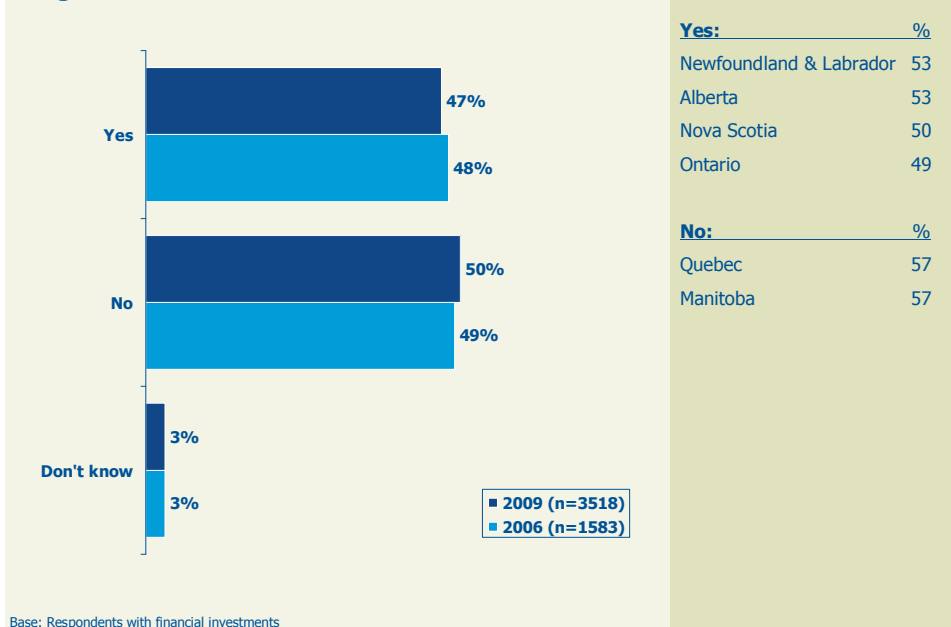


Base: Respondent who were approached by someone directly with investment (n=377)

Only half (47%) of Canadian investors personally researched their most recent investment, the same incidence of doing research as in 2006 (48%). Those who found the investment on their own are most likely to have personally researched the investment (72%), while over half of those who said that someone approached them directly personally researched it (57%).

- Canadians in Newfoundland and Labrador and in Alberta are more likely to have personally researched their most recent investment, while those in Quebec and Manitoba are less likely.
- Personally researching the investment is inversely related to age; Canadians aged 18-34 are more likely to have personally researched their investment.
- Those with high income and education are also more likely to have personally researched their investment.

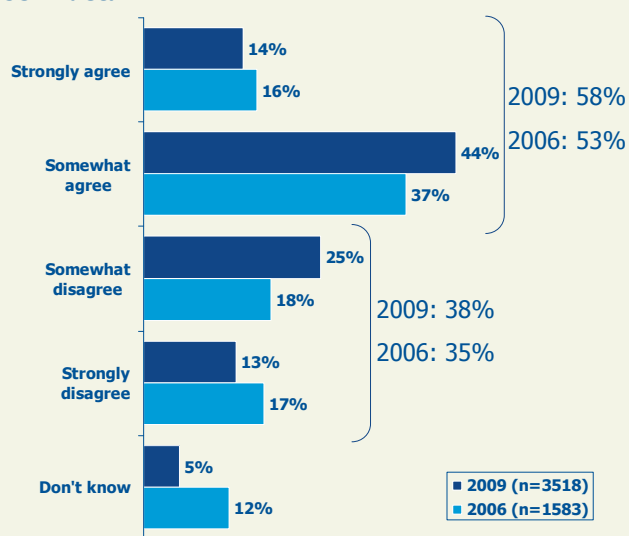
**Again, thinking of your most recent investment, did you personally research this investment before you bought it?**



Despite the fact that the same number are personally researching their investments overall and fewer found the investment on their own (the most likely group to research personally), more believe that they are familiar with their most recent investment and could explain the risks and benefits to someone in detail (58% agree in 2009, compared to 53% in 2006).

- Canadians in Quebec and in Alberta are more confident about understanding their recent investment, while those in Newfoundland and Labrador and in Saskatchewan are less so.
- Those with high income and education are more likely to be confident about understanding their recent investment.

**Please indicate if you agree or disagree:  
"I am very familiar with my most recent investment  
and could explain the risks and benefits to someone  
else in detail"**



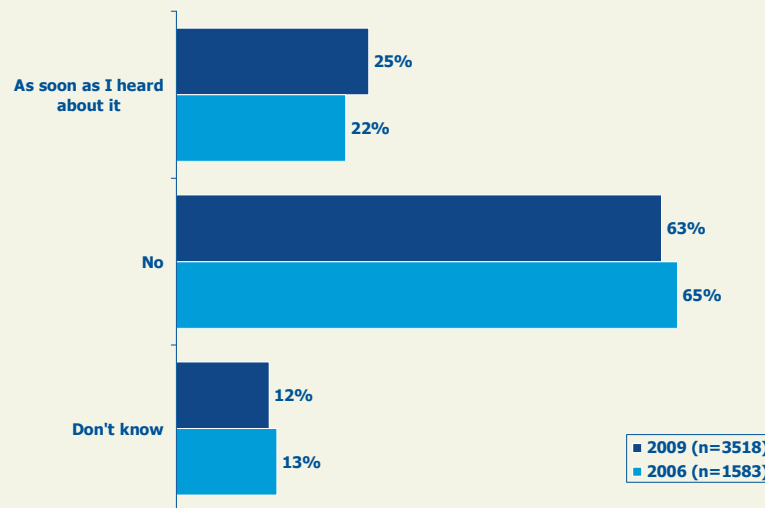
Base: Respondents with financial investments

<b>Agree:</b>	<b>%</b>
Quebec	61
Alberta	61
Ontario	59
Nova Scotia	58
PEI	57
New Brunswick	56
BC	54
<b>Disagree:</b>	<b>%</b>
Newfoundland & Labrador	47
Saskatchewan	45

One-in-four (25%) invested immediately when presented with their most recent investment opportunity, a directionally higher incidence of investing immediately than in 2006. Those who found the investment on their own proceeded more cautiously; only 15 percent invested immediately, while 79 percent took the time to think about it. Four-in-ten (38%) of those who were approached directly invested immediately (the group in which only 57% took the time to personally research the investment).

- The incidence of investing immediately is also inversely related to age.

#### How soon after you learned about the investment opportunity did you invest?

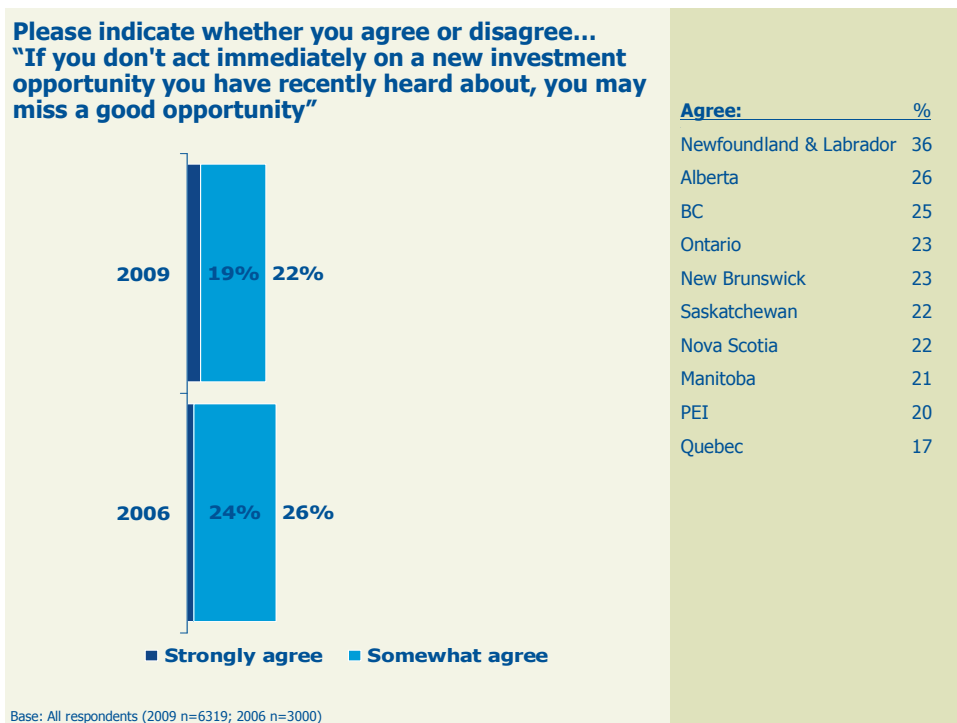


Base: Respondents with financial investments

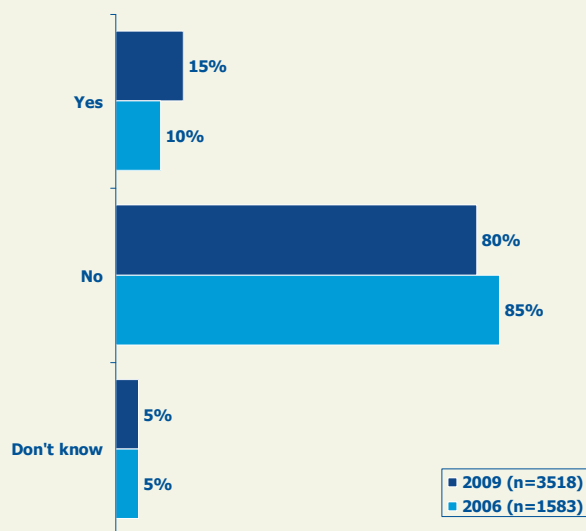
One-in-four (22%) agree that if you do not act immediately on a new investment opportunity, you may miss a good opportunity. In 2009, significantly more potential investors are also being told to act immediately. Overall, 15 percent of investors were told that they needed to act immediately so as not to miss the investment opportunity, compared to 10 percent in 2006.

One-in-ten of those who heard about the investment from their advisor or who found it on their own were told to act immediately, while almost four-in-ten (37%) of the group who were approached directly were told to act immediately.

- Canadians in Newfoundland and Labrador are more likely to have been told to act immediately.
- Being told to act immediately is related to age; those aged 18-34 are more likely to have been told this.



**Were you told that if you don't act immediately, you may miss a good investment opportunity?**



Base: Respondents with financial investments

**Yes:** %

Newfoundland & Labrador 22

**No:** %

Manitoba 87

PEI 85

Saskatchewan 85

## 4. INVESTMENT FRAUD

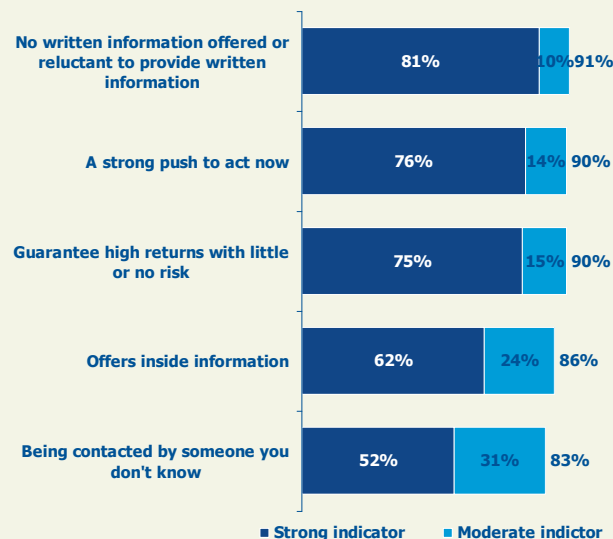
### 4.1 Experience with Fraud Attempts

Most Canadians recognize various “flags” that indicate potential fraudulent investments, at least in the context of this survey. More than eight-in-ten agree that each of the “flags” mentioned is a strong or moderate indicator of fraud. In particular, 81 percent indicate that no written information or a reluctance to provide it is a strong indicator of fraud, along with a strong push to act now (76%) and a guarantee of high returns with little or no risk (75%). Six-in-ten (62%) agree that the availability of inside information is a strong indicator and, conversely, less than one-in-four (23%) agree that one of the best ways to make money in the market is to look for inside tips.

However, having one-in-four agree that one of the best ways to make money in the market is to look for inside tips is a higher level of agreement than in 2006 (19%). At the same time, only half (52%) agree that being contacted by someone you do not know is a strong indicator of fraud.

- Canadians in Newfoundland and Labrador are somewhat less likely to agree that any of these issues are “flags” of potential fraudulent investments.
- Young Canadians, 18-34 years, are also somewhat less likely to agree that any of these issues are “flags”.

#### From what you have read, seen or heard which of the following do you think is an indicator of a possible fraudulent investment?

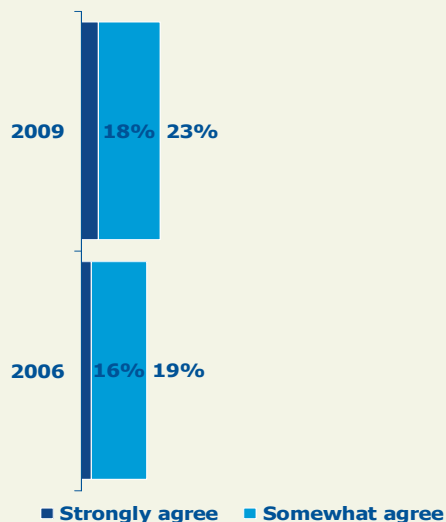


Note:

Newfoundland & Labrador has lowest incidence of selecting all indicators

Base: All respondents (n=6319)

Please indicate whether you agree or disagree...  
 "One of the best ways to make money in the stock market is to look for inside tips"

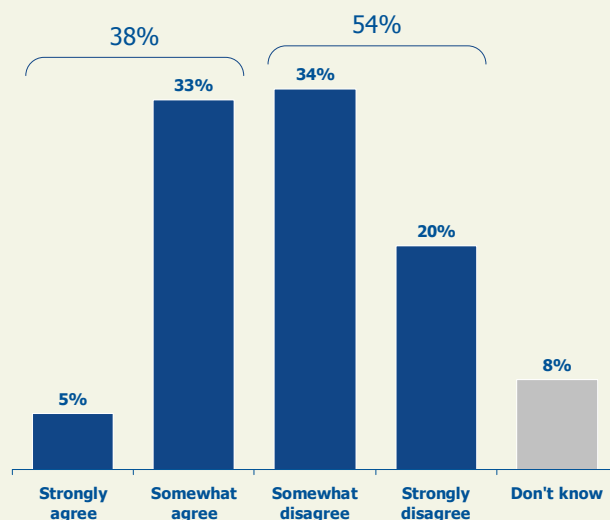


Base: All respondents (2009 n=6319; 2006 n=3000)

Agree:	%
Quebec	31
Alberta	25
Newfoundland & Labrador	25
Saskatchewan	24
Ontario	21
New Brunswick	21
BC	19
PEI	18
Manitoba	17
Nova Scotia	16

Many Canadians are sceptical about trusting people. Fewer than four-in-ten (38%) agree that most people can be trusted and most of them (33%) only agree somewhat with this statement.

Please indicate whether you agree or disagree...  
 "In general, most people can be trusted"



Base: All respondents (n=6319)

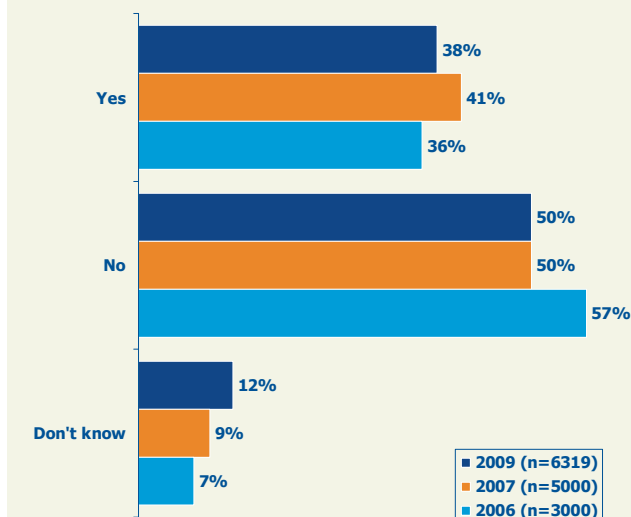
Agree:	%
Nova Scotia	48
PEI	48
BC	46
Saskatchewan	46
Newfoundland & Labrador	46
Alberta	43
Manitoba	43
New Brunswick	40
Ontario	39
Quebec	26



Just under four-in-ten (38%) Canadians believe that they have been approached with a possible fraudulent investment, a level that is relatively consistent compared to 2006 and 2007. However, the frequency of being approached has decreased notably. One-in-four (26%) Canadians say they have been approached once (26%), compared to 14 percent in 2006, while the incidence of being approached five or more times has decreased notably, to 17 percent in 2009, compared to 40 percent in 2006.

- Canadians in B.C. and in Manitoba are notably more likely to say that they have been approached, while those in Quebec are considerably less likely.
- If approached, those in Quebec are likely to have been approached only once, while those in PEI, Newfoundland and Labrador, Ontario, Alberta and B.C. are more likely to have been approached more than once.
- Those who own a home and other real estate and those with higher income and/or higher education are more likely to have been approached.

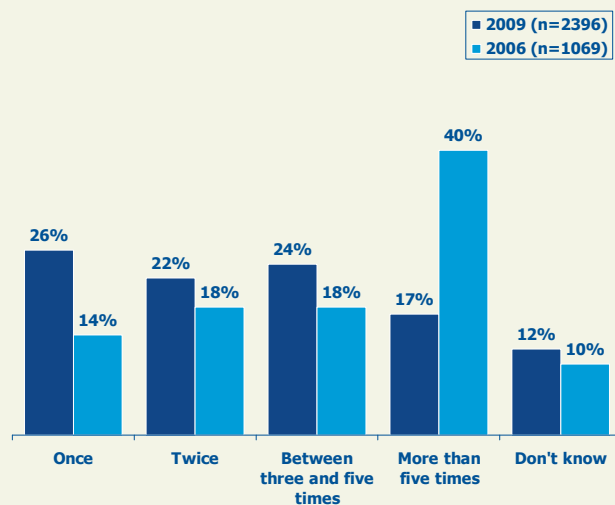
**Do you think anyone has ever approached you with a possible fraudulent investment?**



Base: All respondents

<b>Yes:</b>	%
BC	48
Manitoba	45
<b>No:</b>	%
Quebec	65

### How many times do you think someone has attempted to defraud you through an investment scam?



Base: Respondents who believe they have been approached with a fraudulent investment

#### Once: %

Quebec 41

#### Twice: %

Newfoundland and Labrador 30

BC 26

#### Between three and five times: %

Newfoundland and Labrador 28

Ontario 27

Alberta 27

#### More than five times: %

PEI 44

It is possible that the frequency of being approached is down because of email spam filters, which are more prevalent and effective than in 2006. A much lower number say that all fraudulent attempts came via email spam (21% in 2009, compared to 38% in 2006).

- Email spam-only attempts are more common in Nova Scotia and in Ontario and least likely in Quebec and Saskatchewan.
- Young Canadians, 18-34 years (who are more likely on the internet) are more likely to receive attempts via email spam only.



Among those who had been approached from sources other than email exclusively, the most recent attempt was still most likely via email. One-in-three (33%) were introduced to the most recent investment fraud they encountered via email, although the level is considerably lower than in 2007 (47%). More than one-in-four (28%) were approached over the telephone, while one-in-five (18%) were introduced to a fraud artist through a friend, neighbour, co-worker or family member.

- Telephone attempts are more common in New Brunswick, Newfoundland and Labrador, Nova Scotia and in Saskatchewan.
- A personal introduction from a friend, neighbour, etc. is more likely in Quebec, while door-to-door solicitations are more common in Quebec and Ontario.

### How were you introduced to the most recent investment fraud you encountered?



Base: Respondents who believe they have been approached with a fraudulent investment / but not all from email (n=1963)

#### From email spam:

	%
PEI	45
Newfoundland & Labrador	42
Alberta	40

#### Stranger called me over the telephone:

	%
New Brunswick	40
Newfoundland & Labrador	39
Nova Scotia	38
Saskatchewan	36

#### Introduced to fraud artist through friend, neighbour, co-worker or family member

	%
Quebec	33

#### Stranger came to front door:

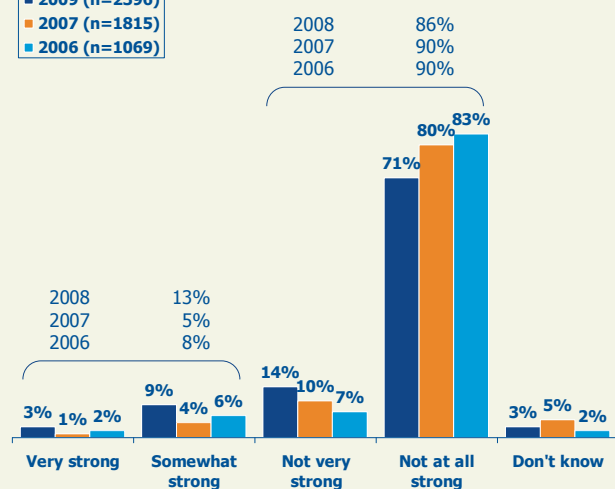
	%
Quebec	8
Ontario	7

Levels of trust developed with the person who offered the fraudulent investment are higher than in previous years. More than one-in-ten (13%) developed a very strong or somewhat strong level of trust, compared to five percent in 2007 and eight percent in 2006, and only seven-in-ten (71%) responded not at all strong, compared to over eight-in-ten in 2007 and 2006.

- Consistent with personal introductions being more likely in Quebec, Quebecers are more likely to have developed a sense of trust.
- Those who own a home and other real estate are also more likely to have developed a sense of trust.
- Similarly, those who are very educated (post graduate degrees) are more likely to have developed a sense of trust.

**How would you describe the level of trust you developed with the person or persons who most recently approached you with a fraudulent investment opportunity?**

■ 2009 (n=2396)  
■ 2007 (n=1815)  
■ 2006 (n=1069)



Base: Respondents who believe they have been approached with a fraudulent investment

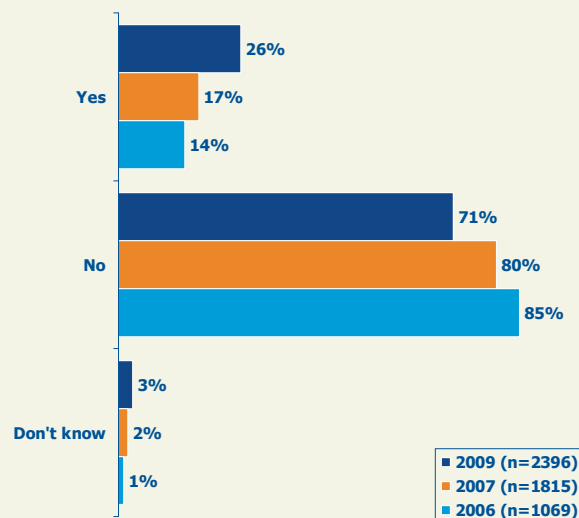
**Somewhat strong:** \_\_\_\_\_ %  
Quebec 14

Those who have been approached are more likely to report the fraudulent attempt to the authorities. One-in-four (26%) say that they reported the attempt, compared to 17 percent in 2007 and 14 percent in 2006. Yet, among Canadians in general, the incidence of thinking that it is important for people to report even the suspicion that someone has approached them with an investment fraud has declined since 2006. While eight-in-ten (78%) agree that it is important, 40 percent agree strongly (compared to 53% in 2006) and 38 percent agree somewhat (compared to 33% in 2006).

Those that did not report the attempt most likely did not do so because it was email spam (16%), they did not think that reporting it would do anything/make a difference (12%), they were not sure it was fraud (12%), felt they had nothing concrete to report (11%) and/or preferred to just ignore it (11%).

- Canadians in Nova Scotia, Newfoundland and Labrador and Alberta are more likely to have reported the fraudulent attempt.
- Those who are very educated (post graduate degrees) are also more likely to have reported it.

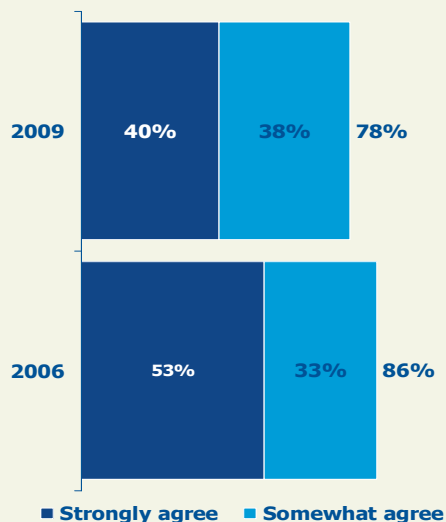
**Once you realized this most recent investment opportunity was fraudulent, did you report it to the authorities?**



Base: Respondents who believe they have been approached with a fraudulent investment

Yes:	%
Nova Scotia	31
Newfoundland & Labrador	31
Alberta	30
New Brunswick	27
Ontario	26
Saskatchewan	25
BC	25
Quebec	24
PEI	21
Manitoba	21

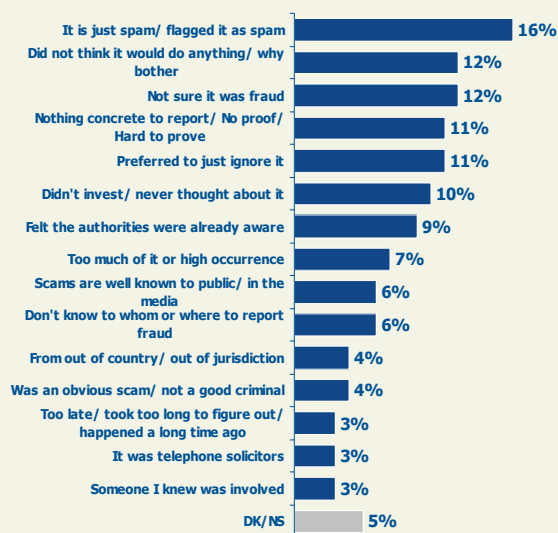
**Please indicate whether you agree or disagree...**  
**"It is important for people to report even the suspicion that someone has approached them with an investment fraud"**



Base: All respondents (2009 n=6319; 2006 n=3000)

Agree:	%
Quebec	81
Alberta	81
Nova Scotia	81
Saskatchewan	79
New Brunswick	79
BC	77
Ontario	76
Manitoba	75
PEI	75
Newfoundland & Labrador	75

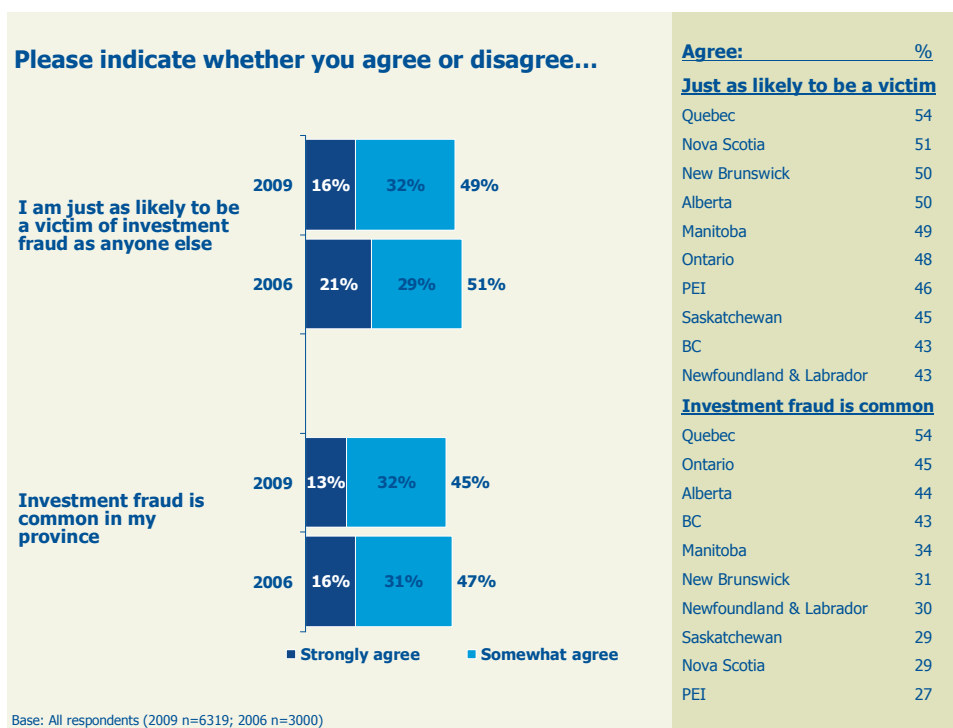
### Why didn't you report it to the authorities?



Note: All responses with 2% or fewer mentions excluded.  
 Base: Respondents who did not report a fraud attempt (n=1676)

## 4.2 Fraudulent Investments

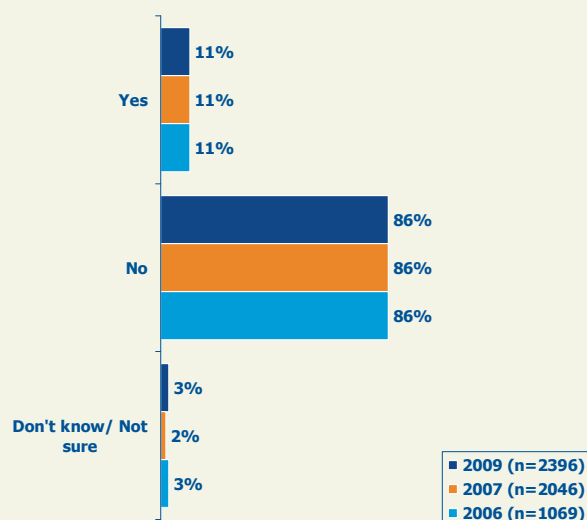
Just under half of Canadians believe that they are just as likely to be a victim of investment fraud as anyone else (49%) and that investment fraud is common in their province (45%).





- Among those who believe that they have been approached with a fraudulent investment, one-in-ten (11%) say that have actually invested money in what turned out to be a fraudulent investment, the same incidence as in 2006 and 2007. As a percentage of total Canada, this means that four percent of Canadians have been fraud victims, the same incidence as in 2006 and 2007.
  - Canadians in PEI, Nova Scotia, New Brunswick and Newfoundland and Labrador are least likely to have invested money in a fraudulent investment.
  - Older Canadians, aged 55 years or older, and/or those who are very educated (post graduate degrees) are more likely to have invested money in a fraudulent investment.

#### Have you ever invested money in what turned out to be a fraudulent investment?

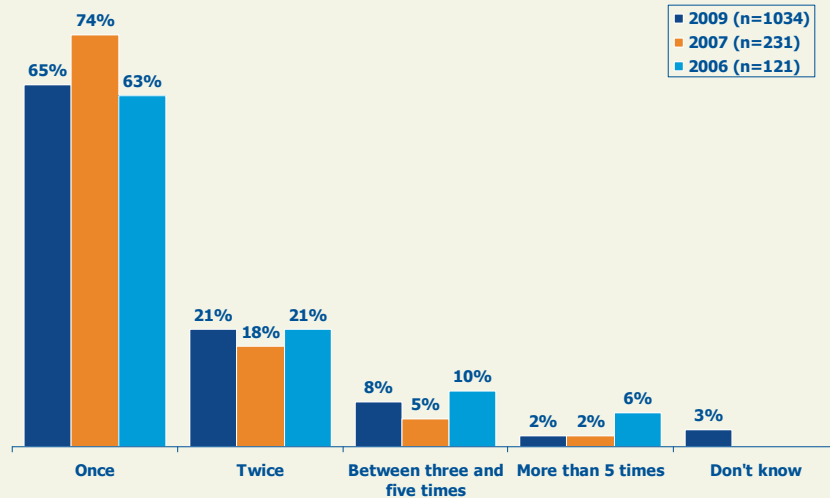


Base: Respondents who believe they have been approached with a fraudulent investment

Yes:	%
Quebec	12
Alberta	12
Ontario	11
BC	11
Manitoba	7
Saskatchewan	7
Newfoundland & Labrador	4
New Brunswick	4
Nova Scotia	3
PEI	3

While it appears that the incidence of being a victim of fraud has not changed among Canadians since 2006, we see an increase in 2009, relative to 2007, in the incidence of fraud victims who say they have invested in fraudulent investments more than once. Almost two-thirds (65%) of fraud victims invested in a fraudulent investment once, while one-in-five (21%) report being victimized twice and one-in-ten (8%) report being victimized three to five times.

#### How many times have you been a victim of an investment fraud?

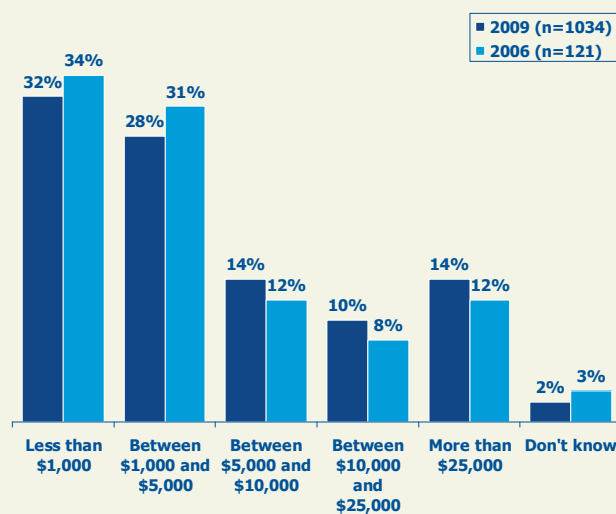


Base: Respondents who invested in a fraud

The amount invested has also increased. In 2009, half (50%) say they invested less than \$5,000, compared to 65 percent in 2006; conversely, 38 percent have invested \$5,000 or more compared to 32 percent in 2006. More than one-in-ten (14%) fraud victims invested more than \$25,000 (12% in 2006). The average amount invested is \$7,634 across Canada.

- The amount invested increases with age, income and education.

#### How much money did you invest in this most recent investment fraud?

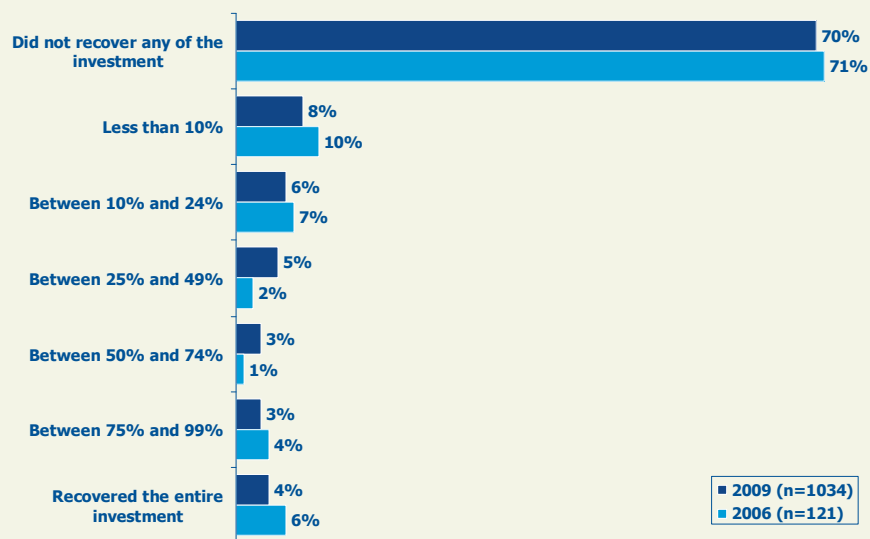


Base: Respondents who invested in a fraud

<b>Average amount:</b>	<b>\$</b>
Manitoba	10,440
Quebec	8,626
Alberta	8,051
Newfoundland & Labrador	7,903
BC	7,348
Ontario	7,194
Nova Scotia	6,105
Saskatchewan	5,672
PEI	5,461
New Brunswick	4,214

Levels of recovery have changed slightly since 2006. While seven-in-ten (70%) recovered none of their money, the same level as in 2006, those that did recover some may have recovered a slightly larger percentage. Fourteen percent recovered less than one-quarter of their investment, compared to 17 percent in 2006, while 15 percent recovered half or more, compared to 13 percent in 2006.

**Did you recover any of your money from this most recent fraud, and if so, how much?**

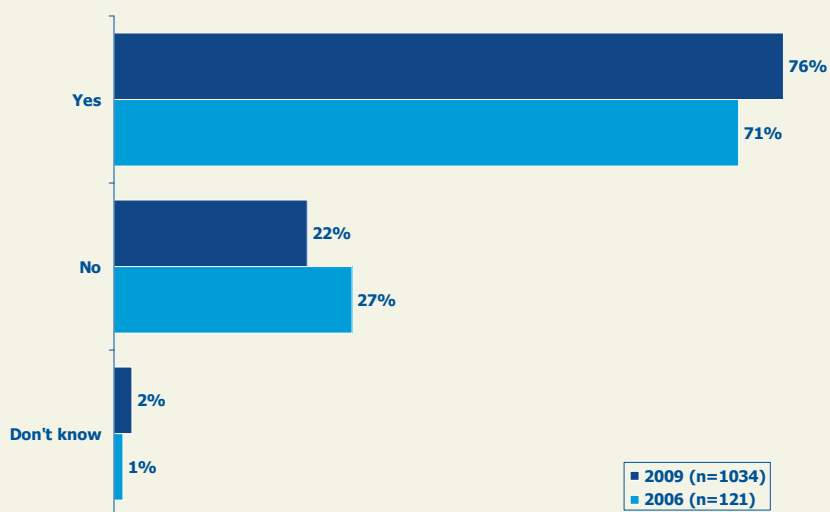


Base: Respondents who invested in a fraud

More than three-in-four (76%) told their friends or family about the investment fraud, a higher level of disclosure than in 2006, and their friends and family are more likely to feel that the investment fraud was at least partially the victim's own fault (57% agree, compared to 48% in 2006). This is consistent with the increased likelihood of apportioning blame to the fraud victim among Canadians in general, where seven percent (compared to 4% in 2006) agree strongly that if someone gets ripped off by an investment fraud, they have only themselves to blame. Overall, one-in-three (33%) agree that the blame is entirely the victim's (compared to 30% in 2006).

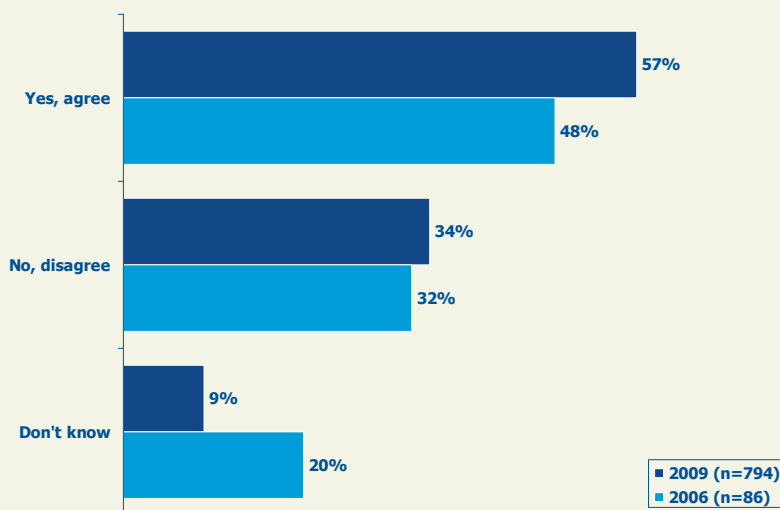
- Canadians aged 18-34 years of age who told friends or family about the fraudulent investment are most likely to say that their friends or family felt that the fraud experience was at least partially their own fault.

#### Did you tell your friends or family about this most recent investment fraud?



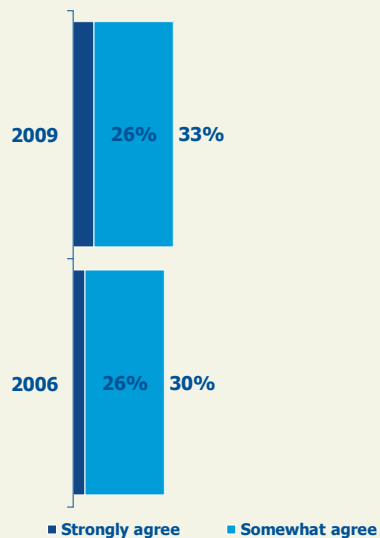
Base: Respondents who invested in a fraud

**Please indicate if you agree or disagree:  
"Some of my friends or family seem to feel this most recent investment fraud  
experience was at least partially my own fault"**



Base: Respondents who invested in a fraud

**Please indicate whether you agree or disagree...  
"If someone gets ripped off by an investment fraud,  
they have only themselves to blame"**



Base: All respondents (2009 n=6319; 2006 n=3000)

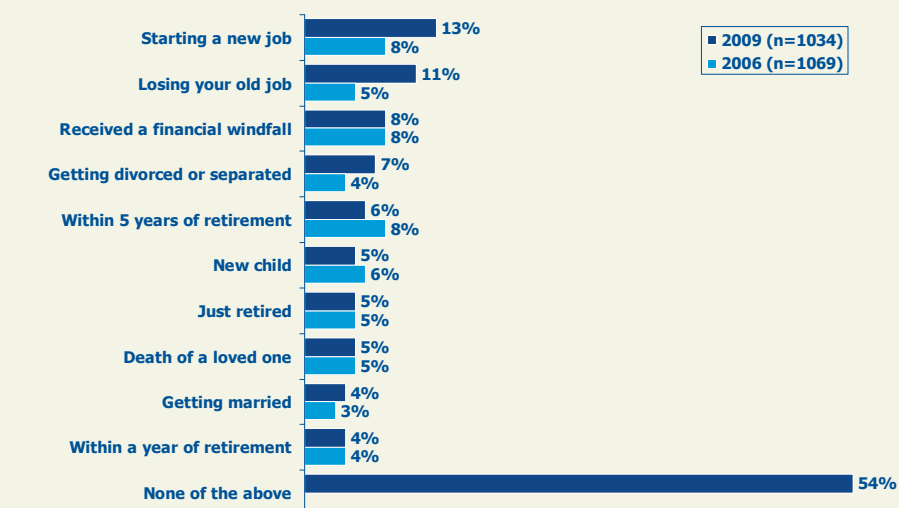
Agree:	%
BC	36
Saskatchewan	35
Ontario	34
Alberta	33
Manitoba	32
Newfoundland & Labrador	32
Quebec	30
PEI	29
Nova Scotia	28
New Brunswick	26

Attempted fraud, for half (46%) of the victims, occurred while they were experiencing changes in their lives. In particular, Canadians are more likely to be victims of fraud when starting a new job (13%) and/or losing their old job (11%). The incidence of fraud occurring at the same time as these events has increased significantly since 2006 (8% and 5%, respectively).

Other life events correlated with fraud attempts are receiving a financial windfall (8%, no change from 2006), getting divorced or separated (7%, compared to 4% in 2006) and being within five years of retirement (6%, compared to 8% in 2006).

- The types of life events being experienced are related to age. In particular, younger fraud victims are more likely to have lost their job, be starting a new one, getting married and/or having a child, while older Canadians are more likely to be approaching retirement or just retired.

**Please check if you were experiencing any of the following events the last time you were approached with a fraudulent investment:**



Base: Respondents who invested in a fraud

## 4.3 Understanding Successful Fraud Attempts

Just one-in-ten Canadians who have been approached have invested in a fraudulent investment. In this section, we will look at the results of an analysis that was conducted to determine what factors predict greater susceptibility to fraud.

The analysis was done at two levels. First, we looked at those factors that increased the likelihood of being approached. Second, we looked at the factors that predict who, within the group that was approached, actually invested. The results of this analysis will help the CSA understand who to target with education about fraudulent activity.

The dependent variable for the first level of analysis is whether or not Canadians have been approached. The dependent variable for the second level of analysis is whether they have invested in a fraudulent investment.

In order to determine the independent variables for the analysis (the possible predictors of fraud susceptibility), the survey questions were used as input to a factor analysis. This analysis defines groups of questions that reflect different dimensions of investing attitudes and behaviour. In addition to demographic variables (age, gender, education, income and visible minority), the following factors were included in the analysis as independent variables:

- ✓ Propensity to take risk with investments
- ✓ Confidence and knowledge about investments
- ✓ The “DIY” investor: the degree to which investors research and make decisions by themselves
- ✓ The degree to which investors work along with their advisors
- ✓ Complexity of the portfolio
- ✓ Exposure/ behavioural indicators

The relationship between the independent variables predicting susceptibility to fraud account for about 12 percent of the variance, only slightly higher than in 2006. This suggests that there is still no strong profile of who will be vulnerable.

However, some factors are relatively more strongly related to being approached and to being a fraud victim. These factors are described in more detail in the sections below.



## *Who is approached?*

The factors that are the strongest predictors of the likelihood of being approached with a fraudulent investment are, in order of importance:

- The “DIY” investor:
  - They are more likely to research their investments on their own (55% of those who researched their last investment have been approached, compared to 41% of those who have not been approached).
  - They agree strongly or somewhat that they are very familiar with their most recent investment and could explain the risks and benefits in detail (63% agree, compared to 55%).
  - They have looked for information about investing in the last 12 months (41%, compared to 26%) and they have looked for information about a variety of different types of investments.
- Propensity to take risk with investments:
  - 14% expect returns of 10% or more on their investments (compared to 7%) and 33% expect 5%-9% (compared to 29%).
  - They consider themselves very or fairly aggressive with respect to willingness to take risk to achieve above-average returns (38%, compared to 27%).
  - They choose more aggressive investments/portfolios, even though the downside is higher (41%, compared to 25%).
- Exposure/ behavioural indicators:
  - They trade at least monthly (27%, compared to 19%).
  - They purchase good and services on the internet and/or by telephone at least every couple of months (46%, compared to 34%).
- Male, higher educated:
  - They are more likely to be male (54%, compared to 45%).
  - They are more educated (42% have college or university education, compared to 34%).
- The degree to which investors work along with their advisors (note: this factor is negatively correlated with the likelihood of being approached):
  - They are more likely to have been approached directly on their most recent investment (12%, compared to 8%).
  - They are more likely to disagree that they rely on their advisors when it comes to making decisions about investments (46% disagree, compared to 38%).
- Confidence and knowledge about investments:
  - They know where to go for information about investing in general (79%, compared to 73%) or specific investments (75%, compared to 59%).

- They are very or somewhat confident about making investment decisions (61%, compared to 53%).

### *Who is a victim?*

Once approached, different factors predict who is likely to be a victim of fraud. While actively researching investments may increase the likelihood of being approached, this does not increase the likelihood of investing in fraudulent investments. The factors that are the strongest predictors of being a victim relate to over-confidence, attitudes about investments and level of investment activity.

- Confidence about investments:
  - They make decisions on their own as opposed to sharing decision making with someone else in the household (64%, compared to 55% of those who have been approached, but have not invested).
  - They are very confident about making investment decisions (17%, compared to 12%).
  - However, they are also more likely to agree that their confidence about making investment decisions has diminished in the past year (54%, compared to 41%).
- The “DIY” investor:
  - They agree strongly that they are very familiar with their most recent investment and could explain the risks and benefits in detail (22% agree, compared to 17%).
  - They are more likely to have looked for information about investing in the last 12 months (53%, compared to 40%); in particular, information about investment returns (29%, compared to 22%), risks (25%, compared to 20%) and disciplinary actions with respect to a company or individual (11%, compared to 6%).
- Exposure/ behavioural indicators:
  - They are frequent traders (13% trade weekly, compared to 5%).
  - They are more likely to agree that the riskier the investment, the greater the reward (48%, compared to 39%), that most people can be trusted (46%, compared to 38%) and that if you don't act immediately you may miss a good opportunity (30%, compared to 22%).
  - They also enter contests, lotteries and/or sweepstakes frequently (21% several times per week, compared to 14%).
- Propensity to take risk with investments:
  - 18% expect returns of 10% or more on their investments (compared to 14%).
  - A small number consider themselves to be very aggressive with respect to willingness to take risk to achieve above-average returns (9%, compared to 5%).
- Highly educated, property owners:
  - They are highly educated (51% have college or university undergraduate degrees, compared to 34% and 10% have post-graduate degrees, compared to 5%).
  - They are more likely to own both their home and other real estate (14%, compared to 9%).

- Gender is not related to the likelihood of having ever invested in a fraudulent investment, although those who have invested more than once are far more likely to be male (61%, compared to 54%).

A separate segment that has higher susceptibility to fraud is visible minorities (21%, compared to 13% of those who have been approached, but have not invested). While this factor is a strong predictor of susceptibility, these investors are not over-confident, but are more aggressive with respect to taking risk with their investments. While not asked about in this survey, other research conducted by Ipsos Reid with first generation new Canadians (*Canadians & Financial Advice 2009*) does suggest that new Canadians have a higher propensity to trust those who are recommended by family or friends.

## 5. YOUNG PEOPLE AND INVESTING

As noted earlier, young Canadians aged 18-34 years are significantly less likely to know where to go for information about investing or for specific investments. Fewer have an advisor or rely on someone in their bank. They more likely find investments on their own, they research their investments personally (typically on the internet) and they are more likely to act immediately.

In a new set of questions in 2009, Canadians were asked about education about investing for young people: when it should start, who the sources of information and advice are or should be and parents' responsibility.

Of the numerous sources of information that are available for young people to learn about investing, Canadians are overwhelmingly in agreement about the importance of a financial advisor, with almost nine-in-ten indicating that a financial advisor is very important (46%) or somewhat important (38%) as a source of information for young people.

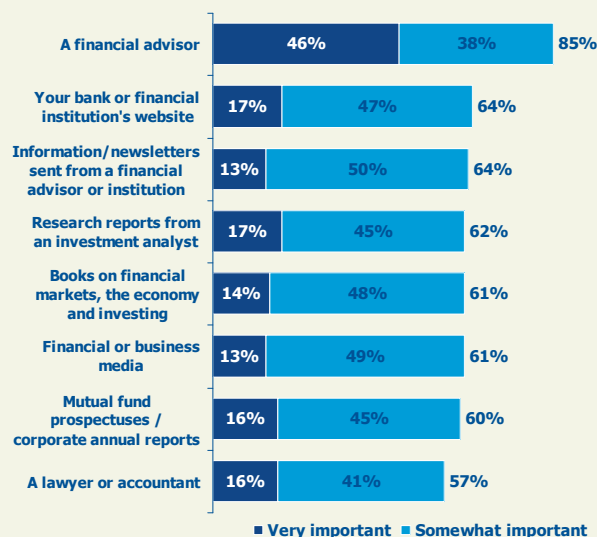
Roughly two-thirds also perceive their bank or financial institution's website (64%), information/newsletters sent from a financial advisor or institution (64%), research reports from an investment analyst (64%), financial or business media (62%), books on financial markets, the economy and investing (61%) and mutual fund prospectuses or corporate annual reports (60%) as important sources of information for young people.

Just under six-in-ten (57%) agree that parents are an important source of information for young people, half (49%) feel that family and friends are important and just under four-in-ten (38%) agree that schools and teachers are important.

- Young adults, 18-34 years, and Canadians aged 35-54, who are most likely to have children at home, are more likely to agree that parents, family and friends and schools are important sources of information.

Half (48%) are in agreement that financial regulators are important sources of information for young people.

### How important would you consider each of the following as sources of information for young people to learn about personal finances and investing?



Base: All respondents (n=6319)

#### A financial advisor: %

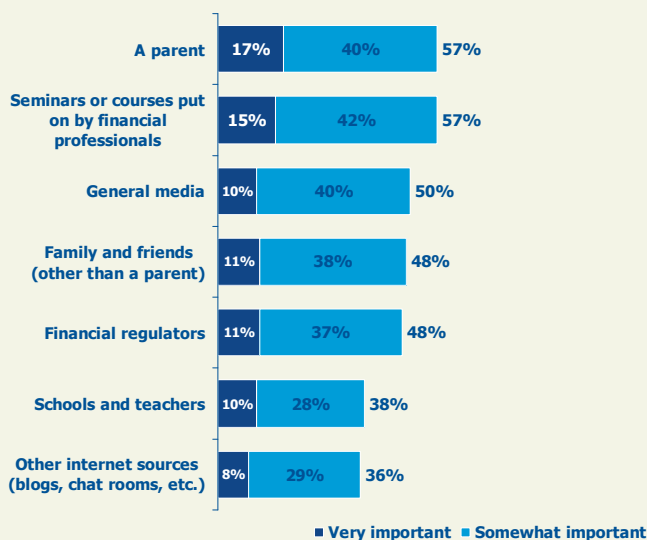
Saskatchewan	89
Nova Scotia	88
Manitoba	88
BC	86

#### Your bank or financial institution's website: %

Nova Scotia	70
Newfoundland & Labrador	70
Quebec	68
Manitoba	67

Note: Quebec has lower incidence for most sources

### How important would you consider each of the following as sources of information for young people to learn about personal finances and investing? (cont'd)

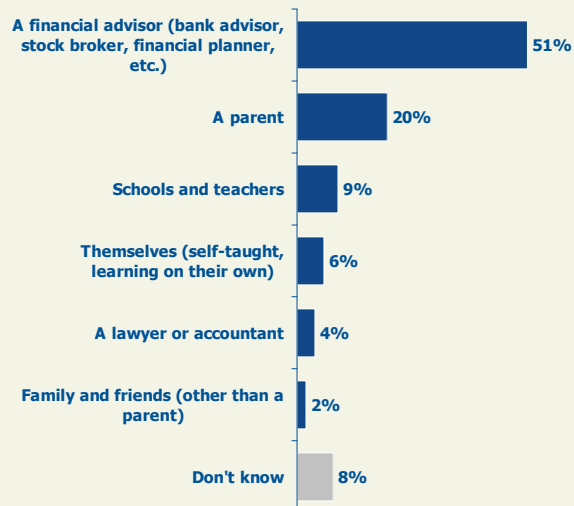


Base: All respondents (n=6319)

When asked who they thought was the most responsible for teaching young people about personal finances and investing, half (51%) agree that a financial advisor is the most important, while only two-in-ten (20%) feel that responsibility should fall primarily to the parents.

- Again, older Canadians, 55 years or older, are more likely believe that a financial advisor should have the primary responsibility, while younger Canadians, particularly those aged 18-34, are more likely to feel that parents should have the responsibility.

**And which one of the following would you consider to be most responsible for teaching young people about personal finances and investing?**



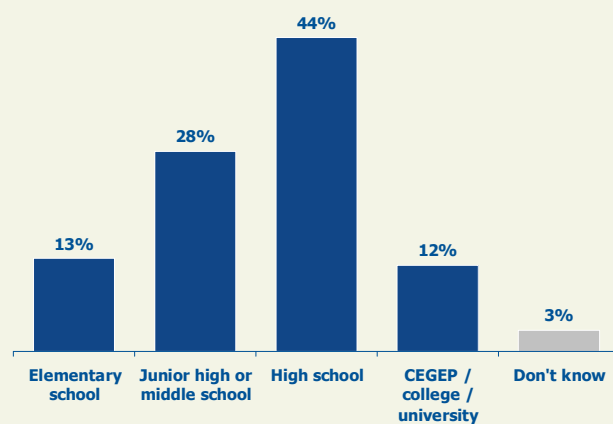
Base: All respondents (n=6319)

<b>A financial advisor:</b>	<b>%</b>
Saskatchewan	58
Quebec	57
<b>A parent:</b>	<b>%</b>
Alberta	26
BC	25
<b>Schools and teachers:</b>	<b>%</b>
Quebec	13
Nova Scotia	11
Newfoundland & Labrador	10

When it comes to teaching young people about personal finances and investing, most Canadians feel that children should be at least junior high or middle school (28%) or high school age (44%).

- Just under one-in-five Canadians in PEI, BC and Ontario believe that education should start earlier, in elementary school, while one-in-five Canadians in Quebec believe education should occur in CEGEPs.
- Older Canadians are relatively more likely to select earlier school years, elementary or junior high school, while younger parents feel that children should be in high school before learning about finances. Even those who are currently students believe that it would be appropriate to wait until high school.

**At what level in school do you think it is most important that young people be taught about personal finances and investing?**



Base: All respondents (n=6319)

**Elementary school:** %

PEI	17
BC	17
Ontario	16

**Junior high or middle school:** %

Alberta	36
Nova Scotia	35
Newfoundland and Labrador	35
Manitoba	35

**High school:** %

New Brunswick	48
Saskatchewan	48
Ontario	47
Manitoba	47
Nova Scotia	45

**CEGEP:** %

Quebec	20
--------	----

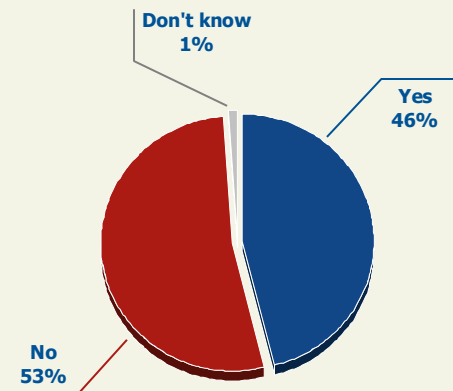
Almost half (46%) of parents with children 18 years or younger say they have taught their children about personal finances and investing.

- Young parents with young children (7 years or younger) are least likely to have taught their children (25%), while half (53%) of parents with teenagers have taught them. Seven-in-ten older parents (who have children aged 18 or older) say they have taught their children.

Although some of the following factors are simply a correlate of age, those who are more likely to have taught their children about personal finances and investments:

- Already have investments themselves (52% have taught their children, compared to 36% who do not have investments or savings).
- Are more likely to have a formal written financial plan (66% have taught their children, compared to 40%).
- Are confident in making investment decisions (56% have taught their children, compared to 36%).
- Have higher household incomes (52% or more of those with incomes of at least \$80,000 have taught their children, compared to 40% of those with incomes lower than \$80,000).

#### Have you taught your child(ren) about personal finances and investing?



Base: Respondents with children 18 or younger (n=2010)

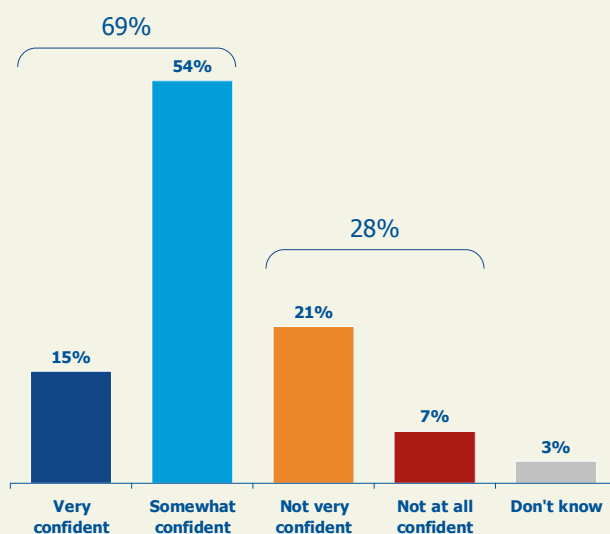
Yes:	%
Manitoba	54
Nova Scotia	50
PEI	49
Quebec	48
BC	47
Ontario	45
Alberta	43
New Brunswick	41
Saskatchewan	41
Newfoundland & Labrador	38



The majority (69%) of parents claim to be confident in their ability to teach their children about personal finances and investing, although not overwhelmingly so (54% claim only to be somewhat confident).

- Men express greater confidence in teaching (74%) than women (63%). Confidence in teaching is also correlated with higher household incomes and higher education.
- Parents who are more aggressive investors also exhibit greater confidence in teaching (90%) than those who are more conservative (74%), as do those who have a financial advisor (80%, compared to 61%), those who have a formal written financial plan (85%, compared to 63%) and those who are confident in making investment decisions (89%, compared to 45%).

**How confident are you in your ability to teach your child(ren) about personal finances and investing?**

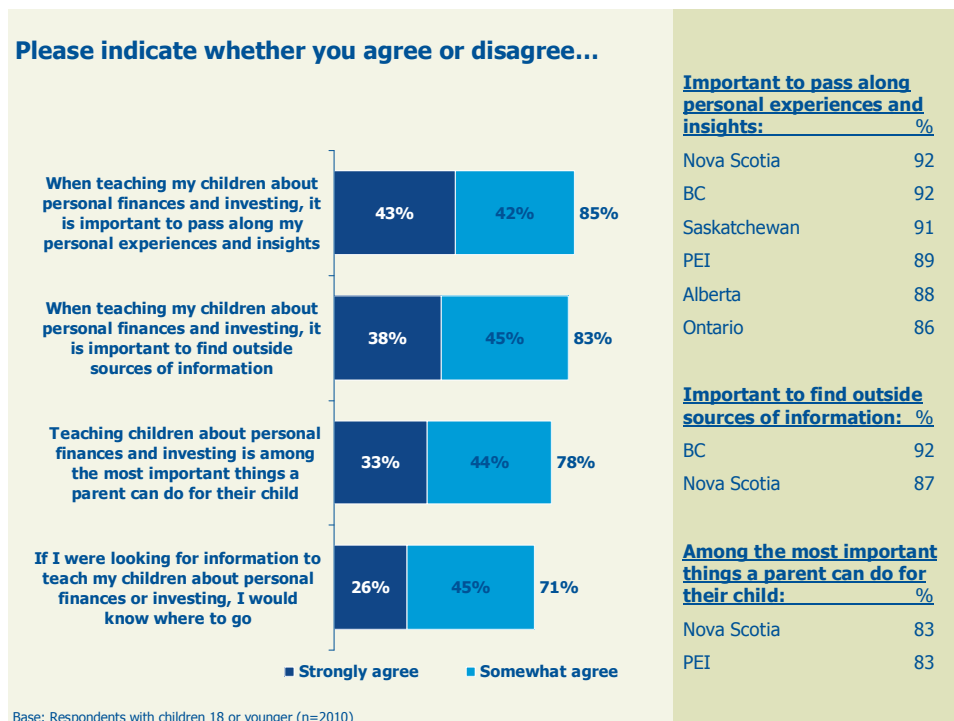


Base: Respondents with children 18 or younger (n=2010)

<b>Confident:</b>	<b>%</b>
Manitoba	74
Nova Scotia	72
<b>Not confident:</b>	<b>%</b>
PEI	37
New Brunswick	34

On the whole, the majority agree that it is important to pass along personal experiences and insights to children (85%) and that teaching children financial skills is among the most important things a parent can do for their child (78%). Most also agree that it is important to find outside sources of information for teaching purposes (83%). Fewer, seven-in-ten (71%), agree that they know where to go for information to aid in their teaching and only one-in-four (26%) agree strongly that they know where to go.

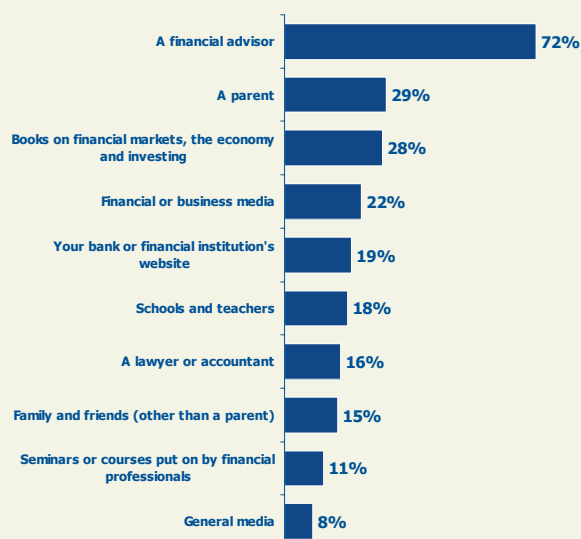
- Again, younger parents (who may not yet have looked for information) are the least likely to know where to go, as are those who do not have their own investments and savings. Parents who have a financial advisor and/or who have a formal written financial plan are much more likely to know where to go than those who do not.



If they were looking for information to teach their children, most parents consider a financial advisor the most important source (72%), followed distantly by parents (29%) and books on financial markets, investing and the economy (28%). Teachers are given a relatively low ranking, with only 18 percent agreeing that they are among the most important sources of information.

- Only five percent of those who are aware of the government agency feel that financial regulators are one of the most important sources of information, so the opportunity exists for significant improvement in awareness of information provided by regulators.

**If you were looking for information to teach your child(ren) about personal finances or investing, which three of the following sources of information would you consider to be the most important?**



Base: Respondents with children 18 or younger (n=2010)

**A financial advisor:** %

Manitoba 84

**A parent:** %

New Brunswick 36

Newfoundland and Labrador 36

Manitoba 36

BC 36

**Books:** %

PEI 40

Newfoundland and Labrador 39

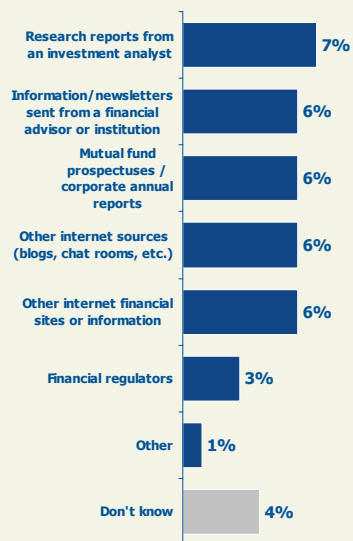
**Financial or business media:** %

Nova Scotia 26

Alberta 26

Quebec 24

**If you were looking for information to teach your child(ren) about personal finances or investing, which three of the following sources of information would you consider to be the most important? (cont'd)**



Base: Respondents with children 18 or younger (n=2010)

**Information/newsletters sent from a financial institution:**

	%
Quebec	10
Nova Scotia	8

**Mutual fund prospectuses / corporate annual reports:**

	%
Quebec	12

**Other internet financial sites:**

	%
Saskatchewan	10

**Financial regulators:**

	%
Saskatchewan	13

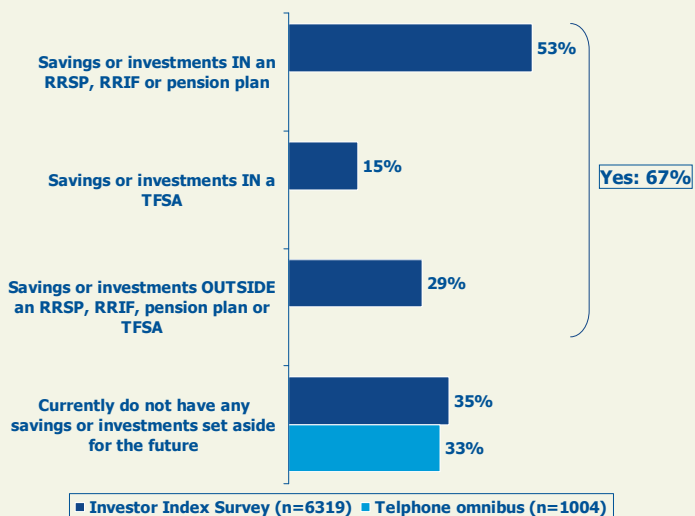
## APPENDIX 1 – TELEPHONE OMNIBUS

As part of the Ipsos Reid Express telephone omnibus survey, interviews were conducted among 1,004 Canadian adults between July 21 and 23, 2009. This survey was conducted in order to verify distributions from the online survey on key weighting variables. A sample of this size is associated with a  $\pm 3.1$  percentage point margin of error (calculated at a 95% confidence interval).

Four questions were included in the omnibus survey, as noted in the charts below. The percentage of savers/investors (Q1), expectations of overall rate of return (Q2) and incidence of being a fraud victim (calculated from a combination of Q3 and Q4) were all consistent with the online survey.

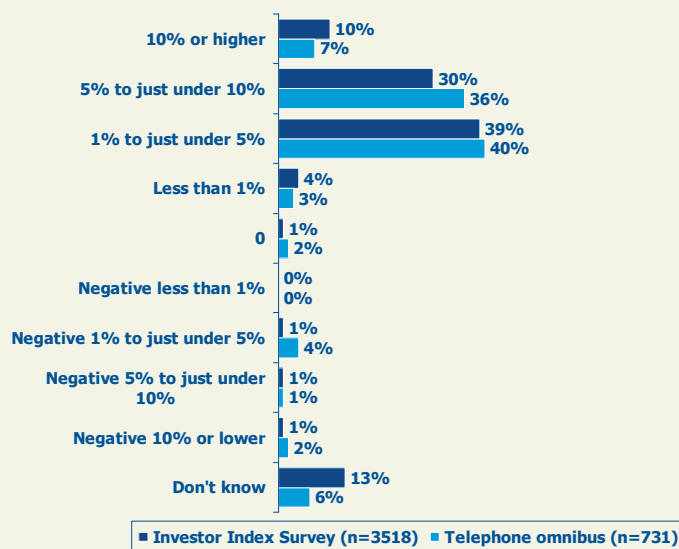
### Investor Index Survey: Do you personally have any savings or investments set aside for the future? (four options)

### Telephone omnibus: Do you personally have any savings or investments set aside for the future? This could be either in or outside of an RRP, RRIF or TFSA? (Yes, No)



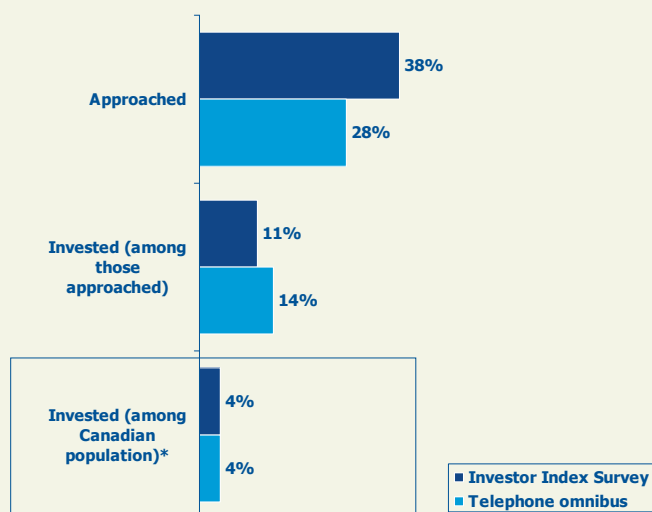
Base: All respondents

### What do you expect your overall, combined rate of return on all of your savings and investments to be over the next 12 months?



Base: Respondents with financial investments

### Have you ever invested money in what turned out to be a fraudulent investment?



\*Note: This is the percentage that was used for weighting the data from the online survey. Weights were not applied for the subgroup who were approached.  
Base: Respondents who believe they have been approached with a fraudulent investment/ Total respondents

## APPENDIX 2 – CSA INVESTOR INDEX 2009 QUESTIONNAIRE

1. Which of the following statements best describes your role in managing your personal financial matters?
  - I have the main responsibility
  - I share the responsibility with someone else
  - Someone else has the responsibility
  - Don't know
2. Do you personally have any savings or investments set aside for the future? This could be either in or outside of an RRSP (Registered Retirement Savings Plan), RRIF (Registered Retirement Income Fund) or TFSA (Tax-Free Savings Account). Check all that apply. [MULTI-PUNCH]
  - Savings or investments IN an RRSP, RRIF or pension plan
  - Savings or investments IN a TFSA
  - Savings or investments OUTSIDE an RRSP, RRIF, pension plan or TFSA
  - Currently do not have any savings or investments set aside for the future [SKIP TO Q7]
3. Which of the following savings or investment products do you own? Check all that apply. [MULTI-PUNCH]
  - Individually held stocks
  - Corporate or government bonds
  - Mutual funds
  - Term deposits or GICs
  - Exchange traded funds
  - Income trusts
  - Options
  - Principle protected notes
  - Hedge funds
  - Other
  - None of the above
  - Don't know

[IF Q3= ONLY TERM DEPOSITS/ GICS SKIP TO Q5]

[IF Q3= NONE OR DON'T KNOW SKIP TO Q7]
4. In general, how often do you – or your financial advisor on your behalf – buy or sell investments like stocks, bonds, mutual funds or other investments in the financial markets?
  - Weekly
  - Monthly
  - Quarterly (every three months)
  - Once or twice a year
  - Less than once a year
  - Don't know
5. What do you expect your overall, combined rate of return on all of your savings and investments to be over the next 12 months? Please choose only one.
  - 10% or higher
  - 5% to just under 10%
  - 1% to just under 5%
  - Less than 1%
  - 0
  - Negative less than 1%

Negative 1% to just under 5%  
Negative 5% to just under 10%  
Negative 10% or lower  
Don't know

6. And over the next 12 months do you plan to invest more money, not make any changes or reduce the amount of your investments?

Invest more  
Make no changes  
Reduce investments  
Don't know

7. When it comes to investing, how important do you consider each of the following issues to be?

[GRID DOWN]

The uncertainty of returns in the market  
Knowing how to choose a financial advisor  
Need for reliable, unbiased information about investing  
The lack of money to invest  
The lack of time to think about investing

[GRID ACROSS]

Very important  
Somewhat important  
Not very important  
Not at all important  
Don't know

[IF Q2=CODE 4 OR IF Q3= NONE OR DON'T KNOW SKIP TO Q18]

8. Thinking back to your **most recent** financial investment, how did you become aware of the opportunity? (If you make regular contributions to an investment plan, please think back to when you either started or re-evaluated that plan.)

Someone approached me with this investment opportunity directly  
My advisor or someone at my bank recommended this investment while we were talking about my investments  
I came across this investment opportunity on my own  
Don't know

[IF Q8= CODE 1 "Someone approached me with this investment opportunity directly" ASK Q9, ELSE SKIP TO Q10]

9. Who told you about your **most recent** financial investment? Choose all that apply.

My regular financial advisor/ stock broker  
Someone from my bank  
Another person from the financial industry  
Someone I work with  
Family member  
Friend  
Neighbour  
Acquaintance  
Other (Please specify)  
Don't know

[IF Q8= CODE 3 "I came across this investment opportunity on your own" ASK Q10, ELSE SKIP TO Q11]



10. How did you become aware of your **most recent** financial investment? Please choose all that apply.

Television  
Newspaper  
Radio  
Internet  
Company prospectus or investment marketing materials  
Other (Please specify)  
Don't know

11. Again, thinking of your most recent investment, did you personally research this investment before you bought it?

Yes  
No  
Don't know

12. How soon after you learned about the investment opportunity did you invest?

As soon as I heard about it  
After taking time to think about it  
Don't know

13. Were you told that if you don't act immediately, you may miss a good investment opportunity?

Yes  
No  
Don't know

14. Please indicate if you agree or disagree with the following statement:

"I am very familiar with my most recent investment and could explain the risks and benefits to someone else **in detail**."

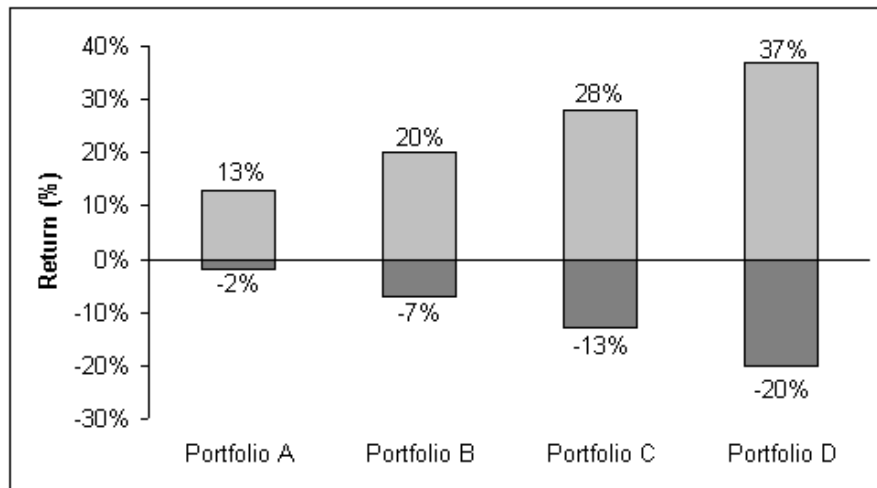
Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Don't know

15. Which of the following best describes your investment style? Please choose only one.

I consider myself very aggressive; I am willing to take a fair amount of risk to achieve above-average returns  
I consider myself fairly aggressive; I am willing to take some risk to achieve above-average returns  
I consider myself fairly conservative; I will take only a little bit of risk  
I consider myself very conservative; I only purchase the least risky investments  
Don't know

16. A portfolio is a basket of different investments. The returns earned by a specific portfolio depend on the mix of investments that make up the portfolio. The following graph shows the probable range of returns (from best to worst) of four hypothetical portfolios over a one-year period. Which of these portfolios would you prefer to invest in?

Portfolio A  
Portfolio B  
Portfolio C  
Portfolio D  
Don't know



17. When was the last time you thoroughly reviewed the level of risk you're willing to take with your investments? Please choose only one.

Within the last year  
 Within the past two years  
 Within the past five years  
 More than five years ago  
 I have not reviewed the risk I am willing to take  
 Don't know

18. Have you worked with a financial advisor or someone in a financial institution to create a formal assessment of your willingness to take risk?

Yes  
 No  
 Don't know

19. Do you have a financial advisor and, if so, how long have you had your current advisor? Please choose only one.

No financial advisor  
 Yes, less than a year  
 Yes, between one and five years  
 Yes, between six and 10 years  
 Yes, more than 10 years  
 I usually have a financial advisor, but do not have one now  
 Don't know

[IF Q19=ANY 'YES' RESPONSE, CONTINUE; ELSE SKIP TO Q21]

20. How comfortable do you feel bringing forth concerns and questions when speaking with your financial advisor?

Very comfortable  
 Somewhat comfortable  
 Not very comfortable  
 Not at all comfortable  
 Don't know

21. Do you have a formal, written financial plan that includes clear investment goals?

Yes

No  
Don't know

[IF Q21= YES, CONTINUE, ELSE SKIP TO Q24]

22. Have you reviewed your financial plan in the past 12 months?

Yes  
No  
Don't know

23. How useful has your plan been to you personally, over the past 12 months?

Very useful  
Somewhat useful  
Not very useful  
Not at all useful  
Don't know

24. Have you looked for information about investing within the last 12 months?

Yes  
No  
Don't know

25. Have you looked for any of the following types of information within the past 12 months? Please choose all that apply.

Life-stage related planning, such as saving for a home, children's education or retirement planning  
General education about investing  
Information about the risks of an investment, such as an individual stock or a mutual fund  
Information about the return of an investment, such as an individual stock or a mutual fund  
Information about different types of investments (for example, looking to find out what a mutual fund is, how it works, etc.)  
Information about a particular person selling an investment (for example registration status)  
A history of potential disciplinary action on a company or individual selling an investment  
Other information about investing  
Don't know

[IF Q25= LIFE-STAGE RELATED PLANNING AND/OR DK ONLY, SKIP TO INSTRUCTIONS BEFORE NSQ1]

26. When you have looked for information about investing, what sources of information have you used? Please choose all that apply.

A financial advisor, such as a bank advisor, stock broker, financial planner, etc.  
A lawyer or accountant  
Books on financial markets, the economy and investing  
A parent  
Family and friends (other than a parent)  
Schools and teachers  
Financial or business media (such as business publications or business television, or financial websites other than your financial institution's)  
General media (such as newspapers, television or general interest websites)  
Information/newsletters sent to you from a financial advisor or institution  
Mutual fund prospectuses or corporate annual reports  
Research reports from an investment analyst

Seminars or courses put on by financial professionals  
Your bank or financial institution's website  
Other Internet sources – blogs, chat rooms, forums, discussion boards  
Financial regulators  
Other  
None of the above  
Don't know

[ALL RESPONDENTS –NB AND NS RESPONDENTS ONLY]

NSQ1. Do you use any of the following social media websites or services as sources of information about investing? Please check all that apply.

YouTube  
Facebook  
MySpace  
Twitter  
LinkedIn  
Tip'd  
Other (Please specify)  
None of the above  
Don't know

27. Please indicate whether you agree or disagree with each of the following statements.  
[RANDOMIZE]

[GRID DOWN]  
I know where to go when I need more information about investing in general  
I know where to go when I need more information about specific investments

[GRID ACROSS]  
Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Don't know

28. How confident are you when it comes to making investment decisions?

Very confident  
Somewhat confident  
Not very confident  
Not at all confident  
Don't know

29. How important would you consider each of the following as sources of information for young people to learn about personal finances and investing.

[GRID DOWN]  
A financial advisor, such as a bank advisor, stock broker, financial planner, etc.  
A lawyer or accountant  
Books on financial markets, the economy and investing  
A parent  
Family and friends (other than a parent)  
Schools and teachers  
Financial or business media (such as business publications or business television, or financial websites other than your financial institution's)  
General media (such as newspapers, television or general interest websites)  
Information/newsletters sent to you from a financial advisor or institution

Mutual fund prospectuses or corporate annual reports  
Research reports from an investment analyst  
Seminars or courses put on by financial professionals  
Your bank or financial institution's website  
Other Internet sources – blogs, chat rooms, forums, discussion boards  
Financial regulators

[GRID ACROSS]

Very important  
Somewhat important  
Not very important  
Not at all important  
Don't know

30. And which one of the following would you consider to be **most responsible** for teaching young people about personal finances and investing? Please choose only one.

A financial advisor, such as a bank advisor, stock broker, financial planner, etc.  
A lawyer or accountant  
A parent  
Family and friends (other than a parent)  
Schools and teachers  
Themselves (self-taught, learning on their own)  
Don't know

31. At what level in school do you think it is most important that young people be taught about personal finances and investing? Please choose only one.

Elementary school  
Junior high or middle school  
High school  
CEGEP (Quebec)  
College or university  
Don't know

32. Are you the parent of a child 18 years of age or younger?

Yes  
No  
Don't know

[IF Q32=YES, CONTINUE; IF NO OR DON'T KNOW SKIP TO Q38]

33. How old is your oldest child? [NUMERICAL DROP DOWN BOX: Less than one year –18 years of age or older]

34. Have you taught your child(ren) about personal finances and investing?

Yes  
No  
Don't know

35. How confident are you in your ability to teach your child(ren) about personal finances and investing?

Very confident  
Somewhat confident  
Not very confident  
Not at all confident  
Don't know

36. Please indicate whether you agree or disagree with each of the following statements.

[GRID DOWN]

When teaching my children about personal finances and investing, it is important to pass along my personal experiences and insights

When teaching my children about personal finances and investing, it is important to find outside sources of information (for example, from books, magazines or the internet)

If I were looking for information to teach my children about personal finances or investing, I would know where to go

Teaching children about personal finances and investing is among the most important things a parent can do for their child

[GRID ACROSS]

Strongly agree

Somewhat agree

Somewhat disagree

Strongly disagree

Don't know

37. If you were looking for information to teach your child(ren) about personal finances or investing, which **three** of the following sources of information would you consider to be the most important? Pick up to three.

A financial advisor, such as a bank advisor, stock broker, financial planner, etc.

A lawyer or accountant

Books on financial markets, the economy and investing

A parent

Family and friends (other than a parent)

Schools and teachers

Financial or business media (such as business publications or business television, or financial websites other than your financial institution's)

General media (such as newspapers, television or general interest websites)

Information/newsletters sent to you from a financial advisor or institution

Mutual fund prospectuses or corporate annual reports

Research reports from an investment analyst

Seminars or courses put on by financial professionals

Your bank or financial institution's website

Other Internet sources – blogs, chat rooms, forums, discussion boards

Financial regulators

Other internet financial sites or information

Other (please specify)

None of the above

Don't know

*So far we have focused on investments. Now we would like to turn to fraud. As you know, not every investment makes money. Some investments lose money even if everyone means well and is entirely honest in their dealings.*

*However, there are some cases where people propose an investment to you based on false information when they are trying to steal your money or mislead you. So, in this case, we mean a fraud occurs when someone intentionally gives you false information to get money from you.*

[ALL RESPONDENTS]

38. From what you have read, seen or heard which of the following do you think is an indicator of a possible fraudulent investment? Select one for each row.

[GRID DOWN]

Being contacted by someone you don't know  
No written information offered or reluctant to provide written information  
A strong push to act now  
Guarantee high returns with little or no risk  
Offers inside information

[GRID ACROSS]  
Strong indicator  
Moderate indicator  
Weak indicator  
No indicator at all  
Don't know

[NB, NS AND QUEBEC RESPONDENTS ONLY]

NSQ2. Where would you go to report a suspected investment fraud? [RANDOMIZE LIST]

To the local police  
To the RCMP  
To a lawyer  
To a financial regulator  
Other (please specify)  
Don't know

[NB AND NS RESPONDENTS ONLY. QUEBEC RESPONDENTS SKIP TO Q39]

NSQ3. If you reported a case of investment fraud to the authorities, what outcome would you expect to see? [MULTI-PUNCH]

Get your money back  
Fraud is investigated  
Fraudulent advisor fined or suspended  
Fraudulent advisor jailed

39. Do you think anyone has ever approached you with a possible fraudulent investment?

Yes  
No  
Don't know

[IF Q39= YES, CONTINUE; ELSE SKIP TO Q53]

40. How many times do you think someone has attempted to defraud you through an investment scam?

Once  
Twice  
Between three and five times  
More than five times  
Don't know

41. Of these investment fraud attempts, how many came from email spam?

All attempts were from email spam  
Most attempts were from email spam  
Some attempts were from email spam  
None of the attempts were from email spam

[IF Q41="ALL ATTEMPTS WERE FROM EMAIL SPAM" SKIP TO Q43]

42. How were you introduced to the *most recent* investment fraud you encountered?

From email spam  
Introduced to fraud over the internet (other than email)  
Stranger called me over the telephone  
Stranger came to front door  
Introduced to fraud artist through friend, neighbour, coworker or family member  
Recommended by financial advisor  
Other (Please Specify)  
Don't know

43. How would you describe the level of trust you developed with the person or persons who most recently approached you with a fraudulent investment opportunity?

Very strong  
Somewhat strong  
Not very strong  
Not strong at all  
Don't know

44. Once you realized this most recent investment opportunity was fraudulent, did you report it to the authorities?

Yes  
No  
Don't know

[IF Q44=NO OR DON'T KNOW, CONTINUE; ELSE SKIP TO Q46]

45. Why didn't you report it to the authorities? [OPEN]

46. Have you ever invested money in what turned out to be a fraudulent investment?

Yes  
No  
Don't know/ Not sure

[IF Q46=YES, CONTINUE; ELSE SKIP TO Q53]

47. How much money did you invest in this most recent investment fraud?

Less than \$1,000  
Between \$1,000 and \$5,000  
Between \$5,000 and \$10,000  
Between \$10,000 and \$25,000  
More than \$25,000  
Don't know

48. Did you recover any of your money from this most recent fraud, and if so, how much?

Did not recover any of the investment  
Less than 10% of the investment  
Between 10% and 24% of the investment  
Between 25% and 49% of the investment  
Between 50% and 74% of the investment  
Between 75% and 99% of the investment  
Recovered the entire investment

49. Did you tell your friends or family about this most recent investment fraud?

Yes  
No



Don't know

[IF Q49=YES, CONTINUE; ELSE SKIP TO Q51]

50. Please indicate if you agree or disagree with the following statement:

"Some of my friends or family seem to feel this most recent investment fraud experience was at least partially my own fault."

Yes, agree

No, disagree

Don't know

51. How many times have you been a **victim** of an investment fraud?

Once

Twice

Between three and five times

More than 5 times

Don't know

52. Please check if you were experiencing any of the following events the last time you were approached with a fraudulent investment:

Starting a new job

Losing your old job

Getting married

Getting divorced or separated

Just retired

Within a year of retirement

Within 5 years of retirement

New child

Death of a loved one

Received a financial windfall (such as an inheritance, insurance payout, etc.)

None of the above

53. For each of the following statements, please indicate whether you agree or disagree. [RANDOMIZE]

I am just as likely to be a victim of investment fraud as anyone else.

Investment fraud is common in my province.

It is important for people to report even the suspicion that someone has approached them with an investment fraud.

I am confident about where I should look for information to check out investment opportunities.

You should never make an investment without doing independent research on any new investment opportunity.

Having a formal, written financial plan is important for people like me.

Whether you contribute to a pension plan or save some other way, it is important to build up your own personal savings and investments.

I am not interested in learning more about investing

One of the best ways to make money in the stock market is to look for inside tips.

The riskier the investment, the greater the reward

If you don't act immediately on a new investment opportunity you have recently heard about, you may miss a good opportunity.

When it comes to making an investment, I completely rely on the advice of my advisors.

I am worried I do not have enough savings to meet all my financial needs

In general, most people can be trusted

If someone gets ripped off by an investment fraud, they have only themselves to blame.

It is the responsibility of the individual to acquire the skills they need to make sound investment decisions.

2010 will be a good year for me financially

My confidence about making investment decisions has diminished in the past year

**[Non Investors Only (Q2=CODE 4 OR Q3=NONE OR DK)]**

I plan to make investments in the next 12 months

[GRID DOWN]

Strongly agree

Somewhat agree

Somewhat disagree

Strongly disagree

Don't know

54. If you had to choose between one of the following two investments, which one would you be more likely to make?

An investment in a guaranteed investment certificate that would provide an annual rate of return of 4%

[SPLIT SAMPLE] An investment in a mutual fund that has the potential for a 20% annual rate of return, but carries the risk of a 10% decline

[SPLIT SAMPLE] An investment in a mutual fund that has the potential for a 20% annual rate of return

55. How often do you purchase goods and services over the internet or telephone?

Several times a week

Several times a month

At least once a month

Every couple of months

At least once a year

Less than once a year

Never

Don't know

56. How often do you enter contests, lotteries or sweepstakes?

Several times a week

Several times a month

At least once a month

Every couple of months

At least once a year

Less than once a year

Never

57. Do you own any real estate property, including your home?

Yes - own my home

Yes - own other real estate property

Yes - both my home AND other real estate

No

58. Is there a provincial government agency responsible for regulating financial investments in your province?

Yes

No

Don't know

59. In fact, there is a provincial agency in INSERT PROVINCE responsible for regulating financial investments called the INSERT AGENCY NAME. Now that we have mentioned the INSERT AGENCY NAME, how familiar would you say you are with this agency?

Very familiar  
Somewhat familiar  
Not very familiar  
I have not heard of that agency before today

**English:**

BC: British Columbia Securities Commission  
Alberta: Alberta Securities Commission  
Saskatchewan: Saskatchewan Financial Services Commission  
Manitoba: Manitoba Securities Commission  
Ontario: Ontario Securities Commission  
Quebec: Autorité des marchés financiers  
New Brunswick : New Brunswick Securities Commission  
Nova Scotia : Nova Scotia Securities Commission  
Prince Edward Island : Securities Office  
Newfoundland and Labrador : Department of Government Services  
Northwest Territories : Superintendent of Securities  
Nunavut : Superintendent of Securities  
Yukon : Superintendent of Securities

**French :**

BC : British Columbia Securities Commission  
AB: Alberta Securities Commission  
SK : Saskatchewan Financial Services Commission  
MB : Commission des valeurs mobilières du Manitoba  
ON: Commission des valeurs mobilières de l'Ontario  
QC : Autorité des marchés financiers  
NB : Commission des valeurs mobilières du Nouveau-Brunswick  
NS : Nova Scotia Securities Commission  
PEI: Securities Office  
NL : Ministère des services gouvernementaux,  
Direction de la consommation et des affaires commerciales  
North West Territories : Office of the Superintendent of Securities  
Nunavut : Office of the Superintendent of Securities  
YUKON: Superintendent of Securities

*Finally, we have a few questions that will allow us to group similar people together when we analyse the results.*

60. What are the first three digits of your postal code? [VERIFY POSTAL CODE ENTRY]
61. In what year were you born? [RANGE: 1900-1991]
62. What is your gender?
- Male  
Female
63. What is the highest level of formal education that you have completed? [READ LIST]
- Elementary school or some high school

Complete high school  
CEGEP (Quebec)  
Technical, vocational post-secondary, College  
Some university  
Complete university degree (for example, a Bachelor's degree)  
Post graduate degree (for example a Master's or Doctoral degree)  
Don't know

64. Which of the following categories best describes your total household income? That is, the total income of all persons in your household combined, before taxes?

Under \$10,000  
\$10,000 to just under \$20,000  
\$20,000 to just under \$30,000  
\$30,000 to just under \$40,000  
\$40,000 to just under \$50,000  
\$50,000 to just under \$60,000  
\$60,000 to just under \$70,000  
\$70,000 to just under \$80,000  
\$80,000 to just under \$100,000  
\$100,000 to just under \$150,000  
\$150,000 and over  
Refused

65. Which of the following best describes your employment status?

Employed full-time  
Employed part-time  
Self-employed  
Student  
Retired  
Other (specify)  
Don't know/refused

66. Would you describe yourself as a visible minority?

Yes  
No  
Don't know/refused

67. Are you a person of Aboriginal ancestry?

Yes  
No  
Don't know/refused

[NB AND NS RESPONDENTS ONLY]

NSQ4. Do you use any of the following social media websites or services? Please check all that apply.

YouTube  
Facebook  
MySpace  
Twitter  
LinkedIn  
Tip'd  
Other (Please specify)  
None of the above  
Don't know