

# Investors Complained. Are Alts Firms Listening?

Allocators want to see diversity in hiring at the alternative investment firms they invest in, but few are delivering, according to Jensen Partners.

By **Amy Whyte** August 07, 2019

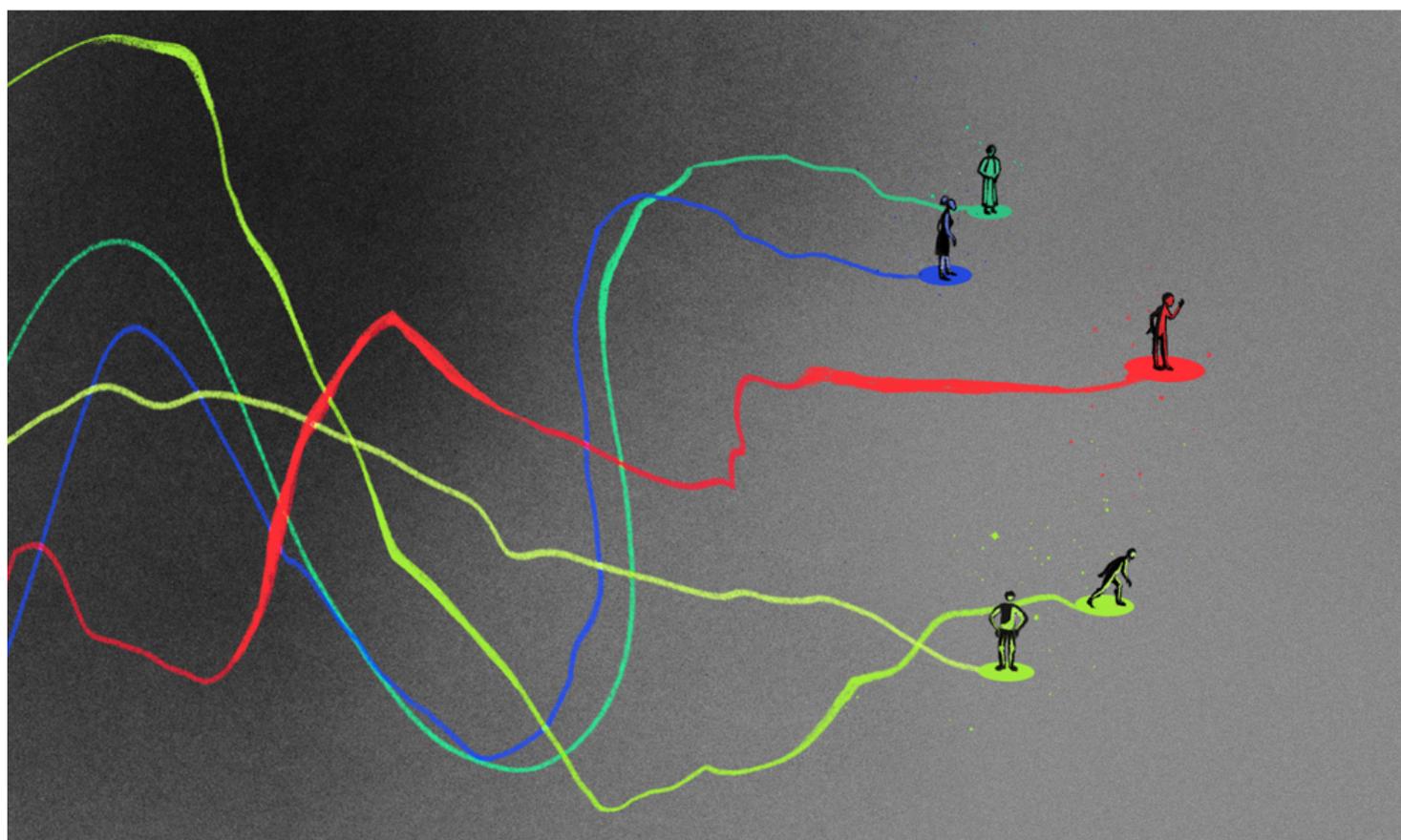


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Limited partners are increasingly putting pressure on alternatives managers to improve the diversity of their firms. But recent hiring for marketing and fundraising roles, at least, suggests that these firms still have a long way to go.

In the first half of 2019, nearly 84 percent of marketing professionals hired by alternatives firms were white, according to new data from executive recruiting firm Jensen Partners. Meanwhile, about 60 percent of hires were male — a “striking split given that the marketing function tends to be the one area within the alternative industry

where there is some gender parity,” according to Jensen Partners.

Sasha Jensen, the firm’s founder and CEO, told *Institutional Investor* that the company began tracking diversity hiring data this year after limited partners started demanding that alternative investment firms begin reporting on their diversity efforts. As a recruiting firm, Jensen Partners was being asked to provide diversity statistics on all candidates, as well as meet a required threshold for diversity on both its long list and short list.

“We’re seeing in 2019 that there’s an actual demand for full disclosure from the LPs,” Jensen said. “When you’re going in to pitch for a mandate, you have to disclose how many diverse members are on your entire team.”

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After analyzing hiring data for the first half of this year, Jensen Partners determined that roughly half of new hires in the first six months of 2019 were either female or non-white.

In the first quarter, when the firm tracked 262 moves overall, 138 were diverse hires. In the second quarter, meanwhile, the firm recorded 340 total moves, 161 of which were diverse hires.

Still, only about 16 percent of hires during the six-month period were non-white. Outside of Caucasians, the most represented demographics were East Asians and South Asians, which Jensen Partners attributed to the “growing focus on the Asian market as a source of investor capital.”

Jensen noted that in some cases, when there is a diverse candidate who is not qualified for a senior role, firms have decided to hire that person in a more junior role and provide them with training so they can eventually be promoted. “They’re giving diverse candidates a real shot to take them to the next level,” she said.

When the recruiting firm examined diversity statistics by asset classes, it determined that private equity firms, multi-asset firms, and wealth management firms tended to have the most diversity in their marketing teams, although this was based on a “limited sample size.”

“I think it’s something that all firms are taking extremely seriously,” Jensen said.