Survey of Investors and Professional Financial Advisors on Corporate Governance and Reputation Issues

FTI Consulting and FD Financial Dynamics
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Objective:

The objective of this survey is to determine the perspectives of professional advisors and high-net-worth investors on a number of issues relating to corporate governance and corporate reputation.

Methodology:

This survey was conducted online in late August and early September of 2007. 100 professional financial advisors and 102 high-net-worth investors (individuals with over $1 million in investable assets) responded.

Key Findings:

- Respondents believe that boards should be directly involved in the communications around significant events.
- 61% of financial advisors and 62% of high-net-worth investors believe that the board primarily serves shareholders rather than management.
- 13% of financial advisors and 12% of high-net-worth investors believe that corporate governance practices have improved a great deal since the passage of the Sarbanes-Oxley Act.
- 67% of financial advisors and 58% of high-net-worth investors believe that companies do not provide enough information to the public about their governance practices.
- 87% of advisors and 88% of high-net-worth investors believe that there is a link between effective corporate governance and a company's reputation.

Conclusion:

Corporations still have significant strides to make in reassuring investors and their advisors about the effectiveness and quality of corporate governance and whether these practices are appropriately safeguarding corporate reputation.

Full Report