



Good
Money
Week

Good Money Week

Public Polling 2017

Attitudes to
Ethical and Sustainable
Investment and Finance in the UK



www.goodmoneyweek.com

Introduction

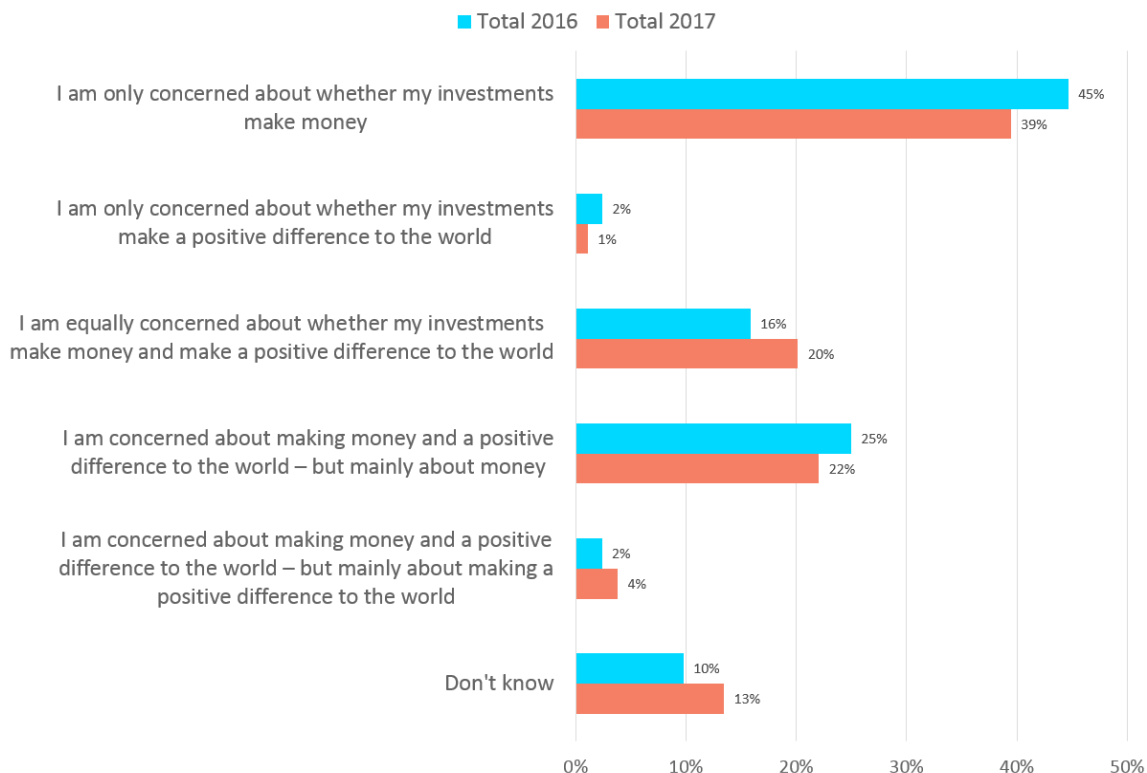
There is a wealth of insight in the polling we and the Good Money Week sponsors undertook. We have an understanding of public positions on issues, on their priorities and how these vary by age, social grade and geography.

It is disappointing to see a lack of knowledge, feelings of disempowerment and doubt. However, we are encouraged by expectations around responsible investment generally, including transparency and a growing interest in ethical consumerism and doing 'good'. There is much opportunity for industry players to stand out by 'stepping up' to deliver.

Read on to see results around charity investing, gender differences, ethical banking and expectations of the industry.

The key question...

For some years now we have asked the same question to UK investors about their attitudes to money. In short, is it "just the money" or is there an element of "making a positive difference to the world". This year's question was sponsored by CCLA. The answers for this year and last are shown below and are encouraging.



The percentage of people motivated just by money has fallen from 45% to 39%. Whilst some of those would seem to have become 'don't knows' (up from 10% to 13%), the number wanting some positive element of good has risen from 46% to 47%.

There are some interesting aspects to the underlying data from 2017:

48% of male investors are 'just the money' compared with 31% of women

There is little difference by age for 'just the money' (ranging between 36% and 41%) or by social grade (ranging between 39% and 40%)

47% of investors in Scotland are 'just the money' compared with only 25% in the East of England

The gender gap...

The gender gap evident above is more widely apparent in the rest of the survey. We asked what people think it's important to buy ethically giving Fairtrade, sustainable sourcing and organic products as examples. Some of the answers were as follows:

Item	% think buying ethically is important	% men buying ethically	% women buying ethically	Women buy more ethically by x%
Meat	53	48	58	10%
Dairy products	52	46	58	12%
Clothes	46	40	51	11%
Furniture	29	26	31	5%
Cars	26	24	27	3%
Financial products	26	26	27	1%
Investment products	24	24	24	0%

Women were more ethical in all cases except the equal score in investment products - men's best result relative to women. 10% more men have investments than women do – only 36% of women are investing their money (in pensions, ISAs, etc.) compared with 46% of men.

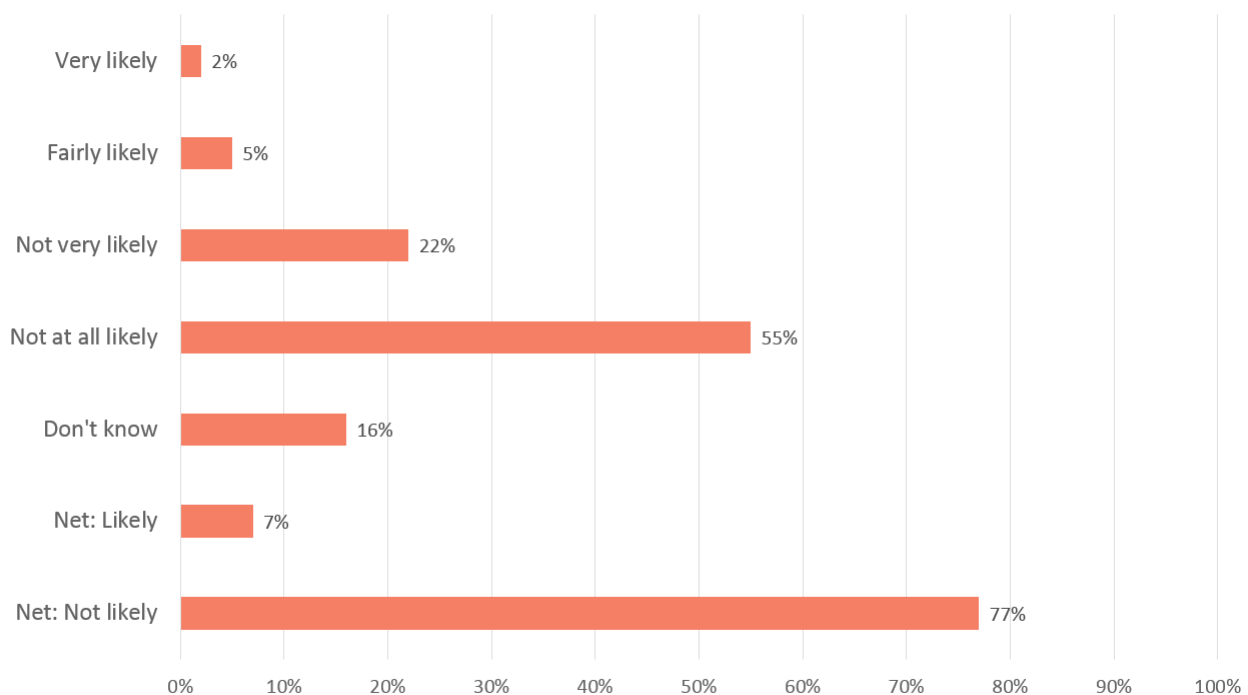
Women who do have investments are 17% less likely than men to be concerned about making money on their investments over wanting to make a positive difference to the world. Nearly half of men with investments (48%) are only concerned about whether their investments make money with just 31% of women who hold this view.

Another trend highlighted in the research was that more women (42%) than men (33%) say that they are spending their money in a more ethically conscious way than they did 10 years ago.

When looking at the overall market, 38% of all adults say they are more or much more ethically conscious in what they buy than ten years ago. Only 3% of adults say they are less ethically conscious. We know from the sales statistics for responsible finance products that there is a difference between the ethically-minded attitudes expressed here and actual purchase decisions - we are well short of the 25% market share the data in the table suggests. But the answers to these questions do seem to confirm that there is significant potential for market growth.

Charity supporters

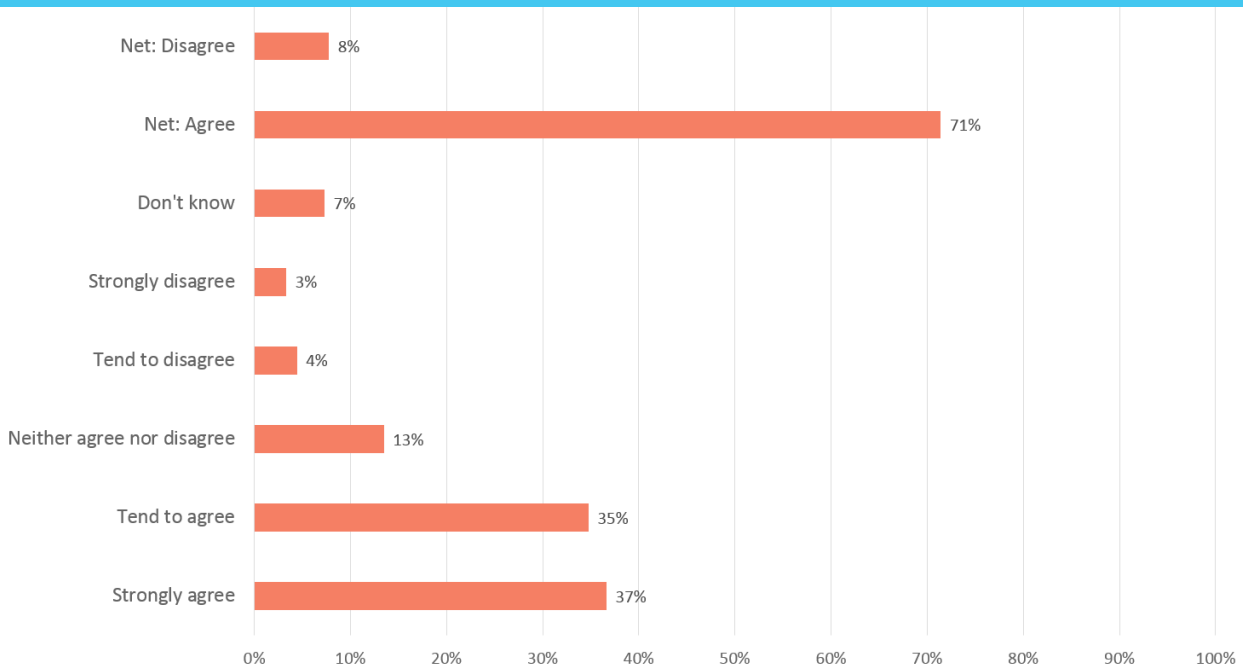
We asked respondents to imagine they were planning to donate to a charity, then how likely they would be to give to a charity if they found out it was investing in something contrary to its mission. The answers were:



So 77% of people would be unlikely to donate to a charity if they found it had not properly aligned investment and mission. There was something of an age variation in the answers to this question, 84% of the over 55s were not likely to donate but only 68% of the 18-24 age group.

Better reporting, as is often the case, might help. For example, in our survey, 54% of UK adults (and 60% of over 55s) back the idea of a new law mandating charities to share with donors the details of the companies in which they invest.

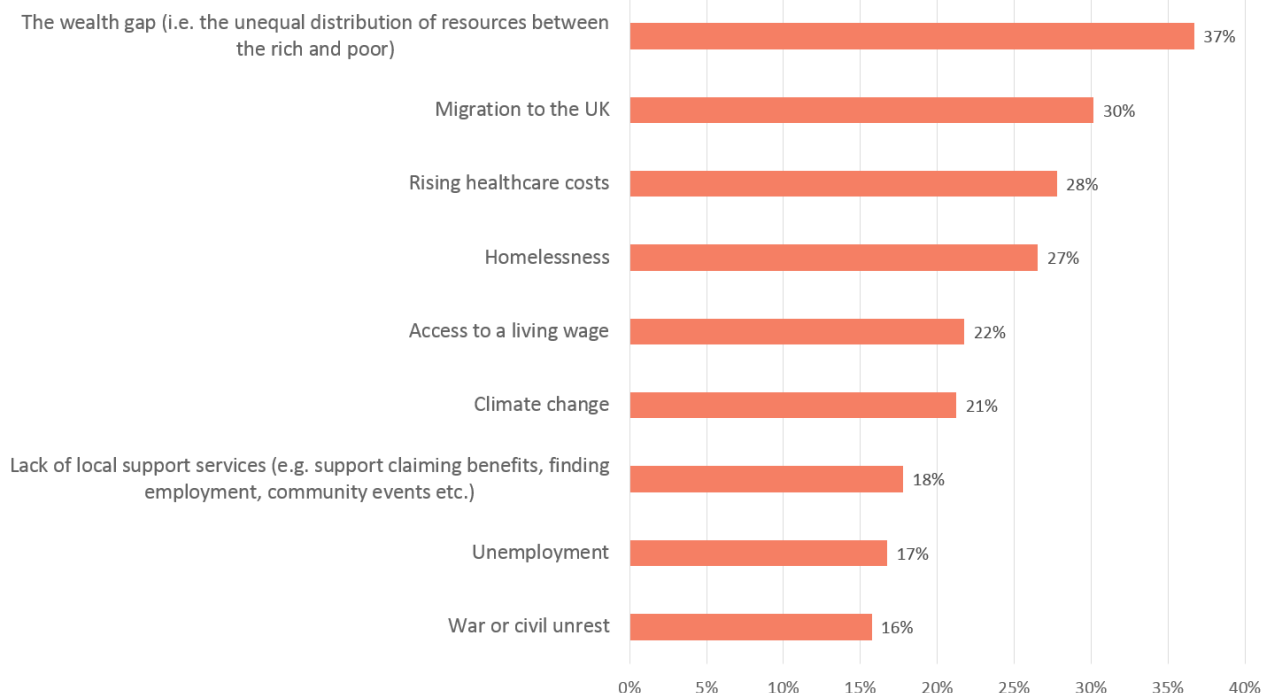
We then asked whether UK charities should only invest in companies paying the national living wage to all UK employees. Perhaps not surprisingly that also showed strong views, with 71% of people agreeing and only 8% disagreeing:



Top issues of concern

Despite robust answers on the living wage in a charity investment context, **access to a living wage ranked only 5th** when people were prompted with a list of 15 issues and asked to choose three whose impact on the UK most concerned them.

The concerns that most often appeared in people's top three were as follows:





Some results were expected ...

9% of women listed gender inequality, compared to 5% of men

Climate change was ranked by 31% of the 18-24 group and only 18% of the over 55s.

Others weren't...

Those under 34 years old or younger (21%) were the least concerned with homelessness, those aged 45-54 were the most concerned (32%)

The differences between concerns for people on a higher and lower income were relatively small. 7% more higher income adults (31%) worried about rising healthcare costs which may have been because the question was imprecise in terms of the type (tax, private, prescription, etc). Higher income adults were also 6% more worried about youth access to employment and education. The two groups were equally concerned about homelessness.

The obligations of fund managers...

In a question raised by Rathbone Greenbank, we asked UK investors whether investment managers have a responsibility to ensure that the companies they invest in are managed in a way that is positive for society and the environment. 57% of UK investors agreed, 12% disagreed. There were few differences in response by demographic, the most marked being by gender: 17% of men disagreed, but only 6% of women.

...and what people think they can achieve

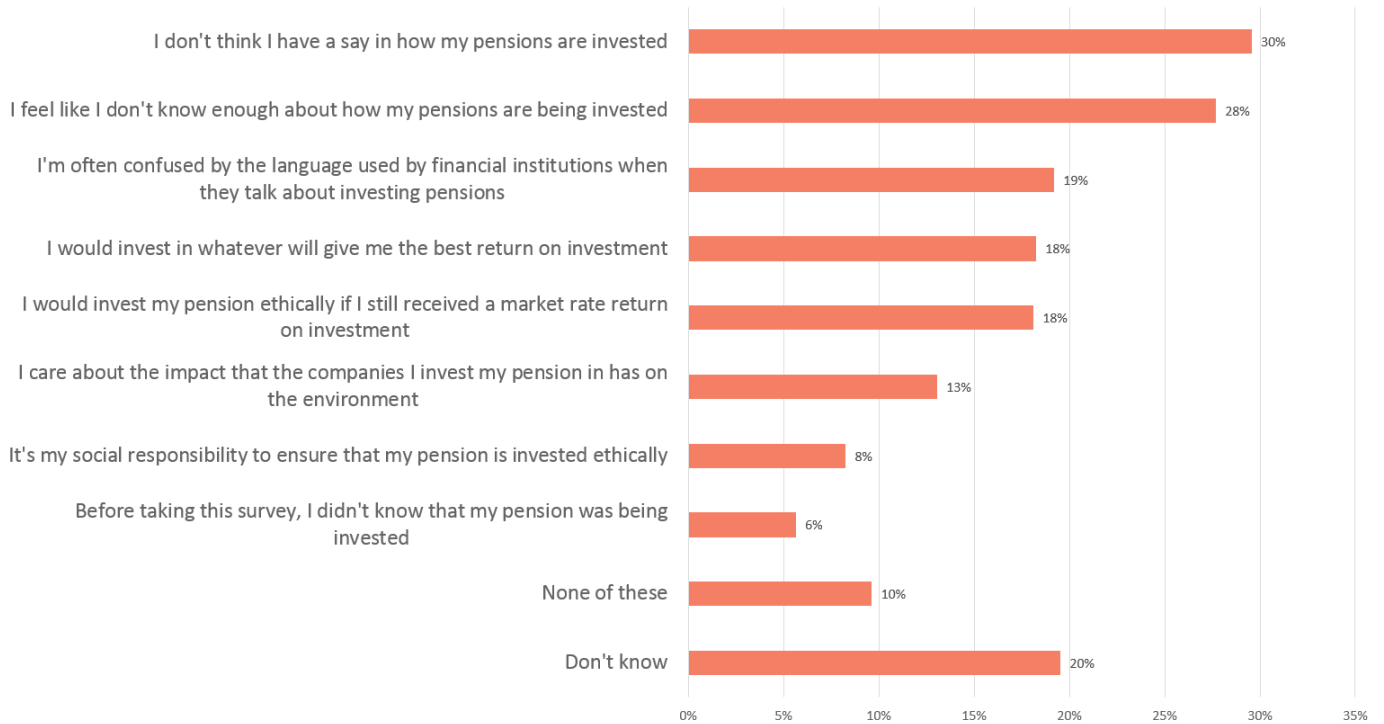
In a question raised by M&G we asked investors whether "it was possible for me to create positive social and environmental change by making sustainable investments".

34% of people agreed and 16% disagreed

This is obviously disappointing as investors seem to feel disempowered and doubtful.

We see this again in our question to adults with a pension:

“Which, if any, of the following statements apply to you?”



Then a question asked by Standard Life Investments revealed that 42% of people don't know which vehicle - pension, savings or investment - they might use to fund an "impact investment".

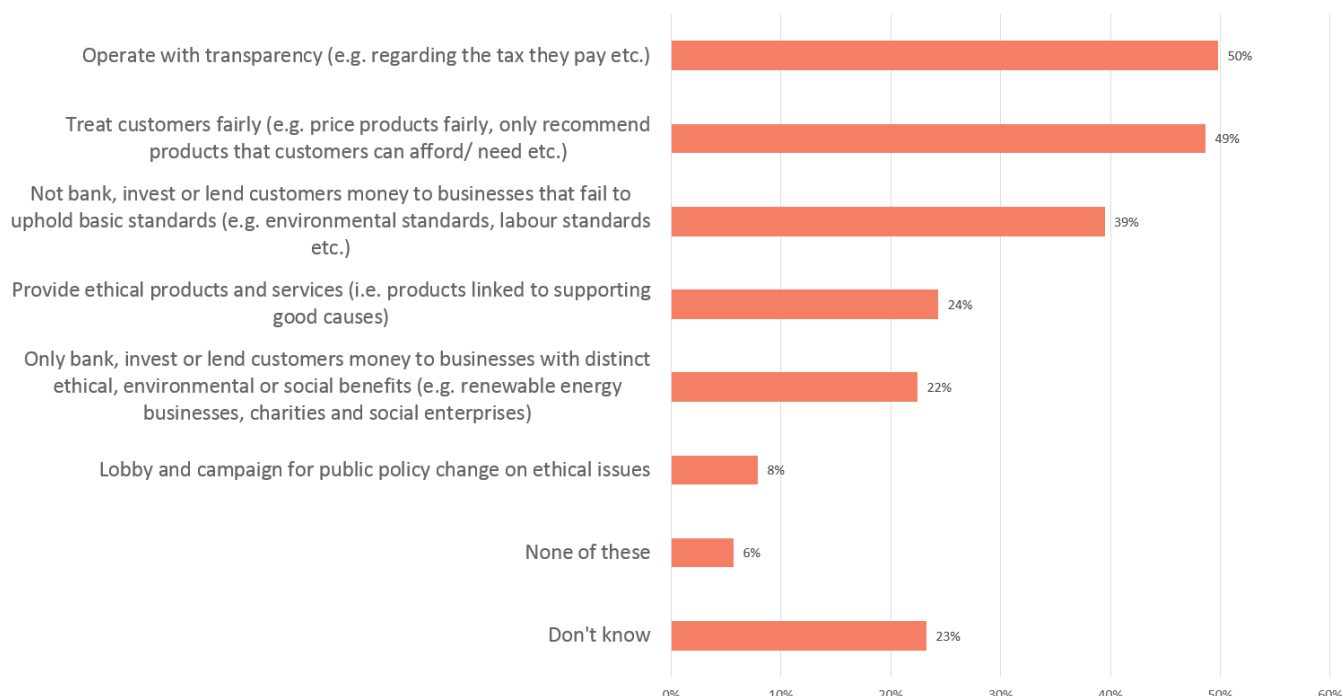
The picture of people not knowing how their investments are managed and not believing they can have an influence - when combined with believing it is the responsibility of investment managers to consider impact - is not encouraging. We'd like investors, and all individuals, to feel in charge of their financial choices and personal impact. However, there is an opportunity for players in sustainable finance to stand out by empowering their customers with simple, jargon-free advice and materials that remind investors and savers of their choices and potential impact.

For example, in a question to investors sponsored by Liontrust, 40% wanted advisers to offer fossil free options **as standard**.

Ethical banking

Just as investors had views on what they want from fund managers, the general public revealed what they want from an ethical bank.

In a question posed by The Co-operative Bank people were asked to identify (from a list) the three most important things for an ethical bank to do:



Transparency, treating customers fairly and controls over who receives loans are the top concerns. These indicate a strong expectation for an ethical bank to have clear ethical standards around corporate governance issues and who they lend to. Customers also want an ethical bank to uphold clear values of openness and fairness when dealing with them as customers and in respect of their social and environmental impact.

Conclusions

There is a **fall** in the number of investors who are 'just about the money'.

Despite a sense of disempowerment when it comes to their financial products and services, people do expect the industry to consider and communicate the available options and their environmental and social impact.

UK adults have firm views on charities investing in line with their missions.

Women and millennials are most concerned, but all ages and both genders show an increase in ethical consumerism over the last 10 years.

UK adults are calling for more transparency and choice across the finance industry.

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