



ARE CONSUMERS PUTTING THEIR MONEY WHERE THEIR MOUTHS ARE?

EXPLORING SOCIALLY CONSCIOUS PURCHASING AND INVESTING IN THE U.S.

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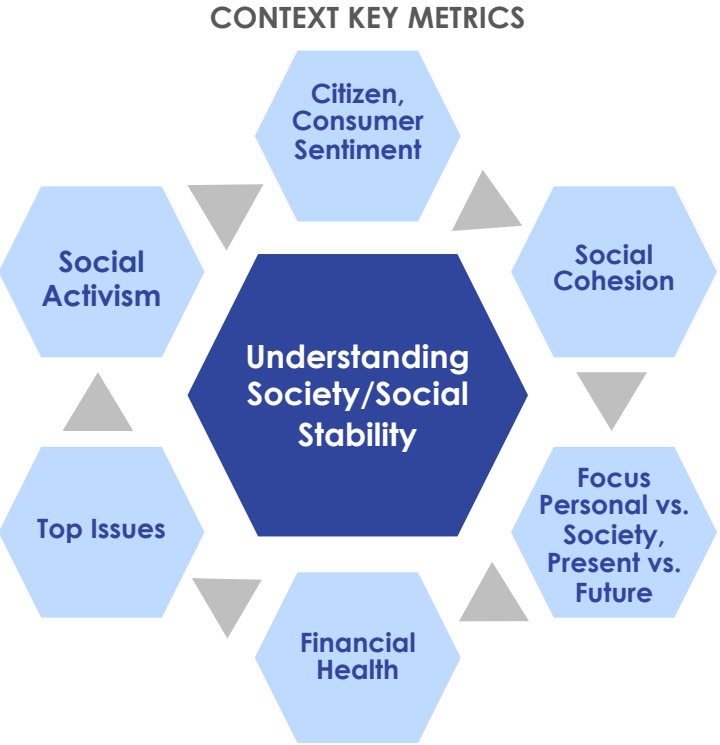


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Methodology

The survey was conducted in 32 countries via the Ipsos online panel system between August 26 and September 9, 2022. The social purchasing and social investing questions are a regular part of Ipsos' Context offer, which is a monthly monitoring of citizen/consumer sentiment.



Interviews were conducted with approximately 25,000 adults aged 18-74 in Canada, the U.S., South Africa, Malaysia and Turkey and 16-74 in all other countries.

The sample consists of approximately 1,000 individuals in Australia, Belgium, Brazil, Canada, mainland China, France, Germany, Great Britain, Italy, Japan, Spain, and the U.S., and 500 individuals in the remaining countries (we have suspended interviewing in Russia for the time being).

The samples in Argentina, Australia, Belgium, Canada, France, Germany, Great Britain, Hungary, Italy, Japan, the Netherlands, Poland, South Korea, Spain, Sweden, and the U.S. can be taken as representative of their general adult population under the age of 75.

The samples in Brazil, Chile, mainland China, Colombia, India, Malaysia, Mexico, Peru, South Africa, Ireland, Indonesia, Thailand, Saudi Arabia, Singapore, Turkey and the UAE are more urban, more educated, and/or more affluent than the general population. The survey results for these countries should be viewed as reflecting the views of the more connected segment of their population.

The data is weighted so that each country's sample composition best reflects the demographic profile of the adult population according to the most recent census data.

Where results do not sum to 100% or the 'difference' appears to be $\pm 1\%$ more/less than the actual, this may be due to rounding, multiple responses, or the exclusion of "don't know" or not stated responses.

The precision of Ipsos online polls is calculated using a credibility interval with a poll of 1,000 accurate to ± 3.5 percentage points and of 500 accurate to ± 5.0 percentage points. For more information on Ipsos' use of credibility intervals, please visit the Ipsos website. The publication of these findings abides by local rules and regulations.

The Impact of Social Issues

With more brands being taken to task on social issues by consumers and/or the media, Ipsos wanted to better understand who is acting with their wallets. Some consumers are taking these factors into consideration before making a purchase and some investors are considering the social impact of their investments. But the question for business leaders and policymakers is how much action is being taken and by who.

On the business front, brands are beginning to understand that being socially responsible is not only about return on investment (ROI), some investment funds are applying non-financial factors to their analysis to identify material risks and growth opportunities, and some governments are trying to nudge citizens to think and behave more responsibly.

Through our monthly Context tracking in 32 countries, we explore the gap between what consumers say about the social issues and causes they support, and how it affects the goods, services or investments they purchase.

We bring insight and understanding to:



The context in which socially conscious purchasing decisions are being made



The proportion of people who are making/changing a purchase decision because of environmental, social or ethical concerns.



Demographic comparisons

The Current Context

- The first climate change alarm bells rang over three decades ago. Black Lives Matter has existed for nearly a decade. Public health concerns have been thrust to the forefront of public discourse for the better part of three years now.
- Americans are very familiar with these and other systemic social and environmental issues facing the country. In survey after survey, large swaths of the public express their concern for a lack of progress on climate change, racism/racial inequality, etc. Up until very recently, few used the power of their dollar – via purchasing and/or investing decisions - to re-shape things for the better. They are instead looking to the government, corporations, or industry watchdogs to lead this change. However, 2021 marked a record year for socially responsible consumer spending. As such, doing good has evolved from a “nice to do” to a cost of entry for businesses.
- Social and environmental issues will not fade from the public consciousness. Americans will continue to expect companies to do their part. This goes well beyond CSR initiatives and charitable donations. Products and services need to be shown to have both personal consumer benefits (they make life better) and direct social and environmental outcomes (they make the world better). Anything short may be interpreted as “green washing” and damage a brand’s reputation.
- Current global economic factors make things more challenging. Brands need to take into consideration that fewer people are interested in paying more for anything — no matter what the purported social and environmental benefits are.
- Despite these complexities, Americans are among the world’s most engaged consumers when it comes to social and environmental issues. Compared to consumers around the world, Americans are above average when it comes to aligning their social, environmental, or ethical values with their spending and investing habits.

Key Learnings

- Currently, over half of American citizens (62%) are engaged in socio-political issues. These Americans frequently write online content, give money to a charity, or participate in a protest or cause.
- If Americans act upon their engagement, they are considered “activated” consumers who base purchase decisions on environmental, social, and ethical concerns (35%). Out of these concerns, ethical worries(23%) have the most impact, followed closely by social (20%), and environmental concerns (17%).
- While activation rates are relatively high in the U.S. compared to similar nations, most Americans (66%) are not making purchases based on environmental, social, and ethical concerns. This is not unique to the U.S., and results are similar among other comparable countries.
- Socially conscious investing is even less common both at home and abroad. The U.S. and most other countries see smaller proportions of consumers who make socially conscious investment decisions. However, while overall rates of social investing are low, the U.S. ranks among the top-3 indicating it has more of a foothold in the U.S. than it does elsewhere. Unlike buying decisions, there is little difference in the impact each area of concern - ethical, social, or environmental – has on investing decisions.
- Among Generations Z, X, and Boomers, Gen Z is more concerned about making socially conscious purchases and investments. Across all generations, men are slightly more likely than women to be activated social purchasers and investors. Boomers are more willing and likely to become “convertibles” followed by Gen X. Women are more likely to convert than men regardless of cohort.

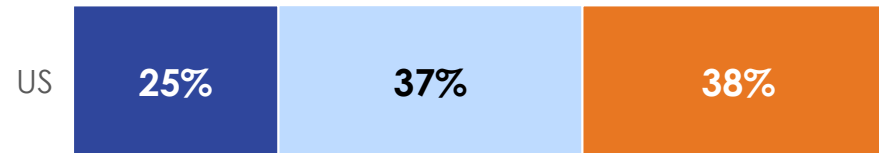
SOCIALLY CONSCIOUS PURCHASING & INVESTING IN THE U.S.

“Engaged” Americans

Over half (62%) of Americans are classified as being either High or Moderate on the Ipsos Social Activism Index – meaning that they are “engaged” and involved on socio-political issues.

IPSOS SOCIAL ACTIVISM INDEX

■ HIGH ■ MODERATE ■ LOW



“Engaged” – wrote online content, or gave time/money to a charity, cause, protest, etc.

“Activated” Americans

When it comes to socially conscious purchasing and investing, the proportion of Americans that are classified as “High” or “Moderately Activated” is roughly half of the number of those who are engaged (35% are social purchasers, 21% are social investors vs. 62% who are engaged generally).

IPSOS SOCIAL PURCHASING INDEX

■ HIGH ■ MODERATE ■ LOW



Social Purchasing – made or changed a purchase based on environment, social, or ethical concerns.

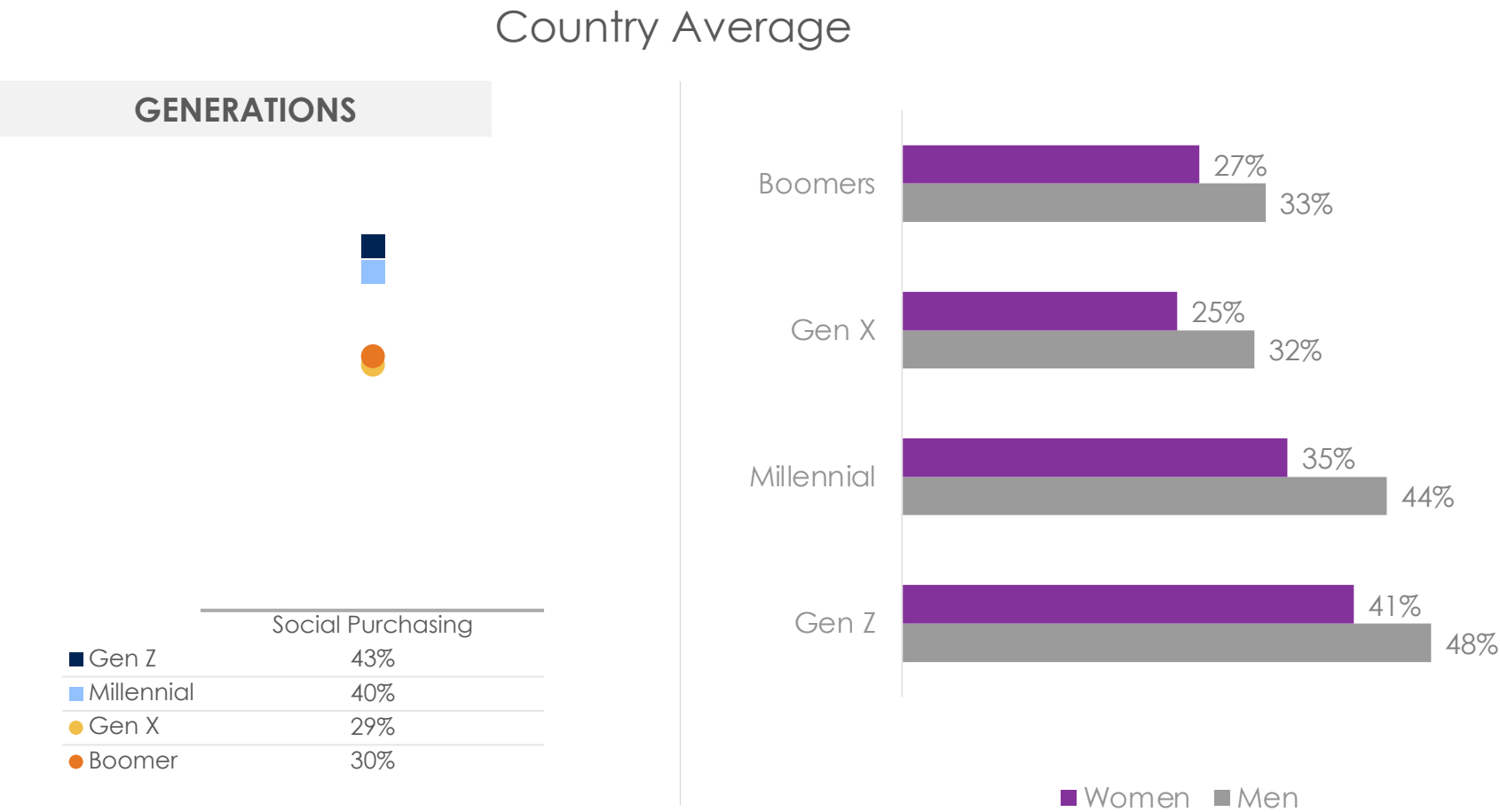
IPSOS SOCIAL INVESTING INDEX



Social Investing – made or changed an investment based on environment, social, or ethical concerns.

Activated – Demographics of Socially Conscious Purchasers (U.S.)

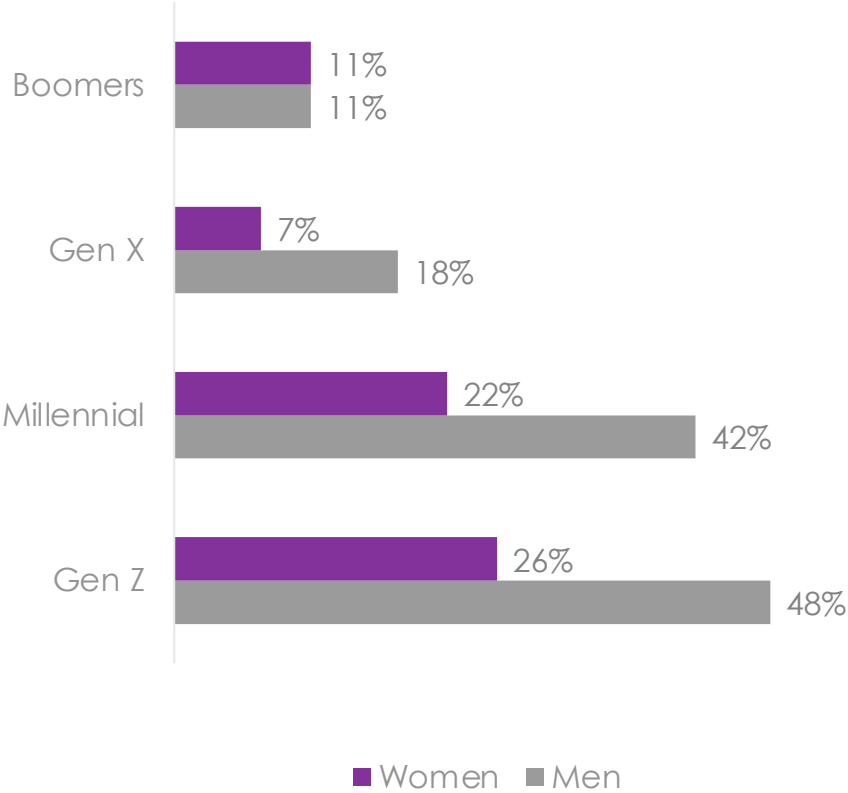
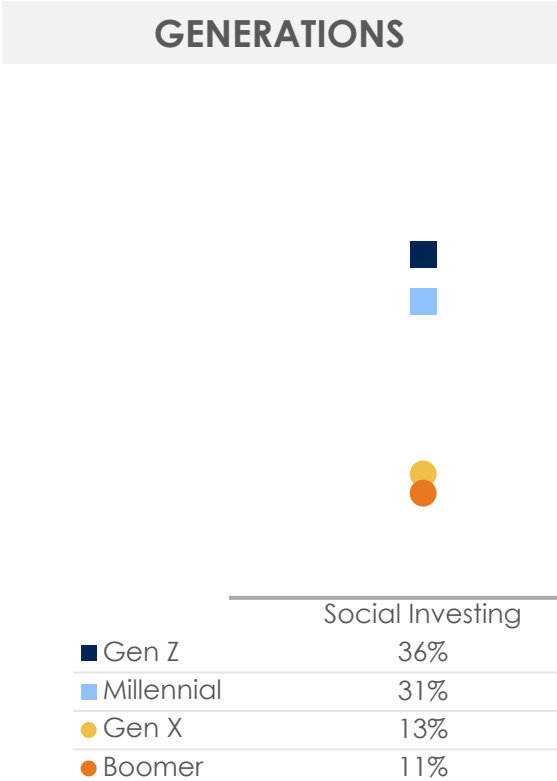
Generation is a big driver of being a socially conscious purchaser – younger consumers are more activated than older consumers. Across generations, men are slightly more likely to be active socially conscious purchasers.



Activated – Demographics of Socially Conscious Investors (U.S.)

Generation plays an even more prominent role in socially conscious investing – Gen Z and Millennial investors are far more likely to invest based on social, ethical, and environmental concerns than their older (Boomer and Gen X) counterparts. Investments are typically made by men in all cohorts.

Country Average

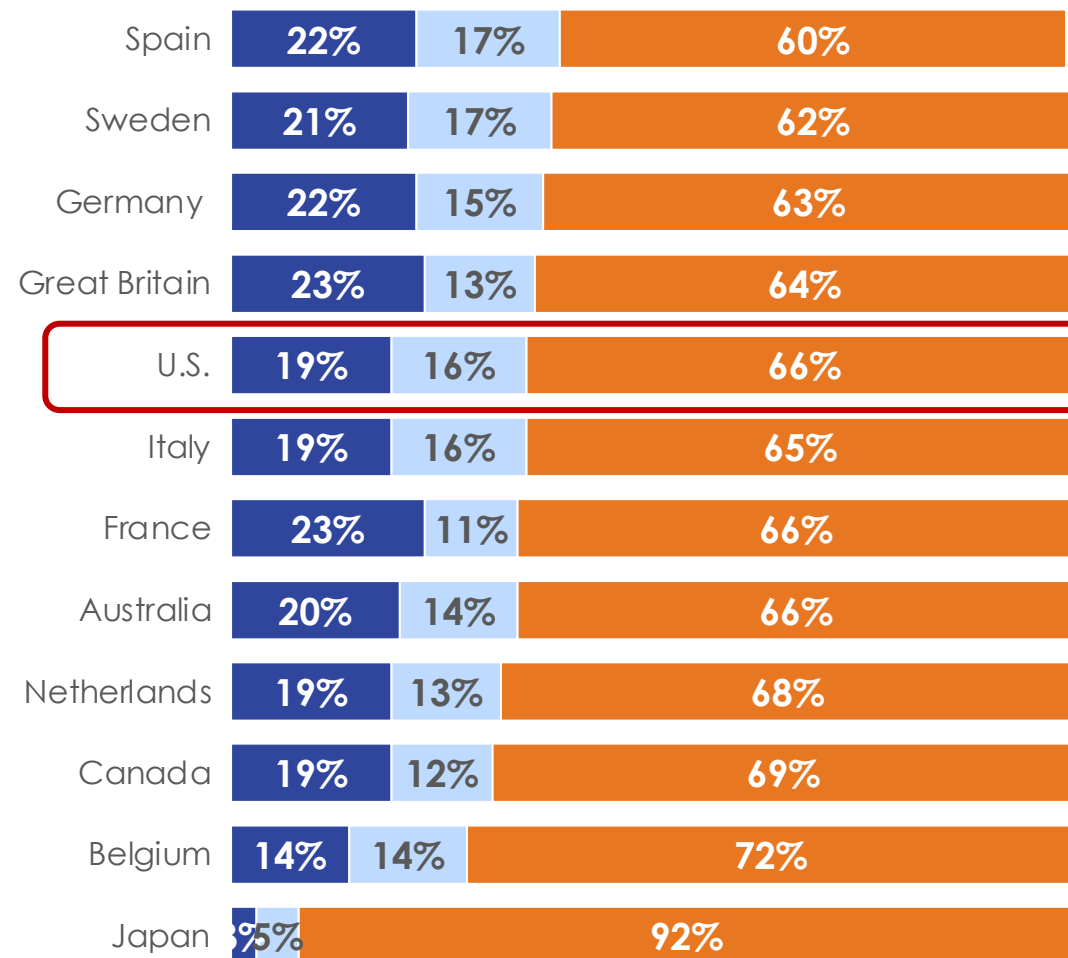


Activated – Social Purchasing

These spending habits place the U.S. among the top-5 global leaders where personal, social, and environmental values are reflected in their purchasing behaviors.

IPSOS SOCIAL PURCHASING INDEX

■ HIGH ■ MODERATE ■ LOW



Social Purchasing – made or changed a purchase based on environment, social, or ethical concerns.

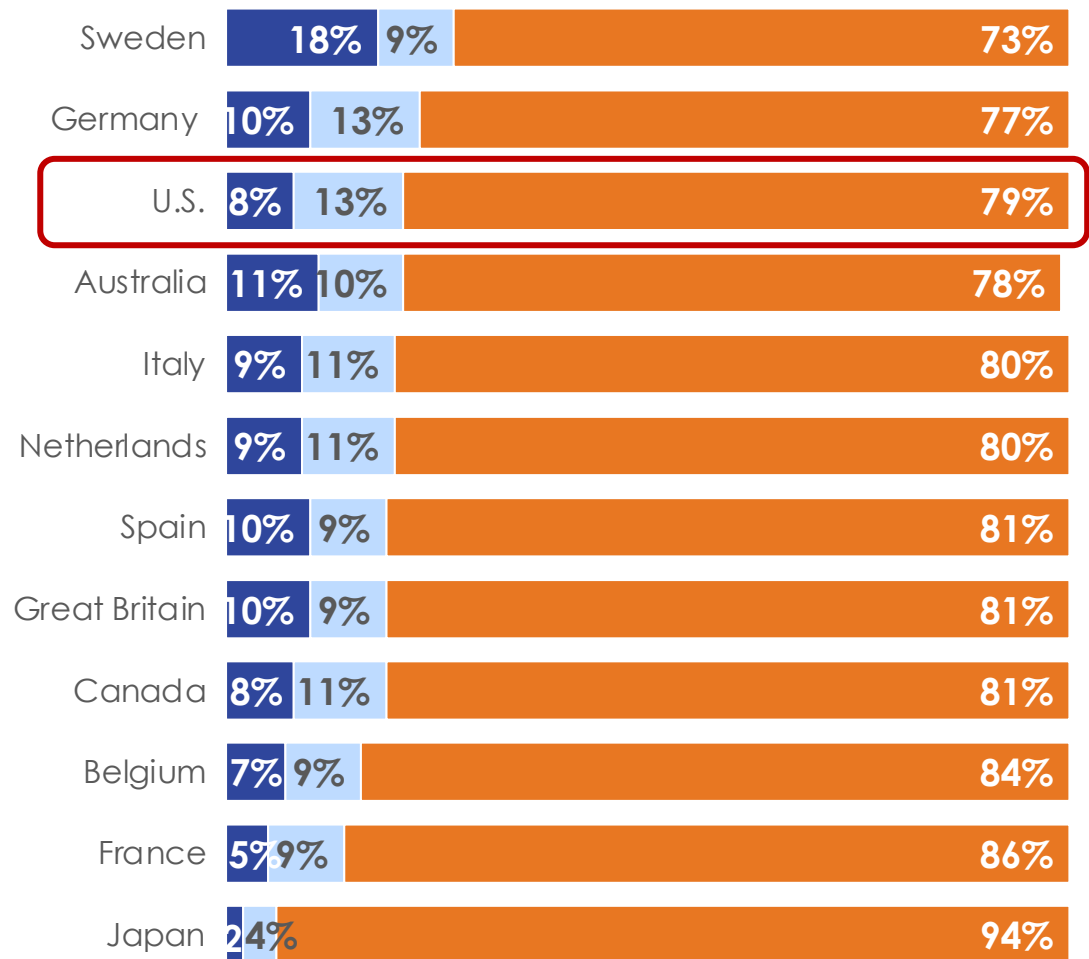
*Note: These sampled countries are selected for display due to their comparability to the U.S. in terms of education/income levels.

Activated – Social Investing

The U.S. trails only Sweden and Germany in the proportion of consumers making socially conscious investment decisions.

IPSOS SOCIAL INVESTING INDEX

■ HIGH ■ MODERATE ■ LOW



Social Investing – made or changed an investment based on environment, social, or ethical concerns.

*Note: These sampled countries are selected for display due to their comparability to the U.S. in terms of education/income levels.

Activated – Reasons for Social Purchasing & Investing

No single cause area disproportionately drives socially conscious purchasing or investing in the U.S., but purchasing is somewhat more likely to be based on ethical concerns.

Data suggests brands are free to champion issues that are in line with their brand purpose/narrative and where consumers feel the organization has a right to play, versus force fitting a strategy into a popular or topical issue.

SOCIAL PURCHASING DONE IN PAST YEAR ARE DRIVEN BY...

Environmental Concerns

17%



Social Concerns

20%



Ethical Concerns

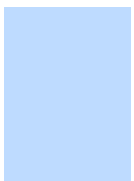
23%



SOCIAL INVESTING DONE IN PAST YEAR ARE DRIVEN BY...

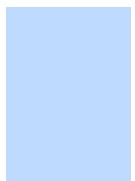
Environmental Concerns

11%



Social Concerns

11%



Ethical Concerns

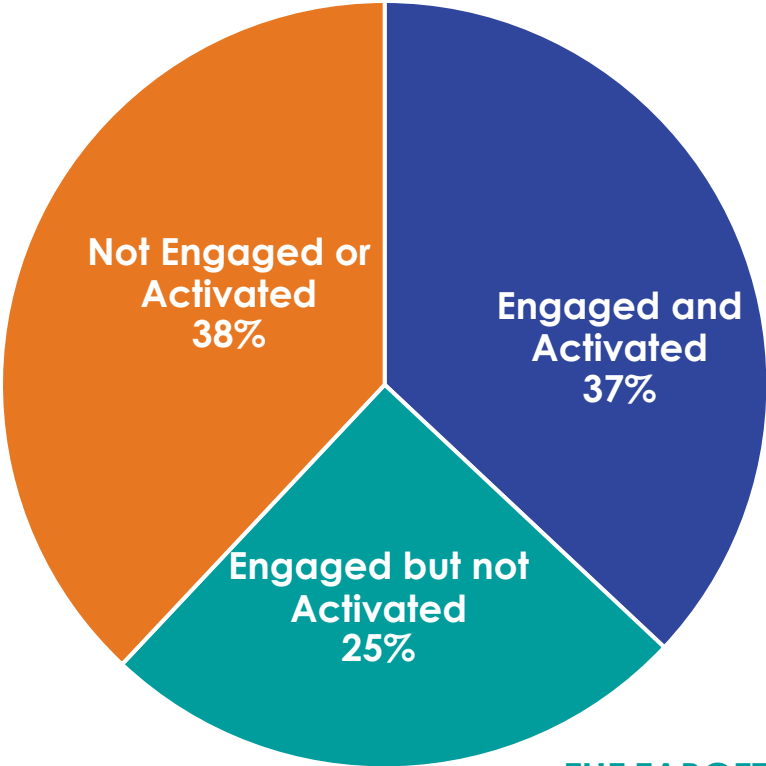
10%



IDENTIFYING THE NEXT WAVE OF ACTIVATED CONSUMERS

Convertibles – closing the “Say-Do” gap

THE TOUGHEST SELL – Americans who are currently not engaged and not making purchase/investment decisions based on social issues.



THE TARGET FOR SUSTAINING – Already Converted Americans who are engaged and making socially conscious purchases/investments.

THE TARGET FOR GROWTH – Convertible Americans who are engaged in socio-political issues, but have not acted (yet) with their purchases or investments

Convertible - by Country

The US ranks near the top of the list and is on par with Australia among the developed countries reported in terms of the proportion of “convertibles”, although most differences are marginal.

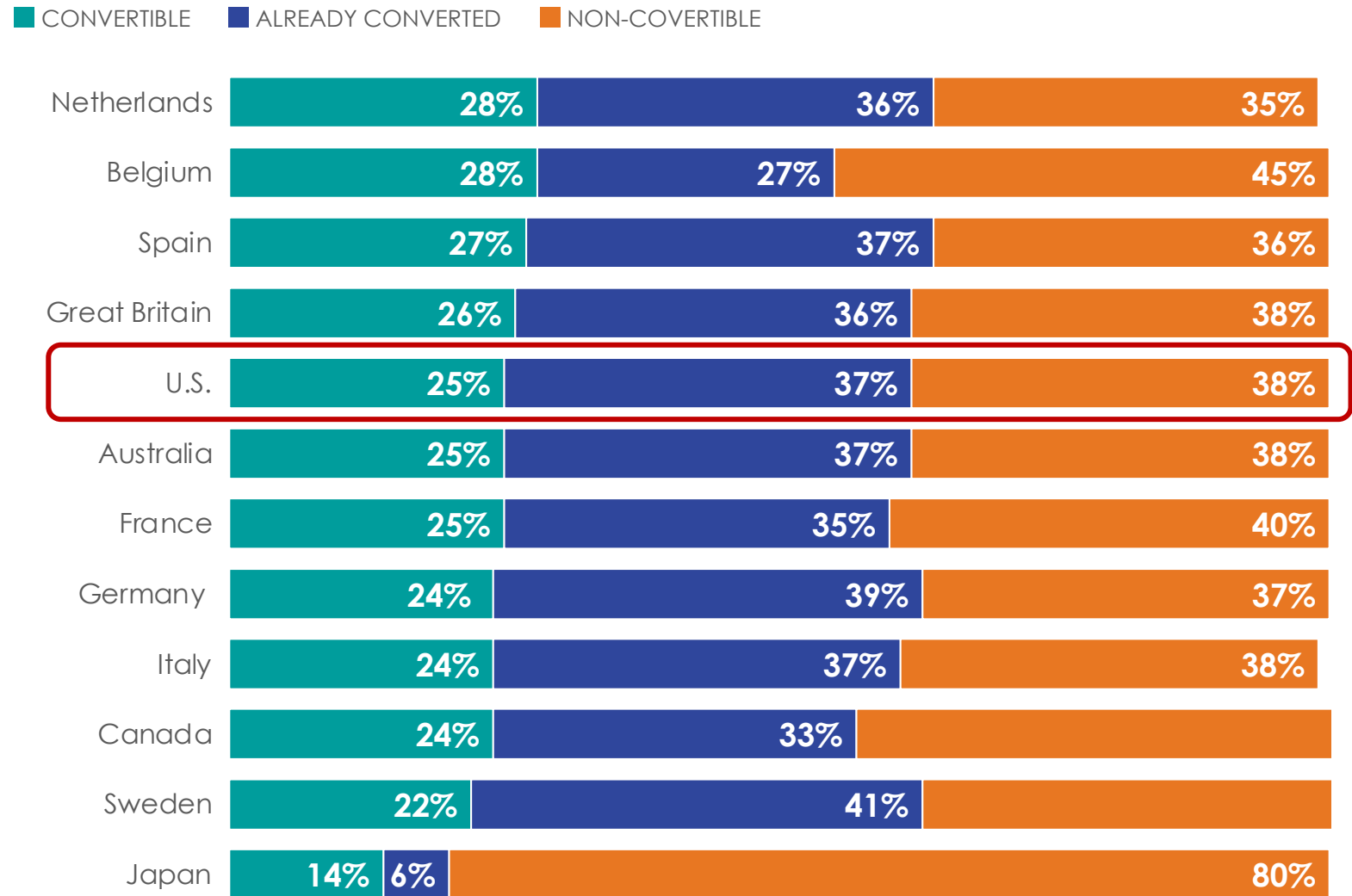
Convertible = % who are active in society but not yet socially conscious purchasers or investors.

Already converted = % who are active in society and are already making socially conscious purchases or investments.

Non-Convertible = % not active in society and not making socially conscious purchases or investments.

**Note: These sampled countries are selected for display due to their comparability to the U.S. in terms of education/income levels.*

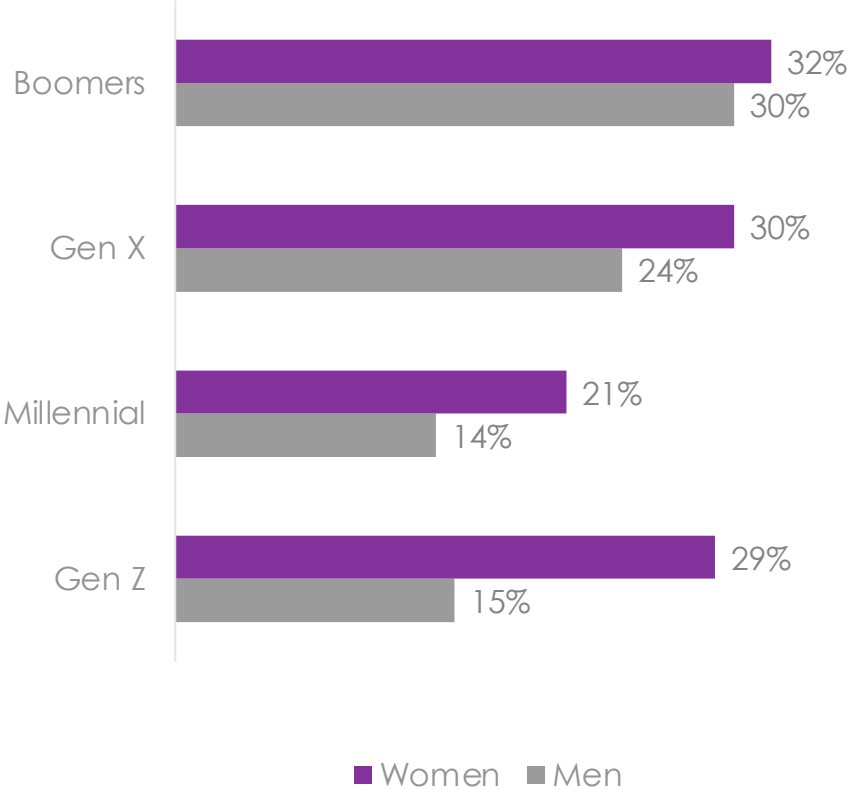
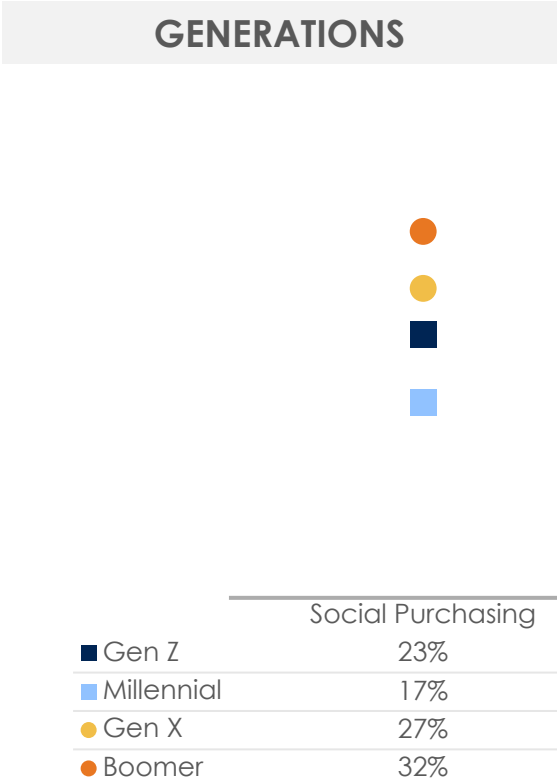
CONVERTIBLE BY COUNTRY



Convertibles – Demographics U.S.

While younger consumers are currently more likely to make socially conscious purchases, older consumers are more likely to be convertible, particularly Boomer women. Overall, a quarter of Americans (25%) are Convertibles across all generations.

Country Average



CLOSING THE SAY-DO GAP: THE IPSOS APPROACH TO SUSTAINABILITY RESEARCH



Considerations



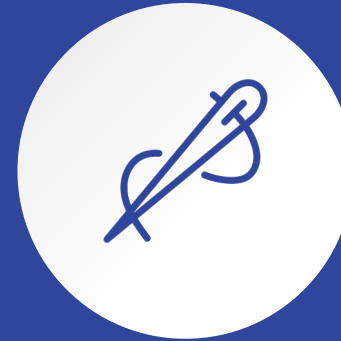
Focus on Key Issues:

Where should companies focus sustainability efforts in order to have the most impact on both corporate reputation and on the world?



Context Matters:

Understanding the social and political context in which companies operate is critical to successfully evaluate the strengths and weaknesses of sustainability research programs.



One Size Doesn't Fit

All: Unique needs require adaptable solutions rather than off-the-shelf products. Overall alignment with brand values and initiatives ensures that results are actionable in the corporate context.



Triangulation of

Insights: Data come from myriad sources. Quantitative, qualitative, and non-survey data need to be analyzed in unison in order to provide robust, holistic insights.

How do we bring all those elements together? The ACE model

AUTHENTICITY

- ✓ Utilize business know-how to drive change
- ✓ Focus on business value chain
- ✓ In-line with company mission and brand

CREDIBILITY

- ✓ Co-creation with partners and interest groups
- ✓ Alignment with external realities

EFFECTIVENESS

- ✓ Generate goodwill amongst stakeholders, employees, and public
- ✓ Create social change
- ✓ Drive business sustainability

For more information please contact us.

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GAME CHANGERS

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