

# **Consumer Survey on Impact Investing 2023 (Qualitative Research)**

February 22, 2024  
Japan Social Innovation and Investment Foundation

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The Japan Social Innovation and Investment Foundation (SIIF) is pleased to announce the release of its 2023 Consumer Survey on Impact Investing. Up until 2022, four consumer surveys with a large sample and various cross-analyses were conducted to gain various insights into consumer awareness and interest in impact investing (Note1).

In 2023, we conducted a qualitative focus group (group interview) research to investigate the process of consumer awareness formation, as well as interest in impact investing in detail. We believe that the findings of this study will be beneficial to institutions involved in understanding current consumer sentiment and providing impact investment products to consumers in the future.

Since 2017, SIIF has been conducting the annual wholesale survey of financial institutions titled "The Current State and Challenges of Impact Investing in Japan" as the secretariat of The Japan National Advisory Board, the Global Steering Group for Impact Investment (GSG-NAB Japan).

We believe that reading this "Consumer Survey on Impact Investing 2023 " in conjunction with the wholesale survey will provide you with a multifaceted understanding of the most recent developments in impact investing in Japan. This qualitative consumer survey was conducted by Satoshi Oda and Kyoji Sasaki, who are also involved in the wholesale survey.

Your feedback on this report would be greatly appreciated.

Mitsuaki Aoyagi

Vice-chair of Executive Committee

The Japan Social Innovation and Investment Foundation (SIIF)

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Note1 : Consumer Survey on Impact Investing in Japan 2022 <http://impactinvestment.jp/user/media/resources-pdf/gsg-2022.pdf>

- A quantitative survey was carried out to ascertain the current level of consumer awareness of impact investing and to explore information useful for the future development of the retail market.

- **Purpose of the study :**

A survey will be conducted to gather ideas for (i) raising awareness and (ii) product planning with regard to I impact investment. The survey will specifically gather people interested in impact investment and ask them about their daily information-gathering channels, approval level of the category, reasons for their interest, and direction of their needs.

- **Methodology:** Focus groups (4-session composition, 90 minutes each)

	Male	Female
20s and 30s	<b>Group 1</b>	<b>Group 3</b>
60 and over	<b>Group 2</b>	<b>Group 4</b>

- **Group design and screening conditions**

A questionnaire survey was conducted via the internet. Screening conditions include:

- (1) Men and women in their 20s–30s and 60s+
- (2) Those who are currently investing
- (3) Those who are interested in impact investing (TOP 2 on a 5-point scale: 1. Very interested ~ 2. Somewhat interested)

\*The level of interest was confirmed after an overview of impact investing was provided on the screening questionnaire.

- **Survey dates: September 23(Saturday) and 24(Sunday), 2023**

- **Research contractor: Macromill Inc.**

- We survey the team by arranging the flow of interview questions that first asked the respondents to talk about their investment experience to encourage a lively discussion about impact investing.
- Focus group interviews were conducted in this flow in four groups, with flexible handling of the facilitator depending on what the respondents talked.

## 1. investment attitudes and actual investment behavior

Why and when the investment was initiated

Current investment amount and portfolio

Sources of information on investment

## 2. Perception on social issues

What social issues are of interest to you?

Why did you become interested in the issue?

## 3. Awareness of impact investing

When and through which channel did you learn about it?

What do you know specifically about impact investing?

What differs from other general investments?

## 4. Level of interest in making impact investments

Is there interest in impact investing as a means of solving social problems?

Why are you interested in undertaking impact investing?

How much return do you expect?

To what extent can funds be channeled into impact investment?

Where would you like to see impact investment in your sector?

## 5. What works to drive impact investing in Japan?

What media do you think would raise awareness?

What investment products would you be interested in investing in?

What sales channels would generate interest in purchasing impact investment products?

# Attributes of 16 respondents

# Group 1: Men in their 20s and 30s

- The total financial assets ranged from JPY 900,000 to JPY 40,000,000.
- The reasons for beginning to invest included "became interested in it at university (economics major)" "at the college time getting a job" and "buying a real estate."
- Respondents buy stocks and mutual funds to try to increase their assets in response to stagnant wages and low deposit rates over the past decades. They also feel compelled to plan for inflation and a weaker yen.

<p><b>A. 23 years old, company employee, unmarried, lives in parents' house</b>                      -Household income of 2-4 million                      -Personal income of less than 2 million</p>	<p>&lt;Total financial assets ¥ 900,000&gt;</p> <p>Bank deposits 10%      Stocks 60%      Mutual funds 30%</p>
<p><b>B. 31 years old, company employee, married, no children</b>                      -Household income 10-12 million                      -Personal income 6-8 million</p>	<p>&lt;¥40,000,000&gt;</p> <p>Bank deposits 30%      Stocks 30%      Mutual funds 30%      Others 10%</p>
<p><b>C. 39 years old, company employee, unmarried, living alone</b>                      -Household income 6-8 million                      -Personal income 6-8 million</p>	<p>&lt;¥15,000,000&gt;</p> <p>Bank deposits 40%      Stocks 30%      Mutual funds 30%</p>
<p><b>D. 39 years old, company employee, living with fiancée</b>                      -Household income unanswered                      -Personal income 4-6 million</p>	<p>&lt;¥8,000,000&gt;</p> <p>Bank deposits 10%      Mutual funds 10%      Crypto currencies 70%      FX deposits 10%</p>

# Group 2: Men 60 years and older


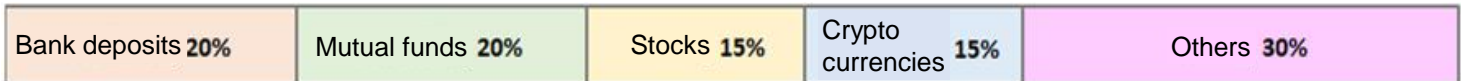

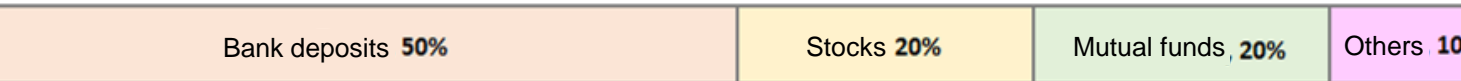
- Men in their 70s after the retirement tend to have more financial assets than those in their 60s.
- They have a long investment history (over 30 years) and “used to dabble in various stocks and made some mistakes.”
- Except for a few respondents, their current expectations of return are low.
- This segment is unanimous about the risk: "It is good as long as I don't lose the principal. I am investing in a loose mode, supporting my favorite companies for the sake of shareholder benefits."

<p><b>A. 73 years old, unemployed, married, with children</b>                      -Household income 4-6 million                      -Personal income 4-6 million</p>	<p>&lt; Total financial assets ¥ 30,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits 15%</td> <td>Stocks 75%</td> <td>Others 10%</td> </tr> </table>	Bank deposits 15%	Stocks 75%	Others 10%
Bank deposits 15%	Stocks 75%	Others 10%		
<p><b>B. 70 years old, unemployed, married, with children</b>                      -Household income 2-4 million                      -Personal income 2-4 million</p>	<p>&lt; ¥ 25,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits 60%</td> <td>Stocks 20%</td> <td>Mutual funds 20%</td> </tr> </table>	Bank deposits 60%	Stocks 20%	Mutual funds 20%
Bank deposits 60%	Stocks 20%	Mutual funds 20%		
<p><b>C. 65 years old, company employee, divorced, single</b>                      -Household income 4-6 million                      -Personal income 4-6 million</p>	<p>&lt; ¥ 13,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits 10%</td> <td>Real estates 90%</td> </tr> </table>	Bank deposits 10%	Real estates 90%	
Bank deposits 10%	Real estates 90%			
<p><b>D. 62 years old, business owner, married, with children</b>                      -Household annual income 8-10 million                      -Personal income 8-10 million</p>	<p>&lt; ¥ 5,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits 65%</td> <td>Stocks 25%</td> <td>FX deposits 10%</td> </tr> </table>	Bank deposits 65%	Stocks 25%	FX deposits 10%
Bank deposits 65%	Stocks 25%	FX deposits 10%		



# Group 3: Women in their 20s and 30s

- Financial assets are typically low (especially among those in their 20s), as is knowledge of investment.
- Some respondents expressed a vague desire to “prepare for future (retirement) worries,” whereas others desired to “supplement immediate spending money (travel, fashion, etc.).”
- This group has a higher proportion of bank savings than its male counterparts and is known for being cautious.

<p><b>A. 36 years old, free enterprise, unmarried, living alone</b>                      -Household income of 6-8 million                      -Personal income of 6-8 million</p>	<p>&lt; Total financial assets ¥ 10,000,000 &gt;</p>  <p>Bank deposits 70%      Stocks, 30%</p>
<p><b>B. 27 years old, company employee, married, no children</b>                      -Household income 10-12 million                      -Personal income 4-6 million</p>	<p>&lt; ¥ 3,000,000 &gt;</p>  <p>Bank deposits 20%   Mutual funds 20%   Stocks 15%   Crypto currencies 15%   Others 30%</p>
<p><b>C. 25 years old, company employee, unmarried, living alone</b>                      -Household income 2-4 million                      -Personal income 2-4 million</p>	<p>&lt; ¥ 1,400,000 &gt;</p>  <p>Bank deposits 60%      Mutual funds, 35%      Crypto currencies 5%</p>
<p><b>D. 23 years old, university student, unmarried, parents' house</b>                      -Household income unknown                      -Personal income N/A</p>	<p>&lt; ¥ 1,000,000 &gt;</p>  <p>Bank deposits 50%      Stocks 20%      Mutual funds, 20%      Others 10%</p>

# Group 4: Women 60 years and older

- They have larger financial assets than the other groups.
- Occupations include freelancers, part-time workers and housewives with little security, and they invest with the awareness that they should be prepared in case of emergency or unexpected unemployment.

<p><b>A. 60 years old, free enterprise, unmarried, married</b>                      -Household income of 4-6 million                      -Personal income of 2-4 million</p>	<p>&lt; Total financial assets ¥ 3,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits 20%</td> <td>Stocks 50%</td> <td>Mutual funds 25%</td> <td>Crypto currencies 5%</td> </tr> </table>	Bank deposits 20%	Stocks 50%	Mutual funds 25%	Crypto currencies 5%
Bank deposits 20%	Stocks 50%	Mutual funds 25%	Crypto currencies 5%		
<p><b>B. 63 years old, self-employed, married, with a child</b>                      -Household income of 6-8 million                      -Personal income of 2-4 million</p>	<p>&lt; ¥ 80,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits 25%</td> <td>Mutual funds 50%</td> <td>Real estates 25%</td> </tr> </table>	Bank deposits 25%	Mutual funds 50%	Real estates 25%	
Bank deposits 25%	Mutual funds 50%	Real estates 25%			
<p><b>C. 65 years old, housewife, married, with children</b>                      -Household income 6-8 million                      -Personal income less than 2 million</p>	<p>&lt; ¥ 40,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits (Ordinary and Term) 30%</td> <td>Stocks 10%</td> <td>Mutual funds 60%</td> </tr> </table>	Bank deposits (Ordinary and Term) 30%	Stocks 10%	Mutual funds 60%	
Bank deposits (Ordinary and Term) 30%	Stocks 10%	Mutual funds 60%			
<p><b>D. 73 years old, part-time, unmarried, living alone</b>                      -Household income 2-4 million                      -Personal income 2-4 million</p>	<p>&lt; ¥ 19,000,000 &gt;</p> <table border="1"> <tr> <td>Bank deposits 30%</td> <td>Stocks 45%</td> <td>Mutual funds 20%</td> <td>Gold 5%</td> </tr> </table>	Bank deposits 30%	Stocks 45%	Mutual funds 20%	Gold 5%
Bank deposits 30%	Stocks 45%	Mutual funds 20%	Gold 5%		

# Interview results

- Information channels differ according to the group.
- The Internet is the primary source of information for young people, but men primarily consult "X," "stockbroker's newsletters," and "digital magazines and economic newspapers."
- Meanwhile, women were significantly more likely to refer to "YouTube" videos and "X."
- Older generations also use the Internet, but also watch television and read newspapers, with men using the Internet to delve deeper into the information they learned from TV and other media.
- Women communicate through a variety of channels and appear to be actively keeping their antennas up.

Male		Female	
Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
<p><b>Depended on magazines and books at the early stage.</b></p> <ul style="list-style-type: none"> <li>✓ Beginners' guidebooks</li> <li>✓ investment magazine such as Money SPA and Diamond ZAI.</li> </ul> <p><b>Internet-focused</b></p> <ul style="list-style-type: none"> <li>✓ X (Twitter), see posts by influencers.</li> <li>✓ Brokerage newsletters and columns.</li> <li>✓ News apps for current affairs.</li> </ul> <p><b>Don't watch YouTube due to lengthiness.</b></p> <p>&lt;Other 1 person&gt;</p> <ul style="list-style-type: none"> <li>◆ Read economic magazines for macro trends (Nikkei, Bloomberg).</li> </ul>	<p><b>Watch TV for general trends.</b></p> <ul style="list-style-type: none"> <li>✓ Usually check news programs.</li> <li>✓ NHK is trustworthy.</li> <li>✓ Also watch variety programs.</li> </ul> <p><b>Watch TV first and dig deeper online.</b></p> <ul style="list-style-type: none"> <li>✓ Search for details online of interesting things on TV.</li> <li>✓ Look at two or three articles from the top of search results.</li> </ul> <p><b>Mainly use internet for financial product information.</b></p> <ul style="list-style-type: none"> <li>✓ Securities firms' newsletters and websites.</li> <li>✓ Web videos and economic magazines via d-magazine.</li> </ul>	<p>Watch news apps rather than TV.</p> <ul style="list-style-type: none"> <li>✓ Watch morning information programs casually.</li> <li>✓ Check LINE News and Yahoo!</li> </ul> <p><b>Watch YouTube and X for investment information.</b></p> <ul style="list-style-type: none"> <li>✓ Refer to YouTubers with many registrants.</li> <li>✓ Sometimes use X.</li> </ul> <p><b>View stock charts on the app.</b></p> <ul style="list-style-type: none"> <li>✓ Once a day (morning or break time between work).</li> <li>◆ Japan Company Handbook. Got into the habit of reading it during the job search.</li> </ul>	<p>Use newspapers &amp; apps</p> <ul style="list-style-type: none"> <li>✓ Check morning newspapers.</li> <li>✓ Watch the Yahoo! News app.</li> <li>✓ Listen to the radio on Radiko.</li> </ul> <p><b>Use various sources, which vary from one to another.</b></p> <p style="text-align: center;">↓</p> <ul style="list-style-type: none"> <li>◆ Brokerage firms' websites and employees.</li> <li>◆ Investment magazines (e.g. Toyo Keizai).</li> <li>◆ Yahoo! Finance.</li> <li>◆ Books for beginners.</li> <li>◆ Investment-related TV programs (Teletext, MX).</li> <li>◆ Influencers like Takuro Morinaga, Gen Yamazaki, Hiroko Ogihara.</li> </ul>

# Social issues of interest and concern

- Men are generally concerned about macro-social issues, such as climate change issues.
- Men in their 60s are concerned about pension and social welfare benefits for the elderly as their own affairs.
- Women, on the other hand, generally sympathize when they can “see” the faces of those in need’ and appear to be stimulated in their sense of social contribution.
- When approaching from a broad (macro, global) perspective, such as “social issues” or “environmental problems,” women tend to be hesitant, stating its difficulty or that they do not understand.

Male		Female	
Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
<p><b>Concerned about global warming and environmental issues.</b></p> <p><b>What will the Earth look like in 30-50 years?</b></p> <ul style="list-style-type: none"> <li>✓ This summer was extremely hot and there have been many disasters. Not someone else's problem.</li> <li>✓ I wonder if humans have destroyed too much nature, such as deforestation.</li> </ul> <p><b>Japan's future looks bleak due to aging population and declining rural areas.</b></p> <ul style="list-style-type: none"> <li>✓ Rural areas will be unsustainable.</li> <li>✓ Japan is going to be a hard place to live for our children-to-be.</li> </ul> <p>&lt;Other comments&gt;</p> <ul style="list-style-type: none"> <li>◆ Food loss is another serious issue</li> <li>◆ Clothing loss problems is also significant. Cloths sent to Africa are in fact not actually worn, turning into garbage there.</li> </ul>	<p><b>What will retirement life be like in 10-20 from now?</b></p> <ul style="list-style-type: none"> <li>✓ Global warming is developing every year and disasters occur in many places.</li> <li>✓ Already harsh today and it will be even harder to live 10-20 years later.</li> </ul> <p><b>(60s) Elderly welfare and pension issues. Can I enjoy my retirement?</b></p> <ul style="list-style-type: none"> <li>✓ Have paid pensions during our working life, but will we have access to pension services after retirement?</li> </ul> <p>&lt;Other comment&gt;</p> <ul style="list-style-type: none"> <li>◆ (70s) Japan has a problem of lacking in gender diversity and women's empowerment.t</li> </ul>	<p>(20s) Perceive social issues vaguely and do not see them as their own problems.</p> <p><b>Food crisis and poverty issues in Africa.</b></p> <ul style="list-style-type: none"> <li>✓ Impressive was the YouTube video on starvation.</li> </ul> <p><b>Environmental problems seem acute.</b></p> <ul style="list-style-type: none"> <li>✓ Environmental change is serious with islands disappearing due to rising sea level.</li> <li>✓ Wildfires abroad leave a lasting impression.</li> </ul> <p><b>(Vaguely stating) What about pensions and elderly care? Our retirement is going to be hard and gloomy...</b></p> <p>&lt;Comments from the 30s&gt;</p> <ul style="list-style-type: none"> <li>◆ Interested in wealth redistribution</li> <li>◆ Want to help others as a single person.</li> <li>◆ Donating to the World Food Program and Médecins Sans Frontières.</li> </ul>	<p><b>Domestic poverty issues. Infant - youth poverty is particularly acute.</b></p> <ul style="list-style-type: none"> <li>✓ Often see news about single mothers. I feel very sad when I hear the news of cafeterias for kids in need and many people suffer food shortage.</li> <li>✓ Heard that more than half of young people owe scholarships. The debt must be a burden on those in irregular employment with low wages.</li> <li>✓ Our generation will just barely get pensions for ourselves. Younger generations may not get them.</li> </ul> <p><b>Doesn't ring a bell when people speak about 'environmental issues'. Unclear what we can do for solving them.</b></p> <ul style="list-style-type: none"> <li>✓ Typhoons and guerrilla rains are certainly on the increase, but they are not clear to me as my own issues when it comes to the 'environment'.</li> <li>✓ How will our own investments be utilized? Need explanations.</li> </ul>

# Awareness of impact investing

- Approximately half of the respondents in each group knew the name, but their comprehension was noticeably vague.
- It was noted that "it is difficult to connect the name with the meaning" and that "it does not appear in the media with which I normally interact (it is a story from a different world)."

	Male		Female	
	Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
<b>Cognizant person</b>	<p>(2 persons) Have heard the name and have a <b>general understanding of its meaning.</b></p> <p>↓</p> <ul style="list-style-type: none"> <li>✓ (Financial) Heard in a work-related context.</li> <li>✓ Saw it in an online article.</li> </ul> <p><b>Social contribution is in vogue. Interested in whether it's an investment with potential for growth in the future.</b></p>	<p>(2 persons) Saw the name, <b>but I don't know its meaning.</b> Just passed it by.</p> <ul style="list-style-type: none"> <li>✓ Saw it in an online publication (stock Journal) but don't remember its meaning.</li> <li>✓ Found it while net-surfing, but only "hmmm."</li> </ul>	<p>(1 person) Know the name, but the <b>meaning is uncertain.</b></p> <ul style="list-style-type: none"> <li>✓ Think I found out about it during my job search (financial industry seminar or internship).</li> <li>✓ Impact on something? I don't know the meaning in detail.</li> </ul>	<p>(2 persons) Have heard the name. <b>Not sure of its meaning.</b></p> <ul style="list-style-type: none"> <li>✓ Was it played on a TV program? I remember hearing it somewhere.</li> <li>✓ Feel like I saw a glimpse of it in an investment magazine.</li> </ul>
<b>Non-cognizant person</b>	<p>(2-3 persons in each group) Have never heard this name before. Am exposed to numerous media on a daily basis, but it never caught my attention.</p> <p>↓</p>			
	<p><b>I knew about ESG</b> investing from university lectures, but impact investing was not mentioned.</p> <p>Have been gathering information on the internet there, but it didn't show up on X or Telegram.</p>	<p>I personally invest in <b>start-ups</b>. Is that close to it?</p>	<p>I know about <b>ESG investing</b>, and is it close?</p> <p><b>The multitude of similar terms makes it difficult to remember.</b></p>	<p>It goes something like 'hmmm' even when I hear that word.</p> <p><b>It won't ring a bell when written in katakana or alphabets.</b></p>
	<p>It is <b>difficult to connect the name with the meaning</b>, which is why it is not memorable even if it is in the eye. Impact is a direct translation of "shougeki" or shock, which is <b>not necessarily associated with the 'solving social issues.'</b></p>			

# Perception of the naming “impact investing”

- Many respondents expressed dissatisfaction with the term “impact investment.”
- In the Japanese language environment, the term "impact" is frequently associated with "shock," rather than "solving social problems," which is thought to be a barrier to raising awareness and interest.

	Male		Female	
	Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
Cognizant person	<ul style="list-style-type: none"> <li>✓ <b>The meaning is different from what is perceived from the word ‘impact.’</b> It gives the impression as 'an impactful stock that is likely to go up in price very quickly.'</li> <li>✓ <b>Indeed, I was surprised that it is named as impact investing:</b> the image of investing in a company that has a significant social impact, such as Apple's launch of the iPhone.</li> </ul>	<ul style="list-style-type: none"> <li>✓ When I hear the word <b>'impact'</b>, the first thing that comes to my mind is <b>not a good image.</b></li> <li>✓ (In response to the question 'Is it difficult to understand what is meant by impact on social issues?') <b>I don't understand.</b> First of all, it's not the right word that makes sense.</li> </ul>		<ul style="list-style-type: none"> <li>✓ It should be replaced with Japanese words if possible</li> <li>✓ Or you could show 'impact investing' and <b>attach a set of appropriate Japanese words for a while</b></li> <li>✓ Young people often think they know katakana words, but they might not understand what they really mean.</li> </ul>
Non-cognizant person	<ul style="list-style-type: none"> <li>✓ I wish there were a better word for it. <b>I don't think there is a direct association between the term ‘impact investing’ and what it means</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ 'Impact' means the same thing as 'normal impact'? Ordinarily speaking, impact is like shock. But <b>I can't quite imagine what the word ‘impact’ means in terms of social return</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>The side word 'impact' doesn't come in very quickly.</b> I would be more interested in it if it is illustrated and explained in more detail, whether by brokers or influencers.</li> <li>✓ <b>What is impact?</b> Impact on what?</li> </ul>	

# Level of interest in impact investing and why

- Impact investing is thought to be "killing two birds with one stone" because it benefits both respondents and society.
- However, there are concerns that "it does not appear to be profitable" and "I doubt if the company can contribute to society (= I want to check"
- Those in their 20s, who have less money to invest, recognize that "it is too soon for me right now."

	Male		Female	
	Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
Positive	<p><b>It would be great if the money I invest is used for social good. Feel glad if I am convinced that I 'contribute to the society.'</b></p> <p>✓ I am happy if my ordinary investment has social significance, whether return is big or small. I have a sense of justice as long as I live as a human being. I would be satisfied if my investment has a meaning in this society.</p>			
	<p><b>Sounds trendy. Would be satisfied with being able to move ahead of the curve.</b></p> <p>Want to invest in companies <b>with which I sympathize</b>. That's what investment is supposed to be.</p>	<p><b>(70s) Similar to a donation while disregarding return. Sense of entrusting funds to younger generations.</b></p> <p>✓ I have been trading stocks for years but it is difficult to make a profit. I can be satisfied if the company I trust and support grows.</p>	<p><b>It is a win-win situation if the company I invest in grows and hence social issues are solved.</b></p> <p>✓ My own retirement anxiety will be mitigated If social issues are solved.</p>	<p><b>Impact investing is less stinking than donations. It is also expected to generate a certain return.</b></p> <p>✓ Donations are <b>untransparent about their use</b>. Investments are <b>more trustworthy</b>.</p>
	<p><b>Does it generate returns? / Don't wish the investees to go out of business in an effort to contribute to the society / it is politics or donations that should solve social issues unless investments make profits.</b></p> <p>✓ Will the return be less? It's tough to settle for principal loss or lower return. Impact investing is for rich people if it's like donations.                  ✓ Isn't it politics or donations that help solve social issues? Impact investing should generate returns as long as it is investing.</p>			
Negative	<p><b>(20s) A bit early for me. It's for rich people who can afford it.</b></p> <p>✓ I will think about it if I have 50 million in assets and achieve FIRE.</p>	<p><b>(60s) Is it really a social contribution and also beneficial to me? Wish to check the outcomes.</b></p> <p>✓ Acceptance would be difficult without a sense that one's life is becoming more comfortable.</p>	<p><b>(20s) Seems too early for me. Would consider it in the future when I can afford it.</b></p> <p>✓ For rich people in their 50s and 60s.                  ✓ Will Invest after I achieve assets of JPY 20 million or over.</p>	<p><b>Can it really contribute to society and help the vulnerable? I want to check the vision.</b></p> <p>✓ How will it (an investee) tackle social problems? I would like to see the policy.</p>



# Target areas for impact investing: Male group results

- Men are more likely to judge from a rational standpoint: “As an investment, is it viable as a business?”
- Older generations are especially eager to “check the tangible results,” whereas those in their 60s are also looking for short-term benefits for themselves.

Male	
Group 1 20s and 30s	Group 2 60 and over
<p><b>Men are more concerned with rationality, such as whether the economy will circulate well and solve a wide range of issues, and whether it is likely to generate a return.</b></p> <p><b><u>【11; Supporting SMEs】</u></b>                      ✓ I can feel the severity of financing as I work for a small company myself. There are many competitive SMEs that shouldn't be buried.</p> <p><b><u>【12; Providing affordable and quality housing】</u></b>                      ✓ Increasing the mobility of vacant houses would help reduce regional disparities. It could be established as a business and generate profits.</p> <p><b><u>【9; Soling social issues through IT and advanced technologies】</u></b>                      ✓ Likely to be more profitable than public-oriented genres such as the environment and social welfare.</p> <p><b><u>【2; Protecting the environment】</u> <u>【4;Renewable energy】</u></b>                      ✓ Want to invest as I am worried about the global warming issue.                      ✓ Isn't it a political task? Wouldn't it be profitable?</p> <p><b><u>【16; Facilitating elderly care】</u> <u>【18; Facilitating child care】</u></b>                      ✓ I know how hard it is to see my parents caring for my grandparents.                      ✓ I have colleagues who are struggling to raise children.                      ✓ I will feel a sense of contribution if the company I have invested in grows and is reported in the press.</p> <p><b>※I will feel a sense of contribution if the company I have invested in grows and is reported in the media.</b></p>	<p><b>Investing preference is based on whether the outcomes can be verified in as short a term as possible. In particular people in their 60s focus on what is in their own interest.</b></p> <p><b><u>【4; Renewable energy】</u> <u>【14; Mitigating climate change】</u></b>                      ✓ Climate change is one of the most serious global problems. It will be a win-win situation if climate change is mitigated and my livelihood is protected by investing.</p> <p><b><u>【(60s) 8; Providing quality medical and elderly care】</u></b>                      ✓ Wish that the problems arising from ageing society will be solved while my own retirement will be secured.</p> <p><b><u>【(60代)10; Infrastructure and urban development】</u></b>                      ✓ Environmental protection and climate change are serious issues, but it is likely to be difficult to see improvements in the short term. As for infrastructure development, it would be possible to check visible results (e.g. construction of roads) in the short term. I could also benefit from it.</p> <p><b><u>【(70s) 12; Providing affordable and quality housing】</u></b>                      ✓ I hear that people over 65 and on low incomes are having problems with housing; there is only so much one person can do, but a group of like-minded people could solve the problem.</p> <p><b>※ (60s) I would be less interested unless I can enjoy the benefits.</b></p>
<p>✓ I agree with all of the items, but it matters which business areas will <b>make a real contribution to the society.</b></p> <p>✓ As long as it is an investment, it is important whether <b>it is viable as a business and is likely to generate a return.</b> If not profitable, it should be classified as a donation (i.e. hypocritical, something rich people do).</p>	

# Target areas for impact investing: Female group results **SIIF** Social Innovation and Investment Foundation

- Women tend to evaluate social issues based on whether they can relate to or sympathize with them, rather than from a macro-perspective.
- They are vision-oriented and do not take outcomes too seriously.
- Compared with older generations, younger people have less knowledge of social issues and are less likely to regard them as their own.

Female	
Group 3 20s and 30s	Group 4 60 and over
<p><b>In general, they cannot have images of social issues through textual instructions and find it "difficult to choose" and "hard to make it their own". Tend to be moved when they can see the faces of people in need through images, etc.</b></p> <p><b><u>【Expected span to outcomes】</u></b></p> <ul style="list-style-type: none"> <li>✓ It's better sooner than later, but it could take up to 30 years.</li> <li>✓ I'm happy when my retirement is secure.</li> </ul> <p><b><u>【13; Supplying safe water】 【14; Mitigating climate change】</u></b></p> <ul style="list-style-type: none"> <li>✓ it is very important though it is difficult to understand.</li> <li>✓ The images of endangered koalas make it all the more urgent.</li> </ul> <p><b><u>【3; Quality education and parenting】</u></b></p> <ul style="list-style-type: none"> <li>✓ I want to support poor children as I grew up in a less affluent family.</li> </ul> <p><b><u>【2; Protecting the environment】 【4; Renewable energy】</u></b></p> <ul style="list-style-type: none"> <li>✓ I want to invest as I am worried about global warming. time.</li> <li>✓ However, I feel it is a political task, isn't it? Does it make profits?</li> </ul> <p><b><u>【8; Providing quality medical and elderly care】</u></b></p> <ul style="list-style-type: none"> <li>✓ I will eventually become an elderly person myself, so the investment will benefit me too?</li> </ul> <p><b><u>【7; Sustainable agriculture and food security】</u></b></p> <ul style="list-style-type: none"> <li>✓ I am concerned about Japan's low food self-sufficiency as I majored in agriculture.</li> </ul> <p>※ Pet animal issues should also be included.</p>	<p><b>Show interest in information they have seen or heard about in their own immediate surroundings, or in subjects where they can see the faces of people in need. Whether they can sympathize with the company's vision is a criterion for selection.</b></p> <p><b><u>【1; Contributing to culture and art】</u></b></p> <ul style="list-style-type: none"> <li>✓ As I am interested in the arts myself (music college graduate and museum-goer), I see and hear how artists are struggling because the state does not pay for the arts.</li> <li>✓ I want to invest if I can contribute to supporting artists' life.</li> </ul> <p><b><u>【5; Microfinance】 【11; Supporting SMEs】</u></b></p> <ul style="list-style-type: none"> <li>✓ I recognize it matters to support SMEs as a freelance worker myself. The COVID-19 has driven many SMEs into bankruptcy.</li> </ul> <p><b><u>【15; Promoting diversity and inclusion】</u></b></p> <ul style="list-style-type: none"> <li>✓ women and challenged people should be given more opportunities under the situation of labor shortage.</li> </ul> <p><b><u>【2; Protecting the environment】 【4; Renewable energy】</u></b></p> <ul style="list-style-type: none"> <li>✓ Environmental issues are dire, but it is not clear what companies should do what to improve the situation.</li> <li>✓ I don't want to invest because I don't have a clear image of it.</li> </ul> <p>※Long-term perspective doesn't sit well with me; I wish to see the directions in the next three to five years.</p>

# Implications from the 2022 quantitative survey : Investment areas of interest by gender and generation

- The quantitative survey supports gender trends in group interviews.
- Renewable energy, which men pushed to the top of the list, is not particularly appealing to women.
- Men in their 20s and women in their 20s and 30s are more interested in two aspects of child rearing than other gender-generation groups.

	Total rank	Male					Female				
		20s	30s	40s	50s	60+	20s	30s	40s	50s	60+
Companies that develop or provide renewable energy	1	2	1	1	1	1	6	3	3	4	1
Companies that provide products and services that help protect the environment	2	9	8	5	8	3	3	1	4	2	2
Companies committed to providing quality medical and elderly care services and to reducing their costs	3	8	4	4	5	5	2	4	2	3	5
Companies that provide products and services for sustainable agriculture	4	13	7	7	2	4	13	9	1	5	3
Companies that provide products and services that help solve social issues by applying IT and advanced technologies	5	5	6	2	3	2	4	11	12	8	7
Companies that provide products and services to ensure safe water supply and public health	6	10	3	6	13	6	12	5	8	6	4
Companies that provide products and services to solve or mitigate climate change	7	12	5	10	12	7	15	7	11	1	6
Companies that provide products and services for <b>infrastructure and urban development</b>	8	1	2	9	10	8	11	13	13	11	9
Companies that try hard to reduce environmental impact in the corporate activities	9	7	12	8	4	9	9	12	5	7	8
Companies that promote the diversity and inclusion of employees	10	6	9	17	9	13	8	8	6	10	11
Companies that provide a work environment that facilitates <b>childcare</b> while continuing to work	11	4	13	14	11	17	1	2	7	15	12
Companies that provide quality <b>educational and parenting</b> products and services	12	3	11	13	14	11	5	6	15	12	14
Companies that provide a work environment that facilitates elderly care while continuing to work	13	15	14	11	15	12	7	10	10	9	13
Companies that provide products and services that contribute to culture and arts	14	18	17	16	16	10	10	15	9	13	10
Microfinance institutions that provide small loans, savings, and other financial services to the poor	15	17	16	3	6	15	14	16	18	16	15
Companies that provide quality housing at affordable prices	16	16	10	15	7	14	16	14	14	14	16
Companies that provide innovative financial services using fintech and other technologies	17	11	15	12	17	16	18	18	17	17	18
Companies that provide products and services that support small and medium-sized businesses	18	14	18	18	18	18	17	17	16	18	17
n=	783	94	98	94	62	126	57	57	61	49	85

Source : SIIF, Consumer Survey on Impact Investing 2022 (quantitative research)

# Orientations regarding the amount and return of investment

- It appears difficult to estimating the exact amount to be allocated for impact investing, because the concept of impact investment is new and there is no image of the companies to be invested in.
- Impact investing will be allotted proximately 10% of total investment funds.
- Returns of 1%–2% less than usual are acceptable.
- Women, in particular, tend to view impact investing as a charitable endeavor and are more generous in terms of returns than men.

	Male		Female	
	Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
Allocation	<p>&lt;30s&gt; I would like to start with <b>about 10%</b> of the total amount invested.</p> <p>&lt;20s&gt; Too early for me. Will start after financial assets reach 50 million yen.</p>	<p>The upper limit is <b>around 10%</b> of the total investment amount.</p> <p>&lt;1 person in his 70s&gt; Other investments not being profitable anyway, I can transfer <b>about 50%</b> of my investments.</p>	<p><b>About 20%</b> is likely to be the upper limit.</p> <p>✓ <b>Mutual funds</b> are easier to invest in because they do not <b>collapse to zero</b>.</p>	<p>Likely to start at <b>around 1%-10%</b>.</p> <p>✓ Will start from small amounts with a cautious wait-and-see approach. I want to check whether fees are high.</p>
Minimum required amount	<p>&lt;30s&gt; It would be great if we could start at around <b>¥10,000</b>.</p> <p>&lt;20-30s&gt; The smaller the amount, such as <b>a few hundred yen</b>, the easier it is to invest.</p>	<p><b>The amount is difficult to answer</b> as the term itself is not yet widespread.</p> <p>✓ I think it would be safer if there is government back-up. I would like to see the maturity of the market.</p>	<p><b>it's easy to start at around 100,000 yen</b>.</p> <p>✓ Considering starting with a small amount and will increase my investment if the results are positive.</p>	<p>Easier to invest if it is a reserve type product in a monthly instalments of <b>¥3,000 to ¥10,000</b>.</p> <p>✓ The amount can be increased according to investment results.</p>
Expected rate of return	<p>Can be <b>less than a normal investment</b>; maybe <b>2-5%</b> annual rate of return?</p> <p>We do not need <b>shareholder benefits or other quid pro quo</b>. We want outcomes for that.</p> <p>Impact investment is an <b>upfront investment</b> and should take <b>10-20 years</b> to materialize.</p>	<p>Isn't it <b>difficult to expect a return?</b> Happy if <b>principal loss is avoided</b>.</p> <p>Alright for less than a normal investment. Annual rates of <b>around 2-5%</b>?</p> <p>(Assuming that there is a use value), it would be interesting to see a <b>benefit in kind</b>, like a shareholder benefit.</p>	<p>The specific annual rate of return is not clear. <b>Is 2-3% enough?</b></p> <p>Would be happy if I can get a small increase <b>without losing the principal</b>.</p> <p>The rate should be comparable to the current <b>level of stocks (4%)</b> as long as it is an <b>investment</b>.</p>	<p>An annual return of <b>minus 1%</b> is <b>acceptable</b> compared to the investment I am currently making.</p> <p>It is good to receive returns in kind, like shareholder benefits. Happy to <b>feel a connection with the company</b>.</p>

- There is a noticeable demand for designations that can also be interpreted as a collection of meanings (e.g., nicknames, and subtitles).
- The most frequently mentioned routes were “online brokerage firms (email newsletters, top pages, rankings, etc.),” “online advertising,” and “X.”
- Women with low investment knowledge believe that although the Internet is their primary medium of communication, “TV is better for building trust.”

Male		Female	
Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
<p><b>【As a prerequisite】</b> The name is not very good. It would be better to consider a name that is intuitively understandable.</p>			
<p>Effective channels will be:</p>			
<p><b>Timeline of X</b></p> <ul style="list-style-type: none"> <li>✓ It's an SNS I see a lot on a daily basis.</li> </ul> <p><b>Newsletters and websites of online brokerage firms</b></p> <ul style="list-style-type: none"> <li>✓ Will often click it if it stands out on an official website.</li> </ul> <p><b>The news 'A large investor made impact investing' would raise profile.</b></p> <ul style="list-style-type: none"> <li>✓ I can expect it to grow in vogue when influential investors make new moves.</li> </ul>	<p>Chennel is not the issue. Rather, the difficulty lies in understanding and empathizing with the concept.</p> <p><b>Because...</b></p> <ul style="list-style-type: none"> <li>✓ Investing and solving social problems are <b>unlikely to be compatible</b>, as we make investments to earn returns.</li> <li>✓ How does it differ from donation? People without purposes are unlikely to turn to.</li> <li>✓ <b>A win-win relationship like hometown tax donation would blow my mind.</b></li> </ul>	<p><b>Promote extensively on online brokers.</b></p> <ul style="list-style-type: none"> <li>✓ It will draw much attention if it stands out on the sites.</li> </ul> <p><b>Online advertising</b></p> <ul style="list-style-type: none"> <li>✓ It is likely to jump into eyes if it appears in banner ads or YouTube ads.</li> </ul> <p><b>TV deserves to be trusted. (Especially NHK)</b></p> <ul style="list-style-type: none"> <li>✓ Online influencers are suspicious because of PR fees. Eventually I feel more comfortable with TV as the internet is an unfamiliar world.</li> </ul>	<ul style="list-style-type: none"> <li>✓ We will see it If it comes in the newsletter.</li> <li>✓ We will pay attention to it when it is on the rankings.</li> </ul> <p><b>TV CM</b></p> <ul style="list-style-type: none"> <li>✓ it is likely to spread widely if advertised on TV with the meaning set together.</li> </ul>

# Attitudes towards donations and crowdfunding

- Only a small percentage of people donate daily.
- They are tired of the negative image of scams and near-fraudulent activities.
- They are unfamiliar with crowdfunding, despite hearing much about it. There is also an impression that it is a “mixed bag.”

Male		Female	
Group 1 20s and 30s	Group 2 60 and over	Group 3 20s and 30s	Group 4 60 and over
<b>Not very familiar with donations. It's a bit fishy and there is an image of an act of the rich.</b>			
<ul style="list-style-type: none"> <li>✓ The organization I donated to in the past was a scam. Will my money reach the right people?</li> <li>✓ There are some bad people in the world. Won't it eventually reach those in need?</li> </ul>	<ul style="list-style-type: none"> <li>✓ Donation is what wealthy people do. That's what I have in mind.</li> <li>✓ There is also a slightly hypocritical image.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Occasionally, when I feel like it, I donate a small amount.</li> <li>✓ However, as it is a very small amount, I consider it completely different from impact investing.</li> </ul>	<ul style="list-style-type: none"> <li>✓ UNICEF is questionable as it seems to waste money on running the organization and promotional materials.</li> <li>✓ I have heard that street donations don't end up going to those in need.</li> </ul>
<b>Crowdfunding is a boulder. We hear a lot of words, but honestly we don't know how to spot the difference.</b>			
<ul style="list-style-type: none"> <li>✓ It stinks to often see the realization of personal dreams as crowdfunding purposes. Seems less public.</li> </ul> <p><b>(1 person) I belong to an environment conservation organization out of a sense of justice.</b></p> <ul style="list-style-type: none"> <li>✓ I am a powerless citizen but have strong sense of justice. I belong to an environment protection organization and participate in the campaign for the legalization of cannabis.</li> </ul>	<ul style="list-style-type: none"> <li>✓ I hear a lot about crowdfunding, but I don't exactly understand it.</li> <li>✓ What makes impact investing different from crowdfunding after all?</li> </ul>	<ul style="list-style-type: none"> <li>✓ What are the themes of crowdfunding? I honestly don't know much about them.</li> </ul> <p><b>(2 persons) Joined crowdfunding for helping and supporting others.</b></p> <ul style="list-style-type: none"> <li>✓ I made crowd-funded donations to <b>Medecins Sans Frontieres</b> (Doctors Without Borders) and <b>UNICEF</b>.</li> <li>✓ I joined the crowdfunding for maintaining the <b>Meiji Village</b>. I like the Meiji era.</li> </ul>	<ul style="list-style-type: none"> <li>✓ I am interested but it is difficult to join <b>unless someone I know is involved</b>.</li> </ul> <p><b>(1 person) I have the habit of donating to UNICEF and of volunteering.</b></p> <ul style="list-style-type: none"> <li>✓ I am investing a small amount of money in a healthcare crowdfunding though it's not a fundamental solution.</li> <li>✓ I want to support people in need even if it is a small amount although I am not rich.</li> </ul>

## ① Attractive product attributes

- ✓ **Promoting the social contribution nature** of impact investing is effective for a wide range of generations.
- ✓ Because men are more likely than women to position impact investing as an investment (rather than a donation), **investment products aimed at men must include both return and social contribution characteristics.**
- ✓ It's necessary to position differently macro-impact investment products familiar to men, such as climate change and renewable energy, from impact investment products familiar to women such as D&I, because there are significant differences between men's and women's preferred investment areas;

## ② Prospective customer segments

- ✓ Most respondents, young or old, men or women, have a strong perception that "solving social issues = difficult to pursue profits = **likely low returns.**"
- ✓ On the basis of the foregoing, **the segment with high financial assets, a desire to contribute to society, and a desire for immediate returns** is regarded as a promising leading target.
- ✓ In terms of attributes, the potential is higher among **men and women in their 60s and older** than among younger people.
- ✓ However, even among men and women in their 30s, we found **people in the segment with higher income and financial assets who are trying to gain a sense of social contribution**; thus, this segment should also be developed.

## ③ Effective promotions to enhance awareness and interest

- ✓ The fact that **the word "impact" is not synonymous with "solving social problems"** in the minds of consumers is a barrier to awareness and interest.
- ✓ **Adding a suitable Japanese term to 'impact investment'** can thus raise awareness and interest.
- ✓ The Internet is very important to the segment interested in impact investing. As a result, 'online securities firms (email newsletters, influencer columns)' and 'news apps' are regarded as effective media channels.
- ✓ Although they are sub-targets, "X (men and women)" and "YouTube (women)" are also found to be influential among young people.

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