



# Understanding the positive investor

A research study revealing  
the level of interest in positive  
investment in the United Kingdom



**ethex**  
make money do good

# Contents

About this report	03
Executive summary	04
Current and potential size of the positive investment market	06
The degree of interest in positive savings and investments in the UK	07
The kinds of people making positive investments	09
The kinds of products people prefer	10
What motivates people to invest positively?	13
Strong motivators to save and invest positively	14
Weak motivators to save and invest positively	15
Belief in the effectiveness of positive investment	16
Willingness to engage with positive investment	18
Attitudes to risk and return	19
The five types of positive investor	21
About the five types	22
How each type saves and invests	25
Attitudes to risk and return	26
The types most interested in positive investment	28
The future lies with the younger generation	29
How the under 40s and the over 50s differ	30
Attitudes to wealth	33
Reaching the younger generation	34
The way forward from minority pursuit to mass participation	37
Contact	39



# About this report

Research shows that interest in positive investment, or the saving and investing of personal financial wealth for the benefit of society, is growing faster than for traditional forms of investment.<sup>1</sup> Yet, to date, understanding of what kinds of people want to engage with positive investment and what motivates them to do so is limited.

This study of almost 4,000 people is the largest and most extensive ever undertaken into the positive investment market. It establishes that there is significant unmet demand in society for positive investment. However meeting that demand is not straightforward and requires a carefully targeted approach.

The work was conducted in two phases. The first phase was an online survey of existing positive savers and investors to understand their motivations and behaviours and to identify the characteristics of different types of positive investors. The second phase was an online survey of a nationally representative sample of consumers over 18 years of age and who are not in debt, controlled by age, gender, region and social grade, to identify the incidence of different types of positive savers and investors in the UK population. The results presented here are drawn from phase 2, and so are representative of the UK population as a whole.

This report summarises the results and methodology, which are available in full at [www.ethex.org.uk](http://www.ethex.org.uk). For more information please contact [help@ethex.org.uk](mailto:help@ethex.org.uk)

<sup>1</sup> E.g. Ethex Positive Investing report 2015 [www.ethex.org.uk/positiveinvesting](http://www.ethex.org.uk/positiveinvesting)

## Funding partners:

This work has been undertaken by the online positive investment platform Ethex, with finance from the Social Investment Research Council, and with help from Triodos Bank and the Community Shares Unit. IFF Research conducted the two surveys and the detailed statistical analysis.



## Executive summary

While the traditional investor saves and invests to get their money back and make a profit, the positive investor has slightly different considerations in that they also want to use their personal wealth to benefit society. This report examines the level of interest in and commitment to positive investing in the UK population, what is motivating people to engage and what is holding them back.

### The scale of demand

Three fifths of the UK population is able to make positive savings or investments, in that they are over 18 and consider themselves not in debt.<sup>2</sup> Our research shows that of these, 20% already hold positive investments and a further 31% would be interested to do so for the first time. This means that over half the UK population is committed to positive investing to some degree. And the level of commitment appears to be strong – 39% of the UK population would like to commit more of their wealth to positive investing than they do now.

However, providers of positive saving and investment products are not capitalising on this strong level of interest. While the demographic profile of those interested in positive investing is very similar to the population as a whole, those currently positively investing are significantly richer, better educated and more likely to be male. Positive investment is only reaching an elite group, despite the broad level of interest across all population sectors.

People are the most interested in products that improve health and social care. There is a strong preference for savings and investments that bring local rather than international benefits, and for simpler products such as savings and current accounts rather than more complex investments. They are motivated by a desire to live responsibly, and to a large extent by wanting to be part of a group having a positive impact on the world. However they tend to believe that money invested positively will be wasted, and they want the benefits to be measured and reported on.

<sup>2</sup> We defined personal financial wealth as all wealth excluding any property owned or mortgages, and excluding all pension wealth apart from self-invested pensions.

✓ 20%

already hold positive investments and a further

31% 

would be interested to do so for the first time



## The 5 investor types



The Well-informed



The Progressive



The Receptive



The Unsure



The Sceptic

### Return expectations

The extent to which people are willing to take a lower financial return in order to achieve a positive impact is less clear. There is evidence that most people see positive investment as a luxury pursuit, in that they not only do not see themselves as wealthy enough to make positive investments but are also unwilling to take a lower financial return. However, they are confused as to what return to expect, as opinions differ markedly on whether to expect a weaker or stronger return for a positive investment. Of those already making positive investments, the willingness to take a lower return increases, but the confusion on what level of return to expect remains. This would suggest that positive investment providers are not communicating financial return expectations clearly and consistently.

### The types of investor

Breaking the population down into different types sheds further light on the nature of interest in positive investing. Close to half of the population can be considered a **Sceptic** – who do not feel they owe anything to society, do not believe positive investing is of benefit and are not willing to take a lower return. A further 9% are **Unsure**, in that they want to do good by society but lack the

financial confidence and know-how to engage. However the remaining 44% of the population can be broken into three types, all of which are already positively investing or are interested to engage. These are the **Well-informed**, who are both knowledgeable and committed; the **Receptive**, who are wealthy and engaged but need persuading of the benefits; and the **Progressive**, who are committed to all forms of social progress but are less confident and less certain that positive investing is the best route to follow. These three types are almost three times as likely to hold positive investments as **the Sceptic** and **Unsure**.

### The young and the old

But most marked of all is the difference between the young and the old. While those over 50 show a level of scepticism to positive investments, and a lack of willingness to increase their commitment, those under 40 appear to be much more strongly socially motivated, and much more willing both to invest a higher proportion of their wealth and to forego financial returns in favour of positive social or environmental outcomes.

Given that they have less money now, but are likely to be wealthier in the future, attracting the under 40s is a longer-term

consideration, but one likely to pay off. It entails offering positive current and savings accounts and pensions, rather than more complex products. It also means marketing investments with lower minimum investment sizes, and through a wider range of channels. For example the under 40s are far less likely than the over 50s to use an Independent Financial Advisor or to read the financial pages in newspapers and magazines and more likely to use social channels such as internet search engines, social media or simply speaking to friends, family or colleagues.

### In conclusion

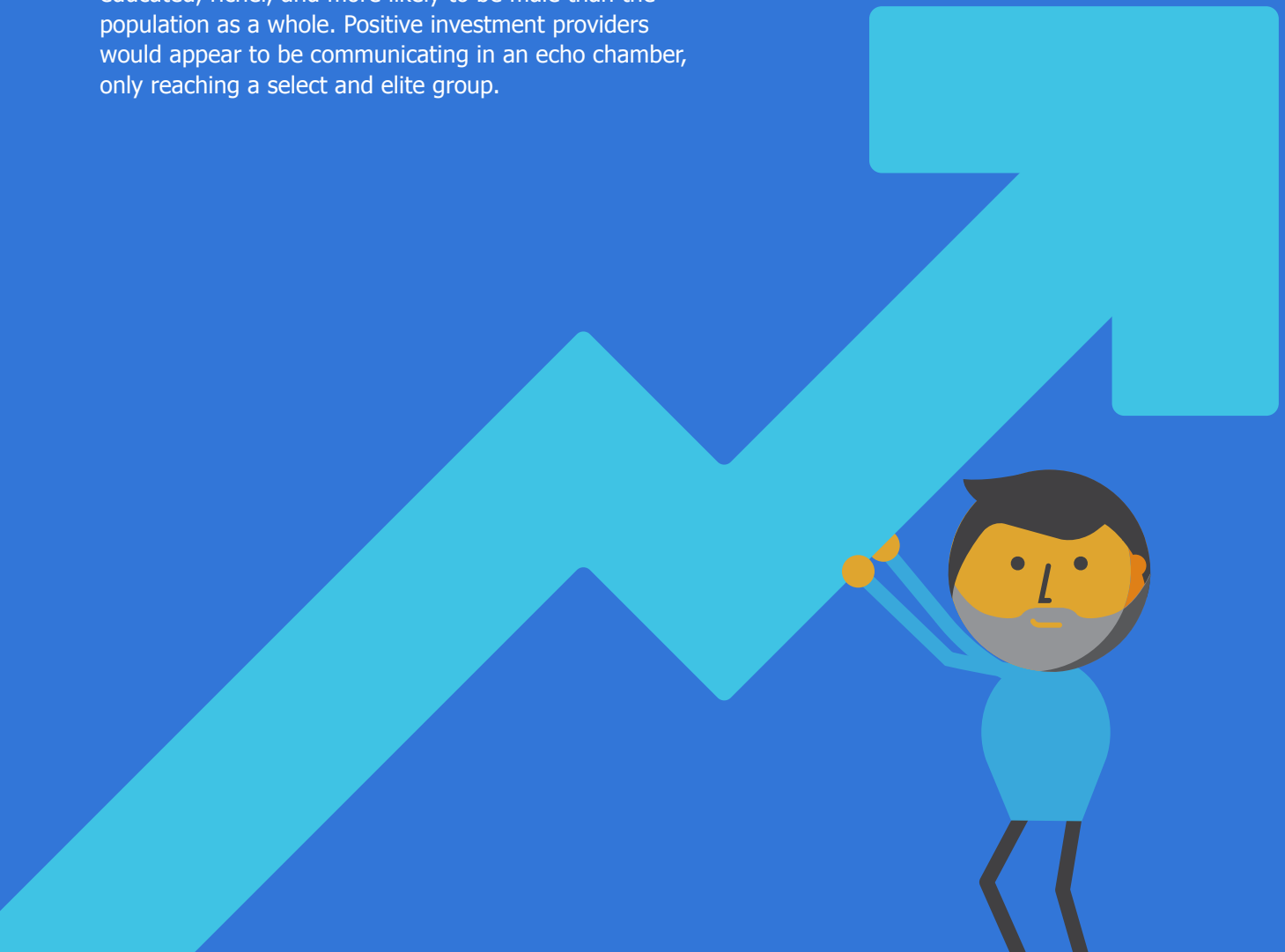
The level of interest in positive investment is high. However there is much work to be done by providers of these products if they are to capitalise on this interest. They must produce simple and accessible products that tackle the local issues that people most care about; they must demonstrate clearly that the benefits to society can and are being realised; and they must be honest and direct about the level of financial return that people can expect from a positive investment, whether or not it is likely to be at a sub-market rate. Only then do the benefits that positive investing can bring to society stand to be realised.

# Current and potential size of the positive investment market

---

The level of interest in positive investment in the UK is high. Over half the population eligible to save or invest positively are either already doing so or are interested to get involved. Just over one half of these people would like to commit over 10% of their wealth in this way, and close to a third would like to commit more than half of their wealth.

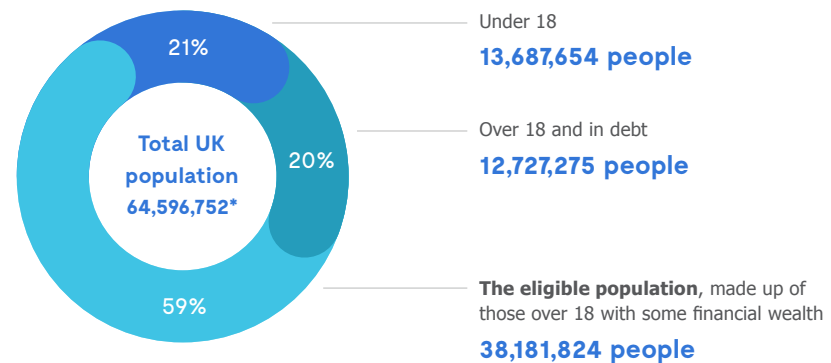
However, positive investment products are only reaching a select few. The demographic profile of those interested to invest positively for the first time is largely no different to the national population. Despite this, those already making positive investments are significantly better educated, richer, and more likely to be male than the population as a whole. Positive investment providers would appear to be communicating in an echo chamber, only reaching a select and elite group.



# The degree of interest in positive savings and investments in the UK

Three-fifths (59%) of the UK population are eligible to save or invest positively, in that they are over 18 and not in debt.\*

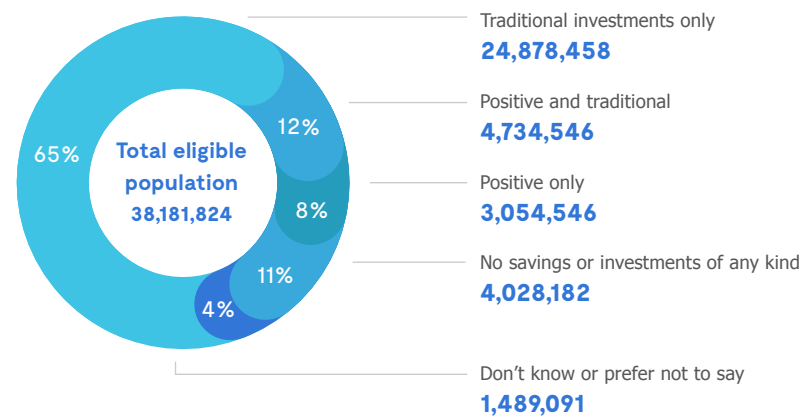
## Those able to save and invest positively in the UK



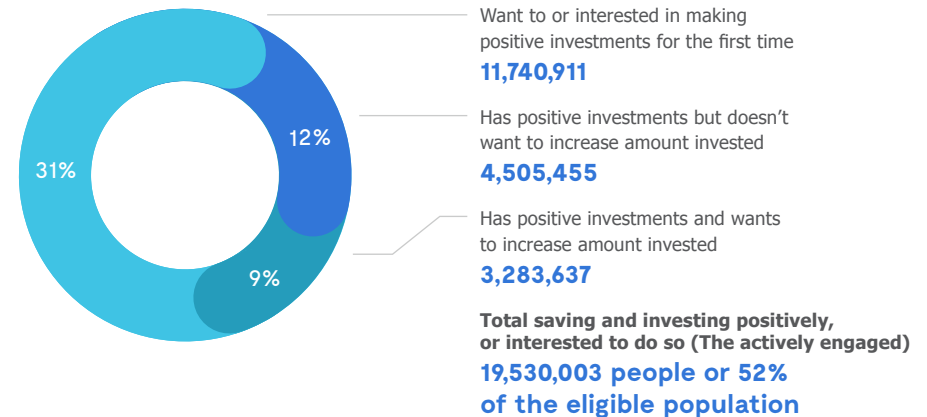
\* Data taken from Office for National Statistics

By extrapolating from our nationally representative sample, we can deduce that, of the eligible population, around 7.8 million people see themselves as already having positive savings and investments, of which 3.1 million have positive investments only.

## How the eligible population are saving and investing



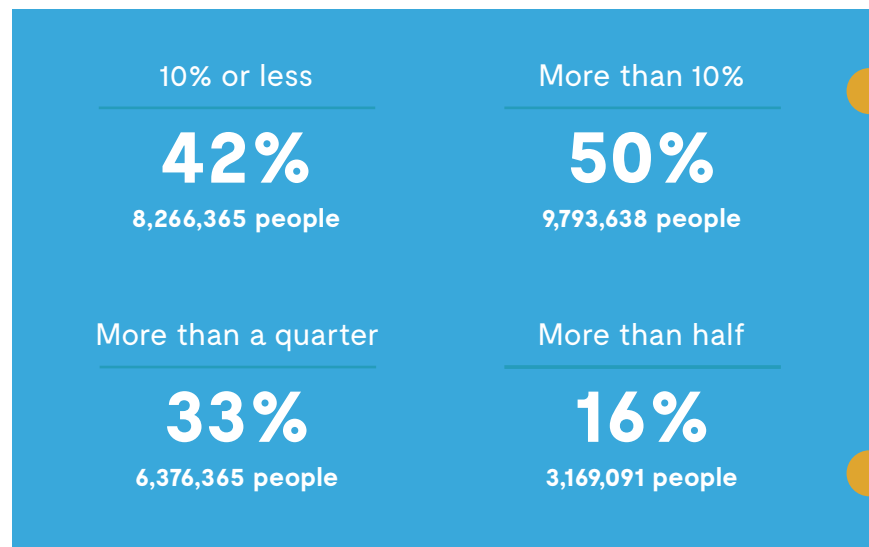
The total of those who are already saving or investing positively or are interested to do so is estimated at 19.5 million, implying that slightly over half the eligible population is actively engaged in or considering positive investments.



## The degree of interest in positive savings and investments in the UK

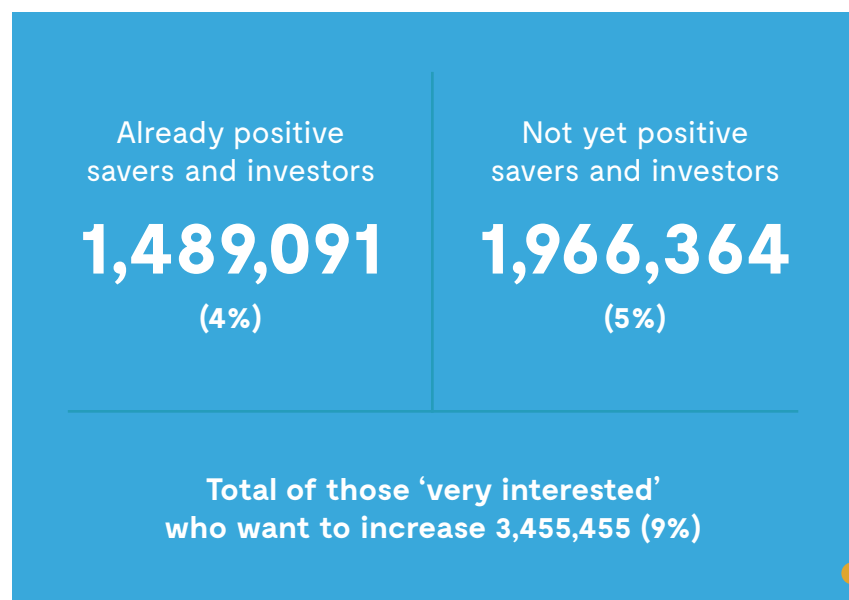
Of those actively engaged in, or considering, positive investment, half would like to be able to commit more than 10% of their wealth to positive investment, and a third would like to commit more than a quarter of their wealth.

### Amount of wealth the actively engaged would like to commit positively



Even if the 'degree of interest' net is very tightly drawn, and limited to those that say that they are both very interested in positive investment and would like to increase the amount they have positively invested, this still amounts to 9% of the eligible population or around 3.5 million people.

### Those 'very interested' in positive saving and investment and who want to save and invest more positively





# The kinds of people making positive investments

Those that have to date been the most inspired to make positive investments are significantly younger, richer, better educated and more likely to be male than the eligible population. However the demographic profile of those who are interested to make positive investments for the first time is demographically very similar to the eligible population as a whole. It would seem that providers of positive investment products have the opportunity to reach this wider population, but are currently only reaching a select group.

This is further evidenced by phase 1 of the research, where existing positive investment providers asked their savers and investors to complete the survey. This revealed an even more elite group, significantly richer and older than the nationally representative sample surveyed in phase 2 that report already holding positive savings and investments.

This suggests that current providers of positive investors are only engaging a select few.

## Demographic profile of positive investors

	Total eligible population (phase 2)	Want to make positive investments for the first time (phase 2)	Have positive investments (phase 2)	Have positive investments (phase 1)
<b>Gender</b>				
Male	49%	47%	63%	52%
Female	51%	53%	38%	46%
<b>Age</b>				
18 – 40	40%	41%	51%	15%
41 – 50	18%	21%	16%	14%
51+	42%	37%	33%	70%
<b>Working status</b>				
Employed	60%	63%	74%	51%
Retired	23%	17%	17%	40%
<b>Education level</b>				
Above secondary education	24%	27%	65%	92%
<b>Total wealth</b>				
Median	£9,499	£8,874	£19,749	£55,997

# The kinds of products people prefer

People are the most interested in products that are simple, local and social.

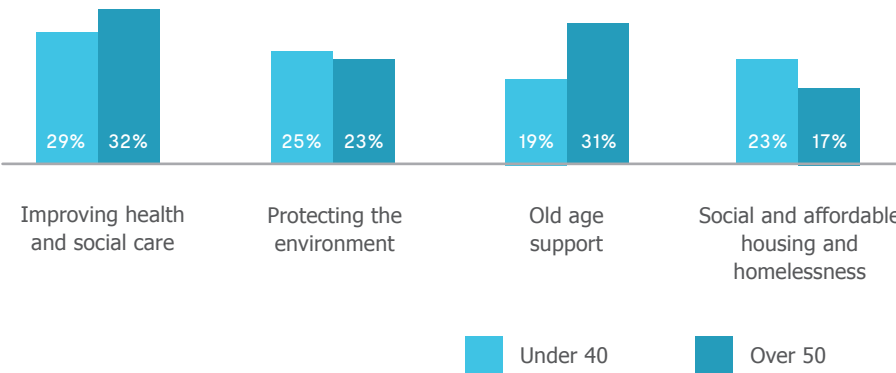
People are keenest on positive investments that improve health and social care and provide old age support. They are least interested in investing in international development, animal rights or the advancement of religion.

## What issue are you most interested in addressing through positive investment?



The issues that people want to see addressed by positive investing vary between the under 40s and over 50s. While both groups would like to see health and social care improved and the environment protected, the under 40s are more concerned with affordable housing and homelessness, and the over 50s with old age support.

## Interest in issues according to age

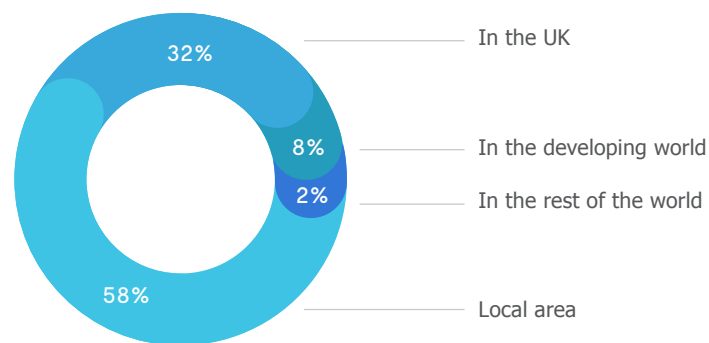


## The kinds of products people prefer

People are considerably more likely to want to have a positive impact in their local area than at other geographic levels.

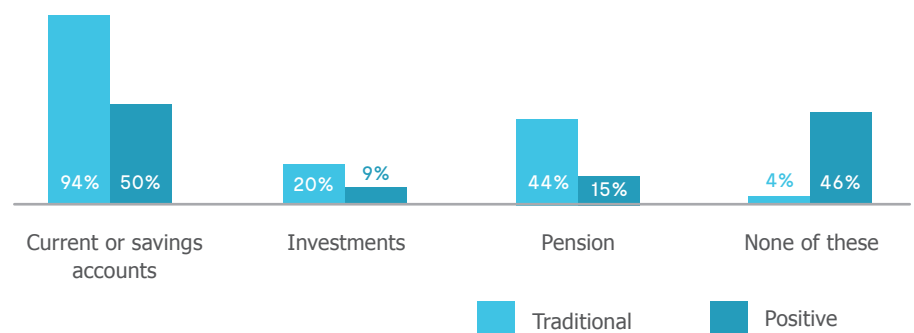
Again, there were clear age differences, with double the proportion of under 40s preferring their investments to have an impact in the developing world, compared to the over 60s.

### Where would you prefer your positive investments to have an impact?

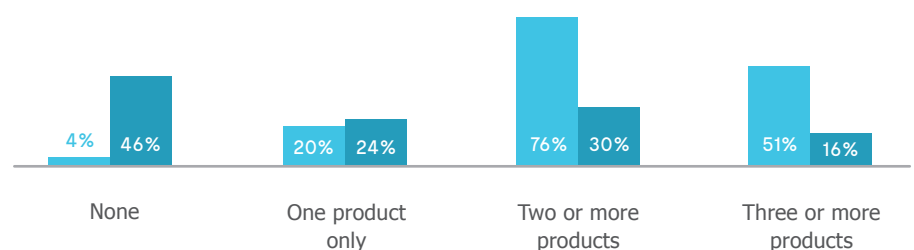


People's savings and investments are split across a wide range of traditional and positive investment products. The kinds of positive products they hold are broadly similar to their traditional holdings, although they hold less positive products overall.

### Which of the following types of savings and investments do you currently hold?



### How many different products do you hold?

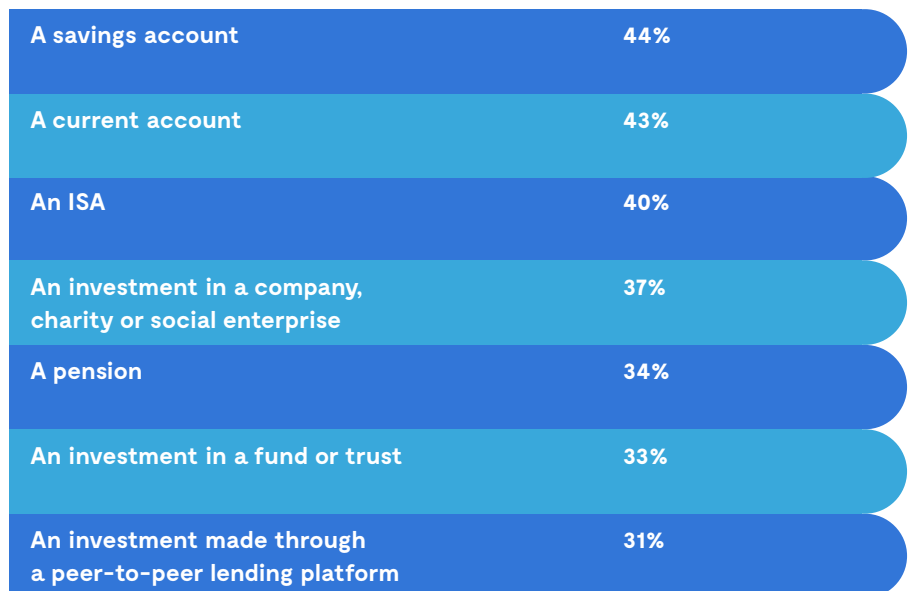


## The kinds of products people prefer

People are most interested in simple, everyday financial products such as current and savings accounts and ISAs, but do not differentiate strongly between different types of product, suggesting that the specific type of positive investment or saving product may not be a strong driver of level of interest.

### How interested would you be in taking out or switching to the following types of 'positive' savings and investment products?

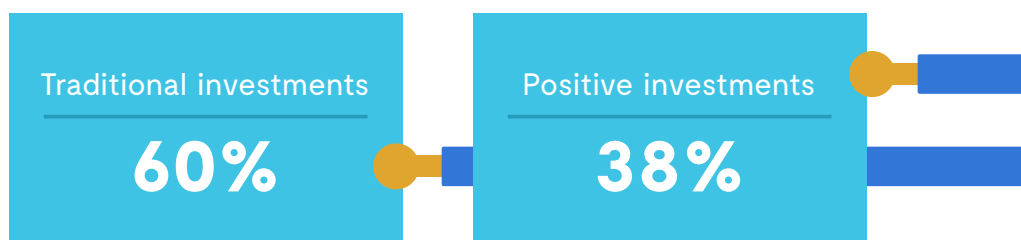
% of eligible population interested in taking out or switching to:



The majority of those with traditional savings and investments purchase them from their bank or building society, while a much lower proportion of those that have positive savings do so.

Building a wider distribution network via established banks and building societies could then help to make positive investment available to a much wider audience than currently, further legitimising and increasing familiarity with these products.

### I purchase my savings and investments from my bank or building society



# What motivates people to invest positively?

Over half of people eligible to save or invest positively are motivated to do so. But at the same time there is a high level of scepticism as to whether positive investing actually delivers social benefit.

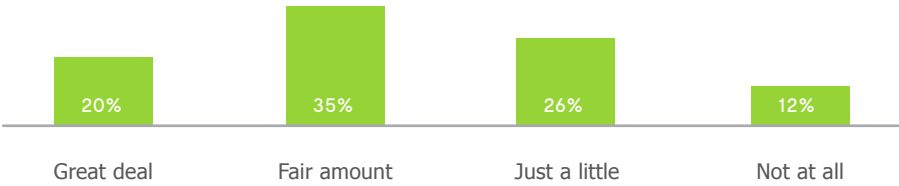
Many people are reluctant to take a lower return in order to achieve a positive impact, and those who are not already active in positive investment tend to see themselves as not wealthy enough to get involved. Perhaps more importantly, it is unclear to many of them whether to expect a weaker or a stronger return from a positive saving or investment, making it difficult for them to know how to engage.



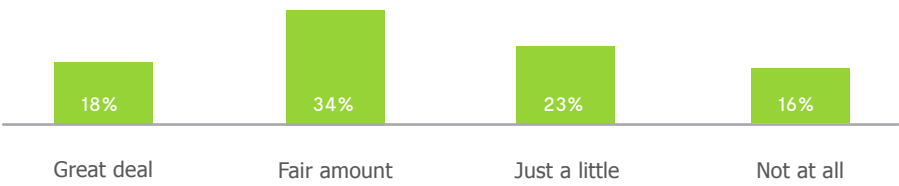
# Strong motivators to save and invest positively

People are most motivated by wanting to give something back to society, by a commitment to living responsibly and by being part of a group of people having a positive impact on the world.

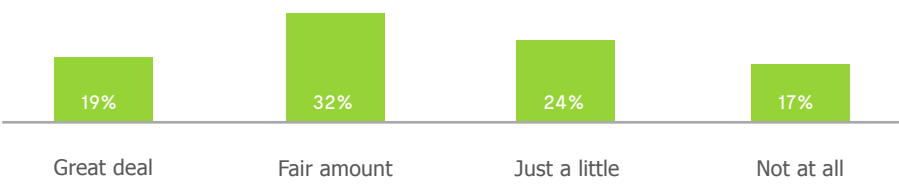
## Wanting to give something back to society



## Part of my commitment to living responsibly



## Being part of a group of people having a positive impact on the world



There is a significant level of interest across the eligible population in helping the sector to grow. This increases sharply amongst those who already hold positive savings and investments.

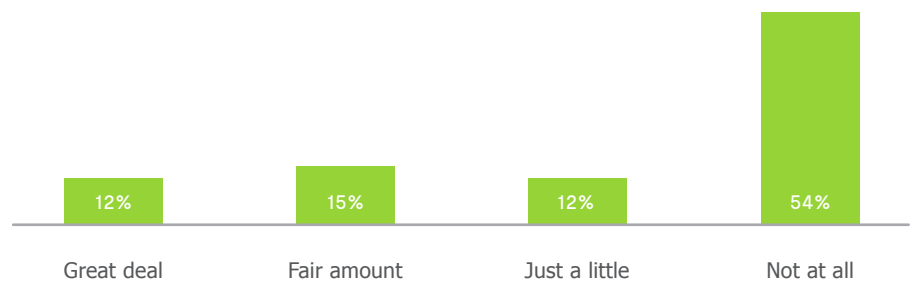
## Thinking about 'positive' savings and investments, do you agree



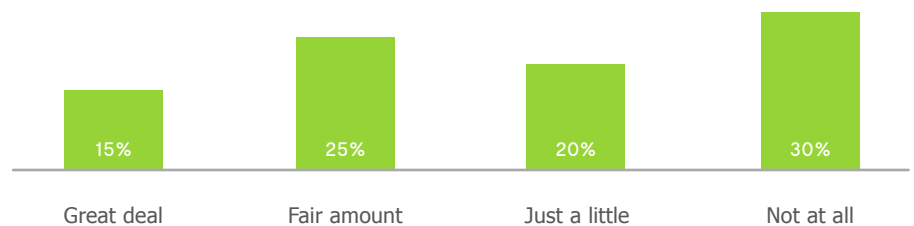
## Weak motivators to save and invest positively

On the other hand, people are on the whole not motivated by their religious beliefs, do not see positive investment as a part of the way they normally manage their family finances and are not seeking personal recognition for saving and investing positively.

### I am motivated by my religious beliefs



### I see positive investment as part of the way my family manages its finances



### I would enjoy recognition from others for my positive investments



# Belief in the effectiveness of positive investment

Most see positive investment as a way to support innovation, to challenge charities to be more efficient and to divert their money away from harmful activities. To a lesser extent, they are interested in trying new ways of having a positive impact on society, and in helping to grow the market.

**How well do the following statements describe your view of how 'positive' savings and investments can bring about positive social or environmental change?**

**By supporting innovative industries and services**



**62%**  
Well



**18%**  
Not well

**By challenging charities to be more efficient**



**60%**  
Well



**20%**  
Not well

**By diverting funding from more harmful activities**



**58%**  
Well



**20%**  
Not well

**I like trying new ways of making a positive impact on society**



**40%**  
Well



**32%**  
Not well

**I would like to help grow the 'positive' savings and investments market**



**40%**  
Well



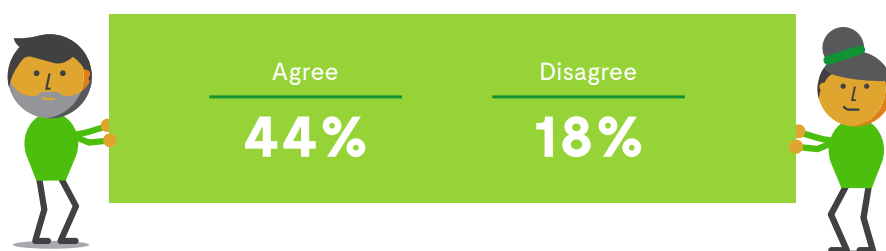
**31%**  
Not well



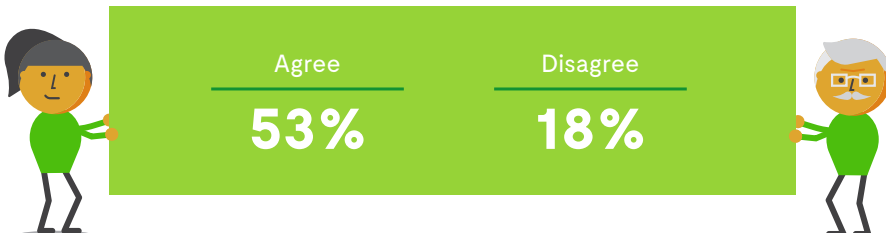
## Belief in the effectiveness of positive investment

On the other hand, people are concerned that their money will be wasted, and consider that the social or environmental benefits should be clearly demonstrated.

**I feel much of the money invested in 'positive' savings and investments is wasted**

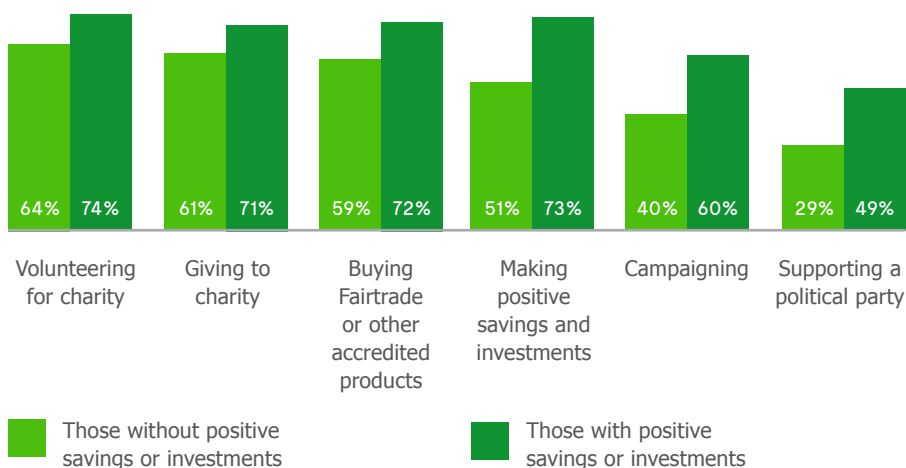


**I will only invest if the positive return is measurable and reported on**



Overall, people see positive investment as a less effective form of social activity than giving to charity or buying Fairtrade. However amongst those with positive savings and investments, belief in the effectiveness for all forms of social engagement increases, and belief in positive investing as the best way to have a positive impact rises from fourth place to second.

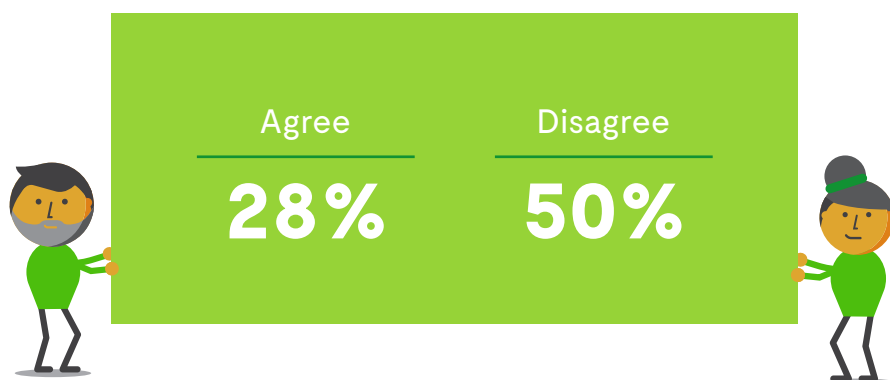
**Thinking of the things you can personally do to have a positive impact on society or the environment, do you see the following as effective?**



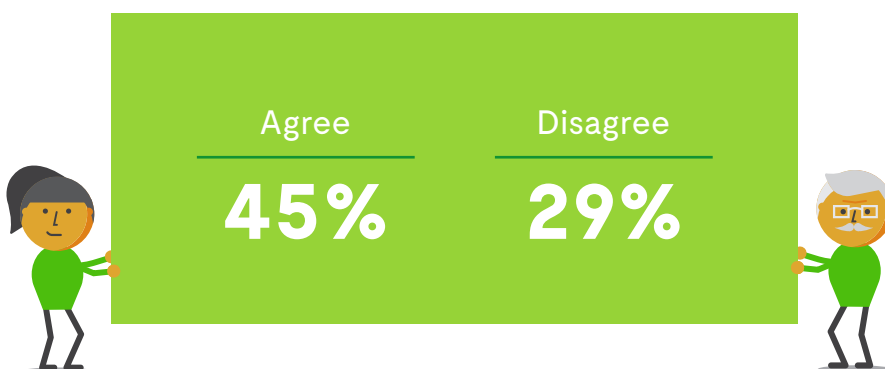
## Willingness to engage with positive investment

Around half of people feel they don't know enough about positive investment, but are willing to spend time learning about it.

### I know enough about positive savings and investments



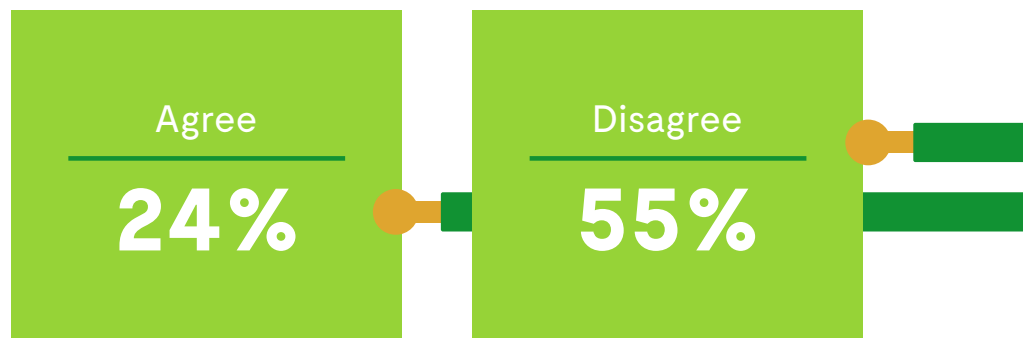
### I am prepared to spend time learning about them



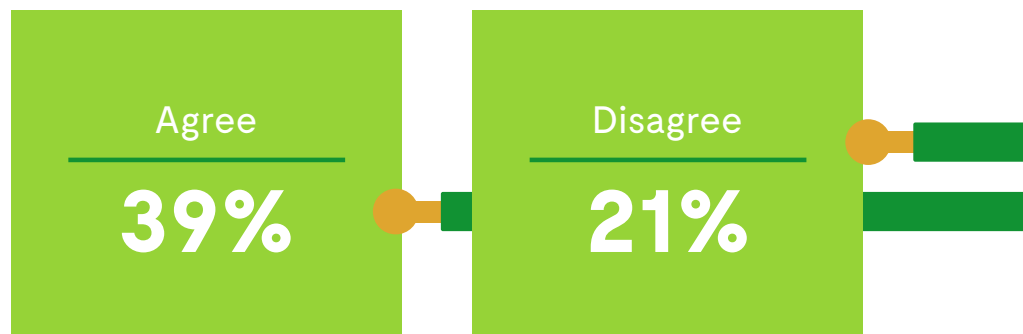
## Attitudes to risk and return

Over half do not see themselves as wealthy enough to make positive investments, and a notable proportion sees positive investments as risky, suggesting that positive investment is seen as something done by the better off.

### I am wealthy enough to make positive investments



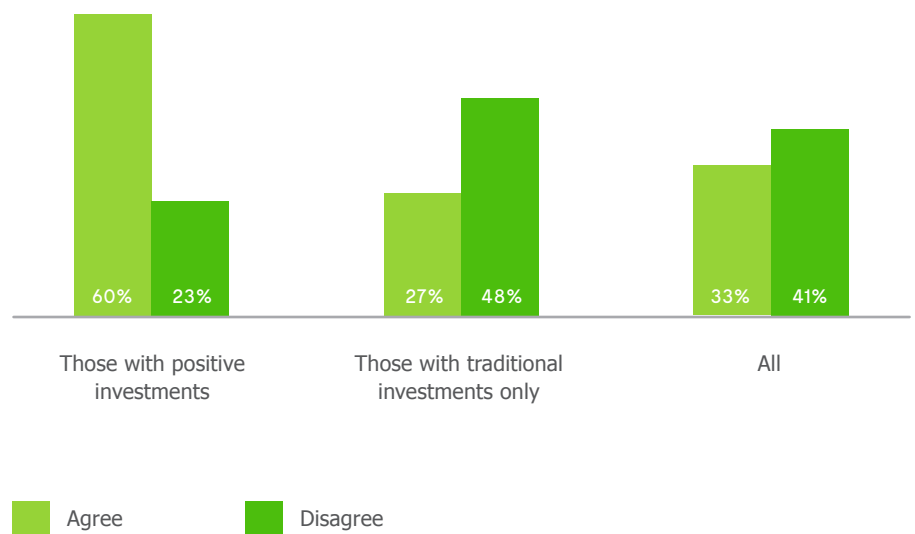
### I see positive savings and investments as too risky



## Attitudes to risk and return

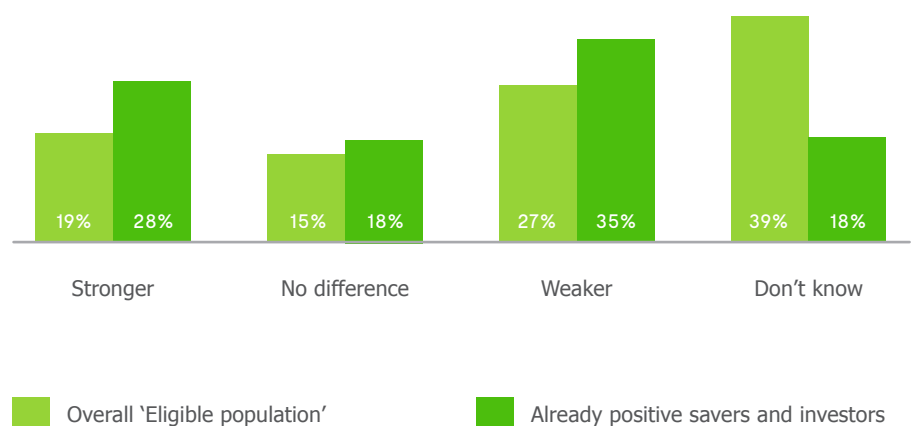
The majority of people tend not to be willing to take a lower return, or to be uncertain if they would or not. However, both unwillingness and uncertainty reduce markedly amongst those who already hold positive investments. This suggests that those involved in positive investments are those that are prepared to accept a lower rate of return in order to achieve a social objective.

### I am prepared to achieve lower financial returns in order to achieve a 'positive' investment objective



However, people are clearly confused on what level of return to expect, as they are split on whether to expect a weaker or a stronger return, and the highest proportion say they don't know. This split in opinion does not change amongst those with and without positive investments. This suggests that making a positive investment does not reduce this level of confusion.

### Do you see investments with a 'positive' social or environmental commitment as providing a stronger or weaker financial return than 'traditional' investments?



# The five types of positive investor

The research identified five types of positive investor, each with different characteristics and levels of engagement with positive investing. Targeting those types with the highest level of motivation is likely to be the best way to grow the market.



# About the five types

Most engaged

Least engaged



## The Well-informed

9.4 million people

Financially confident.

Believe that positive investments can be used to address issues of direct concern to them and as a good way to make money.

Highly motivated to use their money to have a positive social impact. The most willing to take a lower financial return for a positive impact.

Tend to be aged 40 and under, employed and already engaged with traditional investments.



## The Progressive

5.4 million people

Financially less confident.

Advocates for social action – but need convincing on the efficacy of positive investments.

Tends either to strongly agree with motivation statements or to be unsure.

Interested in innovative ways to improve society.

Higher proportion are female, and aged 40 and under.



## The Receptive

1.6 million people

Financially confident.

Sees positive investment as an effective way to have a positive impact on society, but less clear it is a good way to make money.

Willing to spend time learning about positive investments.

Committed to living responsibly.

Wants to grow the market.

Mixed views on the financial benefits of positive investing.

Has the highest level of median wealth.



## The Unsure

3.6 million people

Very financially unconfident.

Feels they do not know enough about positive investing.

Motivated to give back to society.

Low levels of trust in providers of positive investments.

Lowest level of wealth and household income.

Most likely to be female.



## The Sceptic

18 million people

Financial traditionalist.

Low interest in positive investment.

Sees positive investment as having little impact on society.

Little desire to 'give back' to society.

Very reluctant to take a lower financial return for a positive impact.

Most likely to be over 50 and retired, least likely to have a university degree.

Low level of engagement in all forms of social action.

# About the five types



## The Well-informed

Are a relatively large group that are interested, engaged and see themselves as financially savvy. They have confidence in their financial capabilities, believe in doing good through positive investment, and are aware of associated investment risk.



## The Progressive

Have the highest proportion of those 'very interested' in positive investing and in exploring new ways in which to have a positive impact on society. However as a group they are divided in opinion, as they tend to have very strong opinions about their motivations and the benefits of positive investment, but also the most likely to say they 'don't know'. They are also the most likely to want recognition from others for their positive investments.



## The Receptive

Make up only 4% of the UK population and are the wealthiest of the five groups in terms of median total wealth. They are financially confident, believe that positive investment can be used for social impact and are willing to spend time learning about positive investments – but they need convincing of the financial benefits.

# About the five types



## The Unsure

Are highly motivated to give back to society, and show the same level of interest in positive investments as **the Receptive**, but have low levels of wealth. They have a low level of financial confidence, and feel they know little about positive investing, which tends to prevent them from becoming engaged. They only show strong interest in current and savings accounts, not in investment products.



## The Sceptics

Are the largest group making up almost half the eligible population. Despite being the second most wealthy group, they have a very low level of interest in positive investment.



## How each type saves and invests

All types but **the Sceptic** are motivated to invest positively out of a commitment to living responsibly, although a large proportion of **the Progressives** feel they don't know. This makes **the Progressive** a more difficult type to persuade

### I am motivated to get involved with positive savings and investments as part of my commitment to living responsibly

	All	The Well-informed	The Progressive	The Receptive	The Unsure	The Sceptic
A great deal or a fair amount	53%	85%	55%	72%	80%	28%
A great deal	18%	25%	48%	15%	32%	4%
Don't know	9%	2%	44%	1%	11%	2%
A great deal or a fair amount, but excluding 'Don't knows'	58%	87%	99%	73%	89%	28%

**The Well-informed** and **the Progressive** are significantly less likely to hold traditional savings and investments, and significantly more likely to have positive savings and investments.

**The Sceptic** is most likely to have traditional savings and investments and significantly less likely to have positive investments compared to the other types. **The Receptive**, as the wealthiest group, hold the highest level of positive investments, but also a high level of traditional investments.

### Traditional and positive savers and investors in each type

	Total	The Well-informed	The Progressive	The Receptive	The Unsure	The Sceptic
Traditional	78%	72%	68%	78%	77%	83%
Positive	20%	34%	27%	36%	17%	10%
Traditional only	65%	56%	49%	55%	65%	76%
Positive only	8%	18%	8%	13%	5%	3%

# Attitudes to risk and return

**The Well-informed** stands out in their strong intention to increase the amount of their wealth saved or invested positively. **The Progressive** and **the Unsure** are also reasonably interested to increase, while **the Receptive** are split in their plans, with almost half wanting to increase and almost a fifth planning to decrease levels of positive investment.

## Interest of each investor type to change the amount currently positively invested

	Total	The Well-informed	The Progressive	The Receptive	The Unsure	The Sceptic
More	39%	50%	35%	47%	43%	34%
No difference	22%	12%	12%	12%	8%	33%
Less	8%	12%	5%	16%	8%	7%

**The Well-informed** are by far the most likely to feel that positive-investments are too risky, perhaps reflecting their greater degree of engagement and understanding of both the positive investment sector and investment risk more generally.

**The Sceptic** is also likely to see positive investments as too risky, but perhaps is more risk averse as a group in general and so likely to avoid positive investment.

**The Progressive** is most likely to say that they don't know if positive savings and investments are risky, reflecting a general pattern of uncertainty about investing positively, implying they will need clear guidance to encourage them to start or grow their positive investments.

## Positive savings and investments are too risky

	Total	The Well-informed	The Progressive	The Receptive	The Unsure	The Sceptic
Agree	39%	60%	31%	27%	24%	35%
Neither agree nor disagree	19%	14%	8%	40%	28%	22%
Disagree	21%	15%	16%	34%	22%	24%
Don't know	21%	12%	45%	0%	26%	19%

# Attitudes to risk and return

The Well-informed are the most likely to agree to take a lower financial return on a positive investment, while at the same time the Progressive are the least likely to disagree.

I am prepared to achieve lower financial returns in order to achieve a ‘positive’ investment objective

	Total	The Well-informed	The Progressive	The Receptive	The Unsure	The Sceptic
Agree	33%	68%	48%	51%	41%	8%
Disagree	41%	12%	6%	15%	24%	73%
Don't know	9%	5%	41%	0%	11%	2%

At the same time, all types except the Progressive feel that a positive investment will produce a weaker financial return than a traditional one. But the Progressive is the most likely to not know how to answer this question.

Do you believe that investments with a ‘positive’ social or environmental commitment provide a weaker or a stronger financial return than ‘traditional’ investments?

	Total	The Well-informed	The Progressive	The Receptive	The Unsure	The Sceptic
Stronger	19%	28%	19%	26%	16%	14%
Weaker	27%	34%	16%	40%	21%	28%
Don't know	39%	21%	55%	19%	46%	45%

# The types most interested in positive investment

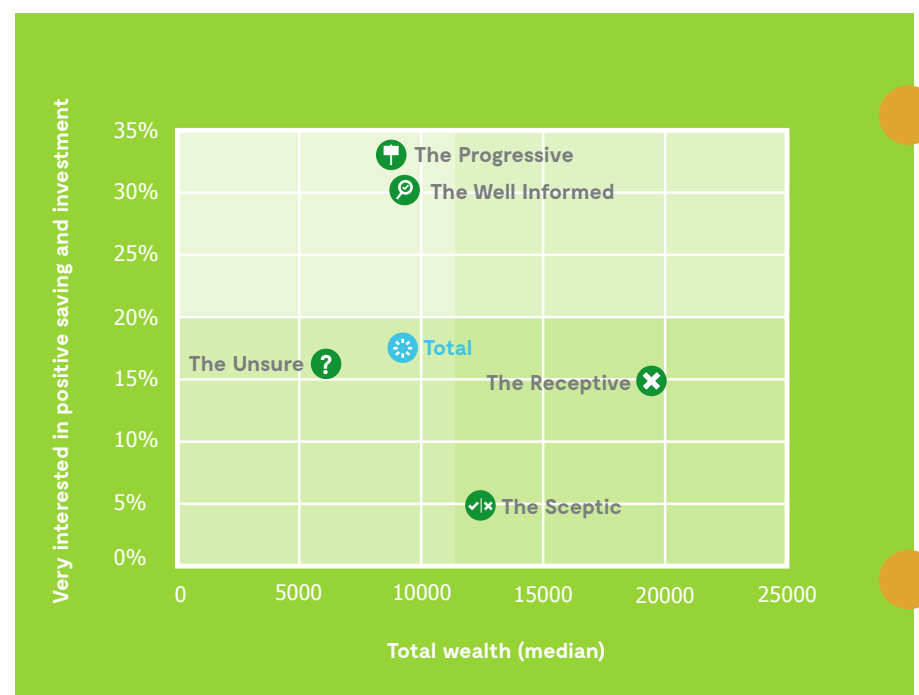
**The Well-informed** show the strongest commitment to positive saving and investment and the greatest financial confidence. **The Progressives** show the strongest level of motivation, but only when the large numbers showing uncertainty are excluded – suggesting that greater familiarity with positive investment is needed to ‘convert’ this group. Both of these groups are younger than average, and have an average median wealth slightly below the national median.

**The Receptive** and **the Unsure** show some interest in positive investment, but in each case specific concerns would need to be addressed for them to engage. While **the Receptive** show the highest level of wealth of all five types, **the Unsure** have the lowest.

**The Sceptic** is the hardest to persuade, and is unlikely to get involved unless positive investing becomes mainstream.

Looking only at those ‘very interested’ in making positive investments, **the Progressives** and **the Well-informed** show the strongest interest relative to their median total wealth.

## Median total wealth for those ‘very interested’ in positive savings and investments



# The future lies with the younger generation

---

Those aged 40 and under consistently demonstrate a stronger motivation to positively save and invest than those over 50, despite having less financial wealth. They appear much more willing both to invest a higher proportion of their wealth and to forego financial returns in favour of positive social or environmental outcomes. This younger age group therefore provides strong opportunities for future market growth.

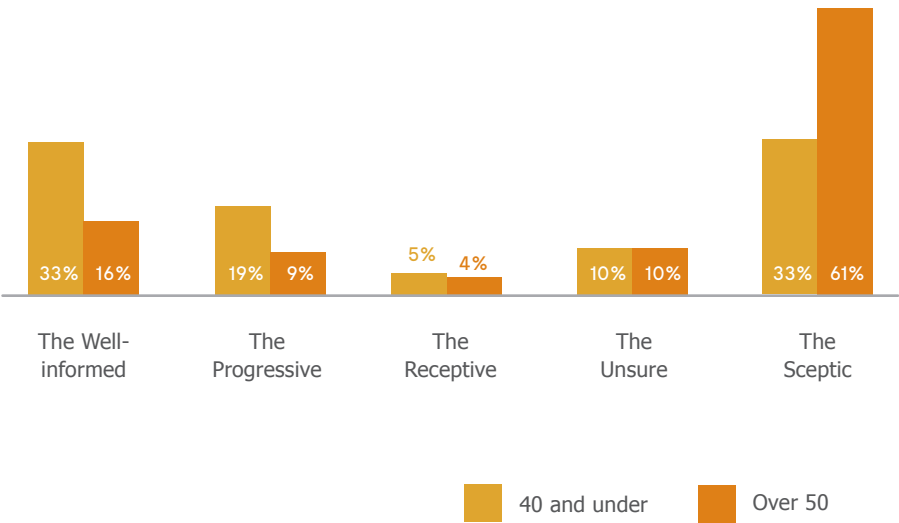
In comparison, those aged over 50 show a level of scepticism to positive investments, and a lack of willingness to increase their commitment. Given the higher wealth levels of this age group, overcoming such lack of enthusiasm is a key consideration for unlocking the potential of the positive investment market.



# How the under 40s and the over 50s differ

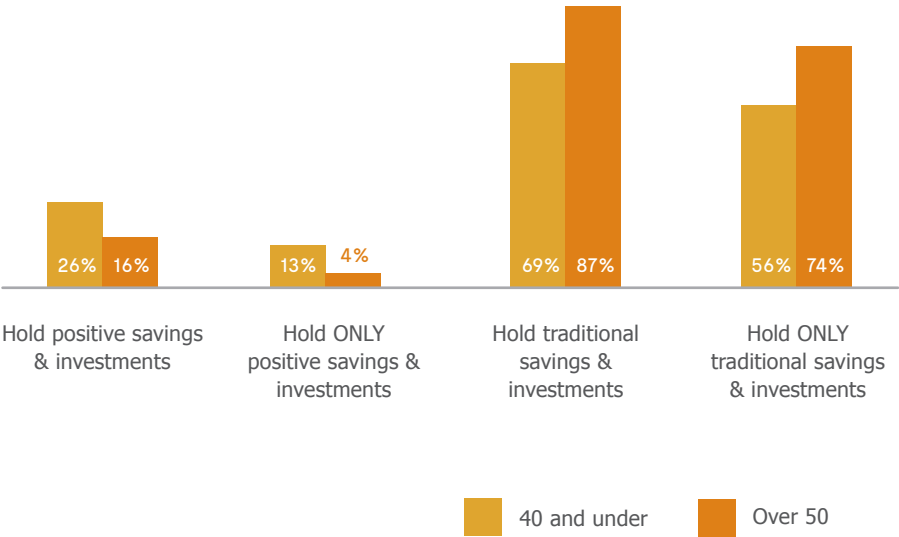
Those aged 40 or under are twice as likely to be a **Well-informed** or a **Progressive** investor than those over 50. Those over 50 are much more likely to be a **Sceptic**.

Age distribution by type of positive investor



Those aged 40 and under are significantly more likely to hold positive investments, and three times more likely to hold only positive investments.

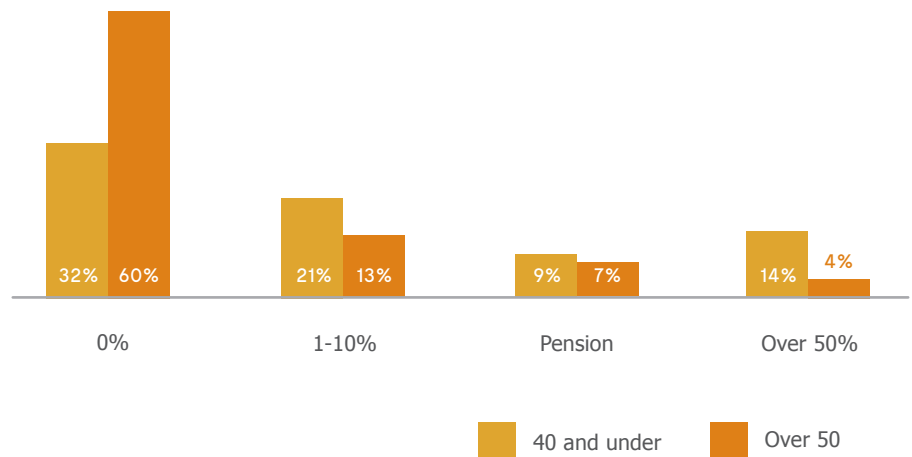
Positive and traditional savings and investments, by age group



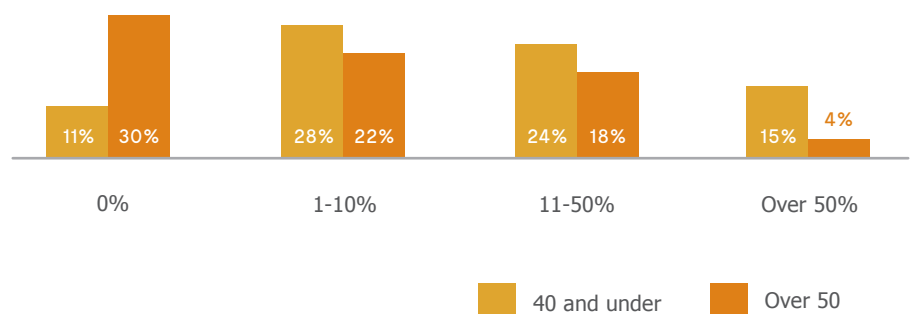
## How the Under 40s and the over 50s differ

The under 40s also commit a larger proportion of their overall wealth to positive investments, and would like to commit a significantly higher proportion too.

### What percentage of your financial wealth do you currently commit to positive investing?



### What percentage of your financial wealth would you like to commit to positive investing?

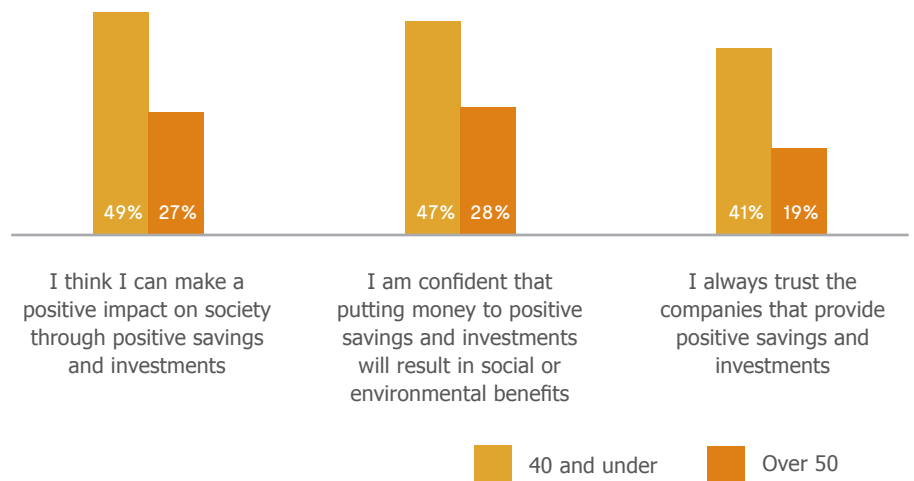


## How the Under 40s and the over 50s differ

### Belief in the impact of positive savings and investments

Close to half of the 40 and under age group think they can make a positive impact on society through positive savings and investments, compared with a quarter of the over 50s, perhaps indicating that they are far less cynical as an age group.

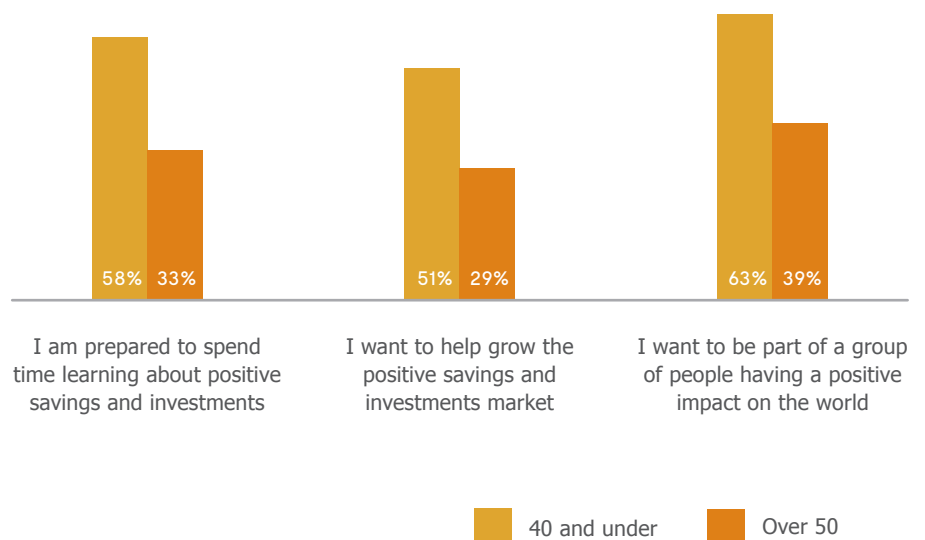
Younger survey respondents are also more confident that putting money to positive savings and investments will result in social or environmental benefits and are more than twice as likely to always trust the companies providing positive investments.



### A sense of purpose

A higher proportion of those aged 40 and under consistently report wanting to belong to or play a role in the positive investment market, compared with those over 50, indicating that it is more likely to offer them a sense of purpose. The high proportion wanting to be part of a group having a positive impact may indicate a reluctance amongst some to engage until positive investment becomes more mainstream among other possible factors.

### Commitment to positive investment

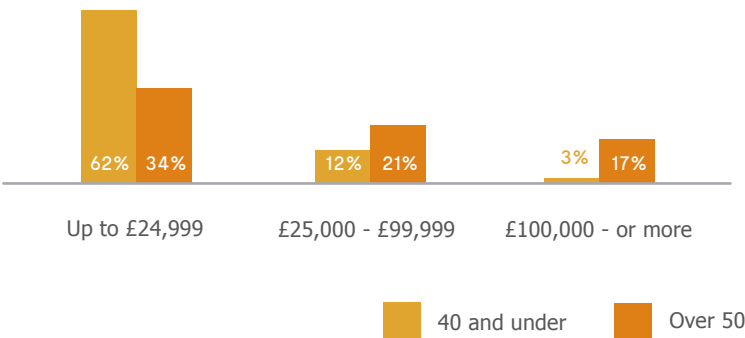




# Attitudes to wealth

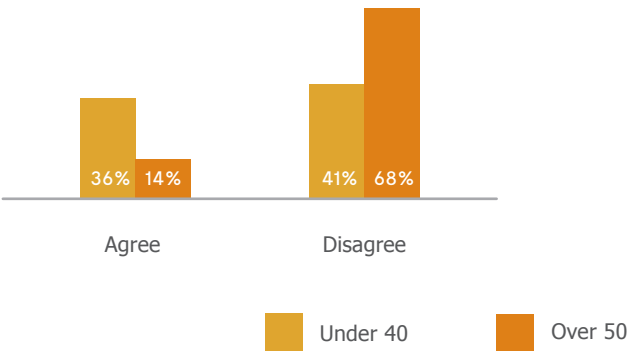
Those aged 40 and under are significantly less wealthy than the over 50s. They are almost twice as likely to have a median total wealth of £24,999 or less, and six times less likely to have over £100,000 in wealth.

Total financial wealth by age group



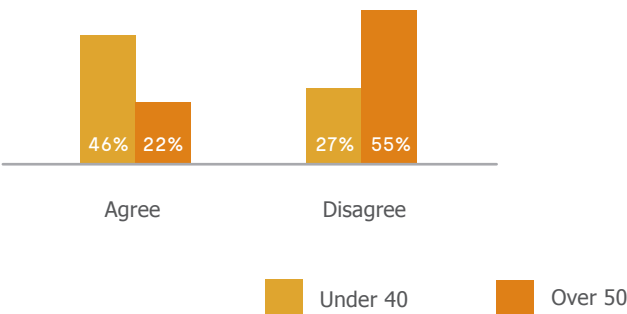
Despite their lesser wealth, those 40 and under are significantly more likely to see themselves as wealthy enough to make positive investments.

I am wealthy enough to make positive investments



And are more than twice as likely to be willing to take a lower return.

I am willing to accept a lower return to achieve a positive impact

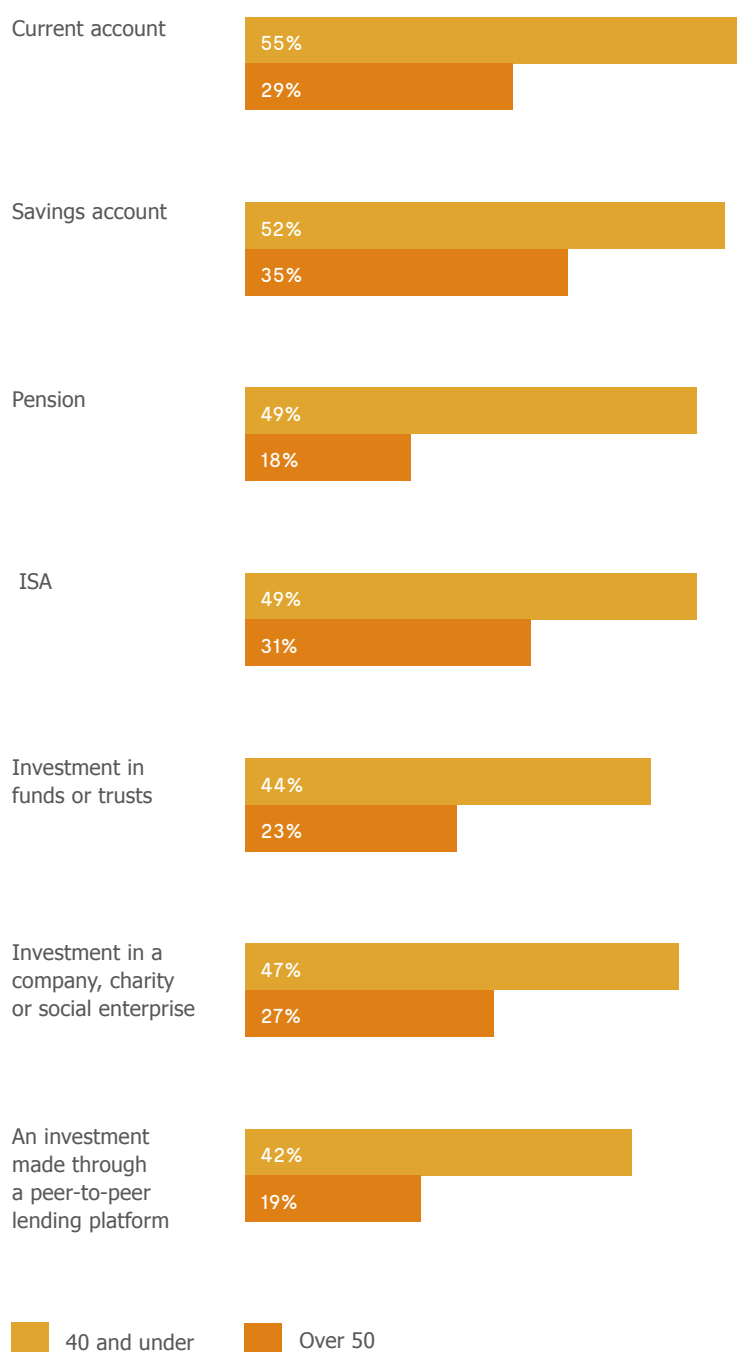


# Reaching the younger generation

Those aged 40 or under are particularly interested in positive current and savings accounts, with over half saying they would be interested to switch to these types of product.

The biggest difference between the older and younger group is in their degree of interest in positive pensions.

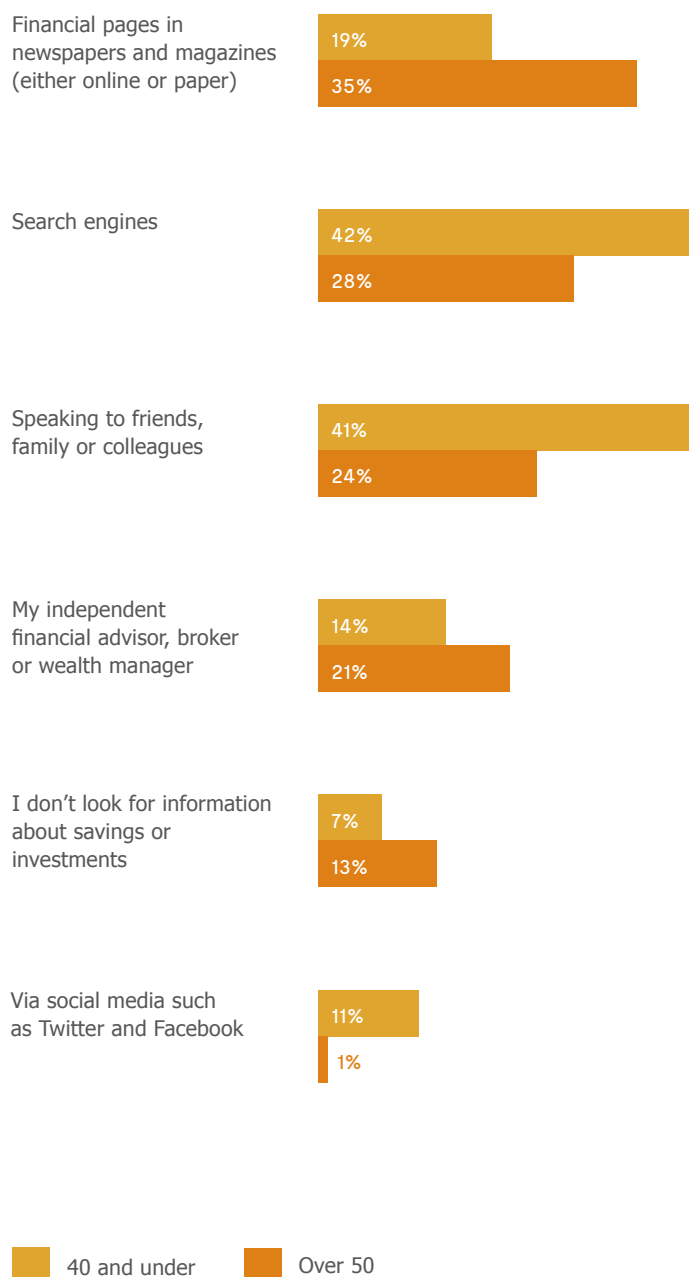
## Interest in types of positive savings/ investment product by age group



## Reaching the younger generation

Those under 40 are also much more likely to rely on friends, family, colleagues and the internet for their investment decisions than the more traditional methods used by those over 50.

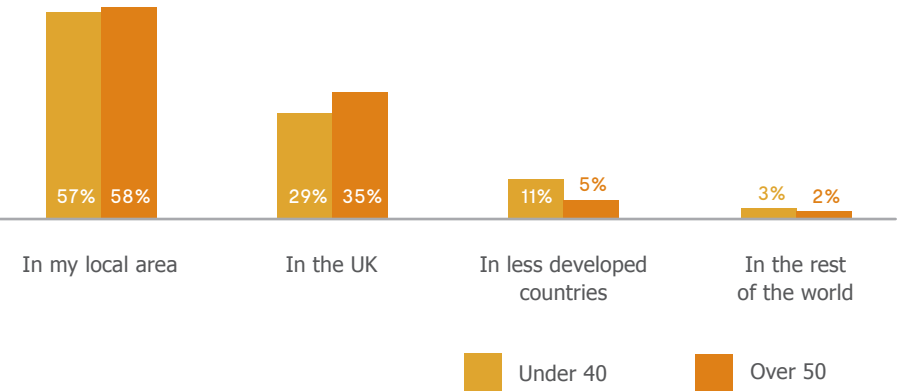
### When looking to find out more about traditional savings and investments, which sources of information do you use?



# Reaching the younger generations

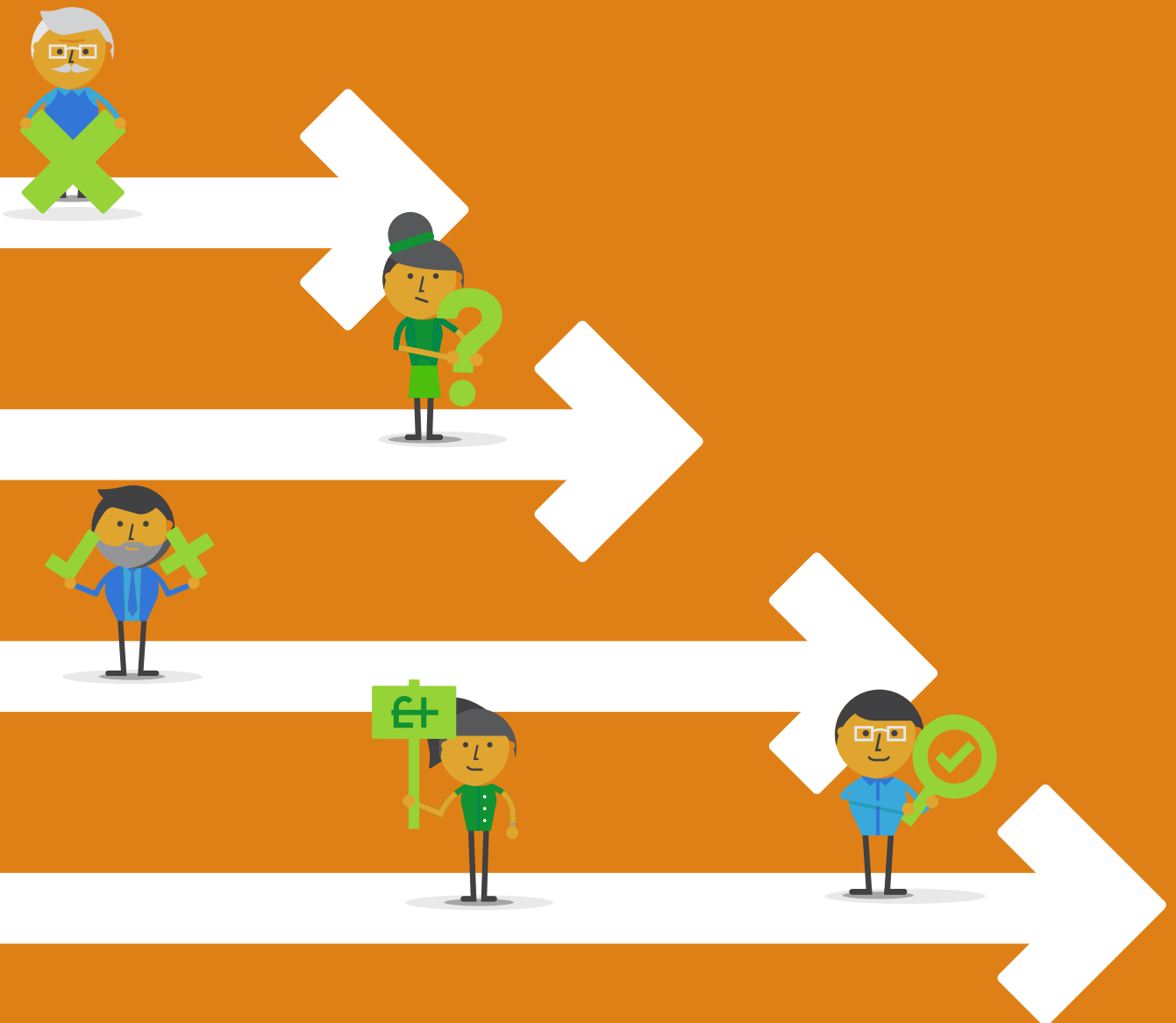
While both the under 40s and the over 50s prioritise impacts at a local level, twice as many under 40s want their positive savings and investments to have an impact in less developed countries.

Preferred level of impact from positive investments, by age



# The way forward from minority pursuit to mass participation

The challenge for positive investment providers is to find the best way to communicate beyond the relatively small number of people currently involved, and to take positive investment forward from a minority pursuit to mass participation. It is only when this is achieved that the half of the population that make up **the Sceptics** are likely to become involved.



# The way forward from minority pursuit to mass participation

## What type?

While **the Receptive** is the wealthiest of the five types of investor, they make up a small proportion of the UK population and around two thirds of them are already engaged. The biggest opportunity lies in reaching **the Well-informed**, and, to a lesser extent, **the Progressive**. Aside from the **Sceptic**, these two groups are the largest in the population as a whole, together making up 39% of the eligible population.

**The Well-informed** show the greatest enthusiasm for positive investment, are the most committed to living responsibly and are the most likely to accept the risk of a lower return. They show the highest level of interest in all product types, and are also the most likely to trust positive investment providers, but on the other hand are the most concerned that their money will be wasted and to want to see the benefits measured and reported on.

**The Progressives** are a more difficult group to engage. While they can be the most strongly motivated to save or invest positively, they are also likely to be unclear on what motivates them and what they are interested in. They are also relatively unconfident in making financial decisions. Encouraging this group to make more positive investments may then require providing supportive educational and communication materials. However they are the most active in social media, and so could be reached this way.

Both **the Well-informed** and **the Progressive** have doubts about the merits of positive investing, are constrained by lower median levels of wealth and are confused as to whether to expect a better or a worse return from a positive investment. For positive investment providers to best capitalise on this high level of interest, they need to both demonstrate clear social benefit, clarify what level of compromise in financial return, if any, positive investors should expect, and make sure that they offer products that are not only suitable for the better off but are more readily available to the population as a whole. These should be products that are simple, such as current accounts, and local in their impact.

## Which issues?

The higher level of interest in investing to improve health and social care and to provide old age support presents an opportunity for positive investment providers, as there are currently few products of this kind available.

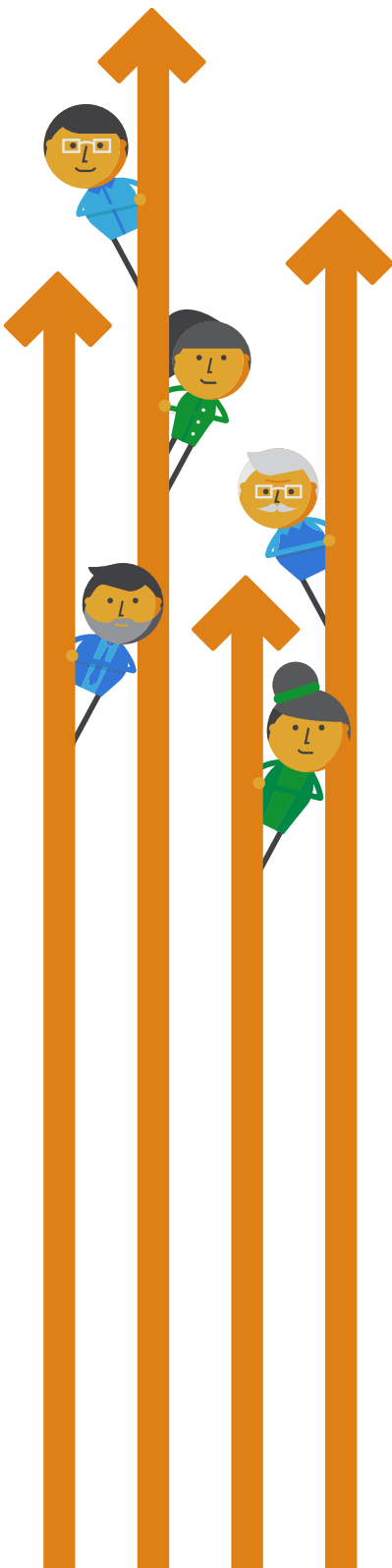
## What age?

Positive investment customers that answered our phase 1 survey tend to be male, over 50, well educated and relatively wealthy. Yet, amongst the national population the level of enthusiasm is far higher, and the level of cynicism much lower, amongst those under 40. The younger generation are also more likely to have a university degree and be well educated. Reaching this younger group will require a whole new approach by those operating currently offering savings and investments.

Given that they have less money now, but are likely to be wealthier in the future, attracting the under 40s is a longer-term consideration, but one likely to pay off. It means offering positive current and savings accounts and pensions, rather than more complex products. It also means marketing investments with lower minimum investment sizes, and through more contemporary channels. For example the under 40s are far less likely than the over 50s to use an Independent Financial Advisor or to read the financial pages in newspapers and magazines and more likely to use social channels such as internet search engines, social media or simply speaking to friends, family or colleagues.

## The need to measure

Finally, given the high level of demand for positive savings and investment products in society, the savings and investment community should examine more closely the nature of this demand and how to measure it. This could be achieved by ensuring that a measure of the extent to which a commitment to living responsibly is a factor in the financial choices people make is included in all surveys, from those made by the Current Account Switching Service to research undertaken by the FCA or commercial providers.





## Need help?

### Find us at:

The Old Music Hall,  
106-108 Cowley Road,  
Oxford, OX4 1JE

### Email us at:

[help@ethex.org.uk](mailto:help@ethex.org.uk)

### Call us at:

01865 403 304

[ethex.org.uk](http://ethex.org.uk)



@ethexuk



ethexuk

