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THE WOMEN'S ISSUE

MEET 13 OUTSTANDING PROFESSIONALS IN ASSET MANAGEMENT PAGE 8









MAGAZINE | VOL. 25, NO. 31 |

Welcome to *InvestmentNews'* seventh annual Women's Issue, where we fill every page with features about women who are leading the financial profession to new heights in asset management, fintech and advice.

This year's issue highlights the winners of Bonhill Group's Women in Asset Management Awards and features an in-depth interview with Outstanding Leader of the Year Lisa Jones, president and CEO of Amundi US.

Jones shares her challenges as a leader in asset management, describes how environmental, social and governance investing criteria can impact portfolios, and stresses the need for investment firms themselves to integrate diversity, equity and inclusion initiatives.

In fact, the asset management business in the U.S. includes an embarrassingly low 11% of female portfolio managers, according to Morningstar, and the WIAM awards are meant to shine a light on women who are succeeding in this sector of the financial industry.

Our featured profile illustrates a pioneering female leader in investment management and within the ESG space. Geeta Aiyer founded Boston Common to pursue financial return and social change in 2003, long before sustainable investing strategies became a $17 trillion U.S. business. Born and raised in Calcutta and Delhi, India, Aiyer said her worldview has always provided a foundation for her values-based investing approach, and she exemplifies how important it is for the U.S. financial industry to boost its diversity if it wants to be at the forefront of new ideas.

"I saw things differently. I understood things differently as to what affects the lives of women and how things affect different segments of society. Therefore, I'm much more attuned to things like climate change and growing inequality — these I see much clearer," she said.

Also in these pages, senior reporter Bruce Kelly writes a column for the issue that notes advice firms that are touting their recruitment of female-led practices without offering complete numbers on diversity. He argues that the industry needs an independent auditor to judge whether there's been any progress in adding more women and diverse advisers.

Columns from executive coach Stephanie Bogan and Social Security maven and *InvestmentNews* contributor Mary Beth Franklin are among the other enthralling pieces in this 2021 Women's Issue.

Next November, you can again expect to see our Women to Watch award winners announced on these pages, after the program took a year's hiatus due to Covid-19 challenges that have delayed our in-person celebration of our 2020 and 2019 winners. This month, *InvestmentNews* will present those winners with their awards on Nov. 12 in a live New York City celebration.

Please keep in mind, if there is a woman in the financial advice industry who you believe deserves recognition as a Woman to Watch, nominate her for the 2022 award program this June when *InvestmentNews* will open its online submission process.

— Liz Skinner

INSIDE

NOVEMBER 1-5, 2021

Bruce Kelly asks: Is diversity really a recruiting priority or just a PR play?

InvestmentNews Research data show a gender-equitable future, but not just yet.

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Geeta Aiyer is an ESG pioneer and a DEI champion

BY NICOLE CASPERSON

Geeta Aiyer had a hunch about the significance of environmental, social and governance investing long before it became a $17 trillion market.

Growing inequities, moments of social reckoning and a broad recognition that the decarbonization of the economy must begin have spurred more investors than ever to use their wealth to push for change. Aiyer, a pioneer of ESG since the 1990s, said it's been a long and lonely road to get to this inflection point.

"It feels like there's no turning back," she said. "For a long time, we had these concerns, but now it feels like no one can be at the table in the financial world without thinking of [ESG] or having the ability to address issues. It's here to stay."

Aiyer, 63, has dedicated her career and personal passion to using finance to support social good via ESG and impact investing. In 2003, she founded Boston Common Asset Management, where she serves as president. Today it has $5.7 billion in assets under management and 38 employees, and serves endowments, foundations, mission-driven groups and families across the U.S.

Aiyer started the firm a decade after she engaged supermarket giant Albertsons as its competitor faced a $100 million lawsuit based on gender inclusion, and the company's top executives flew out to speak with Aiyer, then a junior portfolio manager who offered advice about gender discrimination issues.

GLOBAL IMPACT INITIATIVES

Today, the Boston-based asset manager is a recognized stalwart in global impact initiatives dedicated to the pursuit of financial return and social change — an area of the investment world that's exploded in recent years. Last year, sustainable investing strategies in the U.S. reached about $17 trillion, according to US SIF.

"The courage of Geeta's convictions is inspirational. She has an unparalleled tenacity and unwavering commitment to improve the state of the world," said Allyson McDonald, CEO of Boston Common Asset Management. "We share a common desire to build a firm that reflects these values and those of our investors."

Born and raised in Chennai, Calcutta (now Kolkata) and Delhi in India, Aiyer's worldview has served as a foundation for her values-based approach to investing. Her first job after graduating from the University of Delhi was in an area of India where water was scarce and women were struggling at the bottom of the economic pyramid.

"As a woman, a person of color and an immigrant, there are a lot of dimensions," she said. "I saw things differently. I understood things differently as to what affects the lives of women and how things affect different segments of society. Therefore, I'm much more attuned to things like climate change and growing inequality — these I see much clearer."

Aiyer said that she feels lucky to have had parents who invested in her education. After that first job in the 1980s, she moved to the U.S. to attend Harvard Business School, where she earned an MBA in finance. Between the mid-1980s and starting her own firm in 2003, Aiyer added Cambridge Associates, US Trust Co. and Walden Asset Management to her résumé.

When building Boston Common, Aiyer said it was critical to create a culture that would be innovative and cutting-edge. She believed she could make more of a difference with her own firm, as opposed to needing to be a profit center within a larger entity.

Aiyer said climate change is top of mind at her firm today because it's an urgent issue that needs solutions immediately.

"It's hard to overlook climate change. It's here, it's urgent, it's escalating, it's cumulative," she said. "We have lost too much time when gradual change would have been possible. I see a lot of interconnected issues, which are mutually reinforcing, including health and well-being."

"As we saw last year, we are an interconnected planet," Aiyer added.

Not only are regions interconnected, but people from different levels of society are connected, and their issues and challenges are mutually reinforcing, she said. In that light, Boston Common has had to scale up its efforts.

"Action, even if imperfect, needs to be very decisive, intentional and taken early," she said. "And that early action is worth a lot more. We have to do a lot more. We have to front-load our efforts in order to address a resilient future and inclusive society."

KEY TO BUILDING A BUSINESS

Aiyer's key to building a business that will create meaningful change is simple: Businesses need to have diverse leadership that is fully invested in ESG in order to thrive with the growing market.

> **"THE COURAGE OF GEETA'S CONVICTIONS IS INSPIRATIONAL."**
>
> ALLYSON MCDONALD, CEO, BOSTON COMMON ASSET MANAGEMENT

"You gain so much from the diversity of perspective," she said. "But you need to be very intentional about it because just having a diverse roster is not sufficient. Everyone must have a seat at the table and a voice in the discussion. That's what inclusion is."

Diversity includes gender, race and ethnicity, but also where people have lived and worked, Aiyer said.

"In the investment team, we've looked for people with different investment philosophy backgrounds, I think we are enriched by that, because the thing you want to avoid is groupthink, and also the old-fashioned way of figuring out what my opinion should be based on what the head person has to say."

Leaders with diverse backgrounds also make the best money managers, who will strive to use finance for good, Aiyer said. "Women are exceptionally good money managers, people of color are exceptionally good money managers, why would we as an industry lose out on that?"

Diverse groups have always had to be prudent with managing resources; they have had to think, look ahead, and plan for risks.

"These are invaluable tasks, invaluable skill sets that should be within finance," Aiyer said. "For finance to prosper, we need that."

Is diversity recruiting a priority or hype?

BRUCE KELLY

ONADVICE

The financial advice industry, with roughly 320,000 brokers and advisers selling and recommending products, is desperate to appear more diverse. The call to diversity is all around the industry. There are more women adviser conferences than you can shake a stick at, and last month, Morgan Stanley was promoting and sponsoring the Black Wealth Summit.

These are terrific programs, no doubt, and give time and attention to under-represented segments of the industry. But it's not enough. As I noted over the summer, to be truly diverse, the advice industry needs a true tally of its advisers: How many are men, women, Black, Latino, Asian and LGBTQ?

AUDITING DIVERSITY

This is an industry where data reigns, and each firm knows how diverse it is, or isn't. But currently they won't share the answers. That's a shame and it impedes progress.

Calls for racial audits at all types of firms have emerged following the racial injustice protests that swept across the U.S. last year and President Joe Biden's signing of an executive order to advance equality. Citigroup Inc. is the first of the Wall Street banks to agree to a racial audit.

Within the financial advice industry, how can its professionals know whether they are making progress in hiring women and minorities unless there is an independent auditor and holder of

CONTINUED ON PAGE 22

Teaching women investors to embrace risk

By nature, women tend to be caring and careful. But the same tendencies that prompt them to nurture and protect their families may result in some women sabotaging their own retirement preparedness.

Now the impact of Covid may further undermine women's retirement readiness. More women left the workforce during the pandemic as a result of closed schools and daycare centers, and many have not returned.

"Because we are predisposed to be caregivers and we are taught to be careful, women are apt to take less risk, including in their finances," said Michelle Connell, owner of Portia Capital Management in Dallas-Fort Worth.

"Women are really good at understanding downside risk and tend to keep a higher portion of the savings in cash," Connell told me in a recent interview. "But they need to balance that caution with understanding the upside and opportunity of investing in stocks."

Citing a 2018 J.P. Morgan study on Women & Retirement, Connell noted that women have made great strides in education and employment over the past 50 years, but still lag behind men in terms of income and assets. Women have outpaced men in post-secondary enrollment and education attainment since the early 1980s, but still earn about 80 cents for every $1 a man earns on average.

MARY BETH FRANKLIN

ONRETIREMENT

HARDER TO SAVE

Lower lifetime earnings make it harder for women to save for retirement, particularly if they take time out of their careers to care for children or elderly family members. And those time-outs for caregiving are costly. The typical female caregiver loses more than $324,000 over her lifetime as a result of lost wages, retirement savings and Social Security benefits, according to the National Alliance for Caregiving in collaboration with the AARP.

Because of women's longer life ex-

CONTINUED ON PAGE 22

10 countries with the highest proportion of female investors

BY BRITTNEY GRIMES

Investors traditionally have predominately been male, but a recent study by BrokerChooser takes a look at the countries that have the highest portion of female investors. Looking through this data suggests that there are countries that are closing the gender gap when it comes to investing. The United States doesn't make the top 10, though.

10 **CHINA**
Ranking: 10
Portion of female investors: 34%
Portion of male investors: 66%

9 **HONG KONG**
Ranking: 9
Portion of female investors: 35%
Portion of male investors: 65%

8 **MONGOLIA**
Ranking: 8
Portion of female investors: 35%
Portion of male investors: 65%

7 **BAHAMAS**
Ranking: 7
Portion of female investors: 36%
Portion of male investors: 64%

6 **BELARUS**
Ranking: 6
Portion of female investors: 36%
Portion of male investors: 64%

5 **JAMAICA**
Ranking: 5
Portion of female investors: 37%
Portion of male investors: 63%

4 **PAPUA NEW GUINEA**
Ranking: 4
Portion of female investors: 38%
Portion of male investors: 62%

3 **TRINIDAD & TOBAGO**
Ranking: 3
Portion of female investors: 38%
Portion of male investors: 62%

2 **BARBADOS**
Ranking: 2
Portion of female investors: 39%
Portion of male investors: 61%

1 **PHILIPPINES**
Ranking: 1
Portion of female investors: 44%
Portion of male investors: 56%

Opinion

An optimistic message from the CEO

I want to take a moment to share with you all the exciting things we have been busy working on at *InvestmentNews* and provide some insight into the year ahead. Undoubtedly, the past 18 months have been challenging due to the global pandemic and have permanently changed the way we operate, as well as providing the opportunity for transformation and innovation.

At the beginning of the pandemic, we launched our first digital edition, fueled by technology and data. Today, our digital edition garners more than 89,000 page views, and our First Look email that goes out every Saturday consistently has an open rate of more than 40% — talk about engagement! If you prefer to listen to our award-winning content, check out the *InvestmentNews* podcast series hosted by Bruce Kelly and Jeff Benjamin — this dynamic duo is a great listen.

CHRISTINE SHAW

Speaking of engagement, we were also the first in the industry to pivot to virtual events, powered by a sophisticated technology stack delivering superb results for our customers. We now have successfully navigated back to in-person events as well as hybrid events. We can proudly say that our expert staff has the capabilities to deliver virtual events, hybrid events and in-person events. We are one of only a few companies that can state that our events portfolio has been one of our highlights over the past year.

NEW LAUNCHES

We also launched Fintech for Advisers, which continues to grow through our phenomenal editorial coverage and our virtual events, which continue to generate qualified leads for our customers. Alongside our events and website is our podcast Tech Stack$ — have a listen!

RPA Convergence and our coverage of retirement, retirement planners and retirement advice continue to be a center of excellence and have thrived and grown at record levels over the past year. Check out RPA Convergence or visit *InvestmentNews* and view our retirement section. Don't forget to listen to our Retirement Repair Shop series hosted by Mary Beth Franklin.

You may have also taken note of the launch of ESG Clarity, a global content site devoted to impact investing in partnership with our global team at Portfolio Adviser, part of our parent company, Bonhill Plc. To support these efforts, we have also launched a podcast series called Impact Adventures — outstanding content covering impact investing. In fact, ESG Clarity's global editor-in-chief, Natalie Kenway, was just recognized as Editor of the Year at the Aviva Investors Sustainability Awards — congratulations, Natalie!

Speaking of Bonhill, we launched our global financial services brand over the summer, which provides our audience and customers with unmatched knowledge and global content covering the financial advice community and asset managers.

Our women-focused initiatives are stronger than ever as we continue to produce our Women Adviser Summit events with record-breaking attendance, along with our Women Adviser Community and Her Success Matters, a podcast dedicated to women in financial services.

If that's not enough to excite you, don't worry, we have an even more exciting new initiative called Investment Strategy that's launching soon. Stay tuned for more details.

I also want to take this opportunity to thank key staff members who have recently announced that they're leaving to pursue exciting new opportunities — George Moriarty, Liz Skinner and Nicole Casperson. We wish them much success in their respective new endeavors.

I WANT TO THANK OUR LOYAL READERS AND CUSTOMERS, WHO HAVE MADE US THE LEADING BRAND IN THE FINANCIAL SERVICES INDUSTRY.

At the same time, I want to welcome our new talent: Mike Schott, our chief revenue officer, who will head up our commercial team, as well as John French, our U.S. chairman, who has a rich history of leading and operating B2B media companies. We are actively recruiting new hires to add to our talented team and look forward to making announcements once those individuals have joined our team.

Finally, I want to say thank you to our loyal readers and customers who have supported us and have made us the leading brand in the financial services industry. We are proud to be your trusted source of information and news!

Sincerely,
Christine Shaw
CEO
InvestmentNews

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2021

Women

IN ASSET MANAGEMENT

Bonhill Group's third annual Women in Asset Management Awards in the U.S. recognized 13 women for categories such as Advocate of the Year, Outstanding Leader of the Year and ESG Investment Manager of the Year.

The awards, given out in September, celebrate the achievements of female portfolio managers and asset management executives at a time when there's increased urgency for conversations on racial injustice and gender diversity.

The percentage of female fund managers has been hovering around 14% for the past 20 years, and in the U.S., women represented just 11% of all portfolio managers at the end of 2020, according to Morningstar.

ACTIVE US EQUITY MANAGER OF THE YEAR

AMY ZHANG
Executive vice president and portfolio manager
ALGER

Amy Zhang has a clear and strong history of promoting women and minorities through a diverse set of initiatives. Three of the funds she leads were in the fifth, 10th and 22nd percentile in 2020, along with an active ETF launch in 2021.

ADVOCATE OF THE YEAR

MORGAN PECK
Portfolio manager, equity division
FIDELITY INVESTMENTS

Morgan Peck has been a source of encouragement and motivation for new, young talent and acted as a support system for them in their introduction to the industry. She has more than a decade of professional investing experience under her belt and is a mentor, a role model, an advocate for women working in finance and a friend of many in the workplace.

BOND MANAGER OF THE YEAR

CATHERINE STIENSTRA
Head of municipal investments and senior portfolio manager
COLUMBIA THREADNEEDLE INVESTMENTS

Catherine Stienstra has effectively demonstrated her talents through innovative strategies to meet the demands and needs of clients. She encourages and supports women who want to pursue careers in finance and asset management, and she also participates in various charitable initiatives.

EMERGING MARKET EQUITIES LEADER OF THE YEAR

DI CHEN
Analyst
FIDELITY INVESTMENTS

Di Chen is a thought leader, mentor, coach and mother who has continued to work tirelessly on elevating her projects, even during the global lockdown. She has seen amazing achievements managing a huge portfolio while demonstrating drive, work-life balance and an investment philosophy to be intellectually honest.

FINANCIAL INCLUSION AND ENGAGEMENT LEADER OF THE YEAR

KELLY LANNAN
Vice president, young investors
FIDELITY INVESTMENTS

Kelly Lannan has encouraged and enabled progress for women in the industry while being inclusive toward local communities. She has created a platform that helps women, young adults and underrepresented groups to learn about the fundamentals of money and financial literacy.

ESG INVESTMENT MANAGER OF THE YEAR

AMY O'BRIEN
Global head of responsible investing
NUVEEN

Amy O'Brien has an unmatched passion for her causes and actively engages with companies to create accountability for net-zero carbon emissions. She is a fund manager, board member and mentor.

GLOBAL EQUITIES LEADER OF THE YEAR

SAIRA MALIK
Chief investment officer, equity
NUVEEN

Saira Malik shows a true passion for investing, manages billions and has combined two large investment teams. She has devoted time and effort to mentorship and gender equality initiatives.

INDEX LEADER OF THE YEAR AND NEXT GENERATION LEADER OF THE YEAR

MONA NAQVI
Global head of ESG capital markets strategy
S&P DOW JONES INDICES

Mona Naqvi is an innovator committed to ESG — from sustainability to diversity, equity and inclusion. She has published more than 20 research articles and raised over $1 million to advance climate action, along with promoting the economic benefits of female participation in the workforce.

INVESTMENT CONSULTANT OF THE YEAR

ALLISON FUMAI
Partner
DECHERT LLP

Allison Fumai has been recognized for her expertise in the ETF space. She is a thought leader and seeks to empower other women while prioritizing diversity, equity and inclusion.

MALE ALLY OF THE YEAR

ANTON PIL
Global head of alternatives
J.P. MORGAN

Anton Pil sponsored and led a broad set of impactful, results-based initiatives that address the lack of women and minorities in direct investment leadership positions. He has fostered an environment and culture where equality is imperative.

OUTSTANDING LEADER OF THE YEAR

LISA JONES
CEO and president of US, and head of Americas
AMUNDI ASSET MANAGEMENT US

Lisa Jones holds a leadership position in ESG and responsible investing and has worked to ensure positive flows amid challenging market conditions for active funds, while pivoting the firm to become one of the largest ESG managers.

SYSTEMATIC LEADER OF THE YEAR

KATHRYN KAMINSKI
Chief research strategist and portfolio manager
ALPHASIMPLEX GROUP

Kathryn Kaminski is a researcher, innovator, professor, industry leader and mentor. She has demonstrated significant academic and soft skill contributions within the industry while focusing on practical applications.

WOMAN OF THE YEAR

ELIZABETH KOEHLER
Managing director
BLACKROCK INC.

Elizabeth Koehler is a driven leader who is working toward a diverse and equitable financial services industry. She is a mentor, a sponsor for young minority leaders, a creator of networks for women to build connections and well-being during the pandemic, and an advocate for women.

Rose Palazzo's new Envestnet role is an open invitation to advance her vision

BY SEAN ALLOCCA

Rose Palazzo, the new head of MoneyGuide, never thought an early job in hospitality would land her a gig at one of the nation's leading investment banks. But after talking to her customers — and budding financial advisers from Merrill Lynch & Co. — at a local hotel bar in New Jersey where she worked through college, she immediately traded in her biology major for a degree in finance.

"What drew me to financial planning was not this giant profit center, but that it was so interactive," Palazzo said. "I fell in love with it."

Planning was still a budding area of expertise in the early 2000s, but it allowed advisers to get the broadest view of financial plans, from asset allocations to tax harvesting, and what roles those segments played in client outcomes. She soon landed with Merrill Lynch, and originally wanted to become a customer-facing adviser working with clients to help solve their financial needs. Instead, she found herself building the technology that helped all of Merrill's 14,000 advisers work with clients on a daily basis.

"Underneath it all, I'm a little bit of a problem solver," she said. "I love the idea of what fintech does for people, that there's this amazing creativity component to it, and thinking about what's next."

One of the early fintech tools she worked on was designed to recalculate portfolios, Palazzo recalled, and was loaded onto laptops using a CD-ROM. Her team asked themselves: How can we best help clients understand these complex portfolio constructions? "We were actually still helping clients by building these tools, just in a different way," she said.

GREATER PERSONALIZATION

Making the move to the leading turnkey asset management platform Envestnet in November, Palazzo will push her vision of financial planning forward as group head of MoneyGuide, the financial planning software company acquired by Envestnet for $500 million in 2019.

"The future is comprehensive financial planning," Palazzo said.

More than half of wealth management clients are willing to pay more for personalized service, according to a recent survey by Ernst & Young and Palazzo is hoping to be on the forefront of that tectonic shift. In exchange for greater personalization, the majority of wealth management clients (71%) are willing to share personal data with their primary wealth manager, a higher proportion than those willing to share with doctors, retailers, technology firms and media platforms.

"Clients want a [holistic] experience, but we are only actually managing a small portion of client assets. Some current supervisory processes just aren't necessarily ready for the advances we want to make in financial advice," she said.

"There are tons of dynamic and strong [female] voices," Palazzo said. "I found for myself and women that I've mentored, especially in fintech and platform development, it can be intimidating and a little bit like you can't participate in the same way other folks are participating."

Research shows a record number of women left the workforce during the pandemic, but some businesses have put tighter inclusion requirements in place to elevate women into leadership roles. The Securities and Exchange Commission, for example, approved the new Nasdaq Board Diversity Rule in August, which requires all companies listed on the exchange to disclose board-level diversity statistics.

LEADERSHIP ROLES

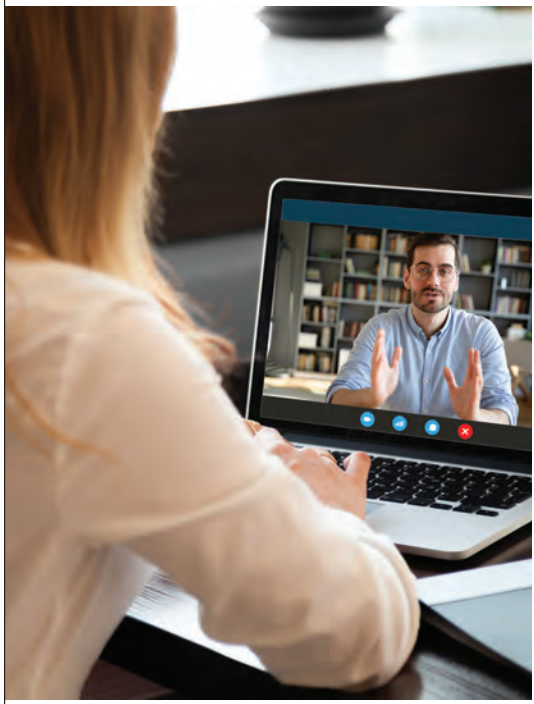
There are also various types of leadership roles, she said, where women can thrive. "You don't have to be the strong, loud voice in the room," Palazzo said. "You can make yourself heard in many different ways."

As for women looking to forge a career in wealth management, Palazzo admits it's important to have a plan. But it's equally as important to be open to every opportunity that comes your way, she said, recalling her time as a bartender in New Jersey. There are opportunities that young professionals will come across in any industry, she said, they just have to be ready and willing to adapt.

"I do think being aware that you are that example for other women can resonate, and serve as an invitation," Palazzo said.

sallocca@investmentnews.com

It's time to radically rethink your 'client experience'



Times have changed. In some cases, the changes are obvious. Other changes are more subtle but no less far-reaching in their impact on the profession and on your practice. These changes reflect the collision of trends, some building over time and others brought on suddenly by Covid, but all converging to create a radical rethinking of the client experience.

Client experience, or CX, is the sum of every interaction someone has with your firm through every stage of the prospect-to-client lifecycle.

LIMITLESSADVISER
STEPHANIE BOGAN

In 2020, Covid-19 forced both businesses and consumers to go digital, immediately. Suddenly, services once reserved for the high-net-worth population could be profitably delivered to nearly every segment of the population. Meanwhile, consumers were experiencing the "Amazon Effect," where they expect specialized services, personally curated into an easy, efficient experience available at the touch of their fingertips.

I gave the closing keynote at the *InvestmentNews* Women's Adviser Summit earlier this month, sharing how these trends are influencing rapid changes in client expectations. It's time to radically rethink your client experience. It's time to engage and service clients with a CX built for modern times.

Here are three quick insights you can build on to upgrade your CX:

- **Differentiation**. We're moving into an economy driven by experience, but short on attention. Your next CX begins with a differentiated brand (specific audience, approach, outcome or specialty), and your website, marketing messages and personal interactions should all be designed to convey this value in a clear, concise and compelling way that cuts through the background noise.
- **Specialization**. The CX of the future is designed to deliver new levels of specialized services in a systematic way, freeing up time for the adviser to focus on delivering personal advice to clients. Think of this hyper-specialized approach like a wedding cake. The bottom tier represents the standard services that all clients get. The next tier delivers specialized services that address a deeper level of client needs, wants and preferences. The top tier of the cake is reserved for the personal engagement, where adviser time has the greatest impact and value.

Studies show that clients across all demographics are increasingly interested in conversations that go beyond their finances. Discussing services like Greenlight cards for teens and Evercare for clients with aging parents, or addressing nonfinancial topics, such as longevity, health, relationships and purpose, are all being integrated into specialized service models.

- **Digitalization**. Topics that once were crammed into in-person meetings can now be talked about throughout the year on a monthly or quarterly service cycle, providing specialized and personalized content in a systematic way while focusing in-person meeting time on specialized needs and personalized advice. These firms are not losing to technology; they are leveraging it to deliver deeper value and drive growth in far less time.

SERVICE INFLATION

If these seem like pie-in-the-sky insights that have no real relevance to your practice, think again. While advisory firms haven't seen significant fee compression as once predicted, we are seeing very real service inflation. As competition and complexity continue to climb, firms will need to provide more services (and more specialized and personal ones) just to keep up. Firms not leveraging these insights will find themselves hiring more staff while watching their margins decline.

Advisers who recognize these trends and respond with the future in mind are seeing higher growth, revenue, income, time off and satisfaction than their peers. Advisers like Adam and Tanya.

Adam applied these lessons and went from frustrated-and-failing to 3x growth in just over three years. He differentiated his practice by narrowing his niche to optometrists who were earning seven figures in revenue and within five years of selling their practices. He updated his messaging and prospecting to focus on the differentiated value he could deliver, designed a specialized service model, integrated it into his technology with 80-plus workflows and raised his fees to reflect the deeper value he's adding.

Adam's firm delivers value-adds to clients monthly while maintaining a 40% growth rate and scaling the delivery of his hyper-specialized service model in a hyper-efficient way.

Tanya left a toxic firm to start her own. She used these same lessons to grow her revenue 30% per year and triple her earnings, all while reducing her hours from 50 hours a week to 30. She now takes every Friday off to laugh with her kids.

The role of client experience is rapidly rising in importance. What was once a discussion of productive in-person meetings and how fast you responded to phone calls has blossomed into a holistic, integrated experience that touches every facet of your firm. This is a brave new world, one that's radically reshaping the client experience in ways that — if you embrace the rise of digital CX — can reshape your firm and future for the better.

Stephanie Bogan is CEO and chief possibility officer of Limitless Adviser Coaching. Learn more about building a happy, high-performing business at limitlessFA.life.

The industry must broaden its search for diverse talent

Year after year, the financial advice industry bemoans the lack of diversity in its ranks and debates the causes of the field's continued dominance by male professionals.

Amid all the talk, progress has been piecemeal. As my colleague, Bruce Kelly, reported recently, despite splashy announcements when women-led teams are recruited, only 34% of financial advisers were women in 2020. That's progress from 31.6% in 2016 but still a far cry from parity.

NUMBERSGAME
DEVIN MCGINLEY

Our recent benchmarking research, published in the 2021 Adviser Compensation & Staffing Study, contains similar findings. At participating independent advisory firms, only 32% of executive and advisory roles were held by women.

It's not as though women are absent from the industry. They account for 49% of total staff at studied firms, according to an analysis of the data. Yet, because they are underrepresented in the most lucrative roles, total compensation for the industry's median male employee was 92% greater — $154,000 versus $80,000.

MORE WORK TO BE DONE

To be sure, the data also promise a more gender-equitable future for the industry. Women accounted for only 28% of lead advisers (firms' most experienced professionals who take primary responsibility for client relationships). But they represented 40% of lower-level service advisers and 44% of staff at the entry-level role of support adviser. Most firms, 72%, provide career tracks for their advisers to grow in their roles, and the pipeline of female professionals within firms is improving.

But even if firms can manage burnout and let those career trajectories play out, the industry clearly has more work to do if it wants an advisory workforce that reflects the gender distribution of the country and, increasingly, its distribution of wealth, too.

The industry could start by making a commitment to the development of its administrative and support personnel. According to our research, only 40% of firms currently have career tracks in place for these vital roles that are disproportionately held by the industry's women.

ESTABLISHING CAREER TRACKS

That includes the roles of operations manager, client services administrator and compliance analyst, of which women held 74%, 85% and 70% of roles, respectively. These jobs require deep knowledge of the firm, its clients and the industry. Firms should have career tracks in place that ensure these dedicated staffers can grow alongside the business.

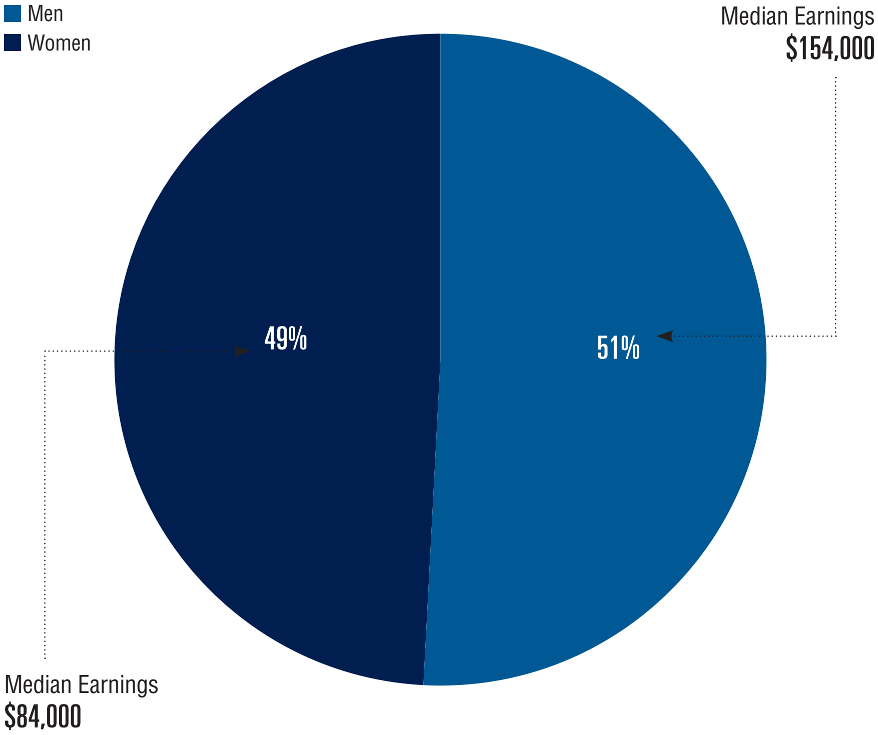
More than that, the career paths of advisers and the people who support them could cross more often. Many people come to financial advice and planning as a second career, some from elsewhere in the financial sector but others from entirely unrelated professions. In fact, the most common background for entry-level advisory hires in our study was another industry. It stands to reason a client service administrator at an RIA could be just as successful in an advisory role as a former attorney or teacher.

As the advisory profession continues to broaden from hard investment management to more comprehensive financial planning, the industry will need to continue to broaden its search for talent and bring in professionals of diverse backgrounds.

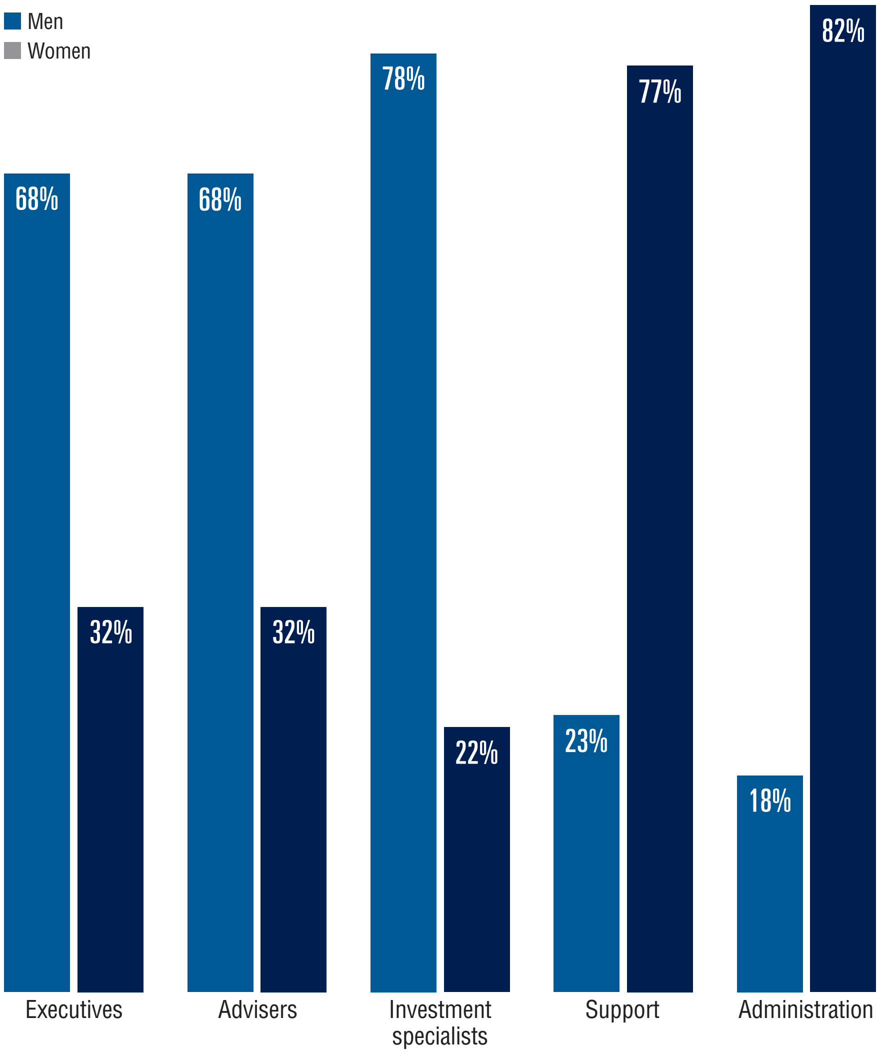
Why not bring that search to the back office?

For more information on IN's research offerings, contact INResearch@investmentnews.com.

Financial advisory workforce by gender



Highest-paid positions dominated by men



Source: 2021 InvestmentNews Adviser Compensation & Staffing Study

Succession planning requires a plan

GUESTBLOG
EMILY WOODSON

Succession planning is becoming an increasingly important and timely topic in the financial services space. An estimated 111,500 advisers will retire over the next 10 years, representing more than one-third of the advice industry's workforce and assets. Robust recruiting, retention strategies and succession planning are needed now more than ever — before it's too late.

My mother, Mary Ann Blair, entered the financial services industry in 1982. She started in the life insurance business but gradually evolved into a comprehensive financial planner, and she did it as one of the very few women in the field. She was a trailblazer, in ways that I didn't fully understand until I was older.

I took a different path. I started as a teacher, but my mother began to plant seeds in my mind about the possibility of becoming an adviser early on in my career, right after I graduated college.

Then a life-changing opportunity popped up. The University of Delaware began offering a program that would allow participants to learn the seven education modules required to sit for the certified financial planner exam. The program was taught by practicing financial services professionals, and the opportunity was too good to pass up. I enrolled and took classes once or twice a week in the evenings for more than a year. I balanced that program with continuing to teach during the day (and raising a three-year-old).

I'd always wanted to help people and make a difference in the world. At first, that meant teaching. Then, in 2009, it meant a whole new career. I made the switch; I joined my mother in her practice. Over time, as she mentored me and helped me learn the business, she added me as a 50% partner to more and more clients, until we were 50-50 on every client.

She also agreed that any business I brought in on my own would be mine, 100%.

AN HONEST RELATIONSHIP

In 2016, after six years of working together, my mother announced that she was going to retire at the end of the year. As we started to inform clients she was retiring, none of them were surprised or upset.

Because we had been working together for so long, the clients felt confident that they were still going to be taken care of in the same manner that they had been by my mother for many, many years.

This was all because we were open and honest not only with them, but also within our own relationship.

For any adviser looking to retire, I'd suggest taking the same approach my mother did:

- Bring on a junior adviser at least five to seven years prior to retirement. This gives the adviser (and your clients) time to acclimate to the role and those important relationships.
- The retiring adviser should be willing to compensate the junior adviser for their work, time and effort, whether that's with a split on commission or a salary contract.
- Allow the clients to get to know and trust the purchasing adviser.

Succession planning doesn't have to be difficult. But it does include one important word: a plan.

Emily Woodson is a partner at Financial House, a comprehensive wealth management company in Centreville, Delaware.

Amundi's Lisa Jones on personalized investing, ESG demand and being a woman CEO

BY LIZ SKINNER

Paris-based Amundi Asset Management, a top 10 global asset manager with $2 trillion in assets under management, has a unique environmental, social and governance lens that it implements for institutional and retail clients, according to Lisa Jones, president and CEO of Amundi US.

In addition to the company being at the epicenter of many of climate change and Net Zero efforts and discussions, in 2017 Amundi purchased Pioneer Investments. In 1928, Pioneer became one of the first companies to launch a mutual fund that invested with an early socially responsible investing strategy of exclusion. It has never invested in alcohol, tobacco or gaming stocks.

Jones said the asset management industry needs to encourage more women and diverse individuals to join and stay in the industry by embracing more flexibility in the work schedule, including the hybrid work environment that the pandemic has made realistic. She hopes there will be a permanent shift to where asset managers are better able to balance their home and work lives, which will encourage women to further take on leadership roles in the industry.

She answered questions as part of the Bonhill Group's Women in Asset Management U.S. virtual event on Sept. 8. Jones' answers have been lightly edited for length and clarity.

LIZ SKINNER: *Being based in Europe, the company has seen the ESG market grow earlier than what we have in the U.S. so it's like you have a crystal ball for what's coming here. Therefore, would you please offer us a forecast?*

LISA JONES: Here in the U.S., it's been more tangible to focus on the E and the G. When there's an environmental disaster or governance mishap, we tend to put on our kind of capitalistic hats and say that investing in a company that has either of these, you can see that implication potentially in the stock price, so it has meaningful aspects of it to an investment. Now where I believe the U.S. and Europe is kind of coalescing is around the S and why is that? Europe has a very unique and different social infrastructure and platform than the U.S., in access to housing, easy access to education, health care, all of that is within pillars of society. Here in the U.S., that's been something that's been less of a focus until over the last 18 months, with the pandemic and some of the incredible uprisings as a result of the murder of George Floyd. That has put an intense spotlight on all things around social issues. We've learned a bit from looking at our European counterparts and colleagues about that focus around the S and now it is very much in focus in the U.S., as has the E and the G been.

LS: *What are some of the challenges that you face as a CEO of an asset manager with all the momentum for ESG investing right now?*

LJ: When we first started talking about ESG within the organization, and with our institutional clients, there are some who believe that when you invest with ESG, you have to sacrifice investment performance. One, we have to work very carefully and closely with our clients and with our portfolio managers on really trying to explain how ESG can produce attractive, long-term investment results for investors. We also then have to work across the organization to ensure risk compliance with the marketing teams, the sales teams, and that everybody is on the same page with how we define what ESG is. ESG has become kind of the overhang for all things responsible investing, whether it's exclusion or intentionality. My job is to try to ensure that we're speaking on behalf of one common platform and working together to go forward.

The second piece of it is you can't just promote ESG and not embed or integrate in parallel your diversity, equity and inclusion initiatives. As a woman CEO, I find it really exciting to have the opportunity in the platform to speak on ESG, but also to ensure that we're integrating DE&I along the way.

LS: *How are asset managers keeping up with this seemingly intense demand for ESG product?*

LJ: What we've learned through ESG and how we absolutely have to meet the demand is we have to embrace customization. Whether it's SFDR and article eight, article nine and then the interpretation or the administration of that from country to country, we know that managing one homogeneous portfolio, and having it passported into as many countries as possible, is just a luxury that is no longer the case today. One, we have to figure out the best way to be highly customizable in a marketplace where whether its values or valuation, ESG has to be tailored to meet the needs of individual investors. It's not just an investment and a marketing and a communication story, but is your infrastructure and your platform, your front- middle- and back-office flexible enough to allow us to customize for a client who wants a portfolio in all women-owned companies or a client who wants a portfolio to clean water or Net Zero. As we take a look at the individual demands and requests country by country, our ability to meet that man's demand starts first with making sure that we have a flexible and robust infrastructure.

LS: *Fee pressures are one of the factors leading to increased consolidation, how is Amundi dealing with this?*

LJ: So fees, they're not going up, right? Everyone is trying to do the absolute best to be super competitive and whether it's decades of passive investing or some zero-fee share classes. We do know that clients want to pay for active management in the case of active managers, but pay at a reasonable price. You have to industrialize your platform. You have to make sure that you have a flexible platform and one of the lower cost ways to deliver customization out to the marketplace.

The second piece of it is distribution. Distribution to all markets and all types of clients will help give an asset management firm access to different investors and part of the recent partnerships and acquisitions that we've seen over the last five or six years. We've seen some incredibly large firms come together and much of it is not necessarily the greater scale in AUM, but access to distribution. If you're here in the U.S. and you want to have access to international markets, you can see combinations of clients there. As we all tend to look at the great growth in China and in Asia, a difficult market to break into, do you want to create a JV? Do you want to have a certain type of a partnership?

At Amundi, we have both our third-party distribution as well as access to institutional investors, but we've also been very smart in creating joint partnerships in key markets such as India, one of the first in China as well. Distribution is super important because that helps build efficiencies, economies of scale and diversification of client type and asset type.

LS: *What type of an impact are rating agencies having on the market and are they doing enough to help asset managers understand what's going on inside these companies?*

LJ: The ratings are key. It's an input into decision making, but it's not the be all, end all. And the ratings are more available and more pronounced when it comes to public equity companies, but the reality is when you get on to fixed income, there are many sectors of fixed income that don't have ratings. You know, high yield, bank loans, insurance-linked securities — maybe with investment grade you can get some ratings. To sit there and say, this is where transparency and communication to the marketplace comes in, and this is why the regulators appropriately so are spending so much time on ensuring that there is a consistent framework for how we're messaging to shareholders.

Because ratings are only as good as where they are available. And we also know that ratings are at a point in time. It's a rating that was applied at a point in time based on some information. And what we have found at Amundi through our active engagement with various companies is that when we know that company and we look at the rating, the rating may align from an ESG perspective. But in some cases, the company has taken some really progressive and positive steps to addressing some of the areas of focus that the market has highlighted that's important to ESG and the rating may lag to what actually the company is doing. And that I believe presents an opportunity for investors.

AS A WOMAN CEO, I FIND IT REALLY EXCITING … TO SPEAK ON ESG, BUT ALSO TO ENSURE THAT WE'RE INTEGRATING DE&I ALONG THE WAY.

LS: *Tell us a little about your Improver's Fund and how you are able to take advantage of what you call the opportunity?*

LJ: It's a very exciting opportunity. As you get engaged with investors, and if you subscribe to the notion that ratings are at a point in time, and that many companies are taking great strides to improve their ESG footing because they're getting asked by fundamental active managers all the time. We've conducted and done some academic work on looking back, back testing those companies that had a particular ESG score that might have been less than or weaker than where we believed their company was actually investing in to try to improve their overall ESG rating. You can see a particular momentum in that stock price of a company that has a weaker rating, but is on the path to really have an upgrade. We've launched a suite of ESG portfolios, a global equity, a U.S., a European portfolio all designed to focus on capturing this improvement.

LS: *Finally, how are asset managers pricing climate risks into their investment decisions and portfolios?*

LJ: What we know about climate risk is that it certainly is a systemic risk, right? You can't hedge out climate risk and if we've learned anything over the last 10 years or so that when you have something like a Hurricane Ida that we just experienced, we know that that can have some significant impact on a portfolio based upon where the exposure of that portfolio is. There's two ways that we look into the lens. One, you can have a dedicated portfolio that actually invests in insurance-linked securities and catastrophe bonds, which are tied alongside all things that are climate impact. It's something we've got about $1.5 billion that we manage.

But when you're looking to invest in portfolios that have exposure in companies that have exposure in particular areas, hurricanes or earthquakes or other types of climate risk, you have to consider what the potential impact can be on making those investment decisions. We've learned that all too often over the last decade or so. It's increasingly becoming more important, as well as clients are asking us to measure the carbon footprint of their portfolio or to help them construct a portfolio to be Net Zero by 2050. We're all embarking on this thing, we're at the beginning of this journey.

lskinner@investmentnews.com

Don't hold back — work hard to achieve liftoff

Asset management is the ultimate meritocracy. Performance is measured in results and the sky's the limit for what a woman can achieve, even though it's a male-dominated industry. As a senior portfolio manager, I've embarked on several initiatives to welcome women into the business and support them throughout their careers.

In 2015, I established the AYZ STEM scholarship at Manhattanville College for female students from underrepresented populations who plan to study STEM. I believe women should support and empower each other. At Alger, I spend a great deal of time coaching female analysts.

I also mentor women through my affiliations with the CFA Institute, Columbia Business School and the Asian Financial Society, as well as the Mulan Club, where I serve on the board. I believe in the power of a network and strong role models. Both my mother and grandmother were preeminent chemical engineers in China, and I inherited their intellectual curiosity and strong work ethic.

GUESTBLOG
AMY Y. ZHANG

I believe we can make investment management more accessible to women by showing them the realities of the work. If women can better understand what it takes to succeed, they can prepare themselves for the challenges ahead.

BUILDING CONFIDENCE

Availing oneself of the benefits of education, networks, role models and mentors can build confidence, which is critical to making investment decisions and maintaining conviction in one's views. It's also paramount to work hard — work extra hard, actually. Your efforts will pay dividends. You'll always gain new knowledge, and you'll sharpen your skills.

If you want to soar, become comfortable with making personal sacrifices. Sometimes you may miss out on personal time or family time. Your career will make this demand of you. Consider a portfolio manager who's raising assets. It's an incredibly demanding endeavor, but I think it's critical to meet with any potential client, no matter the size of the investment. This is how you build a franchise from scratch. Stay focused and energized. Concentrate on the goal. Go above and beyond to get the job done.

I've only ever accepted roles to which I could commit myself 150%-plus. I believe others should similarly devote themselves based on their emotional and experiential capacity. When a significant opportunity presents itself, it's critical to be professionally and mentally prepared to tackle it. In my experience, full commitment and mental toughness will reap benefits.

Women should position themselves for success by pushing their own limits and delivering their best performance. In fact, I don't believe that one knows what she's capable of until she tries. I once traveled through Luxembourg, Amsterdam and Belgium between 5 a.m. and 10:30 p.m. in a single day during an intense roadshow trip to Europe. I didn't know I could push myself that far, but opportunities arose and I seized them.

I strongly believe that one should always maximize her efforts and that women who do that will go far in asset management. Know whether the intensity of your drive matches the demands of the job. If you want to be successful, you must power through adversity and setbacks.

Keep up your confidence but always be humble. When the market turns against you, you'll learn from your mistakes and take stock of how you can improve. On the other hand, don't shy away from having a contrarian view; your conviction could prove very rewarding.

Stay driven and focused. Push yourself to achieve your greatest excellence and you may encounter the vast rewards of investment management. Many women have done so, and I believe others can too.

Amy Y. Zhang is executive vice president and portfolio manager at Alger, an InvestmentNews *2019 Women to Watch honoree, and the 2021 Women in Asset Management Active US Equity Manager winner.*

RBC women's group marks 30 years

The night of my first meeting with the Women's Association of Financial Advisors three years ago, the women present didn't shy away from peppering me with questions about my new role and how it could improve their professional and personal lives. What will the company do about calculating pay for advisers on maternity leave? How will it support fertility treatment? What about adoption assistance?

GUESTBLOG
SHAREEN LUZE

At the time, I wasn't yet fully in my role as senior director of human resources, but I was blown away by the women's drive and motivation to make RBC Wealth Management–U.S. a better place for women from all backgrounds.

This year, WAFA celebrates its 30-year anniversary, which is remarkable. Not many financial services firms have groups like this, and if they do, they're still in their infancy. Yet from my first meeting with these women, I knew WAFA was a special group of leaders who were not only fun to connect with, but who knew how to get things done.

WAFA was launched in 1991 — an interesting time for women in financial services. It all started when five women at the Midwest brokerage firm Dain Bosworth got together to create the first financial adviser group in the country for women. They stayed up until past midnight talking and sharing stories.

FORMING A SISTERHOOD

Back then, women made up just 6% of the 650 brokers at the firm, which had offices in 16 states. They talked about how they were expected to put their jobs ahead of their families and how isolating it felt to be the only woman in the office in a male-dominated industry. WAFA provided a way for them to connect.

But what started out as a networking group became a driver for changes that advocated for women in the industry, allowing them to have both fulfilling careers and growing families.

While Dain Bosworth was acquired and eventually became part of RBC, WAFA's mission stayed the same. In fact, it grew and evolved. Its membership went from those five relentless women to now more than 300, including early-career advisers, branch directors and senior executives like myself.

Despite the progress WAFA has helped our firm make, we know we still have more to do as a company and an industry.

Women still represent only about 17% of advisers industrywide. As we look at the next 30 years, WAFA aims to amp up recruiting to attract more women to the industry. A big part of that involves helping remove barriers that keep women of color from entering the field. While the paltry percentage of women advisers today clearly doesn't reflect our population, the percentage of those who come from marginalized communities is even worse.

To attract a diverse group of employees, we have to have a business model that supports and celebrates those employees once they're here. For example, we're currently working on updating our bylaws to make them more inclusive of pronouns for gender nonconforming and nonbinary folks.

The work of WAFA today embraces the need to support women advisers not only in the office, but in all aspects of life. That's why in response to feedback from WAFA and other women at the firm, we've expanded our backup child care and layered in elder care as many of our employees are caring for children and aging parents simultaneously.

WAFA is also advocating for more flexibility in how advisers work. As the pandemic showed, flexibility is key. Prior to 2020, few people in our branches worked in a hybrid setting. During the pandemic, we learned that advisers and support staff can work remotely efficiently while continuing to maintain and even enhance relationships with clients from all over the country via video calls.

As I think about all that WAFA has accomplished, I often wonder if the women who started the group had any idea at the time just how impactful it would be.

It's because of their work that women advisers today can be top producers, run successful practices and bring their whole, authentic selves to work every day. It's because of them and the foundation they built that 30 years later, WAFA is still thriving, growing and advocating.

Shareen Luze is head of culture and field experience at RBC Wealth Management–U.S.

To improve diversity, sponsors must have skin in the game

Jacqueline "Jaq" Campbell's first mentor in the financial industry was a middle-aged white man. He showed her the ropes, he introduced her to high-net-worth individuals, he helped her study for her Series 7, and when she passed it, he presented her with a briefcase at a celebratory dinner.

Campbell, a Black woman who's CEO and president of Alexander Legacy Private Wealth Management in Detroit, said her mentor even took the time to get to know her family and told her father, "If I don't have her back, who will?"

GUESTBLOG
ANA TRUJILLO LIMÓN

That mentor eventually crossed over into sponsorship, covering the costs for her to attend industry conferences, master classes and networking events.

"A sponsor is a person that truly knows you — they know your character, your background, where you came from," Campbell said. "They're willing to put their name on the line for you."

Coqual, formerly the Center for Talent Innovation, notes that sponsors are different from mentors because among the core purposes of sponsorship is to advocate for a protégé.

Sponsorship is a necessary step for the financial services profession to become more diverse and inclusive to the next generation — whether new college graduates or career changers. It's necessary to give diverse talent exposure to the people, places, education and jobs they need to succeed.

Across sectors, most sponsorship isn't being utilized with diverse stakeholders.

Coqual found 71% of sponsors say their primary protégé is their same gender or race and only 27% of sponsors were advocating for their protégé's promotion and career advancement.

However, if we want to increase diversity, we need people in positions of power and influence to sponsor qualified diverse individuals.

"When a sponsor or a senior-level advocate aligns themselves with diverse protégés, they are better prepared to face the global marketplace," Pooja Jain-Link, senior vice president and head of research at Coqual, said in a release. "Powerful individuals have an opportunity to develop this crucial workplace relationship. As our research shows, the returns can be tremendous."

IT'S GOOD FOR SPONSORS, TOO

The sponsorship that's occurring is producing dividends both for those who sponsor and those who are sponsored, Coqual found.

Sponsorship comes with a slew of career benefits for the sponsors themselves, Coqual reports, including a greater ability to deliver on difficult projects, being more satisfied with career prospects, being more engaged at work and being more aware of junior colleagues' concerns.

One way sponsorship has been good for Campbell is that it's helped her build her staff. She gave an example of a young woman she first mentored and then sponsored to get her Series 7 whom she hired on at her own firm.

"She's now running my whole team," Campbell said.

MAKE AN INVESTMENT

I was recently interviewed on the difference between performative versus real allyship by an emerging diversity, equity, inclusion and belonging leader in the industry. I told her this: It boils down to investment. Performative allies haven't invested anything; they have nothing to lose. Real allies have some skin in the game. They have something to lose.

SPONSORSHIP IS A NECESSARY STEP FOR THE FINANCIAL SERVICES PROFESSION TO BECOME MORE DIVERSE AND INCLUSIVE.

SPONSORSHIP IS REAL ALLYSHIP

If you're a person with authority, influence and power, and you genuinely want to sponsor a diverse protégé, Campbell offers the following tips:

1. Really get to know your protégé. Know where they're from, what they value, their goals and career aspirations. Let them know you, too. It's a two-way street.

2. Help them get opportunities they'd be a good fit for by introducing them to other leaders and recommending them for positions.

3. You then have to be comfortable with putting your reputation on the line to recommend them for positions, pay raises and financial help for school, certifications and other continuing education.

Lawrence Sprung, founder of Mitlin Financial, says it's OK if you can only serve as a mentor right now.

"But if you can go that extra level and move to that higher level on the sponsorship side, it's imperative for us to do that if we can in order to make the profession more diverse," Sprung said.

GRATITUDE FOR MY SPONSORS

Let me give you an example of sponsors in action: the reason I'm even writing this column is because of the sponsor I have in Jamie Hopkins, who's managing partner of wealth solutions and director of retirement research at Carson, who advocated for me.

This isn't the first time I've experienced an amazing sponsor. During my time at the Financial Planning Association, I was blessed to have a tremendous sponsor in the former editor-in-chief of the Journal of Financial Planning, who is now the director of research and communications at Charles Schwab. I'll never forget Carly Schulaka and how she helped forge a path for me, just as Jaq Campbell's mentor-turned-sponsor did.

I won't discount the impact that luck and skin privilege, in addition to hard work, have had on my career, but that's a column for a different day. For now, I remain eternally grateful to my sponsors and vow to use every bit of privilege they have afforded me to reach back and help others come up.

Now go out there and get yourself a protégé.

Ana Trujillo Limón is director of coaching and advisor content at Carson Group.

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DIVERSITY

CONTINUED FROM PAGE 4

the data, like a consulting firm, or dare I say it, a reputable trade newspaper with its own data team?

Instead, individual firms have taken to releasing information about the numbers of women and minority brokers piecemeal. That type of flimsy effort doesn't meet the mandate to diversify, and therefore strengthen, this industry.

A recent example of the financial advice industry blowing its own diversity horn are the press releases or announcements that accompany a firm's hiring or recruiting a new set of advisers who are led by women.

COMMITMENT NEEDED

Are these announcements an indication that targeting women teams of financial advisers is an effective recruiting strategy? Are firms offering more competitive recruiting bonuses to women to try and boost diversity, and puffing out their chests a bit when they have some success?

Such press releases typically read, "Women-led firm leaves such and such company and joins this one," or "Women-led group launches new practice." Promoting the hiring of individual groups does not address the wider problem of needing to bring more women and minorities into the business. That task requires a clear commitment to training financial advisers, which is risky and expensive, and therefore unwelcome at many firms.

Heavy-handed marketing, particularly when it's about people, gives me the heebie-jeebies. Such press releases send the wrong message. Sure, firms can tout diverse hiring, but why not include information about the total number of women or minority advisers at the firm in such releases? That would provide a much fairer picture.

"WOMEN HAVE BECOME MORE PROMINENT IN TEAMS, AND WIREHOUSES ARE SHRINKING."

DANNY SARCH, INDUSTRY RECRUITER

Per the Bureau of Labor Statistics, the portion of personal financial advisers who are women has increased from 31.6% in 2016 to 34% last year. Industry executives and recruiters peg the number of women advisers to have increased by a few percentage points in the past decade to about 25% of the total workforce right now.

"I don't think the percentage of women advisers in the industry has moved much," said Danny Sarch, an industry recruiter. "And it's tougher to train new advisers anyway, regardless of gender or background. And it's not like the number will go up unless firms are training."

A LONG WAY OFF

"That said, I do think women advisers in the past had a stereotype of being tougher to move or recruit to a new firm because they were more loyal," Sarch said. "That's probably true in my experience."

"But women have become more prominent in teams, and wirehouses are shrinking," he said. "If a firm publicizes that a women-led team has joined, maybe they will get traction there. But it's still a long way from being women and men advisers splitting 50-50, like the general population."

"You can't correct 50 years of issues with hiring and bias and sexism, added to the last couple decades making it harder to train advisers in general," Sarch said. "So how can you change the number of women advisers?"

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WOMEN INVESTORS

CONTINUED FROM PAGE 4

pectancies and the likelihood that most will spend their final years on their own as a result of being widowed or divorced, or never having married, women need to stretch their nest eggs over increasingly longer retirements.

That would indicate the need to take more risk with their retirement portfolios in an effort to boost returns. Unfortunately, most female investors do the opposite. Almost 69% of women take average or below-average risk with their investment portfolios, while over half of men take average or above-average risk when investing, according to the J.P. Morgan study.

REALITY CHECK

It's time for a reality check. Women need to understand that being too cautious with their investments can be the greatest risk of all, particularly as the recent uptick in inflation underscores the need to take appropriate investment risks in order to protect future buying power.

Speaking of inflation, the Social Security Administration recently announced that benefits will increase by nearly 6% next year, the largest increase in 40 years. While that may be welcome news for retired and disabled workers, their dependents and survivors, it also indicates that inflation could be a bigger threat in years ahead.

Social Security is a critical piece of retirement security, particularly for women, but it was never designed to be the sole source of retirement income. On average, Social Security replaces about 40% of pre-retirement earnings. To have comfortable retirements, most Americans will need other sources of income, such as pensions, savings, and investments.

In preparing for my participation in a recent symposium celebrating the 25th anniversary of the Women's Institute for a Secure Retirement, I reviewed a 1992 report by the House Select Committee on Aging, entitled "How Well Do Women Fare Under the Nation's Retirement Policies?" Nearly 30 years later, it seems we are still grappling with the same issues.

69% OF WOMEN'S PORTFOLIOS TAKE BELOW-AVERAGE RISK

"As a reward for raising our children and serving as caregivers for our elders, millions of today's working women will become destitute in old age as the beginning of the baby boomer generation retires," the report said. "One of the main problems is that Social Security law was designed to address the needs of a traditional family in the 1930s … [not] the needs and reality of today's workforce."

Several lawmakers have proposed creating caregiver credits towards future Social Security retirement benefits to compensate for years out of the workforce due to caregiving duties.

"If we do not act to correct these serious problems soon, the nation, the economy and older women will pay an increasingly greater price in the years to come," the congressional report said.

What was true in 1992 is even more true today. The future is here, the clock is ticking, and we still need better solutions to help all Americans, particularly women, prepare for a secure retirement.

(Questions about new Social Security rules? Find the answers in my 2021 ebook at MaximizingSocialSecurityBenefits.com)

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