

Episode 53

# Head to Head: A conversation with Top Advisor, Cheryl Young

Cheryl Young, Managing Director at Rockefeller Global Family Office, shares her path to becoming a financial advisor.

Kirsten Pickens: Thank you so much for joining us today, Cheryl, on our inaugural recording day here for Head to Head. As our tagline says, we get personal with the people of financial services and as one of the top advisors in the country, we could not be more excited that you're with us today. Thank you.

Cheryl Young: Thank you, Kirsten. It's an honor to be here.

Ryan Robertson: Cheryl, as we say in the opening, we're always just so intrigued by the top advisors in the country. And so, I would just start by asking, what made you want to be a financial advisor? Like as you were a little girl, as you were going through college or high school, what made you go, "You know what, I want to become a financial advisor"?

Cheryl Young: Ryan, I didn't know the stock market existed as a little girl. That's the funniest thing about your question. I have literally 10 brothers and sisters. Five older brothers. Five sisters. So there are 11 of us. My parents lived paycheck to paycheck. I had no idea this world was even out there. When I was in college, I started off as an engineering student and I was dating a guy who was studying business and he was struggling in his finance courses because he had not taken as much math as I had taken, and I had taken a lot of calculus. I was a total geek as a kid. Graduated high school at 16, by the way, started college at 16. So I was very young, and when I was explaining to him what a derivative was in finance, I had no idea that math had applications in the business world.

So it opened up a whole new set of possibilities for me that I didn't even know were out there. I started investing in stocks when I basically was helping him through that finance course and I just fell in love with the stock market and with the whole concept. And so, it was a complete accident that I got into this career. It was never my intention.

Kirsten Pickens: That's incredible. What did you think you wanted to do?

Cheryl Young: Well, I changed my majors a lot in college, in all fairness. You know, when you're 16, how do you know what you want to be?

Ryan Robertson: You don't know what you want to do. I wanted to be a doctor and then I wanted to be a chiropractor and then I realized you had to go to med school and I was like, Forget it. No way.

Cheryl Young: Well, so I started off in engineering and then I decided I liked people more than sitting in front of a computer and just doing analysis all day which is funny cause I spend a lot of time doing analysis now, but I still spend a lot of time with people. And so I switched to psychology and then I really was intrigued by the way the brain worked and so I decided I wanted to go into medical school and study neurology. And I applied to medical school. Actually, took a lot of classes in medicine and started medical school, and that's when I dropped out and became a financial advisor because I was sick of being in school for seven years and eating tuna fish every day, and I just wanted to make money for a little bit. So again, it was not really even my intention. I was trying to save up some money to go back and finish med school and just fell in love with the career.

Kirsten Pickens: It's really incredible. One of the reasons that Ryan and I wanted to launch this, was because as we know, financial services is, it's getting a lot better, but women and diverse talent in financial services is hard to come by. And one of the things just that from knowing you for all these years, that I'm just so impressed with what you've done with your career, and obviously we'll get to how it all got there, but starting with just the fact that you take so much time and energy on spending time with women and spending time with kids and educating them on finance, do you think it's because of your start, the fact that you knew nothing about what it was, and then you just came into it, that has got you to be so inspiring to others?

Cheryl Young: Well first of all, thank you. I don't think of myself as inspiring to others, so that's always kind of a shock when I hear people say things like that. It's definitely because of my background. My mom was a schoolteacher. She obviously quit her job to raise 11 kids as you can imagine, she was certainly not working outside of the house and I saw what she went through when she got divorced from my dad and how hard it was for her. And so I really, it's become a soapbox item for me, to make sure that women are involved in the financial decisions in their houses. Most of the time in a married couple, the man's really running the finances, not the woman, but we know from studies that when women are involved and with both partners involved, and again this applies to same-sex marriages as well, when both people are involved, the decisions are better and they're more likely to have better outcomes.

And so, it really is important for me because what we know about marriages and about relationships is they don't always last. Women tend to outlive men. We are often subject to divorces, but also to deaths where husbands may pass away before the wives. And so, when you look at the transition of wealth in the United States, it's definitely really going into the hands of women more so than men, as we live longer and longer, and it is astonishing to me that in 2022, women still tend to defer the decision making around finances to men. What's really fascinating to me about this specific situation is that women tend to underestimate their financial prowess. They don't think they know as much as they think they know. Men tend to be overconfident in their financial prowess, so they tend to think they know more than they actually know. And when you give surveys to males and females, women score better than they think they're going to score and men score less than they think they're going to score. So, it's really kind of fascinating that women just in general don't feel empowered to make these decisions.

So it has definitely been a very big focus of my career to make sure that women have better financial literacy, that they're involved in the decision-making processes, and that they're teaching their children about finances. We talk about sex with our kids more than we talk about finances, and it's a huge problem in this country.

Ryan Robertson: So how do you, when you're having a conversation in your office or you're meeting a couple, how do you coach the couple to what you just said? How do you empower the wife in that example to take a bigger role in the financial decision-making process without you know, stepping on the toes of the husband, if he's the one that's dominating, typically the decisions up to that point, like how do you sort of thread that needle in a conversation?

Cheryl Young: Yeah, it's a very good question, Ryan. So, first of all, I think that in general, if you look at our industry, especially those of us who have risen to the top of our companies, respectively, it is still a very male dominated industry. You know, when I go to the top advisor conferences, it is typically a 1 to 10 ratio of females to males, so it's very skewed. And so, when you sit in the meeting, and I've sat in a lot of meetings with male counterparts where they've talked to clients, they are often talking and not listening and not asking questions, because they want to sound smart and they usually are very smart. They're giving a lot of good information, but I try to always take a step back and ask more questions versus just talk. And so, when I'm in a situation where I'm in a room with a couple and the male is done in the conversation, I will

often pause and make sure we give a moment for the other party, the female, to weigh in on her ideas. And if she's not contributing, I will often interrupt and say, "Okay, but what do you think? What are your thoughts around this? What's important to you? What are your goals? What are your fears? What's keeping you up at night?" And I think it's really important for advisors to stop talking and start listening and asking more questions.

Kirsten Pickens: That is so well said. And I want to touch on something that you just said. I just came back actually from a women's conference this morning where there were about 250 female advisors and I was talking to one of them who had said that just the prior week she went to a conference - I mean it's 2022 - She went to a conference last week in Chicago where there was 45 men and she was the only female. That's insane to me, and I think that's one of the reasons why we are so excited to talk to you, because like I said, the whole purpose of this podcast is to try to inspire young women to get into this industry. Why do you think so many women struggle with coming into the industry or don't stay?

Cheryl Young: I have grappled with that question my whole career. I started in 1998, and in fairness, you know, when people say, Cheryl, how did you get to where you've gotten? I sometimes look back at my career with astonishment because I don't know. I didn't put glass ceilings on myself because I didn't know there was anything that could be broken.

And when people say You've broken and shattered the glass ceilings, I would agree, but it's because I didn't even know what the potential was. I just did what was right for clients, put my head down, focused on planning, focused on their financial needs, focused on asking a lot of questions, and just worked my tail off and to me, if you do things right for people, it always comes back around and if you do things to make money, then you're going to have problems. But I always did what was ethically right. I always focused on the client first. I never focused on selling something or products. I focused on what was best for clients. And so when I think about females in this industry, it's really upsetting to me that we don't have more representation. I don't ever want to be called diversity. We are 51% of the population. Thank you very much. So I'm not diversity, I am half the population.

And, you know, I remember my very first chairman's conference, I asked the CEO of my company at that time why there were not more female board members. And at the time there were two out of like 12 people, and his response to me was, "Well, Cheryl, how many female board members should we have?"

And I said, "How about half?" When I talk to young women, I think that a lot of times they don't even know this is a career path for them. They don't think it exists and it's an amazing career path. You know, look, I'm a mom of three boys. When I think about the demographics at my level in the industry, the women who've made it this far typically have already raised kids and their kids are grown or don't have kids at all. I'm very unusual. I'm very young, I have young children, and I am always telling women, "You can have it all. You can have balance. You don't have to give up your children for your career." My children have absolutely 100% benefited by having a role model like me in their lives. They know more about economics than most adults do, by the way.

Kirsten Pickens: That what your son did at school, right?

Cheryl Young: Exactly. And you know, it's not just raising kids. I have run 27 marathons in the last 14 years.

Kirsten Pickens: That's a whole other story. We can get into your extreme fitness here in a second. Rock climbing, cave diving...

Cheryl Young: Yeah, that was a little bit nuts, but it was amazing. I just did my first cave diving last week for the record, so this is a whole new territory of exploration for me. But I think that a

lot of times women are first of all told that they're not as good at math as boys, which is just ridiculous. Again, this is 2022, but you can go on the internet and Google studies on women and young girls, even as young as five years old, you'll see teachers in the classroom when they're asking questions, they will pick the boys and when they ask questions on poetry and English and writing, they'll pick the girls.

It's bizarre to me. So, this is a really deep-rooted issue in our society. It's not just about the financial services industry. There's a lot more going on where little girls are told they're not good at math, they're not as good as the boys, and they should go play with certain kinds of toys versus other kinds of toys.

I just, you know, I had five older brothers. I was a tomboy. I was climbing trees from the day I could walk, right? So, to me, there were never these boundaries because my parents were too busy to give us these boundaries. So, I didn't have any of that.

Ryan Robertson: So, Cheryl, let's just talk about your individual practice for a second, because you're always a top advisor in all of these lists. And one of the things that Kirsten and I talk about quite regularly or anytime we're having a conversation with an advisor, we always wonder how one advisor separates themselves from the next. What is it that separates you from the herd? Clearly, you've had wild success your entire career. So there has to be something that clients and prospects look at you and say, "You know what? She's different."? Or you know, "I can trust her." What is it that just makes clients and prospects go, "She's the one for me"?

Cheryl Young: I think there are a few things. I think probably the most important one is authenticity. I don't try to pretend to be anything other than I am. I am a total goofball and I own that. It works well because I'm in Silicon Valley, so there's a lot of goofballs in Silicon Valley that are really, really smart. But, you know, I started college at 16. I graduated before I was even old enough to go to a bar. And so for me it was always about having to be smarter than the person in the room when I was a kid, right? It was very competitive as you can imagine, having that many siblings and that competitive nature has made me really try to figure out what can I do different and better, but still be myself and I think that has led to a genuine just level of trust between myself and my clients. They go to me for everything. We talk about everything you can imagine under the sun.

Kirsten Pickens: You're a psychologist too.

Cheryl Young: I'm a psychologist too. That's right. I do have a degree in psychology. And I think that ability to have those really candid, open conversations about everything, you know, the relationships are sticky. If there's a year, this has been a terrible year in the stock market, you know, people aren't leaving and going to somebody else because it's a terrible year in the stock market because, we're here together through thick and thin, and they know that I've got their backs, right?

So, authenticity is really important. I think the second thing is that being in Silicon Valley early on in my career, I very quickly latched on to this idea of becoming an expert in options. Because you know, when I started in 1998, that was the biggest form of compensation. You looked at a company like Cisco, which was the biggest market cap in the world in 1998, and they had all these really complicated stock options they were giving their employees and employees didn't understand it. They didn't understand the vesting, they didn't understand the taxes. They didn't understand how to think through monetizing this wealth. And so I was like, that's going to be what I focus on, right? I wanted to do something a little bit different. And it really paid off in droves because I became the expert in the area on options. I taught at Cisco for years. Apple saw me teach at Cisco, so Apple brought me in to teach classes on financial education for Apple. I do think that level of expertise in having a very specific niche has been really important in my career.



In a market like we're having today or today and yesterday and last week, 2022, has been crazy awful. You know, when I look at the VIX, it is trading at twice what it was a year ago. So the option hedging in the portfolios allows clients to take a breath, stay invested when they don't want to stay invested because they know I've got protection in place. There are very few financial advisors do that kind of hedging. You know, if you had done a 60/40 portfolio this year, you would've gotten crushed because bonds are down as much as stocks are down, they're both down double digits. So there was no protection putting your money in bonds. Whereas a put is gonna have a negative correlation to a stock or a stock index and it's going to that balancing effect when markets go down double digits like they have in 2022.

Ryan Robertson: Do you find that your prospecting picks up in down markets or do you find your prospecting picks up in up markets? Like which market is better for you to pick up more prospects?

Cheryl Young: Ryan, I would have to say down markets because everybody's making money and happy in up markets. But my team separates themselves during a down market because we outperform by so much because we have that hedging in place and I remind clients all the time about this. For those of our clients, for example, that are retired, I will tell them the stocks that they own: Think of it like rental real estate. You own the house. That house? No one's knocking at your door and telling you how much it's worth every day. I mean, sure you could go on Zillow and see, but no one's telling you every day. With stocks, that's very much in your face. But with a house, what you focus on is not how much you can sell the house for. You're focused on the rental income. So if I'm selling calls on my stocks, even if those stocks are down 10, 20, 30% this year, if I'm getting back, you know, 16 to 20% income, which is what I'm getting right now, cause the option premiums are so high because the markets are so volatile, then that can offset that downward motion of the price of the underlying asset, the house or the stocks in this example. They're not having to sell whatever socks they own when markets are down because they're living off the income. And so, all we care about is: are their cash flows intact? And if the answer is yes, they're happily retired. Markets go down, markets go up. If they were straight up, no one would make money. It wouldn't be a risk premium; it wouldn't be the asset class to invest in. That's why you make more money in stocks. They're not straight up. So those option components in the portfolio are hugely impactful in helping calm down the fears because in a market like this where you have the S&P off more than 24% years to date NASDAQ off more than 35% year to date, you have to give clients back some cash flows.

And when we began the year treasuries, were paying less than 2%. So not even gonna come close to hedging against inflation. And we knew the prices were going to move down as inflation rose, which of course is exactly what happened this year.

Kirsten Pickens: Well, clients want to stay rich, so it makes a lot of sense why during down markets you tend to even get more. So, congratulations just on what you've been able to build over the years. It's really incredible. I want to pivot for a second though, because you have a term "financial fitness." Talk to me about that. What does that mean to you?

Cheryl Young: So, I was a fitness instructor back in the day before this career.

Kirsten Pickens: No way. What else do you have on that list of your resume? I mean, come on.

Cheryl Young: Do you remember Gold's Gym?

Ryan Robertson: Yeah, we had Gold's Gym. Yeah. They're everywhere.

Cheryl Young: I taught kickboxing, believe it or not. And aerobics. I'm really dating myself now but that's how I started teaching classes at Cisco was because Timeout Fitness, all my friends who were aerobics instructors with me worked for Timeout Fitness, and they said, Well, you can come teach aerobics here. And I was like, "No, I don't have time to do anymore, I'm trying to

build my career.” So we set up a fiscal fitness class at Cisco through the timeout fitness program, and that’s how it all kind of began way back when. And from that early beginning, I’ve really expanded it. So now I have a Women in Wine series where I twice a year bring in a vintner from Napa and they talk about their journey and how much money they’ve lost. Typically, cause it’s super fun to talk about with clients, but we make it a finance class and the women come in a very safe place where they aren’t feeling like the men are going to dominate the conversation and they can ask anything under the sun: credit scores, what they should do if they’re thinking about getting a divorce. You know, how to think about a prenup, how they educate their kids about money. It’s my favorite class. And then from that fiscal fitness series, I’ve also then sprung off My Kids in Money series.

The Women in Wine started about 16 years ago. The Kids in Money, Let’s see, Avery’s 19. So this was probably when he was about five or six. So, I’ve been doing it for, you know, 14, 15 years. And my kids would sometimes come, you know, groaning and whining about it. But they’re brilliant now around financial literacy, so it’s paid off personally.

And then my clients love it because their biggest fear is how to hand down money to the next generation. People think money is all about what’s going on with clients, but most of our high-net-worth individuals, they know they have enough money. Of course, they want me to make more money for them, but they really care about their kids.

Ryan Robertson: Absolutely, sure. Talk to me about, you know, without naming names or giving specifics, but I am curious what it must have felt like the first time you landed your biggest account or a big account. I think advisors are always out there and you’re in Silicon Valley, so this is why the question is coming. And you mentioned Apple and you mentioned Cisco and you mentioned all these huge corporations and companies that you work with. What was it like prospecting, you know, your first really big client? What did you learn about that, and then, how did you replicate it throughout your career?

Cheryl Young: Oh, goodness. You know, most of my peer group when we started, you know, you were given a phone book back in the day, like you were cold calling, right? I hated it. I hated cold calling. And so that’s why the fiscal fitness classes were really great because I could go teach a class and then I was the expert and people would come up to me afterwards and ask me questions, and then they’d want to come in for a free consultation. Like it was amazing. It was the best way to launch my career.

But I remember very clearly, and by the way, this client is still, my client today, one of my very, very first clients and his wife set up the meeting. He’s a CEO and his wife set up the meeting. He didn’t even know about the meeting because he was too busy. And when she booked the meeting with me, I got so excited, Ryan. I went and I bought a new suit because I didn’t have anything to wear that I thought was worthy right of this very high net worth client. And I was super nervous, you know, I mean because I was like 12 years old. I was super nervous and he is one of my dearest friends now. It’s really amazing.

He’s no longer married to the woman who called me. He’s married to someone else now. They’ve been married for a very long time, by the way. But I have been to their house a hundred times. I mean, we’re best friends. So, it’s funny cause I don’t think of him that way anymore. You know what I mean? You just become friends. And so how do I replicate it? I don’t know. I just become friends with my clients and again, you just do the right thing every time if you are focused on doing what the clients need, then it always works out, in my opinion.

Kirsten Pickens: It’s so well said. It’s so true.

Cheryl Young: I can’t even tell you how many times I was told I was going to fail when I first started because I wouldn’t sell company product. I wouldn’t do these big life insurance or

annuity policies that had huge commissions. But if you're charging one person a year and you have two clients, you're starving. It was really hard. It was really very difficult and I just stuck with it though, and I just knew it would turn out and if I just worked hard, if I was smarter than everybody else.

Kirsten Pickens: First of all, in many cases if someone's listening to this podcast, you could be an anomaly because I mean, you're top in your career on all the charts: Barons, Forbes, all of them, as a top ranked female advisor. If someone's listening to this, do you think that they hear "That's not for me. I can't do it"? Because I wonder when young women or anyone that's trying to come into this industry hear the best of the best, they think to themselves, "Well, that's just not me." But what I would love for our audience to hear is just the fact, like all the things that you've talked about, so many people can come into this industry and be successful in their own unique ways. Be authentic like you have been with your clients. Be real. Find your niche. I just think that the way that you've described how you've built your practice obviously are the top in your game, but people that are listening to this podcast can hear your story and they can think, "Maybe I can do this." And that's what we want to get out of.

Cheryl Young: I hope so. You know, I hired my niece into the industry and I just, I love that I can brag about that. She interned for me a few years ago and ended up switching her major because she just fell in love with it. And by the way, I'm divorced. It's my ex-husband's niece, technically, and I don't care. Like for me, she's still family. I love her. She's smart, she's brilliant. And we all know we need more women in this industry. So, I figure if I can just get one that's better. Right? But if I could do anything in the next 10, 20 years of my career, it would be to inspire more women to come into this career.

I think you can do anything you want to. You can raise kids, you can run marathons, you can rock climb. You can have the best of friends who are your clients as well. Most of the people who came to my wedding last year were clients. You just get close to people when you're working on these very intimate subjects and it's just a very fulfilling and amazing career.

I do think that women underestimate their potential, and when I started, there was a woman who had the corner office and I would knock on her door, pester her with questions, and I've always respected her time, but I was like, "I know you're busy, but you got to eat. Can I buy you lunch and pick your brain over lunch?" Find a mentor, find a role model, but don't underestimate your potential because I think you're capable of more than you think you are. And I think that it is the perfect career because women have a much more unique perspective on the whole picture than sometimes men do. Men tend to be very linear, logical thinkers, and I'm not saying women aren't logical by any stretch of the imagination. I mean, look, I have a math background, I'm very logical, but I am able to take a step back and see the big picture and see the forest through the trees, and I think that ability to really provide the bigger picture to clients is a unique strength. And the other piece, and I'm going share a story that is going to make me cry a little bit because it's just really near and dear to my heart. Yesterday morning, one of my clients, who's been a client for 20 years, had a meeting with me and I was trying to push it off for a couple weeks because I was flying to Vegas for this conference and my assistant was like, "No, they really want to talk to you. They said it was really important." So I was like, okay, they've been a client for 20 years. Of course. Just squeeze them. So I literally had the meeting and then was leaving to the airport directly after the meeting and the client sat down with me and said, the reason we wanted to meet and talk with you is we didn't want you to find out through the grapevine, because a lot of their friends and family are my clients as well, but he just got diagnosed with prostate cancer and I am really hopeful that he's going to be the statistical anomaly. But we all know the odds on prostate cancer, it's terrible, and the doctors are saying one to five years best case. and he said to me, Cheryl, you know this whole time when I got the diagnosis and I know the prognosis and my wife's really optimistic, I'm the realist.

He's like, I'm just so thankful we've always had you in our life, because I have seen what you have done for other clients who've lost her husbands. And I've always taken care of the money and she's always been dragged in the meetings kind of kicking and screaming, and I know you're gonna take care of her. I know when I'm gone that she's gonna have you on her. To help her navigate all of these next several years, and she's going to have this beautiful journey because of you. And I'm sitting there in the meeting just trying not to bawl because the weight of that. You know, when I think about what we do, we get so focused as advisors on our returns and on the stock market.

This is why we do what we do. It's stories like this, that are so impactful and it's what keeps me coming back to work. I have enough money to retire, you know, I mean, if I can't return what I have, you know, something's wrong with me. But I do it for situations like that where these people are so important to me and I am so important to them, and we can make a difference in their lives. And I just think that women could look at this career and find all of the beautiful reasons to do great work for great people.

Kirsten Pickens: If that's not a testament to the value of this role, I don't know what... I'm all choked up from that story.

Ryan Robertson: It's a beautiful story. It's why we wanted to do a podcast like this and highlight people like you, Cheryl.

Kirsten Pickens: It's an incredible story.

Cheryl Young: Sorry.

Kirsten Pickens: Mission accomplished with everything that you've done as far as trying to educate families and women on finances.

Ryan Robertson: Cheryl, you've been more than generous with your time. One of the things that Kirsten and I like to end all of our conversations with is a question about your 20-year-old self. I realize you said you basically graduated from college as a 20-year-old but go back to being your 20-year-old self. What advice would you give yourself at that time that if you had it to do over again, you would say, here's the lesson that I need to take into my career.

Cheryl Young: Oh boy, that's a really good question. If I could go back and talk to the 20-year-old Cheryl, I'd say, first of all, don't stress so much because I used to stress a lot and I would get bogged down into the details. And I am such an analytic at heart that sometimes I would get too focused on the details, and I would really get stressed about it. I think I have done a reasonable job of always having a pretty good balance. But it is definitely something I also struggle with in terms of creating that balance and time for myself, as a woman, we're all taught, we take care of our husbands and our kids and everybody else. And you know, there's days I'm like, I really want someone to take care of me.

So I would tell my 20 year old self to get more massages and some facials and just be a little bit kinder and more gentle to myself. I think that's what I would tell myself.

Ryan: Terrific. That's great.

Kirsten Pickens: Thank you so much, Cheryl. We really appreciate your time, your stories, and just again, congratulations on all your success.

Cheryl Young: Oh, thank you.

Ryan Robertson: Congratulations. Thank you, Cheryl.

Cheryl Young: Thank you. You guys are the best. I love you guys.