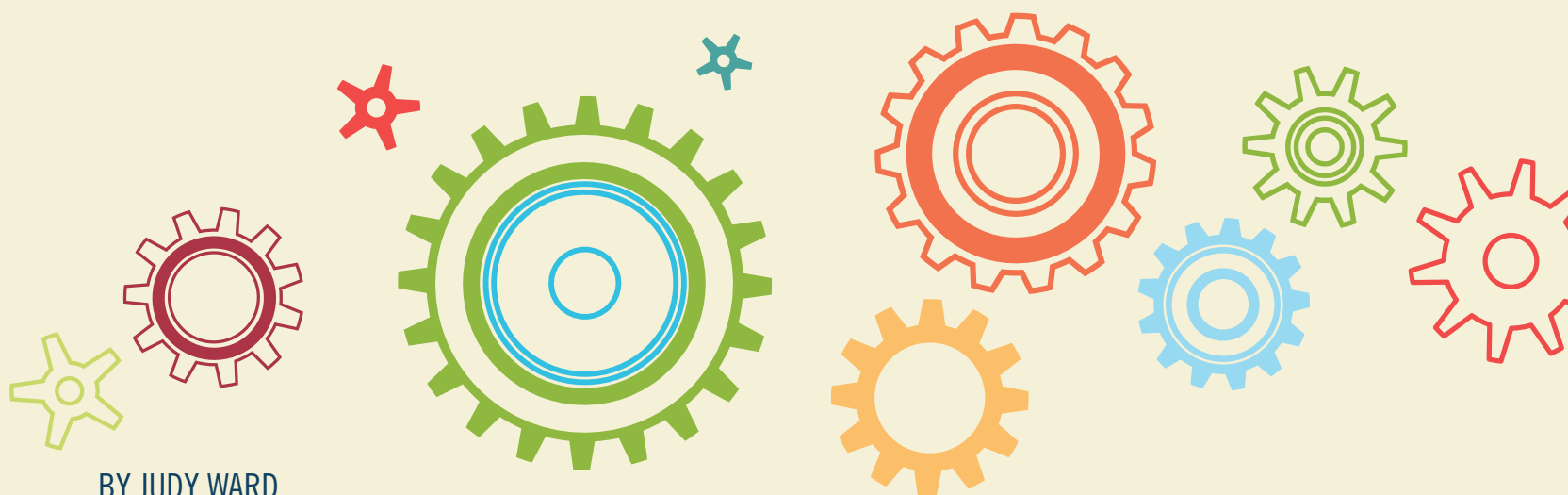


# ‘Different’ Strokes

Six ideas for attracting and retaining a more diverse team of plan advisors



BY JUDY WARD





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dvisors may ask, “What’s the benefit of trying to find advisors who are more diverse from an age, gender, or ethnicity perspective?” says Alexander Assaley, managing principal

of Bethesda, Maryland-based AFS 401(k) Retirement Services and chair of NAPA’s new NextGen initiative. “It’s the right thing to do, and it’s also good for building a sustainable business and a deeper connection with your clients. When your team members are able to connect well with your clients, it’s generally because of similar backgrounds and experiences. So by building a diverse team, you’re creating a team that can better connect with all your clients.”

Today an outsized 87% of personal financial advisors are white, according to 2017 Bureau of Labor Statistics data. Thirty-two percent of advisors are women. Just 8.3% are Hispanic/Latino, 6.6% are Asian, and 4.8% are black/African American. “With the NextGen initiative, our goal is to help create an environment to have better diversity that represents the demographics of working Americans,” Assaley says. The initiative’s team seeks to raise advisors’ awareness about the need to attract and retain a diverse advisor team, and to help uncover best practices to do that.

“Practitioners have been complaining for a while about the difficulty in attracting the next generation of plan advisors, specifically women, minorities, and Millennials,” Assaley says. “We want to get the conversation going about how to change that.”

For advisors interested in building a more diverse team, Assaley and three other members of NAPA’s NextGen initiative talked about the following things to consider.

#### **Understand Evolving Career Motivations**

Attracting a more diverse group of people to become plan advisors means understanding what does — and doesn’t — motivate them in their careers. An advisor career pitch focused on a way to potentially earn a lot of money can

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AFS 401(k) Retirement Services

actually turn off many now. “The stigma is that a financial advisor is someone who is very much a numbers person, and focused just on stocks and bonds and Wall Street,” Assaley says. “But the work that a high-quality, retirement plan specialist advisor delivers is more along the lines of a teacher or coach. If we can help people to think about it in terms of the work that we actually do, I think that will go a long way to attracting more people into the industry.”

When AFS 401(k) Retirement Services recruits, staff members share stories about the impact of the advisory firm’s work. “In the past 10 years, we’ve sat down one on one with more than 10,000 people, with no agenda to sell them anything. Our focus is on providing them with advice and guidance, so that they can make better decisions on their finances, today and in the future,” Assaley says. “These are not usually wealthy people. These are everyday, working Americans.”

For Douglas Bermudez, seeing his work’s impact on plan participants has motivated him as he has built his advisory career. “Yes, we make a good living after years of hard work,” says Bermudez, Rolling Hills Estates, California-based senior vice president and investment officer at the Bermudez/Hall Retirement Group of Wells Fargo Advisors. “But at the end of the day, we really do make a difference in people’s lives. For a person to have a ‘paycheck for life,’ that’s what lures me.”

### Proactively Go Beyond Traditional Recruiting

Janine Moore got recruited out of Ohio State University when she attended a career fair and talked with Nationwide Insurance about its management-training program for young, minority graduates. Moore — now managing partner/principal at Peak Financial Group, LLC in Houston — joined Nationwide and quickly got promoted several times.

Take the initiative to seek out diverse hires, Moore recommends. She suggests starting by creating an internship program fed by state universities, which typically have more diversity than private universities, and historically black universities. Most business schools point students toward career tracks like accounting, and few focus on financial advisor careers, she says. “So reach out to the business school diversity directors at universities, and let them know about the industry and what you are looking for,” she says. “They can feed you qualified graduates.”

And think about college grads already working elsewhere in financial services. “Reach out to insurance companies to find agents/advisors who have passed their tests, but can’t produce the required sales quotas,” Moore suggests. “Many times, they can succeed as a junior plan advisor, because it is a different type of sale. I think there is a large pool of folks who could be groomed from the administrative side for sales positions, similar to what I did.”

### Create a Culture that Demonstrates Diversity

When Moore and her fellow advisory team members decided to move from an insurer to become an independent advisory firm, numerous broker/dealers courted the team. They ultimately went with LPL Financial, and Moore says that as a black female, diversity played an important part for her.

“What sealed the deal for me was the site visit at LPL, where I saw people of all types doing important jobs,” Moore remembers. “And when I reviewed LPL’s marketing and sales material, I found images of people like me.” Organizational cultures send messages both large and small, she says. “Deep down, everyone wants to be included, to feel like they are part of the story,” she adds. “I am not saying that every piece of material needs to have a rainbow of people, just that there should be some thought to inclusion.”

Carey McKenzie has been at T. Rowe Price for 28 years, and when he began his career he sought out an employer with a collaborative culture, where he could learn and develop. “To have true collaboration, you have to create an environment where people feel comfortable bringing their ‘whole self’ to work, and voicing dissenting options,” says McKenzie, now Baltimore-based head of the retirement advisory relations group for T. Rowe Price’s U.S. Intermediaries business. Asked about bringing his whole self, he says

I think we all benefit when mainstream groups are intentional about being more inclusive.”

— Janine Moore,  
Peak Financial Group, LLC

an industry colleague once told him that “he didn’t think of me as being a black salesperson,” and the comment disappointed him. He takes pride both in his Jamaican roots and the fact that, since his immigrating with his family to the United States in 1977, he has become skilled at adapting to different cultures. “I’ve been able to leverage those experiences as I go into a sales environment that is very fluid, where I’m dealing with very different people who have very different opinions,” he says.

McKenzie also seeks out colleagues’ contrarian opinions in his work within T. Rowe Price. “When I’m putting together a team now, I don’t look for people who mirror my experiences and thoughts, but instead complement them,” he says. “I look



for people who are not just diverse in their backgrounds and their thinking, but feel comfortable expressing their thoughts.”

### Facilitate Mentoring

When McKenzie started his career, he didn't have experience in either sales or the retirement plan business. “There is a lot of talent out there, and you don't always have to recruit them ready-made for the job,” he says. “I look at myself: I learned because I was able to attach myself to mentors, and it wasn't always formalized mentoring programs. Because I was given real access within the organization, I was able to navigate the organization, and learn about sales.” He sought out associates from across T. Rowe Price to provide him a broader perspective on the firm and the business.

Now, McKenzie mentors T. Rowe Price newcomers. “The key is that I have to make myself approachable, and I'm very honest with the folks I mentor,” he says. “I ask them very challenging questions, but I also create an environment where they can give me honest responses.” For instance, he has asked mentees why they don't network more, and they often respond that they feel too shy. “One of the things I talk about is if you're a minority, sometimes you have to invite yourself to the party,” he says. One example: He didn't golf growing up, but he later learned when he found that it's a great networking opportunity. Now, fellow retirement professionals hesitant to meet with him for 20 minutes in their offices often will gladly accept his golfing invitation, and spend five or six hours with him on a course. “So you sometimes have to get out of your comfort zone, if you want to achieve your goal,” he says.

### Utilize the Experience and Expertise that Come with Diversity

Bermudez immigrated to the United States in 1980 with his family from Nicaragua, and says his bilingual language skills and understanding of Latino culture have hugely helped him throughout his advisory career. “It has won me business, and it has kept me business,” he says. “It has helped me be able to make a big impact on participation and participant

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T. Rowe Price

outcomes, especially here in Southern California, where there are a lot of Latino people. When you are able to speak in their language about money — which is very personal and emotional — it makes them get more comfortable with you.”

Bermudez tells stories about his parents' retirement dreams when he speaks to participants who've also immigrated. “I tell them, ‘You may not want to be here in the States working for 40 years: Maybe you'll want to go back to where you're from. If you do, why not retire with American dollars?’” That leads him to how his father saved in a 401(k) after immigrating. “I talk about how, as a result, my parents have been able to retire, and go back and forth between the United States and Nicaragua,” he adds.

As a mentor in Wells Fargo's next-generation advisor program, Bermudez now helps junior advisors start to utilize their own expertise. Joining his practice has allowed 27-year-old Giorgina Francisco Remigio to learn from the experience of Bermudez and his partner Erin Hall, but she also has her own skill set to offer. She's knowledgeable about social media, and spearheaded putting together the practice's web page. She also has a gift for talking with young participants about the importance of starting to save now for retirement. “That's a tremendous thing, to be able to share that with her peers,” Bermudez says.

### Offer Focused and Broader Networking

Don't offer diverse hires only networking opportunities with peers who have similar demographics. “I've definitely enjoyed social connection at networking events designed specifically for diverse advisors, but I think we all benefit when mainstream groups are intentional about being more inclusive.” Moore says. “By breaking down barriers in these settings, we can learn much from each other.”

McKenzie also likes a mix of networking opportunities. “Ten years ago, I decided to get more serious about networking, because I realized that in this industry, you're selling your reputation more than anything else,” he says. “I've been very involved in diversity initiatives within T. Rowe Price, and that allows me to create networks within my community. But when I'm looking to create my network, I'm not just looking for people who look and sound like me, because I have that already. I'm looking for people who are going to be additive.”

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