



CFA Institute

# WOMEN IN INVESTMENT MANAGEMENT INITIATIVE

Improving Investor Outcomes  
Through Diversity



"Our profession has a diversity problem. If we are to change, we must change our demographic...As the largest global association of investment professionals, we are in a powerful and unique position to bring awareness to this issue."

– **Paul Smith, CFA**, president and CEO of CFA Institute



## Why Care About Diversity?

### DIVERSITY CAN LEAD TO BETTER INVESTOR OUTCOMES

- If alpha comes from doing something different, we need a range of perspectives to have an edge. Research shows diverse teams can deliver better results.
- Public companies with one or more women on the board have returned a compound 3.7% a year over those with none, measuring stock market return since 2005 and adjusting for sector bias.<sup>1</sup>
- Companies that were most gender diverse (top quartile) had a 41% higher return on equity than the companies with no women.<sup>2</sup>
- In a study of US fund managers, mixed-gender investment teams slightly outperformed both all-male and all-female teams.<sup>3</sup>

### YET WOMEN ARE UNDERREPRESENTED IN THE INVESTMENT MANAGEMENT INDUSTRY GLOBALLY

- Using CFA Institute as a proxy for the industry, only 18% of members are women. In the US, this percentage compares with 33% women in the medical profession, 36% women in the legal profession, and approximately 50% women in the accounting profession.
- 35% of candidates for the December 2015 CFA® Program exam are women, which has increased steadily from 20% in 2009. This represents prospective new entrants to the profession, who are sitting for Level I of the exam.
- Less than 3% of mutual funds in the US are managed exclusively by women, with less than 2% of the \$12.6 trillion in assets.<sup>4</sup>
- Mixed-gender teams manage 21% of funds in the US, which represents about a third of the industry's assets.<sup>5</sup>

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<sup>1</sup> *CS Gender 3000: Women in Senior Management*, September 2014

<sup>2</sup> *Women Matter 2010*, McKinsey

<sup>3</sup> *Fund Managers by Gender*, Morningstar, June 2015

<sup>4</sup> *Fund Managers by Gender*, Morningstar, June 2015

<sup>5</sup> *Fund Managers by Gender*, Morningstar, June 2015

# Our Response

Our initiative began in June 2015 with a volunteer-driven Women in Investment Management Conference that gathered 200+ investment professionals. Given the strong response by our members and employers to address this subject more fully, we have identified the following goals as part of our long-term commitment to shape a better future of finance.

## GOALS OF THE WOMEN IN INVESTMENT MANAGEMENT INITIATIVE

1. Increase the number of women who join the profession and earn the CFA charter
2. Retain women in the profession and influence culture from within
3. Create demand for diversity as an industry imperative



To get involved visit [www.cfainstitute.org/wim](http://www.cfainstitute.org/wim).

For conference information visit [diversity.cfainstitute.org](http://diversity.cfainstitute.org).

The goal of the CFA Institute Women in Investment Management initiative is to improve investor outcomes by encouraging diversity in the investment management profession globally. By working with CFA Institute members and other industry leaders, we aim to bring more women into the investment profession, support their career success, and encourage employers to realize the business value of diverse teams. The initiative is part of the Future of Finance, a long-term global effort to shape a trustworthy, forward-thinking financial industry that better serves society. For more information or to get involved visit [www.cfainstitute.org/wim](http://www.cfainstitute.org/wim).

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has more than 139,000 members in 148 countries, regions, and territories, including 132,400 CFA charterholders and 147 member societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org).

