

# Media Release

## People and relationships are the key to more women joining advice

19 December 2017

BT Financial Group (BTFG) and the Financial Services Council (FSC) are encouraging women to consider financial advice as an interesting and rewarding career choice.

Today, only around 20 per cent of financial advisers in Australia are female<sup>1</sup>. BT and The Stella Network, the company's networking group supporting women in advice, set out to better understand why women are so underrepresented in advice. BT's Stella partnered with the FSC and commissioned EY to undertake comprehensive research to find out what barriers may be inhibiting higher female participation, and to encourage the industry to think about how to address them.

The report *'Attitudes towards women in financial advice'* also highlights what advisers enjoy about their roles and customer attitudes toward female advisers.

Jane Watts, General Manager of BT Advice and Private Wealth said "We know women haven't traditionally considered financial advice as a viable career path, but advisers tell us it's a very satisfying and rewarding career. At BT even though women represent around 44 per cent of Advice roles, only 31 per cent of women are financial advisers. Although we're above the industry average, there is still a lot more we can do to lift this number. The industry needs to consider how it can better support women in their career progression and demonstrate the flexibility this career can offer. We also need to be clearer about the positive steps we are taking as an industry to lift the reputation of advice as a trusted and honourable profession."

"Even though no group or organisation is solely responsible for driving diversity across the advice industry, it's important to have an open conversation about the issue and raise awareness. I know we can attract and retain more women if we can clearly showcase what a career in advice actually looks like."

FSC CEO Sally Loane said: "While crunching numbers and meeting targets is critical in providing good financial outcomes, a career in financial advice is much more about people and relationship building. The trouble is, while the industry is making strides, this message is not filtering through and still too few people – especially younger women – are seeing financial advice as a viable career option.

"As the research shows, women are naturally suited to this people-focused profession and career prospects are very good. The financial advice industry will benefit from an influx of young, dynamic and highly skilled female talent."

<sup>1</sup> Association of Financial Advisers, 2015

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### *Trend to younger females choosing advice and progressing faster*

The good news is that the research indicates that younger females (aged 25-34) are seeing advice as a viable career option, with a growing trend of younger females taking up the profession earlier on in their careers.

Around two thirds (67 per cent) of female advisers (aged 25-34) chose a career in financial advice during or after university. While in contrast, 95 per cent of females aged 50+ did not begin a career in financial advice until later in their professional lives.

Another aspect that has improved, is the pace of career progression, which is faster today for younger generations. The research highlights that younger females (aged 25-34) are spending less time in support roles (under 5 years) before progressing to an adviser role, compared to current female advisers aged 35+ years.

Ms Watts said “Many women cited the support of a mentor as a key success factor in their career progression. A mentor can make a marked difference in navigating one’s career and progressing into different roles. This is an area that is a personal passion of mine and one which the advice sector has an opportunity to embrace as just one of many support mechanisms for female advisers.

### *What are the barriers to entry?*

According to the research there is no leading barrier consistent across all age groups.

Younger females (aged 25-34) identified their perceptions of advice as a sales targets culture as the leading barrier preventing them from starting a career in financial advice. It’s likely this sentiment relates to sales and remuneration practices that the industry is progressively moving away from, given the move to a fee for service model in 2013.

Interestingly, 35-49 year olds said they were held back by the time needed to become a financial adviser, which may refer to minimum education requirements and ongoing professional development and training. By contrast, those aged 50 years plus cited nothing was preventing them from considering a career in financial advice, representing a degree of comfort among more experienced female professionals.

Ms Watts said “It’s disappointing to see that the proportion of women in advice today is still so low. Advisers tell us they have a rewarding and flexible career, so there is a compelling opportunity to inform younger females about what a career in advice looks like and support them to get there. If we can attract more women to become advisers, it will better equip the industry to meet the diverse group of customers it services.” Ms Watts said.

### *What do advisers say?*

While financial advice is closely linked to financial metrics and planning, advisers say having an aptitude for numeracy ranks low on the list of what’s important.

Less than one in five advisers (16 per cent) say that having numerical aptitude will hold them in good stead. The majority (77 per cent) indicate that building strong relationships will help them to be a good adviser.

Ms Watts said “Advice is about building trusted, caring relationships with customers. At its core, advice is about helping customers to prepare and take action to ensure a healthy financial future. Good advice has the potential to truly change lives in a positive way. Many people, including women, could therefore find an advice career appealing.

“More people, especially millennials, are looking for career opportunities that align with their own values. So there is an opportunity to link the strong social purpose that advice offers with the value-driven career that millennials seek<sup>2</sup>” Ms Watts said.

More than eight out of ten females (82 per cent) are attracted to the industry to help people. And nine out of ten (92 per cent) cite satisfaction from helping customers as the top reason to stay in the profession. This is a key driver in what keeps financial advisers in the role and happy.

#### What do customers want in an adviser?

Customers say that empathy and knowledge are the key selection criteria when selecting an adviser. Age and gender are largely irrelevant.

While customers show no clear gender preference there are, however, traits where customers feel female advisers rate better.

Customers say that females rate higher on emotional intelligence (EQ) attributes which include ‘understanding my needs’, ‘listening to me’ and ‘makes me feel comfortable’. Females are also on par with males on being ‘knowledgeable’ and ‘explains complex financial situations in an easy way,’ both key qualities which customers believe makes a good adviser.

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#### **About the research**

The *Attitudes towards women in financial advice report* canvassed the responses of approximately 300 female advisers about attitudes and behaviours among financial adviser professionals plus 500 Australians regarding consumer attitudes towards financial advice and advisers. Fieldwork and research was finalised in February 2017, with reporting and analysis completed in December 2017.

#### **About The Stella Network**

BT created The Stella Network in 2013 to encourage more women to join advice. Stella brings together female financial advisers across the industry in a supportive forum to share their challenges, to discuss industry issues and to build connections.

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<sup>2</sup> The 2016 Deloitte Millennial Survey, winning over the next generation