



PERMANENT
EQUITY

Getting in the Room: To Women with Career Ambitions in Investing

By [Emily Holdman](#)

Private investing may sound fancy, but it's mostly endless work, lots of dead ends, and rare "wins." When you get an opportunity to close an investment, the [work has really just begun](#). You never have complete information, and being wrong is costly – for individuals, investors, employees, and potentially many others. All that said, it can be an incredible career. Successful investors give credit to some combination of luck, deep curiosity, common sense, strong relationships, and long hours. Luck aside, these ingredients are seemingly available to anyone. So where are the women?

The newest stats on gender in private equity from [McKinsey](#):

As of year-end 2021, 48 percent of all entry-level roles in PE globally are filled by women. However, disaggregating this figure into investing and non-investing employees reveals only 34 percent of entry-level investing roles are held by women, compared to 57 percent in non-investing entry-level roles...

As private equity careers advance, the percentage of women dwindle further. Women make up only 9 percent of [Investment Committee] members (8-9% separately confirmed for VC)...

As someone counted in the minority of the minority of the minority, these stats are not surprising. For every sea of blue blazers, you'll find a handful of women in finance. But rarely are they involved in investing decisions.

In sampling, McKinsey surveyed 42 firms employing 60,000 people across the planet. Ostensibly, most are representative of "big PE," controlling billions across markets and strategies. By contrast, I work at a small firm based in Missouri employing 18 people and one principal strategy. Admittedly, we have different viewpoints (and routes to our roles), but the representation pattern is consistent.

My aim in writing this isn't to tackle broader societal issues. Should representation be better? Of course. Have improvements been made? Over the past decade, I've witnessed plenty. Do biased assumptions still influence decision making? Almost certainly. But on a personal level, it is more effective to focus on what you can control – your approach – than waiting for the world to work itself out.

The best way to get in a room is to be the candidate prepared to meaningfully contribute. Period.

So here's some (unsolicited, but hopefully helpful) advice to women (or really anyone) who aim to have an active role in investment decision-making:

Networks & Invitations

Good investors are continuously working to improve, so they (sometimes annoyingly) never butt out. They keep digging. They keep asking questions. They chart multiple scenarios. They avoid overcommitting to one approach or outcome. In short, they never settle. And over time, they end up in "the room where it happens."

Part of never butting out is appreciating how much you have to learn from others' experiences and expertise; that means asking questions and making requests, especially starting out. To this end, most investors explicitly extend invitations to ambitious college students for early exposure. There are organized programs, like [Girls Who Invest](#), but most trend towards large cap finance.

As a small firm, we've invited college students to strike up individual conversations with us following guest lectures, and are easily reached via email, LinkedIn, or Twitter. We are rarely taken up on the offer, and when we are it's almost exclusively by young men. Investors are busy, but appreciate the kindred trait of humble curiosity. If you research a private equity firm, including their approach and investments, a direct email requesting to learn more is likely to lead to at least an email reply. You simply have to prepare and thoughtfully reach out.

More specifically, most women want to support other women. So if you reach out to a woman as a woman, the odds are probably better than average that she will respond. As careers progress, women advocating for other women can unfortunately become more complicated (a subject for another day).

As you build relationships with others, both in investing and outside of it, treat connections as budding long-term relationships rather than one-off conversations. Building stronger bonds may mean fewer absolute outreaches, but a deeper understanding of individual perspectives and the ability to learn over time from a range of experiences. Also, a well-earned and dependable network has never hurt someone's career.



While investors are willing to spend time with you, a personal invitation is exceedingly rare. Investors are focused on investing, and getting their attention requires a proactive approach. And arguably, for those early in their careers it should require some gumption, as it's good demonstrative practice. Approach these meetings with an objective: What are you hoping to get out of this meeting? What is your measure of a successful meeting? Be realistic in understanding that private equity in particular is a "long game," so expecting an opportunity to interview short-term is not likely unless your timing is perfect.

Private investing is an offensive sport. To extend the sports comparison, shots not taken will be missed. Likewise, you will miss 100% of the conversations you don't initiate. It may not ever lead to a position. Heck, the email reply may be a simple, "Sorry, I don't have time." But rejection is part of reality, and the feedback will help you improve if you're ready for it.

You may be familiar with the [study](#) on women only applying for positions that they are 100% qualified for (or overqualified for), whereas men will apply at roughly 60% skills-based qualification. Don't let that be prescriptive for you. Again, what's the worst that could happen? You get a "No" or no reply. Life goes on. Calculate your risk. Rarely is intentional outreach a poor investment.

Perhaps more controversially, if an unsolicited invitation is extended, approach with caution. Are you being asked based on merit? DEI initiatives may be well intentioned, but being included but not respected is the worst position possible, even more so than absentia. It's a relegation of your time and talents. Respect – and thus a spot in the room – is earned through hard work and intentional action.

Uncertain Career Path

There is no clear path to being part of an investment committee. Again, outside of starting your own firm and guaranteeing your own participation (a path, by the way, but one I can't personally speak to), the path is generally a meandering set of experiences in which you continue to refine your personal filters, opinions, and strategies until a productive pattern emerges.

The challenge is how unsatisfying that will be to family and friends. I'm pretty sure my parents thought I was wallowing for at least 5 years. From time to time, I did, too. I didn't know exactly what I was aiming to do, but endless curiosity kept me committed to a variety of operational and deal origination roles.

By contrast, especially if you come out of a traditional finance-oriented degree or B-school pathways (I did not), other career options offer a clear ladder of promotions. That certainty is highly attractive to many people (and can be a good choice for some). The unsettling trend is how often females in particular are encouraged to go the "safer," more knowable route. The



women I know at bigger firms with more traditional paths have expressed frustration with formality over merit, and the pace at which they advance compared to male peers. It's a set of challenges with which I have little personal experience, but is worth noting when calculating the tradeoffs between career paths.

Our firm is comparatively small, and the paths for those at firms like ours are far more varied in backgrounds. Some have built companies. Some worked for companies, large or small. Some started in finance. Experiences, pattern matching, and relationships are the shared currency.

Career ambiguity may not provide early affirmation in title or compensation, but most investors have entrepreneurial DNA at some level, focused on their own field of play. They're constantly hunting for market conditions, indicators, and patterns that may better inform opinions and outlooks. In short, they're focused on reps and feedback loops of a wide variety, rather than predictable affirmation. Low stress is not part of the job.

Also, in private investments, deal discovery is the first gate. If you don't have a deal to do, what else is there? And since private companies are private, introductions built through relationships are widely considered the best opportunities. One way to get noticed is to independently originate opportunities.

There can be good reasons to opt for a predictable path, especially early. A friend with significant student loan debt post-B-school said, "I know what I'm getting [in investment banking]. It's a grind, but a knowable one, and it's good experience. After that, I'll chart my own course." Such an approach can be a thoughtful way to bridge short-term needs with long-term ambition. But there may be tradeoffs, especially if the grind derails your ambition or causes you to be too distracted to notice opportunities.

Opinionated

An investor has to have an opinion in order to weigh opportunity costs, negotiate, and ultimately close or – equally if not more important – walk away. The rules can't universally apply, but it's important to know them. And in my experience, women are more likely to build cases based on hard facts. Objectivity may sound good, but it can also be a challenge.

Many female peers voice a concern that subjectivity paves a slippery slope to not being taken seriously. This fear can manifest into a belief that building the best view means living and breathing the data. But while hard facts and attention to detail are valuable, like most things, balance helps. It's likely that someone else will take a more relational approach, with more hours devoted to talking with people than diving into the spreadsheets. Those discussions may contextualize or directly conflict with the data you have, but they are far from worthless. The combination of people, plans, and performance history all have to come together. And if you only have the performance history, and maybe some projections, someone else will possess more conviction in one direction or the other than you will.



Fear of being perceived as not-serious, silly, or stupid make up many of the reservations that stall careers, including in investing. Putting forth a fledgling or incomplete view while the stakes are lower (i.e. you're not personally accountable for a final judgment call) is a much better education than trying to wait until you have a more influential seat.

No one is going to have a perfect record. On the right team (cooperative, not competitive), more experienced leaders can pour more wisdom into you if they know how you're prioritizing information and where you may be relying too heavily on rules or assumptions. So, find a team where you can look stupid, then put yourself out there so you can improve.

On a related note, the concept of an investment committee is to put forth multiple points of view on a prospective investment and debate how to prioritize. Beyond the facts, there's less winning and losing, and more risk and reward calculus. So be ready to communicate accordingly. Never enter a room for your opinion to win. You're there to reach the best conclusion for your team and investors (which may be passing on a compelling investment you've championed). This means being prepared, articulate, and a good listener, and it means not being combative or taking the result personally. That said, being an advocate for an investment you believe in is an important skill to build. If you've done your homework and believe there are merits to a deal, don't defer; debate!

Sprints

Private businesses are not bought and sold in a predictable time table like the stock market. This brings up a sensitive topic. Yes, I get asked more often than male peers if it's hard for me to travel as much as I do. But the question is generally well-intentioned, even if it does carry assumptions. Also, yes, sometimes it is hard to travel! The point is some people's lives are more or less organized to be able to, with little notice, start sprinting on an opportunity. But it's pretty much required if you want to be in a private equity investing role.

Giving advice on how a family should work makes me wildly uncomfortable. My point is to affirm there are ways to navigate the professional and personal priorities. As for me, my husband also has a career and we have one daughter. She's been in school-like environments since she was 3 months old. We also have retired family members within a few hours that we can call in as reinforcements. We regularly order out, have a cleaning service, and are chronically behind on laundry and other chores. And we consistently try to find the right recipe of quantity and quality of time as a family. It's not perfect, but it works for us.

In day-to-day work, I set limits. I often meet my daughter as she gets off the school bus. But when I'm sprinting on a deal or traveling, I'm not.

If you want to be "in the room," you have to have flexibility that allows for you to be there. And since work isn't life, doing so with the least possible disruption to your spouse and any children should be the goal.



Unlimited Upside

Once you start to develop opinions and make yourself available to participate, the good news is that there are multiple pathways to the best seat for you. Sometimes that may be as part of the investment committee, and sometimes it's elsewhere. Sometimes it means starting your own firm. Sometimes it means switching to a team where you feel more comfortable socializing opinions. Having no defined route should translate into being resourceful and opportunistic to find what suits you best.

There is a difference between being opportunistic and being impatient. Building enough trust for your opinions to be valued in an investment decision process isn't normally a short process. To be specific, it took me roughly 8 years. Unless you're betting on yourself, expect progression to take a while. And soak everything in along the way.

Once in an investing-oriented role, you should continue to embrace the curiosity and opportunism that put you there. People often tell me that they aspire to be an investor, but few can articulate what it actually means; they tend to focus on power (controlling decisions) and financial motives. Investors (and operators, for that matter) who survive market cycles and unanticipated obstacles are drawn to the work and are ready to roll up their sleeves. Any "power" is readily understood for the obligation and responsibility it is, and significant financial rewards are not guaranteed. So if you're purely seeking status or financial wealth, expect the stress to get to you, have it negatively impact your judgment, and consider a different career route.

Building an investing career is like training for anything. You're constantly consuming information, testing your own ideas, and generally getting in shape to take advantage when an opportunity knocks. There may be thousands of reps before something clicks, and you have to be okay with that. But if you can enjoy the training as well as the high stakes moments, it's an incredibly interesting and intellectually rewarding career path. And over time, it becomes obvious that continuous improvement is part of the job description.

Right Seat, Best Team

For those making investment team recruiting decisions, the charge is to simply build the best team. And, as you know, the best team will inherently require multiple kinds of diversity. When it comes to gender diversity, the data is admittedly sparse and recent. But relevant data points suggest propping the doors wide open:

- "Private equity firms at which women comprise at least 30% of the investment decision-making team achieved 10-20% higher rates of return than those in which women were not well represented." (IFC, 2019 - private equity funds)



- “Diverse[owned] PE funds represented by the NAIC Private Equity Index performed better than the Burgiss Median Quartile in 76.5% of the vintage years studied (1998-2020).” (NAIC, 2021 - women- and minority-owned private equity funds)
- “To curb excessive risk taking and loss aversion, our findings would suggest that understanding the role of gender diversity in risk management would be useful in effecting change.” (Cornell, 2013 - equity funds)
- “When the ‘daughter effect’ does bring more women into the fold, it has a strong impact on performance. Venture capital firms that increased their proportion of female partner hires by 10% saw, on average, a 1.5% spike in overall fund returns each year and had 9.7% more profitable exits.” (HBR, 2018 - venture capital funds)
- “By controlling for fund characteristics along with other dimensions of diversity, we find that maximizing gender diversity correlates with as much as a 38.9 basis point improvement in fund performance.” (Vanguard, 2022 - equity funds)

People in Practice

A diverse room can translate to a more productive room. As one example, we ran a recruiting process for an executive position at a portfolio company. After interviewing over 25 candidates, the final three candidates all happened to be female. And the final in-person interviews were with a three-person panel, with two of us also being female. All three commented on how unusual and encouraging they found that arrangement. That scenario has happened repeatedly to me on site visits with female executives on prospective investments as well.

And, investing roles aren't for everyone. While I believe more women in investing roles will benefit all stakeholders, this advice is not meant to discount the incredible variety of roles people play in supporting companies. Investing is just one way to contribute to the ecosystem. I am fortunate to have female counterparts both across our firm and in leadership positions within our family of companies, from CEOs to sales executives to CFOs. The point is to find the right seat in the right room for you.

Again, people should earn a place at any table on merit. But the table should be well set, maximizing opportunity for all. And individually, you should aim in action and ambition for whatever seat you want.

