

The National Credibility Index: Making Personal Investment Decisions

*Identifying which sources of information the public believes
when evaluating corporate performance for personal investing*

Sponsored by the Public Relations Society of America Foundation
Supported by the Center for International Business Education, Columbia University
Graduate School of Business and School of International and Public Affairs

The National Credibility Index

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Diagnosing Public Trust

The public's opinion on major issues is dissected by polls, surveys, focus groups and other conventional methods of analysis. So exhaustive are these probings that there seems little left to examine.

Yet there is one cardinal factor underlying anyone's opinion on an issue that is not explored: *trust* of the sources of information. To what degree should we trust a person advocating a position on an issue or providing information on a topic of personal importance? What *credibility* does the spokesperson have—or any other source of information?

The National Credibility Index™ fills this void. Revealing the level of trust existing—and the amount yet to be earned—should upgrade the nature of debate and the quality of communication. In fact, Arthur White, founder of market research firm Yankelovich, Skelly & White, said “The Credibility Index has the potential to improve the quality of civil debate in America.”

The National Credibility Index is the nation's only index that measures who and what the public views as credible sources of information. Originated and sponsored by the Public Relations Society of America (PRSA) Foundation and initially funded by The Rockefeller Foundation, the National Credibility Index is based on today's need to gather information from multiple sources as members of the public go about forming opinions and making decisions.

Information itself is important. The *credibility* of the source of information influences how much is believed.

Previous Research Studies

In addition to this study on corporate performance and investing, the National Credibility Index has measured the credibility of up to 44 information sources regarding:

1. Reforming Social Security

2. Using Military Force in Foreign Policy
3. Addressing Race and Ethnic Issues
4. No specific topic is being addressed, or credibility in general

(Please see the Appendix for summaries of these previous studies with tables of credibility rankings.)

This National Credibility Index examines which sources of information the American people view as credible and trustworthy when evaluating corporate performance to make personal investment decisions.

Sixty-Nine Million Investors are in the Market

Individual investing in the stock market is on the rise. Between 1989 and 1998, the number of families in the United States that own corporate stock (directly or indirectly) jumped by 17.2 percent. According to the 1998 Survey of Consumer Finances, 48.8 percent of families in the United States hold stock in publicly traded companies.

Today more than 69 million individual investors participate in the stock market through direct ownership of shares or through mutual funds, retirement accounts or other managed assets. This trend will accelerate as the 78 million baby boomers inherit a good portion of the \$10 trillion nest egg accumulated by their parents.

Dennis Sellers, senior editor of online magazine *MacCentral* claims more individuals are investing because:

1. They don't want to miss out on the stock market boom
2. There has been a shift to more self-directed retirement plans
3. The Internet has lowered the cost-of-entry to investing

Where do people turn for reliable information about corporate performance, and who do they believe? The National Credibility Index assessed which sources of information the public views to be credible and truthful when gathering information in order to make personal investment decisions.

Methodology for Measuring Trust

The National Credibility Index conducts research to provide detailed information on which sources of information the public views to be credible and believable. This “Investor” study was sponsored by the Public Relations Society of America Foundation and supported by the Center for International Business Education, Columbia University Graduate School of Business and School of International and Public Affairs.

Data was collected from a national public opinion survey conducted in October 1999. The core of the study was a 15-minute telephone survey of a representative sample of 1,002 adults (see Appendix for how the survey was conducted and the survey questions).

One of the key questions survey respondents were asked was “Suppose that you had to make an investment decision about a business or company, for example, investing in stock. Where would you go to get information about this business or company?”

They were also asked their perceptions of *credibility*, *honesty* and *truthfulness* of 38 different information sources (the order of information sources was randomly rotated to reduce question-order bias).

Responses were scaled to provide a mean credibility rating from 0 to 100 for each information source:

- “Very credible” 100
- “Somewhat credible” 75
- “Don’t know”* 50
- “Not so credible” 25
- “Not at all credible” 0

*or other responses indicating neither “credible” or “not credible”(leaning both ways)

How the Public Ranks the Credibility of Information Sources Regarding Corporate Performance

There is a wide variation—more than 50 points on a 100-point scale—in the average credibility ratings of 38 different information sources about corporate performance. The highest rating is attributed to a company annual report (81.9). The lowest credibility score (30.7) is attributed to a participant in an Internet chat room for investors.

The high credibility score for an annual report may be due to the public's belief that annual reports meet objective legal, regulatory and fiduciary requirements, and that a company risks widespread negative exposure or legal action if a report is inaccurate or fraudulent.

Participants in Internet investor chat rooms, on the other hand, may earn the lowest credibility rating because they are perceived as unknowns with unchecked amounts of knowledge, expertise and responsibility.

Information sources scoring in the middle range of credibility straddle the public's benefit-of-doubt zone. Sources with ratings in the 51 to 61 range are viewed as both credible and not credible by varying survey respondents. The average credibility score (58.8) indicates the point of uncertainty, with a score of 50 being the cut-off point.

The types of information sources that cluster in high, medium and low credibility scores reveal distinctive characteristics related to credibility (or the lack of it). Two groups are rated high in the National Credibility Index, with mean ratings between 70 to 80:

- Group One reflects *relevant, hands-on expertise* and *objectivity* in assessing corporate performance and includes:

| | |
|--|------|
| • Business or industry expert | 78.8 |
| • Professional financial planner or advisor | 78.7 |
| • Stock broker personally known to respondent | 76.7 |
| • Consumer protection advocate | 71.7 |
| • Advisory from a large investment institution | 71.1 |
| • Professor at a university business school | 70.6 |

➤ Group Two also reflects *relevant expertise* (although less hands-on) coupled with *objective journalism*:

- A story in a financial or business newspaper 80.1
- A story in a financial or business magazine 77.0
- A story in a specialty investment magazine 72.9

A wide variety of information sources, including different public and private individuals, fall in the middle ranks of “Somewhat Credible,” with ratings between 50 to 70. One set consists of corporate leaders whose *expertise* is unquestionable but whose *objectivity may be suspect* to the public:

- A company’s chief financial officer 69.7
- A company’s chief executive officer 64.9
- A president of a large corporation 64.9

In this same range are private individuals with *considerably less expertise* but who are *more personalized* sources of information:

- A friend involved in the business or industry 69.0
- A family member 68.1
- A stockholder in a particular business or industry 66.0

Also ranking at this level are *impersonal* sources with *some expertise* but *less clear objectivity* to the public:

- A recommendation from a pension fund 67.9
- Information in a corporate newsletter 66.9
- A “corporate reputation rating” reported in the media 64.2

Still in the Somewhat Credible zone, but at the lower range of scores, are more varied sources that appear to be *impersonal, less expert* and *more subjective* to the public:

- Business story in a local daily newspaper 61.0
- An investment advisory newsletter 61.0
- A worker in a company or business 60.5
- A member of an investment club 59.0
- A business reporter for a general newspaper 56.3
- A financial or business story on television 56.2
- A financial or business Web page on the Internet 54.5
- A business reporter on television 54.2
- An online trading site on the Internet 54.0
- A government official who regulates a business or industry 52.5

At the very low end of the ratings—scoring under 50 and below the cut-off point—are three groups of information sources that appear to be *impersonal, inexpert, subjective* and/or *unsolicited*:

- A labor union leader 48.8
- An investment prospectus received in the mail 47.2
- An advertisement in a newspaper or magazine 43.7

Even less credible are:

- An advertisement on the Internet 39.8
- An investment video received in the mail 38.8
- A solicitation from a brokerage firm the respondent
has not done business with 38.4
- An advertisement on television 37.7

Finally, at the bottom are “strangers” putting forward their personal perspectives:

- A television infomercial on investing 31.8
- An investor chat room participant on the Internet 30.7

See Table 1 for Credibility Ratings for Corporate Information Sources.

Demographic Differences Among Population Subgroups

The National Credibility Index survey included asking respondents standard demographic questions plus some political, behavioral, and attitudinal questions. Researchers evaluated credibility data through comparisons by age, gender, race, education, employment, income, marital status, size of area in which they live, political party affiliation, and so forth.

Few significant differences materialized, quite possibly because investing one's personal money is the same for everyone, regardless of race, political party, age or gender.

Not surprisingly, the most important differences are found between Investors and Non-Investors. Survey respondents identified themselves as being either active investors in the stock market, 401(k) plans, IRAs, pension plans or employee stock, or as non-investors with no holdings in any permutation of the stock market.

See Table 2 for credibility ratings by Investors and Non-Investors.

How to Protect and Improve Credibility

Credibility can be protected, strengthened and possibly regained through ethical practice, straightforward communication and conveying information through believable sources.

For companies who want to strengthen credibility with investors, keep in mind the key survey question: “Suppose that you had to make an investment decision about a business or company, for example, investing in stock. Where would you go to get information about this business or company?” The question continues: “What persons, organizations, institutions, publications or sources of information do or would you go to for accurate facts, truthful news and honest opinions to help you make an investment decision about a particular business or company?”

Respondents volunteered these information sources:

| Source | Percent of Respondents |
|---|-------------------------------|
| Internet Web sites | 26 |
| Professional advisors (stockbrokers, financial advisors) | 24 |
| Personal contacts (friends, family, co-workers) | 15 |
| General print media (newspapers, magazines) | 13 |
| Specialist print media (<i>Wall Street Journal</i> , business and financial magazines, newsletters) | 9 |
| Financial institutions (investment firm, mutual fund company, bank) | 9 |
| The company and/or its annual report | 8 |
| Other institutions (library, Better Business Bureau) | 4 |
| Television (financial channel, news) | 3 |
| Other | 2 |
| Wouldn't invest/Don't know | 12 |

Survey respondents were then asked how credible (or believable or unbelievable) they thought different sources providing information on corporations usually are: very credible, somewhat credible, not so credible, or not at all credible.

The sources volunteered by survey respondents match up surprisingly well with their credibility ratings shown in Table 1 with two significant exceptions: the Internet and

annual reports. While the Internet was the most frequently cited (26% of respondents), its mean credibility rating is only 49.5—below the cut-off point. Clearly, the convenience of accessing abundant, timely information at any hour of any day is seen as a logical information source, but at this time the content is viewed as dubious—at least those Internet sources measured in the survey.

In contrast, only 8% of survey respondents volunteered “annual report” as a credible source of information, yet it is the overall winner in credibility with a mean rating of 81.9. Despite the annual report’s lack of popularity, this corporate document is viewed by the public as a highly believable source of information—so much so that the news media and financial experts may enjoy a lift in credibility from the public’s high esteem for annual reports. The public may be banking that journalists and financial experts, whose guidance is readily available, rely on official corporate reports themselves when researching corporate performance.

Companies can improve their credibility ratings by studying Chart A and endeavoring to move “X”s from “Low Credibility” and “Infrequent” boxes. Sources with the higher frequency of citing—sources volunteered by survey respondents as likely places they would go for information on corporate performance—are clearly top-of-mind even if their credibility is questionable.

How to Protect and Improve Credibility, continued

Chart A: Credibility Ratings and Survey Respondents' Frequency of Citing. Survey Oct. 1999

| Information Source | High Credibility (70 and above) | Medium Credibility (51 to 69) | Low Credibility (50 and under) | Frequent (cited by 10% or more) | Infrequent (cited by less than 10%) |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------------|------------------------------------|--|
| Professional advisors | X | | | X | |
| Experts | X | | | X | |
| Print news sources | X | | | X | |
| Annual reports | X | | | | X |
| Major investment institutions | X | | | | X |
| Personal sources | | X | | X | |
| Local daily newspaper | | X | | X | |
| Corporate officers | | X | | | X |
| Television news/programs | | X | | | X |
| Corporate reputation ratings | | X | | | X |
| Internet | | | X | X | |
| Advertisements | | | X | | X |
| Mailed prospectuses | | | X | | X |

Chart A plots High, Medium and Low credibility ratings of information sources regarding corporate performance by group and plots the frequency of mention of those sources by survey respondents. Annual reports, for instance, have a high credibility rating yet were volunteered as sources of information on corporate performance by less than 10% of survey respondents.

The highest-rated groups of information sources represent a balanced mix of perceived expertise, knowledge and objectivity—and are plotted in the most advantageous positions in Chart A. Professional advisors and experts (“a business or industry expert,” “a professional financial planner,” “a stock broker you know,” “a consumer protection advocate,” and “a university business or school professor”) as well as print news sources (“a story in a financial or business newspaper,” “a story in a financial or business magazine,” “a story in a specialty investing magazine”) were cited by a high percent of survey respondents (reflecting a top-of-mind brand image) *and* rank high in credibility. Ensuring that ethical relationships are fostered with these information sources will protect and possibly lift corporate credibility.

The larger opportunity in strengthening corporate credibility may come from paying attention to areas within company control: the annual report, corporate officers and the corporate Web site. The annual report should, of course, be posted on the company Web site—and be easy to find, fast-loading, with simple navigation and understandable content that’s frequently updated. Since this National Credibility Index found that a company’s chief financial officer ranks higher in credibility than the chief executive officer when providing information on company performance, the CFO may want to include a message to the reader in the printed annual report as well as the online version.

A corporate chief financial officer, chief executive officer and a president of a large corporation rank fairly well in credibility when providing information about corporate performance. With a mean rating of 66.5, they certainly rank above the benefit-of-the-doubt Credibility Index of 58.7. Interestingly, investors score CFOs and CEOs five points higher than Non-Investors. While a company cannot control editorial coverage, opinions of industry experts or recommendations by professional financial planners, a company can take steps to prepare corporate officers as credible sources of information on company performance. CFOs and CEOs have the edge in their knowledge of investment matters about their company and should be prepared to take advantage of this.

Mass media coverage is regarded as highly credible—when the coverage is in print media, not on television. A story in a financial or business newspaper enjoys the rank of being the second most credible source of information (mean rating of 80.1); an article in a financial or business magazine ranks fifth (77.0); and a story in a specialty investing magazine ranks seventh (73.0).

Not all print coverage enjoys such high credibility. Corporate reputation rating articles may be a strong boost for employee recruitment, but have minimal impact on the public considering investing. While a company may place in the “Top 100 Companies to Work For” or boast one of the “Top 50 CEOs,” the actual articles rank only “Somewhat Credible” with a mean rating of 64.2—less than a company’s chief financial officer. This

is noteworthy if companies expect the public to pay more attention to reputation ratings than to statements or other information publicly provided by corporate leaders. Any concern that a company may have about corporate ratings should shift its focus to how the ratings are reported and interpreted in financial newspapers and magazines, as well as by business experts and financial advisors (all scoring higher in credibility).

Even though many companies covet mentions and appearances on television programs, they may want to redirect their desire—and attention—to print media. Defying the assumption that television is the optimal medium for coverage, a financial or business story on television ranks 27th out of 38 in credibility—in the bottom third of the National Credibility Index. Its mean rating for the entire survey sample is 56.2, with a slightly better 57.6 mean among investors—yet below the benefit-of-the-doubt zone.

While “Television advertisements” rate very low in credibility as an information source for corporate performance (mean 37.7), the opinion of a “Family member” ranks in the mid-level (68.1). Before slashing advertising budgets, consider how a family member—or any individual—learns about companies. It’s often through a mix of hundreds and even thousands of impressions over a period of time, many made through advertising as well as media coverage.

The National Credibility Index and Public Relations

Behavioral scientists recognize that to change behavior, there must be a change in attitude. To change attitude, there must be a change in belief. And before beliefs can be changed, the agent of change must be viewed as credible.

Much of public relations revolves around persuasion, with an objective to change an attitude so there can be a change in behavior (for example, social campaigns to wear seat belts and quit smoking, as well as commercial and political campaigns). However, for change to be lasting, there must be a change in belief.

The National Credibility Index provides definitive data for identifying which sources of information offer the highest believability—the first step in the long march of changing attitudes and ultimately behavior. These findings allow public relations professionals to advise their clients on making sure that their long march starts on the right foot.

The Shifting Environment

The National Credibility Index is a snapshot of an always-moving public. This still life allows us to study, analyze and measure the public's perceptions and opinions at a close distance. However, it's always prudent to get an aerial view to observe the overall environment.

The environment in which companies and corporations operate is shifting. While shareholder emphasis has been on profit, public emphasis is on more humane concerns: defending the environment, honoring labor laws and lifting human rights standards. Today's companies must consider the aerial view as well as this close-up snapshot when planning to protect and strengthen credibility.

On January 29, 2000 Arthur Levitt Jr., Chairman of the Securities and Exchange Commission, addressed the world's business, political and social leaders at the World Economic Forum in Davos, Switzerland. Mr. Levitt warned participants that protests at events like the December 1999 World Trade Organization meeting in Seattle illustrate an undercurrent of discontent among various stakeholders (note: not stock holders).

He cautioned that warning signals should not be ignored. Millions of investors have not yet experienced a "big bust" and will be very distressed when it finally occurs. Mr. Levitt believes that responsible accounting disclosure and independent auditing are an integral part of a corporate conscience (and fundamental to credibility). The widening gap between the haves and have-nots will increase social risks in the global economy if companies do not improve corporate governance.

Corporations can have a soul, Mr. Levitt said. The leading companies are those that give back to society and focus on long-term strategic planning rather than obsess over short-term share prices.

That could have the most enduring impact on corporate credibility of all. But only when the public views it to be believable.

The National Credibility Index

Table 1: Credibility Ratings for Corporate Information Sources. Sample size 1,002; survey 10.1999

| Rank | Information Source | Mean Rating | Percentage for the "Credible" Categories ("Very Credible" and "Somewhat Credible") |
|---|--|-------------|--|
| 1 | A company's annual report | 81.9 | 91 |
| 2 | A story in a financial or business newspaper | 80.1 | 90 |
| 3 | A business or an industry expert | 78.8 | 89 |
| 4 | A professional financial planner or advisor | 78.7 | 89 |
| 5 | A story in a financial or business magazine | 77.0 | 86 |
| 6 | A stock broker you know | 76.7 | 82 |
| 7 | A story in a specialty investing magazine | 72.9 | 80 |
| 8 | A consumer protection advocate | 71.7 | 79 |
| 9 | A promotion or advertisement from an investment institution such as NYSE or NASDAQ | 71.1 | 77 |
| 10 | A university business school professor | 70.6 | 80 |
| 11 | A company's chief financial officer (CFO) | 69.7 | 78 |
| 12 | A friend involved in a business or industry | 69.0 | 78 |
| 13 | A family member | 68.1 | 74 |
| 14 | A recommendation from a pension fund | 67.9 | 75 |
| 15 | A regular corporate newsletter | 66.9 | 74 |
| 16 | A stock holder in a particular business or industry | 66.0 | 74 |
| 17 | A company's chief executive officer (CEO) | 64.9 | 72 |
| 18 | A president of a large corporation | 64.9 | 73 |
| 19 | A corporate reputation rating reported in the news | 64.2 | 72 |
| 20 | An investment advisory newsletter | 61.0 | 71 |
| 21 | A financial or business story in your local daily newspaper | 61.0 | 68 |
| 22 | A worker in a company or business | 60.5 | 66 |
| 23 | A member of an investment club | 59.0 | 65 |
| 24 | A business reporter for a newspaper | 56.3 | 63 |
| 25 | A financial or business story on television | 56.2 | 66 |
| 26 | A financial or business Web page on the Internet | 54.5 | 54 |
| 27 | A business reporter on television | 54.2 | 59 |
| 28 | An online trading site on the Internet | 54.0 | 49 |
| 29 | A government official who regulates a business or industry | 52.5 | 56 |
| 30 | A union leader | 48.8 | 49 |
| 31 | An investment prospectus received in the mail | 47.2 | 46 |
| 32 | An advertisement in a newspaper or magazine | 43.7 | 44 |
| 33 | An advertisement on the Internet | 39.8 | 33 |
| 34 | An investment video received in the mail | 38.8 | 34 |
| 35 | A solicitation from a stock brokerage firm that you have not done business with | 38.4 | 34 |
| 36 | An advertisement on television | 37.7 | 35 |
| 37 | A television infomercial program on investing | 31.8 | 28 |
| 38 | A participant in an investors chat room on the Internet | 30.7 | 20 |
| Credibility Index ¹ Overall rating of information sources | | 58.8 | |

¹ In computing this score, the following items were excluded because of their low factor analysis loadings: a family member, a friend involved in a business or industry, a stock broker you know, a worker in a company or business, and a consumer protection advocate.

The National Credibility Index

Table 2: Credibility Ratings for Corporate Information Sources by Investors and Non-Investors.

Sample size 1,002; survey Oct. 1999

| Rank | Information Source | Means for the Whole Sample | Means for Investors ² | Means for Non-Investors ³ |
|------|--|----------------------------|----------------------------------|--------------------------------------|
| 1 | A company's annual report | 81.9 | 83.8 | 75.4 |
| 2 | A story in a financial or business newspaper | 80.1 | 81.7 | 72.9 |
| 3 | A business or an industry expert | 78.8 | 80.4 | 73.8 |
| 4 | A professional financial planner or advisor | 78.7 | 80.3 | 72.6 |
| 5 | A story in a financial or business magazine | 77.0 | 77.8 | 72.7 |
| 6 | A stock broker you know | 76.7 | 79.7 | 65.6 |
| 7 | A story in a specialty investing magazine | 72.9 | 75.0 | 66.3 |
| 8 | A consumer protection advocate | 71.7 | 72.3 | 70.5 |
| 9 | A promotion or advertisement from an investment institution such as NYSE or NASDAQ | 71.1 | 71.7 | 66.4 |
| 10 | A university business school professor | 70.6 | 71.1 | 65.7 |
| 11 | A company's chief financial officer (CFO) | 69.7 | 70.8 | 65.4 |
| 12 | A friend involved in a business or industry | 69.0 | 69.5 | 67.8 |
| 13 | A family member | 68.1 | 66.9 | 70.6 |
| 14 | A recommendation from a pension fund | 67.9 | 69.0 | 62.4 |
| 15 | A regular corporate newsletter | 66.9 | 67.2 | 65.0 |
| 16 | A stock holder in a particular business or industry | 66.0 | 66.1 | 61.4 |
| 17 | A company's chief executive officer (CEO) | 64.9 | 66.3 | 62.8 |
| 18 | A president of a large corporation | 64.9 | 64.7 | 67.5 |
| 19 | A corporate reputation rating reported in the news | 64.2 | 64.0 | 63.3 |
| 20 | An investment advisory newsletter | 61.0 | 63.3 | 55.4 |
| 21 | A financial or business story in your local daily newspaper | 61.0 | 61.7 | 61.5 |
| 22 | A worker in a company or business | 60.5 | 58.6 | 67.0 |
| 23 | A member of an investment club | 59.0 | 59.2 | 55.1 |
| 24 | A business reporter for a newspaper | 56.3 | 57.3 | 56.1 |
| 25 | A financial or business story on television | 56.2 | 57.6 | 57.0 |
| 26 | A financial or business Web page on the Internet | 54.5 | 56.2 | 53.3 |
| 27 | A business reporter on television | 54.2 | 55.1 | 52.5 |
| 28 | An online trading site on the Internet | 54.0 | 55.0 | 55.8 |
| 29 | A government official who regulates a business or industry | 52.5 | 53.3 | 51.6 |
| 30 | A union leader | 48.8 | 46.8 | 52.6 |
| 31 | An investment prospectus received in the mail | 47.2 | 51.1 | 38.8 |
| 32 | An advertisement in a newspaper or magazine | 43.7 | 42.3 | 46.3 |
| 33 | An advertisement on the Internet | 39.8 | 38.1 | 46.5 |
| 34 | An investment video received in the mail | 38.8 | 39.8 | 36.9 |
| 35 | A solicitation from a stock brokerage firm that you have not done business with | 38.4 | 38.7 | 39.2 |
| 36 | An advertisement on television | 37.7 | 35.7 | 44.6 |
| 37 | A television infomercial program on investing | 31.8 | 30.8 | 35.8 |
| 38 | A participant in an investors chat room on the Internet | 30.7 | 28.5 | 37.9 |
| | Credibility Index⁴ Overall rating of information sources | 58.8 | 59.4 | 57.3 |

² Respondents who self-reported to be investors in the stock market and pension plans.

³ Respondents who self-reported to not engage in any savings or investment activity.

⁴ In computing this score, the following items were excluded because of their low factor analysis loadings: a family member, a friend involved in a business or industry, a stock broker you know, a worker in a company or business, and a consumer protection advocate.

The National Credibility Index Research Team

The study was conducted at Columbia's Institute for Social and Economic Theory and Research.

Dr. Ronald H. Hinckley, president of Research/Strategy/Management Inc., served as the principal investigator for the National Credibility Index. Since earning his doctorate in political science at the University of Southern California, he has spent nearly three decades in survey research from interviewing, coding and data processing through project management and administration.

Dr. Hinckley has decades of professional polling experience on public affairs issues, social and foreign policy and politics. He was Director of Research for the United States Information Agency, where he managed all international survey research conducted by the U. S. government.

He has served in two Washington-area think tanks, and in the White House as Director of Special Studies for crisis management activities in the National Security Council. He was co-founder of Decima Research Limited, one of Canada's leading firms in corporate public opinion research. He was also Vice President of Decision/Making/Information (now Wirthlin Worldwide).

Dr. Hinckley has published many journal articles on public opinion, and his book, *People, Polls, and Policymakers: American Public Opinion and National Security* has been described as the best work on public opinion and governance in print.

Dr. Robert Y. Shapiro is a professor of Political Science at Columbia University in New York. Dr. Shapiro specializes in research on public opinion, political leadership and the mass media, voter participation, and the applications of statistical methods to social science and public policy problems. He has taught at Columbia since 1982 after receiving his doctorate from the University of Chicago, and serving as a study director and research associate at the National Opinion Research Center.

Dr. Shapiro has published numerous articles on public opinion, policy making and political behavior in major academic journals. He is co-author of the acclaimed book, *The Rational Public: Fifty Years of Trends in Americans' Policy Preferences*; a newly published textbook, co-editor of the series *Research in Micropolitics: New Directions in Political Psychology*, and editor of *Understanding Presidential Elections: Trends and New Developments* and of Columbia University Press' book series on American politics.

Dr. Shapiro serves on the editorial boards of *Political Science Quarterly* and *Public Opinion Quarterly*. He is a member of the board of directors of the Roper Center for Public Opinion Research.

Mariana Servin-Gonzalez is doctoral student in political science at Columbia University.

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John F. Budd, Jr., APR, is the conceptual originator of the National Credibility Index. Mr. Budd is founder of the Omega Group, a public relations think tank.

Appendix

Survey Methodology and Measures

RESEARCH DESIGN

This study contains the results of 1,002 telephone interviews with adult Americans 18 years of age and over throughout the nation. Survey responses were gathered October 3-13, 1999. The margin of error for samples of this size is 3 percentage points at the 95% level of confidence. This means that in 95 out of 100 samples of this type, the sample value is within 3 percentage points of the population value.

The sample was stratified by the four Census regions: Northeast, South, Midwest, and West. Within each region, a combination of random and fixed-digit sampling procedures was used in this study. This introduced both listed and unlisted numbers as well as new households into the available sample. When contact was established with a household, the interviewer screened for an appropriate respondent based on the person in the household over 18 with the most recent birthday.

The application of these procedures produced a calculable probability of being included in the survey sample for each member of the potential universe. Any further questions the reader has about sampling methodology should be referred to Dr. Hinckley or Dr. Shapiro.

The interview lasted approximately 15 minutes and contained 68 questions.

INVESTMENT INFORMATION CREDIBILITY QUESTIONNAIRE

Columbia University

TIME INTERVIEW STARTED: _____

New York, New York

TIME INTERVIEW ENDED : _____

Fielded October 3-13, 1999 (N = 1,002)

Hello, I'm _____ from Discovery Research Group, a national public opinion research firm. We're talking with people across the country today about some current issues for a Columbia University study. (DO NOT PAUSE) (IF PERSON ASKS FOR COLUMBIA CONTACT, IT IS: PROFESSOR ROBERT SHAPIRO, 212-854-3944)

A. May I please speak to the person 18 years of age or older who lives in this household and is home, who had a birthday most recently? (WHEN RESPONDENT IS ON LINE REPEAT INTRODUCTION BELOW, IF SAME PERSON, USE MODIFIED VERSION)

(IF SAME PERSON, SAY) I would like to have your opinions on some current issues; your participation is voluntary and all answers will be confidential in reporting our statistical results. This survey will take approximately 13 minutes. (DO NOT PAUSE, ASK Q1.)

(IF NEW PERSON, SAY) Hello, I'm _____ from Discovery Research Group, a national public opinion research firm. We're talking with people across the country today about some current issues for a Columbia University study and would like to have your opinions. Your participation is voluntary and all answers will be confidential in reporting our statistical results. This survey will take approximately 13 minutes. (DO NOT PAUSE, ASK Q1.)

| | |
|--|-------------------------|
| 1. Generally speaking, do you believe things in the country are going in the right direction or have they gotten off on the wrong track? | RIGHT DIRECTION.....39% |
| | WRONG TRACK.....52 |
| | DON'T KNOW.....8 |
| | REFUSED.....* |
| | (* = less than 0.5%) |

| | |
|--|---------------------------|
| 2. We are interested in how people are getting along financially these days. Would you say you and your family living here are <u>better</u> off or <u>worse</u> off financially than you were a year ago? | BETTER OFF.....53% |
| | SAME (VOLUNTEERED).....25 |
| | WORSE OFF.....21 |
| | DON'T KNOW.....1 |
| | REFUSED.....* |

| | |
|---|--|
| 3. Now thinking about the economy in the country as a whole, would you say that over the past year the nation s economy | <u>has gotten better</u> , <u>stayed about the same</u> , or <u>gotten worse</u> ? |
|---|--|

| | | | |
|------------------|-----|-----------------|---|
| BETTER..... | 37% | DON'T KNOW..... | 2 |
| STAYED SAME..... | 43 | REFUSED..... | 0 |
| WORSE..... | 18 | | |

In today s economy there are many ways people invest. Some people invest in the stock market, some invest in 401K s or Individual Retirement Accounts--IRA s--some invest through pension or employee stock option plans, some invest in government treasury notes or savings bonds, and some invest through savings accounts and certificates of deposit or CD s.

| | | | |
|-----|--|---|-----|
| 4. | How about you? Do you invest in any of these ways? (READ LIST) (MARK ALL THAT APPLY) (CODE 0 IF NOT MARKED) | THE STOCK MARKET (GO TO Q5A)..... | 41% |
| | | 401K s OR IRA S (GO TO Q5A)..... | 55 |
| | | PENSION PLANS OR EMPLOYEE STOCK OPTION PLANS (GO TO Q5A)..... | 40 |
| | | TREASURY NOTES OR SAVINGS BONDS (GO TO Q5A)..... | 25 |
| | | SAVINGS ACCOUNTS OR CD S (GO TO Q5A)..... | 65 |
| | | OTHER (VOLUNTEERED) (GO TO Q5A)... | 1 |
| | | DO NOT INVEST IN ANY OF THESE (GO TO Q4A)..... | 14 |
| | | DON'T KNOW (GO TO Q4A)..... | * |
| | | REFUSED (GO TO Q4A)..... | 1 |
| 4A. | (IF DO NOT INVEST IN Q4, ASK) While you do not invest now, are you considering investing or not? (N = 153) | YES, CONSIDERING INVESTING..... | 41% |
| | | NO, NOT CONSIDERING INVESTING.... | 56 |
| | | DON'T KNOW..... | 3 |
| | | REFUSED..... | 0 |
| | | (GO TO Q6) | |
| 5A. | (IF INVEST IN Q4, ASK Q5A-5B) When did you make your first investment--during the past year, two to five years ago, or more than five years ago? (N = 849) | DURING PAST YEAR..... | 7% |
| | | TWO TO FIVE YEARS AGO..... | 22 |
| | | MORE THAN FIVE YEARS AGO..... | 70 |
| | | DON'T KNOW..... | 1 |
| | | REFUSED..... | * |

| | |
|--|---|
| 5B. How often do you change your investments by buying or selling, or making deposits or withdrawals? (READ CHOICES) (N = 849) | WEEKLY.....9% MONTHLY.....23 A FEW TIMES A YEAR.....20 ABOUT ONCE A YEAR.....16 EVERY FEW YEARS.....22 DON'T KNOW.....9 REFUSED.....2 |
|--|---|

| | |
|--|--|
| 6. When you think about investing in a company, which type of information do you or would you rely on the most (ROTATE), <u>statistical information</u> (EMPHASIZE) such as corporate finances, company earnings, and sales figures or <u>qualitative information</u> (EMPHASIZE) such as a company's image, management style, or product quality. | STATISTICAL INFORMATION.....47% QUALITATIVE INFORMATION.....29 BOTH EQUALLY (VOLUNTEERED).....12 DON'T KNOW.....11 REFUSED.....1 |
|--|--|

7. Now suppose that you had to make an investment decision about a business or company, for example, investing in stock. Where would you go to get information about this business or company? What persons, organizations, institutions, publications or sources of information do or would you go to for accurate facts, truthful news and honest opinions to help you make an investment decision about a particular business or company? (PROBE FOR SPECIFIC NAMES OF INDIVIDUALS, ORGANIZATIONS, INSTITUTIONS, PUBLICATIONS OR DESCRIPTIONS OF THE TYPES OF SOURCES OF INFORMATION) (ACCEPT MORE THAN ONE ANSWER)

| | |
|---|---|
| INTERNET WEBSITES.....26% PROFESSIONAL ADVISORS.....24 PERSONAL SOURCES.....15 GENERAL PRINT SOURCES.....13 SPECIALIST PRINT SOURCES.....9 FINANCIAL INSTITUTIONS.....9 COMPANY/ANNUAL REPORTS.....8 OTHER INSTITUTIONS.....4 TELEVISION.....3 OTHER.....2 WOULDN T INVEST/DON T KNOW....12 | RESPONSES ADD TO MORE THAN 100 PERCENT DUE TO MULTIPLE MENTIONS. SEE SAMPLE VERBATIM RESONSES AT THE END OF THE QUESTIONNAIRE FOR SPECIFIC RESPONSE CATEGORIES AND THE GROUPING CRITERIA. QUESTION 8, A REPEAT OF THIS QUESTION, WAS ELIMINATED AFTER PRETESTING. |
|---|---|

There are many sources that provide information on businesses and corporations for investment decisions. I am going to read you different sources of information and for each one, please tell me how credible, that is, how believable or unbelievable, you think the information they provide usually is: very credible; somewhat credible; not so credible; or not at all credible. If you have never heard of a particular source or don't know, just say so. (ROTATE GROUPS)

Here are some people who can provide such information. Think about them in general and not any specific person and let me know how credible--that is how honest and truthful each is when giving out information about a business or company. (ROTATE TYPES WITHIN GROUPS)

| | 1 | 2 | 3 | 4 | REF |
|--|-----------------|-----------------|-----------------|-----------------|-----|
| | VERY | SOMEWHAT | NOT SO | NOT AT ALL | DK |
| | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | |
| | (%) | (%) | (%) | (%) | (%) |
| 9. A president of a large corporation | 19 | 54 | 15 | 8 | 4 |
| 10. A stock broker you know | 37 | 45 | 5 | 4 | 8 |
| 11. A business reporter on television | 9 | 50 | 24 | 14 | 3 |
| 12. A business reporter for a newspaper | 8 | 55 | 22 | 12 | 3 |
| 13. A company's chief financial officer, the CFO | 24 | 54 | 10 | 7 | 5 |
| 14. A union leader | 10 | 39 | 28 | 18 | 5 |
| 15. A university business school professor | 25 | 55 | 10 | 6 | 4 |
| 16. A business or industry expert | 37 | 52 | 5 | 3 | 3 |
| 17. A worker in a company or business | 13 | 53 | 24 | 7 | 3 |
| 18. A member of an investment club | 10 | 55 | 18 | 10 | 8 |
| 19. A friend involved in a business or industry | 22 | 56 | 13 | 6 | 4 |
| 20. A government official who regulates a business or industry | 13 | 43 | 22 | 18 | 4 |

| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>REF</u> |
|--|-----------------|-----------------|-----------------|-------------------|------------|
| | <u>VERY</u> | <u>SOMEWHAT</u> | <u>NOT SO</u> | <u>NOT AT ALL</u> | <u>DK</u> |
| | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>DK</u> |
| | (%) | (%) | (%) | (%) | (%) |
| 21. A family member | 29 | 45 | 15 | 8 | 3 |
| 22. A consumer protection advocate | 29 | 50 | 10 | 5 | 6 |
| 23. A company's chief executive officer, the CEO | 20 | 52 | 14 | 9 | 5 |
| 24. A stock holder in a particular business or industry | 16 | 58 | 14 | 7 | 5 |
| 25. A participant in a chat room for investors on the Internet | 2 | 18 | 30 | 35 | 14 |
| 26. A professional financial planner or advisor | 37 | 52 | 5 | 3 | 3 |

Here are some information sources. Think about them in general and not any specific type and let me know how credible—that is how honest and truthful each is when giving out information about a business or company. (ROTATE)

| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>REF</u> |
|---|-----------------|-----------------|-----------------|-------------------|------------|
| | <u>VERY</u> | <u>SOMEWHAT</u> | <u>NOT SO</u> | <u>NOT AT ALL</u> | <u>DK</u> |
| | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>DK</u> |
| | (%) | (%) | (%) | (%) | (%) |
| 27. A financial or business story in your local daily newspaper | 10 | 61 | 17 | 10 | 2 |
| 28. An advertisement in a newspaper or magazine | 5 | 39 | 35 | 19 | 3 |
| 29. An advertisement on television | 4 | 31 | 39 | 24 | 2 |
| 30. An advertisement on the Internet | 4 | 29 | 32 | 23 | 12 |
| 31. A company's annual report | 47 | 44 | 4 | 2 | 3 |
| 32. A financial or business story on television | 6 | 57 | 21 | 12 | 4 |

| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>REF</u> |
|---|-----------------|-----------------|-----------------|-------------------|------------|
| | <u>VERY</u> | <u>SOMEWHAT</u> | <u>NOT SO</u> | <u>NOT AT ALL</u> | <u>DK</u> |
| | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>CREDIBLE</u> | <u>DK</u> |
| | (%) | (%) | (%) | (%) | (%) |
| 33. A financial or business WEB page on the Internet | 8 | 46 | 20 | 12 | 14 |
| 34. A on-line trading site on the Internet | 9 | 40 | 19 | 12 | 19 |
| 35. A recommendation from a pension fund | 17 | 58 | 16 | 5 | 9 |
| 36. An investment prospectus received in the mail | 11 | 35 | 26 | 21 | 6 |
| 37. An investment video received in the mail | 4 | 30 | 31 | 25 | 10 |
| 38. A promotion or advertisement from an investment institution such as the New York Stock Exchange or NASDAQ | 31 | 46 | 10 | 7 | 7 |
| 39. A story in a financial or business newspaper such as the Financial Times or the Wall Street Journal | 40 | 50 | 3 | 3 | 4 |
| 40. A story in a financial or business magazine such as Business Week, Forbes, or the Economist | 33 | 53 | 5 | 4 | 6 |
| 41. A story in a specialty investing magazine such as Smart Money, Money, or Kiplingers | 26 | 54 | 6 | 5 | 9 |
| 42. An regular corporate communications to employees such as a company newsletter | 17 | 59 | 13 | 6 | 4 |
| 43. A solicitation from a stock brokerage firm that you have not done business with before | 3 | 31 | 34 | 25 | 7 |

| | 1 VERY CREDIBLE (%) | 2 SOMEWHAT CREDIBLE (%) | 3 NOT SO CREDIBLE (%) | 4 NOT AT ALL CREDIBLE (%) | REF DK (%) |
|--|------------------------------|----------------------------------|--------------------------------|------------------------------------|------------------|
| 44. An investment advisory newsletter | 10 | 58 | 15 | 9 | 8 |
| 45. A television infomercial program on investing | 3 | 25 | 32 | 36 | 4 |
| 46. A corporate reputation rating (EMPHASIZE) reported in the news media press | 14 | 58 | 14 | 8 | 6 |

Now some final questions just for statistical purposes. We want to make sure that we properly represent the views of all ages and groups of people.

| | | |
|---|------------------|-----|
| D1. May I ask your age, please?(IF REFUSED, READ LIST AND ASK:) Which of these categories best fits your age? | 18-24..... | 11% |
| | 25-29..... | 10 |
| | 30-34..... | 11 |
| | 35-39..... | 12 |
| | 40-44..... | 11 |
| | 45-49..... | 10 |
| | 50-54..... | 9 |
| | 55-59..... | 6 |
| | 60-64..... | 5 |
| | 65-74..... | 9 |
| | 75 AND OVER..... | 5 |
| | REFUSED..... | 1 |

| | | |
|---|-----------------------------------|----|
| D2. And, do you consider yourself to be of Hispanic, Latino or Spanish origin? (IF NO, ASK) And which one of the following list are you: White, Black or African American, Asian or Pacific Islander, American Indian, Eskimo, or Aleut--Native American, multi racial or something else? | HISPANIC, LATINO, SPANISH..... | 7% |
| | WHITE | 78 |
| | BLACK/AFRICAN AMERICAN..... | 10 |
| | ASIAN/PACIFIC ISLANDER..... | 2 |
| | NATIVE AMERICAN..... | 1 |
| | MULTIRACIAL (ASK D2A)..... | 1 |
| | OTHER (SPECIFY AND ASK QD2A)..... | * |
| | DON'T KNOW..... | * |
| | REFUSED..... | 1 |

(IF MULTIRACIAL IN QD2, ASK:)
 D2A. Which of the following list
do you consider yourself
 (EMPHASIZE) to be: White,
 Black or African American,
 Asian or Pacific Islander,
 American Indian, Eskimo, or
 Aleut--Native American, or
 something else? (USE TO
 BACK CODE D2, SO NO
 RESPONSE PERCENTS GIVEN)

HISPANIC, LATINO, SPANISH..... 1
 WHITE..... 2
 BLACK/AFRICAN AMERICAN..... 3
 ASIAN/PACIFIC ISLANDER..... 4
 NATIVE AMERICAN..... 5
 OTHER (PLEASE SPECIFY)..... 7

 DON'T KNOW..... 8
 REFUSED..... 9

D3. Are you or anyone in your
 immediate family who lives with
 you a member of a labor union or
 teachers union or association?

RESPONDENT A MEMBER..... 12%
 FAMILY MEMBER A MEMBER..... 12
 NO, NOT A MEMBER..... 75
 DON'T KNOW..... *
 REFUSED..... *

D4. Are you registered to vote in
 your state at your current
 address?

REGISTERED TO VOTE (GO TO QD4A)..83%
 NOT REGISTERED TO VOTE
 (GO TO QD5)..... 17
 DON'T KNOW..... *
 REFUSED..... *

D4A. (IF YES, ASK) Some people
 were not able to vote in
 last year s Congressional
 elections. How about you,
 did you happen to vote in
 the 1998 Congressional
 elections or not? (N =
 827)

YES, VOTED..... 78%
 NO, DID NOT VOTE..... 20
 DON'T KNOW..... 2
 REFUSED..... *

D5. Regardless of whether or not you voted or for whom you voted, in politics today, do you think of yourself as a Republican, a Democrat, an Independent or something else? (IF REPUBLICAN OR DEMOCRAT, ASK:) Would you call yourself a strong (Republican/Democrat) or a not-so-strong (Republican/Democrat)? (IF INDEPENDENT, SOMETHING ELSE, OR NO PREFERENCE, ASK:) Do you think of yourself as closer to the Republican, to the Democratic Party?

STRONG REPUBLICAN..... 14%
 NOT-SO-STRONG REPUBLICAN..... 13

INDEPENDENT/LEAN REPUBLICAN..... 9
 INDEPENDENT/OTHER..... 12
 INDEPENDENT/LEAN DEMOCRAT..... 9

NOT-SO-STRONG DEMOCRAT..... 14
 STRONG DEMOCRAT..... 18

DON'T KNOW..... 7
 REFUSED..... 3

D6. And, in politics today, do you consider yourself to be a ROTATE) conservative, a liberal or a moderate? (IF LIBERAL OR CONSERVATIVE, ASK:) Would you say you are very or just somewhat (liberal/conservative)? (IF MODERATE, ASK:) Would you say that you lean towards being liberal or being conservative?

VERY CONSERVATIVE..... 12%
 SOMEWHAT CONSERVATIVE..... 20
 LEAN CONSERVATIVE..... 16
 MODERATE..... 13
 LEAN LIBERAL..... 11
 SOMEWHAT LIBERAL..... 12
 VERY LIBERAL..... 7
 DON'T KNOW..... 5
 REFUSED..... 2

D7. What is the last year of school you have completed?

LESS THAN HIGH SCHOOL..... 4%
 HIGH SCHOOL GRADUATE..... 25
 SOME COLLEGE..... 30
 COLLEGE GRADUATE..... 26
 POST-GRADUATE..... 14
 REFUSED..... 1

| | |
|---|--|
| D8. Which of these categories includes your total family income per year before taxes? Stop me when I read the correct one. (READ CATEGORIES) | UP TO \$10,000.....4% \$10,000 TO \$15,000.....5 \$15,000 TO \$20,000.....7 \$20,000 TO \$25,000.....6 \$25,000 TO \$30,000.....8 \$30,000 TO \$40,000.....12 \$40,000 TO \$50,000.....12 \$50,000 TO \$75,000.....16 \$75,000 TO \$100,000.....10 \$100,000 TO \$150,000.....6 OVER \$150,000.....3 DON'T KNOW.....2 REFUSED.....11 |
|---|--|

| | |
|---|---|
| D9. What is your current marital status -- are you -- Single and never married, married, separated, divorced, or widowed? | SINGLE/NEVER MARRIED.....23% MARRIED.....55 SEPARATED/DIVORCED.....15 WIDOWED.....6 REFUSED.....1 |
|---|---|

| | |
|---|--|
| D10. What is your current employment status? Are you employed full time or part time outside the home? (IF NOT EMPLOYED OUTSIDE THE HOME, ASK:) Are you looking for work, retired, a student, or a homemaker? (IF SELF-EMPLOYED, ASK:) Is that full or part time? | EMPLOYED FULL TIME.....59% EMPLOYED PART TIME.....13 UNEMPLOYED, LOOKING.....2 RETIRED.....15 STUDENT.....2 HOMEMAKER.....5 OTHER.....2 DON'T KNOW.....1 REFUSED.....1 |
|---|--|

| | |
|------------------------------------|---|
| D11. Do you own or rent your home? | OWN.....71% RENT.....27 DON'T KNOW.....1 REFUSED.....1 |
|------------------------------------|---|

| | | |
|---|----------------------------------|-----|
| D12. What is the best way to describe the area in which you live--a large city; a medium or small city; a suburb, a small town, or a rural or farming area? | LARGE CITY..... | 17% |
| | MEDIUM/SMALL CITY..... | 25 |
| | SUBURB..... | 22 |
| | SMALL TOWN..... | 18 |
| | RURAL/FARMING OR RANCHING AREA.. | 17 |
| | REFUSED..... | 1 |

| | | |
|---|----------------------------|-----|
| D13. How often do you attend religious services: more than once a week, once a week, monthly, several times a year, once or twice a year, or never? | MORE THAN ONCE A WEEK..... | 13% |
| | ONCE A WEEK..... | 30 |
| | MONTHLY..... | 10 |
| | SEVERAL TIMES A YEAR..... | 10 |
| | ONCE OR TWICE A YEAR..... | 17 |
| | NEVER..... | 18 |
| | REFUSED..... | 2 |

| | | |
|--|-----------------------------------|----|
| D14. What is your religious preference? (DO NOT READ CHOICES; IF PROTESTANT, ASK:) And what denomination would that be? (IF STILL UNCLEAR READ CHOICES OF DENOMINATIONS:) Which of these is your religious denomination? | <u>CHRISTIAN</u> | |
| | EPISCOPALIAN..... | 2% |
| | PRESBYTERIAN..... | 4 |
| | METHODIST..... | 9 |
| | LUTHERAN..... | 6 |
| | BAPTIST..... | 15 |
| | PENTECOSTAL..... | 2 |
| | CATHOLIC..... | 25 |
| | LATTER-DAY SAINT (LDS)/MORMON.... | 1 |
| | UNITED CHURCH OF CHRIST..... | 2 |
| | CHURCH OF NAZERENE..... | * |
| | ASSEMBLY OF GOD..... | * |
| | CHURCH OF GOD..... | 1 |
| | MENNONITE CHURCHES/AMISH..... | * |
| | OTHER CHRISTIAN | 9 |
| | <u>NON-CHRISTIAN</u> | |
| | JEWISH..... | 1 |
| | BUDDHIST..... | 1 |
| | MUSLIM | * |
| | OTHER NON-CHRISTIAN..... | * |
| AGNOSTIC/ATHEIST..... | 1 | |
| NONE..... | 14 | |
| REFUSED..... | 4 | |

SAMPLE VERBATIM RESPONSES FOR QUESTION 7

Now suppose that you had to make an investment decision about a business or company, for example, investing in stock. Where would you go to get information about this business or company? What persons, organizations, institutions, publications or sources of information do or would you go to for accurate facts, truthful news and honest opinions to help you make an investment decision about a particular business or company? (Note: more than one response accepted so percentages in parentheses are for all mentions for that category and add to more than 100 percent.)

Code Category

1. **Internet Websites (Single Item Category) (26%)** - Website / Mostly the web / Web / On the web sites / Probably websites / The computer, the web no specific companies / on the Internet / My computer / use the Internet / research on the Internet / on the computer / looking it up on the Internet / I do it on my own on the Internet / Probably the Internet / I'd go to the Internet / I get it off the Internet from the company / The Internet, no specific sites / I might try the Internet / I'd probably go to the Internet / Internet, online trade companies / the web site / the Internet / I would probably go online / Internet / I would use the computer / go to the net / the Internet / I would get online / Internet market search and an online broker / then on-line (web) / I'd do it online / Online / my own research probably online / the Internet / online.

Professionals (Aggregate) (24%)

5. **Stock Broker (15%)** - We also know some stock brokers / stock broker's opinion / Go to a stock broker / Brokerage firm / That would be a stock broker / My stock broker / Probably go to a reliable stock broker / I generally rely on stock brokers / I've trusted my broker so far / my broker / I would go to a broker / Stock broker / Stock broker / My broker / Broker, Paine Webber and Janney Montgomery and Scott / I might ask my broker / Trusted broker / my broker / broker, someone along that line / stock broker / Probably a stock broker / stock brokers / Broker / stock broker / to my broker / to my broker / stock brokers / Broker.

6. **Investment Counselor / Financial Advisor (8%)** - Investment planner / I would go to an investment counselor / investment counselor / Investment counselor / I go to investment counselor / investment counselor / financial advisor / Financial advisor / Our financial representative / a financial consultant / Just the financial people I

deal with / Financial planner / My financial consultant / My investment advisor / Prudential financial advisor / I would go to a financial advisor / financial advisor / some person who had some experience in that sort of thing. I would try to find an advisor / Have a financial advisor that I would go to go over the information / Financial advisor / Financial adviser / One of my three financial advisors / financial advisor / Personal financial advisor / Probably with some investment advisor / I usually go through a financial advisor.

8. Lawyer (1%) - I would go first to my lawyer to talk about it / Get a good lawyer / My lawyer / Lawyer, people with more knowledge / An attorney.

28. Accountant (1%) - CPA / accountant.

Personal Sources (Aggregate) (15%)

3. Friends / Family / Co-workers / Word of Mouth (13%) - check with people I know / My father / My brother / There are people through my work and my husbands work who we would go to / My brother who is an insurance stock analyst / A very good friend / friends who have invested before me / friends who have made investments / talk to friends / personal friends / Friends / ask friends / Also I have a couple friends who do the Internet, who invest / Personal friend / Friends I trust, ones that have already made good investments / friends / Probably talk to people who have already invested in stock market / my brother-in-law / I rely on friends / My friends / Family and friends / We use someone in the family / Family, friends / family member / Family members and friends / Word of mouth from people who had invested / Word of mouth / Word of mouth / word of mouth / word of mouth from other individuals / Business associate.

23. Personal Research / Knowledgeable Source (2%) - Personal research / I never have. I would have to research it to find out / a source more knowledgeable than me, for sure / I would talk to someone knowledgeable through some kind of group or individual I felt comfortable with / Consult some people who are knowledgeable / I would get facts / I would check around.

General/Other Print Media (Aggregate) (13%)

11. Newspaper (7%) - newspapers, NY Times / Maybe from the newspaper / I would go to the newspaper / Financial page in newspaper / The newspaper / probably a newspaper / some of the newspapers / the

regular newspaper as well / newspapers / Newspapers / mostly the newspaper. For stocks, the New York Times / the financial section of the local paper / read the paper. The Washington Post / I might look in the paper a bit. That would probably be it. Yeah, under the stock markets, see what was there, what it said, how they do it, hopefully it would be there / Patriot Ledger.

20. Publications (Unspecified) (4%) - Publications / news publications / Typically a publication / Publications / Go to publications / publications / publications / Publications / publications / Local publications.
19. Other Magazine Mentions (3%) - Magazines / News magazines / US News, magazines / I read a lot of magazines / magazines / a magazine / anywhere, magazines / Go with publications, magazines / Looking at many magazines.

Specialist Print Media (Aggregate) (9%)

12. Wall Street Journal (5%) - Not the news, maybe the Wall Street Journal / publications: Wall Street Journal / maybe the Wall Street Journal / probably publications like the Wall Street Journal / Probably look at the Wall Street Journal and see what the stocks are / The Wall Street Journal / The Wall Street Journal / Wall Street Journal / the Wall Street Journal / Wall Street Journal / Stock news, Wall Street Journal.
18. Other Business / Financial / Consumer Magazines (2%) - business magazines / Business Week Magazine / Bottom Line Magazine / financial magazines / or any other financial magazine / The Entrepreneur Magazine / Consumer Reports / Journal of Commerce.
17. Valueline (1%) - Valueline / stock reporting companies, like Valueline / I would probably go to Valueline / Valueline.
13. Money Magazine (1%) - I would probably go to some sort of publication, Money Magazine / Money Magazine / I read Money Magazine.
14. Barrons (*) - Barrons / Barrons.
15. Morning Star (*) - Morning Star / Morning Star reports / Morning Star / Morning Star.
16. Kiplingers (*) - Kiplingers / Kiplingers / Kiplingers.

Financial Institutions (Aggregate) (9%)

7. Investment Firm / Firm that Handles My Mutual Funds / 401K (5%) - I change so rarely I would leave it up to whoever manages the fund / We have a mutual fund. It is done for us through the firm, so we don't really find that information out on our own / Through the organization that carries the 401K / Normally I would go through my 401K and get the information through the people that manage that / I only invest in my 401K, so I probably wouldn't / I'd ask my 401K lady which is an institution / Our mutual fund advisor / My broker for my mutual funds, Smith Barney / I would just go to my investment firm / My investment firm / Investment analyst firms / Dean Witter / Morgan, Stanley, Dean, Witter / Merrill Lynch / Merrill Lynch / Dreyfus / Schwab / Fidelity.
9. Bank (4%) - My banker / the bank / the president of our local bank / banks / To a bank / my banker / bank manager / Talk to people who invest, the bank / Probably to a bank / The bank's financial department / to my bank.
4. **The Specific Company / Annual Reports (Single Item Category)** (8%) - The company itself / I would focus on the financial record of the company and whether they're growing / call the company itself / Call the company for the prospectus / I would go to that company's annual report / The company records / call company / Company and ask for financials / company balance sheets, company reports / from the company / Write the company / I would call the company / The company / Right to the company / then see the company's annual report / Go right to the company for their prospectus / To the company / I'd go direct to the corporation management / The company itself / Read about company.

Other Institutions (Aggregate) (4%)

2. Library (3%) - Local library / the library / business desk at library / If you invest on your own you go to the library / library / then go farther at the library / the library / library / I'd go to the library and look it up / research at the library / Library.
10. Better Business Bureau (1%) - I would go to the Better Business Bureau / Better Business Bureau.

Television (Aggregate) (3%)

21. TV (3%) - financial channel on TV / Watch television / television I just watch the stock there / television news / watch news shows on television / NBC on television / I usually check late on television to see if they say any thing good or bad on a business.
22. CNN (*) - I like listening to CNN / I usually watch CNN / CNN reports / CNN / CNN site.

Wouldn't Invest/Don't Know (Aggregate) (12%)

24. Wouldn't Make an Investment Decision (1%) - I wouldn't be / I wouldn't be doing that on my own / nowhere / I don't go for that / I never do that / I don't fit in that group.
26. Don't Know (11%)
25. Other (Single Item Category) (2%) - I'd have to go to an organization / I would probably get three different agencies / I flip a coin, if I'm down to two, I'm right 66 and three quarters of the time / The Texas Employee Retirement System / Walden's Bookstore / The IRS.

* = Less than 0.5%

The National Credibility Index

Previous research studies identifying which sources of information the public views to be credible:

1. In general
2. Reforming Social Security
3. Using Military Force in Foreign Policy
4. Addressing Race and Ethnic Issues

The National Credibility Index

Measuring Who the Public Believes in General

In today's society, people must turn to others for information before making decisions on important issues. While the information itself is important, the credibility of its source influences how much is believed. When people "consider the source," they evaluate whether that source is truthful, reliable and knowledgeable, thereby further assessing the validity of the information provided.

The National Credibility Index measures which sources of information the public views to be credible in general as well as regarding specific issues.

The research for the first National Credibility Index was conducted in September 1998. Four separate issues were studied concurrently, measuring the credibility of sources:

1. In general (1,000 respondents)
2. Reforming Social Security (1,501 respondents)
3. Using Military Force in Foreign Policy (1,501 respondents)
4. Addressing Race and Ethnic Issues (1,501 respondents)

The research for the original study was based on 15-minute telephone interviews with a nationally representative sample of adults age 18 and older living in the contiguous 48 states. The survey is representative of the U.S. Census Bureau's statistics for the adult population by gender, age, race, marital status and residing in the Northeast, South, Midwest or West.

In the study to determine credibility in general, respondents were asked to rate the credibility of 44 public figures according to a four-point scale: "How believable or unbelievable (do) you think they are when they speak out on a public issue: very credible; somewhat credible; not so credible; or not at all credible?"

Responses are scaled from 0 (not credible at all) to 100 (very credible). A score of 50 is at the borderline of credibility and any benefit of the doubt.

Forty of the 44 information sources studied scored above 50, the mid-point of the 0 to 100 scale of credibility. The average credibility score, or the National Credibility Index, is 61.5. This means that the public is inclined to view opinion leaders and public figures as credible sources of information in general, and that there is a willingness to extend the benefit of the doubt to a wide variety of information sources.

However, the research also found that survey respondents' age, life experience, political views and level of engagement in various issues influences who they believe and how much they believe of what is said. Depending on the issue, one segment of the population

can believe a public figure is credible while another can view the same public figure with skepticism.

Rankings and Comparisons

When the public is evaluating the overall credibility of a source of information when no specific topic or issue being discussed, the most credible public figure is a “Supreme Court Justice” (mean rating of 81.3). The information source with the lowest credibility ranking is a “TV or Radio Talk Show Host,” with a score of 46.6 and below the benefit of the doubt threshold of 50.

Proximity makes a difference. Local sources of information earn higher credibility scores than many national counterparts. Local reporters rank higher than writers for national news magazines, a local chief executive officer or business owner is more credible to the person-in-the-street than a CEO running a large corporation. State and local government officials hold an edge over national politicians, governors and mayors enjoy a credibility baseline with 66.8 and 64.5 ratings respectively. Lower credibility scores for the federal government may reflect the turmoil in the 1999 White House: the Cabinet (56.1), the President (56.9) and the Vice President (60.2).

How to Improve Overall Communications

No other study addresses credibility in such individual detail. Here are four deductions drawn from the general National Credibility Index that can improve communications and build credibility *in general*, that is, when there is no specific issue:

1. Introduce the National Credibility Index findings into planning discussions with senior management of policy communications. Credibility can be protected, built and possibly regained when top management makes the commitment.
2. Use local people for local communications. Teachers, business owners, religious leaders, reporters and elected officials who work in the community enjoy high credibility ratings with the public. In contrast, a “famous athlete” a “famous entertainer” and a “TV or radio talk show host” are among those with the least credibility.
3. Never assume. Since a source’s credibility varies with the issue, be wary of relying on the top person as being the spokesperson in all instances.
4. Pre-determine who are the most credible figures to use as information sources on a variety of issues. Plan ahead to link credible sources with potential issues and target audiences.

The National Credibility Index

Measuring the Public's View of Credible Sources of Information in General.

Sample size 1,000; survey September 1998

| Rank | Information Source | Mean Rating | Caucasian | African-American | Other |
|------------|--|-------------|-------------|------------------|-------------|
| 1 | Supreme Court Justice | 81.3 | 82.6 | 74.5 | 78.3 |
| 2 | Teacher | 80.7 | 80.7 | 81.7 | 77.4 |
| 3 | National Expert | 78.6 | 79.3 | 77.8 | 75.7 |
| 4 | Member of the Armed Forces | 73.0 | 73.9 | 70.4 | 71.1 |
| 5 | Local Business Owner | 72.2 | 73.5 | 70.1 | 67.0 |
| 6 | Ordinary Citizen | 71.8 | 71.2 | 76.3 | 70.2 |
| 7 | Local Religious Leader | 71.8 | 72.7 | 72.9 | 67.4 |
| 8 | Local Ranking Military Officer | 71.7 | 71.8 | 71.1 | 69.8 |
| 9 | School Official | 71.3 | 71.5 | 72.7 | 64.8 |
| 10 | National Leader of People with Shared Traits | 71.1 | 68.6 | 79.9 | 70.7 |
| 11 | National Religious Leader | 69.2 | 69.1 | 75.0 | 68.1 |
| 12 | Network TV News Anchor | 66.8 | 67.0 | 66.5 | 61.5 |
| 13 | Governor | 66.8 | 66.6 | 68.6 | 64.8 |
| 14 | Representative of a Local Business/Trade Asso. | 66.6 | 67.6 | 66.2 | 61.1 |
| 15 | Reporter for a Local Newspaper/TV Station | 65.8 | 66.5 | 67.0 | 59.1 |
| 16 | National Civil Rights Leader | 65.6 | 62.4 | 77.3 | 71.7 |
| 17 | Locally Elected Council Member/Supervisor | 65.2 | 65.1 | 67.8 | 63.1 |
| 18 | U.S. Senator | 64.2 | 63.7 | 65.7 | 63.1 |
| 19 | Nationally Syndicated News Columnist | 64.0 | 63.4 | 63.4 | 64.6 |
| 20 | Mayor of a Large City | 63.5 | 62.8 | 66.0 | 62.2 |
| 21 | Head of a State Department or Agency | 63.1 | 62.5 | 68.0 | 60.7 |
| 22 | Head of a Local Agency or Department | 62.9 | 62.8 | 64.4 | 59.8 |
| 23 | Reporter for a Major Newspaper/Magazine | 62.4 | 62.2 | 61.6 | 60.4 |
| 24 | U.S. Congressman | 62.2 | 61.7 | 58.5 | 63.5 |
| 25 | President of a Large Corporation | 61.6 | 61.7 | 58.5 | 63.5 |
| NCI | National Credibility Index | 61.5 | 60.3 | 66.9 | 61.0 |
| 26 | Local Civil Rights Leader | 60.3 | 57.2 | 74.2 | 64.8 |
| 27 | U.S. Vice President | 60.2 | 57.8 | 70.9 | 58.5 |
| 28 | Head of a National Business/Industry Association | 59.6 | 58.9 | 61.3 | 59.6 |
| 29 | Community Activist | 59.2 | 55.7 | 71.9 | 63.9 |
| 30 | Wall Street Executive | 57.9 | 58.0 | 58.5 | 57.4 |
| 31 | Head of a Presidential Advisory Board | 57.6 | 55.8 | 64.2 | 57.4 |
| 32 | U.S. President | 56.9 | 53.9 | 73.2 | 57.2 |
| 33 | Member of a President's Cabinet | 56.1 | 54.0 | 66.5 | 54.3 |
| 34 | Pollster | 55.9 | 55.4 | 62.9 | 53.1 |
| 35 | Student Activist | 53.3 | 50.8 | 68.0 | 55.7 |
| 36 | Local Labor Union Leader | 53.3 | 51.0 | 65.2 | 54.1 |
| 37 | Candidate for Local Office | 53.1 | 51.8 | 58.8 | 53.3 |
| 38 | Head of a National Labor Union | 53.0 | 49.5 | 68.0 | 53.3 |
| 39 | Famous Athlete | 52.1 | 50.3 | 60.3 | 54.1 |
| 40 | Head of a National Interest Group | 51.3 | 48.5 | 64.2 | 54.4 |
| 41 | Political Party Leader | 48.6 | 47.2 | 56.4 | 49.8 |
| 42 | Public Relations Specialist | 47.6 | 44.5 | 60.6 | 50.7 |
| 43 | Famous Entertainer | 46.8 | 44.6 | 58.0 | 48.0 |
| 44 | TV or Radio Talk Show Host | 46.6 | 44.8 | 55.7 | 47.6 |

The National Credibility Index

Reforming Social Security: Measuring the Credibility of Those Who Provide Information on Social Security Reform

The National Credibility Index™ found that insiders and experts on Social Security and aging, both within and outside the government, have the highest credibility when providing information and opinions on reforming Social Security.

The public figures who score below the average in credibility include non-governmental and non-expert figures: union leaders, business leaders and national media journalists.

The gender, age and education of those surveyed affects credibility scores. Women are more likely to find public figures speaking out about Social Security reform more credible than men. People over 40 tend to find public figures likely to be involved in Social Security issues less credible than those 40 and younger. And the more educated the respondent, the lower the credibility score they give to Social Security-involved public figures.

The findings of this National Credibility Index definitely shows a partisanship edge on the issue of Social Security. Republicans tend to grant more credibility to various components of the government other than the White House. Democrats side with the President and give him their support.

One exception was found: sources of information with relevant business or financial backgrounds tend to bridge the political gap and earned high credibility scores on this issue.

To communicate credibly on Social Security reform to a wide range of people requires a wide variety of public figures. Perceived partisan spokespersons tend to find credibility among their own fellow partisans. Spokespersons who are seen as involved in Social Security, or as having a business/financial background, bridge partisanship.

How to Improve Communications in Government Issues

“Experts” continue to rate high in believability when the topic is tied to the government. It is no surprise that politicians are viewed as credible by some of the public and distrusted by others. Identify several spokespeople: insiders and experts, government leaders (note political party affiliations of your audience) and business experts with relevant backgrounds.

The National Credibility Index

Credibility Ratings for Sources of Information on Reforming Social Security

Sample size 1,501; survey September 1998

| Rank | Information Source | Mean Rating | Caucasian | African-American | Other |
|------|--|-------------|-------------|------------------|-------------|
| 1 | Social Security Expert | 85.3 | 85.0 | 86.7 | 85.8 |
| 2 | Leader of a National Association Representing Retired or Elderly | 79.2 | 78.6 | 84.8 | 77.4 |
| 3 | Social Security Administrator | 78.5 | 77.8 | 82.3 | 78.6 |
| 4 | Secretary of Health and Human Services | 71.1 | 69.7 | 72.7 | 74.0 |
| 5 | Head of Federal Reserve Board | 70.7 | 71.4 | 63.1 | 70.0 |
| 6 | Secretary of the Treasury | 69.8 | 69.5 | 70.2 | 69.5 |
| 7 | President's Economic Advisor | 69.6 | 67.8 | 76.0 | 71.9 |
| 8 | U.S. Senator | 67.2 | 66.6 | 66.5 | 69.2 |
| 9 | Governor | 67.1 | 66.0 | 66.3 | 72.2 |
| 10 | U.S. President | 67.0 | 64.1 | 77.7 | 70.7 |
| 11 | Head of Congressional Budget Office | 67.0 | 66.1 | 66.2 | 71.2 |
| 12 | U.S. Vice President | 66.5 | 63.1 | 78.3 | 71.7 |
| 13 | U.S. Congressman | 66.4 | 65.3 | 67.9 | 68.6 |
| 14 | Head of a Presidential Advisory Board or Commission | 66.2 | 64.8 | 71.2 | 68.0 |
| | SOCIAL SECURITY CREDIBILITY INDEX | 65.2 | 64.2 | 67.2 | 67.4 |
| 15 | Head of a National Interest Group on Economic Issues | 63.7 | 62.8 | 64.8 | 67.6 |
| 16 | Head of the White House Office of Management and Budget | 62.4 | 60.8 | 68.3 | 63.6 |
| 17 | Ordinary Citizen | 58.4 | 57.8 | 56.3 | 61.5 |
| 18 | Head of a National Labor Union | 56.8 | 54.9 | 60.8 | 61.5 |
| 19 | Head of a National Business Association | 56.2 | 56.4 | 53.8 | 56.7 |
| 20 | Major Newspaper/Magazine Reporter | 51.9 | 51.0 | 51.3 | 57.0 |
| 21 | Wall Street Executive | 51.8 | 52.2 | 46.5 | 51.7 |
| 22 | National Syndicated Columnist | 50.9 | 50.4 | 51.5 | 53.6 |
| 23 | TV Network Anchor | 49.3 | 48.6 | 51.0 | 51.2 |
| 24 | TV/Radio Talk Show Host | 37.3 | 36.0 | 41.9 | 40.5 |

The National Credibility Index

Military Force: Measuring the Credibility of Public Figures Who Provide Information on Using Military Force in Foreign Affairs

When asked, generally, who provides believable information and honest opinions on sending military forces to fight abroad, survey respondents accredited the highest credibility to military insiders and foreign affairs experts.

While the President of the United States is the Commander-in-Chief, his credibility score misses the “top ten” at eleventh place—behind the Secretary of Defense, the National Security Advisor and the Secretary of State. However, the President’s credibility ranks higher than a representative of a human rights organization, a national religious leader and a TV network anchor. The fact that the President scores below all of the military and foreign affairs figures of the national government indicates a comparatively low credibility score for Mr. Clinton, which reflects on the office of the presidency itself.

The public obviously turns to the experts when the issue is military force abroad—giving them higher scores than when asked of their credibility in a general sense.

But some sources of information—the media and social activists—lose credibility on the issue of using force in foreign policy decisions, compared to the general credibility ratings.

The survey findings also indicate that the cleavage from the Vietnam war still exists. Those ages 45 to 64 give the lowest credibility scores to the military/foreign affairs experts. Higher ratings are given by younger people, strong partisans, conservatives and college graduates.

How to Improve Communications in Military Issues

The most credible spokespersons on military force in foreign policy are the people closest and most informed about the issue in question. The public perceives governmental and military public figures as highly credible. Some public figures (journalists, social activists) lose credibility on this topic.

The National Credibility Index

Credibility Ratings for Sources of Information on Using Military Force in Foreign Affairs

Sample size 1,501; survey September 1998

| Rank | Information Source | Mean Rating | Caucasian | African-America | Other |
|------------|---|-------------|-------------|-----------------|-------------|
| 1 | Military Affairs Expert | 81.2 | 81.7 | 78.1 | 81.1 |
| 2 | Secretary of Defense | 80.4 | 80.5 | 76.5 | 81.3 |
| 3 | Chairman, Joint Chiefs of Staff | 80.4 | 80.6 | 78.5 | 79.0 |
| 4 | Foreign Policy Expert | 79.0 | 79.3 | 75.8 | 78.1 |
| 5 | High Military Officer | 77.7 | 77.7 | 73.8 | 80.5 |
| 6 | National Security Advisor | 75.5 | 74.8 | 74.6 | 76.4 |
| 7 | Secretary of State | 74.4 | 74.6 | 69.8 | 75.0 |
| 8 | U.S. United Nations Ambassador | 74.4 | 73.7 | 74.2 | 76.3 |
| 9 | Member of the Armed Forces | 72.5 | 72.7 | 69.4 | 74.0 |
| 10 | Representative of National Veterans Group | 71.4 | 72.0 | 72.5 | 68.9 |
| 11 | U.S. President | 69.6 | 67.2 | 77.7 | 74.4 |
| 12 | U.S. Vice President | 69.3 | 67.2 | 75.2 | 72.0 |
| 13 | U.S. Senator | 67.1 | 67.0 | 62.9 | 69.7 |
| 14 | U.S. Congressman | 66.3 | 66.1 | 62.3 | 69.3 |
| NCI | MILITARY CREDIBILITY INDEX | 63.0 | 62.3 | 64.0 | 65.4 |
| 15 | Representative of a Human Rights Organization | 57.0 | 55.1 | 63.7 | 61.2 |
| 16 | National Religious Leader | 55.5 | 54.3 | 60.6 | 57.2 |
| 17 | Major Newspaper/Magazine Reporter | 53.2 | 52.8 | 50.8 | 57.0 |
| 18 | National Civil Rights Leader | 52.6 | 49.8 | 62.1 | 59.9 |
| 19 | National Syndicated Columnist | 52.2 | 52.0 | 50.8 | 54.1 |
| 20 | Local Religious Leader | 51.9 | 50.3 | 59.4 | 55.3 |
| 21 | Ordinary Citizen | 51.4 | 50.6 | 51.0 | 55.3 |
| 22 | TV Network Anchor | 51.0 | 50.7 | 50.2 | 53.3 |
| 23 | Student Activist | 36.9 | 34.0 | 48.8 | 44.0 |
| 24 | TV/Radio Talk Show Host | 35.6 | 34.4 | 36.2 | 39.8 |
| 25 | Famous Entertainer | 27.6 | 25.9 | 32.5 | 32.8 |

The National Credibility Index

Race and Ethnicity: Measuring the Credibility of Those Who Address Race and Ethnic Issues

On the issue of race and ethnic differences the credibility scores, while following the pattern of the general National Credibility Index™, are noticeably lower overall.

Much of this traces to the lower scores given to information sources by African-American survey respondents. On the issues of Social Security Reform and Military Force in Foreign Policy, as well as the general Credibility Index, African-Americans were more supportive.

Race especially matters in the criminal justice system. The credibility of the police, lawyers and judges differs dramatically among Caucasians and African-Americans.

The credibility of the police scores high in the eyes of Caucasian Americans but very low in the eyes of African-Americans. Credibility remains relatively low among African-Americans even when the police in question are “of their own race.”

While lawyers consistently ranked at the bottom of the credibility scale for all racial groups, lawyers rise in credibility when they are introduced as being “of your own race” to African-Americans.

Caucasians and people of “other” races view judges as the most credible sources on race and ethnicity issues. However, African-Americans place the credibility of these sources below that of religious leaders, race and ethnicity experts and civil rights leaders.

The fact that the credibility of these sources is so dramatically affected by the introduction of race as a variable in their evaluation confirms what we intuitively know. The criminal justice system constitutes one of the most racially charged arenas in contemporary American politics.

When incidents of police misconduct, brutality or miscarriage of justice that have racial elements occur, the normal spokespersons among established officials really stand little chance to head off controversy and confrontation. Officials trying to communicate under such circumstances need to find spokespersons who are more likely to be perceived as credible to the aggrieved public.

How to Improve Communications in Race and Ethnic Issues

Don't automatically select a “same race” spokesperson for specific audiences. A spokesperson of a different race and a high-credibility profession may be more effective.

The National Credibility Index: Race and Ethnic Issues

Credibility Ratings for Sources of Information Addressing Race and Ethnic Issues

Sample size 1,501; survey September 1998

| Rank | Information Source | Mean Rating | Caucasian | African-American | Other |
|------|--|-------------|-------------|------------------|-------------|
| 1 | Supreme Court Justice | 77.7 | 79.6 | 57.0 | 86.1 |
| 2 | National Expert of Race and Ethnicity | 75.4 | 77.8 | 68.0 | 70.4 |
| 3 | Teacher | 74.5 | 74.8 | 71.0 | 76.9 |
| 4 | State or Federal Judge | 71.9 | 74.8 | 53.0 | 75.0 |
| 5 | Local Religious Leader | 70.7 | 72.0 | 67.0 | 67.6 |
| 6 | National Religious Leader | 69.1 | 69.3 | 71.0 | 66.7 |
| 7 | School Official | 68.0 | 69.9 | 59.0 | 66.7 |
| 8 | National Civil Rights Leader | 67.9 | 65.2 | 81.0 | 69.4 |
| 9 | Mayor of a Large City | 66.3 | 65.4 | 63.0 | 74.1 |
| 10 | Local Civil Rights Leader | 65.3 | 61.9 | 81.0 | 68.5 |
| 11 | Governor | 65.1 | 65.1 | 46.0 | 84.3 |
| 12 | National Leader of Minority Race or Ethnic Group Association | 64.9 | 63.3 | 76.0 | 62.9 |
| 13 | Ordinary Citizen | 64.4 | 65.6 | 61.0 | 63.0 |
| 14 | Police or Law Enforcement Official | 64.2 | 68.1 | 38.0 | 67.6 |
| 15 | Locally Elected Council Member/Supervisor | 63.7 | 63.1 | 58.0 | 73.1 |
| 16 | U.S. Senator | 63.1 | 63.8 | 46.0 | 76.9 |
| 17 | Head of a Local Agency of Department | 61.7 | 61.5 | 48.0 | 75.0 |
| 18 | Head of a Presidential Advisory Board | 61.4 | 61.3 | 59.0 | 64.8 |
| 19 | Local Business Owner | 60.8 | 61.3 | 50.0 | 67.6 |
| 20 | U.S. Vice President | 60.7 | 59.4 | 56.0 | 73.1 |
| 21 | U.S. President | 60.1 | 55.9 | 71.0 | 73.1 |
| 22 | U.S. Congressman | 59.6 | 59.8 | 43.0 | 73.1 |
| 23 | Member of the Armed Forces | 58.8 | 60.8 | 45.0 | 60.2 |
| 24 | Member of a President's Cabinet | 58.7 | 57.4 | 63.0 | 62.0 |
| 25 | Representative of a Local Business or Trade Association | 58.6 | 60.6 | 45.0 | 59.3 |
| | RACE/ETHNICITY CREDIBILITY INDEX | 58.4 | 58.1 | 51.5 | 65.8 |
| 26 | Community Activist | 58.3 | 57.3 | 61.0 | 60.2 |
| 27 | Well Known Author, Writer or Poet | 57.9 | 57.6 | 48.0 | 67.6 |
| 28 | Reporter Covering Race/Ethnic Issues | 56.1 | 53.9 | 56.0 | 66.7 |
| 29 | High Ranking Military Officer | 56.1 | 57.3 | 29.0 | 74.1 |
| 30 | Nationally Syndicated Columnist | 55.9 | 56.7 | 46.0 | 59.3 |
| 31 | Reporter for a Major Newspaper/Magazine | 54.3 | 55.0 | 38.0 | 64.8 |
| 32 | Reporter for a Local Newspaper | 53.2 | 53.7 | 37.0 | 63.0 |
| 33 | Network TV News Anchor | 52.4 | 52.3 | 38.0 | 64.8 |
| 34 | Pollster | 50.6 | 51.2 | 41.0 | 56.5 |
| 35 | President of a Large Corporation | 50.6 | 52.1 | 37.0 | 55.6 |
| 36 | Local TV Station Reporter | 50.4 | 50.9 | 35.0 | 60.2 |
| 37 | Political Party Leader | 49.4 | 47.2 | 45.0 | 64.9 |
| 38 | Public Relations Specialist | 49.2 | 45.4 | 49.0 | 67.6 |
| 39 | Student Activist | 48.5 | 45.2 | 61.0 | 63.0 |
| 40 | Candidate for Public Office | 48.1 | 44.9 | 42.0 | 68.5 |
| 41 | Famous Athlete | 46.2 | 44.7 | 41.0 | 56.5 |
| 42 | Lawyer | 42.6 | 42.9 | 35.0 | 47.2 |
| 43 | Government Lawyer | 41.5 | 40.8 | 36.0 | 49.1 |
| 44 | TV or Radio Talk Show Host | 41.3 | 39.4 | 41.0 | 49.1 |
| 45 | Famous Entertainer | 39.3 | 37.2 | 34.0 | 51.9 |

The National Credibility Index

Ten Conclusions from the Initial Research Studies¹

1. There is a reservoir of credibility available from the public. On a scale of 0 (no credibility at all) to 100 (total credibility), the total pool of public credibility is 61.5, meaning the public is inclined to grant the benefit of the doubt to public figures.
2. The reservoir of credibility varies according to the issue, dipping below 60 percent on Race and Ethnicity and rising above 60 percent on Military Force in Foreign Policy and Social Security reform.
3. People who consider themselves religious have a positive outlook on society; moderate political views give higher overall credibility ratings. Those on either end of the political spectrum tend to ascribe less credibility to public figures.
4. Older and better-educated people are generally more skeptical of public figures.
5. Major life experiences impact how people perceive public figures: those in the Vietnam War age group thought the military had extremely low credibility, while those in the World War II/Korean War age group thought it had high credibility.
6. Public figures' credibility was clustered around the group to which they are seen as belonging: for instance, newspaper reporters and TV anchors got similar results, as did Cabinet officers.
7. Local public figures had more credibility than national public figures.
8. Gender wasn't a significant factor in credibility except for in the category of social activists, which women ranked higher.
9. In general, insiders or experts had the highest credibility for all the issues studied.
10. African American and white respondents apportion credibility very differently—among the top six categories for each race, there was only one type of public figure in common: teachers.

¹ Research conducted in September 1998 measuring credibility of information sources in general (no specific topic); Reforming Social Security; Using Military Force in Foreign Policy; Addressing Race and Ethnic Issues.



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