

PEOPLE OF COLOUR IN FINANCIAL INNOVATION

4 NOVEMBER 2019

On 4 November 2019, the Finance Innovation Lab brought together thirty five [people of colour](#), all working on purpose-driven innovation across different parts of the financial system. Hosted in partnership with our vice-chair Marsha Taylor-Daniel, the evening convened fintech founders, social investors, innovation thought leaders, finance professionals and campaigners, for an evening of discussion, connection and community-building.

1. Why we came together

This event aimed to explore and establish some of the barriers faced by people of colour working in financial innovation, the enablers that can help to overcome or remove these barriers, what needs to change to better support people of colour to lead financial innovation, and what the Lab could do to facilitate that change.

Following on from an event for [Women in Financial Innovation](#) we held in June 2018, this event forms one part of a larger programme of work to address the lack of diversity in the sectors in which we operate, including in our own community, and the vital role of diverse perspectives and marginalised voices in building a democratic, responsible and fair financial system.

Unfortunately, a limited amount of data is available about the status quo for people of colour in financial innovation. We know, for example, that only [11% of tech leaders](#) and [7% of the FCA's leadership team](#) are from Black, Asian and Minority Ethnic backgrounds, in comparison to 14% of the population and 41% of the population in London, where the finance and tech sectors are predominantly based. We also know that the Venture Capital industry, which is largely located in London, [is 76% white](#). But these statistics are few and far between, look only at particular diversity indicators or institutions, and do not differentiate between different ethnic minority groups.

Given this lack of data, we went into the event without any assumptions or expectations, bar two: that people of colour have an invaluable role to play in building a financial system that serves people and planet, and that it would be worthwhile sharing stories and learning more about the barriers and enablers people of colour experience.

2. What we learnt

We were delighted to be joined by guest speaker Demi Ariyo who kicked off the evening's storytelling by sharing his own journey as founder of [Lendoe](#). After Demi's talk, we moved into small groups to share and reflect on our own experiences. These discussions were kindly led by volunteer facilitators: Demi, Jacqueline Lim (Partnerships Lead at [She Leads Change](#) and Intrapreneur Associate at the Lab), Timi Merriman-Johnson (Founder of [Mr MoneyJar](#)), Maysam Rizvi (Founder of [Elifinty](#) and Lab Fellow), Danyal Sattar (CEO of [Big Issue Invest](#)) and Amit Shah (Lab Trustee). To enable open story-sharing and candid conversation, these discussions were held under the [Chatham House Rule](#).

Barriers

Through the personal stories and experiences shared during the discussion, a number of key observations about the barriers people of colour face were made:

- The stories and experiences shared by participants were very different, dependent on the organisations and sectors in which they have worked, as well as their personal life experiences
- Barriers experienced often related to the way race intersects with gender, socio-economic background, class, age and other aspects of identity
- For people of colour from outside the UK, differences in culture and language often present additional barriers
- Those with experience working outside of London noted the additional barriers there due to less diverse demographics
- While people's stories uncovered the barriers they face every day, there was an acknowledgement that these daily challenges are underpinned by structural inequalities and power structures in the financial system and broader society.

Despite everyone's unique experiences, we identified common barriers that included:

- Being the only person of colour in the room – and how this can contribute to a loss of confidence and feeling that you have to change yourself to be accepted
- The myth of meritocracy in finance, and how this is used by industry to push back against change
- Experiencing microaggressions (small, often unconscious acts of racism) in the workplace
- The glass ceiling preventing people of colour from progressing to senior levels
- The framing of diversity policies or quotas leaning towards tokenism, rather than embracing the value of diversity
- Low understanding or willingness to listen from colleagues and management when issues related to racism are raised
- The lack of people of colour among investors and grant-makers, leading to severe challenges in accessing capital and funding.

Enablers

The stories shared also uncovered several enablers that have helped people to remove or overcome barriers they have faced. Common enablers highlighted included:

- Education and research to better understand the problem
- Supportive people: sponsors, mentors and allies
- Communities and networks for people of colour
- Safe spaces to share and discuss shared challenges
- Workplaces that embrace diversity in all its forms
- Personal drive and work ethic
- Self-awareness, self-belief and self-confidence
- Lived experience of socio-economic hardship as a tool for financial innovation

- Lived experience of exclusion and difference enabling greater empathy and authenticity.

However, there was also an acknowledgement that many of these enablers require substantial work and energy from people of colour and often do not address the underlying issues of structural inequality within the sector.

What needs to change?

Acknowledging that structural barriers must be addressed to enable real progress, at the end of the evening we asked each participant to suggest one thing the world could do to support people of colour in financial innovation. To help us think about what the Lab should prioritise as we progress with this work, we also asked what the Lab should do next. We share a selection of these suggestions below.

What the world could do to support people of colour in financial innovation:

- Recognise intersectionality (the way different forms of discrimination overlap, intersect and combine) between race and other characteristics
- Start focusing on what people of colour can contribute, including unique strengths developed through adversity
- Close down or re-establish exclusionary institutions so they are open for all
- Provide platforms, spaces and other opportunities at affordable rates that support people of colour to learn about careers in finance, personal finance and tax
- Use inclusive recruitment processes, including undertaking outreach to underrepresented communities
- Promote people of colour to senior positions and increase representation of people of colour on boards
- Share case studies of inspirational, successful people of colour at both community and corporate level
- Greater coverage of people of colour making change in mainstream and social media
- Move from obsession with [‘unicorns’ to ‘zebras’](#) that champion alternative funding models and different forms of leadership
- Do more to level the playing field for people of colour.

What the Lab could do to support people of colour in financial innovation:

- Run mentoring and matchmaking initiatives exclusively for people of colour
- Upskill people of colour in the language of finance
- Share stories about the great work people of colour are doing in financial innovation, particularly amplifying people of colour-led financial SMEs and start-ups
- Launch a people of colour Fellowship for people and planet
- Work on scaling alternative finance models which will support more diverse entrepreneurs
- Share these insights with diversity and inclusion teams within the finance sector
- Examine the role of data and evidence in highlighting the problem and the need for change

- Identify which parts of the ecosystem do not have people of colour represented in the Lab community, and do outreach to people of colour in those stakeholder groups
- Outreach to people of colour who might not self-identify as working on financial innovation but are doing great work to transform the financial system for people and planet
- Support more people of colour to be appointed onto investment committees and attain other decision-making roles in social and impact investment
- Run more events, including for specific sectors within finance, on what steps organisations can take to improve diversity and inclusion, as well as to support people of colour with particular issues
- Encourage and raise awareness of diversity initiatives that take a nuanced approach e.g. target senior levels, testing for unconscious bias in recruitment, and acknowledging intersection of race and class.

3. Next steps

We are really grateful to everyone who attended this event for their contributions and ideas. We're especially grateful to our speaker Demi and other facilitators Amit, Danyal, Jacqueline, Maysam and Timi for leading and guiding the discussions to uncover these insights, and to [Impact Hub Islington](#) for hosting us.

The Lab team will incorporate these learnings into our [community programme](#) and other activities, as well as our new strategy to transform finance for 2021-2030, which will be developed over the course of 2020. In addition, in 2020 we are planning a series of similar events for more communities and identities underrepresented in and/or marginalised by the financial system, including disability, mental health, LGBTQ+ and faith, as well as exploring partnerships and opportunities to take forward the ideas generated.

We're committed to supporting underrepresented innovators in our community and advocating for change in the wider sector. If you would like to be involved – as an event or initiative partner or sponsor, potential speaker or facilitator, or participant - please contact Naomi Alexander Naidoo at naomi@financeinnovationlab.org.