

2018

# UNDERSTANDING FEMALE INVESTORS

Women using capital to change the world



MOXIE FUTURE

A survey of women in five major markets –  
understanding women's preferences, perceptions  
and motivations on responsible investing

#UF118





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**We want to empower wealth-creating women and to champion a new way of investing that doesn't compromise their values – a way that supports progressive, pioneering and sustainable businesses to build a better future.**

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Women want to know more, let's move the market forward

# Foreword

**I passionately believe that increasing numbers of professional women want to make investment decisions that positively influence the world we live in. They seek to do this by channeling money into companies and industries benefitting not only themselves as investors but also creating positive social and environmental change. This is what Moxie Future means by ‘responsible investing’.**

Little primary research exists on women’s distinctive approach to money and their preference for investing responsibly. Moxie Future felt it was time to shine a light on the mind set of today’s female investors. We therefore commissioned this research to better understand women’s priorities when making investment decisions – and the concerns that may be deterring them from responsible investment.

Our goal is simple: we want to empower wealth-creating women and to champion a new way of investing that doesn’t compromise their values – a way that supports progressive, pioneering and sustainable businesses to build a better future.

## **Jessica Robinson**

*Founder and Managing Director*

*Moxie Future*



**Moxie Future felt it was time to shine a light on the mind set of today’s female investors.**

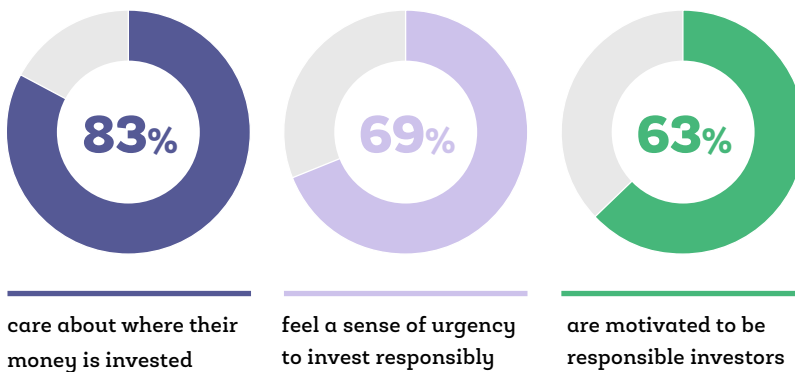
# Overview

## What our survey revealed

When it comes to investing, women today want more than just good financial returns. They also want their money to be invested in a way that matches their values and ideals. Not only are women becoming more economically significant and controlling an even greater percentage of the world's wealth, they are also becoming increasingly concerned about the social and environmental impact of their investments.

Moxie Future believes that women are neither adequately understood nor properly catered for by the financial industry. We believe that women want their money to be put to work, not just for financial returns but to bring broader benefits – for society, for the environment and for the world we live in.

Among the women we surveyed for this report:



And this is what we heard from the women that Moxie Future surveyed. Among the women we surveyed for this report, 83% care about where their money is invested, 69% feel a sense of urgency to invest responsibly, and 63% are motivated to be responsible investors.

The higher their income level and the more financially confident they feel, the more likely women are to be interested in responsible investment and motivated to act. According to a recent report by EY, *'Women and wealth: The case for a customized approach'*, fulfilling personal goals is seen as the most important investment priority by wealthy women (40%), significantly ahead of market outperformance (31%)<sup>1</sup>.

In short, women want things to change for the better and to change quickly. This creates exciting opportunities to transform the financial industry in ways that better address what women actually want – and harness this momentum as a catalyst for positive economic, social and environmental change.



**The higher their income level and the more financially confident they feel, the more likely women are to be interested in responsible investment**

<sup>1</sup> "Women and wealth – the case for a customized approach," EY. [www.ey.com/Publication/vwLUAssets/EY-women-investors/\\$FILE/EY-women-and-wealth.pdf](http://www.ey.com/Publication/vwLUAssets/EY-women-investors/$FILE/EY-women-and-wealth.pdf) accessed 12th November 2017.



## About this survey

We conducted a survey of 2,536 women in five markets in select countries in diverse parts of the world – **Australia, China, Germany, UK and US**. The survey was conducted through online interviews during March and April 2017<sup>2</sup>.

In each market, we interviewed approximately 500 women aged 18 to 65 and nationally representative of ABC social status and secondary educations. All were either solely or jointly responsible for financial decision making in their household.

## Country variations

Findings are generally consistent across all five countries, suggesting that women are broadly aligned across markets.

However, the really interesting finding is that China shows the greatest concern and interest in responsible investing. This may reflect that women in China are facing more visible challenges, in particular environmental threats and are consequently more motivated.

## What do we mean by responsible investing?

The term as used in this report covers an investment strategy that seeks to generate both financial and sustainable value. Responsible investing looks for investments that have a positive impact on society as well as achieving the financial objectives of the investor.

By being a responsible investor, we aim to build value – not only financial but also that which transcends mere money. Responsible investment strategies can help us identify sustainable companies, products and investment themes that create measurable value and better long-term returns for all stakeholders.

We use 'responsible investing' in its broadest sense. For the purpose of this report, closely related concepts such as 'impact investing', 'environmental, social and governance (ESG)' and 'socially responsible investing' all fall under the same umbrella.

## Taking the next step

Our research has confirmed our hypothesis that female investors are seeking new ways of investing that offer good financial returns and also create positive societal and environmental change. It also reveals that much needs to be done to help female investors get there.



**By being a responsible investor, we aim to build value – not only financial but also that which transcends mere money**

### We can start by:

Offering practical guidance to support female investors.

Developing more financial products and services that cater to women's needs.

Providing better information and analysis on responsible investment opportunities.

Encouraging networking and peer-to-peer learning.

Keeping the conversation going and engaging with more women!

Read more about our recommendations on page 16

<sup>2</sup>The survey was completed by Hello Sister Strategy, an independent brand consultancy. Survey participants were recruited on the basis of pre-defined quotas of income, education, age and financial responsibility to ensure each individual aligned with these criteria.



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When it comes to investing, women today want more than just good financial returns. They also want their money to be invested in a way that matches their values and ideals.

## PART 1

# Preferences

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**Using the findings of our research, we look at women and their preferences when it comes to investing responsibly.**

We outline the data which has revealed that many women are already starting to think about responsible investing: a truly exciting finding confirming that there is a market need and an opportunity to be built upon.

So what issues do women care about? What are the top priorities in their responsible investing agendas and what kinds of companies do they want to invest in?



## HOW CONSCIOUS ARE WOMEN OF THE NEED TO INVEST RESPONSIBLY?

We found that many female investors ARE conscious of the need to think about the impact of their investment decisions and are aware that this goes beyond just financial returns.

**We asked:** When making an investment decision (i.e. when deciding where to put your savings or pension), to what extent do you consider the non-financial impact of that decision?

Across all markets around a third of women are ACTIVE – i.e. actively trying to be a responsible investor by researching companies in detail and avoiding certain investments that conflict with their values.

Another third could be described as POTENTIALS – warm to the idea but unsure where to start. This suggests significant untapped numbers that could be converted with the right products, support and education.

The final third are currently UNENGAGED – unconcerned about the non-financial impact of their investments and only interested in securing good returns.

## HOW INTERESTED ARE WOMEN IN INVESTING RESPONSIBLY IF PRODUCTS ARE AVAILABLE?

We found that the majority of women ARE motivated and interested in investment products that address responsible investment priorities.

**We asked:** To what extent do you feel motivated to be a responsible investor?

63% say they are either somewhat motivated or strongly motivated. In China, the figure is especially positive (84%).

**We asked:** If there was a range of responsible investment products that were aligned with your personal values and beliefs how interested would you be in investing in them?

An impressive 69% of women interviewed would be either interested or very interested in responsible investment products. That figure is even higher in China (91%) and the US (74%), our two largest markets by total population size.

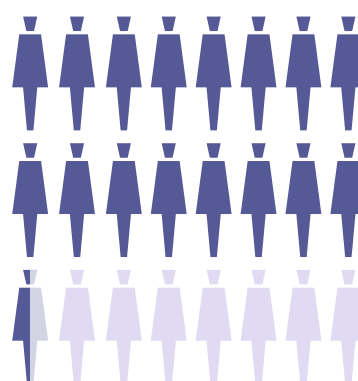
There are simply not enough products out there catering to today's female investors. It's time for the financial industry to sit up, take notice and start offering them the investment products they want.



Around two-thirds of women are either actively or potentially interested in investing responsibly

## Over 69%

of women across all markets would be interested in responsible investment products



## WHAT DO WOMEN UNDERSTAND BY RESPONSIBLE INVESTING?

We found that most women do have a clear and accurate idea of what responsible investing is. Women are thinking about more than financial returns, they are thinking about investing for the greater good.

**We asked:** What does the term responsible investment mean to you?

For 41% of the women we interviewed, it means looking at the broader social and environmental impact of their investments and not just the financial returns. For 39%, it means investing according to their personal beliefs and values.

However, some perspectives on definition were muddled, with some 18% of women having no idea what it means, and 9% thinking it could mean simply giving money to charity.

Overall this indicates that the majority of women are already aware of the concept of responsible investing, an exciting trend that will likely become more pronounced. However, this does not necessarily mean that women are taking action as responsible investors today and we know that much work is needed to support women in becoming fully engaged and active.

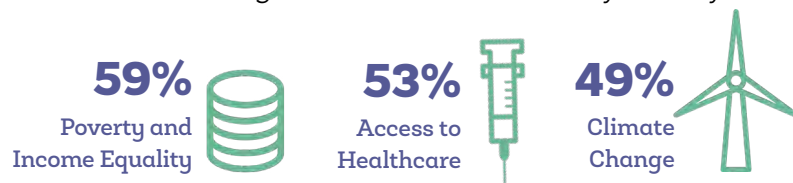


The majority of women are already engaged and connected with responsible investing as a concept

## WHICH ISSUES MOST CONCERN WOMEN?

Financial performance is of course a priority but women say they are influenced by a range of issues in their investment decisions. They ARE looking beyond the bottom line, to use their money in a way that builds a better world.

**We asked:** When it comes to thinking about your investments, which of the following are the issues that concern you today?



Overall, the five markets have similar priorities with Poverty and Income Equality (59%), Access to Healthcare (53%) and Climate Change (49%) being the top three concerns in that order.

Women are also concerned about Corporate Behavior (including corruption and bribery), Pollution (air, water and soil), Access to Education, Impact on Local Communities, Gender Inequality, and Sustainable and Responsible Supply Chains, with LGBTQ discrimination the lowest rank concern.



When investing, women are most concerned by poverty, healthcare access and climate change



## WHAT TRAITS IN A COMPANY MOST INFLUENCE WOMEN TO INVEST IN IT...OR NOT?

We found that female investors are looking for companies that prioritize employees, but also companies that operate in an open and transparent way.

**We asked:** *Thinking about the behavior and performance of companies, which of the following do you feel are important AND would affect your investment choice?*

For four of the five markets (all markets apart from China), a company that respects and provides for its employees ranked highest. Transparency and open disclosure to customers and shareholders was ranked second in all countries.

For China, delivering environmental solutions and products was considered most important. Companies committed to sustainability and reducing greenhouse gas emissions also have high appeal to women in China – perhaps not surprising given the country's high levels of pollution.

China diverges too in the lesser prominence it attaches to human rights and diversity (gender, age, sexual orientation).



For China, delivering environmental solutions and products was considered most important



## PART 2

# Behavior and barriers

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**Though women are strongly motivated, what is holding them back and how can we move the market forward?**

**What do our findings tell us about the barriers to be overcome and how to do so?**

Financial confidence is a necessary pre-condition for empowering women as responsible investors. We still have some way to go on this. How do we empower women to be more financially confident?

Let's also look at how women make investment decisions, in particular, their use of financial advisors. But here's the thing, many women don't have financial advisors so this is also an opportunity.

## WHAT MOST DETERS WOMEN ABOUT RESPONSIBLE INVESTING?

We found that while women are generally positive about responsible investing, they have various doubts and concerns, and face practical difficulties when it comes to committing their money.

**We asked:** *Thinking about responsible investment specifically, what questions or concerns might you have about becoming a responsible investor?*

In four of the five markets, women are concerned that thinking about broader impacts may result in lower financial returns (in fact, there is convincing evidence to the contrary).



### **ACTION: MYTH BUSTING NEEDED**

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– more active communication by investment professionals and the media regarding the successes of sustainably-progressive companies, with a strong interlink between financial and non-financial metrics and their impact.

But for China, the leading concern is a lack of tested products in the market (58%). For all other markets, this was the second greatest concern.

Other factors holding women back are...

### **Lack of time, lack of trust, and lack of understanding**

Many of today's busy women say they lack the time to fully research investment products and make informed decisions, that they have difficulty trusting information on responsible investment products, and that they have trouble understanding how these products and investment strategies work.



### **ACTION: TIME FOR PLAIN SPEAKING**

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– the financial industry has a role to play in the way it engages and communicates with female investors. Let's provide evidence-based analysis and practical tools to support women in aligning investment decisions with their values.

## HOW CONFIDENT ARE WOMEN IN MAKING FINANCIAL DECISIONS?

Financial confidence is a necessary pre-condition for empowering women as responsible investors. While women surveyed are all financial decision-makers of some kind, many lack confidence in terms of responsible investing so we still have some way to go...

**We asked:** *How confident do you feel generally in terms of making decisions regarding your financial investments?*

A majority of women surveyed express confidence with general consistency across all markets. Most bullish in their own abilities were women in China (68% confident, and of that, 9% expressed high levels of confidence) and the US (59% confident, and of that 16% expressed high levels of confidence).

China has the most 'medium-confident' women and this may impact other questions throughout our survey where they appear more forward-thinking.

Of the five countries, women in Germany were most lacking in confidence (54% expressed low confidence).

Confidence matters because the higher the level, the more likely female investors are to be concerned and engaged with responsible investment opportunities.



43% of women do not feel confident in terms of making decisions regarding their financial investments



### ACTION: BOOSTING FINANCIAL CONFIDENCE

– financial advisors can play a positive role in boosting clients' financial-esteem through education, discussion and support. Through tailored approaches and services, financial advisors can carefully assess each client's level of financial confidence and work with her to develop a plan of action that reflects her values and priorities.



## HOW MANY WOMEN USE A FINANCIAL ADVISOR?

If we know that many women have concerns and practical difficulties when it comes to committing their money, could financial advisors, particularly those advisors who ‘get’ the value priorities that so many women have highlighted, play a role? The first question is to ask - are women enlisting professional help in their financial decision making?

**We asked:** Do you currently have, or in the last 5 years had, a financial advisor?

Significantly over half of women in all markets, except the US, are currently not being advised by a financial advisor. Germany and the UK were the markets with lowest financial advisor usage (37% and 33%, respectively).

This tells us that the financial industry could do more to connect with female investors. And that there are HUGE untapped opportunities for financial advisors to work with women to deliver the services and products that provide female clients with tailored experiences.

## HOW DO THEY FEEL ABOUT THEIR FINANCIAL ADVISORS?

Previous research has found that women feel misunderstood by their financial advisor - for example, research by the Center for Talent Innovation<sup>3</sup> found that 67% of women surveyed feel misunderstood by their financial advisor. We wanted to explore this further.

So why are so many women not engaging with financial advisors? Through our survey we asked those that have financial advisors a series of statements about their feelings and attitudes. We found that there is certainly a perception among women in all markets that financial advisors are failing to offer advice that aligns with their values. We also found that women clearly feel that financial advisors need to provide more products that are not driven by their own fee structures.

What does this mean for us? If we are aiming to engage with female investors at scale, we need to support financial advisors in addressing women’s needs. Female investors want to receive advice from independent advisors who understand and hear some of their values and priorities.



57% of women do not have a financial advisor

Previous research by the Center for Talent Innovation found that:

67%

women feel misunderstood by their financial advisor.



<sup>3</sup> [www.talentinnovation.org/assets/HarnessingThePowerOfThePurse\\_ExecSumm-CTI-CONFIDENTIAL.pdf](http://www.talentinnovation.org/assets/HarnessingThePowerOfThePurse_ExecSumm-CTI-CONFIDENTIAL.pdf)



**ACTION:  
CONNECT, DO NOT  
MARKET**

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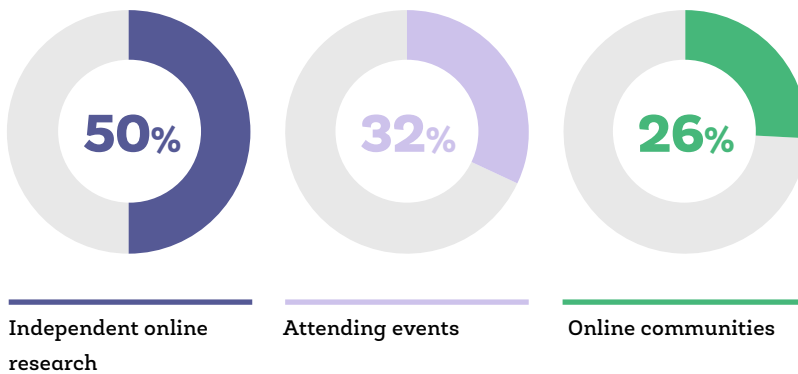
– the financial industry and individual financial advisors can plug the gap between what women want and what the industry currently provides. This starts with understanding female clients on a deeper level.

**FOR FEMALE INVESTORS, WHAT IS THEIR  
PREFERRED MEANS OF GATHERING INFORMATION  
ON INVESTING?**

We found from our survey that female investors want to access responsible investment strategies and thinking through online sources, but that they also want to be part of a broader network and community.

**We asked:** If you wanted to learn more about becoming a responsible investor, how would you prefer to do this?

Independent online research is overwhelmingly the most popular source of information (50%) followed by attending events (32%) and then online communities / forums (26%). These findings can guide the financial industry and financial advisors on how to engage with female investors on responsible investment, but also highlights the importance of independent perspectives.



**ACTION:  
ENGAGE AND  
COLLABORATE**

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– we need targeted platforms and practical guidance to support women on their journey as responsible investors. For example, Moxie Future’s Your Responsible Investment Roadmap aims to provide this kind of support, outlining the first steps to take and highlighting different sources of information.



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**Female investors are seeking new ways of investing that offer good financial returns and also create positive societal and environmental change. We need to keep the conversation going on how female investors can reshape how we use capital for the greater good.**



## PART 3

# Conclusions, observations and opportunities

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**Around two thirds of women surveyed are motivated to invest responsibly. But we found that women are unsure where to start and want to know more.**

As financial decision-makers, women feel a sense of urgency to consider investing responsibly, and in building a better world for the future. And they would like their investment and saving decisions to reflect their personal values.

Women are increasingly confident in making their own financial decisions. The majority of women (59%) do not have a financial advisor. Those that do have ambivalent feelings with 22% of them saying that their financial advisor does not offer products that align with their values.

Two thirds of women either actively want to invest responsibly or are potentially interested but unsure where to start. Almost 20% describe themselves as strongly motivated. However, for 47% of women, they have the misperception that responsible investment equates to lower returns.

Most women prefer to get financial information through independent online research, though online forums and events are important. Poverty and income equality, access to healthcare and climate change are the three issues that most concern women.

The behaviors and performance traits of a company affect whether women will invest in it, with female investors looking for companies that prioritize employees, but also companies that operate in an open and transparent way.



This research has confirmed our hypothesis that female investors are seeking new ways of investing that offer good financial returns and also create positive societal and environmental change. It also reveals that much needs to be done to help female investors get there.

### What does this mean and how can we support this?



#### Practical guidance:

We need practical guidance and frameworks to support women in understanding what to look for and how to assess the sustainability performance of companies and sectors they invest in. This requires greater transparency and plain speaking on what a sustainable company looks like and the kind of metrics we should be analyzing. Financial advisors clearly have a role to play here.



#### Product availability:

We need more financial products and services to cater for the many women who want to invest responsibly. For example, offering thematic investment funds focused on themes such as climate change, environmental protection, sustainable infrastructure, and health and wellbeing. These products should be made more transparent, visible and accessible in the market.



#### Information and analysis:

We can also empower women as investors by providing better information on and analysis of the various responsible and impact investment products currently available. The financial industry should play a proactive role in this, through sharing information on the sustainability performance and metrics of the products they offer. Companies can also do more to communicate to female investors on how sustainability strategies and practices are adding real value to performance.



#### Networking:

We need peer-to-peer learning, experience sharing opportunities and networking to help women grow more confident in their financial decision making, particularly as responsible investors. Integral to this is educating women on how their investment decisions can help address some of the core global issues that concern them through activities such as events, webinars and accessible research.



#### Dialogue:

We need to keep the conversation going on how female investors can reshape how we use capital for the greater good. As 'financial feminism' becomes more and more of a mainstream concept, so too can the financial feminist's drive to create broader societal and environmental change through investment choices.



### The time is now

Women are engaged in responsible investing with 83% caring about where their money is invested, 69% feeling a sense of urgency to invest responsibly, and 63% feeling motivated to be responsible investors.

The more money they earn, the more engaged they are and the more likely they are to invest responsibly.

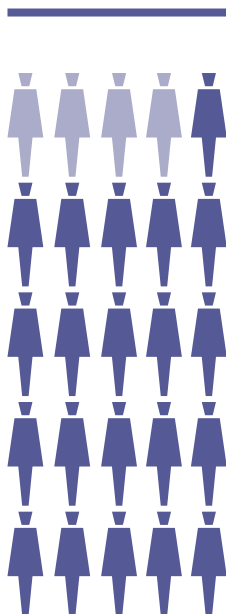
The global financial industry needs to recognize these aspirations and offer better tools, products, solutions and advice to enable women to invest in line with their beliefs and values.



The more money they earn, the more engaged they are and the more likely they are to invest responsibly.

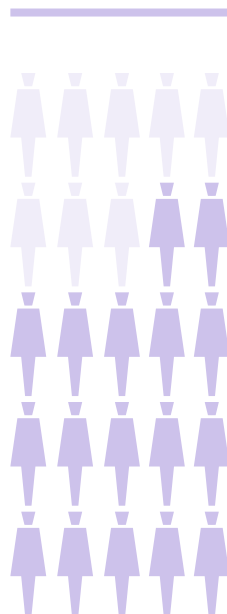
83%

care about where their money is invested



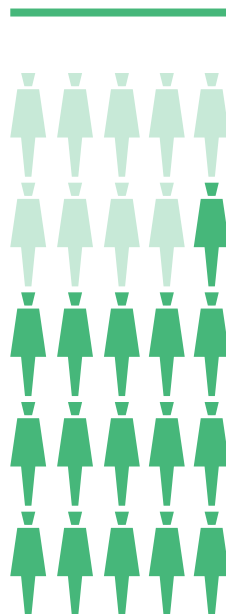
69%

feel a sense of urgency to invest responsibly




63%

feel motivated to be responsible investors







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## ABOUT MOXIE FUTURE

**Moxie Future is the first education, insight and community platform that empowers female investors to grow their wealth through responsible and impact investing for a more sustainable world.**

Moxie Future is built for women, by women. Because women want to invest in a different way and in a different world. We are shaking up the status quo and providing support to women who want to use their investable capital to reshape the world.

We believe that starting a movement around responsible investing for individuals is one of the most effective and impactful ways to tackle the issues facing our world today.

This is where the journey begins – watch our video:  
[www.youtube.com/watch?time\\_continue=4&v=T\\_4\\_ehZ8l7Y](https://www.youtube.com/watch?time_continue=4&v=T_4_ehZ8l7Y)



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