



# DIVERSITY AND INCLUSION IN THE INVESTMENT INDUSTRY

As the organisation that represents UK asset managers, the Investment Association (IA) looks at diversity and inclusion through two lenses: using our members' role as investors to champion **diversity at the top of the UK's biggest companies**, and helping to build a **diverse investment industry** that is fit for the future.

## BUILDING A DIVERSE AND INCLUSIVE INDUSTRY

Our industry thrives when it is made up of the most talented people from all backgrounds: diversity guards against group think and helps us to understand the needs of our customers. This means widening the range of people who consider asset management as a career, and nurturing this diverse talent pool throughout their careers in asset management.

### Widening our talent pool

Our industry needs to recruit the very brightest and most committed young people to our industry. We do this through **Investment20/20** which encourages people from all walks of life to take advantage of the career opportunities offered in asset management. Investment20/20 works with schools, colleges and newer universities, to help their students shine at interview, encouraging them to consider working in asset management, and placing trainees in roles to kick-start their career in the industry.

Some of the most important work that we do is to change perceptions about working in financial services, encouraging a broader group of young people (especially school leavers or those who have studied at newer universities) to consider working in asset management.

For a taste of our work, here's a short film [changing perceptions about work in our industry](#)



We do this through running careers sessions in schools and universities where traditionally students haven't considered careers in finance, and by bringing students into asset management firms to see first-hand what a role in the industry might offer.

Each year we place bright, capable and diverse students in year-long, paid roles in asset management firms. In the last five years, Investment20/20 has supported over 1,350 trainees to start their careers in asset management. Nearly half of those who join our industry through Investment20/20 have done so straight from school, and over 40% of them are from BAME backgrounds. Over half of Investment20/20's graduate cohort have studied non-financial subjects.

In future, we will go even further to make sure that we have diversity of thoughts and ideas in our industry. For instance, this will include bringing more people who have worked in other industries, or studied non-financial topics, into the industry.

### Retaining talent

Minority groups and women have been historically underrepresented in our industry, especially at the top of organisations. There is no quick fix for this: we need to deliver sustainable, long-term solutions allowing and encouraging all talented people to rise to the top. We need to do better at attracting more people to the tremendous career opportunities the investment industry has to offer. We also need to continue developing an inclusive and flexible culture that supports everyone to realise their potential.

*The Investment Association (IA) supports UK investment management, supporting British savers, investors and businesses. Our 250 members manage £7.7 trillion, £1.7 trillion of which is on behalf of European clients – providing the UK with an important economic contribution in the form of export earnings, tax paid, and jobs created.*

# DIVERSITY AND INCLUSION IN THE INVESTMENT INDUSTRY

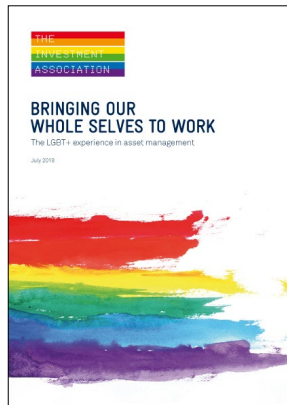
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This is a priority for our industry, and our programme to do so includes:

» Working to close the **Gender Pay Gap**. Asset management, like many other parts of the financial services industry, has a higher gender pay gap than we would like. Key to tackling this is identifying best practice, and the IA is carrying out a major piece of industry research into the work that firms are undertaking to help increase the diversity of their workforce. This will gather evidence on the programmes which are most effective in increasing diversity at all levels, which our industry can learn from. This will be published in early 2019.

» **Focusing on specifics:**

in the summer of 2018, the IA published [Bringing Our Whole Selves to Work](#), a practical guide helping our members to support their LGBT+ staff and build a network of allies. Future work will focus on the practical challenges that BAME staff might face starting and continuing their careers in asset management.



» The Investment Association, and many of our members, are proud to have signed HM Treasury's **Women in Finance Charter**. This encourages us to focus on the number of senior women in our organisation: at the IA, over 60% of our senior management team are women, as are nearly 40% of our board.

» Supporting the **Diversity Project**, which was set up in 2016 by leaders in the investment industry who decided to take action to accelerate progress towards an inclusive culture within our industry. The Diversity Project's Principles include setting diversity goals to be measured annually, and reviewing recruitment and promotion practices to promote inclusion.

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## CHANGING BIG BUSINESS: INCLUSIVE COMPANIES ARE EFFECTIVE COMPANIES

Companies led by diverse teams tend to perform better, because they have a greater range of experience and perspectives to draw from. This makes diversity business-critical, as inclusive companies provide better returns to savers. Together, our members own a third of the FTSE index, allowing them to hold the UK's biggest companies to account.

Putting pressure on companies to achieve diversity is one of our industry's key objectives:

» Working with the government-sponsored **Hampton-Alexander review** to increase the number of women in senior roles in listed firms. In the spring of 2018, we issued a call to action to companies in the FTSE 350 with a poor gender balance (including household names such as BP and TUI) to improve and to explain their poor gender balance.

» The IA runs the Institutional Voting Information Service (**IVIS**), which provides corporate governance research used by the investment industry to guide voting decisions. From January, IVIS has spotlighted and reported on companies' record on diversity alongside all other fundamental corporate governance matters.

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