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diversity & INCLUSION

LEADING THE CHARGE

LIFETIME ACHIEVEMENT

AWARD WINNER

JOHN W. ROGERS JR.

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**THE
D&I ISSUE**
MEET OUR 2019
EXCELLENCE IN
DIVERSITY AND
INCLUSION AWARD
WINNERS AND FIRM
FINALISTS.



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

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-

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LIFETIME ACHIEVEMENT
JOHN W. ROGERS JR.
Chairman
Ariel Investments
Chicago



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 entrepre-

neur, 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, edu-

cational 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 non-profits 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.



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."

JACQUELINE KO MATTHEWS

Co-founder and CEO
InvestmentPOD
Washington, D.C.



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 under-represented 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.



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 diversi-

ty, 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.

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

THOMAS HAKE

Investment management
consultant
Hake Investment Group
St. Louis



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."



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

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."

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



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 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.

GERBER KAWASAKI WEALTH AND INVESTMENT MANAGEMENT

Hybrid RIA
Founded: 2010
Employees: 30



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 manage-

ment. 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@partnershipwpm.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 educa-

tion, 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 col-

leagues 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.

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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@guggenheim-partners.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*

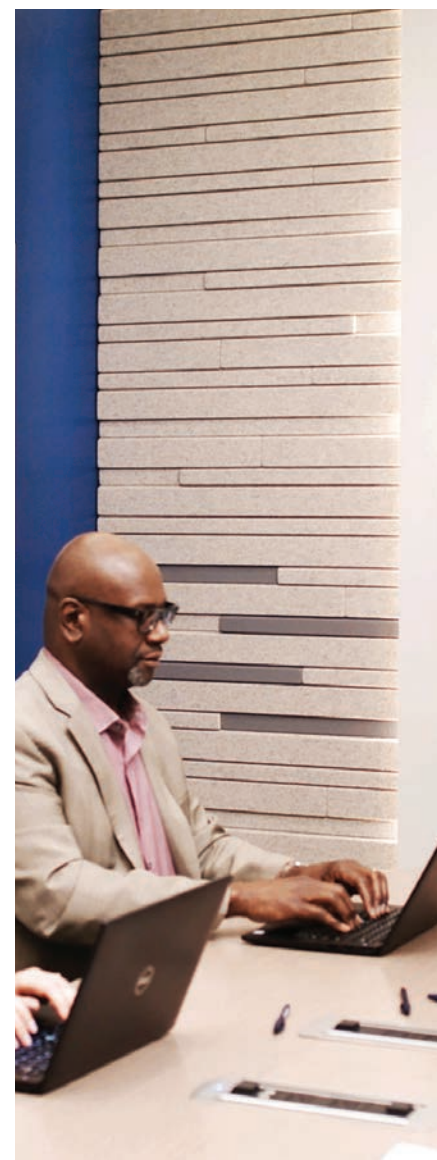
Wells Fargo Advisors' next-generation talent program has brought career opportunities to more than 1,800 employees, expanding diversity in age, sexual orientation, gender and ethnicity. Candidates include military veterans, students at historically black colleges and universities, and parents reentering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

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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.



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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 be-



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lieve 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.

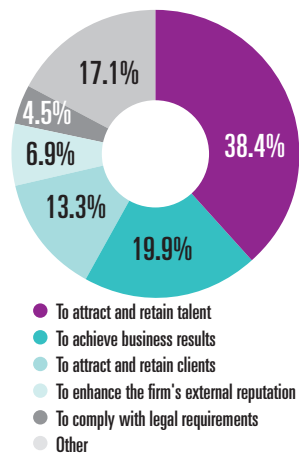
"Minorities and women both need to somehow consider this industry as a viable career option, and the industry has to reach out," he said. "With minorities expected to be the majority, and increasingly expected to control more of the wealth, it's simply a smart business decision."

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



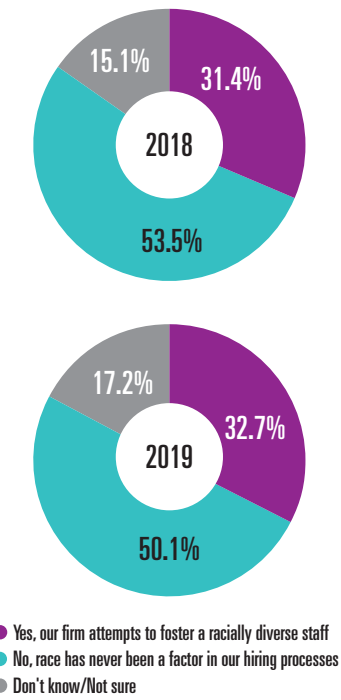
77%

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



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.”

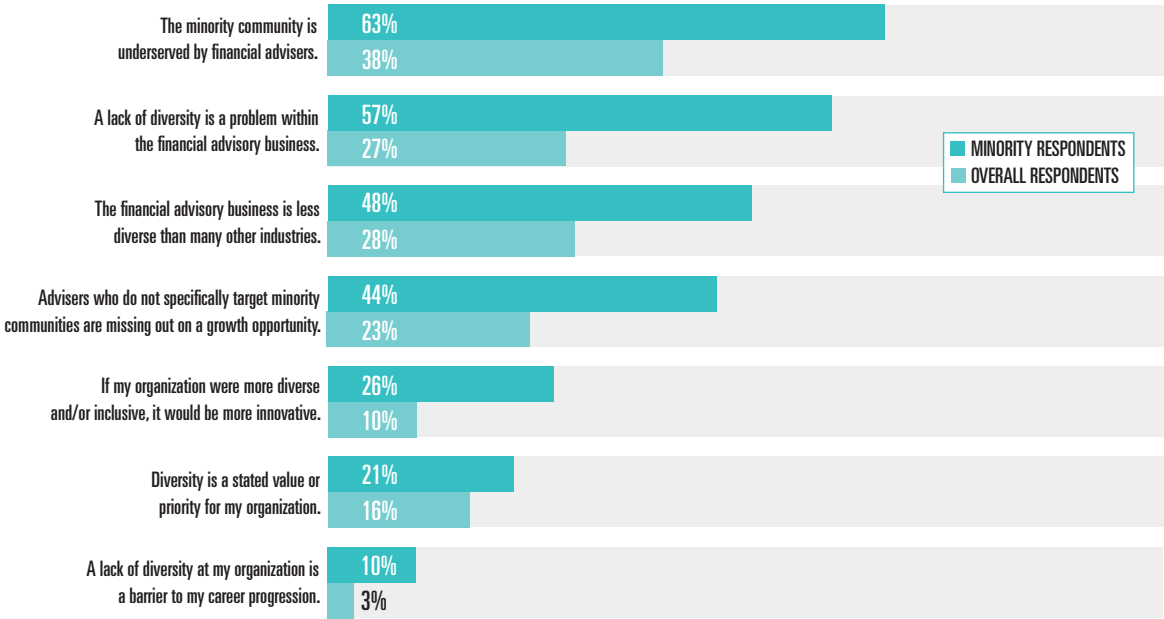
Lisa Kirchenbauer, president of Omega Wealth Management, said in some ways, market forces are already driving some change, even if there is still a long way to go.

“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 inclusion 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

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.”

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“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
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Congratulations

to all the individuals, firms, and organizations who foster diversity and create an inclusive culture throughout the financial advice industry.

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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 ap-



GUESTBLOG
RIANKA DORSAINVIL

plicant will reflect and adapt to your existing corporate culture. Many business owners believe that culture-fit is key when it comes to hiring.

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.

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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 Melody 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."

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