



## Elitism vs. Professionalism

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Working in financial services can be intensely frustrating. Most people you work with on a professional level are smart and mean well, but many just don't have their act together. Part of the problem is the extremely low barrier to entry on Wall Street, and part of it is greed—a combination of greedy participants and a greedy public. When I started at Dean Witter in 1996, the main question in the interview was, "How do you feel about cold calling." I hated cold calling, but it was an interview and so I presented a bit warmer to the concept.

I'm not going to argue that there should be a higher barrier to entry, although I have in the past. The vast majority of people who start, wash out before they do any real damage. This happens because it is incredibly simple to start in financial services, but it is incredibly tough to stay. Opening a conversation with complete or near strangers about something as necessary and misunderstood as their money is hard. Opening that conversation 100 times a day is very hard. Trying it 300 times a day is nearly impossible. Now, dialing a phone is incredibly simple; it's keeping yourself psyched up that is extremely hard.

Success (or, at least, the appearance of success) requires only that one open this conversation enough times to gather many customers—who, remember above, do not understand how to plan for their own financial futures. It does not require skills, talent or ethics. In this way, success is determined more by persistence and hard work than by smarts or ability. This is also true in many other industries, but it's very bad in personal finance. The last 20 years of serial idiocy on Wall Street should be all the proof we need of this. Unfortunately, this leads to inconsistencies. It leads to confusion, a lack of communication and skullduggery that you might not be familiar with if you came from, say, Earth.

In the face of such skullduggery the tendency is toward a sort of elitism. Elitism is the turning away. It's turning your back on all the nonsense and cloaking yourself in your consistent, happy albeit false reality. Financial services is plagued with elitism. In an op-ed last year, a Goldman Sachs broker told us what we already knew—brokers generally consider their customers to be "muppets." Analysts and portfolio managers view advisors as beneath them. Brokers avoid distributors. Advisors avoid brokers. And "compliance" disallows anyone from talking plainly and directly to the public. Each of the different pawns believes they are doing the only "real" work on behalf of the client, and the client is still totally confused about what qualifies as "advice" and what is "sales," about who is there to help and who is out to get them.

What we end up with is a silo effect: Very good people with very good businesses stay in their silo and decide not to deal with the outside world. They skip conferences, shun customers when they are needed most and create processes that are all about protecting their time and not about their clients or customers. Believing theirs is the only way, they deride competitors who don't do it like them. The silo is a symptom of elitism. The silo takes the people who could make a difference and locks them up in self-imposed exile.

What we need is more professionalism. This goes beyond a fiduciary standard (which is sort of legislated professionalism). Where elitism is turning your back on what plagues you, professionalism is facing it head on, every day. Markets are difficult, erratic and scary places that are completely misunderstood by normal people who need to engage them for lifelong benefit but who are fed a manipulative diet of catastrophism from the media (which is equally clueless, but where bad news is good copy) and a Wall Street bent on selling more products—

products that usually answer the fears of the preceding quarter or year. Professionalism is taking on the stupid, on a daily basis, and maybe, incrementally over time, fixing it for some small subset of people.

This openness is where we find growth, both as individual businesses and as an industry. In fact, the beacons of professionalism in financial services tend to be the ones that are experiencing grassroots success right now, be they great portfolio managers, personal finance bloggers, financial product disruptors or trusted financial advisors. I know, because I seek them out. I want to read what they say. I want to stand next to them. I want to give them my time and my respect. Their refreshing openness keeps me from hiding in my silo.

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