

Pensions&Investments

New opportunities opening for women in private equity

More opportunities, options available in industry traditionally dominated by men



Kelly Meldrum said women will take over for some retiring executives at Adams Street.

The next generation of female private equity executives inching their way up the management ladders has more options than their predecessors. [Arleen Jacobius](#)

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Women represent just a tiny percentage of investment executives in the primarily white male-dominated industry. A renewed focus on that fact by limited partners and others is just starting to provide women more opportunities at established firms.

The issue of the number of women in senior, client-facing private equity roles “is on the table from a variety of stakeholders as it has never been before,” said David Reimer, New York-based CEO of Merryck & Co. Ltd., a leadership development firm that works with private equity firms. “Limited partners are asking about it.”

In 2014, Collier's Barometer survey found that nearly three-quarters of limited partners that responded to the survey thought the quality of private teams would be improved by greater gender diversity.

Women also are making their own career options. “Women can spin off to start their own firms or venture funds,” Mr. Reimer said. “There are options that weren't there seven or eight or 10 years ago. Talent today is willing to walk away, even in private equity.”

For example, Hollie Moore Haynes, managing partner at Luminate Capital Partners, founded the San Francisco-based private equity firm in 2014 after a 15-year career at technology private equity firm Silver Lake Partners.

Rising stars

Industry executives say there are a number of rising female stars in private equity, poised to take their place in the senior management ranks.

Adams Street Partners LLC has several women, said Kelly Meldrum, Menlo Park, Calif.-based partner and head of primary investments. “Two of our three principals on our primary investment team are women — Morgan Webber (principal) in the U.S. and Doris Guo (principal) in Beijing,” she noted.

Some megafirms are “trying to be trend setters in a good way, even though there is a lot of work to do,” said Eric Zoller, co-founder and partner at Sixpoint Partners LLC, a New York investment bank working with middle-market private equity firms.

For example, half of the incoming associates in 2015 at Washington-based alternative investment firm The Carlyle Group are women, said Christopher Ullman, Carlyle spokesman. Carlyle's next generation of female executives includes Anita Balaji, principal, who joined the firm in 2006.

Fifty-eight percent of the associate class — made up of employees who have not yet earned an MBA — in Carlyle's U.S. buyout group are women, said Ms. Balaji. It was less than half of that last year, she said. And 18% of executives in the U.S. buyout group at a senior associate level or higher are women.

“Carlyle is making a big push to consider all the best candidates including women and minorities, and we have managed to start moving the numbers in the right direction,” she said. “We are not ready to declare victory yet, but it's getting better.”

Carlyle executives are working to make sure that the firm retains the junior executives by making the firm “a family-friendly and mom-friendly place through its policies and also from an attitudinal perspective,” Ms. Balaji said. “I have a 3-year-old and a 1-year-old and I am living proof that it can be done at Carlyle. I have lots of role models who are senior women at Carlyle. The head of my group is a working mom, too.”

For example, recently Carlyle's women's Employee Resource Group got the firm to increase paid maternity leave to 16 weeks from 12 weeks. “It bubbled up to the top from the staff at all levels. We made the business case this is an important retention and recruitment tool,” she said.

Suzanne Kriscunas, a managing partner in the Dallas office of private equity firm Riverside Co., said, “we have a number of women coming up through our organization. If you want to have diversity in your firm, whether women or racial diversity, you have to work hard to solicit candidates.”

Diversity in hiring has been a focus at Riverside. There were many fewer women working in private equity 15 years ago when Ms. Kriscunas joined the firm, she said. “It can be a challenging career because of the ... unpredictability of travel, the time demands. ... It's a career that requires long hours, weekend work and a lot of travel. No matter who you are, it can be challenging, and you have to want to continue with that,” Ms. Kriscunas said.

With women at all levels at Riverside, occasionally there will be all-female deal teams, which surprises business owners, she said.

At Adams Street Partners, there are women on the bench available to take over as senior executives retire. Kathy Wanner, a co-founder of and partner at Adams Street, plans to retire at the end of the year, and the firm has taken “Kathy's retirement as an opportunity to shift our coverage a bit across the primary investment team,” Ms. Meldrum said in an e-mail.

Included on that team is newly hired partner Saguna Malhotra, formerly managing director of private equity at Stanford Management Co., where she oversaw a \$6 billion private equity portfolio, Ms. Meldrum said.

Consulting firms traditionally have had a higher percentage of women in their ranks than general partners. Forty percent of executives at Bala Cynwyd, Pa.-based Hamilton Lane LLC are women, and it

has been that way for years, said Andrea Kramer, managing director, investment committee member and head of the global fund investment team at the money management and consulting firm.

As for Hamilton Lane's firmwide pipeline of younger executives, "45% of Hamilton Lane's associates and senior associates are women," Ms. Kramer said.

Inching up

Across the industry, the percentage of women is starting to inch up. Women accounted for 13.7% of senior employees at North American private equity firms as of March 31, up from 11% the previous year, according to an annual report by London-based research firm Preqin. Some 12.4% of senior private equity executives in Europe were women as of March 31, up from 9.7% a year earlier, and 14.5% of senior private equity executives in the Asia-Pacific region were women as of March 31, up from 11.8% as of March 31, 2014.

"The number of women has continued to increase. Even with retirements, the percentages overall have been creeping up," said Ms. Kramer. "There's a fair number of very powerful women in the private equity industry."

The issue of women in private equity is becoming a frequently discussed topic at industry forums, said Jackie Rantanen, a principal at Hamilton Lane. She recently participated in a World Economic Forum round table focused on women in the private equity industry; the panel included women and men from both the general partner and limited partner sides. The discussion focused on "how to continue to make this an important call to action," Ms. Rantanen said.

"It's not a matter of setting demographic targets but hearing a more diverse set of voices," said Merryck's Mr. Reimer. "Executives at private equity firms often have a hard time hearing women's voices in discussions."

The wheels of change are turning very very slowly for women, he said. "Realistically the pace of change is going to be slow at best," Mr. Reimer said. n

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