

Women's business

Less than a fifth of all Certified Financial Planners (CFP) in Australia are women, and the percentage of female principals is even less.

Why are the numbers so low?
And why is this an issue?

A new study by MLC into women in financial advice highlights the barriers that can prevent women from entering the profession, and for those that do, why their career path appears limited.

Julia Grundy spoke to several female advisers and the team behind the new MLC Women in Business program to see what the challenges are, and where the opportunities lie for women in advice.



Pictured: Rhonda McKenzie
and Rachel Martin

Trends and issues

According to the FPA, only 17% of CFPs in Australia are women. Wanting to understand this statistic, MLC initiated a study on women in advice, conducting interviews with 40 current and aspiring female advice business owners from across the industry over a three month period in 2008-09.

The results were interesting, and in some ways concerning. Common views and experiences from the women interviewed included:

- a strong passion for helping clients
- the variety of the work, job security and earning opportunities were stated as the main attractions to the industry
- establishing a career in the advice industry is tough
- there's limited promotion of the advice industry as a career option to young women (although this is changing)
- the traditional image of the industry as sales focused and male dominated was a deterrent for many women, and
- most of the women interviewed said they 'fell into' the industry with careers that 'just happened' and were 'built from the ground up'.

The MLC study tracked female advisers from starting out and establishing their career to owning a practice, and found several common trends and views.

When asked about the timeframe they'd consider for ownership, the majority said 5-10 years or more, citing family responsibilities, young children and the need for more experience and financial security as the reasons for delaying this.

Perhaps most telling was the finding that most of the women interviewed said they'd prefer to obtain equity in an existing business than start from scratch.

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Path to ownership

After starting her career in insurance, Rhonda McKenzie, principal and co-owner of Planning for Life in Melbourne, says she “essentially fell into becoming a financial adviser”.

After five years operating under a licensee she launched her own brand and business in 2004. However she concedes it wasn't easy.

“I had to rely on my own ability to generate an income to support my family. The first two years were the toughest until I was able to develop a great referral culture within my client base.”

Yet for Rhonda the pay-off was worth it.

“I wanted to be in control of my future, my revenue and my costs as well as develop a culture that would ensure we attracted the right people to the business,” she says.

Rhonda's daughter Rachel Martin is also an adviser and now a partner in the business. And five years after establishing Planning for Life Rhonda says “I'm now in a flexible position where I can achieve work/life balance”.

Unique challenges

Women interviewed for the MLC study saw the main challenges for female advisers being:

- a lack of role models
- adapting to the sales ‘eat what you kill’ culture, and
- balancing work with family commitments.

For Rhonda, recognition is another issue. “We need to see more successful female business owners in the media,” she says.

“Women also need to have a better understanding of themselves, capitalise on their strengths and be aware of their weaknesses.”

Rhonda argues some of the unique strengths women bring to advice are connecting and engaging with clients, practising understanding and empathy, embracing change and networking.

Connecting off the field

All the women interviewed for this story said networking was imperative to their career development and overall comfort in the industry.

“The ability to share our challenges and successes in a caring and safe environment and not feel we are in competition with each other is what will help advance the industry and the opportunities available for women,” says Rachel.

And for most female advisers this isn't something that happens on the golf course.

Sim Sinisi, part-owner of Proxima Financial Group in Adelaide bemoans the type of networking events sometimes held by fund managers, licensees and banks.

“Footy, golf, cricket etc. While I have nothing against those pursuits, personally I have no interest in them and I find them terribly boring,” she says “Give me an excellent espresso coffee and interesting conversation and I'm really quite happy.”

When asked what they're seeking for career and professional development, the most common requests among women interviewed for the MLC study were:

- mentors
- structured ongoing education and professional development
- practice management support
- small, intimate networking events
- women only events (common request from younger participants), and
- professional business advice and integrated support.

From this feedback, the MLC Women in Advice program was developed.

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The MLC Women in Advice program was launched in September last year with the aim of promoting business ownership to female advisers and helping them tackle the key barriers to this.

Networking events have already been held in Adelaide, Melbourne and Sydney and events are planned for Brisbane and Perth in the coming months. Ongoing peer group meetings are currently being planned around the country.

“The program is still in its early days but so far the response from female advisers has been extremely positive,” says Kate Wilson from the MLC Adviser Business Centre.

“We want to bring women together so they can learn from each other and be inspired to go further in their careers.

“We're not promoting the advancement of female over male advisers but the study confirmed what most female advisers feel — that they are particularly disadvantaged by the historical male tradition in the industry, the demands of the profession and the lack of women in major areas of the industry.

“If we can help more women become practice owners this will change.”



Minority stake

Despite being outnumbered, female advisers say the 'male culture' is fading.

"Recently there've been a number of young women making their presence felt and this is heartening to see, but we have a long way to go," says Rhonda.

"There's still male domination at the financial advice business level as well as at the fund manager and licensee level," she says.

Rachel agrees. "It's changing slowly. There are more female advisers now than when I started eight years ago, but I still don't think there are enough female business owners.

"I believe this may be due to the lack of support and stability with starting a new business and taking care of a family."

Juggling family and work commitments will always be a challenge for female advisers, as it is for women in any industry. However, as Annick Donat argues, in some ways this experience can better equip advisers.

Natural advantage

Annick is a former Business Development Manager (BDM) and now the Distribution Development Manager for MLC Platforms. Part of her role is to organise sales and skilling programs for advisers.

"Some of the big opportunities for women in advice include leveraging their ability to multi-task and also the social networks that women can create very quickly. I think both these skills can be commercialised to create good business opportunities for female advisers," she says.

Rachel suggests the rarity of female advisers can also be an advantage.

"The biggest opportunity for women in the financial planning industry is that we are a minority," she says.

"There are many clients now that will choose a female adviser over a male, thinking a female adviser really hears what is important to them and shows genuine empathy."

Of course it's impossible to categorise advisers purely on gender, male advisers can be just as understanding and empathetic as their female counterparts. However, generally speaking women often have a different approach and style when it comes to giving financial advice, as well as different needs in the workplace.

In order to attract more women to the industry and encourage them to become business owners, these differences need to be addressed.

Stronger networks and mentoring among female advisers is one way of achieving greater gender balance, however the changes occurring now to the structure and nature of the industry also have huge potential.

The evolution of financial advice to a more professional, transparent and respected model, where service over sales is the main priority, should inspire more confidence for women currently in or considering entering the profession.

Sim Sinisi compares advice to law and accounting.

"The university intake for these professions is now roughly 50/50. Although they're age old professions, they do have certain professional attributes that appeal to women.

"Generally speaking, women like security, working in a structured and organised environment, and they like to know what they're going to earn," she says.

"Until recently financial planning didn't really provide this outside of the large financial institutions," Sim says.

Value adding

Women make excellent financial advisers and the industry needs to capitalise on this.

Positive change is already occurring at a macro level, but it seems more needs to happen in individual workplaces.

Practices that allow flexibility for employees, embrace a client-first approach and encourage mentoring and ongoing professional development are most appealing to women. Many advice businesses do this already but until it's standard practice female advisers will remain on the sideline.

However, while structural and cultural changes occur in the industry, it's up to individual advisers to actively up-skill and form strong professional networks to help advance their career.

Kate Wilson believes the MLC program will help female advisers do this.

"We're providing opportunities for women to learn from each other. Our aim is more female principals and hence greater contribution by women to the financial advice industry. At the end of the day this will not only help women in the industry, but also provide more and better service for clients."



Kate Wilson



Sim Sinisi



Annick Donat