



Benchmarking 2002



Report to Women in Capital Markets

About Catalyst

Catalyst is the leading research and advisory organization working to advance women in business, with offices in New York, San Jose, and Toronto. As an independent, nonprofit membership organization, Catalyst uses a solutions-oriented approach that has earned the confidence of business leaders around the world. Catalyst conducts research on all aspects of women's career advancement and provides strategic and web-based consulting services on a global basis to help companies and firms advance women and build inclusive work environments. In addition, we honor exemplary business initiatives that promote women's leadership with our annual Catalyst Award.

About Women in Capital Markets (WCM)

WCM is a nonprofit organization established in 1995 to advance the involvement and impact of women in the capital markets and to be a positive force for change in the industry in response to the evolving business environment. Capital markets activities include the issuing, buying, selling or trading of securities, currencies and derivatives. WCM is supported by nine Founding Firms, and the Board of Directors is assisted by an Advisory Council of distinguished leaders. WCM is based on sound business principles and is endorsed by the senior management of all the founding firms.

WCM has three main objectives:

1. to promote the entry, development, and advancement of women in the capital markets;
2. to develop information resources, communication strategies, and education programs, and;
3. to provide a forum for networking and the discussion of issues relevant to women in the capital markets.

Participating Firms

The following six Canadian financial services institutions participated in, and sponsored, this study.



CATALYST'S REPORT TO WOMEN IN CAPITAL MARKETS

BENCHMARKING 2002

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INTRODUCTION

In 2002, Women in Capital Markets (WCM) engaged Catalyst to examine the representation levels of women in two lines of business—Investment Dealer and Retail Private Client. This study is a follow-up to the benchmarking component of Catalyst's 2000 report to WCM, *Women in Canadian Investment Dealers: Growing the Pipeline*. This year, six of Canada's largest financial institutions—BMO Financial Group, CIBC, National Bank Financial Inc. (subsidiary of National Bank of Canada), RBC Financial Group, Scotiabank, and TD Securities (subsidiary of TD Bank Financial Group)—sponsored and participated in the study.

The Investment Dealer and Retail Private Client lines of business play an essential role in the Canadian economy, raising capital for governments and businesses, and advising and trading securities for individual and institutional clients. They help companies raise debt and equity capital (in the form of preferred or common shares) in amounts both large and small. This capital is used to help companies grow by allowing for the development of new products or the expansion of existing operations. Since 1994, for example, more than \$196 billion in new equity has been raised by the industry¹ for more than 17,000 companies.²

In an industry so critical to productivity growth, wealth creation, and employment, it is important that women be well represented across areas and levels. However, as this report indicates, men continue to outnumber women four to one in the industry. Women are still found predominantly in staff roles, with little change since 2000 in the proportional representation of women Professionals and Vice Presidents. At the level of Managing Director, the representation of women has declined from 11 percent in 2000 to 10 percent in 2002.

However, there are some positive developments in specific areas within the industry. For example, women comprise 29 percent of Professionals in Corporate and Investment Banking, up from 25 percent in 2000, indicating a strengthening of the pipeline in this area.

Notwithstanding the bright spots, the story in 2002 for women in this industry is generally one of little change. The participating firms' sponsorship of this study confirms the need for accurate statistics that benchmark women's advancement in order to promote understanding of the issues facing women in the industry. Ultimately, tracking the progress of women enables the firms to understand where they are making progress in the recruitment, retention, and advancement of women. In the long run, understanding where progress is being made, and where more attention is needed, will enable the industry to ensure that it is tapping all of its talent most effectively.

The first section of this report presents findings on the industry overall, by both area and level. The sections that follow provide a deeper look at each of the two lines of business that comprise this industry, Investment Dealers and Retail Private Client, reporting on the representation levels of women and men in different functional areas and roles within each of these businesses. The conclusion provides a call to the industry with specific suggestions on how to increase the representation of women. Finally, the study's methodology is outlined at the end of the report. It notes changes to the methodology used in the 2000 study, including the addition of Branch Administrators on the Retail Private Client side and the participation of six rather than seven Investment Dealers in 2002.

¹ For the purpose of this report, the "industry" refers to the combination of Investment Dealer and Retail Private Client businesses.

² Investment Dealer Association, 2003.

INDUSTRY FINDINGS

INDUSTRY KEY FINDINGS

Overall, there is very little change in the representation of women in the industry.

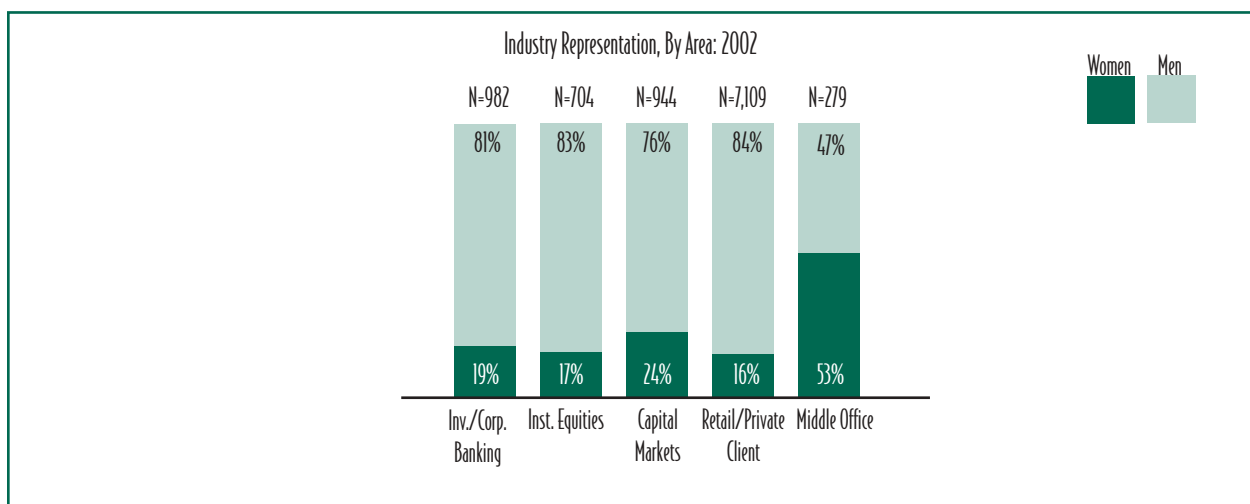
- ◆ Men continue to outnumber women four to one across the industry (this includes support staff³ in the Retail Private Client business).
- ◆ Women continue to be found predominantly in staff positions (Middle Office and support staff roles in the Retail Private Client business), with 72 percent of women in the industry in staff roles.
- ◆ The representation of women at the Professional and Vice President level is unchanged from 2000.
- ◆ The representation and absolute number of women at the senior level of Managing Director has declined from 11 percent to 10 percent.

The representation of women in the Investment Dealer and Retail Private Client business in 2002 shows little change from 2000. Women account for 39 percent (6,002) of the total 15,216 Managing Directors, Vice Presidents, Professionals, and support staff across the five areas of business in 2002, up from 37 percent (5,520) in 2000. Much of this increase can be attributed to the inclusion of a new category in the Retail Private Client business, Branch Administrator.

When support staff³ is removed from this population, women account for 18 percent of Managing Directors, Vice Presidents, and Professionals across the five functional areas, down from 19 percent in 2000. In 2002, men continue to outnumber women by approximately four to one in this industry.

By Area

Men continue to outnumber women in four of the five functional areas. As in 2000, women's representation ranges from 16 percent in Retail Private Client (excluding support staff in Retail Private Client) to 53 percent in the Middle Office.



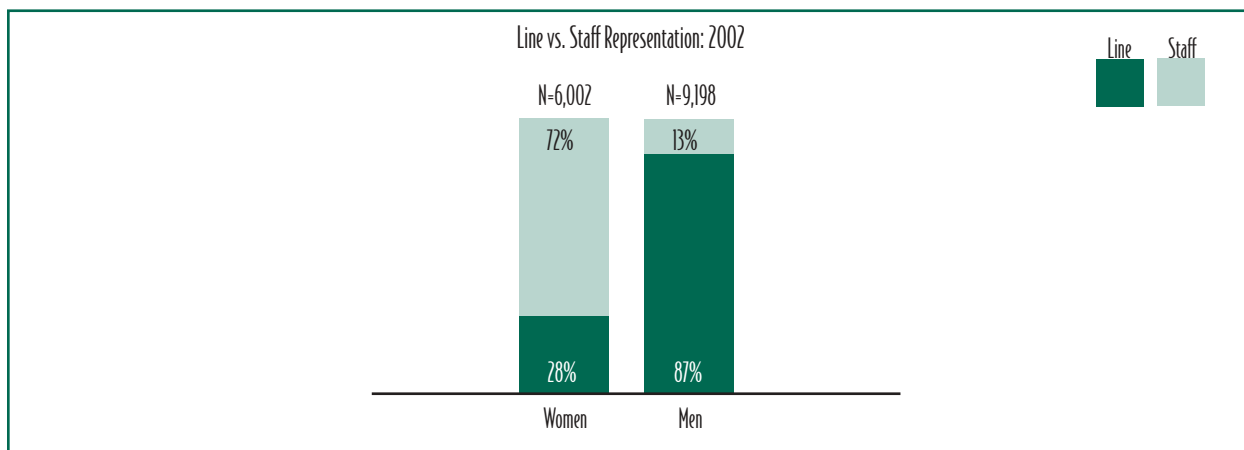
³ Support staff is defined as Sales Associates, Sales Assistants, and Branch Administrators in Retail Private Client.

Line vs. Staff

Catalyst's research illustrates that line experience is typically a prerequisite for advancement to senior- and executive-level positions. For the purpose of this report, line refers to all positions in investment and corporate banking, institutional equities, capital markets, and all positions in Retail Private Client with the exception of support staff. Staff roles include the Middle Office and support staff in the Retail Private Client business.

Women continue to be far more likely to work in staff areas than in line positions. In 2002, although women comprise 39 percent of the overall industry population, they comprise 79 percent of staff positions and 17 percent of line positions. These proportions are virtually unchanged from 2000.

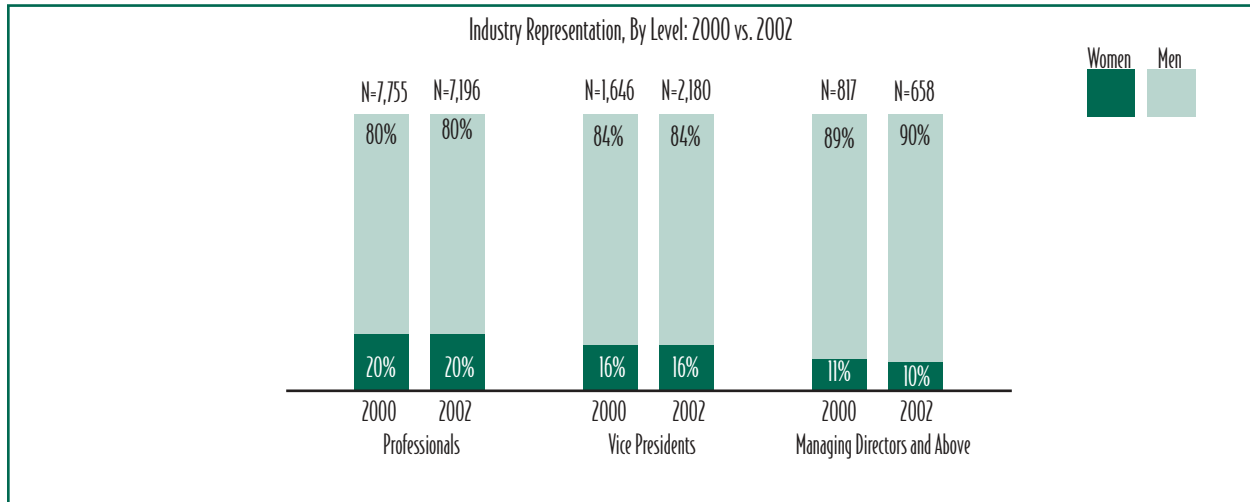
Looking at the data another way, of the 6,002 women in the industry, 72 percent (4,299) hold staff positions while 28 percent (1,703) of women hold line positions. By comparison, of the 9,198 men in the industry, 87 percent (8,036) hold line positions and 13 percent (1,162) hold staff positions.



By Level

Similarly, at the Professional and Vice President level, the proportional representation of women remains essentially unchanged from 2000. The number of women at the Vice President level increased by 85 (from 269 in 2000 to 354 in 2002) and the number of women at the Professional level (excluding support staff) declined by 102 (from 1,534 in 2000 to 1,432 in 2002).

The representation of women at the Managing Director level decreased from 11 percent (90) in 2000 to 10 percent (66) in 2002.⁴



⁴ A portion of this decline in the absolute number of women at the Managing Director level from 2000 to 2002 can be explained by the fact that Merrill Lynch did not participate in the 2002 study. For details, see Methodology, page 23.

INVESTMENT DEALERS

KEY FINDINGS

- ◆ Women comprise 29 percent of Professionals in Corporate and Investment Banking, up from 25 percent in 2000, indicating a strengthening of the pipeline in this area.
- ◆ The representation of women at the Managing Director level decreased from 11 percent in 2000 to 10 percent in 2002. This decrease is largely reflected in the reduction of the number of women Managing Directors in the Middle Office from 23 to 9.
- ◆ No women hold "clout titles" (i.e., most senior titles in the firms) at the Investment Dealers, and women comprise 10 percent of the Management Committees.
- ◆ Women are twice as likely to be found in sales than in trading positions.

Canadian Investment Dealers assist a wide range of organizations in raising capital. Unlike other financial service organizations, the Investment Dealers do not accept deposits from or provide loans to individuals. They assist companies in issuing new securities and they aid investors in buying and selling securities.

In this report, we focus on four specific functional areas within the Investment Dealer business:

- ◆ **Corporate and Investment Banking**—In the Corporate and Investment Banking area, the firm underwrites or acts as an agent for corporations and governments issuing securities and offers advisory services to investors. Investment Banking also has a large role in facilitating mergers and acquisitions, private equity placements, and corporate restructuring.
- ◆ **Institutional Equities**—In the Institutional Equities area, the Investment Dealer sells and trades equity securities (i.e., stocks). Equity Research Analysts also track and analyze the performance of a wide variety of company stocks in a range of industries.
- ◆ **Capital Markets**—In Capital Markets, the Investment Dealer sells and trades debt securities. Within Capital Markets, the Investment Dealer focuses on specific kinds of markets, including Fixed Income, Derivatives, Foreign Exchange, and Money Markets functions.
- ◆ **Middle Office**—The Middle Office comprises a variety of staff functions that support the other three areas. In 2002, these functions include Finance, Human Resources, and Compliance.

OVERALL REPRESENTATION

The Investment Dealer total population decreased 3 percent from 3,007 to 2,925 between 2000 and 2002.

In 2002, women represented 23 percent (681) of the participating firms' Investment Dealer population, a decline from 24 percent (727) in 2000. Overall, men continue to outnumber women three to one in the Investment Dealers, across the four functional areas.

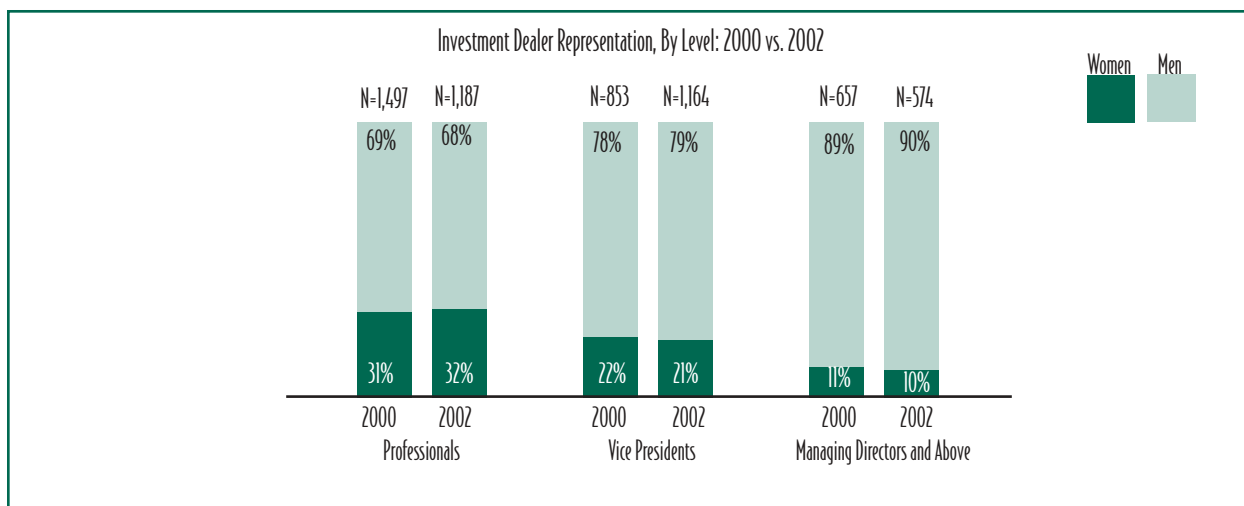
Senior Management

Relative to their representation in the overall population, women continue to be underrepresented at the most senior levels. A total of 16 men hold "clout titles" (i.e., executives at the top of the organization, including the Chair, CEO, President, and Chief Administrative Officer) in the participating Investment Dealers. No women hold clout titles.

Each participating firm is managed by a senior leadership body (e.g., Management Committee, Operating Committee). Women comprise 10 percent (5) of the members of the participating firms' management committees in 2002.

By Level

Women's representation in the industry has remained largely unchanged since 2000, with marginal changes across the three levels. The proportional representation of women at the Managing Director level declined from 11 percent (74) to 10 percent (59) in 2002.⁵

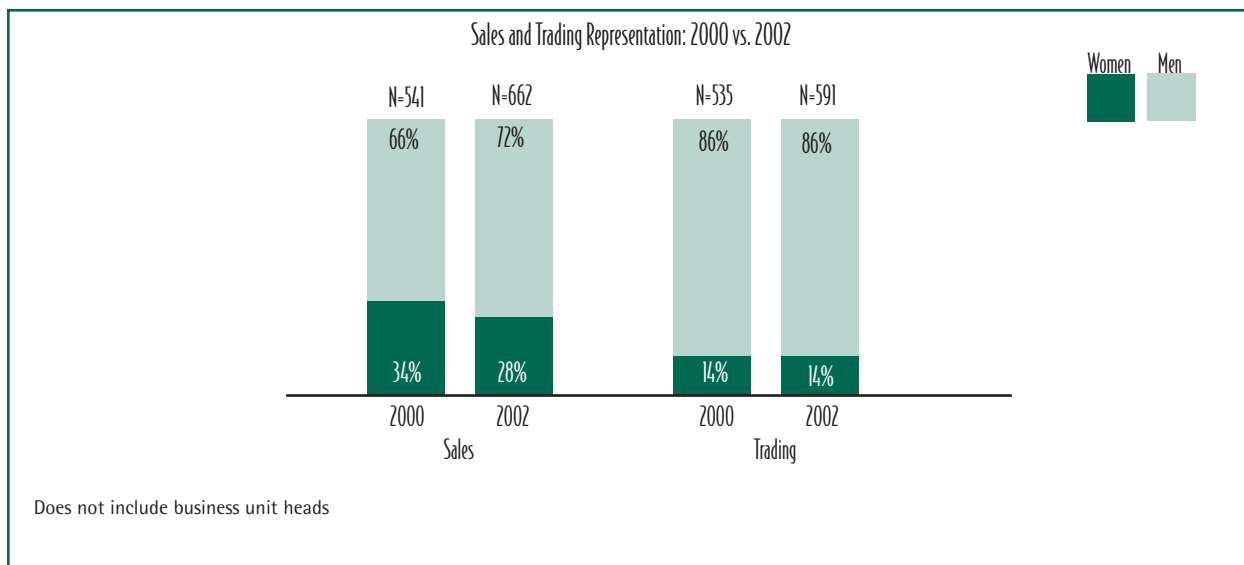


⁵ A portion of this decline in the absolute number of women at the Managing Director level from 2000 to 2002 can be explained by the fact that Merrill Lynch did not participate in the 2002 study. For details, see Methodology, page 23.

Sales and Trading

Both Institutional Equities and Capital Markets have sales and trading functions. In 2002, women continue to be more highly represented in sales jobs than in trading jobs, comprising 28 percent of the sales jobs compared to 14 percent of trading jobs. Looking at the data another way, there are twice as many women in sales jobs (187) as in trading jobs (82).

Although women are more likely to be found in sales than in trading, the proportion of women in sales jobs declined from 34 percent in 2000 to 28 percent in 2002. However, the absolute number of women in sales jobs remained approximately the same (184 in 2000 versus 187 in 2002). In trading, the number of women has increased from 74 in 2000 to 82 in 2002.



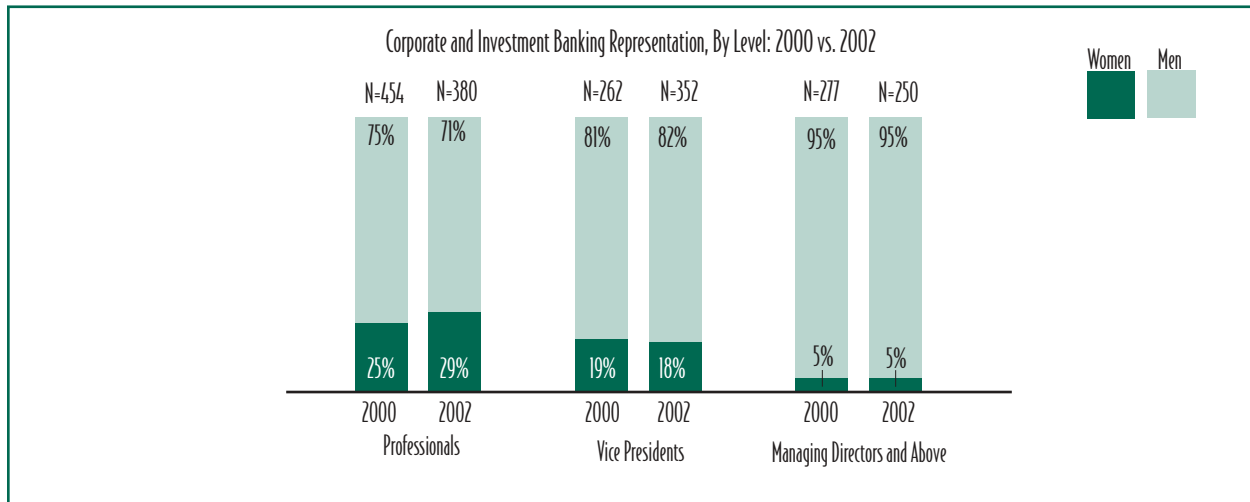
CORPORATE AND INVESTMENT BANKING

The total population in Corporate and Investment Banking remained largely the same between 2000 and 2002 (993 versus 982).

During this period, the overall proportion of women Corporate and Investment Bankers increased from 18 percent (180) in 2000 to 19 percent (185) in 2002.

Women now account for 29 percent (110) of Professionals in Corporate and Investment Banking, up from 25 percent (115) in 2000. Although there is a slight decline in the absolute number of women, this increase in proportional representation indicates a strengthening of the pipeline of women in this area.

The number of women at the senior levels remains low in 2002, with women continuing to account for 5 percent of Managing Directors.

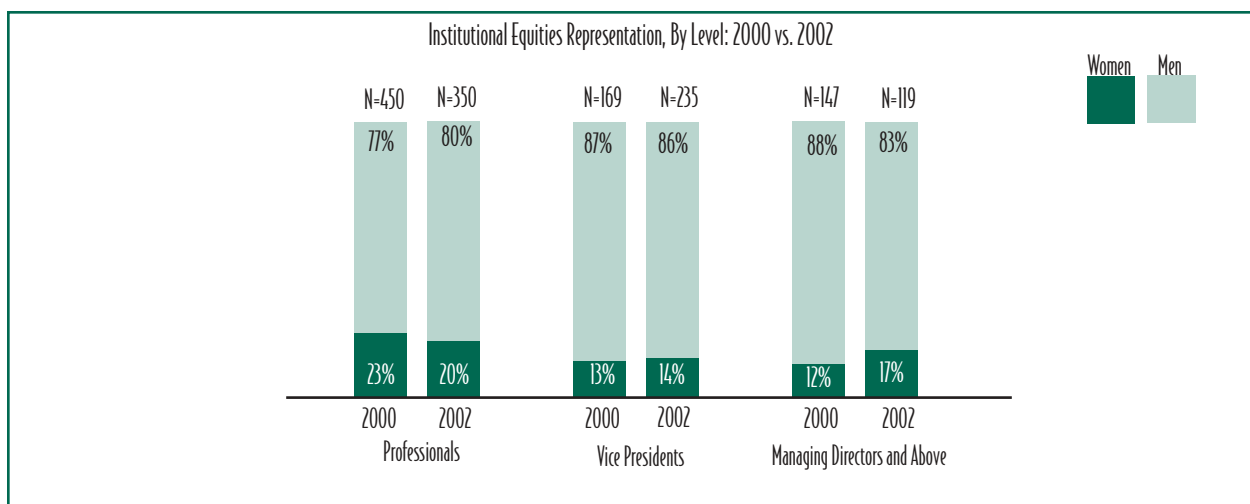


INSTITUTIONAL EQUITIES

The total population in Institutional Equities declined nearly 8 percent from 766 in 2000 to 704 in 2002.

Between 2000 and 2002, the overall proportion of women in Institutional Equities decreased from 19 percent (143) to 17 percent (121).

In contrast to the other functional areas in the Investment Dealers, the proportion of women at the Professional level decreased from 23 percent (104) in 2000 to 20 percent (69) in 2002.⁶ Conversely, despite a decline between 2000 and 2002 in the total number of positions at the level of Managing Director, the proportion of women at this level increased from 12 percent (17) to 17 percent (20).

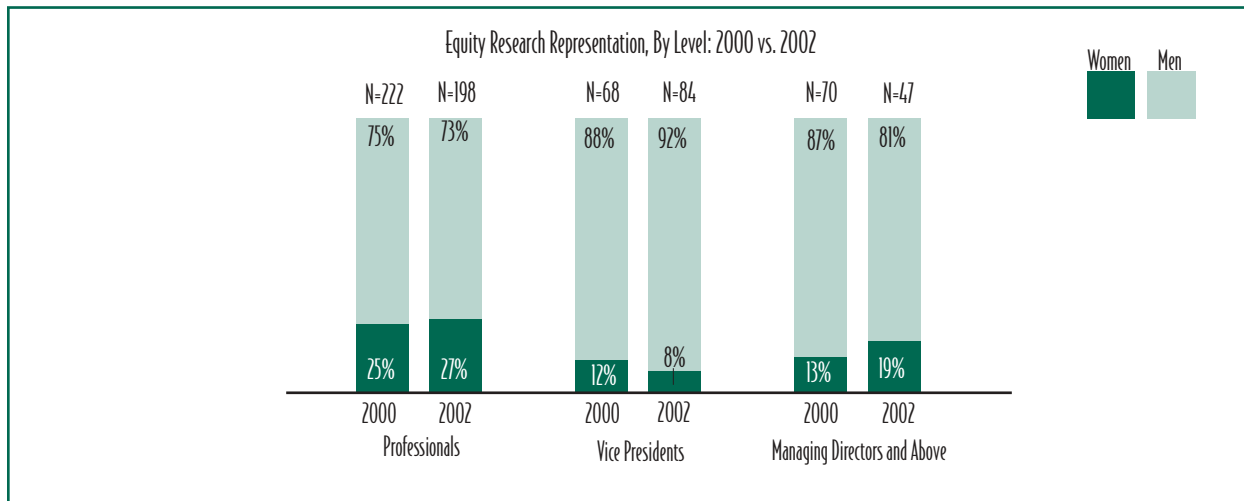


⁶ A portion of this decline in the absolute number of women at the Professional level from 2000 to 2002 can be explained by the fact that Merrill Lynch did not participate in the 2002 study. For details, see Methodology, page 23.

Equity Research

Women comprise 21 percent (70) of Research Analysts in 2002, up from 20 percent (72) in 2000.

Although the absolute number of women in equity research remained flat over this period, women's proportional representation increased at the Professional and Managing Director levels.



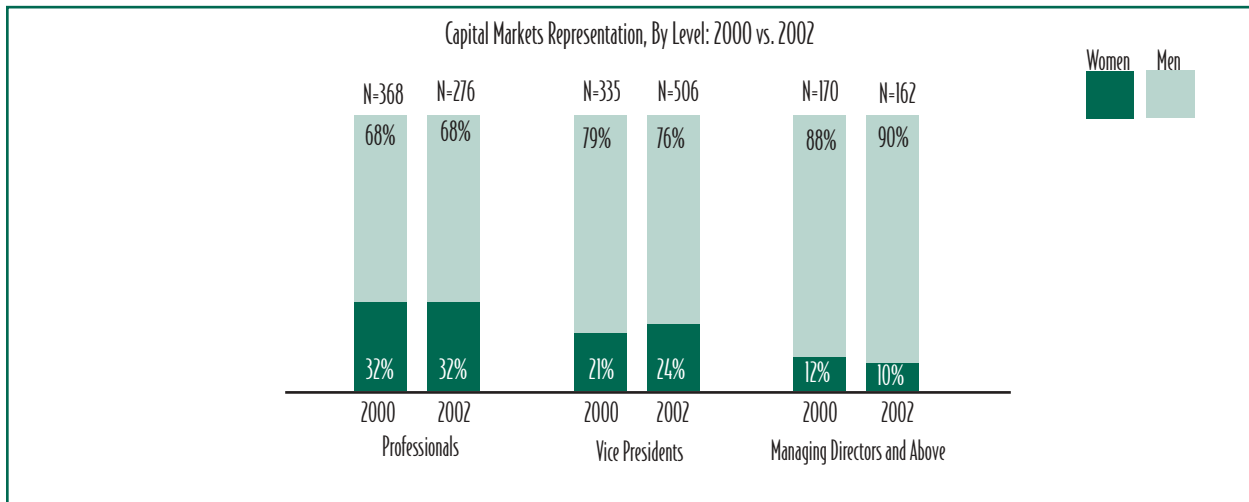
CAPITAL MARKETS

The total population in Capital Markets increased 8 percent from 873 in 2000 to 944 in 2002.

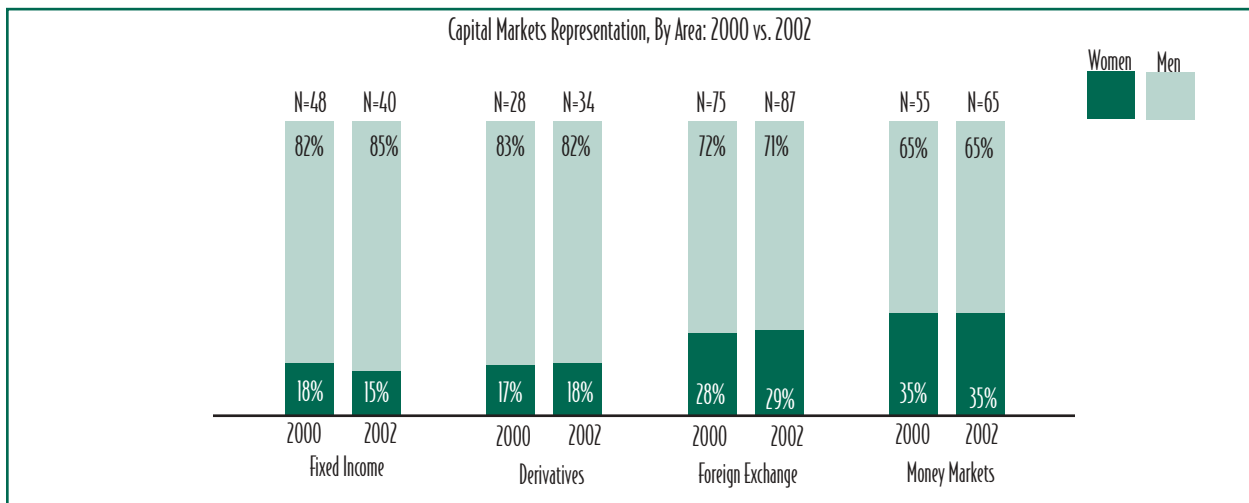
Between 2000 and 2002, the overall proportion of women in Capital Markets remained at 24 percent, with an absolute increase of 19 women (207 women in 2000 versus 226 in 2002).

The proportion of women increased at the Vice President level from 21 percent (69) in 2000 to 24 percent (122) in 2002. Conversely, at the Managing Director level, the proportion of women decreased from 12 percent (20) in 2000 to 10 percent (17) in 2002.⁷

⁷ A portion of this decline in the absolute number of women at the Managing Director level from 2000 to 2002 can be explained by the fact that Merrill Lynch did not participate in the 2002 study. For details, see Methodology, page 23.



Within Capital Markets, women are better represented in the Foreign Exchange and Money Markets areas than in Derivatives and Fixed Income. In 2002, women comprise nearly one-third of the population in Foreign Exchange and Money Markets, compared to less than one-fifth in Derivatives and Fixed Income.



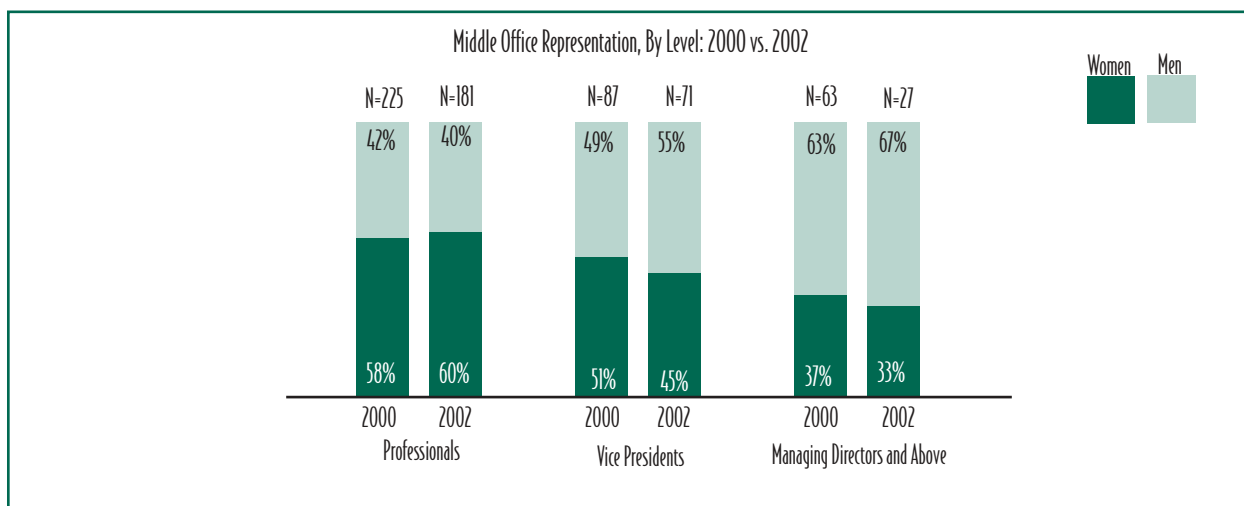
Although the proportional representation of women generally remained flat over the two-year period, the absolute number of women has increased in Derivatives, Foreign Exchange, and Money Markets. The exception is Fixed Income, where both the proportion and number of women has decreased from 18 percent (48) in 2000 to 15 percent (40) in 2002.

MIDDLE OFFICE

The total population in the Middle Office decreased by 26 percent from 375 to 279.

Women continue to comprise just over one-half of management in the Middle Office. The overall proportion of women remained at 53 percent in 2002, with a decrease of 48 women over the two years (from 197 women in 2000 to 149 women in 2002).

The decrease in the absolute number of women in the Middle Office is reflected in decreases at the Vice President and Managing Director levels. The proportion of women Vice Presidents decreased from 51 percent (44) in 2000 to 45 percent (32) in 2002. Similarly, at the Managing Director level, the proportion of women decreased from 37 percent (23) in 2000 to 33 percent (9) in 2002.⁸



⁸ A portion of this decline in the absolute number of women at the Vice President and Managing Director level from 2000 to 2002 can be explained by the fact that Merrill Lynch did not participate in the 2002 study. For details, see Methodology, page 23.

RETAIL PRIVATE CLIENT

KEY FINDINGS

- ◆ In 2002, women gained some ground in client-facing roles in Retail Private Client.
 - ▶ The proportion of women Investment Advisors increased from 15 percent in 2000 to 16 percent in 2002 (the population of women Investment Advisors increased by 14 percent to 891).
 - ▶ The proportion of women Branch Managers increased from 9 percent in 2000 to 11 percent in 2002 (the population of women Branch Managers increased 51 percent to 65).
- ◆ Women continue to dominate in support positions, comprising 79 percent of Sales Associates and Sales Assistants, and 92 percent of Branch Administrators in 2002.
- ◆ The representation of women at the Managing Director levels declined from 11 percent in 2000 (16) to 8 percent (7) in 2002.
- ◆ The representation of women in National and Regional Management roles declined from 36 percent in 2000 (46) to 28 percent in 2002 (32).
- ◆ The representation of women Trainees has declined from 18 percent (192) in 2000 to 17 percent (137) in 2002, suggesting a weakening of the pipeline for women Investment Advisors.

In Canada, people invest billions of dollars each year with the help of a variety of intermediaries. The major function of the Retail Private Client business is to help individual clients make and manage their investments.

In this report, we focus on the following levels within the Retail Private Client line of business:

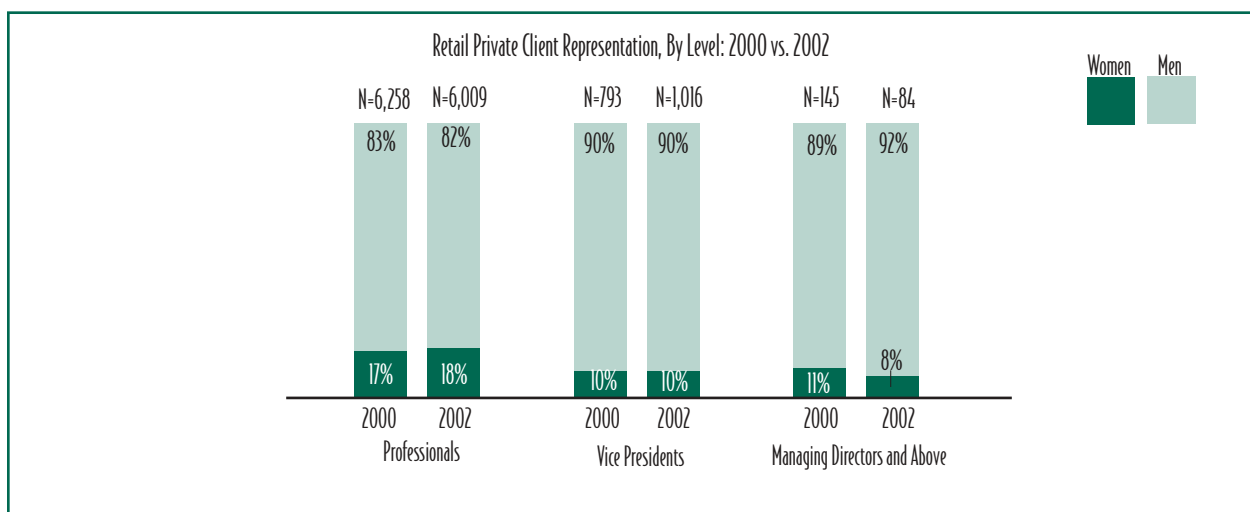
- ◆ **National/Regional Management**—Branch offices report up through Regional and/or National offices. Activities at this level can include day-to-day management of organization-wide issues, including policy-making.
- ◆ **Branch Management**—Investment Advisors, Sales Associates, and Sales Assistants work in Branches. Branch Management is comprised of Branch Managers, Assistant Branch Managers, and Branch Administrators. Branch Managers plan, direct, and evaluate the activities or operational departments of their office, overseeing business development and performance. Branch Managers and Assistant Branch Managers may have various levels of client responsibility. Branch Administrators provide operational and administrative support to Investment Advisors and assist the Branch Manager in the performance of investment advisory activities.
- ◆ **Investment Advisors** determine individuals' investment needs and provide professional advice using a variety of financial services and products. An Investment Advisor is registered with the provincial securities commission and can advise on trades.
- ◆ **Sales Associates and Sales Assistants** work with and help fully registered Investment Advisors manage their business. This role largely involves administrative tasks, such as organizing the Investment Advisor's client records and other client documentation. Sales Associates and Sales Assistants may speak with clients but are not permitted to give advice. They may take unsolicited client orders to buy and sell securities.
- ◆ **Trainees** are individuals in training for an Investment Advisor position. Trainees can assist clients with inquiries about their accounts but cannot solicit or accept unsolicited orders or trades. Trainees have typically spent less than three years in the industry.

OVERALL REPRESENTATION

In 2002, the Retail Private Client total population numbered 12,291.⁹ Women comprise 43 percent (5,321) of this total population.¹⁰

Removing support staff roles,¹¹ the overall proportion of women in the Retail Private Client business has remained at 16 percent, with an absolute increase of 5 women—from 1,166 in 2000 to 1,171 in 2002. In other words, men outnumber women by roughly five to one in non-support staff roles in the Retail Private Client business.

Between 2000 and 2002, the proportion of women at the Professional level increased from 17 percent (1,067) to 18 percent (1,058). In contrast, the proportion of women at the Managing Director level decreased from 11 percent (16) in 2000 to 8 percent (7) in 2002.



NATIONAL/REGIONAL MANAGEMENT

Between 2000 and 2002, the total population in National and Regional Management decreased 9 percent, from 127 to 115.

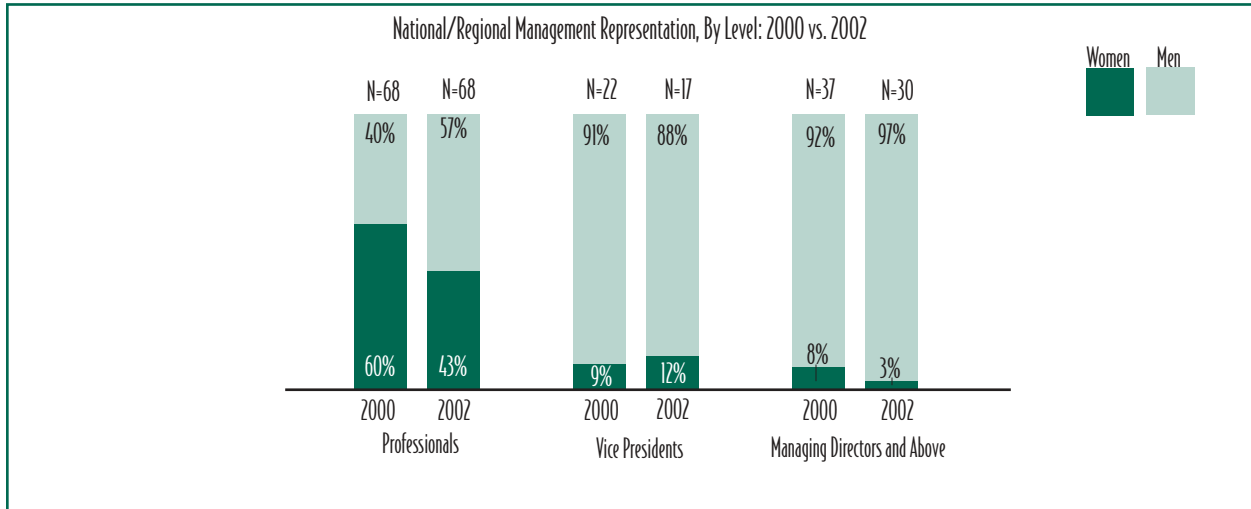
During this period, the overall proportion of women in positions in the National and Regional offices decreased from 36 percent (46) in 2000 to 28 percent (32) in 2002.

This decrease in the proportion of women is reflected in reduced numbers of women at the Professional and Managing Director levels. The proportion of women Professionals decreased from 60 percent (41) in 2000 to 43 percent (29) in 2002. At the Managing Director level, the proportion of women decreased from 8 percent (3) in 2000 to 3 percent (1) in 2002.

⁹ For the purpose of this report, total population includes management employees in the National and Regional offices, Branch Management (Branch Managers, Assistant Branch Managers, and Branch Administrators), Investment Advisors, Sales Associates, Sales Assistants, and Trainees.

¹⁰ Women represented 41 percent of the Retail Private Client population in 2000. This 2-percent increase between 2000 and 2002 is largely a result of the inclusion of the category of Branch Administrators in 2002.

¹¹ Support staff is defined as Sales Associates, Sales Assistants, and Branch Administrators.



BRANCH MANAGEMENT

Branch Management encompasses Branch Managers, Assistant Branch Managers, and Branch Administrators.

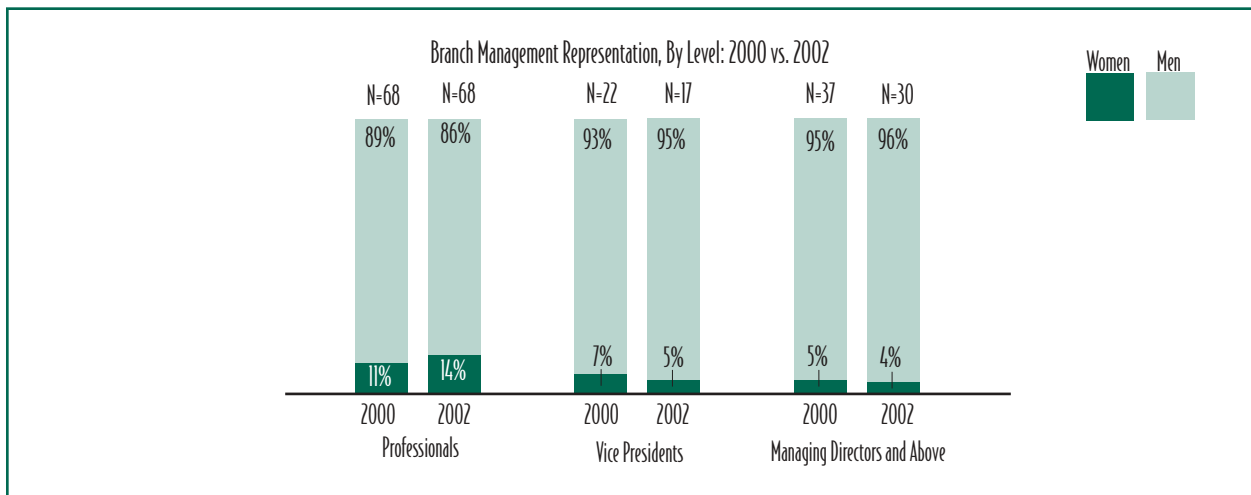
Branch Managers

Between 2000 and 2002, the total number of Branch Managers increased 23 percent from 479 to 590.

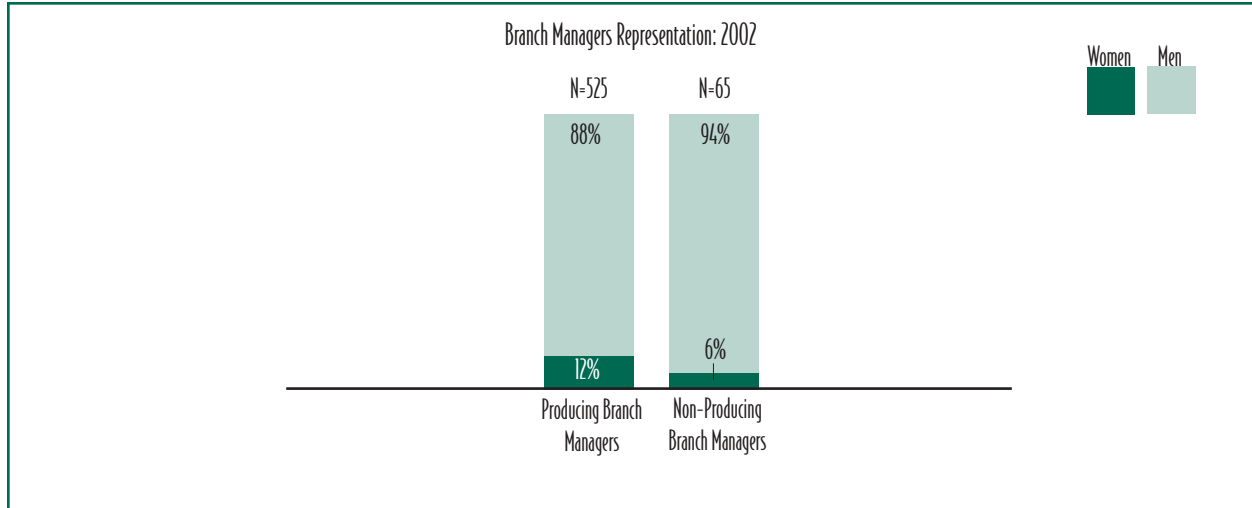
During this period, the population of women Branch Managers increased 51 percent from 43 to 65. The proportion of women Branch Managers increased from 9 percent in 2000 to 11 percent in 2002. Although the absolute numbers are small, women have clearly made progress in advancing to Branch Manager positions.

This increase is reflected by the rise in the proportion of women Branch Managers at the Professional level. The proportion of Professional women grew from 11 percent (28) in 2000 to 14 percent (56) in 2002.

By contrast, the proportion and the absolute number of women Branch Managers at the Vice President and Managing Director levels decreased during the two-year period. The proportion of women Branch Managers at the Vice President level decreased from 7 percent (11) in 2000 to 5 percent (8). The proportion of women Branch Managers at the Managing Director level also decreased, from 5 percent (4) in 2000 to 4 percent (1) in 2002.

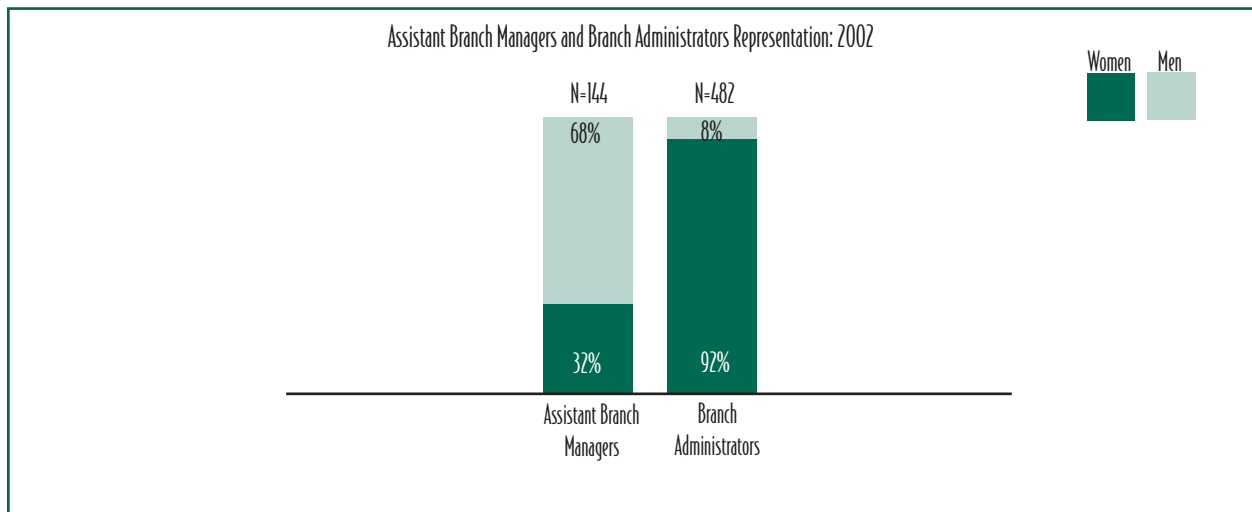


Branch Managers can be considered "producing"—they have direct client responsibilities in addition to management responsibilities—or "non-producing"—they have no direct client responsibilities, only management responsibilities. In 2002, women comprised 12 percent (61) of producing Branch Managers and 6 percent (4) of non-producing Branch Managers.¹²



Assistant Branch Managers and Branch Administrators

Women comprise 32 percent (46) of Assistant Branch Managers and 92 percent (443) of Branch Administrators in 2002.¹³



¹² Data on producing and non-producing Branch Managers is not available for 2000.

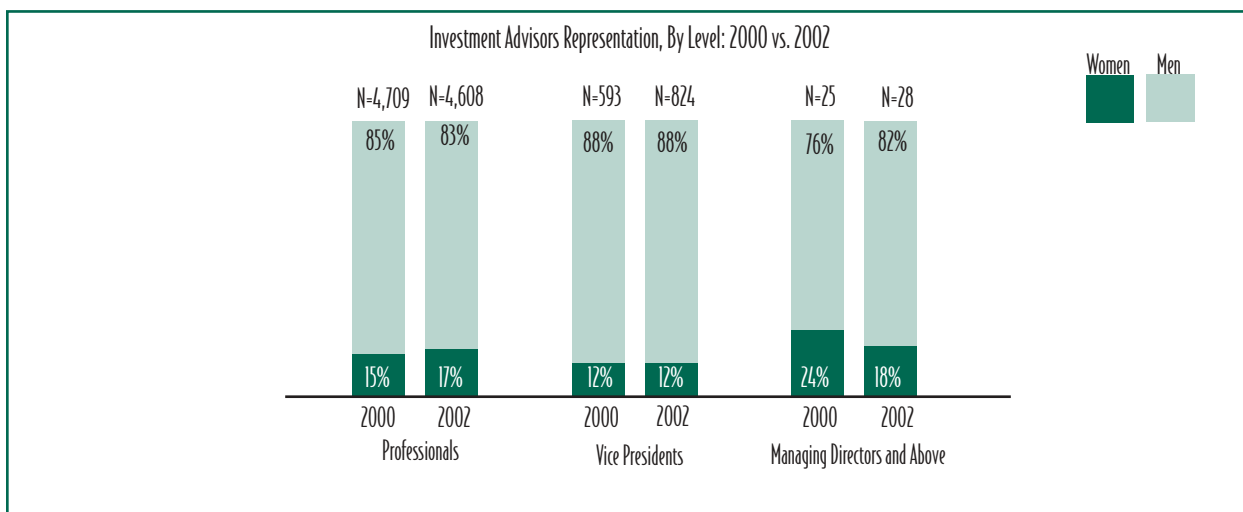
¹³ Data on Assistant Branch Managers and Branch Administrators is not available for 2000.

INVESTMENT ADVISORS

Between 2000 and 2002, the Investment Advisor total population increased 3 percent from 5,327 to 5,460.

During the same period, the number of women Investment Advisors increased 14 percent from 784 to 891. The proportion of women Investment Advisors increased from 15 percent in 2000 to 16 percent in 2002. Although the gain in proportional representation is small, there is clearly an increase in the overall population of women in client-serving roles.

Much of this gain in proportional representation is reflected in the increase of women Investment Advisors at the Professional level. At the Professional level, the proportion of women increased from 15 percent (708) to 17 percent (790). At the level of Vice President, women continue to hold 12 percent of all Vice President positions, which reflects an increase from 70 women in 2000 to 96 women in 2002. At the level of Managing Director, the proportion of women decreased from 24 percent (6) in 2000 to 18 percent (5) in 2002.

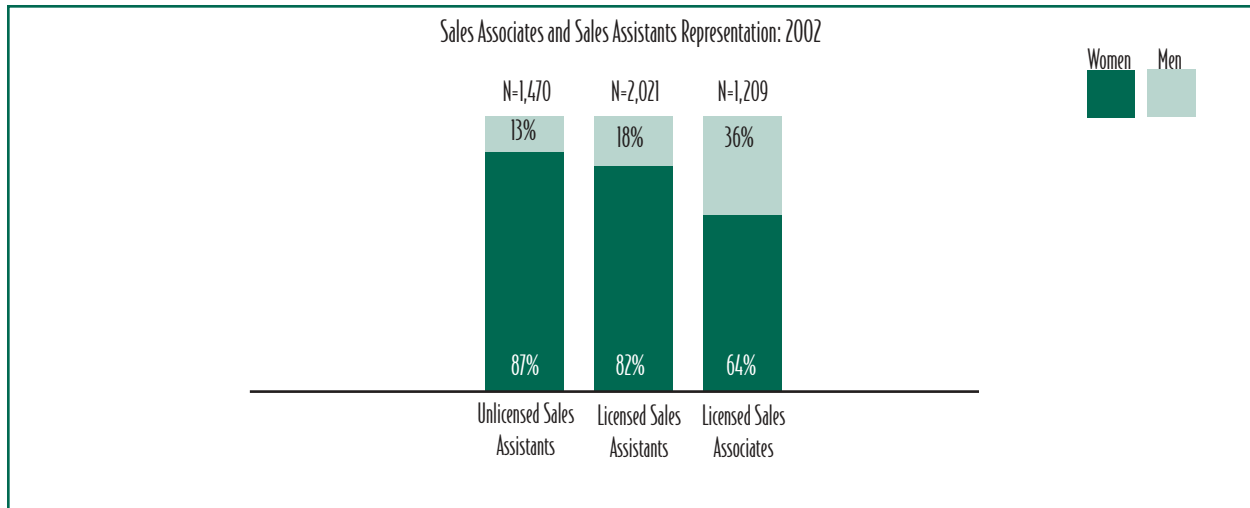


SALES ASSOCIATES AND SALES ASSISTANTS

Between 2000 and 2002, the Sales Associate and Sales Assistant total population increased 4 percent from 4,518 to 4,700.

Women continue to represent four-fifths of all Sales Associates and Sales Assistants. Between 2000 and 2002, the proportion of women Sales Associates and Sales Assistants decreased from 80 percent (3,626) in 2000 to 79 percent (3,707) in 2002.

In 2002, a closer look at the data on Sales Associates and Sales Assistants reveals that the representation of women declines as the level progresses. Women comprise 87 percent (1,272) of Unlicensed Sales Assistants, 82 percent (1,659) of Licensed Sales Assistants, and 64 percent (776) of Licensed Sales Associates.¹⁴

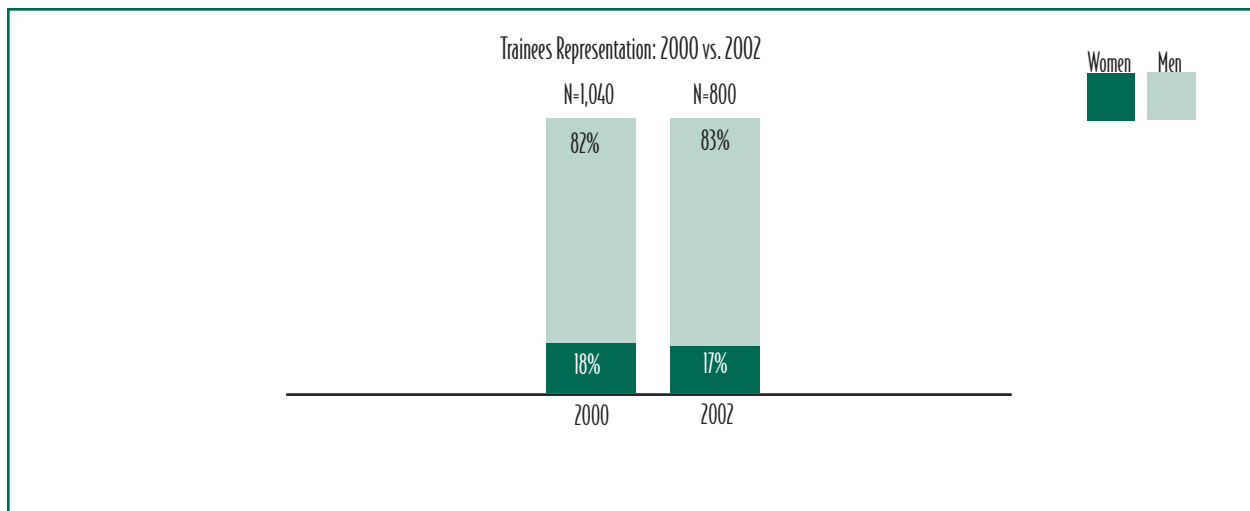


TRAINEES

Between 2000 and 2002 the overall number of Trainees decreased 23 percent from 1,040 to 800.

During this period, the number of women Trainees decreased 29 percent, from 192 to 137. The proportion of women Trainees decreased from 18 percent in 2000 to 17 percent in 2002.

This decline in the number and proportional representation of women Trainees suggests that the pipeline for women Investment Advisors may be weakened.



¹⁴ Data on Licensed and Unlicensed Sales Associates and Sales Assistants is not available for 2000.

CONCLUSION

Since 2000, the representation of women in the participating firms has changed little. In general, men continue to significantly outnumber women, and women continue to be clustered in staff areas. Furthermore, women continue to be underrepresented at the top. They hold 10 percent of Management Committee positions, and women Managing Directors decreased in proportional representation from 11 percent in 2000 to 10 percent in 2002. This decrease is particularly evident in the Middle Office and in Retail Private Client.

However, the pipeline for women in Retail Private Client and in Corporate and Investment Banking does show some signs of strengthening. Women experienced either an increase in proportional representation (i.e., the increase in the proportion of women Professionals in Investment and Corporate Banking from 25 percent to 29 percent) or in the size of the population (i.e., the rise in the number of women Investment Advisors from 784 to 891 and Branch Managers from 43 to 65). On a cautionary note, the representation of women Trainees did decrease by 1 percent, suggesting that the pipeline may need to be further bolstered.

In 2000, based on the findings in *Women in Canadian Investment Dealers: Growing the Pipeline*, Catalyst provided a series of programmatic recommendations around such aspects as recruitment, work/life balance, and mentoring to help the industry create a more inclusive environment for women, while strengthening it as a meritocracy. However, while these programs are all good steps toward increasing the representation of women, they need to be accompanied by efforts that drive more fundamental cultural change. Catalyst research shows that, in the long run, organizations that successfully diversify their management ranks address the following "drivers" of cultural change.

Understand the Business Case.

Making the case for increasing the representation of women in the industry starts with organizations making the connection between their diversity efforts and their business goals. Whether it is improving market share, developing deeper relationships with customers and clients, finding leadership talent, or promoting greater innovation and creativity to maximize market opportunities, a compelling business case that links the importance of diversity to these goals in a manner relevant to the organization is critical to making change for women.

Secure Senior Management Commitment.

Building truly inclusive cultures requires senior leaders to actively demonstrate support for organizational diversity efforts. Senior leaders who understand the specific issues their organizations face and who are visible champions in addressing these issues, signal to the rest of the organization the importance and value of advancing women. Their leadership is the essential ingredient in developing the "organizational will" to make change. Through its research, advisory service engagements, and Awards process, Catalyst has found, without exception, that sustained senior management commitment is an essential pre-requisite for an effective diversity effort.

Implement a Measurement and Accountability Framework.

Catalyst believes that "what gets measured gets done." Clear metrics around representation, recruitment, promotion, and turnover help organizations to translate diversity aspirations into tangible practice, enabling them to track progress, build the business case, and further tailor diversity efforts to address identified gaps. Furthermore, measurement allows organizations to tie desired outcomes to the day-to-day behaviors of employees. Front-line managers, senior executives, and human resources professionals are among those whose performance can be linked to making progress on advancing women.

Develop a Communications Strategy.

Finally, building the pipeline and increasing the representation of women at senior levels requires constant communication within the organization on the business case, progress on established metrics, and the status of programs, at all levels and through multiple channels. Successful organizations understand the importance of continuous communication in building support and commitment for change so that all groups of talented employees can maximize their potential.

METHODOLOGY

Catalyst gathered data from six financial institutions—BMO Financial Group, CIBC, National Bank Financial Inc. (subsidiary of National Bank of Canada), RBC Financial Group, Scotiabank, and TD Securities (subsidiary of TD Bank Financial Group)—on representation levels as of October 31, 2002 for the Investment Dealer and Retail Private Client businesses.

For each line of business, we collected data across three broad levels. The broad levels include individuals with the following titles:

- ◆ **Managing Director and Up**—CEO/Chair/President, Executive Managing Director, Executive Vice President, Senior Vice President, Managing Director
- ◆ **Vice President**—Vice President and Director, Vice President, Associate Vice President, Assistant Vice President, Director, Associate Director
- ◆ **Professionals**—Staff who are not captured in the “Vice President” or “Managing Director and Up” categories including Associates, Analysts, and, in Retail Private Client, Assistants and Branch Administrators

In the Investment Dealer business, representation data was also collected across four functional areas—Corporate and Investment Banking, Institutional Equities, Capital Markets, and the Middle Office.

In the Retail Private Client business, representation data was also collected by role—National/Regional Management, Branch Management (including Branch Managers, Assistant Branch Managers, and Branch Administrators), Investment Advisors, Sales Associates, Sales Assistants, and Trainees.

Compositional Changes: 2000 to 2002

Investment Dealer

Merrill Lynch, a participant in 2000, did not participate in this 2002 follow-up study. However, the lack of Merrill Lynch's participation in 2002 does not substantively affect the trends or findings in this report regarding the changes in proportional representation of women between 2000 and 2002. In certain instances, however, this change in the Investment Dealer "universe" does contribute to some of the changes in the overall population and absolute number of women across level and area in the Investment Dealers between 2000 and 2002. Given that the actual number of women is an additional measure of women's visibility within the industry, this report, where appropriate, notes where the removal of Merrill Lynch has an impact on absolute numbers. In other words, in most cases the magnitude of decline in absolute numbers would be somewhat smaller if it was calculated using 2000 numbers, excluding Merrill Lynch's population numbers.

Due to organizational restructurings in some of the participating firms, we did not collect data for the risk management function in the Middle Office in 2002.

Retail Private Client

On the Retail Private Client side, there is no impact resulting from Merrill Lynch's non-participation in 2002. CIBC acquired the retail brokerage business formerly owned by Merrill Lynch, effective December 29, 2001.

Branch Administrators are included for the first time in the 2002 report. Much of the increase in the Retail Private Client total population (including support staff) from 2000 to 2002 can be attributed to this new addition. Again, where appropriate, this report identifies the impact of Branch Administrators on the findings.

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