



DO YOU REMEMBER THE FIRST TIME?

Coming out and being out in investment management

July 2019



The Investment Association would like to thank **M&G Investments** and **Baillie Gifford** for hosting workshops with IA members in London and Edinburgh. The discussions at those workshops helped to shape this report.

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Bringing Our Whole Selves to Work

Last year, the Investment Association invited a group of LGBT+ people and allies from across our membership to take part in a discussion about what it has been like to come out and be out while working in the investment management industry. They discussed what colleagues, senior management and LGBT+ people themselves could do to make investment management feel like a more inclusive industry and their experiences, observations and recommendations were published in an IA report, *Bringing Our Whole Selves to Work*.

To read the report **[search for 'IA Bringing Our Whole Selves to Work'](#)**

INTRODUCTION

IN JULY 2018, THE INVESTMENT ASSOCIATION PUBLISHED BRINGING OUR WHOLE SELVES TO WORK, AN ACCOUNT OF THE EXPERIENCE OF LGBT+ PEOPLE IN THE INVESTMENT MANAGEMENT INDUSTRY. THE REPORT CONTAINED ADVICE FROM LGBT+ PEOPLE WORKING IN THE INVESTMENT MANAGEMENT INDUSTRY TO THEIR EMPLOYERS.

The central message was that LGBT+ people never stop coming out at work and that while society may be becoming ever more accepting of LGBT+ people, there is still much to do to ensure they feel they can bring their whole selves to work.

For young people, starting out in their professional lives can be a steep and challenging learning curve. One judgment they will make is whether to share their non-work life with colleagues. We know that 6 in 10 LGBT+ people aged 18 to 24 will choose to hide their sexuality or gender identity at work.¹



6 IN 10

LGBT+ PEOPLE AGED 18 TO 24 WILL CHOOSE TO HIDE THEIR SEXUALITY OR GENDER IDENTITY AT WORK.

¹ Stonewall, LGBT in Britain: Work Report, 2018



This can have profound consequences when LGBT+ people start to feel the burden of keeping their two lives apart. Whether they throw themselves into their careers or retreat from work, many find they reach a point when this fracture can't be sustained.

There shouldn't be a need to make a 'business case' for LGBT+ inclusion and leaders in the investment management industry who embrace diversity and inclusion are clear that they do so as a point of principle.

But it should also be evident that a pro-active approach from employers, making it clear when employees first step through the door that they need have nothing to hide, will reduce the chance of an unhappy workforce and limit the risk that talented staff will go elsewhere so that they can hit the 'reset' button and be themselves.

Don't underestimate the impact a happy workforce can have on a company's productivity. An inclusive environment pays dividends. Amongst other studies, Credit Suisse found that there is an association between those companies with supportive LGBT+ policies and those with better corporate performance.²

It is a sad reality that society continues to contain homophobic and transphobic elements but in uncertain times, the comparatively inclusive nature of the UK and the cities in which our industry is largely based should serve as a selling point for an industry looking to attract and retain the best of global talent.

The UK investment management industry is operating in a country which continues to outrank the vast majority of European nations on LGBT+ rights³ and is one of only five worldwide which provides constitutional protection for citizens on the basis of sexual orientation and gender identity.⁴

² Credit Suisse, LGBT: the Value of Diversity, 2016

³ The UK was 9th of 49 European countries in the ILGA-Europe 2019 Annual Review of the Human Rights Situation of Lesbian, Gay, Bisexual, Trans and Intersex People

⁴ UCLA Fielding School of Public Health data, 2016. The other nations are Bolivia, Ecuador, Fiji and Malta





51%

THE NATIONAL LGBT SURVEY SHOWS THAT 51% OF 18-24 YEAR OLDS SAID THEY WERE COMFORTABLE BEING LGBT IN THE UK

Just being in the UK is not enough. Companies are competing across sectors for the brightest and the best domestic and international talent and asset managers need to rise above the competition.

The National LGBT Survey shows that 51% of 18-24 year olds said they were comfortable being LGBT in the UK, compared with 68% of those aged 65 or above. The survey notes that societal attitudes towards same-sex relationships have become more positive over time, suggesting “that comfort may relate more to a personal process than to societal attitudes”.⁵

This is a challenge which employers seeking LGBT+ talent will have to address. When managing employees who are recent school-leavers or graduates, employers should remember that as many as half of young LGBT+ employees may still be going through that process of becoming comfortable in themselves.

This year, to help us identify what can make asset managers stand out from the crowd, we asked LGBT+ people working in the industry if they could remember the first time they came out at work, and what made them feel the circumstances were right.

This report builds on the experiences and observations in *Bringing Our Whole Selves to Work* and seeks to point to practical steps that companies can take to create a supportive and inclusive environment which attracts and retains the best LGBT+ talent.

⁵ Government Equalities Office, National LGBT Survey, 2018

HARDWIRE DIVERSITY INTO THE RECRUITMENT PROCESS

Just like everybody else, LGBT+ people apply for jobs which match their skills and experience, offer opportunities for professional development, and ultimately enable them to enjoy a desired lifestyle. LGBT+ people who began their careers 20, 10 or even 5 years ago, often didn't expect prospective employers to show outward support for LGBT+ communities and didn't choose where to work on the basis of attitudes to inclusion.

But expectations are changing and the lack of any clear signal of support has led some to "neutralise" their CVs, removing professional experience, awards, and voluntary work which might give a clue to their sexuality or gender diversity. In some cases this might lead LGBT+ people to lose out once their CV presents a less rich professional history.

Clear messages of support before people apply, and when they are interviewing, will encourage prospective LGBT+ employees to tell their whole story and increase your chances of hiring LGBT+ talent.

BlackRock emphasises the importance of driving inclusion and diversity with newly promoted directors and managing directors. They run interactive sessions to ensure senior staff are LGBT+ aware, include SMART actions in annual objectives and reward managers for promoting inclusion and diversity in their teams.

Practical steps

- **Brief recruitment consultants** that you value diversity and inclusion in all its forms and that you would like to see applications from LGBT+ candidates. Some recruiters might wrongly assume you aren't interested in diversity if you aren't clear.
- Include a **clear and unambiguous statement in job adverts** that you would welcome applications from LGBT+ people. Broad statements about being an equal opportunities employer will probably be overlooked.
- Use **job sites which specialise in diverse recruitment** and contribute a piece on your company and its inclusive policies to recruitment guides which target LGBT+ people.
- **Discuss diversity and inclusion at interviews.** Be prepared to answer questions on diversity and inclusion from applicants and ask applicants if they have any experience of work or volunteering relating to diversity and inclusion, or whether they would like to gain it. Don't assume from outward appearances that the applicant isn't interested.



SMALL GESTURES CAN MAKE A BIG FIRST IMPRESSION

When starting a new job, many LGBT+ people, and younger LGBT+ people in particular, will be looking for signs that it is ok for them to talk openly about their sexuality or gender identity.

It doesn't take grand gestures to show that you are an inclusive employer. Small signs like rainbow lanyards or stationery are sometimes all that people are looking for. One participant in our workshops said that when she couldn't find any signs of LGBT+ inclusivity at her new employer she resorted to searching for "gay" on the company intranet.

You should promote your support for diversity and inclusion in all of its forms but try to remember the particular circumstances of LGBT+ people. The experience of coming out can be stressful and confusing, making it all the more important that LGBT+ employees receive positive signals from day one.

“LGBT+ role models are an important aspect of how we build a diverse and inclusive workplace. As leaders who are a member of, or allies to the LGBT community, we each have the opportunity to take a stand and demonstrate the benefits of inclusion and diversity. The best way to do this is by being visible. How do you know if you are a visible role model? Be authentic, think about who you are, your values and the impact you want to have on others – and ask yourself; ‘Am I the role model that I expect others to be?’”

MARK Q MCLANE, HEAD OF DIVERSITY AND INCLUSION AT M&GPRUDENTIAL

Practical steps

- Prepare a **starter pack** for all new employees which includes details of diversity and inclusion networks, a guide to being a good ally, and items such as a rainbow lanyard and rainbow branded stationery. Non-LGBT+ employees will also appreciate the signal this sends about their new workplace.
- If you have a **company intranet or staff handbook** include the contact details for the LGBT+ network.
- Allow employees to change their **email signatures** to demonstrate their support for LGBT+ inclusion or membership of a diversity and inclusion network.
- Regularly invite all new staff to a **talk by diversity and inclusion network leads** so that they can learn more.

DO ASK. DO TELL.

Try to create a working culture where it is normal and natural to take an interest in each other's lives and don't hesitate to ask someone about their life outside of work because you think they might be LGBT+. If someone wants to come out at work then they will be looking for easy opportunities to do so. You're unlikely to cause offence if you ask a gay man if he has a girlfriend. What matters is your reaction when he tells you he has a boyfriend.

For some LGBT+ people, if they miss the opportunity to tell new colleagues who they are then they may revert to 'safe-mode' and feel they cannot be themselves. The longer time goes on, the harder it can be to correct misunderstandings and employees might feel that they need to move on in order to make a fresh start.

The problem can be more acute for LGBT+ people than for women or some ethnic minority groups because their LGBT+ status is rarely visible. A proactive approach in an obviously welcoming environment will always make these conversations easier.

Vanguard has recently started an LGBT+ ally training course in partnership with its internal LGBT+ network. The course aims to train staff on how to be supportive allies for the LGBT+ community including how to call out biased behaviour and to be aware of the everyday language that people use. This also provides a safe space for staff to ask questions that they may be hesitant to normally ask. The sessions have had great feedback, and all trainees have agreed to step up as LGBT+ allies as a result of the training. This year Vanguard are marching in Pride alongside the Investment Association.



Practical steps

- **Lead by example.** Whether you are LGBT+ or not, you can set a positive example by talking openly about yourself and your life outside of work. By doing so you create space for others to talk about themselves.
- If someone tells you they are LGBT+ then **take an interest.** If you remember that someone went on holiday with their partner, or you remember the name of their partner, then it will send a positive signal if you mention that partner in the course of conversation.
- But **use your judgment.** Don't pry or ask questions that you wouldn't pose to colleagues who aren't LGBT+.

'OUT LEADERS' WILL SHOW THAT LGBT+ EMPLOYEES CAN REACH THE TOP

LGBT+ people working in the investment management industry want to see LGBT+ leaders in their companies. 'Out leaders' provide role models to other LGBT+ people but they also serve to prove that LGBT+ people will not experience barriers to reaching the top jobs.

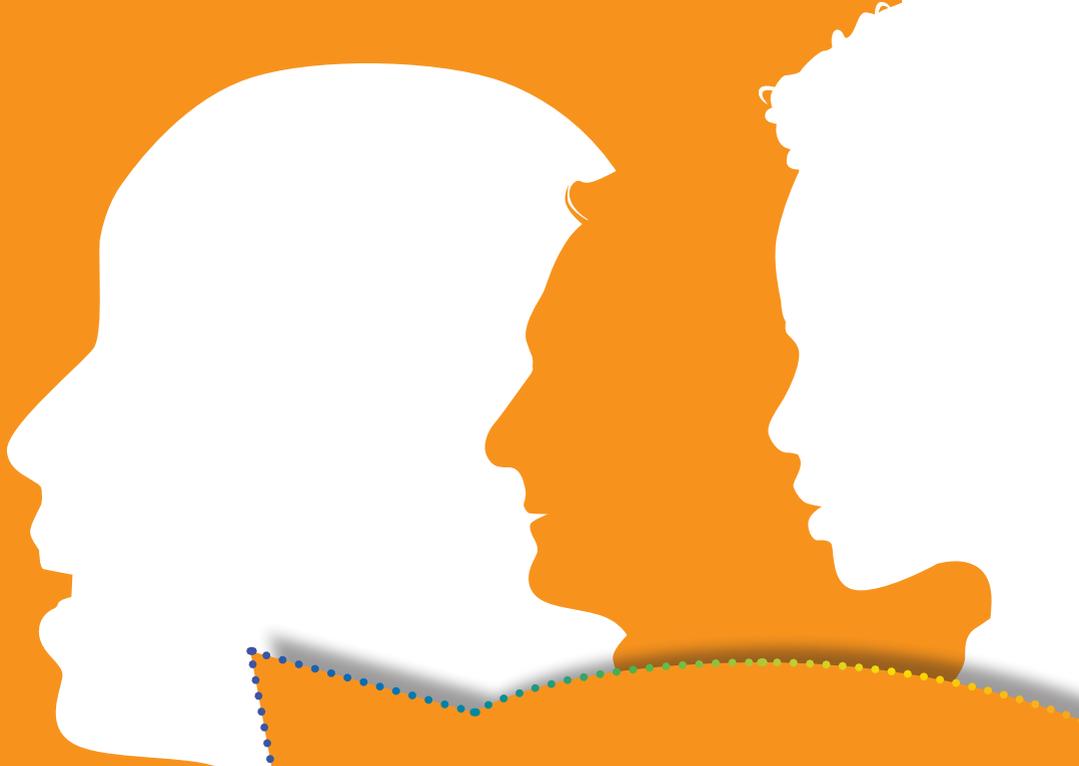
9 out of 10 respondents to a recent survey by LGBT Great said that it was important for them to have LGBT+ role models. 8 out of 10 said that they would value a leadership and talent development programme for LGBT+ people at their firm, but nobody surveyed was aware that their company offered one.⁶

If you have out leaders, ask them to act as role models within and outside of your company and outside it. They may be embarrassed by the attention but by standing out they send a powerful signal to LGBT+ employees and potential hires that they can be out in your firm.

Practical steps

- Sign up to **role model initiatives** like LGBT Great's Project 1000 in the investment management industry, or similar cross-sector programmes run by organisations like OUTstanding and Stonewall.
- Out leaders can write blogs, post to social media, speak at events and give press interviews **telling your story**. The more time you can commit, the more likely you are to be noticed.
- Ensure the inclusion of **LGBT+ people leadership and talent development programmes** and consider the particular challenges that LGBT+ employees may face.

⁶ LGBT Great and Brunel University London, Aiming for Great, 2019



"I am proud to be a gay leader at Franklin Templeton. It is incredibly important that senior LGBT+ leaders be visible role models in the workplace and in our industry as it helps to encourage and inspire others to be visible and through that visibility be their authentic selves at work, something that studies show boosts performance and well-being. In my capacity as a board director, I help set the tone and establish a strong corporate culture internally – demonstrate that this is the kind of workplace where different perspectives are welcomed. As Chair of our UK D&I committee I can influence thinking and collaboration as well as shape the direction of our efforts for inclusion across all strands of diversity. I can also say, for certain, that being my authentic self at work has positively enhanced my personal well-being and enabled the company to get the best of me."

**PAUL BRADY, SENIOR VICE PRESIDENT – INTERNATIONAL
TRANSFER AGENT, FRANKLIN TEMPLETON INVESTMENTS**

HELP EMPLOYEES TO MANAGE THEIR 'GAY JOB' ALONGSIDE THEIR DAY JOB.

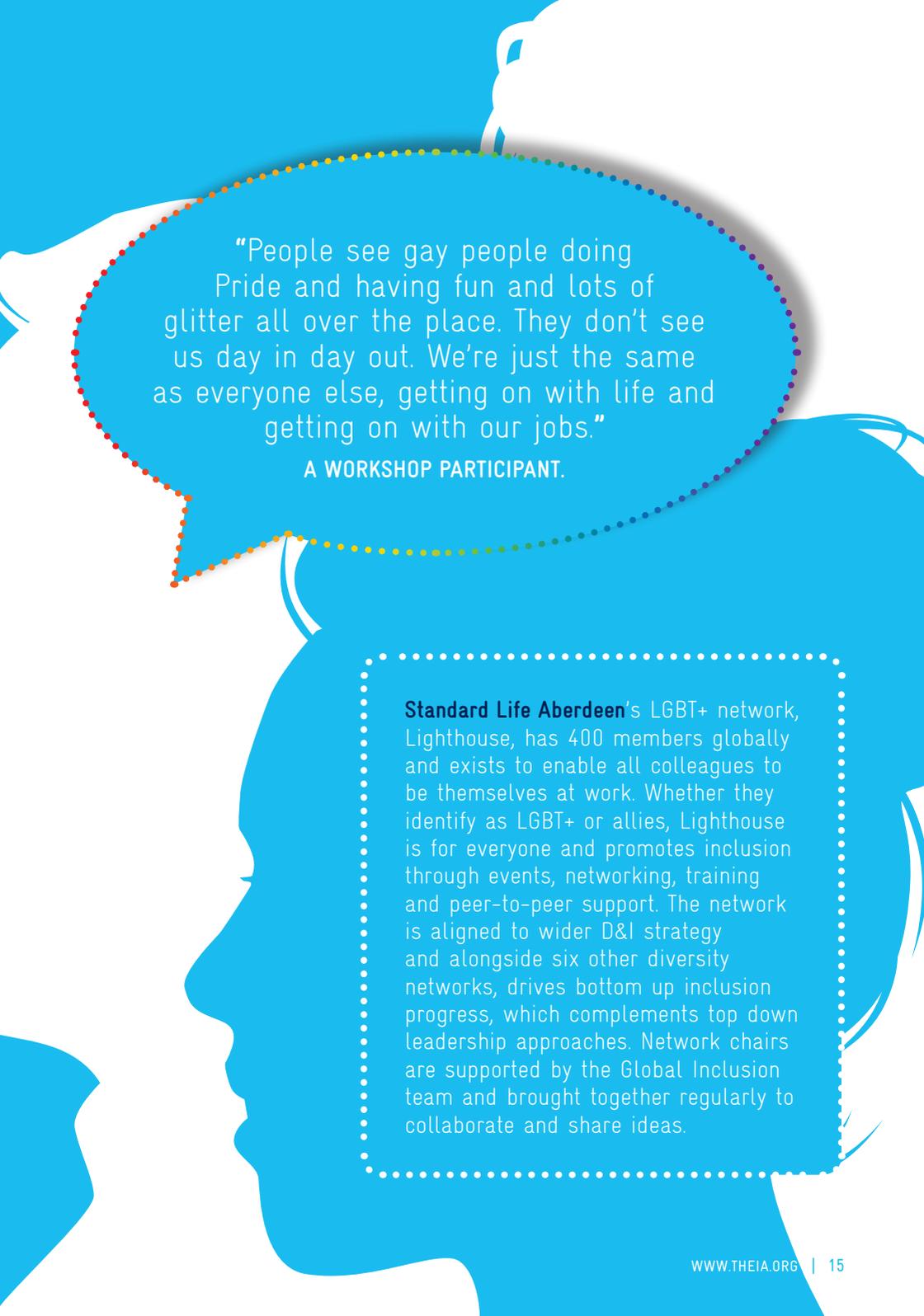
Senior leaders have the capacity to understand the strategic advantages to their business of LGBT+ inclusion and to send a clear message to LGBT+ employees that they are valued. When the message is well received, employees will often respond by founding and joining LGBT+ networks at work.

Employees give up their own time to support these networks and, by extension, to help build the reputation of their company as an LGBT+ inclusive employer but they should also feel comfortable volunteering time towards LGBT+ inclusion initiatives during their normal working hours. Employees shouldn't have to keep their 'gay job' separate from their day job.

It has become something of a cliché to say that unhappy employees leave managers, not companies, but it is essential that line managers recognise the value of their team working on diversity and inclusion at work and provide the necessary support.

Practical steps

- Provide professional **guidance or support when someone volunteers** for a role in an LGBT+ network. You could provide them with an information pack and a named contact in HR who can help them manage their new role.
- **Train line managers** to give them an understanding of the special requirements when managing somebody who gives their time to diversity and inclusion initiatives, and why your company values what they do.



“People see gay people doing Pride and having fun and lots of glitter all over the place. They don’t see us day in day out. We’re just the same as everyone else, getting on with life and getting on with our jobs.”

A WORKSHOP PARTICIPANT.

Standard Life Aberdeen’s LGBT+ network, Lighthouse, has 400 members globally and exists to enable all colleagues to be themselves at work. Whether they identify as LGBT+ or allies, Lighthouse is for everyone and promotes inclusion through events, networking, training and peer-to-peer support. The network is aligned to wider D&I strategy and alongside six other diversity networks, drives bottom up inclusion progress, which complements top down leadership approaches. Network chairs are supported by the Global Inclusion team and brought together regularly to collaborate and share ideas.

WE NEED THE SUPPORT OF ALLIES

To make a real impact on the experience of LGBT+ people at work we need the support of friends and colleagues. LGBT+ people will always form a small minority of the workforce and it is comforting to know that they have the support of a much wider group who support LGBT+ equality and will challenge homophobia and transphobia when they see it.

There are practical reasons why allies are important too. Data collected in staff surveys is really important to help employers understand if LGBT+ employees are having a different experience at work to their colleagues. Without participation from people who are not LGBT+, employers will not know if they need to take action to improve the LGBT+ experience.

In turn, LGBT+ people need to be good allies too, providing strength in numbers to colleagues fighting for better representation of gender equality and ethnic diversity.

Practical steps

- Run a staff **network membership drive** one day or week every year across the company and encourage all staff to join at least one network.
- Produce an **ally toolkit** so that employees who want to show their support for LGBT+ colleagues can learn more about what they can do.
- Hand out badges, stickers, flags or posters for allies to **make a display of support** at their desks and around the workplace.

The background of the page features three stylized white silhouettes of people's heads and shoulders, facing each other as if in conversation. The silhouettes are set against a solid purple background. The top silhouette is on the right, the middle one on the left, and the bottom one on the right. Two large, purple, dotted-line speech bubbles are positioned in the center, one above the other, containing white text.

BlackRock has an annual inclusion and diversity network fair where all employees can come and learn about what is happening and are encouraged to sign up and support a network, volunteer and attend events such as Pride. BlackRock's networks provide an opportunity for employees across the company with a diverse range of backgrounds, experiences and perspectives to connect with one another and to help shape BlackRock's culture. The fair is fun and colourful to grab people's attention and get them talking.

This year, **Capital Group's** LGBTQ+ network launched the #200Allies Campaign. The campaign aims to encourage all employees to lead by example, to share the message that their LGBTQ+ colleagues are equally valued, and provides practical advice for how anyone can be a great ally in the workplace. Even small actions can make a huge impact to someone's feeling of belonging and we've seen an increase in engagement from straight allies since we launched the campaign. This includes actions like more employees displaying Pride flags on their desks, participating in Pride marches and attending internal Pride network events. At Capital Group, we believe our differences make us better. We're committed to creating an environment where all staff feel like they can bring their whole selves to work.

TAKE LGBT+ PEOPLE SERIOUSLY

Industry and government action have led to the creation of a number of important initiatives in recent years to put diversity and inclusion at the forefront of business leaders' minds. These include the Hampton-Alexander review, the Women in Finance Charter and the introduction (or planned introduction) of gender and ethnicity pay gap reporting.

One of many welcome consequences of this has been that companies which promote their support for the Women in Finance Charter, and who are trying to get ahead of the curve with the ethnicity pay gap, will also talk about their commitment to LGBT+ inclusion. In most companies, LGBT+ inclusion will focus on celebrations like Pride marches and LGBT+ History Month. These are, of course, good things that are worth celebrating but LGBT+ employees have also questioned whether their sexuality or gender identity is impacting on their pay, promotion, and prospects.

Many LGBT+ employees are concerned that their inclusion is not just seen as an opportunity to have fun but that their issues are taken seriously.



Practical steps

- Make sure you have **policies on the serious issues which might affect LGBT+ employees**. This might include family-friendly policies on healthcare and childcare for same-sex couples and a dedicated trans inclusion policy.
- **Ask an LGBT+ network member to review new policies** or employee benefits to ensure that they are accessible and inclusive.
- Make a **public statement on company culture** which elevates LGBT+ inclusion policies to a 'pledge' to more visibly show support and make commitments.
- It may not be possible to calculate an LGBT+ gender pay gap but **collect the data** to help you spot inequality when it occurs.

A significant achievement for **Schroders** was releasing our transgender policy in November 2018 to ensure trans, transitioning and non-binary employees feel safe and welcome at Schroders. It outlines key entitlements that trans employees have in the workplace, such as privacy of their gender identity and name changes; access to facilities that reflect their gender identity; support with transitioning; and protection from discrimination. After we'd put out the policy somebody came out as trans. Once they saw the commitment from Schroders, they felt comfortable coming out.

COLLECT THE INFORMATION YOU NEED IN ORDER TO SUPPORT YOUR LGBT+ EMPLOYEES

Collecting data about LGBT+ employees when they are new to a company and as they move through it is vital if we are to have an understanding of the LGBT+ experience. Companies won't know if LGBT+ employees are underrepresented, underpaid or unhappy at work if they do not collect basic information.

Asking employees to self-identify when they join a company is not just helpful for data analysis but it can send a signal to new employees, whether they are LGBT+ or not, that the company cares about diversity and inclusion.

There is always potential for mistrust when asking for personal data and companies will need to ensure that they send a clear signal that they are asking for the right reasons. That assurance will come from more than just providing a disclaimer by a tick box. How the company presents its brands to clients and the other smaller signals a company sends to new starters all help to contribute to a sense of trust which give companies the license to properly support their LGBT+ employees.



Practical steps

- **Ask your lawyers** what level of data collection the law allows in every market where you employ people. Act on the legal advice. You should never put your employees at risk but perceived cultural barriers should not be a reason to avoid asking employees to self-identify.
- **Explain to employees why you are asking.** Some employees might not immediately see the value in filling in forms with their personal information. Before you send a survey, run an email or poster awareness campaign explaining the benefits.



SHOW YOUR SUPPORT ON YOUR WEBSITE AND SOCIAL MEDIA

When prospective candidates are considering whether they want to work for a company the first places they are likely to look are the company's website and its social media.

A steady stream of LGBT+ inclusive messages on social media will send a clear signal to employees about a company's values and should enhance the number of applications you receive from LGBT+ people. Similarly, a year-round, visible show of support for LGBT+ communities on your website will tell all prospective employees a great deal about what a company is like to work for. If you mark Pride, LGBT+ History Month or other events, make sure that you don't remove all trace of your support when the moment has passed. LGBT+ people look for new jobs throughout the year!

Practical steps

- Use **rainbow logos** during Pride months or other celebrations on all of your social media channels and your website.
- **Don't be shy about doing good.** If you support an LGBT+ event or charity then tell people on social media.
- If you have a consumer-facing website or social media make sure to **include LGBT+ people**. A photo of a same-sex couple is likely to be noticed by an LGBT+ person.

The Edinburgh and Essex Pride events always see a strong turnout from Aegon and Kames employees. As sponsors, **Aegon** and **Kames** branding appears at each event and in online and printed marketing materials. Supporting the Pride events is just one of Aegon and Kames's diversity and inclusion priorities, and part of their commitment to creating an inclusive place to work.

VALUE YOUR LGBT+ CUSTOMERS

It is often said that the LGBT+ community is amongst the most brand-loyal and while it may be a myth that gay people are any more prosperous or have more disposable income than straight people, there are good reasons why a company may choose to target the so-called 'pink pound'.

The upside is about more than the possibility of more customers and the added revenue they might bring. LGBT+ staff and prospective employees will also notice if you associate your brand with LGBT+ people and LGBT+ causes, particularly when other people's prejudices could mean that you lose custom as a result.

Perhaps more importantly, LGBT+ employees will notice your company's treatment of LGBT+ customers. Try to imagine the discomfort an LGBT+ employee in a call centre might feel when they try to defend a company policy that makes life harder for a transgender customer. But if you are respectful and understanding of your LGBT+ client base then you are likely to find you are rewarded with the loyalty of LGBT+ employees.

Practical steps

- Review your **policies towards LGBT+ customers** to ensure that you are treating them in an inclusive and respectful manner.
- **Sponsor LGBT+ events**, whether it is Pride or something smaller, and invite clients to enjoy them with you.
- **Feature LGBT+ people in your marketing** to send a signal to employees that you are happy to stand with LGBT+ people.

Standard Life Aberdeen (SLA) uses external sponsorships to promote inclusion beyond the workplace and members of Lighthouse (SLA's LGBT+ network) are at the forefront of leading these initiatives. Lighthouse has sponsored Pride Edinburgh in 2018 & 2019 and recently announced their sponsorship of Scotland's oldest gay-inclusive rugby club, the Caledonian Thebans. SLA is proud to be associated with both sponsorships that share our values and create spaces where people can be themselves.

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ARE YOU RECRUITING FOR DIVERSITY AND INCLUSION?

Go to investment2020.org.uk

Investment20/20 is the award winning investment management careers service, leading the sector in diversifying entry level talent through an early careers programme. Investment20/20's careers and talent strategy facilitates access to those from wider socio economic, ethnic and subject backgrounds encouraging an open and diverse culture. Working with over 3,700 schools, colleges and universities, they reach, inspire and attract school and college leavers, and graduates, who had not previously considered a career within investment management.

Trainees join our industry through a low risk 12 month trainee scheme, open to school/college leavers and graduates, which can sit alongside existing programmes. They participate in centrally-organised training, development and networking with other trainees from across the industry. Over 40 investment management firms participate in Investment20/20 and 75% of trainees have been offered a permanent role at the end of their traineeship.



ABOUT THE IA

The Investment Association is the trade body that represents UK investment managers, whose 250 members collectively manage over £7.7 trillion on behalf of clients.

Our purpose is to ensure investment managers are in the best possible position to:

- Build people's resilience to financial adversity
- Help people achieve their financial aspirations
- Enable people to maintain a decent standard of living as they grow older
- Contribute to economic growth through the efficient allocation of capital

The money our members manage is in a wide variety of investment vehicles including authorised investment funds, pension funds and stocks & shares ISAs. The UK is the second largest investment management centre in the world and manages 37% of European assets.

Investment Association (IA) members hold in aggregate, one third of the value of UK publicly listed companies. We use this collective voice to influence company behaviour and hold businesses to account. More information can be viewed on our website.



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