

FINRA Investor Education Survey

FINRA conducted a national online survey of 1,334 investors in June, 2007. The surveyed population was multi-generational, ethnically diverse and gender-balanced.

Investors receive investment solicitations through multiple media:

- 68 percent have received an invitation to a free financial seminar.
- 64 percent have received unsolicited e-mail offering investments.
- 61 percent have received direct mail.
- 36 percent have seen offers on TV.
- 27 percent have received a phone call from a stranger.
- 21 percent have heard a radio advertisement.
- 13 percent have seen offers on online message boards.
- 12 percent have received a fax.

One out of twelve investors (8 percent) say that they have lost money in an investment because they were misled or defrauded.

Investors were given a list of life events and challenges and were asked, for each one, whether it made them very anxious, somewhat anxious or not at all anxious. Here is how these events and challenges are ranked, in terms of the percentage of investors who are at least somewhat anxious about them:

- Having serious health problems = 78 percent (32 percent very anxious)
- Losing money on my investments = 78 percent (29 percent very anxious)
- Saving enough for retirement = 73 percent
- Outliving my retirement savings = 71 percent
- Losing a spouse, either through death or divorce = 67 percent
- Being defrauded = 67 percent
- The increasing complexity of financial products and services = 65 percent
- Paying off debts = 60 percent
- Knowing what to do with my retirement savings when I retire = 53 percent
- Losing a job = 50 percent
- Having a portfolio that is concentrated in too few investments = 49 percent
- Being pressured into a poor investment decision = 42 percent
- Buying a house = 42 percent
- Paying for college = 35 percent
- Having a baby = 28 percent
- Getting married = 23 percent

Investors expressed a high degree of interest in basic investor education and information that is free and unbiased:

- 86 percent are interested in information about common investment scams and fraud.
- 83 percent are interested in a checklist of steps they should go through when making an investment decision.
- 82 percent are interested in an explanation of the fees and expenses of mutual funds.
- 82 percent are interested in a list of questions every investor should ask his or her broker or adviser.
- 80 percent are interested in information about the professional background, registration/license status and disciplinary history of brokerage firms and individual brokers.
- 80 percent are interested in definitions of common investment terms and products.