

Is Financial Advice Gendered? (You Bet)



By [Tricia Juhn](#), Senior Vice President | March 28, 2019



As we close out [Women's History Month](#) here in the United States, I want to talk about one number that I'd like to leave in the past, along with corsets and hoop skirts: that less than 20%

of financial advisors are women, a number that has stubbornly resisted growing in the last 20 years.

Why does this matter? I could cite you a spate of very good research from disparate sources talking about how, in any gender-blind study, women advisors outperform men in terms of return, so in theory, everyone would make more money. I could also cite a growing body of research, including ours here at [Maru/Matchbox](#), that talks about how the skills of collaboration, listening, and learning are becoming the true differentiators of sought-after advisors.

(“Really, we’re mostly therapists. Our job is to hold the hands of our clients through tough times, and we’re not that good at it,” is the single most repeated, and most rueful, sentiment we hear from our *male* advisors.)

But really, it matters because in the modern world, taking direct control of your money is the clearest indication of power. It’s right up there with being able to feed, house, and clothe yourself. Actually, it precedes those things. Until we get back to growing our own food, weaving our own clothes, and building our own shelters, the money comes first.

Whether you manage your own money, or share that responsibility with an advisor, direct management of financial assets is the single most obvious metric of individual power. It signals adulthood, maturity, independence, and sovereignty. It’s almost impossible to be taken seriously in any one of these measures without having direct control over one’s financial life.

It's true, and no small relief (however belated, however inadequate) to start seeing women investors begin to get attention. It's great that the big banks and the investment houses have finally figured out that women make financial decisions by themselves, and may even have needs that are interesting and different from their male counterparts.

But what would really change the future of financial advice would be to see true parity or, as in a growing number of white collar professions, women overtaking men in terms of numbers and seniority in the financial advice profession – because that would mean that Americans were truly ready to trust women with their money – that investors were finally and literally willing to put their money where their mouth is.

I don't know why this profession hasn't attracted bright young women, even as other white collar jobs have started to even up (If you know, please share). It's a lucrative profession for hard workers, and it's also (from my perspective, anyway), a serving, rewarding profession, helping people save and prosper for the ups and downs of their lives (unless you're a predator, but I'm not counting those). To me, it's right up there with teaching, healing, and growing food, except maybe more lucrative (than teaching and farming) and more accessible (than medical school).

I will say, though, that this is an ideal time to enter the profession, as a new professional or, as many people come to it, as an experienced, mid-career professional looking to change careers: There is an entire generation of financial advisors retiring, with big books of business that need succession planning. Socio-economics, household structure, and investor journeys are more heterogeneous than never, requiring advisors with a diversity of experience, perspective, and background. But in 2019, the profession is still over 80% male.

This puts me in mind of the (now famous) Ruth Bader Ginsburg quote:

Reporter: “What is the ideal number of women on the Supreme Court?”

RBG: “Nine.”

Lately, we’ve been talking about innovation, and it’s thus far been about innovation along the lines of products or services. In this post, I’d like to propose an **innovation in experience** – not something we can make or buy, but something we can become:

1. **Innovation in advising:** Imagine if every financial advisor you ever laid eyes on: In every bank, every investment house, every brokerage firm, every insurance agency, were female. Different picture, right? What if the industry that advises us on growing our wealth were run by women? How would that change our relationship to our own money?
2. **Innovation in investing:** Something I still see with too many women investors: I see shyness to move into direct control of their money: a lingering tentativeness, bordering on apologia, sometimes just outright denial: I don’t want to deal with it. Surrendering control over their financial lives – to fate, or just to the first person who asks for it, which, statistically, is likely to be a male financial advisor.

But we know now, beyond a shadow of a doubt, that financial advice is gendered, in every dimension: portfolio construction, stock picking, and relationship management. More women in the financial advisor profession would ameliorate that.

“You want gender equality? You know what they say: You want something done? Give it to a busy woman. It always gets back to the money. Most things do.”