

COMMITTEE REPORT: THE MODERN PRACTICE

By **Karen McCrae-Lee Fatt**, **Martin M. Shenkman** & **Susan J. Travis**

How to Make Your Practice More Diverse and Inclusive

Set the tone for open and honest discussions about stereotypes

Would you like to increase the value of your practice? Diversity is the answer. No really. The more diverse and rich your life and your view of planning, the more varied clients you can attract. Conversely, the more diverse the clients and colleagues in your sphere, the more creative and innovative you and your practice can be.

Many people remain indifferent to diversity and the benefits it brings. The movie *Pleasantville* (if you haven't seen it you must) depicted living during a time before color as boring and stodgy. Diversity implies that we all come from the same family; it brings beauty, interest and vibrancy into our lives. This is a conversation not only about what you must do for a rewarding and profitable practice but also about what you should want to do to enrich yourself personally, your business and more! The key is to be intentional in taking steps to make it happen.

Diversity results in different perspectives at the table and hence more ideas and more creativity. On both the professional and personal level, the more different you are than me, the more interest, excitement, ideas and new viewpoints you bring to my life.

Events of the past year have not only changed our perspective when it comes to relations with others

who don't act or look like us, but also it's served as a catalyst to those who've been oblivious (or worse) to the importance of diversity. Too often, we're so wrapped up in our own world that we're not aware of the richness of diversity and the challenges that individuals face daily because they're societally different. The key is to be intentional to start change.

COVID-19 has made us all pause and reconsider what's important in life. Death has become a more pronounced part of our daily lives with the evening newscasts showing the daily death tolls. COVID-19 doesn't discriminate, why do we?

Diversity means unity, and that helps all of us. In a positive way, learning about others and interacting with others who are different than we are brings light to our lives. Does it help you become a better human being? Thereby, does it help you become a better professional?

How to Start

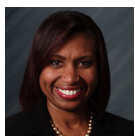
Start talking. Have a conversation. Speak to your colleagues, speak to your peers in the profession, ideally, speak with those who have different views than you or different cultural, racial or religious backgrounds or health issues. Practically, some individuals and organizations don't have the opportunities to participate in these conversations. In those instances, turn to your professional organizations. They're becoming proactive. Perhaps there should be facilitators who can be available to mentor those conversations. Perhaps members of existing organizations should re-double efforts to bring diverse individuals to meetings and encourage their involvement. Little steps, like having a conversation, are a great way to start getting people to think about diversity.

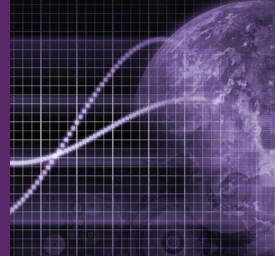
How do you act? How do we act? Do we act from indifference? Has a colleague of yours been profiled?

What about including diversity-based content at

(From left to right) **Karen McCrae-Lee Fatt** is a wealth senior trust manager at Truist Financial Corporation in Tampa, Fla., **Martin M. Shenkman** is an attorney in private practice in Fort Lee, N.J. and New York City and **Susan J. Travis** is a client advisor and regional director

at Mercer Advisors in Houston





conferences and web meetings? Why not include programs on estate or financial planning for different religious or cultural groups? What about more programming on LGBTQ+ planning?

Younger professionals often have an easier time embracing new and diverse ideas when in comfortable groups surrounded by their peers. Think about engaging our younger professionals with programming and events that intrigue and interest them, even on topics that aren't diverse but are of relevance and interest to these younger advisors.

The key and most important step in changing yourself and changing the world is to reach outside your comfort zone. Thought leader Roy T. Bennett has said, "Do Not Lie to Yourself. We have to be honest about what we want and take risks rather than lie to ourselves and make excuses to stay in our comfort zone."¹ Collaborating or helping those who are different from you culturally, racially and economically is a great way to promote diversity and enrich your life and practice. Be a mentor and/or be a mentee. Help diverse younger professionals write their first article, give their first speech or answer their questions to help them progress professionally. It often takes very little.

Is There Inclusivity?

Some suggest that some diverse practitioners aren't comfortable participating in organizations that are, for example, predominantly white. Are diverse practitioners not comfortable participating in many existing professional organizations? Are there language, cultural or just "comfort" barriers? Do those in the majority make an effort to make those who are in the minority feel comfortable? Too often not. The key is to be intentional. Reach out to include one individual.

Lack of Diversity

The social intolerance events of this year have been on the forefront of the nation's conscience. We've been forced to take a sincere look in the mirror and ask ourselves who are we, what our values are and how we communicate with one another. The estate-planning profession has also been challenged to examine whether it reflects the diversity of the environments in which we live and work and, more importantly, whether it embraces all people and cultures both as

practicing professionals and clients.

According to *Wealthmanagement.com*, in 2017, 81% of financial advisors were white, 7% were Asian, 6% were African-American and 5% were Hispanic.² According to the Center for Financial Planning (CFP) Board, the number of Black and Hispanic CFP professionals grew 12% last year—the highest increase ever. Despite last year's gains, there are still only 3,259 Black and Hispanic CFP professionals in total—less than 4% of the 87,784 CFP professionals versus nearly 30% of

Reflect gender-neutral terms in your client-facing forms, estate-planning documents and more.

the country's population.³

There's no question that individuals generally feel more comfortable sharing ideas and relating concerns with those who understand their culture and who look like and identify with them. Estate planning is a practice that's universal to all individuals, regardless of race, creed, sex, gender identity, religious persuasion, disability or political affiliation. However, how can the profession bridge this gap and ensure that all people have access to ethical and high quality estate-planning services provided by individuals with whom they feel comfortable?

General Best Practices

Consider employing these practices in your own firm or office:

- Here's an easy step that costs nothing. Add to your email footer a statement of your personal pronouns. For example, Marty's are: Pronouns: he/him/his. Listing this is a statement to readers, including all prospective and current clients, that you're aware of and sensitive to gender identity. That's a simple step forward on the diversity and inclusivity continuum.
- Update organizers and questionnaires for clients to include questions that permit them to express their diversity. That sends a message that you're open to and sensitive to such matters. For example, permit

expression of religious, cultural and other concerns the client may have to planning. For example: “Do you have any religious or philosophical objectives that you would like reflected in your investment allocations?” Reflect gender-neutral terms in your client-facing forms, estate-planning documents and more.

- Make a point of attending and supporting educational/seminar topics about diversity. Those programs tend to have much lower registration than more technical topics but are perhaps more vital.
- Make a concerted effort to provide volunteer and other services to help those of lower economic wealth levels. Too much of the efforts of all the allied professionals are focused on the super-wealthy. How many financial institutions, attorneys, accountants and financial advisors serve those with under \$500,000 of net worth? If you can’t profitably serve lower wealth clients, volunteer for organizations that do. In 2020, \$1,219,126 placed a client in the wealthiest 10% of the country’s net worth.⁴



SPOT LIGHT


Horsing Around

A Day at the Races by Stephen Mangan sold for \$6,968 at Bonhams Modern British and Irish Art auction on Dec. 16, 2020 in London. Mangan is a Scottish contemporary artist who’s making an international name for himself. Common themes in his paintings include racecourses, beaches, stations, fairgrounds and theaters. His work has appeared and been sold at numerous auctions.

Collaborate, Educate and Cultivate
Intentional coaching away from indifference doesn’t start at the top. Leadership support plays an important role and is needed to facilitate change from the top down. However, everyone must act and take part.

The authors of this piece, members of the Diversity, Equity and Inclusion Task Force of the National Association of Estate Planners & Councils (NAEPC), are working to validate the association’s mission and vision of inclusion and take initiative by providing input as we structure and develop what that validation really means. One of the more significant approaches that NAEPC is now taking in fostering diverse partnerships is acknowledging the lack of diversity. Many of us feel uncomfortable not knowing what’s the appropriate dialogue and response. We, like many other organizations, have established a “Diversity, Equity and Inclusion” committee that we feel sets the tone for open and honest discussions about cultural stereotypes and how we can help refrain from unspoken biases. We recognize that if NAEPC doesn’t embrace diversity, we’ll miss a great opportunity to move ourselves into the modern era of inclusivity. We’ve developed immediate, short-term and long-term goals for promoting diversity, equity and inclusivity into our organization.

Approach your local Estate Planning Council. Inquire as to the steps it’s taking to promote diversity, equity and inclusion. We’ll only learn from each other. This isn’t a quick fix, but a beginning for change. NAEPC is committed to helping local councils by sharing of ideas and best practices.

The key to change is to be intentional. It starts with conversations at the personal level, the firm level, the professional level and the corporate level. Be a part of the diversity, equity and inclusion growth of our industry. 

Endnotes

1. Roy T. Bennett, *The Light in the Heart*.
2. www.wealthmanagement.com/careers/six-charts-illustrate-financial-advice-industrys-lack-diversity/gallery.
3. CFP Board, Center for Financial Planning, “Diversity In Action: How to Sustain the Financial Planning Profession” (2020).
4. <https://dqydj.com/average-median-top-net-worth-percentiles/>.