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LOYAL MEMBER SINCE: 2003



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**DIVERSITY,
EQUITY
& INCLUSION**

UNCONSCIOUS BIAS & MICRO-AGRESSIONS

**THE DISPARITY & OPPORTUNITY IN THE
CURRENT CLIMATE**

**WHY OUR INDUSTRY NEEDS MORE
AFRICAN-AMERICAN FEMALES**

Unconscious Bias & Microaggressions in the Financial Industry



Aprilyn Chavez Geissler, LACP
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Loyal member since 2005



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The National Association of Insurance and Financial Advisors (NAIFA) created the Diversity, Equity & Inclusion Council (DEI) to promote DEI within the industry and access to financial services for all Americans. Its advisory group provides guidance and supports diversity initiatives to create a cultural shift that brings about inclusion.

In a conversation between Angela Lapp-Johnson, Aprilyn Chavez Geissler, and Winona (Win) S. Havar, the three women discuss the unconscious and conscious biases that affect the industry. Lapp-Johnson is Co-Chair of the NAIFA DEI Council and Northern Complex Recruiting Director at Equitable Advisors. Geissler is First Executive Vice President of Gateway Insurance Group. She is also a NAIFA National Trustee, NAIFA 2019 Diversity Champion, and Investment News Top 2020 Women to Watch. Havar is Executive Vice President of Business Development for Horace Mann Companies and a NAIFA National Trustee.

By bringing diversity to the table, these financial professionals share their own experiences as they create space for everyone to have an equitable part of the conversation. The objective is to bring about change and inclusivity.

Biases and Microaggressions

Experts agree that bias is normal among all humans. Whether we want to believe it or not, everybody has biases hardwired into our brains. It's a natural preference for people or groups who are similar to us.

Unconscious & Conscious Biases

Unconscious bias refers to a wariness of people who are different from us and the tendency to save mental energy by using shortcuts. By defaulting to stereotypes, we fill in those blanks about others without any concrete information.

By creating consciousness, we recognize that we have those biases and start to change our behavior around them. As we become aware of our biases, we stop assuming that everyone has the same experiences as we do or the same background. We choose mindfulness and behave differently to our conscious biases. According to Havir, "It's all how it lands on you and how you react to it" that brings about change."

Some biases in society include:

- Affinity Bias
- Confirmation Bias
- Conformity Bias
- The Halo Effect
- The Horns Effect
- Contract Effect
- Gender Bias
- Ageism
- Name Bias
- Beauty Bias
- Height Bias

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I started as a para-planner [in college] and my fear was that people wouldn't take me seriously. That's definitely an issue and trying to figure out ways to be validated is important for young advisors.

Aprilyn Chavez Geissler, LACP

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Microaggressions

Many of these biases are still prevalent in the financial industry today. They affect professionals in the field and limit their potential, as well as their companies' bottom lines. When an advisor is victim of microaggressions, they often leave their jobs or fail to perform at their best.

At times, we also see a situation known as bias crossover. This is when several different biases take place in a single encounter. As an Asian female, Havir has experienced this firsthand. "Being Asian in financial services," she says, "a lot of people assumed that I must be good at math." But, once they realized she was a female, they questioned her mathematic abilities.

Often, biases can lead to microaggressions from superiors, co-workers, or clients. While these behaviors are subtle, they have an impact on daily life and self-esteem. They make individuals feel out of place.

Microaggressions include questions or comments like:

- What are you?
- Where are you from-from?
- You don't look like the rest of us.

What Are Some Common Biases in the Financial Services Industry?

Malcolm Forbes defines diversity as "The art of thinking independently together." Based on personal and professional experience, Lapp-Johnson identified the four largest biases in the financial industry. By bringing them to the table and raising awareness, these conscious biases provide clarity on how we can create a more inclusive environment in the field of finance.

Name Bias

Name bias is the preference for somebody based on their name. If somebody has a name that's different to yours or difficult to pronounce, you may develop bias against them.

Growing up, Aprilyn Chavez Geissler never had to deal with name bias. Her last name was very common in her area. But now that she travels around the country and has a dual last name, it is unfamiliar and confusing to many. While she loves to travel for work, “What I don’t love is when people make fun of my name or try to call me something else that I didn’t ask them to call me,” she says.

To avoid name bias, Havar changed her name twice. When her family first came to America, they “chose the name Johnson because it seemed like ‘a good American name.’” Then when she entered the insurance industry in the 1980s, her name became “part of the discussion while signing contracts.” She was told that her full hyphenated last name was too long, and her first name was too uncommon. Instead, she was given the name “Win Harding.” The reasoning being that the name sounded strong and short, and people wouldn’t know if she was a man or a woman with the first name of Win.

Ageism

Ageism is the tendency to have negative feelings about someone based on age. In the financial industry, many professionals are looking to move toward retirement and there is an influx of young advisors coming in.

In response to this shift, NAIFA created the Young Advisors Team (YAT) Program. When she was starting out, Chavez Geissler was a member of this program. She remembers wanting to be an advisor since she was in high school. “When I was in college,” she said, “I started as a para-planner and my fear was that people wouldn’t take me seriously. That’s definitely an issue and trying to figure out ways to be validated is important for young advisors.”

With the average advisor age of 58, Havar points out that “if you’re young people assume that you don’t have any knowledge.” In the early days of her career, she “had to learn to have conversations and discover commonalities with clients and prospects in order to build those deeper relationships. So that, even if we were decades apart in physical age, we were still within hours and days of each other as it relates to who we are as people.” This is how she built confidence and defied ageism in the industry.

By the same token, Lapp-Johnson points out that older generations should make an effort to break down the age barrier. By asking questions and showing interest in the things that younger people are doing, she is “breaking down some of the barriers that we have in place so we can understand each other a little better.”

Gender Bias

Gender bias is the tendency to prefer to work with one gender over another. With no trailblazers or role models before her, Chavez Geissler struggled to find her place when she got onto a board that consisted of six Caucasian males over the age of 50. “There was no association leadership Barbie that I could follow and dress like,” she jokes. “And so, I thought I had to straighten my hair – and I liked my curly hair! And I thought I had to wear certain outfits. I wasn’t able to be myself or express myself.”

Chavez Geissler is grateful to the male mentors who accepted her for who she was. She didn’t have any other women to turn to and it was the men who helped her express herself in an authentic way. This created the space for her to provide her perspective and add value to the boards where she served.

Conformity Bias

The need to behave similarly to others in a group is known as conformity bias. As she tried to push down her differences and assimilate to the norm, Havar discovered her own conformity bias. “The conscious or unconscious bias is that Asians are what we call fondly ‘M&Ms’ – model minorities.” The bias here is that Asians are “meek and mild,” she explains, “and we’re very quiet and we do exactly what we’re told.”

In Havir's experience, the best way to overcome this bias is by seeing people for their authentic selves. Her advice is to "look at the valuable resources and attributes" that minority groups bring to an organization.

Through NAIFA and other similar organizations, Chavez Geissler has met other professionals with similar backgrounds. This spoke to her heart. "I had forgotten how familiarity feels like home," she remembers. For advisors, these types of groups are key to providing the best service for their clients. As Chavez Geissler points out, "If we are in organizations or boards, we can be with people that honor us and our heritage and where we come from. When I realized that it's OK for me to have 'la raza,' I was much more comfortable to be myself and to do what I do best."

How Can We Mitigate and Learn From Unconscious Biases?

Conscious and unconscious biases lead to microaggressions. These small yet frequent incidents lead to a sense of discrimination toward minority groups. Microaggressions affect the financial industry as a whole. They lower the productivity of companies and affect the level of service that clients receive.

While biases are ingrained, there is a lot that we can do to be aware and prevent them. The following behaviors can help build more meaningful relationships and a culture of equality:

Listen

Lapp-Johnson puts communication at the top of her list to lessen unconscious biases. "When somebody tells you something, listen to what they have to say. Do not dismiss our thoughts and feelings."

If you're not sure how to pronounce someone's name, for example, the best thing to do is ask. There's a story behind our names and they're meaningful to who we are. Shortening someone's name or giving them a nickname to make yourself feel more comfortable is never acceptable.

On the other hand, people appreciate it when you take the time and effort to learn their name. If others are comfortable sharing, it's great to show interest in their background. Open-ended questions are a great way to start conversations without creating pressure to share.

Educate Yourself and Others

It's through education and a willingness to learn that change will come about. Havir calls this "getting comfortable with being uncomfortable." Accepting that we don't know much about a topic or culture opens up an opportunity to learn. And once you've educated yourself, it's easier to share this knowledge with others.

Advocate for Others

For minority groups, there's incredible value in having people who can advocate on your behalf. As Chavez Geissler points out, "there are many people out there who don't have the confidence to stand up for themselves in these types of situations." By being an ally, you can build relationships across the board and create a sense of community.

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I saw a lot of diversity walk in the door: LGBTQ candidates, females, people of color. And I saw them walk right back out. We really need to have that [diverse] talent in the industry. There are so many underserved markets right now that folks are trying to break into, but it's extremely hard to do that if your company is not standing behind you.

Angela Lapp-Johnson

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Lapp-Johnson's advice is to “advocate for other people if you hear somebody giving somebody a nickname because they’re not comfortable pronouncing their name or learning how to pronounce their name.”

Create and Support an Inclusive Culture

An inclusive culture holds everyone accountable. We can implement changes in our individual behavior, but it doesn’t lead anywhere if companies are not creating a supportive and inclusive environment.

As a recruiter, Lapp-Johnson knows talent simply won’t stay in organizations lacking inclusivity. On the agency side, she “saw a lot of diversity walk in the door: LGBTQ candidates, females, people of color. And I saw them walk right back out.” And, as she points out, “we really need to have that [diverse] talent in the industry. There are so many underserved markets right now that folks are trying to break into, but it’s extremely hard to do that if your company is not standing behind you.”

As an expert in the field, Lapp-Johnson knows that “when you bring diversity to the table that increases your profits. It has been proven time and time again.” So, what can financial professionals do if their company lacks a supportive inclusive culture? Lapp-Johnson's advice is to start the conversation.

Conclusion

As we work toward diversity, equity and inclusion, these conversation starters help us create a better future for the industry. They’re a starting point to what we envision as a better business community, and the level of service that clients deserve.

Our goal is to lead by example, as we work toward our mission to provide guidance, advice, and support for better representation in financial services.

Join the NAIFA Conversation

Together, forward-thinking financial advisors can make this a better industry. If you want to get involved and use your voice, NAIFA offers many opportunities to take an active role that brings about change.

By watching webinars on-demand or downloading research reports, you can learn more about the issues at hand. They’re the best way to gain insight and find out what you can do to help.

THE DISPARITY AND OPPORTUNITY



Christopher Gandy, LACP

Founder of Midwest Legacy Group,
Lisle, Illinois
Loyal Member Since 2003

Christopher Gandy, former professional basketball player, and current financial advisor works with his clients to create custom financial strategies designed to make their dream retirement lifestyle a reality. Gandy started a financial services practice with professional basketball players, business owners, physicians, and key executives as clients, teaching them must-knows on life insurance, disability income insurance, investments, and tax-efficient strategies. Gandy speaks on civil unrest and how to find opportunity within its impact in minority communities.

Current Culture

The COVID-19 pandemic affected all Americans. Overrun hospitals, overworked frontline workers, an international travel ban, social distancing, and the mask mandate affected communities across the country regardless of race. The pandemic, however, disproportionately affected brown and black people due to wealth inequality in the United States. "There is a clear distinction between cultures that we now have to wake up and pay attention to... the major difference between white American families and African-American families is in their reactions [to the slowdown of the economy due to the pandemic]. Most white families changed their lifestyle, but most of the Black families I talked to went into survival mode," Gandy said. "The difference between a lifestyle change and survival mode is chaos."

Civil Unrest

Later, in the summer of 2020, all Americans experienced the aftermath of civil unrest. Following the death of George Floyd, conversations around rioters, unnecessary use of force, media spins, political opportunities, "good" and "bad" actors occurred within the context of racism and police brutality. Before passing judgment, Gandy implores professionals to practice empathy in understanding why people are reacting to these events. "The African-American community is saying, 'I have a dream and a goal. I'm going to hold it so dear to my heart. I'm going to work so hard as I possibly can for this. It's going to be everything I wanted. I'm going to be able to provide for my family and be able to create something that I did with blood, sweat, and tears.' Then, somebody comes and snatches it out of your hands. Imagine that. What is your next natural reaction? Your reaction is to snatch it back. We saw people get hope snatched out of their hands. All of a sudden, they said, 'I have to do whatever it takes to get it back.'" A sense of hope is what these communities need back, and they can receive it with the right initiatives from the financial services industry.

According to Gandy, the real pandemic is the lack of financial opportunity between different demographics in America. In Forbes magazine's "The Wealth Divide" article, they state that for every one dollar a white family has, a minority family has five cents. Gandy sees this truth reflected in his own experience since joining the financial industry. "I started in a class of 10," he said. "Over the course of the year, there was only one African-American to join the firm." Less than 1% of minorities are in some form of leadership in the financial services industry. Gandy believes that service providers within the financial services industry should look like the clients that they serve.

The impact of civil unrest in America is also creating new opportunities for the financial industry to enact change. It is clear that due to the pandemic consumers are more protective of some of their most important assets – their property and their health. Consumer search traffic for life insurance has risen. “People had nowhere else to go, and understood they could die while taking care of themselves and began thinking about their mortality,” Gandy noted. Life insurance sales volumes in the few months of 2020 rose 25 to 50 percent higher than usual. Term life insurance and homeowners’ insurance surged, and demand for disability insurance increased. The long-term effects of the COVID-19 illness are not widely understood, which is leading to people to want to proactively protect themselves. Homeowners’ insurance increased as well, due to the stay-at-home mandate. It’s important to gauge the number of prospective minorities represented in those statistics and create strategies to serve them according to their individual needs.

Recommendations

To engage Black Americans to create change, those who provide services need to get involved within smaller African-American communities, offering their time and dedication. Find prospective minority companies and individuals and do business with them, Gandy said. Look at your book of business and reflect on how its demographics reflect the world that we live in right now. “Double-down on your efforts,” Gandy said. “Make it a point to involve other professionals, minorities in your business. Accountants, attorneys... partner with someone who doesn’t look like you and figure out how you can work together.” Throwing family-friendly events, recruiting diverse talent, and connecting with local political officials is another way to engage these communities. Hosting events outside of business shows dedication and builds stronger ties with the community while recruiting green talent at Historically Black Colleges and Universities introduces more of the African-American community into the financial services industry.

Listen intentionally. Don’t immediately try to solve every issue that comes up within these communities. Let communities speak for themselves, and empower them to create their own solutions while establishing the business as a part of their support system.

Lastly, Gandy believes leaders should treat each other how they want their children to be treated. Society expects that everyone is supposed to treat children with kindness, love, and intentional effort. Follow this blueprint when speaking to not only minorities, but everyone you come across in business.

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Christopher Gandy, LACP

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AFRICAN-AMERICAN WOMEN IN FINANCIAL SERVICES: WHY OUR INDUSTRY NEEDS MORE AFRICAN-AMERICAN FEMALES



Moderator: Kristen Eskew
Business Development Executive
OneDigital



Karen Holloway, CLTC
Wealth Management Advisor
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Mary Green, MBA
Financial Professional
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Martina Jimenez Sperry
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Successful Black women have had positive influence in every aspect of our society, from politics to the arts, from sports to business, from science and technology to education. Black women are doing amazing things in many areas. The world of finance is no exception. But becoming a Black female financial professional is not always easy. The journey can be as daunting as it is rewarding, but it benefits our industry and the clients we serve to encourage more Black women to make a mark in insurance and financial services. Four inspiring Black women professionals, who have been trailblazers in the world of finance, share their career experiences and why we need more Black female advisors.

The Journey Into the Industry

Mary Greene is a Black woman who became a financial advisor with Prudential after working for several Fortune 500 firms in other industries. Prudential offered four things she says are necessary for young advisors to make it: Name recognition among prospective clients, a strong training program, solid support from her manager and managing director, and a feeling of confidence that she “could flourish and really bring some great things to the clients because of the needs of the African American community.”

Martina Jimenez Sperry was drawn to the business because she “thought it was going to be a great job with great benefits.” It became her passion when she saw that she could fulfill a need for financial literacy education, especially in minority communities.

Karen Holloway entered the business while she was a university student. She first developed an interest in finance when she was growing up in Montego Bay, Jamaica. She came to the United States for college and landed a position with Northwestern Mutual, the company she has been with ever since.

These three successful Black women formed a panel with moderator Kristen Eskew to discuss why the insurance and financial services industry needs more African American female advisors. The program was presented by NAIFA's Diversity, Equity, and Inclusion Council, an initiative of the NAIFA Talent Development Center.

Black Women Need Financial Planning and Services

Women are the primary bread winners in 63% of Black households and make up 68% of African Americans with undergraduate college degrees. A significant portion of Greene's clients are African American women who are highly educated, earn good incomes, and have assets they want to grow. They have a great and growing need for financial planning services. "If you're not tapping into the African American female population as clients, you're missing out on a whole different market that's very lucrative," she said.

Many Black Americans have good incomes and significant assets, the panelists agreed. What they lack is access to financial products, services, and advice. Very often when asked why they haven't done more financial planning, their answer is that no one has ever asked them, Eskew said.

"Black women make great clients, if you can get in front of them," Holloway added.

To better serve these markets and truly provide financial security opportunities for everyone, Jimenez Sperry said financial services firms need to "make it a priority to have a diverse team to represent the community."

The Strengths of Black Women as Advisors

Black women are hard-working and understand the importance of taking care of families, two traits that make them great advisors, according to Greene. "We belong to a lot of civic, religious, and social organizations," she added. "So we can introduce [the industry] to those organizations that we volunteer in and that we have personal connections with."

"If you want to get into the Black community, you've got to start connecting with these African American females," she said.

There is a lingering distrust of the life insurance and financial services industry among some Black Americans because of historical discrimination. Often, people can overcome this distrust by working with an agent or advisor who looks like them and shares some common experiences.

"This is not monolithic," Eskew said. "Not all Black people feel like they can only work with a Black advisor and the same can be said about other cultures. But I do think there is something here."

The panelists suggested things that any advisor can do to make themselves more marketable in Black communities:

- Learn about the communities and cultures they want to serve.
- Do joint work with a Black advisor.
- Go where the people are. Attend meetings of the African American Chamber of Commerce, and events held by the Urban League, NAACP, or faith-based communities.
- Show that you care about the community.
- Offer valuable resources and show that you can help.

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Mary Greene

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How to Bring More Black Women Into the Business

Still, a key to reaching Black markets, and particularly to attracting Black women as clients, is recruiting Black women into the industry and enabling their success. Black women have great networks, Greene said. Recruiters should work their networks to hire talented Black women as advisors. As a recruiter, Greene looks to attract advisors who:

- Are coachable.
- Have existing networks of potential clients.
- Are comfortable working as part of a team.

In her experience, there is a large and talented pool of Black women who share these attributes.

It is important for companies to not just recruit diverse teams, but to ensure that their diverse talent has the training, resources, support, and mentorship needed to succeed. Creating and nurturing a diverse team needs to be part of a comprehensive strategic plan. Firms cannot simply hire a Black woman to check a box, Jimenez Sperry said. They need to provide support and help their advisors brand and market themselves. They need to create inclusive business cultures. Diverse hires need to feel like they belong and are important to fulfilling the company's meaningful goals and contributing to its success.

Why Does the Industry Need More Black Women Advisors?

Diversity, equity, and inclusion programs have become increasingly commonplace in the insurance and financial services industry. It is widely accepted that industry professionals – from agents and advisors to C-suite executives – should be reflective of the populations the industry seeks to serve. With a burgeoning market for insurance and financial services among Black women, it follows that the profession needs more Black advisors to serve consumers' needs.

"The easiest answer is because people want them," Holloway said. "There's a demand for it. It's like real estate, if you build it, they will come. We're seeing more and more Black women are making money and want advice, and they're looking for someone to give them advice. So it's supply and demand. If they're demanding that, then the market should respond."

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