



California State Teachers'
Retirement System
Investments
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I am posting a challenge to all the Investment Managers in the State of California. It should be no surprise to anyone that CalSTRS and I have been a big proponent of changing the face of Wall Street by expanding its diversity. We live in an amazing State that is incredibly diverse, but our industry is far behind. California leads the USA in so many ways; I want to present another opportunity to set the pace for the rest of the Country.

We and our sister Fund CalPERS, have taken the action to support “Rock The Street, Wall Street¹,” an outreach effort to show high school girls role models and opportunities in the investment management industry. Our staff members have served as volunteers and mentors with Rock the Street in local Sacramento high schools. I want our industry to do more and I need your help.

Hollywood movies have given our industry a terrible image; this is our opportunity to tell the real-life story of the investment business. Research has shown that early role models in STEM subjects matter, particularly in girls, as most do not see these examples in our popular culture. California requires all high school students to take one semester of finance, together we have an opportunity to enrich and enliven that education. Let’s make a difference in the next generation together!

Numerous studies have shown that increasing gender diversity in investment management can lead to:

1. Higher portfolio returns
2. Improved corporate performance
3. A more robust economy

Right now, women comprise:

1. Less than 12% of senior private equity professionals
2. Less than 10% of investment staff within venture capital
3. Less than 6% of the chief investment officers of the largest institutional U.S. money managers

¹ Rock The Street, Wall Street (RTSWS), is a 501(c)(3) organization whose mission is focused on the **first P: Pipeline**. It provides financial and investment education to high school girls to spark their interest in the investment industry. The program is in 13 U.S. cities, providing a full-year curriculum of financial hands-on projects to over 1750 girls over the last 5 years. **All** of the RTSWS volunteers are female financial professionals who go into local high schools to teach the M in STEM, and serve as real-life role models and mentors for girls (many of whom have no exposure to the industry).

In California, RTSWS has chapters in Sacramento and Los Angeles, and will open a San Diego chapter in 2019.

4/8/2019

Page 2

Changing this dynamic isn't a quick fix. It requires an ongoing commitment from the asset management industry on the Three P's: Pipeline, Parity and Promotions.

- Pipeline building of robust talent for the future.
- Parity for all employees. Addressing issues like work-life balance can help with retention for all employees, but has an especially big influence on women.
- Promoting women, who serve as important mentors, sponsors and role models for future generations of investment talent.

Together with CalPERS, I am challenging all of us collectively, the investment management community in California, to lead the country in gender diversity in the finance and investment industry.

With your help, we can inspire even more girls' interest in finance in your city and throughout the state.

If you would like more information about Rock The Street, Wall Street, visit their website <https://rockthestreetwallstreet.com/contactus/>.

If you currently engage with other organizations focused on outreach to diverse constituencies, please spread the word and contact CalSTRS and/or CalPERS.

We encourage you to Take the Challenge and help increase diversity in the investment management industry!

Sincerely,

Christopher Ailman
Chief Investment Officer, CalSTRS

Additional information:

- [Here](#) is a recent news segment that appeared on the NBC affiliate in Sacramento – it shows girls from Rock The Street, Wall Street, visiting the offices of CalSTRS in early December.
- [Here](#) is a video of RTSWS' students, volunteers and champion teachers.