



ADVANCING AN INDUSTRY

Action steps to accelerate
the advancement of women
in the financial advice industry

A NOTE FROM THE PUBLISHER

In 2016, *InvestmentNews* launched our **Women to Watch Think Tank**, a precursor to the Women to Watch awards.

This Think Tank gathered over 50 of the industry's most talented and influential women to collectively address a challenge in our industry and attempt to solve for it.

The idea was to harness the collective energy and experience of the women being honored that day, and to generate actionable ideas and insights from them.

The concept was simple: Discuss a topic and key challenge that would resonate with the female leaders in attendance, with a goal of improving the financial advice profession overall.

The topic? How to promote the advancement of women in leadership roles and why it is essential to the growth of the profession. We started by identifying and understanding the challenges, and then discussed ways that both individuals and firms can help to address them. It was a passionate and informative discussion that produced important takeaways – takeaways that we felt were important to share with the industry.

Charles Schwab was part of the Think Tank and asked if we would host a similar discussion group at their annual IMPACT conference in November 2017. We partnered with Schwab on this second Think Tank, with a goal to enhance the information we had already compiled and identify specific solutions, programs and examples that will help women progress in the financial advice industry.

The result? An executive brief that not only identifies the core challenges that women face – but provides best practices, case studies and easy-to-implement ideas that will accelerate the advancement of women already in the business, and introduce more women to overall financial advice industry.

Our ask? Read this brief. Then encourage your colleagues – male and female – to read it. Discuss it at your next team meeting or study group. And finally: Implement even just one of these ideas.

Small changes can make a big difference when embraced by many.

Finally, I would like to express my thanks and gratitude to all of the Think Tank participants and everyone else that helped to shape this executive brief. You did more than contribute to this project: You defined it and we hope it inspires an industry. A special thanks to the Charles Schwab organization who understood the importance of this topic and helped us make it a reality with their support, energy and enthusiasm for this project.

All the best,



Suzanne Siracuse
VP/Publisher
InvestmentNews

FOREWORD

You know her. She did well in high school. She always had a plan, and she charted her own path to every destination in her mind's eye. That vision led her to a great college education, to a budding career, and to living a life of her own.

The sad reality is that nine times out of ten, when she was selecting a career path, she didn't choose the financial services industry. She and many others like her, for whatever reason – they just didn't. For decades. And that has led to the current state of our industry where women are underrepresented in nearly every sector and function.

We can debate the reasons why, or we can get busy taking action to change the future. The industry is doing the latter in many ways, and taking steps that will lead to progress.

It is important that women – young women just starting out, and those considering a career change or re-entering the workforce – understand what a wonderful career can be had in this industry, and the difference an individual can make in the lives of others within a career in finance. That is why we brought a passionate group of advisors, university students and faculty, and industry professionals together at Schwab's IMPACT™ conference late last year – to find solutions to increase diversity in our field and better prepare to serve all investors.

Whether a woman chooses to be an independent advisor, and work in or run her own firm, or be a part of a wonderful firm like Charles Schwab, we believe the opportunities are limitless, and include a purpose-driven career built on a foundation of service.

It is time to lock arms as an industry to ensure that professionals within the financial services field are representative of the clients of the future. That will mean big changes and substantial advances.

We are excited to continue this journey together, and we invite you to spend some time with the executive brief that follows and see where you might be able to make a difference – for women, and for the future of this great profession.

Respectfully,



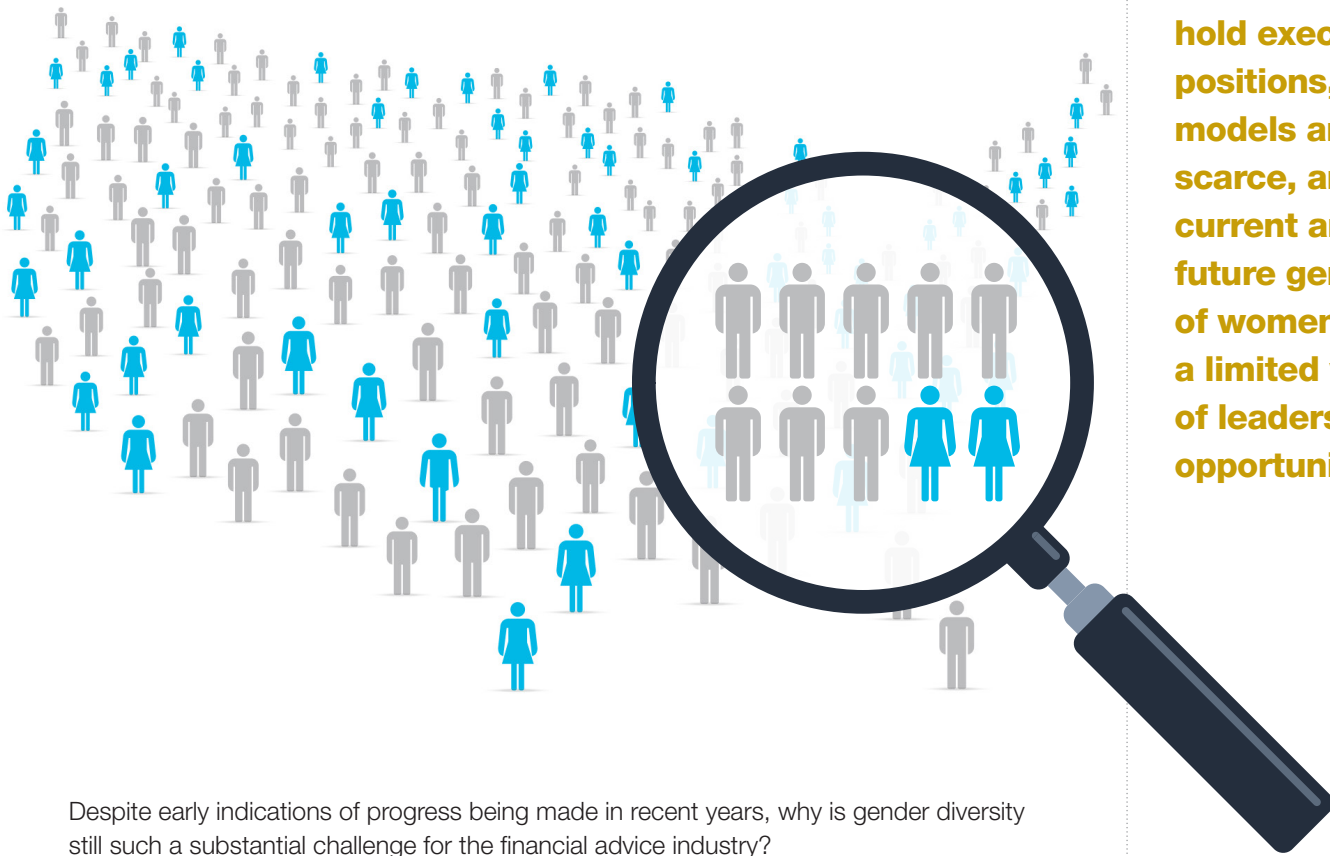
Susan Forman
Senior Vice President
Institutional Services Marketing
Advisor Services
Charles Schwab & Co.



Lisa Salvi
Vice President
Business Consulting & Education
Advisor Services
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The numbers and the needs have all been well-documented in recent years: Women comprise 51% of the overall U.S. population – and are soon expected to control an estimated \$22 trillion in wealth¹ – they still represent a distinctly small portion of the gradually shrinking population of financial advisers. In an industry where 8 out of 10 advisers are male, and even fewer hold executive positions, role models are scarce, and current and future generations of women have a limited view of leadership opportunities.

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Despite early indications of progress being made in recent years, why is gender diversity still such a substantial challenge for the financial advice industry?

Having a strategy for bringing more women into the industry can provide both short- and long-term benefits to a firm's bottom line. Research, such as a recent global study from The Peterson Institute for International Economics², has found that companies with women in leadership positions can improve overall financial performance and success. At the same time, having a balance of men and women within an organization can create a culture of diverse viewpoints and skills while also improving a firm's ongoing ability to attract diverse talent.

¹ Center on Wealth & Philanthropy, Boston College

² "Is Gender Diversity Profitable? Evidence from a Global Survey" – The Peterson Institute for International Economics, February 2016
<https://piie.com/system/files/documents/wp16-3.pdf>

Need more reasons? Participants in our Think Tanks, which consisted of some of the most successful women in the financial advice industry, cited dozens of quantitative and qualitative benefits that resulted from having a more diverse organization:

- Women often embrace a collaborative leadership style, which can translate to more inclusive, team-oriented cultures.
- Current and future clients want to be able to identify with a firm's leaders, advisers and employees.
- Having women in leadership roles allows a firm to more effectively recruit other women – and ultimately develop younger generations of women who need to “see it to be it.”
- Important female skill sets such as problem-solving, empathy and active listening are critical to building trust client relationships
- The business model of financial advice continues to evolve from a transactional model to a more relationship and advice-centric model, which directly aligns with many women advisers' strengths, skills and goals.
- Having a mix of both male and female leaders and advisers frequently surfaces diverse viewpoints, which can lead to more thoughtful and improved outcomes.
- Women are now awarded roughly 50 percent more master's degrees than men³ – which will present advisory firms that embrace diversity with a competitive advantage in the future battle for talent.

Despite these benefits, the industry is still stymied by two core challenges: Although many firms are engaging with the notion of hiring women, the candidate pool – and general interest in the profession among women – remains limited. At the same time, to increase the number of women in leadership positions, we must also increase the number of women in the industry. To do this, a collective effort is needed to present strategic solutions that allow women to overcome some of the most common obstacles impeding their ongoing development.

WHILE WOMEN MAKE UP 51% OF THE OVERALL U.S. POPULATION:

- Only 15.7% of the 311,000 financial advisers in the U.S. are women¹
- Only 23.3% of CFPs are women and the number has barely changed²
- Only 16% of partners in the independent channel are women³
- The vast majority of those women currently in the advice industry are holding support and service positions³

¹ Source: Cerulli

² CFP Board of Standards

³ *InvestmentNews* Adviser Compensation & Staffing Study



³ National Center for Education Statistics

UNDERSTANDING THE OBSTACLES

According to our Think Tank participants, there are several common obstacles that prevent or deter women from joining the industry:

- They don't think of it as a "female friendly" industry.
- The roles, responsibilities and compensation plans are frequently perceived and described as highly technical, transactional or sales-driven. In short many women still believe that the industry consists largely of "eat what you kill" commission-based roles.
- Many women do not understand the role of a financial adviser, and most important, what an adviser do for clients.

There are a separate set of challenges that affect a woman's advancement once she is in the industry. One major obstacle, according to our Think Tank participants, concerns the timing of when many women decide to start a family.

- Because there are few programs in place to help women transition and advance upon returning to work from taking care of dependents, many women remain in roles that are beneath their skill sets or experience levels. In some cases, women may not return to the workforce at all due to:
 - Inability to create flexible schedules or work remotely
 - Regular travel requirements
 - No re-entry program

Additional obstacles identified included:

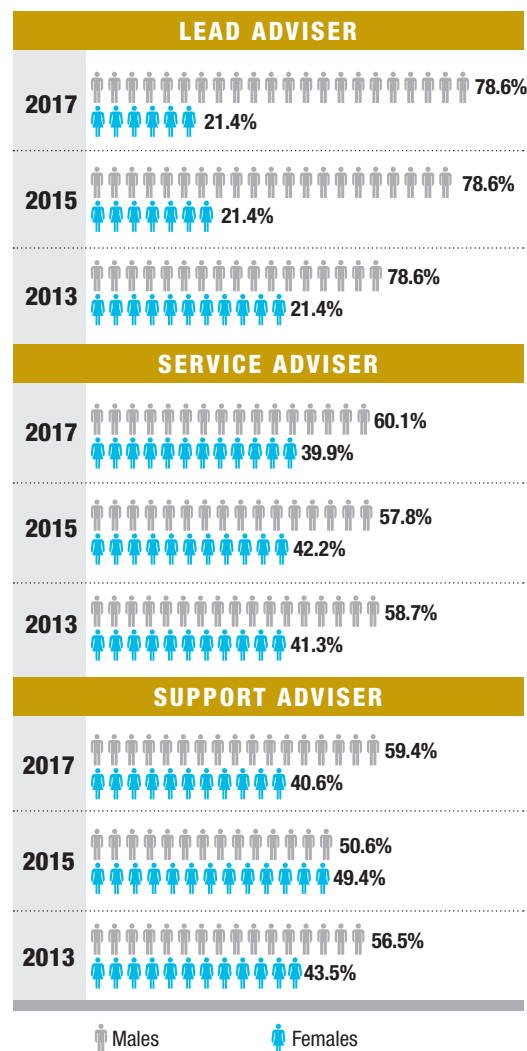
- Limited succession planning dialogue or discussion of long-term career paths
- No sponsor or advocate for women within the firm
- No visual path to senior leadership, as most partners or senior leaders are male

How can the industry address these issues and many of the other complex challenges facing women? Small, consistent steps can make a meaningful difference.



SNAPSHOT: WOMEN IN KEY ADVISORY ROLES¹

Is this an indication of actual progress – or an indication that there are obstacles impeding progress?



¹InvestmentNews Adviser Compensation & Staffing Study

Testimonial



We bring approximately 70 to 80 financial planning professionals on campus to either speak in the classroom or to speak at a student professional organization or to participate in a career day, which is a recruitment day for students that are seeking internships and jobs upon graduation. It's so critical to get involved with these girls, not only to have the established financial advisers that are doing this, but also for those of you that are in your late 20s, 30s, early 40s. Connect to the students, show them the ropes, show them what's out there, show them the opportunity and the possibility. So, for all of you that are out there, please come find us, definitely; we're looking for you.”

CINDY AXELROD
Professor and director of the Financial Planning Program at Temple University, which now has 100 students majoring in financial planning

START EARLY



Raise general awareness of the benefits of the general principles of financial planning by volunteering your time at the grade school and high school levels. Advisers can play a role in directly introducing women to financial education – and the concept of financial planning – at an early age.

Here's HOW to do it: Several advisers from the Think Tanks volunteer at high schools to teach personal finance or “Finance 101” classes, specifically emphasizing the differences between financial planning and investing. Many high schools have long offered stock market teams or clubs, few have focused on the importance of financial planning – and the role that financial advisers could play in managing an investors’ financial futures. You can do the same at the grade school level by focusing on “simple” subjects such as credit scores and interest rates.

Examples included advisers who volunteered at high schools to teach personal finance or “Finance 101” classes, specifically emphasizing the differences between financial planning and investing. Other programs like the Financial Planning Academy at Texas Tech offer advisers the opportunity mentor high school students during a fun-filled week of events designed to increase financial knowledge and know how. While many high schools have long offered stock market teams or clubs, few have focused on the importance of financial planning – and the role that financial advisers could play in managing an investors’ financial futures. You can do the same at the grade school level by focusing on “simple” subjects such as credit scores and interest rates. Also, a range of customizable presentations are available and designed to help raise awareness and understanding of the financial advice and financial planning industry.

A number of organizations already exist that provide opportunities to directly educate and support young women. Groups such as Invest in Girls, BlackFem, Junior Achievement and the Boys and Girls Club of America each have national reach and are always looking for individuals who can educate or promote financial literacy.



Establish partnerships with local colleges and universities.

There are now over 100 colleges and universities that have dedicated financial planning programs (the CFP Board provides a database of all its partner universities, which is easily searchable by state). These universities typically offer career days, as well as professional speaking opportunities that feature financial advisers.

Here's WHY you should consider it: Building a relationship with these programs can be a great grassroots education and direct recruiting tool. Personal financial planning schools will also become an even larger talent pool as these programs continue to multiply and grow in size, which will help address both the perception and recruiting issues.

Case Study

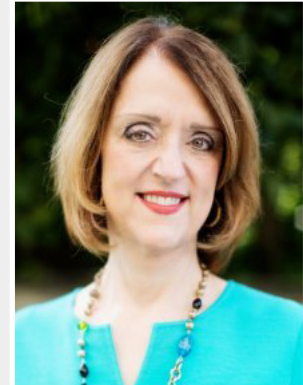


Several financial planning/brokerage firms in the Ohio area are collaborating with the University of Akron and are funding the position of a new professor (Dr. Barry Mulholland, previously of Texas Tech) to lead and re-energize the Financial Planning major. Together, we realized that local firms hire all of the graduates from the University of Akron's Financial Planning program and thus have a vested interest collectively in the success and longevity of the program. We formed a national search committee and it took us over a year to locate Dr. Mulholland. We were later able to get larger corporate sponsorships, both locally and nationally, after our first year, when we demonstrated increased enrollment and graduation stats.

In addition to the hiring of Dr. Mulholland, the University of Akron program collaborates with the business community in northeastern Ohio in other ways. Financial professionals from many firms provide formal and informal mentoring and training to the Financial Planning students, including interviewing skills, resume writing and networking skills. The financial services community has been working together formally (via an executive committee at the University) and informally to attract more students into the program so we have a pipeline of qualified graduates to hire.

In the past few years, enrollment in a financial planning major (including a double major with accounting and a "certificate" program) has more than doubled, with a 25% increase after the first year of having a dedicated program director. The program currently has over 80 students with a demographic make-up that resembles the current industry (75% male, 82% white, 7% black or African-American). It is too early to see the impact of the Financial Planning Women & Diversity Symposium that the program started to help encourage more diversity of those entering the program, but we expect to see movement in both gender and racial diversity in the coming years.

With a focus on reaching out to the financial services industry in our region, greater exposure of the program and the profession to educators and high school students, and continued efforts internal to the university to expose students to the financial planning profession, we expect to see a continued significant increase in enrollment in the program and new professionals entering the industry.



**CARINA
DIAMOND**
Managing Director
SS&G Wealth Management

Testimonial



“

We started offering a paid internship program several years ago with an additional incentive for a \$1,500 scholarship at the end of the summer. Not only does this help us attract motivated candidates, but you can see that they are really engaged throughout the entire internship. The scholarship is like a bonus...it really helps cement our commitment to our interns.”

KAREN THOMPSON
Director of
human resources
Budros, Ruhlin & Roe Inc.

INTERNSHIPS ARE A CRITICAL STEP

Create dedicated internship programs – emphasizing meaningful over menial work. Several participants in both Think Tanks noted that they have developed formal internship programs in recent years to create opportunities specifically for young women to gain practical industry experience, but also to truly understand the role of a financial adviser and the adviser-client dynamic.

This is key to making the internship productive for both the intern and the firm, and it provides the employer with the opportunity to show that it values its interns and views them as potential full-time hires. The intern is also given the opportunity to directly experience how advisers interact with and influence the lives of their clients, which can demonstrate the need for both “E.Q. and I.Q.” – a balance that can be particularly attractive to female candidates.

Here’s how to do it: On responsibilities, participants recommended including interns in meetings with both prospects and clients to have them document discussions and log meeting notes. Following the meeting, the interns can be charged with entering the notes into a firm’s CRM, which gives them visibility into the needs of clients while the advisers to be more focused on direct client and prospect engagement.

In addition, the majority of the programs at these firms offer paid internship opportunities, which improve recruiting and engagement. Although pay varies based on region, hourly rates for financial advice interns can range from \$15 to \$20 per hour.

INSIDER TIP



Assign ownership of the internship program to a specific individual within your firm – and provide an incentive to make it successful for both the intern and the firm. If the programs is perceived as everyone’s responsibility, it will ultimately become no one’s responsibility. For more detail on how to put together a complete plan in your firm, take a look at this blog on “Creating a Formal Financial Planning Internship Program” from Jon Yankee, CEO and co-founder of FJY Financial.

Testimonial



Overall, when interacting with a brand, women need a comfortable and familiar feel. We wanted the site to have a human side and really have that connection with women. Whether it's the content on the site or the way we talk about our capabilities, we always have that in mind. Even the way we position our advisers: We tell stories about why they are advisers and how they help clients; we don't just list their accomplishments, degrees or designations.”

LISA POFF

Chief marketing officer, the Colony Group, who added that HerWealth.com has also greatly improved the firm's ability to attract and retain female talent



Women read job descriptions differently than men. Women will opt out if they feel like they don't meet all of the specific criteria in a listing,” they noted. The firm re-wrote all of its job descriptions to make them more “open” – making them less about specific previous experience or designation, and more about the practical skills that will make an individual successful in the job. In addition, the firm also highlighted that it offered flexible benefits to acknowledge the need for work/life balance.”

**November 2017
Think Tank Participant**

CHANGE UP HOW (AND WHERE) YOU COMMUNICATE

Take a step back and think about how, or even if, your firm is communicating directly with women, whether they are potential employees or clients. Ask yourself: Are you communicating with intent? Think Tank participants had several recommendations that have resulted in success:

Review your website and marketing materials to assess just how effectively you are communicating with female candidates and investors.

Many advisory firms use very similar language and images to represent their firms and tell their stories. Although perhaps not intentional, these communications can often have undertones that speak and appeal more directly to men than to women.

Here's how to do it: To address this, some firms have created dedicated websites or sections of their websites that offer resources and content specifically for women. The Colony Group, for example, has a separate website, HerWealth.com, that offers books, blogs, podcasts and videos that address a range of financial scenarios unique to women.

Topics for its podcasts cover “Financial Strategies for Women Entrepreneurs” and “How to Talk About Finances Before Moving in Together.” The content directly educates women while providing access points to Colony Group advisers if they are interested in additional professional financial advice. This content strategy is also a way for the firm to show prospective female advisers that its services – and its organization – are diverse and offer opportunities for men and women alike.

In addition, in 2017, one Think Tank participant – Fairport Asset Management – launched a new division, LUMA, specifically geared toward the education of female clients. This has resonated not only with female clients, but also with female and male advisers who want to align themselves with this type of firm commitment and culture.

When hiring, put careful consideration into the way you are crafting and articulating job openings and positions at your firm. One Think Tank participant shared that women very rarely submitted resumes and applications when the company posted open positions on its website and job boards. After a review of the job descriptions, it became apparent that the language was somewhat agentic and did not effectively speak to women. In some cases, firms can benefit from reviewing their list of qualifications and indicating which are absolutely required and which may be preferred or offered as part of a training program. For example, since only about 23% of CFPs are women, stating a willingness to hire someone who will obtain the CFP within a specified amount of time can help widen the number of diverse applicants.



INSIDER TIP

Look for nontraditional places to advertise job openings or promote your firm. LinkedIn or Indeed might be the default choice for most organizations to post jobs or share content, but Facebook, Instagram and Pinterest could be more effective platforms for engaging with women. Your communication tone, images and strategy should be based on the platform and audience you are aiming to engage with.

Testimonial



During the Think Tanks, we had some really important conversations about compensation and around the challenges of building a book of business and ultimately how much time it takes. If a woman is trying to come into this industry, or maybe even been out of it for a while, it's really challenging to ask that woman to take a drop in salary and to work on building a book. We have to get around this notion of 'eat what you kill.' Let's talk about collaborative pools and instill that sense of teamwork. You can structure compensation plans that say 'we are all in this together and we are all trying to benefit the firm – and we're all going to benefit when the firm does well.'"

SUSAN FORMAN
Senior Vice President
Institutional Services
Marketing, Advisor Services
Charles Schwab & Co.

UNDERSTAND WOMEN'S "MONEY MOTIVATORS" AND STRUCTURE COMPENSATION ACCORDINGLY

A major misconception that women have about the advice business is that it has historically been a transactional, sales-driven culture. The notion that compensation is based largely on commission or an adviser's ability to continually add clients and "build a book" of business has been a deterrent for many women entering the financial advice industry.

Think Tank participants noted that women often look for both predictable income streams and team-based incentives. In general, women tend to be more risk-averse than men. More firms (particularly in the independent space) have been moving to offer advisers compensation plans that consist of larger base salaries and less dependence on variable pay – which can be critical in communicating to women during the recruitment process.

What type of compensation structure can help create an ideal place for a woman to advance and grow? Here are a few concepts and best practices that were highlighted by Think Tank participants:

- Consider compensation strategies that limit downside risks. This will put more of an emphasis on base salary than incentives, but be sure to review the plan annually and modify the structure based on an employee's strengths and future interests.
- Create additional incentives that **reward those who step up and step out.**
- Devote a portion of incentive pay to team or firm goals (or both).
- Create incentive pay or bonus programs for senior financial advisers to formally mentor and develop junior financial advisers.
- When possible, create a safe structure that allows women to take on new responsibilities and seek exposure to new challenges, but also provides the ability to go back to their original role without fear.

INSIDER TIP

The average lead adviser at an independent firm earned a base salary of \$135,000 in 2017, according to the *InvestmentNews* Compensation & Staffing Study. At the same time, incentive pay averaged just \$28,000 for these advisers. In many cases, incentive pay is now based on several goals rather than just individual performance. Many firms have embraced a combination of individual, team and firm goals to help determine an individual's total incentive pay.

Testimonial



We find the candidates, train them and our ultimate goal is to help them find their next job.

We train them in a very concentrated way, similar to how we would train an assistant financial planner and give them exposure to how the full financial planning and support process works.”

ELISSA BUIE
CEO of Yeskie Buie



If firms each had a scholarship to get the word out that they’re supportive and enriching their employees, and we could award more scholarships across the country to more young women, it would encourage them to come into, and ultimately advance and stay in this profession.”

MARILYN MOHRMAN-GILLIS
Executive Director of the CFP Board Center for Financial Planning

DON'T FORGET ABOUT THE BENEFITS: FLEXIBILITY IS KEY

A growing number of firms have focused on enhancing their benefits to create more flexible and accommodating work environments. During the Think Tanks, a number of ideas surfaced regarding benefits and programs designed to be supportive of women’s needs as well as their ongoing development and growth within an organization.

Think Tank participants acknowledged the importance of programs and benefits that emphasize flexibility, work/life balance and re-entry into the workplace, namely:

- Perhaps the most universal of all actions, flexible hours or the ability to work remotely when needed
- Family leave benefits vs. maternity leave policies (which would be made available to both men and women)
- Formal re-entry programs that support the transition of women back into their roles after maternity leave
- Options for paid time off to employees taking care of aging parents
- Benefits like IVF coverage
- Paid sabbaticals

Here’s how to do it: A growing number of organizations – both small and large – have begun to embrace the concept of re-entry programs. UBS, for one, currently offers a “Career Comeback” program for women who have been out of the workforce for more than two years. And in May 2017, the CFP Board Center for Financial Planning announced a partnership with iRelaunch to develop a program that offers re-entry internships to professional women. At Yeskie Buie, one of the pilot firms in the program, the firm just hired its first “re-intern” – who will join the firm in a temporary position for six months. The program will introduce qualified candidates, who could have backgrounds in banking or accounting, for example, to the financial advice business.

INVEST IN TRAINING AND ONGOING DEVELOPMENT

Incentive programs that fund education, continuing education or certifications can have short-term benefits – and deliver long-term returns. It’s a simple statement to show support for ongoing development. Several Think Tank participants noted that they offer to pay for all employees to sit for the CFA or CFP exams. In some cases, firms are also funding graduate degrees for employees, benefits that Think Tank participants said are effective at attracting and retaining women employees in particular. There’s a significant value tied to professional development, largely because it illustrates a firm’s commitment to an individual’s progress – not just their productivity.

Testimonial



I didn't know quite how it would go, but if you build it they'll come. They came because they wanted to learn from other people. They wanted to see other people who are like them. Whether you are in your 60s or in your 20s, whether you were a president of a firm, a para-planner and everything else in between, they all have a journey. And I think that was one of the key takeaways: You have to own your journey, and you have to find people along the way who are going to help you with your journey. That's what made our first event so successful, and we are going to do it again every year.”

KATIE CULLEN
Executive director,
Zero Alpha Group,
a network of wealth
management firms that
recently launched its first
women's event

SUPPORT OR CREATE COMMUNITY

Find or form your community – whether it's a small study group or a professional network for women in wealth management. A number of Think Tank participants highlighted the importance of finding or creating communities for women.

Here's how to do it: Develop informal groups and networks with other women advisers and financial professionals in their local markets. The networking benefits, as well as the ability to discuss day-to-day obstacles in a nonthreatening environment, have helped many participants identify strategies for overcoming common challenges.

Even small gatherings, such as study groups, can have a major impact. Several Think Tank participants noted that they have independently formed small groups that meet regularly and re-connect often. These groups can provide open forums and opportunities for women to address a range of personal and professional issues, share information and create a community.

Case Study



Several years ago, a group of the top female advisers from our broker-dealer got together and decided that it would be beneficial to all of us if we formed our own study group and met a few times a year. It eventually grew to include younger women who were trying to grow their businesses. At each meeting we had everyone present on a topic that was strongest suit, such as marketing, investing or operations. We also tried to bring in an outside speaker, if possible. The information sharing and the ideas we exchanged were amazing – but we also experienced a real camaraderie and friendship, much more so than at other study groups I participated in that were more male-dominated. And the phone calls and emails continue in between every meeting.

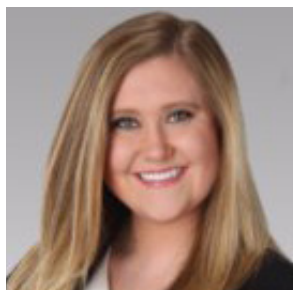


BETH BLECKER
CEO, Eastern
Planning Inc.

I think when it is a women-only group, women are able to express their opinions without fear of being wrong. It helps when you hear other women express their concerns or share their failures. Many times, you sit in an office and think you are the only one with these problems. With these groups, you have community. And for young advisers, you have mentors already built in.



Testimonial



I've had the opportunity to have multiple internships, and I actually got a job offer at my last one. During that offer, two principals sat with me and they laid it all out. It wasn't gray – it was black and white. They said this is what entry looks like, this is what the profession looks like, and you have the opportunity to become a partner one day as well, if that's what you want. The firm has multiple women, and one of them had just come back from maternity leave, and so I got to see throughout my internship how they worked with her. It's important to communicate the path, and more than just being a great fit, that you would be supportive throughout that candidate's entire career.”

KAYLYN ADAMS
Financial planning
analyst, Evensky & Katz,
Foldes Financial

YOUR FIRM MUST LEAD BY EXAMPLE

Buy-in from your full leadership team is a must. To be successful, a firm cannot create a culture that embraces diversity with just one champion. Its crucial for both men and women to create and reinforce opportunities for women to progress. This involves ongoing commitment, but Think Tank participants pointed to several strategies and approaches that have been successful in creating actual and “visual” paths to leadership within their organizations.

If women do not see female managers and leaders at the top, they won't believe it is a possibility for them. Not only do you risk losing some of your top talent, but you will also struggle to recruit women in general into your firm.

- Acknowledge that biases exist, even if you are not directly aware of them. Provide training or workshops that promote the benefits of diversity and inclusion.
- Create back-to-work programs and enroll ambassadors at your firm to provide support and ongoing feedback on their success.
- As part of the firm's strategic vision, establish goals that address creating a diverse workplace to serve a diverse client base.
- Tie part of the leadership team's or partners' bonuses to successfully meeting firm's diversity goals.
- Develop a compensation structure that creates incentivizes for senior executives to bring on and mentor junior/next-gen advisers.
- Write your mission statement as a team and include this in the strategy.
- Consider making the development of talent or commitment to diversity one of the criteria for partnership that is documented and communicated within the firm. This sends a strong signal to all employees about your values.
- Create clear career paths and articulate how you will continually enable women's progress.

Here's how to do it: Several firms shared that they have recently put formal, written career development plans in place that specifically detail the progression from one position to the next. To be successful, the plans need to be more than just a flow chart: They should have job descriptions and clearly articulated goals that the employee needs to meet in order to receive a promotion. The goal, essentially, is to be transparent and articulate a consistent opportunity to all employees.

Testimonial



About ten years ago when I started doing a lot of work in the women space, I said we're going to have male/female teams go out on every engagement. It's a great balance, and it's also a great way to bring up younger people – and we make sure to have junior men working with senior female advisers, and vice versa.

Today what I think most of our advisers would tell you and we have nine female advisers and eight enlightened men, is that it creates a great dynamic in meetings. Women don't always prefer to work with women, some women prefer to work with men. Some men prefer to work with women, so you're not going to see that unless you're both in the room and you experience that dynamic. It's a great compliment. I work with some guys that have unbelievable technical skills, by far more than mine, and yet my EQ is much higher. So I'll say, 'Yes, that's what she said, but what she really meant was....'”

HEATHER ETTINGER
Managing partner, Fairport
Asset Management and
LUMA Wealth

WE ARE ALL IN THIS TOGETHER

Men play a critical role in helping the advancement of women in leadership roles as well as in the recruitment of women into the industry. To overcome the collective challenges faced by women who are looking to develop successful careers in the financial advice business, men must be engaged in helping identify solutions and influencing change. In many cases, men want to do this but often need support or assistance. A number of ideas surfaced during the Think Tank that could be subtle and relatively simple ways for men to be consistently and constructively enlisted:

- Have both junior- and senior-level men assist in crafting the firm's mission or vision statement, which should spell out its commitment to a diverse and inclusive workplace.
- Invite men to participate in women's events or meetings. Have them become involved in the planning or programming, or invite them simply to observe and listen.
- Encourage both senior and junior men to verbally establish the importance of gender diversity in the hiring and interviewing processes, as well as in "Town Hall" type meetings within your firm.
- Enlist men to provide sponsorship or mentorship to all firm members.
- Look for strategic opportunities to create formal business rules that pair men and women.

Here's how to do it: Several Think Tank participants shared that their firms often look to build teams that consist of both men and women. This can benefit employees and clients alike, offering diverse learning opportunities in addition to introducing multiple perspectives and insights into client needs. Some firms have adopted formal policies that require teams to consist of at least one male and one female adviser – and to have each participate in scheduled client meetings.



SUMMARY

Although there has been progress in recent years to help women enter and advance in the financial advice industry, the gender gap is still considerable and remains one of the industry's most significant challenges – and opportunities.

Meaningful progress will occur only if individuals (both men and women) recognize that the gender gap exists and, more importantly that it is impeding the growth of the industry. For financial advice to truly evolve into a profession, it will need to employ and serve more than just a small portion of the overall population. The evolution will be gradual, of course, but it can be accelerated by a collective effort.

In summary, if you and your firm are looking to focus, formally, on advancing women and the overall industry, the foundation of your commitment can be based on several key strategies and approaches discussed in this brief:

- **Educate early:** Help educate women about personal finance and financial planning at a young age.
- **Develop an internship program:** Bring interns into your firm to introduce more young people to the industry. Be sure to give them meaningful work that benefits both the intern and your firm.
- **Communicate with intent:** Know your audience. If you are serious about recruiting women, make sure you are using language and social media platforms that speak directly to the types of opportunities available and the people you want to hire.
- **Understand women's “money motivators” and structure compensation accordingly:** Remember that many women are deterred by the perception of an “eat what you kill” mentality. Embrace stability and team-oriented goals with your compensation packages.
- **Offer flexibility:** Make sure your benefits and policies are flexible and ultimately allow your employees to balance personal and professional responsibilities.
- **Invest in training and ongoing development:** Don't just talk about career paths, enable them. Invest in women's education and career development, and be sure to clearly define expectations and opportunities to advance within your firm.
- **Support or create community:** There are a growing number of conferences, events and networks for women in the advice industry. Look for opportunities to join or partner – or start your own study group with other local women.
- **Lead by example:** If you are committed to creating a more diverse firm and bringing more women into your organization, put it in your firm's mission statement and make sure it's reinforced to employees and clients.
- **Emphasize that we are all in this together:** True progress will not be driven by just a handful of individuals or organizations. Men will need to be enlisted as part of the solution, so always be sure your efforts are inclusive.

By tackling even one of these steps, you will be making a difference that will ultimately enable the financial advice profession to truly grow and thrive.



ABOUT THIS RESEARCH

RESEARCH METHODOLOGY

Over the past year, InvestmentNews conducted a pair of “Think Tanks” with roughly 200 of the most influential, successful and thoughtful women in the industry to help surface specific examples of how they have created more diverse and successful organizations.

Several core challenges and questions emerged in our initial discussion, hosted in March 2017 at the InvestmentNews Women to Watch Think Tank. These challenges were then presented to a group of roughly 150 women at a follow-up Think Tank hosted by Charles Schwab at its November 2017 IMPACT conference. This second set of discussions specifically focused on actionable plans, programs and examples that can help confront common challenges. In addition to the two Think Tanks, InvestmentNews conducted telephone and in-person interviews with a dozen advisers and industry thought leaders to support the key findings and conclusions.

ABOUT INVESTMENTNEWS RESEARCH

The mission of *InvestmentNews* Research is to provide advisory firms with the industry's most comprehensive and informative practice management resources, benchmarking reports and targeted research studies. Our benchmarking studies and tools are a leading source of strategic intelligence for the industry's top advisory firms, custodians, broker-dealers, consultants and professional organizations. InvestmentNews Research is a dedicated business unit of InvestmentNews, which officially launched in 2009 with the acquisition of the former Moss Adams LLC benchmarking studies. The business now offers, in addition to the legacy benchmarking studies, a subscription-based research dashboard, custom research services, dedicated research webcasts, national and regional workshops and in-person presentations. For more information about InvestmentNews' benchmarking and custom research, please contact Mark Bruno at mbruno@investmentnews.com

ABOUT INVESTMENTNEWS WOMEN TO WATCH

Each year, InvestmentNews honors 20 female financial advisers and industry executives who are distinguished leaders at their firms. These women have advanced the business of providing advice through their leadership, passion, creativity and willingness to help other women along the way. Based on the belief you can't be what you can't see, InvestmentNews strives to provide concrete examples of female financial advice leaders by sharing their stories through our editorial coverage and by recognizing them at an annual gala awards luncheon.

ABOUT SCHWAB ADVISOR SERVICES™

Schwab Advisor Services is the industry leader and largest custodian of RIA Assets, providing custodial, operational, practice management, and trading support to more than 7,000 independent registered investment advisor (RIA) firms. For over 30 years, Schwab Advisor Services has worked resolutely with independent advisers to develop proven processes and insights for starting, building, and growing RIA businesses. Schwab Advisor Services has a strong vision for RIAs and their future and is committed to pushing the financial advising industry forward on advisers' behalf.