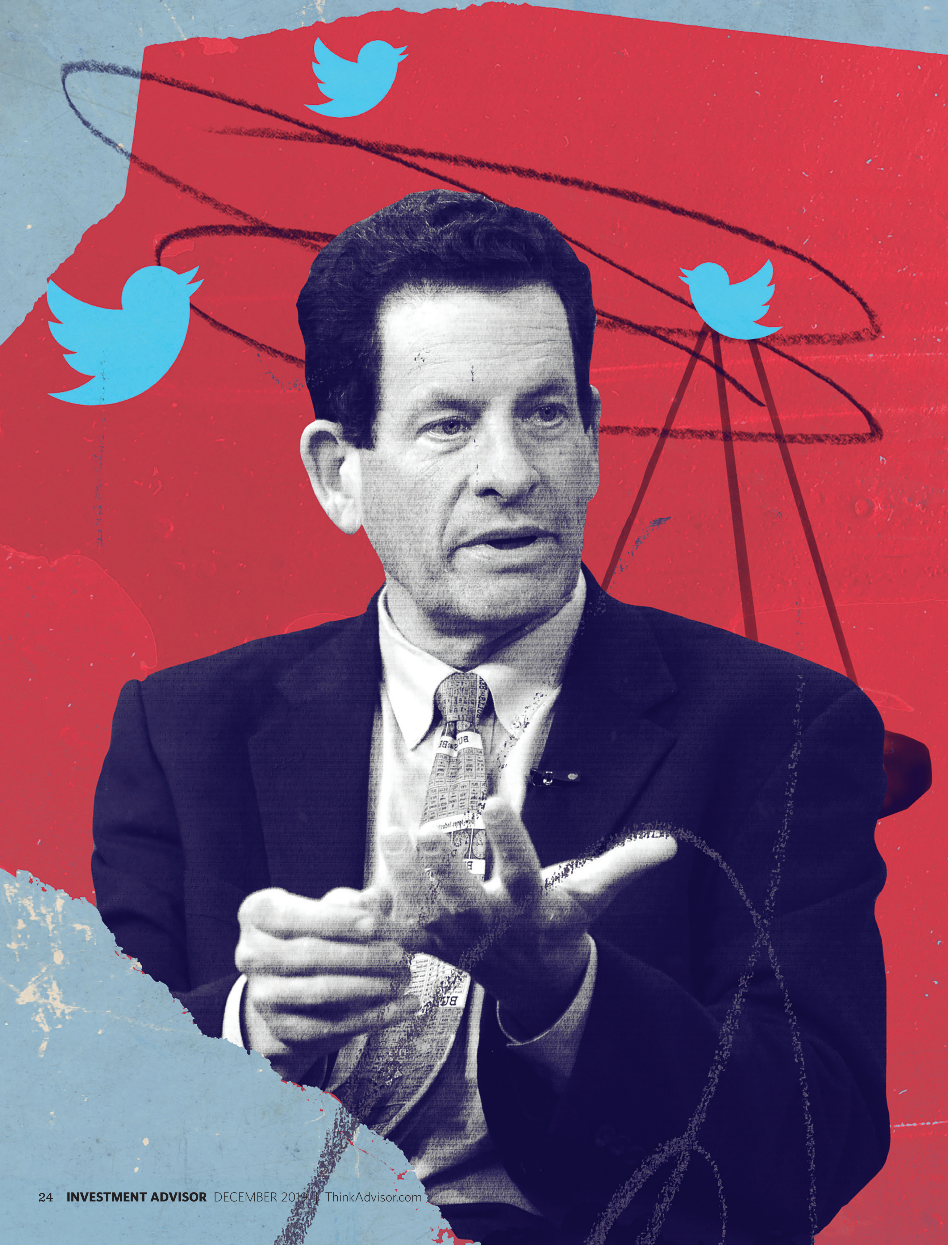


Tipping Point

Members of the industry are speaking out for change in response to Ken Fisher's lewd remarks and to stop bad behavior; plus, our exclusive poll reveals what female and male financial advisors *really* think of his comments and more.

By Janet Levaux

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.

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.

ILLUSTRATION BY MICHELLE THOMPSON

> *"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."*
>
> —Rachel Robasciotti, founder and principal, Robasciotti & Philipson

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, coworkers 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 (page 30).
- 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%. (See "Do Better," page 32.)
- 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.

Quitting Fisher

Clients that have removed about $3.4 billion assets from Fisher Investments in the wake of Chair Ken Fisher's lewd comment include:

Michigan Retirement Fund	$600M
Los Angeles Fire and Police Pensions	$511M
Fidelity Investments	$500M
Iowa Public Employees' Retirement System	$386M
Employees Retirement System of Texas	$350M
Boston Pension Board	$248M
New Hampshire Retirement System	$239M
Goldman Sachs	$234M
Corporate/Other Pensions	$153M
Chicago Police Annuity	$67M
Philadelphia Board of Pensions	$54M
Individuals	$20M

Sources: *Bloomberg, CNBC, Reuters (as of 11/19/19)*

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 McCance was shocked when he first heard the Fisher news. "I thought, 'Oh no. We've taken 10 huge steps backwards,' " said the head of TAG 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

TIMELINE

- **Oct. 8, 2019** Ken Fisher makes lewd remarks during fireside chat at Tiburon CEO Summit.
- **Oct. 9** Attendee Alex Chalekian posts video on Twitter describing his disgust with Fisher's comments.
- **Oct. 10** Banned from future events by Tiburon, Fisher makes formal apology.
- **Oct. 11** News breaks that Michigan is pulling $600 million from Fisher Investments, which says it is forming diversity and inclusion task force.
- **Oct. 14** Leaders of Fisher's firm reportedly talk to pension advisor Mercer and disclose retail investors have pulled $20 million.
- **Oct. 15** Fidelity Investments and Florida pension group say they are reviewing Fisher ties; Philadelphia group to divest $54 million.
- **Oct. 16** Boston pension board moves to yank $248 million; Mercer voices concerns about possible outflows; Fisher's son defends the crude remarks.
- **Oct. 17** Investment firm NEPC advises 350 clients to cut ties to Fisher Investments over questionable "sustainability."
- **Oct. 18** Iowa pension group to divest $348 million; Air Products & Chemicals to pull $30 million, bringing total redemptions to over $1.3 billion.
- **Oct. 20** Ellevest CEO Sallie Krawcheck posts blog entitled "Let's Demand Better From the Financial Services Industry."

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.

> *"I hope ... advisors and others will think before they speak. 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."*
>
> —*Marci Bair, president of Bair Financial Planning*

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 inequivocabile: "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.

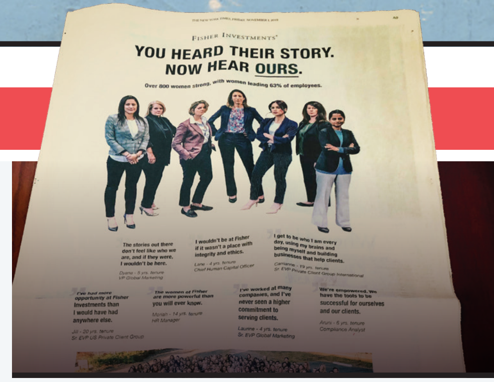
The Fisher developments represent "a tiny, tiny crack of a window that's been opened" rather than a "tidal wave of change," she said. The industry involves "too much money and a [conservative] culture, and it moves too slowly. I've been in the business for about 30 years. I hope I'm wrong."

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.

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." **IA**

Fisher Responds



A few weeks after Ken Fisher made his lewd remarks, the firm he leads began running full-page ads in *The New York Times* and other papers. The ads showcase women who work for the firm.

"These ad speaks to what it's like to work at [the firm] rather than address the original issue," said April Rudin of the Rudin Group. It "looks defensive, not offensive (i.e., 'Ken won't be involved daily at the firm'), and holds out the women as somehow nullifying his remarks; it's like he's using [them] to protect himself."

According to Tina Powell of C-Suite Social Media, "There's no story being told [in the ad] really ... . It's the proverbial 'adding insult to injury.'"

The firm, however, insists: "In recent weeks, women at all levels of Fisher Investments have expressed their growing frustration with the false portrayal of the company and its culture in the media, and they were looking for a way to share their own stories, which they feel are being ignored," according to a statement.

Fisher Investments has some 3,500 employees, 30% of whom are women. It says 30% of managers and 23% of vice presidents and other leaders are female.

"I would say I understand and agree with some of the stuff that's in the media that Ken's comments were inappropriate," said Rachel Winfield, a vice president who spoke to Bloomberg. "What Ken says and the experience of the culture are two separate things." Some women said they felt compelled to be in the ads.

The playbook for firms in crisis mode, says Kirsten Plonner, chief of communications for FiComm Partners, is to own up to any wrongdoing or malfeasance, propose a solution and act on it. "Maintaining the status quo is not enough," she added. "They need to demonstrate real change." **— Janet Levaux**

Oct. 21 Fidelity Investments plans to divest $500 million, as Bloomberg reports details of the firm's "hardball culture."

Oct. 22 New Hampshire retirement group says it is withdrawing $239 million.

Oct. 24 Goldman Sachs ($234 million), Los Angeles fire/police pension board ($511 million) to redeem assets; Fisher tells staff via phone that business is "growing."

Oct. 25 Texas pension group withdraws $350 million; paper in Camus, Washington, publishes Fisher letter that says firm "remains strong."

Oct. 29 Fisher Investments holds meetings for female staff about ads; banker Eric Cantor says firms disrespecting women to lose assets.

Oct. 30 A Florida health system says it will pull $93 million from Fisher's firm, bringing redemptions to almost $3.3 billion.

Nov. 1 Report of 125 FTC complaints over Fisher Investments' marketing tactics; firm runs full-page ads with female staff in several papers.

Nov. 7 The firm says its assets are about $115 billion as of Oct. 31.

Nov. 8 A report reveals that Fisher Investments controls $6.2 billion of $22 billion market for exchange-traded notes.

Nov. 13 Women employed by the firm say they are divided over appearing in ads, according to a news story.

Sources: *Bloomberg, CNBC and Reuters*

Poll: *What Do You Think of Fisher's Comments, Bad Industry Behavior and How to Address It?*

The disclosure of Ken Fisher's remarks during a closed-door session at a recent industry event and the resulting fallout are being carefully watched by financial advisors and the media. Given the significance of these developments, *Investment Advisor*/ThinkAdvisor.com polled financial professionals to ask them what they specifically think about Fisher's comments and the ensuing reactions, overall bad behavior in the industry, and what should come next to deter it.

The survey's 1,350-plus respondents — about 30% of whom are women — have common views on many themes across gender lines. However, on some topics, the differences in the opinions of men and women are striking.

The exclusive poll — which drew more than three times the number of advisor respondents gathered in some prior industry surveys on gender issues — could serve the financial-services business well in its quest for greater diversity and better treatment of all its participants.

● WOMEN ● MEN ● TOTAL RESPONDENTS

How would you describe the actual comments made by Fisher?

	Women	Men	Total respondents
Sexist/Highly inappropriate	85%	65%	70%
Stupid	11%	26%	22%
Racey	3%	6%	5%
Not big deal	1%	3%	3%

Is the withdrawal of assets from Fisher's firm due to the comments appropriate?

	Yes	No
Women	92%	8%
Men	83%	17%
Total respondents	86%	14%

Do the withdrawals send a clear message that such behavior is unacceptable?

	Yes	No
Women	91%	9%
Men	87%	13%
Total respondents	88%	12%

Is Fisher's banning from two industry events an appropriate response?

	Yes	No
Women	90%	10%
Men	82%	18%
Total respondents	84%	16%

Would you attend an event that had Fisher as a speaker?

	Yes	No
Women	16%	84%
Men	29%	71%
Total respondents	25%	75%

What was your first reaction to the news about Fisher's crude remarks?

	Women	Men	Total respondents
Shocked/disgusted	48%	39%	41%
Not surprised	38%	26%	30%
Surprised	9%	24%	20%
Not shocked/disgusted	5%	11%	9%

Is Fisher's behavior common in the industry?

	Yes	No
Women	61%	39%
Men	31%	69%
Total respondents	39%	61%

Have you heard similar remarks at industry events?

	Women	Men	Total respondents
No, not at all	34%	61%	53%
Sometimes	40%	28%	32%
Yes, many times	26%	10%	15%

What would you do if heard similar remarks at a future industry event?

	Women	Men	Total respondents
Discuss the remarks privately	36%	40%	39%
Leave the room/call out the behavior	30%	24%	26%
Call it out later in public/on social media	14%	13%	13%
Ignore it entirely	5%	11%	10%
Keep feelings of offense to myself	11%	6%	7%
None of the above	5%	5%	5%

Should the industry end mandatory arbitration and give employees the right to sue employers if they experience sexual harassment on the job?

	Yes	No
Women	82%	18%
Men	67%	33%
Total respondents	71%	29%

Beyond the end of mandatory arbitration, how else should the industry respond to harassment and other bad behavior?

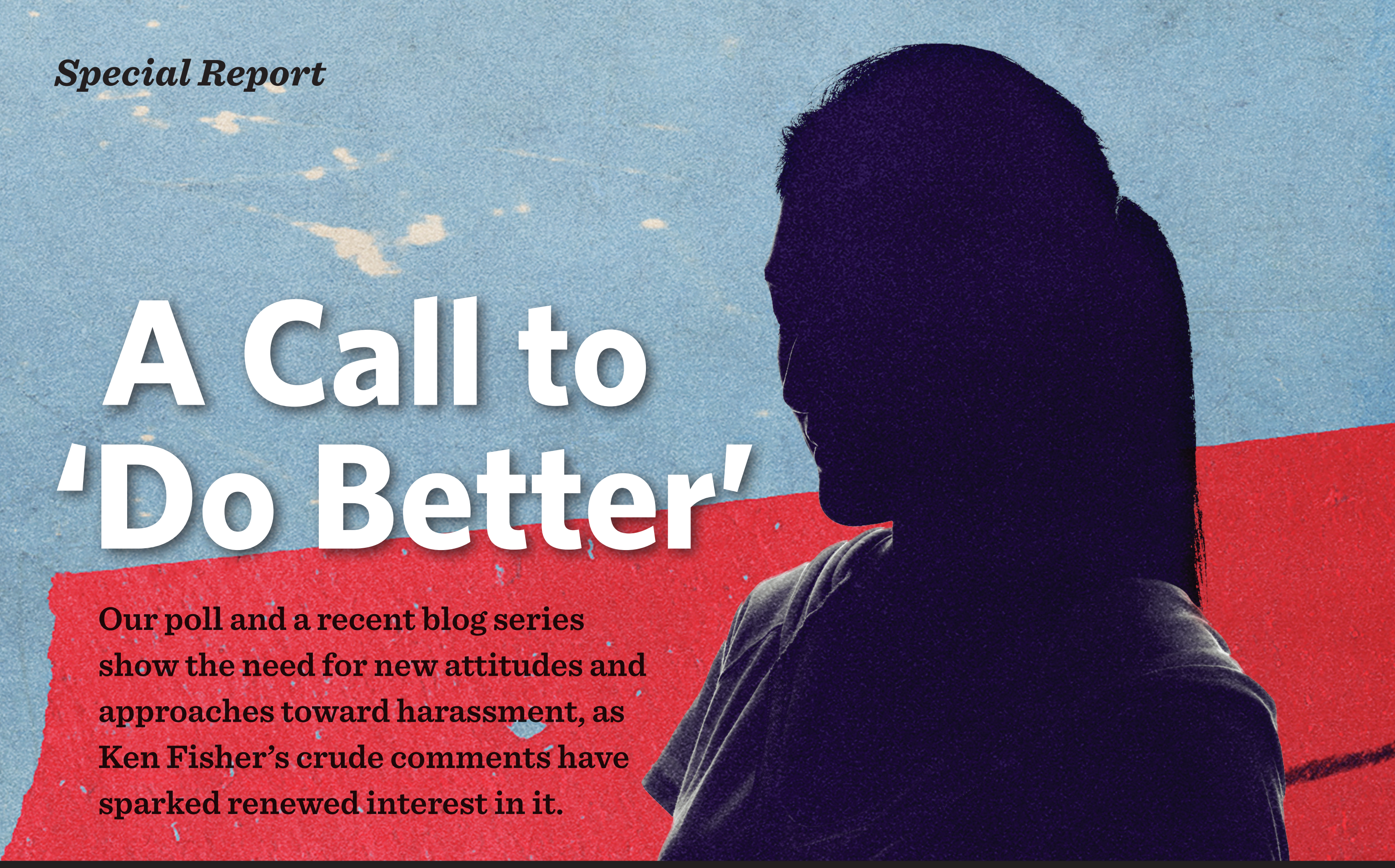
	Women	Men	Total respondents
Require events, companies and industry groups to have clear policies/programs to stop such behavior	29%	43%	39%
Do more to promote women and to support overall diversity/inclusion	19%	19%	19%
Support quotas for female/diverse/inclusive board membership	2%	1%	1%
All of the above, plus other measures	46%	20%	27%
None of the above	4%	17%	13%

Are you discussing the situation with colleagues/others?

	Yes	No
Women	79%	21%
Men	62%	38%
Total respondents	67%	33%

Source: *Online Investment Advisor/ThinkAdvisor poll conducted from 11/9–11/19, 2019.* ***Note:*** *Percentages may not total 100 due to rounding.*

Special Report



A Call to 'Do Better'

Our poll and a recent blog series show the need for new attitudes and approaches toward harassment, as Ken Fisher's crude comments have sparked renewed interest in it.

By Janet Levaux

A woman in the financial-services industry who was raped four years ago at the home of a former colleague is speaking out for the first time since the attack. Her story and others like it are garnering more attention and discussion in light of crude comments made by investment advisor Ken Fisher, which have put a fresh spotlight on all types of bad behavior in financial services — including those that are criminal in nature.

After "processing it" and discussing it with a therapist and others, "I'm now empowered ... to bring awareness that [rape, along with physical and verbal harassment] exist and for us all to be allies" against them, said Mary Moore of Advice Pay, an online billing and payment platform for financial planners. "So now when others see something [untoward happening], they will stand up."

Shortly after she was raped, Moore described what happened to her to another person, "She did not believe me. And if a victim gets a negative reaction immediately then they will not share [the truth] with others. I want those who hear [about these incidents] to know how important it is to believe [the victims]. And I hope those who have had this experience know that they are not alone and that they are supported."

She and her husband Alan Moore, CEO of XY Planning Network, believe the media should be willing to publish stories from anonymous sources, since many victims are not comfortable sharing their names and then their stories do not get told. They want women "to be aware and empowered" by such accounts, Alan said.

Mary also shared her story with Sonya Dreizler, who was present when Fisher made his recent lewd remarks at the Tiburon CEO Summit on Oct. 8. Dreizler, head of the ESG-investing consultancy Solutions with Sonya, has since posted a blog series with "real stories of sexual harassment, assault and discrimination" in the industry.

In one blog, Dreizler recalled an event when she was "invited up to a fellow attendee's hotel room, propositioned at a networking mixer and invited to a strip club for a business meeting." Similar incidents were told to her by 40 women, most of whom wish to remain anonymous.

After beginning work on the project last year, she put out a request on Twitter for stories from women in March. "The response was overwhelming," she said in the introductory online posting.

"Within 24 hours, dozens of women messaged me with their stories. As women who know me vouched for my ability to keep their privacy, more stories rolled in. ... Women I have never met poured their hearts out to me. The palpable fear associated with telling these stories was also remarkable," Dreizler explained.

Her aim for the "Do Better" series has been for members of the industry to genuinely and patiently listen "to women's experiences to better understand the problem" before moving to address it," she said. "Unchecked bad behavior runs rampant at many financial-services conferences," she added.

In the blog series, the executive recalls talking with a group of men at an industry event, one of whom "made a joke about raping me; the other men in the circle either laughed or said nothing ... . I have many personal experiences with sexual harassment, assault and discrimination, and almost every woman I know who has worked in financial services for an extended amount of time has her own set of stories."

How common is the *physical* harassment of women in the industry?

	Women	Men	Total respondents
Very common	14%	4%	7%
Somewhat common	45%	23%	29%
Uncommon	38%	64%	57%
Nonexistent	3%	9%	7%

How common is the *verbal* harassment of women in the industry?

	Women	Men	Total respondents
Very common	29%	10%	15%
Somewhat common	51%	38%	42%
Uncommon	19%	48%	40%
Nonexistent	1%	4%	3%

Source: *Online Investment Advisor/ThinkAdvisor poll conducted from 11/9–11/19, 2019.* ***Note:*** *Percentages may not total 100 due to rounding.*

Gender-Based Views

A key motivation for Dreizler's writings on harassment is "the big gap between what women and men perceive," she said in an interview. "While this may make sense, it's frustrating for women on the receiving end of harassment."

A recent *Investment Advisor*/ThinkAdvisor poll completed by over 1,350 respondents bears this out. The majority of female survey participants, 59%, say the physical harassment of women is somewhat or very common in the industry vs. just 27% or men. Most men taking the poll, 73%, believe the physical harassment of women is uncommon or nonexistent in financial services vs. 41% of women.

"I'd like men in industry to really understand the depth and breadth of harassment, assault and discrimination that happens in financial services, and that's why I thought I needed to tell stories ... that would resonate with them," Dreizler said.

In this publication's poll, the vast majority of women, 80%, believe the verbal harassment of women is somewhat or very common in financial services vs. less than half, 48%, of men. Only 20% of women say this behavior is uncommon or nonexistent in the industry vs. 52% or men.

In addition to the gap in perceptions of harassment and assault, "Women do not talk about [these issues] generally because it is dangerous to our careers," Dreizler said.

"That's why I thought about how I could make that leap for men not participating in this harassment to what women face. I could only do that by collecting the stories anonymously" and sharing them online, she explained.

"We are not ready to talk about [these issues] as an industry. But I do not want the harassment topic in financial services to be a 2019" discussion topic, Dreizler added. "I hope it is a start to the conversation."

What to Do

The industry would do well to begin improving its treatment of women by looking at what goes on at conferences. "So much bad behavior happens at these events, so it's a great place to reverse the trends," Dreizler said.

Conference organizers "have a responsibility to create and maintain a safe and welcoming environment for all participants," she explained. Plus, they should have codes of conduct that attendees, sponsors, speakers and staff must agree to.

XY Planning Network, which Alan leads, has an anti-harassment policy for its conferences. He says this approach was prompted by his wife's experience. Cambridge Investment Research recently instituted a code of conduct, too.

This publication's survey finds that both women and men agree on such reforms. A clear majority, 87%, of those completing the poll says events, firms and industry groups should have clear policies/programs to stop harassment/bad behavior, do more to promote women and support diversity, including quotas to boost board diversity, and take other measures.

Most, 71%, say the industry should end mandatory arbitration and give employees the right to sue employers if they experience sexual harassment on the job. Over 300 survey respondents commented on other specific steps the industry should take; several described the need for mandatory continuing education on sexual harassment with penalties for inappropriate conduct, for instance.

According to Dreizler, the Financial Industry Regulatory Authority "should consider updating it's regulations around disclosure of harassment." Today, arbitration that involves harassment cases are not disclosed on FINRA's BrokerCheck website, "so a broker who has been fired or 'allowed to resign' from one firm, can go on to the next firm and do the same thing again with no warning to the new firm."

In a statement, FINRA said its work is based on a "statutory mandate and focuses on investor protection and market integrity." Information about potential sexual harassment in the workplace "generally is not solicited on the Forms U4 or U5, as the forms are designed to focus on information specific to investment-related and investor protection matters."

The group added that it "recognizes the important role of the U.S. Equal Employment Opportunity Commission and its state and local counterparts to provide redress for discrimination and harassment issues in the workplace."

Nearly 100 claims made by women involving sexual harassment or hostile work environments and found in BrokerCheck, dating back to 1988, were compiled last year by the independent news group The Intercept and the nonprofit Investigative Fund.

Of these claims, 17 women won an award, and 60 were denied or dismissed. In the remaining cases, many arbitrators denied gender-related claims but granted awards on unrelated claims or were unclear about which exact claims were being addressed, the news analysis found.

(For the 14 cases of sexual harassment cases involving men, eight lost, four won, one received an award on an unrelated claim and one was expunged.)

As one survey respondent summed up possible remedies for bad behavior in general, including regulatory measures with different layers of severity: "We have to bring it to light more often and not sweep it under the rug. Sadly, Ken Fisher isn't unique. He's just the one who got caught." **IA**

PATRICK T. FALLON/BLOOMBERG

What Would Sallie Do?

Ellevest CEO and Wall Street veteran Sallie Krawcheck is speaking out about what can be done for the financial services business to improve not only its "conference culture" but also its hiring and promotion of women. The co-founder of the digital-advice platform for women posted her remarks in the wake of Fisher Investments Chairman Ken Fisher's recent lewd comments at an industry event.

While some news reports have emphasized "conference culture," the issue at stake is "bigger than *that*," explained the former head of wealth management at Bank of America and Citigroup. "It's about women feeling — and being — welcome not just at financial services conferences, but in the financial-services industry itself."

Krawcheck said in her blog post that the financial-services industry "has been almost completely silent during the #MeToo crisis." She continued: "But it's even bigger than that. Because who thinks the Ken Fishers of the world suddenly stop disrespecting women when they start making their investment and business decisions?"

Her answer: "The ripple effect of executives' decisions can be enormous, because the financial services industry serves as the lifeblood of our economy." The financial services business allocates capital in ways that result in some entities with wins and others with losses — and "women have, on average, [have] lost," according to Krawcheck, who points to the higher rates they pay for mortgage loans, for instance.

With the percentage of female advisors "stuck" at about 15% and an array of related issues, she asks: "Who is tired of all of this state of affairs? We all should be." The path forward can include, for instance, divesting funds from firms "that do not support women and put it in those that do," she said — adding that it's crucial to ask these four questions:

1. Does the firm require employees to agree to mandatory arbitration for sexual harassment claims or can they sue? Forcing women into arbitration is "why sexual harassment in the industry continues," she says.
2. Does the firm "go beyond platitudes" and have an equal number of women and men in senior leadership and profit-and-loss roles? "Anything below 50% women is too low," she said.
3. What's the firm's gender and ethnic pay gap? "Anything less than full equality here is unacceptable, because it is straightforward to measure and to fix," the Ellevest leader said.
4. Does the firm invest with "an eye to gender"? If not, "then industry statistics show that they overwhelmingly invest in men," according to Krawcheck.

More and more people don't want to do business with people and firms that "make us squirm in embarrassment at a conference. And none of us should allow our money to be managed at a company at which we wouldn't let our daughters work," she said.

Others — like Nia Impact Capital CEO Kristin Hull — agree. "To instigate [systematic] change, being vocal and visible about moving assets away from managers like Ken Fisher and into women-led companies, funds and managers, is what will make a big difference right now. We need large investors leading the way and creating a followable path." **— Janet Levaux**

To read Sonya Dreizler's "Do Better" blog series, go to: www.solutionswithsonya.com/do-better-series