

THE BIG QUESTION

Kristen Oliveri

Women in Wealth Management Must Set Priorities. 'You Can Negotiate for Almost Anything.'

“If something is important to you, then you have to negotiate for it and don’t be ashamed to do so,” says Dotti Reeder, managing director at Tolleson Wealth Management.

July 06, 2020



Dotti Reeder/Courtesy photo

Rising through the ranks in Dallas’ male-dominated wealth management industry wasn’t easy for Dotti Reeder, managing director, client advisory team, Tolleson Wealth Management.

Reeder got her start in the investment business as a municipal bond trader and underwriter with BankOne and then Kidder Peabody & Co. where she worked before landing her dream job with JPMorgan Private Bank.

Reeder had no plans to leave JPMorgan but after 20 years, and reaching the position of Managing Director, she was recruited away by Tolleson Wealth Management, a Dallas-based multi-family office with \$5.8 billion in assets under management.

Early in her career, Reeder was often the only woman in the room. Today, she holds a senior management role at a firm intent upon ushering in a new era of female inclusion and

growth.

Reeder also serves on several community boards including Executive Women of Dallas, Nexus Recovery Center, Children's Health, and The Dallas Opera and serves as a mentor to women coming up in the industry. She says that mentoring helps the next generation of women rise in the workplace and furthers her own ongoing education of the industry at large.

Below is our recent discussion, edited for length and clarity.

What was your path into wealth management?

I started in public accounting right out of college before leaving to work for the bank that was my largest client. There I worked in strategic planning where I learned about the bank's capital markets division. It was the first time in my career that I was fascinated with a particular business. Shortly thereafter, I joined the municipal trading desk and eventually had an opportunity to start trading muni bonds. This was my introduction to investing with high-net-worth individuals. I continued to hone my skills in the areas of investment management, tax planning, and trust administration in order to better serve my clients. I was on more of a jungle gym than a ladder in terms of my career. I always wanted to learn something new.

I spent most of my career at JPMorgan before being recruited away to Tolleson. They wanted to add a woman to their senior leadership team in wealth management because they believed they needed that perspective. This diversity has helped enrich discussions and uncover unconscious biases that may have existed. It has resulted in more leadership opportunities and increased flexibility for emerging women leaders that has resulted in retention of talented staff. It's a proof statement that female representation in leadership can really change the lens of an organization and help them avoid blind spots in decision making.

How was it coming up for you in Dallas in a male-dominated industry?

Without having many women in the workplace, I had to learn how men thought and behaved. I had to negotiate and advocate for myself the way they did. In some ways, it was a good time to come up and learn those lessons. I had no other choice if I wanted to succeed. It was difficult because I was essentially doing the same work at the office as my male colleagues while also being my children's primary caregiver and keeping the household running. Most of my married male colleagues' wives handled the important work related to children and home while I was doing both.

What advice would you give to women who are coming up now in terms of making smart, long-term career decisions?

You have to decide what it is that you want. Set your priorities. Say yes to the things that fit into your plan - and you can also say “No, for right now. But I would like to revisit that opportunity later on.” Partner with people who have complementary skills, and that’s either

in a work or life partner. Seek out people who can support you while you support them. I’ve learned that one plus one can make three. If you try to do it all by yourself, it will be more difficult.

You also must learn how to negotiate. You can negotiate for almost anything - deadlines, work schedule, and compensation. Really communicate and clarify expectations. If something is important to you, then you have to tell someone who can help you achieve it. Don’t be reluctant to ask for what you want or afraid to negotiate terms. The result often is a win-win.

There is a big difference between men and women when it comes to self-promotion. Men tend to ask for important projects or promotions assuming they can learn what they need to know along the way. Women tend to think they need to have mastered all the skills necessary before they raise their hands. Women, we need to recognize when we’re holding ourselves back and push ourselves out of our comfort zones. Visualize what is the worst thing that can happen and then, if that’s acceptable, ask for the opportunity.

When I was starting my career, I would work hard and wait to be recognized. I didn’t make clear my aspirations until I was on the brink of leaving a job. There was no reason for that, other than my own internal fear. Once my employer understood what I wanted, I began to advance. That’s where mentors can really come into play. Find someone you can take questions to that you can really be honest with and take advantage of their experiences.

I’ve read that during the pandemic, women are doing more at home more than ever before, even if they’re working. How do you think domestic equality factors into successful long-term careers for women?

To me “domestic equality” means approaching as a team all the responsibilities at home. I’m cognizant that society isn’t built this way. Men are supported differently by society and are not held to the same expectations as are women, particularly when it comes to caring for children. As a result, women often put the needs of their partners, their children, their jobs and so on ahead of their own needs.

It’s a huge issue. Today, even millennial women are doing more at home than their partners because it’s still somewhat socialized that there are certain things that are a woman’s responsibility. If you have aspirations outside the home, you must make them known and negotiate with your partner for the support you need.

You and I have discussed our shared love of reading. What are some books you would suggest every young women read?

How Women Rise: Break the 12 Habits Holding You Back from Your Next Raise, Promotion

or Job by Sally Helgesen and Marshall Goldsmith is a great one. It points out some of the unconscious biases we have in the workplace and talks about blind spots. If you don't have diversity in your workforce, you will have blind spots. It makes a huge case for inclusion.

I also love all of the books by Brené Brown and I highly recommend her Ted Talk on the power of vulnerability which ironically is about courage. I'm also currently listening to a book called Untamed by Glennon Doyle.

And you've created a book club/learning discussion group with your male colleagues. Tell me about that.

We created a study discussion group around the book How Women Rise. We asked both the women and the men in our office to read it and we had small group discussions afterwards. Tolleson is a learning organization and a lot of that is based around communication. Sixty-five percent of Tolleson's staff are women, and this type of remarkable leadership has helped us come into the 21st Century speaking more freely about things like work flexibility and generous maternal and paternal leave, which we hear from our male colleagues that they want more of, too.

You agree that mentorship is essential to career growth, but your firm takes an interesting approach to it. Can you elaborate on that?

We implemented a reverse mentor program a couple of years ago so we can all learn from each other. In this program, senior leadership is mentored by emerging leaders. One of my mentor's is a woman who is seven years into her career. We discuss many things, but an example of the learning that can happen is in a discussion about managing work assignments from multiple individuals. She told me that she assumed all the work she was assigned was a priority and that it was causing her a tremendous amount of stress. This informed me that I could be creating undue stress for less experienced staff unless I coach them in the following negotiation skills. When assigned a project, I ask a few questions: When do you need this? If appropriate, I have these other projects in my queue, can you help me prioritize these tasks?

In terms of career advancement, how can women juggle work and home life but still advance in the workplace?

A woman must let her superior know what she wants, particularly when it comes to career advancement. One of the things many women struggle with is the decision about whether to go to a reduced-hour or part-time arrangement. Of course, sometimes it's the best solution but, before making the decision to go part-time, a woman should talk to her male colleagues about how they think about balancing work/life. Men don't tend to view themselves as part-time if they manage their schedules around their home responsibilities. They view it more as a flexible arrangement, which is available to women, as well. If a woman works part-time vs. flex-time for 10-15 years, think about what she will leave on the table in terms of pay and promotions. It's worth asking male colleagues: How do you think about these things? How do you share domestic responsibilities with your partner?

Any other pearls of wisdom for women coming up today?

Begin with the end in mind. Have clarity about what you want in life and always try to think about the longer-term consequences of today's decisions. Keep your eye on the goal. Learn to negotiate effectively with your partners, both at work and home, and have the courage to be vulnerable. Treat people with compassion and respect and give people the benefit of the doubt, clarify intent and then move on.

WEALTH MANAGEMENT



Michael Thrasher

Asset Management's Latest Worry: Advisors

As outsourced investment management and model portfolios become more popular, times are getting tougher for asset managers.

July 06, 2020



(Illustration by RIA Intel)

The asset management industry is succumbing to pressure on fees, which will continue to drive merger and acquisition activity in the coming years — that is old news. But asset managers now have other worries, too, including financial advisors.

The majority of distribution executives in asset management (65%) said in 2019 that fee pressure from broker-dealers was one of the top challenges for asset managers, according to a new report by Cerulli Associates, a Boston-based research and consulting firm.

For years, more investors have been favoring relatively cheap, passive investments, financial advisors have used higher-cost mutual funds less frequently, and stricter regulations have led to rising compliance costs.

“To justify their fees to allocators, asset managers need strong brands and expanded service sets that clearly delineate them from competitors,” according to the report published

Monday. To do that, deals are being done to achieve better scale, expand geography, and acquire special capabilities or expertise. For example, Invesco bought OppenheimerFunds

last year, bringing its total assets under management to over \$1.2 trillion at the time; U.K.-based Henderson merged with U.S.-based Janus; and Eaton Vance acquired Calvert Investments, giving it “one of industry's best-known sustainable investment brands.”

Deal activity has “exploded” in recent years and in just the fourth quarter 2019, there were 50 deals involving asset managers, according to Cerulli. The Covid-19 pandemic has increased the level of uncertainty for nearly all sectors of the economy, but the researcher expects a substantial rise in deal volume throughout the next decade.

In addition to pressure on fees and less shelf space — a shrinking number of products approved and made available to financial advisors — asset managers now face another rising challenge.

Financial advisors are increasingly outsourcing investment decision-making by way of model portfolios constructed by their home office. But even advisors without a home office creating models for them can find them elsewhere. And advisors (including most independent RIAs) are also increasingly using turnkey asset management platforms, or TAMPs. That means asset managers are competing for few opportunities in the future to be the preferred solution for big pools of advisors and assets. (This is perhaps why some think model portfolios are the “next big opportunity” for asset managers.)

The vast majority of advisors are still making most of the investment decisions for their clients. Only 12% of advisors outsource investment management entirely and just 38% rely at all on model portfolios created outside their own practice. As much as 55% of all practices rely on their own investment research and portfolio construction — even though only 7% of those are capable of doing it effectively, according to a previous Cerulli report. A lot of advisors don't even measure clients against performance benchmarks.

Executives have long argued that it's in the best interest of investors and advisors to outsource investment management; investors should get better portfolios and performance and advisors can free up time to manage more households and grow their businesses.

That message is slowly resonating with more advisors and, consequently, TAMPs have been acquisition targets for private equity firms and assets with TAMPs have grown considerably in recent years to more than \$523 billion. Although, the market is dominated by a short list of the investment managers.

PRACTICE MANAGEMENT

Advisors Are Using Social Media Wrong. This Investor Survey Explains How They Can Get It Right.

Michael Thrasher July 27, 2020

SPONSORED

Webcast: Why Interval Funds and Where They Fit in Your Clients' Portfolios

Sponsored by Various July 27, 2020

INVESTING

Advisors Still Allocate ‘Far Less’ to These Funds Than Expected

Michael Thrasher July 24, 2020

RIA Intel

© 2020 RIA Intel, an Institutional Investor Publication. All material subject to strictly enforced copyright laws.
Please read our Terms and Conditions, Modern Slavery Act Transparency Statement, and Privacy Policy before using the site.