

Female FAs Tired of Playing Musical Chairs: Ann M. Hughes

Ann Hughes of The Female Affect says the musical chairs game must stop and new female recruits must be brought into the fold

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Recruiting existing female advisors in the male-dominated field of financial services is simply a game of musical chairs. Ann Hughes, consultant-with-a-mission, says this game must stop.

With a steely resolve, Hughes is taking brokerages to task for their heavy focus on swapping female FAs firm to firm. That's not bulking up the skinny ranks of female advisors, contends the authority on women and financial services. Instead, she says, the industry must boost the total number of women by bringing new female FA trainees into the fold.

Hughes, 43, is traveling coast to coast speaking at firms including Cetera, LPL Financial and Morgan Stanley to deliver her message: Make financial services a place where women — both advisors and clients — can feel at home. Fortright but with a gentle edge, Iowa-born Hughes has thrived in the industry for nearly 15 years, including a decade in leadership posts at ING and Sammons Retirement Solutions.

She launched her own company, The Female Affect, four years ago to help women advance in financial services and help firms better serve female clients. She is armed with a master's degree from Iowa State University in organizational learning and human resource development.

Hughes' consciousness-raising speeches and hands-on coaching haven't come a moment too soon: The total number of FAs nationwide dropped 12% from 2008 through 2013, the most recent year for which figures are available, according to Cerulli Associates research.



"Many times, women would rather buy a used car than deal with the financial services industry," Ann M. Hughes says.

Her own career is a prime example of female success in the rough-and-tumble world of financial services. As the only female national sales manager of a large annuity company, she led ING Annuities' sales team to record results. After that, at Sammons Retirement Solutions, she oversaw investment options, acquisition of distribution relationships and marketing, among other key areas.

In a recent phone interview with ThinkAdvisor, the Dallas-based peripatetic coach — author of a new children's book, "Long Distance Goodnight Kisses" (Prince-2015), written with business-traveling parents in mind — put the spotlight on what firms and female FAs can do to help both themselves and women clients. Here are excerpts from our conversation:

Why is there a shortage of female FAs?

Growing the overall pie is the issue. The number of female financial advisors continues to go backwards. It's up to the industry to make it a place to which all people can gravitate and succeed. We need to make progress so that the industry is diverse and representative of the client base.

Why aren't there more women helping people invest?

The primary reason is that in college or business school or when considering a career change, women don't even consider the profession of financial advisor. It's not something that crosses their radar screen. Women often think that the industry doesn't "get me" as a female. A Boston Consulting Group study found that many times women would rather buy a used car than deal with the financial services industry.

Seems, then, that firms aren't trying to cultivate female advisors in the most effective way.

Both wirehouses and independent broker-dealers need to get women into the industry as first-time advisors rather than participating in big recruiting efforts to move them from one firm to another. That's just swirling the pie around. It's certainly easier to recruit an existing female advisor from Firm A to Firm B than to pave the way and create a new advisor to enter the industry.

Where should firms look for female advisors-to-be?

They should focus on women with parallel careers in real estate or banking, or those who are CPAs, because they've already been exposed to [areas] of financial services. Until we reach out to women in those careers or those just entering the work force from an MBA program, we're not increasing the pool of female advisors — we're just trading them among firms.

But women who have had successful careers in other fields, aren't keen to start at the bottom again in an entry-level job. They feel they've paid their dues.

Many female advisors that I've worked with attribute their success to starting as an advisor assistant. It gave them confidence and experience to develop a successful practice of their own. That training period can provide women with a steady income, industry knowledge and client contacts essential for their own productive practice.

What else can be helpful to women who are new to the industry?

We're seeing that females entering the business start to have more success if they join a team. The wirehouses are

a wonderful channel — if you're successful there, you can be successful anywhere. But they're hard for both men and women to make an entree. When women join a team and become part of the whole by sharing accounts and interfacing with clients — understanding the industry before they have a book totally of their own — they're finding more success.

What concrete steps should be taken by women who want to train as FAs?

The first is to be very well aware of what you're getting into — understand how difficult this industry is. If you don't have a good sense of what the job is, you're likely to fail. There's an impression that if you have contacts and friends and family with money, they're going to suddenly invest with you. That's not accurate. Oftentimes they already have an advisor of their own. So you won't be able to rely on friends and family to give you business to get you through the first year or two.

What should be done before accepting a job offer?

There are questions she needs to ask the firm: What is your minimum? Am I allowed to work with a diverse set of clients regardless of their asset level? How much training will you provide me with to get my licensees and understand the industry? How long do I have to do that? Will you allow me flexibility in my work hours? What are the expectations of the assets I'm going to be bringing in? She needs to know upfront how long she has before the firm says, "Okay, you haven't raised enough assets. You need to move on."

That's a critical issue to clarify — for both firm and advisor.

Women need to have the right culture-fit with a firm. They have a tendency to be helpers and nurturers and want to help the person who may have only, say, \$5,000 to invest. Most firms' business models don't allow for that. So, many women advisors get frustrated because they can't help the type of clients they may want work with.

Do firms ever make concessions about asset levels or minimums?

Often a lot of these issues are negotiable. For instance, a woman could say, "I'm going to have a large client base — can I get where you want me to go on volume versus individual account size?" Often the smaller firms — independents, smaller banks — have more flexibility. These are important questions to ask particularly for women who have had another career and want to help [former colleagues], such as teachers, who may not have high asset levels to meet the firm's minimum.

Sometimes women can be their own worst enemies and sabotage their careers. Do you see this with female advisors?

Yes, as is the case with male advisors. At times, women don't put themselves out there. They need to develop confidence so they don't miss opportunities to grow in their careers. Many don't allow themselves to take that leap and ask for business. They hesitate because they don't want to tout their successes or be seen as bragging or too assertive. These are things that most often their male counterparts don't get caught up in.

That goes back to the time-worn issue: If a woman is assertive or aggressive, she's often perceived as a bitch. But if a man is assertive and aggressive, he's seen as being strong. What's a female FA to do?

Gloria Steinem recently noted on TV that for the last 45 years, women are still battling the stigma that being assertive [is] being bitchy. You have to do what you're good at; and you've got to put yourself out there. Women are so well qualified for the job of financial advisor. They understand the client-advisor relationship. They're so much more in the business of life as opposed to the business of an individual transaction.

What's a good strategy to ask for a promotion?

A Hewlett-Packard study shows that men put their name in for a promotion when they feel they meet 60% of the criteria but that women won't put their name in until they feel they meet 100% of the qualifications. Women advisors need to remember that if they wait to [feel] 100% qualified, they're missing opportunities — and hurting their clients because female clients need help and often want to work with a female advisor.

Firms are doing lots of talking about the need for women advisors, but what are they doing to help female FAs get ahead?

We're starting to see that effort now from firms like Voya Financial, Raymond James and Securities America. They're outpacing the industry average by, for example, hosting separate [national] meetings for their female advisors. Raymond James and the Ladenburg Thalmann Financial Services firms, among others, have female advisor networks to talk about the unique challenges that women face in this industry. These [companies] are trying

to concentrate on giving their female advisor population tools and training to help them grow.

That's something positive.

Yes, it's wonderful for women already in advisor roles. Now it's about: How can we start to bring women into these jobs?

Once they enter the industry, where can women turn for support in this male-dominated world?

They need to find resources within their firms that allow them to develop relationships with the limited number of females in the industry. Accountability partnering has benefited women significantly. That's partnering with other female advisors who are at the same stage of their practice to share ideas and hold themselves accountable. For instance, an advisor might say that she intends to have a client seminar and prospect for five new clients this month. At the end of the month, her accountability partner will ask, "How did you do [in meeting your goal]?"

What about mentoring relationships?

Some firms have them, though they're still not utilized as much as they could be. Often mentors are other females, but that's limiting. An understanding male advisor can be a great mentor to a female, too.

Do you think one reason that women aren't rushing to become advisors is because of the harsh macho culture in some brokerage offices, and the sex discrimination and sexual harassment suits that have made news?

I do not. That's not among the things I hear as a hesitation. There will always be individuals that aren't on their best behavior regardless of the industry. I've worked in this one for 15 years, and I've seen that to be the exception rather than the rule. And when more and more women come into any industry, things like that happen less and less.

To what do you attribute your own success in financial services?

As the only female national sales manager of a large annuity company, I was very much on an island. But I worked very hard, knew the subject matter as best as I possibly could, and always made sure that my abilities and skills spoke for themselves. That I got to the top for any other reason was just noise.

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Ann M. Hughes is the founder and president of The Female Affect, which helps firms improve business by focusing on women. The Female Affect offers public speaking and consulting services to male and female financial professionals and financial services organizations across the country. Hughes is also the author of the children's book *Long Distance Goodnight Kisses*. Follow Hughes on Twitter @TheFemaleAffect or visit her website thefemaleaffect.com.