

# MAKING MORE ROOM FOR WOMEN IN THE FINANCIAL PLANNING PROFESSION

Recommendations to Increase the Number of Women CFP® Professionals  
from CFP Board's Women's Initiative (WIN)



**CFP BOARD**



## From CFP Board's CEO

It is perhaps a too well-known fact that women are the minority within the financial services industry and, specifically, the financial planning profession. Despite impressive growth in the number of CFP® professionals in recent years, the percentage who are women has remained flat, at about 23 percent.

This contrasts dramatically with the broader U.S. population and the steady growth of women in other professions. Women compose 51 percent of the U.S. population, and not only outnumber men in graduating from college, but also represent the majority of the workforce.

The underrepresentation of women in financial planning is an important issue for CFP Board. Our profession is growing rapidly, as more consumers recognize the need for financial planning and the benefits of working with a CFP® professional. But this need will go unmet unless the population of CFP® professionals more closely reflects the demographics of the public they serve.

To address this challenge head on, in 2013, CFP Board launched its Women's Initiative (WIN) under the vision and leadership of Nancy Kistner, CFP®, then chair of the Board of Directors. We set out to identify the factors that have led to comparatively few women choosing to become part of the financial planning profession, and to make recommendations to encourage and support women in pursuing careers in financial planning.

We assembled a WIN Advisory Panel to guide this important initiative. This blue ribbon panel—made up of CFP® professionals, thought leaders and experts on women in financial services, encompassing practitioners, recruiters, diversity experts and media professionals—has provided essential leadership and guidance to our initiative.

The following white paper, authored by CFP Board Consumer Advocate Eleanor Blayney, CFP® on behalf of the WIN Advisory Panel, presents the findings of a comprehensive research study on the causes of the “feminine famine” in financial planning. Through this research, we examine the attitudes and perceptions of the key groups with a stake in this issue, including CFP® professionals and other financial advisors, students, educators and employers. We also present the WIN Advisory Panel's recommendations for attracting more women to the financial planning profession and making the profession itself more attractive to women, as well as initiatives CFP Board will undertake to address the problem.

This white paper concludes the initial research phase of WIN, but the real work has only just begun. CFP Board looks forward to continuing its leadership role on this issue and to serving as a catalyst for change. CFP Board acknowledges the generous support of TD Ameritrade and Ameriprise in providing funding for the next phase of WIN, focused on implementing programs to attract and support women financial planning professionals.

We invite all those invested in the future of financial planning—including our CFP® professionals, our education partners, firms that employ CFP® professionals and other organizations and associations—to join us in the effort to attract more women to the financial planning profession.

Achieving gender parity within the financial planning profession will be a marathon, not a sprint. It will be well worth the effort, with considerable benefits for consumers, financial services firms, the women financial planning professionals practicing today and the women students who will become the financial planning professionals of tomorrow. Join us as we work together to make more room for women in the financial planning profession.

Kevin R. Keller, CAE  
CEO, CFP Board

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## Introduction

# A New Millennium for Women, but Where are the Women CFP® Professionals?

On September 24, 2012, seven women met for dinner at a Washington, D.C. restaurant to talk about their careers. Six were CFP® professionals; another was General Counsel for AARP, serving as a public representative for the Certified Financial Planner Board of Standards (CFP Board). Nancy Kistner, CFP®, managing director of wealth planning at U.S. Trust, Bank of America Private Wealth Management, had convened the meeting.

She was just about to become chair of the Board of Directors of CFP Board and had invited the women she considered to be the movers, shakers and leaders of the financial planning profession to be her Kitchen Cabinet.

Kistner had her plate full with upcoming CFP Board business, but there was one issue that she wanted to make sure had a place on her agenda as chair of the Board. Fewer than one in four CFP® professionals

were women, and it had been that way for at least a decade. Something wasn't right, especially in this new millennium of growing female economic empowerment—a phenomenon proclaimed by *The Economist* magazine to be a 21st Century force greater than either China or the Internet.

To some degree, the low representation of women in financial planning belongs to the larger issue of gender disparity within the

financial services industry as a whole.<sup>1</sup> But the problem is even more acute among CERTIFIED FINANCIAL PLANNER™ professionals. The Bureau of Labor Statistics reports that women represent 31 percent of U.S. financial advisors—a definite minority, but still significantly higher than the 23 percent for women CFP® professionals.

So Kistner wanted to investigate: What is preventing women from becoming CFP® professionals? Perhaps the collective experience and thoughts of the women around the table could begin to provide some answers.

Karen Schaeffer, CFP®, a former chair of both CFP Board and the international Financial Planning Standards Board, was at the dinner meeting. She recalled the many different responses among the guests as to how they entered the profession. These women had come through all sorts of doorways, some wider and easier to navigate than others, depending on when and from where they made their moves into financial planning. Two had been math teachers; another was a financial consultant to the government who had grown tired of dealing with a

“ I count the women in the room at every meeting. You can count the number on your hands. ”

Woman CFP® professional at New York City focus group

faceless bureaucracy rather than “real” clients. Alex Armstrong, CFP®—who has the distinction of being the first woman in Washington, D.C. to earn her CFP® certification—described starting as a secretary to Julia Walsh, the first woman to own a seat on the American Stock Exchange. At the mention of the word “secretary,” a few nodded, remembering their own early days.

But there was a powerful similarity in the experiences of these women. While some had struggled to make it in a “man’s world,” all saw themselves as called to make a difference in the business world. And they all considered financial planning to be a fitting and satisfying career for women.

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<sup>1</sup> Throughout this white paper, the terms “financial planning” or “financial planning profession” are intended to refer to the work and profession of CFP® professionals. Where a finding pertains to a larger segment of the financial services industry, which includes both CFP® professionals as well as financial advisors without the CFP® certification, this is made explicitly clear. The purpose of the research and analysis presented in the paper is to evaluate the barriers to entry specific to financial planning that currently exist for women. While the research is focused on women and financial planning, many of the findings of this study may also pertain to women in the broader financial services industry.

## **PART I:**

### **Framing the Issue**

# **The Women's Initiative: Key Components**

At the start of 2013, under Nancy Kistner's leadership, CFP Board launched the Women's Initiative (WIN) with the ultimate goal of increasing the number of women CFP® professionals.

From the outset, it was clear that the reasons for the dearth of women CERTIFIED FINANCIAL PLANNER™ professionals needed to be thoroughly researched. To uncover the causes and find solutions to the "feminine famine," CFP Board decided that the inquiry needed to be bold, ground-breaking and comprehensive in scope. It would require surveying a wide array of populations of interest, both inside and outside the financial services industry, distinguished by gender, age, education and employment status. The study would be the first ever to focus specifically on the status of women in financial planning and as CFP® professionals.

To lay the groundwork for the study, CFP Board reviewed existing research on the underrepresentation of women in business generally, and in financial services specifically. Data on certification candidates and holders of CFP® certification were analyzed to identify whether key requirements of the certification process impacted women differently from men. CFP Board also returned to a 2012 and 2013 study conducted by the Aité Group on the professional and practice characteristics of financial advisors and CFP® professionals, to further segment the findings by gender.

In addition, CFP Board invited thought leaders, experts and practitioners in the fields of diversity, recruitment and financial planning to participate on a WIN Advisory Panel, which met for the first time in May 2013.

- Chair: Nancy Kistner, CFP®, 2013 Chair of the Board of Directors, CFP Board
- Alexa von Tobel, CFP®, Founder and President, LearnVest
- Bob Glovsky, CFP®, Former Chair of the Board of Directors, CFP Board
- Elda Macias, Segment Marketing Executive, Ameriprise Financial
- Eleanor Blayney, CFP®, Consumer Advocate, CFP Board
- Karen Schaeffer, CFP®, Former Chair of the Board of Directors, CFP Board and Former Chair, Financial Planning Standards Board
- Kate Healy, Managing Director, TD Ameritrade Institutional
- Kathleen McQuiggan, Senior Vice President, Pax World Management
- Lazetta Braxton, CFP®, Founder, Financial Fountains
- Mary Beth Franklin, Journalist
- Mindy Diamond, President and CEO, Diamond Consultants



Nancy Kistner



Alexa von Tobel



Bob Glovsky



Elda Macias



Eleanor Blayney



Karen Schaeffer



Kate Healy



Kathleen McQuiggan



Lazetta Braxton



Mary Beth Franklin



Mindy Diamond

The Advisory Panel reviewed CFP Board’s preliminary findings and developed hypotheses of the most likely causes for the low representation of women in the CFP® professional community. Using these initial hypotheses to inform a proposal for original research on the status of women in financial planning, CFP Board engaged Fondulas Strategic Research (FSR) to conduct qualitative and quantitative research in 2013 and 2014 that included the following components:

1. Roundtable discussion with financial firm executives with responsibility for hiring and recruitment;
2. In-depth telephone interviews with directors of CFP Board-Registered Programs;
3. Focus groups with women CFP® professionals, women financial advisors without CFP® certification and women students in both degree and certificate CFP Board-Registered Programs; and

4. Online survey of men and women in all key constituent groups, mentioned above, as well as undergraduate and graduate students with finance-related majors.

CFP Board also worked with Advisor Impact to include questions in their 2014 *Economics of Loyalty* survey to consider whether clients of financial advisory firms showed any gender preference in their choice of an advisor.

Throughout the Women’s Initiative, CFP Board invited comments from professionals about their views on the status of women in the profession and the challenges women face. Many of these comments added qualitative texture to the research findings.

Drawing on the findings from these various sources and studies and on guidance from the WIN Advisory Panel, CFP Board then developed recommendations for increasing the number of women CFP® professionals. Several of these recommendations will be implemented by CFP Board in 2014 and beyond.

“ I wanted to build credibility as someone who was expert in her field and serious about the work I do. Getting the CFP® certification was the best way to do that. Being a young woman, I knew that from first impression, people may see me as just a young kid, so I wanted to make sure they knew how smart and passionate I am about financial planning. ”

Email from woman CFP® professional



# The Alternate Universe of the Woman CFP® Professional

The women of Kistner’s Kitchen Cabinet were tough, smart and outspoken leaders, most with long careers in financial services—an industry that has never been accused of being particularly welcoming or generous to women. Yet these women rose to the top by becoming financial planners and attaining the CFP® certification.

Could their conviction about the profession—that financial planning is a great place for women to work, grow and thrive—be simply a vestige of their own success? After all, those at the top typically have the best views. Do young women thinking about becoming financial planners and taking the first steps toward CFP® certification see the world in the same positive light?

At first blush, it seems they do. Focus groups among women financial planning students at Virginia Polytechnic Institute and State University (Virginia Tech) and Boston University revealed no shortage of optimism and energy about their chosen careers. The women were enthusiastic about the opportunity to do “important work,” to see the positive benefits their efforts would have for their clients, and to be in a career where it was all about

“problem solving,” “building relationships” and having direct control over their work. They also believed CFP® certification would give them important self-confidence and a credibility boost in terms of being able to advise clients—particularly clients years or decades older than themselves.

This same enthusiasm was evident in facilitated discussions with women CFP® professionals, but notably absent in the conversations with women financial advisors without the certification. The women CFP® professionals were strongly satisfied and highly passionate about their careers and particularly enjoyed the opportunity to “help others” and solve problems as financial planners. They felt a sense of ownership in directing their work. By contrast, the women financial advisors without CFP® certification were more apt to describe what they did as a job, rather than

## CFP® Certification and Career Satisfaction Among Women

**72%**  
CAREER SATISFACTION  
With CFP® Certification



**46%**  
CAREER SATISFACTION  
Without CFP® Certification

Source: FSR Quantitative WIN Survey, 2014

a career. The women CFP® professionals were also more likely to emphasize the importance of relationships in their work, whereas the women without CFP® certification focused more on the fact that their jobs involved numbers and stress.

After observing professional focus groups in New York City, a WIN Advisory Panel member noted, “Watching and listening to the women advisors without the certification was like watching the first half of *The Wizard of Oz*: it seemed black and white, dry and dusty. With the women

CFP® professionals, the world came into Technicolor. They laughed, even got out of their seats to talk and compare notes with the others. They were clearly having fun talking about their careers.”

**So the question becomes:  
Why is a profession so  
well-suited for women  
attracting so few?**

# Becoming a CERTIFIED FINANCIAL PLANNER™ Professional

Individuals come into the financial planning profession from all sorts of doorways. Some study financial planning in college or graduate school, then land internships or entry-level jobs in a financial planning firm. Others start working in financial services and then decide to specialize in financial planning. Still others learn about financial planning while pursuing other careers or during a time-out from the workplace, and decide to start over in this new field.

But for everyone choosing to become a CFP® professional, the decision-making process goes through the same key stages:

- **Awareness** of personal financial management as an important life skill and of financial planning as a viable career
- **Understanding** what financial planning entails, and what a financial planner does
- **Evaluation** of financial planning as a desirable career choice in terms of income potential and professional and personal fulfillment

- **Determination** that the CFP® certification will enhance their career success

As of the end of 2013, a total of 52,797 men have moved through these four steps to attain and retain current CFP® certification. Only 15,938 women have done the same.

Somewhere on this decision-making path, women are exiting, or they are not getting on in the first place.



**ROLE MODELS,  
NETWORKS AND  
PROFESSIONAL  
DEVELOPMENT  
EFFORTS MAY BE  
INSUFFICIENT** to  
support women in the  
financial planning  
profession.



**WORK-LIFE  
BALANCE  
CONCERNS:**

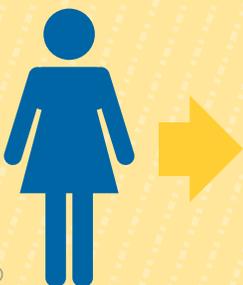
Women may face  
difficulty in meeting  
family needs while  
pursuing CFP<sup>®</sup>  
certification and  
building their careers.

Prevalent  
**BUSINESS  
MODELS AND  
COMPENSATION  
STRUCTURES  
MAY BE UNFAIR**  
or unattractive to  
women.

**GENDER BIAS  
AND  
DISCRIMINATION**  
may keep women out  
of financial planning.

**INADEQUATE  
UNDERSTANDING**

as to what financial  
planning involves or  
what it takes to be  
successful may be  
keeping women from  
thinking about financial  
planning as a career.



# Becoming a Woman CERTIFIED FINANCIAL PLANNER™

## Professional: A Game of Chutes and Ladders?

It appears that the path to CFP® certification for women may be a bit like the classic children’s board game “chutes and ladders.” As a woman moves through the career selection process to become a financial planner, there are any number of “chutes” that she may land on. These chutes then slide her off a course that otherwise could lead to a career in financial planning and CFP® certification.

One of the initial tasks of the WIN Advisory Panel was to review existing research on gender disparity in other professions to identify what those chutes might be. Based on that literature review, it was determined that the following potential “chutes” deserved further investigation:

- Women, more so than men, lack adequate information as to what financial planning involves or what it takes to be successful as a financial planner.
- Prevalent business models and compensation methods in financial planning are unattractive to women or not aligned with their income requirements.
- Gender bias and discrimination play a role in the underrepresentation of women in financial planning, either because firms are less likely to hire and support women, or because women are less likely to pursue

the career because they assume they won’t be hired and supported.

- Concerns about work-life balance deter women from considering a financial planning career.
- There is a lack of visible role models, networks and professional development programs for women in financial planning.

The WIN research was designed to explore these hypothetical chutes, as well as uncover other possible detours taking women off a path to CFP® certification. Once these impediments had been identified, it was then possible to determine what “ladders” might be provided along the path to give women the needed boost to take them closer to the top of the financial planning profession as CFP® professionals. These ladders, developed from the findings of the WIN research, appear in Part III of this paper.

# Is there a business case for more women CFP<sup>®</sup> professionals?

The growing household wealth and financial influence of women is by now an established fact. But according to research conducted by the Boston Consulting Group in 2009, women consumers take a very dim view of financial services as an industry that understands their needs.<sup>2</sup>

Both the increasing wealth of women as well as their antipathy toward financial services are subjects of intense importance to financial advisors. Marketing presentations on how to attract women prospects and engage women clients have become staple fare at industry conferences, workshops and webinars. As part of this surge of interest in building stronger relationships with women clients, many in the industry have questioned whether a significant number of these clients would, in fact, prefer to work with women advisors. If such were the case, the economic value of women financial advisors would presumably be higher, as would the hiring demand for these women.

More important still, any lingering gender bias affecting women financial advisors within the industry would quickly disappear as firms and employers discovered that such discrimination was directly impacting their bottom lines.

The evidence for women clients preferring women advisors appears to be largely

anecdotal, or applicable only to small segments of the female population. The Family Wealth Advisors Council, a national network of wealth management firms, conducted a *Women of Wealth* study in 2011, in which they asked affluent women if they cared about the gender of their advisor. They found that among married and single women, more than 90 percent did not have a gender preference. However, among divorcees and widows, one in four reported a strong preference for a woman advisor.<sup>3</sup>

One claim recently appearing in industry publications is that 70 percent of women prefer female advisors. This statistic is misleading, apparently having been taken out of its original context in a 2006 survey conducted by Opinion Research Corporation. According to one article citing that survey, “Among female consumers who do not have a financial advisor, but want one and have a gender preference (emphasis added), 75 percent would prefer a woman.”<sup>4</sup>

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2 Boston Consulting Group, “Women Want More (in Financial Services),” 2009.

3 Heather R. Ettinger and Eileen M. O’Connor, “Women of Wealth,” Family Wealth Advisors Council, 2011.

4 “Career Moves: the X(Y) Factor,” Registered Rep, November 2009.

In a Boston Consulting Group study, the underlying percentage of women with a gender preference was estimated to be approximately 15 percent, and of that subset, not all prefer women advisors.<sup>5</sup>

As part of the WIN research, CFP Board also investigated this issue through the 2014 *Economics of Loyalty* study conducted by Advisor Impact in which 657 men and 572 women clients of financial advisors were surveyed. CFP Board submitted several questions to determine respondents' preference for male or female advisors. The findings show little preference for advisor gender, with only 11 percent of both men and women respondents indicating that the gender of their advisor is "somewhat important" or "critical" to their choice of advisor. There is, however, evidence that women respondents are more likely to be working with a female advisor compared to men (18 percent of women versus 12 percent of men). Conversely, men respondents are more likely than women respondents to work with a male advisor (85 percent of men versus 78 percent of women). To put these numbers in context, it is worth emphasizing that the choice of an advisor of either gender is determined, in part, by the underlying supply: again, approximately 31 percent of financial advisors are women, according to BLS statistics.

Perhaps as the profession moves toward gender parity as a result of this WIN initiative and other programs seeking to support and advance women financial

planning professionals, more clients will have the choice of women advisors available to them, if at the margin, this is of importance to them. Based on the *Economics of Loyalty* study, honesty and knowledge are attributes that clients most frequently state they want in their advisors.

On the other hand, a business case has emerged among publicly held companies for including more women on corporate boards and in top management. A Catalyst study over the 2004-2008 time period showed that companies with three or more women corporate directors significantly outperformed companies with no female directors on three return measures: return on sales, return on invested capital and return on equity.<sup>6</sup> Similarly, a 2008 study by McKinsey & Company showed that companies with more women senior managers had higher earnings and financial valuations than those with fewer women senior managers.<sup>7</sup>

It is hoped, if not expected, that as the financial planning profession continues to grow and mature, and as firms within the profession continue to emulate and adopt the management practices of corporate America, increasing attention will be paid to the impact of women professionals on the profitability and valuations of these firms. There is little doubt on the part of CFP Board and the WIN Advisory Panel that the impact will be significantly positive.

5 "Levelling the Playing Field: Upgrading the Wealth Management Experience for Women," Boston Consulting Group, June 2010.

6 "The Bottom Line: Corporate Performance and Women's Representation on Boards," Catalyst, 2011.

7 Desvauz, Devillard-Hoellinger and Meany, "A Business Case for Women," The McKinsey Quarterly, September 2008.



## **PART II: Findings from the WIN Research**

# **Where One Stands Depends on Where One Sits**

No one is arguing that the number of women CFP® professionals isn't low. The majority of respondents in the WIN survey indicated that they assumed, if not knew, that this was the case. But across-the-board consensus pretty much ends there. The opinions about the reasons for this underrepresentation are as various as the groups asked for their input.

The quantitative WIN research surveyed a number of different constituencies to obtain a broad spectrum of attitudes and perspectives on the underrepresentation of women CFP® professionals. These constituencies included:

- Financial Advisors without CFP® certification
- Financial Services Firms
- Students in CFP Board-Registered Programs, both degree and certificate
- Program Directors of CFP Board-Registered Programs
- Other Students (undergraduate and graduate students with financially-related majors)
- CFP® Professionals

For all groups—except that of Program Directors—statistically reliable samples of both men and women were interviewed.

One way to understand the survey results is to differentiate respondents in terms of their proximity to or experience with the CFP®

profession and certification process. Those with direct experience would include CFP® professionals, Students in CFP Board-Registered Programs and Program Directors. For purposes of presenting the findings, this group is collectively referred to as the “**CFP® Professional Community**.” Those further away from the CFP® certification and the practice of financial planning, but nevertheless operating in the broad area of financial services, would include Financial Advisors without CFP® certification and Other Students. In the results, they are called the “**Financial Advisor Community**.” Because “**Financial Services Firms**” could be included in either group, they are considered to stand on their own for purposes of analyzing the survey findings.

Another key differentiation in the findings is that between women and men. Where findings are presented for “**Women**,” they include the survey responses from all women across all constituencies regardless of certification or student or professional status. The same is true for all responses reported for “**Men**.”

# Summary of Research Findings

The findings of the WIN research can be summarized by four overarching observations:

- Women lack awareness of financial planning and the CFP® certification process.
- Women harbor misperceptions about the financial planning profession and CFP® certification.
- Women's reluctance to take professional risks may be keeping them from entering the financial planning profession. For those women in the profession, this same risk aversion may be inhibiting their success and/or professional satisfaction.
- Gender discrimination and bias exist within the financial planning profession, likely resulting in women feeling unwelcome and unsupported.

“ Going to a big school is like having certification. It helps on paper, but does it truly make you more qualified? I don't know. ”

Woman professional without CFP® certification, NYC focus group



## FINDING #1:

### Financial planning and CFP® certification are simply not “top of mind” as career paths for women.

Relative to men, women in general are far less familiar with the financial planning profession and the requirements for attaining the CFP® certification.

The WIN survey data indicates that among individuals who do not consider themselves financial planners, **Women** are less than half as likely than **Men** to report being “very familiar” with the role of a financial planner (22 percent versus 53 percent). Among financial advisors without the certification, 39 percent of men indicate they would definitely or probably pursue the certification in the future, compared to 23 percent of women. The spread is even greater among students in finance-related programs other than CFP Board-Registered Programs: 25 percent of women students versus 60 percent of men students said they would definitely or probably pursue CFP® certification.

If lack of familiarity explains lack of interest, the WIN data suggest that the reverse is also true: familiarity engenders interest. Interestingly, this is found to be truer for women than men. Fifty-eight percent of those women in the **Financial Advisor Community** who consider themselves very knowledgeable about financial planning say they would be interested in becoming a financial planner, compared to 44 percent of knowledgeable men in the same group.

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### CFP® certification requires a candidate to:

- Hold a bachelor’s degree (or higher degree)
- Complete college-level studies addressing the major personal financial planning areas identified by CFP Board’s most recent Job Analysis Study, including a financial plan development (capstone) course registered with CFP Board
- Pass the CFP® Certification Examination
- Have at least three years of qualifying work experience or two years as an apprentice supervised by a CFP® professional
- Meet continuing education and ethical standards on an ongoing basis

**Note:** Hundreds of CFP Board-Registered Programs around the country provide the CFP Board-registered curriculum, including the capstone course. Through a transcript review process, CFP Board may grant credit for financial planning-related college coursework not completed at a CFP Board-Registered Program. Individuals holding certain academic degrees or professional credentials can apply for the CFP® exam after completing only the capstone course.

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There are also significant gender differences with respect to knowing about the CFP® certification and certification requirements, with women being significantly less knowledgeable.

“ When it came to math, for me, I was like forget about it! There’s no way I can do this! Sure enough, I could ... the math [you] need to do it is all in a financial calculator, and [you] can certainly learn to use a financial calculator. It’s like using an iPhone. ”

Woman CFP® professional and program director of a CFP Board-Registered Program



Forty-eight percent of male respondents who do not have a CFP® certification nevertheless report “knowing a lot” about it, whereas only 25 percent of non-certified women say the same. Similarly, when presented with a list of six components of the certification process (ethical standards, preparatory education, continuing education, examination, work experience and costs), the men in the **Financial Advisor Community** are more than twice as likely as women in the same group to be familiar with each component.

For both men and women uninterested in CFP® certification, the reasons were generally similar. For both genders, time for coursework is a major deterrent. While women are slightly more likely than men to cite the difficulty of the exam (13 percent versus 9 percent) and the expense of coursework (24 percent versus 19 percent), men are more apt than women to discard

the idea of certification because it would “take time away from building my career” (30 percent versus 23 percent).

**Bottom Line:** Women lack familiarity with the role of a financial planner and are therefore unlikely to seriously consider a financial planning career or attaining CFP® certification.

## **FINDING #2:**

**What women believe about financial planning is often clouded by misperceptions and inaccuracies as to the nature of the work.**

Women who are outsiders to the profession do not see financial planning as primarily about communication, relationships and holistic advice. Instead they see it as about investment and mathematical expertise. They are not

sufficiently aware of the benefits of CFP® certification as a qualification that gives them credibility and confidence to succeed in the profession.

There are marked differences between respondent groups as to what is known about financial planning and what it takes to be a successful planner. As was observed in the preliminary focus group discussions, the **CFP® Professional Community** has a very different view of financial planning compared to the **Financial Advisor Community**, which harbors a number of misperceptions about the profession that appear to inhibit interest in the career and CFP® certification.

For example, over 90 percent of women in the **CFP® Professional Community** believe that financial planning requires strong communication and listening skills, and a holistic approach to clients' financial circumstances. That is more than 30 points higher than the percentage of women in the **Financial Advisor Community** who believe the same. A similar divergence of opinion exists with respect to the belief that financial planning requires skills that planners can use in their own lives: 85 percent of women in the **CFP® Professional Community** believe that this is true, versus 50 percent of women in the **Financial Advisor Community**. The ability of the **CFP® Professional Community** to experience, firsthand, the benefits of the work they do could explain the high rate of career satisfaction that this group enjoys, relative to those professionals without the certification.

“ I was good in math—  
but [financial planning]  
is not math! ”

Woman CFP® professional in Virginia focus group

The two groups also differ with respect to the belief that selling products is central to financial planning. Twenty-four percent of respondents in the **CFP® Professional Community** hold this opinion, compared to half of the respondents in the **Financial Advisor Community**. This second group is also more likely to say that sales skills (38 percent versus 20 percent) and math expertise (35 percent versus 27 percent) are requirements for becoming a financial planner. A definite majority of women in the **Financial Advisor Community** believes that financial planning requires a strong understanding of financial markets (62 percent), whereas only a minority of women in the **CFP® Professional Community** shares this belief (40 percent). Another key difference between women in the **CFP® Professional Community** and women outside is their perception of the ethical nature of the financial planning profession: 56 percent of the first group finds the profession “highly ethical,” whereas only 35 percent of women financial advisors without CFP® certification agree with this claim.

Even just one of these misperceptions could dampen interest in pursuing CFP® certification.

For women in the **Financial Advisor Community** in particular, misperceptions about the nature of financial planning strongly affect their interest in becoming financial planners. For instance, among women in the **Financial Advisor Community** who strongly agree that financial planning requires strong sales skills, only 33 percent are interested in becoming financial planners. Yet among those who strongly agree that financial planning is primarily about building long-term relationships, interest in becoming a financial planner rises to 45 percent.

When presented with a list of possible solutions to bring more women into financial planning, the top choice (at 61 percent) of the **CFP® Professional Community** is a greater emphasis on “planning and relationship-building and less [on] financial products.” Women within this community feel even stronger about the importance of this repositioning: 72 percent of these women endorse this recommendation versus 48 percent of men in this group. **The Financial Advisor Community** favors other solutions, such as focused marketing to women, mentoring programs and providing more flexible work arrangements.

**Bottom Line:** The insider’s positive view of financial planning—held by women CFP® professionals themselves—is not being widely or adequately communicated to women on the outside.

### **FINDING #3:**

**Women’s own behaviors may be holding them back from pursuing or advancing in the financial planning profession.**

The perception that women are not strong advocates for themselves in pursuing their career goals—a female behavior that Sheryl Sandberg recently called out in her bestseller *Lean In: Women, Work and the Will to Lead*—is considered by respondents in the WIN survey to be one of the top reasons for the underrepresentation of women in financial planning. By not advocating for themselves, women become less visible (and less successful) in the profession, and therefore are less able to inspire or motivate women outside the profession.

What’s particularly interesting about the WIN results is that not only do **Women** and **Men** ascribe similar importance to this factor as an explanation of the low numbers of women CFP® professionals, but women in the **CFP® Professional Community** are more likely than any other respondent group to cite the lack of initiative among women as the number one reason for women’s underrepresentation in financial planning.

Another separate behavior examined in the WIN survey is women’s reluctance to take risks in pursuing a financial planning career. One of the risks identified in the

quantitative phase of the WIN research was variability of compensation. Many firms in the financial planning profession use production-based formulas to compensate their employees, as opposed to a fixed or base salary. Planners are often paid according to the amount of assets under management (AUM) or by commissions on product sales, as opposed to less tangible outcomes such as client satisfaction. For some women considering financial planning as a career, the prospect of not receiving sufficient income until one has developed a substantial clientele is daunting. One woman expressed the desire that firms afford her the opportunity to first learn how to be a financial planner, preferably by participating on a team of more experienced planners, before expecting her to generate revenues.

In the WIN results, there appears to be some discrepancy between the perceptions of **Women** and **Men** on the issue of female risk aversion. As an explanation for women's underrepresentation in financial planning, this factor was among the top five for **Men**,

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*The “gender tax” paid by a woman financial advisor in terms of lower earnings is approximately \$32,000 per year according to the 2012-2013 Aité Group study of the financial advisory industry.*

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but not for **Women**. Nevertheless, 38 percent of the **CFP® Professional Community** as a whole, and 42 percent of those professionals with CFP® certification, believe that more women would be attracted to the profession if more firms offered a salary-based pay model, as opposed to commissions or pay based on AUM.

It is difficult to say whether the risk aversion attributed to women is an unfair stereotype or a legitimate observation of women's inherent need for more stability and income predictability in their careers relative to men. The findings in the Aité Group study (see sidebar on page 22) point to certain characteristics of women financial advisors—such as lower firm ownership or preference for working with

“ Even women at the top of their game in the financial planning profession are unwilling to take risk often at the cost of their professional satisfaction. It takes a lot of time, frustration and negative impact on a woman's business to make her willing to leave one firm for another. ”

Woman recruiter for the financial advisory profession.

## What Does the Woman Financial Advisor Look Like?

Relative to Male Financial Advisors:	2012	2013
<b>She's paid less.</b>	Even when she has the same experience, revenue production and ownership status as a man, a woman in the financial advisory field receives approximately \$32,000 less annual income than male advisors	
<b>She's more likely to be paid a salary.</b>	20% of women were salaried versus 12% of men	32% of women were salaried versus 13% of men
<b>She's younger.</b>	Approximately half of women advisors surveyed were age 40 or younger, compared to one-third of men advisors under the age of 40	
<b>She has less experience.</b>	57% of women had eight or fewer years of experience, compared to 37% of men	44% of women had eight or fewer years of experience, compared to 29% of men
<b>She's more likely to work for a bank.</b>		21% of women were employed by a bank, compared with 10% of men
<b>She's more likely to be part of a large (\$1 million+ in revenue) practice team.</b>	29% of women practiced in large firms, versus 19% of men	27% of women practiced in large firms versus 18% of men
<b>She's not as likely to own her practice.</b>	43% of women owned all or part of their practice versus 65% of men	39% of women owned all or part of their practice versus 63% of men

Source: Aité Group Study on Characteristics of Financial Advisors and Their Practices, 2012 and 2013



“ I am willing to work really hard, but I have two kids to support so I need a place to start. ”

Phone call with woman CFP® professional

large practices rather than small firms—which could support a finding that women play it safer in their careers than do men.

On the other hand, women’s reluctance to either enter financial planning or take risks to advance their careers might be less a matter of risk aversion than it is their rational reaction to being paid inadequately for taking those risks. One of the most important results of the Aité Group study is evidence that women in the financial advisory field are significantly underpaid relative to men, even when their credentials are the same.

**Bottom Line:** Women in general, and women CFP® professionals in particular, are quite aware of their hesitation to advocate for themselves to advance their careers. Whether they are also holding themselves back by failing to take necessary career risks, or responding quite rationally to the disincentives of inadequate pay or unsupportive environments (See Findings #4-6) is less clear and may be a true “chicken and egg” problem. Yes, women may be “chicken” when it comes to becoming or succeeding as financial planners, but is the profession

in essence throwing some “eggs” to discourage their efforts?

#### **FINDING #4:**

**Gender discrimination and bias exist within the financial planning profession, likely resulting in women feeling unwelcome and unsupported.**

While the majority of all respondent groups do not believe that one gender or the other is more likely to have the skills to be a successful financial planner, there are nevertheless some notable differences among those respondents who do believe there is a gender difference. Thirty-one percent of the **CFP® Professional Community** believes that women are more likely than men to have what it takes to be great financial planners. Women in this community (46 percent) are even more strongly convinced of their gender advantage over men.

This contrasts with just nine percent of the **Financial Advisor Community** who think that women have the edge over men as successful financial planners.

Where bias against women becomes most apparent is among **Financial Services Firms**. When this group was asked which gender is more likely to have the characteristics of a successful financial planner, seven percent vote for women, 41 percent for men. But when these same firm officials were asked about the specific qualifications deemed important for financial planning, they gave the advantage to women over men:

Qualifications	Women	Men
Receive adequate training from firms	89%	79%
Are well trained by educational programs	94%	73%
Are strongly ethical	88%	67%
Have an advantage with women clients	82%	61%
Have the characteristics to be a strong financial planner	89%	73%

But skills seem to count for naught when it comes to beliefs about which gender is more likely to be hired. Both the **Financial Advisor Community** and the **CFP® Professional Community** are aligned in their belief that men are favored over women when it comes to hiring a financial planner (43 percent and 40 percent, respectively). Only six percent of the **Financial Advisor Community** and eight percent of the **CFP® Professional Community** hold the contrary belief that women receive preference in hiring.

“ I think ... you do have the ‘old boy’s network’ in place. A male friend told me I had several strikes against me: I was female, Yankee and not a great golfer. ”

Phone call with woman CFP® professional

There is no dispute between **Men** and **Women** respondents to the WIN survey as to which gender is made to feel more welcome by employer firms. Fifty-four percent of **Men** and 60 percent of **Women** believe that “the office culture in financial firms makes men financial planners feel welcome and respected.” Both genders are less likely to feel the same way when it comes to women—and the percentage is especially low among women themselves (48 percent of **Men** and only 29 percent of **Women** agree that “the office culture in financial firms makes women financial planners feel welcome and respected”).

**Bottom line:** While lack of awareness and misperceptions form one barrier for women who might otherwise enter the field, another barrier has to do with firms that, by commission or omission, are not sufficiently welcoming to women as a result of their bias toward hiring men, even when acknowledging the apparent financial planning strengths of women.

**FINDING #5:**

**Contrary to one WIN hypothesis, women’s concerns about achieving work-life balance do not appear to be a major factor preventing them from pursuing CFP® certification. But firms still behave as if work-life balance is predominantly a woman’s issue.**

Work-life balance, long thought to be primarily a women’s issue in the professional world, has become a men’s issue as well. In the 2001 landmark study by Catalyst on *Women in Financial Services*, a majority of both men and women respondents believed that their career advancement depended on putting their jobs before their families.

In the WIN research, however, both genders rank the issue as a relatively minor problem in the financial planning profession. When asked to respond to the statement, “Financial planning offers good work/life balance,” only nine percent of **Men** and 10 percent of **Women** disagreed.

No mention was made in the focus groups held with women students in CFP Board-Registered Programs—many of whom are in their twenties—about worries that a financial planning career and having children would be a stressful combination. Furthermore, these younger individuals were as apt to stress their desire for flexibility and personal freedom in their careers as they were to focus on the special challenge of raising a family as a woman professional.



“ The feedback I get from students after they return from job interviews is that the people interviewing them are middle-aged men. These men comment that these women look young and would not relate to their clients. This is not being said about male candidates. ”

Phone call with CFP Board-Registered Program Director for degree programs

“ Being a CFP® professional allows me to be more flexible with my work schedule if I want to spend time at a soccer game for my son or go visit a college-aged daughter one weekend. You are responsible for your clients and they know you will make the time when it is needed. ”

Email from woman CFP® professional

In fact, women both in focus groups as well as in email comments received by CFP Board expressed their belief that a financial planning career afforded them significant flexibility in terms of where and when they did their work. In the WIN survey, 71 percent of the CFP® Professional Community and 58 percent of the Financial Advisor Community agree that financial planning offers a lot of flexibility in terms of days and hours worked.

But if women are generally not worried that they can manage their work, family, and personal commitments and still be a successful financial planner, they have reason for concern that employers see things differently. **Women, Men, the Financial Advisor Community, and Financial Services Firms** are all much more likely to believe that financial firms are reluctant to hire women as financial planners because of concerns that they will leave to start families than to believe the same holds true for men.

Segment	Percentage of segment who believe firms are reluctant to hire women/men because of concerns they will leave to start families	
	Women	Men
Women	40%	9%
Men	34%	23%
Financial Advisor Community	41%	20%
Financial Services Firms	74%	56%

In fact, virtually every segment ranked firms' reluctance to hire women of childbearing age as a major reason for the low number of women in financial planning. The only segment that does not include firms' reluctance as a major reason for the underrepresentation of women is the CFP® Professional Community, including its sub-segment of students.

**Bottom Line:** In terms of “work-life” balance, what women believe to be true about a financial planning career and what in fact may be the case is contradictory. Women, as well as men, see financial planning as affording flexibility and balance, allowing them to pursue personal commitments and interests while building their practices.

But **Financial Services Firms** apparently still believe women—but not men—are apt to cut and run when it comes time for having children. This may put women in a “no-win” bind. Even as they believe their gender is

not an issue and work hard to succeed, it may not be enough to overcome organizational attitudes that favor men. Here, again, is a further instance of an environmental barrier facing women who aspire to be financial planning professionals.

### **FINDING #6:**

**There is widespread consensus that more female role models, women's support networks and professional development efforts targeted to women would increase the number of female CFP® professionals.**

The lack of female role models and networks for women can be seen as both a cause and effect of the low representation of women in financial planning.

CFP Board certificant data show that the percentage of female CFP® professionals who go on to practice, as compared to the percentage of male CFP® professionals, is



“ I have no problem stating that when I entered the profession, I was the only woman with children. My leaders told me that they did not know what to do with me, meaning they knew how to manage young men right out of school. I was almost fired twice. I was honest about leaving once to take care of a sick child. ”

Email from woman CFP® professional

significantly lower. Only two-thirds of women CFP® professionals become practitioners, compared to nearly 80 percent of men. Thus, the 23 percent number for women in the CFP® professional population somewhat overstates the case. In reality, when it comes to practicing as a professional, the number is closer to 20 percent. In other words, a male-dominated profession gets a bit more saturated when viewed through this perspective. This also means that the pool of potential role models—successful women practitioners—is that much smaller.

“ All that rigorous coursework to prepare for the exam, but we never learned the business side of financial planning. ”

WIN Advisory Panel member who had recently completed required coursework for the CFP® certification

The WIN survey showed CFP® professionals to be more likely than professionals without the certification to cite the lack of female role models as a reason for the low numbers of women CFP® professionals (9.5 rating versus 7.6).<sup>8</sup>

Given Finding #3 that women do not like to advocate for themselves in pursuing career advancement, the need for more professional support for women in the form of workplace mentors and advocates becomes more imperative. More so than men, women may well require the example and encouragement of other professionals before they can gain confidence to speak up for themselves. In some cases, when it comes to career promotion or career responsibilities, they may even need advocates who will speak for them. They may need, in other words, someone who will represent their interests “at the table” where important decisions are made, when they themselves are not there.

**Men and Women** do, however, differ with respect to the adequacy of corporate training programs in teaching women how to be successful financial planners. Sixty-two percent of **Men** believe these

<sup>8</sup> The statistics cited here are based on the results of a Maximum Difference Scaling question asked in the survey. In this “MaxDiff” question, 18 possible reasons for women’s underrepresentation were presented to respondents, in groups of 5 reasons each. From each group of 5, respondents were asked to select the one reason that has MOST to do with underrepresentation and the one that has the LEAST to do with it. Based on the pattern of responses, a score for each reason is calculated—for these MaxDiff results, a score of 8 or higher can be considered one of the most important reasons offered by respondents.

“ We don’t have many role models. I used to not know what appropriate behaviors were. I struggled with dress. A lot of angst and ‘should I, shouldn’t I?’ ”

Woman CFP® professional in NYC focus group



programs to be adequate, whereas only a minority—44 percent—of **Women** hold a similar opinion.

Among all respondent groups in the WIN survey, a strategy of developing mentoring programs was second only to repositioning financial planning as a career well-suited to women emerges as the solution most likely to increase the number of women in the financial planning field. It comes as no surprise that **Women**—and women CFP® professionals in particular—are more likely than **Men** to cite this as a priority.

**Bottom Line:** Women need more role models and women’s networks to be able to “see themselves” becoming and succeeding as CFP® professionals. In this way, they would feel more welcome and accepted in the financial planning profession.

All the WIN findings, when taken together, suggest that the value proposition for women thinking about a career in financial planning and CFP® certification is not yet sufficient to attract them in significantly greater numbers. Lack of awareness of and misperceptions about financial planning and the CFP® certification have the effect of diminishing the career’s perceived value, while the prospect of having to struggle with discrimination, bias and an unwelcoming environment increases costs of entry.

Clearly the equation must be changed—the perceived benefits of CFP® certification must increase and the perceived costs must decrease—to make the decision to become a CFP® professional decidedly worth it for women.



## **PART III:**

# **Making Room for Women in the CFP® Profession: The Call to Action**

CFP Board certificant data makes one thing clear: the issue of the low number of women CFP® professionals is primarily a problem of attraction, and not one of retention. Once women achieve their CFP® certification, the rate of relinquishment is extremely low. In this regard, financial planning seems to differ from science, technology, engineering and math (STEM) careers where many women leave their jobs in their mid-thirties after a few years of experience on the job.<sup>9</sup>

In 2013, 3.7 percent of women CFP® professionals gave up their certification, compared to 2.8 percent of men. While this difference between the genders may be statistically significant, the rates for both genders are low enough to be immaterial as a major reason for the low numbers of women financial planners. Once women are within the CFP® professional circle, they do not choose to leave in appreciable numbers.

Further, the lack of attraction is likely taking place in the early phases of career decision-making. All else being equal, women simply are less knowledgeable about financial planning and CFP® certification than men. If they don't know these opportunities exist, they certainly cannot pursue them.

But even when women are aware of financial planning and CFP® certification, they may harbor certain misconceptions

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<sup>9</sup> Hewlett, Sylvia Ann et. al. *The Athena Factor: Reversing the Brain Drain in Science, Engineering and Technology*. Harvard Business Review: Boston, June 2008.

What women do not misperceive, however, is how they are valued in the financial planning and the financial advisory industries. Compared to men, they are recruited less, hired less and paid less.

about what the profession entails, believing it to be primarily about investments, sales and production, and that it requires significant math skills. They do not appreciate that the softer skills of relationship-building and an understanding of family dynamics are just as important as technical expertise to being a successful financial planner.

These misconceptions may then lead women to decide that a financial planning career, and certainly the CFP® certification, are not worth the effort or resources required. They may conclude they do not have the right skills to become successful planners. Or they may simply decide they don't want to do what they think financial planners do.

What women do not misperceive, however, is how they are valued in the financial planning and the financial advisory industries. Compared to men, they are recruited less, hired less and paid less. They receive less professional support, have fewer mentors, and are subject to gender stereotypes that are no longer relevant in today's professional culture.

The WIN Advisory Panel has determined that targeted strategies are needed to bring more women into the room to consider the possibilities and opportunities that a career in financial planning offers. At the same time, the Advisory Panel believes that the room itself needs some structural changes—wider doorways, special access ramps for a gender still professionally disabled by wage inequality and bias, and windows that look into the future instead of the past.

Accordingly, the WIN Advisory Panel offers a number of recommendations both to attract more women to the profession, and to make the profession itself more attractive to women.

## What Needs To Be Done

### To attract more women:

- Leverage the confidence-building benefits of girls-only groups or clubs—such as the Girl Scouts and Invest in Girls—to promote the basic skills of financial planning, such as budgeting, debt management and investing.
- Educate guidance counselors and placement officers in high schools and colleges on financial planning as a distinct specialty within financial services, and on the requirements and benefits of CFP® certification. Get CFP® professionals to speak at high school career days and make visits to college campuses.
- Encourage women in MBA and other business programs to consider the financial planning profession as an attractive alternative to the more traditional careers in investment banking, investment management or product sales. Have women CFP® professionals participate in career fairs for business majors.
- At all educational levels, present financial planning as a holistic discipline, requiring good communication and relationship skills, in addition to math and technical competence.
- Help women and girls “see” themselves as financial planners by incorporating more photographs and stories of women financial planners in consumer marketing materials.
- Make women leaders in the profession, including successful women practitioners, more visible to broad audiences of women and girls through speaking engagements, public appearances, media presentations and social media.
- Bring the message about financial planning as a great career for women to national women’s professional networks, such as the National Association of Women Business Owners and 85 Broads.

**To make the financial planning profession and CFP® certification more attractive to women:**

- Recognize that some firms are implementing initiatives to support and develop their women financial planning professionals. Make their examples visible to other firms that may learn from and join these initiatives.
- Encourage top management and owners of financial firms to make a visible and vocal commitment to gender diversity by specifying measurable diversity goals for the firm and monitoring progress toward those goals. This commitment could be made by creating the role of a Chief Diversity Officer responsible for the recruitment and support of women, as well as racial and ethnic minorities.
- Call upon financial firms to adopt transparent compensation structures and standardized job descriptions to eliminate any gender discrepancies in pay and responsibility.
- Develop new definitions of professional success that incorporate the skills and strengths of both genders. For example, as a pathway to CFP® certification, firms might designate a “relationship manager” position as opposed to the more generic “financial advisor.”
- Recognize that work-life balance is not just a woman’s issue. Offering options such as working from home or flex time benefits all employees and can be important in attracting and retaining the brightest and best talent, regardless of gender.
- Offer alternative forms of compensation to entry-level employees that are not solely or primarily based on production (i.e., sales, AUM and revenue generation). Allow employees to learn the ropes without the pressure to produce immediately.
- Recognize that women pursuing the CFP® certification may be deterred by the costs of preparatory education and by the difficulty of the CFP® Exam. Firms can support their women employees by covering or subsidizing these costs, allowing sufficient study time away from work, and making their women employees aware of these benefits.
- Encourage women employees in financial firms to participate in women’s networks and business councils to build leadership skills and professional confidence. Again, the willingness to pay membership fees can send a powerful signal of support to women.
- Build and sponsor networks of women financial planning professionals, as well as in-firm and association mentoring programs.

## What CFP Board Will Do

CFP Board recognizes that simply making recommendations for increasing the number of women CFP® professionals will not, in and of itself, get the job done. Changing the way women see the financial planning profession, and the way the profession presents itself to women, will take a large measure of vision and commitment from its constituent organizations and firms. It will take “political will”—the courage to do the hard thing, not because it is pragmatic or popular, but because it is right. Eventually, too, it will be profitable, but not without significant investment in programs and internal policies to help women realize their full potential as practicing CFP® professionals.

CFP Board also recognizes that this effort must begin with itself. It is the organization’s intention to serve as a leader and catalyst in this effort, as part of its ongoing mission to set the highest professional standards of fairness and integrity in financial planning.

Accordingly, CFP Board has committed to these initiatives based on the WIN Advisory Panel’s recommendations.

- Create a WIN Council, consisting of CFP® professionals, educators in CFP Board-Registered Programs and financial planning firm executives, to supervise and advise on progress toward achieving gender parity in the profession. The Council will publish periodic reports of its findings and recommendations to the financial planning community.
- Conduct an internal review at CFP Board of all department functions and processes to determine alignment with the overall goal of increasing the number of women CFP® professionals. In this way, the Board intends to be an exemplar of the best practices and organizational culture to promote gender equality.
- Launch “The Faces of Women CFP® Professionals” campaign to showcase women leaders and practitioners in the profession, the reasons they chose financial planning and CFP® certification and the opportunities and challenges they’ve encountered. This campaign would entail production of a video and printed collateral materials for distribution at career/human resource events, CFP Board-Registered Programs and business schools.
- Partner with four or five firms—representative of the different business models within the profession—to conduct pilot initiatives at the firm level to bolster gender diversity, support the professional development of female employees and promote the CFP® certification.
- Designate WIN Advocates who will reach out to their local media and communities—e.g., area colleges and schools, women’s and girls’ groups, professional groups—to talk about financial planning, the CFP® certification, and the role and importance of women CFP® professionals.
- Develop conference programs and workshops, in conjunction with professional financial planning associations, that help women professionals and students understand and successfully navigate the career paths at various different types of financial planning firms, particularly in the first years of their employment.

## What You Can Do Now

- Volunteer your time and passion to CFP Board’s various WIN initiatives: apply to be a WIN Advocate, serve on the CFP Board WIN Council, or take part in the “Faces of Women CFP® Professionals” campaign. **W, M**
- Identify/organize opportunities for CFP Board WIN Advocates to speak to female audiences (at schools, colleges, professional groups) on financial planning as a career for women. **W, M, PD, FF, IP, AFA**
- Move up in the financial planning profession by reaching down: seek out opportunities to help mentor younger, less experienced women financial planning students and professionals. Organize a mentorship program within your firm or organization. **W, M, PD, FF, AFA**
- Contact CFP Board to indicate your firm’s interest in taking part in one of CFP Board’s pilot projects on gender diversity initiatives at the firm level. **FF**
- Work within your firm to set measurable diversity goals (numbers, compensation, internal support programs). Share your experience on what works and what doesn’t to improve gender diversity and opportunity in your firm. **W, M, FF**
- Encourage and support employee’s efforts to obtain CFP® certification with time off for exam study, reimbursement for coursework and/or exam fees, and supportive study groups within the firm. **FF**
- Include practice management and professional development programs targeted to women professionals as a staple feature in conferences, webinar series and workshops. **FF, IP, PA**
- Provide financial support for CFP Board’s implementation of WIN recommendations, including “Faces of Women CFP® Professionals” and other initiatives. **FF, IP, AFA**

### Key:

<b>W</b>	Women
<b>M</b>	Men
<b>PD</b>	Program Directors of CFP Board-Registered Programs
<b>FF</b>	Financial Planning Firms
<b>IP</b>	Industry Providers (mutual funds, custodians, software providers)
<b>AFA</b>	Associations of Financial Advisors

# IN CONCLUSION

By taking these first steps, CFP Board invites the participation and support of firms, educational providers, professional associations and professional women and men. CFP Board is asking all to join in the work of transforming our profession to flourish in a future that must necessarily look very different from the past.

The task ahead is enormous, requiring time, collaboration and resources. This type of initiative involves much planting and cultivating before we will reach the harvest. In the view of CFP Board and the WIN Advisory Panel, it is imperative to begin now. At stake is the strength, quality and integrity of the financial planning profession.

## About Our Research

To help identify the barriers and misconceptions preventing women from pursuing CFP® certification and inform solutions for bringing more women into the financial planning profession, CFP Board conducted an extensive literature review, commissioned two original research projects and included questions in a separate consumer research project on the issue of gender preference for advisors.

### ***Fondulas Strategic Research WIN Qualitative and Quantitative Study***

CFP Board commissioned Fondulas Strategic Research (FSR) to conduct comprehensive qualitative and quantitative research designed to: (i) identify the reasons for the underrepresentation of women in the financial planning profession and (ii) explore strategies to boost the number of women CFP® professionals.

**WIN Phase 1 Qualitative:** In Phase 1, FSR engaged in qualitative research to inform the quantitative phase of the study. Qualitative research included: (i) a roundtable discussion with financial firm executives responsible for hiring decisions; (ii) eight in-depth telephone interviews conducted with CFP Board-Registered Program directors; and (iii) six focus groups conducted among the following segments: (a) women CFP® professionals in New York City and Washington, D.C.; (b) women in financial services without CFP® certification in New York City and Washington, D.C.; and (c) students in CFP Board-Registered Programs at Virginia Polytechnic Institute and State University (Virginia Tech), Blacksburg, VA and Boston University, Boston, MA. The qualitative research explored the following areas: (i) professional goals and priorities; (ii) feelings about different career options; (iii) impressions of the financial planning career path; (iv) impressions of CFP® certification; (v) perceptions of financial services as a field for women; and (vi) ideas for encouraging more women to enter financial services and financial planning.

**WIN Phase 2 Quantitative:** Informed by findings in Phase 1, FSR developed a survey instrument designed to collect quantitative data on the following issues: (i) familiarity with the financial planning profession and CFP® certification; (ii) image and perceptions of the financial planning profession; (iii) interest in pursuing CFP® certification among those who don't have the certification; (iv) perceived strengths of men and women as financial planners; (v) awareness of the underrepresentation of women in the field; (vi) perceived reasons for the underrepresentation of women; and (vii) most strongly endorsed strategies for increasing the proportion of women financial planners. The interviews were conducted online with 1,792 respondents from six segments: (i) financial professionals without CFP® certification (men and women); (ii) students in CFP Board-Registered Programs; (ii) financial professionals with CFP®

certification (men and women); (iii) undergraduate and graduate students with relevant majors; (iv) CFP Board-Registered Program directors; and (vi) financial services firm officials. Statistically reliable samples of all groups were surveyed except that of CFP Board-Registered Program directors.

### ***Aité Group WIN Study***

CFP Board commissioned The Aite Group to analyze online survey data to identify the differences between male and female financial advisors (registered investment advisers and registered representatives of broker-dealers). Survey data was also segmented and analyzed for male and female CFP® professional respondents. Data was collected on the following specific issues: (i) achievement of professional success based on income, practice ownership and the ability to attract high-net-worth clients; (ii) adoption of holistic wealth management practices and financial planning (teaming behavior, views on financial planning); (iii) interest in pursuing CFP® certification among those who don't have the certification; (iv) impact of CFP® certification on the careers of female CFP® professionals. The surveys were fielded in March 2012 and January 2013 and gathered detailed information on approximately 600 and 500 U.S. financial advisors, respectively. Given the number of female financial advisors surveyed, the differences reported have a 7-point margin of error at the 95% confidence level for 2012 data and an 8-point margin of error at the 95% confidence level for 2013 data. Given the number of female CFP® professionals surveyed, the differences reported for this group have a 14-point margin of error at the 95% confidence level for 2012 data (except where noted) and a 20-point margin of error at the 95% confidence level for 2013 data.

### ***Economics of Loyalty***

Economics of Loyalty, conducted by the research firm Advisor Impact, is a periodic survey of clients of financial advisors to examine drivers of client engagement. CFP Board worked with Advisor Impact to include a subset of questions in its 2014 Economics of Loyalty survey to determine the role a financial advisor's gender plays in clients' hiring decisions. The research specifically addresses the following: (i) role of gender in choosing a current advisor; (ii) role of gender in choosing an advisor to work with in the future; (iii) perceived attributes that clients feel best describe their financial advisor; and (iv) reasons for preference for one gender over the other when choosing a financial advisor. The survey was conducted online in February 2014 with 1,229 respondents who worked with a financial advisor and made/contributed to the financial decisions in the household. The survey data has a margin of error that is +/- 2.8 percent.

More information on these research projects are available on our website at [CFP.net/WIN](http://CFP.net/WIN).

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