

## National Council for Research on Women to Release Report with Road Map for Women's Leadership on Wall Street and Beyond

New York (June 22, 2009) – The National Council for Research on Women will launch a groundbreaking report on June 24<sup>th</sup> at the headquarters of Bloomberg, L.P., presenting the business case for bringing more women into leadership in the financial sector, on Wall Street and beyond. In response to the current economic crisis, the report calls for a more innovative and sustainable approach with more women in charge.

Entitled *Women in Fund Management: a Road Map for Achieving Critical Mass and Why it Matters*, the report argues in favor of a **Critical Mass Principle** which would aim to bring significant numbers of women and those from under-represented groups, not only into fund management but across sectors.

“The report makes the case that women’s leadership is vital, not only in fund management, in which only 10 percent of decision-makers are women, but across sectors, because of the perspectives that women bring to the table. Our report is also a call to action and a challenge to the industry to make more concerted efforts to recruit and retain women throughout leadership,” said Linda Basch, PhD, President of the National Council for Research on Women.

The launch will bring together a wide array of experts from business, academia, media and philanthropy. **Linda Basch** will present the report along with **Jacki Zehner**, of Circle Financial (formerly with Goldman Sachs), and speakers will include **Mindy Posoff** from New Market Capital Partners, **Purnima Puri** from Highbridge Capital Management and Barnard College President **Debora Spar**. From Bloomberg, **Melinda Wolfe** will open the launch and **Katherine Burton** will moderate. Other participants will include: **Maria Chrin** of Circle Wealth Management, **Ann Kaplan** of Circle Financial Group, **Dune Thorne** from Silver Bridge Advisors, **Sheila Wellington** formerly of Catalyst, and **Marie Wilson** from The White House Project.

The report urges the financial sector to set more ambitious goals for building diversity in order to bring about more balanced and sustainable risk management and more equitable and inclusive decision-making. The report also calls for benchmarks to track progress and ensure that real change is taking root.

“Given the failure of leadership, excessive leveraging, the lack of appropriate regulatory oversight and the implosion of risk management systems, we can no longer afford *not to* draw on the talents of our entire population, 51% of which are women, to rebuild our financial system and bring stability to our national and global economies,” said Jacki Zehner, a former partner at Goldman Sachs and one of the chief architects of the project.

The report uncovers 30 years of research into the management and investment styles of women and men. In studies of gender differences among both investors and professional money managers, women were shown to adopt more holistic and measured investment strategies that performed well over time while men were inclined to take larger risks, often with less consistent results.

Despite the fact that women account for nearly half of the entire U.S. labor force, one-third of all business owners, about 43 percent of U.S. citizens with gross assets of \$1.5 million or more, and half of the country’s entire investment wealth, women constitute just 10 percent of all traditional mutual fund managers and a mere 3 percent of the approximately \$1.9 trillion invested in hedge funds.

It is this absence of women managers that the report’s **action plan** seeks to address. It calls for:

- **Making capital more widely available to women managers** *According to research, the money invested in female-managed funds is significantly lower than that invested in male-managed funds, even when the managers have similar results. Overall women-managed funds have an average annual inflow of 15 percent, while male-managed funds’ average inflow is 29 percent.*<sup>1</sup>
- **Widening the career pipeline.** *Women tend to drop out at each stage on their career path to pursue other options where they find less resistance, more support and perhaps more meaning. It starts in math and science in elementary and high school, to graduate schools and MBA programs, where women’s representation has stagnated at less than 1/3 for decades. Even when they’re in the field, women opt for other directions.*
- **Challenging negative stereotypes and hostile work environments.** *A recent survey of women in the private equity industry said their gender made it more difficult for them to succeed. While not every position in finance demands a fierce, all-consuming and inflexible work life, the high stakes and highly competitive nature of fund management – particularly if combined with the lack of camaraderie and negative attitudes toward working mothers – are enough to cause women to seek other opportunities.*
- **Increasing access to networks,** role models, and formal and informal support systems.

“Women are taking steps to address these barriers. But we need comprehensive structural change in the financial services industry and in governmental regulatory mechanisms as a whole to create a more sustainable system. We need a ‘*Critical Mass Principle*’ to create meaningful numbers of women at all levels of leadership and to set ourselves on a more balanced and sustainable course,” said Dr. Basch.

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