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**FOR IMMEDIATE RELEASE**

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# **Investor Confidence in U.S. Capital Markets Stabilizes Despite Economic Turmoil**

~~CAQ's 3<sup>rd</sup> Annual Individual Investor Survey  
Results Demonstrate Resiliency of Investors~~

**Washington, D.C.** — Despite two years of tumult in the global economy, investor confidence in U.S. capital markets has leveled off after dropping precipitously between 2007 and 2008, according to the Center for Audit Quality's (CAQ) 3<sup>rd</sup> annual survey of individual investors.

The economic crisis worsened since the CAQ last surveyed investors, yet investor confidence has stabilized. About three-quarters of investors (73 percent) surveyed in recent weeks expressed confidence in the U.S. capital markets, a three percent increase from last year. Respondents' confidence in investing in U.S. publicly-traded companies held steady at 75 percent. Confidence in audited financial statements released by public companies declined slightly to 70 percent, down three percent but within the survey's margin of error.

“The latest survey findings show remarkable stability in a time of continued economic instability,” said CAQ Executive Director Cindy Fornelli. “The three years in which we have surveyed investors coincide with unprecedented economic turmoil. Yet investor confidence in the U.S. capital markets, public companies and audited financial statements remains fundamentally strong. This stabilization in confidence mirrors recent positive economic news and demonstrates the resiliency of investors.”

According to the survey results, investors are divided on how much longer the recession will last – half believe it will end in the next year and half think it will go on for at least two more years. Fittingly, investors continue to adapt to the economic environment, with 61 percent saying they have changed their investment behavior in the last six months, roughly the same percentage as last year (60 percent). Investors say the biggest change in their behavior over the last six months is choosing to invest less (22 percent).

Investors' confidence in global markets continues to trail confidence in U.S. capital markets. Today, only 57 percent of investors have confidence in capital markets outside the United States. That is down five percent from 2008 (62 percent) and eight percent overall (65 percent) since the CAQ first surveyed investors in 2007. Also, 71 percent of investors agree the economic crisis of 2008 demonstrates the need for a more globally-consistent approach to standards, regulation and enforcement.

“While the results of the CAQ’s investor survey strike a hopeful note about the ongoing recovery in the United States, the economic crisis globally continues to affect investors’ confidence,” said Fornelli. “The lower level of confidence expressed in non-U.S. markets may explain investors’ strong desire for consistent regulatory systems and comparable standards.”

The telephone survey of 1,000 investors was conducted between August 27 and September 3, 2009, by The Glover Park Group. The margin of error was +/-3 percent. The survey summary and the complete questionnaire are posted on the CAQ’s Web site, <http://thecaq.org/newsroom/pdfs/2009investorsurvey.pdf>.

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The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors’ objectivity, effectiveness and responsiveness to dynamic market conditions. Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants. For more information, visit [www.thecaq.org](http://www.thecaq.org).