Trends in the literature on socially responsible investment: looking for the keys under the lamppost

Gunther Capelle-Blancard1 and Stéphanie Monjon2

1. Centre d’Economie de la Sorbonne, University Paris 1 Panthéon-Sorbonne & Cepii, Paris, France.
2. LEDa-CGEMP, University Paris Dauphine, Cepii & Cired, Paris, France

In this paper, we use online search engines and archive collections to examine the popularity of socially responsible investing (SRI) in newspapers and academic journals. A simple content analysis suggests that most of the papers on SRI focus on financial performance. This profusion of research is somewhat puzzling as most of the studies used roughly the same methodology and obtained very similar results. So, why are there so many studies on SRI financial performance? We argue that the academic literature on SRI is mostly data driven: the famous ‘looking for the keys under the lamppost’ syndrome. The question of the financial performance of the SRI funds is certainly relevant but maybe too much attention has been paid to this issue, whereas more research is needed on a conceptual and theoretical ground, in particular the aspirations of SRI investors, the relationship between regulation and SRI as well as the assessment of extra-financial performances.

Introduction

Data, especially hard data, have become the life-blood of social sciences. Kim et al. (2006) report that, in the early 1970s, 77% of the most highly cited articles in economics were theoretical and only 11% were empirical. In the late 1990s, proportions were almost reversed: 60% were empirical and only 11% were theoretical. Technical progress in collecting and processing quantitative information has obviously fueled the growth of empirical studies and we can be delighted with this. Nevertheless, this is not without some methodological issues.

From Anscombe (1973) to Angrist & Pischke (2010), scholars have consistently cautioned against the misuse of data. Most of the critics focus on econometric issues (multicollinearity, simultaneity, endogeneity, structural breaks, to name a few) and data mining – pros and cons. Several articles are also concerned about how empirical evidence is interpreted and how data are used as a rhetorical tool (see Leamer 1983, McCloskey & Ziliak 1996, Kennedy 2002, Shugan 2002, Teixeira 2007, Hoover & Siegler 2008). In this paper, we illustrate some of the concerns about the use of data in academic research with the literature on socially responsible investing. In particular, we aim to draw attention on the extent to which research is data driven.

Socially responsible investing (SRI), also known as ethical investing, refers to the integration of environ-
mental, social, and corporate governance considerations (ESG) into the investment process. Responsible investors generally avoid investment in the so-called ‘sin stocks’ (alcohol, gambling, tobacco, weapons, etc.), while they favor firms engaged in best practices with respect to environmental sustainability, labor conditions, and community relations; they are also likely to promote shareholder engagement. Since the financial collapse caused by the subprime turmoil, SRI is sometimes even considered as an answer to the moral crisis of capitalism. In any case, SRI enjoys a large consensus: to conciliate finance and sustainable development. Doing well by doing good: the intention is undoubtedly admirable, though to such an extent that it may result in wishful thinking.

Although it is a relatively new concept, SRI has been the subject of a good deal of research. In this study, we provide quantitative evidence of a craze for SRI in newspapers and academic journals. We use online search engines and archive collections to examine the popularity of SRI in the public debate. We also rely on a content analysis of articles (in newspapers, books, academic journals, and online sources) that deal with SRI. Our content analysis shows mainly that most of these articles focus on the performance of SRI, while few of them – and the portion declines over time – are concerned with ethics, altruism, or moral values. Moreover, those studies on the performance of SRI are among the most influential papers, if we stick to the number of citations. This profusion of academic research on SRI financial performance is somewhat puzzling. Most of the studies used roughly the same methodology and obtained very similar results. So, why are there so many studies on financial performance? In this study, we argue that the main explanation is that the academic literature on SRI is mostly data driven. Researchers (including ourselves in a previous study) have been victim of the famous LKUL syndrome – ‘Looking for the keys under the lamppost’.

The question of the financial performance of the SRI funds is relevant, but maybe too much attention has been paid to this issue. The risk is that data-driven research can oust some fundamental, but hard, topics. Of course, nobody is able to mark out the most important topics. However, it can reasonably be said that ethical investing raises conceptual and theoretical issues that have not been fully addressed.

SRI in the news and the academic debate

In the last decade, socially responsible investing has earned its spurs. In the financial markets nowadays, everybody knows what the acronym SRI stands for – albeit some disagreements on the exact meaning of the ‘S’ (socially or sustainable?) – and it seems that SRI has come of age. A sure sign of this trend is the success of the United Nations Principles for Responsible Investment. As of March 2010, there were more than 700 signatories worldwide representing about US$18 trillion in assets under management.

Outstanding amounts managed according to SRI guidelines are usually considered as an indicator of its attractiveness (while there is often a tendency to overemphasize the size or the growth of the SRI market; see Capelle-Blancard & Monjon 2010). However, it is also interesting to monitor directly the way the debate on SRI evolves. To do so, we propose to quantify SRI’s prevalence in the public and the academic debates. Then, we examine the changes in the terminology associated with SRI.

Methodology

To proxy the popularity of SRI, we simply count the number of occurrences of the concept in newspapers and academic journals (as well as in books and on the web, albeit to a lesser extent). The count was conducted with automatic requests using various Internet search engines. We chose to consider the following key wordings: ‘socially responsible investing’, ‘socially responsible investment’, ‘ethical investment’, or ‘ethical investing’.

Newspaper articles are collected from Dow Jones Factiva. This software covers all major newspapers and publications in the world; that is, more than 10,000 news sources including major publications such as The Wall Street Journal, The Financial Times, etc. We search for academic articles using online archive collections provided by ScienceDirect-Elsevier, Wiley Interscience, SpringerLink, and Jstor. These platforms give access to the most influential academic journals worldwide. We search in the full text (all fields) but restrict our query to journal articles in Business, Economics, and Finance; we also avoid double counting. Lastly, we use the
Google search engine to run queries on the web as well as Google Books and Google Scholar (as of May 2010). Results obtained with Google are used mainly in this section and hereafter only as robustness check.

Over the period 1982–2009, we identify approximately 513,000 webpages, 27,500 newspaper articles, and 673 academic journal articles, which include the phrases ‘socially responsible investing’ or ‘socially responsible investment’ or ‘ethical investment’ or ‘ethical investing’. We also obtained 28,200 results in Google Books and 11,000 results in Google Scholar. Clearly, one may argue that our results overestimate the number of articles genuinely devoted to SRI, but it is not crucial to our purpose as we are mostly interested in the trends. However, if we want to draw comparisons, we need to take sample size effects into account. To do so, we regularize the number of articles mentioning SRI with the number of articles mentioning the words ‘investing’ or ‘investment’. The purpose is to proxy the percentage of articles dealing with SRI among the bulk of articles about investing/investment. Thus, about 25,000,000 newspapers articles and 150,000 academic journal articles were identified including the words ‘investing’ or ‘investment’ over the whole period. Hence, our ratios for SRI newspapers articles and SRI academic articles are equal to 0.11% and 0.44%, respectively. The suitable ratios are equal to 0.19% for webpages, 0.29% for Google Books, and 0.81% for Google Scholar. Results are presented Table 1.

As an opening remark, we can say that scholars seems relatively more concerned by SRI issues than others, as testified by the highest percentage obtained with academic journals or Google Scholar (differences compared with the others are highly significant). However, this is somewhat unexpected. Two features make SRI particularly attractive to journalists: its novelty and the fact that it offers unusual angles to talk about financial products (Winnett & Lewis 2000). Such features may also be appealing for scholars but to a much lower extent a priori. To explain the large number of SRI articles in academic journals, we need to further examine their content.

The growth of the SRI literature

In this subsection, we provide quantitative evidence of the prevalence of the SRI concept in the public debate over the period 1982–2009. Our queries confirm the craze for SRI, both in relative and absolute terms (see Figure 1).

The first articles mentioning ethical or socially responsible investment/investing appeared in the 1980s. During the 1990s, on average, about 380 newspaper articles per year included one of the four synonyms for SRI, which represents 0.069% of all articles including the words ‘investing’ or ‘investment’. In the 2000s, both figures rise sharply: 2,300 newspaper articles were published each year on average, which represent a ratio of 0.133%. The trend is similar for the number of articles published in academic journals. We list 16 articles published on average between 1982 and 1989 in the field of SRI (0.096%), 112 articles between 1990 and 1999 (0.284%), and 545 articles between 2000 and 2009 (0.549%).

Thus, the relative number of articles about SRI is double in the 2000s than in the 1990s, either in

| Table 1: SRI in the news and academic journals |
|-----------------------------------------------|
| Web | Books | Newspapers | Academic papers |
|-------------------------------|--------|-------------|------------------|
| Number | 513,000 | 28,200 | 27,500 | 11,000 | 673 |
| Percentage | 0.19 | 0.29 | 0.11 | 0.81 | 0.45 |

The number of SRI articles is obtained by running the following query: ‘socially responsible investing’ or ‘socially responsible investment’ or ‘ethical investment’ or ‘ethical investing’ for the period 1982–2009. The percentage is computed as the number of SRI articles divided by the number of articles with the words ‘investing’ or ‘investment’. Web articles are collected from Google. Books occurrences are collected from Google Books. Newspaper articles are collected from Factiva (Dow Jones). Academic articles are collected either from Google Scholar or ScienceDirect-Elsevier, Wiley Interscience, SpringerLink, and Jstor (only journal articles are considered). SRI, socially responsible investing.
newspapers or in academic journals. Moreover, in the recent period, while the relative number of SRI articles in newspapers declines, it continues growing in academic journals, reaching a peak in 2009 with almost 100 papers published in the field.

A simple content analysis

The number of papers dealing with SRI is growing. But what do they talk about? To try to identify the most favored topics, the points of view, possibly the
prejudice, etc., is not an easy task. Besides, this kind of analysis is rather uncommon in economics. This is partly due to the subjective nature of such analysis. It is a priori nonformal, hardly quantifiable, and consequently barely refutable. In this section, we try to overcome these challenges by carrying out a simple quantitative content analysis of our large sample of SRI articles. By doing so, we aim to contribute to a better understanding of the opinions and attitudes of journalists and scholars vis-à-vis SRI.

Content analysis is an increasingly important research tool in social sciences but not very common in economics. This is a set of techniques used to determine the presence of certain words or concepts within a collection of texts. Formally, content analysis can be defined as a ‘technique for making inferences by objectively and systematically identifying specified characteristics of messages’ (Holsti 1969: 14).

In this section, we first provide evidence of the growing reluctance to use the qualifier ‘ethical’ to the benefit of the less connoted term ‘socially responsible’. Then, we discuss the current drift toward ‘sustainability’. Finally, we attempt to identify the main topics currently addressed in the SRI articles.

Ethical vs. socially responsible

The qualifiers ‘ethical’ or ‘socially responsible’ are sometimes considered as perfectly synonymous, including in the dedicated academic journals where one might expect that the concepts are clearly defined. Thus, for instance, according to Schueth (2003: 189): ‘the terms social investing, socially responsible investing, ethical investing, socially aware investing, socially conscious investing, green investing, value-based investing, and mission-based or mission-related investing all refer to the same general process and are often used interchangeably’. Likewise, Hellsten & Mallin (2006: 393) ‘use the terms “ethical investments” and “socially responsible investments” interchangeably’. Until now, we do not distinguish between the two terms. But clearly, the terminology is not neutral.

As stated by Sparkes & Cowton (2004: 46), ‘as time has passed the term “ethical investment” has increasingly been replaced by that of “socially responsible investment” (. . .)’. Accordingly, we posit a progressive decline in the use of the term ‘ethics’ within the SRI debate. To test formally this hypothesis, we search within our sample of SRI articles (reminder: 27,500 newspaper articles and 673 academic journal articles), the percentage of articles including the word ‘ethics’. Results are presented in Figure 2.

The trend is clearly toward a decline: only half of the articles about SRI mention the word ‘ethics’ in the 2000s, while there were eight of ten in the 1990s. In other words, we corroborate the idea of a detachment of SRI articles from ethics. This decline is significant both for newspapers and for academic journals. Why are investors and academics reluctant to talk about ethics? As Sandberg et al. (2009: 523) precisely point out: ‘the term “ethical investing” would actually seem to be rather unpopular amongst institutional investors’. The most compelling explanation is certainly that practitioners (SRI fund managers, SRI analysts, etc.) do not want to place too much emphasis on moral (and religious) considerations that are frequently associated with the terms ‘ethics’ and that are often pejoratively connoted. This argument has been precisely documented by Sparkes (2001) and Sparkes & Cowton (2004). The most common acceptance today is that ethical investing refers to negative screening (i.e. the exclusion of ‘sin stocks’), while socially responsible investing encompasses the integration of the ESG criteria, the best-in-class approach and shareholder activism, which appear to be at the cutting-edge of SRI.

The previous argument is eventually relevant to understand the attitude of journalists who convey investors’ messages, but it does not fully explain why scholars themselves are reluctant to use the word ‘ethics’. One possible interpretation lies in the way research in economics has developed over the centuries. Since Bernard de Mandeville and ‘The Fable of the Bees’ published in 1705, economics has been gradually emancipated from moral sciences. Economic research is deeply affected by this initial demarcation: for some, it is nothing less than the very justification for its scientific status. Those who endorsed this position considered that the relevance of economics is purely technical. This approach is regularly and vigorously criticized (Sen 1987, Hausman & McPherson 1993), but it is still dominant, albeit in less extreme versions. Therefore, if we suppose that researchers have strong incentives to
comply with their peers who consider, more or less, that economists should not be interested in moral questions, it is clear that researchers will prefer to talk about SRI, rather than ethical investment.

The semantics of responsible investing: an ongoing debate

We focused previously on the semantic shift from ‘ethical investment’ toward ‘socially responsible investment’. However, the terminology – and so the significance – continue to change: the disputes now are on the exact meaning of the ‘S’ (Socially or Sustainable?) not to mention its suitability.

Thus, for instance, according to Joseph F. Keefe, President & CEO of Pax World Management LLC (Keefe 2007): ‘Over the next 15 years, I think we will see a transition from the old world of socially responsible investing to the new world of sustainable investing. (. . .) [It] isn’t just semantics. While it is to some degree a question of framing, framing is more than just words – it’s definitional – and I believe such a re-framing is necessary if our industry is to reach its potential’. This position seems to be in the majority.

A good illustration of the shift toward ‘sustainability’ is the change in the meaning of the SIF acronym: In 2009, the UK Social Investment Forum paved the way by changing its name to UK Sustainable Investment and Finance. Likewise, in 2011, the US Social Investment Forum became the Forum for Sustainable and Responsible Investment.7

Conversely, Amy Domini, CEO of Domini Social Investments (2009) expressed her concerns about the semantic drift toward ‘sustainability’: ‘It’s a bit of a marketing term; a comfort word. (. . .) Personally I like SRI or responsible investment’. Besides, some institutions prefer to drop the ‘S’. It was the choice, for instance, of the United Nations Environment Programme, when in 2006 it launched its Principles for Responsible Investment.

To sum up, we can give a last – but very symptomatic – example of the semantic drift by considering how things evolved in Australia in the last 10 years. In 1999, some Australian professionals founded the Ethical Investment Association. In 2002, they launched their first annual survey entitled ‘Socially Responsible Investment in Australia’, while maintaining the name of their association.8 However, in 2007,
the terms ‘ethical investment’ and ‘socially responsible investment’ were finally discarded in favor of ‘responsible investment’: the association is now called the Responsible Investment Association Australasia.

What is in question in SRI articles?

If papers on SRI do not deal with ethics, what do they talk about? To put it differently, within SRI articles, what are the most common topics addressed by journalists and scholars? To answer this question, we search for the existence of a certain number of concepts within our collection of texts on SRI in newspapers and academic journals.

Most quantitative content analysis uses predefined word categories based on specialized dictionaries (such as Harvard or Lasswell) to limit subjectivity. However, our approach is different because we are looking for concepts dedicated to SRI; consequently, we need to consider specific terms. So, we proceed in two steps. First, we list a set of words likely to be representative of the concepts relevant to the SRI debate. Then, we identify the percentage of SRI articles including those words.

Fifteen words have been chosen that can be categorized in four ad hoc groups. The first group is about personal values: ‘altruism’, ‘sacrifice’, ‘moral’, and ‘religion’. The second group deals with financial characteristics: ‘performance’ and ‘diversification’. The third group refers to the SRI strategy: ‘best-in-class’, ‘filter’ or ‘screen’, ‘activism’, and ‘stakeholder’. The fourth group involves some proxies for the ESG factors: ‘South Africa’, ‘human rights’, ‘climate’, ‘sustainable’, and ‘corporate governance’. Results are documented in Table 2.

The main striking result is the predominance of the term ‘performance’ in all kinds of publications. Among the terms on the list, it is the most used – far beyond the others. In newspapers, this term appears in one-third of the articles. In academic journals, it was mentioned in half of the papers over the period 1982–1999, and this percentage has increased to almost three quarters over the period 2000–2009.

Such a high proportion of appearances of the term ‘performance’ (at least, relative to the others terms) is somewhat surprising. However, it confirms the qualitative analysis provided by Winnett & Lewis (2000) on the coverage of ethical investment (they focus on the UK broadsheet Sunday press over the period 1994–1995). According to them, a representative press article on SRI begins with some definitions, followed by a presentation of the different strategies and it typically ends with a comparison of performances.

In truth, we expected that journalists would devote more to the issue of performance than scholars. Indeed, as stated by Winnett & Lewis (2000), league tables are the mainstay of financial journalism; they foster the hope that gains can be realized by using relevant insights and by careful screening. However, unlike ‘popular’ models, ‘economic’ models deny the belief that it is possible to ‘beat the market’. In this regard, the fact that scholars attach even more importance than journalists to fund performance is quite remarkable.

To corroborate the primacy of the issue of performance in studies on SRI, we also rely on a manual count of the academic articles that specifically examine the financial performance of SRI indexes or SRI mutual funds. The conclusion is clear cut: in a companion paper, we list more than 50 academic papers that specifically examine this issue (Capelle-Blancard & Monjon 2012). Moreover, several of these studies are among the most influential academic papers on SRI, if we stick to the number of citations. Among the top 50 according to Hoepner & McMillan (2009), 20 papers specifically examine the financial performance of SRI portfolios, of which six are in the top seven. Using a quantitative (instead of a qualitative) method does not change the conclusion: like Hoepner & McMillan (2009), we find that the SRI literature appears to be ‘under-theorised’. As one might expect, the primacy of performance in academic studies on SRI is more pronounced in financial journals. Still, other journals are not immune and, most of all, most studies among the most influential have been, actually, published in financial journals.

Hence, the bulk of academic articles on SRI are about financial performance. ‘Does it pay to be good?’: that is the (main) question. Conversely, apart from some seminal articles – for instance, Irvine (1987), a remarkable analysis of the different notions concerning the ethics of investing – only a few papers examine conceptual aspects of SRI. This profusion of academic research on SRI financial performance
raises at least two questions: (i) Why are there so many studies on financial performance of SRI? and (ii) Do not we pay too much attention to SRI financial performance?

To have such a number of academic articles devoted to SRI financial performance is somewhat puzzling. Of course, this is an important issue given the fiduciary responsibility of the fund managers. Of course, replication of published empirical results is a fundamental pillar of the scientific method (Dewald et al. 1986, Hamermesh 2007). However, these arguments are not sufficient.

Recall first that the rationale of SRI funds is to go beyond the financial aspects. Accordingly, it is

Table 2: SRI: what is it about?

|                    | 1982–1999 |     | 2000–2009 |     | Difference in percentages |
|--------------------|-----------|-----|-----------|-----|--------------------------|
|                    | #         | %  | #         | %  |                         |
| Altruism           | 12        | 0.3| 52        | 0.2| –0.1                    |
| Sacrifice          | 129       | 3.1| 372       | 1.6| –1.5***                 |
| Moral              | 467       | 11.1| 1,367     | 5.9| –5.3***                 |
| Religion           | 82        | 2.0| 296       | 1.3| –0.7***                 |
| Performance        | 1,359     | 32.4| 8,289     | 35.6| 3.2***                |
| Diversification    | 87        | 2.1| 973       | 4.2| 2.1***                  |
| Best in class      | 10        | 0.2| 255       | 1.1| 0.9***                  |
| Filter or screen   | 497       | 11.9| 1,537     | 6.6| –5.3***                 |
| Activism           | 134       | 3.2| 1,017     | 4.4| 1.2***                  |
| Stakeholder        | 74        | 1.8| 948       | 4.1| 2.3***                  |
| South Africa       | 710       | 16.9| 864       | 3.7| –13.2***                |
| Human rights       | 427       | 10.2| 2,917     | 12.5| 2.3***                |
| Climate            | 100       | 2.4| 2,817     | 12.1| 9.7***                |
| Sustainable        | 200       | 4.8| 4,436     | 19.0| 14.3***                |
| Corporate governance| 101       | 2.4| 3,233     | 13.9| 11.5***                |

The number of articles is obtained by running the following query: ‘socially responsible investing’ or ‘socially responsible investment’ or ‘ethical investment’ or ‘ethical investing’ for the period 1982–1999 and 2000–2009 successively. We provide, for each period, the total number (#) and the percentage (%) of articles (total number divided by the number of articles with the words ‘investing’ or ‘investment’). Newspaper articles are collected from Factiva (Dow Jones). Academic articles are collected from ScienceDirect-Elsevier, Wiley Interscience, SpringerLink, and Jstor (only journal articles are considered). To test for differences between percentages, we use the standard Z-statistics. ** and *** denote significance at the 5% and 1% levels, respectively. SRI, socially responsible investing.
surprising that the main question in the academic literature is whether it pays. Furthermore, most of the studies used roughly the same methodology\textsuperscript{14} and obtained very similar results on (seemingly) different samples. They almost unanimously show that the financial performance of the SRI funds is not significantly different relative to their conventional peers or relative to a benchmark index. Besides, this empirical result is widely expected.\textsuperscript{15}

The availability of the data and the ease of access, together with the opportunity to make use of econometric tests clearly play a major role in the choice of questions that are dealt with by scholars. Obviously, it is almost impossible to measure the extent of such behavior. Notwithstanding, we assert that the most plausible explanation of the high number of papers on financial performance of SRI funds is that this strand of research is mostly data driven.\textsuperscript{16} Research on SRI has been victim of the famous LKUL syndrome – ‘Looking for the keys under the lamppost’: a general tendency to overanalyze data. Following Kimball (1957), Kennedy (2002), in his 10 commandments of applied econometrics, called it a Type III error: to produce the right answer to a wrong question. Truly, the question of the financial performance of the SRI funds is not out of place. However, maybe economists have paid too much attention to this issue.

Aside from the question of financial performance, we also document four notable trends concerning the topics addressed in our set of SRI articles (overall, the trends are the same in newspapers and academic journals).\textsuperscript{17} First, it is clear that the words connected with personal values (‘altruism’, ‘sacrifice’, ‘moral’, and ‘religion’) are used less and less frequently, in the same manner as the word ‘ethics’. Second, there is a growing use of the term ‘best-in-class’ in the newspapers, together with a lesser use of the words ‘filter’ or ‘screen’. This was anticipated because it reflects a change in the asset managers’ practices. Third, the term ‘stakeholder’ appears to be very popular among scholars: almost two-thirds of the academic papers examined mention this concept (the second most used in our list). Fourth, along with a renewal of societal issues, SRI papers mention less frequently the boycott of South Africa and instead cite human rights, climate change, and sustainable development problems with increased frequency. The topic of corporate governance is also more and more prevalent.

**Conclusion**

‘Not everything that counts can be counted, and not everything that can be counted counts.’

William Bruce Cameron (1963: 13).\textsuperscript{18}

Advocates of SRI usually consider that good financial performance is likely to promote SRI (the ‘green-is-more-profitable’ argument). However, there is eventually an element of delusion here. Moreover, economic incentives can have many perverse effects, in particular that of discouraging ‘pro-social’ behavior (Bénabou & Tirole 2010). Altruism, reputation, or self-esteem can be the powerful motives that lead people to be socially responsible investors. Actually, few studies examine the aspirations of SRI investors, but they represent a valuable source of information.\textsuperscript{19} Likewise, studies on the relationship between SRI and regulation as well as empirical evidence on extra-financial performances seem to be promising avenues, to name but a few.

Overall, the question of the financial performance of the SRI funds is certainly relevant, but maybe too much attention has been paid to this issue, whereas more research is needed on a conceptual and theoretical ground. The motto of W.B. Cameron, often endorsed by the proponents of SRI, may also apply to research.

**Acknowledgments**

The authors would like to thank Mariya Aleksynska, Gina Anderson, Agnès Bénassy-Quéré, Patricia Crifo, participants at the Social Studies of Finance Seminar and the CSR Seminar (Chair for Business Economics, Ecole Polytechnique) as well as two anonymous referees for helpful comments. We thank also Barbara Balvet for outstanding research assistance.

**Notes**

1. A woman sees a man looking for his keys under a lamppost outside a tunnel. She proposes to help
him and she asks where he lost them. He lost them inside the tunnel. The woman looks puzzled. — ‘Then why are you looking for them under the lamppost?’ — ‘Because I see much better here’ he answers.

2. Our systematic procedure reveals no reference before 1982.

3. Unsurprisingly, a large portion of the academic articles were published in journals dedicated to business ethics (Journal of Business Ethics, Business Ethics Quarterly, and Business Ethics: A European Review). Otherwise, articles were published in a large range of academic journals, including Ecological Economics, The Financial Analyst Journal, The Journal of Banking & Finance, The Journal of Corporate Finance, The Journal of Economic Psychology, The Journal of Financial Economics, The Journal of Investing, The Journal of Socio-Economics, etc.

4. What we call the sample size effects are twofold. First, we need to compare the different sources of information. However, web audience is larger than newspapers audience, which is itself larger than academic audience; consequently, assessment might be distorted. Second, the number of articles available each year in the archives is growing, which might skew intertemporal comparisons.

5. A notable exception is Winnett & Lewis (2000), who provide a fruitful qualitative analysis of the press coverage of ethical investment. We will refer to them later in the paper.

6. Admittedly, the content analysis presented in this paper is somewhat cursory because we only rely on word counts, while it would be interesting to further investigate the context relative to which words and concepts are analyzed (Krippendorff 2004). We leave this for future research.

7. According to the US SIF CEO, Lisa Woll, the name-change process was embarked ‘with trepidation’ (see the interview by Mark Nicholls, Environmental Finance, June 22, 2011).

8. It should be noted that Sparkes & Cowton (2004) considered that Australia was an exception, because they ‘generally kept the older usage’ – that is, the term ‘ethical investment’.

9. An alternative approach would have been to count the number of times each concept appears. Such an approach might be more indicative (most of the time). However, it is not applicable with a very broad collection of texts, as is the case in this study.

10. Several attempts were necessary to draw up this list. We based our choice on two criteria: relevance, but also the number of occurrences. In particular, the words ‘pro-social’ or ‘community’ are too seldom used to be incorporated in the analysis.

11. One may argue again that our method overestimates the number of studies truly related to a specific concept. However, as the bias is likely the same for all the words included in our list, we believe that it is not a decisive issue.

12. Those studies, if we piece their data together, cover several hundred funds (mainly equity mutual funds) over the period 1963–2008 in 18 countries.

13. Precisely, Hoepner & McMillan (2009) note that ‘the analysis of financial performance is the sub-area of responsible investment, which is most explored by influential studies to date. (. . .) However, since responsible investment products define themselves by a higher environmental, social, or governance (ESG) performance than their conventional equivalents, it is very surprising that only one discretionary selected study is devoted to this aspect. Similarly, the motivations of investment funds or intermediaries to support or hamper responsible investment as well as the behaviour of society and regulators in relation to the responsible investment industry are also only investigated by a single study (. . .). Even less researched are research questions related to the motivation of society or regulators pro/contra responsible investment and responsible investment marketing. These sub-areas are not investigated in any influential study and hence offer lots of opportunities for (especially emerging) prospective researchers’. This conclusion is very much in line with ours.

14. They used the CAPM (Capital Asset Pricing Model) or a multifactor model to assess the risk-adjusted return of SRI funds.

15. And yet, newspapers articles persistently present contradictory evidence based on specific case studies. For examples of ‘selective use of evidence’, see Winnett & Lewis (2000: 333).

16. Again, while Hoepner & McMillan (2009) use a different methodological approach, they reach a similar conclusion: ‘many influential analyses of responsible investment’s process appear focused on aspects with sufficient data for statistical analysis, which might supply more developmental or exploratory research tasks with insufficient attention from prospective influential authors’.
17. To investigate how the percentages significantly evolved over time, we use the following Z-statistics:

\[ Z = \frac{(p_1 - p_2) \sqrt{n_1 p_1(1 - p_1) + n_2 p_2(1 - p_2)}}{\sqrt{n_1 + n_2}} \]

where \( p_1 \) and \( p_2 \) are the sample proportions and \( n_1 \) and \( n_2 \) are the sample sizes corresponding to the proportions. This test is especially informative when the samples are large and the percentages are far from zero. The asymptotic distribution of the Z statistic is standard normal under the null hypothesis of no change in the percentage.

18. This adage is often attributed to Albert Einstein but without certainty. Source: http://quoteinvestigator.com

19. Rosen et al. (1991), Lewis & Mackenzie (2000), McLachlan & Gardner (2004), Nilsson (2008), Williams (2007), Owen & Qian (2008), Starr (2008), Iyer & Kashyap (2009), Säve-Söderbergh (2010) use surveys; Webley et al. (2001), Pasewark & Riley (2010) implement experiments; Renneboog et al. (2006), Bollen (2007), and Benson & Humphrey (2008) examine the determinants of SRI funds investment flows, especially the impact of past fund performance; Bauer & Smeets (2010) combine holdings data, a survey, and a conjoint analysis.

References

Angrist, J.D. and Pischke, J.-S. 2010. ‘The credibility revolution in empirical economics: how better research design is taking the con out of econometrics’. Journal of Economic Perspectives, 24:2, 3–30.

Anscombe, F.J. 1973. ‘Graphs in statistical analysis’. American Statistician, 27:1, 17–21.

Bauer, R. and Smeets, P. 2010. ‘Social Values and Mutual Fund Clients’. Maastricht University. Working Paper.

Bénabou, R. and Tirole, J. 2010. ‘Individual and Corporate Social Responsibility’. Working Paper.

Benson, K. and Humphrey, J. 2008. ‘Socially responsible investment funds: investor reaction to current and past returns’. Journal of Banking and Finance, 32:9, 1850–1859.

Bollen, N. 2007. ‘Mutual fund attributes and investor behavior’. Journal of Financial and Quantitative Analysis, 42:3, 683–708.

Cameron, W.B. 1963. Informal Sociology: A Casual Introduction to Sociological Thinking. New York: Random House.
Krippendorff, K. 2004. *Content Analysis: An Introduction to Its Methodology*, 2nd edition. Thousand Oaks, CA: Sage.

Leamer, E. 1983. ‘Let’s take the con out of econometrics’. *American Economic Review*, 73:1, 31–43.

Lewis, A. and Mackenzie, C. 2000. ‘Morals, motives and money: the case of U.K. ethical investing’. *Human Relations*, 53:2, 179–191.

McCloskey, D.N. and Ziliak, S.T. 1996. ‘The standard error of regressions’. *Journal of Economic Literature*, 34:1, 97–114.

McLachlan, J. and Gardner, J. 2004. ‘A comparison of socially responsible and conventional investors’. *Journal of Business Ethics*, 52:1, 11–25.

Nilsson, J. 2008. ‘Investment with a conscience: examining the impact of pro-social attitudes and perceived financial performance on socially responsible investment behavior’. *Journal of Business Ethics*, 83:2, 307–325.

Owen, A.L. and Qian, Y. 2008. ‘Determinants of Socially Responsible Investment Decisions’. Hamilton College, Working Paper.

Pasewark, W.R. and Riley, M.E. 2010. ‘It’s a matter of principle: the role of personal values in investment decisions’. *Journal of Business Ethics*, 93:2, 237–253.

Renneboog, L., Horst, J. and Zang, C. 2006. ‘Is Ethical Money Financially Smart?’ ECGI Working Paper Series in Finance, No. 117/2006.

Rosen, B.N., Sandler, D.M. and Shani, D. 1991. ‘Social issues and socially responsible investment behavior: a preliminary empirical investigation’. *Journal of Consumer Affairs*, 25:2, 221–234.

Sandberg, J., Juravle, C., Hedesström, T.D. and Hamilton, I. 2009. ‘The heterogeneity of socially responsible investment’. *Journal of Business Ethics*, 87:4, 519–533.

Säve-Söderbergh, J. 2010. ‘Who lets ethics guide his economic decision making? An empirical analysis of individual investments in ethical funds’. *Economies Letters*, 107:2, 270–272.

Schueth, S. 2003. ‘Socially responsible investing in the United States’. *Journal of Business Ethics*, 43:3, 189–194.

Sen, A. 1987. *On Ethics and Economics*. Oxford: Blackwell.

Shugan, S.M. 2002. ‘In search of data’. *Marketing Science*, 21:4, 46–54.

Sparkes, R. 2001. ‘Ethical investment: whose ethics, which investment?’. *Business Ethics: A European Review*, 10:3, 194–205.

Sparkes, R. and Cowton, C. 2004. ‘The maturing of socially responsible investment: a review of the developing link with corporate social responsibility’. *Journal of Business Ethics*, 52:1, 45–57.

Starr, M.A. 2008. ‘Socially responsible investment and pro-social change’. *Journal of Economic Issues*, 62:1, 52–73.

Teixeira, P.N. 2007. ‘Great expectations, mixed results and resilient beliefs: the troubles of empirical research in economic controversies’. *Journal of Economic Methodology*, 14:3, 291–309.

Webb, P., Lewis, A. and Mackenzie, C. 2001. ‘Commitment among ethical investors: an experimental approach’. *Journal of Economic Psychology*, 22:1, 27–42.

Williams, G. 2007. ‘Some determinants of the socially responsible investment decision: a cross-country study’. *Journal of Behavioral Finance*, 8:1, 43–57.

Winnett, A. and Lewis, A. 2000. “‘You’d have to be green to invest in this’: popular economic models, financial journalism, and ethical investment”. *Journal of Economic Psychology*, 21:3, 319–339.