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Building an inclusive practice: Unlocking diversity capital



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Growth is no longer just about acquiring assets. In fact, as the population in need of financial advice grows and diversifies, so, too, must the advisory teams that serve them. To grow into the future, you need a clear plan to meet the challenges of shifting wealth demographics—your future clients. And it's not just about client acquisition. Diverse perspectives and an inclusive culture can lead to greater innovation, more effective decision-making, and better results for your business.

Inclusive teams make business decisions 2x more quickly and with better results 87% of the time¹

Realizing these benefits requires building an inclusive team that:

- **Expands your practice** with a growing client base that mirrors the evolution of wealth in your community and beyond
- **Seeks opportunities to better understand** the unique circumstances and challenges of different client demographics
- **Attracts and retains a diverse group** of employees, reflective of the desired client base of tomorrow
- **Demonstrates diversity-by-association:** working with open-minded centers of influence (COIs), organizations, and charitable entities
- **Creates an inclusive environment** that welcomes all team members, practice associates and clients

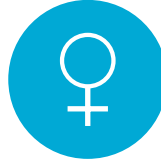
THE EVOLVING U.S. WEALTH PROFILE

The percentage of adults who identify as **LGBTQ** has **doubled** since 2012.²



Latinx has seen an **87%** increase in spending power over the last decade, representing the largest minority market in the U.S.³

By 2030, **women** will control **two-thirds** of the nation's wealth.⁴



People of color are projected to be the **majority** of the U.S. population by 2045.⁵

DIVERSITY CAN CREATE A STRONGER TEAM, BUT INCLUSION IS THE KEY TO UNLOCKING ITS VALUE

Many studies have shown that greater diversity leads to stronger sales revenue, customer growth, greater market share and higher profit levels.⁶ But diversity on its own is not enough. To unlock all of the dividends in diversity, you need a culture that intentionally seeks to do so. That's a *culture of inclusion*. Think of diversity as the what (to do) for broadening your team's capabilities and perspectives. Think of inclusion as the how (to do it) that helps engage and empower the diverse individuals on your team. It's what inspires them to bring their best selves to the job.

So, inclusivity is a step beyond diversity—encompassing intentional efforts to help your team members flourish. Inclusion is about creating an environment that genuinely accepts and welcomes each team member for whom they are—creating a strong feeling of belonging.

Melding presence and practice

Diversity = The **presence** of differences (race, ethnicity, gender, age, etc.) on a team

Inclusion = The **practice** of ensuring that team members (or clients) feel a sense of belonging and support, no matter the differences

WHAT MAKES A TEAM INCLUSIVE?

Inclusion is a mindset, an attitude, and a belief that supports the concept that everyone is respected and has value to add. Additionally, employee trust must be earned by demonstrating commitment and consistent action toward inclusivity—by following through on promises.

Inclusion connects people to your practice and makes them want to remain on your team.

It matters, measurably:

80% Of employees consider inclusion an essential factor in choosing an employer.⁷

72% Would consider leaving their organization for a more inclusive one.⁷

The significant challenge for team leaders, then, is to create a culture of inclusion.

THE PATH TO AN INCLUSIVE CULTURE: ALLYSHIP, MENTORSHIP AND SPONSORSHIP

According to our research, when it comes to cementing a culture of inclusivity, there's a common thread for success. We found that firms that are most successful at implementing lasting change created deliberate inclusion initiatives in support of *allyship*, *mentorship* and *sponsorship*.

These intentional relationships help foster a distinct pathway to success and opportunities, and they can also help overcome cultural challenges and lead to team empowerment.

Done right, you can create a supportive, remarkable culture that attracts and retains top-notch talent. Remember that your culture also impacts your clients. They will appreciate feeling like they are getting the best ideas, decisions and service from a team that is functioning at its best.

The information below may help explain these concepts—from the types of individuals who can implement them to the people they support and the results they can achieve.

To understand these roles, consider the following:

Allies



Actively promote and advance a culture of inclusion through intentional, positive, and conscious efforts that benefit individuals, teams, and the office. While everyone may not be a mentor or sponsor, everyone can be an ally.

Mentors



Work as partners focused on identifying goals and improving specific skillsets for success in one's current role, such as client acquisition strategies and seizing growth opportunities.

Sponsors



Typically veteran employees who use their professional capital and credibility to help advance a team member's long-term career aspirations, particularly by identifying next-step hurdles and milestones. For example, this might mean helping a junior financial professional become a senior partner on a large team or assisting a financial professional to pursue a career in management. While mentors offer advice and support, sponsors provide access to more significant opportunities.

Ally, Mentor, Sponsor: Who they are, what they do (and which one are you?)

	Who is an	What they provide	They work with or Focus is on	Outcomes might include	Sounds like
Ally	Anyone/any level	<ul style="list-style-type: none"> Awareness Support Recognition 	Underrepresented colleagues	<ul style="list-style-type: none"> Greater team integration Broader team engagement Heightened sense of belonging 	"She encouraged me to express my idea and supported it in our team meeting."
Mentor	Mid-level with younger or less-experienced colleagues	<ul style="list-style-type: none"> Coaching Feedback Advice 	Mentees	Mentees may: <ul style="list-style-type: none"> Easily navigate politics Gain an increased sense of competence and self-worth Accelerate professional development 	"She gave me advice and coaching on socializing and implementing my idea."
Sponsor	More senior-level managers or leaders with decision-making power and influence	<ul style="list-style-type: none"> Promotion Protection Responsibility 	Protégé	Proteges may: <ul style="list-style-type: none"> Gain exposure to higher management Receive more opportunities to advance Be selected for visible projects 	"She championed my idea with the managing director and put me in charge of a team to implement it."

ALLY, MENTOR, SPONSOR: WHAT'S THE DIFFERENCE? WHICH ONE ARE YOU?

The benefits of allyship, mentorship, and sponsorship for financial professional teams include gaining access to experienced professionals, creating clear direction and goals, building confidence and motivation, accessing networking opportunities, and receiving actionable feedback that leads to self-improvement. Whether you can be an effective ally, sponsor or mentor depends on your commitment and ability to act, your level of influence, and the degree to which your team members are on board.

Take the next steps toward inclusive leadership:

Committing to the practices and ideas described here, you can build an inclusive team culture that unlocks all the dividends in diversity. Remember: Everyone can play a part. And even small steps are synergistic—leading to big leaps in team efficiency, effectiveness, and satisfaction that deliver the best solutions for today's clients and positions you to attract the clients of the future.

BEST PRACTICES TO BUILD AN INCLUSIVE FINANCIAL SERVICES BUSINESS

1 Networking Opportunities

Identify and connect to internal and external groups and associations where there is established trust. For example, engage with Employee Resource Groups [ERGs], specific internal advocacy groups for underrepresented Financial Advisors, the Association of African American Financial Advisors (AAAA), and others.

2 Ownership

Include underrepresented financial professionals and employees in the design and launch of inclusivity-related programs to increase commitment and mutual accountability in the anticipated outcomes.

3 Social Engagement

Provide informal opportunities to build rapport outside the office, i.e., invite a coworker to a meal, social outing, fundraising endeavor, or country club activities.

4 Ongoing Evaluation

To measure your progress, identify metrics and key performance indicators that best indicate success in reaching mentoring and sponsorship goals. This includes articulating your best practices and integrating them into your practice.

5 Training—Especially Mentorship Training

Help team members establish goals, set, and manage expectations (meeting frequency, location, agenda, commitment,) and provide actionable feedback. Include how to initiate and facilitate discussions to deal with sensitive topics, such as racial unrest, unconscious biases, and how to engage in conscious conversations.

To learn more, or to speak with a Nuveen Advisor Education Consultant, please contact us at 800.221.9271. Visit us at Nuveen.com.

1 Forbes, "Diversity + Inclusion = Better Decision Making At Work". 2017

2 Gallup, 2022

3 University of Georgia's Selig Center for Economic Growth Multicultural Economy Report, 2021

4 Women of Wealth; Family Wealth Advisors Council 2011

5 Census.gov, 2018

6 Forrester, 2021

7 Deloitte GenZ Millennial survey, 2022

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