

Women Financial Advisors: Why Is It So Hard to Attract Women to This Business?

In March we celebrate International Women's Day, and this month we focus on women's inclusion in and access to all types of professions and career paths. While women's attraction to professions such as medicine and law have seen significant gains over the past few decades, the number of women interested in becoming financial advisors, and staying in the business, has remained remarkably small.

I began my career as a financial advisor in 1997 with one of the bank-owned brokerage firms. At the time, only about 15% of the financial advisors in Canada were women. My story is somewhat atypical of how most women (or men, for that matter) are attracted to this business. I have an English degree, and already had enjoyed a successful career as an advertising sales rep for a couple of well-known Canadian magazines. I enjoyed the work, though felt I needed a new challenge. However, the catalyst for my career change was, oddly, a most female event: I had a baby.

My advertising job required me to make a multi-hour daily commute to my job in downtown Toronto, and with a tiny baby at home, my life (and the hours I kept) were no longer my own. However, it seemed that, if I wanted to work closer to home, I would have to leave that business. What would I do instead? What skills had I developed in my ad sales career, and what did I most enjoy about that job that I could transfer to another line of work?

While I had never taken formal business courses, I had bought a house, had a mortgage, and opened a small RRSP. I had a personal interest in becoming more financially literate. I had flapped around from this bank person to that tax accountant, not even knowing the questions to ask, let alone recognizing whether the advice I was getting was sound. I certainly had no clue about how to invest my money, until a friend referred me to an older woman named Audrey. A financial planner at a small firm, she helped me get a big-picture perspective on how I could put my small amount of savings into investments that would eventually build wealth. She took the time to teach me about money concepts, and the nature of risk, without making me feel like an uneducated moron.

I realized that the relationships I developed with my advertising clients was why I had been successful. Discovering their needs and promoting how advertising in my magazine could help them achieve their goals had been very gratifying. Maybe I could do the same for individuals and become an Audrey. But what about the math? I hadn't taken a math class since high school, and I wasn't sure I could handle it.

At the time all the bank-owned firms were hiring rookie brokers and I had the good fortune to meet a recruiter from one of the firms who looked at my resume and lit me on fire about the

growing opportunities for financial advisors, as Baby Boomers approached retirement. He believed that I had the skill set to be a successful advisor, but I would have to pass the Canadian Securities Course on my own time (and my own dime) before his or any other firm would hire me. So, I enrolled in the CSC and, while my baby girl slept, I would get up at 5 am most mornings to study, then head into the city to do my day job.

I won't lie – the CSC was the toughest exam I've ever written, but I passed it (on the second try). I was lucky to have grown up with parents who instilled in me I could do anything that I set my mind to if I wanted it badly enough. With my newly minted CSC under my belt, I started to send out my resume to several firms and was lucky to have it land on the desk of a well-established woman advisor named Robin at a brokerage firm located near my home. Beyond the required courses, she believed that she could teach me the business, and she valued my proven relationship-building, sales, and marketing skills for her team. So began my fledgling career, learning from Robin many of the nuances of working with stocks and bonds to help her clients (and my small but growing group) build and protect their wealth.

I loved the work, and discovered, to my surprise, that I have more of a brain for math than I thought, certainly enough to provide the necessary due diligence to make competent recommendations for clients. Mainly, though, I loved it because I could use my relationship-building skills in the most gratifying ways. There was nothing better than coming home from work knowing that my caring and expertise helped a client feel more confident about their financial future.

I am especially grateful to have made the switch in 2017 to continue this work with Raymond James. It was twenty-five years ago, this month, that I took that first job, and I know that the percentage of women who practice as financial advisors in Canada has barely budged since then. Our firm, and especially Andrea Linger and her team from the Raymond James Women Canadian Advisor's Network, are committed to increasing the number of women advisors to 25% by 2025. But why is it still so hard to attract more women to the business?

From some research I've done, and my own experience, here are some reflections, and possible solutions:

1. **Financial Advisors are perceived to be an "old boys" club.** While we know this is changing slowly, the more women we can attract, the more women we will attract. I realize that this is the circular and thorny question at hand. But did a guidance counsellor ever suggest "financial advisor" as a career path when I was growing up? There were "stock brokers" back then, and the only ones I had ever heard of were a special breed of aggressive men who made rich people richer. Not a vocation I could relate to. However, it was a pioneering handful of women who encouraged me to consider financial advisor as a career. We need to continue to

mentor and encourage more girls and women to consider this line of work at much earlier stages, like middle-school, high school, and up.

2. **Only women who are attracted to STEM programs would have the competence to become financial advisors.** I am living proof that this is not the only place where we should be recruiting. A study by Carol Dweck, a Stanford University social and developmental psychologist, investigated why many girls are discouraged at an early age from believing they can handle challenging math problems. Traditional gender roles and biases have resulted in girls and boys being socialized to believe that girls' brains are not as good as boys' at solving complicated math. However, Dweck discovered that, when girls are told that the human brain is not fixed (i.e., we are born with innate talents that cannot be changed), but rather malleable and can be developed like a muscle with effort, their math test scores dramatically improved. She calls it a "growth mindset" and it's what allowed me to persevere passing the CSC, though I had not previously considered a career where math was a core competency. Include women in STEM programs, for sure, but perhaps we need to broaden our recruiting approach when looking for more women to join the business.

3. **Women are more aligned with relationship-building than understanding complicated investment strategies.** Well, maybe, (see number 2 above) and exactly! While the negative side of this stereotype persists, the soft skills of emotional intelligence, empathy, and listening are more attributed to women than men, and these are precisely the kinds of skills that are necessary to be effective as an advisor. When I started in the business, we thought our value was in trading stocks and bonds to grow people's portfolios. It was a far more transaction- and commissions-based endeavor. Over time our value has evolved: today it's really about our clients' "big picture" and having the patience and insight to help people gain perspective on where they want their lives to go. Providing financial tools and expertise to get them there is only part of the equation. Yet the characterization of the aggressive, sales-centric broker prevails. Portrayals like "The Wolf of Wall Street" have done us no favours. Promoting the emotional skills required to be successful as an advisor needs to be a bigger part of how we market this profession to both women and men. Gordon Gekko types need not apply.

4. **Incompatible with raising a family.** While many of us (me included) managed it while building a business, it hasn't been easy. The hours can be long, and the stress is often intense. Certainly, the pandemic and the shift to working from home may have helped us envision more flexible working arrangements for everyone. But consider this: if a sole practitioner female doctor goes on maternity leave, she hires another doctor to look after her patients while she is away. In our business, being part of an advisory team is certainly an advantage to both women and men, and this could be part of the answer for maternity leave. But what if you're not in a team? Imagine if there existed a program where a handful of licenced and experienced advisors (without their own book) were hired to work on a contract basis to fill in for six- or twelve-month

maternity leave stints. Because they don't have their own practice, there would be no fear that clients might follow the "fill-in" advisor upon the original advisor's return. Her clients would be looked after, and she could relax while starting her family. Obviously regulatory and company logistics would need to be worked through, but how great would it be if Raymond James was the firm to say to promising young women who are considering having a family: "Come join our firm, because we've got you covered"? Given that many fathers tend to be more hands-on today, such a program might also attract young men who want to take paternity leave, older advisors who might have elder-care situations, extended health absences, etc. A potential work/life balance win for everyone.

I have loved being a financial advisor, and I promote it to young women every chance I get. I had the benefit of mentors like Audrey and Robin (and a few terrific men for sure) who helped me hone my skills over the years. The numbers say, however, that much more needs to be done if we want to move that needle.

And guess what? That little baby who slept while I studied for the Canadian Securities Course exam is now a grown woman of 26, with an English degree just like her mum. She has excellent organization, empathy, and customer service skills. Until a year ago neither of us thought about this as a career path for her, because, you know, she was an English major. Then I thought, maybe I should just ask her.

Last month she passed the CSC. She says it was the toughest exam she's ever written. Now she has joined my team, and she's on her way to becoming a financial advisor with Raymond James.

You just never know where a great advisor might be hiding...

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