VersaFi

WOMEN IN WEALTH

Retaining & Advancing Women Investment Advisors in Wealth Management

Participating Firms

The following Canadian financial services institutions sponsored and participated in this study:

Authors

Rosheeka Parahoo, Director, Research & Advocacy, VersaFi

Julie Stinson, Manager, Research & Advocacy, VersaFi

Research Partner

Ayden Verhulst, Vice President,
The Sentis Group

Copyright Disclaimer

TABLE OF CONTENTS

FOREWORD

Retaining and Advancing Women in Wealth

Over the last two decades, the wealth management industry has taken a variety of proactive steps to advance the number of women entering, staying and progressing in the field. These include: improving support systems, including mentorship and sponsorship, increasing efforts to address cultural norms and biases, and doubling down on flexible work arrangements.

Yet in Canada, men continue to hold an overwhelming proportion of investment advisory roles, at 80 to 85%. The dominance of men in the industry stems from a complex combination of societal norms, gender bias, and systemic barriers that persist, despite recent efforts.

But now, a number of headwinds are converging to create an urgency for change.

In the next 10 years, 37% of financial advisors, managing $10.4 trillion or 40% of industry assets, are expected to retire. That leaves younger Investment Advisors (IAs), including women, ripe for advancement, and entire investment practices ripe for acquisition.

At the same time women's wealth is rising. Women are earning, inheriting and controlling more wealth than ever before, and influencing new approaches to wealth management. Among these is a move away from traditional product and sales-focused investment approaches to holistic financial planning based on relationship-building, intuition and empathy — strengths often associated with women advisors.

Perhaps the biggest shift? Increasingly, many women investors say they prefer to work with women advisors.

In this environment, the need to attract, retain and advance talented women advisors in the traditionally male-dominated sector has never been greater.

It begs the question: which firms will lead into the future, landing high-net worth investors, driving referrals and client retention? The tale remains to be told. But one thing is certain: women advisors have become integral to the discussion. A firm's ability to successfully retain and advance them is shaping up to be a gamechanger.

VersaFi's Women in Wealth study examines the systemic barriers that prevent women from thriving in wealth management, and offers recommendations for how firms can create more equitable environments that support women IAs in growing their practices and advancing their careers.

There has never been a better time for women in wealth — and for those firms that recognize the benefits of advancing them.

Tanya van Biesen

PRESIDENT & CEO, VERSAFI

EXECUTIVE SUMMARY

VersaFi's Women in Wealth report features insights collected from women wealth advisors across Canada, through a national online survey and individual one-on-one interviews. Our goal: to understand the challenges that women in wealth face, and offer solutions for firms to accelerate change.

Our research identified two significant barriers that impede progress for women IAs that contribute to feelings of isolation and a lack of belonging, and that prevent them from truly succeeding in the industry.

The first is a workplace culture of persistent bias and sexism, and a related lack of representation and mentorship. Despite efforts by many firms to implement policies such as flexible work, parental leave, and anti-bias training, it's clear that women are still disadvantaged by the prevailing male-dominated culture in wealth management. A majority of women IAs reported a lack of female role models and insufficient mentorship opportunities at their firm, along with experiences of bullying and harassment.

The other crucial barrier reported is the inequitable succession planning practices at many wealth management firms. An overwhelming majority of study participants expressed concerns around a lack of transparency when it comes to succession planning for retiring IAs, and inequitable opportunities to purchase client books — recognized as crucial to growing their business.

Our research also unveiled an unexpected but important opportunity for firms dedicated to advancing and retaining women: put them on advisor teams. Advisor teams offer a pathway for firms to address workplace culture barriers, facilitate work-life balance, increase access to mentorship, and enable IAs to grow their client portfolios. However, while the practice is growing, our research also revealed that it is not embedded inclusively across the industry.

Continued on the following page >

Recommendations

Finding new strategies to overcome the barriers to retaining and advancing women in wealth management is paramount. VersaFi offers the following advice for firms looking to lead change:

1. Support Advisor Teaming Programs

Advisor teaming is a collaborative approach where multiple financial advisors work together to serve clients more effectively, providing them with a more personalized and consistent experience. And it emerged as a standout opportunity to advance equity in our research.

Firms should proactively look for opportunities to include women on their advisory teams. Doing so has a number of benefits, from improving firm performance to building trust with clients to attracting and retaining top talent.

2. Drive Behaviour Change with 360-Degree Feedback

Research repeatedly shows that implementing self-evaluations and anonymous 360-degree feedback promotes fairer reviews of employees, along with more accountability — fostering a respectful culture that supports all employees and helps dismantle problematic behaviors.

By involving employees in both giving and receiving feedback, organizations can help individuals align their behaviors with team and organizational goals, promoting a culture of respect and continuous improvement.

3. Implement Transparent Succession Planning Policies

Firms should establish clear and transparent guidelines on how the books will be distributed to drive more equitable access for women. The guidelines should include clarity around considerations related to client revenue, IA skills and expertise, individual capacity, relationship strength and geography, among others.

By addressing these key areas, wealth management firms can create environments that support women IAs in growing their practices and advancing their careers. **The time for action is now.**

Succession planning, or the transfer of an IA's clients, typically upon retirement, is recognized as a pivotal opportunity for all investment advisors to grow their practices. But women aren't often aware of opportunities to purchase books.

VersaFi

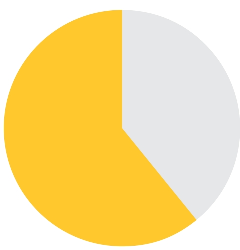
RESEARCH RESULTS

> *"I learned fast to keep my head down and my mouth shut... The old boys' club is real. It's been lonely."*
>
> **— Testimonial from a Woman Investment Advisor**

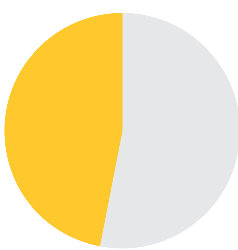
Barriers to Retaining & Advancing Women in Wealth

1. Workplace Culture: Lack of Representation, Mentorship, and Prevailing Sexism

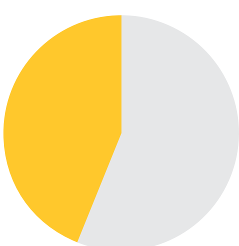
Women IAs are passionate about their clients, the industry and the opportunities within it. However, women IAs in our research report that some cultural barriers are still holding them back from their full potential.



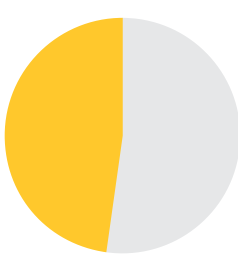
61% of women IAs report the absence of role models as well as representation.



47% of women IAs cite a lack of mentorship.



44% of women IAs experience inappropriate language, insults, bullying, or harassment.



Only 48% of women advisors feel that their workplace is free from sexism.

2. Inequitable Succession Planning: Current Practices Limit Women IAs' Ability to Grow Their Books

In wealth management, succession planning—the transfer of an IA's clients, typically upon retirement—is a pivotal opportunity for advisors to grow their practice. Retiring advisors often have significant control over who they sell or transfer their clients to.

Our research shows **75%** of client books are purchased by other advisors through firm or bank facilitation.

When it comes to equal opportunities to purchase a retiring IA's book:

- **23% of women IAs believe they** have the same opportunity as their male counterparts.
- **37% of women IAs** cited that women are explicitly disadvantaged.
- **40% of women IAs** are unsure if women even have an equal opportunity.

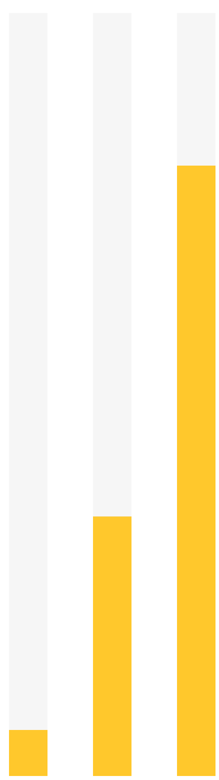
Women IAs cite lack of transparency and access to the informal networks where these deals happen as some of the biggest barriers.

This lack of openness and awareness creates a significant roadblock for women, limiting their ability to scale their business and advance their careers.

Only 6% of women IAs believe the industry is transparent in its succession planning processes.

Just 34% are satisfied with the measures taken at their bank or firm to ensure fairness in client succession planning when an advisor retires.

Yet, **nearly 80%** of women IAs agree that more transparent accessible book purchasing opportunities are critical for retaining women in wealth management.



> ***"Buying a book is an important avenue for growing your business. But you can't buy if you don't know someone is looking to sell – and that takes us right back to networking. You also can't buy a book if someone doesn't think you can handle their clients – and that takes us right back to good old sexism."***
>
> **— Testimonial from a Woman Investment Advisor**

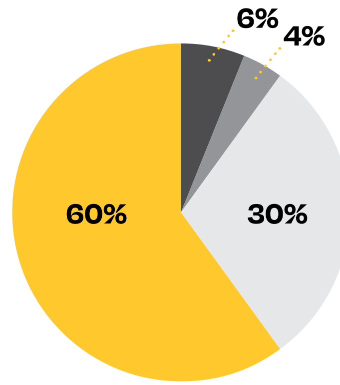
Benefits of Advisory Teaming Programs

Our research identified advisor teaming, where multiple financial advisors work together to serve clients more effectively, as having the greatest potential to positively impact women in wealth management.

Advisor teaming enables investment advisors to collaborate in structured teams, sharing responsibilities such as client management, marketing, and administrative tasks, and offering a more balanced and collaborative approach compared to solo advisors, who manage these aspects independently.

While advisor teaming is a growing practice, we've learned that it is not embedded inclusively across the industry.

A full 81% of women advisors agree that advisor teaming is crucial for retaining women in the industry. **Only 24% believe** their firm is doing an excellent job supporting these advisor teams.



Our research revealed that while **60%** of women IAs are part of an advisor team, a full **30%** are not — even though teaming exists at their firm.

Another **4%** say they have heard of teaming but don't have it at their firms, and **6%** have never heard of advisor teaming.

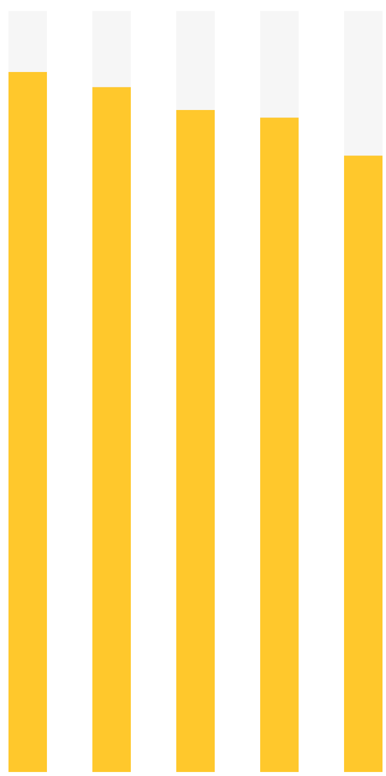
92% say teaming enables resource sharing, such as associates and marketing.

90% believe it offers more diverse skills and expertise to clients.

87% report improved work-life balance and reduced burnout.

86% feel teaming increases their client capacity.

81% say it makes taking parental leave easier.



"[Advisor teaming provides the] potential to learn from a partner, confidence in coverage for clients and work life balance [as well as] transition potential for my future retirement."

"I feel that we are stronger together than we are individually. We all have different strengths, and if advisors team up they can combine those strengths."

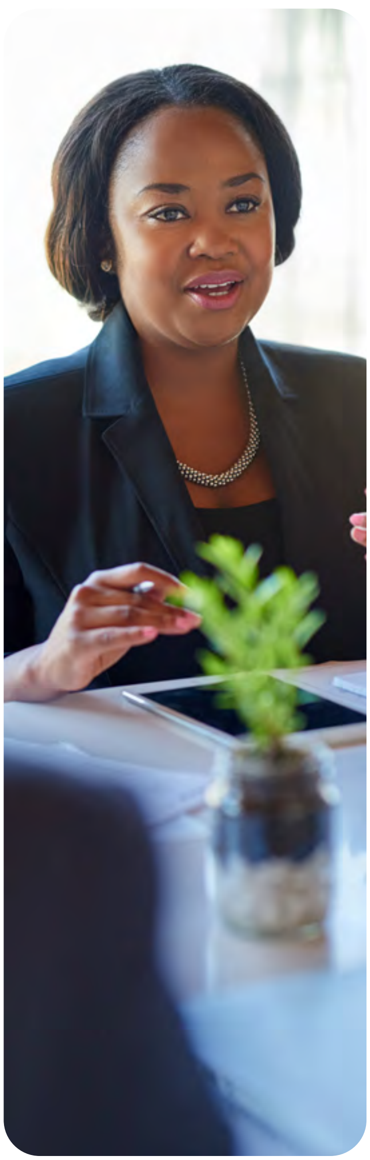
— Testimonials from Woman Investment Advisors

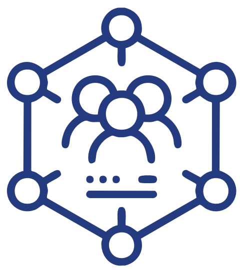
RECOMMENDATIONS

Recommendations for Retaining and Advancing Women in Wealth

1. Support Advisor Teaming Programs

In our research, women in wealth management strongly believe that advisor teaming is crucial for their retention in the field. By working within teams, IAs can exchange meaningful feedback with peers and colleagues, promote constructive behavior change and advance professional growth.





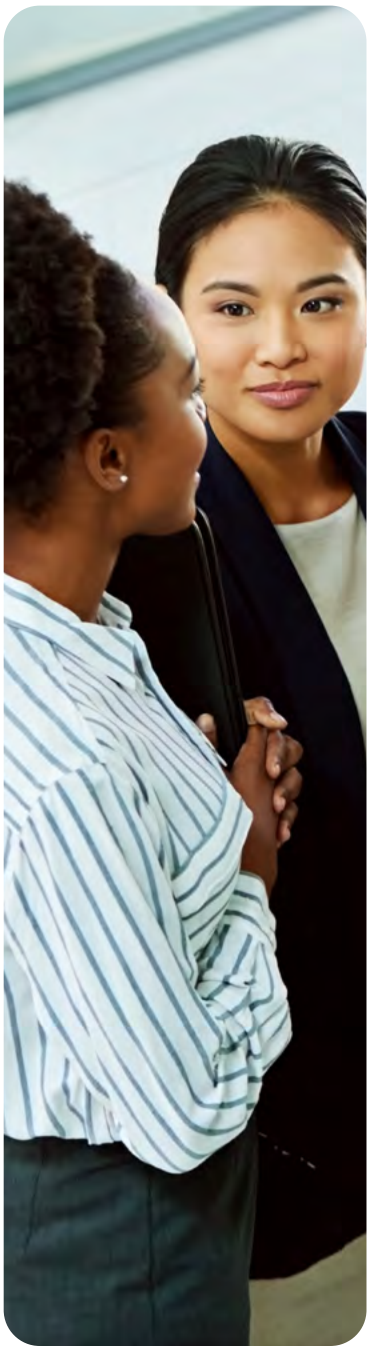
How to Support Advisor Teaming Programs

- Introducing advisor teaming early in an IA's career broadens their exposure to varied experiences, expands their network, and increases their chances of being seen as viable successors for leadership roles.
- To maximize advisor teaming's potential, firms should define clear roles, establish a fair compensation framework tied to both individual incentives and team performance, and offer consistent support, including regular check-ins and development resources.

2. Drive Behaviour Change with 360-Degree Feedback

Research consistently shows that 360-degree feedback, when done sustainably and over periods of time, can promote behavior change – an important consideration when endeavoring to address a toxic culture.

360-feedback is most effective when paired with targeted follow-ups like coaching and development plans, supported by regular cycles and visible leadership commitment. It clarifies how behaviors align with organizational goals, guiding meaningful improvement. Success relies on tailored content, credible data, accountability, and broad participation to embed feedback into the culture.



Considerations for Establishing a 360 Feedback Mechanism

- Frame 360-degree feedback as a developmental tool focused on growth and learning, not as a punitive measure, to foster trust and openness.
- Use anonymous surveys to collect feedback from peers, managers, subordinates, and self-assessments, ensuring a holistic and honest evaluation.
- Align feedback questions with the organization's values and leadership competencies, using customized surveys for relevance and engagement.
- Support participants in creating actionable development plans based on feedback and involve coaches or leaders to guide goal-setting and progress tracking.
- Conduct the process regularly, such as every 12–18 months, to allow time for meaningful change while maintaining momentum.
- Secure visible support from senior leaders to demonstrate the organization's commitment to growth, accountability, and a positive culture.

3. Implement Transparent Succession Planning Policies

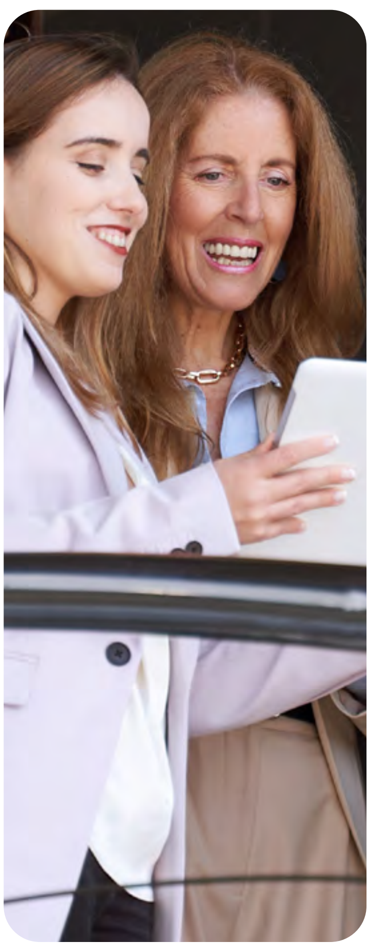
Without clear policies and equitable access, women are being systematically excluded from one of the most critical aspects of career growth in wealth management. In wealth management, succession planning happens when a retiring advisor transfers their book of business to a successor. Though not an exhaustive list, and various features can be modified or combined, there are three approaches most commonly used:

1. Internal Transition: The advisor passes their book to someone within the same firm. This option is less disruptive for clients but requires the retiring advisor to have an internal successor in mind.

2. Sell and Move On: The advisor sells the book to another advisor and exits. This approach is fast and efficient but can be disruptive to clients due to the sudden change.

3. Merge and Stay Involved: The advisor merges their book with another advisor's and continues working in some capacity. This allows a smoother transition and helps retain client relationships.

Wealth management firms can create more equitable opportunities for all advisors by implementing transparent and accessible succession planning policies. This approach not only ensures that all advisors know about opportunities to purchase client books, but also levels the playing field for women, giving them the same chance to grow their practices and advance in the industry.



How to Implement Transparent Succession Planning Policies

Firms can establish transparent guidelines on how the books will be distributed, by:

- Developing a clear, documented policy detailing the process for distributing, purchasing, or transitioning client books. This policy should specify eligibility criteria, the selection process, and timing for book purchases. Share this policy across the organization to ensure transparency and reduce any ambiguity.
- Encouraging IAs to start thinking about succession planning early. By sharing their plans with leadership, IAs give leaders a clearer understanding of the exposure the IA requires, helping align them with associates whose goals fit within the line of business and who can work effectively with the retiring IA.
- In the legal field, a work allocator is responsible for ensuring associates gain diverse experience across portfolios, providing partners with exposure to a range of associates. Wealth management could benefit from a similar approach: a review panel overseeing book distribution and succession planning would help balance workforce needs with those of the retiring IA, and ensure that women are not being overlooked.

COMPLEMENTARY RESEARCH

Attracting Women and Gender-Diverse Students to Wealth Management

It's not enough to focus solely on retaining and helping women thrive once they enter the industry; attracting women to the field in the first place is equally important. That's why VersaFi conducted a complementary study focused on finance and business students to understand their views on wealth management as a career choice. The findings are vital to reshaping the industry's reputation and ensuring that young women and gender-diverse individuals view wealth management as an attractive and viable career option.

This study, conducted in early 2024, explores the factors that prevent students from pursuing wealth management as a career path. The study gathered insights from 114 women and gender-diverse undergraduate students in finance, business, and related fields through an online survey. These findings are presented here as an extension of our research into recruiting more women IAs.

NOTES ON METHODOLOGY

VersaFi's research partner, The Sentis Group, conducted a total of 20 one-on-one in-depth interviews with women IAs in Fall 2023. Following the interviews, sixty-seven women Investment Advisors in Canada participated in a national, online survey conducted in early 2024. This research utilized a convenience sample, which may limit the generalizability of our findings. Consequently, caution should be exercised when applying these results to other contexts.

Of the participants in this research, **45% indicated** they had worked in the industry long-term with 20+ years as an IA. **32% indicated** they had worked in the industry between six to 20 years, and **21% of participants** indicated a tenure of five years or less.

Our participant pool constituted **37% of women IAs** from independent wealth management companies and **63% from the investment division** of a bank. In terms of dimensions of identity, participants lean predominately white, heterosexual and do not identify as living with a disability.

Acknowledgements

A special thanks to everyone who participated in the surveys and interviews for this research. This project would not exist without all of your dedicated time, and interest in improving the industry for the better. As well, VersaFi extends its gratitude to members of the Working Group who actively participated in this project, providing invaluable insights from their experience in the field, and informed the direction of this report. The project would not be possible without all of you.

About The Research

This research was conducted in partnership with The Sentis Group, and was guided by members of a Working Group from various firms that sponsored this project. Women in Wealth explores the experiences of women working as Investment Advisors in Canada. It investigates how the industry's reputation and systemic operational practices limit women's ability to pursue and advance within wealth management. Women in Wealth aims to inform the industry's gender equity strategies and best practices, and to equip VersaFi's partner firms, their leaders, managers and employees with tangible recommendations to advance equity. The research includes data collected in 2023-2024 from 87 women IAs.

About VersaFi

VersaFi is a national, not-for-profit organization focused on accelerating equity for women in the finance sector. Founded in 1995 as Women in Capital Markets (WCM), the organization rebranded in 2024 to empower and advocate for women and gender-diverse individuals across the finance sector, at all stages of their careers, nationally. It does this by fostering a pipeline of talent at all levels; being the leading voice and advocate for gender equity in the sector; and by working with finance sector leaders to implement impactful and lasting structural and cultural change. Its community has grown to more than 4,000 members across the sector, representing Canadian bank-owned dealers and wealth managers, independent and foreign-owned dealers, asset managers, insurance companies, pension plans, regulatory agencies, exchanges, and advisory firms. To learn more or to become a member, visit www.versafi.ca

About the Sentis Group

The Sentis Group is a full-service market research and consulting firm, owned and operated by senior market research professionals who bring their substantial credentials and expertise in research design, analysis and consultation to every project. Founded in 2011, Sentis has become a leader in employee engagement and organizational health research with strong expertise in the Canadian financial services sector. Based in Vancouver, BC, Sentis' clients include privately held and publicly traded corporations, member associations and not-for-profit associations, as well as crown corporations, government ministries, regulated utilities, and industry regulators.

VersaFi