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**THE GENDER GAP IS ALIVE AND WELL:  
NEW RESEARCH FROM THE AMERICAN COLLEGE**

**BRYN MAWR, PA – June 22, 2010** – The nation’s leading educator of financial services professionals recently conducted research to unearth the causes of the income disparity between male and female producers in the financial services industry. The study, “The American College Benchmark Producer Research 2009,” discovered that while earnings increase among financial advisors of both genders throughout their careers, they do so to a lesser degree for women.

Fifty-nine percent of men whose careers in financial services span at least 16 years have net earnings of over \$100,000 per year. Women with the same tenure cannot say the same, however, with less than 40 percent reporting an equivalent amount of annual income.

“Everyday, women in the workforce are striving to shatter the glass ceiling,” said Larry Barton, Ph.D., President and CEO of The American College. “Unfortunately, the gender gap persists. It is our duty as educators and researchers to better understand the challenges affecting women in the workplace and provide the essential knowledge financial services organizations need to eliminate these sorts of disparities.”

Mary Quist-Newins, CLU<sup>®</sup>, ChFC<sup>®</sup>, CFP<sup>®</sup>, Assistant Professor of Women’s Studies and the State Farm Chair in Women & Financial Services at The American College, led the study with Karen Eilers Lahey, Ph.D., the Charles Herberich Professor of Real Estate at the College of Business Administration at the University of Akron.

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“The statistics concerning the compensation of female financial advisors are troubling, particularly in light of the burgeoning economic power women now hold. It is widely estimated that American women today own half the nation’s wealth – and that their ownership share will grow to two-thirds by 2030” Professor Quist-Newins said. “Mindful of the women’s market potential, the industry is looking to recruit and retain more female producers. Our research strives to uncover *why* the earnings disparity exists. We found there are numerous factors affecting the pay gap; fewer years in the business, lack of advanced designations, hours worked per week, marital status, children and more.”

Balancing work and family life can be more challenging for female financial advisors since they are more likely to shoulder responsibilities at home. According to the study, two major indicators of a woman’s income are if she has children and if her partner stays at home.

The study found that having children reduces gross earnings. Nearly 70 percent of women in the industry have at least one child.

Having a stay-at-home partner increases gross earnings. Nearly three-quarters of female participants had a spouse or domestic partner. However, nearly 87 percent of those partners worked outside of the home. Conversely, one-third of male respondents have a wife who does not work outside of the home. For those with a working spouse, they are twice as likely to turn responsibilities over to that individual, than are female producers.

The amount of hours worked per week varied significantly between genders and is considered a contributing factor to the income disparity, according to the study. When given a choice between 30-39 hours worked per week, 40-49 hours worked per week and 50-59 hours worked per week; more females than males, 20.2 percent compared to 15.6

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percent, reported working 30-39 hours. Just over forty percent of males and 47.1 percent of females reported working 40-49 hours per week and a greater percentage of males than females, 27.6 percent compared to 20.2 percent, reportedly work 50-59 hours a week.

A major income factor for both men and women is education. Statistically, professionals that hold designations such as the Chartered Financial Consultant<sup>®</sup> (ChFC<sup>®</sup>), Chartered Life Underwriter<sup>®</sup> (CLU<sup>®</sup>) and Certified Financial Planner<sup>®</sup> (CFP<sup>®</sup>) earn more than those that do not.

Of the total survey respondents, 54 percent of men and women who hold the CLU<sup>®</sup> designation earned \$100,000 or more per year, while just 31 percent of those without the designation earned the same amount. This pattern held true for the ChFC<sup>®</sup> and CFP<sup>®</sup> designations as well.

From family life to educational background, there are many factors that affect a woman's earning power as a financial professional. While women can earn as much as men in the industry, statistics show that a pay gap remains between genders. Recognizing and addressing the challenges women face at disproportionate rates to men, are the keys to resolving this inequity.

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