

From Preaching to Investing: Attitudes of Religious Organisations Towards Responsible Investment

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Abstract

Religious organisations are major investors with sometimes substantial investment volumes. An important question for them is how to make investments in, and to earn returns from, companies and activities that are consistent with their religious beliefs or that even support these beliefs. Religious organisations have pioneered responsible investment. Yet little is known about their investment attitudes. This article addresses this gap by studying faith consistent investing. Based on a survey complemented by interviews, we investigate religious organisations' attitudes towards responsible investment including opinions, practices and the impediments for implementing faith consistent investing. Although our results cannot be generalised because of the non-random character of our sample, six main characteristics of faith consistent investing are drawn: investing is not perceived as being in contradiction with religious values, religious values are important drivers, there is a strong community around faith consistent investing, religious investors are pioneering impact investing, implementing faith consistent investing is not without difficulties, and practices vary across regions. The survey also reveals that faith consistent investing has many commonalities with secular responsible investors.

Keywords Responsible investment – Religion – Negative screening – Positive screening – Impact investing – Shareholder engagement – Faith consistent investing

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