

## 2021 National Financial Capability Study Investor Survey Instrument

**Note:**

- Changes to the NFCS Investor Survey are footnoted in this document. Footnotes are labeled with the year that the change was implemented (2021 or 2018).

**Sample Characteristics:**

- N = 2,824 investors who completed the 2021 NFCS State-by-State Survey
- All respondents screened to have:
  - Investments outside of retirement accounts
  - Primary or shared decision-making responsibility for investments in their household

**Coding Notes:**

- For all questions in the survey:
  - Code 98 = Don't know
  - Code 99 = Prefer not to say

- # Z) Thank you very much for participating in this research.
  - Please be assured that all of your answers will be completely ANONYMOUS and CONFIDENTIAL. Therefore, please try to answer these questions as openly and honestly as possible.

# A) [SECTION A: SCREENING]

# A1) Which of the following best describes the situation in your household with regards to investments?

- I am the primary decision-maker when it comes to making investments for my household ..... 1
- I share the decision-making responsibility when it comes to making investments for my household ..... 2
- I do not participate in decisions when it comes to making investments for my household ..... 3
- Don't know ..... 98
- Prefer not to say ..... 99

[IF Q.A1 = 3, 98, 99 (NOT DM/DK/PNTS); TERMINATE]

# A2) Do you have any investments in retirement accounts (e.g., 401(k), IRA, etc.)?

- Yes..... 1
- No ..... 2
- Don't know ..... 98
- Prefer not to say ..... 99

# A3) Not including retirement accounts, do you have any investments in stocks, bonds, mutual funds, or other securities?

- Yes..... 1
- No ..... 2
- Don't know ..... 98
- Prefer not to say ..... 99

[IF Q.A3 = 2, 98, 99 (NO/DK/PNTS); TERMINATE]

- # B) [SECTION B: INVESTMENTS]
- # B1) The following questions are about your investments that are not in retirement accounts. We will refer to these as “non-retirement accounts.”
- # B2) Which of the following types of investments do you currently own in non-retirement accounts?

[CREATE TWO BLOCKS: BLOCK 1 = B2\_1 THROUGH B2\_20; BLOCK 2 = B2\_21 through B2\_25; ALWAYS DISPLAY BLOCK 1 FIRST AND THEN BLOCK 2, BUT RANDOMIZE WITHIN BLOCKS]

|                     |  | Yes | No | Don't know | Prefer not to say |
|---------------------|--|-----|----|------------|-------------------|
| B2_1)               | Individual stocks                              | 1   | 2  | 98         | 99                |
| B2_2)               | Individual bonds                               | 1   | 2  | 98         | 99                |
| B2_3)               | Mutual funds                                   | 1   | 2  | 98         | 99                |
| B2_4)               | Exchange Traded Funds (ETFs)                   | 1   | 2  | 98         | 99                |
| B2_5)               | Annuities (fixed, indexed, or variable)        | 1   | 2  | 98         | 99                |
| B2_7)               | Commodities or futures                         | 1   | 2  | 98         | 99                |
| B2_20) <sup>1</sup> | Whole life insurance (not term life insurance) | 1   | 2  | 98         | 99                |
| B2_21) <sup>2</sup> | REITs  | 1   | 2  | 98         | 99                |
| B2_23) <sup>3</sup> | Microcap stocks or penny stocks                | 1   | 2  | 98         | 99                |
| B2_24) <sup>4</sup> | Structured notes                               | 1   | 2  | 98         | 99                |
| B2_25) <sup>5</sup> | Private placements                             | 1   | 2  | 98         | 99                |

- # B30)<sup>6</sup> When did you first start investing in non-retirement accounts?

|  |    |
|--|----|
| Less than a year ago.....              | 1  |
| 1 year to less than 2 years ago .....  | 2  |
| 2 years to less than 5 years ago.....  | 3  |
| 5 years to less than 10 years ago..... | 4  |
| 10 years ago or more.....              | 5  |
| Don't know .....                       | 98 |
| Prefer not to say .....                | 99 |

<sup>1</sup> 2018: New question. Replaces B2\_6 from 2015.

<sup>2</sup> 2018: New question.

<sup>3</sup> 2018: New question.

<sup>4</sup> 2018: New question.

<sup>5</sup> 2018: New question.

<sup>6</sup> 2021: New question.

|   |                   |   |    |
|---|-------------------|---|----|
| # | B31) <sup>7</sup> | When did you <u>most recently</u> open a new non-retirement investment account?                               |    |
|   |                   | [IF Q.B30 = 3, 4, 5, 98, 99 DISPLAY] 2018 or earlier.....   | 1  |
|   |                   | [IF Q.B30 = 2, 3, 4, 5, 98, 99 DISPLAY] 2019 .....  | 2  |
|   |                   | 2020 .....  | 3  |
|   |                   | 2021 .....  | 4  |
|   |                   | Don't know .....  | 98 |
|   |                   | Prefer not to say .....   | 99 |
| # | B3)               | In the <u>past 12 months</u> , how many times have you bought or sold investments in non-retirement accounts? |    |
|   |                   | None.....   | 1  |
|   |                   | 1 to 3 times.....   | 2  |
|   |                   | 4 to 10 times.....  | 3  |
|   |                   | 11 times or more .....  | 4  |
|   |                   | Don't know .....  | 98 |
|   |                   | Prefer not to say .....   | 99 |
| # | B32) <sup>8</sup> | Compared to before the pandemic, did you trade more frequently during the pandemic?                           |    |
|   |                   | Yes.....  | 1  |
|   |                   | No .....  | 2  |
|   |                   | Don't know .....  | 98 |
|   |                   | Prefer not to say .....   | 99 |
| # | B4)               | What is the approximate total value of all of your investments in non-retirement accounts?                    |    |
|   |                   | Less than \$2,000 .....   | 1  |
|   |                   | \$2,000 to less than \$5,000 .....  | 2  |
|   |                   | \$5,000 to less than \$10,000.....  | 3  |
|   |                   | \$10,000 to less than \$25,000.....   | 4  |
|   |                   | \$25,000 to less than \$50,000.....   | 5  |
|   |                   | \$50,000 to less than \$100,000.....  | 6  |
|   |                   | \$100,000 to less than \$250,000.....   | 7  |
|   |                   | \$250,000 to less than \$500,000.....   | 8  |
|   |                   | \$500,000 to less than \$1,000,000.....   | 9  |
|   |                   | \$1,000,000 or more.....  | 10 |
|   |                   | Don't know .....  | 98 |
|   |                   | Prefer not to say .....   | 99 |
| # | B5)               | Do any of your investment accounts allow you to make purchases on margin?                                     |    |
|   |                   | Yes.....  | 1  |
|   |                   | No .....  | 2  |
|   |                   | Don't know .....  | 98 |
|   |                   | Prefer not to say .....   | 99 |

<sup>7</sup> 2021: New question.

<sup>8</sup> 2021: New question.

|   |                    |  |    |
|---|--------------------|--|----|
| # | B6)                | [IF Q.B5 = 1 (YES), ASK; OTHERWISE SKIP TO Q.B33]<br>Have you made any securities purchases on margin?   |    |
|   |                    | Yes.....   | 1  |
|   |                    | No .....   | 2  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
| # | B20) <sup>9</sup>  | [IF Q.B6 = 1 (YES), ASK; OTHERWISE SKIP TO Q.B33]<br>Have you ever had a margin call?  |    |
|   |                    | Yes.....   | 1  |
|   |                    | No .....   | 2  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
| # | B33) <sup>10</sup> | Do any of your investment accounts allow options trading?  |    |
|   |                    | Yes.....   | 1  |
|   |                    | No .....   | 2  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
| # | B34) <sup>11</sup> | [IF Q.B33 = 1 (YES), ASK; OTHERWISE SKIP TO Q.B10]<br>Have you ever purchased or sold options?   |    |
|   |                    | Yes.....   | 1  |
|   |                    | No .....   | 2  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
| # | B10)               | Which of the following statements comes closest to describing the amount of financial risk that you are willing to take when you save or make investments? |    |
|   |                    | Take substantial financial risks expecting to earn substantial returns.....  | 1  |
|   |                    | Take above average financial risks expecting to earn above average returns.....  | 2  |
|   |                    | Take average financial risks expecting to earn average returns.....  | 3  |
|   |                    | Not willing to take any financial risks .....  | 4  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |

<sup>9</sup> 2018: New question.

<sup>10</sup> 2021: New question.

<sup>11</sup> 2021: New question. Replaces B2\_22 from 2018.

|   |                    |  |    |
|---|--------------------|--|----|
| # | B11) <sup>12</sup> | How much of your non-retirement portfolio is invested in stocks or mutual funds/ETFs that contain stocks?  |    |
|   |                    | More than half.....  | 1  |
|   |                    | Less than half.....  | 2  |
|   |                    | None.....  | 3  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
| # | B35) <sup>13</sup> | Have you bought or sold shares of GameStop, AMC, or Blackberry this year (2021)?                           |    |
|   |                    | Yes.....   | 1  |
|   |                    | No .....   | 2  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
| # | B23) <sup>14</sup> | Have you heard of cryptocurrencies (e.g., Bitcoin, Ethereum, or Litecoin)?                                 |    |
|   |                    | Yes.....   | 1  |
|   |                    | No .....   | 2  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
|   |                    | [IF Q.B23 = 1 (YES), ASK; OTHERWISE SKIP TO Q.C22]   |    |
| # | B24) <sup>15</sup> | In your opinion, how risky are cryptocurrencies as an investment?  |    |
|   |                    | Not at all risky.....  | 1  |
|   |                    | Slightly risky.....  | 2  |
|   |                    | Moderately risky .....   | 3  |
|   |                    | Very risky.....  | 4  |
|   |                    | Extremely risky.....   | 5  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |
| # | B25) <sup>16</sup> | Have you invested in cryptocurrencies, either directly or through a fund that invests in cryptocurrencies? |    |
|   |                    | Yes.....   | 1  |
|   |                    | No .....   | 2  |
|   |                    | Don't know .....   | 98 |
|   |                    | Prefer not to say .....  | 99 |

<sup>12</sup> 2021: Minor wording changes (added “ETFs”).

<sup>13</sup> 2021: New question.

<sup>14</sup> 2018: New question.

<sup>15</sup> 2018: New question.

<sup>16</sup> 2018: New question.

# B26)<sup>17</sup> Are you considering investing in cryptocurrencies in the future?

|                         |    |
|-------------------------|----|
| Yes.....                | 1  |
| No .....                | 2  |
| Don't know .....        | 98 |
| Prefer not to say ..... | 99 |

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<sup>17</sup> 2018: New question.

# C) [SECTION C: ACCOUNTS & TRANSACTIONS]

# C22)<sup>18</sup> How often do you buy or sell investments for your non-retirement accounts in the following ways?

[DO NOT RANDOMIZE]

|        |  | Never | Sometimes | Frequently | Don't know | Prefer not to say |
|--------|--|-------|-----------|------------|------------|-------------------|
| C22_1) | I contact a specific person (my financial advisor) and ask them to make the sale or purchase | 1     | 2         | 3          | 98         | 99                |
| C22_2) | I call my financial firm and speak to an available representative                            | 1     | 2         | 3          | 98         | 99                |
| C22_3) | I place orders online through a website  | 1     | 2         | 3          | 98         | 99                |
| C22_4) | I place orders through a mobile app  | 1     | 2         | 3          | 98         | 99                |

# C23)<sup>19</sup> Do you pay any of the following types of fees for investing in your non-retirement accounts?

[RANDOMIZE]

|                      |                                  | Yes | No | Don't know | Prefer not to say |
|----------------------|----------------------------------|-----|----|------------|-------------------|
| C23_1)               | Fees for investment advice       | 1   | 2  | 98         | 99                |
| C23_2)               | Fees or commissions for trades   | 1   | 2  | 98         | 99                |
| C23_3) <sup>20</sup> | Mutual fund/ETF fees or expenses | 1   | 2  | 98         | 99                |
| C23_4)               | Account service fees             | 1   | 2  | 98         | 99                |

# C24)<sup>21</sup> Considering all the various types of fees, approximately what percentage of your invested assets do you pay annually in fees for your non-retirement accounts?

|                           |    |
|---------------------------|----|
| Do not pay any fees ..... | 1  |
| Less than 0.5%.....       | 2  |
| 0.5% to less than 1%..... | 3  |
| 1% to less than 2%.....   | 4  |
| 2% to less than 4%.....   | 5  |
| 4% or more.....           | 6  |
| Don't know .....          | 98 |
| Prefer not to say .....   | 99 |

<sup>18</sup> 2018: New questions.

<sup>19</sup> 2018: New questions. These replace C16 from 2015.

<sup>20</sup> 2021: Minor wording changes (added "ETF").

<sup>21</sup> 2018: New question. Replaces C14 from 2015.

# C25)<sup>22</sup> [IF Q.C24 = 1 – 6, ASK; OTHERWISE SKIP TO Q.C26]  
 How confident are you in the answer you just provided?

|                              |   |   |   |   |   |   |   |   |                              |               |                      |
|------------------------------|---|---|---|---|---|---|---|---|------------------------------|---------------|----------------------|
| Not At All<br>Confident<br>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Extremely<br>Confident<br>10 | Don't<br>know | Prefer not<br>to say |
| 1                            | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10                           | 98            | 99                   |

# C26)<sup>23</sup> [DISPLAY Q's C26 AND C30 ON SAME SCREEN]  
 A **trusted contact** is a person you authorize your investment firm to contact if the firm has trouble reaching you or suspects financial exploitation.

Have you authorized a trusted contact for any of your investment accounts?

- Yes..... 1
- No ..... 2
- Don't know ..... 98
- Prefer not to say ..... 99

# C30)<sup>24</sup> Have you been named as a trusted contact for someone else's investment account(s)?

- Yes..... 1
- No ..... 2
- Don't know ..... 98
- Prefer not to say ..... 99

# C7) Have you ever checked with a state or federal regulator regarding the background, registration, or license of a financial professional?

- Yes..... 1
- No ..... 2
- Don't know ..... 98
- Prefer not to say ..... 99

<sup>22</sup> 2018: New question. Replaces C14 from 2015.

<sup>23</sup> 2018: New question.

<sup>24</sup> 2021: New question.

# D) [SECTION D: SECURITIES MARKET]  
 # D1) How confident are you that U.S financial markets...  
 [RANDOMIZE]

|  | Not At All<br>Confident<br>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Extremely<br>Confident<br>10 | Don't<br>know | Prefer<br>not to<br>say |
|--|------------------------------|---|---|---|---|---|---|---|---|------------------------------|---------------|-------------------------|
| D1_1) Offer good long-term opportunities for investors | 1                            | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10                           | 98            | 99                      |
| D1_2) Are fair to all investors                        | 1                            | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10                           | 98            | 99                      |

# D2) What do you expect the approximate average annual return of the S&P 500 stock index to be over the next 10 years (without adjusting for inflation)?

- Less than 0% (a negative return) ..... 1
- 0% to 4.9%..... 2
- 5% to 9.9%..... 3
- 10% to 14.9%..... 4
- 15% to 19.9%..... 5
- 20% or more..... 6
- Don't know ..... 98
- Prefer not to say ..... 99

# D3) Over the next 12 months, how well do you expect your portfolio of investments to perform?

[RANDOMIZE ORDER FROM 1, 2, 3 TO 3, 2, 1; ANCHOR CODES 98, 99]

- Worse than the market as a whole..... 1
- About the same as the rest of the market as a whole ..... 2
- Better than the market as a whole ..... 3
- Don't know ..... 98
- Prefer not to say ..... 99

[RANDOMIZE Q.D21 AND Q.D30]

# D21)<sup>25</sup> If the stock market were to drop by 20% over a short period of time, what would you do in response?

[RANDOMIZE – ANCHOR CODES 3, 98, 99]

- Buy stocks or stock funds ..... 1
- Sell stocks or stock funds..... 2
- Neither ..... 3
- Don't know ..... 98
- Prefer not to say ..... 99

<sup>25</sup> 2018: New question.

# D30)<sup>26</sup> If the stock market were to increase by 20% over a short period of time, what would you do in response?

[RANDOMIZE IN SAME ORDER AS D21 – ANCHOR CODES 3, 98, 99]

- Buy stocks or stock funds ..... 1
- Sell stocks or stock funds..... 2
- Neither ..... 3
- Don't know ..... 98
- Prefer not to say ..... 99

# D31)<sup>27</sup> How strongly do you agree or disagree with the following statement?

Please give your answer on a scale of 1 to 7, where 1 = “Strongly Disagree,” 7 = “Strongly Agree,” and 4 = “Neither Agree Nor Disagree”. You can use any number from 1 to 7.

|   | Strongly Disagree<br>1 | 2 | 3 | Neither Agree nor Disagree<br>4 | 5 | 6 | Strongly Agree<br>7 | Don't know | Prefer not to say |
|---|------------------------|---|---|---------------------------------|---|---|---------------------|------------|-------------------|
| I am worried about losing money due to investment fraud | 1                      | 2 | 3 | 4                               | 5 | 6 | 7                   | 98         | 99                |

<sup>26</sup> 2021: New question.

<sup>27</sup> 2021: New question. Replaces D4 from 2018.

# E) [SECTION E: DISCLOSURE & REGULATION]

# E1\_1)<sup>28</sup> How confident are you that U.S. financial markets are effectively regulated to protect investors from fraud and abusive sales practices ?

|                              |   |   |   |   |   |   |   |   |                              |               |                      |
|------------------------------|---|---|---|---|---|---|---|---|------------------------------|---------------|----------------------|
| Not At All<br>Confident<br>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Extremely<br>Confident<br>10 | Don't<br>know | Prefer not<br>to say |
| 1                            | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10                           | 98            | 99                   |

# E20)<sup>29</sup> Do you feel that investment industry disclosures regarding topics such as fees, risks of investing, and potential conflicts of interest are adequate?

|                         |    |
|-------------------------|----|
| Yes.....                | 1  |
| No .....                | 2  |
| Don't know .....        | 98 |
| Prefer not to say ..... | 99 |

# E5) What do you believe is the purpose of disclosures?

|  |    |
|--|----|
| Protecting investors.....                                | 1  |
| Protecting the institutions that manage investments..... | 2  |
| Both.....  | 3  |
| Neither .....  | 4  |
| Don't know .....   | 98 |
| Prefer not to say .....                                  | 99 |

# E6) By which method would you prefer to receive mandatory disclosures regarding your investments?

|   |    |
|---|----|
| In-person meetings with a broker or advisor .....               | 1  |
| Paper documents physically mailed to you.....                   | 2  |
| Documents delivered to you electronically by email.....         | 3  |
| Documents that you access on the Internet (not via email) ..... | 4  |
| None of the above .....   | 5  |
| Don't know .....  | 98 |
| Prefer not to say .....   | 99 |

<sup>28</sup> 2018: Changed format of question from a grid with multiple items in 2015 to a single question in 2018.

<sup>29</sup> 2018: New question. Replaces E4 from 2015.

# F) [SECTION F: INFORMATION SOURCES]

# F30)<sup>30</sup> How much do you rely on each of the following when making decisions about what to invest in?  
[RANDOMIZE]

|         |   | Not at all | Somewhat | A great deal | Don't know | Prefer not to say |
|---------|---|------------|----------|--------------|------------|-------------------|
| F30_1)  | Recommendations from financial professionals who advise you personally              | 1          | 2        | 3            | 98         | 99                |
| F30_2)  | Investment research and tools provided by your brokerage or financial advisory firm | 1          | 2        | 3            | 98         | 99                |
| F30_3)  | Popular investments displayed on a mobile trading app you use                       | 1          | 2        | 3            | 98         | 99                |
| F30_4)  | Business and finance articles in print or on the Internet                           | 1          | 2        | 3            | 98         | 99                |
| F30_5)  | TV programs about business and finance  | 1          | 2        | 3            | 98         | 99                |
| F30_6)  | Radio programs about business and finance   | 1          | 2        | 3            | 98         | 99                |
| F30_7)  | Online videos about business and finance  | 1          | 2        | 3            | 98         | 99                |
| F30_8)  | Podcasts about business and finance   | 1          | 2        | 3            | 98         | 99                |
| F30_9)  | Social media groups or message boards where people post investment ideas            | 1          | 2        | 3            | 98         | 99                |
| F30_10) | Financial newsletters or online resources that you pay for                          | 1          | 2        | 3            | 98         | 99                |
| F30_11) | Investment clubs or investor membership organizations                               | 1          | 2        | 3            | 98         | 99                |
| F30_12) | Information from friends, family, colleagues  | 1          | 2        | 3            | 98         | 99                |

# F31)<sup>31</sup> Which, if any, of the following do you use for information about investing?

[RANDOMIZE]

|         |            | Yes | No | Don't know | Prefer not to say |
|---------|------------|-----|----|------------|-------------------|
| F31_1)  | YouTube    | 1   | 2  | 98         | 99                |
| F31_2)  | Facebook   | 1   | 2  | 98         | 99                |
| F31_3)  | Reddit     | 1   | 2  | 98         | 99                |
| F31_4)  | TikTok     | 1   | 2  | 98         | 99                |
| F31_5)  | Instagram  | 1   | 2  | 98         | 99                |
| F31_6)  | Twitter    | 1   | 2  | 98         | 99                |
| F31_7)  | Discord    | 1   | 2  | 98         | 99                |
| F31_8)  | Twitch     | 1   | 2  | 98         | 99                |
| F31_9)  | Clubhouse  | 1   | 2  | 98         | 99                |
| F31_10) | LinkedIn   | 1   | 2  | 98         | 99                |
| F31_11) | Stocktwits | 1   | 2  | 98         | 99                |

<sup>30</sup> 2021: New questions. These replace C20, F1 and F2 from 2018.

<sup>31</sup> 2021: New questions.

# G) [SECTION G: QUIZ & SELF-PERCEPTION]

# G1) How comfortable are you when it comes to making investment decisions?

|                             |   |   |   |   |   |   |   |   |                             |            |                   |
|-----------------------------|---|---|---|---|---|---|---|---|-----------------------------|------------|-------------------|
| Not At All Comfortable<br>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Extremely Comfortable<br>10 | Don't know | Prefer not to say |
| 1                           | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10                          | 98         | 99                |

# G2) On a scale from 1 to 7, where 1 means very low and 7 means very high, how would you assess your overall knowledge about investing?

|               |   |   |   |   |   |                |            |                   |
|---------------|---|---|---|---|---|----------------|------------|-------------------|
| Very Low<br>1 | 2 | 3 | 4 | 5 | 6 | Very High<br>7 | Don't know | Prefer not to say |
| 1             | 2 | 3 | 4 | 5 | 6 | 7              | 98         | 99                |

# G30)<sup>32</sup> How well does each of the following describe why you invest?

[RANDOMIZE; PAIR G30\_1 & G30\_2]

|        |   | Does not describe at all | Describes somewhat | Describes very well | Don't know | Prefer not to say |
|--------|---|--------------------------|--------------------|---------------------|------------|-------------------|
| G30_1) | To make money in the <u>short term</u>  | 1                        | 2                  | 3                   | 98         | 99                |
| G30_2) | To make money in the <u>long term</u>   | 1                        | 2                  | 3                   | 98         | 99                |
| G30_3) | For entertainment/excitement/fun/playing a game                                       | 1                        | 2                  | 3                   | 98         | 99                |
| G30_4) | My peers are doing it/social activity/connecting with others                          | 1                        | 2                  | 3                   | 98         | 99                |
| G30_5) | To make a difference in the world/support values I care about/be socially responsible | 1                        | 2                  | 3                   | 98         | 99                |
| G30_6) | To learn about investing  | 1                        | 2                  | 3                   | 98         | 99                |

# G31)<sup>33</sup> How important is ESG (environmental, social, and corporate governance issues) to you when making investment decisions?

|                           |   |   |   |   |   |   |   |   |                           |            |                   |
|---------------------------|---|---|---|---|---|---|---|---|---------------------------|------------|-------------------|
| Not At All Important<br>1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Extremely Important<br>10 | Don't know | Prefer not to say |
| 1                         | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10                        | 98         | 99                |

<sup>32</sup> 2021: New questions.

<sup>33</sup> 2021: New question.

- # G3) You will now see a set of questions regarding various aspects of investing. This is not a test, and you will not be “graded” on your responses. If you do not know an answer or are not sure, please feel free to indicate that.
- # G4) If you buy a company’s stock...
- You own a part of the company ..... 1
  - You have lent money to the company ..... 2
  - You are liable for the company’s debts ..... 3
  - The company will return your original investment to you with interest..... 4
  - Don’t know ..... 98
  - Prefer not to say ..... 99
- # G5) If you buy a company’s bond...
- You own a part of the company ..... 1
  - You have lent money to the company ..... 2
  - You are liable for the company’s debts ..... 3
  - You can vote on shareholder resolutions ..... 4
  - Don’t know ..... 98
  - Prefer not to say ..... 99
- # G6) If a company files for bankruptcy, which of the following securities is most at risk of becoming virtually worthless?
- The company’s preferred stock ..... 1
  - The company’s common stock..... 2
  - The company’s bonds ..... 3
  - Don’t know ..... 98
  - Prefer not to say ..... 99
- # G7) In general, investments that are riskier tend to provide higher returns over time than investments with less risk.
- True ..... 1
  - False ..... 2
  - Don’t know ..... 98
  - Prefer not to say ..... 99
- # G21)<sup>34</sup> The past performance of an investment is a good indicator of future results.
- True ..... 1
  - False ..... 2
  - Don’t know ..... 98
  - Prefer not to say ..... 99

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<sup>34</sup> 2018: New question.

- # G8) Over the last 20 years in the US, the best average returns have been generated by:
- Stocks.....1
  - Bonds .....2
  - CDs .....3
  - Money market accounts .....4
  - Precious metals .....5
  - Don't know .....98
  - Prefer not to say .....99
- # G22)<sup>35</sup> What is the main advantage that index funds have when compared to actively managed funds?
- Index funds are generally less risky in the short term.....1
  - Index funds generally have lower fees and expenses .....2
  - Index funds are generally less likely to decline in value .....3
  - Don't know .....98
  - Prefer not to say .....99
- # G11) Which of the following best explains why many municipal bonds pay lower yields than other government bonds?
- Municipal bonds are lower risk.....1
  - There is a greater demand for municipal bonds.....2
  - Municipal bonds can be tax-free.....3
  - Don't know .....98
  - Prefer not to say .....99
- # G12) You invest \$500 to buy \$1,000 worth of stock on margin. The value of the stock drops by 50%. You sell it. Approximately how much of your original \$500 investment are you left with in the end?
- \$500 .....1
  - \$250 .....2
  - \$0 .....3
  - Don't know .....98
  - Prefer not to say .....99
- # G13) Which is the best definition of “selling short”?
- Selling shares of a stock shortly after buying it.....1
  - Selling shares of a stock before it has reached its peak .....2
  - Selling shares of a stock at a loss.....3
  - Selling borrowed shares of a stock .....4
  - Don't know .....98
  - Prefer not to say .....99

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<sup>35</sup> 2018: New question.

# G23)<sup>36</sup> If you own a call option with a strike price of \$50 on a security that is priced at \$40, and the option is expiring today, which of the following is closest to the value of that option?

|                         |    |
|-------------------------|----|
| \$10 .....              | 1  |
| \$0 .....               | 2  |
| -\$10 .....             | 3  |
| Don't know .....        | 98 |
| Prefer not to say ..... | 99 |

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<sup>36</sup> 2018: New question.

- # H) [SECTION H: MISCELLANEOUS QUESTIONS]
- # [DISPLAY Q's H30 AND H31 ON SAME SCREEN]
- # H30) This final question is for statistical purposes only. As with the rest of this survey, your answers are completely confidential and anonymous.
- # H31)<sup>37</sup> Do you currently have a will?
  - Yes.....1
  - No .....2
  - Don't know .....98
  - Prefer not to say .....99
- # 999) [POINT OF COMPLETE]

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<sup>37</sup> 2021: This question was removed from the State-by-State Survey and added to the Investor Survey.