

#metooinvest

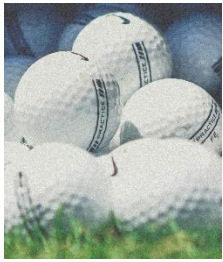
By Richard Jenkins,
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No matter what study you read, you will find that women manage a very small percentage of global assets under management (AUM) and only hold a small percentage of the leadership positions in asset management. In fact, asset management is one of the most male dominated professions. You have to look to motorcycle mechanics and bricklayers to find fewer women participants. Taken as a whole, the financial services industry has become more inclusive for women, but the asset management segment of that industry seems to have done almost nothing to advance women to the top-paying positions.



For too long, articles and studies that highlight the gender gap in asset management get sent to the bottom of the stack and result in no real progress. Ask yourself, “what am I doing to change this?” As a male working in the industry, I used to ask myself this question. I thought that being aware (i.e., woke) was all that I could do. Turns out, that hasn’t been enough.

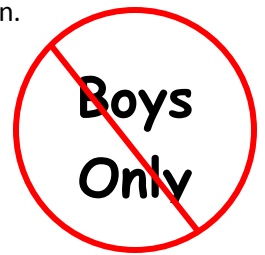
I’ve worked almost 40 years in this industry. Being aware really hasn’t done a very good job of changing things. Yes, I would actively look for women hires, but I inadvertently set the rules for employment to favor men. I expected my employees to work 60 to 80-hour weeks (maybe more to get promoted), played golf (a male dominated sport) for company



events, and embraced “team players” as the quality that made the best employee. I was running my company in a way that created gender-biased barriers for my women employees. If you are the primary caregiver for children and aging parents, long work hours aren’t possible. Only giving good golfers a chance for “face time” at company events meant that most of my women employees didn’t get a chance to make an impression like their male counterparts. Viewing my employees as part of a team favored those who played team sports and understood that dynamic, something many women of my generation found repressive to their ideas and contribution.

Men, as well intending as we have been, just kept doing the same thing expecting women to adapt to the rules of our boys’ club. In asset management, we are just now starting to understand the damage this has done to both our firms and even our investors. Turns out, women make very good asset managers, maybe even better than men.

Our risk-taking behavior (and maybe our big egos) is thought to be our downfall when it comes to generating alpha. We kept giving more and more AUM to these lower performing male managers when our firms could have been dominating the industry with higher-performing strategies run by women. Our investors have an even higher price to pay. In some years, women hedge fund managers have double the performance of their male counterparts. Apply that lost performance to the \$3T of hedge fund AUM and you get a very big price our investors had to pay for gender bias.



This year, I pledged to make a change, and I’m encouraging my male colleagues to do the same. It shouldn’t have taken the #metoo movement to get our attention, but we can’t waste the opportunity we have right now to make a real, and profitable, change in our behavior. If you’re a male asset manager, be more than just aware. Promote woman managers, help women get their ideas heard, and stop trying to make a frat house out of your company.

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