



Women in Private Equity
Fear is not an option

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A HISTORY OF COURAGE

That institutional gender bias was at one time an impenetrable barrier to women in all walks of life goes without saying. Consider, it was 1890 before any country in the world would extend voting rights to women. It would be another 30 years before women in the United States would be permitted universal suffrage.

But even before the passage and adoption of the 19th amendment, men in the state of Montana voted in favor of equal suffrage at the state level by a margin of 53% to 47% and subsequently, on Tuesday, November 7, 1916, voted to send the first woman in history to claim a seat in the United States House of Representatives.

Congresswoman Jeannette Rankin began the women's suffrage debate on the floor of the 65th Congress by asking the question, "How shall we answer [the] challenge, gentlemen?" Rankin was, as we can imagine, *the only woman in the room* and she had, by her mere presence, already answered that question.

PRIVATE EQUITY BY THE NUMBERS

While women in the broad category of finance occupy a thin majority of the 10.5 million jobs in that industry (52.9% according to the Bureau of Labor Statistics, full year 2017), the numbers in private equity are far less encouraging.

According to a 2017 study by data provider Prequin (formerly known as Private Equity Intelligence), only 18% of private equity employees are women and many fewer occupy senior positions (only 9.4% of those in leadership or decision-making positions are women).

If the numbers in private equity look bad, then those in venture capital are positively abysmal. According to research out of Babson College, women partners at VC firms represented only 6% of the whole and over three-quarters of all US venture capital firms were found to be exclusively male.

STARTING THE CLIMB

My own involvement in private equity began in an administrative capacity while I was in college. In that role I worked with many talented women both inside and outside the firm and came to understand the privileges and responsibilities of ownership in business.

I chose to continue in that capacity after graduation. I had become hooked on the business. The concept of taking thriving businesses and helping them to grow and provide advantages for the families of the owners and employees and, by extension, the communities in which they operate was most appealing to me.

Having started at the bottom, I knew how important all the clerical and administrative tasks were in the smooth functioning of the firm and the businesses the firm had interests in. I gained valuable experience in my exposure to partners who were expert in the business and I was rewarded with added responsibilities and promotions.

As I progressed, I noticed that the landscape was changing around me. It's not at all uncommon these days that I, too, find myself to be the only woman in the room.

PRIVATE EQUITY'S GENDER PARTICIPATION PYRAMID

[PYRAMID GRAPHIC HERE]

The private equity space for women is like a pyramid, the higher you go, the more alone you become. Women in senior positions in IR and marketing account for around 25% of those jobs. In finance and accounting, senior women clock in at around 20% (Coltala Holdings' own controller, [Meredith Bajorek](#), has an undergraduate degree in accounting, a masters in taxation, and holds a CPA).

It's when we get into the realm of the investment teams and portfolio management that we see the numbers dip to levels at or below 10%. At Coltala Holdings one of our four Co-founders is Harvard Law School graduate [Christine Spadafor](#).

WHAT MEN ALREADY KNOW

"What I noticed over the years was that for the most part, the men reached for opportunities much more quickly than the women. The women, however, were more cautious about changing roles and seeking out new challenges."

~ Sheryl Sandberg, Facebook COO in *Lean In*

Recently our firm, Coltala Holdings, posted a job search to fill a financial analyst position (now filled by a great addition to the team, [Blaine Khaer](#)) and the results were astonishing. Out of the one hundred highly-qualified applications we received, not a single one was from a woman. It seemed to confirm Sandberg's observation that men are more likely than women to seek out opportunities early. The men were being more assertive.

Assertiveness is a virtue and a key factor in success when combined with self-awareness, preparedness, a good work ethic, and humility. It's sometimes believed that women should take greater care when asserting themselves so as not to appear to be aggressive. But, generally, without asking for the promotion, the raise, sponsorship for education or training, or the added responsibility, it simply won't happen. Women must know their capabilities and limitations and they must know their value in the employment marketplace.

THE DIRTY LITTLE SECRET

"There's a special place in hell for women who don't help each other."

~ Madeline Albright, former United States Secretary of State

Compounding the possible lack of assertiveness is the ‘dirty little secret’ among working women: that women don’t help other women (or at least not enough).

Theories abound as to why women don’t help other women in business. Some say it’s because they’re afraid of upsetting the “old boys’ club” to which they aspire. Some say it’s because women are envious of each other or because they are too competitive among other women. Some dispute the charge altogether.

Regardless, it would stand to reason that once a woman made it to the top of the corporate ladder she would promote policies that would foster a nurturing corporate environment for other women. One might expect that as more women found themselves in the role of CEO, other women in the company would feel empowered to succeed. The data seem not to support that thesis.

Of the top 50 companies rated *by* women to be most empowering *for* women, we must go down the list to number 29 before we encounter the first woman CEO, Julie Sweet of Accenture. We find Mary Barra of General Motors next at number 37. Lockheed Martin’s Marilyn Hewson and Amy Zupon of Vertafore round out the list of best-for-women women CEOs at numbers 45 and 46 respectively.

These data compiled by Comparably, the career monitoring website, include hiring practices, training programs, parental leave, and policies that generally support women at work. In addition, ratings by women employees themselves were factored in. Of the top 50 large companies that support women, only four are run *by* women.

CONQUER FEAR

“The story of the human race is the story of men and women selling themselves short,”

~Abraham Maslow, psychologist

Admittedly, structural factors that tend to conserve the disparity of women to men in leadership roles in the private equity space still exist. Our purpose was not to examine those here. Our intent was more to focus on what factors are most critical to success and on what we, as women in private equity, can do to advance our careers in the near term.

Facebook is known to favor risk-taking. Signs like “Fortune favors the bold,” and “Proceed and be bold” are seen in great number in the offices and around campus. Sheryl Sandberg’s favorite is “What would you do if you weren’t afraid?” It’s one of my favorites, too.

I learned quite early in my career that all PE firms are not created equal. I am fortunate to work for one that values the contributions of women and seeks overall balance in its corporate persona. But regardless of the environment, our best option is to be bold, seize our opportunities, and not wait for permission to succeed. We cannot possibly know which opportunity was the golden one.

When, on January 10, 1918, Congresswoman Jeannette Rankin cast her vote to submit the Susan B. Anthony resolution to the states for ratification, she could not have known how critical that vote would be. After going down to defeat in the 63rd congress, it was to be passed on that day by an *exact* two-thirds majority – not a single vote to spare.

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