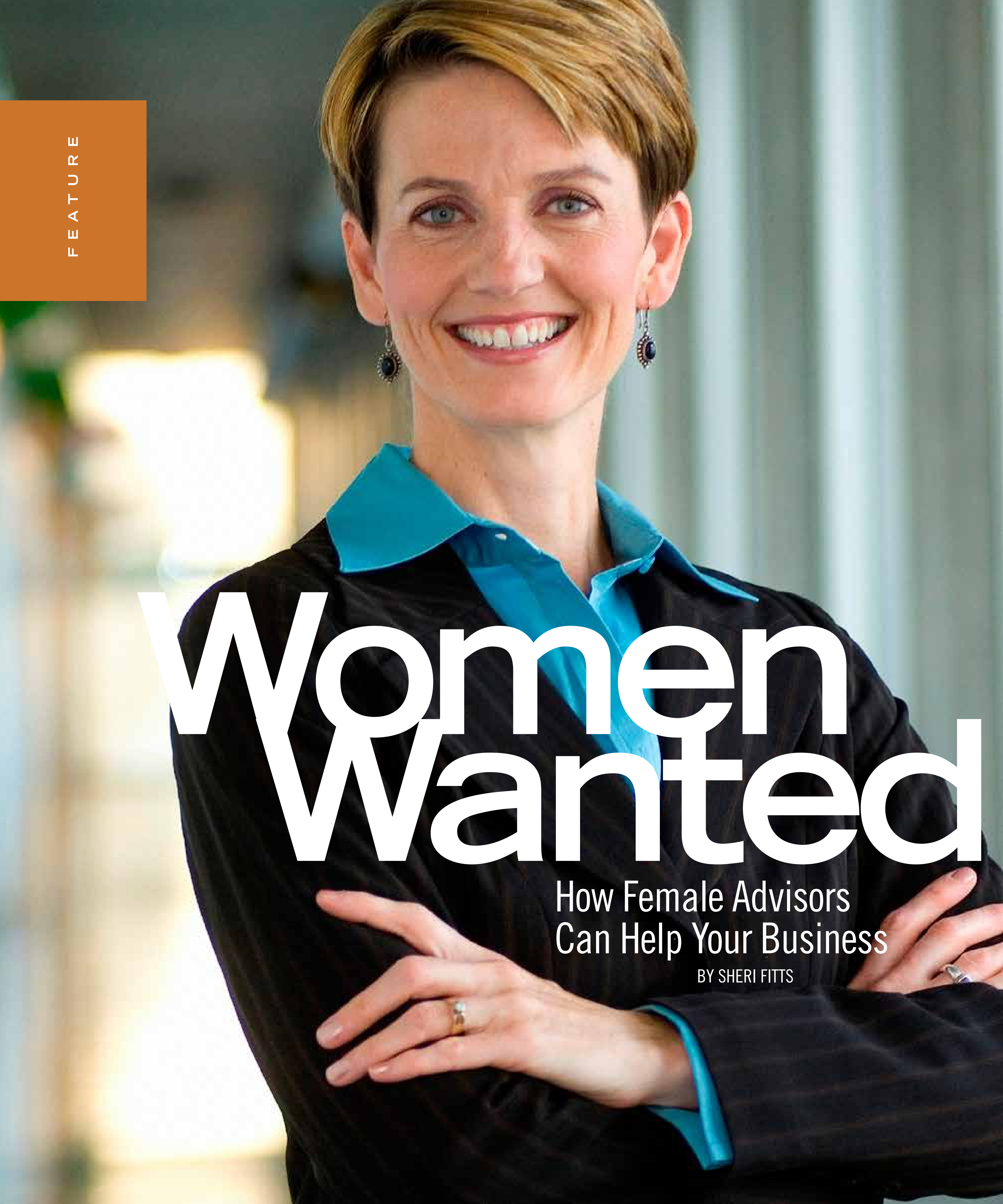
FEATURE



Women Wanted

How Female Advisors Can Help Your Business

BY SHERI FITTS

Recruiting and retaining more female advisors can pay off in many ways — all of which are good for the future of your business.

Over the years, you've probably thought of many strategies to help grow your retirement advisory practice. You've cold-called prospects, attended networking events and even implemented a variety of marketing campaigns. But perhaps you overlooked one obvious way to expand your business — hire more female advisors!

Did you know women only account for about 30% of financial advisors, but according to the 2013 white paper from Pershing, "The 30% Solution: Growing Your Business by Winning and Keeping Women Advisors," companies with more women experienced:

- better organizational and financial performance;
- higher collective intelligence scores; and
- better firm quality and performance when more women were in senior management positions.

"While success may not have anything to do with gender, the organizations that I've been fortunate to work with over the years all have women in leadership roles and/or a solid bench of women on their team," says Stephanie Gallegos, director at Axial Benefits Group in Burlington, Mass. "Maybe it's coincidence, but I don't think so."

Woman to Woman

Women hold about 70% of HR jobs, according to *Forbes* — so hiring female advisors could mean winning over more female plan sponsors in HR. Similarly, female advisors can better identify with female participants who, according to surveys, say they aren't getting what they want from their advisors.

According to a 2014 Insured Retirement Institute survey, 70% of women say they would prefer to work with a female advisor, yet only 21% of Baby Boomer and Generation X women who use an advisor say their current one is a woman. More than half of the women surveyed felt wealth managers could do a better job of meeting the needs of their female clients, and nearly a quarter think wealth managers could greatly improve how they serve women. Boston Consulting Group found that women feel vastly underserved when it comes to financial matters and cited a lack of respect in financial services. These women also felt they received bad advice and one-size-fits-all forms, were being stereotyped because of gender and age, and were talked down to by their financial services contacts.

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To truly cater to a female client, advisors must be aware of life events that affect her finances, such as marriage, divorce, children, death of a spouse and retirement. And who better to understand the needs of these participants than a female herself? "While [the] advisor relationship doesn't have to be gender specific, women are uniquely qualified to understand the struggles of today's woman," says Alexandra Levi, managing partner at Element Financial Group in New York City.

Female advisors can bring a sense

By the Numbers

30%

The number of financial advisors who are women.

70%

of HR jobs are held by women.

73%

of women would pursue a career as a financial advisor if training were available —

66%

in the financial industry.

19%

of senior-level postions are held by women.

2%

of CEOs are women.

> Studies have found that gender-balanced boards are more likely to focus on risk management throughout the organization."

of comfort to female clients by identifying with their hopes and fears, and they can teach clients about finance in a way that's not demeaning or intimidating. "Women advisors connect with their clients in a unique and specific way," says JoanAnn Natola, managing partner at Element Financial Group. "This supportive and nurturing character in women is an underutilized talent in our industry."

According to Prudential's 2014-2015 research study, "Financial Experience & Behaviors Among Women," women think financial services should use less jargon, make it clear that they are looking out for the client's best interests and adhere to a strong code of ethics. Prudential also found that women worry about becoming a financial burden to loved ones and outliving their savings. By encouraging females to join the ranks of advisory firms and help female clients face tough financial decisions, the industry can cater to more female clients and help them reach their retirement goals.

If your advisory firm offers one-on-one participant education, having female advisors on your team is all the more valuable. Many female participants may be waiting on the sidelines, wishing they could be heard. They might be deterred by investor-speak and just want someone to talk their own language and understand their specific needs.

Tim DiSette, managing partner at Trinity Planning Group, LLC in Overland Park, Kan., says that since adding a female participant educator to his team last year he has seen a distinct increase in participation and deferral rates among new and existing plan participants. "Whether participants are younger, older, male or female, they have preferences, consciously or unconsciously, in terms of who they are comfortable discussing their financial future with … People need choices and flexibility at every level, including access to a successful female advisor."

Investment Diversity

Bridging the gap in the advisor-sponsor and advisor-participant relationships isn't the only role a female advisor plays: More women at your firm may equal more diversified investments. According to a May 2013 PricewaterhouseCoopers white paper, "Mending the gender gap: Advancing tomorrow's women leaders in financial services," diverse board groups tend to have a well-rounded view on business issues and risks. Similarly, studies have found that gender-balanced boards are more likely to focus on risk management throughout the organization.

Filling the Looming Talent Gap

Adding women to your team may not just be a wise choice — it might soon become a necessity. According to Pershing's white paper:

- 2007 was the last year financial firms recruited more advisors than those who left.
- More than one-third of all advisors are less than a decade away from retirement, and there are not enough junior advisors to replace them.
- Pershing and FA Insight project that investor demand for advice will increase by 28% in the next 10 years.

With statistics like these, there's no time to waste in finding great talent to fill the impending gap. To create change, you can start by making an assessment of your company's diversity. How many women are on your team, and how many of them are in executive roles? You can also develop a hiring strategy that increases gender diversity, start a recruitment plan and create a female mentoring program.

"The facts are clear: Diversity and women in the workplace drive better business results, notes Elaine Sarsynski, EVP at Mass Mutual Financial Group. "It is vital that we as an industry understand the value of female advisors and actively recruit, retain and advance women in their roles. Firms that employ more female advisors are better positioned to serve the financial and retirement needs of women and, by that much, to improve the firm's bottom line."

Law of Attraction

If you want to recruit more women to your advisory practice, you must start by understanding why so few work in the industry. Women traditionally dominate sectors like education, public relations and HR, but the picture is different in the financial services world. Is it a lack of attraction or retention that's causing such a low number of females to work in the industry? The 2014 survey from IRI found that perhaps the biggest reason women steer clear of finance is the "boring bias." Women may simply just not be interested in the subject — or perhaps lack confidence in pursuing a job in what seems like a male-dominated working environment.

Then there's the issue of risk-taking. "Women sometimes shut themselves out of opportunities because they aren't prepared to take risks in their careers," notes Christine Marcks, president of Prudential Retirement. "It's important to keep your eyes open, ask for opportunities that will expand your understanding of the business and learn to enjoy that feeling of jumping off a cliff each time you take on a tough new challenge."

A woman who pushes past the gender stereotypes and wishes to pursue a career in finance may still be hindered by the worry that long work hours will create work/life balance issues. However, according to research from the Certified Financial Planner Board of Standards Inc., only 10% of women working in the industry said the job did not provide a good work/life balance. Perhaps more women would join the advisory ranks if they knew it could offer a flexible work environment.

Another deterrent for women could be the fact that they are generally recruited less and paid less for jobs in the financial sector, according to the CFP. Last year, top male executives at the largest banks in the U.S. were paid almost $800 million more than women in the industry, according to a 2014 article by *Fortune*.

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While women experience lower pay across the board, the finance industry in particular has the largest pay gap between genders. Across all industries, 2012 Census data found that women earn about 77% of their male counterparts' earnings, but in the finance industry that number is 66%, according to a study by Harvard labor economist Claudia Goldin cited in the Fortune article.

Recruit and Train

To help recruit more women, consider the role of mentorship. This is particularly important in ensuring women not only are attracted to the industry, but stick with it. A women's leadership advisory board can also help recruit and retain women, as well as coach them.

It's crucial to also help women see opportunity for moving up the ranks and becoming leaders themselves. According to PwC's white paper, few women in financial services hold leadership roles, making up only 19% of senior level positions and 2% of CEO roles.

Ty Parrish, managing partner and senior ERISA consultant at Blue Prairie Group in Chicago, says his team has gained interest from women by offering paid internships to juniors and seniors from local universities. "Typically, we have two to four interns working at Blue Prairie Group at any given time, and we have added several talented women to our permanent staff as a result. I believe the firsthand experience gained from interning within a boutique consulting firm gives women the perspective that our industry is fun, flexible and provides a ton of upside," he says.

To keep your current female advisors, it's vital to make sure they're happy with the organization and getting what they need. Offering flexibility in the workplace is another way to keep women by allowing them a better work/life balance. Whether it's working from home some days or working only part-time, these options open the door for more women with children. (These flexible working arrangements should be offered to fathers as well. Establishing opportunities for shared responsibility for all of your employees can only serve to elevate women. In fact, all of Gen Y — women and men — express an interest in jobs that offers them a good work/life balance.)

Training is also a crucial factor in attracting women to the job. The IRI found in its 2013 report that women are more likely to pursue careers as financial advisors if on-the-job training is available. A whopping 73% of females said they would be more likely to pursue a career in the field if this training were offered.

Remember that people don't know what they don't know. If your firm is not making it clear to women why they want to work for you, you'll never catch their interest.

Once all of your hiring initiatives are in place, be sure to measure the change. Keep track of how many females you're hiring compared with men, and which methods of hiring have been most effective. Also note the turnover rates of both men and women at your firm, and on an ongoing basis, measure employee satisfaction with surveys, one-on-one meetings or other tracking methods. By putting in the effort to diversify your staff, you're showing both the employees at your firm and your clients that you care — and that's bound to pay off.

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