

A LEADER'S GUIDE TO

Do Well by Doing Good



**Strategies for
Recruiting
Underrepresented
Candidates into the
Financial Security
Profession**

 A GUIDE FOR FINANCIAL SECURITY PROFESSIONALS

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Front Cover

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**Strategies for Recruiting
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the Financial Security Profession**

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“You must be intentional in your efforts to recruit underrepresented and diverse people into the profession. If you only rely on traditional recruiting sources, your candidate pool will never support your diversity growth goals.”

● About Us

The Finseca Foundation

The Finseca Foundation is a 501(c)(3) nonprofit organization dedicated to elevating the work of financial security professionals to help drive better outcomes for consumers. The Foundation focuses on three ongoing core initiatives:

1. Conducting and providing research to help financial security professionals better serve the needs of American consumers seeking to achieve financial security.
2. Providing resources for Americans to become more financially empowered consumers of financial products and services.
3. Advancing and championing the next generation of financial security professionals by identifying top talent from diverse communities.

Our contributors

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● About this Booklet

Finseca's *Do Well by Doing Good* booklet is a recruiting staple for many organizations in the financial security profession. The booklet, first published in 2008 and updated in 2023, provides candidates with insights into the rewards and challenges of the financial security profession.

Although *Do Well* is universal in its appeal, Finseca recognizes that underrepresented and diverse groups sometimes face additional challenges in entering the profession. This companion booklet, *A Leader's Guide to Do Well by Doing Good*, will help financial security professionals address those challenges when recruiting these candidates into the profession, including:

- Identifying factors that discourage underrepresented groups from entering the profession.
- Emphasizing elements that underrepresented groups value and attract them to the profession.
- Eliminating unconscious bias in the recruiting and selection process.

While we understand there are many types of diversity, and support all efforts to create a more diverse profession, this booklet focuses on three underrepresented groups in the profession:

- Women
- People of Color
- Next-Gen (Generation Z and young Millennials)

How We Collected Our Data

In addition to an extensive literature review, we interviewed 10 top-performing leaders in financial security who have successfully recruited and retained financial professionals from underrepresented groups. As representatives of the groups addressed in this booklet, they also have first-hand knowledge of the concerns and challenges these candidates may face when entering the profession.

Terms Used in This Booklet

Industry segments often use different terminology to describe their businesses and their people. For example, some organizations use the term *advisor* while others use *agent* or *representative* and some use *agency* rather than *firm*. In this booklet, we use the term *financial security professional* to encompass all leaders and producers in insurance and financial services and the terms *firm* or *business* to include the different business configurations in the field. While you may use different terminology in your organization, we encourage you to overlook the labels and focus on the strategies shared.

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DEI in the Financial Security Profession

For several decades, organizations in almost every profession—including financial security—have launched diversity, equity, and inclusion (DEI) initiatives to attract more diverse candidates. These initiatives have become increasingly important as societal attitudes change and more organizations understand the business implications of recruiting and retaining a diverse workforce.

DEI Leads to Better Business Outcomes

By now, most leaders understand that DEI is not simply an altruistic gesture.

These initiatives correlate to better business outcomes. In a 2023 study of 2,000 global companies, organizations with DEI efforts integrated into their business strategies reported improved competitive position, increased agility, innovation, and brand perception, and a positive return on investment of their DEI efforts.¹ These organizations were:

- Twice as likely to report a lead over industry competitors to market.

“People want to see people who look like them. They want to know we are making a genuine effort to create more diversity in the profession. No one wants to feel that diversity is an afterthought or that they are a token representative.”

- Three times as likely to report exceeding fiscal year revenue expectations.
- More likely to report average market share growth.

As business outcomes drive DEI initiatives from the inside out, societal demands are influencing change from the outside in.

Changing Demographics Demand Greater DEI Efforts

Changing demographics in the United States are significant for the financial security profession as it endeavors to create a more diverse field force and recruit underrepresented groups into the profession.

- In its 2020 study, *The Impending Succession Cliff*, Cerulli estimates that nearly 40 percent of the financial advisor workforce will retire by 2030.
- Racial and ethnic demographics in the United States are shifting. The White population has been dropping since 1950 and is expected to continue to decline. By 2030, Whites will make up just over half of the US population with Hispanic, Black, and Asian American populations growing significantly. Researchers estimate that by 2045, the White population in the United States will drop below 50 percent.²
- US wealth management and gender demographics are also shifting. McKinsey reports that by 2030 “American women are expected to control much of the \$30 trillion in financial assets—a potential wealth transfer of such magnitude that it approaches the annual GDP of the United States.” At the same time, younger affluent women are becoming more financially savvy and are making more financial and investment decisions.³

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- A new generation with significantly different workplace expectations has entered the workforce. Generation Z, born between 1996 and 2010, makes up about 30 percent of the US workforce and 40 percent of US consumers. They are the most racially diverse cohort in the United States, with 22 percent having at least one immigrant parent.⁴ In the Center for Generational Kinetics' State of Gen Z 2021-2022 study, DEI was listed as the social cause most important to Gen Z.

These are just some of the factors driving change within the profession. To remain relevant in today's marketplace, demographics within the financial security profession must reflect the clients it serves.

What Is DEI?

Diversity, equity, and inclusion represent different but interconnected values. Diversity refers to who is represented in the profession (people of different races, ethnicities, ages, and genders, for example). Equity and inclusion speak to how people are treated. Equity is about treating people fairly, with access to opportunities and advancement. Inclusion means creating an environment where people feel a sense of belonging and know they are respected and their contributions are valued. Diversity, equity, and inclusion go hand-in-hand. Without equity and inclusion, diversity recruiting efforts will be challenging and long-term retention nearly impossible.

Financial Security Professional Gender and Race Demographics

	FINANCIAL ADVISORS		INSURANCE AGENTS	
	2010	2021	2010	2021
Male	72.5%	72.3%	54.3%	51.6%
Female	27.5%	27.7%	45.7%	48.4%
White	78.7%	72.1%	74.8%	66.4%
Asian American	7.5%	8.3%	3.8%	4.9%
Hispanic/Latino/Latina	6.7%	9.5%	12.3%	15.8%
Black/African American	5.7%	5.7%	7.9%	9.3%

Financial Advisor and Insurance Agents Demographics in the US, Zippia.com

Financial Security Professional Age Demographics

	FINANCIAL ADVISORS	INSURANCE AGENTS
40+	61%	66%
30-40	28%	23%
20-30	11%	11%

Financial Advisor and Insurance Agents Demographics in the US, Zippia.com

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Modest DEI Improvements in the Financial Security Profession

Global organizations spent an estimated \$7.5 billion on DEI-related efforts in 2020, a figure projected to more than double by 2026.⁵ Yet, despite these efforts, little has changed in the financial security profession over the past decade.

There is some positive news.

- McKinsey reports that, in North America, financial security is more diverse than all other industries by between 7 and 14 percentage points. However, diversity decreases significantly when looking at senior-level positions.⁶ (These figures include company and field positions.)
- S&P Global gender diversity scores for the property and casualty and life insurance sectors increased from 49 in 2020 to 52 in 2021.⁷ (These figures include company and field positions.)

Still, there is much room for improvement. A more diverse field force is good for business, good for our clients, and good for society. We must be committed in our efforts to attract, recruit, and retain diverse candidates, making diversity goals as important as revenue targets. It is essential for our survival.

DEI Timeline^{8,9}

1960s-
1970s

The Civil Rights Movement brings racial equality and discrimination to the forefront. The second-wave feminist movement challenges social and cultural inequalities for women.

1980s-
1990s

Emergence of formal diversity initiatives in organizations. Third-wave feminism highlights inequalities for women in business.

2000s

Companies begin providing diversity, equity, and inclusion (DEI) awareness training. Large companies establish DEI departments and roles.

2010s

DEI programs evolve to place stronger emphasis on equity and inclusion. Many companies expand diversity focus beyond race and gender. Fourth-wave feminism advocates for income equality for women and people of color.

2020s

Significant resurgence of DEI efforts with renewed commitments and focus on tangible actions, transparency, and accountability.

Challenges Unique to Underrepresented Groups

Underrepresented candidates have the same concerns about the profession as other candidates, with prospecting and rejection topping the list. However, they can also encounter unique challenges that other candidates typically do not.

Sense of Isolation

“When a female candidate comes into the office and doesn’t see other women, she may think, ‘Women must not be very good at this.’ She doesn’t have a line of sight to what is possible.”

Camaraderie and a sense of belonging are essential elements of a strong culture. But in organizations with little or no diversity, being the only female or person of color can feel isolating. These groups may be reluctant to approach colleagues for mentorship opportunities and are more likely to feel excluded. This is especially true when they do not see diverse

“A lack of diversity perpetuates the cycle of low diversity because no one wants to be the first one. You need to find a brave person and sell them on the concept that we know this is a problem. We want to be the solution. And they could be a driver for that solution. They could be a catalyst for change.”

representation in leadership roles, which might suggest limited opportunities for advancement.

To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Demonstrate Commitment. Recruiting underrepresented candidates into a firm with little or no diversity can be a challenge. High-performing leaders in our study recommend being honest about the situation. Share your firm's commitment to creating a more diverse field force. Let candidates know you aren't where you want to be yet, but you are making efforts to achieve more diversity in the firm. Give them specific examples of how you are reaching out to different communities and what you are doing to support financial security professionals from different groups.

Create Community and Connections. Where possible, connect candidates with successful financial security professionals from other agencies or firms in your company. For example, one female leader in our study speaks to female candidates with other agencies to talk about her experience and the strides the company is making in bringing on more female advisors. Tell candidates about study groups, networking groups, and other professional communities—both within your firm and company as well as industry organizations—that support different groups of financial professionals.

Highlight Successful Financial Professionals from Underrepresented Groups. Check your language, marketing materials, and other presentation collateral. Ensure you are providing examples of successful financial security professionals from different groups.

Concern over Credibility

“People assume younger advisors don’t have enough knowledge or experience because of their age. When in fact, they may have more experience than an older advisor who just came into the business. But they are reluctant to invest their money or entrust the well-being of their family with someone so young.”

People in underrepresented groups often feel pressure to demonstrate higher levels of competence, both with their colleagues and their clients. Whether conscious or unconscious, many misperceptions still exist, and these groups must often overcome skepticism about their qualifications. Clients’ concerns can affect their ability to grow their businesses. Concerns from colleagues can affect their contributions to agency growth. And all these concerns can affect their confidence in their ability to succeed in the profession.

The Experience of Being an ‘Only’

The 2020 study, *Racial Equity in Financial Services*, conducted by McKinsey & Company in collaboration with the WK Kellogg Foundation, found that ‘Onlys’ (people who often find themselves to be the only person of their racial or ethnic group represented in the room) are more likely to:

- Feel their racial or ethnic identity has played a role in missing out on a raise or promotion.
- Believe they are under greater pressure to perform and must provide more evidence of their competence than others do.
- Experience microaggressions.

To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Build Confidence. Finseca's *Shifting Paradigms* research revealed that many people do not understand the skills required to become a financial security professional and are unaware of the amount of training, development, and support most companies and firms provide. Let candidates know there are proven systems in place to provide them with the knowledge and skills needed to build a thriving business. Tell them how the company and firm will support them in generating leads and building a clientele. Focus on the characteristics of successful candidates—the desire to help others, building relationships, and coachability, for example—and share information about mentoring and joint-work opportunities available to them. Remind them that they are “in business for themselves but not by themselves.”

Promote Teams. Many candidates are unaware that agencies and firms are moving toward a team-oriented business model where they can play to their strengths rather than go it alone. Teams can create an instant community for underrepresented candidates as well as boost their confidence. Teamwork is especially appealing to next-gen candidates. One top-performing leader explained:

“I haven't talked to a single person who wants to do this alone. They want to be part of a larger network. This generation is very in tune with what they're good and bad at, and they're very open about sharing it. So, if you can show them where their strengths plug into a team and that it's okay if they aren't strong in one area because someone else can handle that, they are much more open to the opportunity. You don't have to be good at everything anymore.”

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Access to Clients

“You can be a White male and only serve White clients and be fine. As a Black advisor, if you only serve Black clients, you won’t have the same success.”

Candidates from underrepresented groups, particularly people of color, are often brought in to allow firms to break into new markets. And, while many may want to build a clientele within their communities, seeing it as an opportunity to give back, that does not mean they want their businesses to be limited to those markets. As one leader in our study put it, “Don’t hire me just for my market. I want my market to be everybody.”

Prospects in these underserved markets sometimes have little knowledge about financial security products and services—making the education and sales process longer—or may not have the financial resources needed, which can mean it takes longer to grow a thriving practice.

Black Consumers and Financial Services

A 2022 study by McKinsey & Company indicates that Black consumers are interested in increasing their investment in financial services—including wealth management, retirement planning, financial planning, and life insurance—but have lower satisfaction scores compared to non-Black consumers for almost every major industry offering.¹⁰

BLACK CONSUMER SATISFACTION SCORES	
FINANCIAL OFFERINGS	COMPARED TO NON-BLACK CONSUMERS
Life Insurance	–25 percentage points
Private Wealth Management	–11 percentage points
Property and Casualty Insurance	–8 percentage points

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To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Provide Access to Markets through Joint Work. Candidates from underrepresented groups may not have the same connections to other markets as their White, male colleagues. Let candidates know how the company and firm will support them in generating leads and building a business. Discuss joint-work opportunities for them to build connections and develop a clientele in different markets.

Discrimination and Harassment

“As women, we have to hold ourselves to an incredibly high standard—from what we wear, to how we speak, to how we hold ourselves. We have to constantly maintain our professional reputation. We can’t relax and let loose like men can. I know if I’m too friendly or too loud at an event, people will be judging me.”

Unfortunately, discrimination and harassment still exist in the profession, both as overt acts of unacceptable behavior and subtle acts of disrespect. In the *2022 State of Women in Wealth Management* commissioned by Carson Group, women surveyed identified harassment, a hostile work environment, and inappropriate physical advances as one of the primary reasons for leaving the profession. (It is significant to note that these options were not listed in the survey questions. These were write-in responses.) The 2020 McKinsey & Company report *Racial Equity in Financial Services* found that Black and Asian advisors are more likely to experience microaggressions (small acts of racism that, whether intentional or not, signal disrespect and lack of belonging) than any other groups.

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The State of Women in Wealth Management

In the 2022 State of Women in Wealth Management commissioned by Carson Group, male and female financial advisors were asked about opportunities for advancement available to female advisors.

PERCENT OF RESPONDENTS WHO AGREE WITH THE STATEMENT	FEMALE	MALE
Prospects and clients rarely take gender into account when selecting a financial advisor.	12.6%	20.9%
Financial advisors rarely take gender into account when seeking partners for joint work.	17.2%	25.6%
Male and female advisors have equal opportunities for success at my firm.	61.4%	76.7%

To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Eliminate Microaggressions. Of course, overt acts of discrimination, harassment, and demeaning behavior must never be tolerated. It is just as important to weed out microaggressions, which can be equally harmful. Check your language, processes, and presentations for statements and actions others might see as insensitive or demeaning and ways you may be unintentionally signaling to candidates that they may not fit in.

Foster an Inclusive Culture. In an inclusive culture, everyone feels valued for who they are and the contributions they make. Share with candidates processes your firm has in place to gather feedback and address team members' concerns as well as

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opportunities they have to contribute ideas and play a significant role in the team's success.

Do You Recognize Microaggressions?

Microaggressions are actions or statements that, whether intentional or not, can signal disrespect or lack of belonging to candidates from underrepresented groups. Review the statements below. Can you explain why they may be construed as insensitive or demeaning?

- You speak excellent English.
- You're very articulate.
- Where are you from originally?
- Wow! How did you get into that school?
- Don't worry. You don't have to be good at math for this job.

Challenges Recruiting Underrepresented Groups

As with every other group, there are a limited number of candidates from underrepresented groups who are a good fit for the profession. In the end, it is still about finding people interested in becoming business owners, passionate about helping others, and willing to put in the work required to succeed.

Successful recruiters and leaders in our research agree that finding qualified candidates from underrepresented groups requires intentional, focused effort. For a variety of reasons, these candidates are less likely to seek out careers in financial security. The first step in sourcing underrepresented candidates is becoming involved in their communities—joining local networking and community groups and teaching financial wellness workshops, for example.

“You aren’t just recruiting an individual. You’re recruiting their parents, siblings, and friends—the people they go to for feedback and advice. And they all have perceptions about the profession, too.”

Perception of the Profession

“We have to make sure communities of diverse backgrounds understand what we do and how we can help them, especially where generational wealth gaps exist.”

Misperceptions about the profession and its products and services abound in the public. Edelman’s *2022 Global Trust Barometer* ranks financial services as one of the least trusted industries (although trust scores have been rising steadily since 2012). This is not a phenomenon unique to underrepresented groups, but coupled with barriers to entry and the unique challenges these candidates encounter, it can be a powerful deterrent.

To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Create Awareness. Finseca’s *Shifting Paradigms* research indicates that the public has very little knowledge about the profession and its products and services. Educating candidates about the opportunities available and the impact they can have on their communities is an essential step in attracting more underrepresented candidates.

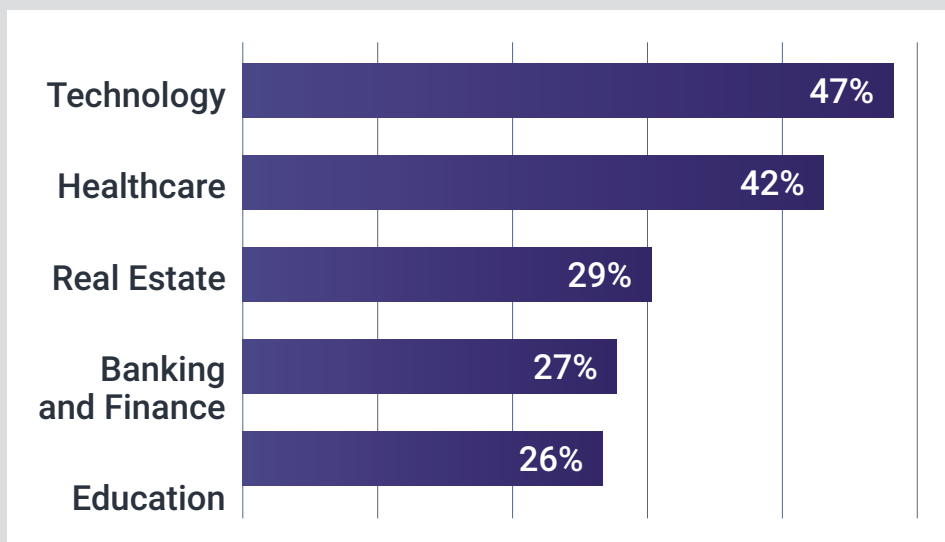
Change the Narrative. Successful financial security organizations are moving away from using sales-oriented language in their recruiting efforts and are focusing more on the independence and impact aspects of the profession. The opportunity to build a business and take control of their financial futures is especially appealing to underrepresented groups who do not see themselves working in corporate America. Shifting candidates' perspectives from selling to providing solutions and helping others offsets the negative perception some may have about sales.

Highlight Your Culture. An inclusive culture where everyone's contributions are valued and respected is important to all candidates but can be even more so to underrepresented groups who may already feel a sense of isolation. Share your organization's core values and the passion and commitment team members have for the profession and the people in the organization.

Culture is especially important to next-gen candidates. Many Gen Z and young Millennials view the profession as out of date, and it does not help that much of the technology these generations use to communicate is not approved by compliance. But, contrary to common belief, this group is less focused on perks and more focused on camaraderie and inclusion. The CGK 2021–2022 Gen Z study identified flexibility and liking their coworkers and boss as the top three factors motivating Gen Z workers to stay with their employers.

Gen Z's Perspective on Their Work Future

In the 2021-2022 *State of Gen Z* report from the Center for Generational Kinetics, working-age Gen Zers were asked to identify the industries they believe will have the best jobs and career opportunities over the next five years. (Note that, when broken down by gender, Banking and Finance was not among the top five selections for female Gen Zers.)



Unconscious Bias in the Process

“Ideal candidate profiles lead to characteristics like athletes, scholarship students, and finance majors. But if you understand how diversity, equity, and inclusion work, you know you are going to miss out on a fair number of people by following that profile.”

Unconscious bias occurs when the attitudes, stereotypes, and assumptions we hold—without being aware of them— influence our behaviors toward others. These biases can be positive or negative and often result in unequal treatment of

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one or more groups of people. A common bias in the financial security profession is affinity bias, the tendency to favor people who share similar characteristics or backgrounds with us. In other words, we hire people we like, and we like people who are like us. This can happen when recruiting and selection practices rely on ideal candidate profiles based on social characteristics—colleges attended, extracurricular activities, or shared hobbies, for example. This may result in unintentionally screening out high-potential candidates from diverse and underrepresented groups.

To Recruit Underrepresented Groups

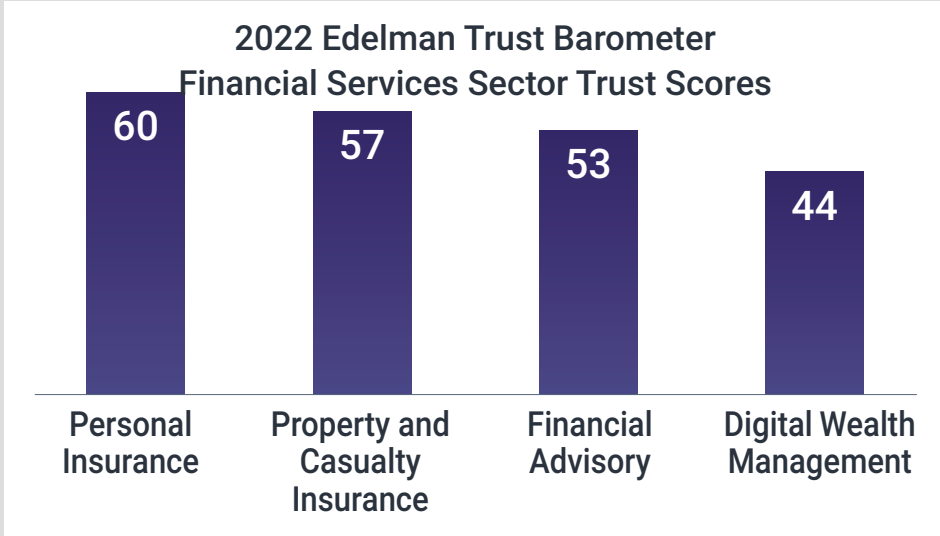
Use the following strategies to attract candidates from underrepresented groups to your firm.

Follow a Consistent, Objective Process. Review recruiting and selection processes for steps that may unfairly favor some candidates over others. Analyze interview questions to identify assumptions you are making that may unintentionally exclude others. Ask, “What conclusions are we drawing based on our own background and experience?”

Replace Cultural Fit with Core Values. When determining cultural fit, look for shared core values rather than social similarities. Core values such as integrity, compassion, accountability, and service, for example, are shared across diverse populations and social situations and can be demonstrated in many different ways.

Trust in the Financial Security Profession

Although trust in the financial security profession increased from 2021 to 2022, the profession still ranks 15th in the list of 16 industries included in the Edelman Trust Barometer.



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● The Four I's

Many leaders use the three I's—impact, independence, and income—in their recruiting efforts. In the 2023 revision of *Do Well by Doing Good*, a new I is introduced: intellectual stimulation. This new I speaks to the opportunity for continuous learning and development in the profession.

“It’s our job to paint a vision and provide a road map.”

Impact

“Income has to be sufficient. But it isn’t what is going to change their decision. If it’s a company selling something they don’t believe in, it could be \$1 million and they’re still going to walk away.”

Impact is a powerful attractor for underrepresented groups in considering the financial security profession. Many are drawn to the opportunity to have a positive impact on their communities, from helping to pull people out of poverty to creating financial stability and independence for clients. Impact is especially important to next-gen candidates. In one survey, 60% of Gen Z respondents said they intend to make an impact on the world in their lifetime and 93% said their decision to accept a job is affected by the company’s impact on society.¹¹

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To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Focus on Client Outcomes. When speaking with candidates, focus on the opportunity to change clients' lives in a positive and meaningful way. Highlight the opportunity to educate and create financial security for clients.

Emphasize the Impact on All Communities. Underrepresented candidates often view the financial security profession as only serving the wealthy. Discuss the opportunities available to serve all communities.

Share Your Core Values. Purpose and values are especially important to next-gen candidates as they search for meaningful work with organizations that share their values of making a positive impact on the world.

Independence

"I can build my career around my life, and as a working mom, that's very important to me. In my former career, I hated having to ask permission to take care of my child."

Independence is also a strong draw for underrepresented groups, both for providing flexibility in their schedules and for achieving financial independence. In one study, 54% of Gen Z surveyed said they plan to start their own company. Shaped by the Great Recession and COVID-19, this cohort has a strong desire to take control of their financial future.¹² A flexible schedule is also attractive to many women trying to balance

careers with family life. In the Carson Group study, 72.75% of female survey respondents selected “balancing professional role with caregiving obligations” as a barrier to career success.¹³

To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Highlight Business-Building Skills. Candidates in these underrepresented groups often have not had experience in running a business and may not feel confident in their ability to succeed. Discuss the business-building skills they will gain and emphasize that they are “in business for themselves, but not by themselves.”

Focus on Flexibility. A flexible work schedule is attractive to many candidates, particularly in the post-COVID work environment. This is especially true for working mothers. Leaders in our study talked about the guilt some women feel while trying to balance work and home life. One leader explained it this way: “They feel like, if they’re succeeding at work, then they’re failing at home, or if they’re succeeding at home, they’re failing at work. Putting your all into one means that you aren’t putting your all into the other, and that’s a struggle for women.”

Top Three Barriers Female Advisors Face

In Carson Group's 2022 *State of Women in Wealth Management* report, female advisors identified the top barriers they face in the profession.



Income

“One of the challenges with recruiting diverse candidates is that many of us come from not-so-strong economic backgrounds. We don't have a fallback plan. We don't have trust funds. We don't have the things that make us comfortable taking the leap. So, people will take the safer route for less income because they're concerned about not being able to provide for their families or not having an adequate income, even though they may like the idea of the profession.”

While impact and independence are the primary focus of recruiting conversations for many leaders, you should not underestimate the importance of income. Income leading to financial independence can be a guiding factor for people of color, women, and next-gen candidates—if you can overcome their concerns about commission-based compensation. Representatives from all three groups in our study identified

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the opportunity to provide for their families (current and future) and to control how much money they earn as strong attractors to the profession.

Next-gen candidates may be struggling with high levels of student loan debt, making income an important factor in their job search. The Center for Generational Kinetics' *2021–2022 State of Gen Z* study identified salary as the No. 1 criterion that attracts Gen Z candidates to a job.

Income is also a strong attraction for candidates from traditionally lower-income communities as well as those who have suffered financial hardships. Financial professionals in the Finseca *Shifting Paradigms* research shared stories of financial hardship that motivated them to join the profession and inspired them to help others avoid similar circumstances.

To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Attracting Gen Z— The Big Three

A top-performing leader in our study recommends focusing on three areas and helping next-gen candidates answer these questions to attract them to the profession.

- 1. Vision.** Where is the firm going, and what does the future hold if I walk down this path with you?
- 2. Impact.** If I choose this path, how will I make a difference in the world?
- 3. Growth Potential.** How will I get there, and how will you support me in the process?

Reframe the Commissions Conversation. For a variety of reasons, many candidates are leery of commission-based compensation. Candidates who don't come from a strong economic background may have no fallback options if they don't succeed. Financial obligations, economic uncertainty, job security—these factors and more can influence candidates' feelings about commission-based pay.

High-performing leaders have moved away from the negative views associated with commissions and reframed their conversations to emphasize pay-for-performance and recurring revenue streams. This is one of the few professions where candidates are in control of their income. As one leader in our study pointed out, "I have friends who are electrical engineers that were laid off during COVID. I'm still working."

Focusing on the entrepreneurial aspect of the profession also helps candidates better understand the opportunity. Most recognize that starting a business may require some short-term sacrifice for long-term rewards.

Intellectual Stimulation

"You're never going to get bored. There's always something new to learn. I love that I can bring value to people by continuously growing."

Intellectual stimulation emphasizes the continuous learning aspect of the profession. Many people are unaware of the depth of training and development provided to new financial professionals or of the ongoing education required to stay up to date. This is especially important to underrepresented groups who may not feel they have the background or experience to succeed in the profession.

To Recruit Underrepresented Groups

Use the following strategies to attract candidates from underrepresented groups to your firm.

Promote the Opportunity to Enter a Profession. A profession requires specialized education, knowledge, and training and often prescribes high ethical standards—all true of financial security, yet many people view this as a sales job rather than a profession. Speak to candidates about the professional aspects of the career such as licensing, designations, and compliance. Discuss opportunities candidates may have to specialize in different areas within the profession. One leader tells candidates, “Don’t commit to this if you aren’t willing to invest at least three years. This isn’t something you try on. You wouldn’t try on becoming a doctor or lawyer.”

Highlight Variety. Even for experienced financial security professionals, there is always something new to learn. Whether your interests encompass products, technology, client service, running a business, or leading teams, this is not a profession where you will run out of things to learn and opportunities to grow.

Beyond Diversity— Equity and Inclusion

As most leaders are aware, retention continues to be a challenge within the financial security profession. Attrition rates appear to be higher for people of color than for non-Whites. For example, according to McKinsey & Company, a Black entry-level person is 1.4 times more likely than a White entry-level person to leave a financial services firm.¹⁴ In the same report, McKinsey noted that Black and Asian people in financial services are more likely to experience microaggressions.

For diversity efforts to be meaningful, organizations must put equal effort into addressing equity and inclusion issues in their cultures.

Fostering Inclusion and Belonging

In an inclusive culture, people feel a sense of belonging. They know that they are respected and their contributions are valued. An inclusive environment fosters productivity, innovation, and collaboration. Some strategies for creating an inclusive culture include:

- Creating ongoing opportunities for people across the organization to connect and collaborate.

“Recruiting is only focused on the bottom up. Our efforts need to be from the top down if we want to keep people.”

- Celebrating different customs and holidays.
- Developing guiding principles that encourage respect and value different perspectives and experiences.
- Creating a high-trust culture where people feel safe expressing opinions, asking for help, and admitting mistakes.

Creating Equity in the Workplace

Gallup defines equity as fair treatment, access, and advancement for each person in an organization, taking into consideration the factors that affect people's opportunities so that policies and processes do not give one person or group an unfair advantage over another.¹⁵

Equity often involves issues related to opportunities for advancement, and much research has been done on the lack of representation of women and people of color in high-level positions in financial services. One of the most effective ways to overcome this challenge is by implementing formal sponsorship and mentorship programs for underrepresented groups early in their careers. Mentorship entails guidance, advice, and coaching, while sponsorship involves actively advocating for a person and providing experiences that will help them to advance.

You may have noticed that many of the strategies for recruiting underrepresented groups into the profession are the same ones you are using today. Regardless of gender, age, or racial or ethnic identity, most people are looking for the same thing in a profession—meaningful work in an organization where they feel valued and that allows them to provide for themselves and their families—all things that are offered in abundance in this profession.

Recruiting these groups does not require significant changes in your processes. It does require focused, proactive efforts to seek them out and present the opportunity in a way that is meaningful to them. Understanding what these underrepresented groups want from a profession and the challenges they may face will help you approach candidates with a better understanding of how their experience of the profession may be different from yours.

In the end, it is still about building relationships and getting to know people as individuals. No person is one thing, nor do they speak for an entire group of people. All of us are a combination of many types of diversity that intersect into one individual. Valuing our differences while focusing on what we have in common is our best chance of success.

Conclusion

You may have noticed that many of the strategies for recruiting underrepresented groups into the profession are the same ones you are using today. Regardless of gender, age, or racial or ethnic identity, most people are looking for the same thing in a profession—meaningful work in an organization where they feel valued and that allows them to provide for themselves and their families—all things that are offered in abundance in this profession.

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“DEI isn’t just about doing a good thing. If we don’t recruit from diverse communities, we will lose the viability of our industry going forward. It won’t be sustainable.”

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Endnotes

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