# Tipping Point: Why Ken Fisher's Lewd Remarks Matter

The industry speaks out for change to stop bad behavior; plus, poll highlights show what advisors really think of his comments.

By Janet Levaux | November 25, 2019


**Illustration by Michelle Thompson**

A typical fireside chat at an event in October quickly turned into a firestorm after billionaire investment advisor Ken Fisher made crude remarks that have sparked a renewed discussion on the treatment of women in financial services.

In the weeks following the incident, industry leaders and many others have spoken out about such bad behavior, some $3.4 billion of Fisher Investment's $115 billion of assets reportedly have flowed out, and a growing number of organizations are putting codes of conduct in place to prevent such behavior.

***See A Timeline of the Fallout from Fisher's Crude Remarks (https://www.thinkadvisor.com/2019/10/30/a-timeline-of-the-fallout-from-ken-fishers-crude-remarks/).***

The industry seems to have reached a tipping point in gender issues, as news stories tied to the Fisher matter continue to dominate headlines and water-cooler conversations.

To best evaluate the prospects for meaningful change in the industry's treatment of women, we spoke with business leaders and other participants and conducted an exclusive advisor poll on Fisher's behavior and broader gender-related topics — the results of which are highlighted here.

**First, What Happened**

Fisher Investments' founder and chair had made crude remarks before. But this time — on Oct. 8 at the Tiburon CEO Summit — was different.

Early the next day, conference attendee Alex Chalekian reacted to them in a video posted on Twitter, which quickly went viral. He described them as "a true debacle. It was horrible.

Things that were said by Ken Fisher were just absolutely horrifying."

Chalekian, head of Lake Avenue Financial and RIA Integrated Partners' practice acquisitions, said Fisher referred to "genitalia, … picking up a … girl, …. Jeffrey Epstein, … and [made] other inappropriate comments at the conference."

He and others at the event were “disgusted by this, and many of the women expressed to me that this is why they don’t like coming to these conferences. It makes them very uncomfortable. And this obviously doesn’t help the situation.”

In the remarks, Fisher described prospecting for new clients like “going up to a girl in a bar … going up to a woman in a bar and saying, ‘Hey, I want to talk about what’s in your pants,’” according to an audio recording obtained by CNBC.

Rachel Robasciotti, founder of wealth manager Robasciotti & Philipson, was one of less than 20 women among the 220 guests at the Oct. 9 event. “I sat in the audience stunned by what I was hearing,” she said in a blog post (and on television).

“When you are on stage, you’re there because others want to learn from you … ,” Robasciotti explained. “When your description of the world uses women as sexual objects and refers to employees as if they were cattle, it has an impact on real people in and outside of the room.”

Sonya Dreizler, founder of the impact-investing consulting firm Solutions With Sonya and another conference participant, also spoke out: “Since this content is not about business issues, I’m choosing to break [the event’s] code of privacy to confirm that the comments from the stage were indeed outrageous.”

Fisher also made crude statements at an event in 2018. “There were similar comments to what Alex [Chalekian] referenced about advances towards women and just some sexual comments that you could tell the audience was uncomfortable with. And there were comments afterwards about how they could not believe … what [Fisher said],” according to advisor Justin Castelli of RLS Wealth Management.

Equally unbelievable to some have been Fisher’s responses to the recent remarks. After seeing Chalekian’s video, Fisher first said in a statement: “While I said most of the words he cited, he wasn’t hearing the context of what I was communicating and seems to have misconstrued its essence — certainly misconstrued my intended meaning.”

He added: “The rest is just nonsense. … To the extent he or others in that large crowd were offended, I apologize most sincerely.”

Fisher told Bloomberg: “I have given a lot of talks, a lot of times, in a lot of places and said stuff like this and never gotten that type of response. Mostly the audience understands what I am saying.” Still, he added, “I regret I accepted that speech invitation because it was kind of a pain in the neck. I wonder if anybody will be candid at one of these Tiburon events again.”

A more official apology was issued on Oct. 10: “Some of the words and phrases I used during a recent conference to make certain points were clearly wrong, and I shouldn’t have made them. I realize this kind of language has no place in our company or industry. I sincerely apologize.”

Nearly a month later, though, the firm returned to its defensive stance. “Any fair account … would acknowledge that Ken used the language he did to underscore how some advisors … behave in pushing their services on prospective clients. Given most people’s privacy about their financial life, aggressive sales pitches are the equivalent of a crude come-on in a bar.

His point was, that’s no way for a financial advisor to behave,” according to John Dillard, the firm’s head of global public relations, who spoke recently to the Los Angeles Times.

Ironically, Fisher’s firm has been accused of such behavior. Since 2016, 125 individuals have filed grievances against Fisher Investments with the Federal Trade Commission, Bloomberg reports.

The firm’s “hardball” tactics include marketing phone calls, spam emails and impersonations of supposed friends, co-workers and government officials. In September, Fisher told ThinkAdvisor the firm spends some 6% of revenues on marketing.

“The firm itself, and Ken to a certain extent, has a reputation in the industry that rubs people the wrong way,” said Kirsten Plonner, communications chief of FiComm Partners. “People [have] turned a blind eye, and he’s known for making off-color remarks; there’s nothing illegal or criminal about that, except [on Oct. 8], it really struck a nerve in a big way.”

## Advisor Reactions

Poll data collected by Investment Advisor/ThinkAdvisor.com support Plonner's conclusion. In addition, the survey results point to a strong consensus on bad behavior in the industry and how to respond to it, though there is less agreement on how widespread the problem is.

• The majority of financial professionals polled believe Fisher's off-color remarks were sexist/highly inappropriate, garnering 70% of the 1,350-plus responses overall — with 85% of women and 65% of men expressing this view.

• Even stronger is the consensus view over withdrawing assets from Fisher Investments as an appropriate response to his comments: It has the approval of 86% of responses (92% of women's/83% of men's).

• When asked if these redemptions send a clear message that his behavior is unacceptable, 88% of those taking the poll (91% women/87% men) say "yes."

• A strong majority, 84%, view Fisher's banning from two industry events (where he's made lewd remarks) as an appropriate response, and 75% would not attend an event with Fisher as a speaker.

• The consensus, though, breaks down over the frequency of behavior displayed by Fisher and others. Most women polled, 61%, say such behavior is common in the industry vs. a minority of men, 30%.

• As for initial reactions to the specific comments made by Fisher, 47% of men were shocked/disgusted vs. 39% of women. Some 38% of women found the remarks unsurprising vs. 26% of men. (Others were either surprised or not shocked/disgusted.)

• Concerning the general problem of verbal harassment in the business, 80% of women say it is somewhat or very common vs. 48% of men.

• In terms of physical harassment and its frequency, 59% of women believe it is somewhat or very common vs. 27% of men.

- There is a strong consensus on ending mandatory arbitration and giving employees the right to sue over sexual harassment at work: 82% of women and 67% of men support this move, or 71% of all respondents.


**Forward Momentum**

Overall, the #MeToo movement, Fearless Girl statue and work being done by Wall Street veterans like Sallie Krawcheck — along with the shifting views of advisors young and old — are making an impact, those working in financial services say.

"We've all heard it, but none of us are at [Fisher's] status, and [about] two years ago, lots of people were less likely to say something," said RLS Wealth Management's Castelli. "In the past couple of years, we are done letting this stuff happen and want to be advocates for everyone … and not let this stuff go."

Like others in the business, William H. McCance was shocked when he first heard the Fisher news. "I thought, 'Oh no. We've taken 10 huge steps backwards,' " said the president of Trust Advisory Group, a broker-dealer/RIA. For some jobs at TAG, there's one female applicant for every five men who apply. "Comments like those of Ken Fisher don't help us at all," he said.

The response to the remarks, though, has impressed him. “Fisher was called out quickly. The #Metoo movement has done a tremendous job at allowing people to focus on this [type of behavior],” McCance said. “The reaction was exactly appropriate to what the comments were. Things aligned perfectly.”

The executive, who has two adult daughters, believes the industry began making improvements in its treatment of women starting in the 1990s. “To me, this [Fisher episode] is a manifestation of the past coming back, like the paint underneath showing through. It means we have to keep painting the wall, so it stays the color we want it to be. We have to continue to be vigilant … and speak out when we see situations such as this.”

Deeper changes in the industry, McCance cautions, are likely “to take a long, long time.” Still, his daughters have shown him the momentum. “They’ve said they’d walk out of a job interview if they felt a question was inappropriate,” he said.

Others are more upbeat on what the latest developments mean. When asked if they represent a turning point for the industry, Marci Bair, president of Bair Financial Planning, was unequivocal: “Yes, [they’ve] sparked enough interest and conversation that hopefully it’s not just a two-day event.”

What’s changed? “This is the first public acknowledgement of the behavior of someone … in financial services who’s that well known and that high profile,” Bair said. “Today, with social media, it’s easy to put something out there — which Ken Fisher and others need to be aware of.”

“I hope … advisors and others will think before they speak,” she explained. “And as we put together conferences and invitations, we will vet [speakers] better and have more diversity and inclusion of those we ask to speak.”

Chalekian’s video — viewed over 100,000 times in the first week alone — “shows the changing of advisors’ attitudes,” Bair said. “This time was different, because Alex spoke out and others supported him.” Plus, the 69-year-old Fisher was banned from the event where the comments were made.

### Old Playbook Is ‘Done’

While there are “lots of lessons to learn” from Fisher’s remarks and the attention they are receiving, one stands out: “The old playbook does not play anymore. It’s done,” according to April Rudin, CEO of the Rudin Group, a strategic marketing firm.

With Chalekian’s video, the wealth industry has a clear view of “the huge disconnect between the generations — and within that, the role of women and men in the industry,” Rudin said. “If the industry wants to attract women, it has to sing a different song and change its appeal.”

And it’s not only women, she adds. “As the industry tries to attract and engage with other generations, its content and concepts need to address them. Next-gen advisors and leaders have a different barometer. This is why Fisher’s playbook didn’t play with the audience [on Oct. 8].”

In a blog, the 43-year-old Chalekian shared: “We reached what I can only hope is another tipping point … on topics that before now, we’ve only tip-toed around.” These topics include equality, diversity and inclusion.

“Sometimes it takes an unexpected catalyst to jolt us awake. Something feels different this time,” he said. “The energy and enthusiasm for tangible change is gathering strength fueled by hundreds, no, thousands of us in this business who are done accepting the status quo.”

As one survey respondent put it: “The shocking thing with Ken Fisher is that he did it into a microphone in the middle of the day. Honestly, enough is enough.”

Another shared: “The Fisher [situation] is a pivot point in the industry. The comments are so egregious that even the oldest of ‘old school’ are taking notice. It’s clear from this incident that the consequences of such behavior will be impactful.”

### What Else Can/Should/Will Change?

Views vary on additional measures the industry can take to raise awareness and to improve its treatment of women. Today, everyone can be “a micro-media outlet,” Chalekian said. “Don’t assume you won’t be heard or that no one cares — use your platform to highlight the good and call out the bad.”

On Twitter, TD Ameritrade Institutional Director of Innovation Dani Fava said: “Our society is at an inflection point and elevating awareness about what’s acceptable and what’s not is important. KEEP. DOING. THAT.”

Cambridge Investment Research, for instance, recently adopted a code of conduct to address harassment at conferences and in other business interactions. “We … believe this should be a turning point to bring awareness to the reality that it does happen and should not be tolerated at any level, on or off the record,” President and CEO Amy Webber said in a statement.

Such steps show the Fisher remarks and ensuing fallout are “making a difference” in gender issues in the business, said Pearl Planning President Melissa Joy, CFP: “But as for a tipping point, this is hard to say given our low numbers. It’s hard to visualize. It provides oxygen, or space, for an important topic. The door has been nudged open a bit wider.”

Members of the industry should review their gender biases and address them regularly, for instance. “Since I’m a woman, people assume I want to focus on only women clients, but I want both men and women,” Joy explained.

The advisor appreciates “how many men have stepped up, listened more and are moving the conversation forward, [but] our profession has lingered in its percentage of women. It’s better than some think, but it’s still so low, especially at the leadership level … ,” she said.

“Unconscious bias plays out in advice given to clients in many ways, in terms of portfolios, decision-making, etc.,” Joy said. “That story is unwritten. Along with women having a safe and thriving workplace, it matters.”

The industry has diagnosed its problem, and now its members need “to speak up when [they] see or hear something, participate to elevate women in this industry and stay curious” especially about biases, said Sheri Fitts, who hosts Women Rocking Wall Street podcasts.

The Fisher developments represent “a tiny, tiny crack of a window that’s been opened” rather than a “tidal wave of change,” she said. The industry involves “too much money and a [conservative] culture, and it moves too slowly. I’ve been in the business for about 30 years. I hope I’m wrong.”

It’s too early to tell if this incident is the industry’s #MeToo moment, says Nia Impact Capital CEO Kristin Hull. It may bring more attention to how few women work in finance and serve as a call to action for opening doors so more women can.

Wealth manager Robasciotti hopes “this watershed moment” brings more people to the table and get leaders “to step boldly towards an industry that works for everyone,” she said.

Our survey shows the industry’s mixed views on the long-tasting impact of Fisher’s comments on the industry’s treatment of women with 47% overall (51% of women, 46% of men) saying they are important but unlikely to produce meaningful change; 40% overall (43% of women and 40%) stating they are a watershed and should produce such change; and 13% (5% of women and 15% of men) of the view that they are unimportant.

The real, lasting impacts of the Fisher comments and fallout depend on the industry’s response, says FiComm’s Plonner, who strongly believes this is the #MeToo moment for financial services. The industry has been trying to solve its gender challenge for a awhile. “But this struck a nerve, and the industry seized the opportunity to say, ‘Enough is enough,’” she said.

The tipping point that’s been reached is ambiguous, according to Plonner: “It’s now a matter of who takes up the challenge and how they take up the opportunities at hand. Are we going to do something, or … let it peter out? Are we going to stop talking and start walking? Great things could come from this. Time will tell.”

(For more details, check out ***A Timeline of the Fallout from Fisher’s Crude Remarks (https://www.thinkadvisor.com/2019/10/30/a-timeline-of-the-fallout-from-ken-fishers-crude-remarks/)****.)*

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