

What Holds Women Back From Financial Careers

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When it comes to the gender of those in professional roles, people say they would feel most comfortable with female financial planners (this is second only to their preference for female doctors).

So why are there still so few females in financial advisory roles?

Of course the issue does not pertain strictly to financial planning, but to the financial industry more broadly, according to New York-based Guardian Life Insurance Company of America's recent survey of more than 650 of its financial representatives across the U.S. highlighting key issues women face when building a career.

Today, women make up only about 30% of financial planning professionals in the U.S., according to findings collected in March from the Insured Retirement Institute. The study also found that only 13% of women were familiar with the financial advising profession and only 9% had considered it. In explaining why they did not consider a career in financial planning, 40% of women said they didn't think the job was interesting, 10% said they are not good with numbers and 7% cited a lack of training.

But at the same time, the financial planning profession is expected to expand by roughly 32% by 2020, more than twice as fast as other professions, according to the Bureau of Labor Statistics.

Guardian's study highlights some of the reasons for the shortage of women in finance and sheds light on some possible ways to correct for it as the industry expands.

ROLE MODELS

Women point to a lack of role models as a key barrier to success, with 7 in 10 respondents saying mentor programs are the most valuable tool early in their careers, the study shows. Both men and women cited a "lack of role models" as the top reason why there are not more female financial representatives.

Cathy Curtis, who has had a 20-year career in the financial advisory industry, has always looked for female role models but had trouble coming up with names. Muriel Siebert, who passed away last month and was known for being the first woman to own a seat on the New York Stock Exchange, was always a role model for Curtis. Sallie Krawcheck is another. "But I feel you really have to seek out women in the industry," she says.

Yet the lack of role models is also what propelled Curtis to start a career in financial planning. "One of the reasons I started my own firm is because I didn't want to be in a corporate world where men were in upper management," Curtis explains, noting that men would typically be

hired, be made a manager and then bring in people who they used to work with at other firms. “I knew the big brokerage firms...I just got my license and started my own business because that’s how much I didn’t want to be in that world two decades ago when I started.”

DIFFERENT APPROACH

Women may also have an entirely different approach to a career in finance in the first place. For many female financial representatives, the appeal of the career is more about the opportunity to help others achieve financial security (75%) and an ability to connect with clients (84%), according to Guardian’s study.

MALE-DOMINATED

The perception of the industry as "male dominated" is another barrier to success. This was cited by a total of 21% of female financial representatives overall and 24% of female financial representatives with less than two years of experience, the study shows.

Many advisors note that with financial planning, money and investments are the tools. The real objective is to help people figure out their goals and needs, and how to use the tools of money and investments effectively. “Women’s natural tendency as communicators works well with this objective,” says Carolyn McClanahan, an advisor at Life Planning Partners.

Curtis disagrees that this aspect of the industry keeps women away. “Many industries are still male-dominated,” she says and that statement is overly general. A greater barrier to success among females in finance (and the advisory world more specifically), she asserts, is the perception within society that to be an advisor, one must be a “math whizz,” along with the stereotype that men are better with math and numbers.

“First, that stereotype is false. And secondly, to be a successful advisor overall, it’s more important to be good with people,” she says.