



**EMBARGOED UNTIL**  
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**CONTACT: Latraviette Smith**  
**(212) 704-4530**  
**latraviette.smith@edelman.com**

**Trust in Business on Upswing**  
**Trust in Business up 12 Points in United States, 11 Points in France**  
**Remains High in China and India**  
**A Special 2009 Midyear Edelman Trust Barometer Finds**

July 30, 2009, NEW YORK —Trust in business has stabilized and is recovering significantly in some of the world's largest markets. Nearly one-half of informed publics (48%) in the United States trust business to do what is right, up from a low of 36% in January. France saw an 11-point jump, from 30% to 41%, according to a six-country midyear Edelman Trust Barometer. Previous results, released in January 2009, showed a devastating loss in trust in the private sector. Trust in government is also on the ascent, with a 12-point increase in the U.S. (30% to 42%) and a 13-point jump in India (42% to 55%).

“Trust in business is on the way back, but we're still in the middle of the game,” said Richard Edelman, president and CEO, Edelman. In the United States, only 30% describe the overall reputation of large multinational corporations as either good or excellent, compared with 52% who describe it as fair or poor. The numbers are similar (22% and 55%, respectively) for the U.K, France, and Germany combined.

“Expectation of business has expanded, supplanting Milton Friedman's famous 1970's assertion that the social responsibility of business is to increase profits,” said Mr. Edelman. “It's a stakeholder, not a shareholder, world.” The most important stakeholders are customers (70%), followed by employees (58%) and investors (49%), the survey found.

“Trust in business and trust in government are now moving synchronously, unlike previous years where they tended to move in opposing directions. The expectation today is for these two institutions to work collaboratively to tackle economic and societal challenges,” said Mr. Edelman. Fifty-five percent (55%) say business hasn't done enough to cooperate with government to solve the global economic crisis while far fewer (38%) say the same about government.



## 2009 Midyear Edelman Trust Barometer Release - continued

Informed publics attribute increased trust in business to tangible actions that companies have taken in the past six months, giving the highest marks to repaying bailout money (81%), reducing CEO pay (80%), and firing non-performing management teams (78%). When asked what companies could do to rebuild trust in the long run, survey respondents put a mix of “hard and soft power” items at the top the list: treating employees well (94%), having transparent business practices (93%), and communicating frequently and honestly (91%)—along with maintaining quality products and services (93%), all of which far surpass increasing shareholder value (66%).

“The data indicate that business wins when it takes on the big societal challenges and engages in private sector diplomacy,” said Neal Flieger, chair of StrategyOne, the research firm that conducted the survey. Informed publics place great importance on business’s commitment to finding solutions for global issues like global warming, energy costs, and access to affordable healthcare but say business has not done enough to create solutions for these causes (71%, 70%, and 64%, respectively).

India and China are the most positive about business. At 75%, India recorded the highest level of trust in business of any of the six countries surveyed. China followed with 60% saying they trust business to do what is right. “The private sector is perceived as enabling an economic growth that has led to healthier living standards. The survey numbers reflect a high degree of national pride in the accomplishments of business,” said Alan VanderMolen, president, Asia Pacific, Edelman.

In China and India, 96% and 81% of informed publics, respectively, say their country is headed in the right direction, compared with 47% of Americans and Germans, 37% of British, and 31% of French. In another marked contrast to the West, nearly seven out of 10 informed publics in India and China rate the reputation of large multinational corporations as good or excellent, compared with 30% of Americans, 29% of Germans, 24% of French, and 13% of British.

After a sharp decline in January 2009, trust among the younger population of 25- to 34-year-olds rebounded. In the United States, 58% in this age group say they trust business to do what’s right—up by 26 points and nearly back to its high of 60% in January 2008. Germany also saw a rise among this age group, with a 16-point increase in six months.



2009 Midyear Edelman Trust Barometer Release - continued

Trust in all the major industries routinely surveyed in the Barometer went up across the six countries, with technology now 15 points ahead of the next most trusted industry—biotech/life sciences. Eighty-nine percent (89%) of informed publics said they would trust companies that drive better innovation by investing in research and development. Troubled sectors such as banks, automotive, and insurance stabilized in the period. In China and India, banks are the No. 2 most trusted industry. In the U.S., trust in every industry experienced double-digit growth, except technology, which was already high but climbed another eight points (from 72% to 80%). Trust in the pharmaceutical and auto industries each jumped by 14 points, from 39% to 53% and from 32% to 46%, respectively.

In a recessionary time, cost is only a marginally more important factor than trust in determining people's product choices, with 53% saying that in the past six months they switched brands for a lower cost and 45% saying they switched because they lost trust. "Trust is now a tangible in both corporate reputation and product marketing," said Mr. Edelman.

Follow the midyear Trust conversation at [twitter.com/Edelman\\_Trust](https://twitter.com/Edelman_Trust) and through #edeltrust.

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### **About the Edelman Trust Barometer**

The 2009 Midyear Edelman Trust Barometer is an abridged version of the firm's annual trust and credibility survey. The survey was conducted by research firm StrategyOne and consisted of 15-minute telephone interviews using the fielding services of World One from May 26 to July 3, 2009. The survey sampled 1,675 informed publics in two age groups (25-34 and 35-64) in six countries: the United States, the United Kingdom, France, Germany, India, and China. All informed publics met the following criteria: college-educated; household income in the top quartile for their age in their country; read or watch business/news media at least several times a week; and follow public policy issues in the news at least several times a week.

### **About Edelman**

Edelman is the world's leading independent public relations firm, with 3,200 employees in 51 offices worldwide. Edelman was named *PRWeek's* "2009 Agency of the Year," *PRWeek's* "Large Agency of the Year" (for the third time in the last four years), and *Holmes Report's* "2009 Best Large Agency to Work For" and was listed as a top-10 firm by *Advertising Age* in 2007 and 2008. Edelman owns specialty firms Blue (advertising), StrategyOne (research), and BioScience Communications (medical education and publishing). Visit <http://www.edelman.com> for more information.