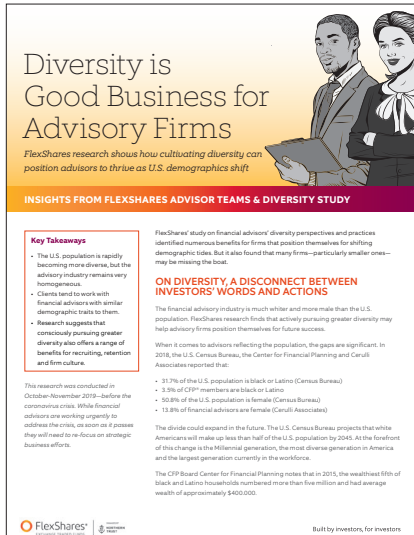


RESEARCH STUDY:

# The Benefits of Building Diverse Advisory Teams

*How firm and investor preferences may be at odds*



## Synopsis:

U.S. demographics are changing and we are expected to be a minority/majority country by 2045. Yet the majority of financial advisors are still overwhelmingly white, male and shrinking in numbers.

We've heard a lot about the struggles many firms are having in recruiting, hiring and retaining young and diverse talent. Advisors asked us to provide guidance on the topic so FlexShares conducted a research study in late 2019 to see where their peers are struggling and where they are having success.

Equally important, we wanted to understand whether and what type of diversity is important to investors seeking an advisory firm so we talked to them too!

## What's different about this content?

## Takeaways:

- **Make the pursuit of diversity a core principle for your firm.** Include diversity in your firm's strategic goals and planning, and put measurable metrics behind it.
- **Bring key firm stakeholders together to design a diversity initiative.** Success is more likely when everyone has a role. Set measurable goals and hold each person accountable.
- **Implement DE&I training.** Conduct ongoing training for the entire firm—one session, won't do the job.
- **Adjust your recruiting mindset.** Think outside of your own personal and business networks.
- **Review your personnel policies.** Keep an eye on the varying needs of diverse employees. Offer flexibility in work location and hours.

- We studied **investor preferences** for advisor teams (vs dual and solo practitioners) and for diverse advisors (age, gender, race, LGBTQ). While there are other studies of advisors' views of diversity, we have found none that compare them to studies of what investors say they want — which is to say there is an unchallenged and uninvestigated assumption of consumer demand for teams and teams that are diverse.
- Second, the study evaluates the **motivations behind team building and diversity** and evaluates these relative to other strategic priorities. Most studies don't situate these goals relative to others — which leaves the impression that diversity and team building are important to most firms when in fact few may be acting upon them.
- Third, the study evaluates the **mechanics of team building and diversity**. How are diversity-oriented firms finding and recruiting diverse talent? Who is driving the diversity initiative and what kind of success have these firms had retaining and incorporating this talent? How long does it take to make a new hire?

*Continued on next page*

## HOW TO ACCESS THIS RESEARCH

- **The Flexible Advisor Podcast:** Check out related discussions with industry leaders on the topic of diversity, equity and inclusion in episodes 11, 21, 22, 23, 24 and 38 of The Flexible Advisor podcast.
- **Diversity Website:** Download the advisor-use white paper and infographic from our Diversity website. Check back regularly for new content from the research study and related industry content around diversity, equity and inclusion.
- **Thoughts on Diversity:** Please visit FlexShares.com to read our series of blog posts on this topic. Each post includes research ideas for how advisors can find, develop and retain diverse talent.

Campaign Page  
[go.flexshares.com/diversity](http://go.flexshares.com/diversity)

## Infographic

## For Financial Professional Use Only.

### IMPORTANT INFORMATION

Before investing, carefully consider the FlexShares investment objectives, risks, charges and expenses. This and other information is in the prospectus and a summary prospectus, copies of which may be obtained by visiting [www.flexshares.com](http://www.flexshares.com). Read the prospectus carefully before you invest.

Foreside Fund Services, LLC, distributor.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.