

Attracting Women Advisors to Your Firm

Recruiting talented women—and keeping them on board—may benefit your firm and its clients.

How can the financial services industry bring more women into its ranks, and help them to be more successful in the long term?

These two questions have bedeviled the field for decades. While 51 percent of the U.S. population is female, just 15.7 percent of financial advisors are women, according to Cerulli¹. The issue of gender parity only becomes more pronounced the higher one looks in an organizational chart. At S&P 500 companies in the financial services industry, women make up 54 percent of the labor force but are only 29 percent of executive- and senior-level managers and two percent of CEOs².

Fortunately, data is starting to emerge that can lead to potential solutions.

Studies have identified why women hesitate to enter the financial industry. Some women simply aren't familiar with the profession. Among those who are aware, many are put off by the high pressure of the traditional commission structure.

By and large, women make excellent advisors when they do enter the profession. They tend to lead with goals-based planning, bring up more services for their clients, and can empathize with the emotions that often surround important financial decisions. So why do they leave rather than advance?

Insiders point to underlying issues of poor work-life balance and lack of mentorship.

"We need to make sure that we're not only bringing more women into the industry, but that we're looking at fundamental challenges to make sure that women stay in the industry," says Samantha O'Neil, senior vice president at Fidelity Custody and Clearing Services.

O'Neil's comments were made during a recent panel discussion she moderated at Fidelity's Executive Forum in Florida in early May. The panel also included:

- Lynne Kinney, principal at CKW Financial Group in Honolulu
- Carolyn Taylor, president of Weatherly Asset Management in Del Mar, California
- Kristen LeClair, senior vice president of advisory and investment services at Kestra Financial in Austin, Texas.
- Salene Hitchcock-Gear, president and CEO of Ameritas Investment Corp. in Lincoln, Nebraska.

94%

Percentage of rookie female financial advisors who enter the profession out of a desire to help clients achieve their goals, according to ThinkAdvisor.

“Diversity in Personality” Is an Asset for Firms

It’s important to note that addressing gender balance within a firm does more than simply promote inclusion.

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Lynne Kinney, principal at CKW Financial Group in Honolulu, says having more women in her firm is a benefit to clients, by offering what she calls “diversity in personality.” Clients have the opportunity to interact with all advisors in the firm. In doing so, she says, “we found that it’s more likely a client is going to relate to one of us.”

Carolyn Taylor, president of Weatherly Asset Management in Del Mar, California, shares a similar process: “We typically will introduce any prospective client to two or three of us to see who sticks, who can they communicate with, who do they relate to. It could be a millennial, it could be a woman, or it could be a partner. It almost doesn’t matter. If they feel an affinity and can communicate better with that person, and take that advice and implement it, then we’ve done our job.”

Furthermore, Taylor sees this diversity of personality as useful for firms internally, too. “When you get very strong women and men in a team, they actually see that they do better things together.”

In short, addressing the lack of women in financial services isn’t just a feel-good step toward gender parity — it’s smart business. “It’s a win for our industry, it’s a win for our advisors, for your firms, and ultimately, it’s a win for our clients,” says O’Neil.

Strategies for Success

Many firms are taking steps to address the issues surrounding women and their participation in the financial services industry. If you’d like to be among them, consider these strategies:

Focus on nurturing entry-level talent. “The reality is that you can’t just, poof, make women appear in senior roles,” says Kristen LeClair, senior vice president at Kestra Financial in Austin, Texas. She recommends focusing on first meeting the needs of those at the lowest levels of your organization, including mapping out a career path through which they can advance. “Nurturing and growing women from the ground up, I think, is the only way to really create a deep bench.”

Offer internships through colleges and universities. Consider contacting local business schools, which are often looking for internship opportunities to offer their students. “Especially now, we know that women are graduating from college at a higher rate than men, so there are plenty of women in the business program,” LeClair says.

Stress the social impact of financial services. Studies show that the vast majority of rookie female financial advisors (94 percent) enter the profession out of a desire to help clients reach their goals. Highlight these aspects of the job in your recruiting efforts³.

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Kristen LeClair, Kestra Financial

Shift to a team-oriented model. Some firms are moving away from the commission-focused model to a structure where new employees are paired with those who are already established,

and clients are shared between them. Weatherly Asset Management has adopted such a model, and Salene Hitchcock-Gear, president and chief executive officer of Ameritas Investment Corp. in Lincoln, Nebraska, says her firm has done the same. Potential benefits include a gentler learning curve for new employees, flexible work hours for all staff, built-in coverage when someone is out of the office, and increased support for clients.

Establish a culture of mentorship. Typically, a mentor counsels an individual on how to advance in an industry or at a specific organization. For the mentorship program at Weatherly Asset Management, the aim is even wider. “The idea is to get them on a better track to achieve their life goals,” says Taylor. But mentorship is just one way to fulfill of a basic principle of good management, Hitchcock-Gear notes. “To develop real leadership skills, somebody has to take time with you,” she says. It can be a direct supervisor or not, but there should be a mechanism for someone to give feedback and set a course for success. Mentoring can have a reverse benefit as well, by keeping firm leaders abreast of challenges faced elsewhere in the company.

Encourage and reward professional development. Young women may especially benefit from nudges to attend conferences, take on additional responsibilities, or seek additional education or certifications. “All of a sudden, you really see them rise to the occasion,” Taylor says. Her firm fully reimburses expenses for education related to the industry and provides the time necessary for employees to excel.

Provide senior female leaders a forum to share their stories with younger employees. “We learn best from each other,” says Hitchcock-Gear, adding that the most helpful details are the nitty-gritty specifics of making it work. “The ‘how’ is so important,” she says. “A lot of times we talk at a very high level. We need to know the reality behind what it really looks like. How do you set up childcare? If you have to take school courses at night, how do you do that? If you have a mentor, are you meeting weekly? What are you talking about? It’s the specific things that come from the stories that we tell each other that help people really get a footing.”

Back Up Your Words With Actions

Lead by example. It’s not enough to say work-life balance is important. A firm’s management must also model these behaviors by occasionally leaving the office early. “If you say those things, but then your actions are incongruent as a leader, then people don’t feel like it’s OK,” LeClair says.

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Salene Hitchcock-Gear, Ameritas Investment Corp

Be specific about the issues you’re trying to address. Hitchcock-Gear recommends that firms be clear, purposeful, and measuring in their initiatives to address gender disparities. “It cannot be accidental,” she says. “When you really want to make a difference, you have to put things in place that specifically address the issues that you’re confronted with.” As the financial services industry is metrics-driven by nature, this approach should come naturally to most firms.

Start small and grow organically. To create changes that stick, opt for incremental successes rather than taking big swings. “Success breeds more success,” according to Hitchcock-Gear, “but a few failures pull you back real fast.” Focus on implementing two or three small ideas that will make a difference.

Examine biases when it comes to junior-level team members. Women in particular can be pigeon-holed in lower-level roles after several years, as LeClair learned when she wanted to promote one female employee who showed tremendous promise. After meeting resistance internally, she brought in someone from outside the firm for the position. “He failed miserably, and she was behind the scenes, doing the cleanup,” she says of the overlooked employee. It was enough to convince the leadership to grant the promotion, but unfortunate that time and expenses were

wasted on the wrong person first. LeClair says it's incumbent upon firms to be open-minded about their employees and let them take risks in new roles. "They will leave if you don't let them take the opportunity," she says.

Ask for feedback from female employees—and mean it. Some women may be hesitant to share their thoughts, but they will over time, if encouraged, says Kinney. Her firm actively promotes a culture of communication and idea sharing. "We encourage all of our staff members to ask why, and we want them to tell us if they think we should be doing something different. We're open to change. We're open to suggestions."

Involve men in the effort. According to Hitchcock-Gear, success follows from connecting people of like mind around an issue and encouraging them to talk about solutions. Ideally, they shouldn't all be women. Because more men currently hold senior roles, if they are not involved, progress will be slower. "We've got to have both men and women creating an environment that is friendly for women, particularly for moms," says LeClair. ■



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1. ThinkAdvisor: <http://www.thinkadvisor.com/2017/01/18/only-16-of-advisors-are-women-cerulli?slreturn=1499359942>
2. Center for American Progress: <https://www.americanprogress.org/issues/women/reports/2017/05/21/432758/womens-leadership-gap/>
3. ThinkAdvisor: <http://www.thinkadvisor.com/2017/01/18/only-16-of-advisors-are-women-cerulli?slreturn=1499359942&page=2>

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