



# The New Case for Diversity

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## *From Color to Culture*

Where does diversity and inclusion fall for you and your chapter? Does the topic seem too sensitive to discuss? For years, we have talked about diversity and its business impact. And, for equally as long, we have debated its priority in our chapter objectives. With Millennials in mind, we believe a reframing is in order to move from color to culture when it comes to diversity. A new case must be established for our chapter members to genuinely engage beyond just conversation. The ideal of diversity is laudable, but how we make it practical for today is where the [FPA Diversity Committee](#) seeks to help.

We want to elevate diversity as a priority in your chapters. To do this, we have highlighted three practical steps you can take today. Also, we list some additional resources for your chapter's use to unlock this genius at your fingertips.

To begin, let's be clear what we mean by 'practical'. We see three levels of Diversity and Inclusion: *Awareness, Appreciation and Application*. There have been countless articles and studies on increasing the Awareness and Appreciation of diversity (Please see insert below). This article attempts to focus on the third level: the application of diversity, or *Applied Diversity*. What is Applied Diversity? It is much like Applied Mathematics. Okay, don't laugh... hear us out! Follow us closely on this definition and the diversity analog. First a definition of Applied Mathematics from the Millennials' choice, Wikipedia:

*"The term "applied mathematics" also describes the professional specialty in which mathematicians work on practical problems; as a profession focused on practical problems, applied mathematics focuses on the formulation and study of mathematical models."*

Now, let's consider this statement from the "Society of Industrial and Applied Mathematics" website under the 'Careers' tab:

*"A career in applied mathematics isn't just about crunching numbers. It's a career that uses mathematics to solve problems in the environment of your choice."*

When we as chapter leaders begin to see diversity as a way to solve practical problems and develop diversity models for the same, we are practicing Applied Diversity. And, this Applied Diversity can solve problems in any environment we choose. The underlined portions above were added for emphasis. To quote Alan Hiss, chair of the 2015 FPA Diversity Committee, "Diversity *cannot* be a function of compliance and risk management. It must become a competitive advantage and long-term driver for

growth.” He is not alone in his sentiment. Lisa Horuczi-Markus, director of corporate communications at Farmers Insurance, makes this bold finding in her study, “Creating Inclusion in the Financial Industry:”

*Studies have shown that better financial returns can be achieved by utilizing women and minority investment talent. In fact, emerging fund managers (usually defined as independent, minority- and women-owned firms that manage less than \$3 billion in assets) comprise more than 40 percent of the top quartile of performing firms, according to Northern Trust corporation, yet they currently handle just 1 percent of pension assets.*

This creates the clarion call to change our framing of diversity. So let’s consider this new reality with an understanding of Millennials – the demographic we must reach with our message. For them, ethnicity lines blur with the

confluence of three rising factors in the U.S. **1.)** The number of interracial couples has significantly increased from 2000 to 2010 with a 28% jump in married couples, 18% in unmarried and 21% in same-sex couples.<sup>2</sup>

This prompted demographer William Frey of the Brookings Institution to say, “We’re becoming much more of an integrated, multiracial society.” To underscore this point, the acceptance of interracial couples is highest among Millennials at 97%<sup>3</sup>. **2.)** Mass immigrations, both legal and illegal, from Asian and Latin countries. According to the Migration Policy Institute, there are nearly 41 million

### **Resources:**

Here are some very good articles featuring members of our very own FPA Diversity Committee, and were cited in this article. The “February 2014 Diversity Presentation” by Sameer Somal, CFP®, CFA, & Marguerita Cheng, CFP® details diversity is much more than race, and far more than color. They also make clear how quickly the demographics in the U.S. are changing and driving economic growth. The August 2014 *Financial Planning Magazine* featuring Lazetta Rainey Braxton, CFP® on the cover asks the question why more advisors don’t look like her. This article points out the abysmal number of Black and Hispanic advisors with just 1-2% representation among independent financial advisory firms. The chair of the FPA Diversity Committee, Alan Hiss with Wells Fargo, crafted a remarkable [toolkit for chapter leaders](#) well worth your time. He details the corporate journey of diversity and the benefits that can follow.

1. [www.diversitybestpractices.com/publications/creating-inclusion-financial-industry](http://www.diversitybestpractices.com/publications/creating-inclusion-financial-industry)
2. <http://usatoday30.usatoday.com/news/nation/story/2012-04-24/census-interracial-couples/54531706/1>
3. <http://usatoday30.usatoday.com/news/health/wellness/marriage/story/2011-11-07/Interracial-marriage-More-accepted-still-growing/51115322/1>
4. <http://www.migrationpolicy.org/article/frequently-requested-statistics-immigrants-and-immigration-united-states>
5. <http://rt.com/usa/185188-immigration-statistics-california-us/>
6. <http://prospect.org/article/segregated-workplace>
7. “A Millennial Perspective on Diversity & Multiculturalism,” By Dr. Rochelle L. Ford, APR; Joanna Jenkins, Sheryl Oliver - Howard University. 2011-2012

immigrants living in the U.S.<sup>4</sup>. In California alone, 40% of the population is composed of immigrants.<sup>5</sup>

**3.)** Decades of integrated schools and work places have facilitated greater relationships among minority groups and whites. Jamal Bouie of “The American Prospect” says, “Some workplaces are far more racially diverse than they were decades ago, but striking disparities still exist.”<sup>6</sup> However, it’s not entirely uncommon to see black and Hispanic managers, directors and CEOs.

Millennials not only recognize traditional diversity, but they also embrace it and celebrate it. They know color does not represent culture. They are America’s most ethnically and racially diverse cohort ever. Only 59.8% are Caucasian: 18.5% are Hispanic, 14.2% are Black, 4.3% are Asian and 3.2% are mixed race.<sup>7</sup> This leads them to value their cultural differences more than color, and identify those differences as expressions of their uniqueness. The American Advertising Federation sponsored a study at Howard University in 2011 – 2012 which revealed deep insights into the Millennials’ views of the world. They found 1) Social Media has broken down racial barriers and dispelled stereotypes. 2) These “Digital Natives” connect cross-culturally around the globe, appreciating and assimilating different cultural norms. This has created communities focused on shared interests and not genealogy. 3) Personal lifestyle and interests trump other dimensions of diversity and have a greater impact on purchasing behavior, brand interests, friendship, influencers, etc.

How significant is the Millennial change in view point? We offer these final two references from the study. The first comes from a researcher while the second point is from a young Millennial who participated in the study.

*“Overwhelmingly, Millennials’ definition of diversity is broad, viewing diversity as much more than race, gender and ethnicity and incorporating all the differences that exist within people from religion, language, geography, nationality, sexual orientation and interests.”*

*“[Diversity] is about your lifestyle, what you do on a daily basis. The journey that you have taken throughout your life; it’s the decisions that you make,” says Jennifer Wong, a New York Millennial panelist and graduating senior from Pace University*

If you truly want to embrace diversity and inclusion within your chapter, you must reframe the conversation to include the viewpoints of our next generation of planners. Create a diversity model that embraces these factors. In doing so, you will be practicing Applied Diversity and reap the benefits that follow. Do these three things:

- 1)** Develop content centered on lifestyle interests and passions, not just ethnicity. Consider ideas like Think Green or Impact Investing.
- 2)** Create social media interactions that drive connections through open dialogue. Millennials want to express themselves, so let them. [FPA Connect](https://www.OneFPA.org/community/diversity/Pages/Diversity-Inclusion.aspx) may be a good place to start this discussion.
- 3)** Do not be color-blind! Quickly recognize cultural differences and then give them opportunity to problem solve from their personal experiences.

The young financial planners who are to follow expect much more than a seat at the table. They are looking for self-expression and an inclusive work environment that offers the same. As leaders, let's be the first to embrace the change and make room for these innovators.

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