



THE
**AMERICAN
COLLEGE**
OF FINANCIAL SERVICES®

ADVISORS' PERCEPTIONS OF SUCCESS: HOW FIRMS CAN ALIGN TO IMPROVE OUTCOMES



THE AMERICAN COLLEGE
CENTER FOR WOMEN
IN FINANCIAL SERVICES

New research delivers insights to help firms and advisors better align for success

In the financial services industry, the procession of advisors and agents into, through, and out of the business has created fluctuation. In a sector that is challenging for new professionals in many ways, FINRA finds just as many advisors exit the business as enter it each year.¹ Finding solutions to overcome turnover continues to be a challenge.

As in any industry, employees who feel a sense of professional achievement and accomplishment are happier.² But in financial services, the question of what defines “professional success” is especially complex. The usual benchmarks used in the industry to define advisor success are increased production numbers, higher premiums, and assets under management (AUM). However, these metrics are only a small part of the equation – understanding what advisors think about success and how these views differ between men and women can help firms better align their recruitment, training, and business models for increased growth.

The American College Center for Women in Financial Services surveyed over 800 advisors asking them to self-evaluate their level of success based on objective criteria and their personal definitions of success. Results show that while a majority of advisors consider themselves “successful,” factors that drive success or help advisors feel successful differ across demographics and require different approaches for effective recruitment and retention of those advisors.

OVER 800

advisors were surveyed by the American College Center for Women in Financial Services asking them to self-evaluate their level of success based on objective criteria and their personal definitions of success.

¹ FINRA, 2019.

² Monster.com. [5 Things You Need to be Happy at Work.](#)



Uniform Perceptions of Success: An Overview

MOST ADVISORS VIEW THEMSELVES AS SUCCESSFUL

Among advisors surveyed, 7 in 10 self-identified as successful, painting a picture of a mostly confident workforce. These views were validated by their having met their employers' business goals.

60%

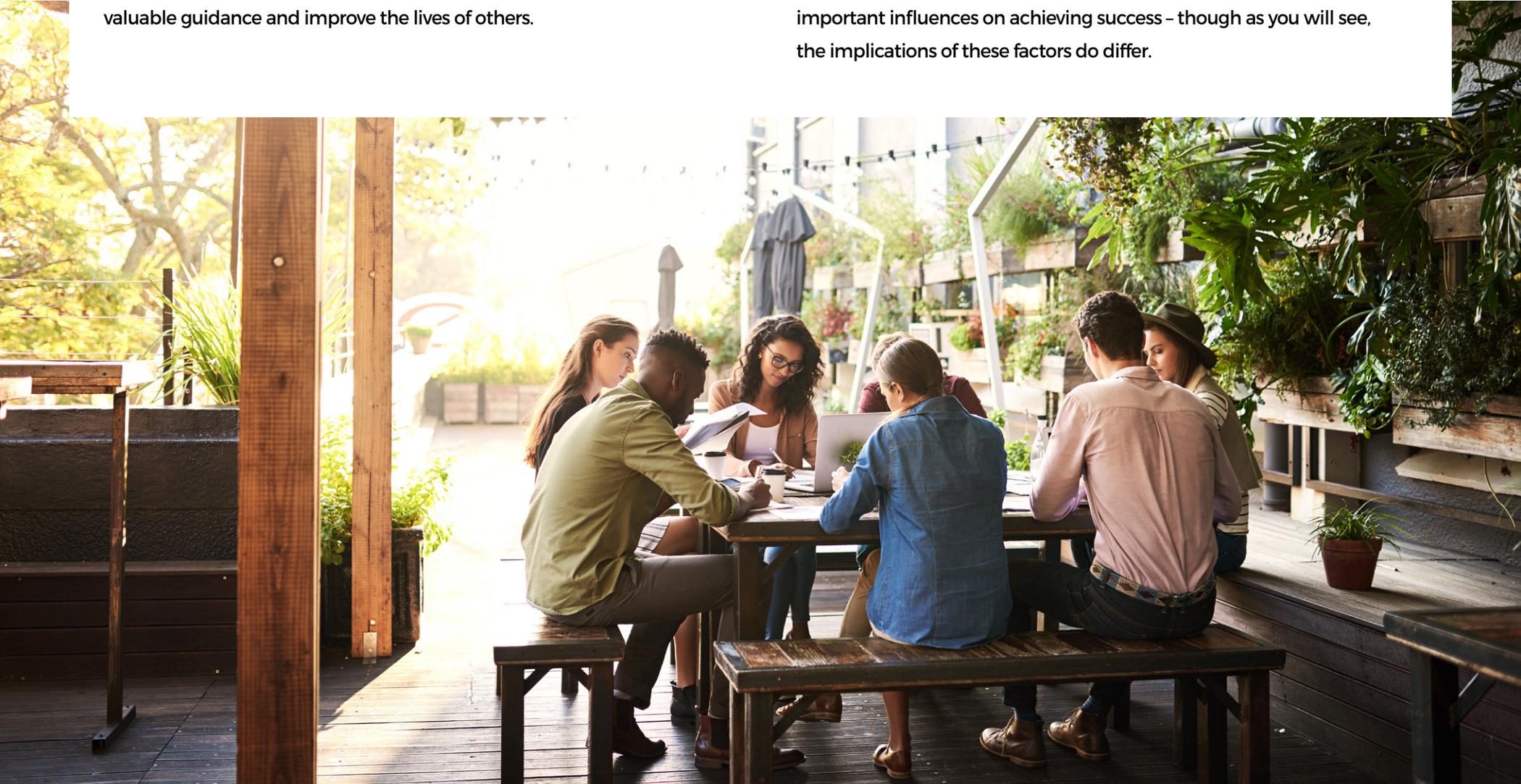
of respondents say they entered the industry to serve others.

AN ALTRUISTIC PURSUIT

Among respondents, 60% said they primarily entered the industry “to serve/help others,” indicating a genuine desire to provide valuable guidance and improve the lives of others.

THE MOST IMPORTANT DRIVERS OF SUCCESS

Respondents across demographics uniformly chose “trust,” “individual effort,” and “specialized knowledge” as the three most important influences on achieving success – though as you will see, the implications of these factors do differ.





The Value of Specialized Knowledge

In terms of specialized knowledge and success, 77% of successful advisors have a designation. More specifically, 78% have obtained a designation from The American College of Financial Services, including the **Chartered Financial Consultant® (ChFC®)**, **Retirement Income Certified Professional® (RICP®)**, or the **Chartered Life Underwriter® (CLU®)**, demonstrating the value of advancing one's education to professional success.

OBSTACLES TO OVERCOME

When addressing the challenges of the profession, advisors and agents were once again relatively uniform in their views. "Finding new clients," "hiring qualified staff," and "increasing productivity" were frequently cited as the greatest difficulties across demographics. In terms of working to find new clients, 71% of successful advisors surveyed said they used social media to actively market their business.

"Obtain your designations as soon as possible. Adopt technology and continue to expand your ability to embrace it. Technology is the new language to communicate with younger generations."

–Survey participant

71%

of successful advisors surveyed said they used social media to actively market their business.

The Demographic Divide: How Perspectives Differ by Gender

While advisors and agents across demographics share many similarities, significant differences arose in how male and female financial professionals identify and view the challenges, personal attributes, support mechanisms, credentialing, and business models needed for success. More women (34%) than men (22%) self-identified as “less successful” professionals despite meeting established employer business goals.

FACTORS AFFECTING SUCCESS

When asked what have been the factors most instrumental to their success, women assigned higher importance to external factors such as “communication,” “community support,” and “marketing.” Conversely, men emphasized “individual effort” substantially more than women (33% to 25%).

Women attributed their success slightly more often to external factors, such as “mentoring,” “team structure,” “work/life balance,” and “home office resources” than men (13% vs. 12%). Men also are less likely to rely on external marketing efforts, as only 7% of male advisors surveyed credit some of their success to marketing, compared with 11% of women.

33%

of men cite individual effort as a contributor to success, compared to 25% of women.

“Get specialized knowledge and surround yourself with a good team and support system.”

–Survey participant



72%

—
of women and **57% of men** consider themselves successful in the **first 4-10 years** of their practice.

PERCEIVED BARRIERS TO SUCCESS

Female advisors are more likely to identify “hiring qualified staff” as a significant challenge when compared to male advisors (77% to 68%) while men are more likely to view “finding new clients” as a bigger challenge than women (68% to 52%). Overall, women were more likely to identify interpersonal professional relationships and experiences as foundational to their career success; men, on the other hand, more frequently referenced relationships as a reinforcement to their already-established sense of success rather than as a contributing factor to it.

PRACTICE EXPERIENCE

In reference to the retention issues mentioned previously, results also showed women were much more likely to view themselves as successful in the first 4-10 years of their practice (72%) when compared to men (57%). Understanding the differences that men and women experience in the early years of their practices and the reasons women seem more comfortable with perceptions of early success could be useful in improving retention overall in the industry.



Business Characteristics Impacting Advisor Success

Overall, our survey results indicate large teams of advisors may enjoy more widespread success than smaller ones; however, when broken out by gender, some variance does reveal itself.

THE VALUE PLACED ON SUPPORT

Individual female advisors without support had a much higher rate of success than their male peers (83% vs. 54%). This shows that despite their focus on individual success, male advisors may also be in need of the same support systems women in the industry prize.

PREFERRED BUSINESS MODELS

When looking at specific business models, women tended to gravitate toward fee-based and independent registered investment advisor (RIA) business models, whereas men preferred affiliated and multi-line agent models: 85% of independent female advisors rated themselves as successful, whereas only 77% of men did the same. Similarly, 85% of women in the RIA space rated themselves as successful compared to 70% of men. Finally, 96% of women advisors rated themselves as successful in a mainly fee-based business model; only 81% of men did.

83%

of individual female advisors consider themselves successful, compared to **54%** of men.

FIRM SIZE AND SUCCESS

As has been cited in other research, women in financial services seem to draw much of their strength from the support of smaller, more dedicated teams they can work with on a more personal level. A sense of community appears important for women to both be satisfied with their business and with their own professional development: nearly 83% of individual female advisors testified to a high success compared to their male peers (54%).

In all, women seem to prefer independent firms where they can work with a team in a smaller environment that has less stress than a larger firm. By comparison, men often seem to derive a sense of success from the very challenges of working in larger and more competitive businesses.

“Understand the varied business models and choose one that’s best for the mission you want to accomplish. Don’t choose just for today; look at your future. If you see you didn’t make the best decision, change as quickly as you can, no matter what your friends or your managers say. Stick to your mission.”

–Survey participant



Implications for the Industry

Overall, our respondents indicated success as an agent or financial advisor was related to education and credentials, personal perseverance, and commitment to serving clients. While women found more success in business models that included fee-only compensation models and independent business practices than men did, women are still looking for opportunities to grow professionally and expand their networks.

“Find a great mentor and continue to educate yourself in the industry. Reach back and mentor others.”

–Survey participant

HOW BUSINESSES CAN MEET ADVISOR NEEDS

Among female respondents who identified as less-successful, over 50% wanted to be part of additional mentoring and study groups to help grow their business. In addition, women identifying as more successful identified several common factors contributing to that success, including access to high-net-worth clients and advanced education.



OVER 50%

of women identifying as less successful want additional mentoring and study group opportunities.

Clearly, the financial services industry has room for continued growth and expansion of professional development programs for women—and their male counterparts as well. We hope the results of this study will encourage industry leaders to meet the moment and invest more time, money, and effort in making these important resources available to developing financial professionals of all demographics.



A Legacy of Industry Leadership

Founded in 1927 by financial services education pioneer Dr. Solomon Huebner, The American College of Financial Services has a rich history in financial services education – standing strong as the standard-bearer for quality. The College’s faculty includes the nation’s top thought leaders in financial services practice and management, offering expertise that is sought by companies, policymakers, and students across the United States and abroad. The College’s mission is threefold: to provide applied financial knowledge and education; to promote lifelong learning; and to advocate for ethical standards for the benefit of society.

Learn more at

TheAmericanCollege.edu.



Advocacy and Amplification to Champion Women

Founded in 2011 by a generous gift from State Farm®, the American College Center for Women in Financial Services advises professional women, their industry allies, and consumers on how to promote, advance, and advocate for women in financial services. While the Center for Women in Financial Services strives to prepare financial professionals to meet the needs of female consumers, it also conducts and leverages research regarding best practices for women working in financial services.

Visit the Center for Women’s website at

WomensCenter.TheAmericanCollege.edu.

