
TAKE RISKS, AND PAY YOUR SUCCESSES FORWARD

Rachel McCormack – First VP and Financial Advisor at The MKMM Group/Morgan Stanley
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Welcome back to our Women in Asset Management blog series. This ongoing discussion on timely investing topics features the unique perspectives of successful female advisors in this traditionally male-centric industry. Today we speak with Rachel McCormack, First VP and Financial Advisor at The MKMM Group/Morgan Stanley.

WisdomTree: How did you decide to pursue this as a profession, and at what age?

Rachel McCormack: In college, I saw that financial literacy was incredibly important but rarely taught, and that drove me toward wealth management. But it was during my first job working for a female financial advisor that I realized I wanted to be an advisor myself. Her career started back in the '80s when the industry had very few women, and the example she set helped pave the way for my colleagues and me. She was great at dealing with clients and growing the business and had confidence in me that I could be successful. After working for her, I spent time in other financial services roles before becoming an advisor myself. But she's always been a driving force in my evolution to becoming the advisor I am today.

WisdomTree: What advice would you give to a woman just starting her career as a financial advisor?

McCormack: It's a fascinating field, and you are constantly learning, meeting interesting people and helping them plan for their goals and dreams. Be prepared to work hard at becoming knowledgeable in all facets of your work and get ready to build long-standing relationships with your clients. Most of all, have fun!

WisdomTree: What's your greatest challenge today?

McCormack: Building out our team is the greatest challenge. Business is growing, and we need to ensure our team grows along with it so that we can maintain our high standards of service and attentiveness. During the pandemic, communication became more important but also more difficult. To keep our service at the highest levels, we focused on staying in constant communication with our clients as well as our team members.

WisdomTree: What is the biggest challenge a woman advisor faces that her male counterparts typically don't have to deal with?

McCormack: Having a child and balancing family life and work life. We recently had our first. Navigating a career while I was pregnant and then after the baby was born was very challenging. I took my full maternity leave because I wanted that time to bond with my daughter, but I often worried it would slow my career growth. Today, men and women share more of the household duties. But after my maternity leave ended, I still felt a certain level of guilt when dropping her off at daycare to return to work.

WisdomTree: What obstacles have you faced as a woman in the industry that you're most proud of overcoming?

McCormack: We're growing in the workforce, but women advisors are still the minority. So, early on, there were times I felt less confident about speaking up and standing out. But over my 17 years in financial services, I've learned to be more confident about putting my ideas forward. I've seen that having a different perspective complements my team—especially now as we work to meet the needs of women investors. We have a broad

client base with different experiences and goals. I've seen how important and valuable it is to blend a diverse set of ideas and perspectives. I've also tried to pay it forward to the women coming up behind me, encouraging them to speak up and promoting their ideas.

WisdomTree: How has life as a female advisor in a traditionally male world changed you?

McCormack: As I've matured in my career, I've come to realize I'm not going to relate to every client who walks in the door—just as some of my male counterparts won't relate to others. That realization has given me a lot of confidence in my ideas.

WisdomTree: Women in male-dominated industries often get advice on how to be “more like men.” what nuances do you think you bring to clients that men often don't?

McCormack: At the risk of thinking in stereotypes, studies have shown that women, in general, tend to be better communicators and may be more empathic. Women are good listeners. These traits are not gender-biased, and they are the key to any successful financial advisor.

WisdomTree: Is there anything you feel potential prospects or clients get wrong about women advisors?

McCormack: Because women financial advisors are still less common than men, there is a perception that this isn't a field where women can compete and succeed. As more investors have an opportunity to work with women advisors, they'll see we bring the same competence and professionalism to the role.

WisdomTree: Why should clients choose a woman as their financial advisor?

McCormack: Clients should choose any advisor that feels right for them and makes them comfortable, someone with whom they can envision building and maintaining a long-term relationship. For some clients, that financial professional will be a woman.

WisdomTree: How has the industry changed for women advisors over the years?

McCormack: Are we there yet, or do we still have a long way to go? Women advisors are still the minority. In the past, most financial decisions in business and families were likely made by men. Even today, in affluent households, men are making those decisions. But we're seeing a change in demographics that's shifting this narrative. Women control about a third of U.S. household financial assets, and that proportion is growing every day. Women are thriving in their careers, and joint income households are becoming the norm. We are even seeing more women become the breadwinners in their families. Statistically, women live longer than men, so we'll start to see wealth transfer as a result. I encourage both parties of a household to be included in reviews and conversations about family wealth. I think it's important for all parties to have a general understanding and opinion of the financial plan we put in place.

WisdomTree: If you ran your own firm, would you do anything, in particular, to help women advisors be their best?

McCormack: I would hire more female advisors, develop financial literacy programs and establish good mentorship programs internally. I have been so fortunate to have amazing mentors, both male and female, who have helped me build confidence and navigate my career. Good mentorship has been critical for me, and I try to pay it forward for the women coming up behind me. I see more and more women in this role every day. And while we've come a long way, we're still a minority.

I think society should be investing more in basic financial literacy overall. Unfortunately, I've seen extremely successful people—men and women alike—who have not developed a thoughtful financial plan because they don't know how important it is. I try to stress financial literacy with all our clients. Everyone should be included because it allows us as financial advisors to bring our clients better outcomes.

WisdomTree: Does your firm actively support women advisors?

McCormack: Yes! My firm is amazing at supporting women. We have all kinds of great benefits to support growing families, like extended maternity leave, adoption and

fertility benefits, to name a few. I am also fortunate to have a great female complex manager who has introduced me to other successful women at the company. It's wonderful to work for a company that supports and invests in female financial advisors.

WisdomTree: Are you seeing greater diversity in the industry and more women in leadership positions? What would you suggest to accelerate that trend?

McCormack: I am, and it's been wonderful to see! Women are becoming a force in finance, and I am so proud to be a part of it. I know my company has invested a lot into bringing more diversity into the workforce, which makes sense! Our clients come from many walks of life and want to work with people they can relate to. I think a woman can be as successful, or even more successful, as her male counterparts. It's been great to see that transition.

WisdomTree: What is the mistake investors make that advisors like you could help them with?

McCormack: Clients have a hard time articulating their goals, or they underestimate them. A lot of the work my team does is helping clients discover and define their financial goals. In my opinion, this is the most important part of financial planning. It helps determine risk tolerance and keeps clients calm during market volatility.

WisdomTree: Investing is all about risk versus reward. What risks did you have to take to get where you are, and would you do anything differently if you could go back in time?

McCormack: I took a big risk at 23, moving to New York City from rural Vermont. I didn't know a soul in New York. I was able to join a successful wealth management team and start a very rewarding career. I spent many years learning the business and studying the markets. And what I realized is that I love the markets and helping people. Seeing an underserved representation of women advisors just reinforced that I'd found the perfect career. I have been very happy with my career and life decisions, and I wouldn't change a thing.

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