

THE IMPORTANCE OF INCREASING DIVERSITY ON YOUR TEAM

A diverse team not only brings fresh ideas, different perspectives, and innovative problem-solving, it can also greatly impact the bottom line. A recent study found that ethnically-diverse companies are 35% more likely to earn above-average revenue, while gender-diverse companies are 15% more likely to earn above-average revenue ([McKinsey](#)).

For the financial and wealth management industry, an increase in diversity is becoming more important as the future of the industry is expected to change immensely in the coming years. In fact, recent research shows that Millennials are one of the top growth prospects for wealth managers ([PwC, Salesforce](#)). However, the age gap between the client base and the managers are not growing at the same rate. A recent study identified that only 22% of wealth managers today are under the age of 40 ([Ernst & Young](#)).

It is also important to note the ethnic imbalance in the financial planning sector. A new survey from the CFP Board Center for Financial Planning found that less than 3.5% of all the 80,000 Certified Financial Planners in the United States are black or Latino while 15% of their clients are of those backgrounds ([CFP](#)).

Ultimately, the research indicates a need for a shift in diversity to better serve an evolving client base. Here are a few ways in which that change can be achieved.

Broaden your hiring pool

Many believe that diversity begins with a cohesive hiring process that starts with the pool of candidates. There are many options to widen your mix of prospective employees, like reaching out to organizations, churches, cultural institutions, and colleges about available opportunities at your company. Through focused college recruitment programs alone, companies have experienced a growth of 10% of the number of women of all races in management roles and a growth of about 8.5% of the number of black individuals in management positions ([Harvard Business Review](#)).

Boasting countless awards for their achievements in promoting diversity, Comerica Inc. is a real-world example of how to leverage relationships with organizations to attract candidates from all backgrounds. Take a note from them and work with associations like Association for Latino Professionals for America, Arab Community Center for Economic and Social Services, and U.S. Department of Veteran Affairs to boost your recruitment efforts ([Comerica](#)).

Pay close attention to your job descriptions

During the hiring process, don't forget to closely evaluate and revise your job descriptions. It is important to closely examine the words you use when appealing to a wide audience of searchers. For example, "relentlessly" and "unrivaled" are words that attract male applicants while "transparency" and "encourage" attract female applicants. A major issue with using this type of language is receiving fewer applications. A study found that job ads containing only gender-neutral words get an average of 42% more responses than those that include gender-specific language ([ZipRecruiter](#)). Before you post your next job ad, you might want to use [this app](#) to screen for any biased descriptions.

Provide diversity training

Increasing diversity does not begin and end with hiring. Consider implementing new types of diversity training programs. For example, a focus on unbiased training similar to what Google provides can help employees recognize how their biases affect their decisions, whether that be who they choose to hire, how they interact with their peers, or how they accept new ideas ([Google re:Work](#)).

Also, consider implementing a broad and robust program that covers many areas. Take Accenture for example - their training expands across three different categories: Awareness, Management, and Professional Development. In the end, these types of programs can help people understand the benefits of diversity, equip leadership to manage diverse teams, and enable minorities by helping them build skills for growth ([Accenture](#)).

Foster a flexible and inclusive team culture

Getting unique individuals to join your team does not end the work in increasing diversity and inclusion. If you want to truly leverage the strength of having a wide array of perspectives and thoughts, it is worth building an open and respectful team culture.

If you wish to host a team event, be aware of the time, location, and activity before you move forward with it. Many employees may not be able to or do not want to participate in events due to time constraints that conflict with obligations, transportation restrictions, or even complications that arise if alcohol is present.

Another way to nurture your team culture is through a flexible work schedule. It is important to keep in mind that diversity isn't limited to ethnicity, age, and gender. A diverse team could include individuals who are pursuing an education, parents who need to pick up their kids from school, or individuals that live in a different location. This benefit of flexibility alone could retain and attract a wider pool of workers.