Final Questionnaire

**2012 CSA Investor Index**

**Ontario Securities Commission**

20 Queen Street West

19th Floor Mail Room  
Toronto, Ontario  
M5H 3S8

**Last Revised:** May 16th, 2012

Prepared by:

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**Overall Research Objectives:**

**Method:** Online survey

**Sample Source**: Canada 20/20

**Questionnaire Length**: equivalent of 60 questions

**Language**: Bilingual (French & English)

**Sample Size:** n=5,524 (including provincial oversamples)

**Research Objective:**

The *CSA Investor Index* is designed to answer the following questions:

* Track the change in investor competence since 2006 and 2009;
* Track the change in the incidence of investor fraud since 2006 and 2009;
* Track the change in awareness of securities regulators and the public’s expectations of them since 2006 and 2009;
* Synthesize these findings into a single index (or series of indicators) to assess overall investor competence and awareness of fraud in all 10 provinces, Northern Territories and nationally;
* Allow for cross-referencing of results by key demographic groups; and
* Support *investor education* planning, including risk profiling and target market identification.

**Sample Design:**

The base survey will be n=5,000 nationally and oversampling will be conducted in any province that would not have at least 200 respondents in the nationally proportionate sample. A sample of this size would have the following regional distribution and margins of error.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Province** | **Pop.**  **('000)** | **Pop. (%)** | **Base Sample** | **Over-**  **sample** | **Total**  **Sample** | **Margin of Error**  **95% (+/-)** |
| NL | 511 | 1.5 | 74 | 126 | 200 | 6.9 |
| PE | 146 | 0.4 | 21 | 179 | 200 | 6.9 |
| NS | 946 | 2.7 | 137 | 63 | 200 | 6.9 |
| NB | 756 | 2.2 | 109 | 91 | 200 | 6.9 |
| QC | 8,002 | 23.1 | 1,156 | - | 1,156 | 2.9 |
| ON | 13,423 | 38.8 | 1,939 | - | 1,939 | 2.2 |
| MB | 1,255 | 3.6 | 181 | 19 | 200 | 6.9 |
| SK | 1,064 | 3.1 | 154 | 46 | 200 | 6.9 |
| AB | 3,799 | 11.0 | 549 | - | 549 | 4.2 |
| BC | 4,592 | 13.3 | 663 | - | 663 | 3.8 |
| YT,NT,NU | 112 | 0.3 | 16 | - | 16 | - |
| **National** | **34,605** | **100%** | **5,000** | **524** | **5,524** | **1.4%** |

**Survey Design:**

**Tracking Key Benchmarks**

Integrates core tracking questions from the *2006 Investor Protection Index* and the *2009 CSA Investor Index.* This includes tracking on *Investor Competence*, *Fraud Awareness,* and *Awareness of Provincial Securities Regulators*.

**Rate of Return / Market Expectations**

Building on our tracking of *Investor Competence*, we include new questions measuring respondents’ expectations about reasonable rates of return, including three questions which will allow us to compare Canadians’ financial literacy to the financial literacy of other countries in a standardized manner.

**Social Media**

How Canadian investors are using social media, with regard to investment decisions.

**Demographics and Segmentation Questions**

Allows us to explore target audiences.

**Introduction**

Welcome to our special survey about Canadian saving and investing habits.

Please answer all of the questions to the best of your ability. We recognize the sensitive nature of some of the information you will be asked to provide. As always, all your answers are strictly confidential and will be grouped together to protect your anonymity.

When answering the questions, please provide us with the response that holds most true for you and is your first impression. Do not try to respond on the behalf of others.

The survey will take approximately 15 minutes to complete.

Thank you for your time,

***The Canada 20/20 Team***

***On behalf of Innovative Research Group Inc.***

Click here for the Innovative Research Group Inc.’s privacy policy.

## Investor Profile

**(2006 [wording slightly modified], 2009)**

1. Do you personally have any savings or investments set aside for the future? This could be either in or outside of an RRSP (Registered Retirement Savings Plan), RRIF (Registered Retirement Income Fund) or TFSA (Tax-Free Savings Account). Check all that apply.

[MULTIPLE MENTION]

1 Savings or investments IN an RRSP, RRIF or pension plan

2 Savings or investments IN a TFSA

3 Savings or investments OUTSIDE an RRSP, RRIF, pension plan or TFSA

4 Currently do not have any savings or investments set aside for the future [**MUTUALLY EXCLUSIVE**, GO TO **Q6**]

**(2009 [wording slightly modified])**

1. Which of the following savings or investment products do you own?

1 Yes

2 No

98 Don’t Know

**RANDOMIZE SCALE from 2a to 2i**

a Term deposits or GICs \*\*\*(If only Q2a, GO to **Q4**)

b Individually held stocks

c Corporate or government bonds

d Mutual funds

e Exchange traded funds

f Income trusts

g Options

h Principle protected notes

i Hedge funds

j Other [please specify]

**(2006, 09)**

**[Ask only if at least one of Q2b to Q2j = 1]**

1. In general, how often do you – or your financial advisor on your behalf – buy or sell investments like stocks, bonds, mutual funds or other investments in the financial markets?

1 Weekly

2 Monthly

3 Quarterly (every three months)

4 Once or twice a year

5 Less than once a year

98 Don’t know

**(NEW)**

1. How large would you say your investment portfolio is today?

[insert estimate] dollars (GO TO **Q6**)

98 Don’t know

99 Prefer not to say

**[ASK ONLY IF Q4 = 98/99]**

1. Based on your best estimate, in what range would you say your investment portfolio falls?
2. Under $10,000
3. $10,000 to less than $25,000

3 $25,000 to less than $50,000

4 $50,000 to less than $100,000

5 $100,000 to less than $250,000

6 $250,000 to less than $500,000

7 $500,000 to less than $1 million

8 $1 million or more

98 Don’t know

99 Prefer not to say

**(2006, 07, 09)**

1. How confident are you when it comes to making investment decisions?

1 Very confident

2 Somewhat confident

3 Not very confident

4 Not at all confident

98 Don’t know

## Risk Profile

**(2009)**

1. Which of the following best describes your investment style?

1 I consider myself **very aggressive**; I am willing to take a fair amount of risk to achieve above-average returns

2 I consider myself **fairly aggressive**; I am willing to take some risk to achieve above-average returns

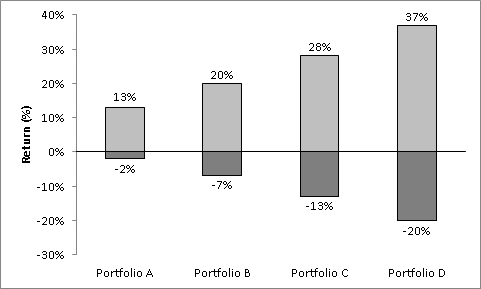
3 I consider myself **fairly conservative**; I will take only a little bit of risk

4 I consider myself **very conservative**; I only purchase the least risky investments

98 Don’t know

**(2009)**

1. A portfolio is a basket of different investments. The returns earned by a specific portfolio depend on the mix of investments that make up the portfolio. The following graph shows the probable range of returns (from best to worst) of four hypothetical portfolios over a one-year period. Which of these portfolios would you prefer to invest in?



1 Portfolio A

2 Portfolio B

3 Portfolio C

4 Portfolio D

98 Don’t know

**(2006-09)**

1. When was the last time you thoroughly reviewed the level of risk you’re willing to take with your investments?

1 Within the last year

2 Within the past two years

3 Within the past five years

4 More than five years ago

5 I have not reviewed the risk I am willing to take

98 Don’t know

**(2006)**

1. Please indicate if you agree or disagree with the following statement:  
   ***I understand how risky each of my investments are today.***

1 Strongly agree

2 Somewhat agree

3 Somewhat disagree

4 Strongly disagree

98 Don’t know

## Use of Financial Advisor, Financial Plan

**(2006-09)**

1. Do you have a financial advisor and, if so, how long have you had your current advisor?

1 No financial advisor (GO TO **Q17, Do you have a formal written plan**)

2 Yes, less than a year

3 Yes, between one and five years

4 Yes, between six and 10 years

5 Yes, more than 10 years

6 I usually have a financial advisor, but do not have one now

98 Don’t know (GO TO **Q17, Do you have a formal written plan**)

**(2009)**

1. How comfortable do you feel bringing forth concerns and questions when speaking with your financial advisor?

1 Very comfortable

2 Somewhat comfortable

3 Not very comfortable

4 Not at all comfortable

98 Don’t know

**(NEW)**

1. Have you ever checked into the background of your financial advisor in any way?

1 Yes

2 No (GO TO Q15)

98 Don’t Know (GO TO Q15)

**(NEW)**

**[Ask only if Q13 = 1]**

1. What sources did you use to check the background of your financial advisor?

**[OPEN ENDED]**

**(NEW)**

1. Is your financial advisor being paid by any of the following methods?

1 Yes

2 No

98 Don’t Know

a Salary (the cost of their advice is built into the products you buy)

b Flat fee based on the assets in your account

c Flat fee based on an hourly rate

d Commission based on the products they sell

e Other (Please Specify)

**(NEW)**

1. Do you agree or disagree with the following statement:

***I know exactly how much I have paid my financial advisor in the past 12 months.***

1 Strongly agree

2 Somewhat agree

3 Somewhat disagree

4 Strongly disagree

98 Don’t Know

**(2009)**

1. Do you have a formal, written financial plan that includes clear investment goals?

1 Yes

2 No (GO TO **Q20**)

98 Don’t know (GO TO **Q20**)

**(2009)**

1. Have you reviewed your financial plan in the **past 12 months**?

1 Yes (GO TO **Q20**)

2 No

98 Don’t know (GO TO **Q20**)

**(NEW)**

**[Ask only if Q18 = 2]**

1. What is the main reason you have **not** reviewed you financial plan in the **past 12 months**?

**[Open-Ended]**

## Market Expectations

**[PROGRAMMING NOTE: ROTATE Q20 and Q21 for “investors”]**

**(NEW)**

**[Ask all respondents]**

1. What do you think is the annual rate of return today on the average **investment portfolio**?

(please represent as a percentage)

\_\_\_\_ %

98 Don’t know

**(NEW)**

**[Ask “investors” only]**

1. What do you think is the annual rate of return today on **your investment portfolio**?

(please represent as a percentage)

\_\_\_\_ %

98 Don’t know

**Index of Investor Optimism (UBS-Gallup Index: Q22 – 28)**

**[PROGRAMMING NOTE Ask Q22 – Q28 to “investors” only]**

**(Q22 – Q28 NEW)**

1. Overall, how optimistic or pessimistic are you that you will be able to achieve your investment targets over the **next 12 months**?

1 Very optimistic

2 Somewhat optimistic

3 Neither optimistic nor pessimistic

4 Somewhat pessimistic

5 Very pessimistic

98 Don’t know

1. Overall, how optimistic or pessimistic are you that you will be able to achieve your investment targets over the **next 5 years**?

1 Very optimistic

2 Somewhat optimistic

3 Neither optimistic nor pessimistic

4 Somewhat pessimistic

5 Very pessimistic

98 Don’t know

1. How would you rate your ability to maintain or increase your current income over the **next 12 months**?

1 Very optimistic

2 Somewhat optimistic

3 Neither optimistic nor pessimistic

4 Somewhat pessimistic

5 Very pessimistic

98 Don’t know

Now we would like you to think about the factors that could affect the overall investment environment.

As far as the general condition of the economy is concerned, how would you rate the following over the **next 12 months**?

1 Very optimistic

2 Somewhat optimistic

3 Neither optimistic nor pessimistic

4 Somewhat pessimistic

5 Very pessimistic

98 Don’t know

1. Economic growth
2. Unemployment rate
3. Performance of the stock market
4. Inflation

## Investment Knowledge Index

**(NEW)**

1. Suppose you had $100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

1 More than $102

2 Exactly $102

3 Less than $102

98 Don’t know

**(NEW)**

1. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?

1 More than today

2 Exactly the same

3 Less than today

98 Don’t know

**(Q31-35 NEW)**

Are the following statements true or false?

1 True

2 False

98 Don’t know

**RANDOMIZE**

1. Buying a single company’s stock usually provides a safer return than a stock mutual fund.
2. Mutual funds pay a guaranteed rate of return.
3. Bond prices go up when interest rates go down.
4. When an investor diversifies his or her investments, the risk of losing money increases.
5. Investments that offer a higher-than-market rate of return and little to no risk are almost always fraudulent.

**END BATTERY**

## Sources of Information

**(NEW)**

1. When you **last** looked for information about investing, what sources of information did you use?

1 Yes

2 No

98 Don’t know

**[RANDOMIZE a-o]**

a A financial advisor, such as a bank advisor, stock broker, financial planner, etc.

b A lawyer or accountant

c Books on financial markets, the economy and investing

d A parent

e Family and friends (other than a parent)

f Schools and teachers

g Financial or business media (such as business publications or business television, or financial websites other than your financial institution’s)

h General media (such as newspapers, television or general interest websites)

i Information/newsletters sent to you from a financial advisor or institution

j Mutual fund prospectuses or corporate annual reports

k Research reports from an investment analyst

l Seminars or courses put on by financial professionals

m Your bank or financial institution’s website

n Financial regulators

o Social media (Facebook, LinkedIn, Twitter, etc.)

p Other Internet sources (blogs, chat rooms, forums, discussion boards

q Other (specify)

## Social Media: In-depth

**(Q37-46 NEW)**

1. Do you use any of the following social media websites or services as sources of information about investing?

1 Yes

2 No

98 Don’t know

a Facebook

b LinkedIn

c Twitter

d Online classifieds (Craigslist, Kijiji, etc.)

e Google or YahooGroup

f Myspace

g YouTube

h FourSquare

i Blogs

j RSS New Feeds

f Other (Please Specify)

1. Have you ever seen information on investment opportunities advertised on social media?

1 Yes

2 No (GO TO **Q45**)

98 Don’t know (GO TO **Q45**)

1. Have you ever further pursued an investment opportunity that you came across through social media?

1 Yes

2 No (GO TO **Q45**)

98 Don’t know (GO TO **Q45**)

1. On which social media platform did you find this investment opportunity?

1 Facebook

2 LinkedIn

3 Twitter

4 Online classifieds (Craigslist, Kijiji, etc.)

5 Google or YahooGroup

6 Myspace

7 YouTube

8 FourSquare

9 Blogs

10 RSS New Feeds

88 Other

98 Don’t Know

1. Thinking about the **last time** you pursued an investment opportunity that you came across through social media, did you take any steps to independently verify the investment information?

1 Yes (GO TO **Q43**)

2 No

98 Don’t Know (GO TO **Q44**)

**ASK IF Q41= 2**

1. Why did you not verify the information?

[Open-End] (GO TO **Q44**)

**ASK IF Q41= 1**

1. Where did you verify the information?

[Open-End]

1. Did you ultimately invest in this last investment opportunity discovered through social media?

1 Yes

2 No

98 Don’t Know

1. Each of the following is a potential way for an investor to obtain information before making investment decisions.

On a scale from 0 to 10, where 0 is **completely unreliable** and 10 is **completely reliable**, please indicate how reliable you would rate each potential medium.

0 – Completely unreliable

1-9

10 – Completely reliable

**RANDOMIZE**

a Postal Mail

b Email

c Web sites

d LinkedIn

e Facebook

f Online classifieds (Craigslist, Kijiji, etc.)

g Google or YahooGroup

h Electronic Newsletter

i SMS Text Message

j Telephone call

k Live, face-to-face meeting

1. **How many contacts / followers / friends would you estimate you have for each of the following platforms listed?**

[Enter Number]

97 Don’t use

98 Don’t know

**[Enter Number] email contacts**

**[Enter Number] Facebook friends**

**[Enter Number] LinkedIn contacts**

**[Enter Number] Twitter followers**

## Experience with Investment Fraud

**(Preamble from 2006-09)**

*So far we have focused on investments. Now we would like to turn to fraud. As you know, not every investment makes money. Some investments lose money even if everyone means well and is entirely honest in their dealings.*

*However, there are some cases where people propose an investment to you based on false information when they are trying to steal your money or mislead you. So, in this case, we mean a fraud occurs when someone intentionally gives you false information to get money from you.*

**(NEW)**

1. Where would you go to report a suspected investment fraud?

[OPEN-ENDED, UNAIDED]

**(2006, 07, 09)**

1. Do you think anyone has ever approached you with a possible fraudulent investment?

1 Yes

2 No (GO TO **Q58**)

98 Don’t Know (GO TO **Q58**)

**(2006, 07, 09)**

1. How were you introduced to the **most recent** investment fraud you encountered?

1 From email spam

2 Introduced to fraud over the internet (other than email)

3 Stranger called me over the telephone

4 Stranger came to front door

5 Introduced to fraud artist through friend, neighbour, co-worker or family member

6 Recommended by financial advisor

88 Other (Please Specify)

98 Don’t know

**(2006, 07, 09)**

1. How would you describe the level of trust you developed with the person or persons who **most recently** approached you with a fraudulent investment opportunity?

1 Very strong

2 Somewhat strong

3 Not very strong

4 Not strong at all

98 Don’t know

99 Not applicable

**(2006, 07, 09)**

1. Once you realized this **most recent** investment opportunity was fraudulent, did you report it to the authorities?

1 Yes

2 No (GO TO **Q53**)

98 Don’t know (GO TO **Q54**)

**(NEW)**

1. Where did you go to report the suspected investment fraud?

[Open-End] (GO TO **Q54**)

**(2006, 09)**

1. Why didn’t you report it to the authorities?

[Open-End]

**(2006, 07, 09)**

1. Have you ever invested money in what turned out to be a fraudulent investment?

1 Yes

2 No (GO TO **Q58**)

98 Don’t know (GO TO **Q58**)

**(2006, 09; modified from range to exact number)**

1. How much money did you invest in this **most recent** investment fraud?

[ENTER NUMBER] dollars (GO TO **Q57**)

98 Don’t Know

**[Ask only Q55 = 98]**

1. Based on your best estimate, in to what range would you say the amount you invested in this most recent investment fraud falls?

1 Less than $1,000

2 Between $1,000 and $5,000

3 Between $5000 and $10,000

4 Between $10,000 and $25,000

5 Between $25,000 and $50,000

6 Between $50,000 and $100,000

7 More than $100,000

98 Don’t Know

**(2006, 09)**

1. Did you recover any of your money from this **most recent** fraud, and if so, how much?

[SLIDING PERCENTAGE SCALE]

**Precursor Values**

**(Q58-60 2006, 07)**

For each of these statements, please indicate if you agree or disagree:

1 Strongly agree

2 Somewhat agree

3 Somewhat disagree

4 Strongly disagree

98 Don’t Know

**Randomize**

1. Reporting a fraudulent investment is more trouble than it’s worth.
2. I am just as likely to be a victim of investment fraud as anyone else.
3. You can usually trust someone who is promoting an investment if you have a friend who has already invested with them.

**END BATTERY**

## Awareness of the Provincial Regulator

**(Q61-62 2006, 09)**

1. Is there a provincial government agency responsible for regulating financial investments in your province?

1 Yes

2 No

98 Don’t know

**Note: “territorial government if respondents reside in NU, NT, YK.**

61b. Is there a territorial government agency responsible for regulating financial investments in your territory?

1 Yes

2 No

98 Don’t know

1. In fact, there is a provincial agency in { **Province**} responsible for regulating financial investments called the {**agency name**}. Now that we have mentioned the {**agency name**}, how familiar would you say you are with this agency?

**Note: “territorial government if respondents reside in NU, NT, YK.**

62b. In fact, there is a territorial agency in { **Territory**} responsible for regulating financial investments called the {**agency name**}. Now that we have mentioned the {**agency name**}, how familiar would you say you are with this agency?

1 Very familiar

2 Somewhat familiar

3 Not very familiar

4 I have not heard of that agency before this survey (GO TO Q**67**)

|  |  |
| --- | --- |
| **Province** | **Agency** |
| British Columbia | British Columbia Securities Commission |
| Alberta | Alberta Securities Commission |
| Saskatchewan | Saskatchewan Financial Services Commission |
| Manitoba | Manitoba Securities Commission |
| Ontario | Ontario Securities Commission |
| Quebec | Autorité des marchés financiers |
| New Brunswick | New Brunswick Securities Commission |
| Nova Scotia | Nova Scotia Securities Commission |
| Prince Edward Island | Securities Office |
| Newfoundland and Labrador | Department of Government Services, Financial Services Regulation Division |
| Northwest Territories | Superintendent of Securities |
| Nunavut | Superintendent of Securities |
| Yukon | Superintendent of Securities |

1. Have you ever visited the website of the {**agency name**}?

1 I visit this website regularly

2 I have visited this website on at least one occasion

3 I am familiar with this website but have never visited it

4 I have not heard of their website before this survey

98 Don’t Know

1. Other than visiting their website, have you ever contacted the {**agency name**}?

1 Yes

2 No

98 Don’t Know

[IF Q63<=3 OR Q64=1]

1. Why were you visiting the website and/or contacting the {**agency name**}?

[Open-Ended]

[IF Q63<=3 OR Q64=1]

1. Did you find the information and/or advice provided by {**agency name**} to be helpful?

1 Very helpful

2 Somewhat helpful

3 Not very helpful

4 Not helpful at all

98 Don’t Know

## Demographics and Segmentation

Finally, we have a few questions that will allow us to group similar people together when we analyse the results.

**(2009)**

1. Would you describe yourself as a visible minority?

1 Yes

2 No

98 Don’t know

99 Prefer not to say