

The Media Audit

NEWS RELEASE

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Research Shows Stock Trading Continued Steep Decline in 2003

Houston – (6/8/04) – The number of adults trading stocks and bonds continued to decline in 2003 in the 85 metropolitan markets surveyed by The Media Audit.

The new data is included in The Media Audit, a syndicated survey produced by International Demographics, Inc., a 33-year-old market research firm. “We expected the decline from 2000 to 2002 but we were surprised that the numbers continued to trend down significantly through 2003, which was a very good year to be in the stock market,” says Bob Jordan, president of International Demographics.

The percentage of adults in all 85 markets who traded stocks or bonds was 23.6 percent in 1998. That percentage climbed to 24.3 in 1999 and to 25.7 in 2000. From that pinnacle it fell to 23.1 in 2001, 21.1 in 2002, and 18.2 in 2003. Although The Media Audit is not a national survey its numbers traditionally track national survey results.

According to Jordan, the “failure to trade in any given year does not necessarily mean that an individual got out of the market and stayed out. It could mean that the individual investor simply retained his or her holdings without trading. However, the latter explanation probably explains only a small part of the downward trend.”

The decline in stock trading was significant among all income groups. The percent of those with incomes of \$100,000 plus who traded stock/bonds/securities in the year of the survey declined from 53.2 percent in 2000 to 49.4 percent in 2001, 44.4 percent in 2002 and to 37.9 percent in 2003.

Even Among Affluent

Even among those with liquid assets of \$250,000 or more the number who traded stocks during the year of the survey declined from 6.3 million in 2000 to 6.0 million in 2001 and to 5.3 million in 2002. “This decline followed a decrease in the number of households who reported having more than \$250,000 in liquid assets,” says Jordan. That number was 32.1 million in 2000, 29.6 million in 2001, and 27.7 million in 2002.

The age group that contains the highest percentage of those who trade stocks/bonds/securities is consistently the 45-64 age group. The percent of this group that traded stock/bonds/securities during the year surveyed rose from 23.9 in 1994 to 30.9 in 2000. From that pinnacle it declined to 28.3 in 2001, 26.1 in 2002 and 22.9 in 2003.”

“It doesn’t appear that any group escaped the downturn in the economy,” says Jordan, “it appears that the same rising tide that raises all ships lowers them when it goes out.”

The Data Source

The Media Audit, a syndicated media ratings service currently covering more than 80 metropolitan markets, provides both quantitative data for media web sites as well as for traditional media.

Traditional media – print, broadcast and outdoor – have used The Media Audit data in sales, marketing and management for more than 30 years. In 1998, the survey started providing data on local media websites. The surveys now contain more than 400 fields of qualitative information in addition to quantitative measurements of local web audiences.

The Media Audit is a product of International Demographics, Inc., a 33-year-old firm engaged exclusively in syndicated, multimedia surveys conducted at the local market level.

Note: If you would like to periodically receive market survey data from The Media Audit, please contact Bob Jordan by email (rjordan@TheMediaAudit.com) and leave your name, title, company affiliation and email address.