

**NEWTON**Investment  
Management

## **DIVERSITY PROJECT - NEWTON INVESTMENT MANAGEMENT - CASE STUDY - NOVEMBER 2020**

### **INTRODUCTION**

With a focus on improving social mobility, eight years ago we started a recruitment programme to give bright, determined, but disadvantaged state-school educated students from London the opportunity to work at a global investment management firm whilst continuing their higher education. The programme offers trainees a fully funded two-year HND in Accounting and Finance, with successful HND graduates offered the chance to continue and convert their qualification into an honours degree. Eight years later, we have seen 24 young people from diverse backgrounds join the programme.

A graduate of the programme and now a Lead FP&A (Financial Planning & Analysis) Analyst at Newton explains:

*'The programme helps bridge the gap between the City and those from disadvantaged backgrounds - my mother worked in the care sector, my father in security so neither of them had experience of working in the City. This programme provided that opportunity and helped show me the options available and what I was capable of. I have gained incredible experience and progressed rapidly in a genuinely inclusive environment, and don't believe I would have achieved this if I wasn't part of this programme.'*

### **ABOUT THE PROGRAMME**

Newton Investment Management's purpose is to improve people's lives through active, thematic and engaged investment which delivers attractive returns to our clients and fosters a healthy and vibrant world for all. We believe we have the opportunity (and, we believe, the responsibility) to help bring about a better world, and our employees are fundamental to the achievement of our purpose. We are committed to the development of an open and inclusive culture and the attraction of new and diverse talent, and we are also passionate about having a positive impact on young people in our community.

To support and realise these critical drivers, in 2012 we embarked on a vocational trainee programme to place bright and determined A-level students into the company, providing the opportunity to work at a global investment management firm whilst continuing in higher education. The desire when sponsoring this programme was twofold. Firstly, to open up a pathway to help disadvantaged young people to access a career in investment management. Secondly, we wanted to evolve our culture and bring long-term diversity of thought into all aspects of Newton. It is vitally important for the long-term success of the firm that we foster talent that can succeed within all parts of Newton who have different life experiences/perspectives. Having been immediately impressed by the candidates' intelligence, commitment and drive to succeed we believed that this program would be a great long-term investment for the firm.

Recruiting candidates from diverse backgrounds was fundamental to the programme, so we began a partnership with The Brokerage, a social mobility charity which helps young people from London's state schools access careers in the City of London. The Brokerage reaches out to over 8000 young people each year, registering and supporting hundreds of bright and motivated individuals from disadvantaged backgrounds, to increase awareness of opportunities and access to professional roles. Given their mission, they were a perfect partner for us in developing the programme.

In conjunction with The Brokerage and the European College of Business & Management (ECBM) we created a programme offering trainees a rewarding and challenging start to their career – funding a two-year (part time) HND in Accounting and Finance course at the European College of Business and Management for each trainee. Successful HND graduates are offered the chance to continue on the Programme in order to convert their qualification into a BA Hons Degree in Business Studies. Since we began the programme, there have been eight BA graduates of the programme, seven of whom remain at Newton. There are a further 16 trainees at various stages of the programme, including the four new trainees who joined the programme in September 2020. They have all progressed through the firm and hold roles across a range of teams including investment operations, technology, relationship management, investment risk and responsible investment.

We are passionate about ensuring our trainees are fully supported along the way, with the trainees working closely with their line manager, team members and programme co-ordinators to create an environment where the trainees feel included and comfortable as part of the team. This includes a detailed on-boarding process, a mentor, ample time to study and access to the programme co-ordinator as an independent (from line management) support. We also ensure that trainees have close links with colleagues who are also in the programme and those who have already graduated.

A graduate of the programme commented:

*'I was fully supported throughout with time to study, involvement from my line manager, and encouragement from other trainees. Everyone is willing to help and support you. It can be nerve wracking having to approach another manager for example, but my line manager has also supported me, helping with introductions'*

The resource implications of the programme are two-fold; both the financial investment (primarily salary costs for the trainees) and the internal time resource which includes the identification and marketing of roles to be included in that year's programme, a selection day (where we assess and choose new trainees), on-boarding of trainees plus ongoing workplace support for line managers and trainees. Line managers are expected to provide an increased level of oversight and mentoring to ensure our trainees are fully supported throughout the process. We are fully committed to this long-term investment as we have seen the evidence that our trainees are more likely to consider a long term future at Newton, which both supports us as an organisation with our talent pipeline, but also fulfils our ambition to help our local community and improve social mobility for our local young people.

Given the importance of the programme and our commitments, we are vocal in our publicity and promotion of the traineeship and our wider goal of developing talented school leavers. On our website (<https://www.newtonim.com/uk-institutional/careers/>) we feature the Vocational Trainee Programme in detail and we encourage applications. This section also contains video interviews with vocational training programme participants.

Following eight successful years, we are committed to continuing the programme, despite the current challenging economic situation. We believe that now more than ever we should be championing social mobility, welcoming diversity and supporting talented young people, whatever their background, allowing everyone to flourish at Newton. We were delighted that last year a graduate of the programme won a 'Stars Award' through our parent company, for working to improve financial forecasting, working with stakeholders to improve headcount reporting and assisting the executive team in understanding the financial impacts of staffing and strategic decisions. The work our graduates both lead and support on creates genuine change within our organisation and helps create the inclusive and innovative culture we are proud of.

## SUMMARY

We are proud of our programme's impact on our trainees, colleagues, customers, and wider stakeholders. We have seen a host of benefits, both for our trainees but also for Newton. Our trainees finish the programme with a degree but unburdened by student debt. The ability to learn alongside studying helps our trainees take the first few steps up the ladder at a faster pace, plus with ongoing access to mentors and advice at work ensuring this is done in a supportive, inclusive environment. We know that this programme ensures we are helping develop smart, motivated employees, and with diversity of background comes diversity of thought and fresh perspectives. A further benefit is the programme encourages commitment and loyalty resulting in a high retention rate.

Newton's Interim Chief Executive Officer, Andrew Downs, sums it up: *"The vocational trainee programme enables us to recruit smart, competent young people into starter positions. Not only are they extremely well-motivated and hardworking, their age and educational backgrounds bring great diversity of thought into the firm. The high retention rate means that these individuals continue to benefit our business, both in their day-to-day work and in supporting other trainees through the programme."*

Our programme makes a genuine, positive impact on social mobility and provides a bridge for disadvantaged young people to a successful City career. We are committed to continuing the programme.

Finally, the programme has a compounding impact – not only does it create opportunities for young people to see that a career in investment management is possible but it shows the wider firm what can be achieved when recruiting from outside its traditional candidate pool. We also expect today's vocational trainees to be tomorrow's supervisors, managers and directors and as such will help to accelerate future social mobility themselves.