AUGUST 5-9, 2019

InvestmentNews®

THE LEADING INFORMATION SOURCE FOR FINANCIAL ADVISERS

$5.00 / $89 Year

diversity&INCLUSION

LEADING THE CHARGE

LIFETIME ACHIEVEMENT AWARD WINNER JOHN W. ROGERS JR.

PAGE 10

THE D&I ISSUE

MEET OUR 2019 EXCELLENCE IN DIVERSITY AND INCLUSION AWARD WINNERS AND FIRM FINALISTS.

NEWSPAPER | VOL. 23, NO. 28 |

INVESTMENTNEWS.COM

TOPNEWS

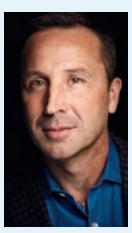
ACCURACY / EXCELLENCE / FAIRNESS / IMPARTIALITY / INDEPENDENCE

EDITOR'S NOTE

D&I makes us stronger, better

InvestmentNews believes a spirit of diversity and inclusion is good for the financial advice profession. It makes both the profession and society stronger.

Diversity and inclusion also help us attract and retain talented people and do a better job of engaging clients in need of professional financial advice.



FRED GABRIEL

Our 2019 Diversity & Inclusion awards and recognition program is intended to highlight D&I in financial advice and, more importantly, promote equal opportunity for everyone – regardless of race, ethnicity, gender, sexual orientation and physical limitations.

Let's be honest. In a profession beset by regulatory, demographic and market pressures, diversity and inclusion ranks pretty low on the average firm's list of business priorities.

An *InvestmentNews* survey conducted last month of nearly 500 financial advisers found that nearly 77% of respondents believe that it is "not at all difficult" to build a racially diverse client base without a direct effort to foster racial diversity within the advisory firm. Only 17% responded that it is "somewhat difficult."

As an industry, it's our responsibility to be more intentional in building a more diverse and inclusive profession. Hopefully, the stories found here will inspire you.

I challenge you to read about our Lifetime Achievement Award winner, John W. Rogers Jr., who has dedicated his entire professional life to promoting diversity and inclusion in the financial services, without asking yourself "What should I be doing?".

We are happy to honor all those who have overcome formidable obstacles to make this industry more diverse and inclusive. Thank you to all the members of our D&I Advisory Board who helped us develop this outstanding award initiative.

fgabriel@investmentnews.com
Twitter: @fredpgabriel

WE'LL BE BACK

InvestmentNews won't publish a print edition next week. Print publication will resume Aug. 19.

TA Associates snags $12B RIA

BY JEFF BENJAMIN

KEY POINTS
- TA Associates buys ownership stake in Wealth Enhancement Group.
- Deal expected to fuel more growth at RIA.

MINNEAPOLIS-BASED Wealth Enhancement Group has extended its relationship with private-equity investors through a deal that will transfer a majority ownership stake in the $11.8 billion advisory firm to TA Associates.

The deal, announced last Wednesday, transitions the majority ownership stake from Lightyear Capital, which has been a majority owner of the registered investment adviser since 2015. Lightyear's founder and chairman is Donald Marron, a veteran brokerage executive who ran PaineWebber before it was purchased by UBS in 2000.

GROWTH MODE

Wealth Enhancement Group, which has made 13 acquisitions over the past six years and claims $1 billion worth of organic growth over each of the past two years, has been partially owned by outside investors since 2003.

"This transaction is a natural and expected part of the growth process for a firm like Wealth Enhancement Group," said David DeVoe, managing director at DeVoe & Co., which tracks RIA industry consolidation.

"TA Associates is a well-respected private-equity firm, which has experience in the financial services space," Mr. DeVoe said. "Transactions like this will not only help firms like WEG accelerate their growth, but also contribute to the RIA industry overall. Investments like this help drive innovation in and the expansion of the fiduciary approach to wealth management, ultimately benefiting the U.S. investing public."

Daniel Seivert, chief executive of investment bank Echelon Partners, said private-equity ownership of RIAs is a growing reality, and with that reality comes ownership turnover.

"All PE firms are constantly evaluating the time and growth associated with each portfolio company to determine the [internal rate of return] they report to their limited partners," he said, adding that PE investors typically hold for at least seven years unless they don't like the prospects for investment returns.

Another reason for such sales between PE firms, Mr. Seivert said, could be portfolio rebalancing by Lightyear, which also owns a big piece of Cerity Partners, a $21 billion RIA.

According to a statement from Wealth Enhancement Group chief executive Jeff Dekko, the partnership with TA Associates could bring about a new level of growth for the RIA.

"Having been well-acquainted with TA Associates for over half a decade, we are entering this new partnership with a sense of familiarity combined with excitement about our future, as they have been an attractive partner to support the next phase of our growth," he said. "TA Associates stands out in terms of its global scale, its significant expertise in the financial services sector, its embrace of our long-term growth vision, and its strong alignment with our company's core values and culture."

EXPANDING ADVICE

TA Associates did not respond to a request for comment for this story, but according to the press release, the PE firm believes "Wealth Enhancement Group is very well-positioned to continue to drive the trend toward making objective, independent financial advice more broadly available to mass affluent and affluent investors across the country."

jbenjamin@investmentnews.com
Twitter: @benjiwriter

Ex-adviser Dawn Bennett gets 20 years

BY JEFF BENJAMIN

FORMER FINANCIAL adviser Dawn Bennett was sentenced last Wednesday to 20 years in federal prison for her conviction on 17 federal charges related to a $20 million Ponzi scheme.

Ms. Bennett, 56, who formerly operated Bennett Financial Group Services in Chevy Chase, Md., was found guilty in October of all charges against her, including conspiracy, securities fraud, wire fraud, bank fraud and making false statements on a loan application.

She received the maximum sentence in addition to five years of supervised probation upon her release.

Judge Paula Xinis ordered that Ms. Bennett must pay restitution of $14.5 million and forfeiture of $14.3 million.

FEDERAL PRISON

"Dawn Bennett knowingly defrauded retirees of their life's savings — most of which she used for her own personal benefit," said U.S. Attorney Robert K. Hur. "She's been held accountable for her lies and theft, and will now spend years in federal prison."

According to the evidence presented at trial last year, between December 2014 and April 2017, Ms. Bennett solicited individuals to invest money in her online clothing business, offering an annual interest rate of 15% via convertible or promissory notes.

CONTINUED ON PAGE 32

Contents © Copyright 2019 by InvestmentNews LLC. All rights reserved. Vol. 23, No. 28, August 5, 2019. InvestmentNews (ISSN 1098-1837) is published weekly, except bi-monthly in July and August and the last two weeks in December by InvestmentNews LLC. The agent is Crain Communications Inc., 1155 Gratiot Avenue, Detroit, MI 48207-2912. Periodicals postage paid at Detroit, MI and additional mailing offices. POSTMASTER: Send address changes to InvestmentNews, Circulation Dept., 1155 Gratiot Avenue, Detroit, MI 48207-2912. U.S. subscription price: $89 a year.

CFP Board to inspect adviser histories

BY MARK SCHOEFF JR.

THE CFP BOARD will no longer rely on mark holders to reveal their disciplinary histories but instead check regulatory databases itself, the organization said in response to a Wall Street Journal analysis of its consumer-facing website.

> **KEY POINTS**
> - WSJ revealed many instances where CFP certificants did not reveal Finra disclosures on LetsMakeAPlan website.
> - CFP Board vows to reform enforcement practices.

The organization said it will conduct searches on BrokerCheck, which is maintained by the Financial Industry Regulatory Authority Inc., and the Investment Adviser Public Disclosure database maintained by the Securities and Exchange Commission.

"In the past, CFP Board has relied heavily on self-disclosure, complaints from either clients or other CFP professionals, and news scans," the Certified Financial Planner Board of Standards Inc. said in its response to the WSJ article. "Effective immediately, we are reviewing BrokerCheck and IADP for existing CFP professionals. We continue to follow up on regulatory actions by the federal government and self-regulatory agencies if CFP professionals are named."

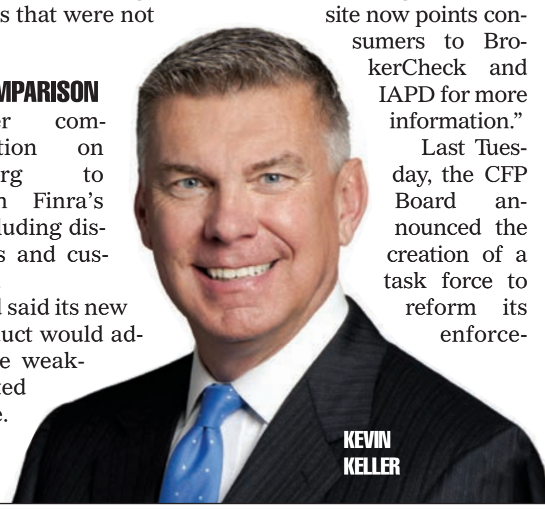
The WSJ reviewed more than 72,000 CFPs listed on the CFP Board's LetsMakeAPlan.org website, which aims to help the public find a financial adviser, and discovered that more than 6,300 of the CFPs had Finra regulatory disclosures that were not mentioned.

BROKERCHECK COMPARISON

The newspaper compared information on LetsMakeAPlan.org to records kept in Finra's BrokerCheck, including disciplinary histories and customer complaints.

The CFP Board said its new standards of conduct would address some of the weaknesses highlighted by the WSJ article.

"We now review BrokerCheck or IAPD when a CFP professional renews his or her certification," the CFP Board stated. "We also have made adjustments to the 'Verify' section of LetsMakeaPlan.org so that the site now points consumers to BrokerCheck and IAPD for more information."



KEVIN KELLER

Last Tuesday, the CFP Board announced the creation of a task force to reform its enforcement practices. The panel will be headed by former Texas securities commissioner Denise Voigt Crawford, who also will appoint its members. The task force is expected to make its first report to the board in November.

CFP Board CEO Kevin Keller said the CFP designation stands out among the more than 200 financial credentials that Finra lists on its website because the CFP Board is one of the few groups that has an enforcement program. But he said the WSJ article shows it can do better.

SELF-DISCLOSURE INSUFFICIENT

"I'm not aware of any other financial certification that goes anywhere close to what the CFP Board does, but that doesn't mean there aren't opportunities to improve the enforcement of our standards," Mr. Keller said on a conference call with reporters last Tuesday. "We acknowledge that self-disclosure is not sufficient enough for us to actively enforce the [CFP] standards, and we agree with the need to strengthen the enforcement program."

The board must manually review disciplinary histories of the nearly 3,500 CFPs who renew their credentials each month. CFP Board officials hope they'll be able to set up a system where the CFP database can interface with SEC and Finra databases.

"It's definitely going to require more resources, whether that's software or people," CFP

CONTINUED ON PAGE 34

GPB Capital faces crisis of confidence

The silence emanating from GPB Capital is both maddening and infuriating to the broker-dealers that sold $1.8 billion in high-risk private placements created by GPB.

The red alert is flashing: GPB recently reported the value of those funds has been decimated. Currently, they are being valued at $1.1 billion, a decline of almost 40%.

Brokers want answers now, but, according to one executive at a broker-dealer that sold the alternative investment funds, GPB management is not giving any.

BRUCE KELLY

ONADVICE

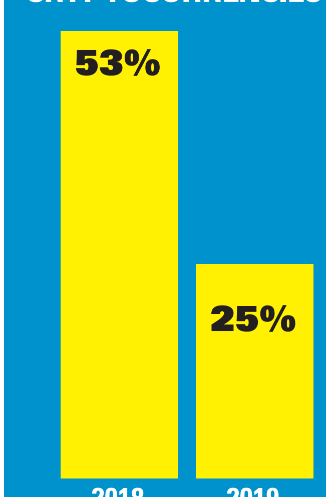
Instead, GPB is telling the 60 or so firms that sold the private placements and the clients who bought them to wait until September when an audit will be completed for more information about the pricing of their funds.

Until then, brokers and clients can mull over allegations made in a lawsuit last month by a business partner of GPB Capital who claimed that GPB engaged in "serious financial misconduct" and tried to push him out after he complained to the Securities and Exchange Commission, according to a published report.

But first, a quick recap of the host of problems sitting in GPB's lap.

CONTINUED ON PAGE 34

PORTION OF FINANCIAL ADVISERS FIELDING QUESTIONS FROM CLIENTS ABOUT INVESTING IN CRYPTOCURRENCIES



Source: Financial Planning Association "Trends in Investing Survey," 2019

DOL allows trade association 401(k)s

BY MARK SCHOEFF JR.

SMALL EMPLOYERS who belong to the same trade association will be able to band together to offer retirement plans to their employees under a Labor Department rule released last Monday.

Under the DOL rule, retirement programs could be offered by associations of employers in the same city, county, state or multistate metropolitan area, or by a particular industry nationwide.

For instance, a heating and air-conditioning company and tool-and-dye manufacturer that both belong to a local Chamber of Commerce could plug their employees into a 401(k) plan sponsored by the chamber.

Currently, so-called multiple-employer plans require some form of commonality among the firms, such as being in a similar industry. The new DOL rule, effective Sept. 30, expands the parameters to include membership in the same association.

While the move was praised as a step in the right direction by people in the retirement-savings sector, they renewed their push for congressional approval of legislation that would allow for wider and more disparate employer networks to sponsor plans.

SECURE ACT

The pending bill, the Setting Every Community Up for Retirement Enhancement (SECURE) Act, would "allow other types of financial institutions to run a 401(k) for their employer customer," a senior DOL official told reporters on a conference call last Monday, providing context for the regulation on background.

The final DOL rule on association plans includes a request for information regarding an expansion of open multiple-employer plans under federal retirement law, the Employee Retirement Income Security Act of 1974.

"We'll keep studying that issue," the DOL official said. "We're not sure we can go that far."

Which is why the release of the DOL rule spurred more calls for congressional approval of the SECURE Act. It passed the House, 417-3, in June, but has stalled in the Senate.

AGENCY'S HANDS TIED

"DOL's heart is in the right place, but they're bound by the statute that's in front of them," said Andrew Remo, director of legislative affairs at the American Retirement Association. "SECURE is critical because it would remove all commonality require-

CONTINUED ON PAGE 34

Early Social Security claims cost $3.4T

MARY BETH FRANKLIN

ONRETIREMENT

Despite all the talk about the value of maximizing Social Security benefits, it seems few retirees are listening. The fact that only 4% of retirees wait until age 70 to claim their maximum retirement benefits is not news. What is noteworthy, however, is how much those early claiming decisions are costing retirees in terms of potential retirement income and overall wealth.

Social Security pays over $1 trillion in benefits to more than 65 million people each year, or about nine out of every 10 retirees. It accounts for about one-third of all retirement income each year. About 50% of current retirees report that more than half of their annual income comes from Social Security, while a third report that more than 90% of their income comes from these benefits.

A new study, "The Retirement Solution Hiding in Plain Sight: How Much Retirees Would Gain by Improving Social Security Decisions," quantifies the lifelong impact of workers claiming benefits before their full retirement age. The study was co-authored by Matt Fellowes, head of retirement-focused robo-adviser United Income, and two former top researchers at the Social Security Administration.

U.S. retirees would be able to generate an additional $3.4 trillion in income during their retirement — an average of about $111,000 per household — if they optimized their decision about when to claim Social Security, the study calculated. Nearly all of this income is lost because one or more retirees in a household claimed Social Security too early, which means their Social Security benefit is lower than it would be if they had waited.

ANNUAL INCOME BOOST

Those extra dollars add up.

"About 92% of retirees that claimed Social Security suboptimally would have seen their annual income increase if they had made the claiming decision that maximized the probability they would have enough money to afford retirement," the study found. More

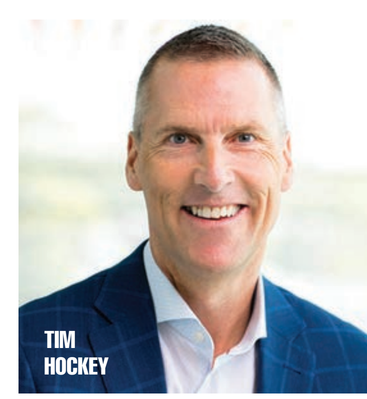
CONTINUED ON PAGE 33

Surprise at Hockey departure

BY RYAN W. NEAL

FINANCIAL ADVISERS are stunned by the sudden announcement of Tim Hockey's intention to step down as CEO of TD Ameritrade Holding, wondering what changes it portends for the firm's custodian business.

Though Mr. Hockey joined TD Ameritrade after 32 years with TD Bank Group, he won favor with registered investment advisers for promising the firm will not push direct-to-consumer wealth management that competes with RIAs.



TIM HOCKEY

"Tim Hockey was, in our mind, an advocate for the independent adviser and was always against directly competing with that group (unlike a Charles Schwab for instance)," James Gambaccini, Acorn Financial Services managing partner, wrote in an email.

TD announced Mr. Hockey's resignation as the firm reported its latest quarterly earnings last Monday, stunning analysts and investors on the call. Mr. Hockey denied the move had anything to do with mergers and acquisitions, taking another job or a violation of conduct.

CHANGE FOR 'NEXT PHASE'

The only reason given for the leadership change was Mr. Hockey and TD's board of directors agreeing that a change is needed to guide the firm. "next phase of growth" at the firm.

CONTINUED ON PAGE 33

As Merrill talks growth, wirehouse sees advisers head out the door

BY BRUCE KELLY

MERRILL LYNCH'S incentive plan to get advisers to sign up new clients and cross-sell more products from parent Bank of America is paying off in new business for the wirehouse, but it also is pushing some of those advisers out the door.

For the first half of the year, Merrill lost 189 advisers on a net basis compared with 20 advisers leaving in the same period in 2018, according to an analysis by *InvestmentNews*.

Rival firms and former Merrill executives and advisers point to the firm's recent shift in its pay plan as a prime motivator behind some adviser moves.

One adviser who left Merrill this year said the recent changes in his pay plan clearly rewarded advisers bringing in new clients and getting existing clients to use Bank of America products and services, from checking accounts to mortgages.

"The recent pain point for Merrill Lynch advisers is the emphasis on referrals, new banking accounts, things of that nature," said Jerome F. Lombard Jr., president of the private client group at regional broker-dealer Janney Montgomery Scott. "It's top of mind — changes to policy that will affect advisers' compensation."

InvestmentNews expanded its Advisers on the Move database earlier this year. It is now designed to capture all recruiting activity of retail financial advisers or teams of advisers as they move from one firm to another.

To qualify as a move, no more than 60 days can have elapsed between the date an adviser or team leaves one firm and the date they join another. Any adviser registration changes that came as a result of merger and acquisition activity are not recorded as moves in the database.

MOVING TO OTHER PLATFORMS

Over the past decade wirehouses have experienced a steady flow of advisers and assets leaving for other financial advice platforms. Advisers at wirehouses are typically paid in the neighborhood of 40% of their annual revenue, and they can double that portion at an independent broker-dealer. Or, if they open a registered investment advisory firm, they become independent business owners and control the equity in their practice.

Merrill's recent push to reward its 14,690 financial advisers and brokers for opening more new accounts and cross-selling banking products — and penalizing those who don't — has been a boon for some advisers but a burr in the saddle of others.

In June, for example, two Merrill Lynch teams managing more than $1 billion in client assets combined left to join an RIA and broker-dealer in Indianapolis, Sanctuary Wealth.

The CEO of Sanctuary Wealth, James R. Dickson, is a former managing director at Merrill Lynch who bought broker-dealer David A. Noyes in 2017, later renaming it Sanctuary Wealth. Since then, he has recruited about two-dozen teams to the firm, with about one-third of those coming from Merrill, he estimates.

"Most advisers we talk to describe the changes to the Merrill Lynch pay grid as death by a thousand cuts, and the culture of the bank becoming more prevalent," Mr. Dickson said.

Merrill regards the new comp plan — first introduced at the end of 2017 and then modified a year later and known as the "growth grid" — as a clear success.

Its parent, Bank of America Corp., reported in July that Merrill advisers had brought in more than 35,000 new households over the first half of the year, an all-time high and 11 times the number they brought in during the same period two years ago, before the growth grid plan was put in place.

Last year, 70% of experienced advisers achieved a record year and this led to a record number of advisers becoming $1 million and $5 million producers in 2018 for the first time, noted Merrill Lynch spokesman Matthew Card. The firm expects another such record in 2019, he said.

bkelly@investmentnews.com
Twitter: @bdnewsguy

NEWS ON MOVES
FOR ALL ADVISER MOVES AND RECRUITING ACTIVITY, GO TO INVESTMENTNEWS.COM/AOTM.

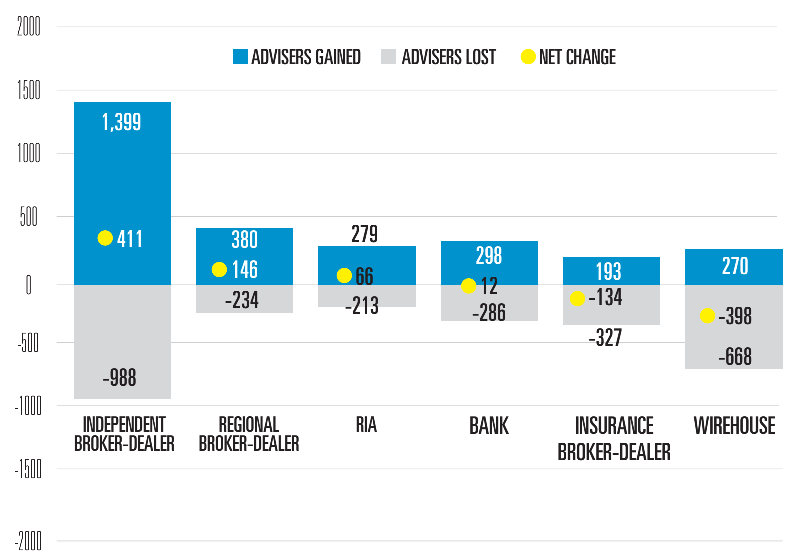
RECRUITING NET GAINS

	Q2 2019	YTD THROUGH JUNE 30
LPL FINANCIAL	123	215
STIFEL, NICOLAUS & COMPANY INC.	38	58
RAYMOND JAMES FINANCIAL SERVICES INC.	30	73
RAYMOND JAMES & ASSOCIATES INC.	27	56
AMERIPRISE FINANCIAL SERVICES INC.	23	84

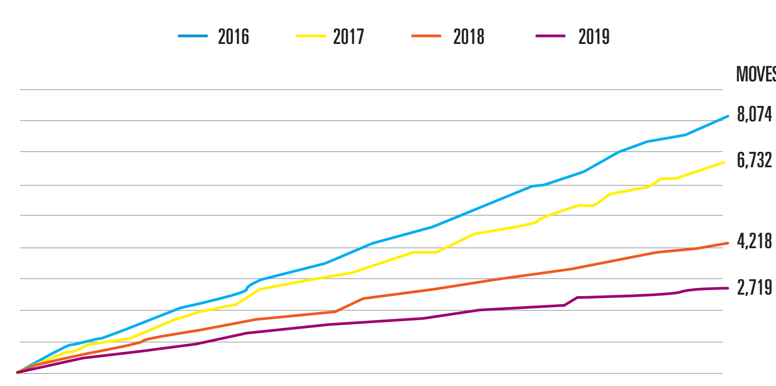
RECRUITING NET LOSSES

	Q2 2019	YTD THROUGH JUNE 30
MERRILL LYNCH PIERCE FENNER & SMITH INC.	-107	-189
MORGAN STANLEY	-63	-157
WELLS FARGO CLEARING SERVICES	-35	-112
UBS FINANCIAL SERVICES INC.	-34	-92
AXA ADVISORS	-21	-38

NET GAINS/LOSSES IN ADVISER HEADCOUNT BY CHANNEL, YTD THROUGH JULY 26



CUMULATIVE MOVES BY YEAR, JAN. 1-JUNE 30



DISCLAIMER AND METHODOLOGY: The *InvestmentNews* Advisers on the Move database is designed to capture all recruiting activity of retail financial advisers/teams of advisers as they move from one firm to another. The activity recorded within the database comes from a number of sources, including *InvestmentNews* and other media reports, press releases, direct submissions that have been reviewed by *InvestmentNews*, and regulatory filings. To qualify as a move, no more than 60 days can have elapsed between the date an adviser/team leaves one firm and the date they join another. Any adviser registration changes that came as a result of merger and acquisition activity are not recorded as moves in the database.
Source: *InvestmentNews* Research

Today's uncertain bond markets call for a nimble approach

Today's bond markets offer no easy answers. That's why the team behind John Hancock Bond Fund takes a more nimble approach, targeting income opportunities from all areas of the markets and focusing on cash bonds instead of complex derivatives so investors always know what they own. **We think it's a better way to invest.**

Discover our multimanager approach at jhinvestments.com.

John Hancock Investment Management

John Hancock Bond Fund

Class I: JHBIX Class A: JHNBX

Strong Morningstar ratings[1]

★★★★★

Overall Class I rating as of 6/30/19 out of 539 intermediate core-plus bond funds. Based on 3-, 5-, and 10-year Morningstar Risk-Adjusted Returns, accounting for variation in monthly performance.

All funds may experience periods of negative performance.

1 For each managed product, including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts, with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return that accounts for variation in a fund's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes. The top 10.0% of funds in each category, the next 22.5%, 35.0%, 22.5%, and bottom 10.0% receive 5, 4, 3, 2, or 1 star(s), respectively. The overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The rating formula most heavily weights the 3-year rating, using the following calculation: 100% 3-year rating for 36 to 59 months of total returns, 60% 5-year rating/40% 3-year rating for 60 to 119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. Star ratings do not reflect the effect of any applicable sales load. As of 6/30/19, the fund was rated 4, 4, and 5 stars out of 539, 453, and 332 intermediate core-plus bond funds for the 3-, 5-, and 10-year periods, respectively. Please note that Class I shares may not be available to all investors and that performance of other share classes may vary. Past performance does not guarantee future results.

Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if an issuer is unable or unwilling to make principal or interest payments. Investments in higher-yielding, lower-rated securities include a higher risk of default. Liquidity—the extent to which a security may be sold or a derivative position closed without negatively affecting its market value, if at all—may be impaired by reduced trading volume, heightened volatility, rising interest rates, and other market conditions. The use of hedging and derivatives could produce disproportionate gains or losses and may increase costs. Fund distributions generally depend on income from underlying investments and may vary or cease altogether in the future. Please see the fund's prospectus for additional risks.

Request a prospectus or summary prospectus from your financial advisor, by visiting jhinvestments.com, or by calling us at 800-225-5291. The prospectus includes investment objectives, risks, fees, expenses, and other information that you should consider carefully before investing.

NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE. NOT INSURED BY ANY GOVERNMENT AGENCY.

OPINION

EDITORIAL / LETTERS / OP-ED / GUEST BLOGS

New DOL advice rule must factor in reality of aging investors

THE RESPONSIBILITY AHEAD for Eugene Scalia, President Donald J. Trump's nominee for Labor secretary, should he be confirmed, is enormous. No less than the well-being of Americans in retirement rests on the decisions his agency has before it.

The DOL chose not to defend its fiduciary rule for retirement advice after it was vacated in a split decision by a panel of the 5th U.S. Circuit Court of Appeals last year. Mr. Scalia was the counsel for the financial industry's lawsuit challenging the rule that resulted in that decision.

Under former Secretary of Labor Alexander Acosta, the department's regulatory agenda included the proposal of a revised rule by the end of this year. Mr. Acosta indicated that the next iteration would be fashioned around Regulation Best Interest — a part of the Securities and Exchange Commission's advice-reform package designed to raise broker standards.

But sometimes the magnitude of what's at stake for the average investor in these decisions on how high the standards for financial professionals should be gets lost amid concerns about how any changes might impinge on financial professionals themselves, and their firms.

Despite Mr. Scalia's efforts as counsel for the financial industry, as Labor secretary he would be stepping into a new role as public servant to the American people. Mr. Scalia must appreciate the gravity of his decisions on advice reform, given the reality that most investors do not have adequate financial knowledge to evaluate for themselves whether they'd be better off with one investment product versus another, one account or another, one adviser or another. They often don't understand what they're paying for investment products or services, and about comparable options that would preserve more of the money they've worked a lifetime to accumulate.

We're not talking about protection from outright fraud here, we're talking about the slivers off the top — excessive fees that eat away at a critical sum of money.

The importance of the relationship between financial advisers and their clients gets magnified as lifespans grow longer.

A study by financial planning professors Michael Finke, Sandra Huston and John Howe found financial literacy drops after age 60 by about 1.5 percentage points per year, while a person's confidence in their knowledge remains steady, and in some cases increases. This incongruity is exacerbated as the years pass. Add to this the fact that advisory clients tend to be wealthier than most, and that wealthier people live longer on average, and longevity becomes an even more important factor.

> **OLDER PEOPLE RELY ON ADVISERS TO BE THEIR HONEST GUIDE.**

Older people especially rely on financial advisers to be their honest guide. Given the high stakes of their situation, they must have a financial adviser who puts their best interests first — not second, or even tied for first with the firm's.

Concerns while crafting a revised DOL fiduciary rule about investors having a "choice" of financial advice service models shouldn't overshadow the more critical needs of investors. As clients age, they are less able to distinguish what is in their best interest. Whether they choose to work with a broker or investment adviser, everyone needs a relationship anchored by a true duty of care and loyalty. Anything less chips away at Americans' ability to retire with financial security and dignity.

LETTERS

Raising the bar

I would like to add my two cents' worth in response to your "10 Years From Now I Predict …" article in the July 8 issue.

I'm the president of Dorn & Co. Inc., a small broker-dealer and registered investment adviser based in Fergus Falls, Minn. I passed the Series 7 exam my senior year while in college in 1964. I did not feel worthy of entering the business until I graduated with a bachelor's degree in business, and took courses in accounting, finance, business law, marketing, communication, etc.

Along the way, I became a financial principal and had the honor of being a trustee at the Securities Industry Institute executive development program affiliated with the University of Pennsylvania's Wharton School of Business. I have also served as an expert witness for numerous attorneys in Minnesota, North Dakota and New York over the past 30 years.

My point is, I feel we should raise the bar in our industry if we are to call ourselves professionals. I've seen enough "advisers" misbehaving, and I'm tired of witnessing vulnerable adults stripped of their life savings.

I realize this is not going to solve all our problems, but how many professions are there that don't require some kind of degree before a person enters the process of becoming a "professional."

Hopefully it won't take 10 years.

Larry Dorn
President
Dorn & Co. Inc.
Fergus Falls, Minn.

WE WANT TO HEAR FROM YOU. Send a letter to the editor with your thoughts about a story we've published, and include your name, title, company, address and telephone number for verification. Keep your letter under 250 words, and email it to Frederick P. Gabriel Jr. at fgabriel@investmentnews.com. All letters will be edited.

InvestmentNews
The Leading Information Source for Financial Advisers
InvestmentNews.com

CEO/Publisher: Suzanne Siracuse
ssiracuse@investmentnews.com

EDITORIAL
Editorial Director: Frederick P. Gabriel Jr.
fgabriel@investmentnews.com
Deputy Editor: Robert Hordt
Managing Editor: Christina Nelson
Assistant Managing Editor: Susan Kelly
Special Projects Editor: Liz Skinner
Copy Editor: Anne Marie D. Lee
Contributing Editor: Mary Beth Franklin
Senior Columnists: Jeff Benjamin, Bruce Kelly
Senior Reporter: Mark Schoeff Jr.
Reporters: Greg Iacurci, Ryan W. Neal
Digital Production Manager: Ellie Zhu
Social Media & Engagement Editor: Scott Kleinberg
Director of Multimedia: Matt Ackermann
Senior Multimedia Manager: Stephen Lamb
Multimedia Project Manager: Audrey Rose Joseph
Special Projects Coordinator: Brittney Grimes

ART DEPARTMENT
Executive Art Director: Scott Valenzano
Associate Art Director: Pablo Turcios
Senior Graphic Designer: Kyung Yoo-Pursell

DIGITAL, CUSTOM AND RESEARCH
Managing Director, Associate Publisher: Mark Bruno, mbruno@investmentnews.com
Director of Digital Products & Strategy: Michael Palazuk
Senior Research Analyst: James Gallardo
Digital Operations Manager: Gillian Albert
Digital Operations Specialist: Carla Flores

ADVERTISING
Client Relationship Manager, SouthEast Region: Kevin Reardon, kreardon@investmentnews.com 212-210-0476
Client Relationship Manager, NorthEast Region: Lauren DeRiggi, lderiggi@investmentnews.com 212-210-0154
Strategic Project Sales Manager: Julie Parten, jparten@investmentnews.com 952-495-0422
Manager US Event Sales: Dan Rubinetti, drubinetti@investmentnews.com 212-210-0432
Account Manager, US Events: Kelly D. Maier KMaier@investmentnews.com
Reprint Manager: Laura Picariello, lpicariello@investmentnews.com 732-723-0569
Ad Operations Manager: Letitia Y. Buchan, lbuchan@investmentnews.com 212-210-0451
Business Development Associate: Michelle Richard, mrichard@investmentnews.com 212-210-0238

AUDIENCE, MARKETING AND EVENTS
Director of Audience and Analytics: George Ortiz, gortiz@investmentnews.com
Email Marketing Specialist: Nicole Chantharaj
Audience Data Analyst: Amy Zhu
Director of Marketing and Communications: Theresa Gralinski, tgralinski@investmentnews.com
Director of Events and Integrated Solutions: Josh Brous, jbrous@investmentnews.com
Senior Operations Manager: Tara Means
Events and Operations Manager: Natalie Taylor
Marketing Manager: Kate Arends
Content Producer: Letitia Bow

Executive Assistant to the CEO/Publisher: Irma Rodriguez, irodriguez@investmentnews.com 212-210-0430

PRODUCTION
Prepress/Production Director: Simone Pryce
Production Manager: Paul Vaccari

INVESTMENTNEWS OFFICES
Headquarters: 685 Third Avenue, New York, NY 10017-4024
Bureau office: Washington: 601 13th Street, N.W. Suite 900 South Washington, DC 20005

Advertising main number: 212-210-0451
Fax: 212-210-0117

BONHILL GROUP, PLC
Chief Executive Officer: Simon Stilwell
Chief Operating Officer: James Robson

Head Office: Bonhill Group, Plc 14 Bonhill Street, London EC2A 4BX

For subscription information and delivery concerns, please e-mail customerservice@investmentnews.com or call 877-812-1589 (in the U.S. and Canada) or 313-446-0450 (all other locations).

Audit Bureau of Circulations

Please recycle this newspaper


Deepen client relationships and set yourself apart.

diversity&INCLUSION

Breaking industry barriers

BE INSPIRED BY THE 14 INDIVIDUAL WINNERS AND 17 FIRM FINALISTS OF OUR 2019 DIVERSITY & INCLUSION AWARDS

***InvestmentNews* is pleased to announce its second annual** Excellence in Diversity & Inclusion Award winners and firm finalists. These remarkable people and firms represent the best of the financial advice profession when it comes to raising awareness about the importance of diversity, through education, inspiration and company practices.

After scrutinizing hundreds of nominations, our advisory board of industry experts and *InvestmentNews* staff selected 31 honorees. The profiles of the 14 individuals and 17 firms presented on the following pages illuminate the passion and hard work that cultivate a truly inclusive work environment. The stories showcase replicable efforts others can undertake to emulate their successes, with contact information for firms willing to share more details about their policies and programs.

The aim of this months-long project each year is to motivate positive change in an industry that is ripe for the infusion of new talent. Get inspired here and continue the journey toward inclusiveness online at InvestmentNews.com/diversity-inclusion. You can also consider supporting diversity and inclusion in the financial advice business by attending *InvestmentNews*' Excellence in Diversity & Inclusion Awards event in New York on Sept. 24, where firm winners will be announced. Register at InvestmentNews.com/diversityawards.

— Liz Skinner, special projects editor

Individual profiles written by Deborah Nason, Firm profiles written by Vanessa Drucker

Asset manager leverages his success to bring change

By Jeff Benjamin

PHOTO BY TODD WINTERS

LIFETIME ACHIEVEMENT

JOHN W. ROGERS JR.

Chairman
Ariel Investments
Chicago

As John W. Rogers Jr. reflects on efforts to increase diversity throughout the financial services industry, he remembers the "fits and starts" and laments the long journey still ahead.

"When it comes to minority-owned firms, some have come and most have gone, and then we'll see a new group of firms try to come in," he said. "The lack of progress has been pretty heartbreaking when it comes to the money management space."

Mr. Rogers is a glowing exception.

This year's winner of the *InvestmentNews* Diversity & Inclusion Lifetime Achievement Award is not only a minority professional who's succeeding in the financial services industry, he's an individual who has made diversity and inclusion a focal point of his life.

Mr. Rogers is founder, chairman, chief investment officer and co-chief executive of Chicago-based Ariel Investments, the nation's largest African-American-owned asset management firm, with $13 billion under management.

As a money manager, Mr. Rogers, 61, is in many ways extraordinary. His early interest in the financial markets was sparked by his father giving him shares of stock as birthday and Christmas gifts. He recalls being fascinated as a young boy traveling down to Chicago's LaSalle Street to meet his father's stockbroker and reading financial reports for fun.

"My parents were divorced, and when I would visit my father on the weekends, he would have newsletters and annual reports for me to read. So that became a passion of mine," said Mr. Rogers, who launched Ariel Investments at the ripe age of 24, after cutting his teeth in the equity markets at William Blair & Co.

As a student at Princeton University, where he also played basketball, Mr. Rogers said he would call his broker from pay phones during road games to trade his portfolio. And when he won $10,000 in the New Jersey lottery, he showed incredible vision and restraint for a young college student by using the money to buy stocks.

PUSH FOR EQUALITY

But as Mr. Rogers was building his business, he was always conscious of the other theme of his life, which is a push for equality and helping others.

While the influence of his late father, John Rogers Sr., a World War II fighter pilot and Tuskegee Airman, drove his passion for investing, his mother, Jewel Lafontant, inspired his pursuit of equality.

"I grew up with the idea that a woman of color can be just as successful as a white male," he said.

Ms. Lafontant was the first African-American woman to graduate from the University of Chicago Law School. She was the first female deputy solicitor general of the United States and served as an official in the administration of President George H.W. Bush. She was considered by President Richard Nixon for nomination to the U.S. Supreme Court. Ms. Lafontant died in 1997.

Mr. Rogers recalls growing up in the Chicago neighborhood of Hyde Park, "where people didn't care about titles or where you came from." He reflected on those early experiences as building blocks for learning to value diversity.

"I can't overemphasize how much it meant to grow up in that community," he said. "Diversity was just natural; if you were going to find the best talent possible that meant you were going to have women and people of color."

In addition to donating more than $15 million to help fund scholarship programs at the University of Chicago and its affiliated Laboratory Schools, Mr. Rogers helped launch the Ariel Community Academy, which promotes a financial literacy curriculum.

The academy, which opened 22 years ago, has grown to 500 students in kindergarten through eighth grade. Mr. Rogers proudly reported that Ariel Investments has hired two of the academy's graduates.

He also has hosted the Black Corporate Directors Conference for the last 17 years.

'AN EXTRAORDINARY LEADER'

"John Rogers has been an extraordinary leader and partner for me in our multifaceted efforts to expand diversity and inclusion at the University of Chicago," said Bob Zimmer, president at the University of Chicago.

"His leadership has been singularly impactful in helping us conceptualize and execute an important program for professional services diversity," Mr. Zimmer said. "I have watched John lead many people in key roles to understand the depth of talent that can be realized if given opportunity."

Mr. Rogers was considered part of the inner circle during Barack H. Obama's 2008 presidential campaign. In fact, immedi-

CONTINUED ON PAGE 30

IVAN ILLÁN
Founder and chief investment officer
Aligne Wealth
Los Angeles

"It's better to live authentic and free. It's hard enough to build a business, and self persecution is a waste of energy," said Ivan Illán, founder and CIO of Aligne Wealth.

After the Supreme Court affirmed the nationwide legality of same-sex marriage in 2015, Mr. Illán decided to no longer hide who he was.

He was afraid his decision would cause his 9-year-old firm to lose business — after you build something successful, there's a feeling of vulnerability, he said.

But it had the opposite effect. No clients left and his practice took off.

"Ultimately, as an entrepreneur, it's about having no fear. Once this burden dissolved, I was able to unleash all that defensive energy to be used in other, creative ways," Mr. Illán said.

He encourages younger LGBTQ advisers to be who they are, explaining that being "out" just means you're part of a community — it doesn't mean it has to define your practice.

His experiences have given him a more universal perspective.

"I have been marginalized on many levels, as half Hispanic, half Middle Eastern and gay, but it has empowered me to understand that we are all one," Mr. Illán said.

ALYSSA MOEDER
Private wealth adviser
Merrill Private Wealth Management
New York

Even small things can make a big impact, said Alyssa Moeder, private wealth adviser at Merrill Private Wealth Management and founder of the Merrill Lynch Women's Exchange.

About 15 years ago, she had a simple notion of creating a gathering for sharing ideas and fostering informal mentorships between junior and senior women within her office. Her idea was embraced, the event was a success and the concept took off. Women from neighboring offices, then regional offices, got on board. Now there are more than 5,000 members from 60-plus offices nationwide.

The main areas of emphasis of the exchange are mentoring, networking, educational programming and volunteering.

What's behind the program's rapid growth and long duration?

"It was grassroots; the members created what we wanted to do," Ms. Moeder said.

The exchange's innovate mentorship program was another factor. The program is structured as one-year long and is supported by an accountability process, whereby exchange committee members follow up on mentor/mentee match-ups to make sure the participants are following through.

"I never imagined it would grow the way it did," Ms. Moeder said. "I've participated as a mentor and a mentee and I've gained a tremendous amount by being on both sides."

ANITA KNOTTS
Senior vice president
Calamos Wealth Management
Naperville, Ill.

In life, it's how you approach challenges that matters, said Anita Knotts, who immigrated from India as a small child.

"I was bullied when I was a teenager, but it teaches you how to stand up for yourself," she said. "It's good preparation for an industry like this. I feel like I can walk into any room with confidence."

As a leader and a role model, Ms. Knotts wants to impart that confidence to other women, and has launched two initiatives with that goal in mind.

The first, started in 2012, called "Women and Wealth," provides informal sessions for the firm's female clients and clients of allied professionals, such as accountants and attorneys. The programming, which could be in an educational or social format, touches on financial literacy, investing and financial empowerment.

In 2016, she founded the Women's Initiative Network, an internal professional development group that meets monthly and serves as a safe space to talk about topics such as effective communication, being taken seriously, developing a leadership presence, career management, etc.

"I wanted to help others because of how I've felt sometimes — like I was standing at the base of a steep mountain, looking up," Ms. Knotts said.

AMIT GROVER
Senior vice president
Morgan Stanley
Pittsburgh

As a first-generation American and son of Indian immigrants, Amit Grover, senior vice president for Morgan Stanley, lives and breathes diversity.

In 2011, the young adviser launched a diversity and inclusion committee for the firm's Pittsburgh region, with a special focus on recruiting more women and people of color.

"We wanted to look like the community we served," he said.

Mr. Grover and his committee got busy, sponsoring events for minority nonprofits and building contacts by working with the African American Chamber of Commerce and assigning younger associates to liaise with colleges.

In 2014, he joined the company's national D&I Council and became co-chair in 2018. Its four sub-committees are:

1. Business development: to help diverse advisers bring in business.

2. Teaming and partnering: to foster, for example, mentoring between more experienced advisers and junior associates.

3. Representation: to communicate its activities and develop a tool kit on how to establish and run a local D&I council.

4. Inclusion: to promote projects such as a manager tool kit on recognition ideas to help make new hires feel appreciated.

"This is a challenge that will take another decade to solve, as we develop the pipeline, recruiting sources and retention strategies," Mr. Grover said.

Jacqueline Ko Matthews has come full circle. Throughout a career that took her from investment banker to ultrahigh-net-worth portfolio manager to a quant hedge fund manager to now co-founder and CEO of investment platform InvestmentPOD, she has benefited from a series of mentors that included former Treasury secretary Robert Rubin and Sen. Mark Warner, D-Va.

But it was the late Sen. Daniel Inouye, D-Hawaii, for whom she interned while in high school, who told her, "You can be anything that you want. Don't ever think because you're a woman or an Asian that you can't reach for those dreams."

Another guiding message from her mentors was, "Be the change," which influenced her decision to make more-sophisticated portfolio management available to more investors.

"I felt it was important that what I did for UHNW clients [I could] do for the mass affluent. I always felt there was a big piece missing for them," Ms. Matthews said.

To that end, InvestmentPOD provides access to a wide breadth of asset and strategy diversification that allows advisers to scale and personalize clients' portfolios at the same time, without multiple layers of fees.

"This is my opportunity to make a positive impact in the world," she said.

JACQUELINE KO MATTHEWS
Co-founder and CEO
InvestmentPOD
Washington, D.C.

LESLIE TABOR
Managing director, business consulting and education
Schwab Advisor Services
San Francisco

The concept of "See it, be it" played a huge role in Leslie Tabor's childhood. She observed her mother, who immigrated to the U.S. from the Philippines in her 30s, work in international operations managing diverse direct reports.

Diversity has continued to play a part in Ms. Tabor's career through her current role as managing director, business consulting and education for Schwab Advisor Services, overseeing diversity and inclusion programs for the benefit of the company's custodial clients. She also has been involved with a women's employee resource group since joining Schwab 20 years ago.

Ms. Tabor's other diversity and inclusion activities include:

• An RIA summer intern program, which this year hosted more women than men for the first time.

• Development of a diversity-focused recruitment playbook for advisers that is especially focused on recruiting women.

• A large RIA conference, now in its twelfth year, that includes racially and ethnically diverse students, many from historically black colleges and universities and from institutions that serve Hispanics.

What has the impact of these initiatives been?

"Our clients recognize the value [diversity and inclusion efforts] brings to the firm, the industry and their end clients," Ms. Tabor said. "We know that the population is evolving and the future investor is likely to be diverse. I've seen the demographic shift."

Allianz Life Insurance Company of North America

Our initial income percentages start STRONG – AND GET STRONGER

6.2%

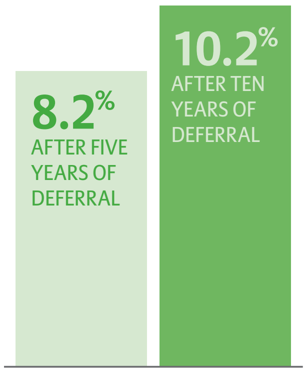
Age 65 for single Level Income option (5.7% joint Level Income option)

Income percentages are subject to change.[3]

Allianz Index Advantage Income® Variable Annuity is designed to help your clients meet their long-term goals with a unique combination of features – including indexed return potential with a level of protection through multiple index strategies (also called crediting methods), tax deferral with the opportunity to grow their savings faster, a variety of lifetime payout options, and a choice of death benefits.

How do our initial income percentages get stronger? Beginning at age 45[1], our Lifetime Income Percentages are guaranteed to increase each year your clients wait to start income, even if their asset values fluctuate.

For example, an individual purchasing the contract at age 65 would have a Lifetime Income Percentage of 6.2%, and it would increase by 0.40% for every year of waiting:



Please note: In addition to the Level Income option, the Income Benefit rider also offers an Increasing Income option.[2] This income option offers a smaller payment up front (1% lower than Level Income).

For more details, visit www.allianzlife.com/IAIncome.

For complete sales support, call the **Sales Desk at 800.542.5427**.

For all that's ahead.®

Allianz

[1] Initial Income Percentage at eligible person's age 45 (single, Level Income) is 4.70% and would increase by 0.25% for each year of deferral.

[2] A 1.25% product fee and 0.70% Income Benefit rider fee are accrued daily and deducted on each quarterly contract anniversary, calculated as a percentage of the charge base. The Income Benefit rider is automatically included in the contract at issue and cannot be added to a contract after issue.

[3] As of July 2, 2019. Lifetime Income Percentages are set at issue; income percentage increases are set on Index Effective Date (based on eligible person's age).

Lifetime Income Payments can begin on any Index Anniversary once the eligible person reaches age 50, and no later than age 100 after a minimum waiting period of one index year. Joint Lifetime Income Percentages are 0.50% lower than for single Lifetime Income Percentages. For joint income payments, the age of the younger eligible person will be used to determine income percentages, income percentage increases, and when income payments begin. Current rates for new business contracts are available at www.allianzlife.com/indexincomerates.

Withdrawals will reduce the contract value and the value of any protection benefits. Withdrawals taken within the contract withdrawal charge schedule will be subject to a withdrawal charge. All withdrawals are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal additional tax.

As with any investment vehicle, variable annuities and index variable annuities are subject to risk – including possible loss of principal. Investment returns and principal will fluctuate with market conditions so that contract values, upon distribution, may be worth more or less than the original cost.

For more complete information about Allianz Index Advantage Income® Variable Annuity and the AZL® Government Money Market Fund, contact Allianz Life Financial Services, LLC for a prospectus. The prospectuses contain details on investment objectives, risks, fees, and expenses, as well as other information about the index variable annuity and the AZL Government Money Market Fund, which your clients should carefully consider. Encourage your clients to read the prospectuses thoroughly before sending money.

Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America (Allianz) and do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

• Not FDIC insured • May lose value • No bank or credit union guarantee • Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

Products are issued by Allianz Life Insurance Company of North America. Variable products are distributed by its affiliate, Allianz Life Financial Services, LLC, member FINRA, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. 800.542.5427 www.allianzlife.com L40538-IAI

This notice does not apply in New York. In New York, products are issued by Allianz Life Insurance Company of New York, New York City.

Product and feature availability may vary by state and broker/dealer.

IAI-167 (8/2019)

SEE IT, BE IT ROLE MODELS

REBECCA POWELL
Senior vice president and financial adviser
Morgan Stanley
Florham Park, N.J.

"The first thing people think when they hear 'diversity' is 'I'm losing something,' but what diversity really means is embracing other perspectives," said Rebecca Powell, senior vice president and financial adviser with Morgan Stanley.

She is active in the firm's National Diversity & Inclusion Council and helped launch its Central New Jersey Complex Diversity Council.

The New Jersey council, whose 16-member volunteer team includes six white men, has been involved in three initiatives:

• Providing a mentor for each new hire, which is especially helpful for supporting and retaining employees from underrepresented groups or those from lower-income communities. "It's very difficult for a minority if you don't have those connections," Ms. Powell said.

• Supporting community organizations that raise money for causes benefiting diverse populations.

• Partnering with the National Association of Black Accountants and the African American Chamber of Commerce as recruitment sources of seasoned professionals with more established networks.

With a career of more than 30 years in financial services, Ms. Powell has long embraced her own status as a role model and a pioneer.

"Being, so often, the only one in the room, I see standing out as an asset, not an impediment," she said.

THOMAS HAKE
Investment management consultant
Hake Investment Group
St. Louis

In 2017, Thomas J. Hake, investment management consultant with the Hake Investment Group, part of the Raymond James network, proposed a big idea to senior management. His vision was to provide visible support to the firm's LGBTQ advisers — his own community. The company provided its wholehearted backing. Two years later, the Raymond James Advisor Pride Network was proudly launched at the organization's national conference in April.

Currently, Mr. Hake and his network co-chair are hiring support staff and formulating plans, including:

• Annual symposia on topics such as how to target the LGBTQ community and navigate the legal challenges faced by such clients.

• Developing educational materials on the needs and perspectives of LGBTQ clients.

• Having a LGBTQ presence at most corporate conferences.

The network makes it possible for people to share stories that have been suppressed, and there has already been a ripple effect, as advisers have been coming forward to share their stories with him, he said.

"It opens doors to conversations that make a difference. I may be the first person they reach out to," Mr. Hake said. "In addition, we want our clients to know they have a safe place. Basically, we're taking the professional and the personal, and merging them."

MAZ KAMARUDDIN
Former head of diversity markets
AXA
New York

Being Malaysian-American, Maz Kamaruddin serves as a role model for immigrants and also facilitates role-model partnerships across her organization.

One of her major accomplishments has been the launch and execution of annual organization-wide diversity summits serving African-American, Asian, Hispanic, LGBTQ and women advisers. In a further show of diversity, attendance over time has become an even split between the developing sales force and the experienced sales force, while attendance at the women's summit is now about one-third men.

"In our Hispanic summit, for example, every year I tell everyone, 'This is a gold mine,'" Ms. Kamaruddin said, explaining there is no other internal conference at which the developing sales force can have access to experienced colleagues because there are no production requirements.

The summits help with retention, she said, because newer employees can make helpful contacts in their first few years.

What's the main lesson role models teach?

"In my opinion, it's: 'What is your attitude?'" she said.

Ms. Kamaruddin left AXA in July and is set to join The Guardian Life Insurance Co. this month as assistant vice president of diversity markets and inclusion.

DANNY HARVEY
Financial planning program director
Prairie View A&M University
Prairie View, Texas

The notion of "See it, be it" underlies everything Danny Harvey does in his role as financial planning program director for Prairie View A&M University, one of the nation's historically black universities, located in Prairie View, Texas.

Realizing a long-held dream of teaching and promoting financial planning, he transitioned into academia six years ago after a 20-year career that included positions in portfolio management and commodities trading.

In addition to establishing the CFP Board-approved program in 2018, Mr. Harvey has focused most of his energies on highlighting diverse role models in the industry for his students. His initiatives have included:

• **Peer education:** These optional, volunteer service projects arrange for college students to teach financial literacy to high school students.

• **Trips:** Every year, he takes students to visit New York investment banks and stock exchanges and to the annual conference of African American Financial Professionals.

• **Speakers:** He has held discussion panels showcasing professionals such as women in finance and certified financial planners who were former professional athletes.

• **Conference and job fair:** He created this event to bring industry professionals and students together to provide workshops, seminars and networking opportunities.

His philosophy of service is simple: "You don't give to get, but if you give you will get."

DAPHNE JORDAN

Wealth adviser
Pioneer Wealth Management Group
Austin, Texas

"This topic is a mountain and you have to chip away at it," said Daphne Jordan, wealth adviser with Pioneer Wealth Management Group, describing the notion of diversity.

To that end, Ms. Jordan co-founded and now co-chairs the National Association of Personal Financial Advisors' diversity and inclusion initiative, guided by a steering committee of seven.

In the past three years, the team has established a scholarship program for minority advisers and students to attend a national NAPFA conference and receive introductory memberships, and has held webinars on diversity research and unconscious bias (reaching more than 200 attendees).

Future plans include virtual focus groups to understand how people view the concepts of diversity and inclusion, and the development of a D&I toolkit of practical tips for advisory practices, such as using inclusive wording in communications.

For Ms. Jordan, who is also current president of the Austin chapter of the Financial Planning Association, diversity work is a labor of love.

"I feel I've been blessed enough to get where I'm at, and I want to help open the door for others to enter this profession and feel included and welcome," she said.

DESIREE COLEMAN

First vice president, diverse client segments
Wells Fargo Advisors
St. Louis

"It's important to build skills to be comfortable feeling uncomfortable," said Desiree Coleman, first vice president, diverse client services at Wells Fargo Advisors.

To that end, she has led diversity and inclusion initiatives within this business division since 2018, serving about 20,000 branch employees nationwide.

One of the programs she launched is the local "Courageous Conversations" discussion series in the St. Louis area, covering topics such as equity, building an inclusive community, race and the arts, unconscious bias, and what it means to be an ally. Audiences have included Wells Fargo employees, nonprofit organizations and the public at large, with some 40% of attendees being white.

Ms. Coleman also introduced a two-day conference called "Day of Inclusion," which included 275 employees from around the U.S., drawn from upper-level branch leadership. The first day covered the "why" of diversity and inclusion and the second day featured peer-sharing by way of breakout sessions with facilitated conversations on recruiting and building inclusivity. Ms. Coleman plans to hold these conferences in different cities.

"This work is so deeply gratifying. It's invigorating," she said. "I have two little girls and I want to make things different for them when they enter the workforce."

MATTHEW PHILLIPS

Wealth adviser
Trilogy Financial
Corona, Calif.

"The deaf community has not been underserved — it has been ignored," said Matthew Phillips, wealth adviser at Trilogy Financial who focuses on this population.

Mr. Phillips has interacted with deaf people throughout his life. As a boy, he and a deaf neighborhood friend figured out their own way of communicating with each other. As an adult, he coached two deaf children in soccer and took American Sign Language in college as a foreign language in homage to his childhood friend.

Two years ago, by coincidence, he met with a prospective client couple who were deaf. He was determined to find ways to accommodate them and his firm has followed his lead, introducing new initiatives, such as:

- Paying for ASL-certified interpreters, whether in-person or virtual.
- Developing a program to teach ASL to advisers.
- Working with the deaf academic community to create financial vocabulary signs.
- Adding closed captions to videos and creating educational videos with an ASL-certified interpreter.
- Holding workshops for deaf households to introduce them to financial planning.

"The only difference between a hearing-abled and a deaf person is a communication barrier," Mr. Phillips said. "They don't lack intelligence, but our culture treats them as [mentally] disabled."

APRIEM ADVISORS

Registered investment adviser
Founded: 1998
Employees: 15

Founded by two Asian American wealth managers, Apriem Advisors promotes a culture of diversity. Its five partners all come from minority groups, as do a majority of its executives.

President Rhonda Ducote, who at age 10 lost her father, launched a "Women of Wisdom" program in 2014 to educate women, particularly those who are single or widowed, about finance.

The firm specializes in managing assets for blue-collar workers from the refineries and shipyards of Southern California. Most clients, often from minority backgrounds, started jobs right out of high school.

"From age 17, many of them have carved out a career, saving within their means, with no mortgage," said Landon Yoshida, a principal of the firm whose father worked at a pineapple cannery in Hawaii.

In 2015, the firm started serving clients from an Exxon Mobil refinery in Torrance, Calif., a base from which it expanded into other industrial firms. Those clients, who work in dangerous and difficult conditions, become family. Apriem organizes reunions for over 150 households of those workers after retirement.

"I only wish more advisers would serve them," Mr. Yoshida said. "We're not trying to keep it all to ourselves!"

Contact Ms. Ducote at rhonda@apriem.com to learn more about the firm's diversity and inclusion initiatives.

GERBER KAWASAKI WEALTH AND INVESTMENT MANAGEMENT

Hybrid RIA
Founded: 2010
Employees: 30

Gerber Kawasaki Wealth and Investment Management aims to democratize financial planning and support clients who aren't affluent. By eliminating investment minimums, the firm attracts a diverse clientele in Los Angeles — a cultural melting pot. Employees in total speak nine languages and range from 23 to 50 years old. The firm guides clients in learning disciplines like budgeting. Ten years on, clients may be buying their first home or sending kids to college using a 529 plan.

"We don't have a diversity mission," said Danilo Kawasaki, vice president and chief operating officer. "We want to hire the most competent and hardworking advisers, regardless of color, sex, race, ethnicity, religion or sexual orientation."

Mr. Kawasaki, a Brazilian immigrant, came to the U.S. at age 17 on a tennis scholarship. CEO Ross Gerber, former president of The Guardians of the Jewish Home, provides financial advice for elderly and needy members of the local Jewish community. Robert Castillo, a gay Latino, heads up the firm's LGBTQ group, which was recently launched during Pride month at an event in the iconic Abbey bar in West Hollywood.

Contact Mr. Kawasaki at danilo@gerberkawasaki.com to learn more about the firm's diversity and inclusion initiatives.

TOBIAS FINANCIAL ADVISORS

Registered investment adviser
Founded: 1980
Employees: 12

"Many companies appear to promote D&I for marketing, but truly living it sets us apart. Actions speak louder than words," said Marianela Collado, CEO at Tobias Financial Advisors.

She explains that her firm's goal is "to create an environment that encourages and protects differences in backgrounds and experiences."

Its 12 employees represent seven countries and wide-ranging work histories in areas such as public high school education, health, fitness and taxes. Tobias attempts to match its advisers' backgrounds to clients' own, whether linguistic, religious or professional.

About 55% of employees, including the female CEO, are from minority groups, as well as 60% of new hires over the past 18 months.

The Tobias team actively participates in the local community, from donation drives to running corporate races together. They donate time, money and other resources to Harvest Drive Inc., which supports Broward County schools' families in need, and Take Stock in Children of Broward, which provides opportunities for low-income students.

Contact Edgar Collado, chief operating officer, at edgar@tobiasfinancial.com to learn more about the firm's diversity and inclusion initiatives.

MOMENTUM ADVISORS

Registered investment adviser
Founded: 2012
Employees: 10

At Momentum Advisors, where half of the leadership committee is black women, diversity of thought, background, age and religion are important, as are gender and ethnicity. Advisers come from fields beyond finance, such as engineering, operation strategy and international relations.

The firm believes entrepreneurship is a creative aspect of wealth management. It owns and manages several businesses, including gyms and dry cleaners, with its clients.

"Our clients can build wealth through owning businesses, that we help them manage — just as we do marketable securities in their traditional portfolio," said Tiffany Hawkins, managing director.

Momentum Advisors supports various organizations focused on workplace diversity. Two key recipients are the Toigo Foundation, which provides MBA fellowships, and the National Urban League, which advocates against racial discrimination.

Ms. Hawkins and chief investment officer Allan Boomer also have a radio show on Sirius XM, providing financial literacy advice to the black community. Mr. Boomer, who launched the firm in 2012, believes diversity challenges are solvable when there is a will to do so.

Contact Ms. Hawkins at TH@momentum-advisors.com to learn more about the firm's diversity and inclusion initiatives.

In early 2016, the Seitzinger Financial Group became the first Northwestern Mutual office to address immersion experiences, office-wide cultural assessment, bias training, and the formation of a diversity and inclusion council. Today, 40% of the office representatives come from diverse backgrounds, including 30% of the management team and 57% of executive team leadership.

Managing partner Brad Seitzinger said his office used to be predominantly Christian and male. Of the new associates he's brought in, 35% are women and people of color from a population comprising Jews; Muslims; Hindus; Christians, including Chaldeans (Iraqi Christians); and atheists. Women of color have accepted the cultural diversity most readily, with white males adapting more slowly.

"Faith is important to our local population [in Troy, Mich.], so we had to be sensitive in making changes," Mr. Seitzinger said. He holds a moment of silence for everyone to express personal gratitude, and posts signs for every religious holiday in all denominations. Mr. Seitzinger said there have been few conflicts with the firm's culture of respect: "First generation immigrants are especially loyal to the American dream and work ethic."

Contact Mark E. Smith, chief marketing officer, at mark.e.smith@nm.com to learn more about the firm's diversity and inclusion initiatives.

SEITZINGER FINANCIAL GROUP/ NORTHWESTERN MUTUAL

Financial planning and insurance firm
Founded: 2007
Employees: 219

PARTNERSHIP WEALTH MANAGEMENT

Registered investment adviser
Founded: 2005
Employees: 3

When Woody Derricks founded Partnership Wealth Management in 2005, he focused on same-sex couples and their unique financial challenges before marriage became legal. Today, he maintains the mission to serve a diverse clientele from all walks of life.

"We particularly want to help those who may feel intimidated, underappreciated or unable to express themselves to finance professionals," said Mr. Derricks, the firm's president.

While 75% of clients are same-sex couples, 33% are single women, women in same-sex relationships or wives in traditional marriages. The firm actively volunteers with Invest In Girls, a group dedicated to educating young women about finance.

"It's important to give back to the community," Mr. Derrick said.

He contributes articles to a regional LGBTQ newspaper, has sat on boards for Maryland LGBTQ organizations for the past six years and currently serves as treasurer for FreeState Justice. PWM annually sponsors events and donates financial plans to various groups, including the Human Rights Campaign, FreeState Justice, DC Gay Men's Chorus and Equality Virginia.

Contact Mr. Derricks at woody@partnershipwm.com to learn more about the firm's diversity and inclusion initiatives.

LPL FINANCIAL

Independent broker-dealer
Founded: 1989
Employees: 4,300

LPL Financial helps its advisers tap new cultural markets in their fast-changing communities, believing that those who embrace diversity will be first to set up an inclusive practice. "We want to make sure advisers understand the dynamics that matter to communities of investors," said Kathleen Zemaitis, the senior vice president who leads the diversity and inclusion team of five.

Advisers must begin by asking the right questions and listening. Since women live longer and are concerned about outlasting their money, they often gravitate toward a safe financial plan that will last and grow. Moreover, women, like millennials and LGBTQ clients, are particularly interested in ESG-themed investments. Ms. Zemaitis pursues three goals: attract more diverse advisers, help them connect with cultural markets, and provide them with an inclusive "home."

Women — like the LGBTQ, African-American and Hispanic adviser communities — value the firm's models, which let them build their practices independently, with consistent compensation. They also appreciate its scale and the lack of a glass ceiling. Last year, LPL recruited more women than any other broker-dealer, as well as the highest number of women who transitioned between firms, according to Ms. Zemaitis.

Contact Ms. Zemaitis at kathleen.zemaitis@lpl.com to learn more about the firm's diversity and inclusion initiatives.

INVESTACORP

Independent broker-dealer
Founded: 1978
Employees: 80

South Florida, where Investacorp is located, is home to a diverse population, so the firm tries to mirror that range in its own makeup. Sixty-one percent of its employees are women, 60% are Hispanic or Asian, and almost 10% are African American. The six-member executive team includes African Indians, Hispanic and European Americans.

"A diverse workforce won't happen by accident," said Pat Farrell, the firm's president and CEO.

While many of the employees are not college educated, they can overcome that disadvantage by making themselves valuable in other ways.

Mr. Farrell emphasizes another statistic behind his company's approach: Half the employees have securities licenses, a higher percentage than at most broker-dealers and RIAs. If employees are willing to continue their professional education, Investacorp will help them by paying for their study materials. Plus, the firm pays a $1,000 bonus for each licensing exam passed.

Licensed employees are more likely to be poached by rival firms, but Mr. Farrell insists the benefits outweigh the risks. "A better-educated workforce does a better job servicing clients," he said.

Contact Leslie Vigil, senior vice president of business development, at lvigil@investacorp.com to learn more about the firm's diversity and inclusion initiatives.

NATIXIS INVESTMENT MANAGERS

Asset manager
Founded: 1993
Employees: 3,860

At Natixis Investment Managers, diversity comes up in every single town hall and is regularly discussed in management meetings. "We have complete support from the top," said Tracey Flaherty, senior vice president of global government relations.

The firm is constantly seeking to attract talent into its pipelines. "It's not about lowering standards. You should be able to find candidates who are not just talented but also diverse," Ms. Flaherty said. To strengthen the ranks, the company turns to its philanthropic partners, such as Strong Women, Strong Girls — a group for professional women at Natixis that mentors college women, who in turn mentor underserved girls from third through fifth grade.

Employee Resource Groups allow employees to share experiences and perspectives. Various forums, which are open to all, are structured around women, those with multicultural backgrounds, young professionals (ages 21-39) and Latinos.

The firm encourages grassroots support, balancing local programming with a global strategy. In London, for example, the focus is on ethnic and gender diversity, since women are already well represented, comprising 50% of that office.

Contact Crystal Sullivan, director of public relations, at crystal.sullivan@natixis.com to learn more about the firm's diversity and inclusion initiatives.

JACKSON NATIONAL LIFE INSURANCE

Insurance company
Founded: 1961
Employees: 4,200

When Jackson National Life Insurance launched its first business resource associate group, the company needed to decide whether management would direct the group's governance or give more voice to the associates.

"We chose the latter," said Drew Bowden, Jackson's senior vice president and general counsel.

Mr. Bowden, who leads the company's diversity and inclusion council, said, "I've been impressed with the passion, creativity and commitment to other colleagues and our organizational culture."

The first BRAG, the Empower Network, was designed to promote women's leadership skills through education, professional development and member experiences. Three further BRAGs have followed. In April, Jackson launched VIBE, or Visions in Black Excellence, and Jackson Young Professionals, for networking and professional development. The most recent BRAG, Jackson Pride, supports LGBTQ associates.

Inclusivity is a hallmark of the BRAGs, which send a powerful signal to employees that they are valued and belong. The groups also provide opportunities for networking, mentoring and exposure to senior levels of management, since all BRAGs are supported by at least one executive sponsor.

Contact Patrick Rich, director of external communications, at patrick.rich@jackson.com to learn more about the firm's diversity and inclusion initiatives.

FS INVESTMENTS

Asset manager
Founded: 2007
Employees: 360

In late 2016, FS Investments established its Inclusion Council to assess policies and procedures, facilitate unconscious bias training, and support employee resources groups such as women's and veterans' networks. The 18-month process started organically, with informal conversations across the firm among colleagues at different levels. The organizers composed a list of goals, which they communicated to the entire firm.

The council hosts guest speakers on diversity topics, and will be launching a quarterly e-newsletter.

"We believe our continued success depends on harnessing the power of diverse skills, knowledge, experiences and backgrounds," said Michael Forman, chairman and CEO.

The firm supports the Philadelphia community by increasing its engagement in charitable partnerships focused on inclusivity. Its marquee program, FS Financial Scholars, provides financial literacy education in classrooms at 11 high schools, an after-school entrepreneurship program, and financial empowerment classes for parents and caretakers. For the after-school club, FS Investments staff volunteer to help students incubate ideas. This past year, a competition was held, inviting business pitches in a "Shark Tank" style contest.

Contact Mollie Applegate, corporate communications associate, at mollie.applegate@fsinvestments.com to learn more about the firm's diversity and inclusion initiatives.

Find out more about our honorees online. Visit the **Excellence in Diversity & Inclusion Awards** website for extended coverage, including videos, at InvestmentNews.com/diversity-inclusion.

XY PLANNING NETWORK

Industry organization
Founded: 2014
Employees: 51

XY Planning Network specializes in helping financial advisers that serve Generations X and Y clients, as well as other overlooked segments of the population that may not have yet built up their assets.

"White households control the most wealth, and most advisers work with wealthier clients," said Alan Moore, president of XY Planning Network. "But we think everyone deserves a shot."

The network encourages its members to focus on a niche and charge on a retainer model to better reach underserved households. It also offers a "Find an Advisor" online tool for the public that allows people to search its advisers by specific categories like ethnicity and sexual orientation.

XYPN's diversity committee promotes its mission through initiatives such as regularly scheduled diversity-themed blog posts, monthly diversity webinars for advisers, and scholarships for diverse CFP exam candidates. The network also has diverse keynote speakers at its conferences and has created an anti-harassment code of conduct to provide a comfortable and nonjudgmental environment.

Contact Jennifer Mastrud, director of marketing, at jennifer@xyplanningnetwork.com to learn more about the network's diversity and inclusion initiatives.

GUGGENHEIM INVESTMENTS

Asset manager
Founded: 2008
Employees: 2,400

Guggenheim Investments has implemented several programs to foster inclusion and widen its aperture for seeking quality candidates for employment and sourcing.

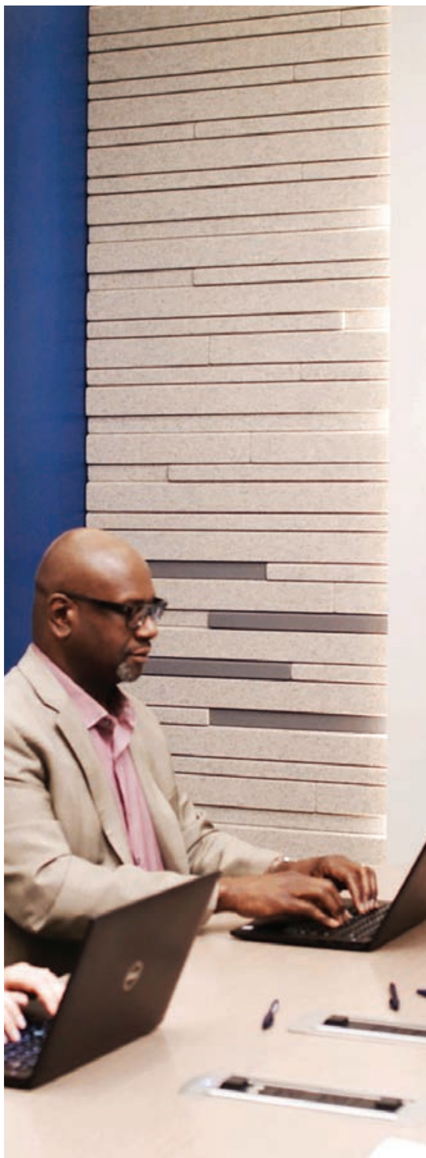
The firm's Veterans Transition Assistance Program, a paid 10-week summer internship, assists transitioning veterans with work experience, industry knowledge and professional development. Veterans contribute unique skills and experiences.

"Somebody may have managed millions of dollars in military assets, like tanks or weapons, and led others into battle. That represents huge responsibility and leadership accountability at a young age. Now we want to give them business skills as well," said Charles Spearman, head of Guggenheim's office of diversity and inclusion.

On another front, the firm's vendor diversity initiative actively seeks channels to broaden sourcing and vendor selection among businesses owned by minority women, veterans and LGBTQ individuals. Closed networks may be limiting opportunities for diverse businesses to participate in procurement and strategic sourcing.

"It's not a quota," Mr. Spearman said, "but a proactive look at suppliers who provide the same services, and a chance for them to bid or be considered."

Contact Kate Kleyman, vice president, at kate.kleyman@guggenheimpartners.com to learn more about the firm's diversity and inclusion initiatives.



GATEWAY TO LEADERSHIP FOUNDATION

Industry association
Founded: 2007
Employees: 12

The Gateway to Leadership Foundation, administered by the Money Management Institute, tackles diversity by fostering readiness, particularly for African Americans and Hispanics. Launched in 2007, Gateway delivers through three buckets: career awareness, exposure through education and development, and connections to employers for internships and entry-level positions. Gateway students gain basic industry knowledge and become prepared to embark on financial careers with realistic expectations.

"Being at the center of the universe across all firms allows us to facilitate industry dialogues at our conferences, incorporating D&I in each session," said Craig Pfeiffer, president and chief executive of the Money Management Institute. "We bring local diverse students to the events. They share meals with industry leaders and sit through sessions, which piques their interest and curiosity."

For example, at a recent event in New York City, 10 industry leaders discussed networking and relationship-building, followed by a reception. The speaker created a group role-playing exercise. One student's performance was so exceptional that three large firms promptly offered her a summer internship.

Contact Shewanna Grasty, program manager, at sgrasty@mminst.org to learn more about the firm's diversity and inclusion initiatives.

WELLS FARGO ADVISORS

Wirehouse
Founded: 2009
Employees: 262,000*

Wells Fargo Advisors' next-generation talent program has brought career opportunities to more than 1,800 employees, expanding diversity in age, sexual orientation, gender and ethnicity. Candidates include military veterans, students at historically black colleges and universities, and parents reentering the workforce.

The program has reshaped how the company trains, mentors and compensates its advisers and managers, and it's been crucial for recruiting and retaining more women and minorities. "Across the industry, the older programs did not work very well for successfully training the next generation," said Heather Hunt-Ruddy, head of client experience and growth. "Our own scale has enabled us to turn the system on its head."

One new path comprises a 2½ year apprenticeship with salary and bonus, replacing two to four weeks of intensive training. It's attracted more people of color and women, who were turned off by commission-only sales positions. Moreover, in August, the firm welcomes its first military class from Hiring Our Heroes, a venture with the U.S. Chamber of Commerce. Soon-to-be veterans attend a 12-week rotation internship at the company's headquarters in St. Louis, before returning to finish their military service.

Contact David Dawkins, director of diverse client segments, at david.dawkins@wellsfargoadvisors.com to learn more about the firm's diversity and inclusion initiatives.

**The employee number is for all of Wells Fargo, of which Wells Fargo Advisors is a part.*

ETrade Financial's employee resource groups span the diversity spectrum and include multicultural individuals, women, LGBTQ, disabled people and those with mental health issues.

"What's energizing about these groups is how they are internally sponsored by our employees and executives, making them a prominent vector, and a force for real change," said Karl Roessner, CEO of ETrade Financial. Each resource group is open to all, and, in fact, one in four employees participates.

For instance, it was a critical mission of the LGBTQ group that the firm should engage in the Human Rights Campaign's Corporate Equality Index, the premier benchmarking survey for LGBTQ equality policies. ETrade redesigned its corporate giving policy and included health benefits for transgender employees, resulting in a perfect index score.

Diversity topics are also woven

TD AMERITRADE INSTITUTIONAL

Custodian

Founded: 1975

Employees: 10,000*

Each year, TD Ameritrade Institutional brings students to a national conference to learn and interact with professional advisers.

"We hope to break down barriers and stereotypes between generations," said Kate Healy, managing director of the custodian's Generation Next initiative.

Ms. Healy has a broad definition of Generation Next that includes millennials, veterans, career changers and women who return to work after raising families. The firm covers travel costs for the students, ensuring expense is no barrier to participation.

Another key contribution is the company's role as the sole and founding sponsor in 2014 of the CFP Board's Center for Financial Planning, when the TD provided 25% of the initial funds needed. The center is designed to increase gender and racial diversity. Over the past five years, the company has continued its pioneering sponsorship, helping to encourage others to step up to the plate.

The company's own $5 million RIA scholarship and grant program has been directed to historically black colleges such as Prairie View A&M and Delaware State University.

Contact Kate Healy, managing director of Generation Next, at kate.healy@tdameritrade.com to learn more about the firm's diversity and inclusion initiatives.

**The employee number is for all of TD Ameritrade, of which TD Ameritrade Institutional is a part.*

ETRADE FINANCIAL

Discount broker

Founded: 1982

Employees: 4,100

through every thought leadership channel. ETrade offers employees education on subjects like unconscious bias and inclusive leadership. Externally, the firm has launched thematic investing, letting customers express their personal values in ETFs such as gender diversity.

Contact Kaitlin Butler, senior manager for media relations, at kaitlin.butler@etrade.com to learn more about the firm's diversity and inclusion initiatives.

Financial advisers view diversity efforts as a complex, heavy lift

BY JEFF BENJAMIN

DISCUSSIONS ABOUT the financial advice industry's reputation for being mostly white and mostly male will usually trigger a raft of enthusiastic perspectives, but what most people agree on is that progress is slow and real diversity is still a long way off.

"We have been talking about this since I entered the business in the early '90s," said Gurinder Ahluwalia, co-founder and chief executive of 280 CapMarkets.

"It's hard to move the needle because it takes real effort, and we all have limited time in our days," Mr. Ahluwalia said. "Being inclusive requires a different set of efforts, and if you don't think it's going to have an impact in your time period, it gets deprioritized."

Part of the reason stronger efforts toward increasing diversity might be assigned a lower priority boils down to the perceived value of diversity and inclusion in the financial advice industry.

DIVERSE CLIENT BASE

An *InvestmentNews* survey last month of nearly 500 financial advisers found that nearly 77% of respondents believe that it is "not at all difficult" to build a racially diverse client base without a direct effort to foster racial diversity within the advisory firm, while only 17% responded that it is "somewhat difficult."

Among the 100 minority advisers responding to the same question, almost 44% agreed that it is "not at all difficult," while 37% said it is "somewhat difficult."

With that in mind, it is not surprising that 50% of respondents said recruiting and hiring minorities for client-facing positions has "never been a factor" in the hiring process at their firm. Meanwhile, 32% of respondents said their firm "attempts to foster a racially diverse staff."

Among minority adviser respondents, 44% said race has never been a factor in the hiring process, and 35% said attempts are being made to develop a more racially diverse staff.

Although the survey results suggest advisers feel a lack of diversity is not drastically impeding efforts to serve a more diverse client base, the largest percentage (38%) identified "attracting and retaining talent" as the primary benefit of a focus on diversity.

"This issue won't be solved by simply having diversity and inclusion talks," said Kashif Ahmed, president of American Private Wealth.

'SMART BUSINESS DECISION'

Mr. Ahmed believes that women are not treated equally or fairly in financial advice, and that minorities don't consider it a viable profession for them.

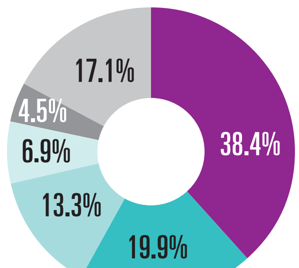
"Minorities and women both need to somehow consider this industry as a viable career option, and the industry has to reach out," he said. "With minorities expected to be the majority, and increasingly expected to control more of the wealth, it's simply a smart business decision."

The *InvestmentNews* survey largely reflected the makeup of the financial planning industry, with 82% of the respondents white and 14% African American. But a good portion (38%) of respondents overall strongly agreed that the minority community is underserved by financial advisers, as did 63% of minority respondents.

WEALTH CONCENTRATION

"The folks in our industry can largely be categorized as male, pale and stale," said Robert Greenman, lead adviser and partner at

PRIMARY BENEFIT OF A FOCUS ON DIVERSITY AND INCLUSION



- To attract and retain talent
- To achieve business results
- To attract and retain clients
- To enhance the firm's external reputation
- To comply with legal requirements
- Other

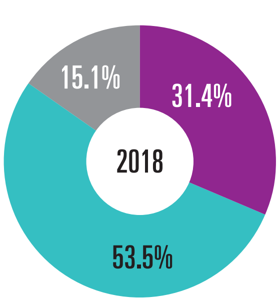
77%

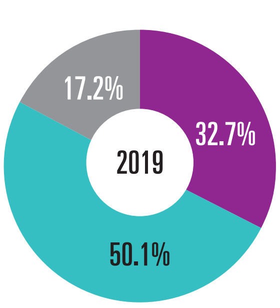
PORTION OF ADVISERS WHO SAY A LACK OF EFFORT TO FOSTER RACIAL DIVERSITY AT THEIR FIRM DOES NOT MAKE IT MORE DIFFICULT TO BUILD A RACIALLY DIVERSE CLIENT BASE

44%

PORTION OF MINORITY ADVISERS WHO AGREE WITH THE ABOVE STATEMENT

MOST FIRMS ARE NOT ACTIVELY PURSUING MINORITIES TO HIRE FOR CLIENT-FACING POSITIONS





- Yes, our firm attempts to foster a racially diverse staff
- No, race has never been a factor in our hiring processes
- Don't know/Not sure

Source: *InvestmentNews* Research, July 2019

Vista Capital Partners.

"The current gender and race makeup of financial services isn't terribly surprising as this historically was a decent reflection of where wealth concentrated in our country," Mr. Greenman said.

"It's an unfortunate reality but one that will be addressed by market forces, slowly over time," he said. "We're starting to see a shift in diversity, with more nonwhite wealthy families as well as an increase in non-male decision-makers."

Lisa Kirchenbauer, president of Omega Wealth Management, said in some ways, market forces are already driving some change, even if there is still a long way to go.

"Often, I will have prospective clients reach out to me looking for a female adviser," she said. "Depending on their planning needs, I believe they think that I will be able to relate to their circumstances better, or they actually want to support a woman-owned business. We could say the same for people of color. It doesn't mean a white-male adviser would be unable to empathize with their black female client, it just may come down to a comfort level."

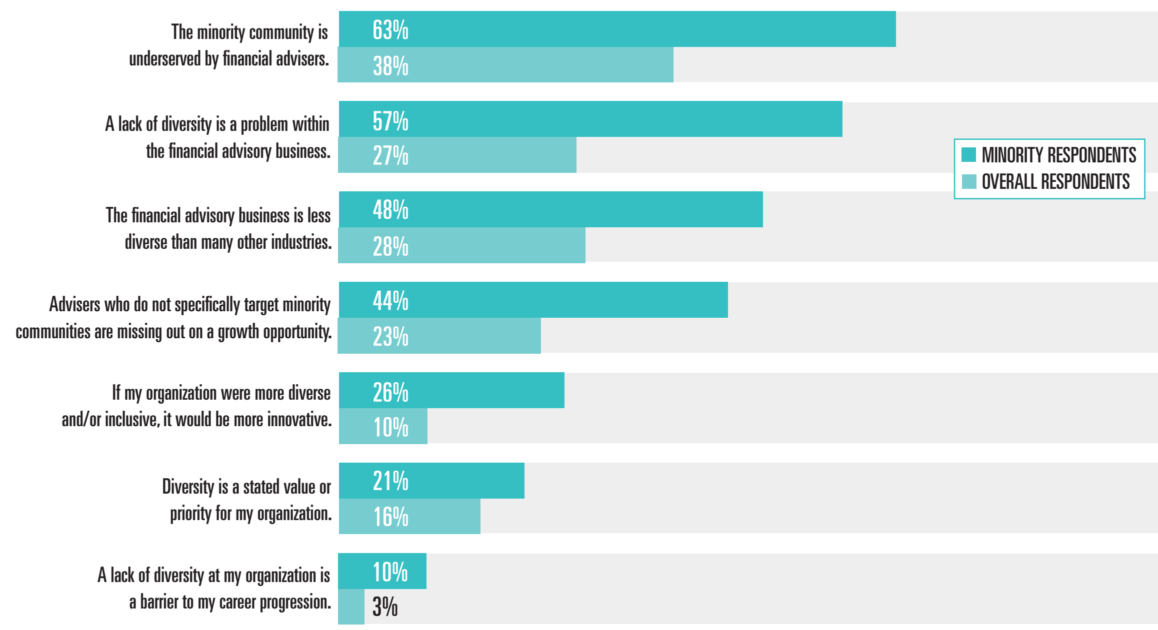
For Marguerita Cheng, chief executive of Blue Ocean Global Wealth, diversity and includsion means more than just checking off a few boxes; it's a state of mind and a way of life.

"As a multiracial, multicultural CFP, I really think about what Ferdinand Porsche said: 'I didn't see the sports car of my dreams, so I decided to build it myself,'" she said. "I didn't see role models like me, but I never let that stop me from supporting and promoting others in our profession.

"A more diverse workforce brings different perspectives and experiences to help clients solve their financial challenges and achieve their life financial goals," Ms. Cheng said. "In order to stay relevant, we need to adapt and innovate, and diversity and inclusion can make that possible."

jbenjamin@investmentnews.com
Twitter: @benjiwriter

PORTION OF RESPONDENTS WHO STRONGLY AGREED WITH THE FOLLOWING STATEMENTS



Source: *InvestmentNews* Research, July 2019

"IT'S HARD TO MOVE THE NEEDLE BECAUSE IT TAKES REAL EFFORT, AND WE ALL HAVE LIMITED TIME."

GURINDER AHLUWALIA, CO-FOUNDER AND CHIEF EXECUTIVE, 280 CAPMARKETS

Time to shift your hiring goal from culture-fit to culture-add

As a firm owner or decision-maker, you have the power to make an impact on this profession. Unfortunately, it's not always easy to know where you can "plug in" to the diversity, equity and inclusion (DEI) movement. One key contribution we can all make to support the diversity and growth of the financial planning profession is to hire for culture-add, not culture-fit.

Hiring for "culture-fit" is something that's mentioned often within the financial planning profession. A culture-fit is the likelihood that an applicant will reflect and adapt to your existing corporate culture. Many business owners believe that culture-fit is key when it comes to hiring.

GUESTBLOG
RIANKA DORSAINVIL

However, culture-fit also can be detrimental to the growth of your organization — especially if you're hiring with DEI in mind. If you're only hiring people who can easily assimilate to your existing culture, you're never challenging your firm to grow, expand or hire incredible candidates who bring different perspectives to the table.

"Culture-add," on the other hand, focuses on finding applicants who are an exceptional fit for a position based on their qualifications, as well as the unique perspective and background they'll bring to the job. For example, if you're trying to hire with culture-add in mind, you might look for a candidate who matches these descriptions:

- They have transferable skills that will add value to the position.
- Your organization can (and will) meet the structural needs required to support this new employee (for example, you're willing to develop a program for new moms or dads, or you're open to offering people time off to volunteer within their community).
- They're bringing something new to the table that will move your firm in the right direction.

There are several steps a firm can take to start hiring for culture-add rather than culture-fit.

1. Expand the search. By increasing the size of your talent pool, you're more likely to find a wider range of applicants who are a fantastic culture-add to your organization.

2. Review and revise the job description. Have several people review the job description to make sure it's not indicating that you're looking for applicants of a specific gender or culture. In fact, consider adding a disclaimer to your job posting that notes that if people believe they're a good culture-add for your practice they should apply, even if they don't feel they meet all of your required qualifications.

3. Reevaluate the hiring process. Understand that unconscious bias is real and should be addressed in the hiring process. One way you can shed hiring bias is to remove names, contact information and schools from each application before reviewing them — so that you're truly reviewing candidates based on qualifications.

4. When in doubt, ask for help. Bringing in a professional who can help you hone your hiring process and how you view team growth can be incredibly helpful.

Rianka Dorsainvil is founder and president of Your Greatest Contribution.

JOHN ROGERS JR.

CONTINUED FROM PAGE 11

ately following his election, the president-elect and his team spent three days working out of the Ariel Investments offices planning the transition to the White House.

"We were highly honored to get that opportunity to have them in our offices," said Mr. Rogers, who co-chaired President Obama's inauguration committee.

More recently, Mr. Rogers launched the John W. Rogers Jr. Internship Program in Finance through the University of Chicago to help place minority students at foundations and endowments. It's these kinds of paid internships that make a real difference, he said.

Mr. Rogers is also known to apply the leverage of his reputation and his business to affect change.

"Asset management offers a stark reminder of the obstacles preventing people of color from fully participating in our capitalist democracy, even in 2019," he told a U.S. House Financial Services subcommittee on diversity and inclusion two months ago.

Mr. Rogers pressed lawmakers to require institutions under their purview to adopt practices similar to ones that have long been standard at Ariel Investments.

"First, I support the proposed legislation adopting the Rooney Rule, requiring banks and other entities to consider diverse-owned firms when aiming to fill new investment mandates. Second, measure all spending by specific category, including asset management and other professional services, and replace the term supplier diversity with business diversity," he testified. "Third, CEOs and their management teams can be held accountable by this committee for providing meaningful transparency and making measurable progress."

Mr. Rogers takes particular issue with the "supplier diversity" phrase, because he believes it is tantamount to "checking the box" at a lot of big companies.

"Supplier diversity is modern-day Jim Crow," he said. "Almost every major Fortune 500 company has a supplier diversity program, but if you only work with minority firms in terms of supply chain, you're not creating opportunities. People who are well-meaning, who want to see people of color succeed, they think they've done the job by checking the box with supplier diversity."

Ariel asks all the companies that it has invested in about the diversity of their investment managers, their investing teams and their boards.

"We can point to 35 times where we were able to move the needle in terms of the diversity of their boards," Mr. Rogers said.

Ellen-Blair Chube, managing director and client service officer at William Blair, said she can't think of anyone as determined as Mr. Rogers when it comes to diversity and inclusion in the financial services industry.

"You can name numerous success stories as a result of the work he has done for decades in developing future leaders and opening doors for minority firms," she said.

In conjunction with the July promotion of Mellody Hobson to co-CEO of Ariel, Mr. Rogers reduced his ownership stake in the asset management firm to 34%, but he insists he has no immediate plans for retirement.

"I'd like to be here for the our 50th anniversary," he said of the 36-year-old firm.

"We feel really good about the contributions we've made," Mr. Rogers said. "But we have to create a more diverse financial services industry."

jbenjamin@investmentnews.com
Twitter: @benjiwriter

PORTFOLIO MANAGER VIEWPOINT

SPONSORED BY
Laserfiche

LESSONS FROM AMAZON WEB SERVICES (AWS)

Matt Ackermann of *InvestmentNews* recently joined Linda Ding of Laserfiche, Chad Christensen of Semper Augustus Investments Group and Brian Lewis from Amazon Web Services (AWS) to discuss compliance automation in the cloud.

CHAD CHRISTENSEN, CPA
Chief Compliance Officer
Semper Augustus Investments Group LLC

LINDA DING
Director of Strategic Marketing
Laserfiche

BRIAN LEWIS
Solutions Architect
Amazon Web Services

MATT ACKERMANN
Director of Multimedia
InvestmentNews

ACKERMANN: ***Regulation and compliance issues in the advisory business aren't going away, are they?***

DING: No. A wave of new regulations will affect how wealth firms set up their operational infrastructure, and though the fiduciary rule was vacated last year, the continuing focus on conflicts of interest is spurring many firms to restructure their adviser oversight. In addition, Europe, California and New York are rolling out privacy and cybersecurity laws.

ACKERMANN: ***Where do compliance and outstanding customer service intersect?***

CHRISTENSEN: Compliance is ultimately about effectiveness. Clients want accounts to be set up correctly, performance to be calculated accurately, and reports delivered on time. Meanwhile, most people at a firm don't want to think about compliance but want to do things right and to do the right thing; they want excellence. All those objectives require robust processes.

ACKERMANN: ***How did your firm automate its processes?***

CHRISTENSEN: We used three products in the Laserfiche toolbox—Workflow, Import Agent and Forms—to build compliance bots. These tools have allowed us to automate processes ranging from directly routing documents to managers to creating checklists for training materials to filing monthly custodial statements. The last process has had the highest ROI in our history.

ACKERMANN: ***What was the biggest challenge as you examined every component and step?***

CHRISTENSEN: Eliminating exceptions. A computer understands only yes and no, but not everything readily fits into those categories.

ACKERMANN: ***What's the advantage of moving to the cloud?***

LEWIS: Most companies improve their security posture. At AWS, we call security job zero, not job one. We have a huge global infrastructure and keep adding to it, with a number of built-in redundancies to protect against data loss.

ACKERMANN: ***Is it necessary for firms to use an independent software vendor?***

LEWIS: A firm that wants to build a system itself would need to have in-house cloud expertise or to hire tons of specialists—unwieldy and expensive. Using an independent software vendor on top of AWS is the easy button, in that the partner does all the heavy lifting.

ACKERMANN: ***What client success has Laserfiche seen in automating compliance?***

DING: Clients have been able to cut as much as 10% from operating costs by digitizing all their paper compliance documentation. We also often see a rise in business values from quicker response times. Independent broker-dealers can reduce the not-in-good-order review process to zero, resulting in much faster on-boarding for new clients. That saved time enhances the service delivered to clients.

ACKERMANN: ***Do you recommend automating compliance?***

CHRISTENSEN: Automating is an ongoing investment, and these tools have paid off for us. They have made our firm more efficient, and efficiency lowers costs. That translates into more profits, which drives firm value. Automation allows our advisers to concentrate on the 15% to 20% of the business that can't be automated—the client experience. ■

To learn more, please visit www.investmentnews.com/automated_compliance

DAWN BENNETT

CONTINUED FROM PAGE 2

In order to entice individuals to invest, Ms. Bennett made false and misleading statements, including: the risks of investing in DJB Holdings; how investors' funds would be used; and that the loans were liquid and guaranteed by DJB Holdings' inventory and assets, and by Ms. Bennett herself.

Witnesses testified that Ms. Bennett concealed the true financial condition of her companies from investors. She convinced several investors to withdraw a significant portion of their retirement accounts to invest in, and loan money to, her companies.

The evidence showed that Ms. Bennett misappropriated investor funds, using them to fund a lavish lifestyle, pay her personal legal expenses, and repay previous investors with funds she received from new investors.

DALLAS COWBOYS SUITE

Prosecutors charged that Ms. Bennett used the funds to pay for a luxury suite at the Dallas Cowboys' football stadium, pay a website operator to arrange for priests in India to perform religious ceremonies intended to ward off federal regulators, purchase astrological gems and pay for cosmetic medical procedures.

Ms. Bennett's co-defendant, Bradley Mascho, age 52, of Frederick, Md., pleaded guilty to conspiracy to commit securities fraud and to making a false statement.

$14.5M

AMOUNT OF RESTITUTION MS. BENNETT MUST PAY

Mr. Mascho faces a maximum of 10 years in prison. As part of his plea agreement, Mr. Mascho is required to pay restitution in the full amount of the victim's losses, which is at least $5.7 million, minus amounts repaid with money not derived from his criminal conduct, but in no event less than $3.6 million.

Mr. Mascho is scheduled to be sentenced on Aug. 28.

jbenjamin@investmentnews.com
Twitter: @benjiwriter

Envestnet faces $100M suit

BY RYAN W. NEAL

FINANCIAL TECHNOLOGY startup FinancialApps (FinApps) is suing Envestnet for an alleged multiyear scheme to steal proprietary technology and trade secrets.

FinApps founder Bob Sullivan claims Envestnet (specifically, the Yodlee division) aimed to build its own software that competes with the technology he built. Mr. Sullivan is seeking $100 million in damages from the $3 billion turnkey asset management platform and technology provider.

Mr. Sullivan founded FinApps in 2014 to create technology that analyzes consumer financial data for quicker, more efficient and more accurate credit-risk assessments. According to a complaint filed last month in Delaware District Court, Yodlee approached FinApps about a strategic partnership in 2016 and licensed its technology to develop a new platform together to be called "Risk Insight."

Instead of a partnership, Yodlee allegedly used the licensing agreement to access FinApps' technology and develop its own platform, the lawsuit said.

Said Marc Kasowitz, an attorney representing the software firm and a partner at Kasowitz Benson Torres. "Envestnet and Yodlee have deliberately stolen FinApps' technology, which is entirely unwarranted and unlawful."

"ENVESTNET AND YODLEE HAVE DELIBERATELY STOLEN FINAPPS' TECHNOLOGY, WHICH IS ENTIRELY UNWARRANTED AND UNLAWFUL."

MARC KASOWITZ, PARTNER AT KASOWITZ BENSON TORRES

NO COMMENT

The lawsuit alleges that Yodlee made agreements with third parties to sell access to the Risk Insight platform while minimizing or obscuring FinApps' contribution.

A spokeswoman for Envestnet and Yodlee said the companies could not comment on pending litigation as a matter of policy.

"However, we hold ourselves to the highest ethical standards with regard to business dealings with customers, partners, and employees, and we will respond appropriately through the proper legal channels," the spokeswoman said in an email.

rneal@investmentnews.com
Twitter: @ryanwneal

SOCIAL SECURITY

CONTINUED FROM PAGE 4

than half of those retirees would see their annual income in retirement increase by more than 25% in their 70s and 80s.

Bottom line: About 21% of those at risk of not being able to afford retirement would see an improvement if they claimed Social Security at the optimal time, the study found.

For some people, the best way to delay claiming Social Security is to work longer. Wealthier retirees can afford to draw down their savings while waiting until age 70.

Deciding when to claim benefits also has an enormous impact on end-of-life wealth.

While it is true that most retirees will lose wealth in their 60s and their early 70s if they choose to delay collecting Social Security, they will be wealthier in their late 70s through the rest of their lives because of the effect of drawing down more investments in their earlier years of retirement and less in later years as higher Social Security benefits kick in.

1/3
AMOUNT OF ALL RETIREMENT INCOME COMING FROM SOCIAL SECURITY

Current retirees will collectively lose an estimated $2.1 trillion in wealth because they made the suboptimal decision about when to claim Social Security, or an average of about $68,000 per household.

Part of the problem is that it is too easy to claim Social Security benefits early at age 62. And recipients often aren't aware that their benefits will be reduced by 25% or more for the rest of their lives.

NUDGE WITH PUBLIC POLICY

The authors made a bold suggestion that public policy should be changed to nudge people toward more appropriate decisions.

"We believe early claiming should be made an exception and reserved for those who have a demonstrable need to claim benefits before the full retirement age," the study concluded.

Jason Fichtner, one of the study authors and former chief economist at the Social Security Administration, admitted there is virtually no political appetite for that.

However, he said the same goal could be accomplished by changing how the Social Security Administration describes claiming ages to the public. Instead of portraying age 62 as the "early eligibility age," it could simple be labeled the "minimum benefit age," and age 70 could be labeled the "maximum benefit age."

(Questions about Social Security rules? Find the answers in my ebook at InvestmentNews.com/mbfebook.)

Mary Beth Franklin, a certified financial planner, is a contributing editor for InvestmentNews.
mbfranklin@investmentnews.com
Twitter: @mbfretirepro

HOCKEY EXIT

CONTINUED FROM PAGE 4

Advisers like Mr. Gambaccini worry about what direction the board will guide the company.

"The bank remains a 51% owner and our guess is that it will soon begin aggressively marketing its own retail advisory services," he said.

However, others hope the next TD leader will be even more supportive of the RIA channel. While Mr. Hockey said the right things, he wasn't an RIA-centric leader, said Michael Kitces, partner and director of wealth management at Pinnacle Advisory Group.

"Mr. Hockey was a retail guy focused on retail first," Mr. Kitces said.

SCOTTRADE

Mr. Kitces uses Scottrade, which TD acquired in September 2017, as an example. Under Mr. Hockey's guidance, TD made several changes to its no-transaction-fee ETF platform to accommodate Scottrade that adversely impacted advisers and were written off as "collateral damage."

Mr. Kitces also said the decision in February 2017 to name Mr. Hockey as successor to former CEO Fred Tomczyk instead of Tom Bradley, a guy with more experience on the institutional side, is evidence of Mr. Hockey's leanings toward the retail business.

"From the advisor perspective, potential for new leadership at TDA is potential for someone that has a more direct interest in supporting advisors & see the RIA channel grow (not just as an extension of the retail platform)," Mr. Kitces tweeted. "Anyone know if [Tom Bradley] is still available?"

While many advisers posted shock on social media, others said the change didn't elicit any feelings at all. Financial planner Ian Bloom, owner of Open World Financial Life Planning, said he never interacts with executive leadership and doesn't expect to be affected by a new CEO.

"I personally feel like my relationship with my custodian is that they simply exist and do what I need them to do in the background," Mr. Bloom said.

TD Ameritrade did not respond to requests for comment.

rneal@investmentnews.com
Twitter: @ryanwneal

CFP INSPECTION

CONTINUED FROM PAGE 3

Board chairwoman Susan John told reporters.

One mark holder praised the CFP Board's response to the front-page WSJ story.

"It's an opportunity to improve, and it looks like they're taking the bull by the horns and doing that," said Carolyn McClanahan, founder of Life Planning Partners.

She said the CFP Board should not try to be a regulatory enforcer like the SEC or Finra. But the ongoing advertising campaign that promotes CFPs to investors increases the pressure to scrutinize CFP holders.

"It's very important for them to vet certificants if they're going to promote the CFP holders to the public," Ms. McClanahan said.

The CFP Board grants the designation and upholds the educational, experience and ethical requirements attached to it. There are approximately 85,000 CFPs in the United States, and about 38,797 are registered with Finra.

FIDUCIARY DUTY

The CFP Board last year strengthened the investment advice rules pertaining to the mark, requiring holders to act as fiduciaries at all times for their clients. The CFP Board will begin enforcing the standard next June.

That move makes vetting CFP holders a priority, said Dennis Nolte, vice president of Seacoast Investment Services.

"If there's a fiduciary duty, then the CFP Board has a fiduciary duty to do a better job of screening," Mr. Nolte said. "Maybe keeping someone out because there's a significant disciplinary history is something the CFP Board should consider."

In its statement, the CFP Board said it has publicly posted disciplinary matters or taken enforcement actions against more than 1,000 CFPs in its 30-year history. But it also asserted it's unfair to compare the CFP Board to Finra.

GULF IN BUDGETS

It noted Finra's budget is approximately $1 billion, compared to the CFP Board's $30 million. It also said Finra has subpoena power and the ability to obtain documents and information from financial firms that the CFP Board lacks as a standards-setting organization.

It also said BrokerCheck includes allegations against brokers. The CFP Board only acts against a mark holder when its Disciplinary and Ethics Commission approves discipline.

Those differences notwithstanding, the CFP Board has to be careful when talking about enforcement, Mr. Nolte said.

"If you're not going to do due diligence like Finra, then don't hold yourself out as the first line of defense," he said.

mschoeff@investmentnews.com
Twitter: @markschoeff

GPB CRISIS

CONTINUED FROM PAGE 3

Launched in 2013, GPB's focus has been to buy auto dealerships and waste management businesses with the intent of generating high, single-digit returns for investors. It was an overnight sensation among the 60 or so independent broker-dealers that sold the GPB funds, but it has rapidly fallen on hard times.

ACCOUNTING REVIEW

The company said last summer it was overhauling and restating the 2015 and 2016 financial statements of certain funds as part of an accounting review. Then, in November, the company revealed that its accountant and auditor, Crowe, had resigned.

Also, last September, the SEC hit the company with a subpoena requesting information. And at the end of February, the FBI dropped by GPB's offices in Manhattan with a search warrant and collected information.

The problems at GPB continue to blossom.

The latest was revealed in a complaint filed in Norfolk Superior Court in Massachusetts on July 19 by David Rosenberg, chief executive of Prime Automotive Group. He accused GPB of engaging in "a massive securities fraud," in which it used money from investors to prop up the performance of auto dealerships it owns, as well as to finance payments to other investors.

Mr. Rosenberg sold a majority stake in Prime for $235 million to GPB in 2017, according to the complaint, which claims breach of contract because GPB failed to make a $5.9 million payment to Mr. Rosenberg at the start of July.

According to the complaint, GPB's alleged misconduct took many forms, including: "the fabrication of revenue through the use of fictitious contracts, self-dealing transactions on the part of GPB principals, and undisclosed related party transactions."

'MISAPPROPRIATE' FUNDS

GPB Capital and its founder, David Gentile, engaged in this alleged conduct for two reasons, according to the complaint. First to allegedly "make it appear to investors that profits from the automotive investments were higher than they actually were," and next, to "misappropriate the investor funds for their own personal purpose," Mr. Rosenberg's complaint alleges.

And, in several instances, "vehicles belonging to dealerships were provided to third parties, including professional athletes and an investor in the GPB funds," the complaint alleges. In one instance, GPB Capital bought a Ferrari for $355,000 from one of its auto dealerships in 2014; three years later, the car was transferred to another GPB dealership and sold for a loss of $183,000, according to the complaint.

GPB DENIES ACCUSATIONS

GPB disputes Mr. Rosenberg's claims. "While none of these assertions have any relevance to the breach of contract claim, we take this matter very seriously," GPB spokeswoman Kelly Whitten wrote in an email. "GPB strongly denies Mr. Rosenberg's accusations and intends to vigorously defend against them."

GPB has hired an outside law firm to independently investigate these accusations, she added.

"This lawsuit peels back the layers of the alleged fraud because the plaintiff put eyes on false agreements and fabricated financial records, according to the lawsuit," said securities attorney Brandon S. Reif, who is not connected to the case.

"The noisy withdrawal by GPB's auditors in 2018, by resignation and retraction of prior audits, leaves the investment world clueless about the whereabouts of their $1.8 billion in capital," he said.

With these fresh allegations, there is a true crisis of confidence surrounding GPB Capital. Where did investors' money go? Although they are not talking right now, let's hope that GPB and Mr. Gentile have some kind of answer in the coming months.

bkelly@investmentnews.com
Twitter: @bdnewsguy

DOL 401(K)S

CONTINUED FROM PAGE 3

ments under ERISA. It would create the structure for a true open MEP."

The new DOL regulation is seen as incremental progress.

"The Department of Labor's association retirement plan rule is an important first step toward expanding access to multiple-employer plans," American Council of Life Insurers spokesman Whit Cornman said in a statement. "The U.S. Senate can act now to pass the bipartisan SECURE Act that would broaden DOL's rule to allow more small businesses to join a MEP."

Edmund F. Murphy II, chief executive of Empower Retirement, sent a similar message to Capitol Hill last Monday.

"Empower supports any effort to increase access to the workplace retirement savings system," Mr. Murphy said in a statement. "The final multiple-employer plan rule released by the Department of Labor today is limited in scope, recognizing that only Congress may change the underlying statutes. We continue to urge the Senate to pass the SECURE Act, which provides a much broader expansion of multiple-employer plans."

38M
AMERICANS WITHOUT ACCESS TO A RETIREMENT PLAN AT WORK

RETIREMENT INCOME

Approximately 38 million Americans do not have access to a retirement plan at work, according to the DOL. U.S. households that save at work are on track to replace 79% of their income in retirement, while those that don't are projected to replace only 45% of their income, according to the Empower Institute.

A survey last year by the organization found the majority of small businesses either offered or wanted to offer a retirement plan to their employees because "it's the right thing to do." But many small businesses hesitate to sponsor their own 401(k) programs because of the costs and administrative headaches, the survey found.

mschoeff@investmentnews.com
Twitter: @markschoeff

AWARD LUNCHEON SEATING IS LIMITED. RESERVE YOUR SEAT TODAY.

InvestmentNews

EXCELLENCE IN diversity & INCLUSION AWARDS

SEPTEMBER 24, 2019
EDISON BALLROOM | NEW YORK, NY

#INdiversity

LET'S CELEBRATE!

RISING STAR WINNERS

Desiree Coleman | Wells Fargo Advisors
Daphne Jordan | Pioneer Wealth Management Group
Matthew Phillips | Trilogy Financial

SEE IT BE IT ROLE MODEL WINNERS

Amit Grover | Morgan Stanley
Thomas Hake | Hake Investment Group
Danny Harvey | Prairie View A&M University
Ivan Illan | Aligne Wealth
Maz Kamaruddin | AXA
Anita Knotts | Calamos Wealth Management
Jacqueline Ko Matthews | InvestmentPOD
Alyssa Moeder | Merrill Private Wealth Management
Rebecca Powell | Morgan Stanley
Leslie Tabor | Schwab Advisor Services

OUTSTANDING PRACTICE FINALISTS

Apriem Advisors
Gerber Kawasaki Wealth and Investment Management
Momentum Advisors
Seitzinger Financial Group/Northwestern Mutual
Partnership Wealth Management
Tobias Financial Advisors

DIVERSITY CHAMPION FINALISTS

Etrade Financial
FS Investments
Gateway to Leadership Foundation
Guggenheim Investments
Investacorp
Jackson National Life Insurance
LPL Financial
Natixis Investment Managers
TD Ameritrade Institutional
Wells Fargo Advisors
XY Planning Network

For single ticket purchases or to sponsor a table of 10, go to investmentnews.com/diversityawards.

Interested in aligning your brand with diversity and inclusion?
Limited sponsorship opportunities are available.
Contact: Dan Rubinetti at drubinetti@investmentnews.com | 212-210-0432
Kelly Maier at kmaier@investmentnews.com | 760-399-6906

SPONSORED BY

Morgan Stanley | Nationwide
AXA | BNY MELLON | PERSHING | CAMBRIDGE | charles SCHWAB | Fidelity INVESTMENTS
GUGGENHEIM | LPL Financial | T. Rowe Price | WELLS FARGO ADVISORS