
2022 SURVEY OF INVESTORS, RETIREMENT SAVINGS, AND ESG



HOOVER
INSTITUTION

ROCK CENTER **FOR** **CORPORATE**
GOVERNANCE

STANFORD

STANFORD
BUSINESS GRADUATE
SCHOOL OF



TABLE OF CONTENTS

Executive Summary and Key Findings	3
Review of Findings	8
Environmental	15
Social	18
Governance	21
Average Market Return Expectations	26
Demographics	27
Methodology	30
About the Authors	31
About Us	33
Contact Information	34

EXECUTIVE SUMMARY AND KEY FINDINGS

OLDER INVESTORS WHO RELY ON RETIREMENT SAVINGS TO PAY FOR LIVING EXPENSES ARE LARGELY OPPOSED TO ESG INITIATIVES AND UNWILLING TO SUFFER FINANCIAL LOSS TO ADVANCE ENVIRONMENTAL AND SOCIAL GOALS.

ESG IS OVERWHELMINGLY SUPPORTED BY YOUNG INVESTORS WHO WANT INVESTMENT MANAGERS TO TAKE AN ACTIVE STANCE ON CLIMATE CHANGE, DIVERSITY, AND OTHER STAKEHOLDER INITIATIVES.

THE STARK DIFFERENCE ACROSS AGE GROUPS UNDERSCORES THE CHALLENGE INVESTMENT MANAGERS FACE IN BALANCING THE GOALS OF INVESTORS WITH DIFFERENT VIEWS AND FINANCIAL NEEDS.

“We see extreme differences in investor support for ESG driven largely by age and stage of life,” says Professor David F. Larcker, Stanford Graduate School of Business and Rock Center for Corporate Governance. “Older investors who are living off their retirement savings are much less concerned with environmental and social issues and much more concerned with making sure fund managers focus on generating financial returns to support their spending needs. Older investors oppose fund managers taking activist positions on ESG issues and are unwilling to see their investment balances decline to advance these objectives.”

“ESG activism is clearly driven by younger investors,” adds Professor Amit Seru, Stanford Graduate School of Business and the Hoover Working Group on Corporate Governance at Stanford University. “Investors under 40 want to see companies make progress across a broad range of environmental and social initiatives and claim to be willing to suffer personal financial loss—sometimes very large loss—to see those changes realized. The many years they have until retirement and high expectations for future stock market growth might encourage them that any cost to ESG activism can be recovered.”

“The vast differences across age demographics means that institutional managers are going to have to think hard about the stances they take on environmental

and social proxy proposals,” observes Professor Stephen Haber, School of Humanities and Sciences Stanford University and Hoover Working Group on Corporate Governance at Stanford University. “While some investors favor these, many others strongly oppose them. More and more fund managers might find that the best solution is to poll their investor base on how to vote and split votes to reflect the divergent views of various groups.”

In summer 2022, Stanford Graduate School of Business, the Hoover Working Group on Corporate Governance at Stanford University, and Rock Center for Corporate Governance at Stanford University jointly conducted a nationwide survey of 2,470 investors—distributed by gender, race, age, household income, and state residence—to understand how American investors view environmental, social, and governance (ESG) priorities among the companies in their investment portfolio.

Respondents run the spectrum of personal investment assets from less than \$10,000 to more than \$500,000 (average \$200,000) in retirement and personal savings accounts. Their investments are held through a variety of major institutional investors, including Fidelity (47 percent), American Funds (40 percent), Vanguard (31 percent), Invesco (18 percent), BlackRock (16 percent), and State Street (16 percent), among others.



KEY FINDINGS INCLUDE THE FOLLOWING:

INVESTORS HAVE DIAMETRICALLY OPPOSED VIEWS OF ESG BASED ON THEIR AGE.

Young investors (41 years and younger) express high concern about environmental issues. 70 percent say they are very concerned about issues such as carbon emissions and renewable energy sourcing, while 30 percent are somewhat or not at all concerned about these. By contrast, older investors (58 years and older) have almost the exact opposite view. Only 35 percent are very concerned about environmental issues, while 65 percent are somewhat or not at all concerned.

The same pattern is true for social issues. Two-thirds (65 percent) of young investors are very concerned about issues such as workplace diversity, income inequality, and workplace conditions, compared with only 30 percent of older investors. 70 percent of older investors express little or no concern for these.

Reflecting these preferences, most young investors (78 percent) own at least one mutual fund or exchange-traded fund that restricts itself to socially responsible

investing, while only 19 percent of older investors are invested in such a fund.

Importantly, wealth differences only seem to account for the differences in preferences for ESG among younger investors. While the views of older investors are uniformly opposed to ESG without regard to their savings, the preferences of younger investors change significantly with wealth. Younger investors with very high investment balances express the most support for ESG initiatives, while support among those with little savings is much lower.

“There are clearly generational differences when it comes to perceptions of ESG,” says Professor Seru. “Young investors express high levels of concern for social and environmental causes—particularly young investors who are very wealthy—while older investors express very little concern for these. These differences pose challenges to fund managers and corporate executives alike when it comes to deciding which stakeholder interests to pursue or support, and how much to invest in them.”

YOUNG INVESTORS WANT FUND MANAGERS TO ADVOCATE FOR ENVIRONMENTAL AND SOCIAL CAUSES. OLDER INVESTORS WANT THEM TO STICK WITH GENERATING FINANCIAL RETURNS.

Investors express a strong preference for fund managers to use their size and voting power to maximize the economic value of their investments. Over three-quarters (77 percent) say this is extremely or very important, while only 8 percent say it is slightly or not at all important.

Most young investors also want investment companies to use their size and voting power to influence the environmental practices of the companies they are invested in. Almost 80 percent of young investors say this is extremely or very important. By contrast, only 42 percent of older investors say it is important that fund managers influence the environmental practices of companies.

In this same vein, 85 percent of Millennial and Gen Z investors (41 years and younger) say they support fund managers advocating for environmental causes even if it decreases the value of their investment. By contrast, only 35 percent of older investors support fund managers doing so, and 65 percent oppose it.

This pattern is the same when it comes to social issues, with 82 percent of young investors wanting to see investment managers use their size and voting power to influence the social policies and practices of the companies they are invested in, while only 35 percent of older investors want to see this. 80 percent of Millennial and Gen Z investors are willing to suffer a decrease in investment value in support of social activism. Only 29 percent of older investors are willing to suffer losses, and 71 percent are not.

YOUNG INVESTORS CLAIM TO BE WILLING TO LOSE BETWEEN 6 AND 10 PERCENT OF THEIR RETIREMENT SAVINGS TO SUPPORT ESG CAUSES. OLDER INVESTORS DO NOT WANT TO LOSE ANYTHING.

When asked about a number of prominent environmental issues—including reduction in carbon emissions, renewable energy, and product sustainability—the average Millennial and Gen Z investor says they are willing to lose between 6 and 10 percent of their investment dollars in order to see companies improve their current practices to industry-leading levels. Approximately one-third say they are willing to lose more than 10 percent of their wealth to bring about environmental improvements.

Baby Boomer investors (ages 58 and older), on the other hand, overwhelmingly oppose the idea of forfeiting large portions of their retirement savings to bring about environmental change. The average Baby Boomer is unwilling to lose any investment savings for environmental improvements and only 5 percent are willing to lose more than 10 percent of their wealth.

Baby Boomers are similarly unwilling to realize investment losses to bring about change to the social practices of the companies they are invested in. Over half (57 percent) are unwilling to lose any retirement savings to fund a significant expansion in employment benefits, 66 percent are unwilling to lose retirement savings to bring about gender wage equality, and 70 percent oppose losing money to increase racial and gender diversity among the companies they are invested in.

By contrast, Millennial and Gen Z investors claim to be highly willing to incur significant investment losses to bring about these social changes, with approximately a third willing to lose more than 10 or 15 percent of their retirement savings.

“The cost of ESG initiatives is, and will continue to be, the largest sticking point,” says Professor Haber. “No one really knows the cost-benefit trade-off of environmental or social initiatives. What is clear from our study is that older investors are not willing to bear the risk of having to pay the cost of these, while younger investors say that they are.”

YOUNG INVESTORS CLAIM TO BE MUCH MORE KNOWLEDGEABLE THAN OLDER INVESTORS ABOUT THE STOCK MARKET. THEY ALSO HAVE HIGHER EXPECTATIONS FOR FUTURE GROWTH.

The eagerness that young investors express in support of ESG might be due in part to their optimistic expectations for future stock market growth. Young investors claim to have higher knowledge about markets than older investors and higher expectations for future returns.

Most young investors (78 percent) describe themselves as extremely or very knowledgeable about the stock market; only 8 percent say they are slightly or not at all knowledgeable. By contrast, only 20 percent of older investors say they are extremely or very knowledgeable and 40 percent say they are slightly or not at all knowledgeable about markets.

Young investors expect the stock market to generate significantly higher returns than older investors. Young investors expect to realize, on average, 15.9 percent over the next year and 16.8 percent annually over the coming decade. Older investors expect only 4.6 percent over the next year and 10.7 percent annually over the next decade.

INVESTORS INVEST WITH MANAGERS WHO SHARE THEIR VIEWS.

The largest institutional investors—those that have taken public stances to advance ESG initiatives among portfolio companies—have an investor base that supports environmental and social activism. For example, BlackRock, which vocally advocates for environmental sustainability among its portfolio companies, has an investor base that is highly concerned about environmental issues, with 76 percent saying so. Similarly, State Street, which has supported boardroom diversity, has an investor base (76 percent) that is very concerned about social issues. These figures are far higher than even the most concerned age demographic groups and higher than our respondent pool overall.

Investors in large funds also support their fund managers' decision to vote against the directors of companies that are not doing enough to advance ESG. 86 percent of BlackRock investors agree with the firm's decision to vote against the directors of a company that is not moving fast enough to address climate change, without regard to the financial success of that company. By comparison, only 39 percent of investors that do not invest with the largest institutional fund managers agree with this decision.

Similarly, 79 percent of BlackRock investors support that firm's decision to vote against certain directors if the board of that company does not have at least one director from an "underrepresented group" (in terms of racial background or sexual orientation). By contrast, among investors that do not invest with the largest institutional fund managers, only 35 percent support this decision.

It might be the case that investors are attracted to these funds because of their recent activism toward ESG. Alternatively, it might be that these fund managers are reacting to the interests of their investor base in taking these stances.

WITHOUT REGARD TO THEIR VIEW OF ESG, INVESTORS WANT FUND MANAGERS TO TAKE THEIR PERSONAL VIEWS INTO ACCOUNT WHEN VOTING SHARES.

Over 80 percent of investors believe that fund managers should take into account their views of environmental and social issues when voting on proxy proposals regarding these topics. This view is fairly consistent across age demographics, with 89 percent of Millennial and Gen Z investors, 80 percent of Gen X investors, and 76 percent of Baby Boomers saying so.

This does not seem to be influenced by a perception of the political leanings of fund managers. Investors across all age demographics tend to have a balanced view of the political preferences of their fund managers, with fairly even numbers thinking that the average fund manager is conservative or liberal.

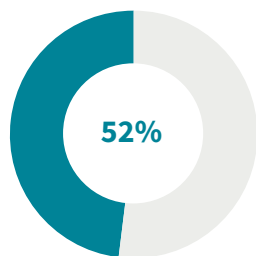
“This points to the fact that investment managers should spend more time soliciting the opinions of their investor base before making important decisions on how to vote proxy proposals involving ESG,” says Professor Larcker. “The likely solution for fund managers is to start splitting votes to reflect the preferences and investment objectives of their investor base. Fund managers have a fiduciary duty, and part of that duty is to put the interests of their investors first. It’s hard to see how they can do so if they are making one-sided decisions when it comes to tricky environmental or social proposals.”



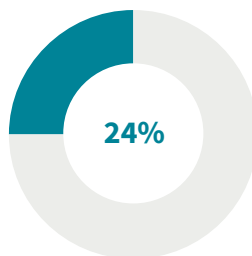
REVIEW OF FINDINGS

Distribution of Respondants by Age

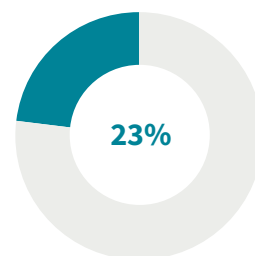
MILLENNIAL + GEN Z



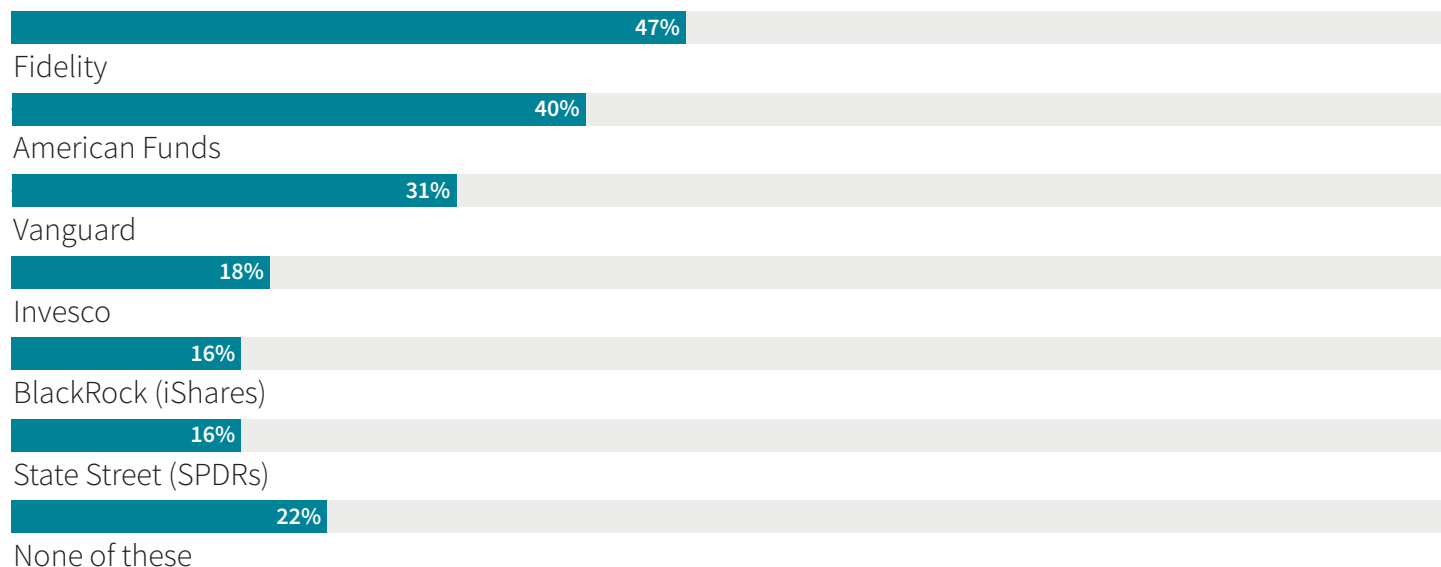
GEN X



BOOMERS +



Do you have money invested in mutual funds or exchange-traded funds managed by the following investment firms? (select all that apply)

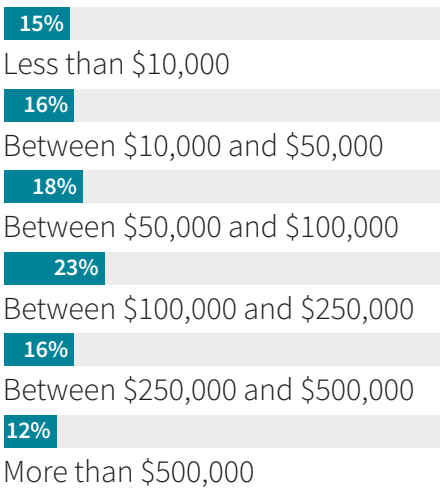


Approximately how much money in total do you have invested in the stock market, across all of your accounts?

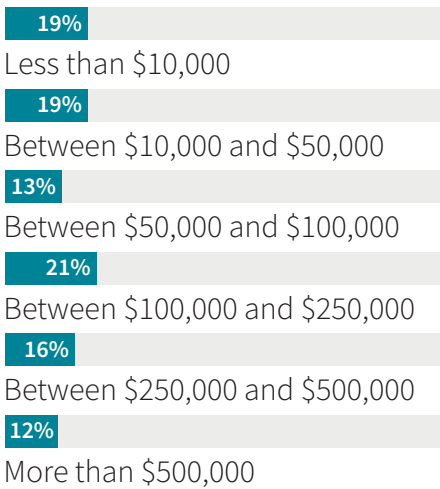
ALL RESPONDANTS



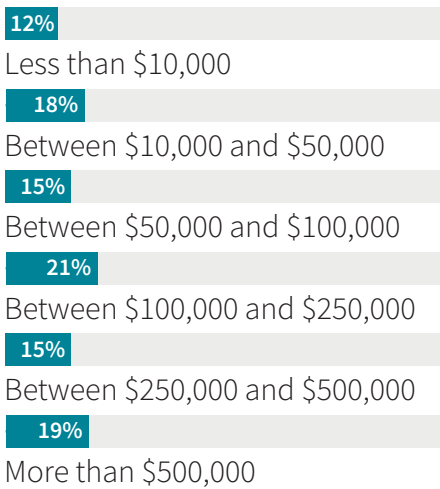
MILLENNIAL + GEN Z



GEN X



BOOMERS +



MEAN

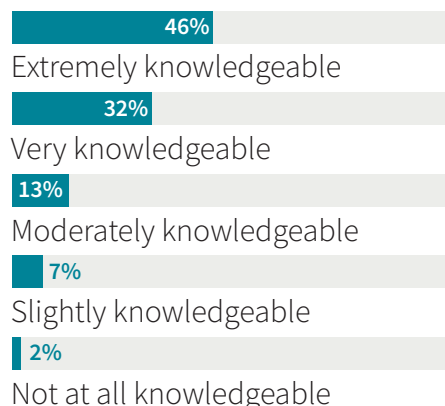


MEDIAN

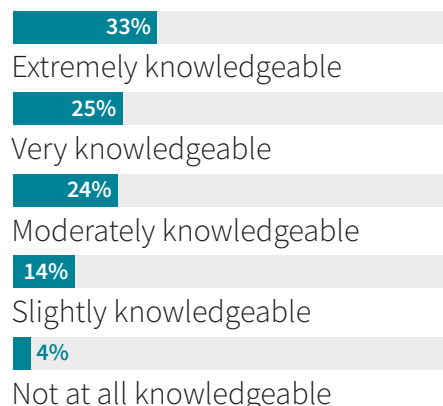


How knowledgeable are you about the stock market and the companies you are invested in through the stock market?

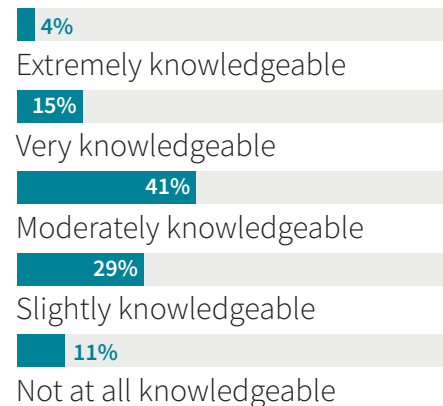
MILLENNIAL + GEN Z



GEN X

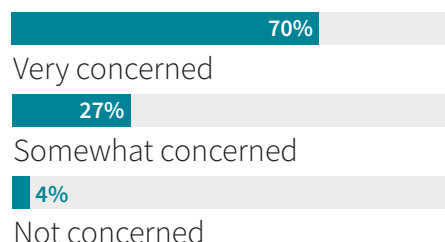


BOOMERS +

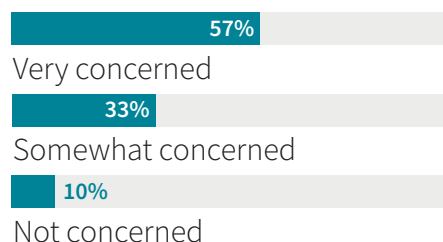


How concerned are you about environmental issues (e.g., carbon emissions goals, renewable energy sourcing)?

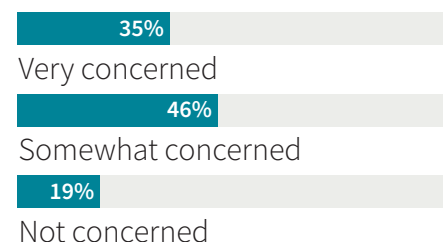
MILLENNIAL + GEN Z



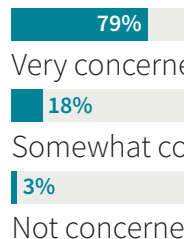
GEN X



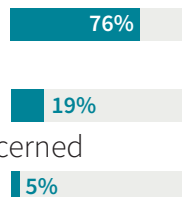
BOOMERS +



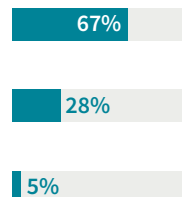
AMERICAN FUNDS



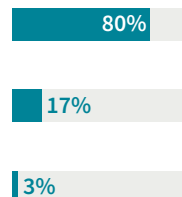
BLACKROCK (ISHARES)



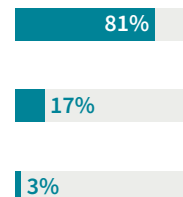
FIDELITY



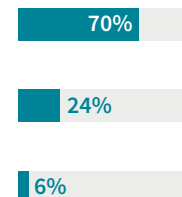
INVESCO



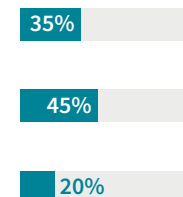
STATE STREET



VANGUARD

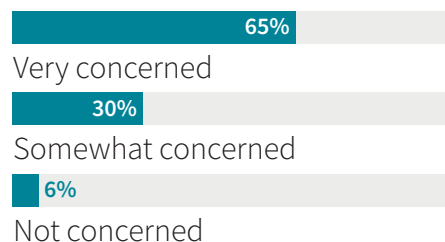


NONE OF THESE

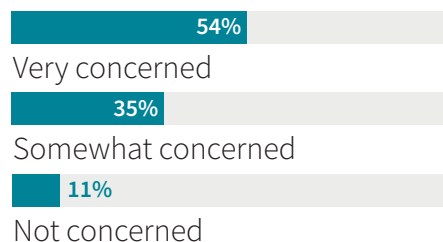


How concerned are you about social issues (e.g., workplace diversity, income inequality, workplace conditions)?

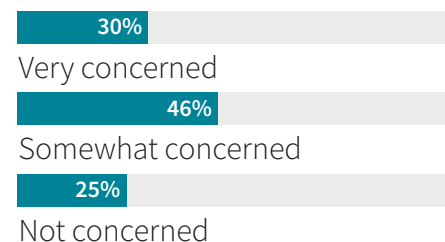
MILLENNIAL + GEN Z



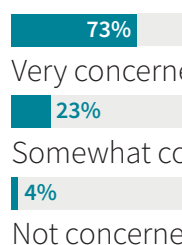
GEN X



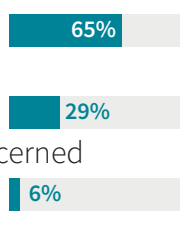
BOOMERS +



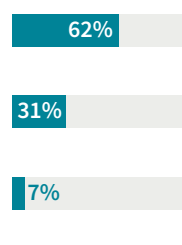
AMERICAN FUNDS



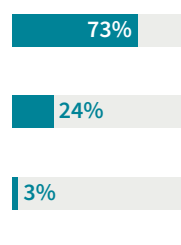
BLACKROCK (ISHARES)



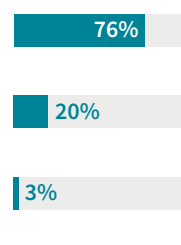
FIDELITY



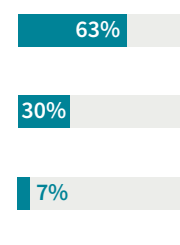
INVESCO



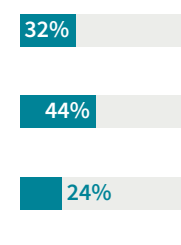
STATE STREET



VANGUARD

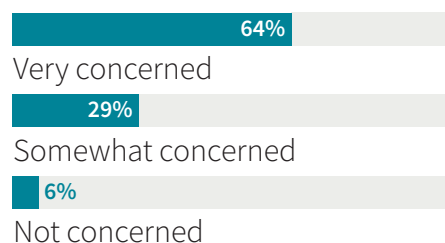


NONE OF THESE

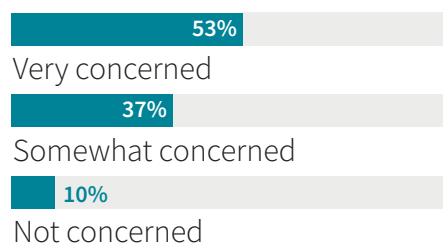


How concerned are you about governance issues (e.g., CEO also serving as board chair, independence of the board, and board members not overly busy in terms of outside obligations)?

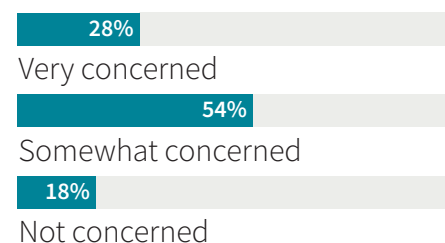
MILLENNIAL + GEN Z



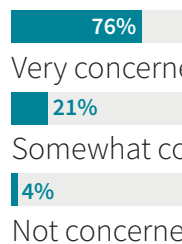
GEN X



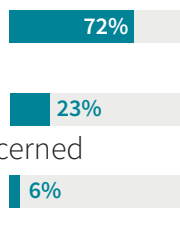
BOOMERS +



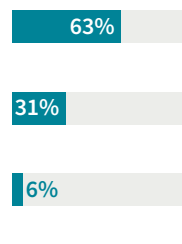
AMERICAN FUNDS



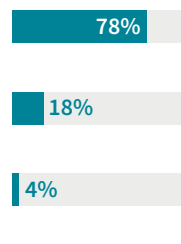
BLACKROCK (ISHARES)



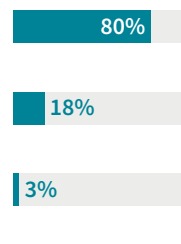
FIDELITY



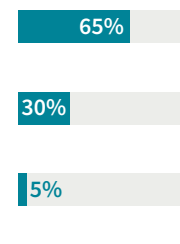
INVESCO



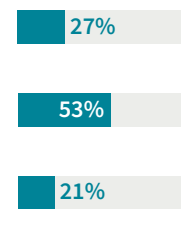
STATE STREET



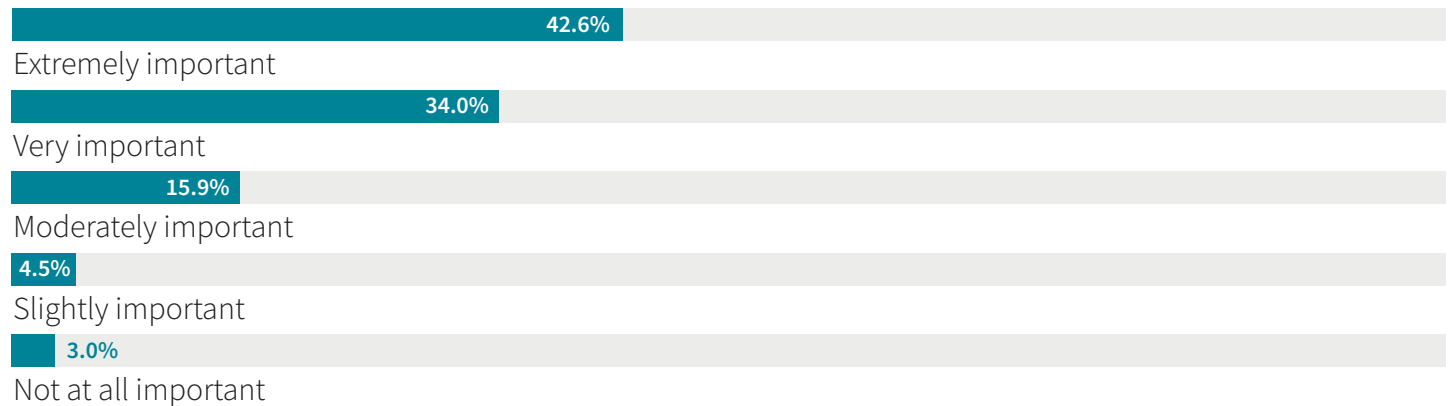
VANGUARD



NONE OF THESE

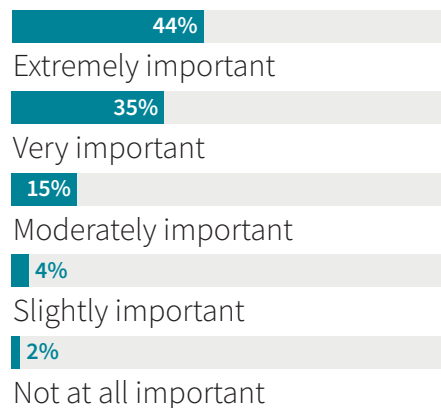


How important is it to you that an investment company that purchases stocks for you (through a mutual fund or ETF) uses its size and voting power to maximize the economic value of your investment?

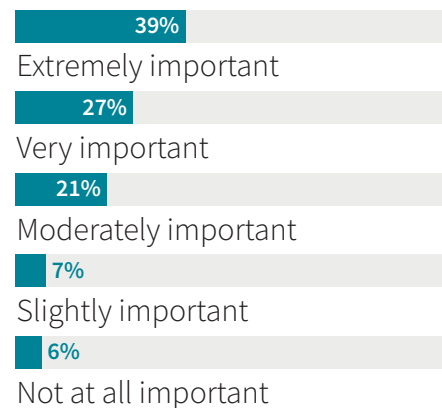


How important is it to you that an investment company that purchases stocks for you (through a mutual fund or ETF) uses its size and voting power to influence the environmental practices of the companies it invests in for you?

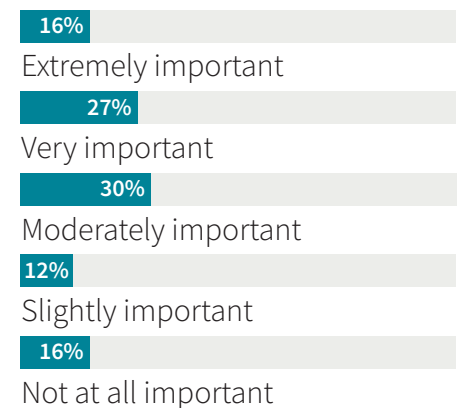
MILLENNIAL + GEN Z



GEN X



BOOMERS +

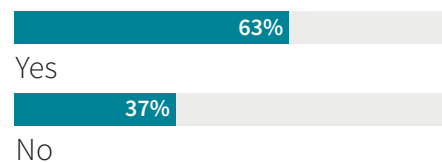


Should the investment company use its size and power to influence the environmental practices of these companies, if doing so decreases the value of your investment?

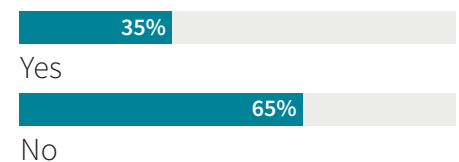
MILLENNIAL + GEN Z



GEN X

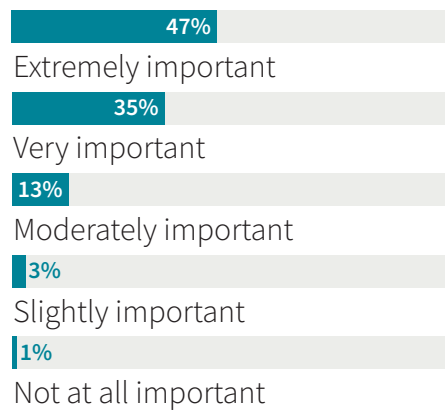


BOOMERS +

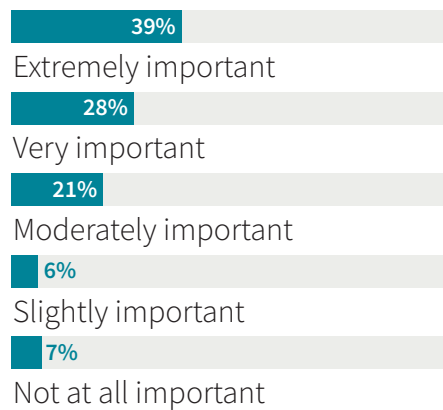


How important is it to you that an investment company that purchases stocks for you (through a mutual fund or ETF) uses its size and voting power to influence the social policies or practices (e.g., management diversity, income disparity between top management and workers) of the companies it invests in for you?

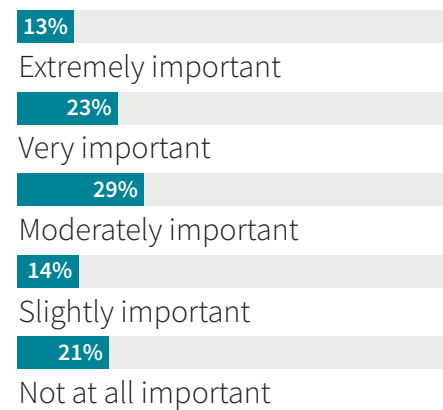
MILLENNIAL + GEN Z



GEN X



BOOMERS +

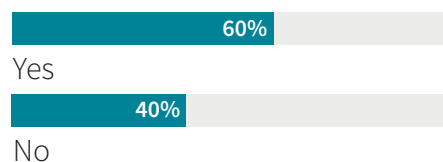


Should the investment company use its size and power to influence the social policies or practices of these companies, if doing so decreases the value of your investment?

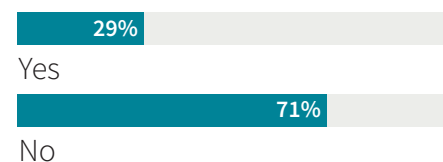
MILLENNIAL + GEN Z



GEN X

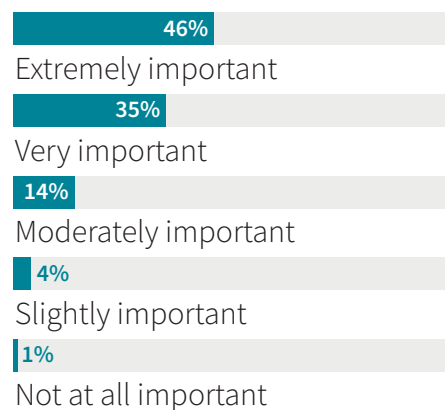


BOOMERS +

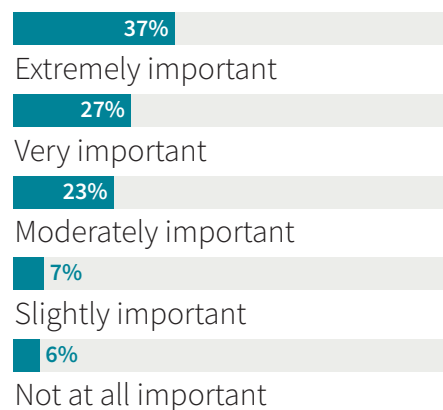


How important is it to you that an investment company that purchases stocks for you (through a mutual fund or ETF) uses its size and voting power to influence the governance practices of the companies it invests in for you?

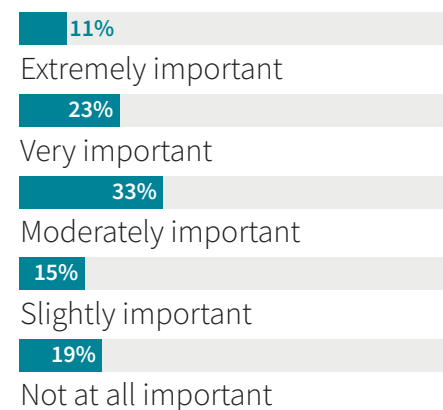
MILLENNIAL + GEN Z



GEN X

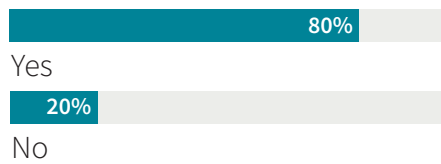


BOOMERS +

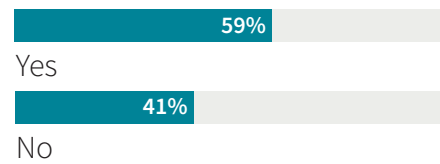


Should the investment company use its size and voting power to influence the governance practices of these companies, if doing so decreases the value of your investment?

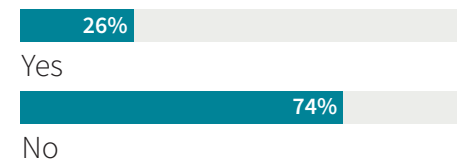
MILLENNIAL + GEN Z



GEN X



BOOMERS +



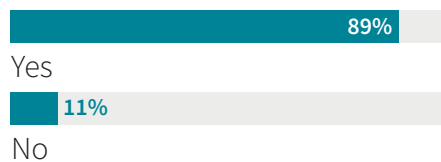
Public companies in the United States are required to hold an annual vote with shareholders on certain proposals that shareholders would like management to implement at the company.

Should a mutual fund manager take into account your personal views when it uses shares owned by you to vote on environmental or social issues?

ALL RESPONDENTS



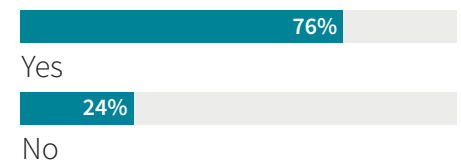
MILLENNIAL + GEN Z



GEN X

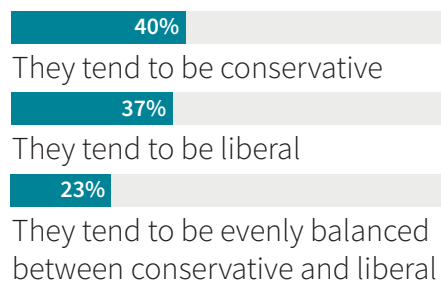


BOOMERS +

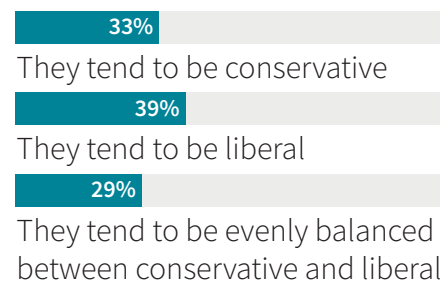


In general, what do you think are the political leanings of the individuals who manage most mutual funds?

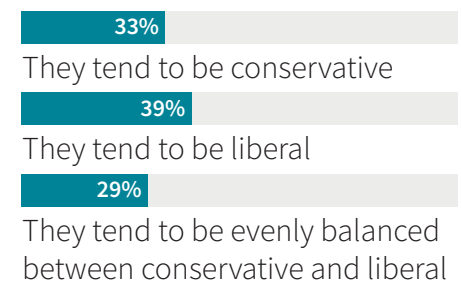
MILLENNIAL + GEN Z



GEN X



BOOMERS +



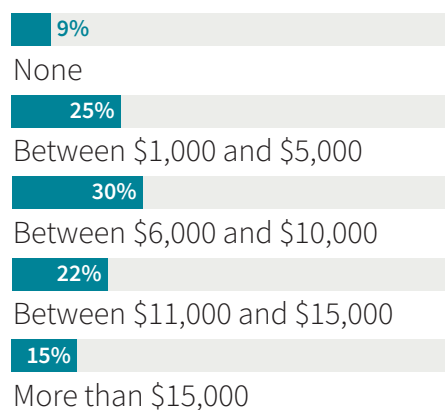


Environmental

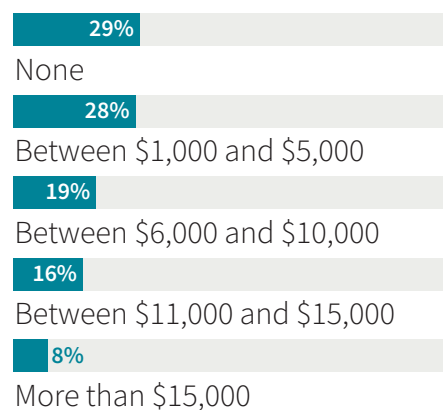
Carbon emission reductions

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in change from industry-standard carbon emission levels to a “net zero” by 2050?

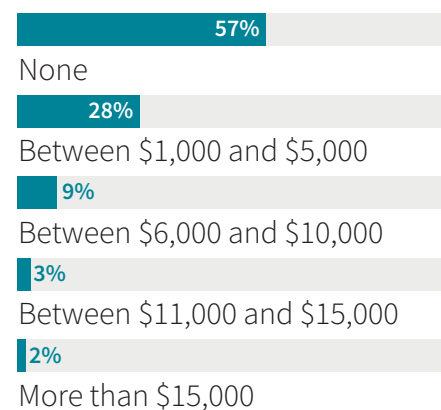
MILLENNIAL + GEN Z



GEN X



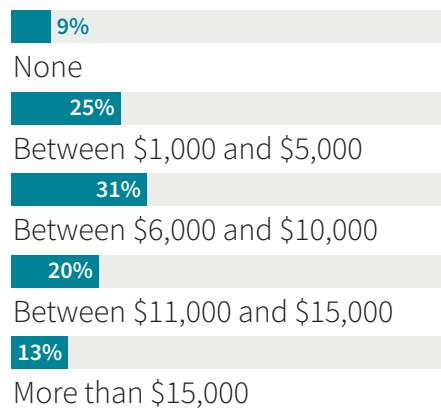
BOOMERS +



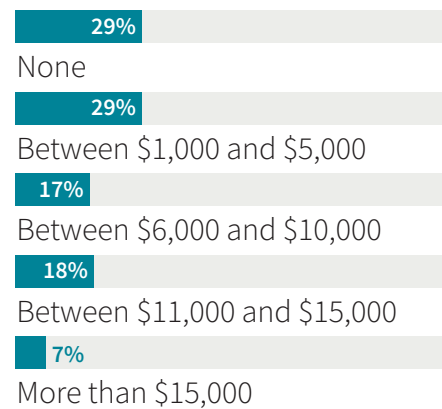
Renewable energy sourcing in supply chain

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in change from industry-standard levels of renewable energy usage by suppliers to requiring 100% renewable energy?

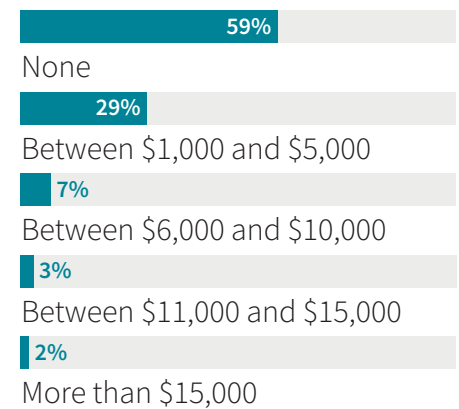
MILLENNIAL + GEN Z



GEN X



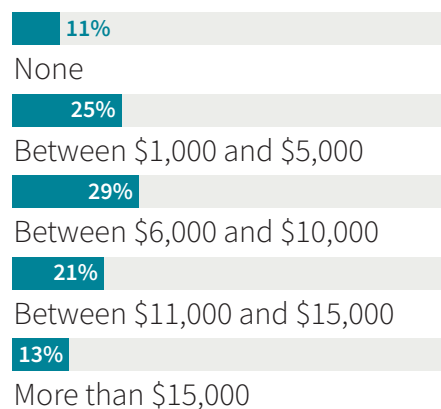
BOOMERS +



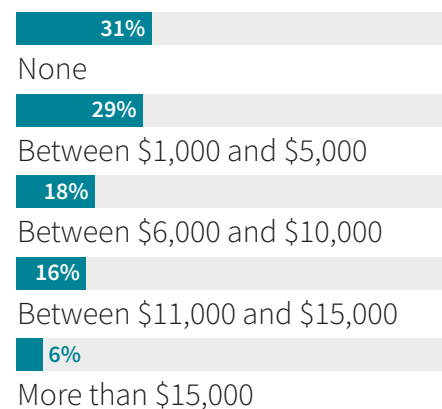
Product sustainability

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in change from industry-standard levels of product sustainability to requiring 100% sustainable products?

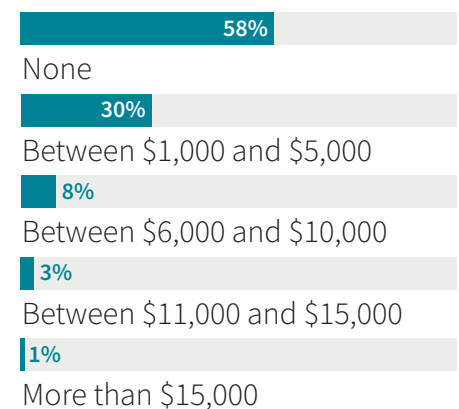
MILLENNIAL + GEN Z



GEN X



BOOMERS +

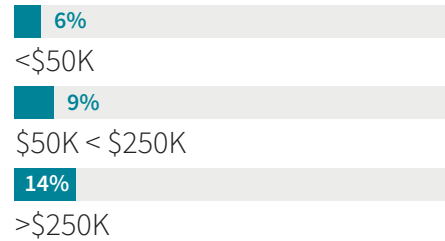


Wealth & Age

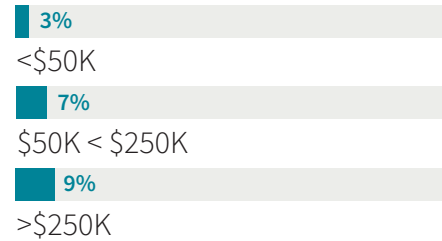
Percentages represent average percent respondents are willing to lose, based on midpoints.

Carbon emission reductions

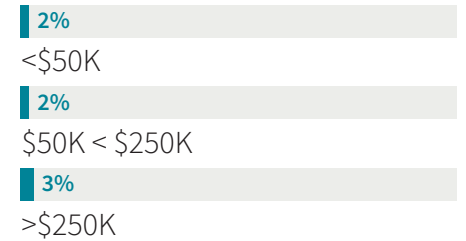
MILLENNIAL + GEN Z



GEN X

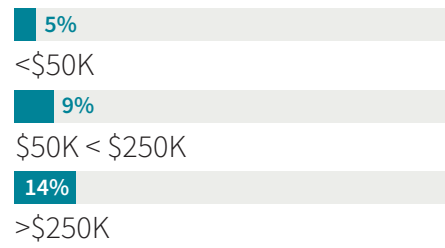


BOOMERS +

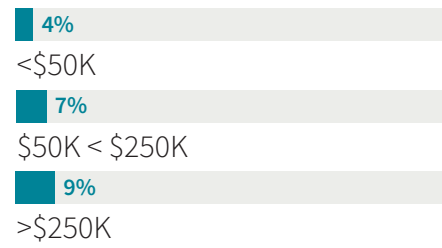


Renewable energy sourcing in supply chain

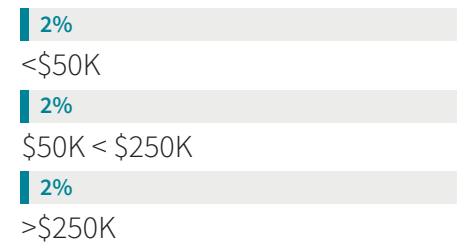
MILLENNIAL + GEN Z



GEN X

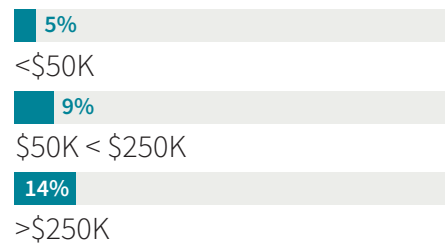


BOOMERS +



Product sustainability

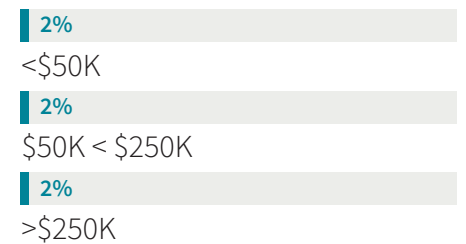
MILLENNIAL + GEN Z



GEN X



BOOMERS +



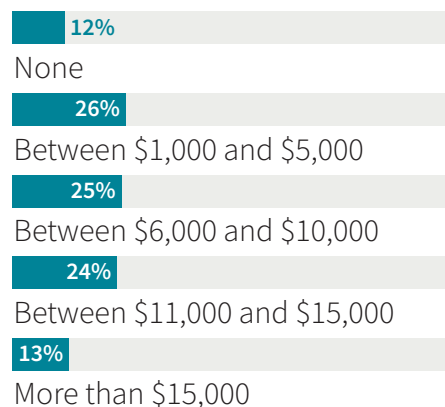


Social

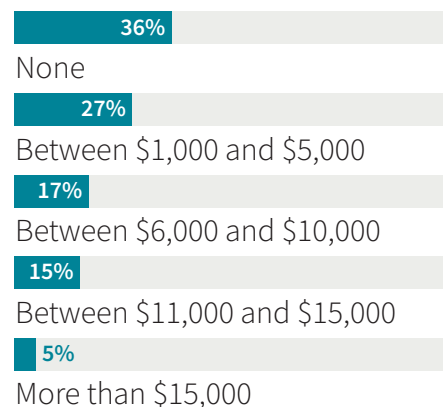
Workplace diversity

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in change from industry-average levels of gender and racial diversity to mirror the diversity levels of the general population?

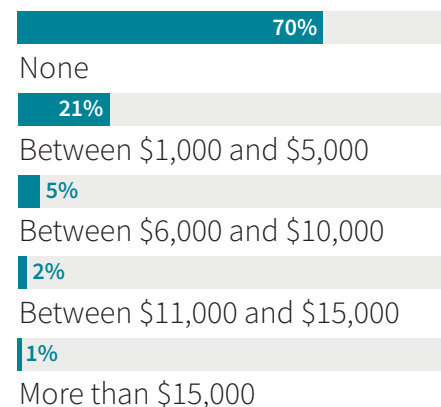
MILLENNIAL + GEN Z



GEN X



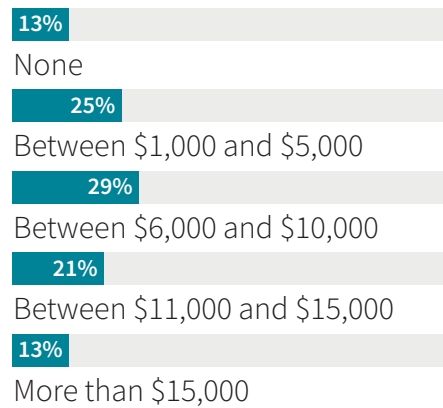
BOOMERS +



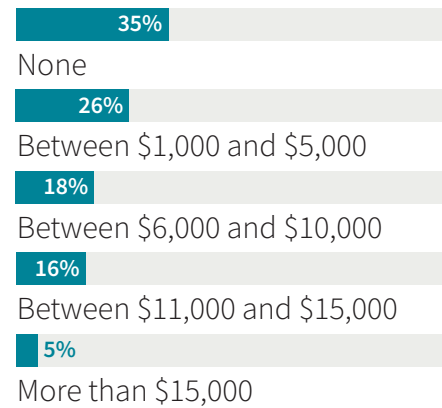
Pay inequality

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in change from industry-average gender wage inequality to no gender wage inequality?

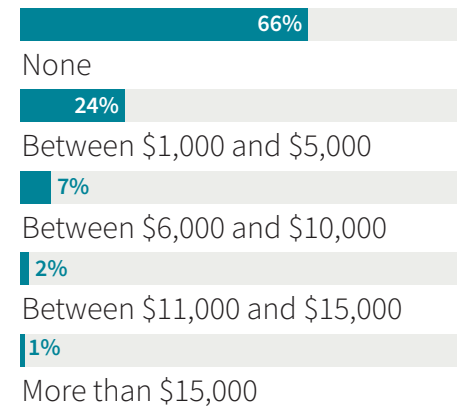
MILLENNIAL + GEN Z



GEN X



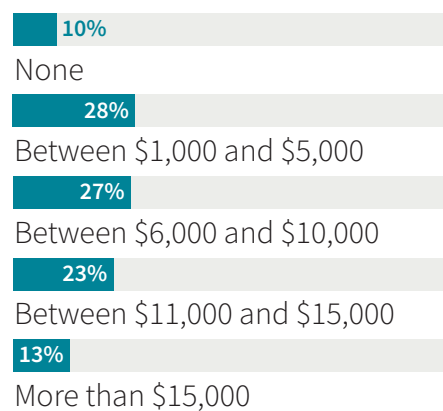
BOOMERS +



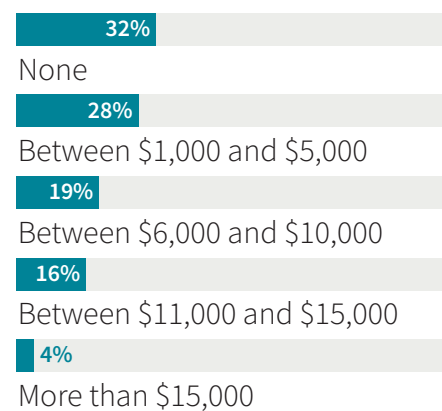
Labor working conditions

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in be required to provide the following to all employees: healthcare coverage for domestic partners, parental leave, onsite daycare, flexible work hours?

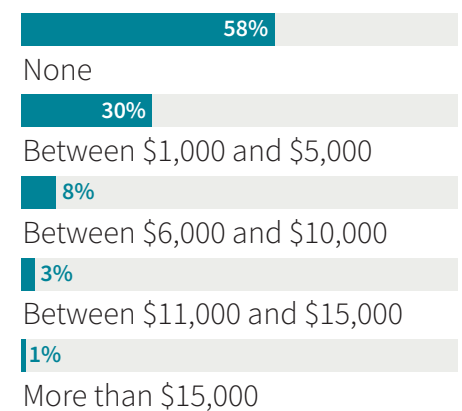
MILLENNIAL + GEN Z



GEN X



BOOMERS +

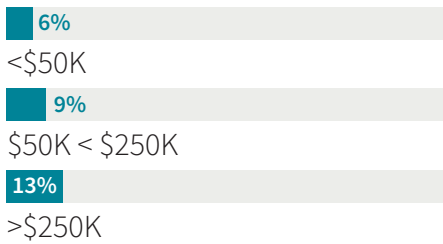


Wealth & Age

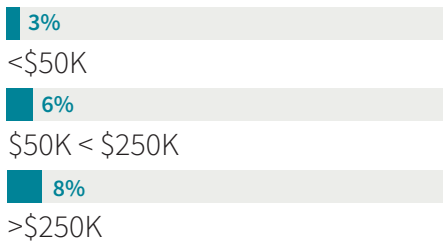
Percentages represent average percent respondents are willing to lose, based on midpoints.

Workplace diversity

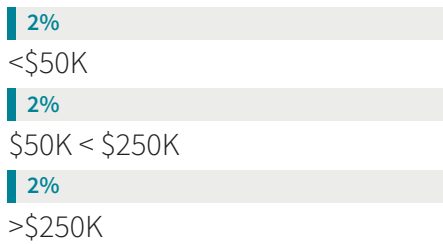
MILLENNIAL + GEN Z



GEN X

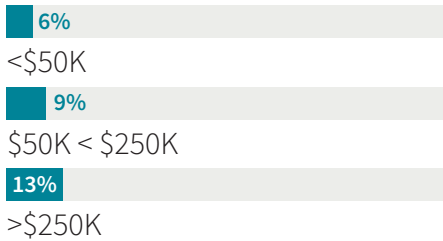


BOOMERS +

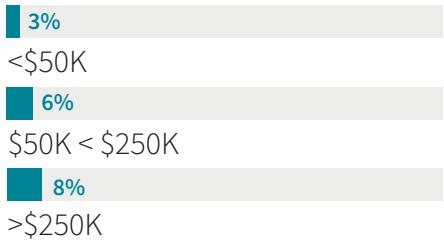


Pay inequality

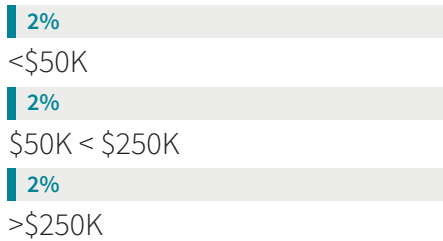
MILLENNIAL + GEN Z



GEN X

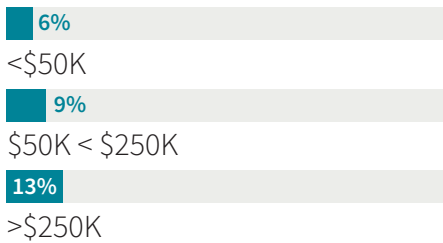


BOOMERS +

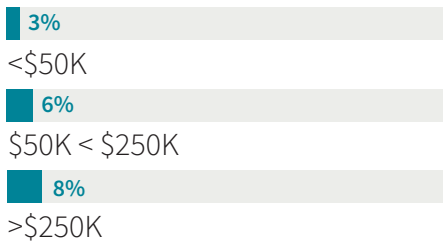


Labor working conditions

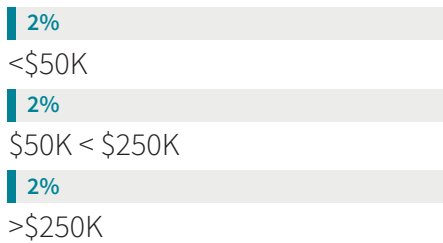
MILLENNIAL + GEN Z



GEN X



BOOMERS +



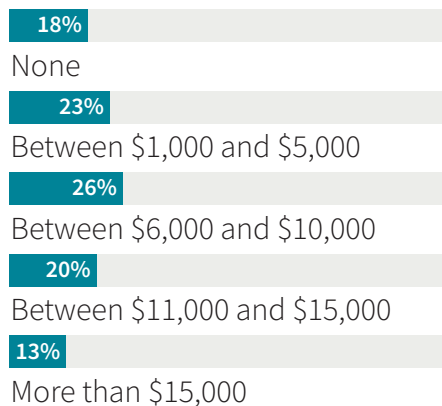


Governance

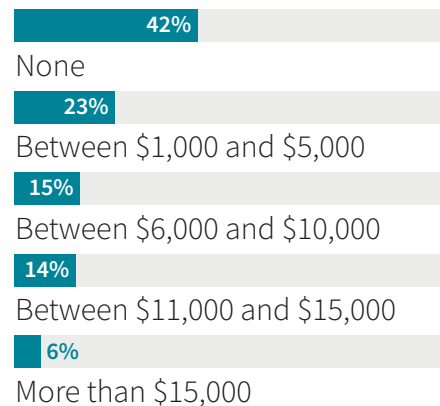
CEO also chairman of the board

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in be required to separate the chairman and CEO roles?

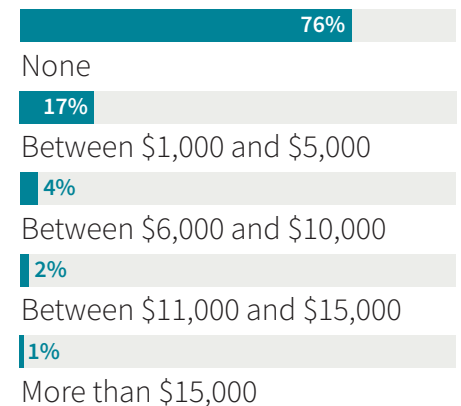
MILLENNIAL + GEN Z



GEN X



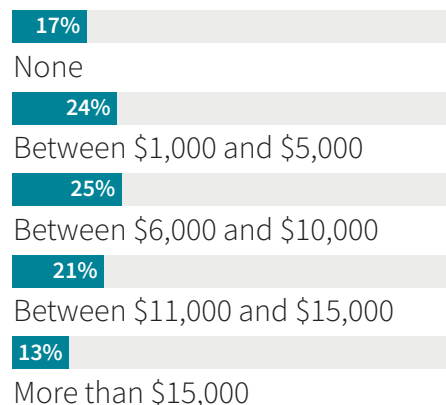
BOOMERS +



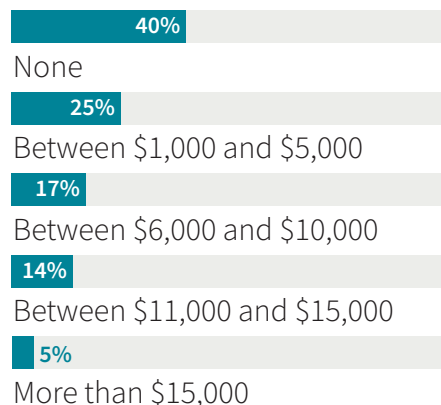
Independence of the board

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in be required to have all board members with no personal or business relations with the company (other than the CEO)?

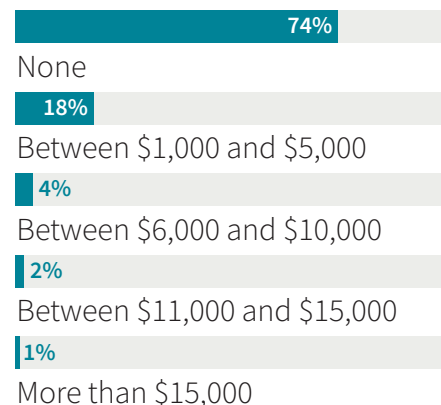
MILLENNIAL + GEN Z



GEN X



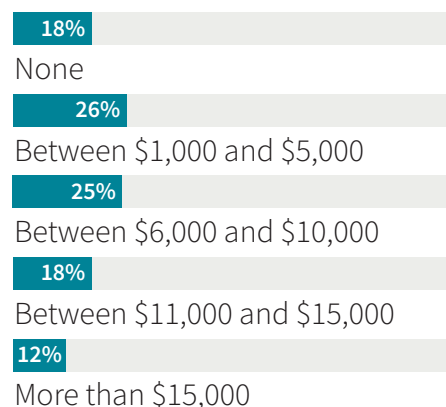
BOOMERS +



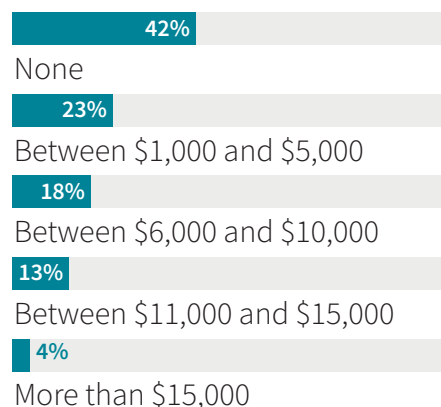
Board members not overly busy in terms of outside obligations

Assume you have retirement savings of \$100,000. How much would you be willing to lose in retirement savings to have the companies you are invested in limit the number of other board positions their directors can hold to two or less?

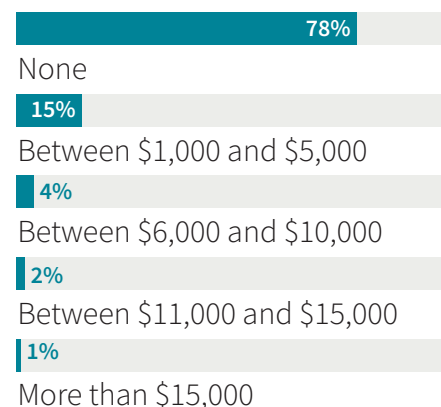
MILLENNIAL + GEN Z



GEN X



BOOMERS +

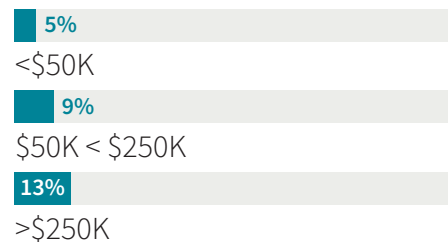


Wealth & Age

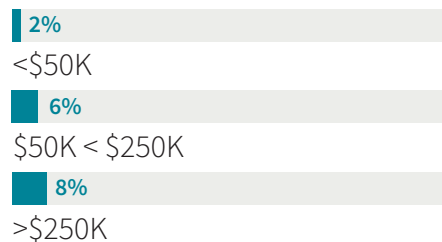
Percentages represent average percent respondents are willing to lose, based on midpoints.

CEO also chairman of the board

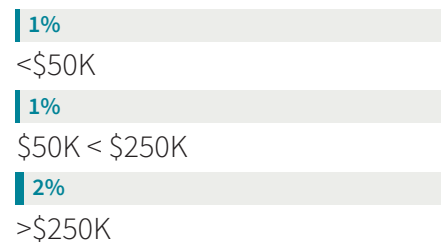
MILLENNIAL + GEN Z



GEN X



BOOMERS +



Independence of the board

MILLENNIAL + GEN Z



GEN X



BOOMERS +



Board members not overly busy in terms of outside obligations

MILLENNIAL + GEN Z



GEN X

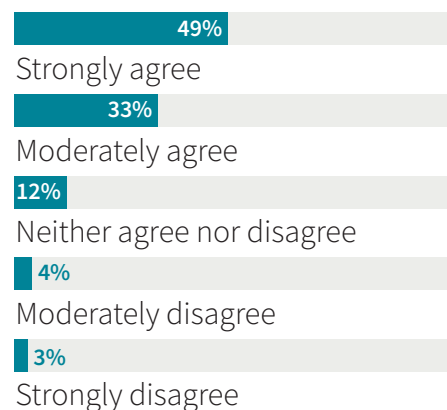


BOOMERS +

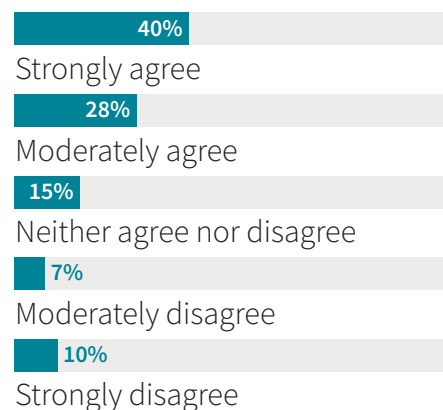


Recently, a large investment firm said it will vote against the directors of companies that are not moving fast enough to address climate change, without regard to the financial success of that company. Do you agree with this decision?

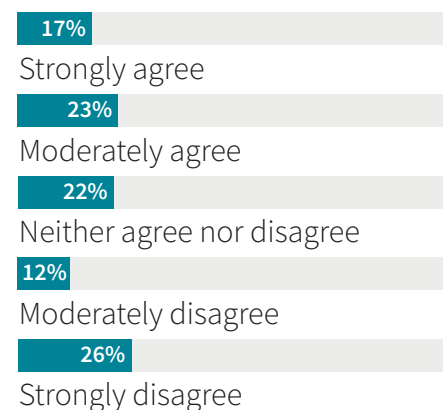
MILLENNIAL + GEN Z



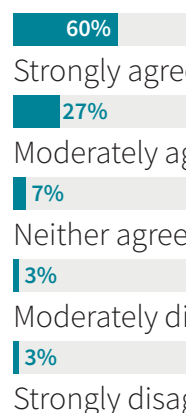
GEN X



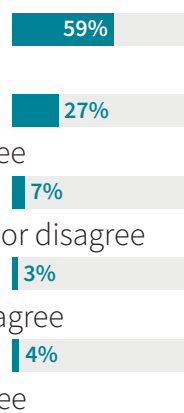
BOOMERS +



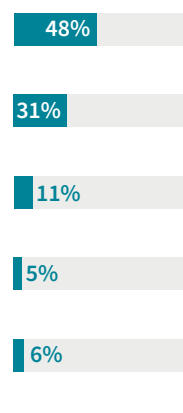
AMERICAN FUNDS



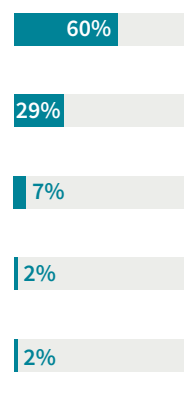
BLACKROCK (ISHARES)



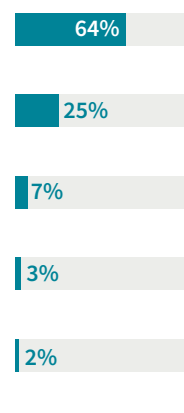
FIDELITY



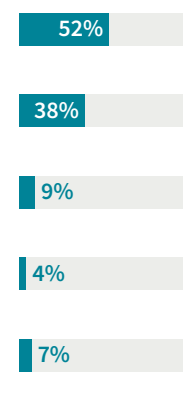
INVESCO



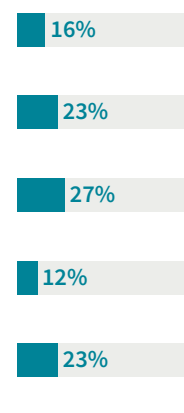
STATE STREET



VANGUARD

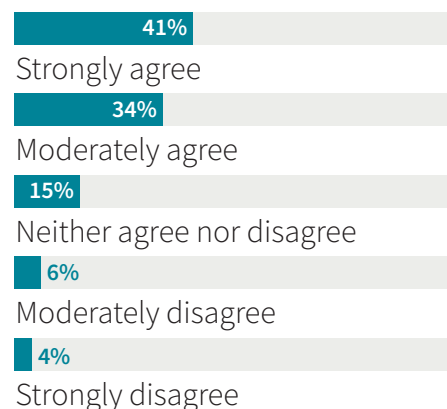


NONE OF THESE

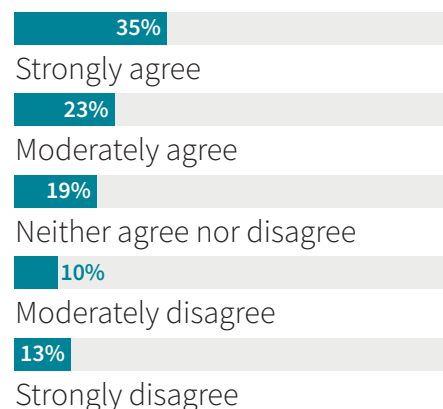


Recently, a large investment firm said it will vote against certain members of the board of directors if the board does not have at least one director from an underrepresented community, meaning a director who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual, or transgender. They will vote this way without regard to the financial success of that company. Do you agree with this decision?

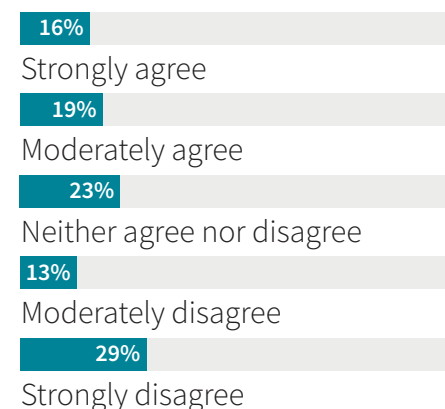
MILLENNIAL + GEN Z



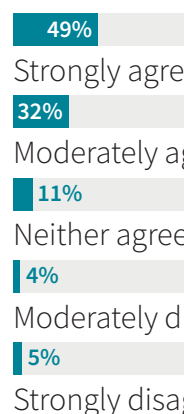
GEN X



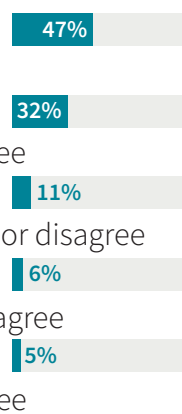
BOOMERS +



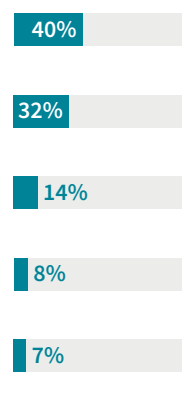
AMERICAN FUNDS



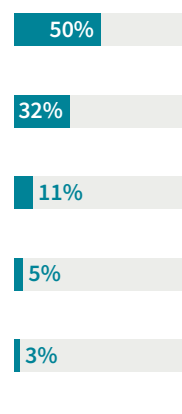
BLACKROCK (ISHARES)



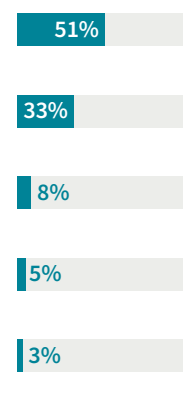
FIDELITY



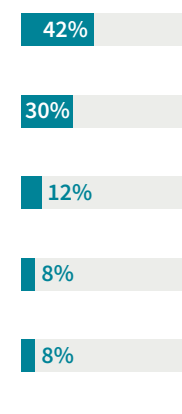
INVESCO



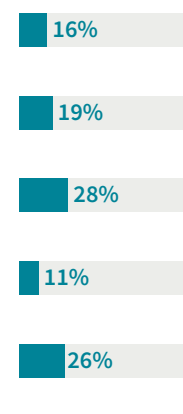
STATE STREET



VANGUARD



NONE OF THESE

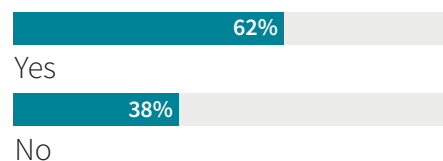


Do you currently own any mutual funds or exchange-traded funds that restrict themselves to socially responsible investing (or ESG—e.g., iShares Global Clean Energy, Vanguard FTSE Social Index Fund)?

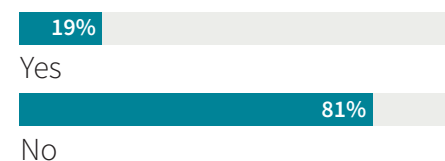
MILLENNIAL + GEN Z



GEN X



BOOMERS +



Average Market Return Expectations

Expected market return

	MILLENNIAL + GEN Z	GEN X	BOOMERS +
Over the next 12 months	16%	13%	5%
Over the next 12 months, excluding so-called “sin” stocks	16%	13%	6%
Over the next 12 months, for “sin” stocks only	16%	13%	7%

Average annual market return expected

	MILLENNIAL + GEN Z	GEN X	BOOMERS +
Over the next 10 years	17%	15%	11%
Over the next 10 years, excluding so-called “sin” stocks	17%	14%	9%
Over the next 10 years, for “sin” stocks only	17%	15%	9%



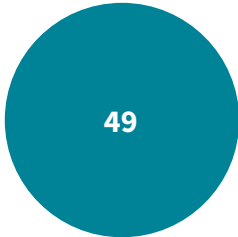
Demographics

Age

AVERAGE

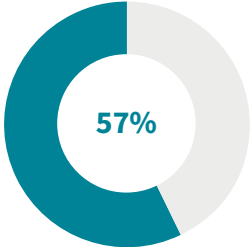


MEDIAN

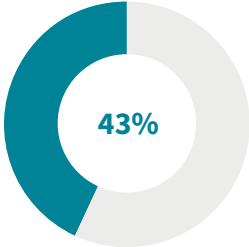


Gender

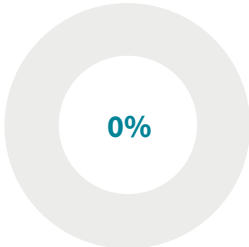
MALE



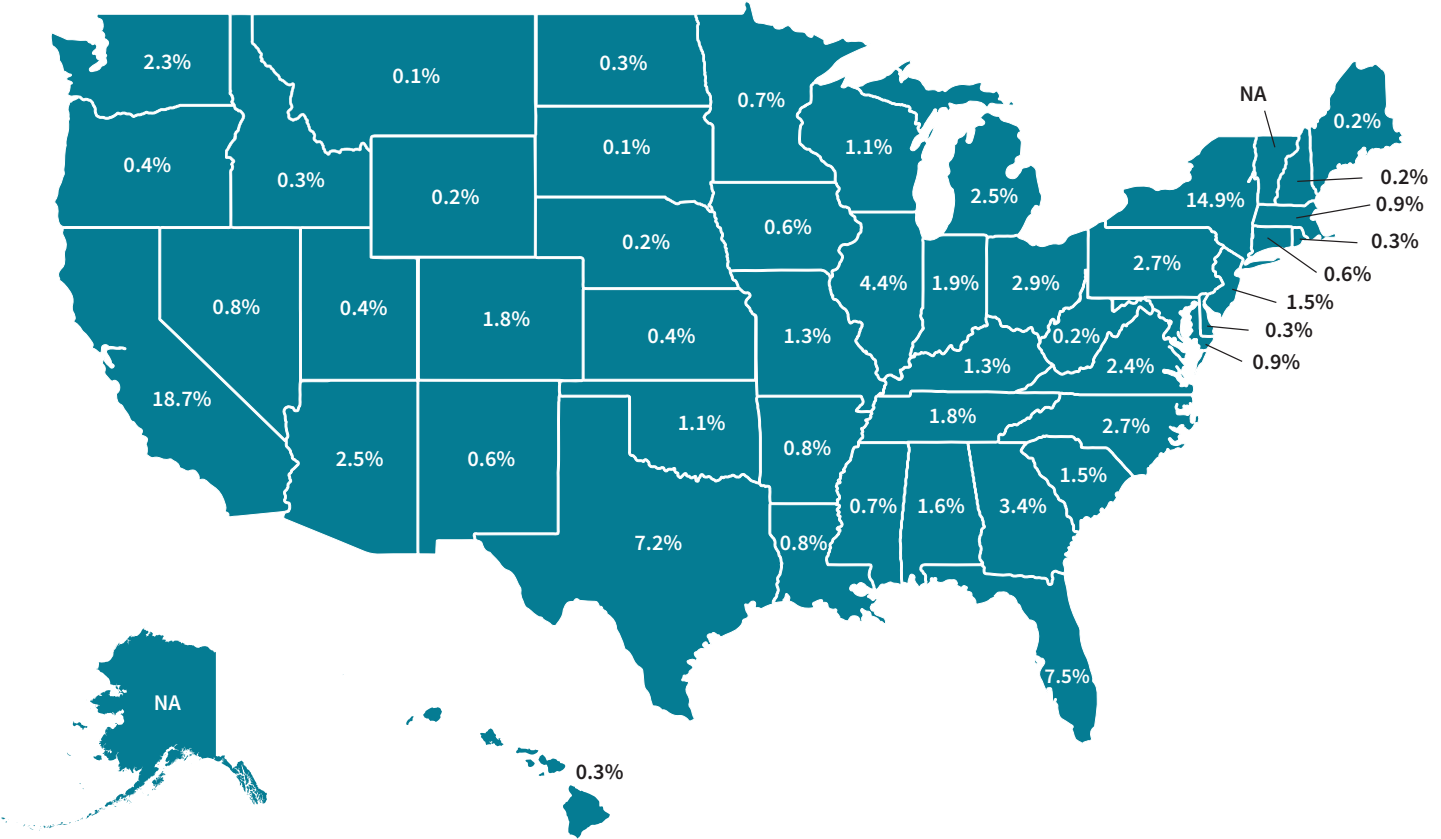
FEMALE



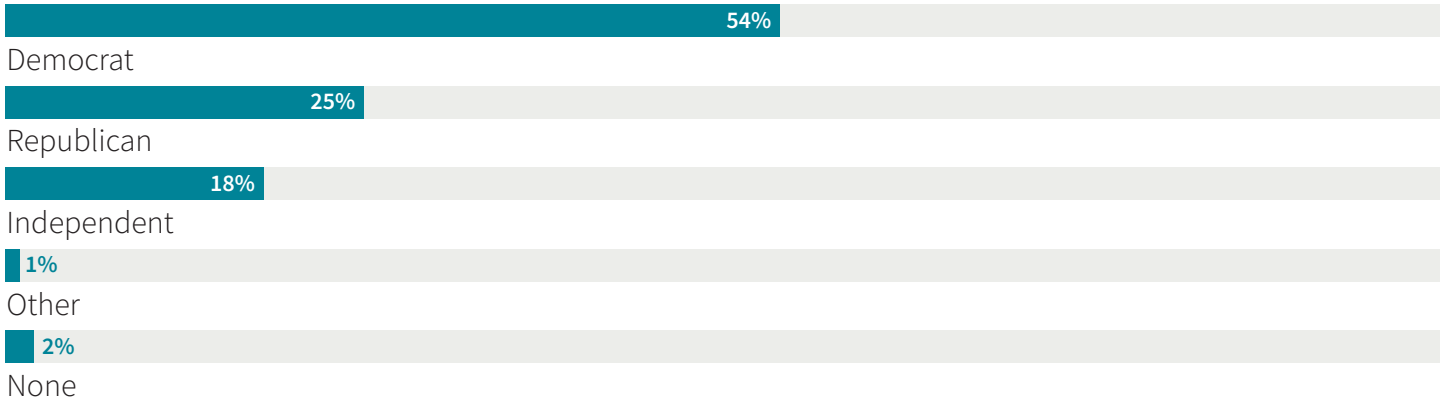
OTHER



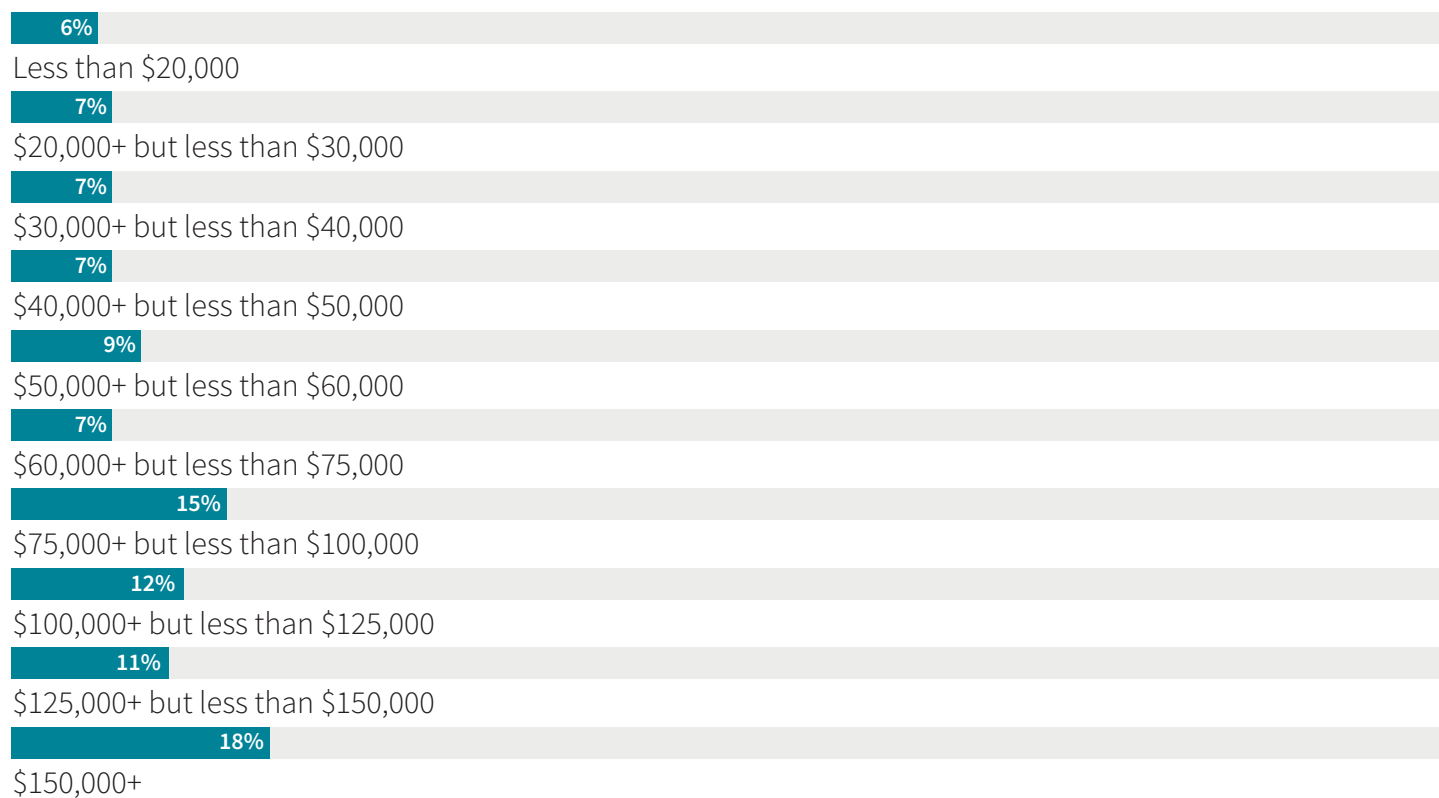
What state do you live in?



Political Affiliation



Household Income



Education

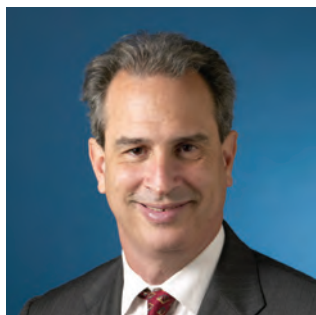




METHODOLOGY

In summer 2022, Stanford Graduate School of Business, the Hoover Working Group on Corporate Governance at Stanford University, and the Rock Center for Corporate Governance at Stanford University, hired Lucid Theorem to conduct a nationwide survey of 2,470 individual investors—broadly distributed by gender, race, age, household income, and state residence—to understand how American investors view environmental, social, and governance (ESG) priorities among the companies in their investment portfolio. Respondents were screened to include only individuals with investments in the stock market through retirement or taxable accounts. Stanford University is solely responsible for the contents of this survey.

ABOUT THE AUTHORS



STEPHEN HABER

Stephen Haber is the A.A. and Jeanne Welch Milligan Professor in the School of Humanities and Sciences and Peter and Helen Bing Senior Fellow of the Hoover Institution at Stanford University; Professor of Political Science, Professor of History, and Professor of Economics (by courtesy); a senior fellow of the Stanford Institute for Economic Policy Research; and a senior fellow of the Stanford Center for International Development. Haber's research spans a number of academic disciplines, including comparative politics, financial economics, and economic history.

Email: haber@stanford.edu

Full Bio: <https://politicalscience.stanford.edu/people/stephen-haber>



JOHN D. KEPLER

John Kepler is Assistant Professor of Accounting at Stanford Graduate School of Business. His research focuses on the interrelated nature that firms' explicit and implicit contracts play in shaping firms' financial reporting and corporate governance practices. Other recent work has examined the role of executive bonus plans in facilitating cooperation among management team members and how corporate insiders exploit their private information advantage about corporate audit findings for personal gain.

Email: jdkepler@stanford.edu

Full Bio: <https://www.gsb.stanford.edu/faculty-research/faculty/john-d-kepler>



DAVID F. LARCKER

David F. Larcker is the James Irvin Miller Professor of Accounting, Emeritus, at Stanford Graduate School of Business; director of the Corporate Governance Research Initiative; distinguished visiting fellow at the Hoover Institution; and senior faculty of the Arthur and Toni Rembe Rock Center for Corporate Governance. His research focuses on executive compensation and corporate governance. He presently serves on the Board of Trustees for Allspring Funds. He is coauthor of the books *A Real Look at Real World Corporate Governance* and *Corporate Governance Matters*.

Email: dlarcker@stanford.edu

Twitter: [@stanfordcorpgov](https://twitter.com/stanfordcorpgov)

Full Bio: <http://www.gsb.stanford.edu/faculty-research/faculty/david-f-larcker>



AMIT SERU

Amit Seru is the Steven and Roberta Denning Professor of Finance at Stanford Graduate School of Business; a senior fellow at the Hoover Institution and Stanford Institute for Economic Policy Research (SIEPR); and a research associate at the National Bureau of Economic Research (NBER). His research focuses on corporate finance with an emphasis on financial intermediation and regulation, technological innovation and incentive provision, and financing in firms.

Email: aseru@stanford.edu

Full Bio: <https://www.gsb.stanford.edu/faculty-research/faculty/amit-seru>



BRIAN TAYAN

Brian Tayan is a member of the Corporate Governance Research Initiative at Stanford Graduate School of Business. He has written broadly on the subject of corporate governance, including boards of directors, succession planning, compensation, financial accounting, and shareholder relations. He is coauthor with David Larcker of the books *A Real Look at Real World Corporate Governance* and *Corporate Governance Matters*.

Email: btayan@stanford.edu

Full Bio: <http://www.gsb.stanford.edu/contact/brian-tayan>

ACKNOWLEDGEMENTS

The authors would like to thank Shannon Fries and Erin Do of the Research Hub at Stanford Graduate School of Business for design and layout assistance in the preparation of these materials.



ABOUT US

CORPORATE GOVERNANCE RESEARCH INITIATIVE

The Corporate Governance Research Initiative at Stanford Graduate School of Business focuses on research to advance the intellectual understanding of corporate governance, both domestically and abroad. By collaborating with academics and practitioners from the public and private sectors, we seek to generate insights into critical issues and bridge the gap between theory and practice. Our research covers a broad range of topics that include executive compensation, board governance, CEO succession, and proxy voting.

Website: gsb.stanford.edu/cgri

THE ROCK CENTER FOR CORPORATE GOVERNANCE

The Arthur and Toni Rembe Rock Center for Corporate Governance is a joint initiative of Stanford Law School and Stanford Graduate School of Business. The center was created to advance the understanding and practice of corporate governance in a cross-disciplinary environment where leading academics, business leaders, policy makers, practitioners, and regulators can meet and work together.

Website: rockcenter.stanford.edu

THE HOOVER WORKING GROUP ON CORPORATE GOVERNANCE

The Hoover Working Group on Corporate Governance brings together scholars, industry practitioners, and policymakers to engage in constructive and open debate about the logical consistency, treatment of evidence, and policy implications of proposed reforms to the regulatory systems that impact corporations. It also generates and disseminates research investigating the optimal conditions that allow corporations to sustain their crucial role in contributing to American economic growth and innovation.

Website: <https://www.hoover.org/research-teams/working-group-corporate-governance>



CONTACT INFORMATION

For more information on this report,
please contact:

Elizabeth Lee
Associate Director of Communications

Stanford Graduate School of Business
Knight Management Center
Stanford University
655 Knight Way
Stanford, CA 94305-7298

eslee123@stanford.edu