



WOMEN IN
FINANCIAL SERVICES
HOW TO
SUCCEED
IN BUSINESS

*Women have become the new game changers in our industry, point out **ARTHEA “CHARLIE” REED, PH.D., CLTC** and **KAREN ROBERTS, CLU CHFC**. To gain a better understanding of how women operate, what really motivates their business decisions, and how they think, first look at the numbers.*

WE ALL APPRECIATE the growing importance of women to the insurance and financial services industry, not only as clients but also as agents and managers. So this past spring, Women in Insurance and Financial Services (WIFS) conducted an extensive survey called the *WIFS Survey of Women in the Financial Services Industry*, which involved female agents, managers, brokers, and financial planners. The goal was to try to retrace the career paths of the most financially successful women in the industry and determine how taking those routes helped bring them such achievement.

The data from the survey, along with both anecdotal evidence from respondents' surveys and in-depth interviews with select respondents, should help WIFS and other organizations in the financial services industry better recruit, train, and retain women and turn them into high-powered agents and managers. Along with educating financial services leaders on this important strategy to secure the future of our industry, the aim is to help female representation and success in the financial services industry reach the levels of other professions, such as law, medicine, and accounting.

The survey turned up a great deal of important information and feedback. Following are some of the highlights.

Support for Women in Financial Services

One recurring theme that arose in the anonymous comments of survey respondents was that although the financial services industry is still perceived as male dominated, its impact on the success of women ranges from none at all to presenting a challenge to causing downright frustration and anger. One respondent summarized the situation with, "Companies need to better learn how to leverage the talents and abilities that women inherently have [networking, relationships, compassion], and only when this happens will women feel like they truly have a place in what has traditionally been a male-dominated profession."

MENTORS

At the same time, many respondents said their male mentors, including their fathers and husbands (9 percent of all respondents reported starting in the industry by working with family), were extremely important to their growth and eventual success.

Whether male or female, a women advisor's mentor is viewed as vital to the advisor's success. In addition, women responded that seeing successful female role models makes it easier for them to believe in their own success. "My company's president is a woman, five out of seven senior planners are women, and four out of six junior planners are women," wrote another respondent

BEHIND THE WIFS SURVEY

For the *WIFS Survey of Women in the Financial Services Industry*, a total of 794 forms were completed by female field professionals who spanned the financial services profession — from insurance agents or representatives to wealth managers to fee-based financial planners. Respondents included self-employed businesses owners; employees or representatives of major insurance companies, banks, wire houses, and trust companies; and independent brokers who provide employee and executive benefits or help families with investments and financial planning.

The survey forms were distributed to all WIFS members. In addition, WIFS corporate partners, including Guardian Life Insurance Company of America, Lincoln Financial Group, MassMutual Financial Group, MetLife, New York Life Insurance Company, Northwestern Mutual Life Insurance Company, The Penn Mutual Life Insurance Company, The Prudential Insurance Company of America, Thrivent Financial for Lutherans, and Transamerica Agency Network — distributed forms either to their entire female field force or to a select group of top female producers. The survey was also available on wifsnational.org and on WIFS's LinkedIn and Facebook pages. Plus, WIFS invited certain female leaders of other professional organizations to take part.

in the survey feedback. "I feel that women are very successful in the financial planning business."

TEAMS

Teamwork also plays a large role in the success of women, and that's particularly evident in the early years of a career. Fifty percent of the highest-compensated women work with either a partner or on a team. Successful teams pick and choose people to work with various clients, depending on each advisor's personality and strengths as well as the client's personality and needs.

FAMILY

Another key to women's success is the support of a spouse and family, said respondents. Many described the struggle to find a balance between caring for children and working in a career that demands so much of their time, particularly in the first few years. A number of women who consider themselves successful wrote about how they could not have succeeded in the career without having a supportive spouse, often one who provides much of the child care.

FOLLOWING THE NUMBERS

Women included in the *WIFS Survey of Women in the Financial Services Industry* represent all income levels. About 43 percent earn less than \$75,000; 25 percent earn from \$75,000 to \$124,999; 17 percent, \$125,000 to \$199,999; 13 percent, \$200,000 to \$499,999; 2 percent, \$500,000 to \$999,999; and 1 percent, \$1 million or more. Following are some ways that female financial services professionals with annual incomes greater than \$500,000 compare with their less successful counterparts, according to the WIFS survey.

Getting Started

- One hundred percent of women earning \$1 million-plus in annual gross and 47 percent of women earning \$500,000 to \$999,999 start in the business between the ages of 20 and 25; instead, only 23 percent of women with incomes under \$75,000 join the business from ages 20 to 25.
- A substantial minority of all women (15 to 25 percent) begin as office staff.
- Nearly 63 percent of women with annual incomes of \$1 million or higher hold bachelor's degrees; 25 percent of these have advanced degrees.
- Nearly 53 percent of women earning \$500,000 to \$999,999 have at least a bachelor's degree; 24 percent of these have advanced degrees.
- Forty-four percent of women earning less than \$75,000 have bachelor's degrees; 20 percent of these have advanced degrees.

Earnings

- More than 50 percent of respondents who earn \$200,000 to \$1 million or more said they qualified for MDRT or other company or industry honors within the first five years in the business, versus 30 percent of women who bring in \$75,000 to \$124,999, and just 9 percent of women who earn less than \$75,000.

Clientele

- The most financially successful women build their clientele primarily through referrals, including 50 percent of women earning \$1 million or more and 41 percent of women earning \$500,000 to \$999,999. Of women making less than \$75,000, 27 percent acquire referrals through networking. A minority of all groups (8 to 18 percent) reported building a clientele through "high activity," which includes making phone calls to schedule appointments and conducting face-to-face meetings. Typically, at least 20 phone contacts are needed to set five appointments, with four kept appointments per day.
- The higher the income level, the more likely that the woman's clients are primarily professionals:

About 50 percent of women with incomes of \$1 million or more work primarily with professionals, and 25 percent work mainly with small-business owners, respondents reported. Only 9 percent of women earning less than \$75,000 work chiefly with professionals, while 30 percent work mainly with families.

- Women with primarily female clients tend to earn less. Twelve percent of women respondents earning less than \$75,000 said that their clients were mainly women. None of the respondents who reported earning more than \$1 million indicated this to be true.

Staff

- The most financially successful women hire staff early in their careers. In fact, 63 percent of the most successful respondents hired staff within one to three years, and 50 percent of those did so in their first year. Of the least financially successful group, only 11 percent said they hired staff within the first three years. In addition, 74 percent of women earning less than \$75,000 said they currently have no employees, while 50 percent of the most financially successful women have five to 15 staff members.

Designations

- Seventy-five percent of women earning more than \$1 million per year and 80 percent of those earning \$500,000 to \$999,999 have one or more professional designations (such as CLU, ChFC, or CFP). A third of women earning less than \$75,000 and 59 percent of women making \$75,000 to \$124,999 have at least one professional designation.

Motivations

- Nearly 38 percent of the most successful respondents entered the business for the income, whereas only 15 percent of the lowest-earning respondents were focused on income. The percentage of women entering the business for income increases with each income level.

FOLLOWING THE NUMBERS

Marital Status

- A larger percentage of women at the highest income levels are married, including 87 percent with incomes of \$1,000,000-plus and 82 percent with incomes over \$500,000. More than 56 percent of women with incomes under \$75,000 and 61 percent of women earning \$75,000 to \$124,999 are married.

Industry Challenges

- The most financially successful are more likely to attribute their business success (63 percent), as

well as challenges (50 percent), to themselves. Likewise, 63 percent of women earning more than \$1,000,000 are more likely to answer no to the question “Do you feel it is more difficult for women to succeed in the financial services industry?” Among the least financially successful group of women, 27 percent attribute their success to themselves, and more than 35 percent call themselves their biggest challenge. And 51 percent of women earning less than \$75,000 believe that women have a more difficult time in the financial services industry.

COMPANY

A significant minority of respondents mentioned the importance of their supervisor’s and company’s willingness to help females achieve a satisfactory work-life balance. One woman reported that she had been successful in the financial services industry because her company’s training and work hours for new hires were geared toward balancing work-life needs. Unfortunately, most respondents reported having had the opposite experience: They had to adapt to their new role in a less flexible and less supportive environment.

SELF

At the same time, a sizable portion of survey respondents wrote that more women would be successful in the financial services industry if they believed in themselves and had more self-confidence. Many noted that they are successful because they are confident, take responsibility for achieving their goals, always put the needs of the client first, are reliable and great with follow-up, and are simply good at what they do.

Perseverance Pays Off

“Keeping the client first” was a mantra echoed by most respondents, and this includes remaining persistent and always trying to do the right thing for the client. The best ways to really get to know the client’s wants and needs are by keeping in touch with clients throughout their careers and into retirement, and by asking a lot of questions, listening, and taking notes. Following up with in-person discussion is essential to building the relationship.

Many survey respondents talked about the need for the industry to move from a male-centric culture to one that is more supportive of the talents and needs of women. “It’s a matter of creating a culture which includes everything from the visual representation, to the language that is used, to recognition in front of peers and others,” said one respondent. “The more women are included in these areas, the more women not in the profession may think, ‘Maybe I can do that.’”

If women are to succeed in our industry, we as managers must nurture them at the onset of their careers. Just as in life, the early years can lay the foundation for career-long success. ❖

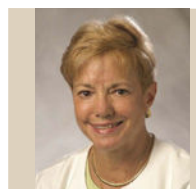
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