

# PHILADELPHIA BUSINESS JOURNAL

## Philadelphia financial leaders share how DEI leads to better outcomes, recruiting increased talent

LINDSAY NOLEN - CONTRIBUTOR

Increased racial tensions over the past year have further emphasized the need for diversity, equality and inclusion policies across all business sectors, including financial. In Philadelphia, one of the city's strongest industry attributes is a diverse employee base. To discuss how financial firms are currently tapping into this diversity, industry investment leaders gathered virtually as part of a Philadelphia Business Journal and Title Sponsor FS Investments panel discussion on Thursday, Feb. 11.

Before considering how Philadelphia financial services can move toward a more diverse and inclusive future, Mike Gerber, chief corporate affairs officer at FS Investments, began the conversation noting what the city already has to offer. With a terrific financial services ecosystem, including a plethora of renowned educational institutions with high-caliber students, he believes the city should be a peak destination for asset managers and wealth management firms. The issue becomes how to drive this message to reach an even wider pool of talent.

"One of the reasons we're so pleased to help sponsor this event is because it helps tell the story of the quality of the financial services firms that are here in Philadelphia, the efforts to which we go to build great cultures within our firms and to be strong civic leaders," Gerber said. "I think if we keep telling that story more broadly, we have a chance to really contribute to Philly."



Head of Credit Research at MetLife Investment Management, Brian Funk, added that "talent is the oxygen for the financial services organism." Further, retaining this talent in and around the Philadelphia area, despite a decentralization across the business, is just as important as attracting it.

"You can't have a discussion around talent management and the evolution of talent management in Philadelphia without talking about diversity, equity and inclusion," said Funk. "If you populate your org charts with people who have very similar backgrounds you get trapped into groupthink."

To avoid this outcome, Funk looks for professionals with non-correlated experiences. He also emphasizes the need to create environments which encourage the expression of views, regardless of leadership levels.

"Talented people are drawn to more diverse environments," added Gerber. "For us, [prioritizing DEI] is not only the right thing to do in our view but it's good business."

In addition to encouraging diverse thinking, or being able to disagree without being disagreeable, as Funk says, panelists expressed the importance of civic engagement in promoting inclusion efforts. Mia Fioravanti, the executive director of corporate social responsibility at FS Investments, voiced that these practices are essential to being a "good corporate city."

"At the employee level, we've put a lot of resources into providing people who

# PHILADELPHIA BUSINESS JOURNAL

are with us with tools to live healthy, fulfilling lives. We believe that a core aspect of that is providing them with resources to be more civically engaged,” Fioravanti said. “These resources are really critical to our organization because we believe they not only help us achieve our goal of being a good corporate citizen, but they also instill a strong sense of civic responsibility that reinforces the fiduciary duty we owe our investors.”

Matthew DiClemente, co-chair of investment management at Stradley Ronon, added that a culture of engagement can be driven from the tone of upper management. At Stradley Ronon, he recalls witnessing Bill Sasso, former chairman and now chairman emeritus, be so personally invested in a variety of charitable work throughout the city that the initiative truly trickled down throughout the firm. By encouraging everyone to become involved, DiClemente says great personal satisfaction and firm pride have been instilled.

“It’s one thing for firms to write checks, and that financial support is really important, but it’s something else to get the people involved and to donate their time and energy to organizations,” DiClemente said.

Summarizing how philanthropy and civic engagement tie in to DEI, Calvin Wilson, associate manager of public fixed income at MetLife Investment Management, conveyed that often locals can only identify Philadelphia’s large financial buildings, but not the people within the industry. To change this, he says awareness is critical.

“People want to know what’s happening in Philadelphia, not only financially but in general.” Wilson said. “The most important thing we can do is get opportunities where we can actually talk about our firms and initiatives that we’re doing collectively.”

Focusing on how all these different initiatives can bring about real change, Brian Seaman, counsel and chief diversity officer at Stradley Ronon, explained that the key relates to action rather than the words. Over the course of the past year, he believes a takeaway was that words and statements are important, but that they are meaningless without follow-up action.

“One thing I think about every day in this job is my action and what is my attainable objective to actually get something done,” Seaman said. What we started doing [at the firm] was every year, all of our attorneys on their self-evaluation get asked the same question: Give us a specific example of what you have done in the past 12 months to make your life, community or the firm a more inclusive place.”

By informing employees that they will be asked this question each year, they have to think about these things. This has created the notion that DEI is each person’s individual responsibility, from the catering to senior partners. Seaman thinks this question is so important because it demonstrates during the first introduction that DEI is a career priority at Stradley.

“Creating an inclusive environment that ensures a sense of belongingness and that employees are valued and appreciated for the experiences they bring to the table is of critical importance,” Director of Early Talent at FS Investments, Carla Gobantes, stressed.

“At the end of the day, this is not just a moment to capitalize on, this is a movement to identify,” Wilson said. “Inclusion starts with implementing those safe spaces where we can all talk together. Not everyone is going to understand what a person of color may be going through, especially with the chain of events that happened over the summer, but you need to show empathy.”