

Episode 85

Head to Head: A conversation with Eve Ellis, CFP[®], CIMA[®], Wealth Advisor and Vice President, William Blair

Eve Ellis:

When you build a portfolio, everybody always asks about risk tolerance and they want the portfolio to represent who the client is in terms of risk. And we're saying we want the portfolio to represent who you are in terms of you. And so we want that portfolio as well as being focused on risk, also being focused on what your values are and who you are.

Kirsten Pickens:

Welcome to Head to Head a podcast by FS Investments, where we get personal with the people of financial services. I'm Kirsten Pickens.

Ryan Robertson:

And I'm Ryan Robertson. We are the co-heads of distribution at FS Investments.

Kirsten Pickens:

Today we're excited to welcome Eve Ellis, Vice President at the Matterhorn Group at William Blair.

Ryan Robertson:

Eve has received numerous awards both for her work as a top wealth advisor and for her leadership in promoting equity and empowerment and financial services and beyond.

Kirsten Pickens:

In this episode, Eve discusses what it means to be passionate about fairness, why she advises young professionals to work where you're valued, and how she helps clients build wealth while changing the world for the better. So let's get started.

Eve, thanks so much for joining us today. We are so excited to have this conversation with you. I got to say, you've made the Forbes America's Top Women Wealth Advisor List, Crain's New York Notable Women in Financial Advice List. You've done speaking engagements at Davos. So many things. Your accreditation in this industry is fantastic, but financial services is actually a third career for you, right? You started off your time as a professional tennis player, I think. Is that right?

Eve Ellis:

That is true.

Kirsten Pickens:

We can't wait to unpack that.

Eve Ellis:

We shall. First, thanks for having me, but go ahead. You were in the middle. I was interrupting already.

Kirsten Pickens:

Absolutely. We appreciate it. We wanted to start with, like we do with all of our podcasts, to hear your beginning. What was your path to becoming a wealth advisor?

Eve Ellis:

Well, it was a circuitous path indeed. After, you mentioned, after I competed, I was on the Satellite Pro tennis tour and I coached tennis. So I think of that as kind of my first career. I coached the women's varsity tennis team at Columbia University and Barnard College. I also was the coach of the US men's tennis team in the Maccabiah World Games in Israel. And after coaching, I then had a web consulting company. So, I think of that as my second career. After 9/11, I decided that that was really not a passion of mine and I remember seeing an ad in the Wall Street Journal for a financial advisor. And as I remember it, I'm not sure if this is accurate, but as I remember, it said, "educators, entrepreneurs, attorneys and accountants come learn about being a financial advisor." And at that point I had been hearing about family members and friends making unwise financial and investment decisions. And it's not that I thought I had the knowledge at that point, but I thought that I could have researched and found them solutions. So when I saw educators and entrepreneurs, I felt, ah, this is something I should learn about. And really, I feel as though I get to coach people in a more important part of their lives than their tennis. Let's hope that their financial lives or their more important area of their lives. So, I just knew this made to me it was a perfect fit. It made sense.

Ryan Robertson:

So what characteristic as a tennis coach do you now use as a wealth advisor? The teaching aspect of it, you just said even the coaching aspect of it stuck out to you, but I'm just curious, that transition, what was that like or what is that like for you?

Eve Ellis:

Well, it seemed like a smooth transition because I am goal oriented. And so I see many similarities between competing in a sport, coaching a sport, and being a wealth advisor. But the biggest similarity I see is the focus on goals. And we help our clients figure out and achieve their goals and frankly, their goals become our goals for them. I mean, we're really providing them the strategy to get there and the means and the tools to get there. But I think this focus on goals is the big link.

Kirsten Pickens:

And how many of your clients do you play tennis with? I want to know!

Eve Ellis:

Some of them pull me out of retirement now and then.

Ryan Robertson:

It's got to be a tough situation. Can you beat your clients? Are you allowed to beat your clients in tennis?

Eve Ellis:

This is when just hitting becomes something that everybody wants to do.

Ryan Robertson:

So again, just to kind of build off of your interesting path to become a wealth advisor and all your recognition and success, what's your day-to-day experience like as an advisor? So, as you're talking to your clients, as you're talking to prospects, what is it as a financial advisor that your day-to-day looks like?

Eve Ellis:

Well, basically I feel so fortunate to be in this role because I'm in the position to have impact. I mean, well, let me actually step back a second because day to day you have to have a sense of what we're actually trying to accomplish. So sure, we do holistic wealth planning and that includes investments, estate planning, retirement planning, insurance tax minimization. But

basically, we, and when I say we, I mean my partner, Nikolay Djibankov and I, what we do is we take a macro view of wealth planning. So, we're asking the question, what is the purpose of your money? And the answers provide what we do day to day. So, we could start the day running numbers on a family's wealth plan. We could then switch to continue on a project we've been working on with a client who we're helping her start her own nonprofit, meaning her own 501-C3.

And then the end of the day we might prepare a client for the sale of his business. So what I love is that it is so varied, and maybe that's the other connection to my background in tennis because not the days were varied then, but when I had more to do my tennis thrived. And I think that that happens with how I work today. In other words, I love not only my clients, but I love the challenge of bringing the right solutions to our clients. And that's often with the collaboration and the support from our extended team at Blair. And we're basically developing important and long-term relationships with clients. And the day-to-day is gratifying.

Kirsten Pickens:

I want to go back to a phrase that you said, just your ability to have impact, and I'll try to sum this up, but I had obviously the great opportunity of spending time with you and Nikolay, I guess I was about a month ago. And it was really eye-opening just to see how much that means to you, your ability to have impact and you take it really, I think to the next level. You've talked about this in different interviews that you've had. Just your client interaction has opened up your eyes of the potential of socially conscious investing. And so therefore you have your own portfolio that touches that. And if we could dive into that a little bit, I think that's very unique with a lot of advisor teams. I would love to hear how that came about, why that's important to you, and ultimately how that does help you deliver impact.

Eve Ellis:

Well, thanks for asking that question. Back in, I think it was about 2004, I noticed that the portfolio of my client who requested socially responsible investments outperformed traditionally invested portfolios. And that prompted me to pause and to look at socially responsible investing more closely, later, ESG, environmental, social and governance focused investing. And that led to gender lens investing and diversity lens investing as a means to seek strong returns for clients. So there was and there still is a preponderance of research that shows that diverse teams can correlate with better performance. What I should say is basically these portfolios are focused on gender balance and gender parity and diversity. But it came from the research. If the research hadn't been there showing that diverse teams can correlate with better performance, we wouldn't have pursued it for our clients. So, in fact, there was a paper put out by BlackRock that showed that outperformance for the most diverse workforces, and in this case it was focused on women when it said diverse. So, companies with the most diverse workforces in terms of return on assets outperformed...ready for this one. Do you want to take a guess what it is?

Kirsten Pickens:

A lot? I'm very curious.

Ryan Robertson:

Yeah, I'm waiting for the answer.

Eve Ellis:

They outperformed those companies with the least diversity among their workforce, they outperformed in the return on assets by 29% per year for the last 10 years. So, this is not a gray area. It's hard to outperform by 29%. There's a business case, a strong business case, to invest with a diversity lens. So that was really the motivation. But then there are also other reasons. Our clients get to invest with their values and they get to reward companies that do the right thing and they get to change corporate behavior. So that's getting back to that issue of impact so that corporations will become more diverse and basically we're getting to watch our clients learn to use their money to affect the world. That's awesome.

Ryan Robertson:

So, Kirsten and I talk a lot about diversity. In fact, we launched this podcast Head to Head in a lot of ways to shine a light on the lack of diversity in our industry. And so since you brought it up, I'm curious, why do you think we have such a lack of female presence in the financial advisor community and a lack of African-Americans, et cetera, et cetera. Why is it that it's dominated by guys like me?

Eve Ellis:

This is a question that has been bothering me for quite a while. The short answer is I don't know, but I say this is an awesome profession. I mean, don't you think, Kirsten, it's awesome in terms of being a wealth advisor, you get to help people in an area that's important to them. You get to help people achieve their goals. You get to help families make a difference in the lives of others. I just don't get it. Now on a previous podcast, you both mentioned your own daughters and perhaps their seemingly lack of interest in this industry. And what I would say to you both is don't lose heart. After all, they may be entering other fields first, just think of it as a first because it does not make sense to me.

Kirsten Pickens:

To that point, Eve, it's funny, just in the last, I would say three weeks, I don't even know if I've told you this, Ryan, my oldest is now saying she does want to come into this profession. But you know how I've sold her on it. I've sold her on just the relationship aspect of it, which I think would be great to dive into with you because you didn't go to school wanting to be a financial advisor. And look at this like your third career, given your background, obviously you have an impressive background with your Ivy League schools. But regardless, this business is all about doing business with people you like and people you trust. And that's, I think really in any industry. But in this industry in particular, it's so relationship oriented. And I think that is one of the things that maybe some of this younger generation doesn't see or realize how impactful they could be if they knew that was what could really help them be successful in this industry.

Eve Ellis:

Yeah, I couldn't agree more. I think that it's the focus on relationship building, long-term relationships. Again, doing business with people you want to, whether it's your colleagues or obviously your clients. And when I was answering, I was thinking more about thinking of it as a helping profession that maybe that would stir some interest. But I think certainly the relationship aspect of being a wealth advisor is front and center. And again, we are building long-term relationships, which are not just to say you're building a long-term relationship because it's really more gratifying and to help clients achieve their goals and to be there for the important pivotal times in their lives is, I don't know why someone wouldn't want to be. But I guess the other side is somebody just more transactional. And this business is just the opposite of transactional. And so, I just think maybe the word needs to get out, and you two are getting the word out by putting a spotlight on wealth advisors who value this.

Kirsten Pickens:

And you're doing the same with all that you do in your practice. And I know that you're a big advocate for women's organizations, including the Ms. Foundation of Women and the Ms. Action fund. Can you tell us a little bit more about that?

Eve Ellis:

Yeah, I mean the Ms. Foundation for Women and the Ms. Action Fund, let's start first take you back to probably when I was born. I have always been a feminist. Fairness is in my blood. I think fairness is a really good thing. The Ms. Foundation was founded by Gloria Steinem and other founding mothers, as we call them. And it's about building women's collective power in the U.S. That is the mission of the organization. And the Ms. Action Fund supports leaders who seek equality and equity for women and girls of color in this country. And it's like marrying my interests and passions with what I do for a living. So, I spend time with the boards you mentioned, including guiding the capital markets, investments of the Ms. Foundation to a values aligned portfolio. And I always give the example of a nonprofit that is focused on doing

good for the environment, protecting the environment, and then investing in large oil companies, for example.

So, the capital market's investments being aligned with mission is I think really paramount to making change. As a wealth advisor. I continually seek women and diverse asset managers for our clients' portfolios, and we seek outside managers who have a mandate, if you will, to apply ESG screens, including gender lens and racial equity and social justice screens. And as I mentioned before, diverse teams can outperform so there are actually two reasons to invest for clients with diversity in mind. Again, it's a merging of my passions for my passion for fairness, and also for seeking possible strong returns for clients.

Ryan Robertson:

So I'm going to ask you an easy question follow up and then a harder question follow up. So the easy question is the socially conscious investing your differentiator? As we talk to advisors around the country, and Kirsten and I have been doing this for a long time, I don't remember talking to an advisor that seems to be as dialed in and as passionate, frankly as you are to the areas of investing you just mentioned. Is that something that really, truly differentiates you really in the country?

Eve Ellis:

So it does differentiate us. There are others who do it. So I don't want to act as though we're the only ones who do it, but it is definitely a key differentiator because we are dealing with families that want their dollars to go more. And just, if you think about it, Ryan, if you think about when you build a portfolio and the risk tolerance, everybody always asks about risk tolerance and asks all different questions to figure out what that tolerance for risk is, and they want the portfolio to represent who the client is in terms of risk. And we're saying we want the portfolio to represent who you are in terms of you. And so, we want that portfolio as well as being focused on risk, also being focused on what your values are and who you are. And I have to say, sometimes when there is inherited wealth, we'll see that the inheritor, the younger family member, usually younger, hopefully, has inherited a portfolio that does not represent who they are at all. We don't make changes overnight. It takes time and we want to be focused on tax situations, et cetera, but we want that portfolio to represent who the investor is, who the client is. And so yes, that is a differentiator for us.

Ryan Robertson:

So then here's the more difficult follow up. What do you say to the critics that say, social investing doesn't work? Wait a second, you're going to take out an oil company, or you're going to take out Philip Morris or an XYZ company that has historically been very, very good and you're eliminating the amount of, or the number of stocks or investments I could buy, and thus that's ultimately hurting my performance. You've heard probably that criticism of socially conscious investing. What is your response to that?

Eve Ellis:

Well, it's interesting you asked that because we had heard that until research came out to say that's not the case, that, I believe it was two years ago, ESG funds outperformed traditionally invested funds. So the disparity in the performance isn't really what the big question is that we currently hear, but maybe that's because we live in our own bubble. We hear more that ESG isn't important or the backlash against ESG, not so much about performance, but about, it's a different framing actually, now that I think about it, it's really a different framing because those who are creating the backlash are saying ESG is comparable to woke, which is comparable to social issues as opposed to everybody's doing an ESG overlay now. If they're not, I mean, they want to be investing in forward-thinking companies? It's just a matter of what gradation, but it's unusual to have investment management firms not look at certain ESG criteria. I mean, we want to be forward thinking, not backwards thinking.

Ryan Robertson:

Yeah, sorry to interrupt, but I think you said it earlier. I think it really comes down to your client's interests. You're trying to align them with things that they believe in, and so you're just

ultimately trying to give them a solution to what they firmly and strongly in, which also happens to be something you believe in.

Eve Ellis:

Exactly. You're right. And just the way you were saying before, Kirsten, that this is a relationship, it's not as though, we're not right for everybody. So, it's not as though we're saying everyone needs to have these values, but there for those who do have these values, there's a way to be even more impactful than you already are. Maybe they're already being impactful on the philanthropic side, but just not on their capital market investment side.

Kirsten Pickens:

Yeah, that's a good point. So, we've talked on this a little bit throughout this conversation Eve, but getting back to philanthropy, you talk often about how wealth planning goes hand in hand with philanthropy and how this has really manifested in your work with your clients and in the ways that you give yourself back to the community. And I would just like to dive into that a little bit more maybe through some of the things that you do and examples, if you wouldn't mind hitting that, because I think it's really powerful.

Eve Ellis:

So when we discuss the purpose of a family's money, another question usually pops up, which centers on their philanthropy. We ask the question, what problem are you trying to solve? And we do a deep dive with our clients. How can they be the most effective, impactful philanthropists? For me, since you asked about me, as I said, I'm passionate about fairness and doing the right thing. So, I take a well-known three-pronged approach, time, talent, treasure. So I'm a member of Blair's Community Impact Steering committee. I'm an active member of a subcommittee of it, which is called Our Capital Collective, and we focus on offering support to those who are often overlooked or underserved in the financial landscape. What we do is we provide them with the tools and education to navigate their financial journey with confidence, which in turn aids in reducing the racial wealth divide. So, there are so many ways to give back because there's so much work to be done.

Kirsten Pickens:

A hundred percent. I got to say, I mean, Ryan said this already, but the purpose of this podcast was to create more awareness to diverse talent, women on this podcast and avenues that to colleges and places that we may not be hitting to make them feel more aware of what goes on in this industry and everything about you. Your entire DNA is exactly aligned with the purpose of this podcast, so it's so awesome to hear your story.

Eve Ellis:

Well, it's interesting, I love hearing you say that, and I even get a chill because I think what you're doing is fantastic. I mean, we are, what they say is simpatico. We are simpatico.

Kirsten Pickens:

Simpatico, there's a word.

Eve Ellis:

So I thank you for doing what you're doing. I mean, I just think it's terrific. It will make a difference. You will make a difference.

Kirsten Pickens:

We all will do that together. There's a lot of work that needs to be done, and it's going to be a longstanding initiative that everyone needs to participate in.

Ryan Robertson:

Who are, when you're in that subcommittee, who are the underserved that you're trying to lift up? What does that group look like?

Eve Ellis:

Oh, so I was on a panel with entrepreneurs who are women of color based in Chicago, and it was part firm wide in terms of who was on the panel. So it could have been an investment banker as well as someone from private wealth management, to impart information about an education about what these entrepreneurs should be thinking about at certain points of the life of their business. And for others it might be working on budgeting. It's really varied in terms of who the groups are, but I would say it is definitely, people of color who have not had a break in terms of many terms of much, let's face it. But it's basically women of color is where the real focus is at this point, at least for the ones, for the pieces that I've been active in.

Ryan Robertson:

Right. Well, your passion and conviction for fairness, as you keep saying, and diversity, shines through, and it was an honor and a joy to speak to you. So, one of the things that Kirsten and I like to do as we end every episode of head to head is we like to ask each one of our guests the same question. And that is, if you could give one piece of advice to your 20-year-old self, what would it be?

Eve Ellis:

It's sort of easy. Make sure you work where you are valued. So, when younger women would ask my advice, I would tell them, wherever you work, you need to feel valued. And then one day I looked in the mirror and I thought, I don't feel so valued. So Nikolay and I began a deliberate search to find the right home where we would feel valued and we found the right cultural fit at William Blair. So, if I can just tell you for a second about the firm and why we chose it over actually 12 other firms. And we were honored that they chose us as well. But Blair is an 87-year-old firm that's, I'd call it a quiet, private partnership. First of all, on day one, we were invited to join the firm wide ESG task. That means we know our colleagues from the other business units, our colleagues seek our input.

Yes, we're valued and feeling valued leads to more engagement. And that translates to a positive for our clients. We know our investment bankers, we can make introductions for entrepreneurs seeking to sell their businesses. We can provide a forum for sharing of best practices among family offices. We can develop bespoke solutions that fit the situation and the client because we have such a nimble firm where the business units work as a cohesive firm or team. And I will actually throw out one other piece, which was, I do not think, and I'm challenging you all at FS Investments right now. I know you do the same, but I don't think there's another financial services firm out there that is as focused on community engagement as Blair. So fortunately for us, we found the right home.

Kirsten Pickens:

It's very powerful. Yeah, a great answer and powerful story. And I think we're just going to have to repeat that: work where you feel valued, because for one, the fact that you feel that way and you found that with Blair is a testament to the due diligence that you did to get to that point. But it's also a great message for all the women that are listening, well, anyone really, not just women, but it's really important for the females who sometimes think that they don't have other options or other choices. And from an early age, like you said, your 20-year-old self, figure out where you feel valued. And if you don't move, pivot, fail, fail fast, and go on to that next place. Because I think that is maybe one of the most important pieces of advice you can give a young woman today. So thank you so much, Eve. It's been such a pleasure talking with you. Sorry, were going to say something?

Eve Ellis:

No, I was just going to say I understand it's not always so easy to make a change, but in the long run, it makes a big difference to feel valued. So that was it. This has been a pleasure speaking with both of you both. So thank you so much.

Kirsten Pickens:

Yeah, thank you. Seriously, really, there's no other advisor that we can speak to that has the

practice set up the way that completely aligns simpatico with the mission of this podcast. So, thanks for taking the time to be with us

Ryan Robertson:
Eve, thank you so much for joining Head to Head.

Eve Ellis:
Thank you both. I give you both a thumbs up. Thanks.

Ryan Robertson:
To get the latest episodes as soon as they're available, be sure to subscribe to the Fireside podcast.

Kirsten Pickens:
For more on this episode, visit www.fsinvestments.com. Head to Head. This episode was edited and engineered by Erin Sherman. Video was produced by Melissa Vindetti and copy provided by Harrison Beck. Special thanks to show coordinators Lara Coleman and Ellie Zang. Thanks for listening.