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.

Please note that this publication is intended as general information and should not be relied upon as being definitive or all-inclusive. As with all other CAQ resources, this is not authoritative, and readers are urged to refer to relevant rules and standards. If legal advice or other expert assistance is required, the services of a competent professional should be sought. The CAQ makes no representations, warranties, or guarantees about, and assumes no responsibility for, the content or application of the material contained herein. The CAQ expressly disclaims all liability for any damages arising out of the use of, reference to, or reliance on this material. This publication does not represent an official position of the CAQ, its board, or its members.

2019 MAIN STREET INVESTOR SURVEY
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.
INVESTOR CONFIDENCE IN US CAPITAL MARKETS

74%
Unchanged from 2018
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

INVESTOR CONFIDENCE IN MARKETS OUTSIDE THE US

47%
Down 9 points from 2018
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

INVESTOR CONFIDENCE IN PUBLICLY TRADED COMPANIES

76%
Down 2 points from 2018
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 more information on publicly traded companies

INVESTOR CONFIDENCE IN AUDITED FINANCIAL INFORMATION

78%
Up 3 points from 2018
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 additional information on audited financial information

INVESTOR CONFIDENCE IN PUBLIC COMPANY AUDITORS

83%
Up 2 points from 2018
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
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.
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.)

- Belief that the US economy is doing well
- Confidence in the system of capitalism
- Belief that US capital markets will continue to perform well
- Confidence in the Trump administration
- Personal financial situation
- Positive news stories on US capital markets
- Confidence in the US Congress
- Don't know/No opinion
- Other

Number of survey respondents asked this question: 740.
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.)

- Lack of confidence in the Trump administration: 70% selected, 30% not selected
- Lack of confidence in the US Congress: 43% selected, 57% not selected
- Belief that the US economy is not doing well: 36% selected, 64% not selected
- Belief that US capital markets will not continue to perform well: 30% selected, 70% not selected
- Negative news stories on US capital markets: 27% selected, 73% not selected
- Lack of confidence in the system of capitalism: 15% selected, 85% not selected
- Personal financial situation: 12% selected, 88% not selected
- Other: 97% not selected
- Don’t know/No opinion: 99% not selected

Number of survey respondents asked this question: 213.
In general, men and those making $100k+ are more confident in U.S. markets.

<table>
<thead>
<tr>
<th></th>
<th>A great deal of confidence</th>
<th>Quite a bit of confidence</th>
<th>Some confidence</th>
<th>Very little confidence</th>
<th>No confidence at all</th>
<th>Don't know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors</td>
<td>9%</td>
<td>23%</td>
<td>42%</td>
<td>18%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Gender: Male</td>
<td>13%</td>
<td>28%</td>
<td>40%</td>
<td>15%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Gender: Female</td>
<td>5%</td>
<td>19%</td>
<td>43%</td>
<td>21%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Age: 18-34</td>
<td>14%</td>
<td>19%</td>
<td>39%</td>
<td>19%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Age: 35-44</td>
<td>12%</td>
<td>22%</td>
<td>41%</td>
<td>15%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Age: 45-64</td>
<td>8%</td>
<td>23%</td>
<td>41%</td>
<td>22%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Age: 65+</td>
<td>8%</td>
<td>27%</td>
<td>44%</td>
<td>15%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Income: Under 50k</td>
<td>9%</td>
<td>18%</td>
<td>46%</td>
<td>19%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Income: 50k-100k</td>
<td>9%</td>
<td>25%</td>
<td>41%</td>
<td>17%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Income: 100k+</td>
<td>8%</td>
<td>27%</td>
<td>37%</td>
<td>22%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data may not add to 100% due to rounding.
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.
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.)

- Belief that when US capital markets perform well, other countries’ markets also perform well: 30%
- Belief that capital markets outside of the US will continue to perform well: 17%
- Belief that other countries’ economies are doing well: 16%
- Confidence in governments outside the US: 11%
- Personal experience: 9%
- Positive news stories about capital markets: 8%
- Don’t know/No opinion: 7%
- Other: 2%

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

- Lack of confidence in governments outside the US: 32%
- Belief that other countries' economies are not doing well: 29%
- Belief that when US capital markets do not perform well, other countries' markets also do not perform well: 13%
- Negative news stories about capital markets: 12%
- Belief that capital markets outside of the US will not continue to perform well: 7%
- Don't know/No opinion: 2%
- Other: 2%
- Personal experience: 2%

Number of survey respondents asked this question: 371. Data may not add to 100% due to rounding.
**CAPITAL MARKETS OUTSIDE THE US**

**FIGURE 8**
DEMOGRAPHIC BREAKDOWN: CONFIDENCE IN CAPITAL MARKETS OUTSIDE THE UNITED STATES

<table>
<thead>
<tr>
<th>Investor Segment</th>
<th>A great deal of confidence</th>
<th>Quite a bit of confidence</th>
<th>Some confidence</th>
<th>Very little confidence</th>
<th>No confidence at all</th>
<th>Don't know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors</td>
<td>8%</td>
<td>36%</td>
<td>31%</td>
<td>6%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Gender: Male</td>
<td>5%</td>
<td>9%</td>
<td>41%</td>
<td>29%</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Gender: Female</td>
<td>6%</td>
<td>31%</td>
<td>33%</td>
<td>6%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Age: 18-34</td>
<td>9%</td>
<td>15%</td>
<td>35%</td>
<td>21%</td>
<td>4%</td>
<td>16%</td>
</tr>
<tr>
<td>Age: 35-44</td>
<td>7%</td>
<td>14%</td>
<td>37%</td>
<td>25%</td>
<td>4%</td>
<td>13%</td>
</tr>
<tr>
<td>Age: 45-64</td>
<td>6%</td>
<td>36%</td>
<td>33%</td>
<td>6%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Age: 65+</td>
<td>5%</td>
<td>34%</td>
<td>35%</td>
<td>7%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Income: Under 50k</td>
<td>6%</td>
<td>31%</td>
<td>33%</td>
<td>8%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Income: 50k-100k</td>
<td>8%</td>
<td>35%</td>
<td>32%</td>
<td>4%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Income: 100k+</td>
<td>9%</td>
<td>41%</td>
<td>28%</td>
<td>6%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Data may not add to 100% due to rounding.
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?

Confidence (a great deal, quite a bit, some)  
No Confidence (very little, none at all)

Don’t know/ No opinion results not shown.
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.)

- Belief that the US economy is doing well: 33%
- Belief that US companies are innovative: 24%
- Personal experience: 13%
- Positive news stories about US companies: 9%
- Belief that US companies are trustworthy: 8%
- Government regulation and policy: 7%
- Don't know/No opinion: 3%
- Other: 1%

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

- Belief that the US economy is not doing well: 26%
- Government regulation and policy: 25%
- Belief that US companies are not trustworthy: 17%
- Negative news stories about US companies: 13%
- Other: 7%
- Personal experience: 6%
- Don't know/No opinion: 4%
- Belief that US companies are not innovative: 3%

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

---

<table>
<thead>
<tr>
<th>Investors</th>
<th>A great deal of confidence</th>
<th>Quite a bit of confidence</th>
<th>Some confidence</th>
<th>Very little confidence</th>
<th>No confidence at all</th>
<th>Don't know/No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male investors</td>
<td>12%</td>
<td>29%</td>
<td>42%</td>
<td>11%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Female investors</td>
<td>21%</td>
<td>47%</td>
<td>12%</td>
<td>9%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Age: 18-34</td>
<td>13%</td>
<td>20%</td>
<td>45%</td>
<td>11%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Age: 35-44</td>
<td>11%</td>
<td>26%</td>
<td>39%</td>
<td>12%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Age: 45-64</td>
<td>5%</td>
<td>25%</td>
<td>46%</td>
<td>12%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Age: 65+</td>
<td>7%</td>
<td>26%</td>
<td>44%</td>
<td>11%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Income: Under 50k</td>
<td>7%</td>
<td>21%</td>
<td>45%</td>
<td>11%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Income: 50k-100k</td>
<td>8%</td>
<td>25%</td>
<td>45%</td>
<td>12%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Income: 100k+</td>
<td>8%</td>
<td>28%</td>
<td>41%</td>
<td>13%</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

Data may not add to 100% due to rounding.
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.
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.)

- **Belief that auditors provide honest and independent third-party scrutiny**: 42%
- **Government regulation and policy**: 19%
- **Personal experience**: 10%
- **Belief that auditors are highly skilled**: 10%
- **Belief that companies are trustworthy**: 8%
- **Positive news stories**: 6%
- **Don't know/No opinion**: 3%
- **Other**: 1%

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

- **Belief that companies are not trustworthy**: 30%
- **Belief that auditors do not provide honest and independent third-party scrutiny**: 28%
- **Government regulation and policy**: 15%
- **Negative news stories**: 14%
- **Personal experience**: 7%
- **Don’t know/No opinion**: 3%
- **Other**: 3%
- **Belief that auditors are not highly skilled**: 1%

*Number of survey respondents asked this question: 118. Data may not add to 100% due to rounding.*
Investors, across key demographics, largely have confidence in the audit firms that review the financial reports.

![Confidence in Audited Financial Information](image)

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...

Data may not add to 100% due to rounding.
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?

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent auditors who audit publicly traded companies</td>
<td>67%</td>
<td>70%</td>
<td>72%</td>
<td>75%</td>
<td>76%</td>
<td>81%</td>
<td>84%</td>
<td>81%</td>
<td>83%</td>
</tr>
<tr>
<td>Independent audit committees of publicly traded companies</td>
<td>63%</td>
<td>65%</td>
<td>69%</td>
<td>71%</td>
<td>71%</td>
<td>77%</td>
<td>82%</td>
<td>80%</td>
<td>81%</td>
</tr>
<tr>
<td>Financial analysts</td>
<td>60%</td>
<td>63%</td>
<td>65%</td>
<td>68%</td>
<td>68%</td>
<td>76%</td>
<td>80%</td>
<td>79%</td>
<td>81%</td>
</tr>
<tr>
<td>Financial advisors and brokers</td>
<td>66%</td>
<td>66%</td>
<td>69%</td>
<td>70%</td>
<td>73%</td>
<td>75%</td>
<td>79%</td>
<td>75%</td>
<td>78%</td>
</tr>
<tr>
<td>Credit rating agencies</td>
<td>49%</td>
<td>54%</td>
<td>57%</td>
<td>64%</td>
<td>67%</td>
<td>76%</td>
<td>71%</td>
<td>71%</td>
<td>75%</td>
</tr>
<tr>
<td>Stock exchanges</td>
<td>48%</td>
<td>50%</td>
<td>55%</td>
<td>70%</td>
<td>73%</td>
<td>76%</td>
<td>82%</td>
<td>77%</td>
<td>75%</td>
</tr>
<tr>
<td>Corporate management of publicly traded companies</td>
<td>51%</td>
<td>48%</td>
<td>52%</td>
<td>54%</td>
<td>62%</td>
<td>68%</td>
<td>69%</td>
<td>63%</td>
<td>64%</td>
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<tr>
<td>Government regulators and oversight</td>
<td>39%</td>
<td>39%</td>
<td>50%</td>
<td>50%</td>
<td>49%</td>
<td>54%</td>
<td>58%</td>
<td>62%</td>
<td>63%</td>
</tr>
<tr>
<td>Investigative journalists</td>
<td>58%</td>
<td>60%</td>
<td>62%</td>
<td>58%</td>
<td>59%</td>
<td>68%</td>
<td>65%</td>
<td>69%</td>
<td>63%</td>
</tr>
<tr>
<td>Corporate boards of directors</td>
<td>47%</td>
<td>46%</td>
<td>49%</td>
<td>49%</td>
<td>59%</td>
<td>61%</td>
<td>63%</td>
<td>59%</td>
<td>57%</td>
</tr>
<tr>
<td>Congress</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*N/A: Not available.

*Note: Percentages represent the sum of “A great deal,” “Quite a bit,” and “Some” responses.*
In your opinion, which of the following represent the greatest risks to the US economy and capital markets? (Choose three.)

- The growing national debt: 38% selected, 62% not selected
- US trade policy: 35% selected, 65% not selected
- Corporate corruption: 25% selected, 75% not selected
- Excessive or ineffective government regulation: 22% selected, 78% not selected
- Global political unrest: 22% selected, 78% not selected
- Domestic political unrest: 20% selected, 80% not selected
- Terrorism: 19% selected, 81% not selected
- Cyber-attacks: 19% selected, 81% not selected
- Interest rates/Monetary policy: 16% selected, 84% not selected
- Climate change: 13% selected, 87% not selected
- Other: 4% selected, 96% not selected