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ICPAS member since 1982

A Call to Women CPAs: Consider a Career in Financial Planning

Building trust and developing relationships—skill sets that women generally excel at—are key components of a successful career as a financial planning professional. And the profession needs you.

Despite all the progress I've seen in the accounting and finance profession, and the business world as a whole, throughout my professional career, women are surprisingly still underrepresented in my primary area of focus—personal financial planning. Current estimates show that just 27% of certified financial planners (CFPs) are women. This, of course, is in spite of the fact that women make up at least 50% of the U.S. population. With this in mind, I was curious to know how the Illinois CPA Society's (ICPAS') membership compared. ICPAS currently states that approximately 38% of its members are women.

While policymakers and thought leaders will undoubtedly continue to develop programs aimed at achieving gender parity in industries throughout the U.S. economy, it seems to me that improvements can, and should, also grow out of grassroots initiatives. In my small corner of the accounting and finance world, for example, maybe increasing the number of women in the field is a matter of helping to better educate my fellow ICPAS members on the benefits of life as a personal financial planner.

I've spent a lot of time thinking about the various aspects of professional life that I enjoy as a CPA and personal financial specialist (PFS)—a certification only CPAs can earn. And thanks to some of my female colleagues sharing their thoughts and experiences with me on the financial planning profession, here's why we think more women should consider a career in financial planning.

ALTERNATIVE CAREER, CLIENT CHOICES

First and foremost, most CPAs already have the technical skills needed to easily transition into the financial planning environment. In fact, the CFP Board has identified 70 principal topics in which a CFP certificate holder must be proficient, and working as a CPA can be helpful in mastering these topics.

Elizabeth Buffardi, CPA, CFP, president and owner of Crescendo Financial Planners Inc., agrees. She says that her prior tax experience from working in a large public accounting firm was extremely helpful in preparing her for the technical demands of personal income tax planning and other areas of personal financial planning.

Similarly, Allison Alexander, CPA, CFP, CDFA, member owner of Savant Wealth Management, shares that her tenure in a Big Eight firm and private industry prior to joining Savant have been useful, especially when working with business owners on their succession plans.

Ashley Gorman, CPA, a financial advisor with Savant, completed three internships at public accounting firms before pursuing financial planning, which has helped to hone her craft. "I'd like to stay with Savant for the long-haul, so I know that by having these skills I'll have a better chance at growing with the firm and being presented more challenging opportunities," she says.

"Opportunities" is a key word. Entering the financial planning space allows a CPA to further diversify their skills and the services they can offer current or prospective clients. Or, for those looking to transition out of public accounting or corporate finance altogether, it offers the opportunity to start one's own firm or join an existing one that offers a different work culture and environment.

WOMEN ARE GOOD ADVISORS, INVESTORS

Truthfully, I believe women naturally have an extraordinary advantage over men in being successful CPA financial planners. Why? One reason, in particular, is that I believe women are generally better suited in handling the personal nature of the work. Often, a client's financial position carries with it tremendous emotional ties, as money often intersects with important career, relationship, and health care decisions. Simply, women advisors may understand these emotions around money better than their male counterparts.

Alexander has seen this herself, sharing that "when a client asks, 'should I sell my business,' this may really mean 'should I sell the business now, so I can spend more time with my terminally ill husband.'" Trusted financial planners who know their clients and their families can add real value in helping them make these decisions.

"We know that 80% of widows search for a different adviser after the death of a spouse. The husband's adviser often does not listen to their concerns, is condescending in his answers, and uses confusing jargon," says Blair duQuesnay, CFA, CFP, an investment advisor at Ritholtz Wealth Management, in an interview with the CFA Institute. "Women are shown to be better listeners, to have more empathy, and to be better at explaining financial concepts in simple, plain language."

This implies women CPA financial planners may also hold an advantage for connecting with female clients over their male counterparts. In fact, according to a March 2022 Financial Planner Life article, 70% of women who work with financial advisors prefer female advisors.

Of course, countless studies have also shown that women are often better investors than men. In a 2021 analysis of 5 million Fidelity customers over a 10-year period, women's investment returns outperformed men's by 40 basis points. A Wells Fargo study examining investment returns during the January 2016 to December 2020 period found women achieved higher returns while taking on less risk than men. Wells Fargo found that women took approximately 82% of the risk that men took when investing. Women also seem to do a generally better job of avoiding impulsive decisions: Nationwide found that only 8% of women liquidated their retirement accounts during volatile markets, compared to 15% of men. Further, Vanguard found that women trade 40% less frequently than men, which is consistent with a University of California, Berkeley study showing that women traded 45% less frequently than men. High investment turnover, in many cases, leads to lower returns.

What I take from this is that women financial planners have a strong likelihood of being "better" advisors to their clients. Ultimately,

financial planners have their greatest impact when their clients believe they have a trusted partner who offers independent advice and relates to them and their families.

THERE'S BETTER WORK-LIFE BALANCE

In the current business landscape, in large part to the lessons learned from the COVID-19 pandemic, U.S. employers have become more enlightened to the needs of their employees—both men and women—for working in an environment that's respectful of their time outside the office. Nevertheless, issues like starting a family, arranging for child care, caring for elderly parents, and similar family matters still often fall more on women than men, which can cause detrimental impacts on their professional careers.

Gorman is well aware of these burdens, noting that she specifically chose not to work in public accounting because of the challenges associated with multiple busy seasons. Instead, a career in financial planning has offered her a better work-life balance. "In November and December, I'm busy with year-end tax planning," she says. "But I find that I have more regular work hours throughout the rest of the year."

A career in personal financial planning can be rewarding for both men and women CPAs. However, my experiences and the findings of others point to the interplay of technical and emotional aspects around wealth and money making a career in personal financial planning especially suitable for women CPAs who are seeking a challenging professional environment, career advancement opportunities, and better work-life balance. While I encourage all my fellow CPAs to explore careers in financial planning, I especially encourage women to explore the benefits it could offer. After all, as the numbers show, the financial planning space needs you. 📊

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