

PERSPECTIVES

Advocating for the Future of the Financial Advice Industry

Workforce development, financial literacy and economic empowerment are key strategies for sustaining the vitality of the profession.



Maureen Duff
Managing Director
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All of us in the industry understand that to help Americans build stronger financial futures we must ensure the continuing vitality of the financial advice profession. Yet, with an aging financial professional population and insufficient influx of talent, an advisor shortage is imminent. According to a *2018 Survey of the State* done by the Council for Economic Education, nearly 38% of advisors will retire within the next 10 years, leaving professional oversight of 41% of advised assets, or \$8.3 trillion, at risk. This is why it's important that we act today to ensure that our industry remains in good hands in the years ahead.

In pursuit of this goal, BNY Mellon's Pershing works with clients and other stakeholders to advance three strategic priorities: workforce development, financial literacy and economic empowerment. Our collaborations involve sponsorships, board participation and local grassroots initiatives. Clients often partner with us to study these priority areas, and assist us in producing relevant, actionable resources to help clients strengthen their impact while seizing new business opportunities.

1 WORKFORCE DEVELOPMENT

The industry's talent gap threatens not only advisors' businesses, but investors' wealth. That's why we're helping firms attract, develop and retain talent as part of building sustainable, growth-oriented businesses. We're proud to have sponsored the 2018 *InvestmentNews Adviser Compensation and Staffing Study*, which is a leading source of strategic intelligence for the industry's top advisory firms, custodians, broker-dealers, consultants and professional organizations. This report provides year-over-year data on key trends in recruitment, staffing and pay levels within the financial advice industry, which informs leaders' decisions regarding staffing and strengthening their teams.

We strive to help firms develop talent across all generations. In collaboration with Jennifer Brown Consulting, we published *Reversing the Generation Equation: Mentoring in the New Age of Work*. This program outlines the emergence of reverse mentoring programs in the workplace, through which millennials act as mentors to executive leaders. Through such programs younger employees acquire organizational and leadership skills while executive mentees learn about issues that can inform their business strategies to serve an ever-more-diverse population. Pershing was a pioneer in implementing this program, and we have witnessed its positive effects on collaboration throughout the firm.



2 FINANCIAL LITERACY

Financial literacy is critical to the security and wellbeing of adults and children across the country, as well as to the vitality of the financial services industry. This is why Pershing sponsors and provides programs to help clients and other firms enhance financial literacy. In 2018, we worked with *InvestmentNews* to publish *Closing the Financial Literacy Gap: Turning Passion into Action*. This paper provides advisors with guidance on creating an action plan and choosing the right organization with which to partner for financial education initiatives.

Communities are a great place to start making an impact. Through Pershing's Adopt-a-School initiative, we have offered our clients two different pathways to improve their local communities by establishing a personal economics curriculum in schools. This initiative has yielded exceptional results: 1,287 students in 14 schools have received 5,275 hours of vital financial education in a two-and-a-half year period.

3 ECONOMIC EMPOWERMENT

It's important that individuals possess the skills and tools to control their economic destiny and improve their economic status. Through the great work of organizations like the Foundation for Financial Planning, individuals benefit from pro-bono financial planning that helps them take control of their financial lives. Pershing actively supports and contributes to this effort to make financial advice available to people – regardless of their net worth.

Relatedly, through our *Knowing Women* program, our Practice Management team consults with female clients and prospects on relevant investment topics. Developed by BNY Mellon's retirement team, *Knowing Women* helps to address the reality that less than one-third of women work with a financial advisor even though their economic influence and power continue to build. Audiences learn how women's approaches to financial planning are distinct from men's, and why women's financial situations also are different. For clients and prospects, we debunk the myth that our industry doesn't recognize these important differences – and we provide tools for seeking out the advisor that best suits women's specific needs.

CLOSING THOUGHTS

Our goal is simple: work with our clients and others to ensure that the future generations of investors – and the financial advisors who will serve them – are given the best opportunity for success. When all of us in the financial advice industry work together, we can enhance the value you deliver today, while also ensuring that our profession will thrive and evolve in the years ahead.

Putting Insights Into Action

Meet with your Relationship Manager to learn more about ways you can help enhance the financial future of your community.



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