

Women's Network—Women in Finance and Valuation: Where Are the Numbers

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When I was asked by AHLA's Women's Leadership Council (WLC) to write an article with a focus on women, a topic almost immediately dawned on me. That topic centers around the lack of women, especially women leaders, in the valuation industry. Since graduating with my JD/MBA and entering the health care valuation and consulting field, one common observation continues: there is a noticeable lack of representation by women in the industry, particularly in leadership roles. While health law provides a great example of a field in which women leaders are more prominent, valuation continues to lag behind.

While women in 2021 have made many strides and do hold many leadership roles generally, the lack of women leaders in valuation is not surprising. Math-related careers have long been characterized as "male-centric positions." Despite this old-fashioned notion, current statistics illustrate that this is a persistent issue. For example, while the U.S. Bureau of Labor Statistics projects that the focus on big data will cause math-related occupations to grow by approximately 30% by 2030, only a fraction of girls and women are likely to pursue degrees that enable them to fulfill these new jobs.^{1,2} Likewise, according to *Forbes*, in the finance sector, as career level rises, female representation declines. Specifically, *Forbes* cites that although women represent 46% of financial services employees, they represent only 15% of those employees at the executive level.³ Numerous factors are driving these statistics, including historical job and gender roles that can lead to issues such as peer pressure, misperception of what these careers look like, and a lack of role models and support. Women may also be less likely than men to select finance as their career and instead seek a role viewed as more "family-friendly".⁴

But the news is not all bad, and the industry is making progress. On the topic of women in financial services, a 2020 report indicates that numbers have risen to 20% of women on executive committees and 23% on boards.⁵ Interestingly, stock exchanges have also jumped into the fray. Nasdaq has taken steps to promote greater diversity among the more than 3,000 companies listed on its exchange. On December 1, 2020, Nasdaq filed a proposal with the U.S. Securities and Exchange Commission (SEC) to adopt new listing rules centered around this topic.⁶ The proposed new listing rules are focused on board diversity and disclosure and, if approved by the SEC, would in part require most Nasdaq-listed companies to have (or explain why they do not have) at least two diverse directors on their board, including one female. While the reported goal of the proposal is to provide stakeholders with an understanding of board composition and enhance investor confidence that companies are focused on diversity within their boards, Nasdaq's proposal analyzes over two dozen studies that indicate a link between diverse boards and better financial performance and corporate governance.

So if increased numbers of women in leadership can lead to better financial and governance results, how do we encourage more young girls and women to explore these types of careers? And if they do, how do they best navigate these careers? Speaking from my own experience and that of other women with whom I've worked closely over the years, the answer to gaining more women leaders in valuation is not only increasing interest

amongst young women in historically “male-centric” jobs (i.e., math and science) but also introducing more progressive cultures that incorporate what is important to this female talent pool.

Women have long felt the pressure to “choose” between having a family and growing their career. The reality (within the right culture) is that they don’t have to choose one or the other. Many smart and hardworking women crave intellectual stimulation as a key driver in their career, but they also want to use their talents within a flexible model. For instance, alternative or reduced schedules have gained prominence in recent years, with many companies finding that flexible work programs offer a competitive advantage in employee recruitment and retention. After all, isn’t a great employee who works part-time or outside the office better than a full-time or office-based employee who isn’t invested?

The reality is that it takes time and effort to change cultures or develop new ideas, but it is worth it. Many more women are continuing to work in health care valuation given more flexible work models and/or support and networking offered by groups such as AHLA’s Fair Market Value Affinity Group, the WLC, and others. Those women who have pushed through bring their unique gifts to the table and offer new perspectives. While dated cultures do present a challenge, young women should realize that they don’t have to waste energy trying to fit into male-dominated environments. Instead, they should redirect that energy into their own professional interests. Women love to help people, which is great for a client-based services career.

Create your own brand and do things your way. Look to the great women leaders that are part of AHLA—there are plenty out there!

¹ As reported at <https://www.bls.gov/ooh/math/home.htm>.

² Why do girls lose interest in STEM? New research has some answers — and what we can do about it – Stories (microsoft.com).

³ As reported at <https://www.forbes.com/sites/forbesmarketplace/2018/06/05/5-things-you-need-to-know-about-women-in-finance/?sh=3fef52974e77>.

⁴ Dynamics of the Gender Gap for Young Professionals in the Financial and Corporate Sectors (harvard.edu)

⁵ As reported at <https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2019/November/Women-In-Financial-Services-2020.pdf>.

⁶ As reported at <https://www.nasdaq.com/press-release/nasdaq-to-advance-diversity-through-new-proposed-listing-requirements-2020-12-01>.

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