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STOCK MARKET DOWN, NEW MEDIA UP

FOR FURTHER INFORMATION CONTACT:

Andrew Kohut, Director
Beth Donovan, Editor
Greg Flemming, Survey Director
Pew Research Center for The People & The Press
202/293-3126
<http://www.people-press.org>

STOCK MARKET DOWN, NEW MEDIA UP

On October 27, the day the stock market plunged more than 550 points, worried Americans turned to *new* media sources for instant information. Many of those who followed the story "very" closely tracked news of the sell-off either on cable television or over the Internet -- news outlets that were not factors in coverage of the crash of 1987.

All-news cable television was the top source for highly attentive news consumers tracking the story, drawing 35% of this audience. But the Internet was the comer, its audience tripling during the course of the day. Just 3% learned about the market drop over the Internet, but fully 11% of the attentive audience tracked the story on-line. Network television news was the prime source for a quarter of those following the story closely; 18% relied on radio. These are the findings of a Pew Research Center phone survey of 1,000 adults conducted October 31-November 5.

Cable television was relied on by affluent people who have larger stock portfolios and greater access to cable. Network television news was the medium of choice for the less affluent and the less educated. (See Table p.3)

The Internet was used by more than one in five of those age 18-49, but by hardly anyone over 50 years of age. The survey found that nearly half of the attentive audience with on-line capability followed the market via the Internet on October 27.

Fear motivated interested news consumers as the market tumbled. While only 29% of Americans overall said they were "very" or "somewhat" worried about the market decline, more than half of the highly attentive audience (53%) reported such concern. Fully 61% of the attentive audience own shares in a mutual fund and 46% own stock.

While the anxious tuned in, most Americans tuned out. Despite the heavy media coverage that day, just 16% overall said they followed news of the market decline very closely. This is far fewer than the 40% who closely followed the crash of 1987, and less than the average of 25% who follow most major news events closely. Half of those surveyed (55%) said they did not follow news of the 554-point October stock market fall "too closely" or "at all".

Americans were, however, well informed about the market drop. More than half of those who paid at least some attention to the story (56%) correctly picked a 500 point drop from a list that included 1000, 750, 500 and 250.

Following the Stock Market Dropt

	<i>Sources Used To:</i>	
	First Hear	Follow Through The Day
	%	%
All News Cable	31	35
Network Broadcast	17	26
Local TV	15	8
Internet	3	11
Radio	14	18
Newspaper	3	20
Talking w/Others	9	16
Other/Don't remember	<u>8</u>	<u>4</u>
	100	*138

† Among people who followed "very closely".

* Adds to more than 100% because multiple responses were accepted.

MEDIA SOURCES USED TO TRACK STOCK MARKET DROP

(Based on Those Who Followed Story "Very Closely")

	<u>Talking with others</u>	<u>Radio</u>	<u>All-news cable Television</u>	<u>Network Television</u>	<u>Going On-line</u>	<u>Newspaper</u>	<u>(N)</u>
	%	%	%	%	%	%	
Total	16	18	35	26	11	20	(158)
Sex							
Male	19	22	33	27	11	17	(80)
Female	13	14	36	24	11	23	(78)
Age							
Under 50	25	24	35	12	22	23	(84)
50 +	12	14	35	38	1	17	(69)
Family Income							
\$50,000 +	16	33	45	12	17	20	(65)
< \$50,000	15	8	22	33	7	22	(72)
Party ID							
Republican	8	16	44	22	9	22	(49)
Democrat	15	19	33	29	8	14	(54)
Independent	24	23	30	19	19	19	(44)
Own shares in a mutual fund or stock in a company							
Yes	19	23	39	18	14	20	(120)
No	16	15	30	32	9	20	(88)

Question: And how did you continue to follow the story throughout the day? Was it through talking with others, listening to the radio, watching television, reading a newspaper, or going on-line over the Internet?

ABOUT THIS SURVEY

Results for the survey are based on telephone interviews conducted under the direction of Princeton Survey Research Associates among a nationwide sample of 1,000 adults, 18 years of age or older, during the period Oct 31 - Nov 5, 1997. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling and other random effects is plus or minus 3.5 percentage points. For results based on those following the market "very closely" (N=158), the error attributable to sampling and other random effects is plus or minus 8.5 percentage points.

In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

**PEW RESEARCH CENTER
STOCK MARKET DROP
OMNIBUS TOPLINE
Oct 31 – Nov 5, 1997
N=1000**

Q.1 Thinking about (FRIDAY THROUGH SUNDAY USE: this past / MONDAY AND TUESDAY USE: last) Monday when the stock market dropped, how closely did you follow what was happening — very closely, fairly closely, not too closely, or not at all closely?

Follow Very

<u>Closely</u>	<u>Total</u>	
100	16	Very closely — GO TO Q.2
0	29	Fairly closely — GO TO Q.2
0	22	Not too closely — GO TO Q.2
0	33	Not at all closely — GO TO Q.10
<u>0</u>	<u>*</u>	Don't know/Refused — GO TO Q.10
100	100	
(N=158)	(N=1000)	

Q.2 How did you first learn about the market's downturn? Was it from talking with others; listening to the radio; watching television; reading a newspaper; or going on-line over the Internet? (**ENTER ONE RESPONSE ONLY**)

Follow Very

<u>Closely</u>	<u>Total</u>	
9	12	Talking with others — GO TO Q.4
14	19	Listening to the radio — GO TO Q.4
66	59	Watching television — GO TO Q.3
3	7	Reading a newspaper — GO TO Q.4
3	2	Going on-line — GO TO Q.4
5	1	Other (VOL — Specify) — GO TO Q.4
<u>0</u>	<u>*</u>	Don't know/Refused — GO TO Q.4
100	100	

Q.3 Was this on an all-news cable channel such as CNN or CNBC; on network broadcast television such as ABC, NBC, or CBS; or on a local television news broadcast in your area?

Follow Very

<u>Closely</u>	<u>Total</u>	
31	21	All news cable channel
17	26	Network television news
15	10	Local television news
<u>3</u>	<u>2</u>	Don't know/Refused
66	59	

Q.4 And how did you continue to follow the story throughout the day? Was it through talking with others; listening to the radio; watching television; reading a newspaper; or going on-line over the Internet? (**ENTER ALL THAT APPLY; DO NOT PROBE FOR MULTIPLE RESPONSES.**)

Follow Very

<u>Closely</u>	<u>Total</u>	
16	15	Talking with others — GO TO Q.6
18	19	Listening to the radio — GO TO Q.6
70	59	Watching television — GO TO Q.5
20	20	Reading a newspaper — GO TO Q.6
11	5	Going on-line — GO TO Q.7
2	2	Other (VOL — Specify) — GO TO Q.6
1	5	Don't know/Refused — GO TO Q.6

Q.5 Was this on an all-news cable channel such as CNN or CNBC; on network broadcast television such as ABC, NBC, or CBS; or on a local television news broadcast in your area?

Follow Very

<u>Closely</u>	<u>Total</u>	
35	21	All news cable channel
26	26	Network television news
8	10	Local television news
<u>1</u>	<u>2</u>	Don't know/Refused
70	59	

IF ANSWERED "5" ON-LINE IN Q.2 OR Q.4, DO NOT ASK Q.6.

Q.6 At any point on that Monday, did you go on-line over the Internet to get information about the stock market?

Follow Very

<u>Closely</u>	<u>Total</u>	
2	2	Yes
11	6	Yes in previous Q. (Did not ask)
87	92	No
<u>0</u>	<u>0</u>	Don't know/Refused
100	100	

Q.7 On that Monday, how worried were you about the market — very worried, somewhat worried, not very worried, or not at all worried?

Follow Very

<u>Closely</u>	<u>Total</u>	
10	4	Very worried
43	25	Somewhat worried
25	38	Not very worried
22	33	Not at all worried
<u>0</u>	<u>*</u>	Don't know/Refused
100	100	

Q.8 Do you happen to recall how many points the stock market fell on Monday? Would you say it fell about 1,000 points, about 750 points, about 500 points, or about 200 points?

Follow Very

<u>Closely</u>	<u>Total</u>	
1	3	1000 points
13	12	750 points
67	56	500 points
6	9	200 points
<u>13</u>	<u>20</u>	Don't know/Refused
100	100	

ASK ALL:

Q.10 Do you currently own shares in a mutual fund that includes stock?

Follow Very

<u>Closely</u>	<u>Total</u>	
61	36	Yes
39	62	No
<u>*</u>	<u>2</u>	Don't know/Refused
100	100	

Q.11 Do you currently own stock in any individual companies besides a company that you or someone else in your household works for?

Follow Very

<u>Closely</u>	<u>Total</u>	
46	22	Yes
53	77	No
<u>1</u>	<u>1</u>	Don't know/Refused
100	100	

BASED ONLY THOSE WHO OWN STOCK OR MUTUAL FUNDS [N=456]

Q.12 About what percent of your total investments would you say are in the form of stocks or mutual funds? Would you say less than one-third, one-third to two-thirds, or more than two-thirds?

Follow Very

<u>Closely</u>	<u>Total</u>	
32	39	Less than one-third
31	33	One-third to two-thirds
22	18	More than two-thirds
<u>15</u>	<u>10</u>	Don't know/Refused
100	100	