BNY MELLON | INVESTMENT MANAGEMENT

The Pathway to Inclusive Investment

How Increasing Women’s Participation Can Change the World

This is a marketing communication.
The value of investments can fall.
Investors may not get back the amount invested.

Foreword

Investment is a powerful force for change on both an individual and a global level. It can increase personal prosperity and provide greater independence and freedom. It also gives us the power to support our own personal values through investments that could generate a positive social and environmental impact, alongside a financial return.

Considering these wide-reaching benefits, we should be encouraging and empowering anyone who can to start investing, but progress needs to be made to drive accessibility within the asset management industry. Although technology is making it easier to invest from a practical perspective, there are other ways in which the industry is not helping to promote inclusion, such as the lack of tailored language and messaging.

Inclusive investment means opening investment up to all. This is investing as it should be because, ultimately, it is something that we will all benefit from but as this research reveals it also will increase the investment pool and flow into more responsible investing.

This report – the first in BNY Mellon Investment Management's (BNY Mellon IM) new series on inclusive investment – focuses on closing the gender-investment gap, and the benefits that should result. Despite this issue being in the spotlight for decades, women are still less likely to invest than men, compounding any other financial disadvantages and limiting women's collective influence as investors.

To effect change, we sought first to understand the current state of play by conducting one of the most detailed and expansive investigations into investment attitudes and behaviors across the world. We set out to explore some of the key drivers behind the persistent gender-investment gap from the perspective of those who currently invest, those who don't, and the industry itself.

To do this, we sought the views of 8,000 women and men across 16 markets on their investment behaviors, and insights from 100 asset management firms representing assets under management of nearly US$60 trillion [1]. We then combined BNY Mellon IM's insights with the suggested solutions from an advisory panel that included financial journalists, business leaders, and entrepreneurs.

This independent research commissioned by BNY Mellon IM found that if women invested at the same rate as men, there could be an extra $3.22 trillion [2] available for investment today. The Pathway to Inclusive Investment explores the reasons why more women do not invest, what would encourage them to invest, and how the investment industry needs to evolve to support more inclusive investment.

We interviewed
8000
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across
16
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and
100
global asset managers

managing
$60 trillion
in assets

Foreword

We also learned that women's participation in investment is held back by three powerful impediments: the engagement crisis; the income hurdle (the perceived income required to start investing); and the perception that investing is inherently high-risk. We realized that women are not uninterested in investing, but many are under-confident as a direct result of the fact that the investment world is not reaching women as effectively as it could. However, our data does suggest that a shift is already taking place, with younger women more engaged with investing: 60% of women aged 18 to 30, for example, are open to investing or have invested in the past, compared with just 45% of women over 50. Change is happening, but not quickly enough.

Our study also reveals that increasing women's investment is critical not only for their personal prosperity but also for society and the planet. Women are more likely to invest for social and climate impact, and choose investments based on their individual values. More than half of women would invest – or invest more – if the impact of the investment aligned with their personal values or if the fund had a clear purpose for good. This trend is even more pronounced among younger generations: 71% of women under 30, for example, who already invest, prefer to invest in companies that support their values, compared with 53% of women over 50. Greater female participation in investment – to the same level as male participation – could, therefore, see an additional $1.87 trillion [3] channeled into Responsible Investment or investments that have a wider impact on society and the world, as well as potentially providing returns.

While the gender-investment gap is a known phenomenon, suggested solutions have typically focused on educating women. We believe it is not simply women who need to act but that the industry itself also needs to evolve, in order to encourage greater levels of female participation in investment. Currently, almost nine in 10 asset managers (86%) say that their default customer – the person they automatically target when developing and communicating products – is a man. As a result, almost three-quarters (73%) of asset managers admit that their organization's products are primarily aimed at men, thereby creating a disconnect in how the industry approaches women, their values, and what motivates them to invest.

We want to champion the power of investing – and the power of female investment – in order to demonstrate that inclusivity and diversity matters, and that the time to act is now.

We would like to thank everyone who took part in our global study, in particular our expert panel, whose in-depth insights helped shape this report.

> “We want to champion the power of investing, and the power of female investment, in order to demonstrate that inclusivity and diversity matters—and that the time to act is now.

Hanneke Smits

CEO
BNY Mellon Investment Management

About the Study

In 2021,* BNY Mellon Investment Management (BNY Mellon IM) conducted one of the largest ever global independent consumer studies that examines investment attitudes and behaviors.

The study included 8,000 women and men across 16 markets [4] – comprising consumers who already invest as part of their future financial planning and those who currently do not invest. To provide the investment industry perspective, we also interviewed 100 global asset managers, representing 100 asset management firms with US$59.6 [5] trillion in combined assets under management. To complement the global opinion research, we also held a series of in-depth discussions with an international expert advisory panel who provided their perspectives on the research findings and their ideas on making investment more gender inclusive.

Expert advisory panel

BNY Mellon IM would like to thank our expert advisory panel for their invaluable insights:

Iona Bain, UK finance expert, journalist, podcaster and author of Own It! How Our Generation Can Invest Our Way to a Better Future

Farmida Bi, European head of Islamic Finance and EMEA chair at Norton Rose Fulbright

Cheryl Chong, Asia-Pacific finance expert, co-founder of The Social Co. and non-profit adviser

Gemma Godfrey, UK finance expert, non-executive director and entrepreneur

Holly Mackay, UK finance expert, founder and managing director of Boring Money

Stefanie O'Connell, US millennial money expert and author of The Broke and Beautiful Life

*Although conducted in 2021, BNY Mellon IM is of the opinion that this study is still representative of today's market situations.

Executive Summary

With this study—the first in our series on inclusive investment—we set out to understand the barriers that prevent women from investing and the potential impact if more women invested.

The fact that women are still less likely to invest their money than men puts women at a disadvantage in terms of potential financial growth. It could also mean that women have less influence on corporate behavior and on the world, as choosing where to invest (and where not to invest) can help to drive change.

Our study also reveals that if more women invested and invested more, such increased participation could have a positive impact on women's lives, on the investment industry, and on the planet.

We found that if women invested at the same rate as men, there would be at least an extra $3.22 trillion of assets under management from private individuals today. Perhaps more important, our research also reveals that women are more likely to make investments that have positive social and environmental impacts, meaning that there would be an influx of $1.87 trillion of additional capital into Responsible Investment if women invested at the same rate as men.

$3.22 trillion

available for investment today

$1.87 trillion

in impact investments benefiting people and the environment

> **“In 2019 we ran a project where we asked a group of 15 women and men to draw an investor. Without exception they all drew a man. In a suit. Lots of people added bowler hats and briefcases.**
>
> **The industry has a massive challenge where too many people remain in cash as part of their longer-term savings because they do not see investing as relevant to their world. Until people believe that investing can be for everyone and managed by people who they believe generally have their best interests at heart–we are pushing a very heavy boulder up a very steep hill.**
>
> **Holly Mackay**
> UK finance expert, founder and managing director of Boring Money

Why women don't invest

There are three key barriers to higher levels of female participation in investing:

- The engagement crisis: Globally, just 28% of women feel confident about investing some of their money.
- The income hurdle: On average and globally, women think that they need $4,092 of disposable income each month (or, almost $50,000 per year) before [they can begin] investing some of their money.
- The high-risk myth: Almost half of women (45%) say that investing money in the stock market, either directly or in a fund, is too risky for them. Only 9% of women report that they have a high or very high level of risk tolerance when it comes to investing; 49% have a moderate risk tolerance; and 42% have low risk tolerance.

How women investing can change the world

Encouraging greater levels of female investment could see more money flowing into funds with social and environmental goals, as many women are more focused on responsible investments that have positive outcomes for the wider society and the planet, as well as returns for the investor:

- Over half of women (55%) would invest (or invest more) if the impact of their investment aligned with their personal values.
- Over half of women (53%) would invest (or invest more) if the investment fund had a clear goal or purpose for good, i.e., if it had a broader positive impact on society or the environment than just return on investment.

Younger women are particularly focused on values-based investment:

- Over seven in 10 women (71%) under 30 who already invest prefer to invest in companies that support their personal values, compared with to 53% of women over 50 who invest.

Building an inclusive investment industry

Our study also reveals the extent to which the investment industry is currently oriented toward men:

- Almost nine in 10 asset managers (86%) admit that their default investment customer (i.e., the person they automatically target with their products) is a man.
- Almost three-quarters of asset managers (73%) state that their organization's investment products are primarily aimed at men, suggesting that they focus on the benefits and features that generally appeal more to men than women.

A key step in fostering inclusive investment is creating a more diverse and inclusive investment industry:

- Half of the asset management companies in our study said that only 10% or fewer of their fund managers or investment analysts are female.
- Nearly three-quarters of asset managers (73%) believe that the investment industry would be able to attract more women to invest if the industry had more female fund managers.

Part One: Why Women Don't Invest

In order to understand why women don't invest at the same rate as men, and to explore what we in the industry can do to raise levels of female participation, we interviewed 8,000 men and women worldwide.

Our research reveals that the investment industry must tackle three key investment barriers to encourage more women to invest:

1. **The Engagement Crisis**
2. **The Income Hurdle**
3. **The High-Risk Myth**

1. The Engagement Crisis

The investment industry is failing to reach, appeal to, and engage women to the same degree as men

Globally, as few as one in ten women feel they fully understand investing, and less than a third of women (28%) feel confident about investing some of their money. With so few women comfortable investing any of their money, the urgent need for better communication and engagement is clear. Across key aspects of financial decision-making, investment is the area where fewest women feel confident, compared to making decisions around savings, property and pensions.

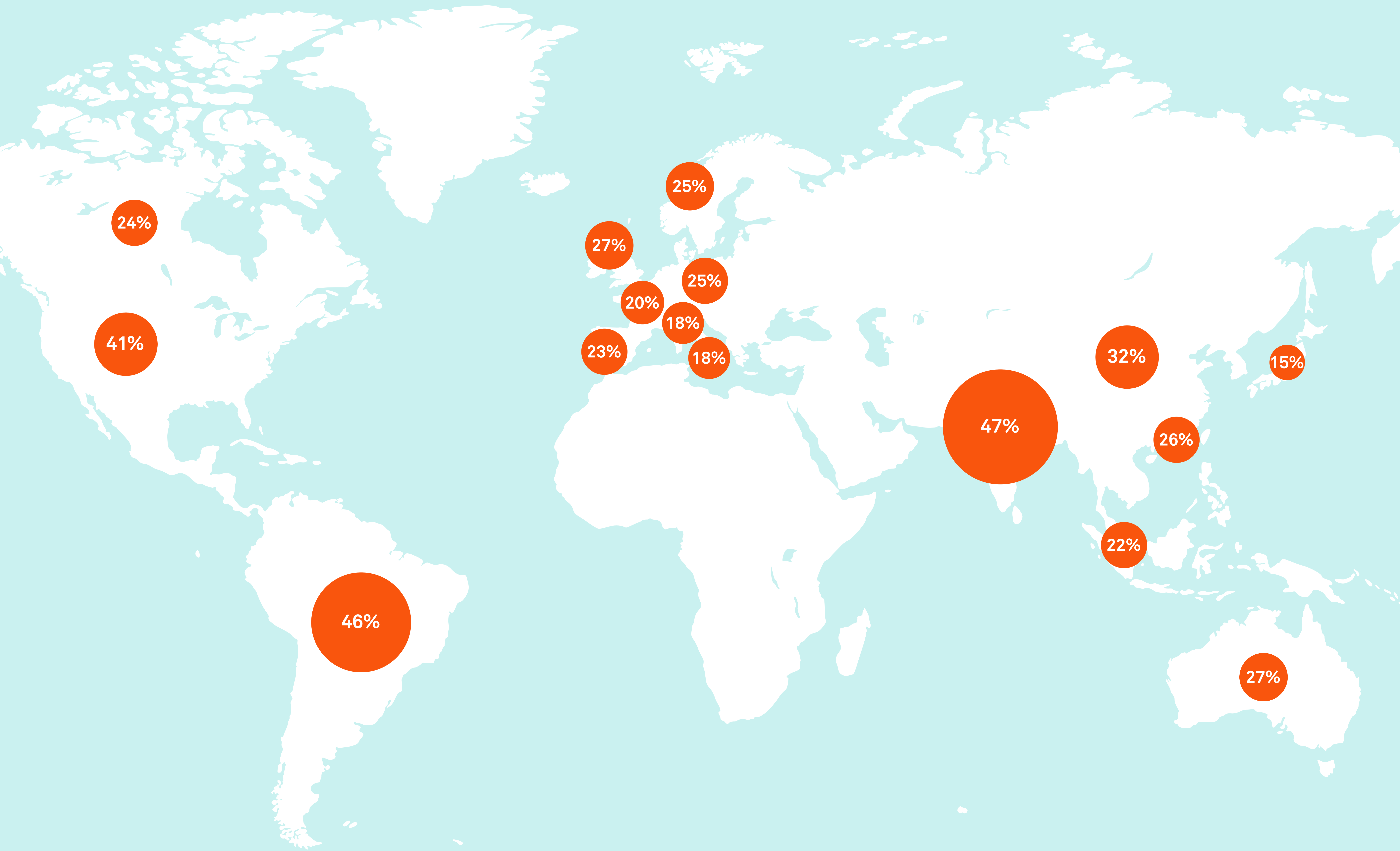
Confidence surges among women in young, emerging markets

The failure to engage is not uniform across the globe, but varies significantly by country. Just 15% of women in Japan, for example, feel confident about investing some of their money, compared with three times that number (47%) in India and Brazil (46%).

> “To solve this crisis, we need to take the conversations to women and not just expect them to come to us. We need to talk, we need to engage, we need to be relevant and we need to be accessible.

Holly Mackay
UK finance expert, founder and managing director of Boring Money

Women's investment confidence map



> **In some countries, investing is embedded in the culture and discussed openly among friends and family, leading to higher levels of investment comfort and confidence. Countries such as India have comparatively higher levels of investment participation among women, as investment can be seen as a way of securing their family's future.**

Farmida Bi
European head of Islamic Finance and EMEA chair at Norton Rose Fulbright

Such disparity in confidence levels may be partly due to the demographics of these markets. India and Brazil have relatively young populations, and our data suggests that younger women are more engaged with investing: 60% of women aged 18 to 30, for example, are open to investing or have invested in the past, compared with 45% of women over 50.

In addition, different levels of discussion and education may also play a part. In India where confidence levels are highest, our data shows that there are more conversations about investment taking place. Half of the Indian women in the study, for example, say that their parents educated them on investing, compared with an average of just 32% of women across all markets and just 12% in Japan, where levels of investment confidence are lowest.

2. The Income Hurdle

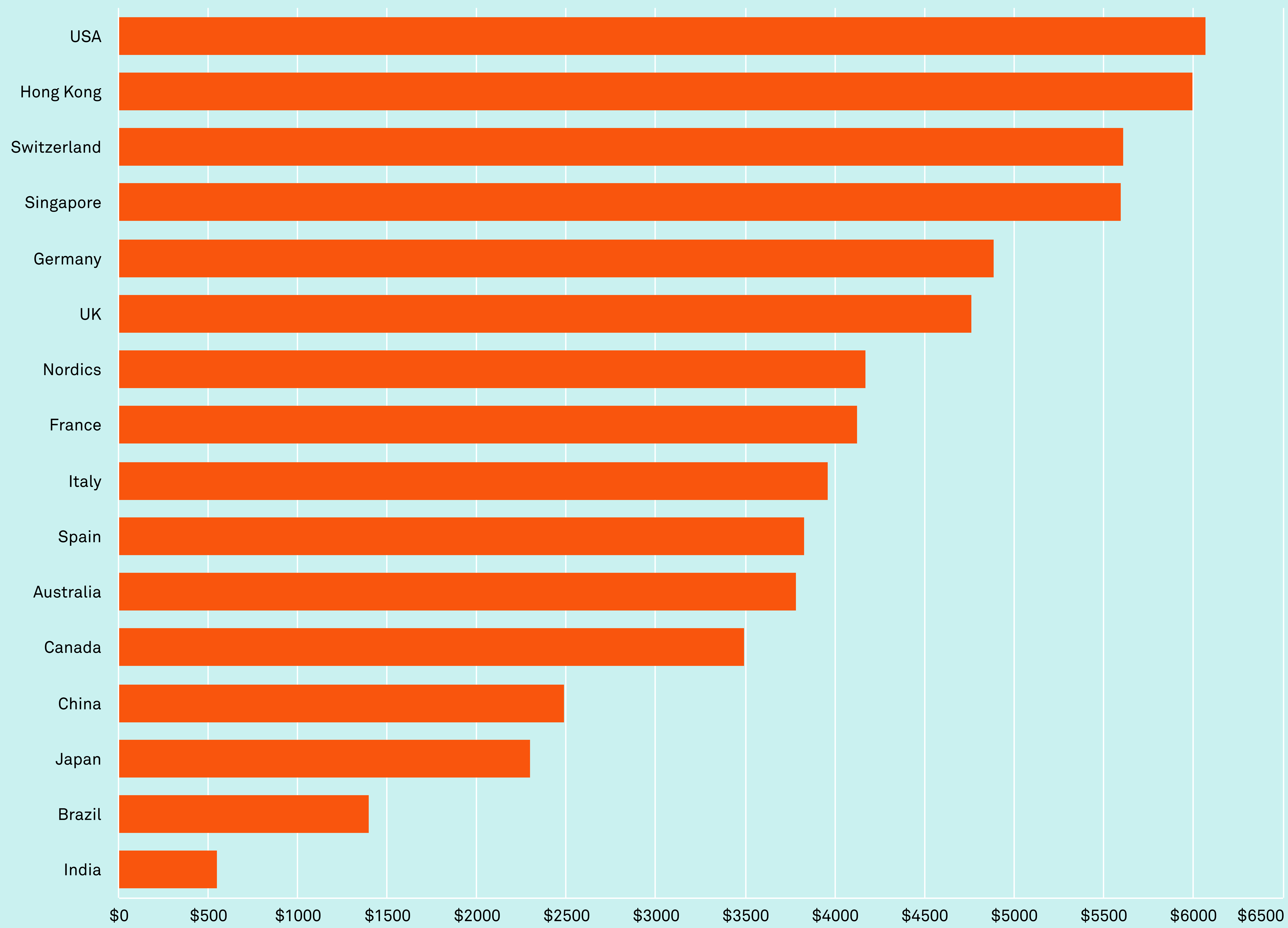
On average and globally, women believe they need $4,092 of disposable income each month (or, almost $50,000 per year) before they would consider investing any of it. In the US on average, for example, women believe that they need over $6,000 of monthly disposable income (or, just over $72,000 per year) before they can start investing.

Clearly this is unrealistic, especially given the fact that over a quarter of women (27%) describe their financial health as poor or very poor. For the investment industry, overcoming this misconception and explaining that only a small amount of money is needed to start investing should be a key focus.

> "In the UK, the annual tax-free contribution limit for Individual Savings Accounts (ISAs)—which can be invested in stocks and shares—is £20,000[6] ($27,550[7]). But rather than understanding this as a limit, many people seemed to be under the impression that this was a minimum or target amount.

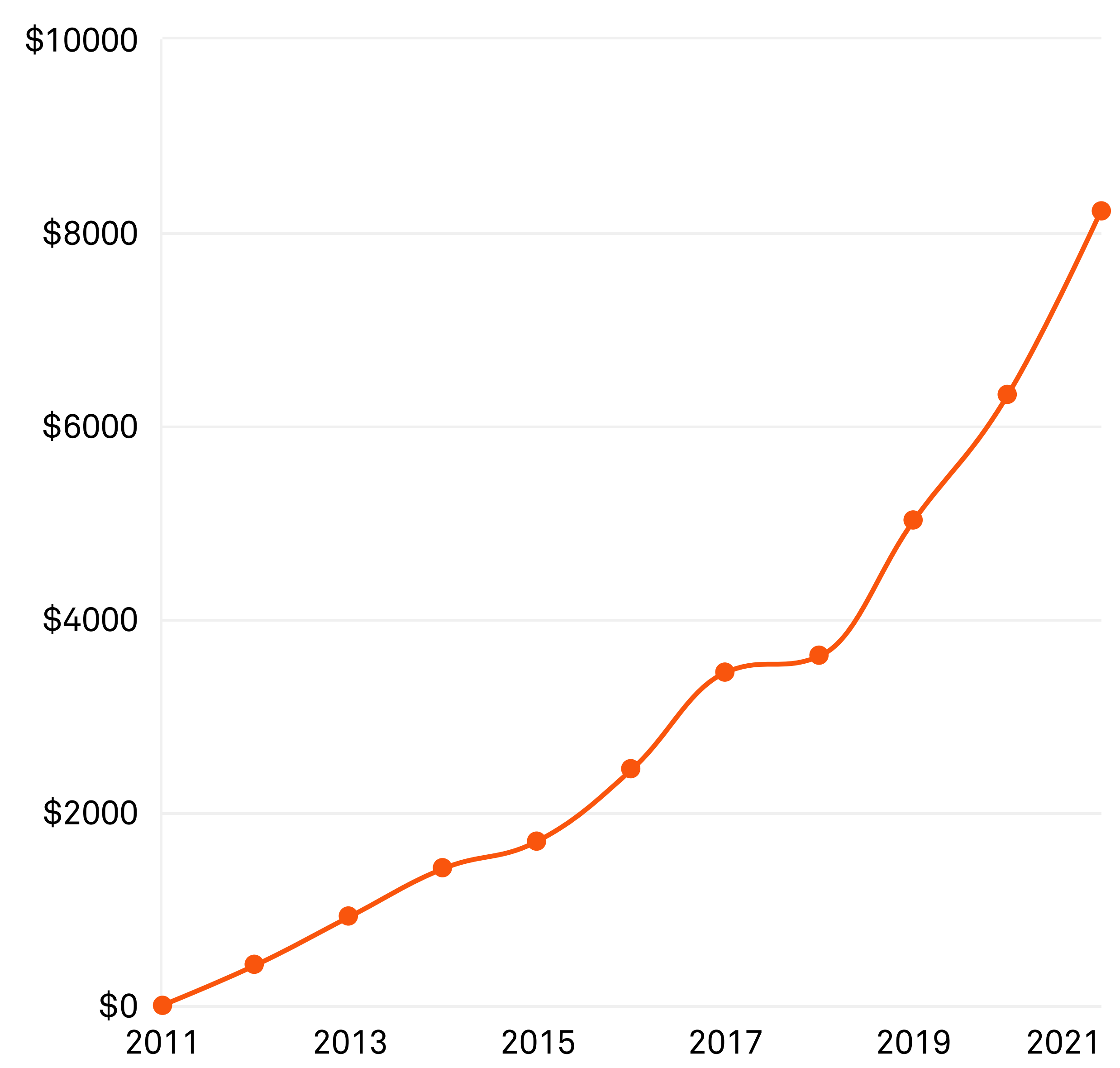
Gemma Godfrey
UK finance expert, non-executive director and entrepreneur

The average amount of monthly disposable income women think you need to start investing



Overcoming the income hurdle

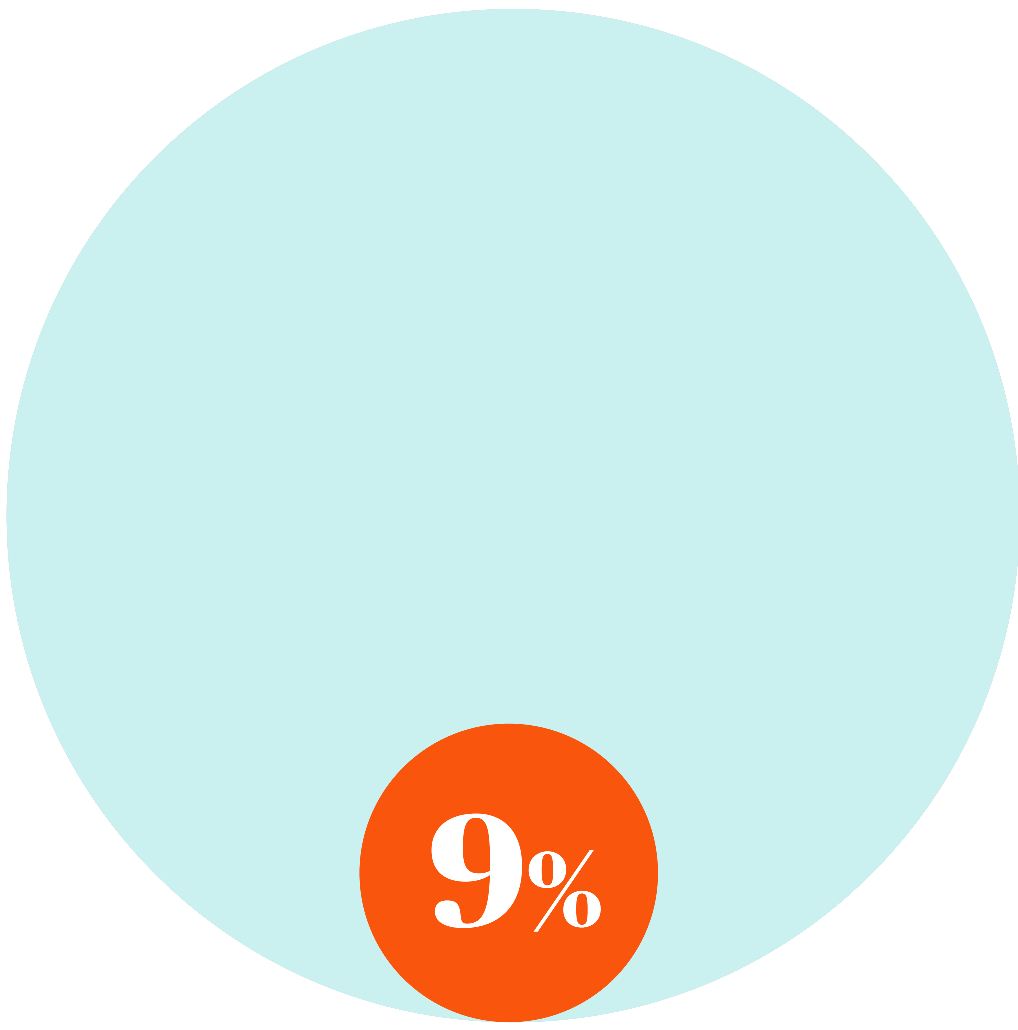
Despite the widespread belief that you need large amounts of spare money to start investing, even a small investment habit of setting aside a few dollars each month can really pay off over time. For example, if you began 10 years ago investing $30 a month in the S&P 500 Index, your portfolio could be worth over $8,000 today, of which less than half would be money that you put in yourself [8].



3. The High-Risk Investment Myth

While investment offers potential for significant return and can protect capital from the eroding effects of inflation, capital is at risk. However, misperceptions of this risk level are deterring women from investing.

Work needs to be done by the industry to better communicate the risks and rewards of investments, especially in the context of missed potential opportunities from not investing, to bring women into an investment dialogue that is both fair and accurate. For example, 45% of women say that investing money in the stock market, either directly or through a fund, is too risky for them. Just 9% of women say that they have a high or very high level of risk tolerance when it comes to investing. Almost half of women (49%) have a moderate risk tolerance and 42% have low risk tolerance.



Women with a high or very high level of risk tolerance

> **"Investing does involve risk, of course, but the perception that investing always has to be incredibly high-stakes is not the case. And leaving your money in a savings account isn't completely risk-free either. During a time of low-interest rates, money in a savings account is losing purchasing power* over the long term as it is lagging behind inflation.**

Iona Bain
UK finance expert, journalist, podcaster and author

* Purchasing power is the quantity of goods or services that a dollar or another unit of currency can buy. Inflation means that purchasing power is reduced, so that you can buy fewer products with the same amount of money. For example, $5 may have bought you 10 cups of coffee 20 years ago but may only buy you two cups of coffee today.

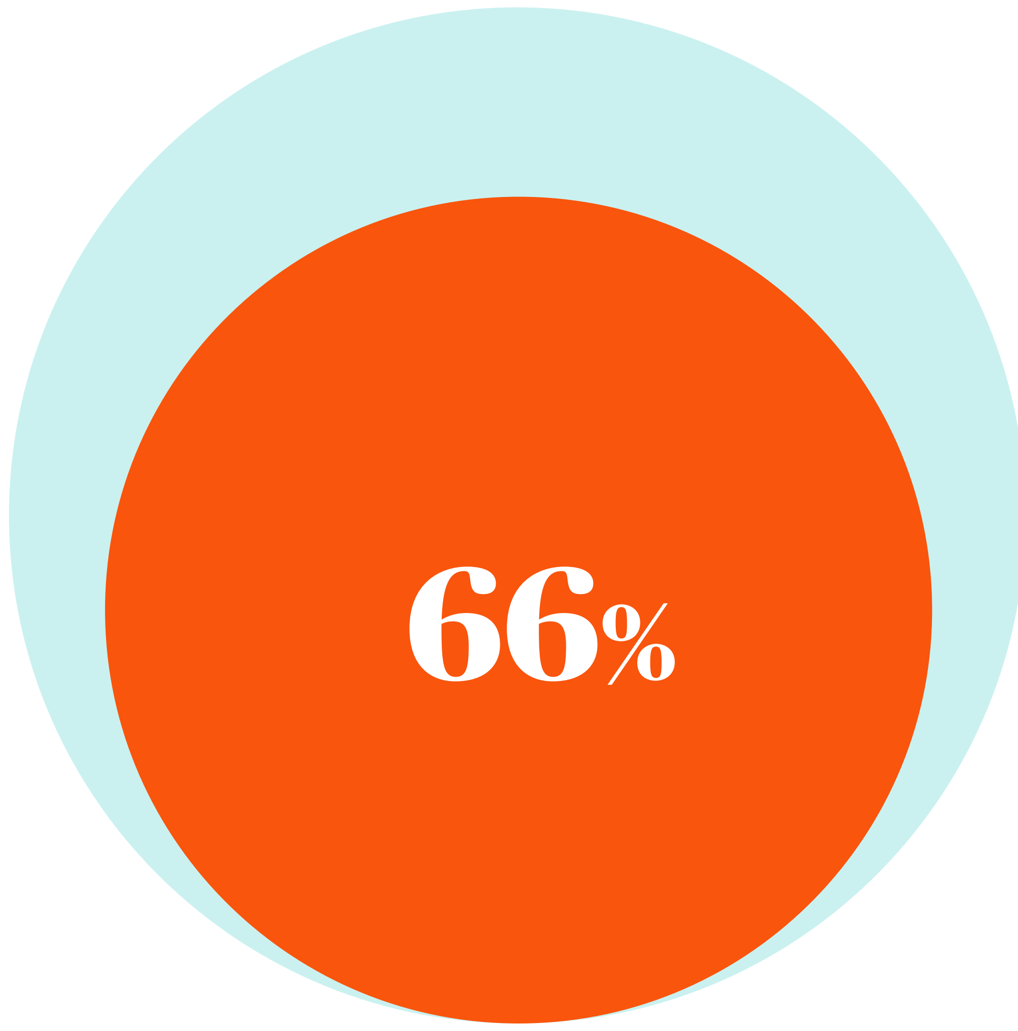
Part Two: How Women Investing Can Change the World

Higher levels of female participation in investment not only could have a huge impact on women's lives but also on the world at large, as women are more likely to invest in causes that they believe in, such as protecting the environment.

What then could encourage more women to invest? Our study shows that women across the world are motivated by the impact that their investments could have.

More than half of women (55%), for example, would invest (or invest more) if the impact of their investment aligned with their personal values, and 53% would invest (or invest more) if the investment fund had a clear goal or purpose for good. Two-thirds of women who currently invest (66%) try to invest in companies they like and that support their personal values.

This drive to align investments with values seems to be stronger among those with children: three-quarters of parents – both women and men – who currently invest say that they prefer to invest in companies that support their personal values, compared with 59% of adults who do not have children.



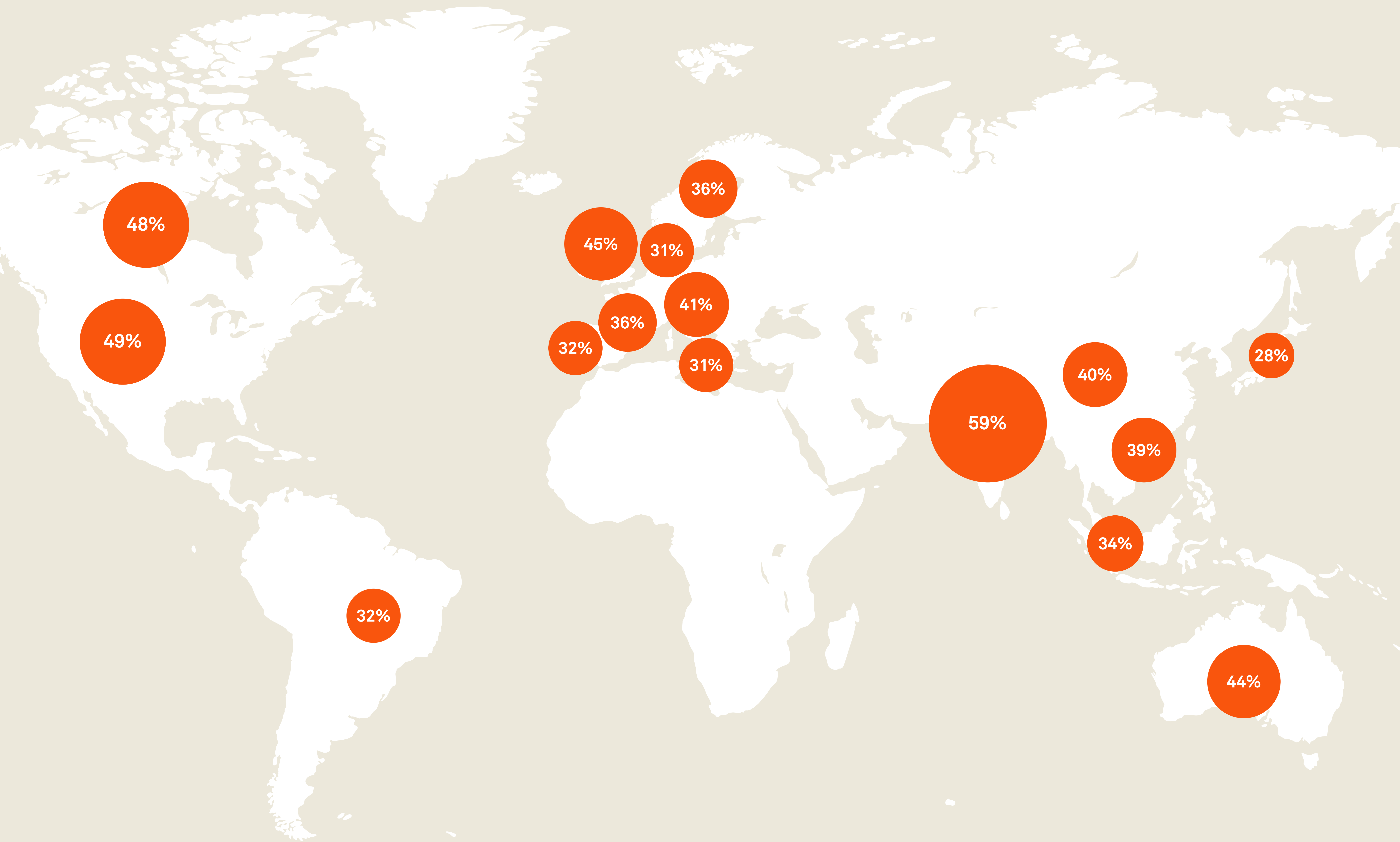
Women who currently invest try to invest in companies they like and that support their personal values.

> **“Naturally, women want to see returns on their investments, but they also want to see the impact of their money. Investing for the future–whether it is their own financial security or for the future of the planet–goes hand in hand with female empowerment.**

Holly Mackay
UK finance expert, founder and managing director of Boring Money

The investment impact map

The countries with the highest proportion of women who want their investments to have a positive impact.



Impact investing: looking beyond return

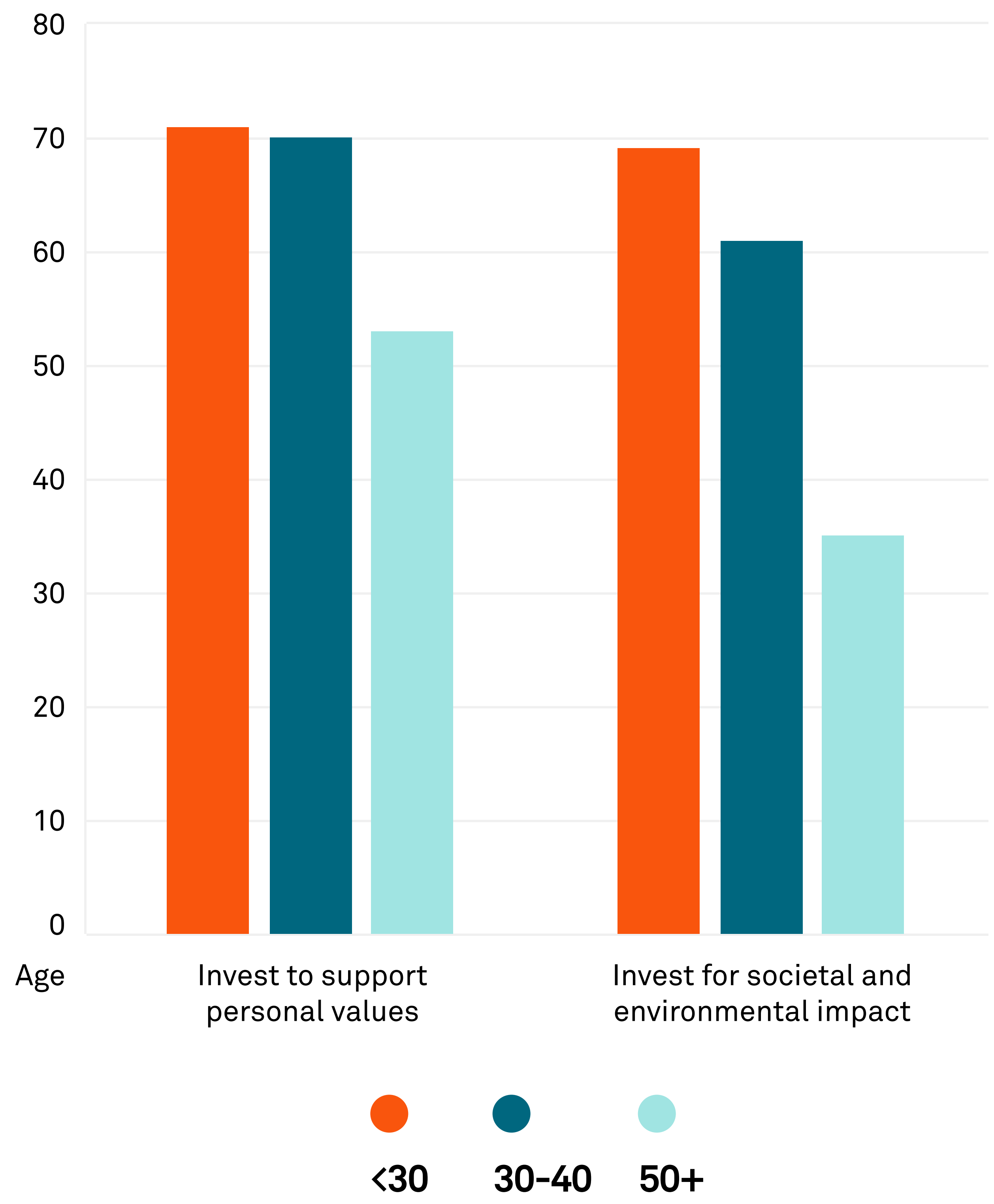
Responsible Investment (RI) means investing for a better future; a more sustainable, diverse, and equitable future. RI covers a spectrum of investing styles, including exclusionary screening, ESG integration, sustainable investing and impact investing. ESG integration is the systematic and explicit incorporation of ESG factors into financial analysis and investment decisions to better manage risks and improve returns. Impact investing goes a step beyond ESG investing. It is the practice of investing with the dual objective of generating a positive, measurable and intended social or environmental impact, as well as a financial return.

Measuring the impact of investments can be difficult, and there is no single way of doing it, although there are many different approaches to responsible investing and frameworks, ranging from simply excluding investments that are harmful to actively selecting investments for the specific good that they do.

Interest in impact investing has been growing rapidly in recent years. According to the Global Impact Investing Network (GIIN), this particular market is now worth more than $700 billion [9].

Younger women strive to combine purpose with profit

When it comes to combining purpose with profit, younger women are leading the way. Of those women who currently invest, 71% of women under 30 and 70% of women in their 30s and 40s prefer to invest in companies that support their personal values, compared with 53% of those over 50. Almost seven in 10 women under 30 who currently invest (69%) and 61% of those in their 30s and 40s say they select their current investments for their impact on social or environmental issues, compared with just 35% of women over 50.



> **“Young women are seeing their money as a powerful force for good. There is evidence that young investors are becoming more confident about the stock market, getting to grips with the jargon and understanding how their money can grow while also having a positive impact on the world around them.**

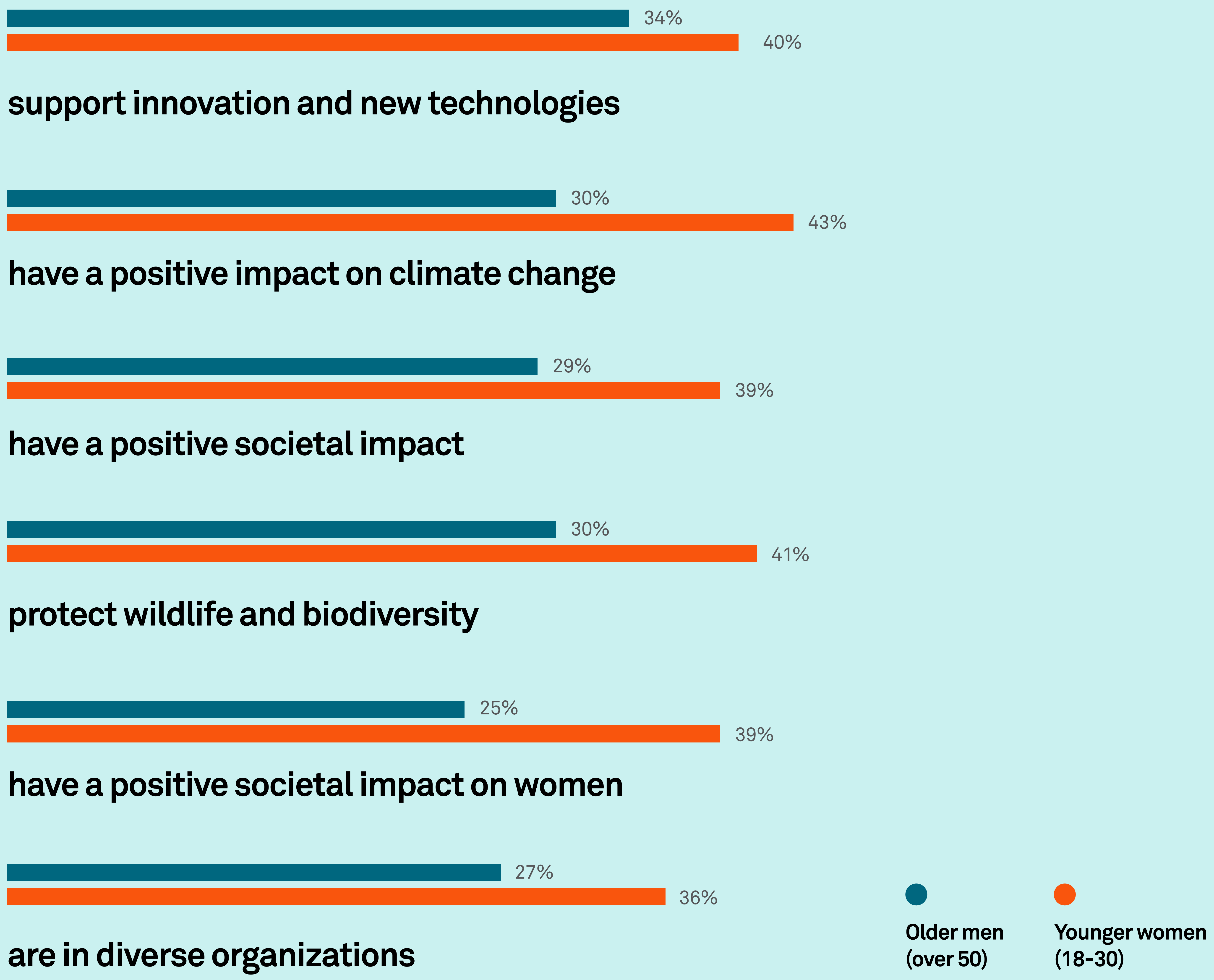
Iona Bain
UK finance expert, journalist, podcaster and author

The investment shift

The profile of those who invest is changing, and with it there is a shift in focus and values. Our data shows that older men (traditionally, the "typical" investors targeted by the investment industry) are less focused on investing to have a positive impact and aligning their investments with their values. While 69% of young women (aged 18–30) who currently invest select their investments based on their impact, this is true of only a third (33%) of older men (aged over 50). And more than seven in 10 women under 30 (71%) prefer to invest in companies that support their personal values, compared with 54% of men over 50.

Investment values: Younger women vs. older men

It is important to me to choose investments that…



Part Three: Building an Inclusive Investment Industry

If it's possible to raise the participation rate of women investing, it could increase their personal prosperity and could have a beneficial influence on environmental and social issues. It's now time for the financial services sector to actively engage the neglected half of the investment market and build a more inclusive investment industry.

Making investing more accessible to women isn't just about ensuring they have the right technology, but also inclusively equipping everyone with the knowledge, skills and fostering the motivation to engage with investing. This requires a significant cultural shift within the industry—not only in the way that products are developed and marketed, but also in the diversity of the investment industry itself.

We asked asset managers representing nearly $60 trillion of assets under management for their insights on the key challenges for gender-inclusive investment and for their thoughts on how the industry can change to encourage more women to invest. Their answers reveal the extent to which the investment industry is currently oriented toward male customers and help identify ways in which financial products and messaging could be reshaped to attract and engage more women.

> **"If women feel like they can't be part of the system, then that's an issue for the system as well as for women themselves.**
>
> **Iona Bain**
> UK finance expert, journalist, podcaster and author

An industry with men in mind

Women's access to investing is often impeded by the industry's focus on a male audience. This is an increasingly outdated approach, because the financial power of women increases through their economic participation and control over their own wealth. Currently, nearly nine in 10 asset managers (86%) admit that their default investment customer is a man, while three-quarters of asset managers (73%) state that their organization's investment products are primarily aimed at men, suggesting that they focus on the benefits and features that generally appeal more to men than women.

As a result, potential female investors are met with language, imagery and messaging targeted mainly at a male customer. This often includes the use of high-risk metaphors, such as those used in extreme sports, and the concept of high performance and achievement as a shorthand for investment success.

There also is a tendency to use financial jargon and overcomplicated investment language in order to foster a sense that the investment customer is part of an exclusive club. This kind of marketing is actively off-putting to women: almost a third (31%) of female consumers said that overly complicated language [which can be unclear or confusing] dissuades them from investing or investing more than they currently do.

86%

Asset managers admit their default investment customer is a man

> **"The idea of performance and wealth-building have become conflated in a way that isn't necessarily healthy. Investing has become much more about performance, gamification, success or achievements, and less about building wealth over the long term.**

Stefanie O'Connell
US millennial money expert and author

> **"The language is quite technical and jargony—it's that risk concept—the very word 'risk' is wrong—it isn't risk, it's 'uncertainty.' Risk is doing something silly. That will put women off whatever age they are.**

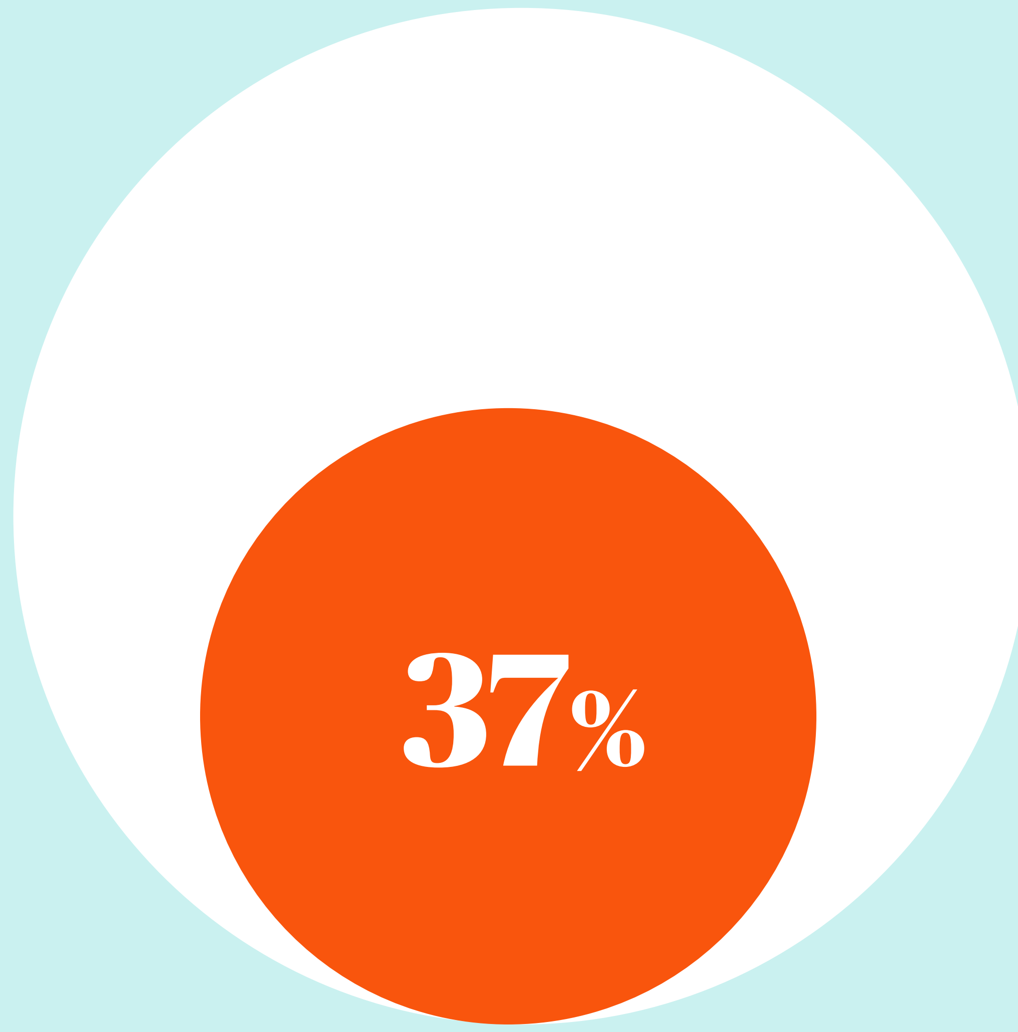
Holly Mackay
UK finance expert, founder and managing director of Boring Money

Speaking to women

The answer to engaging women in investment isn't found in outdated gimmicks and doesn't require, for example, the increased use of the color pink. Rather, it's about forming a connection by understanding what motivates women to invest and how they like to be communicated with.

If the industry can re-think the language around investing, there's a significant opportunity to affect how much women invest: 37% of women said that if investment language were easier to understand, it would influence them to invest, or to invest more than they currently do. However, the key takeaway is that the language which describes financial products should not only be simpler and avoid jargon, but also be more clearly aligned to women's long-term goals and values.

As increasing health standards mean that today's women need to plan for what might be a 100-year lifespan, women are motivated to invest by thinking of their long-term financial prosperity, independence, and the impact their investments can have. Products packaged to meet these needs and address these interests, clearly communicated in straightforward language, should go a long way to increasing women's investment.



Women said that if investment language were easier to understand, it would influence them to invest, or to invest more than they currently do

> **"We need to be promoting the message that 'The system has not served you, but you need to take ownership and make it work for you, your situation, and your aspirations'.**

Stefanie O'Connell
US millennial money expert and author

Building an inclusive investment industry

A key step in fostering inclusive investment is creating a more diverse and inclusive investment industry. While some progress has been made, asset management continues to be a male-dominated industry with significantly fewer female fund managers and investment analysts. Half of the asset managers participating in our study told us that just 10% or less of their organization's fund managers and investment analysts are women. This may be contributing to the industry's challenges in understanding and engaging female customers and, in turn, affecting women's confidence in trusting an industry with their money when the women are apparently missing.

> **“More female advisors are needed, but there should be more access for women altogether. Male advisors need more experience in talking on a level with women too. They often stick to the older methods that appeal to men. There needs to be a more female-friendly culture from these advice firms.**

Iona Bain
UK finance expert, journalist, podcaster and author

The benefits of attracting more female talent into the industry range from greater product innovation to encouraging more women to invest. Nearly three-quarters (73%) of asset managers believe the investment industry would be able to attract more women to invest if the industry had more female fund managers. The biggest impact may be on younger age groups in the early stages of their investment journey. Three in ten (29%) women under the age of 30 who already invest said that having a female financial advisor would influence them to invest more than they currently do, compared with 16% of those over 50 who already invest. Perhaps this is because those over 50 have had time to resign themselves to the male-oriented nature of the industry.

In addition, fostering a more diverse talent pipeline for the industry will need to start early, making diverse role models visible to children and students in their formative years. It could be that a concerted focus on inclusive investment could close the gender-investment gap and attract more women into the investment profession.

We must seize the opportunity to attract more women to work in the industry, while retaining and developing the women already in the profession. Encouragingly, there are signs that women may be becoming more interested in a career in investing. Although 72% of women over the age of 50 say they “would not and have never” considered a career in investing, this was true of only 47% of mid-career women and 45% of young women.

73%

Asset managers believe the investment industry would be able to attract more women to invest if the industry had more female fund managers

> **“If we have women in key positions across these organizations, then the culture and the language that forms the industry will be different, and much more aligned to a female demographic. That would solve many of the issues that discourage women from investing.**

Stefanie O'Connell
US Millennial money expert and author

What women want:

Investing in Independence

As discussed earlier in the report, women value responsible investing and investments aligned with their personal values. They are also motivated to invest by a range of other factors, with financial independence topping the list. The investment industry, therefore, has a key opportunity to appeal to women by focusing on messaging around financial independence.

Almost two-thirds of women (63%) believe that it's important that more women invest to provide for themselves in retirement, and six in ten women believe that it is important that more women invest in order to give themselves greater financial independence. This rises to eight in ten women in India (80%) and the US (79%). Historically, the industry has marketed wealth products to women based on financial provision for their families. Today, however, we find that investing in independence is more important than financing dependents. Motivators around retirement and independence are rated even more highly than growing a financial legacy for their family, for example (cited as important by 57% of women).

Conclusion: Changing Investment, Changing the World

The amount of wealth controlled by women globally is disproportionately small but ever-growing, and our research reveals that more women are looking to invest. This could bring benefits not only for those who invest, but also for women everywhere and for the world as a whole. However, women are being held back by lack of confidence, concerns about risk, and an industry oriented toward men.

It is up to us – the investment industry – to lead the change, by educating, inspiring, and including more women in all that we do. The traditional stereotype of the person who is interested in investing – the wealthy older man – is outdated and needs to be dismissed. Young women are interested in investing too, but they need to be empowered to do so. The face of investment is changing – and the industry needs to evolve too.

Empowering women to invest can come about by bringing the world of investment to them and by providing the knowledge and skills they need, in addition to realigning the messaging to promote conversations both inside and outside of the industry that speaks to their financial or societal motivations (or both).

Responsible investing allows women to champion causes they believe in effectively by using their money directly to help reach social and environmental goals. A greater focus on this type of messaging, and on the wider benefits of investing, should help to attract more women.

Greater diversity within the industry should also help to achieve higher levels of female participation and, ultimately, investment. But, in order for a meaningful industry shift to take place, both women and men will need to help drive change.

If we all work together, we can achieve the goal of making investment more inclusive for the benefit of all.

BNY Mellon Investment Management:
Actions speak louder than words

As part of a company that touches every part of the investment cycle – we believe we are in a strong position to make a difference. We can effect change at the grassroots through early engagement about money via our partnership with international group, Inspiring Girls. We can examine how to inspire the c20,000 women in our own organization to participate and invest more. We will review our approach and how we can engage with women better and work with intermediaries and the wider industry to make a difference and set clear targets for progress.

The time to act is now. The investment industry needs to be more inclusive, find a better way to engage with women, make investing more accessible and close the gender-investment gap. Because more women investing will benefit everyone: society, the investment industry and the planet.

#AllStreet

Our Expert Advisory Panel

“Investing does involve risk, of course, but the perception that investing always has to be incredibly high-stakes is not the case.

Iona Bain

Iona Bain is a Scottish-born musician turned financial journalist who has become the UK’s go-to voice on millennial money. She founded the pioneering Young Money Blog in 2011 and has since gone on to become an award-winning journalist, broadcaster, speaker, and author specialising in personal finance. She is also the author of Own It! How Our Generation Can Invest Our Way to a Better Future.

“Some countries, such as India, have comparatively higher levels of investment participation among women, as investment can be seen as a way of securing their family’s future.

Farmida Bi

Farmida Bi, CBE, has been EMEA chair at Norton Rose Fulbright since May 2018. With more than 25 years of experience in capital markets and Islamic finance transactions, she is also the firm’s European head of Islamic Finance. In addition, she has worked in the London offices of other leading US- and UK-based firms, expanding her knowledge across the sector, and has been cited as one of the most influential women in European finance in recent years.

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“ A better balance of genders in the industry would encourage a more diverse range of people to invest and increase innovation and accessibility.

Cheryl Chong

Cheryl Chong is the co-founder of The Social Co: a team of passionate individuals who believe that young people are important catalysts in creating social impact. Cheryl is also a board member and advisor to a few non-profit organizations, and she is a chartered accountant with a background in investments.

“ The industry needs to communicate the fact that investing is now much more accessible so that public perceptions catch up with reality and investing isn’t seen as the preserve of the very rich.

Gemma Godfrey

Gemma Godfrey is a non-executive director and former entrepreneur. Previously head of investment strategy at wealth manager Brooks Macdonald, Gemma went on to establish an FCA-authorized digital investing service, which was acquired by a global insurance company. She now works as a board advisor for various businesses. Gemma was also an advisor to the UK government on its 10-year strategy to improve the nation’s financial well-being.

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“ **The language is quite technical and jargony–it’s that risk concept–the very word ‘risk’ is wrong–it isn’t risk, risk is doing something silly. That will put women off whatever age they are.**

Holly Mackay

Founder and managing director of Boring Money, Holly Mackay has 20 years of experience in the investment industry. Boring Money is an independent business that has been set up to increase the inclusivity of the investment industry, helping people without PhDs in finance to make smart investment decisions quickly and painlessly.

“ **We need to be promoting the message that ‘The system has not served you, but you need to take ownership and make it work for you, your situation and your aspirations.’**

Stefanie O’Connell

Author of The Broke and Beautiful Life, Stefanie O’Connell is a nationally recognized millennial money expert who has helped thousands of young professionals get more from their money. Stefanie’s work and advice has been featured in The Wall Street Journal, The New York Times, USA Today, ABC World News, Fox Business and Bloomberg.

About BNY Mellon Investment Management

BNY Mellon Investment Management is one of the world's largest investment firms. We believe the right results begin with being relevant to every client, whether it is engaging with them to create solutions, offering diversified strategies or providing insights for better-informed decisions. That is why we designed a model built around investors' needs to offer the best of both worlds: specialist investment firms with experienced talent and unique cultures combined with the global scale and strength of BNY Mellon Investment Management. We connect investors with opportunities across every major asset class, globally.

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https://www.bnymellon.com/us/en/about-us/newsroom/media-resources.html

Credits

BNY Mellon Investment Management: The Pathway to Inclusive Investment is based on in-depth research commissioned by BNY Mellon Investment Management and designed by BNY Mellon Investment Management and Man Bites Dog. The research was also conducted by Man Bites Dog and Coleman Parkes. Cerulli supported the research by providing retail investment market data.

Man Bites Dog
Man Bites Dog is an award-winning global thought leadership consultancy based in the UK, specializing in compelling content, campaigns and communications to tell their clients' stories.

Coleman Parkes
Is a global B2B research specialist with first-rate experience across all verticals and markets. Coleman Parkes Research complies with the rules and regulations set by the MRS Code of Conduct (2010) which is based upon the ESOMAR principles.

Cerulli Associates
For nearly 30 years, Cerulli has been at the forefront of the financial services industry, delivering ground-breaking global market research through the use of data.

References

1. As at Q2 2021. All dollar currencies in report are US$.
2. This calculation was made using the data from the research on the average volumes of investments held by men and women to find the difference. We then used data from Cerulli to calculate the size of the retail investment market in each of the geographies within the study and applied the difference between male and female investment volumes to that number to show how much more investment would be available if female investment volumes matched male. This assumes the numbers of male and female investors are the same. As there are typically more male investors than female, the amount to be gained could be assumed to be even higher than the one shown, i.e., "at least" $3.22 trillion.
3. Our research also provided data on the share of investments made by men and women that are responsible – i.e. investments that are qualified according to either their positive impact on society and the planet or at least their absence of a negative impact. The average share of female investments that are responsible was then applied to the overall uptick in investment volumes to reveal the percentage of those investments that can be expected to be responsible.
4. The 16 markets included in the study were: Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, Japan, Nordics (Denmark, Finland, Norway, and Sweden), Singapore, Spain, Switzerland, the UK, and the USA.
5. As at Q2 2021. All dollar currencies in report are US$.
6. Accurate as of the financial year 2021-2022.
7. Pound to dollar conversion accurate as of October 25, 2021.
8. DQYDJ S&P 500 Periodic Reinvestment Calculator https://dqydj.com/sp-500-periodic-reinvestment-calculator-dividends
9. As at 11 June 2020

Glossary – key terms

Saving: Saving involves putting your money into cash products, such as a savings account in a bank or building society. Compared to investing, saving typically results in a lower return (i.e., your money does not really grow), but it involves virtually no risk (i.e., the chance that you will lose your money is very small).

Investing: Investing involves selecting particular assets with the expectation that there should be a higher return. It is also about putting money away for the future, but it usually involves the expectation of a higher return (i.e., your money increasing in value) in exchange for taking on more risk (i.e., the chance of losing your money is higher). Money is usually invested in stocks, funds, or bonds, where you could get more or less than you originally put in.

Impact Investing: Impact investing is an investment strategy that aims to generate specific beneficial social or environmental effects in addition to financial gains. Impact investments may take the form of numerous asset classes and may result in many specific outcomes. The point of impact investing is to use money and investment capital for positive social results.

Active ownership: is the use of the rights and position of ownership to influence the activities or behaviour of investee companies.

Inflation: Inflation is the decline of purchasing power of a given currency over time. A quantitative estimate of the rate at which the decline in purchasing power occurs can be reflected in the increase of an average price level of a basket of selected goods and services in an economy over some period of time. The rise in the general level of prices, often expressed as a percentage, means that a unit of currency effectively buys less than it did in prior periods.

ESG (Environmental, Social and Governance) Criteria: A set of standards for a company's operations that socially conscious investors use to screen potential investments.

The value of investments can fall.
Investors may not get back the amount invested.

Important Information

This material has been provided for informational purposes only and should not be construed as investment advice or a recommendation of any particular investment product, strategy, investment manager or account arrangement, and should not serve as a primary basis for investment decisions.

The survey results from the study contain the opinions of the respondents and not those of BNY Mellon. They are general in nature and for illustrative purposes only. The information has been provided without taking into account the investment objective, financial situation or needs of any particular person. BNY Mellon and its affiliates are not responsible for any subsequent investment advice given based on the information supplied. This is not investment research or a research recommendation for regulatory purposes. Information and opinions presented have been obtained or derived from sources which BNY Mellon believed to be reliable, but not guaranteed to its accuracy. BNY Mellon accepts no liability for loss arising from use of this material.

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Investing involves risk, including the possible loss of principal.

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