

15TH ANNUAL TOP 100 WOMEN FINANCIAL ADVISORS

BARRON'S

JULY 20, 2020



GOING UP

The wealth management industry doesn't reflect the diverse public it aims to serve. But it is moving in that direction.

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2020 TOP 100 WOMEN FINANCIAL ADVISORS

Here are America's Top Women Financial Advisors, as identified by Barron's. The ranking reflects the volume of assets overseen by the advisors and their teams, revenues generated for their firms, and the quality of the advisors' practices. An "N" indicates that the advisor wasn't ranked in that year.

21. Pamela Rosenau
Hightower, Aspen, Colo.
2019 Rank: 22
Client Types: HNW, UHNW
Team Assets (mil): \$1,064
Typical Acct Size (mil): \$10
Typical Net Worth (mil): \$30

(over please)

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HOW DO WEALTH MANAGERS BECOME MORE DIVERSE?

Our annual Top Women Advisors ranking reflects an industry eager to draw on the strengths of a broader worldview

The following has been excerpted

By Steve Garmhausen

The wealth management industry has a diversity problem. For starters, less than 20% of the industry's financial advisors are women—a number that remains stubbornly stuck, even after two decades of gender-equity initiatives by the largest wealth management firms.

Look past gender and the lack of diversity gets even more pronounced, with the advisor population weighted heavily in the direction of older, white people. J.D. Power places the average age of a U.S. advisor at about 55, with 20% of all advisors over age 65. At the same time, only a sliver of the advisor population is made up of people of color. Black and Hispanic people, for instance, make up 31.1% of the U.S. population but only 3.7% of the industry's Certified Financial Planners.

There are many reasons it matters. For starters, people of color make up a rising proportion of the U.S. population and are projected to be a majority by 2045. Women, meanwhile, are outliving men and amassing a greater share of the world's wealth every year. According to Boston Consulting Group, women now control a third of the world's wealth. Further, they are accumulating wealth at a compound annual growth rate of 6.1% and adding \$5 trillion to the global wealth pool every year. Given clients'

affinity for doing business with people similar to themselves—a phenomenon so common that it has a name, homophily—it makes sense that the industry would want to become more diverse.

Another reason diversity makes good business sense is revealed in research showing that diverse teams outperform homogeneous ones, possibly because diversity encourages creative planning and problem solving.

The bad news is that so much needs changing, and the homogeneity of the wealth management industry can at times seem intractable. The good news is that there is more appetite than ever before for improving diversity, and a mechanism for effecting change is already in place: the wealth management team.

A decade ago, the wealth management industry was dominated by individual advisors, but the Lone Ranger approach has gradually given way to an industrywide emphasis on advisory teams. Teams now dominate the industry. The advisory groups in Barron's three annual Top 100 Advisor rankings together manage over \$1.6 trillion in client assets.

These teams, and others like them, possess the infrastructure, the expertise, and—crucially—the access to social networks that can create opportunities for people who have

been denied them before.

It's true that finding diverse talent means moving beyond business as usual, and it's also true that many relatively homogeneous teams are already operating at a high level. But the nation's best advisors typically exhibit a willingness to strive to do better—for themselves, their clients, and the world—even when many others would settle for “good enough.”

Many successful advisory teams are already displaying leadership in the area of diversity. If more successful teams join them, it can create an industry that becomes more welcoming to a wider array of potential clients who need its help and guidance.

This year marks the 15th edition of Barron's Top 100 Women Financial Advisors, and over that time the leading women advisors have shown themselves to be outside champions and proponents of diversity.

They also tend to exhibit a high emotional quotient, or EQ, when dealing with their clients—something that is in high demand amid the turmoil created by the social-justice movement following the killing of George Floyd and the nationwide pandemic.

The intensity of the past few months shows few signs of waning—but with great turmoil comes the opportunity for great change. The best advisors have an opportunity to prove their true value to clients.

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