

# PROTECT THE VOICE OF SHAREHOLDERS

## **Voters Say “NO” to Proxy Adviser Reform and H.R. 4015 (Corporate Governance Reform and Transparency Act of 2017)**

### **Methodology**

The Morning Consult conducted a poll from August 27-29, 2018, among a national sample of 1,975 Registered Voters. The interviews were conducted online and the data were weighted to approximate a target sample of Registered Voters based on age, race/ethnicity, gender, educational attainment, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.

### **Summary**

- Support among voters for HR 4015 is extremely low. Voters want their pension and 401(k) companies to continue to receive unbiased, independent research and information from proxy advisers. They do not want their Member of Congress supporting a new law that changes this system.
- A vast majority of voters (63%) agree that CEOs and corporate management should not be able to make their own decisions when it comes to setting their own pay or influencing the independent research and voting recommendations produced for investors on these matters.
- Only 13% of registered voters believe CEOs and the management of public corporations should get the first look at research and recommendations prepared by proxy advisers. Meanwhile more than three times as many voters (47%) believe the current system should be preserved, where the integrity of these voting recommendations and research is kept intact, between proxy adviser and their investor clients.

### **Overview of Survey Results**

#### **Voters oppose HR 4015 and want their Senator to oppose it too**

- When asked “Do you support or oppose your Senator backing this proposed law?” of those who expressed opposition (strong or somewhat) or support (strong or somewhat), which was 1,031 respondents, a vast majority - 61% - oppose their Senator backing this legislation.

#### **Opposition to HR 4015 also comes down to cost**

- 45% of registered voters say they are less likely to support the proposed law on the basis it may increase the cost to everyday shareholders saving for their futures through a pension or 401(k) plan.
- This sentiment is strongest among Baby Boomers (and 54 – 72), with 54% less likely to support the proposed law due to cost.

**Voters overwhelmingly side with the argument that CEOs and management should not be able to screen and influence independent research on voting matters**

- **Across the board**, respondents make clear (63%) that they believe “shareholders are the true owners of public corporations, not the CEOs and management, and a vast majority of decisions are left to management to make on its own, CEOs and their management teams SHOULD NOT be able to make their own decisions when it comes to setting their own pay or doling out stock to high-ranking employees. They should also NOT be able to screen or influence the independent research and voting recommendations produced for investors on these matters.”

#### **Weighing in on corporate voting matters: Registered voters believe that CEOs and the management teams of public corporations should not interfere with corporate voting matters**

- **Across the board**, respondents agreed that firms that invest in public corporations on behalf of shareholders should have the ability to receive independent research and vote recommendations, and that public corporation CEOs and management should not interfere in the preparation of that research.
- In fact, voter support is **more than double** (54% versus 20%) compared to the point of view that “if they have a difference of opinion, CEOs and management of public corporations should be able to add their own comments to research reports made by researchers on matters like setting their own pay or appointing new people to serve on the Board.”

#### **Institutional Investors should get first look at proxy adviser reports**

- **Registered voters.** 47% of registered voters say Institutional Investors should get a first look at the research and recommendations prepared by proxy advisers, while only 13% say the CEOs and management teams should get a first peek.
- **Party Affiliation.** There is strong support across the political spectrum for this position – 65 percent from Democrats, 61 percent from Republicans, and 55 percent from independents.
- **Income.** Support for this position also increases as income increases – 59 percent of individuals making less than 50k, 63 percent of individuals making between 50k and 100k and 66 percent those making over 100k.

#### **Voters believe it is important for investors to make informed and unbiased decisions with how to manage your investments**

- **Registered votes.** More than 80% of registered voters think it is important that institutional investors make informed and unbiased decisions when managing money.
- **Party affiliation.** There is strong support across the political spectrum for this position - 82 percent of Republicans, 83 percent of Democrats and 78 percent of independents.
- **Support increases as incomes increase.** Individuals making under 50k: 76 percent support; between 50k-100k: 85 percent support; and 100k and over: 90 percent support.
- **Generally, support increases as age increases.** Ages 18-34: 77 percent support, Ages 35-44: 80 percent support, Ages 45-64: 83 percent support, and Ages 65+: 82 percent.