

Women in Finance: A Roadmap for Progress

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“If they don’t give you a seat at the table, bring a folding chair.”

— Shirley Chisholm
First African American woman
elected to Congress

The battle for equality in the workplace has been a long and hard-fought one. While enormous strides have been made, there remains much more to do. Progress in the financial services industry has been accelerating in recent years, with women’s representation at its most senior levels growing at an increasing rate. According to Oliver Wyman, a consultancy, women now comprise 20% of executive committees and 23% of boards, with over one-quarter of financial services firms having more than 30% women serving on executive committees and 37% sitting on their boards.¹

Perhaps even more encouraging, however, is how female representation has moved past the “reluctant box-ticking” stage to a broader, strategic view that sees greater inclusion as a driver of better business results by tapping into the creativity and hard work of a heretofore overlooked workforce population.

Closer to home, progress is less constructive. Females make up less than one-third of all personal financial advisors and less than one-quarter of CFP licensees, despite the ballooning share of assets that are currently held by women or soon will be.^{2,3}

In this white paper, Women in Finance: A Roadmap for Progress, we examine why financial services may be a great career choice for women, the steps they can take to prosper in their careers, what financial advisors can do to encourage a new generation of female advisors and how businesses can grow the ranks of women at all levels of their organizations.



Financial Services and Women, Perfect Together

One of the great misconceptions of the financial services industry is the idea that it's all about numbers and math. To be sure, there are plenty of highly-analytical roles, but underappreciated are the numerous careers that rely less on a facility with numbers and much more on an ability with establishing human relationships, creative problem solving and communicating messages that resonate with targeted audiences.

“The attributes that facilitate success in financial services align perfectly with women’s greatest strengths, which include listening, being empathetic and creating long-lasting relationships.”

— Donna LaScala, RFC®, CDFIA®
President, Comprehensive Divorce Solutions, LLC

The core attributes that contribute to individual success in the financial services industry mirror women’s inherent strengths.

These strengths—collaborative working style, relationship-focused, education-oriented, helpful, an inclination toward planning and problem solving, propensity to listen, and the capacity to empathize and be compassionate—are huge advantages in roles as diverse as product development and management, marketing, asset management, new business development, third-party vendor management and financial advisor, among others.

Moreover, some careers in financial services—such as financial advisor, insurance agent and financial planner—have unusual flexibility with regard to its work hours. This flexibility offers women who are the primary caregivers for children or aging parents to structure their workday to accommodate the demands of work and their personal lives in a way that few careers allow.

Women’s strengths are amazing leverage points to build a rewarding career, but they are not enough; nor is hard work alone sufficient to advance a career commensurate with a woman’s capabilities. Here are nine tips that most successful women have found integral to their career advancement.

1

Take ownership of your career

Make yourself the CEO of a company called YOU, Inc. Have a dream. Then make a plan to realize that dream.



2

Learn the business

Respect arises from knowing the business. This learning will come from books, colleagues and experience. Never stop learning.



3

Be prepared

No one can know everything or be right at all times, but you can prepare like no one else. That will earn you respect and gain you attention.



4

Find a mentor

A mentor can be invaluable in navigating organizations, sharpening your thinking and helping you with critical career decisions. It is less important whether your mentor is male or female and more important that they commit the time and energy to guiding you.



5

Take your chances every chance you get

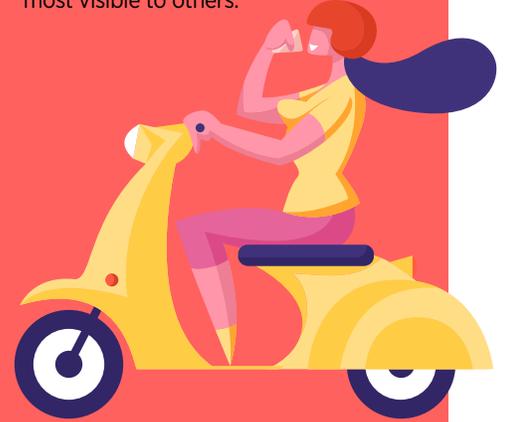
Rising stars in an organization become so because they are willing to take on the difficult tasks. Don't be afraid to operate outside your comfort zone. It is only when we challenge the limits of what we believe we are capable of doing that we discover our true potential.



6

Network

Reach out to people of all walks of life, inside and outside of the organization. Seek to create meaningful relationships. One hard truth of business is that success doesn't always come to the smartest person or the hardest worker, but very often to those most visible to others.



7

Project confidence

Be sure to speak up and contribute, and be confident in those contributions. It's hard for someone else to be confident in you if you don't project self-confidence.



8

Be yourself

Don't be shy about showing your personality. Be friendly and approachable, admit mistakes, and be honest and transparent. And, don't forget to have a sense of humor—that can go a long way in forming enduring and productive professional relationships in the workplace.



9

Don't be afraid to ask for raises and promotions

It does not always serve your interests to depend on others to give you the raise and promotion you deserve.



How Financial Advisors Can Promote Female Advisors

Financial advisors can make important contributions in promoting financial independence and confidence among women, and there are two very good reasons to do so.

The first is self-interest. Today, 50% of financial advisors are 60 years of age or older. Another 24% are ages 50-59⁴ ... and, of course, they're mostly male.

This is not a new observation, but is a reminder that many older, male advisors must begin thinking about how to preserve the value of their practices as their assets under management are passed to a new generation of investors.

While there are numerous actions an advisor can take to retain assets and win new clients amid this unfolding great wealth transfer, one of the most effective steps an advisor can take is to hire a female advisor that can better connect with the beneficiaries of the first and second waves of this wealth transfer tsunami—surviving spouses and younger investors.

The recruitment of female advisors is certainly one approach, but that may be difficult since the pool of available women is currently limited. As a consequence, it may be necessary to reach out to local colleges to recruit female graduates with the requisite ambition, interest and intelligence to become a successful advisor.

The second good reason to encourage women to become financial advisors is the positive social benefit such efforts can have on the professional trajectory of those who choose this career path and for the many others who learn about important financial basics, even if they end up electing to take a different career route.

Recruitment and education efforts must address misperceptions about the financial services industry and the absence of knowledge of what a financial advisor does. The most important misconception is that it's all about math and numbers.

In fact, being a financial advisor is above all about helping people achieve their important financial goals. That begins with listening, being

“Current advisors in our industry play a critical role ushering in a new generation of advisors who are increasingly female. Doing so is essential in positioning financial service practices to thrive in a world where household decisions around America’s wealth—more often than what is assumed—are being made by women.”

— Melissa Dolber-Grappone
Vice President, Marketing and Corporate Communications,
American Portfolios Financial Services, Inc.

emphatic and making a plan to help them get there. So, when discussing a career as a financial advisor, forget the charts and graphs and focus on people and stories—talk about the lives that have been changed for the better.

Recruitment won't happen at the high school level, but education can begin there or even earlier. Advisors looking to make a difference in young women's (and girls') lives can work with local high school and girls' clubs to educate young women about financial planning basics, like budgeting, debt management and investing. Consider sponsoring an internship or career day for young women.

Work through school counselors, teachers and club leaders to craft the program that will fit the age, time and circumstances of each opportunity. Seek to partner with a female advisor to demonstrate how women succeed and enjoy this special career.



How Businesses Can Promote Gender Equality

Women make up over half the workforce in financial services,⁵ though a much smaller number of them make it to executive management or on the boards of these companies.

Increasingly, companies are seeing the wisdom and good business sense of promoting women to their highest ranks. According to a study by the World Economic Forum, banks that had a higher percentage of women in executive management and on their boards had improved bank stability as a result of higher capital buffers, a lower proportion of non-performing loans and greater resistance to stress.⁶

This same study also found that banks with low rates of women in senior roles tended to fall short in empathy (relationship management) and unconsciously undervalue or marginalize women in their products and service delivery.

“If you exclude 50% of the talent pool, it’s no wonder you find yourself in a war for talent.”

— Theresa J. Whitmarsh
Executive Director, Washington State
Investment Board



The reasons for why banks with higher rates of female presence in upper ranks performed better are three-fold:

1

Women are generally better risk managers

2

More women contribute to a diversity of perspectives, which improves decision making

3

Women in leadership roles leads to more qualified women in middle management, improving overall organizational performance

Companies have pursued a number of strategies that have been highly effective in promoting women’s advancement and contribution to their businesses. While some approaches may be confined to larger organizations, many of these ideas are applicable to businesses of any size.

Initiatives to Support Women in the Workplace

- 1 **Set targets and measure against them.** This is not about implementing a quota system; however, without a goal in mind and measurement against that goal, overcoming gender bias is unlikely.
- 2 **Make gender equality progress part of executive compensation.** The reality that “compensation drives behavior” applies. When a portion of an executive’s compensation is based on progress in hiring and advancing women, greater attention will be paid to that goal.
- 3 **Promote women to senior roles.** This may sound like a goal more than a tactic, yet the promotion of women has a multiplier effect that raises female participation rates across all levels of the organization.
- 4 **Implement career support programs.** This can include a wide variety of initiatives, including providing generous family leave policies, offering flexible work schedules, creating mentorships and establishing a “returnship” program that supports women re-entering the workforce following an extended family care break.
- 5 **Establish employee resource networks to foster communication and education.** Employees need to see that they are not alone, while others need to be educated as to the value of women, the need to accommodate work flexibility and the organization’s commitment to supporting women.
- 6 **Identify obstacles to women advancement and institute programs to help them.** Survey current female employees to better understand what women see as their greatest obstacles to career advancement and respond accordingly with relevant and effective action steps.

“The importance of joining an organization whose mission is to elevate the profession is key to success. As a member of the Financial Planning Association, Long Island Chapter, I have access to education and information as well as colleagues across not only my immediate geographic area but across the country. The benefit of networking has been proven. Additionally, the FPA LI has a Women In Finance Committee. As the Chairperson of that committee it is my goal to provide networking opportunities to women in finance professions as well as to mentor young advisors just starting out. The exchange of ideas has been wonderful and the energy these women bring to the conversation has been inspiring.”

— Donna LaScala, RFC®, CDFIA®
President, Comprehensive Divorce Solutions, LLC

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American Portfolios Financial Services, Inc. has just the resources in place to help its advisors on many fronts. Advisors interested in learning more about educating young women about a financial services career, financial planning basics or creating opportunities for female advisors should contact *Vice President of Marketing Strategy Kimberly A. Branch, CFP®* at **631.439.4630**, or via email at kbranch@americanportfolios.com, to strike up a conversation today.

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* Based on a poll of registered representatives conducted by *Investment Advisor* magazine. Broker/dealers rated highest by their representatives are awarded “*Broker/Dealer (B/D) of the Year.*”

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