

2019
MAIN
STREET
INVESTOR
SURVEY

ABOUT THE CENTER FOR AUDIT QUALITY

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 that require action and intervention; and advocates policies and standards that promote public company auditors' objectivity, effectiveness, and responsiveness to dynamic market conditions. Based in Washington, DC, the CAQ is affiliated with the American Institute of CPAs.

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2019 MAIN STREET INVESTOR SURVEY

FROM THE EXECUTIVE DIRECTOR

Since 2007, the Center for Audit Quality (CAQ) has commissioned an annual survey of US retail investors. Each year, our Main Street Investor Survey measures investor confidence in US capital markets, global capital markets, investing in publicly traded companies, and audited financial statements.

Through a variety of market conditions over the years, the survey has shown the continued solid levels of confidence that retail investors place in the US capital markets system. In this year's survey:

74% of investors express confidence in US capital markets.

76% of investors have confidence in investing in US publicly traded companies.

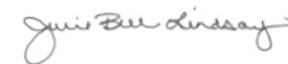
78% of investors say they are confident in audited financial information released by publicly held companies.

With respect to the global capital markets, 2019 results indicated that 47% of US investors have confidence in capital markets outside of the US, a decline of 9 points from 2018. While difficult to pinpoint with certainty the rationale for the decline in confidence year-over-year, the two primary reasons cited by investors for the lack of confidence in the global capital markets were (i) lack of confidence in governments outside of the US and (ii) a belief that other countries' economies are not doing well.

For the CAQ, we are especially pleased that investors continue to register high degrees of confidence in the ability of public company auditors to fulfill their investor-protection roles. Eighty-three percent of US retail investors view auditors as effective in their investor-protection role within the US capital markets, up from 81% in 2018. Moreover, a belief that auditors provide honest and independent third-party scrutiny was the top reason cited for the 78% confidence level in financial information released by public companies.

Our annual survey also sheds light on investor perceptions of top risks to the US economy and capital markets. According to our 2019 survey, US investors see the top risks as the growing national debt, US trade policy, and corporate corruption.

We hope these survey results inspire and motivate public company auditors and others throughout the US capital market system to fortify the foundation of trust and confidence that is so important for our markets. We all know that trust is something you have to work hard to win, and we also know it can be gone in a heartbeat. So while we can be proud of the state of US retail investor confidence today, we can never take it for granted.



Julie Bell Lindsay
Executive Director
Center for Audit Quality

METHODOLOGY

This poll was conducted online by Morning Consult from August 19–August 22, 2019 among a national sample of 1,000 investors. Investors are defined as:

- + Adults (18+)
- + Individuals who are primary decision-makers of their household's savings and investments, or who share this role equally with another household member
- + Individuals who have \$10,000 or more in investments, including stocks, bonds, mutual funds, IRAs, 401(k) plans, and the like

2019 is the second year that the Main Street Investor Survey data was collected entirely from online interviews. From 2007 to 2018, the survey was gradually migrated from phone only, to a mix of phone and online, and then to online only. The change in methodology may explain small differences in the data.

Results from the full survey have a margin of error of plus or minus 3 percentage points.

74%*Unchanged from 2018***INVESTOR
CONFIDENCE IN US
CAPITAL MARKETS****Top reasons for
confidence:**

- + Belief that the US economy is doing well
- + Confidence in the system of capitalism

**Top reasons for lack of
confidence:**

- + Lack of confidence in Trump administration
- + Lack of confidence in US Congress

[View additional data on
US capital markets](#)

47%*Down 9 points from 2018***INVESTOR
CONFIDENCE IN
MARKETS OUTSIDE
THE US****Top reasons for
confidence:**

- + Belief that when US markets do well, so do non-US markets
- + Belief that non-US markets will continue to perform well

**Top reasons for lack of
confidence:**

- + Lack of confidence in governments outside the US
- + Belief that other countries' economies are not doing well

[View additional data on
markets outside the US](#)

76%*Down 2 points from 2018***INVESTOR
CONFIDENCE IN US
PUBLICLY TRADED
COMPANIES****Top reasons for
confidence:**

- + Belief that US economy is doing well
- + Belief that US companies are innovative

**Top reasons for lack of
confidence:**

- + Belief that US economy is not doing well
- + Government regulation and policy

[View additional data
on publicly traded
companies](#)

78%*Up 3 points from 2018***INVESTOR
CONFIDENCE IN
AUDITED FINANCIAL
INFORMATION****Top reasons for
confidence:**

- + Belief that auditors provide honest, independent third-party scrutiny
- + Government regulation and policy

**Top reasons for lack of
confidence:**

- + Belief that companies are not trustworthy
- + Belief that auditors do not provide honest and independent third-party scrutiny

[View more information
on audited financial
information](#)

83%*Up 2 points from 2018***INVESTOR
CONFIDENCE IN
PUBLIC COMPANY
AUDITORS****Other key players:**

81%
Confidence in independent audit committees

81%
Confidence in financial analysts

78%
Confidence in financial advisors and brokers

75%
Credit rating agencies

[View additional
information on key
players](#)

APPENDIX: IN-DEPTH FINDINGS

Figure 1 | Confidence in US Capital Markets

Figure 2 | Investor Reasons for Confidence in US Capital Markets

Figure 3 | Investor Reasons for Lack of Confidence in US Capital Markets

Figure 4 | Demographic Breakdown: Confidence in US Capital Markets

Figure 5 | Confidence in Capital Markets Outside the US

Figure 6 | Investor Reasons for Confidence in Capital Markets Outside the US

Figure 7 | Investor Reasons for Lack of Confidence in Capital Markets Outside the United States

Figure 8 | Demographic Breakdown: Confidence in Capital Markets Outside the United States

Figure 9 | Confidence in Investing in US Companies That Are Publicly Traded

Figure 10 | Investor Reasons for Confidence in Investing in US Companies That Are Publicly Traded

Figure 11 | Investor Reasons for Lack of Confidence in Investing in US Companies That Are Publicly Traded

Figure 12 | Demographic Breakdown: Confidence in Investing in US Companies That Are Publicly Traded

Figure 13 | Confidence in Audited Financial Information

Figure 14 | Investor Reasons for Confidence in Audited Financial Information

Figure 15 | Investor Reasons for Lack of Confidence in Audited Financial Information

Figure 16 | Demographic Breakdown: Confidence in Audited Financial Information

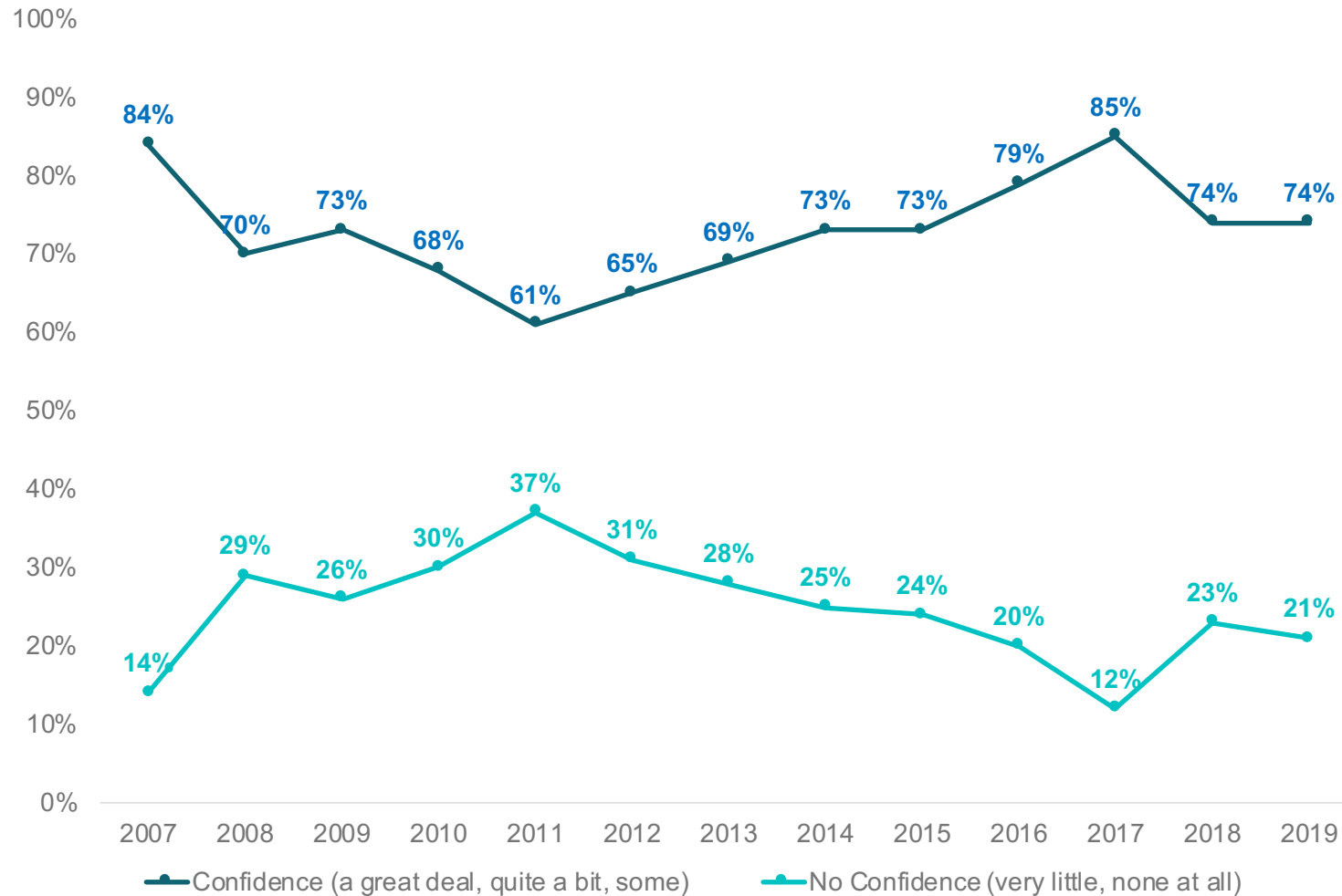
Figure 17 | Confidence in Entities Looking Out for Investors

Figure 18 | Risks to the US Economy and Capital Markets

US CAPITAL MARKETS

FIGURE 1
CONFIDENCE IN US CAPITAL
MARKETS

At the current time, how much confidence would you say you have in US capital markets? Would you say you have a great deal of confidence, quite a bit of confidence, some confidence, very little confidence, or no confidence at all?

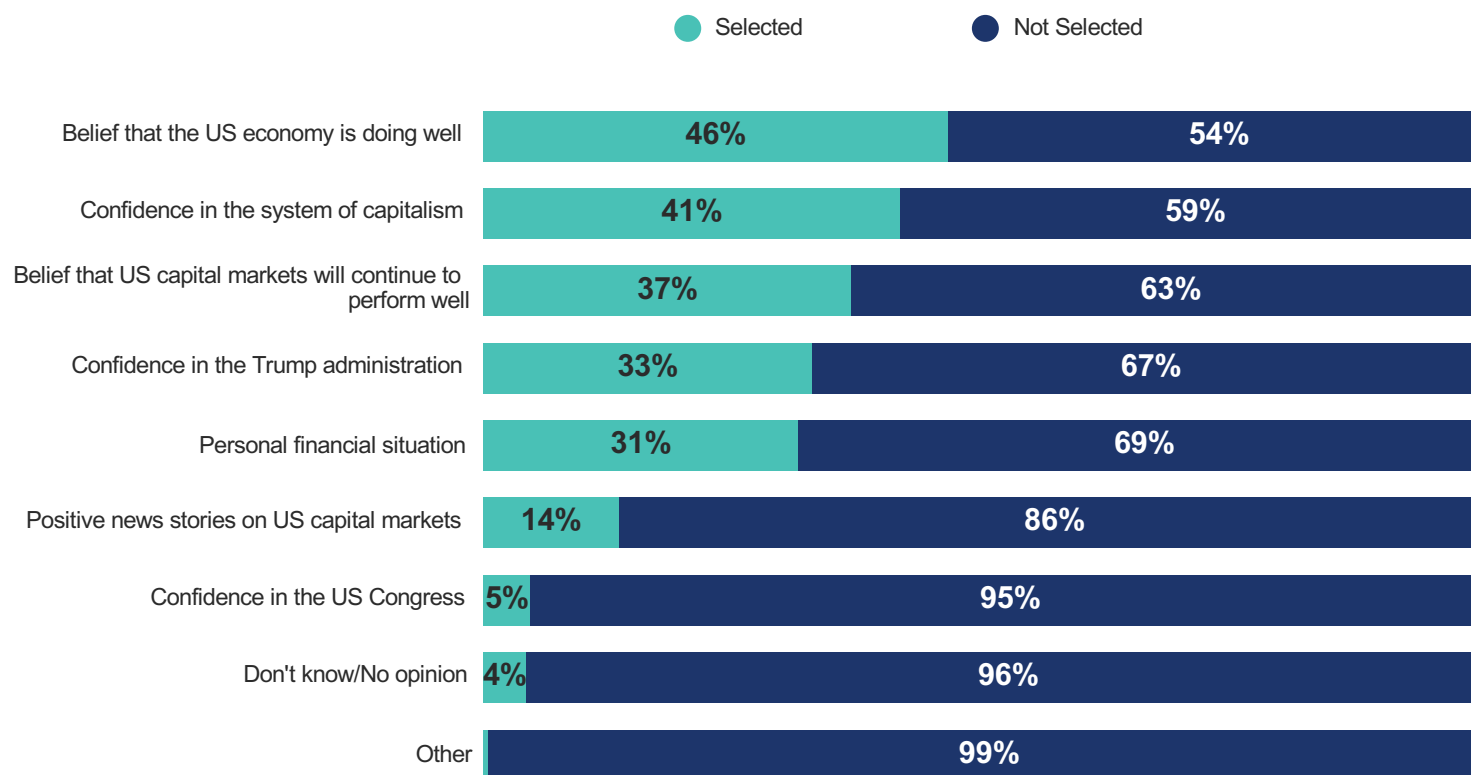


Don't know/No opinion results not shown.

US CAPITAL MARKETS

FIGURE 2
 INVESTOR REASONS FOR
 CONFIDENCE IN US CAPITAL
 MARKETS

You indicated that you have at least some confidence in US capital markets. For what reasons do you have confidence in US capital markets? (Select all that apply.)



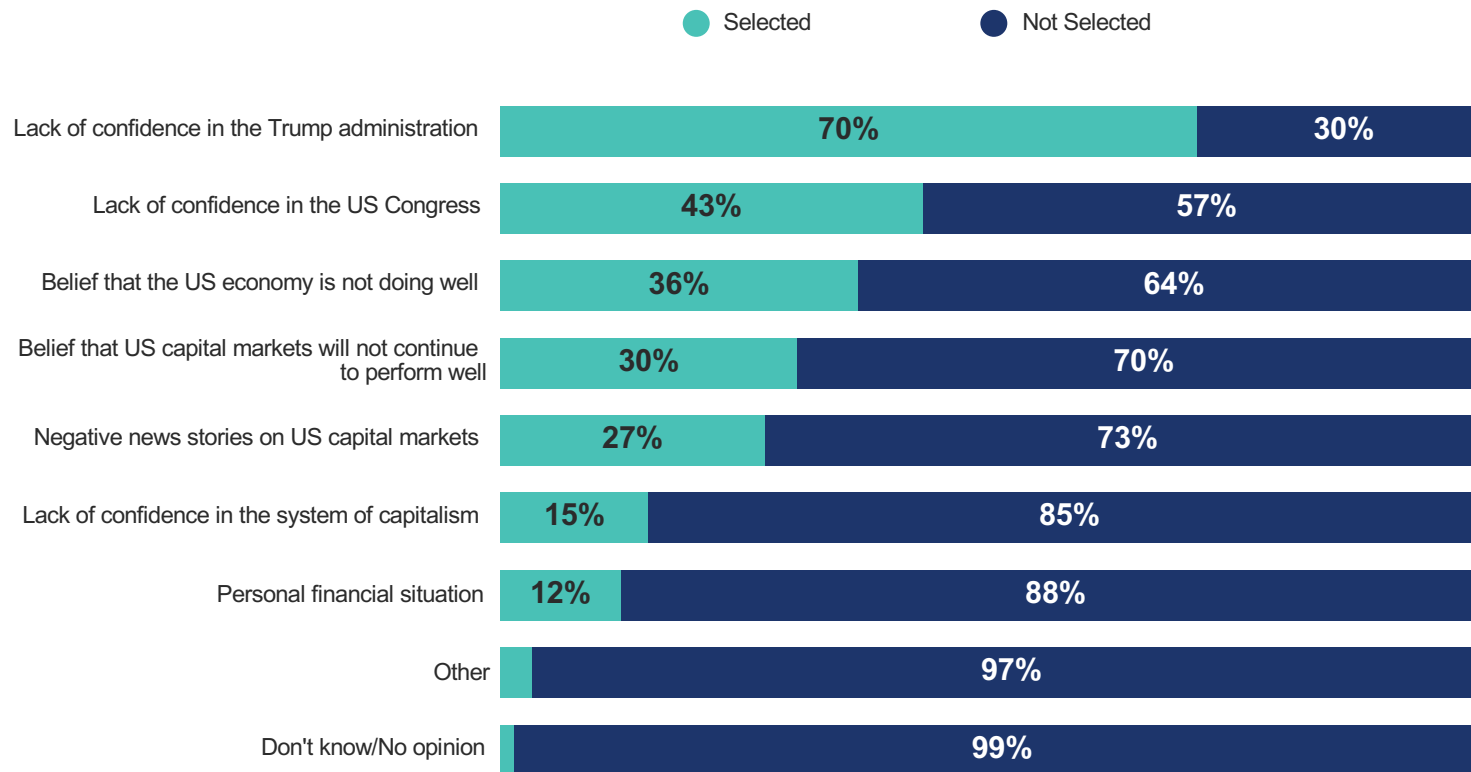
Number of survey respondents asked this question: 740.

US CAPITAL MARKETS

FIGURE 3

INVESTOR REASONS FOR LACK OF CONFIDENCE IN US CAPITAL MARKETS

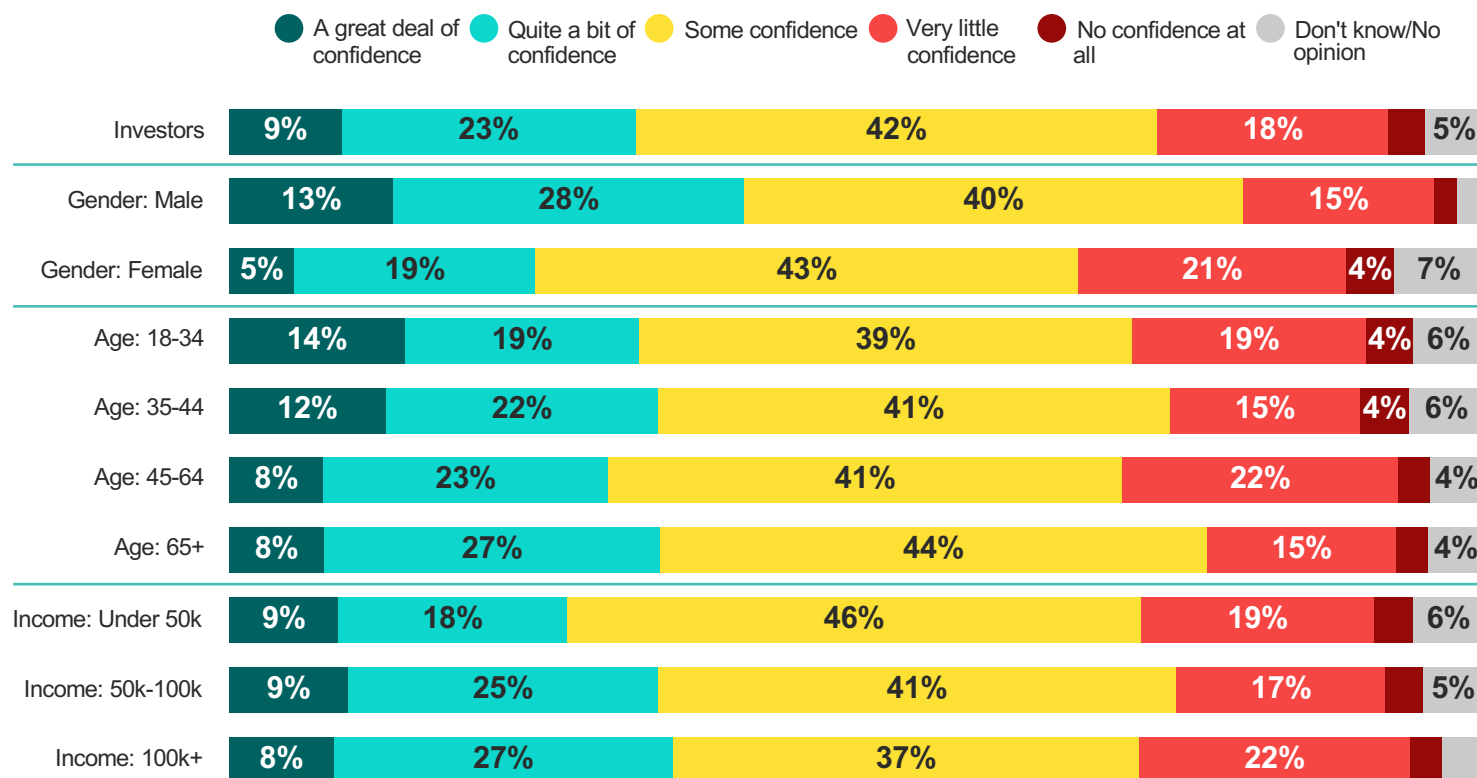
You indicated that you have little or no confidence in US capital markets. For what reasons do you have little or no confidence in US capital markets? (Select all that apply.)



Number of survey respondents asked this question: 213.

US CAPITAL MARKETS

FIGURE 4
DEMOGRAPHIC
BREAKDOWN: CONFIDENCE
IN US CAPITAL MARKETS



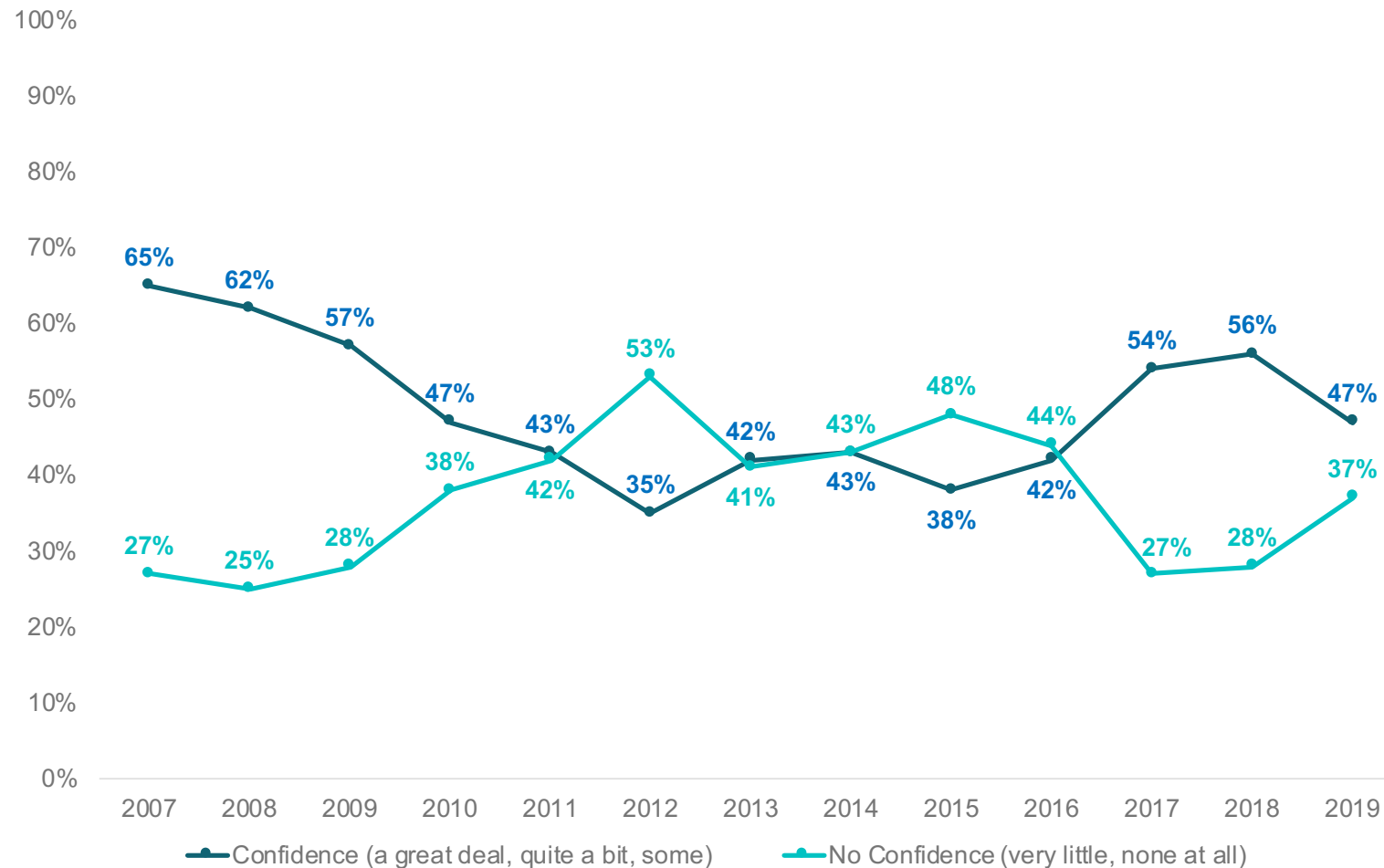
Data may not add to 100% due to rounding.

CAPITAL MARKETS OUTSIDE THE US

FIGURE 5

CONFIDENCE IN CAPITAL MARKETS OUTSIDE THE US

At the current time, how much confidence would you say you have in capital markets outside of the United States? Would you say you have a great deal of confidence, quite a bit of confidence, some confidence, very little confidence, or no confidence at all?



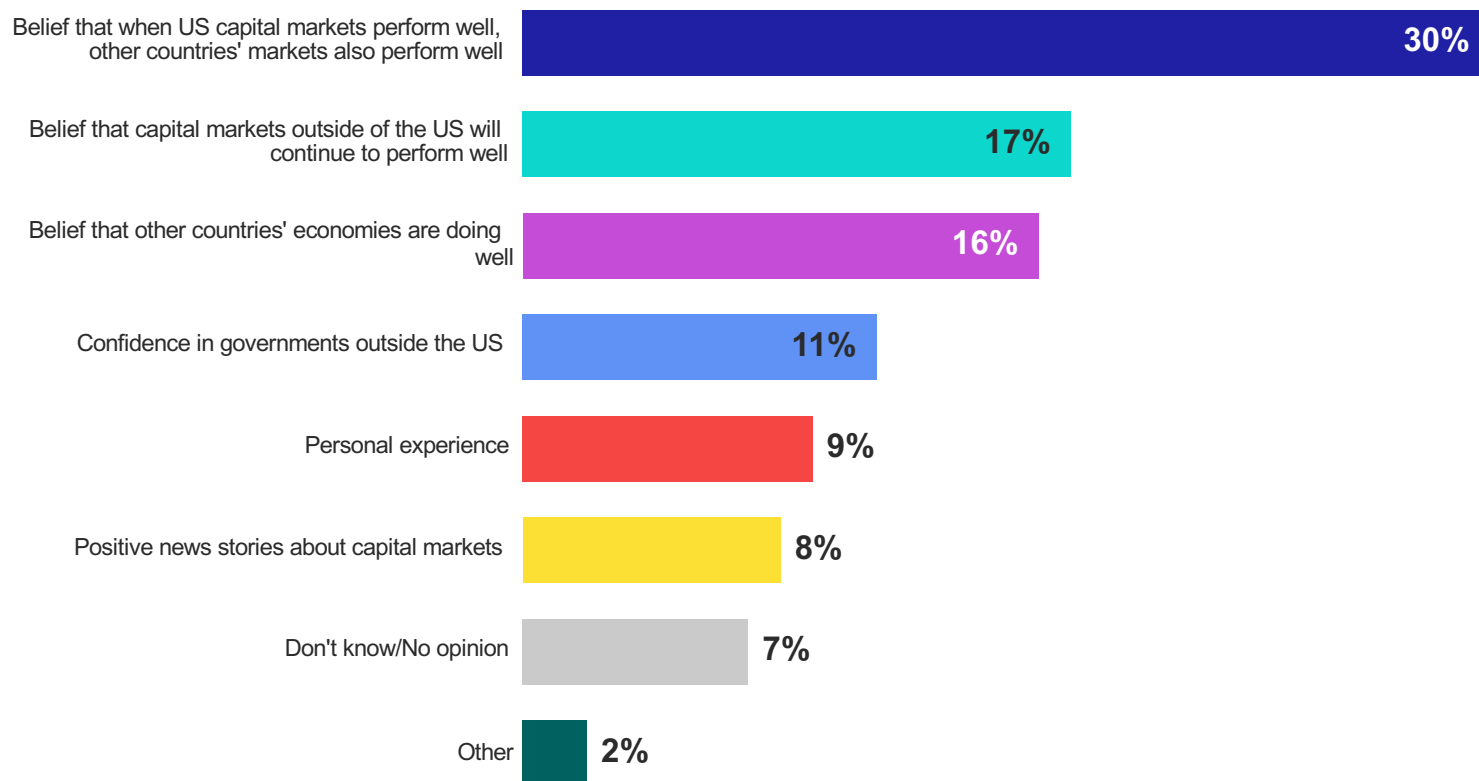
Don't know/No opinion results not shown.

CAPITAL MARKETS OUTSIDE THE US

FIGURE 6

INVESTOR REASONS FOR CONFIDENCE IN CAPITAL MARKETS OUTSIDE THE US

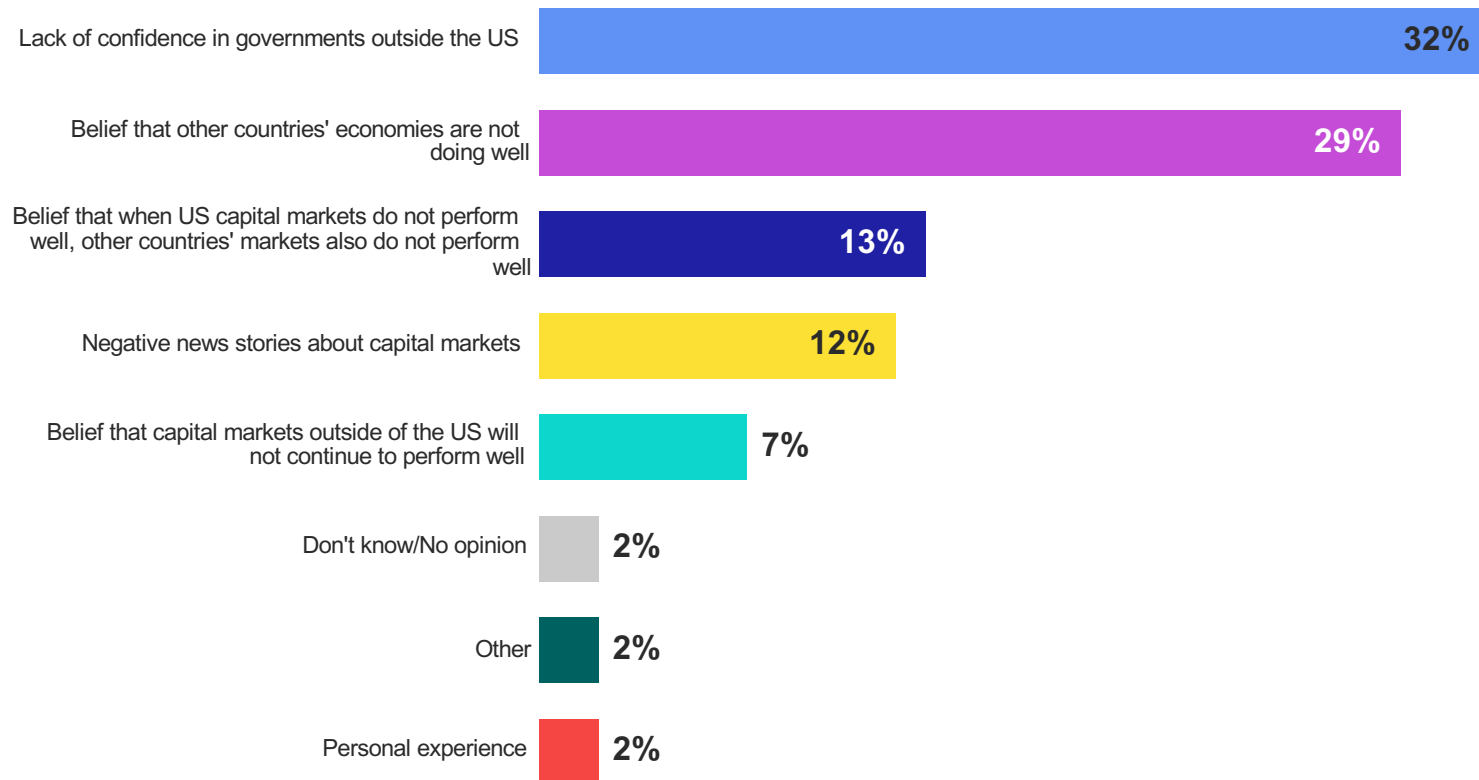
You indicated that you have at least some confidence in capital markets outside of the United States. For what reasons do you have confidence in capital markets outside of the United States? (Select one.)



Number of survey respondents asked this question: 465.
Data may not add to 100% due to rounding.

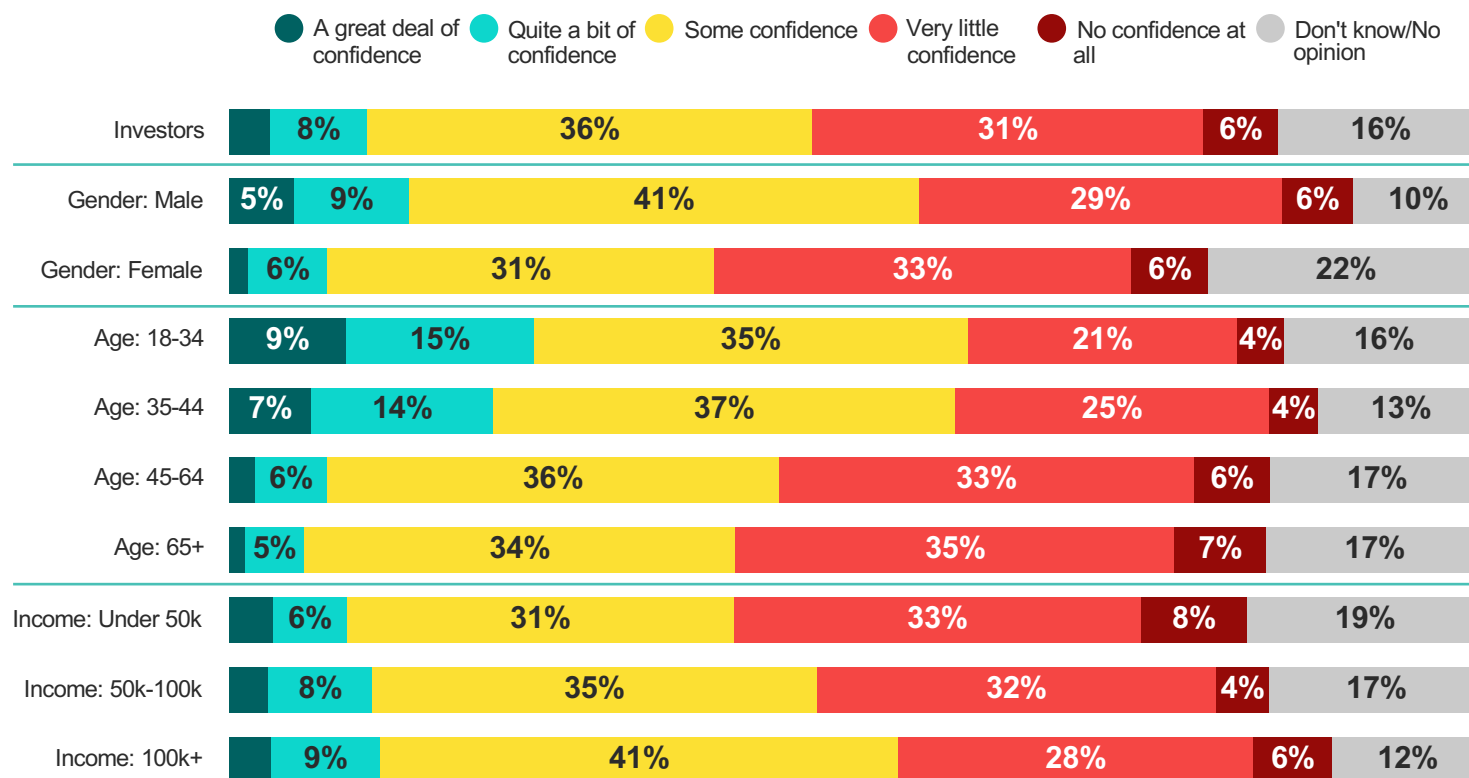
CAPITAL MARKETS OUTSIDE THE US
FIGURE 7
 INVESTOR REASONS FOR LACK OF
 CONFIDENCE IN CAPITAL MARKETS
 OUTSIDE THE UNITED STATES

You indicated that you have little or no confidence in capital markets outside of the United States. For what reasons do you have little or no confidence in capital markets outside of the United States? (Select one.)



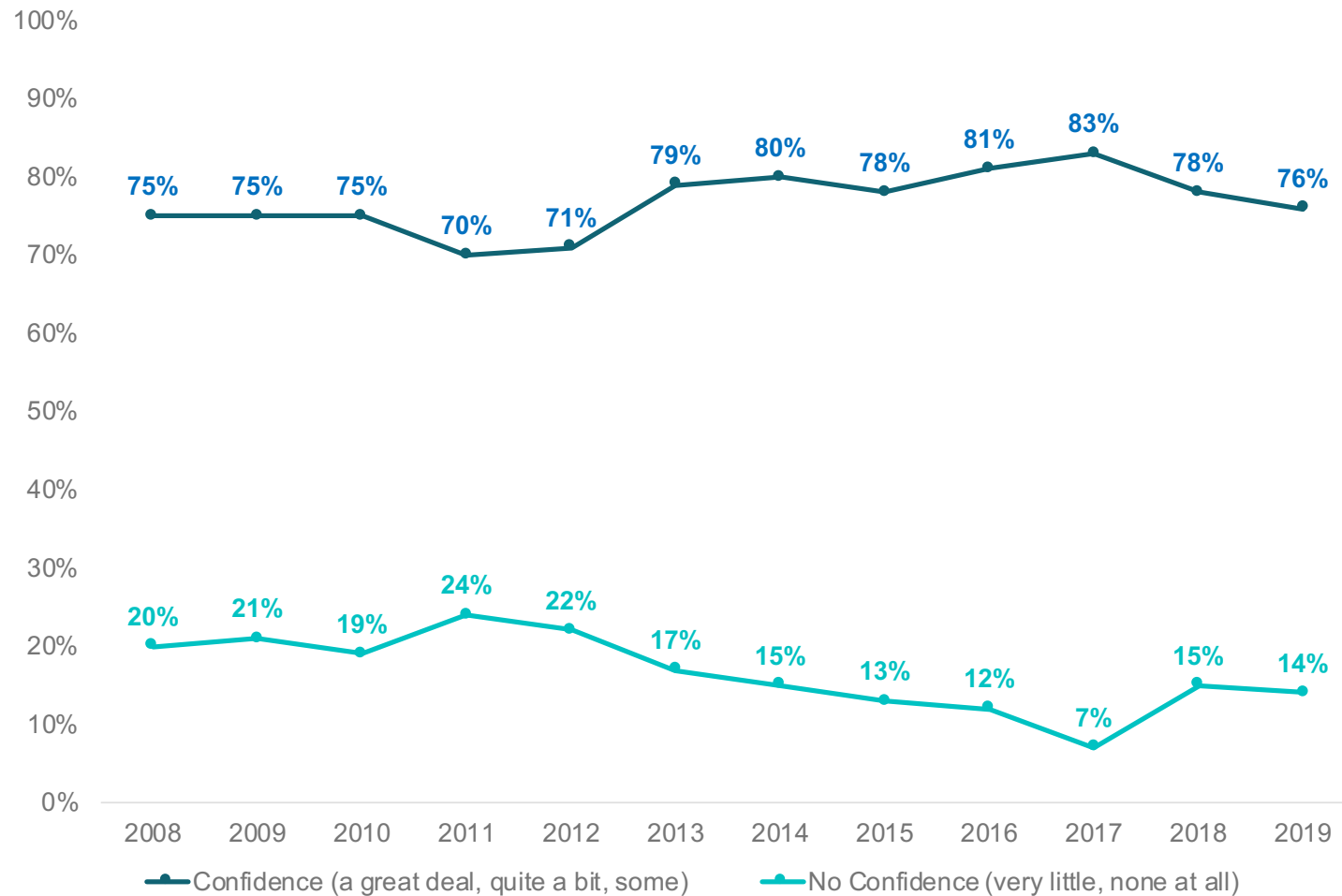
Number of survey respondents asked this question: 371.
 Data may not add to 100% due to rounding.

CAPITAL MARKETS OUTSIDE THE US

FIGURE 8DEMOGRAPHIC BREAKDOWN: CONFIDENCE IN
CAPITAL MARKETS OUTSIDE THE UNITED STATES*Data may not add to 100% due to rounding.*

PUBLICLY TRADED COMPANIES
FIGURE 9
 CONFIDENCE IN INVESTING IN US
 COMPANIES THAT ARE PUBLICLY TRADED

How much confidence would you say you have today investing in US companies that are publicly traded? Would you say you have a great deal of confidence, quite a bit of confidence, some confidence, very little confidence, or no confidence at all?



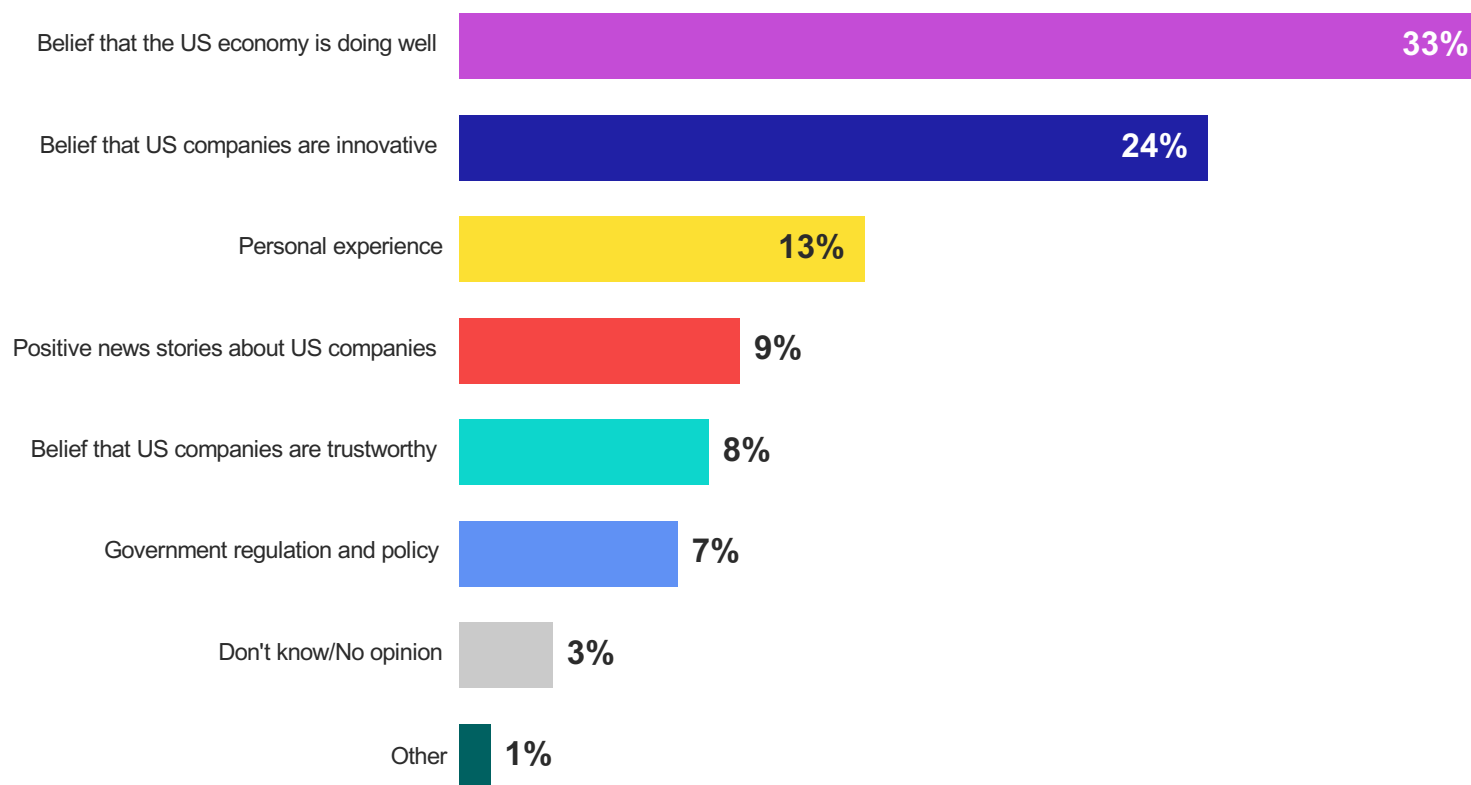
Don't know/No opinion results not shown.

PUBLICLY TRADED COMPANIES

FIGURE 10

INVESTOR REASONS FOR CONFIDENCE IN INVESTING IN US COMPANIES THAT ARE PUBLICLY TRADED

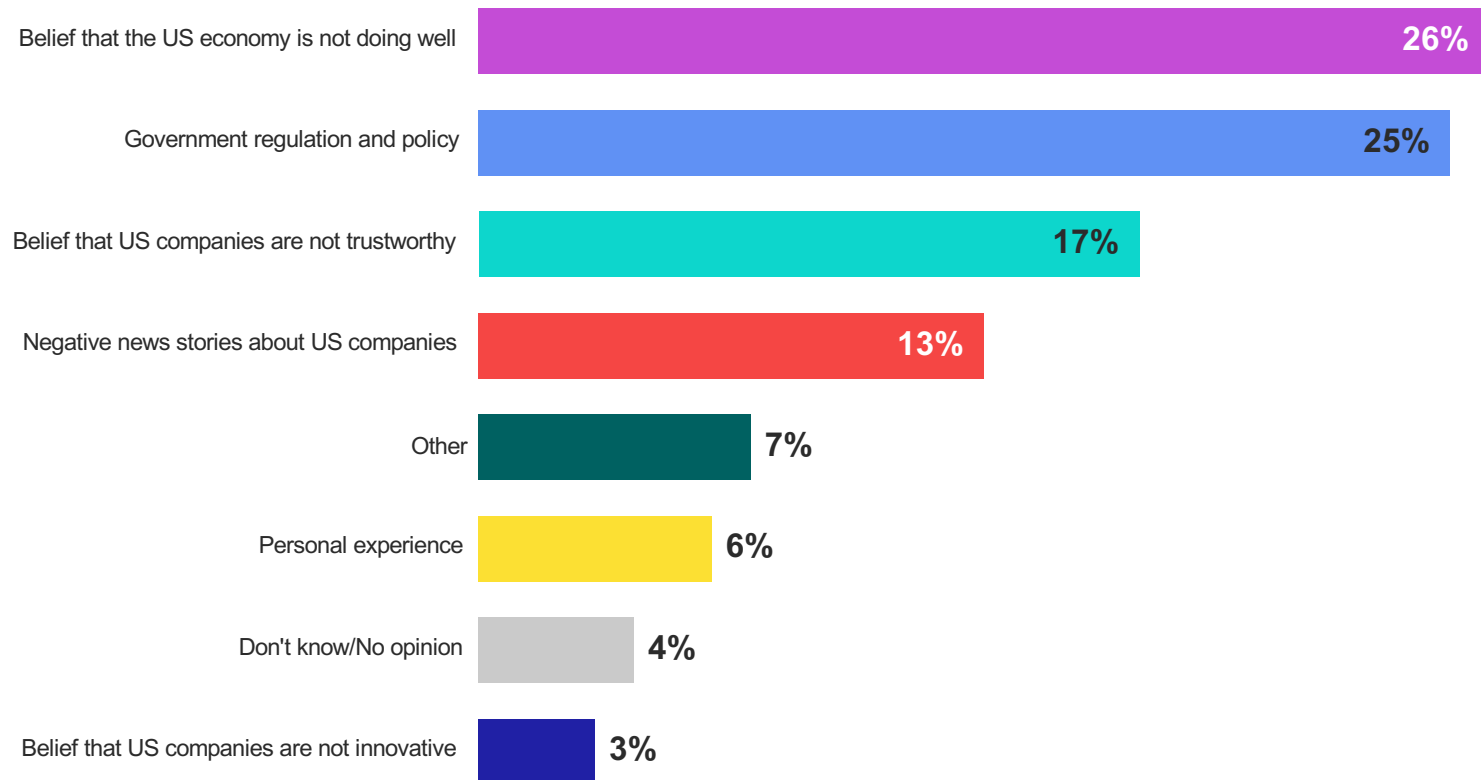
You indicated that you have at least some confidence in investing in US companies that are publicly traded. For what reasons do you have this confidence? (Select one.)



Number of survey respondents asked this question: 765.
Data may not add to 100% due to rounding.

PUBLICLY TRADED COMPANIES
FIGURE 11
INVESTOR REASONS FOR LACK OF
CONFIDENCE IN INVESTING IN US
COMPANIES THAT ARE PUBLICLY TRADED

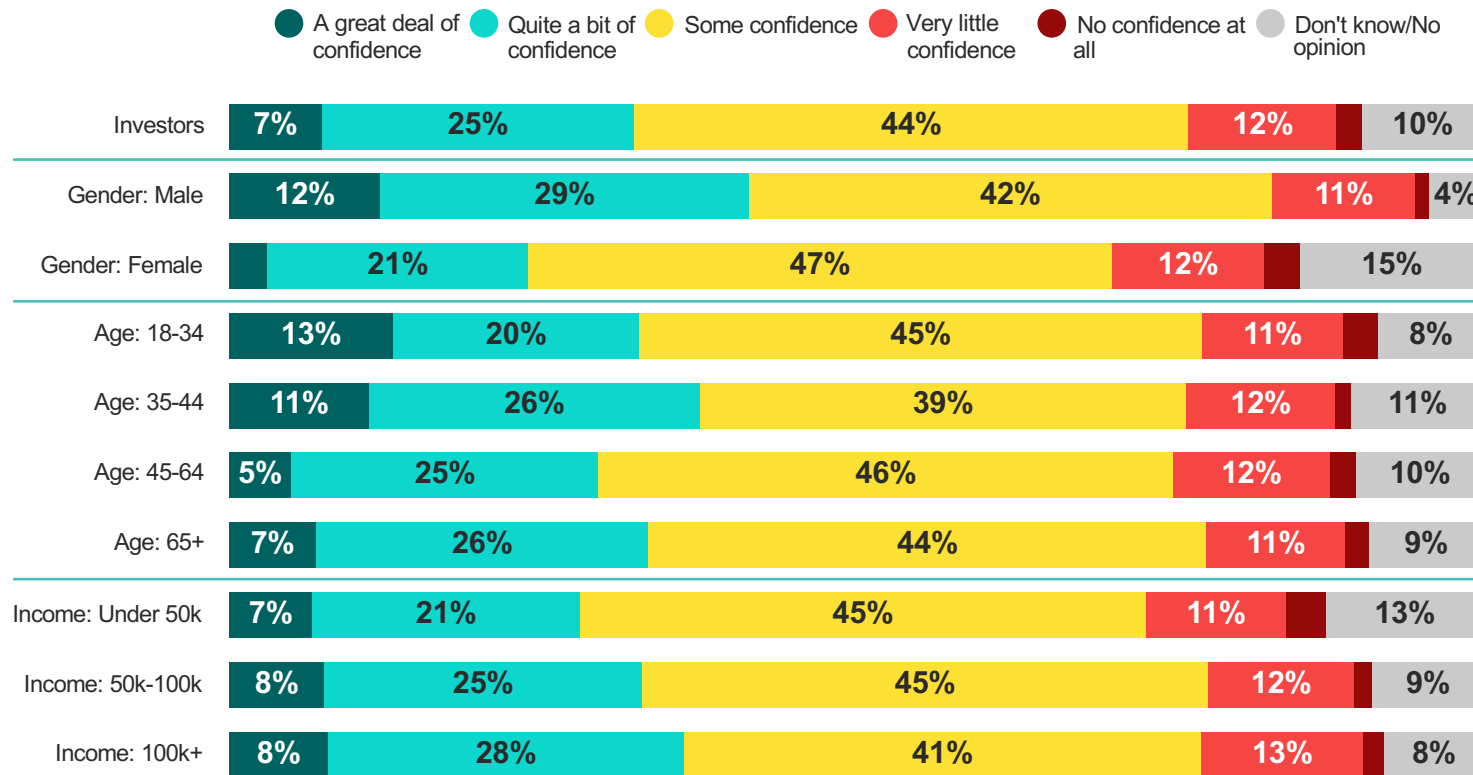
You indicated that you have little or no confidence in investing in US companies that are publicly traded. For what reasons do you have little or no confidence? (Select one.)



Number of survey respondents asked this question: 138.
Data may not add to 100% due to rounding.

PUBLICLY TRADED COMPANIES

FIGURE 12
DEMOGRAPHIC BREAKDOWN: CONFIDENCE
IN INVESTING IN US COMPANIES THAT ARE
PUBLICLY TRADED

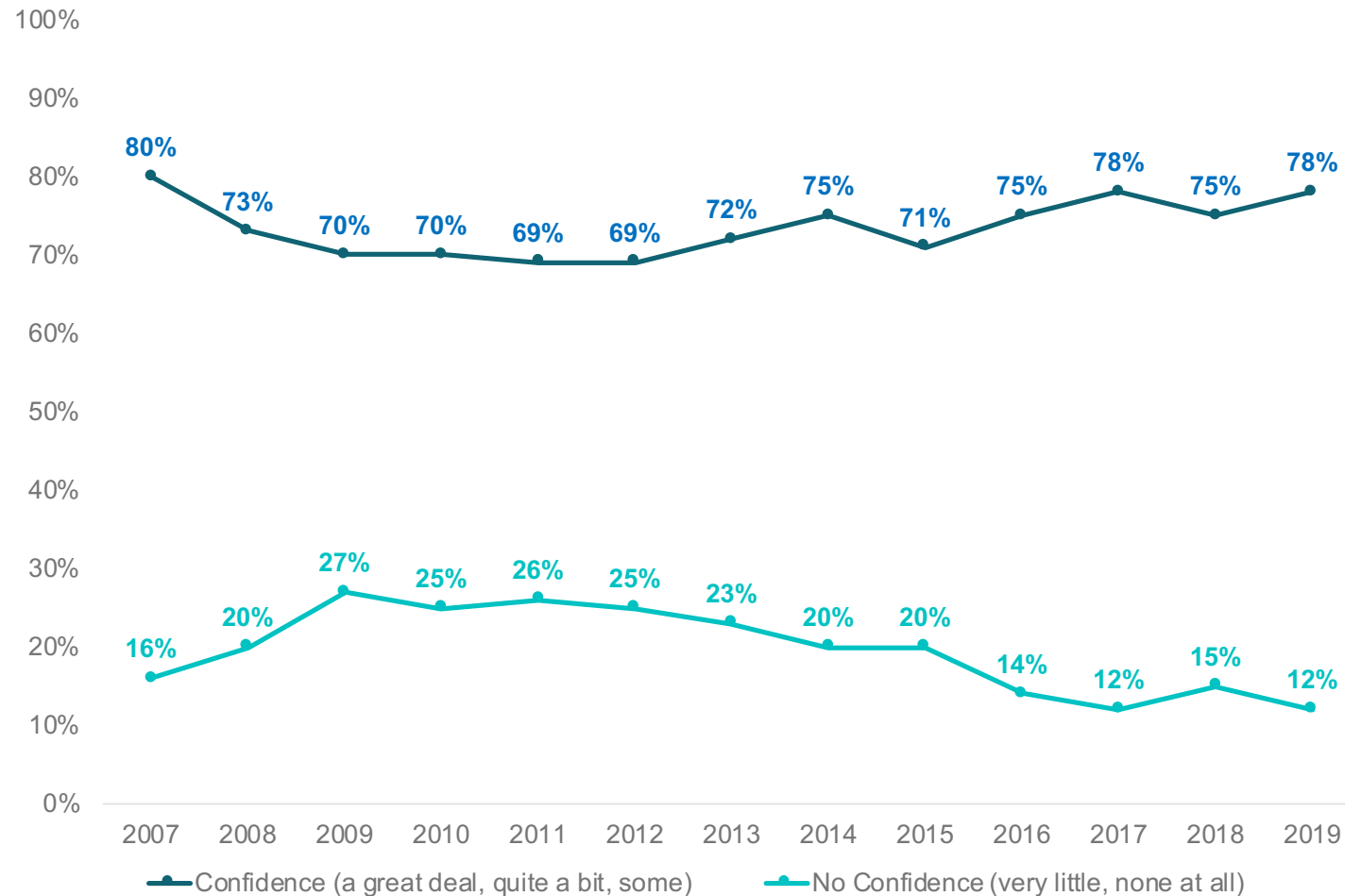


Data may not add to 100% due to rounding.

AUDITED FINANCIAL INFORMATION

FIGURE 13
CONFIDENCE IN AUDITED
FINANCIAL INFORMATION

All publicly traded companies in the United States are required to put out regular financial reports. Before they are published, certain information in these reports is required by law to be audited by an external public company audit firm. Based on what you know, how much confidence do you personally have in audited financial information released by publicly traded US companies? Would you say you have a great deal of confidence, quite a bit of confidence, some confidence, very little confidence, or no confidence at all?



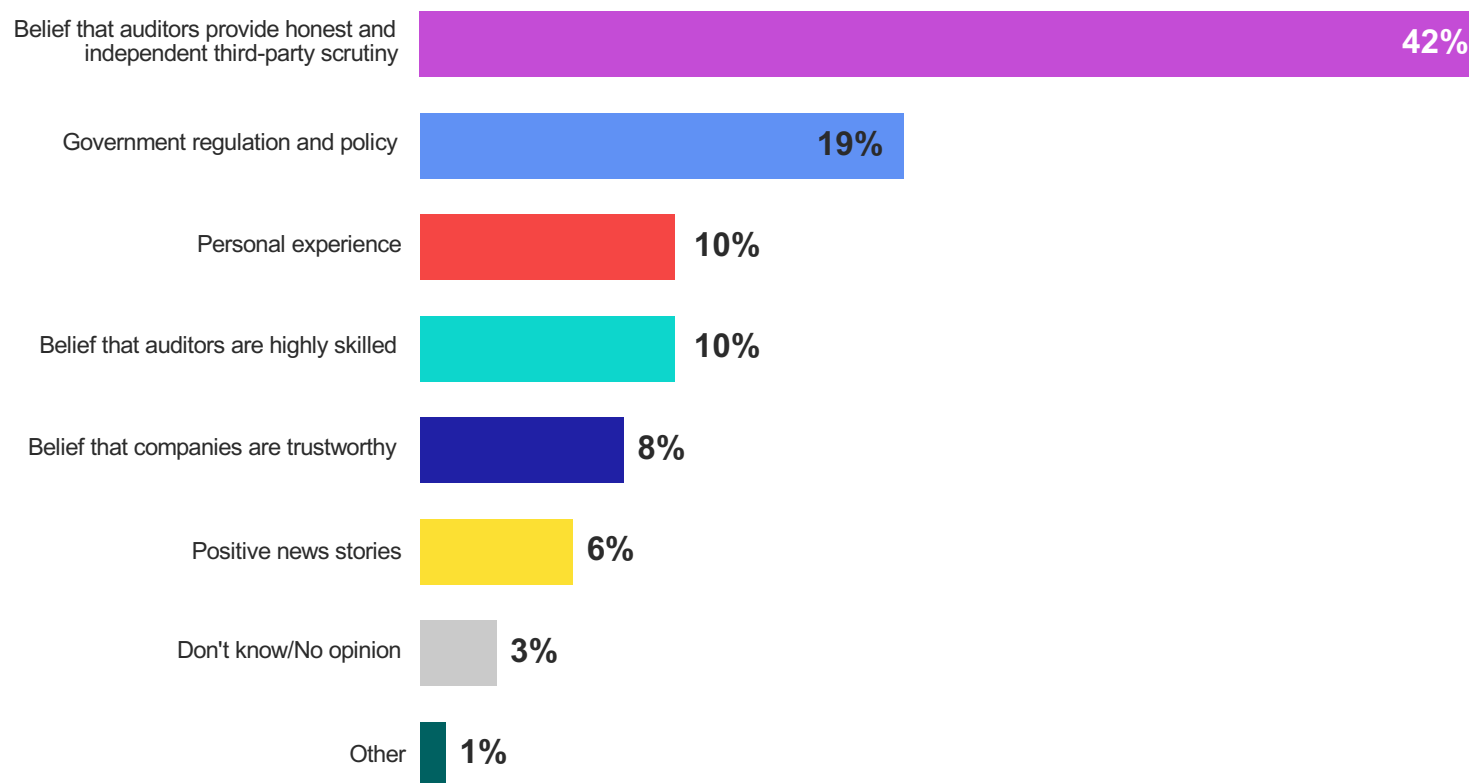
Don't know/No opinion results not shown.

AUDITED FINANCIAL INFORMATION

FIGURE 14

INVESTOR REASONS FOR CONFIDENCE IN AUDITED FINANCIAL INFORMATION

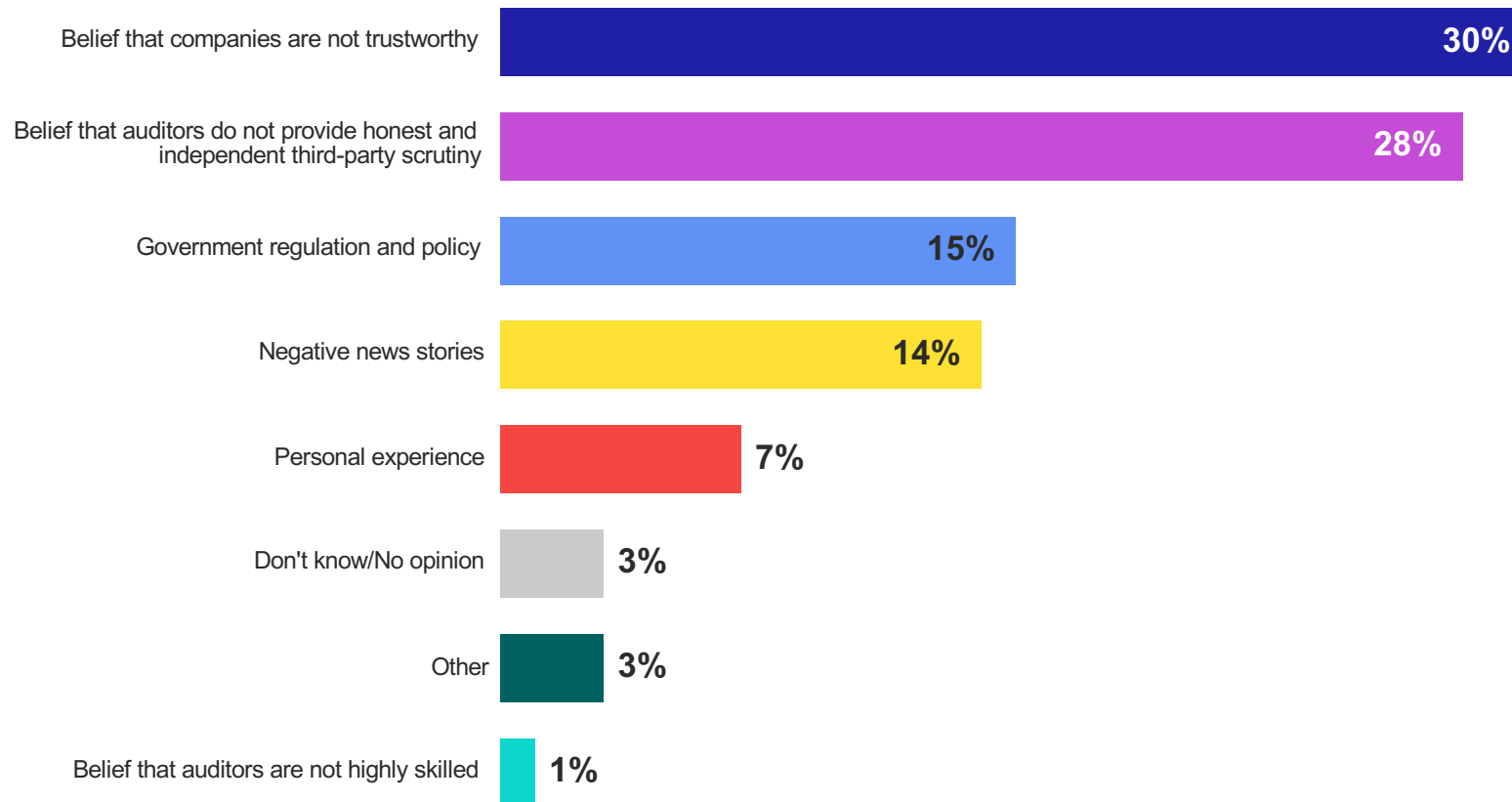
You indicated that you have at least some confidence in audited financial information released by publicly traded US companies. For what reasons do you have this confidence? (Select one.)



Number of survey respondents asked this question: 776.
Data may not add to 100% due to rounding.

AUDITED FINANCIAL INFORMATION
FIGURE 15
INVESTOR REASONS FOR LACK OF
CONFIDENCE IN AUDITED FINANCIAL
INFORMATION

You indicated that you have little or no confidence in audited financial information released by publicly traded US companies. For what reasons do you have little or no confidence? (Select one.)

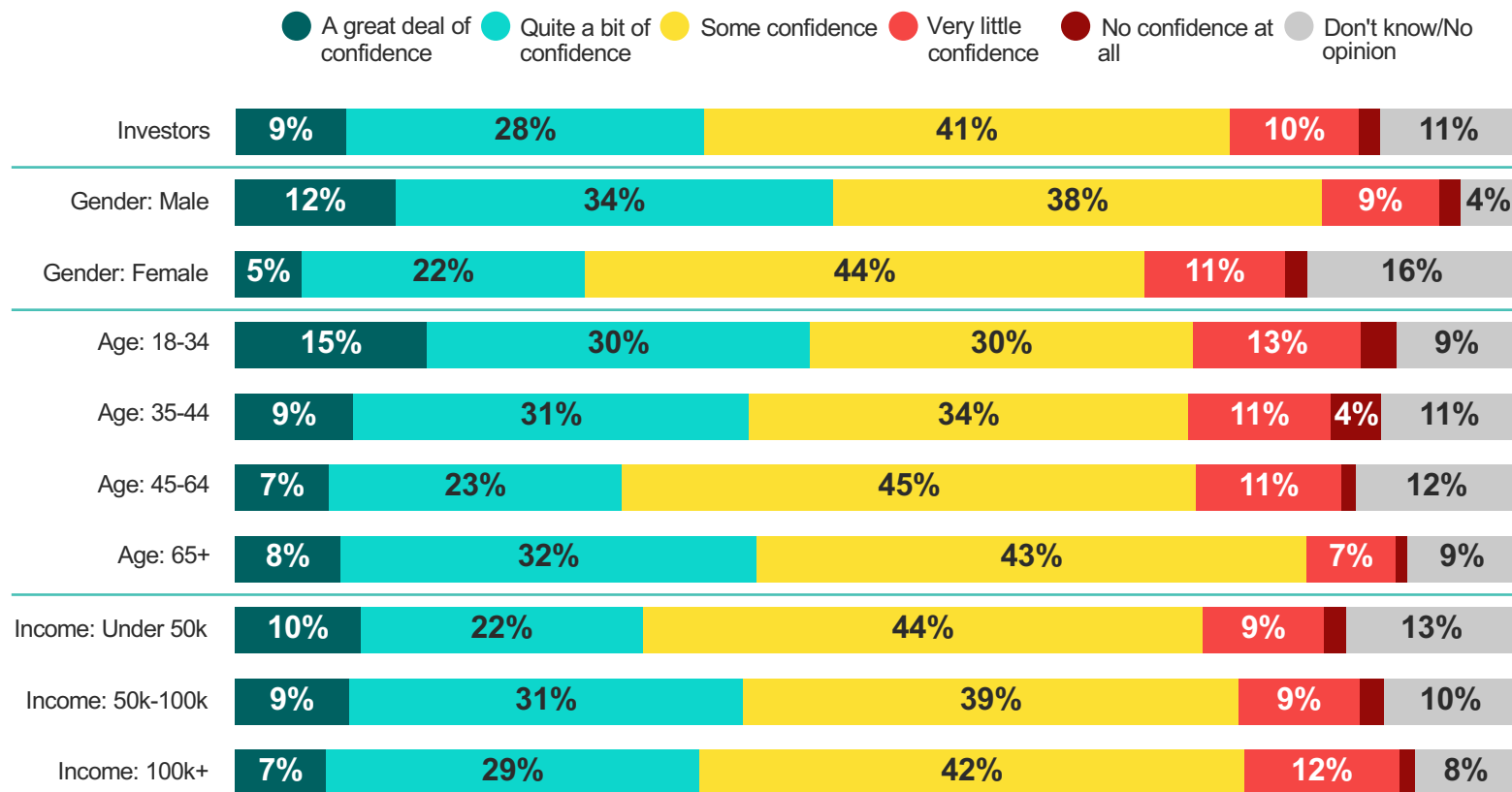


*Number of survey respondents asked this question: 118.
Data may not add to 100% due to rounding.*

AUDITED FINANCIAL INFORMATION

FIGURE 16

DEMOGRAPHIC BREAKDOWN: CONFIDENCE IN AUDITED FINANCIAL INFORMATION



Data may not add to 100% due to rounding.

KEY PLAYERS
FIGURE 17
CONFIDENCE IN ENTITIES
LOOKING OUT FOR
INVESTORS

There are a number of different players that have roles in helping to advance investor protection. How much confidence do you have that each of the following is/are effective in their respective roles? a great deal of confidence, quite a bit of confidence, some confidence, very little confidence, or no confidence at all?

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Independent auditors who audit publicly traded companies	67%	70%	72%	75%	76%	81%	84%	81%	83%
Independent audit committees of publicly traded companies	63%	65%	69%	71%	71%	77%	82%	80%	81%
Financial analysts	60%	63%	65%	68%	68%	76%	80%	79%	81%
Financial advisors and brokers	66%	66%	69%	70%	73%	75%	79%	75%	78%
Credit rating agencies	49%	54%	57%	64%	67%	76%	71%	71%	75%
Stock exchanges	48%	50%	55%	70%	73%	76%	82%	77%	75%
Corporate management of publicly traded companies	51%	48%	52%	54%	62%	68%	69%	63%	64%
Government regulators and oversight	39%	39%	50%	50%	49%	54%	58%	62%	63%
Investigative journalists	58%	60%	62%	58%	59%	68%	65%	69%	63%
Corporate boards of directors	47%	46%	49%	49%	59%	61%	63%	59%	57%
Congress	N/A			24%	23%	34%	32%	44%	40%

N/A: Not available.

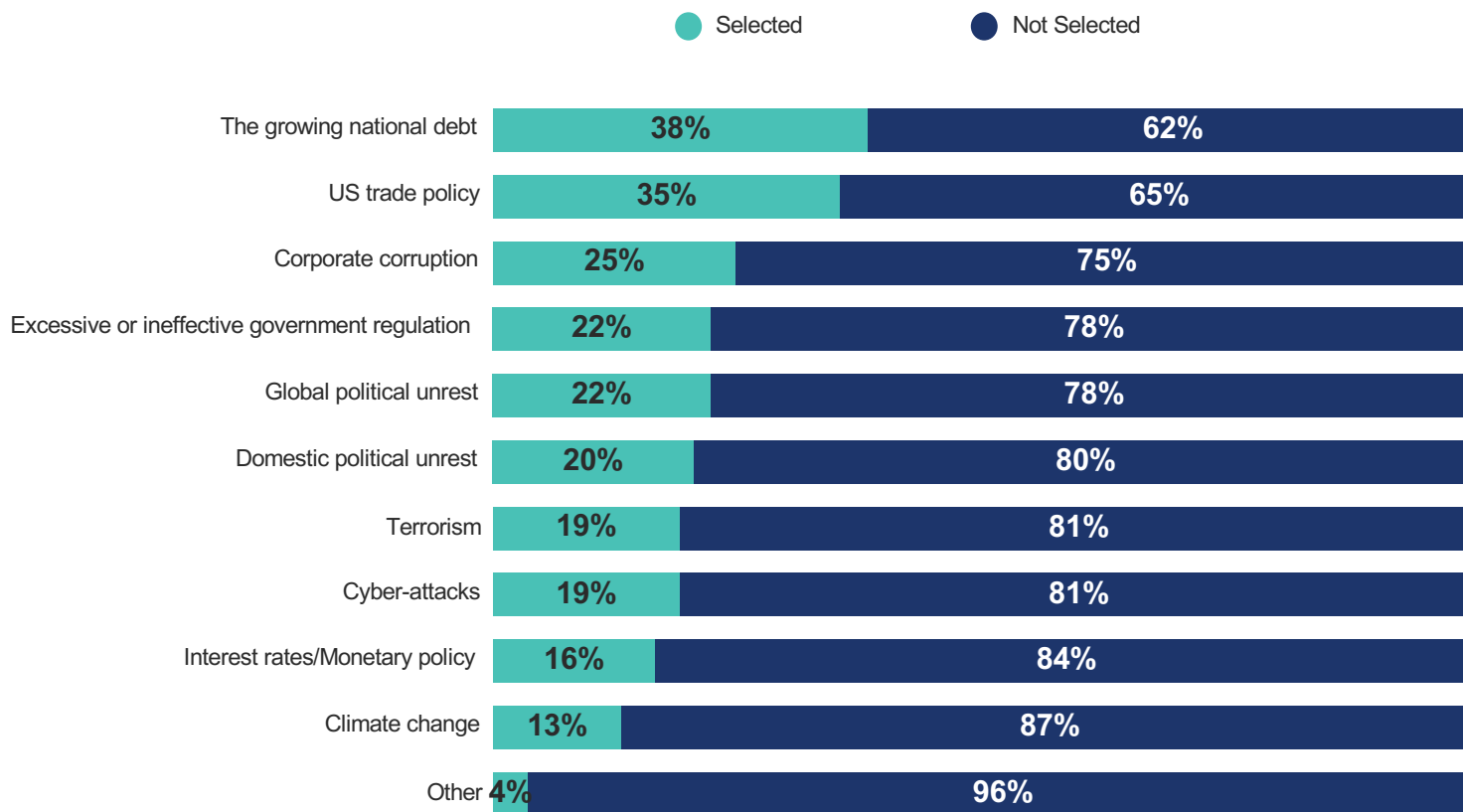
Note: Percentages represent the sum of "A great deal," "Quite a bit," and "Some" responses.

TOP RISKS

FIGURE 18

**RISKS TO THE US ECONOMY
AND CAPITAL MARKETS**

In your opinion, which of the following represent the greatest risks to the US economy and capital markets?
(Choose three.)





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**WE WELCOME
YOUR FEEDBACK**

Please send comments
or questions to
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