



Breaking Barriers: The Rise of Black Independent Financial Advisors

There are many black independent financial advisors (IFAs), but not too many have accumulated books of clients comparable to larger financial advisers and group companies.

Competence Not a Problem

The perception of poor black IFA competence is being overcome. Not long ago, black individuals seeking personal financial planning would rarely consider advice from anyone other than a white male advisor. The legacy of apartheid lingered, with the perception that competence resided solely within one demographic.

Today, we've seen more black independent financial advisors challenging this stereotype in the financial industry. When engaging with black individual clients and demonstrating qualifications, there's a stronger willingness to appoint black professional IFAs.

Confidentiality Concerns

However, another hurdle persists: the question of confidentiality. Gossip transcends class and race, but the damage it has done in communities breeds distrust in sharing personal, let alone financial, information with someone of the same background. This has led to the belief that only white males – or those far removed from the community – can be trusted with personal information.

Slowly, this tide is turning. Good black IFAs are building practices and proving their worth, ensuring confidentiality is a given.

Disruption on the Horizon

The combination of this confidentiality issue, overcoming the competence issue, the lack of low cost business funding and the resulting slow growth of black-owned IFA practices explains why we haven't seen a majority black-owned financial services group competing with the large incumbents. However, I believe it's only a matter of time before we witness the emergence of such businesses, disrupting the status quo of independent financial advice for most South Africans.

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