



RIAs leading with values

Rachel Robasciotti and Michelle Mathieu reveal how independence has empowered them to do business in ways that are in line with their own values—and those of their clients. From leadership to investment strategies, each has charted her own course, setting inspiring examples for a new generation of investors and RIAs who believe that value can be bigger than financial returns.

The move to independence often springs from an advisor's desire to do more for their clients. "There is no greater joy for me than delivering results and solving clients' problems," says Michelle Mathieu, chief investment officer at Fulcrum Capital. Increasingly, clients are interested in doing more than solving their own problems: They want their advisors and their investments to address issues they care about, from social concerns to environmental priorities. To that end, they want to work with advisors whose values align with their own.

"People who really want to use their wealth in service of the greater good are the people who find that we're a good fit," says Rachel Robasciotti, principal and wealth manager at Robasciotti & Philipson.

Investments can be a complex puzzle for many clients, particularly those with values-based priorities. Both Ms. Mathieu and Ms. Robasciotti say that independence gives them the freedom to address those priorities in new ways.

"I can create actual solutions around my clients' needs, not around what an employer or larger firm wants," Ms. Robasciotti

says. "That matters a lot to me. It lets us be a real advisor to the client and aligns all of our interests."

Ms. Mathieu agrees and adds that bringing values into the mix not only is good for business and for clients but also has personal benefits for advisors.

"Being independent gives us relief, clarity, and confidence," Ms. Mathieu says. "It helps us live with integrity."

As advisors in firms that are primarily women owned and run, both Ms. Mathieu and Ms. Robasciotti say they've had the opportunity to make a meaningful difference in firm leadership and investment strategies. They're also inspiring a new generation of advisors to let their values lead the way.

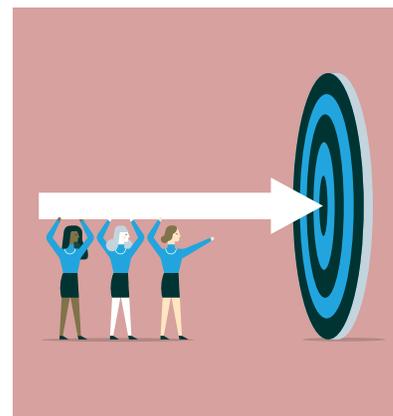
LEADING BY EXAMPLE

More and more women are taking on leadership roles in the financial industry, but there is still progress to be made. "It's up to all of us—women and men—to grasp the opportunity to change," says Ms. Mathieu.

Ms. Mathieu has been an independent advisor for about 16 years. She says her career has been defined by hard work and ambition—she rose through the ranks while also touring the world as a professional dancer. Now in her leadership role at Fulcrum, she is proud of the fact that her firm's commitment

to women in leadership developed organically. It's not just a reflection of her values; it has also helped her recruit top talent and bring in the diversity of experiences and perspectives that she believes lead to smarter decisions.

"Most of our clients are unaware that we're majority women owned, and they really don't care," she says. "At the end of the day, they sought us out because we deliver and because we share and reflect their values."



Like Ms. Mathieu, Ms. Robasciotti's rise to leadership happened in a remarkable way. She graduated from high school when she was just 15 and worked in the industry for five years before leaving a large firm to go independent at 25.

For Ms. Robasciotti, the move to independence wasn't so much a call to leadership as a call to make a place for herself and others like her within the larger industry. "I was a queer woman of color. I wanted to work with people whom, traditionally, the financial services market hadn't reached," she says. "Trying to set up a practice inside a larger firm

that had its own goals—that was never going to work.”

It became clear to her that to reach women, people of color, and the queer community, she had to devise an entirely different infrastructure. The independent model gave her the freedom to create the business that could accomplish her vision for client service.

“A lot of advisors have this belief that we must do things we don’t want to do to be successful,” Ms. Robasciotti says. “I’m here to disagree with that. To move forward, we have to love what we do.”

REDEFINING ROI

Ms. Mathieu and Ms. Robasciotti both say that independence has helped them cultivate more meaningful—and often more successful—relationships with their clients because they can focus on the bigger picture of what clients want to accomplish with their wealth.

As clients want their wealth to go further and serve causes that they champion, more and more firms are aligning themselves with values that will attract like-minded clients. For many firms, analyzing emerging sustainability issues to move toward socially responsible investing has been a way to align investment strategies with client values. These methods have

attracted clients eager to support causes important to them without sacrificing return on investment.

For example, 15 years ago a client came to Ms. Mathieu’s firm with a singular mission: He wanted to save the Arctic wildlife, and he wanted his personal investments and his foundation’s to be aligned with that goal. “We were able to put his investments to work without compromise,” Ms. Mathieu says.

That kind of multifaceted success is what Ms. Robasciotti calls a “true return”—one that includes the personal financial return clients need and also has that social return they want.

“The idea of a true return is new to our industry, and the fact that we are deeply aligned with it is something our clients tell us makes a difference,” Ms. Robasciotti says. “They say, ‘Oh, you get it. You get it.’”



INSPIRING THE NEXT GENERATION

This focus on values is not just good for business—it also can bring new, diverse talent to a firm.

Many of the young RIAs entering the financial service industry are looking for a diverse workplace. But as both Ms. Mathieu and Ms. Robasciotti note, it’s often hard for women and other underrepresented people to feel welcome in an industry where they don’t see people like themselves in leadership positions.

“It helps tremendously when people can see themselves reflected at the very top,” Ms. Robasciotti says.

For Ms. Mathieu, it has become increasingly important to showcase the diverse leadership already present in the industry. She recommends that women “be visible and be out there,” whether through volunteer boards, mentorships, or other roles that serve the industry. She notes that with mentorships, most people see the value in women mentoring other women, but it’s just as important for women to mentor men.

“We can influence the next generation of advisors coming up through the ranks by showing women in leadership capacities. When women mentor men, we all benefit,” Ms. Mathieu says.

For advisors who are eager to add more diversity in their firms but don’t know where to start, Ms. Robasciotti believes it’s important to be proactive. Establishing internship programs

can be a critical entry point for more diverse candidates. “I don’t think diversity in the workplace happens by accident. It happens by intention,” she says. “There’s something magical about going to someone and saying, ‘You don’t have this particular skill set, but I can see characteristics in you that would make you great for this work.’”

Ms. Robasciotti believes that young advisors passionate about values-driven advising will find themselves in good company among independent RIAs.

“I love what I do because we’re helping people solve real problems and putting their money toward what really matters in life,” she says. “I can’t imagine going to any other kind of office.”

Beyond socially responsible investment

“How can we put significant investment dollars behind the changing social landscape?” That’s the question that Ms. Robasciotti and her investors explore together as a community.

As more clients are recognizing the impact their investments can make beyond their own lives, they’re increasingly voicing concerns about the causes their investments may or may not be supporting. In response, Ms. Robasciotti’s firm has designed an approach that moves beyond socially responsible investment



to what she calls “social justice investment.”

The concept behind social justice investment is that firms form partnerships with community organizations to help advisors screen investments for alignment with their clients’ values or wishes. These “social screens” might block investments that give money to companies in polluting industries if clients are passionate about environmental issues.

Rather than choosing investments based on “best in class” designations, which could be misleading, social screens give a community of investors the power to establish criteria for where their money goes.

The community of Ms. Robasciotti’s investors—RISE (Return on Investment and Social Equity)—meets quarterly to evaluate the social screens

that her firm uses and give input on what issues the community values and wants to invest in—or divest from—to support social justice, from gun control to prison labor. According to Ms. Robasciotti, this project has been particularly successful, especially in making sure that her team is serving her clients’ wishes to the best of their ability.

By involving investors and affected communities in the investment process, Ms. Robasciotti feels that her firm is transforming the model of investing, and she’s seen a lot of interest from the overall advisor community.

“At the end of it all, social justice is about love—for yourself, other people, the planet, and the future,” she says. “It made sense to bring love and community into investing, and it’s been very successful.”
