

Women's Roundtable: A Conversation with L.J. Altfest & Co.'s Financially Savvy Women

October 2008

What does it take for a woman to make it in a male-dominated industry? Karen Altfest discusses with women professionals at L.J. Altfest & Co. the impact of the finance industry on women's lives, their career paths, and the building of client relationships.



I. to r. Theresa Chen, Nandini Wamorkar, Karen C. Altfest, Ekta Patel, and Dawn Brown

Karen C. Altfest: How did you get into the finance field?

Nandini Wamorkar: Right from childhood, I've always been fascinated by the stock market. Because in India, you did not have a fixed income market, people had the Post Office for saving, and the stock market. My grandfather used to sit with his notebook and write each day what the price was. If he missed something, I used to catch it and write it down for him. Since that was my passion from childhood, I decided to make it a profession.

Dawn Brown: When I was at school, I was always interested in numbers, which actually led me to accountancy. But working for an airline company and working with their numbers was not as interesting as when I started. So, I began to find out more about doing personal finance. Helping people achieve their goals led me into financial planning as a field.

Ekta Patel: I was good at math and science so I decided to pursue that. But after that I wanted to do my MBA, so I started with Information Systems because I was good in technical stuff. In 2000 lots of things were happening in the stock market in technology, so I decided to take a finance course and see how that worked out, and it peaked my interest.

Theresa Chen: I don't think I grew up with the knowledge that I liked finance. In fact my parents didn't really know much about the stock market. They just saved their money and put it in a bank account. Looking back on it now I think I always was interested in trying to figure out how to make money. When I was 10 I would open up this "clothing shop" which was my closet and sell my old clothes to my sister for \$1.00. When I was sixteen I wanted to open my own bank account but my parents wouldn't let me. They said, "If you give me your cash, we'll hold it for you and we'll give you 10% interest on it."

When I went to college I took a couple of economics classes, which were very interesting, so I decided to take a finance concentration.

Then at some point I realized that I was more interested in personal finances. I like the relationship aspect of working with individuals, building that relationship and figuring out how we can help them.

KCA: I've noticed that you have mentioned personal relationships and working with real people. And for me that has always been the core of why I come in everyday, because it's about the people and not so much about the numbers, it's about what we can do to help people with all of their financial circumstances. Do you want to say a little bit more about that, about how people interest you or what you feel you could do for them?

TC: I think by nature I'm a fairly good listener. And I think that's something you need in terms of working with individuals and trying to figure out what you can do for them. I saw my parents not really knowing how to save up for college except to just put money in the bank. They didn't really understand a lot about financial aid or how to get a greater return by investing in the stock market. I think that's what got me interested in personal finance and being able to connect with people on a one on one basis, and being there to help them out.

EP: Growing up I was a very social child. My mom couldn't keep up with the number of friends I had. In school I was more of a numbers person. With finance I do like research and I do like numbers, but I am able to take that to the next level and simplify and convey it to the people. It makes me really happy if somebody calls me (like two people called me today) and say, "Thank you, I really feel better after talking with you."

KCA: Does anybody here have particular role models who you look up to when you go through your day, and say "If only I could do what she does."?

EP: In terms of role models, I always look at my parents, how they behaved when we were growing up and what they taught us. I get a lot of the discipline aspect from my mother and logic, a way of thinking, from my father.

NW: I think in terms of role model, my grandmother or my mother. If I tell them anything to do with finance, they say "Oh numbers, no, I don't want to do that." Here women have more knowledge, more education than my grandmother, my mother, but even then, I see they're very hesitant. They're comfortable having their spouses take charge of finances.

KCA: It sounds as if you all have a lot of personal reasons for

becoming who you became professionally. But the fact that nobody named a famous woman that they wanted to be like, does that say something about our industry that there aren't those kinds of women that you look up to?

EP: I am sure there are smart women but finance is still a very male oriented business. And for women, say they take a leave to have a child or something, to get back they have to take a step back. They can't start at the same level, even if they are smart enough and have a track record. I think also there is less visibility for these women. I would say even the media focuses on men.

At the CFO level, how many women do you see these days? Doesn't mean that you don't have any smart women, I guess they just don't get that many opportunities. I've seen a Hillary Effect. If a woman is up there and strong, they think she lacks compassion.



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- Theresa Chen, on personal finance

DB: You know one woman, who is not a role model for me, even though she has a good reputation as a strong woman is Margaret Thatcher. She was definitely a very strong leader; she led the party for 10 or 11 years. And, I think people respected her; she was a knowledgeable woman, and she rose very far. And she didn't come from a money family.

EP: Indira Gandhi was the Prime Minister of India. She was very tough, but she was always looked on as not having compassion. She had problems with her husband but it was always considered her fault.

KCA: Don't you find that even if a woman makes a real inroad, it doesn't carry over? Margaret Thatcher was a dynamite Prime Minister, but where is the next woman Prime Minister? Why isn't it a path of progress?

DB: Is it that women don't have mentors to help them climb up the ladder? The people who mentioned role models, it was their family. You know for me it's my mother. She's the person who has been around me the most since my father died even before I was in my teens. So I saw my mom raise a large family by herself. She is the matriarch of our family and everybody looks up to her. She would never think of herself as a financial role model but I

know that she had to handle the finances of the household. She didn't have a husband to turn to in my memory because my father died when I was so young. But there is not a woman in finance that I could see and look up to in the same way. A popular woman not in finance is Oprah.

NW: One role model is Indra Nooyi, the Pepsico CEO. She and her sisters and one brother were more influenced by their mother. I just realized recently that she went to the same school I went to. It was a great feeling to know that somebody from the same school is in a big company here.

KCA: Do you think things are changing at all for women of your generation in finance?

EP: I think in personal finance you see more women. More men are analysts or in research, in engineering. I think they take it more seriously than women.

KCA: But don't you find this is a good career for women, if women knew more about it?

DB: Yes, because women like working with women. If they don't understand something they don't feel afraid to say it to a women. I had one client on the line, she was talking about going to see the Pope. I don't know if she would have been saying this to one of my male colleagues. But then you know, the next time I spoke with her, I remembered, and I asked her how the trip was.

TC: I think women are much more relational; they can connect with people much better and they're better listeners.

KCA: Ekta, you've been here the longest. What do you think you have improved on or developed over the years?

EP: Before this, I didn't know really how to work with clients. So I think the most important thing is the communication skills. I started out on the scale from 0-10, pretty much at 0 and just moved up. You have to be understanding. You have to be a good listener, and most importantly, you need to have patience.

KCA: Theresa, as the newest woman what are your particular observations, challenges?

TC: This is the first time I've really worked with individuals rather than people working for institutions. In the corporate world everyone tries not to burn any bridges. You don't take things too personally. The relationship is more on a company-by-company level. Whereas here on some calls with clients you



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- Dawn Brown, on advice for women investors

see that professionalism is not always the main thing that people try to strive for when talking to you. You get some clients who are very friendly, very nice and you get that relationship aspect.

KCA: What are some of the most frequent concerns you hear from your women clients?

DB: They often ask, "Are you sure that I am okay, am I going to have enough money? Are you sure I going to have enough money because I don't want to be that woman in Central Park who is carrying bags around?" It's amazing to me that anyone of our management clients would say that because they are so far away from that financially. There is a disconnect between what their financial situation is and how their emotions are driven. I know people who are in a much more dire financial situation, who live pay check to pay check and are probably much closer than any of our clients to filing bankruptcy. What you realize is that regardless of how much money people have, it's about how they are individually feeling, how they are going to be impacted by the situation.

KCA: What would you say are some tips you think women investors should know today? Overall, is there some advice that could be good for most of our clients?



"I always tell clients who call, 'Why not sleep on it? Let's take action tomorrow.' Maybe the next day if the market is up or down, they will feel differently."

- Nandini Wamorkar, on advising clients

EP: I think you probably want to educate women and instill confidence in their style of investing. Most of the women probably don't know that they are better investors than men are.

KCA: Does one gender ask more if I am going to be okay? Or do they ask equally?

EP: Equally, but men ask now questions and women ask long-term questions. Women are more often "overall picture" kind of people than men who are very specific.

NW: Women should leave their portfolios for the long-term. Make sure they have enough cash for the near term; the normal rule of thumb is 6 months. I know a lot of men and women invest in the market, and rely on taking out of the brokerage account each month's expenses.

I always tell clients who call "Why not sleep on it? Let's take action tomorrow." Maybe the next day if the market is up or

down, they will feel differently.

EP: I think it's easier for women because they have more of a longer term view. I mean that's been my experience in speaking with clients. For most women if you say you are going to be okay and you factor in volatile years like this from time to time in the market, they get it. And they are not very hasty in making decisions.

Women care more about security; they don't say I want to make 50% in the market. They always say that I do not want to run out of money. So one of the tips would be to educate them and ask them to think about the worst situation in the market to come up with their long-term allocation, because they can come up with long-term allocation in a bull market. You want to ask them to think about if the market was down 20% 30% or 40% like it is now, what would you do then? It's always good to look at a bad scenario in order to think long-term.

TC: Women should sit down and look at what their goals are, and write it down, and say "Okay, this is where I would like to be."

If they write it down, they'll know that they went into this investment decision with thought and did not just hastily jump into it. Even when the stock market does go down and they're emotional, they're scared but they can always go back to what their goals are, and what they're looking for and the time horizon. So rather than let the emotion take over, they have something more objective that may be helpful.

DB: I think that really ties into people looking at their entire financial life, not just their investment portfolio, but starting from the beginning. What are my goals? What are my short-term goals? What are my long-term goals? And even if the market goes down, did your goals change? And even though your portfolio is down, can you still achieve your goals? Because then you are still okay.

But what else do you have? What if you have a pension and your pension is covering a lot of your expenses? Remember, you still have this as part of your overall assets and income stream. So that's going to help you as well. So really look at your entire financial life and not just the portfolio because it is definitely more than that. Have a fuller picture, the short term, the longer, and then see if you will still be able to achieve those goals.

EP: Financially women should think about taking care of themselves first. They always want to help their friends, their kids, and everybody. But if they are in a good position financially to help themselves then they can go beyond and help other people. Keeping your financial future secured first is a key here. Then you are mentally secured and in a better shape and position to help.

DB: Feel free to educate yourself, ask questions; don't feel that the questions are stupid questions; because I think sometimes women preface the questions with, "I know this is going to be a stupid question." Don't feel like that, feel free to ask the question; once you get the answer you will be in a much better position because you will be more educated.