

THE GROWING FUTURE OF SOCIALLY RESPONSIBLE INVESTING

INVESTORS MAKE DECISIONS BASED ON PROFIT AND ROI. INCREASINGLY, THEY'RE ALSO CHOOSING TO INVEST IN COMPANIES AND FUNDS WHOSE VALUES ALIGN WITH A GREATER PURPOSE.



What is Socially Responsible Investing?

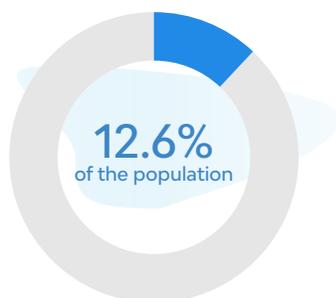
Let's say you care deeply about the environment, civil rights or grassroots community issues. You also happen to have a bit of money available to invest. And, rather than simply investing based on performance metrics, you choose to make investment decisions that will both generate a financial return and align ethically with your values. That is socially responsible investing (SRI).

Money holds the power to enact change for a greater good and SRI has seen 40% growth year-over-year since 2016.

To help guide financial services leaders as they navigate the growing future of SRI, let's look at investors with non-retirement assets over \$500K and investors with non-retirement assets over \$500K with an interest in corporate responsibility.

Investors with Assets Over \$500K

In looking at all investors with non-retirement assets over \$500K, this group is 353% more likely to invest with Charles Schwab, 258% more likely to invest with Vanguard and 200% more likely to say they would be unwilling to look into robo-investing.



On a personal level, they value duty, tradition and safety. They're driven by proving competence and earning recognition from peers. They're 59% more likely than the average American to be retired.

- 201% More likely to look for an advisor who offers objective advice
- 192% More likely to consider comprehensive stock trading tools important
- 189% More likely to value low stock trading fees
- 188% More likely to prefer an advisor who understands needs/risk tolerance
- 175% More likely to look for a broad range of investment options

While this group doesn't cite corporate responsibility as important to them, that doesn't mean they don't care. In fact, they're already taking a stand with their money and time: they are **24% more likely to contribute to charity** and **12% more likely to volunteer**. Their top charities include care/help for veterans, treatment of childhood disease, natural resource protection and climate change. **They're also 30% more likely to identify as very socially liberal.**

Connect and Educate Investors Not Yet Aware of SRI

These investors may not be attuned yet to the idea of SRI but all signs point to towards an interest in a greater good and making decisions based on values.

Since they are **183% more likely to look for a highly personalized investment experience and 201% more likely to look for someone who will give objective advice, approach these investors with a clear ROI on SRI decisions that are tailored to their specific charitable interests.**

Educate them on the idea of SRI since it may not be on their radar at this point and reassure them that it is a financially savvy move. Perhaps, you offer a variety of SRI tracks that give a customized feel for those who are passionate about the environment and sustainability or social justice.

Investors with Assets Over \$500K Who are Concerned with Corporate Responsibility

Investors who are concerned with corporate responsibility are **46% more likely to value security in their financial services products and**

18% more likely to value safety. These investors care about which corporations donate to charity, support the community, reduce energy use, provide safe products and treat their employees fairly. Additionally, they are driven by an optimistic outlook; these are consumer activists who believe in the greater good and they stand by those corporations who do the same.



116% More likely to consider customer service important when selecting an advisor

25% More likely to believe the stock market will decrease in the next 12 months

30% More likely to use an online only bank

34% More likely to look for financial services products that are dependable

28% More likely to look for financial services products that are cost-effective

When it comes to their politics, they're most likely to fall into our [Left Wing Loyalists](#) group. Their top charitable issues are natural resource preservation and reduction of homelessness.

It's likely that their investment decisions will reflect those issues, particularly as they choose to align themselves with investment management firms who they view as responsible.

As a financial services institution, if you are trying to connect with this group of investors, it's important not only that you consider how their investments align with funds that reflect their core issues, but also that your own corporate values benefit a greater purpose. These investors want to know that their money is being handled by employees who are treated fairly and that a share of profits are being reinvested in the community. Marketing and communications directed towards this cohort, in addition to educating these investors on funds and investment decisions that align with their interests, should reflect and emphasize what you're doing to further corporate responsibility.

Connecting Corporate Responsibility, SRI and a Growing Market

Consumer decisions driven by internal values are only increasing in the current climate and we will continue see this reflected in investors looking to pursue SRI. For financial services institutions and investment advisors, you'll position yourself as a leader in investment trends by educating your customers on the benefits of SRI and objectively assuring them that these are sound financial decisions guided by their personal values.

Investors like watching their portfolio grow. They feel even better watching it grow knowing that they are supporting companies and corporations whose values, actions and/or mission are doing good in the world. **We need more good in the world right now -- that's why socially responsible investing will continue to grow in the years to come.**