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## DIVERSITY... AN OPPORTUNITY FOR CHANGE

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Let's face it—there is a glaring lack of diversity in the life insurance industry, particularly among the salesforce.

The question is why?

One answer may be unconscious bias. *The New York Times* columnist Nicholas Kristof (2016) writes about an “unconscious bias among whites who believe in equality but act in ways that perpetuate inequality.” And, Dr. Sondra Thiederman, in her book *3 Keys to Defeating Unconscious Bias* (2015), defines unconscious bias as “an inflexible belief, positive or negative, often unconscious about a particular category of people.”

The statistics tell a powerful, yet unfortunate, story. In one major life insurance producer group, there are currently no African American client-facing professionals in a nearly 750 person salesforce, and only a handful of women. In AALU, 10% of the membership is female, 10% is millennial, and less than 5% is represented by other minority groups. In the broader life insurance industry, there is a more diverse group of insurance professionals, estimated to span approximately 15% of the salesforce.

The motivation to be better is clear. Studies show that companies with gender and racially diverse workforces are 15–35% more likely to have greater financial returns and better performance (Hunt, Layton, & Prince, 2015). However, the diversity gap is a stark example of discrepancies within our industry. Many other businesses, including law firms, banks, accounting firms, and physician practices, are making much greater strides in terms of gender and minority representation.

While our industry isn't the only one facing unconscious bias and a lack of diversity, we must take responsibility for our community and commit to improving together.

Some life insurance companies are making progress to change their diversity profiles. There are many insurance companies where senior management and boards of directors are recognized by well-known national publications (e.g., *Black Enterprise* and *DiversityInc.*) for their diversity. In fact, five major life insurance companies are listed on *DiversityInc.*'s Top 50 List (DiversityInc, 2016). But it doesn't go far enough. The life insurance salesforce continues to be driven by a non-diverse group. Salespeople should be the catalyst of the change needed to reflect the face of the public buyers who need the valuable products and service we offer.

The changing demographics of the United States accentuate the fact that we are unprepared to address new clients of previously underserved markets. By 2044 it is estimated that whites will be in the minority in the U.S. (US Census Bureau, 2015). What will the life insurance industry look like in just that short amount of time—only 28 years from now—and what can we do now to motivate the growth of the salesforce in a parallel direction?

A potentially profound impact of change is already planting roots for women in the salesforce. In a flexible and consultative profession, we should be more proactive in attracting a larger number of professional women. Are we doing enough to articulate the opportunity for work-life balance, human interaction, flexibility, leadership, and earning potential that may attract a more gender-diverse salesforce?

The need is further fueled by the fact that women today hold 30% of private wealth in the world (Forbes, 2016) and more than 50% of the private wealth in the United States (Business Insider, 2015). It is estimated that by 2030—only 14 years from now—women will control 65% of all wealth in the United States (Quist-Newins, 2010). Consider that some female wealth-holders may prefer to deal with other women at the point of sale. And with women representing more than 50% of the

college and higher education graduate population (including law graduates, CPAs, and MBAs) (Perry, 2013), shouldn't we be asking why our industry is not doing more to attract more women right now?

The American College recently completed its "Women in Insurance Sales" survey and a formal report is due out later this year. The initial survey responses indicate there remains much to do to recruit and mentor women in the financial services industry. And, much of the work will fall to insurance companies and distribution channels. The AALU is committed to Diversity and Inclusion, creating a subcommittee within its Member Services committee to address the impact of diversity on its membership. With programs to attract female, millennial, and minority members, the AALU strives to lead the effort to attract and retain more diverse membership through professional development opportunities.

If it's not enough that increasing diversity is good for business, keep in mind that it is good for the soul and represents a social imperative. As baby boomers enter the retirement phase of their careers, one might ask—what will our legacy be? What significant distinction will this generation have and be able to pass down to the next? We are the stewards of this legacy and must act accordingly.

Change is never easy, but heading down a road not traveled by many can lead to unique and exciting ways to work together and serve clients. While diversity is not a new concept, it has long been a road less traveled within our industry... A road that leads to new business relationships, new ideas, and new drivers of growth and success.

Diversity has never been more significant than now, at a time when our nation is driven by cultural, economic, and political clashes. Nicholas Kristof (2016) states, "it seems that when we humans realize our biases, we can adjust and act in ways that are more fair." We must ask ourselves what we can do as individuals, as an association, and as an industry to help increase comity, cooperation, and collaboration.

Let's not sit on the sideline but use the tremendous opportunity to play a significant role in change. Get involved and share your thoughts around the challenges and opportunities we face—individually and collectively—by contacting Marilyn Maticic, Head of Diversity, at [matcic@aalu.org](mailto:matcic@aalu.org).

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