
The Growing Appeal of Impact Investing Contrasting U.S. and UK Attitudes



October 2019

Guillaume Mascotto
Vice President
Head of ESG and Investment Stewardship
American Century Investments



Table of contents



03

Methodology



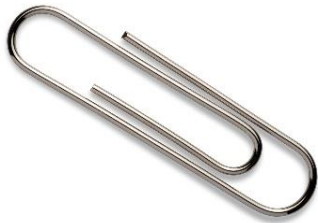
04

Executive Summary



07

Detailed Findings



37

Appendix

Methodology



Who:

This report presents the findings of a 2019 Online CARAVAN® Omnibus Survey conducted among a representative sample of 1,003 United States and 1,004 United Kingdom adults 18 years of age and older. A similar survey was conducted among a sample of 1,028 U.S. respondents in 2016 and 1,005 adults in 2018. A year-over-year comparison of results is provided for questions that remained similar or identical.



How:

The study was fielded using Engine's twice-weekly Online CARAVAN® Omnibus Survey. Respondents were members of an online panel and had agreed to participate in online surveys and polls. Completed interviews are weighted by five variables – age, sex, geographic region, race and education – using data from the U.S. Census Bureau to help ensure reliable and accurate representation of the total U.S. population, 18 years of age and older. UK interviews are weighted by three variables: age, sex and geographic region to ensure reliable and accurate representation of the total UK population, 18 years of age or older. The raw data are weighted by a custom designed program which automatically develops a weighting factor for each respondent.



When:

Online U.S. interviews took place December 1-4, 2016; July 9-11, 2018; and August 8-11, 2019. The UK interviews took place August 9-14, 2019.

Executive summary

- In the U.S., the **appeal** of **Impact Investing** increased to 56% in 2019, compared to 49% in 2018.
 - The **appeal** is highest among Millennials (65%), followed by Men (61%), Gen X (55%), Women (51%) and Baby Boomers (49%).
 - Millennials are the most likely to **currently invest** and to **plan to invest** within the next five years.
- By comparison, 59% of UK respondents find the concept of **Impact Investing appealing**.
 - Similar to the U.S., the **appeal** is highest among Millennials (72%), followed by Gen X (64%), Men (63%), Women (55%) and Baby Boomers (46%).
 - Also, UK Millennials are the most likely to **currently invest** and to **plan to invest** within the next five years.
- Currently, 32% of U.S. respondents **intentionally** choose to do business with companies whose values align to theirs, while another 36% might consider doing so in the future. But, in the UK, only 24% of respondents **intentionally** seek out companies whose values align to theirs. Similar to the U.S., another 36% of UK respondents might consider doing so in the future.
- When making investments, **return on investment, fees, risks** and **length of time the money will be invested** remain top considerations among U.S. respondents, but 57% indicated that **impact on society** is either **very or somewhat important**. This is up from 42% in the 2016 U.S. study.
 - 62% of U.S. Millennials say it's **very or somewhat important**, higher than both Gen Xers and Baby Boomers.
 - 58% of U.S. Women say **it's very or somewhat important**, compared to 57% of Men.
- Similarly, among UK respondents, **return on investment, risks, fees** and **length of time the money will be invested** are top considerations, but 64% (significantly higher than the U.S.) say **impact on society** is either **very or somewhat important**.
 - 68% of UK Women say **it's very or somewhat important**, considerably higher than Men (60%).
 - 67% of UK Millennials say **it's very or somewhat important**, compared to 65% of Gen Xers and 61% of Baby Boomers.
- Both *U.S. and UK respondents selected **Healthcare/disease prevention and cures** as the top cause that aligns with personal values or priorities when making an impact investment, followed closely by **environment/sustainability**.*
 - In the U.S. **Healthcare/disease prevention and cures** was selected by 30% of respondents, while 26% chose **environment/sustainability**.
 - *In the UK, **Healthcare/disease prevention and cures** was selected by 35% of respondents, while 31% chose **environment/sustainability**.*


U.S. executive summary continued



- ROI, fees, risks and impact on society have become more important since 2016.
- Respondents are more aware of impact investing, and find it more appealing.
- Healthcare/disease prevention and cures and environmental issues are the top causes that align with personal values or priorities when making an impact investment.




United States




Men

- Men are more likely to be familiar with the concept of impact investing, and they find it more appealing than women.
- Men are more inclined to focus on the return on investment compared to women.
- Mitigating poverty is more important for men versus women.




Women

- Seven out of ten women are unfamiliar with impact investing.
- Family or friend is a top source of learning for women when it comes to impact investing.
- One in three women say healthcare/disease prevention and cures is the impact investment cause that matters most to them.




Millennials

- They are more inclined to intentionally choose to do business with companies that align with their personal values compared to Baby Boomers.
- Nearly two in five Millennials plan to invest within the next five years.
- Millennials place higher importance on impact on society than older generations when considering investments.
- They are also more inclined to find impact investing appealing. Improved education is more likely to be an important cause for Millennials.



Gen X

- Only one in four are familiar with impact investing.
- Despite the low familiarity, Gen Xers find impact investing generally appealing.
- Just like Millennials, they are more likely to invest in causes that support improving education.
- Nearly one in three Gen Xers think healthcare/disease prevention and cures is the cause that matters most when making an impact investment.



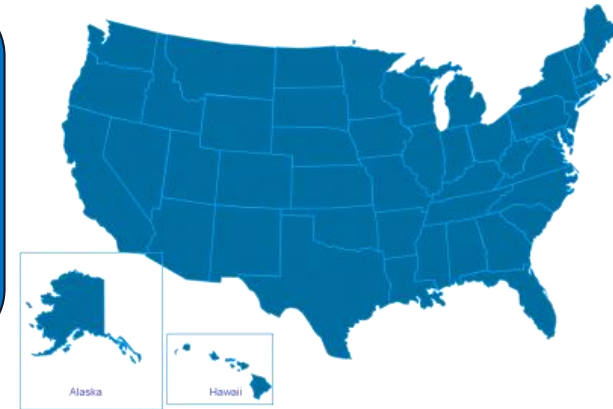
Baby Boomers

- Most Baby Boomers are not familiar with the concept of impact investing.
- They are less likely than younger generations to invest in stocks, bonds, mutual funds, or exchange traded funds within the next five years.
- Baby Boomers think healthcare/disease prevention and cures is the cause that matters most when making an impact investment.

UK executive summary continued



- Compared to their U.S. counterparts, UK respondents are more likely to consider impact on society important when making investment decisions.
- UK respondents are generally more familiar with impact investing, and find it just as appealing as U.S. respondents.
- However, UK respondents are less likely than their U.S. counterparts to intentionally choose to do business with companies whose values align with theirs.
- Like the U.S., healthcare/disease prevention and cures and environmental issues are the top causes that align with personal values or priorities when making an impact investment in the UK.



United Kingdom



Men

- Men are more likely than women to have current investments in stocks, bonds, mutual funds or exchange traded funds.
- Men are more likely to be familiar with the concept of impact investing, and they find it more appealing than women.
- Men are more inclined to learn about impact investing from a financial advisor or company.
- They are more likely than women to choose to do business with companies whose values align with their own.



Women

- Two in three women are unfamiliar with impact investing.
- Family or friend is a top source of learning for women when it comes to impact investing.
- Women are significantly more likely than men to care about impact on society when considering investments.
- Two in five women say healthcare/disease prevention and cures is the impact investment cause that matters most to them - significantly higher than men.



Millennials

- Millennials have the highest familiarity with impact investing of any group.
- They are more inclined to intentionally choose to do business with companies whose values align to theirs.
- One in three Millennials plan to invest within the next five years.
- Over seven in ten Millennials find the concept of impact investing appealing.



Gen X

- While just 37% of Gen Xers are familiar with impact investing, nearly two in three find the concept of impact investing appealing.
- One in four intentionally choose to conduct business with companies whose values align with their own.
- Over one in three choose environment/sustainability as the cause that matters most to them, while nearly as many cite healthcare/disease prevention and cures.



Baby Boomers

- Most Baby Boomers are not familiar with the concept of Impact Investing.
- They are less likely than younger generations to have current or future investments in stocks, bonds, mutual funds or exchange traded funds.
- Baby Boomers think healthcare/disease prevention and cures is the cause that matters most when making an impact investment.

Detailed findings

- Appeal of impact investing
- Important decision factors while investing
- Alignment of company values
- Causes that matter most
- Overall familiarity
- Sources of learning for impact/ESG investing
- Current investments
- Future investments

Notes about detailed findings



In certain charts in the Detailed Findings section, numbers may not add due to rounding.



Results among subgroups are noted in this report where statistically significant differences exist at the 95% confidence level.



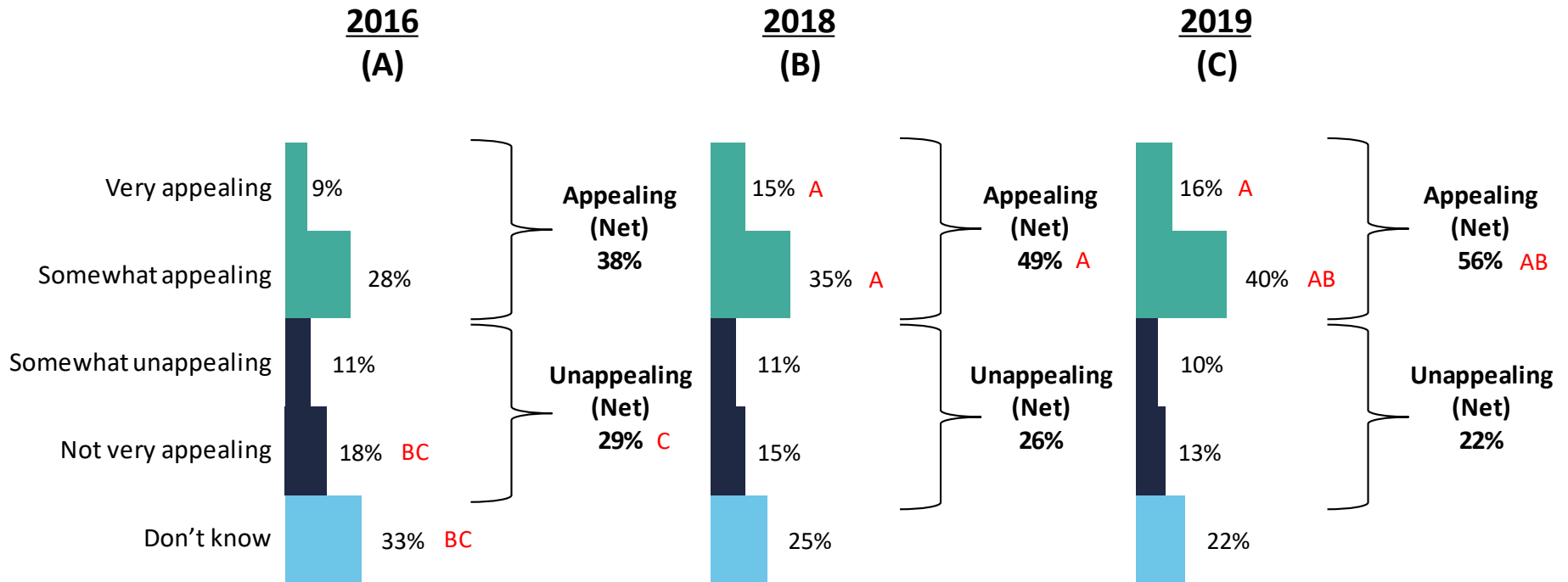
Generational subgroups discussed in this report are defined as follows: Millennials (21-38); Gen X (39-54); and Baby Boomers (55-73).



The Detailed Findings will also include charts where statistical significance is indicated by upper case letters next to the percentages. These letters correspond to specific demographic subgroups. Using generational results as an example, with (E) for Millennials, (F) for Gen X, and (G) for Baby Boomers, significant differences among these subgroups will be identified with the appropriate letter. For instance, if the Millennial percentage is significantly higher than the percentages for Gen X and Baby Boomers, “F” and “G” will appear next to the percentage for Millennials.

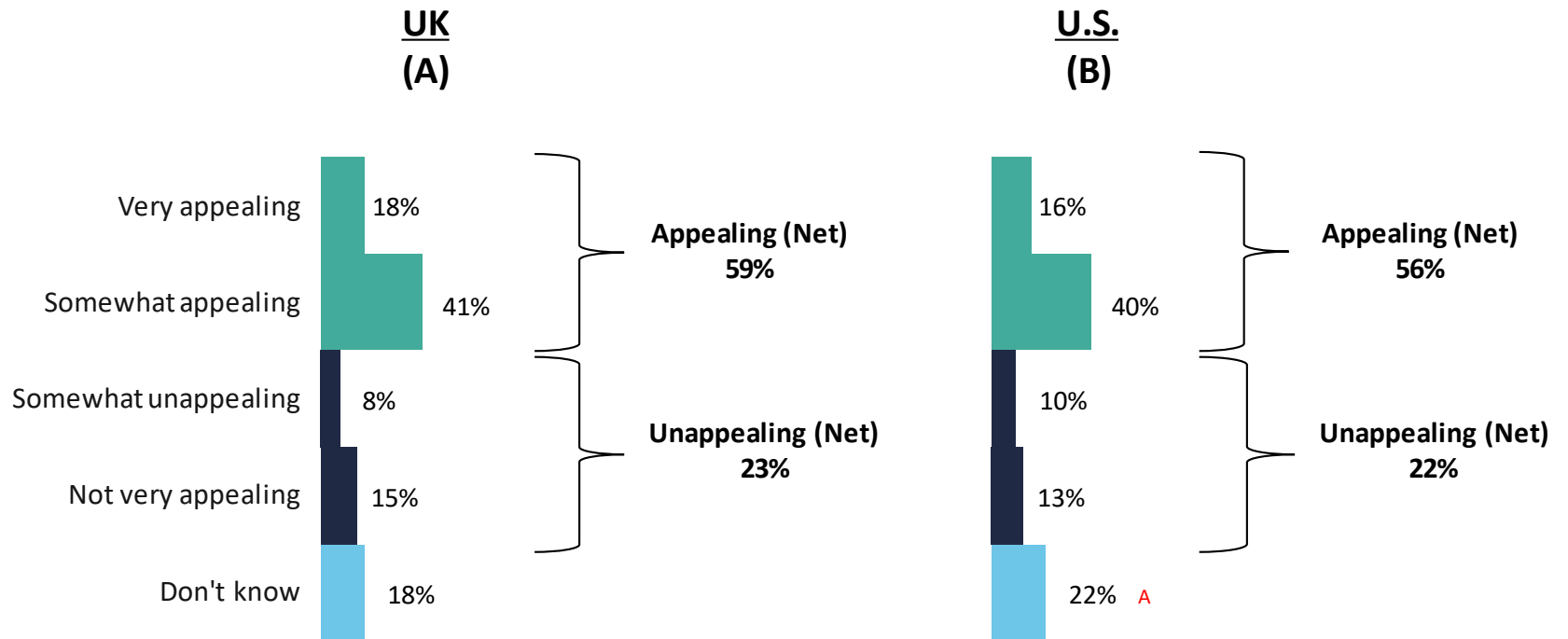
U.S. appeal of impact investing – net appeal growth since 2016

The appeal of impact investing has grown over time. Over half (56%) of adults in the U.S. find the concept very or somewhat appealing in 2019, compared to 49% in 2018 and 38% in 2016.



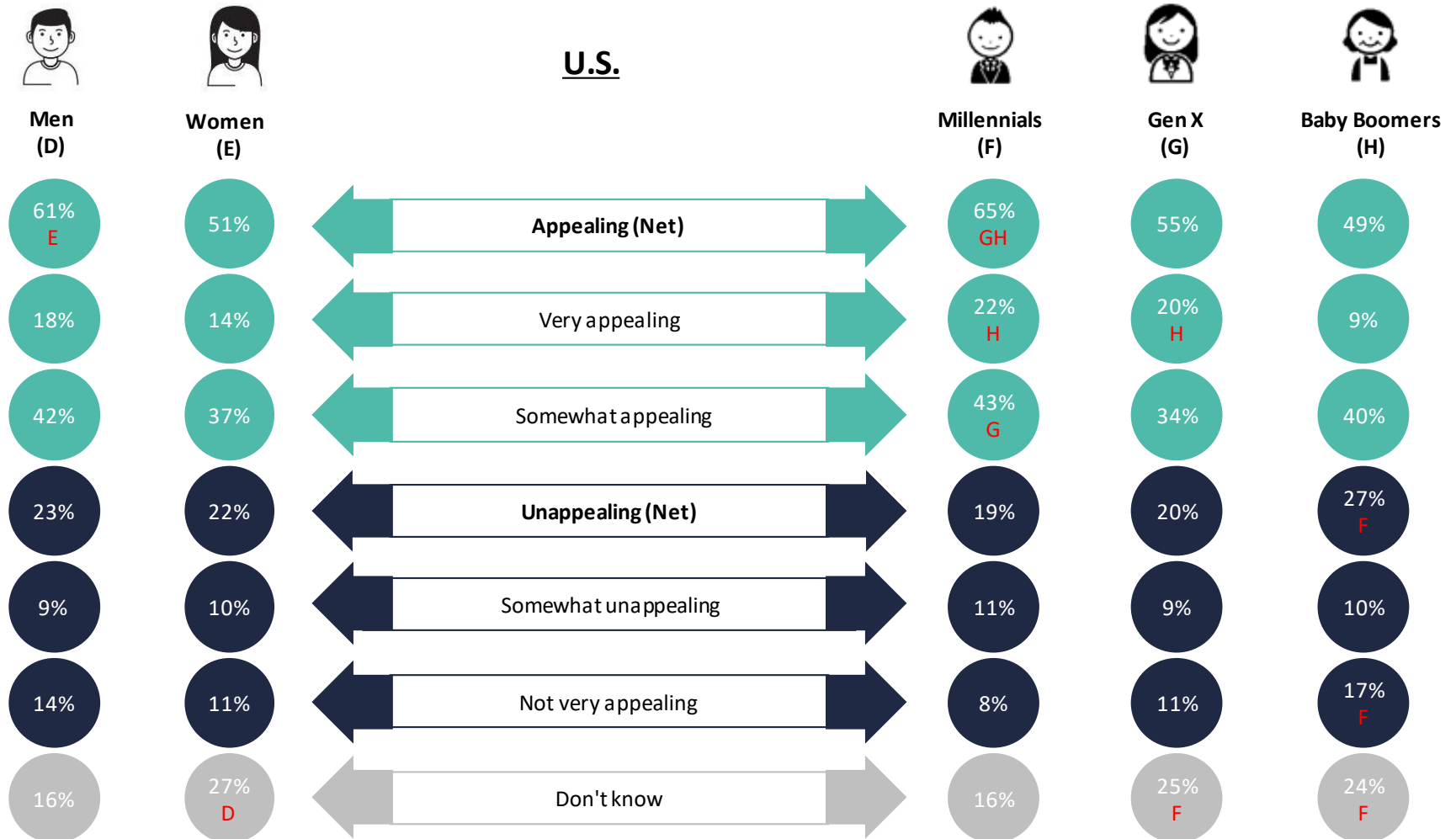
Comparison of UK and U.S. appeal of impact investing

Three in five respondents (59%) in the UK find the concept of impact investing appealing, comparable to the U.S. (56%).



U.S. appeal of impact investing by gender & generation 2019

The appeal of impact investing decreases with age in the U.S. Millennials (65%) are significantly more likely to find impact investing appealing compared to Gen Xers (55%) and Baby Boomers (49%).

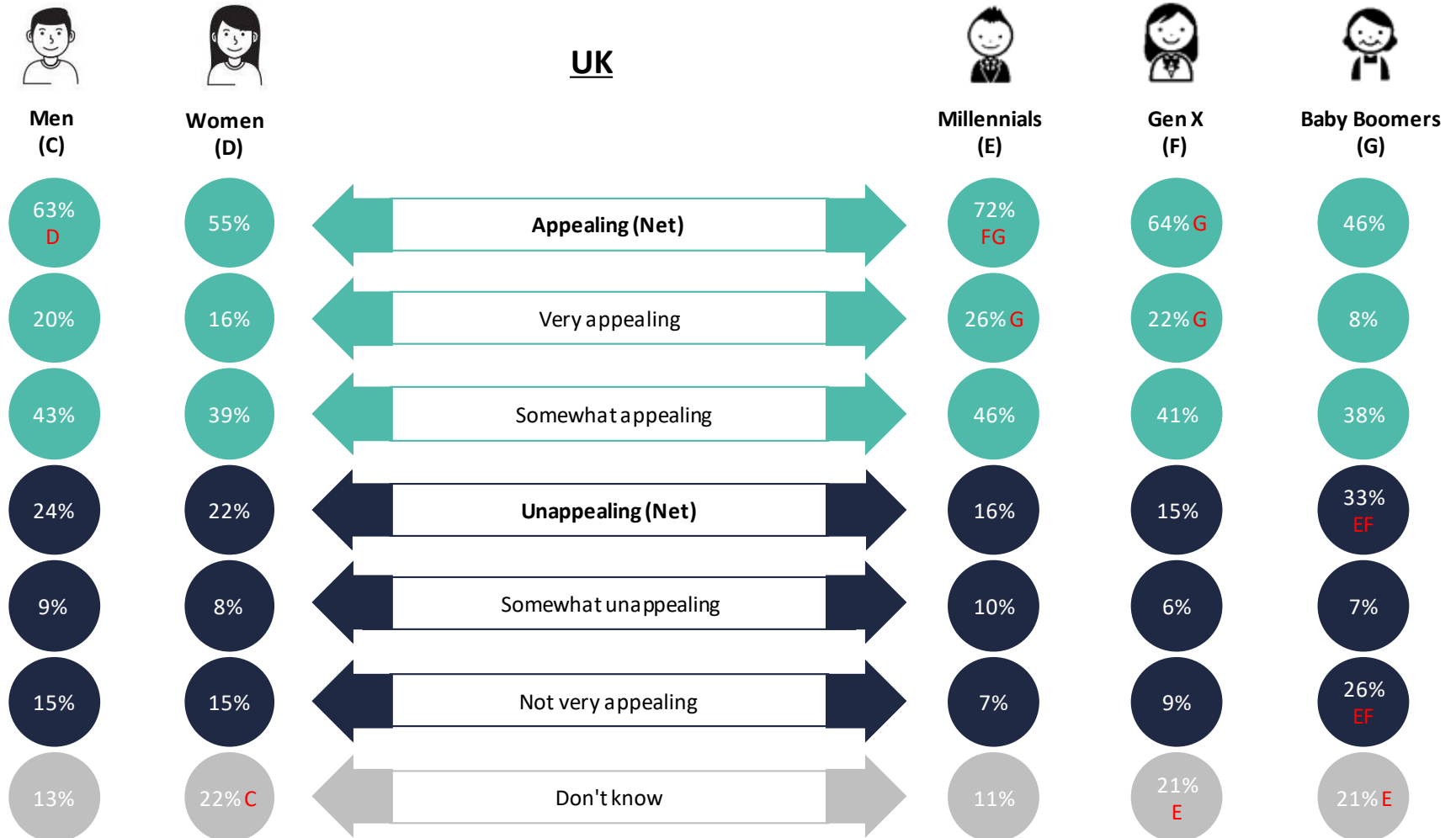


A5. How appealing is the concept of 'impact investing' to you?

Base: Men (N=502), Women (N=501), Millennials (N=324), Gen X (N=261), Baby Boomers (N=308)

UK appeal of impact investing by gender & generation

Men (63%) in the UK are significantly more likely than women (55%) to find the concept of impact investing appealing. The appeal appears to decrease with age, as more than seven out of ten Millennials (72%) find impact investing appealing compared to 46% of Baby Boomers.

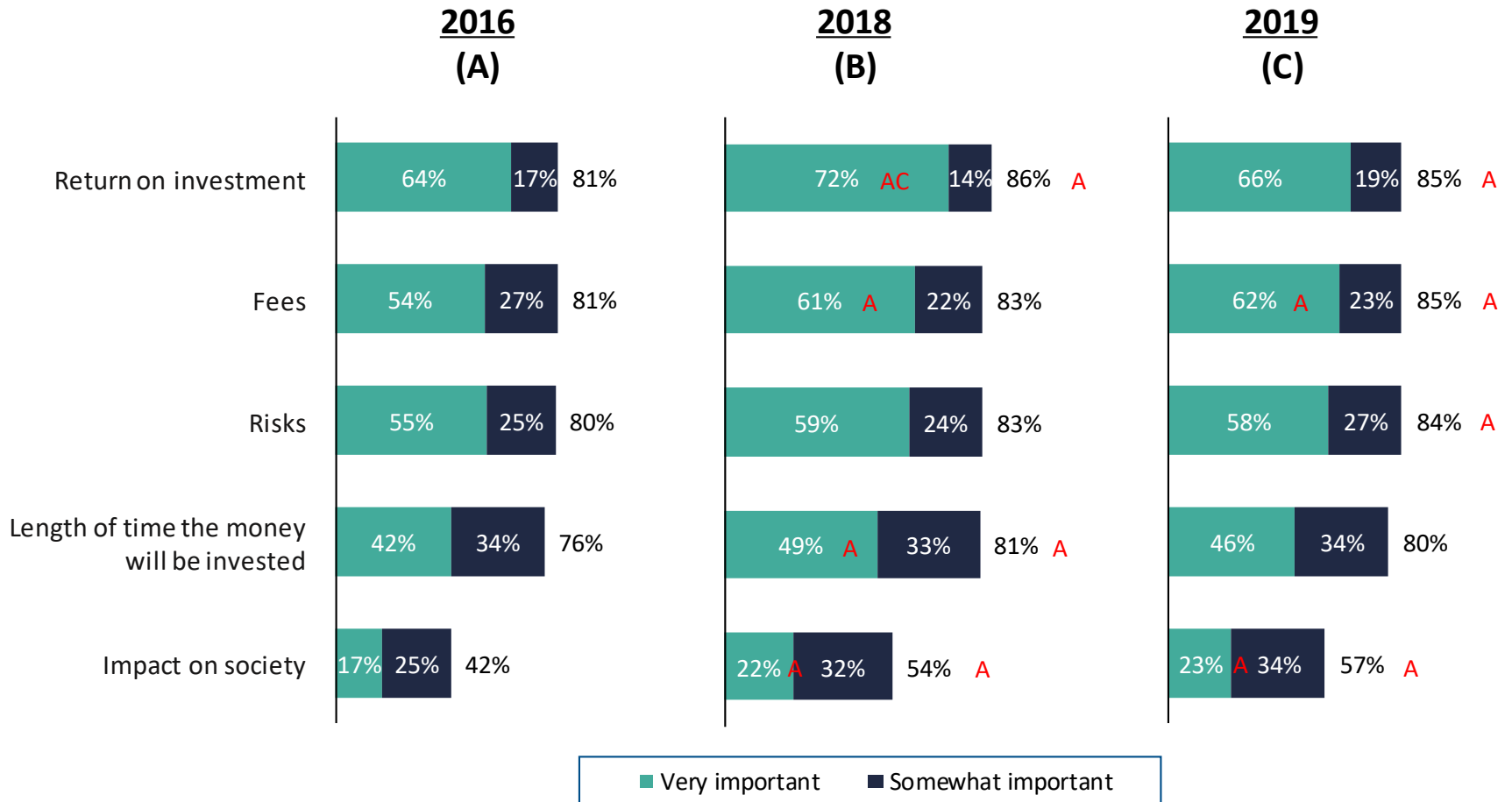


A5. How appealing is the concept of 'impact investing' to you?

Base: Men (N=503), Women (N=501), Millennials (N=419), Gen X (N=313), Baby Boomers (N=196)

U.S. decision factors – very/somewhat important 2016-2019

When considering investments, return on investment and fees are still especially important to respondents, followed by risks and length of time the money will be invested. While U.S. adults are still least inclined to rate impact on society as very or somewhat important (57%), its importance has increased significantly since 2016 (42%).

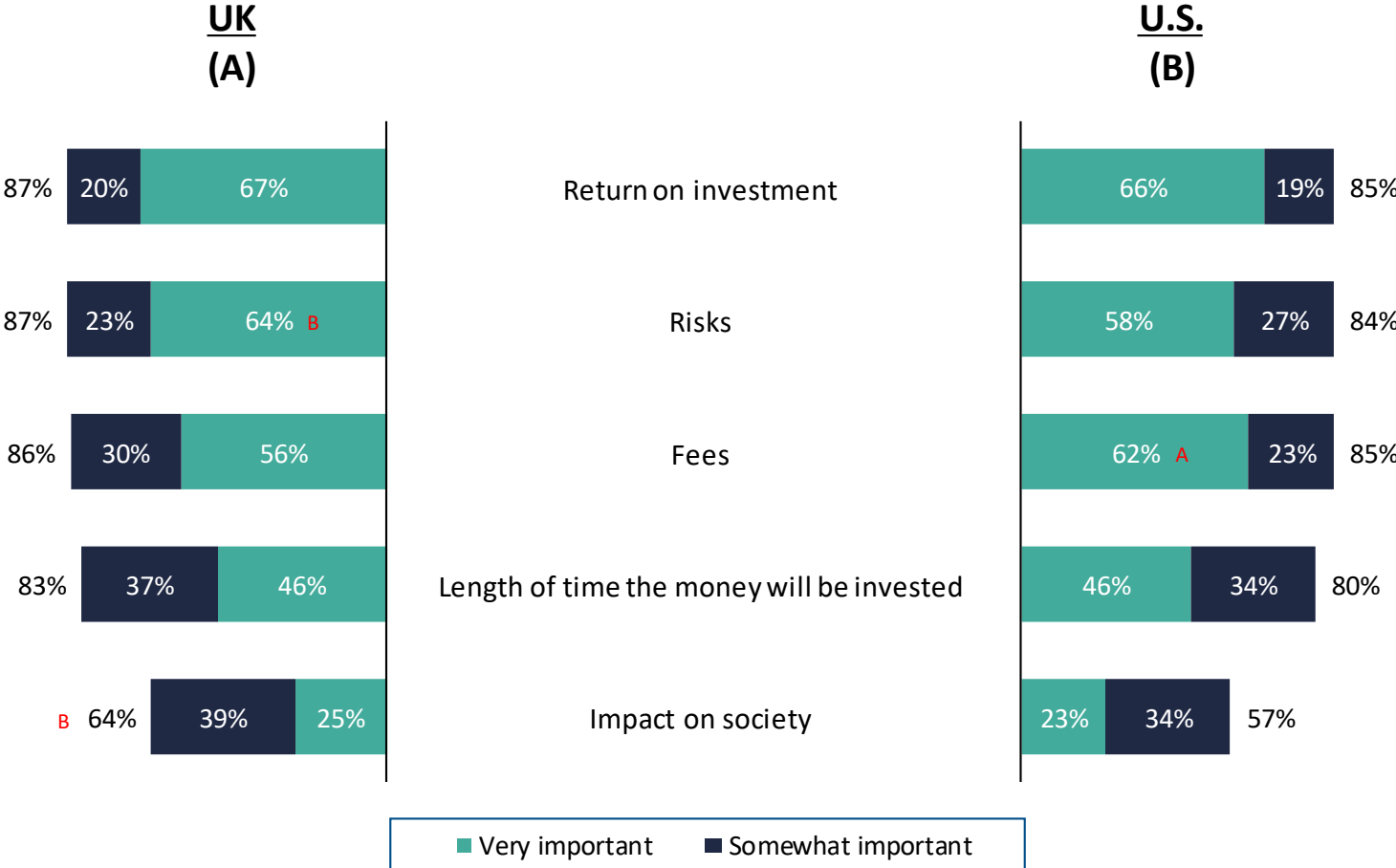


A3. When considering investments, how important are these factors in your decision?

Base: 2016 (N=1,028), 2018 (N=1,005), 2019 (N=1,003)

UK/U.S. decision factors comparison– very/somewhat important

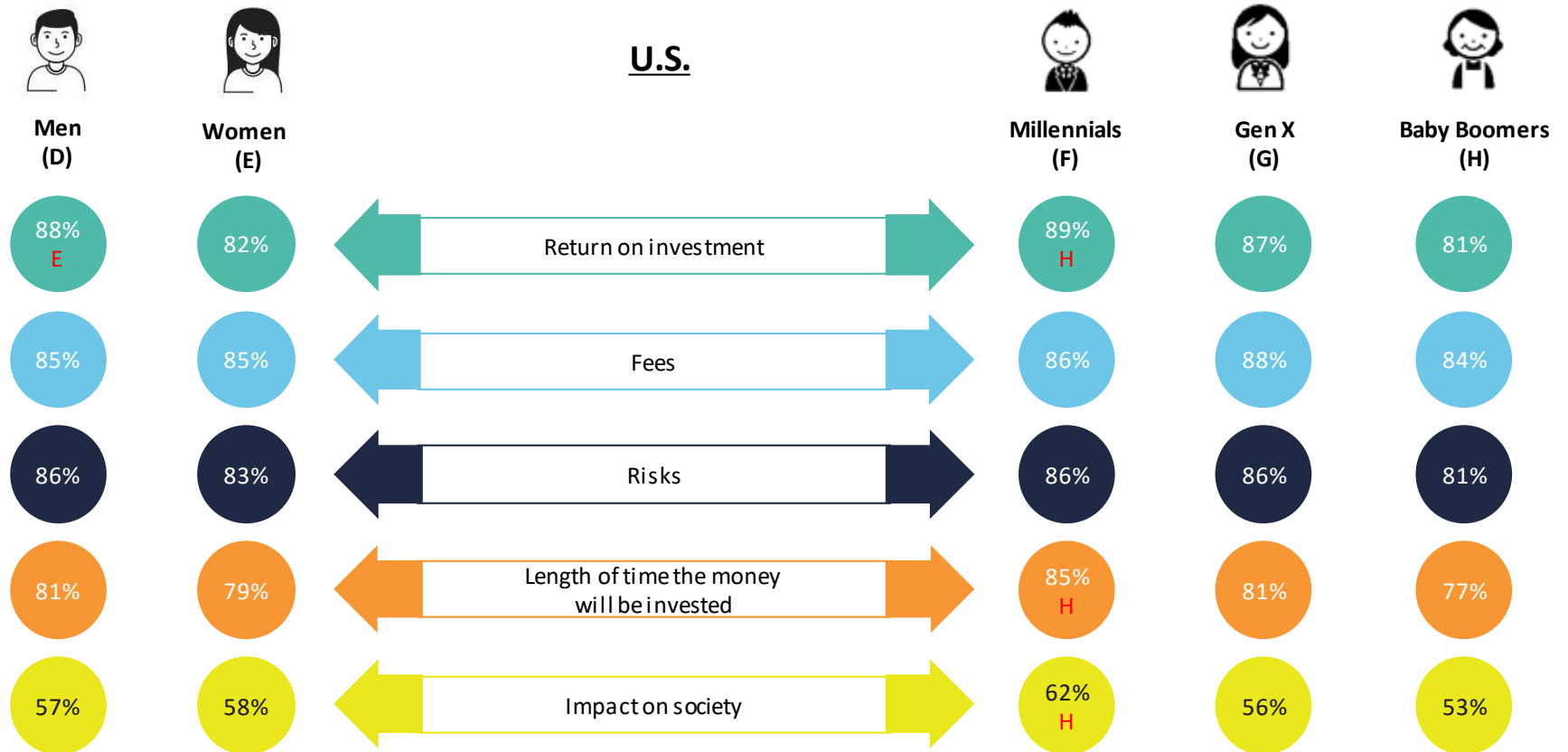
Investors in the UK (64%) are significantly more likely than their U.S. counterparts (57%) to take into account the impact on society when considering an investment. Additionally, nearly two thirds of UK investors (64%) rate risks a **very** important factor when considering investments, significantly higher than their U.S. counterparts (58%).



A3. When considering investments, how important are these factors in your decision?
 Base: UK (N=1,004), U.S. (N=1,003)

U.S. decision factors – very/somewhat important by gender & generation 2019

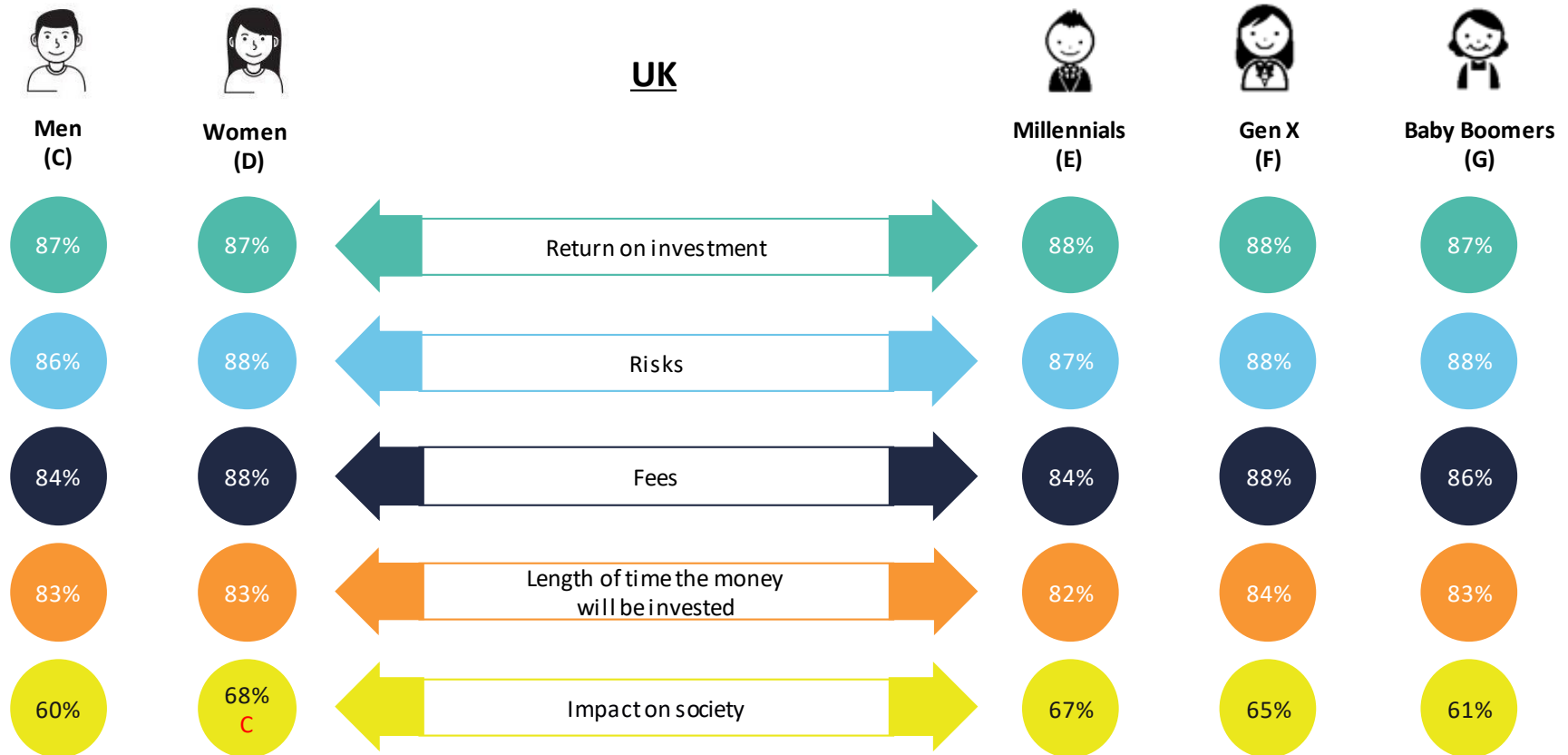
Men (88%) in the U.S. are significantly more likely than women (82%) to consider return on investment as very or somewhat important. Impact on society carries greater weight for Millennials (62%) compared to Gen Xers (56%) and Baby Boomers (53%).



A3. When considering investments, how important are these factors in your decision?
 Base: Men (N=502), Women (N=501), Millennials (N=324), Gen X (N=261), Baby Boomers (N=308)

UK decision factors – very/somewhat important by gender & generation

Women (68%) in the UK are significantly more inclined than men (60%) to rate impact on society a very or somewhat important factor to consider when investing. Nearly nine in ten adults across all respondent groups view return on investment and risks as important factors in investment decisions.

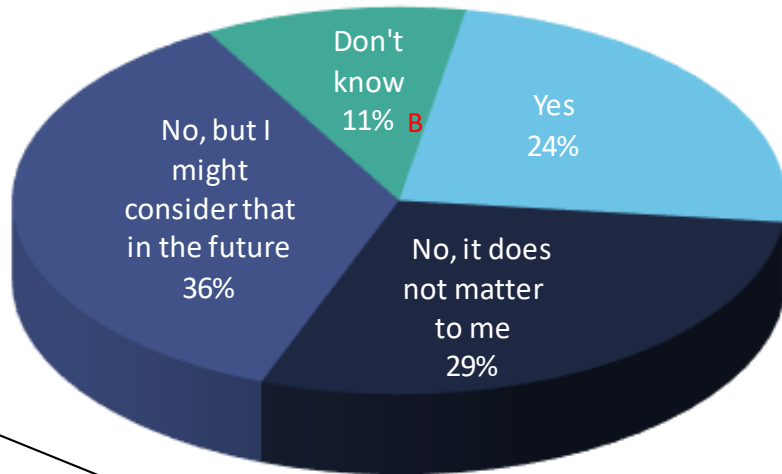


A3. When considering investments, how important are these factors in your decision?
 Base: Men (N=503), Women (N=501), Millennials (N=419), Gen X (N=313), Baby Boomers (N=196)

Alignment of company values

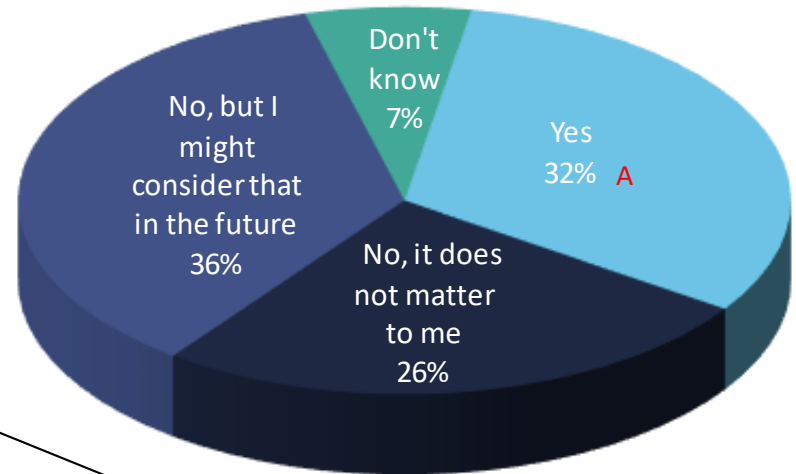
About a quarter of UK respondents (24%) say they intentionally choose to do business with companies whose values align with their own, which is significantly lower than their U.S. counterparts (32%). However, over a third (36%) of UK respondents indicate this is something they might consider in the future.

UK
(A)



No (Net)
65%

U.S.
(B)



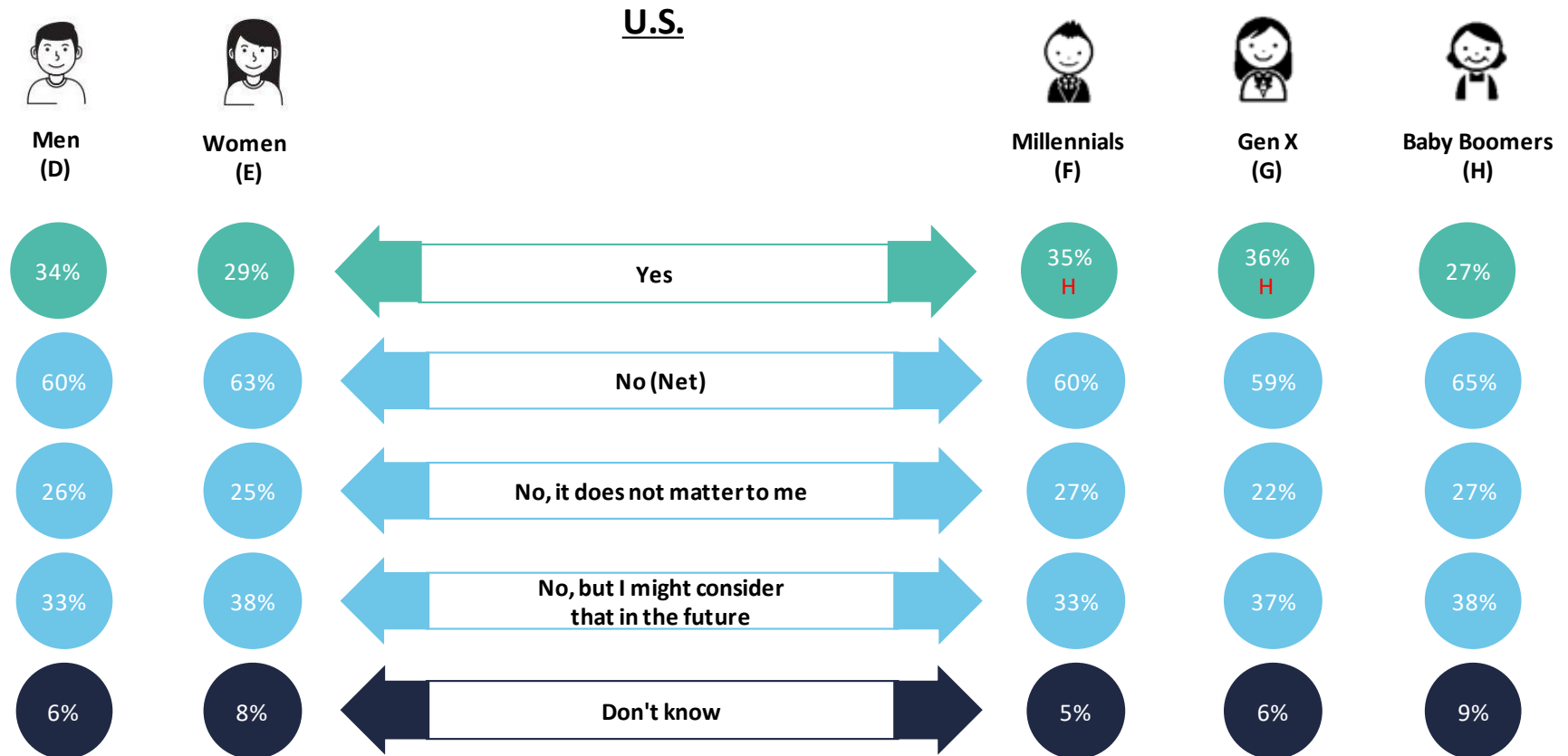
No (Net)
61%

A1A. Do you intentionally choose to do business with companies whose values align to yours? For example, doing business with TOMS shoes or Warby Parker because of their buy one/donate one policy?

Base: UK (N=1,004), U.S. (N=1,003)

U.S. alignment of company values by gender & generation 2019

More than one third of Millennials and Gen X respondents in the U.S. intentionally choose to do business with companies whose values align with their own, significantly higher than their Baby Boomer counterparts (27%).

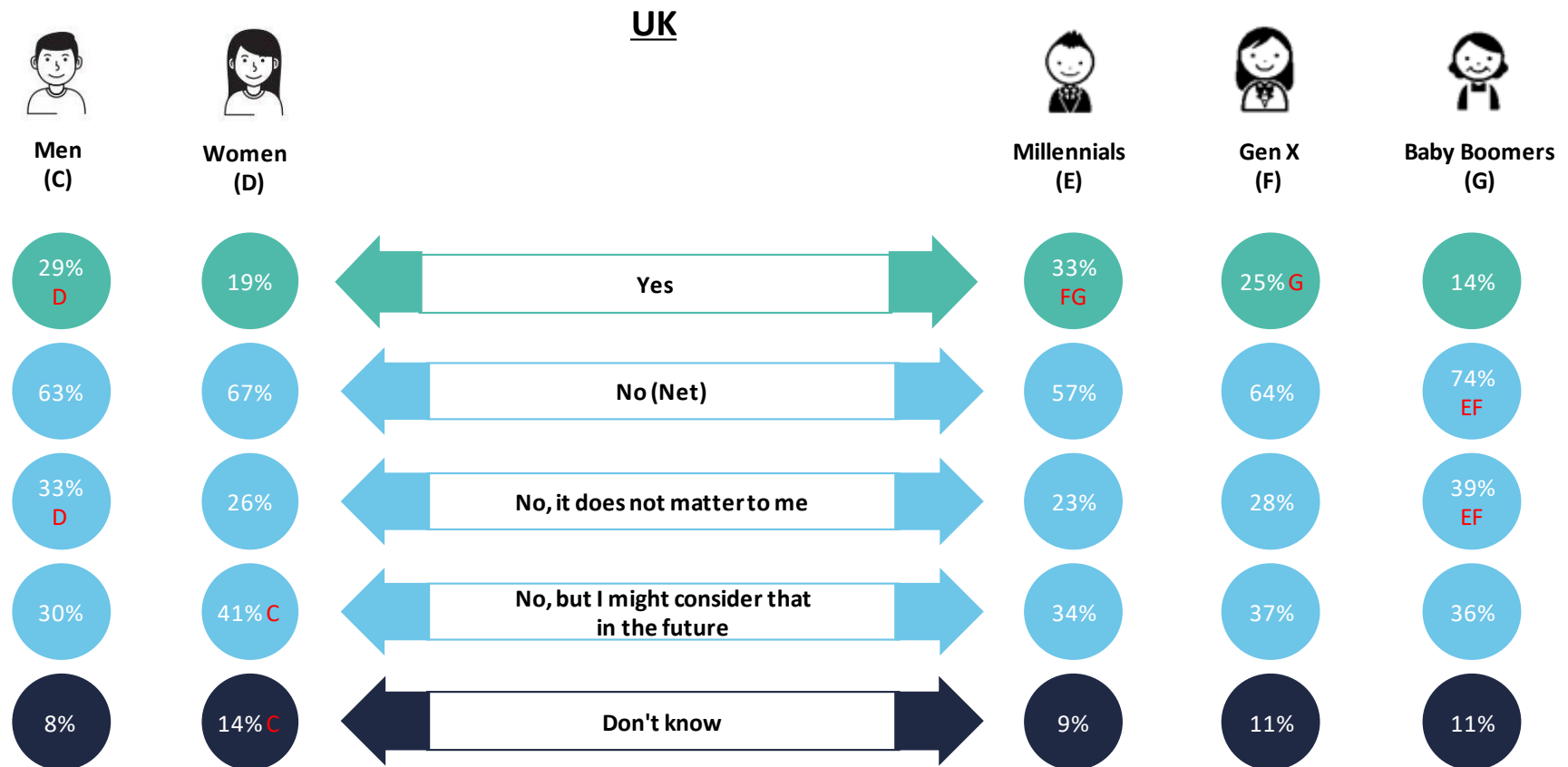


A1A. Do you intentionally choose to do business with companies whose values align to yours? For example, doing business with TOMS shoes or Warby Parker because of their buy one/donate one policy?

Base: Men (N=502), Women (N=501), Millennials (N=324), Gen X (N=261), Baby Boomers (N=308)

Alignment of company values by gender & generation

While men (29%) in the UK are significantly more likely than women (19%) to do business with a company whose values align with theirs, women are much more inclined than men to consider this in the future (41% vs. 30%, respectively). One third of Millennials intentionally choose to do business with companies that align with their personal values, significantly higher than both their Gen X (25%) and Baby Boomer (14%) counterparts.

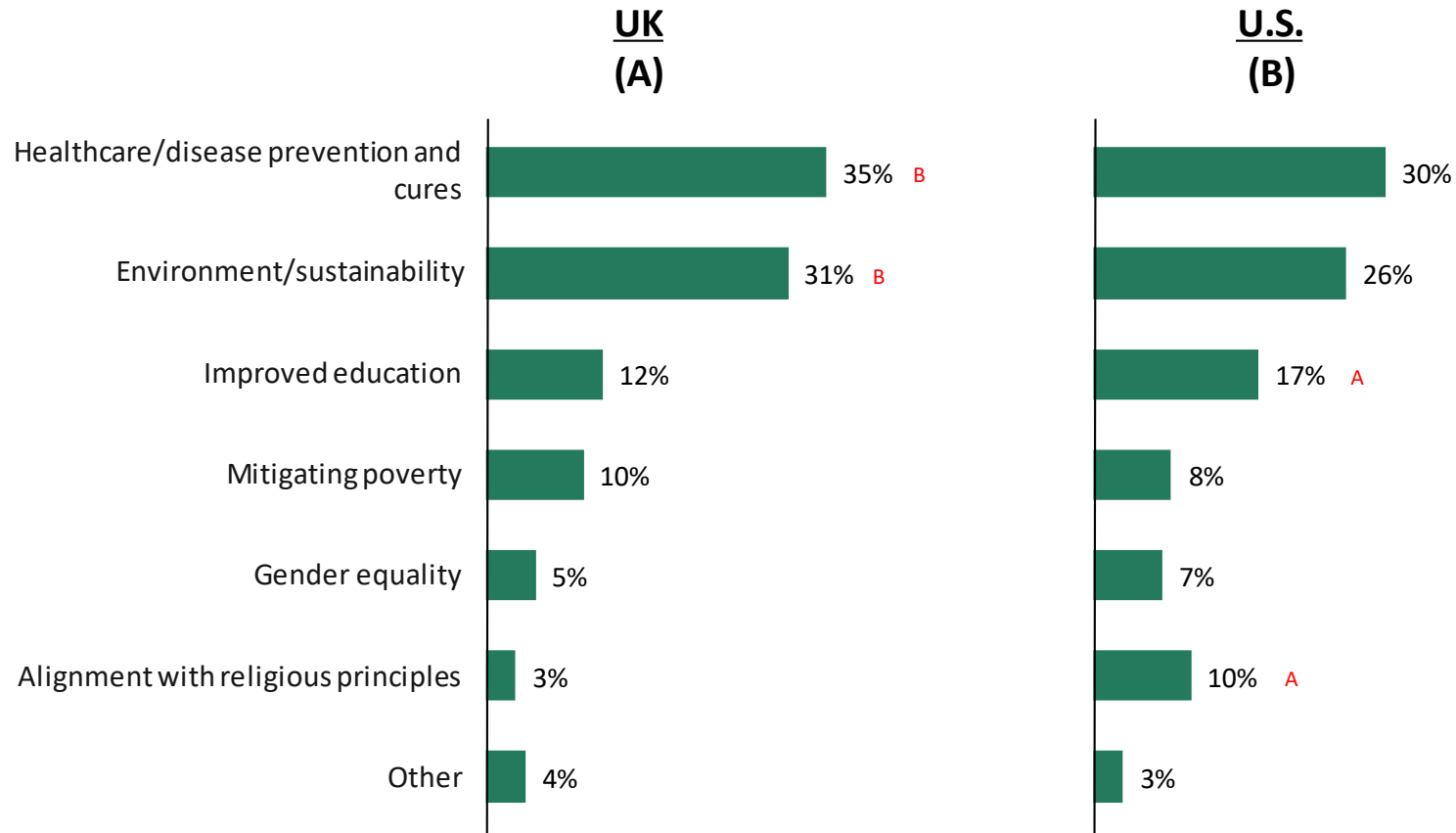


A1A. Do you intentionally choose to do business with companies whose values align to yours? For example, doing business with TOMS shoes or Warby Parker because of their buy one/donate one policy?

Base: Men (N=503), Women (N=501), Millennials (N=419), Gen X (N=313), Baby Boomers (N=196)

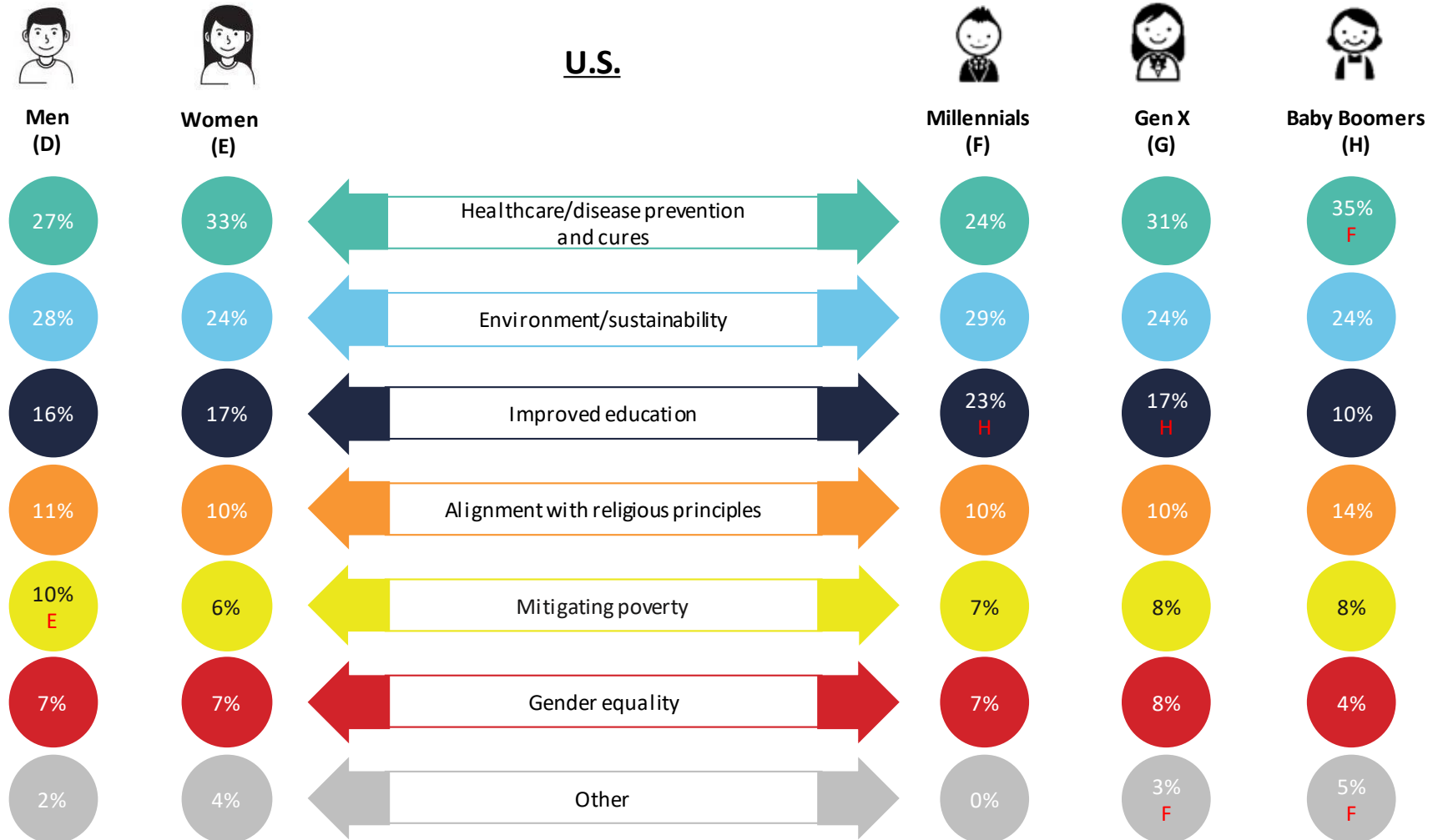
Causes that matter most

UK respondents are more likely than their U.S. counterparts to care about healthcare/disease prevention and cures (35%) as well as the environment/sustainability (31%). These two causes far surpass all others as the ones that matter most to UK respondents.



U.S. causes that matter most by gender & generation 2019

Healthcare/disease prevention and cures is the most popular cause, especially among Baby Boomers (35%) in the U.S. Men (10%) are more likely than women (6%) to say mitigating poverty is the 'impact investment' cause that matters most. Millennials (23%) and Gen Xers (17%) are more inclined than Baby Boomers (10%) to cite improved education as their cause of choice.

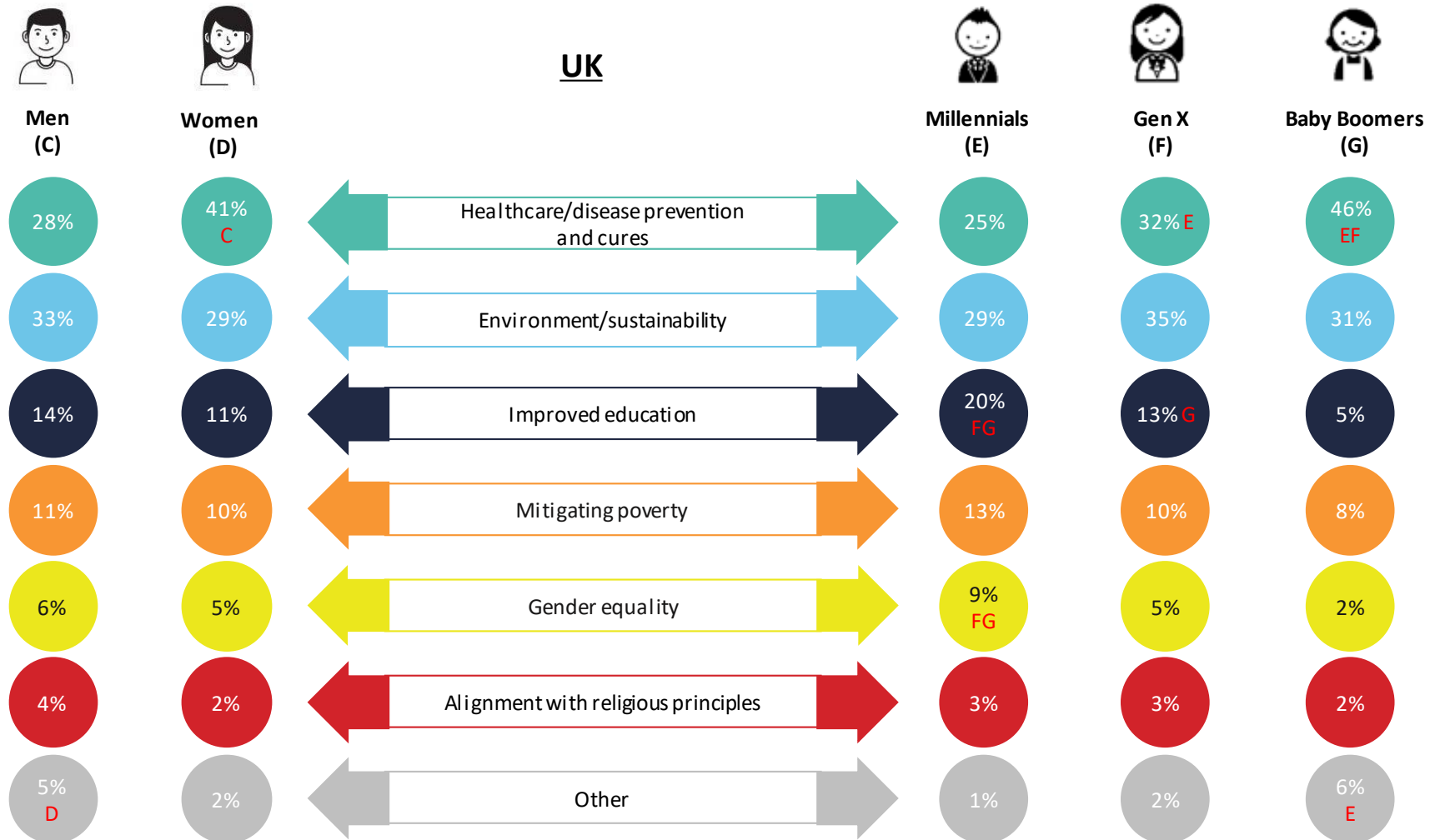


A6. If you were to make an 'impact investment' that aligns with your personal values or priorities, select the cause that matters to you most.

Base: Men (N=502), Women (N=501), Millennials (N=324), Gen X (N=261), Baby Boomers (N=308)

UK causes that matter most by gender & generation

UK Women (41%) are much more inclined than men (28%) to say healthcare/disease prevention and cures is the cause that matters most. It is also the most popular cause among Baby Boomers (46%). Millennials are more likely to choose improved education and gender equality as their cause of choice compared to other generations.

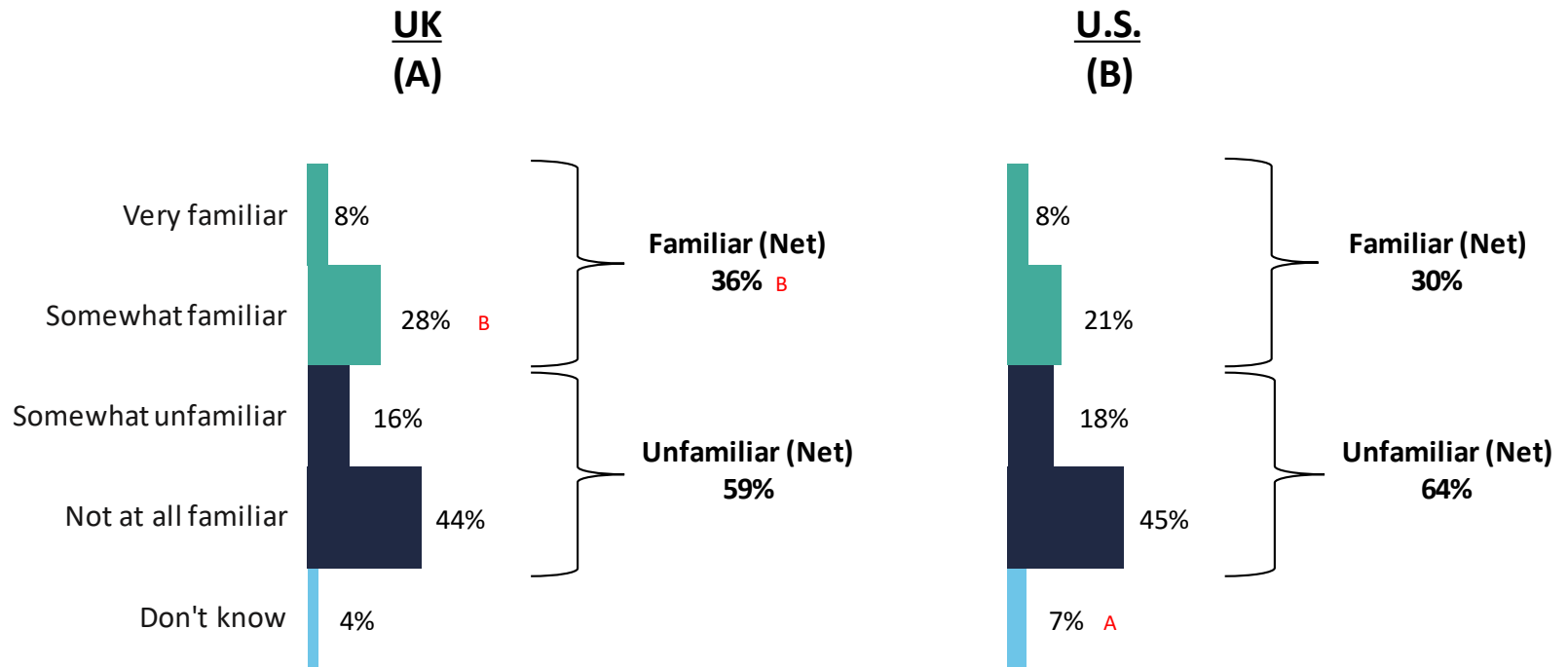


A6. If you were to make an 'impact investment' that aligns with your personal values or priorities, select the cause that matters to you most.

Base: Men (N=503), Women (N=501), Millennials (N=419), Gen X (N=313), Baby Boomers (N=196)

Familiarity with impact investing

More than one in three UK respondents (36%) are familiar with the concept of impact investing, which is significantly higher than their U.S. counterparts (30%). However, three in five UK respondents (59%) are still unfamiliar with the concept compared to 64% of U.S. respondents.

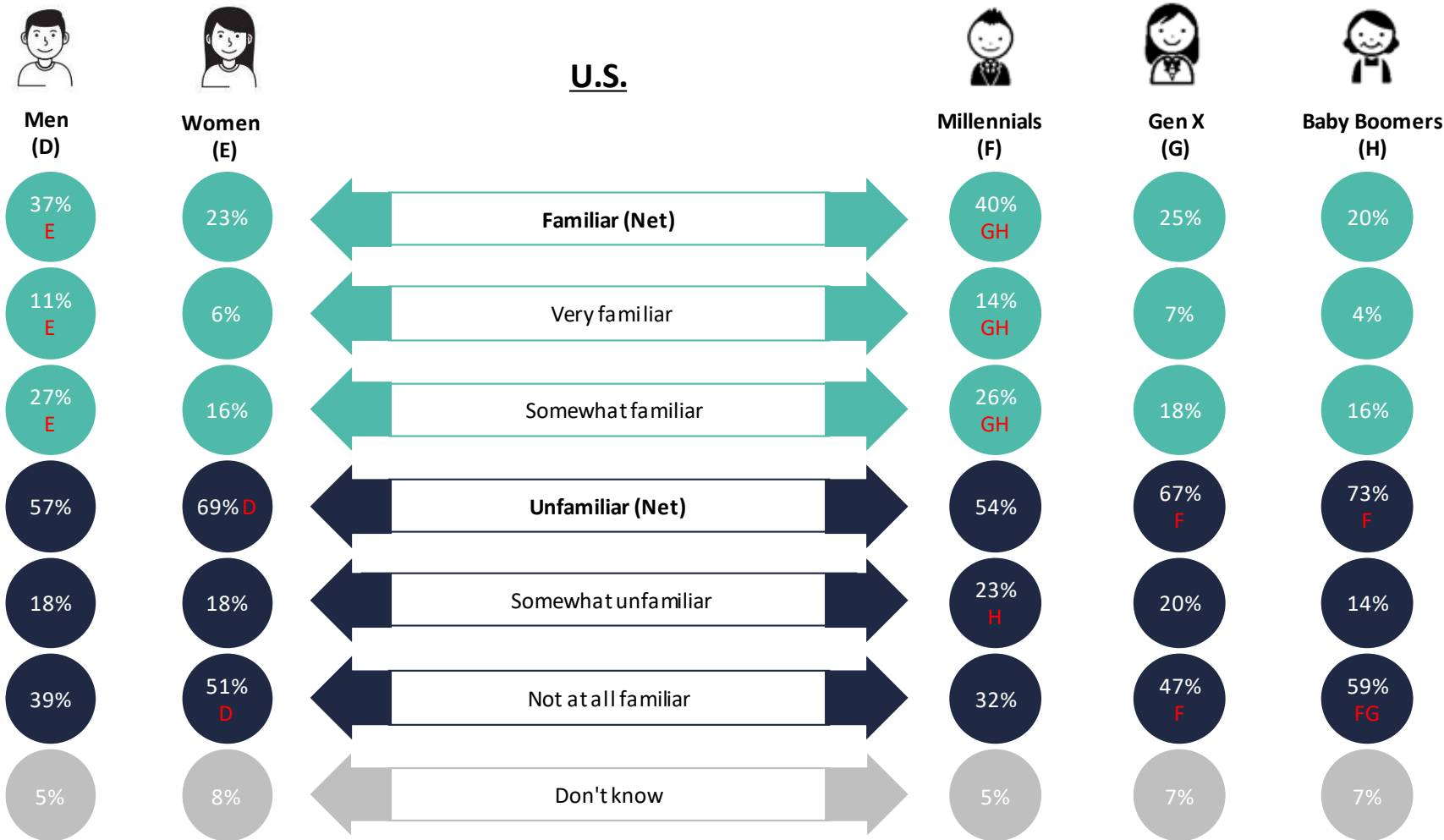


A4. How familiar are you with the concept of 'impact investing,' which refers to an investment in companies, organizations and funds that have a beneficial impact on society, while also providing a financial return to investors?

Base: UK (N=1,004), U.S. (N=1,003)

U.S familiarity with impact investing by gender & generation 2019

U.S. Men (37%) are more familiar with the concept of impact investing compared to women (23%). Two in five Millennials are familiar with impact investing, while the other generations have significantly lower exposure to it.

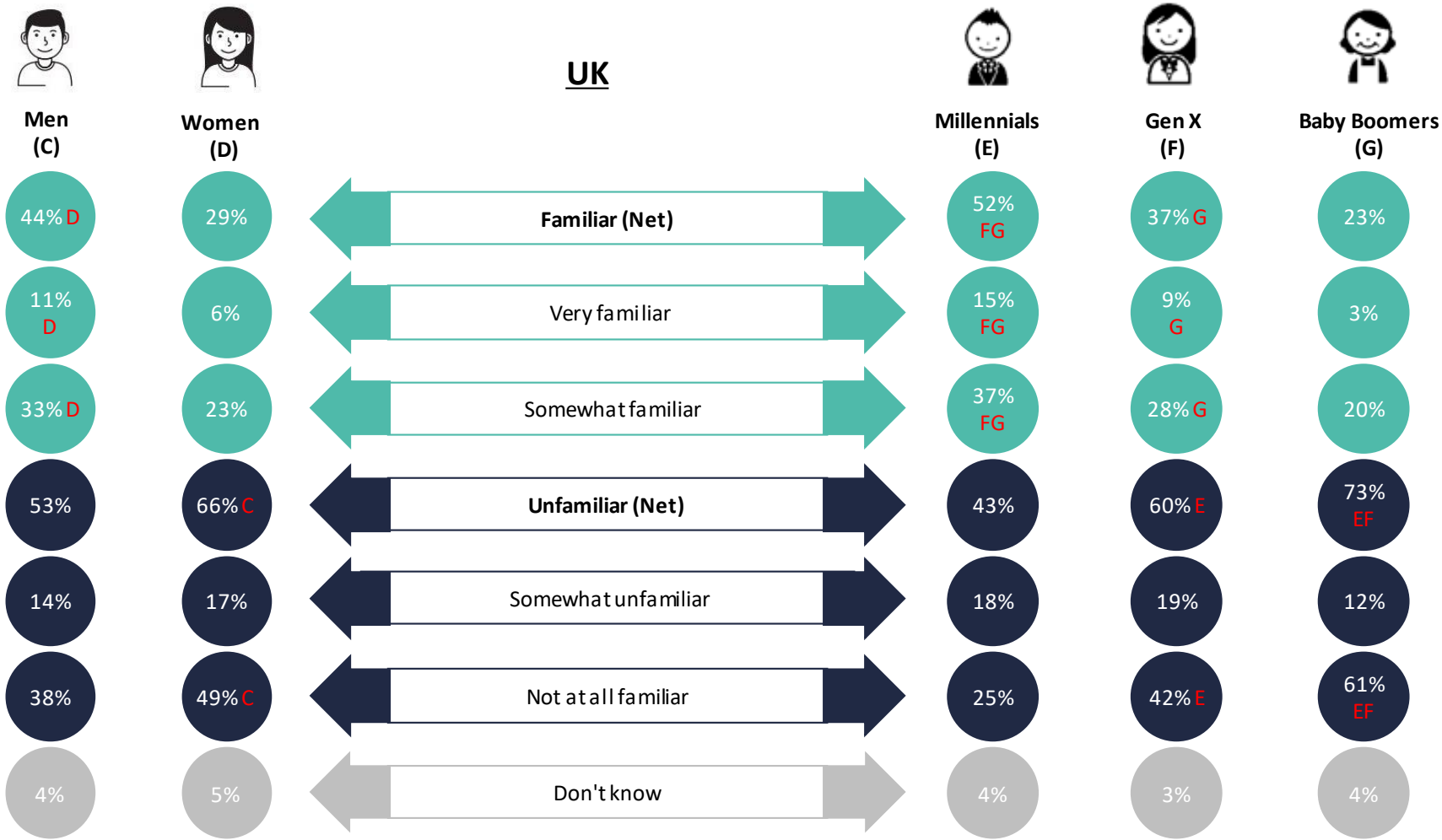


A4. How familiar are you with the concept of 'impact investing,' which refers to an investment in companies, organizations and funds that have a beneficial impact on society, while also providing a financial return to investors?

Base: Men (N=502), Women (N=501), Millennials (N=324), Gen X (N=261), Baby Boomers (N=308)

UK familiarity with impact investing by gender and generation

UK Men (44%) are more familiar with the concept of impact investing compared to women (29%). Over half of Millennials are familiar with impact investing, significantly higher than both Gen X (37%) and Baby Boomers (23%).

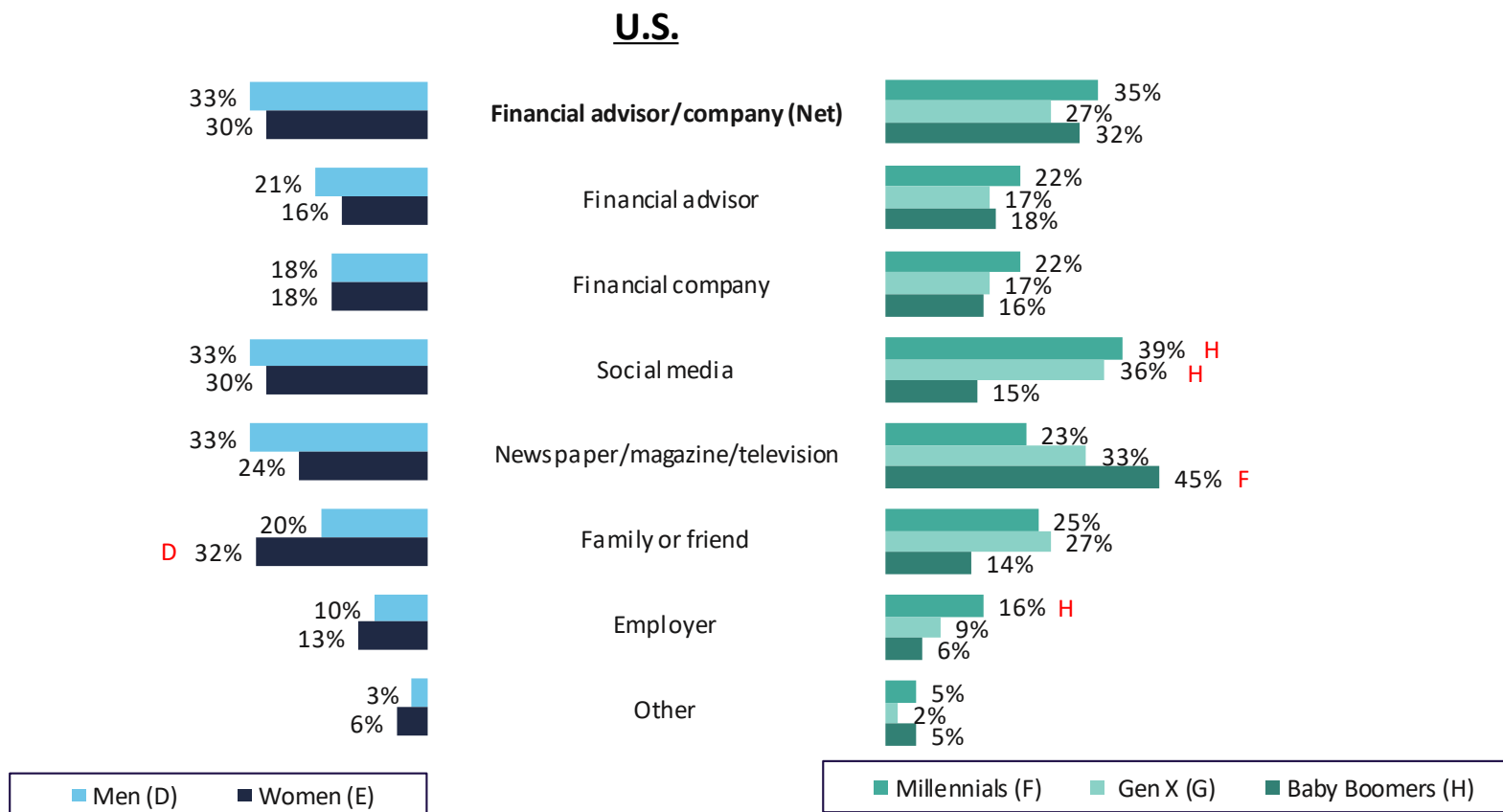


A4. How familiar are you with the concept of 'impact investing,' which refers to an investment in companies, organizations and funds that have a beneficial impact on society, while also providing a financial return to investors?

Base: Men (N=503), Women (N=501), Millennials (N=419), Gen X (N=313), Baby Boomers (N=196)

U.S. - Sources of learning for impact/ESG investing by gender & generation 2019

Women in the U.S. are more likely to rely on their family and friends as a learning source compared to men (32% vs. 20%, respectively). Millennials (39%) and Gen Xers (36%) rely more on social media than any other sources. In contrast, newspapers, magazines and TV are the primary source of learning for Baby Boomers (45%).

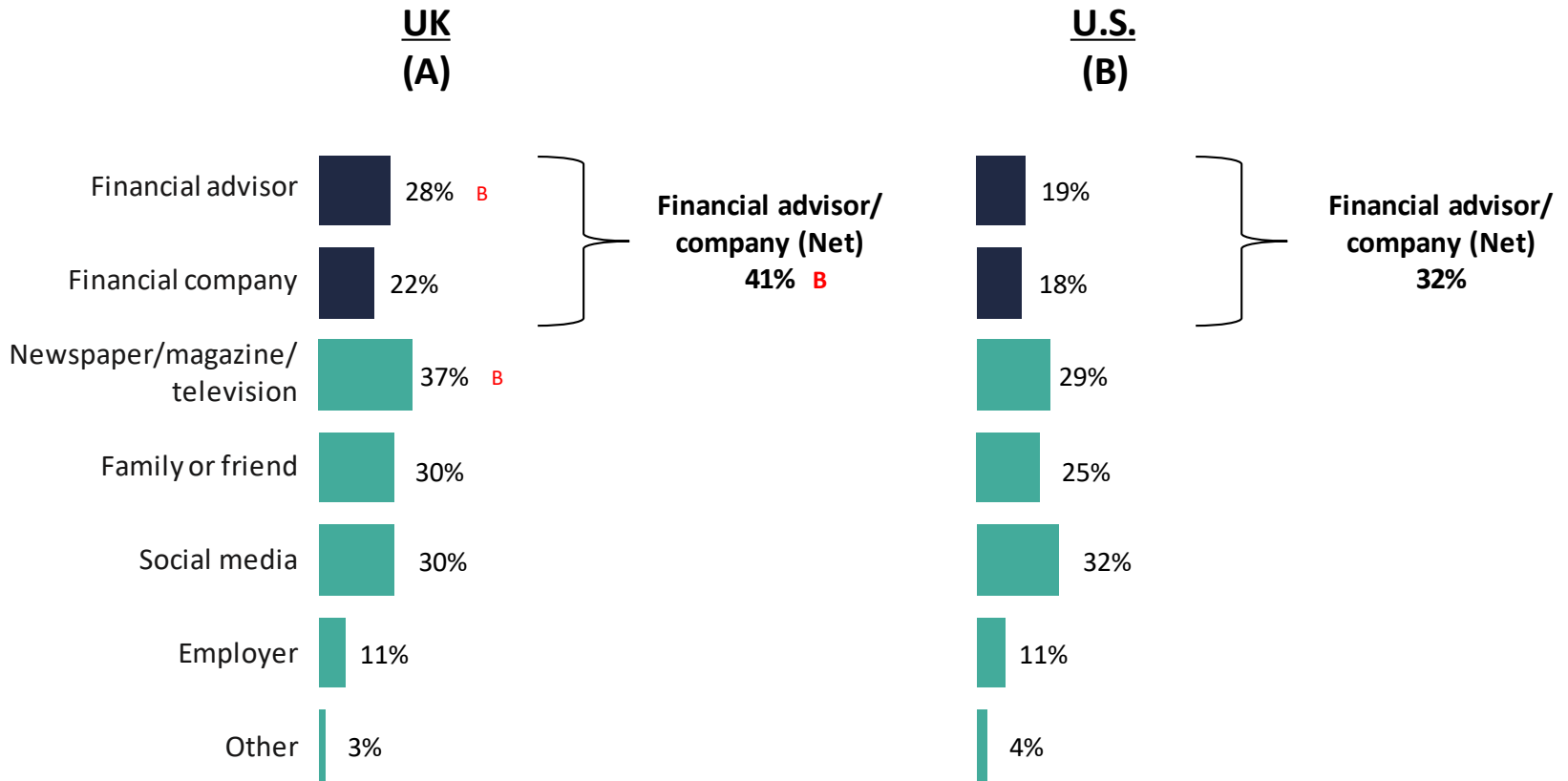


A7. Where did you learn about 'impact investing' and/or 'ESG investing'?

Base: Very or somewhat familiar with the concept of 'impact investing' – Men (N=198), Women (N=120), Millennials (N=125), Gen X (N=77), Baby Boomers (N=69)

Sources of learning for impact/ESG investing

Among UK respondents who are familiar with impact investing, two in five (41%) say they learned about it from a financial advisor or company, significantly higher than their U.S. counterparts (32%). More than one third of UK respondents (37%) indicate they learned about impact investing from a media source such as newspapers, magazines, or television, compared to just 29% of U.S. respondents.

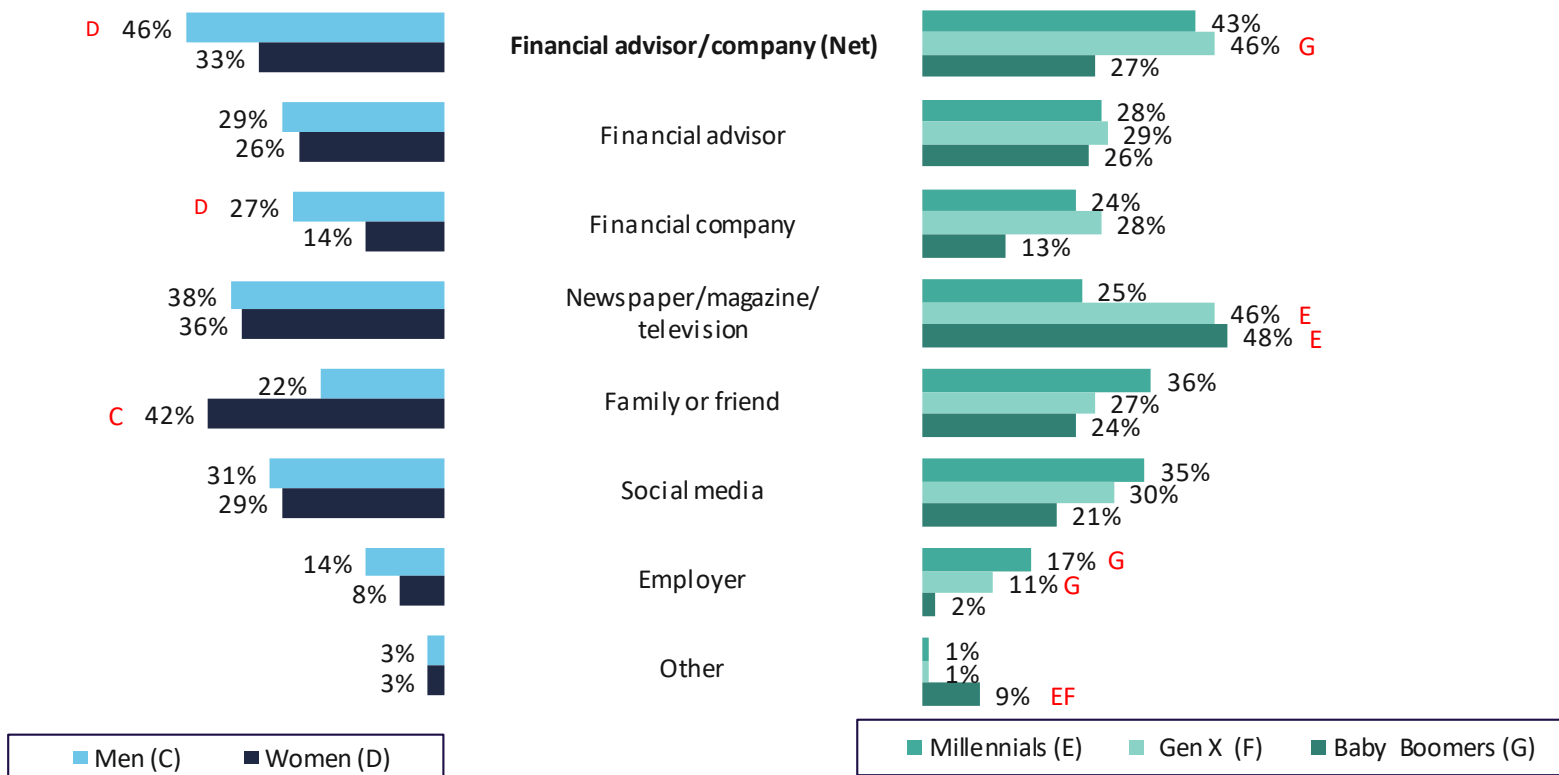


A7. Where did you learn about 'impact investing' and/or 'ESG investing'?
 Base: Very or somewhat familiar with the concept of 'impact investing' – UK (N=410), U.S. (N=318)

UK - Sources of learning for impact/ESG investing by gender & generation

UK Women are nearly twice as inclined as men to rely on their family or friends as a learning source (42% vs. 22%, respectively). In turn, men are more likely to learn about impact investing from a financial advisor or company (46% vs. 33%). Gen X and Baby Boomers rely more on traditional media (newspapers, magazines, and television) than other sources (Gen X 46%, Baby Boomers 48%), while a financial advisor or company is the primary source for Millennials (43%).

UK

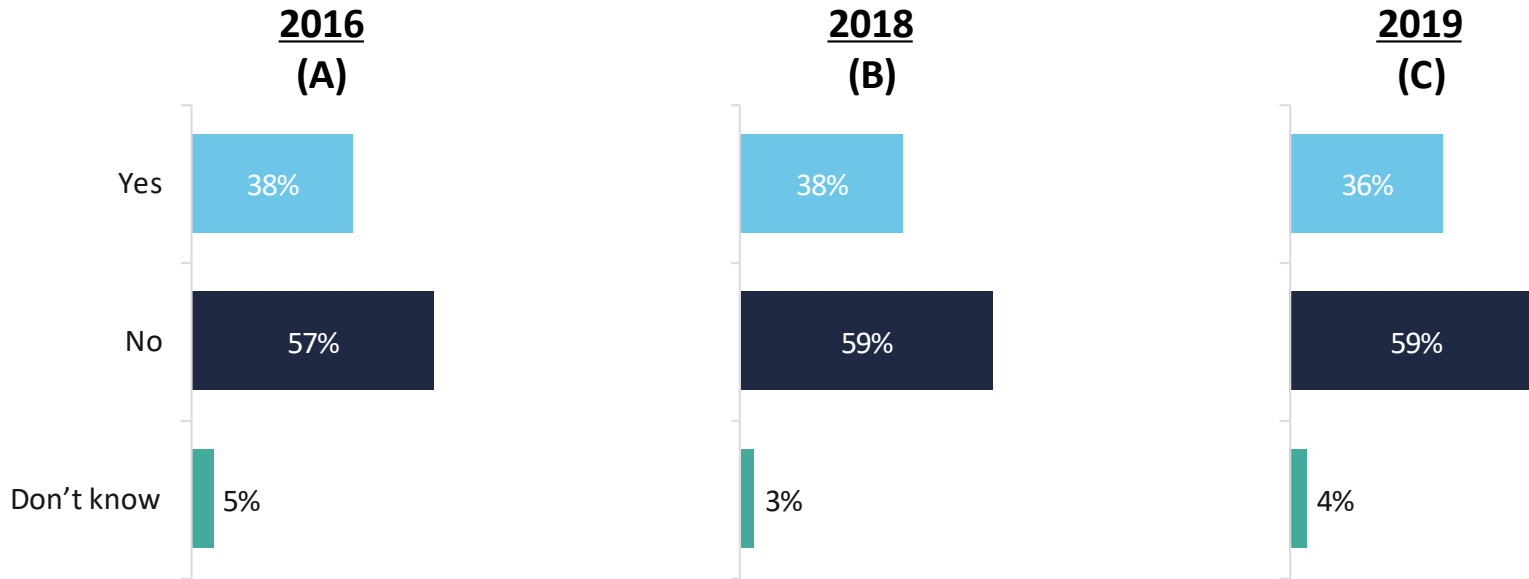


A7. Where did you learn about 'impact investing' and/or 'ESG investing'?

Base: Very or somewhat familiar with the concept of 'impact investing' – Men (N=245), Women (N=165), Millennials (N=218), Gen X (N=117), Baby Boomers (N=46)

U.S. - Current investments

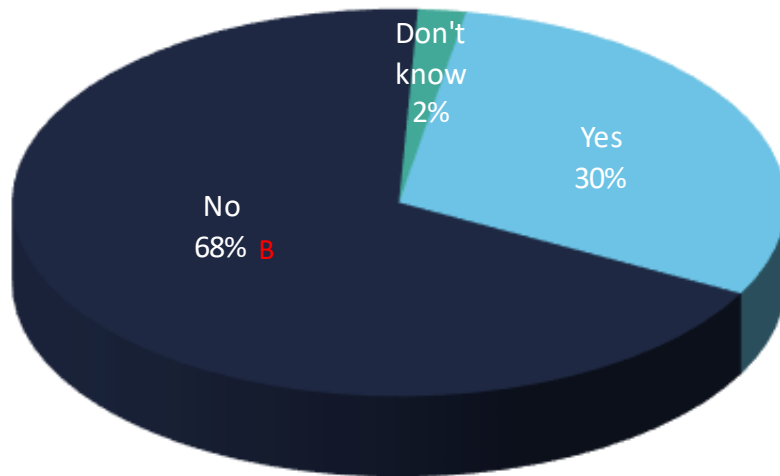
Despite an insignificant decrease from 2018, almost two in five people (36%) in the U.S. still invest in stocks, bonds, mutual funds, or exchange traded funds.



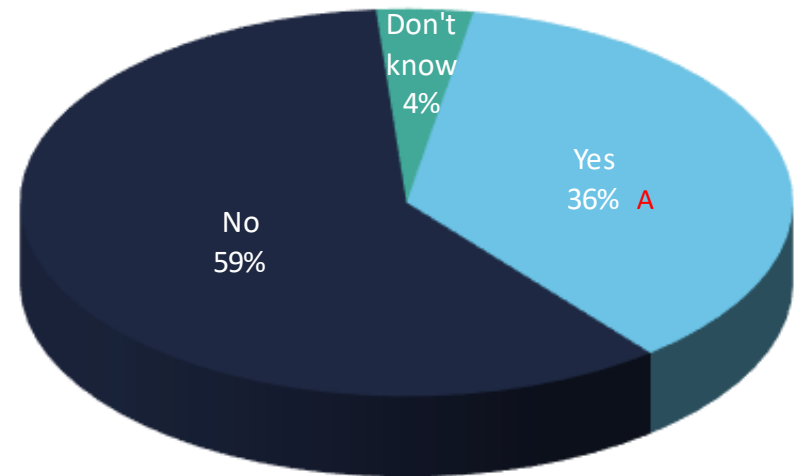
Current investments

Respondents in the United Kingdom (30%) are significantly less likely than their U.S. counterparts (36%) to say they currently invest in stocks, bonds, mutual funds, or exchange traded funds.

UK
(A)

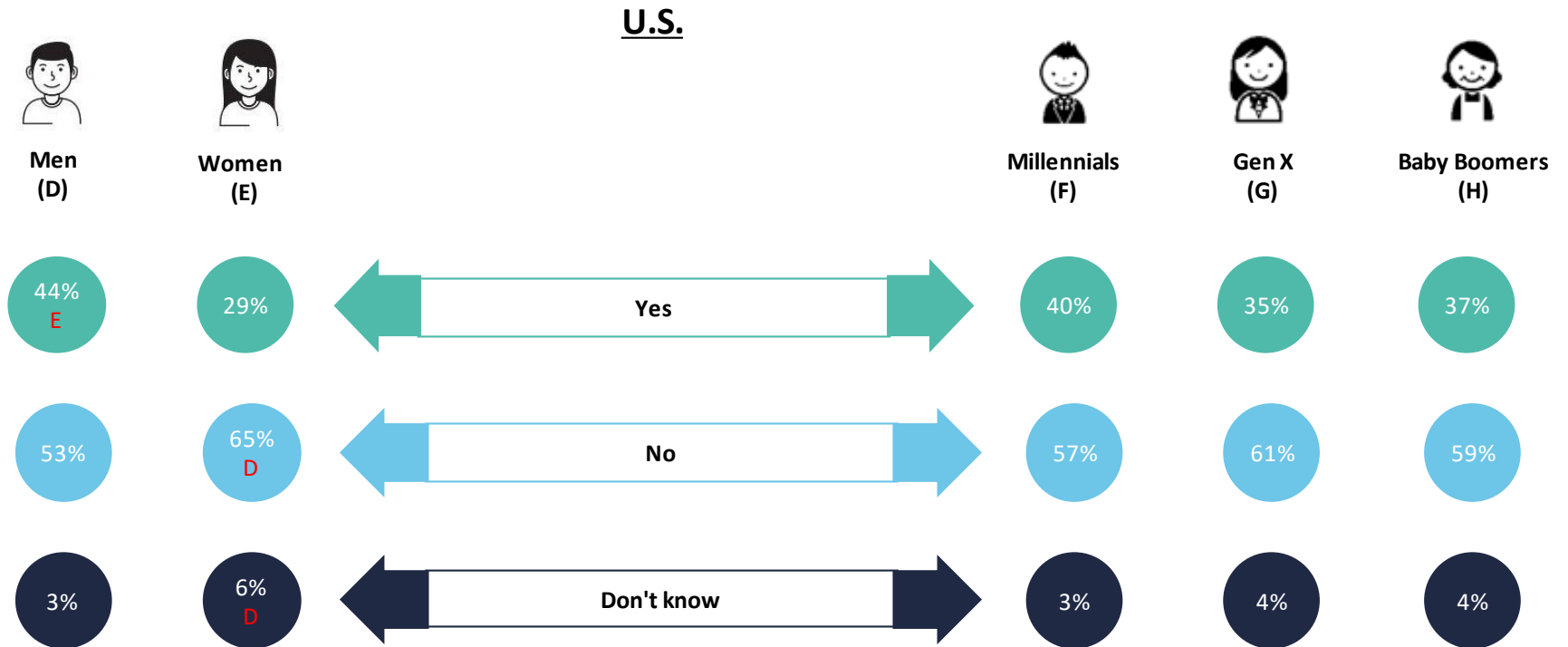


U.S.
(B)



U.S. - Current investments by gender & generation 2019

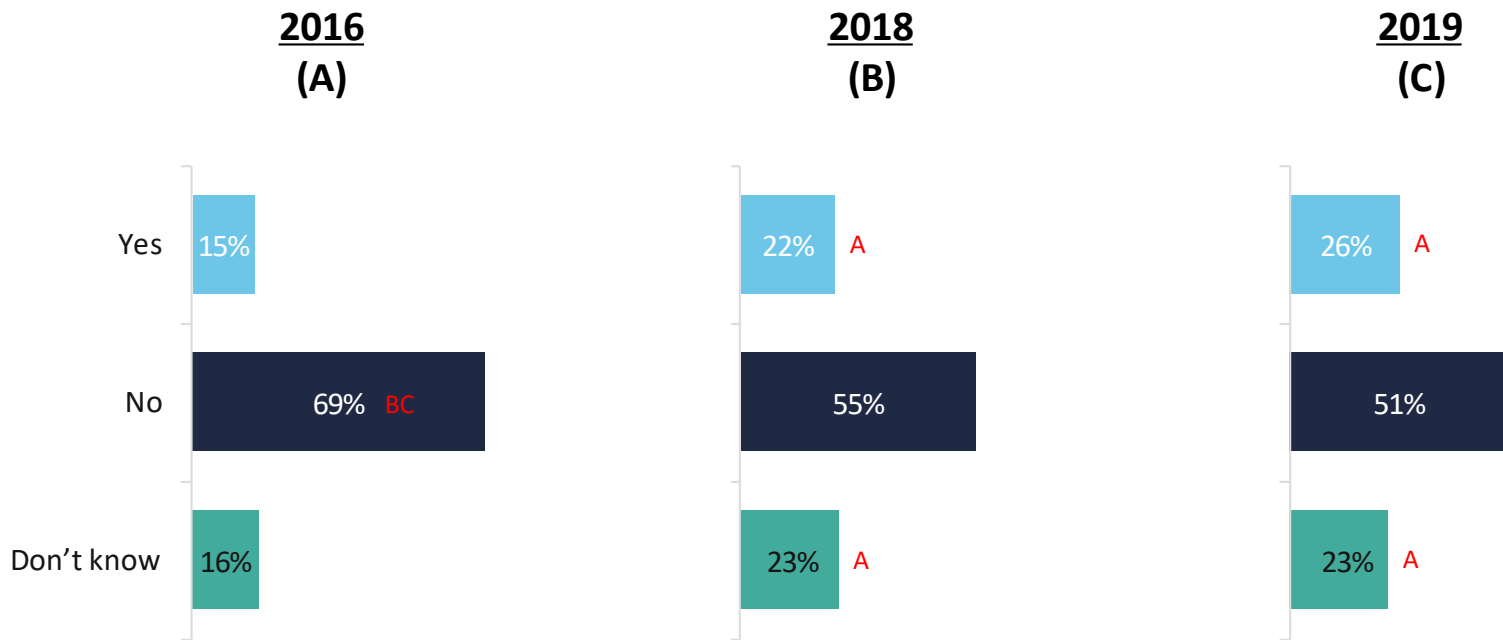
U.S. Men are significantly more likely than women to have current investments in stocks, bonds, mutual funds, or exchange traded funds (44% vs. 29%, respectively). Two in five Millennials (40%) currently invest, followed by Baby Boomers (37%) and Gen X (35%).



A1. Do you currently invest in stocks, bonds, mutual funds, or exchange traded funds?
 Base: Men (N=502), Women (N=501), Millennials (N=324), Gen X (N=261), Baby Boomers (N=308)

U.S. - Future investments

Those who (U.S.) do not currently invest in stocks, bonds, mutual funds, or exchange traded funds are more likely now (26%) compared to 2016 (15%) to do so within the next five years.

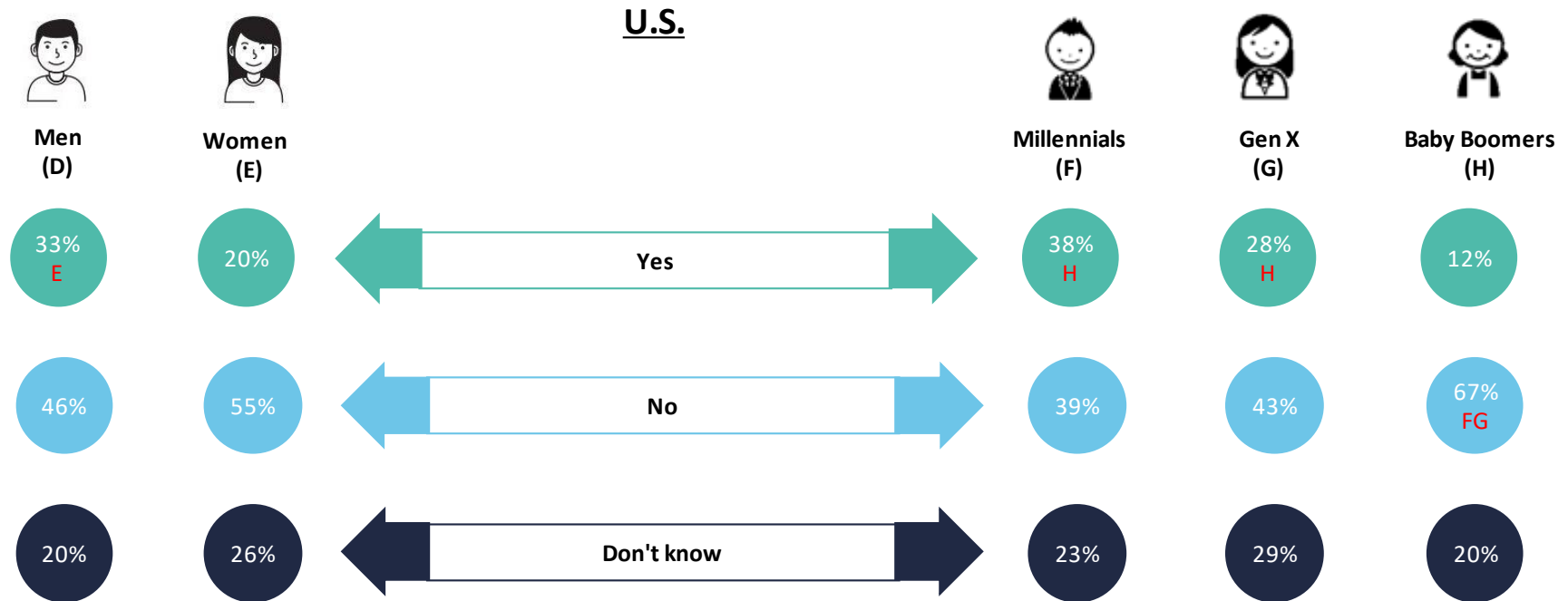


A2. Within the next five years, do you intend to invest in stocks, bonds, mutual funds, or exchange traded funds?

Base: Do not currently invest in stocks, bonds, mutual funds, or exchange traded funds – 2016 (N=545), 2018 (N=557), 2019 (N=563)

U.S. - Future investments by gender & generation 2019

When it comes to investing in the future, U.S. men are more likely to invest compared to women (33% vs. 20%, respectively). Among those who do not currently invest in stocks, bonds, mutual funds, or exchange traded funds, Millennials (38%) and Gen Xers (28%) are more likely to start investing than Baby Boomers (12%) within the next five years.



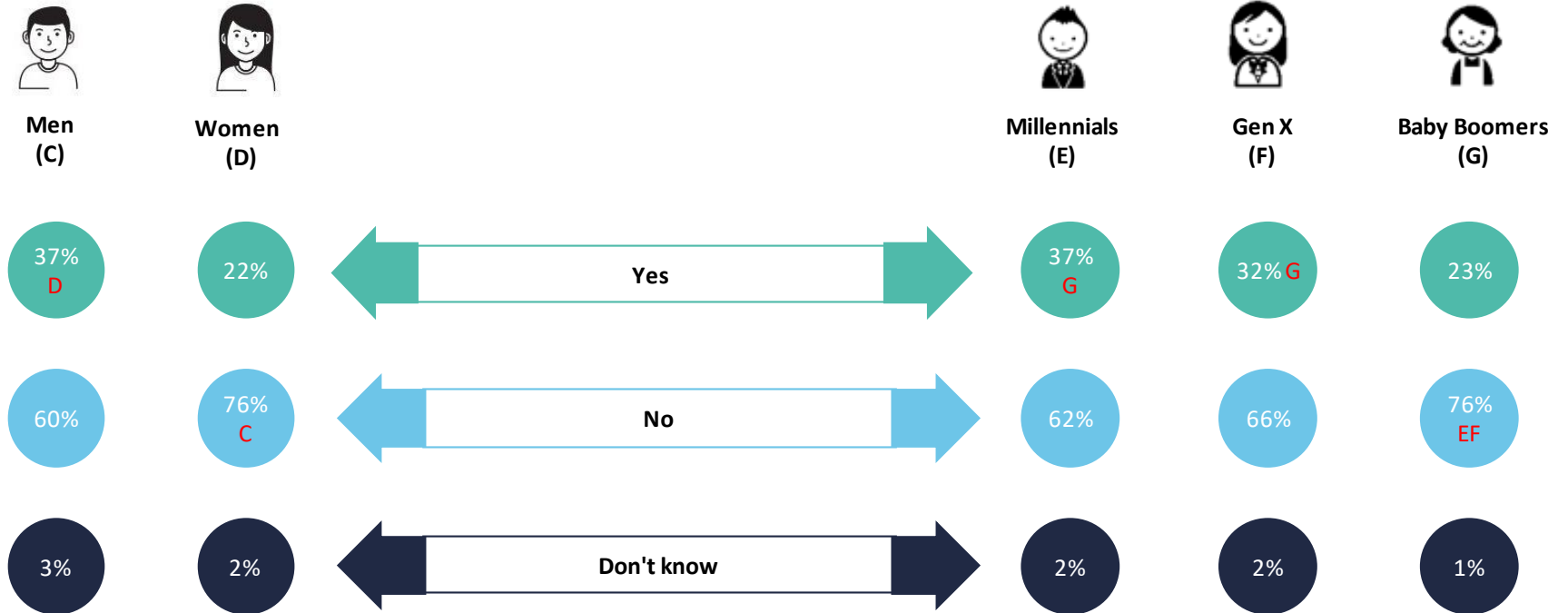
A2. Within the next five years, do you intend to invest in stocks, bonds, mutual funds, or exchange traded funds?

Base: Do not currently invest in stocks, bonds, mutual funds, or exchange traded funds – Men (N=250), Women (N=313), Millennials (N=179), Gen X (N=143), Baby Boomers (N=174)

UK - Current investments by gender & generation

UK Men are significantly more likely than women to have current investments in stocks, bonds, mutual funds, or exchange traded funds (37% vs. 22%, respectively). More than one third of Millennials currently invest (37%), followed by Gen X (32%) and finally Baby Boomers (23%).

UK

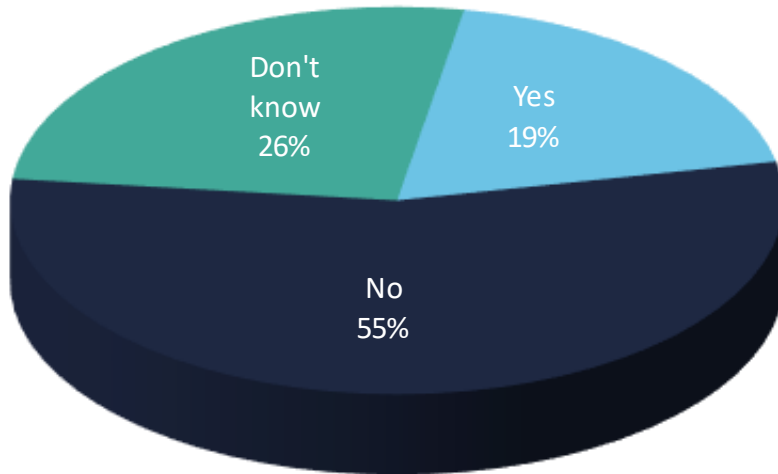


A1. Do you currently invest in stocks, bonds, mutual funds, or exchange traded funds?
 Base: Men (N=503), Women (N=501), Millennials (N=419), Gen X (N=313), Baby Boomers (N=196)

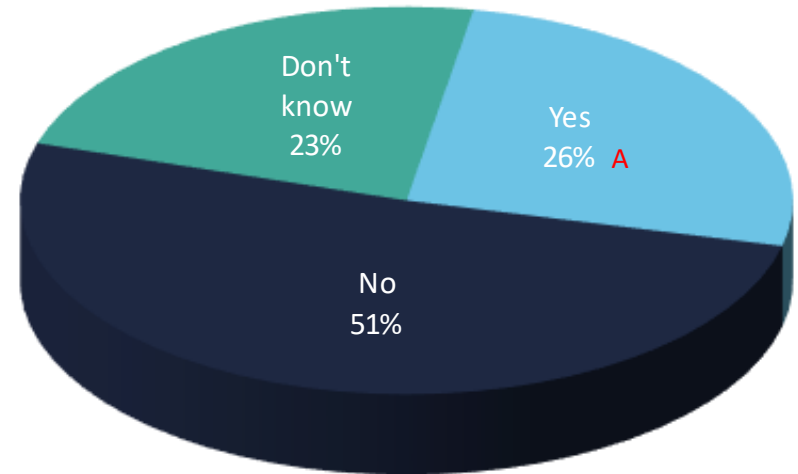
Future investments

Roughly one in five respondents in the UK (19%) indicate they plan to invest in stocks, bonds, mutual funds, or exchange traded funds over the next five years - which is significantly less than their U.S. counterparts (26%).

UK
(A)



U.S.
(B)



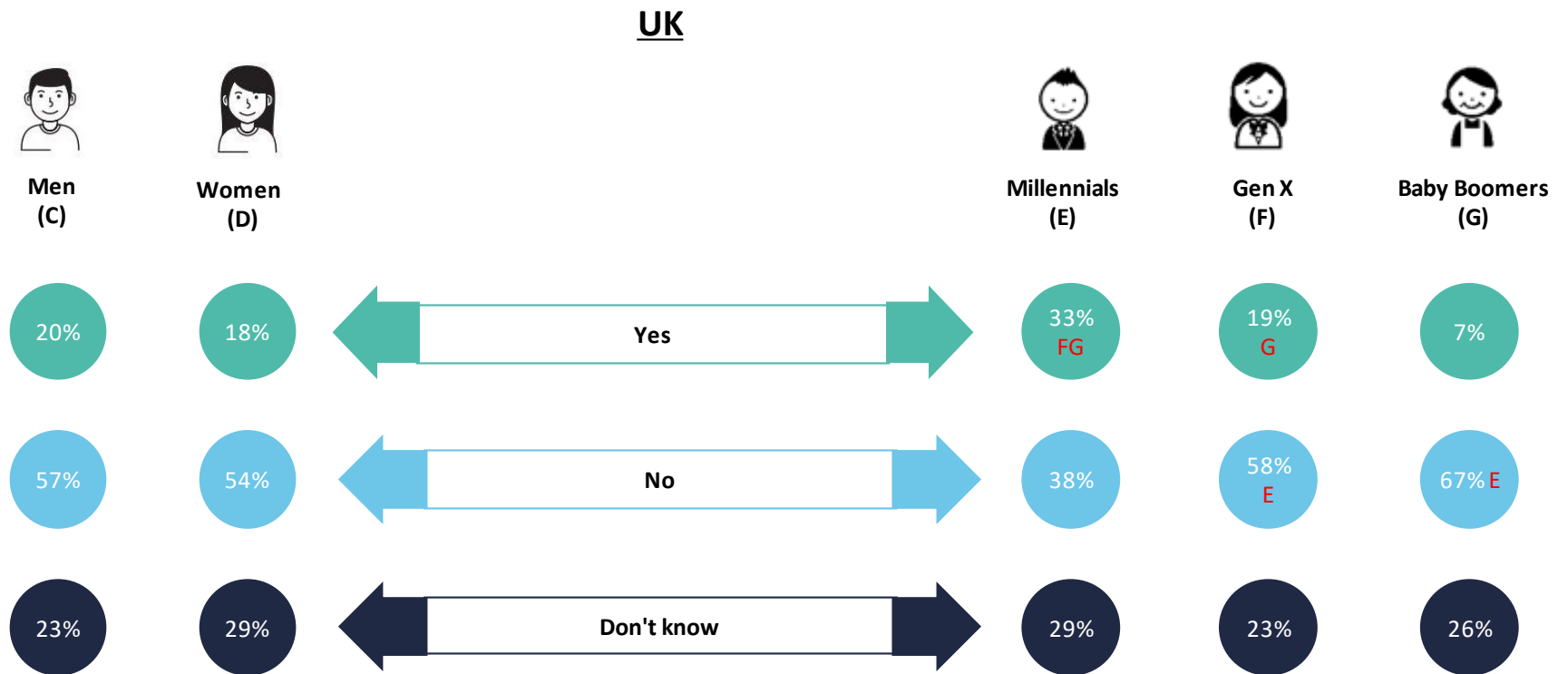
A2. Within the next five years, do you intend to invest in stocks, bonds, mutual funds, or exchange traded funds?

Base: Do not currently invest in stocks, bonds, mutual funds or exchange traded funds

UK (N=665), U.S. (N=563)

UK - Future investments by gender & generation

Among those who (UK) do not currently invest in stocks, bonds, mutual funds, or exchange traded funds, Millennials (33%) are by far the most likely to express an intention to invest within the next five years.



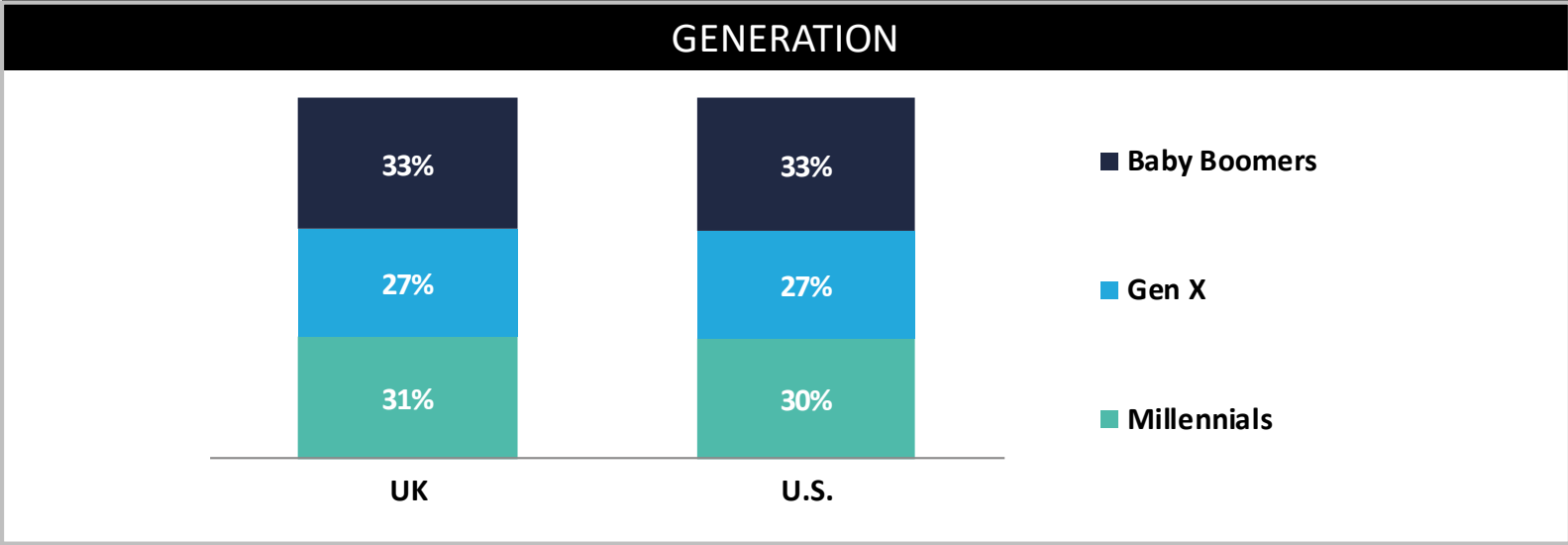
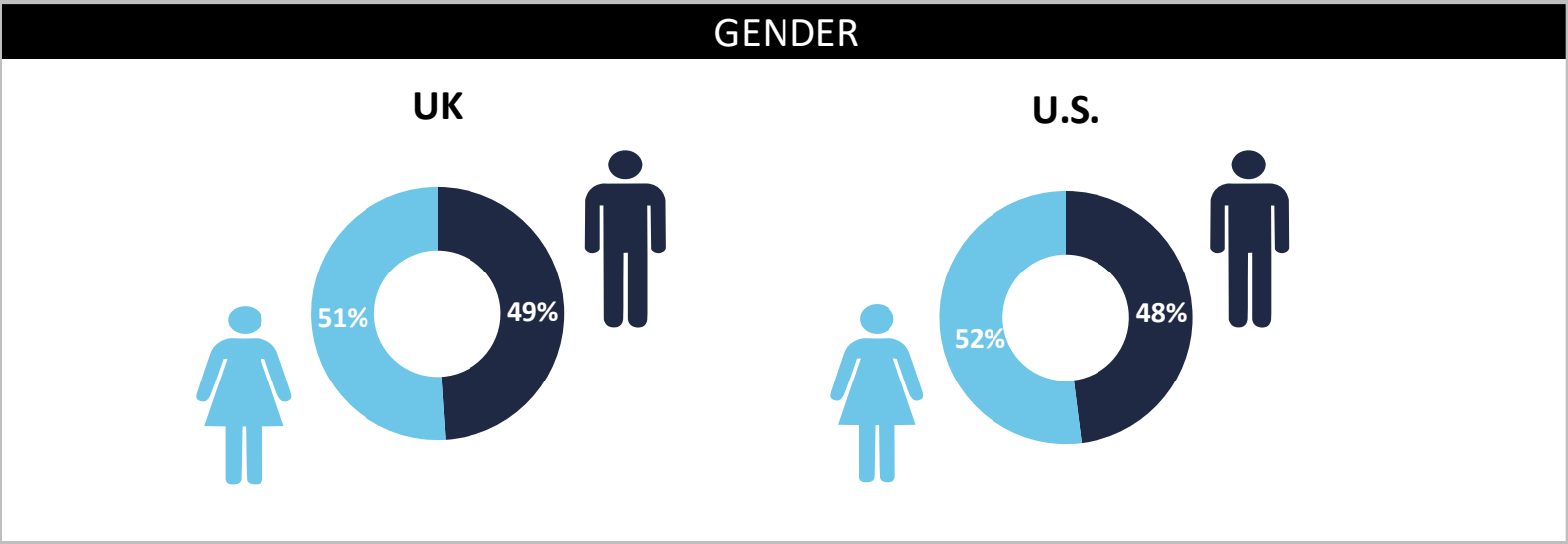
A2. Within the next five years, do you intend to invest in stocks, bonds, mutual funds, or exchange traded funds?

Base: Do not currently invest in stocks, bonds, mutual funds or exchange traded funds

Men (N=290), Women (N=375), Millennials (N=263), Gen X (N=208), Baby Boomers (N=146)

Appendix

Respondent profile



Questionnaire

A1 Do you currently invest in stocks, bonds, mutual funds, or exchange traded funds?

- 01 Yes
- 02 No
- 03 Don't know

Asked of those who do not currently invest in stocks, bonds, mutual funds or exchange traded funds...

A2 Within the next five years, do you intend to invest in stocks, bonds, mutual funds, or exchange traded funds?

- 01 Yes
- 02 No
- 03 Don't know

A1A Do you intentionally choose to do business with companies whose values align with yours? For example, doing business with TOMS shoes or Warby Parker because of their buy one/donate one policy?

- 01 Yes
- 02 No, it does not matter to me
- 03 No, but I might consider that in the future
- 04 Don't know

A3 When considering investments, how important are these factors in your decision?

- 01 Very important
 - 02 Somewhat important
 - 03 Somewhat unimportant
 - 04 Not very important
 - 05 Don't know
-
- A. Risks
 - B. Impact on society
 - C. Fees
 - D. Length of time the money will be invested
 - E. Return on investment

Questionnaire continued

A4 How familiar are you with the concept of 'impact investing,' which refers to an investment in companies, organizations and funds that have a beneficial impact on society, while also providing a financial return to investors?

- 01 Very familiar
- 02 Somewhat familiar
- 03 Somewhat unfamiliar
- 04 Not at all familiar
- 05 Don't know

A5 How appealing is the concept of 'impact investing' to you?

- 01 Very appealing
- 02 Somewhat appealing
- 03 Somewhat unappealing
- 04 Not very appealing
- 05 Don't know

Asked of those who are very or somewhat familiar with the concept of 'impact investing'...

A7 Where did you learn about 'impact investing' and/or 'ESG investing'?

- 01 Newspaper/magazine/television
- 02 Social media
- 03 Financial company
- 04 Financial advisor
- 05 Employer
- 06 Family or friend
- 07 Other

Questionnaire continued

A6 If you were to make an 'impact investment' that aligns with your personal values or priorities, select the cause that matters to you most.

- 01 Healthcare/disease prevention and cures
- 02 Alignment with religious principles
- 03 Environment/sustainability
- 04 Improved education
- 05 Mitigating poverty
- 06 Gender equality
- 07 Other

Creating hope for life

TOGETHER

WE CAN BE A POWERFUL FORCE FOR THE **GREATER GOOD**

When you partner with us, you invest in your financial future and support research dedicated to eliminating life-threatening diseases.

MANAGING MONEY, MAKING AN IMPACT

American Century pays dividends to our owner, the Stowers Institute for Medical Research, a world-class biomedical research organization.



CONTRIBUTING TO HUMANITY

The Stowers Institute works to uncover the secrets of health and human life and funds treatments through BioMed Valley Discoveries.



ADVANCING INNOVATIVE TREATMENTS

BioMed Valley Discoveries' mission is to address unmet patient needs across a wide spectrum of diseases.