

A Great Investment

By **ZACK CZIRYAK**

Janella is a high school student creating a college budget, comparing her choice schools and submitting a FAFSA.

Fast forward to her 20s and she's making \$67,000 per year and figuring out how to budget expenses while dabbling in the stock market by keeping track of a few products she sees or uses regularly. Now navigating her 30s, Janella is established in her career and really looking to invest in the markets to the tune of up to \$100,000.

Janella is like any woman – except for the fact that she's fictional and advised financially by high school girls.

This is the fall curriculum for nonprofit organization Rock The Street, Wall Street's program, which partners financial sponsors with high schools around the country as well as the U.K. and Canada, to deliver financial and investment education to high school girls to inspire them toward careers in STEM and finance.

“Academia has to understand. Look, we must tap into the other half of the species. Right? As an industry, we're not tapping into the other half of the species. And Wall Street has to understand that we must. That we can totally create things, totally improve upon things, totally have a whole different impact on the planet, on the earth, on culture,” said Maura Cunningham, RTSWS founder and ceo.

The finance and investment management industries are just some of many areas that fail to empower and include underrepresented groups, continuing to struggle with diversity and tapping into the vast talent those same demographics have to offer.

Fortunately, efforts are being made and programs and resources are available and growing.

Early Outreach, Exposure

There are many facets to the deficit of diverse representation in the investment management industry, and more broadly, the wealth gap in general.

For Mark Brown, executive director of the Student Freedom Initiative, the wealth gap in America as well as the financial trajectory of a generation can be changed if children are educated with the skills and confidence necessary to succeed in society.

“Well, I think uniquely, we’re looking at education through a different lens than maybe some other organizations. We’re looking at it for social and economic mobility. Are our students better off socially and financially than they were prior to attending college? Certainly, social and economic mobility is one purpose of education. The logical conclusion is that education should assist greatly in bridging the wealth gap in America. To do this we have to reduce if not eliminate the debt associated with that education, stop strapping our students with more debt than the value from an education, and then partner with industry to help prepare them for the future of work to make sure they are prepared for tomorrow’s requirements. This is both the mission of the Student Freedom Initiative and how we close the wealth gap in America between minorities and majorities, which is fairly significant, fairly stubborn and hasn’t moved any more than a percentage or two in you name the number of years,” Brown said.

The Student Freedom Initiative was founded by and as the vision of investment management industry giant Robert Smith, founder, chairman and ceo of Vista Equity Partners, who made headlines when he wiped away \$34 million in student loan debt for the Morehouse College class of 2019.

Brown was coo at the Department of Education for Title Four Funding when Smith made that announcement. The portfolio of student loan debt at that time: \$1.7 trillion, he said, noting that “one third of it was defaulted or delinquent” and “that defaulted or delinquent portion was overrepresented by people of color.”

Underrepresented groups in the investment management industry can point to a lack of exposure and familiarity with the industry often rooted in a lack of exposure to the financial markets, financial literacy at its basest level, areas that require targeting these groups earlier and more specifically.

“Go all the way back to, ‘Okay, I’m going to go to college. I’m a first-generation student. You study the culture of that. I’m going to major in something and I’m going to do better than others have done in my family for years because I’m this first-generation college student, but I never understood the financial aspects of financing and how to go about paying for four years or more of college education, what the return on investment should be, those kinds of things. That’s at the heart of the Student Freedom Initiative,” Brown said, noting a primary aspect of what the organization does is teach financial literacy.

The Student Freedom Initiative offers a four-pronged approach to addressing the wealth gap with a focus on the lens of education: internships and industry-driven certifications; tutoring, mentorships and other services; an income contingent alternative to Parent Plus loans; and targeted HBCU capacity building including endowment governance. The program collaborates with community-based organizations, businesses and governmental entities through public-private partnerships to make sustainable, systemic changes to support the entire HBCU ecosystem.

Embracing and absorbing financial literacy concepts can be difficult, even more so when students are behind in even early childhood literacy, an area that Janus Henderson Investors has targeted as they spread their philanthropic dollars to make a difference in their community and beyond, according to

Demesha Hill, head of diversity and community relations at the Denver firm and a managing director of the firm's foundation.

"The reason why we have focused on early childhood literacy is because you have to know how to read before you can embrace financial literacy concepts. We invest in first to third grade intensive reading programs so that kids can really read at grade level, so when they get to third grade and beyond, they're actually reading to learn," Hill said.

The firm partners with Denver Kids to focus on the elementary to middle school-aged children in providing after school mentoring and tutoring support, while a separate partnership with the Denver Scholarship Foundation kicks in for students in their sophomore and junior years of high school to prepare them for applying to college.

"We have committed to a joint project with Denver Kids and Denver Scholarship Foundation in Denver Public Schools. This initiative creates a pipeline from middle school all the way through high school. Students are supported by gaining access to the transitional services of both organizations. Students participate in the after-school program through Denver Kids and then there's this nice transition into the Denver scholarship program. Denver Scholarship Foundation gets them ready to apply and get accepted into college, obtain scholarships, and provides support while they are in college to ensure they have the tools and resources to complete college," Hill said.

We live in a world of language and the language of one's community resonates, according to Brown, who noted that the financial language may not be common in certain neighborhoods and communities. It is a gap for underrepresented groups that the organization is attempting to rectify.

"Where we're going is at the heart of this and that is introducing, culturally, a different aspect of the world that may have been invisible to many students. This can be life changing for a student who otherwise might not have been exposed. There's a lot of good science that says early exposure and exposure to things have a lot to do with interest. They aren't just naturally born in most cases, it's that exposure," he said.

Prudential Financial's Sarah Keh has experience in addressing the underrepresentation of diverse individuals in the finance and investment management world at an early stage.

Keh, v.p. of inclusive solutions and v.p. and secretary of the Prudential Foundation, has helped facilitate a partnership with the Student Freedom Initiative and its cohorts of historically Black colleges with digital investing platform Stackwell to create a student investment program and universities through its investment program. The firm will also bring RTSWS to its hometown of Newark, N.J. beginning in the 2023-2024 school year.

Among many other initiatives, the firm brings in high school students for finance days to learn about the different careers at Prudential and hosts an annual HBCU Immersion Summit, which does the same with students from historically Black colleges and universities.

“This is for specifically high school students in Newark to raise their awareness, their interests, and to increase their desire to major in math or finance when they get to college,” Keh said.

For Cunningham, high school is the prime age to be introducing young women to the possibilities of a career in the finance industry as the realities of financial dependence and independence begin to sink in.

“The ideal age, it really depends on the school. If it’s a high achieving school, they want us in there for freshman/sophomore years. Other schools request us there for junior/senior [years]. And the reason high achieving schools want to start younger is because they say, ‘Look, by the time you get the students as a junior or senior, they often have planned their career path,’” Cunningham said, noting that RTSWS accepts any girls that are interested in participating.

Like similar organizations such as Greenwood Project, which was profiled in EMM’s inaugural look at efforts in this space last year, RTSWS is focused on high school students at any age while also looking to provide a space for any person who identifies as female, according to Cunningham, who highlighted the organization’s four separate and rotating curriculum so that a student could conceivably experience each one during their high school years.

RTSWS served 1,000 students this past year, all of whom are required to self-select into the program.

Another recent effort of RTSWS that has taken off is the career quiz, designed for high school students and focused specifically on the finance industry to help them understand the differences across the possible paths available in the industry, that saw nearly 16,000 tests in its first year.

“Whether it’s commercial banking, retail banking, investment banking, accounting, insurance, portfolio management, private wealth advisor. We run the gamut,” Cunningham said.

Investment consulting firm Arnerich Massena, the first Oregon sponsor of RTSWS and one of 62 firms that have partnered with the nonprofit organization, recently commemorated the end of its spring session in April, which is financial literacy month, and announced it had renewed for the 2023-2024 school year. The program run at Grant High School in Portland featured 18 students this year.

RTSWS’s program consists of a fall session, in which partner firms volunteer to teach one of four curriculums that culminate in a field trip for the students to those partners’ offices or headquarters for a high-level view of the finance industry. The spring curriculum includes a mentorship aspect in which partner volunteers typically meet with students for five sessions occurring every two weeks between the end of January and first week of April.

RVK, another Portland-based consultant, has expanded its relationship with RTSWS and De La Salle Catholic High School by partnering with the high school's corporate work study program, which places every student at one of their corporate partners throughout the Portland metropolitan area for an internship.

"[De La Salle High School] seeks to expose their diverse student population to various professional industries and careers by having students work one day per week in local firms. With the exposure of working for RVK in our industry, we hope to plant the seed of possible future education and career paths," the firm said, in an announcement detailing the partnership.

The four RTSWS curriculums are color coded to U.S. currency: gold, silver, copper and green. In each they meet Janella at a different stage of her life and become her financial advisor on her daily and monthly expenses, creating and keeping a budget while simultaneously keeping an eye on the stock market and certain stocks that are refreshed each year.

"We continually have them looking at three to four stocks every week. And they can see the price movements of the stock and what happened. So, in addition to the budgeting, we're absolutely, positively focused on the stock market, equity markets, and then they're also learning the lexicon of the capital markets, both fixed-income and equities," she said.

Students must reenroll for the spring mentorship aspect of the RTSWS program rather than the organization making assumptions, according to Cunningham, who noted the program is back at its pre-COVID rates of a more than 70% enrollment rate for the spring mentorship curriculum.

"The mentorship program generally engages girls who are more interested in business, who are more interested in being mentored, who want some advice, who seek the access and social capital of being connected to internship possibilities and to entry-level positions," Cunningham said.

The College Experience

An issue as widespread and deeply rooted as the disparity of diverse representation in the industry cannot be solved with one simple solution or by simply throwing money at the problem, but monetary support certainly does not hurt, especially when it is wielded alongside education and at the collegiate level in a way that helps alleviate the associated monetary burdens of higher education.

"What we're saying is exposure to financial literacy in a very hands-on way, not just academic classroom but application, may be part of what's needed to pierce the interest of students," Student Freedom Initiative's Brown said. "This is a very scientific method, it's not just, 'Hey, here's a thought of what might work,' but there's very good science that says that's how it works beyond the classroom. It works in the application realm and in the participation realm, that's the pedagogy, if you will, of what makes the mind change in the way it thinks about things. And money is one of those."

Prudential has been working with Student Freedom Initiative for a little over two years now in a relationship that began with the launch of an emergency grants program to help students in an emergency because “as little as \$200 could derail a student’s persistence in graduation from college,” Keh said.

“As we got to know the organization more, we knew that we wanted to continue to build upon this relationship and the strength of the partnerships they have with HBCUs,” she continued. “Prudential has a multi-pronged strategy with HBCUs, which is focused on closing the financial divide for HBCU families and students, ensuring students have access to internships at Prudential and other industries that provide these types of career pathways, and supporting HBCUs as anchor institutions in their communities.”

In focusing on ways to contribute, Keh and Prudential realized a partnership with Stackwell could be a complementary match for Student Freedom Initiative, according to Keh.

Stackwell came through another Prudential partner, Financial Health Network, which is focused on advancing financial health for every American. FHN runs an accelerator program called the Financial Solutions Lab that Prudential supports and one of the fintechs selected for the program was Stackwell. Though digital investing apps are far from new, Stackwell was different in that it was solely focused on the Black community.

“Stackwell is focused on making sure that more Black people are invested in the stock markets. It is not just a digital investing app, but it also uses behavioral economics and research to inform their platform on how to attract Black investors to the stock market, and it also provides workshops, nudges and lessons for users on the app. We know that it’s not enough just to have access, but you really need to understand and have confidence in the stock market,” Keh said.

The combination of these two partnerships has ultimately led to the creation of the \$1,000 Student Investment Program for students at HBCUs affiliated with Student Freedom Initiative, of which there are up to 200,000 through 53 higher education institutions.

“Stock market gains have appreciated five times more in value than real estate and we know through research that more Black people are invested in real estate and homes and cars and other things, than they are in the stock market. So, this is really our effort to say, ‘okay, how do we get young people when they’re in college to really start thinking and understanding and learning investor acumen, building their investor confidence so that we could build their wealth for the long term,’” Keh said. “If we can start this program at an early age, and this is for students who may have some background, some of these students are in business school or are majoring in finance, but a lot of them are simply new to the financial markets in general.”

HBCU students qualified for the program by completing two financial education workshops hosted by Prudential, which provided a baseline of information from which to draw further research.

“For the first year, we’re going to study the program pretty intently ... making sure that we understand what is causing students to make certain decisions, engage, really figuring out what are the behavioral shifts so we can help encourage for students in the future,” Keh said.

The money will be dispersed over one year without a lock-up period while monitoring who keeps their money invested in the markets and who may withdraw it and for what reasons.

“[Withdrawals] could be due to emergencies, but we are really hoping to build a long-term confidence with investing in stock markets because we know that there are, of course, short-term losses, but over the long term the stock market has continued to rise and this is what we want the students to have confidence in,” Keh said.

“Now I have to invest this \$1,000,” Brown said. “I’m going to watch it every month. I’m going to track it online and then track it on my smartphone here. I’m going to begin to have this habit in mind.”

College is a place where young people find themselves, their interests, their career aspirations and sometimes those things find the student. Sometimes those things find people even later.

Caleb Pitters did not have a finance background as an undergraduate and did not receive a full introduction to the pathways the space had to offer until a friend connected him with SEO.

Now, he is a managing director and co-head of PIMCO’s New York office and head of the firm’s U.S. nonprofit and private family capital practice after decades in the industry. He also oversees PIMCO’s Future Leaders Scholarship, which offers \$20,000 no strings attached scholarships to qualifying students.

The program launched in 2021 with a target of awarding six scholarships, but the demand resulted in 600 applications and helped guide the firm toward an appropriate expansion, according to Pitters.

“We targeted a sort of a smaller universe because we wanted to pilot it to see what the demand or interest would be – and it turned out we had huge interest,” he said, adding that that interest led to a decision to expand almost immediately.

For 2022 the firm targeted 50 scholarship awards and received over 2,000 applications, while this year’s class received another bump in targeted scholarships with 70 scholarships on 3,000 applications. In total, PIMCO’s program will have awarded 126 total scholarships and \$2.5 million in its first three years.

While young in its history, PIMCO’s program has added elements to flesh out an experience for its scholarship recipients, according to Pitters, who noted that in 2022 the firm added a two-day “celebratory event” at its Newport Beach, Calif. headquarters while this year saw the addition of a second \$20,000 scholarship award to any student that earned and successfully completed a summer internship with the firm and subsequently accepted a job offer from the firm.

“Recipients of the scholarships are not obligated to do an internship at PIMCO or anything of that nature; it’s really just investing in the pipeline. But for us, obviously, we would like ultimately, hopefully, some of these students will, at some point in their careers, become PIMCO employees that would be a great outcome,” Pitters said.

Beyond simply placing interns, Hill and Janus Henderson insist on the importance of ensuring those interns have meaningful work to benefit them over the long haul.

“We evaluate the assignments to determine if the work is a real resume builder for the student because if for some reason they don’t get converted over to full-time, we at least want them to leave here with a robust, rich resume that demonstrated their capabilities so they can maybe take those skills to another investment manager in our area,” she said.

Brown noted that among the other efforts of the Student Freedom Initiative is ensuring students are prepared for interview processes and garnering at least two paid internships through partners such as Jane Street.

This combination of efforts helps achieve its mission of making sure its students are wise about personal finance and that they are introduced to the industry from a practical work experience perspective.

“If we want talent, I’ve got an indication of where we might find it. And in the financial industry, which is not as diversified as we would like it, as a nation in many ways, we know where the talent can be found, but it has to be introduced early, it has to be kind of cultivated, and internships and practical use is one way to do that,” Brown said.

Practical investment management experience is at the heart of what Girls Who Invest brings to its students in its eighth year.

The nonprofit organization’s primary programs consist of a summer intensive program, a four-week bootcamp at the University of Pennsylvania’s Wharton School of Business followed by a seven-week internship at one of GWI’s 125 partner firms, and an online intensive program consisting of a self-guided program with three online modules.

“This coming summer we’ll reach over 550 women across our two programs, and we will place about 220 women in internships. To share with you our growth trajectory, we’ve been around for eight years. Eight years ago, our first class was 30 women,” CEO Katherine Jollon Colsher said. “So, eight years ago, people were saying, ‘Okay, we don’t know where to look for talent and we don’t know how to find women or gender nonbinary individuals who are interested in the industry.’ This year, we’ve had over 2,200 applications for Girls Who Invest.”

Selling the investment management industry to an underrepresented group such as women and non-binary individuals in their formative college years is in essence taking them on a journey of introduction, according to Jollon Colsher, who noted the organization sells the industry’s “tremendous upside” when

recruiting on campus.

“You can travel the world, they’re high paying jobs, but as importantly there’s cognitive diversity. You’re constantly using your thought process, your analytical skills are in full utilization the entire time. So, I think once we explain what the jobs are, it’s a relatively easy sell,” she said. “I think it’s just getting people comfortable with what buy-side versus sell-side, what’s investment management versus not. And it’s a rather layered profession to have to explain.”

Leveraging Programs

Matching programs with support from willing companies is a no-brainer for moving the needle of support for underrepresented groups. Programs are developing and evolving constantly and existing programs are in need of support to continue making progress.

With a ready-made network of schools churning out talented individuals, HBCUs have seen increasing interest and partnership from the financial industry.

The Milken Institute launched its Historically Black Colleges and Universities Initiative’s inaugural cohort of 16 students from 10 regionally diverse HBCUs in February after laying the groundwork in recent years, as highlighted in last year’s piece.

“HBCUs continue to be overlooked as a resource for quality talent in the investment industry, despite a decades long history of producing global leaders in financial services,” said Blair Smith, senior director for Milken’s center for financial markets, in a statement announcing the launch. “Creating greater diversity in the asset management space would go a long way towards rectifying many of the issues facing the industry.”

Meanwhile, Allstate Investments, LGIM America and William Blair created the Asset Management Diversity Accelerator, a two-year rotational development program for diverse and underrepresented job seekers, in November.

AMDA, designed to have its cohort spend two years as junior research associates rotating through each of the three Chicago-based firms every eight months, was focused on recruiting students expected to graduate from HBCUs in December 2022 or May 2023.

“Addressing our industry’s biggest challenges, while delivering our business for future generations, will take new ideas, innovation, phenomenal teamwork, and relentless focus. Success can only be achieved if we’re respectfully and inclusively collaborating, while continually embracing diversity of thought and experience. By partnering in the AMDA program, LGIM America is proud to deliver world-class asset management experience to people of historically underrepresented backgrounds, while continuing our commitment to deliver exceptional client service,” LGIM CEO Aaron Meder said, in a statement announcing the program.

In addition to the myriad of initiatives already detailed by Prudential, the firm also partners specifically with HBCUs to address interest in Black students entering the finance and asset management industry, according to Keh.

PGIM, the company's asset management arm, hired Timothy Woods to head the new HBCU Strategic Initiatives program last year.

Keh noted that the firm has customized scholarship programs to enter the industry, specifically highlighting a strong partnership with Hampton University that includes a fellowship program and special guest lecturers from Prudential and PGIM. The firm also supports a student investment fund at Hampton and the company is exploring additional HBCU partnerships.

The firm has hosted the HBCU Immersion Summit, a three-day on-site experience that was virtual during COVID, for several years. Attending students receive a thorough introduction and understanding of the different careers available at a large organization like Prudential.

"They hear from a lot of our business leaders, including our ceo. We are providing comprehensive support for the students with scholarships, mentors, and access to internship opportunities," Keh said, adding that Prudential's partnership with HBCUs has definitively resulted in an uptick of applications for both internships and entry-level positions from students at the institutions.

Among the offerings at the University of Texas at Austin, a Hispanic-serving institution, is a program that brings interested students to New York to visit different firms, a template that Betty Salanic and the Investment Diversity Advisory Council hope to augment and enhance among other potential options moving forward.

Launched in 2020 by investment consultant NEPC, IDAC aims to convene institutional investors to discuss measurable ways to promote diversity in their own organizations and in their investment decisions and held its inaugural conference in September 2022.

"The idea is to not recreate the wheel, but make sure that we enhance or support partners already doing great work out there," Salanic said, highlighting HBCUs in addition to HSIs as intended partners.

Student Freedom Initiative has grown from an original nine schools to three cohorts that total 53 colleges and universities, growing from 9,000 eligible students to over 200,000 that can access the organizations' offerings.

In keeping with its mission of addressing the health of HBCUs from top to bottom, the program welcomed Lawrence Bancroft to its board of directors at its 2022 annual meeting. Bancroft, founder, president and ceo of emerging manager-of-managers and outsourced cio Bivium Capital Partners, will lend his experience and success.

“We bring in people like [Lawrence Bancroft] to our board and they help us advise schools, HBCUs, on how to take those endowments and have them managed by diverse managers who have proven track records, can grow them quicker,” Brown said.

Firms and organizations like Janus Henderson are making efforts to support and leverage early and entry level talent programs to expand the level of “fresh graduates into our industry, expose them to different career opportunities and hope they fall in love with asset management and want to be hired on as full-time employees when they actually graduate,” Hill said.

She highlighted programs like the INROADS Internship Program, 10,000 Black Interns and Greenwood Project among those the firm has supported, the last of which has grown outward from an original Chicago focus. Janus Henderson helped expand it into the Denver market.

One thing the Toigo Foundation has always sought out is identifying creative opportunities to build collaborative partnerships with organizations that enhance access for students to firms across asset classes, according to President and CEO Nancy Sims.

“Toigo has a strong reputation for demonstrating depth in programming and relevance to the interest of students. We’re a valued bridge between next generation leaders and their career aspirations and the industry’s desire to tap a diverse talent pipeline, balanced with addressing the concerns around fueling the pipeline and identifying talent,” she said.

Programs and partnerships are meaningful so long as they include an education/training component, particularly in a fast-moving and shifting space like the asset management industry, according to Sims.

“So much is taking place across all asset classes with respect to investment strategies and investment platforms — all shifts that translate to changes in the skills and expectations required of talent entering in the industry. We model our learning content in a framework that is manageable and meaningful and complementary to the students MBA learning experience,” she said.

Long an organization that financed the MBA endeavors of diverse individuals, Oakland, Calif.-based Toigo has grown in the ensuing decades to create solutions and expand its offerings to promote the next generation of diverse investment management leaders.

One of Toigo’s most recent examples of partnering in new ways is with the University of California’s investments office, which Sims said demonstrates how a partnership anchored on education can spark new methods and channels to extend mutual goals beyond traditional opportunities.

Toigo expanded its partnership with the Pension Real Estate Association (PREA) to introduce the Toigo Real Estate Intensive — a 10-month learning experience for graduate level students focusing on real estate.

“This year, there was increased attention on graduate level talent within the educational pipeline. Toigo’s programs resonated with our collaborative partners to engage and support these efforts. Our communication around creative solutions to reach this population is a win-win,” she said.

Separately, the university launched the UC Investment Academy as a pilot program last spring at two of its campuses to provide professional investment training free-of-charge to students in an effort to build a pipeline for more women and underrepresented minorities to pursue investment careers.

“We have built a scalable platform that provides, we believe, holistic support to students throughout their college career and beyond. So, really focusing at the beginning on just things like awareness, understanding as we’ve talked about today, how important investing is today for everyone’s overall wealth management, but also the careers in the investment world and how we get them and we move along the spectrum to access and inclusion, training, education, experience, mentorship and ultimately career opportunities,” said Craig Huie, investment director of absolute return at UC Investments, during a meeting last year.

The institution brought in “world class education and investment firms,” including Training The Street and Forage, to help operationalize and scale the platform as well as train students, according to Huie, who noted that the investment office’s goal for the academy is to serve 100 students this year, 1000 students over the next five years and potentially 10,000 over time.

Sims noted that Toigo is operating within a strategic plan to scale in terms of taking the organization to the next level of programming as the nonprofit enters 35 years of service in 2024. Part of that plan focuses on expanding its financial platform supporting team expansion and new program introduction.

Toigo has “demonstrated an amazing ability as a small, nimble and well-coordinated team to execute with the scale and reach that we’ve had to date,” she said. “Our thoughtful plan for growth allows us to elevate our touch with those we seek to serve in new areas we believe are important for diverse leaders in the future.”

Programs can also co-exist harmoniously when addressing an issue, the scale of the lack of representation in the investment management industry.

RTSWS and GWI are particularly complementary in their areas of focus but at different stages of development in high school and college, respectively.

“There’s a lot of cross referrals to each other’s programs,” Jollon Colsher said in reference to RTSWS. “There’s a shared understanding that if we’re advancing people from the high school level to the collegiate level into the industry, we’re all succeeding and Rock The Street, Wall Street is a great example of that. I think community-based organizations are critical for so many reasons. And the more that we’re

plugging into them, the better job we're going to do in finding talent, but also, quite frankly, supporting talent with the wraparound services they need to be set up for success on the professional development side."

Cast A Wide Net; Consider Targeted Efforts

Organizations are making it part of their mission to build a diverse workforce for the future and leaving no stone unturned in those efforts to attract talented individuals to the industry.

"Part of it is to attract really smart students who maybe finance was not the area of focus for them – that's not just for PIMCO that's for the industry, just expand the number of people who would think about this as a career path," Pitters said.

"I think the same spirit is here, to try to encourage people to think about finance as a potential career path, and some people figure it out later or it's not what they've been studying, but it becomes an area of interest and so we can draw them into the industry, we hope the scholarship helps do that as well, as long as they're interested in finance," he added.

Among IDAC's initiatives are several working groups designed to address various areas of the industry and efforts to improve diversity. In casting the widest net possible, the Talent Pool Expansion Working Group is broken down even further, with sub-group leaders designed to address "pre-professional talent pool cultivation," "entry level talent expansion" and "mid-senior mentoring."

Salanic was a first-generation college student at the University of Texas at Austin who was unfamiliar with Wall Street.

"The goal of the group, the committee, is to bring more underrepresented people into the investment industry with that particular focus on first-generation, low-income Black, Latino students," Salanic said, noting that her alma mater, a Hispanic-serving institution, is among the first partners in this endeavor.

The daughter of an entrepreneurial mother, she majored in business and held internships in the investment management industry that led to employment at places like J.P. Morgan Asset Management and Rice University's endowment. She has since founded and serves as ceo of industry organization Accelerate Investors.

She is also a member of IDAC and heads up the talent expansion working group's entry level talent expansion sub-group.

The first convening, once partnerships are finalized, will be a student conference to be held in conjunction with the IDAC yearly conference scheduled for September in Chicago with possible virtual programming in the future.

“The idea is to provide a learning opportunity for students to learn more about the various roles in the investment industry, various asset classes and network with professionals at different investment firms that are members of IDAC,” she said, noting the group wants to find the overlooked students that are not getting multiple offers and already part of various programs.

“That is one of the goals with our partners, is that we enhance what they’re doing and not just trying to pull from the same pool of students. We want to increase the pie; we want to increase the number of students getting these opportunities. We don’t just want to duplicate efforts that are already out there.”

GWJ is proud of the reach and scope of its now 2,000-person alumni base, the result of a grassroots recruiting effort that is focused on applicants from all walks of life.

“We recruit from across the country and from all different areas of study and all different types of schools. So oftentimes historically, when people think of somebody who’s going into finance, they maybe think of somebody coming from a Northeast corridor school or an elite university, and for sure, we’re happy to have people who identify as women or gender nonbinary in our program who come from elite schools, but we don’t pound the pavement at their campuses to try to find talent,” Jollon Colsher said.

Instead, the GWJ team spends time recruiting from public universities and schools with “less traditional feeders for finance.”

“We’re working across all majors so we’re as excited about a chemistry major or an English major as we are about a finance major or econ major. And we’re really looking to find talent that we know has the raw smarts and curiosity to enter the industry,” she added.

The organization’s efforts to source from less traditional backgrounds bears out in the demographics, as the incoming internships class of 550 students is more than 70% people of color and over 30% from socioeconomically disadvantaged backgrounds, according to Jollon Colsher, who noted that the group of 2,000 alumni come from over 180 different colleges and have over 70 distinct majors.

“So, I think the numbers tell that story quite nicely. And of the individuals we place in internships, 75% stay in finance,” she said.

Prudential’s far-reaching net has zeroed in on specific geographies based on research such as the El Paso, Texas region in recent years and a partnership with the University of Texas – El Paso, a minority-serving institution with a large Latinx population. It is in West Texas that the firm and foundation saw a specific opportunity to serve the financial industry and its lack of diversity.

“We actually started a risk management academy where they’re training young students in actuarial skill sets,” Keh said. “We know that there are so few people of color who are certified actuaries, particularly the Hispanic/Latino population. Only 5% of all certified actuaries in this country are Hispanic/Latino. Our

partnership with UTEP was specifically to build out this risk management academy to really help increase students' interest in the actuarial industry.”

The firm also worked with high school math teachers in El Paso to drum up interest and created a peer learning circle of those teachers that met every Friday to talk about different problems as well as share best practices with each other.

“We’ve seen an explosion of interest in El Paso in the risk management academy. And of course, not everybody who attends will become an actuary, but the skill sets that you’re learning in math are going to be highly valuable in any kind of finance-related job,” said Keh, who noted the classes average 25 students.

“This is for the improvement of the entire industry ... we want to make sure that students of any demographic and socioeconomic background have access to education and employment opportunities that are offered for students who have more larger social and professional networks and are aware of these different types of careers,” she said.

Another partnership Prudential runs with its hometown of Newark is the Honors Learning-Living Community at Rutgers University-Newark. Prudential’s support is specifically focused on Newark students attending HLLC.

“Rutgers-Newark provides HLLC students with a whole host of supports, including mentorships, career talks, visits, and housing. Rutgers-Newark is primarily a commuter school where most of the students commute in, but HLLC built a residential building where students can now reside on campus,” Keh said.

PIMCO has taken a multi-pronged approach to getting the word out about the scholarships and casting a wide net. The firm has utilized its marketing team to get the message out on social media, while the recruiting team has mined its list of schools from which PIMCO has recruited previously, among other avenues.

“We’re reaching out to our personal networks, to external marketing campaigns, and we want everyone to know that this opportunity’s out there to sort of draw in more talent into the industry,” Pitters said.

Likewise, Prudential will be keeping tabs on the students to pass through its student investment program with Student Freedom Initiative.

“The 500 students who qualify for the Student Investment Program will receive a lot of information from us in terms of career opportunities at Prudential and financial education workshops hosted by Prudential,” Keh said.

RTSWS also launched a vocational career platform last year that allows firms to list internships, a list that reached over 260 its first year, according to Cunningham, who finds most internship listings are in college, but the organization is attempting to get more of the industry to go down to the high school

level.

“We’re providing the social capital, so we’re democratizing the internship process. These internships used to go to just the Ivy League kids, right? Now we’re democratizing it where we’re becoming closely and quickly the go-to place to find diverse, emerging female talent,” she said.

ING Americas recently made a “transformative” grant to the RTSWS career platform to help further enhance the experience and opportunities for its students and alumnae entering the workforce. The RTSWS Career Center reaches its 1,000 program alumnae with more than 600 students registered to the platform and more than 50 firms posting positions.

BlackRock’s high school internship, for instance, allots two slots to RTSWS students each year and is posted on the portal, Cunningham said. The result was 80 RTSWS students applying and an additional 40 that applied and referenced the program as their source of information as to how they found it: 120 applications for two slots.

Further building the bonds and expanding its network is of utmost importance for RTSWS, which is starting to run student and alumni events quarterly.

“Those students that are still in high school, college, and those already in the profession can come to a central place and we can help facilitate dialogue on significant themes,” Cunningham said, also highlighting the organization’s LinkedIn networking group “where more senior women can get together with the more junior women and help them secure a job interview or career next step.”

Growing & Training Talent

Sustaining a talented employee base that is inclusive of diverse and underrepresented groups at individual investment organizations and across the industry requires concerted effort from the start of the funnel to the veterans looking to progress in their careers and at their firms.

PIMCO remains in communication with its scholarship recipients to let them know what types of opportunities are available, regardless of whether they also completed an internship with the firm, Pitters said.

“We’d love to have some of these folks working with us either in the near term or longer term, to remain connected to the firm no matter what through their scholarship and a network that they’ve become a part of becoming recipients of the scholarship,” Pitters added.

He said that many of the students more recently are posting their scholarship news on LinkedIn as well as noting the people they worked with and potentially interviewed with, which should help those firm members to continue conversations with the students that could potentially be long-lasting connections.

“I think there’s an effort on those who have had direct connection with the students to just keep in touch with them, to serve as advisors and provide perspective,” Pitters said, noting his own lunch or coffee meetings with current and past scholarship recipients. “If their road and path leads to an opportunity at PIMCO then that’s fantastic, but we also want to see them thrive, professionally going forward, no matter what their choice or direction is.”

Education again represents one of the most important ways to approach the issue of diversity in the investment management industry, according to Sims, who believes firms need to be going further in an evolving world where young professionals now want and need to know the direction of firms to provide a reason for wanting to work there.

“We know that that intersection between professional contribution and purpose is highly valued, highly valued by this generation of future leaders. They want to work in organizations that are aligned with their values and goals,” Sims said. “It can be challenging for an applicant — especially a diverse applicant — to truly understand an organization’s culture and values.”

She noted that one student recently expressed interest in conducting a deep dive into private equity and real estate to examine key players and which ones are doing important, innovative deals, because “those are the firms where I want to contribute and be a part of,” they shared with Sims.

Prudential supported a research study with Stanford University and venture capital firm Illumen Capital in 2019 that looked at bias in the asset management industry, but the findings did not necessarily show an issue at the funnel of the pipeline to diverse talent.

“One of the interesting things that we found was, yes, of course there’s bias in the asset management industry, but there was more bias for asset managers of color who had previous success. So, it wasn’t so much a problem at the funnel when people are first entering into the asset management industry, but once they have found success and had a good track record, that’s when they started to face more bias in the industry, which was a very interesting finding for us,” Keh said.

One area of progress in the overall effort to expand the level of diverse representation in the investment management industry has been efforts by some firms to record and disseminate information in their own DEI reports.

Among the most recent to publish its findings was Cambridge Associates in a March report that noted that half of its “early career hires” in the U.S. and U.K., 46%, identified as ethnically diverse, while 39% of experienced hires made over the past year were ethnically diverse, a decrease from 47% in 2021, and 41% in 2020.

“Recruiting efforts, internship programs, and other industry partnerships helped to continue diversifying our early career hires. This was especially prevalent in our London office, where 55% of our 2022 hires were ethnically diverse, with one-third of those hires identifying as Black. Early career diversity is

especially important, as the next generation of leaders are built from today's young and diverse talent," the report states.

Private markets investment firm Hamilton Lane announced the promotion of six individuals to managing director last month, four of which were women consisting of two each on the funds management and client solutions teams.

Toigo has seen an influx of requests to post job listings through its portal, ToigoPRO, along with requests to help in vetting and sourcing talent for specific searches, Sims said.

"We've facilitated firm talent sourcing by serving as an extension of organizations' recruiting teams — particularly if they have a smaller infrastructure. We've helped promote employment opportunities, prescreen and present finalists based on criteria set by firms," she noted.

While the overall growth in job portals is a straightforward way to help make a difference and can provide value to organizations and recruiters, Sims believes increased attention should be given to growing and developing talent in the mid-career stage and beyond. It is important to maintain focus on retention — to those who have made a commitment to the industry and seek further engagement and advancement.

"I think you do need the personal intervention, the ability for us to engage with that recruiter or with that senior leader who has a clear understanding of what he or she is looking for and challenge," she said. "I want to be able to talk to them and I want to be able to know that our team is accountable to try to locate that talent that fits their goals and objectives and to present that and that to me is less than the database and more about the service, the professional service."

Janus Henderson's Hill emphasized that focus has been given to internal efforts to grow and retain talent within the organization, which has introduced classes for both management to converse with employees evaluating for the next stage of their careers as well as for those employees to be able to determine those things themselves.

"How do you write that plan for yourself to make sure that you have some smart goals and understand where you as an individual have opportunities to improve," Hill said, noting that this is where the firm's talent development team comes in.

As GWI's strong community of alumni continue to grow and provide support, the organization itself is focused on expanding its dedicated efforts toward professional development for that group, building on the technical skill development that is so paramount to its intensive programs, according to Jollon Colsher.

The summer intensive program's signature deliverable is a capstone presentation where students have to present a buy or sell recommendation for a company they have been studying for the four weeks while working in a group, the culmination of professional development skills and technical skills in terms of

understanding and mastery of the company and their financials to go along with presentation and writing skills.

“How are you effectively presenting a recommendation? And they do that in groups so there’s also the teamwork and collaboration built in. So, we focus heavily on both while people are in program. And then as we shift gears to alumni programming, the emphasis shifts because we assume that as they’re full-time in the workforce that they’re getting more technical skill training from their firms. And where we can continue to differentiate ourselves is on the professional development side ... the emphasis shifts from equal technical/professional in program to more professional development as alumni,” Jollon Colsher said.

In addition to the leadership program offered by Janus Henderson, the firm’s talent development team has worked on programs designed toward filling skills gaps such as presentation skills and emotional intelligence in the workplace, among others, while mentoring and coaching programs are also components of its efforts.

Janus Henderson is also reviewing its internal mobility opportunities to improve retention of employees to ensure there is a path to advance their careers at the firm, which has introduced a career week that allows for inter-departmental exploration as well as the ability to simply learn about individuals’ career journeys.

“Sometimes you just see them in the role, but you don’t see the previous roles that they’ve had to get to where they are,” she added.

Toigo coordinates mentoring through its internal network of alumni, which has grown beyond 2,000, but has also established partnerships with industry organizations, according to Sims.

“That is a great way then to go beyond our immediate group to say there are professionals within these particular fields, asset classes, who are willing to give their time, coffee chats, yeah, other sort of points of contact as well as structured events that we host where we invite industry firms to be on panels to actually speak or even to be in something as traditional as career fairs,” she said, adding that this is mutually beneficial as it allows for some branding time with a population of diverse talent that may be less than familiar with those firms.

Sims believes the biggest area the industry needs to pay attention to with diverse talent development is the mid-career band as those individuals have already made a commitment to the industry.

“There has been considerable focus on entry level talent with intent to hire and groom talent for the future. At the mid-career level, there is no need to educate or sell the industry or opportunity; talent at this stage of career is committed and are seeking clarity around ‘Where am I going? What’s possible seven or 10 years within this organization? Is there a potential for me to become principal or partner or

managing director?’ Answers and the path forward are not always transparent and too often feels very subjective. That in turn makes it challenging to know where the individual should focus on building strengths. There’s no roadmap — no career and growth clarity,” she said.

Toigo offers career development for the mid-career band in several ways that include virtual seminars and experienced career counsel. For this and the relationships built the nonprofit has often become the first or second call of a diverse individual feeling uncertain in the industry or contemplating a change.

“So, we are looking at ways to be able to, I think, make sure we can help them think through their strategies,” Sims said.

In the spirit of its reputation for creating solutions, the firm is expanding the Groundbreakers Rise component of its annual Groundbreakers women’s conference, which focused on that mid to senior space. Rise originated five years ago with a focus on the private equity space but will now expand across asset classes with a preview of the program held on April 26.

Sims would never weight the greater emphasis on recruiting and early-career solutions against efforts to cultivate mid-career individuals, but notes the former is likely rooted in the ability for teams to measure success, to have a clear metric or goal.

“It’s more systematic. Retention, however, is deeply rooted in the culture of the organization, which is a complex, ever-changing dynamic that is more challenging to address. When done with care and focus, the rewards are deep and sustainable,” she said.

“[Mid-level] is a little more layered and complex, but I think this is where you look less at the numbers and more about the effort ... What are firms doing to ensure that if I have five [diverse employees], that those five are here for the next five years? That’s why I think more attention is given in the front end of the process,” Sims added, noting that “retention clearly is as important, if not more important, than the entry level coming in.”

GWIs partnerships have grown significantly and meaningfully year-over-year in terms of both the number of partners as well as their continued and strengthening commitments. Those partnerships have also evolved toward a focus on the longer term as evidenced by a collective \$13 million pledge from its inaugural 13-firm leadership circle to invest in the long-term retention and the advancement of women and those who identify as non-binary.

“Not only do we see that need and our alumni see that need, but the good news is the partner firms also see that need, that this is a long-term investment in the pipeline. So long-term alumni programing and curating different programing for different alumni is critical to our success and very much an area of focus for us,” Jollon Colsher said.

“The partnerships are paramount to our success,” she continued. “Ultimately, it’s a shared responsibility to change the industry and for us to focus on retention in the industry, that’s not something that GWI can wave a magic wand and say ‘we hope all of these alumni stay in the industry.’ We can be very helpful on understanding of the industry and professional development, but ultimately the culture at firms has to be accepting.”

Corporate Culture

PGIM, as Prudential’s asset management arm, is like the rest of the units under the Prudential umbrella – a partner in all the initiatives enacted to promote and cultivate diversity and inclusivity, according to Keh.

“We’re focused on every aspect of recruitment, on-boarding, retention and promotion of diverse employees that are joining the company,” she said.

New hires are matched with coaches and mentors and connected to the firm’s employee resource groups, as many as eight of which Prudential calls business resource groups, Keh said.

“There’s different types of employee resource groups that people can connect with and we’re making sure employees are being connected to development opportunities, to leadership programs that we have internally. Retention and promotion are a high priority for the company overall,” Keh said.

Diversity of thought ultimately leads to better decision-making overall, with diverse workforces bringing different perspectives, experiences and ideas to the table, Pitters said. That truism, for both the industry and PIMCO, has helped guide the firm as it also serves a diverse range of clients in which a diverse workforce helps to better understand those clients and leads to better outcomes for both firm and client.

“In today’s landscape where you’re trying to attract and retain top talent, we believe at PIMCO that having a more diverse and inclusive workplace can help attract retain top talent,” Pitters said. “That’s what our employees want and so individuals feel more supported and valued if they work in an environment that values that diversity and inclusion.”

For Pitters, PIMCO is constantly trying to improve year-over-year with a top-down focus that makes him feel like it is ingrained in the firm’s culture.

“When the folks at the top are focused on these issues then it just sort of filters through the whole organization,” he said. “On my career journey, I’ve felt like it’s been a focus. I certainly have felt supported and included. And being able to spend some of my work time on something of this nature has been really inspirational for me. I see myself in a lot of students who apply for the scholarship and so, I think we’re doing the job. There’s obviously always more that we can do, more that everyone can do, and we’re committed to that, but I think it’s something we’ve cared about for a very long time.”

PIMCO Black formed during the events of the pandemic and was closely followed by PIMCO Juntos, Pitters said.

“I think it creates space for folks, which is important ... I think it’s important for employees to be able to have that space and maybe talk about issues that they may feel are specifically relevant to their affinity group. I think we think about efforts to attract and retain talent and understand how do you foster an environment that might make the firm feel even more inclusive to various groups, it’s really helpful and impactful and important,” Pitters said.

Pitters added that there is great support from allies at PIMCO and the firm has had a multi-cultural ERG “for some time.”

“You think about even that process for the scholarship, the interview process, the recruiting process, it’s a very diverse group. And it goes beyond just African American and Latinx employees. I think it just speaks to the fact that there is broader commitment to this initiative and to inclusion and diversity at the firm,” he said.

Ultimately, in the wake of some events during the pandemic, Pitters felt like it made sense to tailor an ERG group “that was a little bit more focused on a segment of the population.” PIMCO Black was launched in 2020 while PIMCO Juntos, which is focused on Latinx employees, launched roughly a year later.

As part of its DEI efforts, Cambridge Associates’ employee resource groups have all grown in reach and expanded their commitment to support colleagues by creating a more inclusive environment – through events, networking, and educational sessions, Global Head of Diversity, Equity and Inclusion Melinda Wright said, in its 2022 DEI report.

Toigo’s Sims believes ERGs can be valuable, partly in that they allow those who participate to build connections across the firm, but also for the potential those groups have to contribute to the overall efforts and strategies of the organization within the firm and in the community.

“For [ERGs] that are designed by leadership or the representative of leadership to say, ‘Here’s what we’re thinking about as a company, and this is how your particular group can contribute to that overall.’ And if there is sort of a reciprocity there around what works, those are the ones I think are most dynamic because they can point to the efforts that they’ve put forward, but they also engage in some way with whomever is their point of contact within the senior ranks of the firm,” she said.

ERGs can be a valuable initiative for firms in the effort to foster support and sponsorship, however, they’re only as good as a firm allows them to be at the same time, according to Cunningham, who noted at times ERGs can become a vacuum where the members only lament what the corporation is doing badly.

Organizations like RTSWS, in which the employees and ERGs can engage, volunteer and support the students and each other, provide a positive and outward influence, according to Cunningham.

“We are their portal on to the community, helping to drive diversity and inclusion across the industry, including their own,” she continued. “So that’s always a win-win for the company.”

That support can both energize a firm’s employees and with sponsorship can also help the nonprofits to scale as needed.

“We are working with sponsor firms on ways to scale our programs as we strive to meet growing demand. Especially through technology. This is critically important as we engage across regions in three countries, we continue to look to ways to reinvest in our programs, share lessons learned, and we are expanding to keep our alumnae engaged and supported through their entry into the financial and fintech areas. You know, there are still 100 cities that want us — it’s exciting and there’s always more to do,” Cunningham said.

Toigo’s Sims believes there is no shortage of efforts put forward by firms to engage with “enrichment programs of high value” to figure out ways to plug into that talent, but that efforts need to continue to focus on the “inner workings” of the application and interview process and how talent is vetted through organizations.

“We can develop and introduce diverse talent to the industry,” Sims said. “But from that point, it’s up to the individual firms and their respective internal process to determine who actually is welcomed into the organization. That step has been executed well in some instances; but still in other cases, it remains a work in progress.”

One of Toigo’s efforts was launched two years ago in the form of Inclusion Strategy services, a form of consultancy to work primarily with small- to mid-sized organizations.

“When you are looking to bring on individuals, you’re examining how this individual has the potential to be a contributor in the firm — what some would dub, their future value. That assessment includes fit within the organization,” she said.

Even as GWI evolves with a growing alumni base to put a greater emphasis on alumni and retention efforts, Jollon Colsher remains aware of the fact that this growing talent base is increasingly from Generation Z, a fact that the organization’s partner firms are also thankfully paying attention to.

“We’re focused exclusively on Gen Z. Their needs are more sophisticated and there’s more confidence in terms of advocacy than there has been with prior generations,” said Jollon Colsher, who believes that the ultimate responsibility for welcoming and retaining talent is on the firms themselves.

“And the good news is they see that and I think that speaks to the fact that we have over 125 partners. They see the importance of welcoming talent into the industry. They see the need for change. There’s a lot of organizational awareness of where they need to change and that they’re on a journey and that they’re not declaring victory,” she continued. “And I think that awareness on the part of the partner firms brings me a lot of confidence that the industry will shift much more quickly than it historically has.”

Janus Henderson’s Hill believes those in a position to hire and looking for talent outside the industry and beyond the entry level need to be assessing how they design job descriptions.

“Design job descriptions that highlight the essential and transferable skills, so potential candidates can actually see themselves in those roles and really understand how their skills that they might have obtained in another industry can translate into a career within investment management,” Hill said.

“Sometimes there are certain software applications that we might put on the job description that aren’t necessarily skills that someone needs to have when they walk in the door,” she continued. “Many of these skills can be acquired over time if they have the right aptitude. It’s not about changing the job, the job is the job, but what are the true essential skills that are needed for the role today and in the future.”

The firm has also focused on other areas for better inclusion in recent years, including the diversity of its interview panels where they’re “trying to ensure that we do have representatives from underrepresented groups on our interview panels as well having diversity among a shortlist of candidates,” Hill said.

“There is individual accountability in which we all own and we must understand the role in which we play in creating not only an inclusive work environment, but also removing any kind of barriers so that it’s more equitable for people to reach their full potential,” she added.

Long-Term Vision Key To Road Ahead

The Toigo Foundation’s initial vision of having diverse individuals in all aspects of the financial and investment management industry is slowly coming to fruition, according to Sims, who noted alternatives have a strong percentage at 30% of alumni in real estate, private equity and a growing percentage in venture capital.

“We have an impressive representation of alumni within the industry, some of whom are investment officers on behalf of endowments, foundations, public funds, family office and investment consultants,” she said.

Robert Toigo set out 34 years ago to see the organization’s alumni in every imaginable point across the industry, a vision that is being realized today, Sims said, adding that the organization currently supports two classes of roughly 100 students each. The process for continuing to grow and build a talented population of diverse investment management professionals is not a mechanical one, but something that needs to be ingrained in the process naturally.

“Ultimately, inclusion is a core element of a firm’s strategic planning — it’s at the heart of the human capital component. Yet not every organization views it strategically or holistically. In too many cases, inclusion is seen as an ‘event’ or ‘program;’ it’s detached from the overall strategy of the firm. When we reach the point where it is more organic within a firm’s DNA organizations like Toigo won’t exist. We’re nowhere near there as there is so much more to do, particularly in these times of uncertainty and challenge,” she said.

“Efforts to date have been earnest and focused. What remains to be seen, is if we will see measurable change in aggregate, not just by individual firms — and how will we continue momentum established over the past three years,” she added.

As large as Prudential is, Keh expressed that one of the major obstacles in efforts to attract diverse employees at a young age is recognition and trust, which makes its partnerships with organizations like Student Freedom Initiative, Thurgood Marshall College and UNCF so vital.

“We know that trust is a huge component of people wanting to work in industries and for companies,” she said.

The student investment program has proven to be a success if not quite the “slam dunk” Keh envisioned, as getting the students to complete the two finance wellness workshops to qualify for the program has been a challenge.

“A lot of our HBCU intermediary organizations tell us that if it’s not about the classes, sleeping or eating, students have very little time to concentrate on other things. And then a lot of people just don’t believe it. We are offering these \$1,000 investment accounts at no risks to the students and the students just don’t trust it. They don’t know who Prudential is. They don’t believe that there’s no strings attached, that there’s no risks to them, because they’re not familiar with the stock market in general. And they just hear about crashes and people losing money,” she said.

Industry veterans like Keh, who has been with Prudential for 12 years, emphasized that this is a long-term initiative and that building these types of partnerships to build trust and start to move the needle takes time and, perhaps more importantly, effort.

“We focus on specific organizations, universities and colleges, and we go really deep with them,” she said. “It takes a lot of staff time on our part to help the university or the organization understand who we are, what we’re trying to do, that we’re not just trying to give a grant and say goodbye, but this is us co-building, co-designing, co-leading. You need to make the investment of staff time in addition to the capital.”

“Our founder started [Prudential] to provide burial insurance for working class families,” she continued. “He saw a societal need and built a company to solve that societal need. It’s still in the DNA of the company and really thinking about ‘how do we invest in society?’ A business has to be profitable and

successful in this economy, but can also drive solutions that intersect social impact and business value.”

Hill agrees that patience is vital because changing a problem like a lack of diverse representation in the investment management industry is at its core about changing mindsets.

“You have to help people understand the benefits of change and how it can position them to be more successful. You must bring people along with you on the DEI journey,” she said, adding that recognizing where individuals are in their DEI journey and meeting them there is vital.

Hill also highlighted making DEI a sustainable initiative and not just a human resources project.

“I have seen some progress in the industry. Businesses are starting to integrate this into their normal everyday work and invest in this space just like they would invest in any other part of the business. It’s no longer a sidebar HR initiative, it really ties into a company’s overall identity. That is positive momentum that we need to maintain,” Hill said.

Sustainability can take forms throughout an organization in areas such as evaluating the diversity of its business suppliers and where it puts its philanthropic dollars.

“Where are our philanthropic dollars going and are we looking at the organizations that we give to? Are we giving to those organizations that are supporting the communities that are most in need? And are there any things that you can be doing to not only support the community, but also maybe elevate the industry,” Hill said, pointing to the firm’s leveraging of Greenwood Project, through which the foundation helped the organization with a philanthropic grant.

“Through that funding we will probably reap the benefit, but as an industry, everyone will reap the benefit because now they have additional funding to reach more students and then potentially place those students in other investment management organizations,” Hill said.

A shifting world and industry can leave a degree of uncertainty when attempting to address large-scale issues such as the underrepresentation of diverse individuals in the investment management industry, according to Sims. Her focus and that of Toigo and the host of others making waves in this initiative is to not be deterred by individual moments, but to be encouraged by and focused on the long term and why it simply makes sense.

“We don’t want to focus on a moment where everyone is giving attention to this, but instead we want to say there is a rationale and business case for this as a momentum,” she said. “Let’s talk about continuing what we do as an industry ... the great work that has been started by organizations should not be pulled back out of concerns, but rather how we can collectively address waves of resistance, uncertainty that might lie ahead because it remains important to business, to talent, to Toigo.”

Connection with other organizations working in the space to identify, cultivate and support diverse talent has long been embedded in PIMCO’s culture.

“I think as much as we are doing good work, we also think we can learn from others who can help amplify the efforts. I think that’s the other part, just making sure we’re leveraging those networks and having relationships with other organizations that have a shared vision and goal,” Pitters said. “We’re all in this together, right? This isn’t just about, you know, ‘how can PIMCO benefit from a more diverse workforce, but it’s also about how can we as an industry benefit? And so, I think having those partnerships is really important.”

“I think the industry is improving but there’s still a lot of work to do,” Pitters said. “Taking the time to put a spotlight on different initiatives is important so that people can benefit from seeing what others are doing because we can all learn from each other.”