



Women in Investment

Report 2018

A nationally representative survey evaluating the perceptions of women towards the UK investment arena in 2018

In 1993, according to the London School of Economics, women made up 20pc of the wealthiest 10pc of the population. Twenty years later, it had increased only to 28.2pc. Over the past ten years, across both the public and private sector, there have been a series of initiatives that support the role women hold in the world of finance. From the implementation of the Davies and Hampton-Alexander Reviews' recommendations to increase the number of women on FTSE 100 and 250 boards, to the Women in Finance Charter that committed financial services firms to meet a number of diversity targets. That said, the gender disparity gap remains prevalent; women make up only 27% of all Venture Capital staff and, staggeringly, only 14% of angel investors in the UK. Citywire, the financial publishing and information group, found in 2016 that female fund managers were responsible for just 4% of worldwide assets.

With this in mind, the Enterprise Investment Scheme Association has commissioned a nationally representative survey of 2004 respondents, of which, 1026 are women. Unveiling the sentiment of aspirational investors and those with investable assets of £0-£100k, the industry first data unveils what is causing this chronic shortage of women across the UK's financial landscape.

It also shows that on average, women in the UK have - by way of investable assets and savings beyond that of property and pension - c. £24,808 translating to c. £375bn nationally. With the report also revealing that almost two million investment-minded women want to invest in 2018, but are put off by the underlying inequality that exists, the financial implication of the country's gender disparity challenge weighs in at a staggering £64.9bn held back from the UK's investment arena.

Encouragingly, a part-solution to the numerous facets at fault is supported by a number of trade and industry partners championing the issue at an international level. The CFA Institute, the US-based trade body for Chartered Financial Analysts, found as part of its own research that 54% of investors believe that a gender diverse team would provide a better investment performance, supported fully by the 2015 McKinsey report, *Why Diversity Matters*, which showed that companies with a mix of male and female senior management teams outperform their single-sex competitors by 15%.

Key Outcomes



One in three women believe that the investment world is heavily weighted towards men in terms of available advice and opportunities



40% of women believe that there is a lack of female role models across all sectors of the investment arena



Almost five million women (19%) believe that the advice they are given on investment decisions is of a lower quality than that given to men



Almost two million investment-minded women are holding back on investing in 2018 due to systemic sexism, resulting in £62.9bn potential economic activity lost each year

Key Outcomes

- Over seven million women (28%) aspire to be an investor that back exciting SME companies, despite not understanding EIS
- 40% of 18-34-year-old investors and consumers believe there is a lack of female role models in investment, compared to 34% of the over 55s
- 18% of women believe that their academic and career opportunities were not aligned with a career in finance
- 30% of Londoners believe that the financial advice provided to women is poorer than that provided to men, a large rise on the national average of 19%
- 28% of Londoners are holding back on investment in 2018, triple the 7% that live in the regions
- 28% of women aged 18-34-year-old feel that the available opportunities for subsequent job progression has discouraged them from pursuing a career in the investment arena, compared to 15% of 35-54 year olds and more than double the 13% of over 55s
- More than a third of affluent (£100k+) investors and consumers believe that the investment arena is weighted heavily towards men and that women are not equally supported
- A quarter of 18-34 year olds is holding back on investing in 2018, compared to just 7% of over 55s

Risk profile of women investors across the UK

The Women in Investment study unveiled that for 2018's investment intentions, 4.5m women (17%) across the British Isles wanted to partake in higher risk, higher return SME opportunities, however instead adopted a risk averse strategy due to a distinct lack of confidence. When evaluated across six regions of focus, the data provides an illuminating perspective as to how risk profile differs with location. It must also be taken into account that, across the UK, 10.5 million women cited a lack of senior female role models was a significant factor in not pursuing a career in this arena.

Region	Percentage that want to undertake higher risk investment options in 2018
London	30%
South West	20%
North East	30%
West Midlands	32%
Yorks and Humber	29%
East Midlands	29%

Professional infrastructure for women investors across the UK

With so many women investors looking to participate in higher risk investments, and with UCAS reporting that 20,000 more men than women took STEM subjects at university last year, we looked at whether women investors felt the academic and career opportunities available to them were a discouragement to progressing this particular career path:

Region	Percentage that feel their academic and career opportunities hold them back from the investment arena
London	21%
South West	13%
North East	15%
West Midlands	26%
Yorks and Humber	16%
East Midlands	16%

Women investors perception of The Enterprise Investment Scheme

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	18-34	35-54	55+
Do not understand EIS	28%	32%	24%

Female investor sentiment towards investing and the investment arena

The data shows that wider aspiration towards investment amongst the female respondents of this survey is positive, however there is a distinct failure in converting this sentiment towards tangible financial action. With a proportion of the sample citing a lack of confidence in investment, to a significant 40% referencing lack of senior role models, the structural inequality inherent within the arena is now manifesting in a financial reticence at a grand scale. The total amount of investable income retained from the industry stacks up to a colossal £64.9bn with one in 10 female investors personally holding back c. £34,000 due to the aforementioned reasons. By collating the rationale into two distinct categories – the act of investing and the participation at any level in the wider investment arena – we can ascertain the percentage of women who are discouraged from investing at all due to the perception of discrimination:

	18-34	35-54	55+
Discouraged from investing	25%	13%	7%
Discouraged from the investment arena	22%	11%	2%

Gender disparity across a plethora of sectors is reaching a much-needed wake-up call; The Women in Investment 2018 study indicates the UK's investment arena is no different. The overwhelming lack of support, accessibility and opportunity, calls for a significant shift in the industry, one that must be addressed by every angle, from academic progression by way of professional development and senior role-models, to accessibility and ongoing guidance. A gender balanced playing field has repeatedly been shown to benefit investors, consumers and business leaders and the EISA will continue to work with HMT, BEIS, NGOs and members of the investment community to ensure maximum awareness amongst our industry partners. It is of critical importance to work together from grass-roots level through to policy-backed motions to ensure the entirety of the UK investment community closes the ill-fated gender gap for good.



**Mark Brownridge, Director General
of the Enterprise Investment
Scheme Association**