

DO WE HAVE YOUR ATTENTION?

Getting your
investment
content in front
of readers

*The Communications and Content
2022 Readability Report*
Edit. version



Welcome

This is our fourth annual Readability Report. It measures the readability of thought leadership published by award-winning investment management businesses.

They have been recognised for the best fund performance – at the Fund Manager of the Year Awards¹ – but do they have the best, and most readable, thought leadership? We have the answers. But perhaps you could wait a moment.

We assess readability because it matters. A readable piece of writing is enjoyable to read. It's memorable. But, crucially, it's easy to read – and you can get the key points quickly and simply. Isn't that the point of investment content? Smart thinking delivered with accessibility?

Investing money is complex. It's the rocket science of cliché. Clever people make decisions with your money, in your best interests, so you don't have to, because you're busy and it's complicated.

Put like this, investment businesses should perhaps be duty-bound to explain what they do with simplicity, clarity and readability.

This year they will be compelled to do so – as the new Consumer Duty rules require firms to “think more widely about the purpose of their communications, and the outcomes they are focused on.”²

Companies don't seem to do this at present – at least according to our analysis. The average piece of investment content reads more like a complex academic paper than it does an accessible newspaper or magazine article, covering the same subject matter. In other words, it's more like something you *have to* read than something you *want to* read.

At *Communications and Content*, we're convinced readers should enjoy investment content. Investment businesses invest considerably in telling their stories. Most of them have cohorts of thoughtful and articulate communicators. But, in the main, the material they publish is hard to read and overly long.

We'd like to see better readability. We care so much about good communications we created this report. It's still the only analysis we know of that looks regularly at readability in the financial industry.

Have a read of this short paper. See what you think. And get in touch: chat with us, work with us, join us in our readability quest.

David Butcher, M.Phil., FRSA
Managing Director, *Communications and Content*



“
Investment content is something you have to read – not something you want to read
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¹ <https://fmya.com/fundmanageroftheyearawards2023/en/page/home>

² <https://www.fca.org.uk/publication/policy/ps22-9.pdf>

Your readers

In essence, you're writing for busy, middle-class, middle-aged people who either have spare money to invest – or they're paid to invest other people's money.

Their understanding of the subject matter varies considerably. Amateur investors would struggle with jargon, professionals might enjoy it.

But there are many commonalities – and one is that they have little time to spend reading.

The time of their lives

The majority will be in the middle third of their lives. Most of the rest will be retirees.

A recent US study³ of mutual fund investor demographics is a helpful proxy:

- **75%** of individuals heading households that owned mutual funds were employed full- or part-time
- **24%** were retired from their lifetime occupations
- **More than half** of these individuals had college or postgraduate degrees
- The median income was **\$104,900 / €96,672 / £85,170**⁴

But these demographics are changing. The average age of wealth management clients is rising – and is then expected to fall, as the children of baby boomers receive inheritances – and the gender balance is slowly shifting, with a growing proportion of women⁵.

The changing gender balance is reflected in professional investors too – with fewer, but growing numbers of, women. Back in 2021, giant consultant Willis Towers Watson reported 23.7% and 39.0% of its upper and upper middle pay quartiles were women. A year later those numbers had risen to 26.5% and 41.7%⁶. This is pretty much the direction of travel for the broader investment industry as well.

But no time to read

Americans spend 16 minutes and 48 seconds a day reading for personal interest⁷. They also spend an average of 1 minute 48 seconds a day on managing their finances and 36 seconds on financial services and banking.

Being generous, you could conclude that consumers in the developed world have an aggregate of 18 minutes and 12 seconds a day to read your content.

It's not a big window. And your content must sit comfortably in this gap, so you can engage busy people on complex issues.

No wonder readability matters.



³ https://www.ici.org/system/files/2021-12/21_rpt_profiles.pdf

⁴ Exchange rates as at 31 January 2023

⁵ https://a.sfdstatic.com/content/dam/www/ocms/assets/pdf/industries/PwC_Changing_Demographics_WM.pdf

⁶ [wtw-2021-gender-pay-gap-summary-report.pdf](https://www.watson.com/content/dam/wwp/na/en/insights/2022-gender-pay-gap-summary-report.pdf) and [wtw-2022-gender-pay-gap-summary-report.pdf](https://www.watson.com/content/dam/wwp/na/en/insights/2022-gender-pay-gap-summary-report.pdf)

⁷ <https://www.bls.gov/tus/tables/a1-2021.pdf>

Attention spans: myth and reality

We all know human attention spans are changing. But it's not just a case of them getting shorter.

And it's certainly not the case that humans now have a shorter attention span than goldfish: 8.25 seconds versus 9 seconds, respectively.

This claim comes from a survey Microsoft did last decade. But intuitively, it just feels wrong. If the average attention span is so short, how do people binge on Netflix series, or read for work, or listen to conference presentations? The list goes on.

Recent academic work – not least by the Technical University of Denmark and Kings College London – says that your reader's attention spans are far more complex. In the main, people are influenced by the volume of content they must focus on and their own perceptions of concentration. Moreover, there is no evidence that attention spans have declined.

As the Danish study says, we have limited thinking time and the more things we must consider, the less time we devote to each:

*"... shorter attention cycles are mainly driven by increasing information flows... In other words, the ever-present competition for recency and the abundance of information leads to the squeezing of more topics in the same time intervals as the result of limitations of the available collective attention."*⁸

The Kings College team go further:

*"According to psychological research, our ability to sustain attention for any given length of time depends on the task at hand, whether it's listening to a lecture, reading a book, or driving."*⁹

In other words, if you create something accessible, readable – and perhaps even enjoyable to read – then your audience will wrap their attention span around it, and engage with it.

We'd recommend that content and thought leadership investigate both of these studies further, although (ironically) the Kings material is far more readable than the Danish study to a non-academic reader.



⁸ <https://www.nature.com/articles/s41467-019-09311-w>

⁹ <https://www.kcl.ac.uk/policy-institute/assets/how-people-focus-and-live-in-the-modern-information-environment.pdf>

The 2022 Readability Report scores

To recap: we're measuring how readable the investment content published by award-winning companies is.

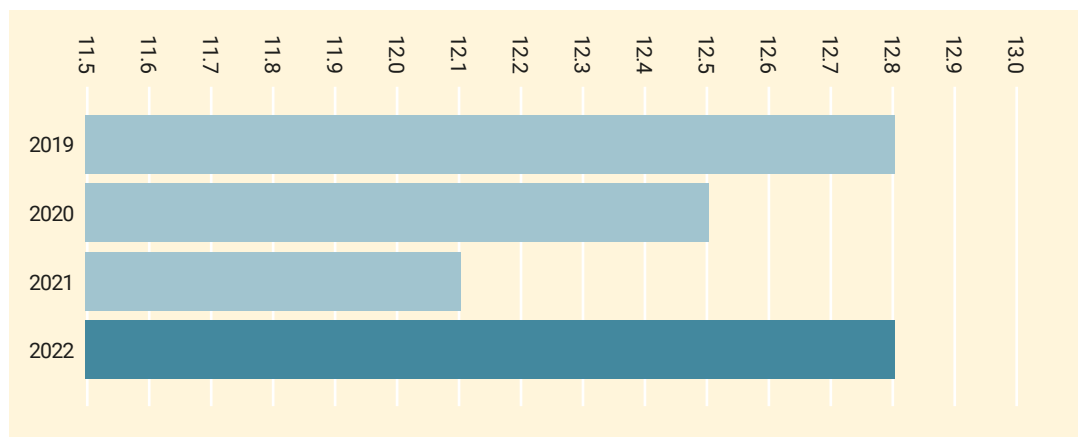
And what we're looking for is low scores. Low scores mean simpler text, fewer long sentences, and a sparsity of longer words.

The lower the score, the more readable the piece of writing is. Intuitively, the more the writer cares about the readers' experience.

Higher scores mean less readability. These articles are complex and it is hard to extract messages and meaning from them. By the same token, the writer presumably cares little for the reader's experience.

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READABILITY AVERAGE SCORES BY YEAR



The most recent crop of investment content scores highly.

It bucked the trend of improving readability. With a high readability score of 12.8, it's back to when we first started measuring readability in 2019.

Here are those numbers in tabular form:

Investment content	2019	2021	2021	2022
Readability average	12.8	12.5	12.1	12.8
Reading age average	18.3	17.8	17.6	19.1

Reading ages

When we measure readability, we also get a reading age score. This is different to chronological age. It's useful in the educational sector – where the progress of young children can be tracked easily.

But it's also another useful indicator of investment content readability.

For example, Liontrust’s “[The renaissance of the UK stock market](#)”, is a thoughtful piece, suggesting the UK market could recover.

Yet it scores poorly on reading age, achieving a mark equivalent to that achieved by postgraduate university materials.

This is largely because its sentences average 32 words – remember that the UK average is around 11 – as the writer tries to cram in as much information as possible.

It’s also 825 words long, with 123 of those words having three or more syllables, something we class as complex. Add all of this up and it’s like reading an economics textbook.

At the other, more positive end of the spectrum, Robeco’s “[Central bank watcher: shifting gears](#),” could be understood by a 13 year old. And it would probably delight a stressed, busy 40-year-old professional investor who is fed up with unreadable material.

Just 14% of words in this Robeco piece are complex and its sentences are a crisper average of 17. It might be four times longer than the Liontrust piece (3560 versus 825 words) but it’s twice as readable.

Readability compared to the other things your clients read

We always suggest that investment content articles should aim for the sort of readability scores achieved by the financial media – and veer away from that of academia. After all, the latter embrace complexity as they seek peer review from fellow academics.

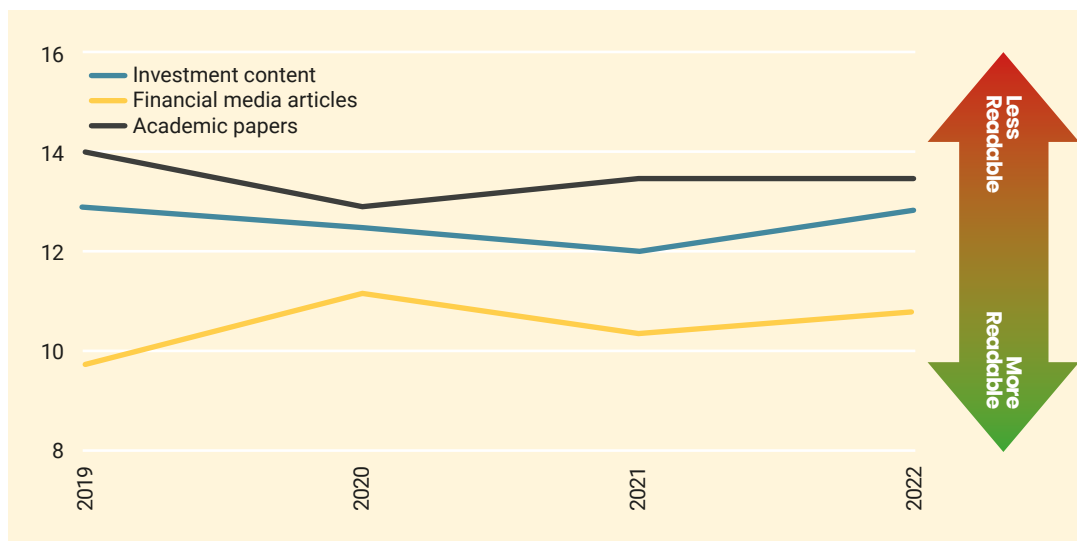
However, this year, as in all previous years, the investment content score (12.8) is closer to that of academia (13.5) than the financial media (10.8).

The latter is a basket of 22 articles from the Financial Times, Daily Mail, Investment Week, Pensions Age and other popular titles – selected because that’s what people read when they want to understand, or keep abreast of news in, the world of investing.

UK average sentences are around

11 words

INVESTMENT CONTENT READABILITY COMPARED TO THE MEDIA AND ACADEMIA



GUEST COMMENT

Who took all the risk out of investment content?

by Paul Griffin



For sale: baby shoes, never worn' was, apocryphally, Ernest Hemingway's poignant attempt at the world's shortest story. This latest Readability Report report sadly suggests that if he had worked in investment, Hemingway might have drafted ad copy about a surfeit of young human limb extremity temperature enhancers, due to a downside tail-risk event.



PAUL GRIFFIN IS
AN INVESTMENT
COMMUNICATIONS
SPECIALIST



This report captures and details the investment industry's enduring communications problem: important messages are being lost in a fog of complexity, academic gravitas, and deadening words. But perhaps rather than lamenting that this industry has a communications problem, part of the solution may lie in thinking about why this problem is so bad in this industry.

Tail risk (and tale risk)

Investment is fundamentally, about calibrating, and minimising risk. This is as it should be: from the creation of wheat options 3,000 years ago, one goal has been to minimise loss.

But if we don't talk about loss, we kill what drives every story ever written. Every single enduring story anywhere, in all of history, has contained a risk: the Death Star, the big bad wolf, or the love interest falling for the richer, intangibly awful other rival with the red sports car. The product should not contain unexpected risks but the content around it often should. In a story told clearly and simply.

Never mind the quality, feel the width

That weekly activity report that goes to the CEO looks much better with loads of lines on it. And once you have paid the wages of a small army of clever content writers, designers, marketers and PRs, the content is essentially free. So why not produce it? The Victorian mill owner that to some extent lurks in us all will be delighted to see the volume of white papers, reports, thought leadership, and social posts churned out.

But does it have a chance of genuinely surprising and intriguing the target audience. Could it make them, even momentarily, double check their worldview? Does it look at an old story in a slightly unexpected way? If it doesn't, and it's merely bulking out the Friday report, think twice.

Investment confuses features with benefits

If we took the same approach to cream cake marketing, as we do with investment communication, we would exhaustively detail the type of cream, sugar, baking tray, oven, oven cleaner, oven glove and so on. These are all features. The benefit – that cakes are naughty but nice – is lost. Investment is a battle with history, politics, economics, chance, technology, psychology, fear and greed, and content relating to it should often at least acknowledge this. As this report details, numbing the risks through deadening language is a non-optimal downside risk. In plain English: a bad idea.



The 2022 Readability Report

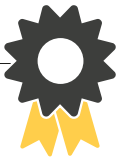
company scores

As always, we rank each company by their readability score and reading age. There are just 19 companies from our universe of 21, as VT Teviot and India Acorn ICAV don't publish thought leadership or investment content (we don't know why).

AVERAGE READABILITY BY COMPANY

Company	Average readability score	Average reading age
Robeco	10.7	15.8
Media article average	10.8	16.1
Royal London	11.0	17.0
Premier Miton	11.0	16.0
AXA IM	11.0	16.2
Schroders	11.7	17.0
Guinness	12.0	18.2
Pictet	12.0	17.3
Waverton	12.3	18.5
Fidelity	12.7	18.8
Industry average	12.8	19.1
Liontrust	13.0	19.7
GQG	13.3	19.7
Aegon	13.3	19.7
BlackRock	13.3	19.5
Academic average	13.5	20.5
Chelverton Asset Management	14.0	21.5
Allianz GI	14.3	21.0
Legg Mason (Franklin Templeton)	14.3	22.0
Jupiter	14.3	21.5
Goldman Sachs	14.7	21.2
BNY Mellon	14.7	22.5

Top is Robeco – the company produces consistently engaging stories, written with elegance and simplicity



This is the industry average – you want to be above this line, close to the media average and as far from the academic average as possible



Bottom is BNY Mellon – with sentences twice as long as the English language average



Let's get readable

On the one hand, readability is simple to achieve.

Write less. Write more simply. Write shorter sentences. Write with fewer complex words.

Do all this and your company will top the readability charts, winning acclaim from customers, intermediaries and from the UK's regulator – the guardians of the new Consumer Duty rules.

On the other hand, readability is hard to achieve.

Much material still requires sign off from people who don't communicate for a living. People who specialise in investing, data or sticking to the letter of the rules.

They use jargon because they always use jargon. It can also be hard to get things done in investment businesses, who feed on conservatism and thrive on inertia.

So, injecting more readability into your material isn't just a case of doing it. You have to sell it internally.

Here are some tips that worked for us:

Use data

- **If you're engaging with people who aren't natural storytellers, you may be better off using a data-led argument. The material in this report should help – after all, this is the very reason we create it, to help you.**

Work with those more open to change

- **We all know the curmudgeonly subject matter expert – good at their job but a stickler for detail and formal, correct prose. They are unlikely to embrace readability.**
- **Far better to seek out colleagues who want to make a name for themselves, willing to try something different or who recognise changes in the way humans now communicate.**

Use examples of best practice

- **We cite the Robeco example above on page 6. There are plenty of others from companies in the top half of our company league table.**
- **Or just run any article you like through the Automated Readability Checker.**

Compile a client reading list

- **Find out what your clients read – from newspapers to academic reports – and work out the readability score for each, to create a clearer picture of what they find useful.**
- **Measure your company's own readability scores to see where you are in this picture – and then seek to address any shortfalls or mismatches in readability.**

Hire Communications and Content

- **Well ... we are the readability experts, with 26 years of experience in creating financial stories that engage**

“
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Notes and references

We always use a free readability checker called the Automatic Readability Checker¹⁰ to create the scores used in our reports.

The 2022 Readability Report used three universes of material to create comparable sets of data. These are:

- Three prominent or promoted articles on the public websites of winners at the 2022 Fund Manager of the Year Awards, harvested in January 2023.
- Eight research papers, published for peer review by academics, on the EDHEC business school website¹¹.
- 22 randomly selected pieces of investment writing published on/in BBC.co.uk, The Daily Mail, The Economist, ESG Clarity, Financial Times, Funds Europe, FTAdviser.co.uk, The Guardian, Investment Week, IPE, Pensions Age, Portfolio Adviser, Portfolio Institutional, and Reuters.

David Butcher's photo is by the superb Anthony Upton, the cover image is by Karolina Grabowska at Pexels. Design by the elegant and imaginative www.forty6design.com. If you spot any mistakes – and there's bound to be one – they are the fault of David Butcher.

¹⁰ <http://www.readabilityformulas.com/free-readability-formula-tests.php>


¹¹ <https://www.edhec.edu/en/publications>

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