



2023

State of
Women
in Wealth
Management
Report



CARSON

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About the 2023 State of **Women in Wealth Management Report**

The 2023 State of Women in Wealth Management report represents the second fielding of a comprehensive quantitative and qualitative study into the challenges and opportunities faced by women working in the financial services industry. This topic remains important since the financial services industry hasn't really made any progress in gender diversity since CFP Board first started tracking data a decade ago. **Women still make up around the same percentage of CFP professionals – around 23.7% – which is only up 0.2% since last year's report.**¹

To put this in perspective, women represent a little over 50% of the population, according to the U.S. Census. In short, it is troubling that representation appears to have plateaued at such a low percentage of the population.

Last year, we launched our inaugural State of Women in Wealth Management research report with the intention of making it a benchmarking study to understand what we could do to increase female representation in our industry. While we understand tracking progress is important, this year we took an opportunity to explore additional aspects of underrepresentation in hopes of identifying additional avenues for improvement and growth.

The objective of this year's study was to uncover insights that hinder women who have chosen to enter the industry and identify better ways to empower and elevate them. As such, in the 2023 State of Women in Wealth Management report, we studied the sentiment of female (and some male) financial services professionals across several areas, including why they choose a career in this industry, whether they were in another industry prior, how satisfied they are with their current positions, their experiences with mentorship, the impact company culture has on professional satisfaction and what they consider the elements of a good culture.

Our industry needs to do better. And we at Carson want to do better. But in order to do better, we need to understand more about the challenges and opportunities that women in our industry face.

Representation Matters.

Carson's Commitment to Increasing Gender Diversity in Financial Services

At Carson Group, we understand the importance of having financial advisors who reflect the communities they serve. As women make up more than half of the U.S. population, we feel it is imperative to increase representation of women in the wealth management industry. We are dedicated to increasing representation in the industry by:

- » Conducting studies like this to gauge the sentiment of women in the industry and identify practices and barriers that are detrimental to their success.
- » Building a supportive community of women and male allies who make a commitment to sponsoring and supporting women.
- » Building inclusive cultures that encourage women to not just survive, but thrive, while also fostering mutual respect for all stakeholders, not just those in client-facing roles.
- » Actively recruiting more women to join our profession.
- » Ensuring that our profession values and supports the women we recruit.

This report is an integral part of Carson Group's broader initiative to promote greater representation of women within the industry through research, events and community building.



Executive Summary

Findings are based on a survey of 276 financial advice professionals from different channels. About 84% of the respondents were female, 14% were male and 1% preferred not to identify.

The average age of our respondents was 48, and respondents had been in the industry an average of 19 years.

Respondents indicated:

- » Women are critically important to financial services because they are equipped to address the needs of clients and bring a variety of skills to the role, and because current trends indicate a greater need for more women in the industry.
- » Sponsors have been integral to helping women rise in the ranks, but sponsorship is still oftentimes confused with mentorship and women in our industry are often under-sponsored.
- » Inclusive cultures are important to attracting and retaining female talent.
- » Women across sectors – and in financial services – still struggle with the “second shift” of taking on most domestic and caregiving responsibilities. Plus, the “Queen Bee Phenomenon,” “old boys’ club” and “bro culture” all present further threats to the inclusion of women in the industry.
- » Gender biases, stereotypes and unchecked bad behavior remain prominent, which can lead to unequal opportunities for female advisors and forced entrepreneurship.
- » Career advice for early female advisors includes learning from people who inspire them, getting their licensing done, networking and finding the right business model fit.

I Study Methodology

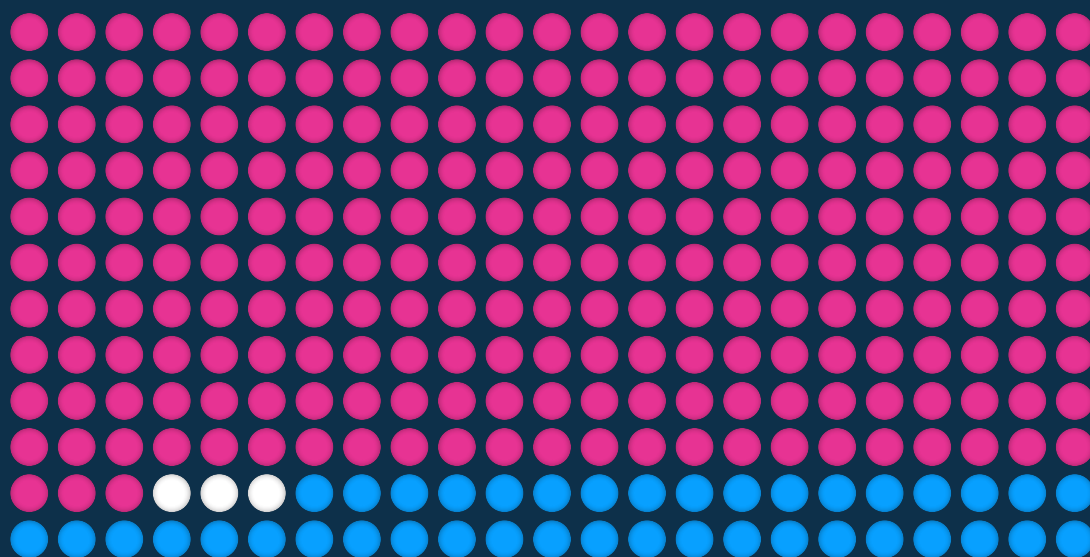
In this study, we gathered quantitative data through a survey with both multiple-choice and open-ended questions, and qualitative data through a series of interviews conducted with survey participants who opted into the interviews.

The survey was conducted among financial advice professionals who volunteered after seeing organic and paid posts on social media, email marketing and targeted digital ads. We collected the survey responses using Survey Monkey. Both the quantitative data regression analysis and the qualitative analyses were conducted by Hidden Insights, LLC, an organizational change consulting firm. Both quantitative and qualitative data were analyzed specifically by Abigail O'Malley, principal at Hidden Insights.

To encourage participation, a donation was made to Rock the Street, Wall Street, a financial and investment literacy program designed to bring both gender and racial equity to the financial markets and spark the interest of high school girls into careers in finance. For each survey participant, we donated \$5, and for each interview participant, we donated \$30. Additionally, we matched the funds and donated \$5,000 to Rock the Street, Wall Street.

Survey Participants by the Numbers

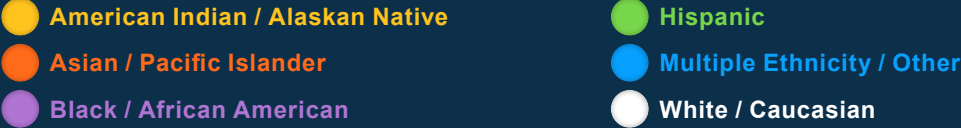
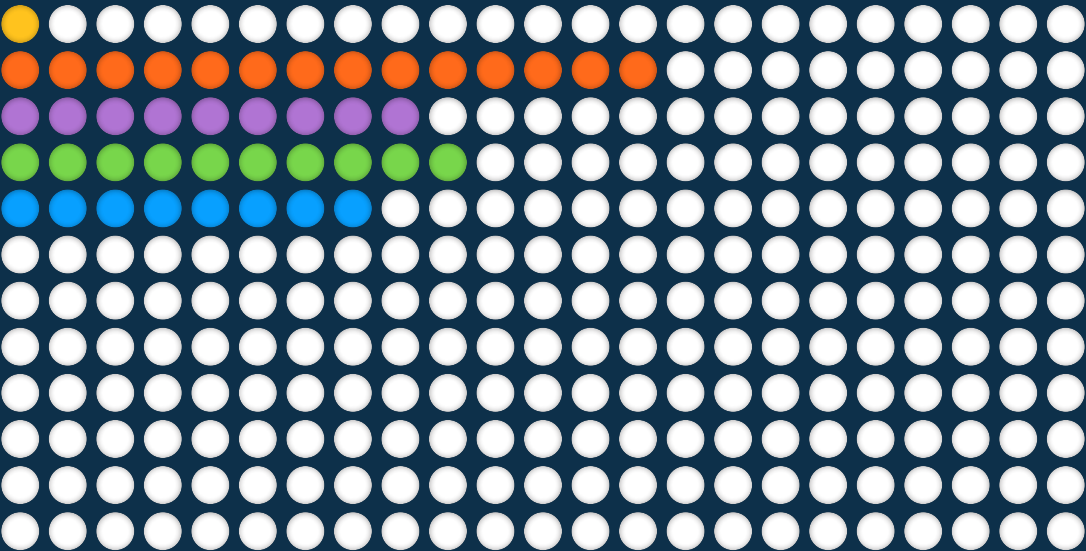
MALE - 40 / FEMALE - 233 / Preferred Not to Identify - 3



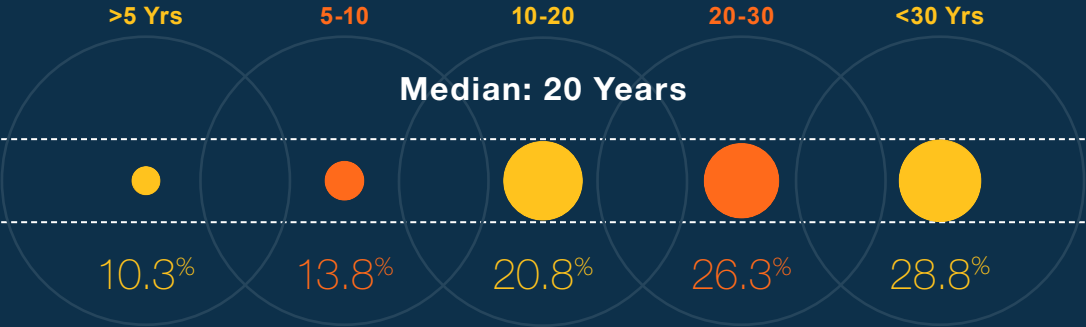
276 Financial Advisors Surveyed

Survey Participants by the Numbers

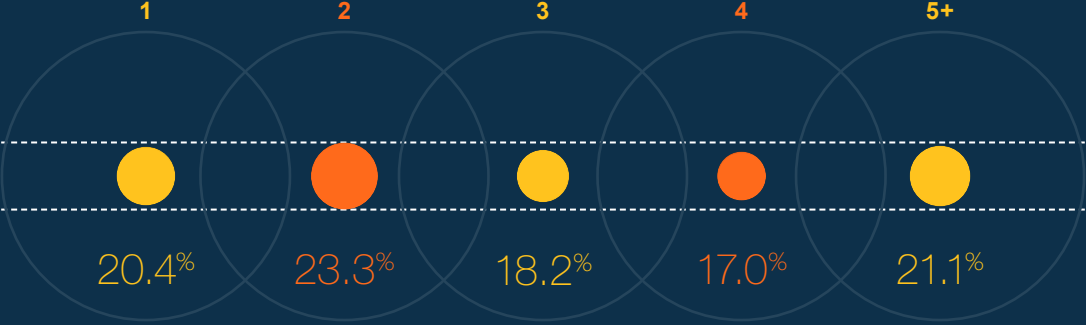
ETHNICITY BREAKDOWN



TENURE IN INDUSTRY



NUMBER OF FIRMS WORKED AT



The Power and Importance of Female Financial Services Professionals

Female advisors are gaining ground as the go-to choice for addressing the unique needs and preferences of female clients. It's not just about gender; it's about the ability to connect on a deeper level and understand the distinct challenges women often face.

Our qualitative analysis found that many executive women actually prefer working with female advisors who can truly relate to their experiences. This highlights the importance of gender diversity in the financial services industry and how it can foster trust and strong relationships.

And there's more to it than just matching genders. Many advisors are adopting a "teaming approach," where male advisors recognize the immense value of partnering with a female advisor to better serve their female clients. Should a male client pass away, leaving a female spouse, a female advisor can be the linchpin in retaining the assets and keeping the client relationship intact. One respondent summed it up

perfectly: "Because there's such a lack of a female perspective, it really stands out in a good way when you come in with your authentic self and don't try to fit the mold." There are clear advantages to being a woman in this industry, as both men and women seek the specialized expertise and perspectives that female advisors can offer.

Stereotypes and Reality

Empathy, strong relationship-building skills, helpfulness – all stereotypes that are ascribed to women and perpetuated daily. Even our voice assistants like Siri and Alexa are by default female, which adds fuel to this fire. According to research from Unesco,ⁱⁱ this further positions women as playing a supporting, nurturing role such as an assistant. Research published in *Current Psychology*ⁱⁱⁱ found that women have long been considered to be more empathetic and have deeper emotional insight, but studies on the topic have yielded varying results, with none confirming unequivocally this is the case. This study in particular found that gender roles and stereotypical beliefs have led people to believe that women are more empathetic and have led women to self-report that they are more empathetic.

In short, whether through nature or nurture or a combination of both, women seem to have internalized the need to be both and be perceived as empathetic. As our respondents indicated, this is seen as an advantage by financial advisors and their clients. This is particularly important in an industry that is increasingly valued by the quality of the relationship with the client rather than the performance of portfolios.

In our qualitative analysis, many of our respondents indicated that one of the things that makes women especially important in wealth management is



this so-called heightened empathy and ability to build relationships, which are both important in successfully serving clients.

“I think women have a unique ability to be more empathetic,” one respondent answered. “They tend to be good listeners and good communicators.”

Another said, **“My male colleagues are also relationship-based and they’re good listeners. But I do feel that, in general, women are better listeners and they refrain from using jargon. They’re more open to explaining things.”**

A potential dark side to the focus on women as strong relationship builders is that it contributes to the dominant narrative that women are more care-focused and emotional, while men are more analytical and rational. And while it is certainly the case that industry trends are leaning more on the value provided by an advisor who is successfully able to elicit goals, calm fears and coordinate the work of

multiple professionals, successful advisors also need to be perceived as possessing a level of expertise. A strategy may be to shift the narrative away from the bifurcation between reason and emotion to an approach that considers the constellation of qualities successful advisors need to earn the trust of clients.

Internalized stereotypes aside, the reality remains that female leaders – despite facing significant challenges in the workplace – are equally or more competent than men and make work environments more collaborative, creative and fair, according to the American Psychological Association.^{iv}

How and Why We Came into the Profession

In the dynamic world of running a financial planning business, the clients remain front and center. When we take a closer look at why advisors decide to dive into a career in this field, one thing stands out: the desire to make a positive impact on their clients’

lives. A substantial 40% of respondents told us this was their top motivator for getting into the business, which was roughly the same by gender: with 43% of men and 42% of women said that impacting clients was part of their initial decision to pursue this career. However, in answering the question, “Which of the following best describes what you currently find most rewarding,” 76% of male respondents said it was to make a “positive impact in the lives of clients,” while 60% of female respondents said the same.

This is likely because as we progress in our careers, men and women might consider other factors in determining what makes their careers rewarding.

But all that aside, only 39% of respondents came into the financial services industry intentionally. Around

40

PERCENT

of respondents stated the top motivator for getting into financial management was the desire to make a positive impact on their clients’ lives.

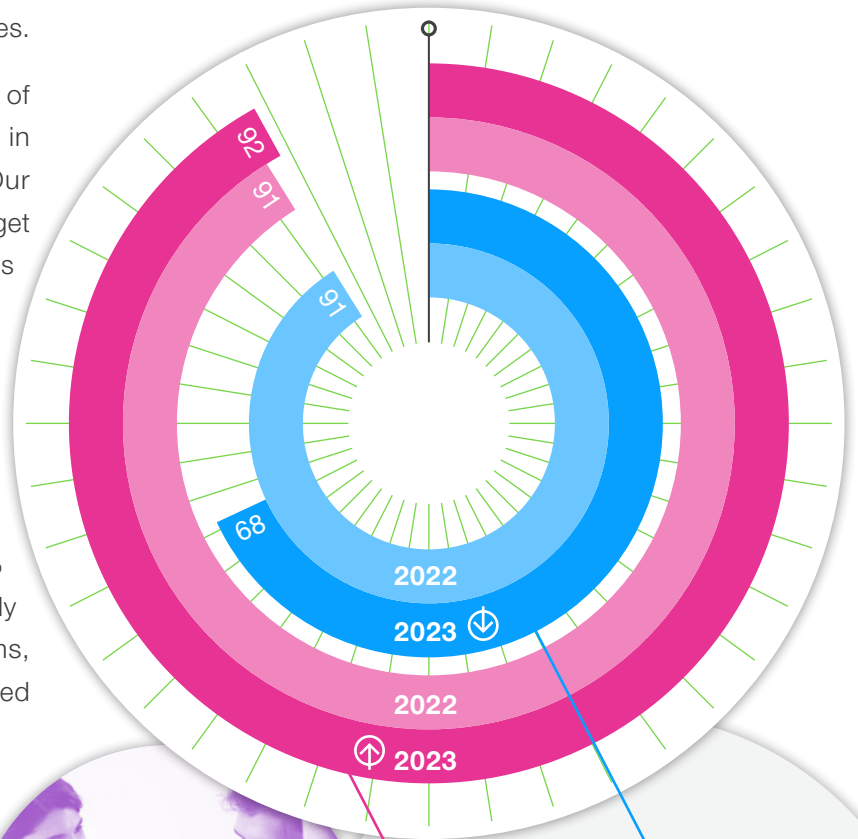


61% of them did not intentionally seek out a career in this industry, and 59% of respondents worked in a different industry prior to finding financial services.

But there is good news. The majority (93%) of our respondents said they found their career in the financial services industry rewarding. Our respondents overall were satisfied once they did get into the industry. A combined 78% of respondents agreed or strongly agreed with the statement, “I am satisfied with my current role and position.” But when you drill down into the data by gender, you find this sentiment more among male respondents. Only 41% of our female respondents “strongly agreed” with that statement, whereas 68% of our male respondents did. And while 73% of total respondents said they have not actively looked for or applied for roles at different firms, nearly one-third of female respondents have looked for a new role in the last 12 months.

However, we did keep two questions from last year’s survey. First, “The underrepresentation of female advisors is a problem that should be taken seriously by industry organizations.” Last year, 91% of women and 91% of men agreed or strongly agreed that was the case. This year, though, 68% of men and 92% of women agreed or strongly agreed it was a problem. While it is heartening to hear that there is overall agreement about the importance of lack of representation, the divergence between male and female respondents is notable and troubling and points to the importance of continuing to make the case for change.

The other question was, “I have observed an increase in the representation of female financial advisors during my tenure in the industry.” This year, 73% of men said they agree or strongly agreed with this statement (up from 71% in 2022), while 58% of women agreed or strongly agreed, down from 61% in 2022.



Percentage of male and female advisors that agree with the statement:

“The underrepresentation of female advisors is a problem that should be taken seriously by industry organizations.”



On the bright side, a combined 59% of respondents agree or strongly agree that they've seen an increase in representation of financial advisors during their time in the industry, and 68% of respondents say it's likely or very likely the percentage of female advisors will increase significantly in the next decade. However, 59% of respondents said current efforts to increase the number of women in the industry aren't sufficient to bring about change.

Female financial advisors are motivated both by the desire to make an impact and to have a satisfying career. And current trends make it clear that we need to do more to increase the representation of women in the industry.

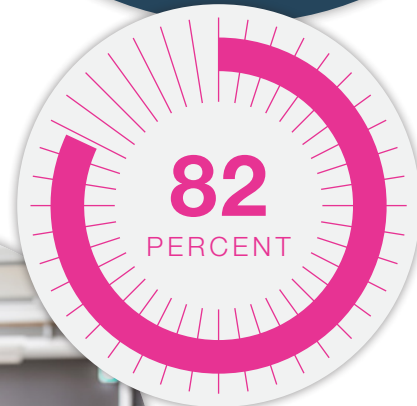
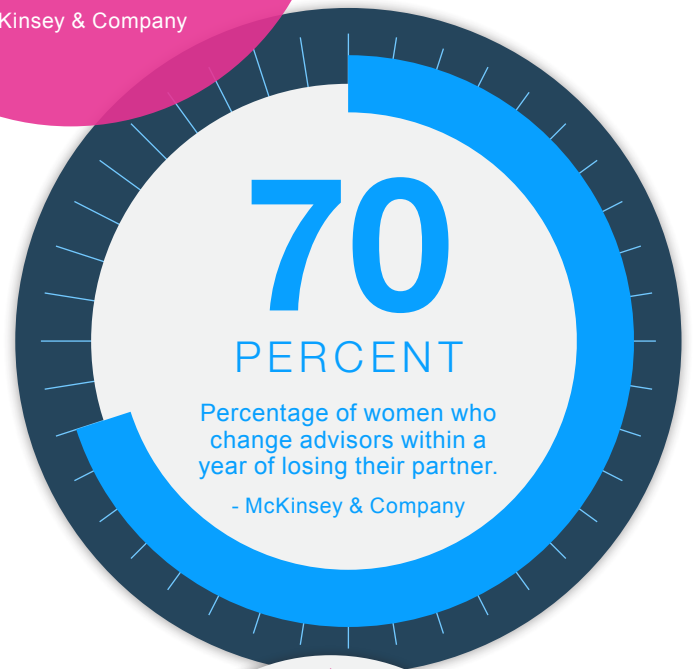
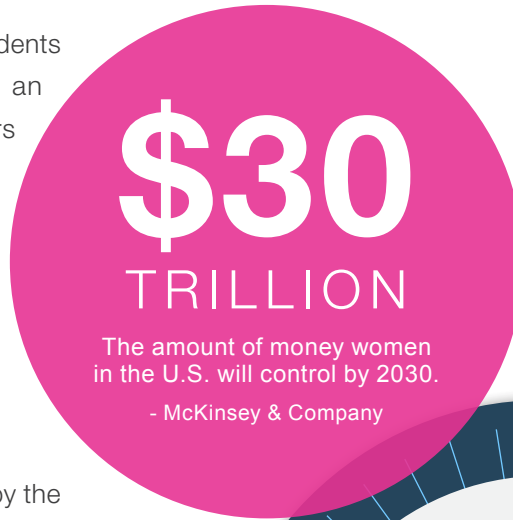
Shifting Money, Shifting Roles of Advisors

The need for more female advisors is increasingly evident in today's ever-changing financial landscape.

Women outlive men by about five years in the U.S. and about seven years around the world, according to Harvard.^v This demographic shift has led to a greater proportion of the aging population being female: around 57% of people aged 65 and older are female and around 67% of people aged 85 and older are female.

As we look ahead, McKinsey and Company estimates that by 2030, women in the U.S. will control a staggering \$30 trillion in financial assets due to these wealth transfers after losing a partner. What should be more concerning for advisors is that approximately 70% of women change advisors within a year of losing their partner.^{vi} Why? Research has shown that people tend to prefer working with an advisor from a similar background or family situation.^{vii}

These trends underscore the importance of having female advisors who can cater to the specific needs and preferences of female clients.



Percentage of people who prefer to work with an advisor from a similar background or family situation.
- Edelman Financial Engines



“There are advantages to being a woman in this industry,” one respondent said. “There are lots of clients out there that want to work with women – men and women alike.”

In speaking to female advisors, there are several things that make the industry attractive:

- » **Flexibility.** Many respondents noted they enjoy the ability to prioritize their schedule and their life outside of work.
- » **Ability to dictate your own path and potentially build your own firm.** Many of our respondents have built their own firms and have been able to define their business on their terms.
- » **The relationship-oriented nature of the business.** Our respondents liked that they were able to build deep, long-term relationships with their clients.
- » **The variety of options available when it comes to different business models.** Since our industry has so many different business models, respondents indicated that if there is a firm that isn’t a good fit, you can find another.

While the trends show the need to diversify our ranks, there is more that we can do to move the needle on representation. One key insight from last year’s study highlighted the importance mentorship plays in helping female advisors feel supported to overcome barriers they face. This year, we dove deeper into mentorship and discovered the critical role sponsors can have in helping women advance and thrive in the industry.

“There are advantages to being a woman in this industry. There are lots of clients out there that want to work with women – men and women alike.”

– Survey Respondent

Surviving and Thriving through Sponsorship and Mentorship

There is a distinct and important difference between mentorship and sponsorship. According to Gallup, mentorship is a relationship in which the mentor provides the mentee tools to open doors for themselves, whereas sponsorship is a relationship in which a senior leader opens doors for employees, oftentimes referred to as proteges, sponsees or sponsorees. Gallup further noted that for both mentorship and sponsorship to be successful, they must be designed intentionally and with an end-goal in mind.^{viii}

Both types of relationships play a critical role in retaining women in the industry and helping them not just survive but thrive and move up the ranks. Our 2023 survey found that while mentorship helped respondents get through career challenges and specific situations, sponsorships were pivotal to their elevation in the industry and their careers.



The Central Role of Sponsorship

Our qualitative data uncovered that sponsors are necessary to offer up opportunities, help other people with power see women's credibility, propel them toward leadership roles and ensure their voices are heard.

While we didn't ask any questions specifically about sponsorship, the importance of sponsors was uncovered in the qualitative analysis while asking questions about mentorship. This indicated a potential confusion between the two concepts and uncovered that sponsors have been vital to the advancement of our female respondents.

According to MIT Sloan Management Review, sponsorship is putting your social and reputational capital on the line to advance employees who you trust and whose work you believe in so they can get promotions, pay increases and other opportunities they might not otherwise get.^{ix} In other words, it's creating opportunities for people, not just advising them on how to go for those opportunities themselves.

Our respondents indicated sponsors were key in their advancement. One respondent's sponsor nominated her for an executive leadership program, advocated for the company to pay for it and introduced her to clients.

"Had she not opened doors for me, I don't know if I'd still be in this industry," she said.

Another respondent indicated her sponsor elevated her. "He introduced me to influential people, and he made suggestions for how I could network with those people," she said. "He nominated me [for an industry award], emailed his friends and asked them to nominate me too."

To really move the needle in this industry – which is nearly 74% male, according to career platform Zippia^x – it's going to especially require men taking on

authentic sponsor relationships with women. And it's also going to require women stepping into leadership roles to genuinely sponsor the women coming up behind them, versus kicking out the ladder after they've climbed to the top, which has been dubbed "The Queen Bee Phenomenon" by researchers.

Elements of a Good Sponsor – How to Be One and What to Look For

The head of Women on the Move from JPMorgan Chase, Samantha Ross Saperstein, wrote in *Time Magazine* that women in financial services are often "over-mentored" and "under-sponsored."^{xi}

Many people are confused about what sponsorship is and how they can execute the role successfully. But *Harvard Business Review* reports that great sponsors share these traits:^{xii}

1 They show up for their sponsee.

Schedule meetings and show up. If they've invited you to be in a meeting with another leader, make time to do that. If you know a connection that would benefit your sponsee, make a plan to connect them over coffee or a meal.

"Sponsorship is putting your social and reputational capital on the line to advance employees that you trust and whose work you believe in so they can get promotions, pay increases and other opportunities they might not otherwise get."

– MIT Sloan Management Review



SPONSOR

Helps
Dreams
Happen



Makes
Authentic
Connection

Shows
Up

Gives
Constructive
Feedback

2 They make an authentic connection.

If your sponsee doesn't have a clear development plan, help develop one for them, being agile and adjusting as necessary. Get to know them, who they are and how they envision their success. Learn their work and what they are best at so you can be confident in your choice to advance and recommend them for opportunities.

3 They offer constructive feedback. A good sponsor will be candid, yet kind, in offering feedback. This is especially important if a sponsee is engaging in behavior or is on a path that makes you hesitant to recommend them.

4 They are dream makers. Ask your sponsee what their dream is, and then take tactical steps to make it happen. Introduce them to people of influence. Nominate them for industry awards. If you're not their manager, meet with their manager to learn about what growth opportunities are possible.

According to interviews with Women on the Move from JPMorgan Chase,^{xiii} you find a sponsor by becoming an expert, being indispensable and connecting with other leaders who have shared interests.

The Valuable Aspects of Mentorship

Less than a third of C-suite and senior vice president roles at financial services companies are filled by women, according to McKinsey and Company.^{xiv} And *InvestmentNews* reported that mentorship programs can be a catalyst for increasing those numbers and found that companies with mentorship programs have lower turnover, have higher productivity and fare better in economic downturns than companies without mentorship programs.^{xv}

The *Journal of Leadership Education* reports that mentoring is primarily about emotional support and professional guidance, and some of our survey respondents agree.^{xvi}

"[My mentor] was a sounding board for situations that I've dealt with, especially at work, and how to handle them – almost like a therapist," one respondent noted.

On the professional guidance side, one respondent said, “We would discuss my goals and he would suggest three or four things I had to do to get there. And then it was up to me whether I did it or not.”

And while much of the qualitative analysis of our survey found that respondents found the mentor relationship critical to their success, 66% of respondents are not currently working with a mentor. However, 57% of respondents overall indicated that they currently have, or have had, a mentee during their time in the industry, potentially indicating that many of the more experienced respondents have shifted from being the mentee to the mentor. When we look at the data by age, however, 80% of respondents under age 30 and 32% of those ages 30 to 45 are currently working with a mentor.

Among the valuable support respondents received from their mentor relationships were guidance and direction (27%) and providing expertise and knowledge-sharing (21%). For 44% of respondents, mentors have been a mix of both female and male, but 46% of respondents said their mentee identifies as the same gender as them.

Formal vs. Informal Mentor Relationships

Research from the *Journal of Leadership Education* distinguished formal mentoring from informal mentoring in that the former is developed by an organization, usually with a time frame in mind, with formal processes, mentor training, goals and metrics to track. Informal mentoring, however, is a relationship that is more organic and not as structured.^{xvii}

Around 54% of respondents' most impactful mentors were informal mentors, introduced to them by a colleague or friend. But Gallup found that when organizations offer a formal mentorship program, 75% of employees who are mentored through them perceive that they have a clear path for career development. Additionally, people with formal

mentors in their organization are 38% more likely to say they have an ally at work who helps them reach their goals.

But among our respondents, those who met their mentor through firm programs is low – only around 14% of respondents who've been in the industry for more than 30 years met their mentor through firm-sponsored programs; 30% of respondents who've been in the profession 20 to 30 years; 25% of those who have been in 10 to 20 years; and only 10% for both those who've been in the industry 10 to 20 years and those who have been in under five years.



There are ample opportunities in financial services to mentor and be mentored through formal industry organization mentor programs outside of firms, including the CFP Board, the Financial Planning Association and FinServ Foundation, which have been growing in recent years and among professionals who have been in the profession fewer than five years. Among those who have been in the profession for more than 30 years, only 7% connected with a mentor through industry programs, whereas 15% of those in the profession under five years have connected through industry programs.

But mentorship and sponsorship aren't enough. We also need to focus on creating cultures that bring about gender equity, which is what we're diving into in the next section.

Culture Starts at the Top

There isn't a framework for developing inclusive cultures that create gender equity. But one thing is certain: Organizations that prioritize doing so can be more influential and differentiate themselves in the workforces, their industry and potentially even society.

More than 90% of our respondents agree that corporate or firm culture is an important element in their level of satisfaction at work. Among our male respondents, 83% agreed or strongly agreed this was so and 91% of women agreed or strongly agreed.

Our qualitative research found that when it comes to building inclusive cultures, it starts at the top. Our survey respondents indicated that leaders need to be intentional about building an inclusive culture and then communicating, reinforcing and holding stakeholders and other leaders accountable for behavior that's a detriment to the culture.

Inclusive culture "comes directly from the owner or CEO," one respondent indicated. "And it doesn't have to be a woman. There are plenty of men that really get it and have designed firms that are conducive to women being successful. They're not afraid to make the space for women, listen to them, and take feedback."

In addition, our respondents said it was important for leaders to model positive behaviors and make their employees feel supported.

"Leaders need to create [an environment] that's welcoming to women by not giving into locker room talk at sales meetings and things like that," another respondent said. "And if they hear people in the company talking that way, they need to stand up and say, 'Hey, we don't talk like that here. That's not appropriate.' Take a stand for it."



It's important for leaders to model positive behaviors and make their employees feel supported.

But according to the quantitative analysis, many firm leaders aren't taking a stand. Only 36% of respondents "strongly agree" with the statement, "I feel supported by leadership at my firm" – which was roughly the same between men and women.

Building Better Cultures

In addition to the things that make their current firms a good cultural fit, our respondents offered insight into what firms can do to attract and retain more women. Our respondents shared that inclusive environments do the following:

Facilitate mutual respect. Respondents value environments where there is respect shown to all staff at all levels, not just advisor roles.

One respondent noted, "Our industry doesn't do a very good job of valuing staff, other than financial advisors. And it's awful. ... The staff talk to our clients more than we do. Realize that and lift them up and make them partners in your success."

Value all voices and are collaborative. Female respondents said inclusive cultures value their input and voices and caution that in environments where they don't feel this is the case, they will stop speaking up altogether. They also value environments that encourage teamwork and collaboration to find the optimal solutions for clients. They don't care for competitive, individualistic environments.

"[Firm leaders should] recognize the value that different employees bring," a survey respondent noted. "Not everybody is going to be a salesperson or a portfolio manager. But there's a tremendous amount of value that they can bring."

Enable work/life integration. Firms that allow employees tools and space to balance their work and life are highly valued by our female respondents.

Prioritize learning and development. Our respondents said cultures that prioritize learning and development offer them the chance to build necessary skills and knowledge, as well as confidence to be successful.

"Not everybody is going to be a salesperson or a portfolio manager. But there's a tremendous amount of value that they can bring."

– Survey Respondent

Allow professionals autonomy. Respondents noted environments where they are given autonomy to do their work shows that they're trusted and valued, which in turn boosts confidence and a sense of empowerment.

"Empower people to be autonomous in their decision making," one respondent said. "Hire good people, let them do their job instead of micromanaging and making them feel like someone's looking over their shoulder."

Implement and follow policies designed to support women. Policies that include longer maternity leave, tools and resources to support flexible work schedules, and a salary for early career advisors are among suggestions from respondents.

"One of the advantages of big firms ... is maternity leave – the ability to have a family and build your career," one respondent said. "I believe this is a huge hurdle for many younger women who consider this career."

Invest in resources for intentional development of female leaders. Implement training that empowers women to excel in sales and leverage their own strengths.

"I hope we will stop training women to act like male financial advisors, and instead modify our training programs we have had at these wonderful organizations to address what women do to build relationships," a respondent said. "And [we need to] train both men and women to use cognitive empathy."

Non-inclusive Cultures and Forced Entrepreneurship

While research from the *Journal of Finance* noted forced entrepreneurs are often those workers who have been displaced by weak labor markets,^{xviii} oftentimes in the financial services industry, those forced entrepreneurs are advisors who are escaping cultures where they aren't valued, who want to serve clients their firms aren't reaching the way they want to or who want to offer a better client experience.

In the case of one respondent, she started her own firm after having a negative experience.

"I felt underserved and judged as a woman getting financial advice, so I started my firm to change that," she noted. "I decided to create an environment for women where they feel empowered with their money and we really go back to financial education and not just being told what to do."

While our analysis did not consider the experiences of women with multiple intersections of identities (for example, women of color or lesbians), *Business Insider* reported that Black women in particular are leaving corporate America at higher rates to start their own firms and businesses due to racial and gender discrimination in their workplaces.^{xix}

But on a more positive note, the *Journal of Finance* found that firms started by forced entrepreneurs are oftentimes better able to survive, grow and innovate^{xx} – all great aspects that non-inclusive firms miss out on.

The Importance of Visibility and Career Pathing

At the 2022 *InvestmentNews* Women's Advisor Summit, a panel of female advisors noted that the younger generation of women are looking at firms' websites to get a feel for whether the firm is inclusive of women.

Some of our respondents do the same.

"The first thing I do when I apply for a job is look at the firm's team," one respondent wrote. "If I see all males at the top and females in support roles, I'm like, 'I'm not ready to be that groundbreaking person.'"

Our analysis found that female advisors want to see women in senior leadership roles to provide tangible examples of what women can achieve in this business.

"We need to have more women leaders, which I know isn't something where you snap your fingers and that happens overnight," another respondent said. "But there needs to be more energy there."

This is important because as more women are elevated into leadership positions, they can have greater influence on firm culture and policies that could potentially bring more women into the senior leadership fold.

In addition, our research found that career paths help in attracting and retaining female talent. Providing a roadmap for growth and advancement communicates a firm's commitment to their professional development and gives them tangible evidence that they believe their female talent can grow and has a future in the firm.

"A clear career path and professional development [is critical]," one respondent said. "Having been an assistant at one point and grown within a company, I believe that will be increasingly expected."

"The first thing I do when I apply for a job is look at the firm's team," one respondent wrote. "If I see all males at the top and females in support roles, I'm like, 'I'm not ready to be that groundbreaking person.'"

– Survey Respondent

Challenges and Barriers, Old and New

Our analysis this year uncovered both new and persistent challenges that serve as barriers to women in the industry. Those challenges include continuing to carry the domestic workload, providing caregiving for children and aging parents, sexism, biases, stereotypes, harassment and bad behavior.

The Second Shift is Still a Problem

Last year, we reported on the “second shift” that women are oftentimes responsible for – the domestic workload. Our qualitative analysis found this remained a significant challenge for women in the industry.

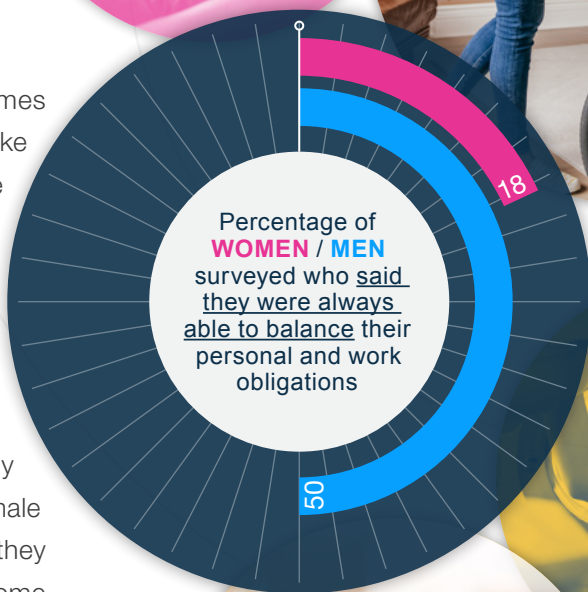
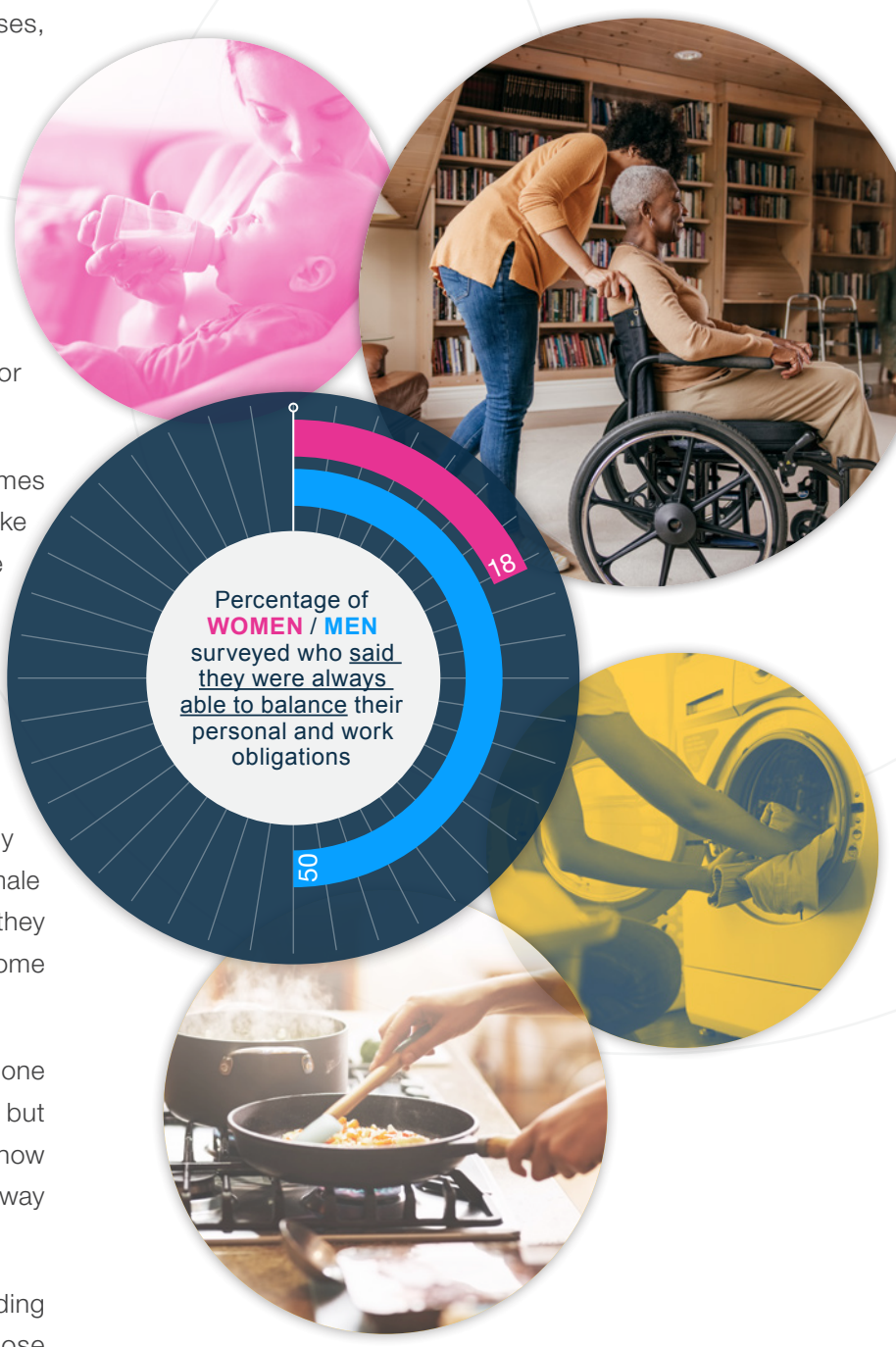
“We are still the primary caregivers in our homes and we are the ones that are expected to make the sacrifices on a daily or lifecycle basis,” one respondent said.

Pew Research Center found that even though women contribute just as much financially – and in some cases more – than their male partners, they are still providing a disproportionate amount of time to home duties and caregiving. The only time this is different is in marriages where the female is the primary breadwinner, and in that case, they provide roughly an equal amount of time on home duties and caregiving.^{xxi}

“Women are often the caretakers of the family,” one respondent said. “And not only of our children, but often the caretakers of aging parents. I don’t know why that is on our shoulders, but it seems that way from my perspective.”

The majority of caregivers are women, according to the Family Caregiver Alliance.^{xxii} And if those

caregivers were paid for all that care they provide at the hourly rate for childcare workers, it would amount to an extra \$4,600 annually.^{xxiii} Among our survey respondents, only 18% of the women surveyed said they were always able to balance their personal and work obligations and 55% noted they are often able to find that balance. Among our male participants, however, nearly 50% of them said they always are able to find that work life balance and 40% of men said they were often able to find balance.



“We are still the primary caregivers in our homes and we are the ones that are expected to make the sacrifices on a daily or lifecycle basis.”

– Survey Respondent

The Queen Bees and the Bros

Our analysis identified a disturbing barrier: Senior women oftentimes “kick the ladder out” after they’ve risen, effectively discriminating against up-and-coming leaders instead of helping them grow. Respondents noted that senior female leaders undermine other females, as though they are threatened, instead of supporting them.

“Some women think that there’s only one seat at the table,” one respondent noted. “And so instead of working collaboratively, they’re very competitive.”

While this might suggest that women are the problem, research published in the *British Journal of Social Psychology* finds that this behavior, referred to as “Queen Bee Phenomenon,” is actually a response to sexism and gender biases.^{xxiv}

Researchers noted that women in male-dominated industries and organizations face gender-stereotypical expectations and their abilities and ambitions are underestimated. In response, they adopt behaviors and strategies that emphasize their ambition and masculinity to differentiate themselves from female stereotypes – otherwise known as “self-group distancing.” Being harder on and excluding, undermining and discriminating against other women comes with this territory.^{xxv}

But surviving the queen bee stings isn’t the only barrier – many respondents also reported that having to survive the “old boys’ club” and “bro culture” makes the industry challenging. As a result of this, women oftentimes feel uncomfortable and unheard.

One woman in the industry said of a recent event, “It’s like the old guys in suits have been replaced by young guys in T-shirts.” And the things associated with the old boys’ club and young bros is that crude language and belittling behaviors are still widely tolerated, and women might be pressured to conform.

“Things like locker room talk make it a bit of a challenge to connect,” a respondent said. “And I feel pressure to normalize that stuff and it’s not comfortable.”

Also, women face challenges having their voices heard and ideas valued, which leads to a struggle for recognition and influence within the industry.

“Many of us have expressed ideas and those ideas have not been particularly heard or valued,” one respondent noted. “But then somebody else would express the same idea and it would be a fantastic idea because it was expressed by somebody else.”

Navigating Gender Biases in Financial Services

We cannot forget that gender biases and stereotypes still linger in the financial services world. Many clients still have a preference for male advisors, likely because the stereotypical image of a financial advisor has historically been male. This bias is reinforced by the all-too-common scenario where women in financial offices are pigeonholed into administrative roles instead of being recognized as potential advisors.

The hurdles faced by female advisors are substantial, as they often feel the need to prove themselves in a predominantly male-dominated industry. Overcoming these biases and constantly having to justify their worth to clients and colleagues can be an uphill battle. Female advisors regularly find themselves fielding questions and scrutiny that their male counterparts never encounter. As one female advisor put it, “I feel like we have to prove ourselves more. I get questions I doubt they’d ever ask men ... It’s like they’re sizing me up.”

The challenges don't stop at perception. Female advisors often face real disparities in the workplace, including unequal opportunities. One female advisor shared her experience: "I had a male mentor who'd select guys for important appointments, while I did all the legwork ... I was flat out told multiple times that clients preferred working with men, not women." These personal accounts underscore the existing hurdles female advisors face in the financial services sector and underline the ongoing need to champion gender diversity and inclusivity.

Female advisors are making meaningful strides in meeting the unique needs of female clients, and their value to the industry is being increasingly recognized. Nevertheless, stubborn gender biases and stereotypes persist, and it's vital to address them to promote equality and inclusivity in the financial services sector.

The Persistence of Unchecked Bad Behavior

The fact remains that there's still a rampant problem with harassment and assault in the financial services industry.

"I was sexually assaulted at the credit union I worked at, which is why I left," one survey respondent said. "There's this whole culture of moving away from things instead of reporting them ... I think it's very prevalent in the industry, but nobody wants to talk about it."

A WealthManagement.com survey found that 66% of female respondents who have been harassed didn't report it, noting that they felt fearful of retaliation and being ostracized.^{xxvi} Furthermore, the survey revealed that when "high producer" leaders are reported for harassment, they are not held accountable. As these things still happen, some of our respondents indicated it's common to not feel safe at work or at work events, to experience sexual harassment and not report it or to feel pressure to maintain a perfect physical appearance.

Going back to the section on culture, this is where it's critically important for leaders to "take a stand" and enforce a zero-tolerance policy – even for high-producing employees. But despite this type of behavior, our respondents have stayed in the industry and in the next section offer their guidance and wisdom.



"There's this whole culture of moving away from things instead of reporting them. ... I think it's very prevalent in the industry, but nobody wants to talk about it."

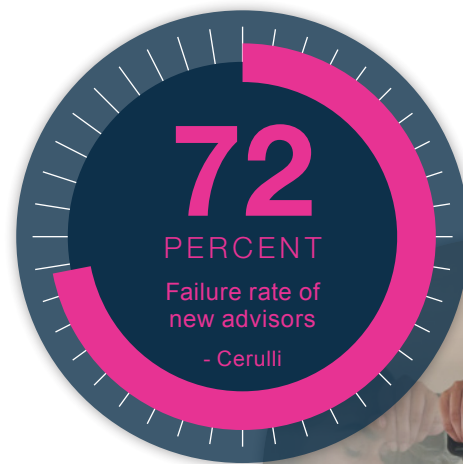
– Survey Respondent

From the Past to the Present: Career Advice

New advisors have a failure rate of more than 72% according to research from Cerulli.^{xxvii}

And for the respondents who have been in the profession, they offer advice to their younger selves and newer professionals. Their advice yielded a few common themes:

- 1 Learn from people who inspire you.
- 2 Focus on learning all the basics, getting your licensing done and absorbing all the technical knowledge and expertise you can in your early years. This can help instill confidence.
- 3 Network, connect and build your community in the industry.
- 4 Learn all the different ways to work in this business so you can find the right fit.
- 5 Don't settle for a role that doesn't give you what you need.



Respondents advise finding people you want to be like and reaching out to them for advice. Listen to their stories and allow them to help you shape your path.

“Find somebody that you can trust and [who] is doing things the way that you yourself want to [see things operate] – and just learn from them,” one respondent advised.

In an industry that has multiple business models – from RIAs to wirehouses to broker-dealers – there’s a place for everybody.

“What I find with a lot of women is that they find a bad cultural fit of a firm and they assume that they’re a bad cultural fit for the industry,” another respondent said. But that’s not the case. You can always shift and find something that works.

“If you find a place that’s not a fit for you, that just means that one place isn’t [a fit] because there’s so many different models and ways that you can work in this business,” a respondent said. “So you have to keep looking.”

I The Path Forward

This type of research and these types of reports are common, but it is long past time to actually implement the solutions. We need both men and women to be committed for change to occur. It's up to all of us—industry leaders especially—to take the adequate steps needed to promote true gender equity and progress.

In our inaugural Women in Wealth Management report last year, we offered six solutions to implement to increase the representation and retention of women in the industry. That advice for firms included:

- » Offer more flexible work arrangements.
- » Provide education and training.
- » Provide mentorship.
- » Add more women to leadership teams.
- » Design and implement clear career pathing for women.
- » Have and adhere to zero-tolerance policies on discrimination, harassment and assault.

All of those solutions are still valid. However, given the insights uncovered in our 2023 study, we recommend that firms modify that list as follows:

- » **Design and offer flexible work arrangements with input from your female employees.**
- » **Provide education and training that is designed by and tailored to your female employees.**
- » **Implement formal sponsorship programs and tie them to advancement and bonuses.**
- » **Actually adhere to zero-tolerance policies on discrimination, harassment and assault.**
- » **Participate in, volunteer for and financially support programs that introduce wealth management as a career option to young students, including the Mu Nu Upsilon Financial Planning Fraternity, BLX Internship, Mini Money Runners, Rock the Street Wall Street and FinServ Foundation.**

This industry is in dire need of female professionals. Money is at the heart of everything, and being the trusted professional to help consumers manage money offers you an opportunity for a fulfilling career. As one survey participant noted, “I think that money is freedom. And I think being in a position to manage wealth is the way to expand the borders of your world, your universe and your influence.”

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