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**Michelle R. Clayman**, Chair, National Advisory Panel for the Institute, chats with Londa Schiebinger, the Institute's Director. Michelle received an undergraduate degree in Philosophy, Politics and Economics from Oxford University and a M.B.A. from Stanford University.



**Londa Schiebinger:** Michelle, you are the founder and managing partner of New Amsterdam Partners, an institutional money management firm in New York. Can you tell us something about your company and how you came to found it in 1986?

**Michelle R. Clayman:** After I graduated from the GSB I joined Salomon Brothers on Wall Street and ended up in a quantitative equity research group, a relatively new field. I built models, wrote research papers, and traveled extensively around the U.S. and Europe showing money managers how to use quantitative methods to design investment processes. I have also always been involved with traditional fundamental research via the CFA (The Chartered Financial Analyst) Institute. I chaired the Equity Curriculum Committee for a number of years and have stayed involved. It struck me that there was a chasm between the way that quantitative and traditional financial analysts viewed investments and that by marrying the best of both disciplines, one could end up with an interesting and robust investment strategy. So, almost twenty years ago, after six and a half terrific years at Salomon, I decided to put my ideas into practice.

**LS:** Your career has absolutely sky-rocketed. Do women in business still face problems and barriers? What important changes have you seen over the years?

**MRC:** The easiest part of starting a new business is the starting of it. The most challenging part is keeping it going and learning all the things that you realize along the way you didn't know. In the investment business, two things in particular are keys to success: investment track record and assets under management. Investors often require at least a five-year track record before they invest. Those five years can seem very long and, if the numbers aren't especially good, they can seem even longer. That's why many investment firms close shop within a relatively short space of time. Investment performance also has an impact on assets under management. Success breeds success and the larger your firm becomes, the more it instills confidence in potential clients. Fortunately, our track record has been strong. Historically we have grown at about 30% a year, and, as assets grow, compounding becomes more meaningful in dollar terms.

Women definitely do still face challenges in business. The asset management business, however, is a pretty good place for women to work. First, it has objective standards of measurement - if someone is producing the numbers, it's hard to say she's doing a poor job. Second, I like to think of it as an industry where people can grow old, that is, have long careers (as opposed to say the hothouse "up and out" mentality of some other

finance career paths). Third, asset management can accommodate lifestyle needs (for example, childrearing, elder care) better than some other career tracks. The areas in which women face problems tend to involve firm politics, particularly when firms get away from having objective standards of job performance. The pyramid in most firms gets narrow at the top, for both men and women, and that's when politics can come into play.



Michelle R Clayman's graduating photograph from the Graduate School of Business, Stanford University

Asset management has changed a great deal over the years vis-à-vis women. In the early days it was similar to Dr. Johnson's views of women preachers: "Sir, a woman's preaching is like a dog walking on his hind legs. It is not done well, but you are surprised to find it done at all." Fortunately, things have changed. The women's movement of the 1960's and 1970's was instrumental in opening up graduate business schools and jobs to women, even though, because of some antediluvian attitudes, women still found it hard to get ahead. Two things have happened since: certain institutional investors became proactive about looking for minority and female talent, and people have gotten older.

In the early 1990's, public pension funds in particular went in search of minority- and female-owned investment firms. This was because they realized that the extant rules for manager searches (track record and size of assets under management) precluded many smaller firms, plus many of their plan participants were themselves minority and or female and wanted to see opportunities offered to minority/women service providers. This led to the rise of "Emerging-Manager" searches (which cover small firms - not just minority or women - since all small firms can be subject to the size barriers). Public pension funds also began to question money management firms about their workforce demographics, to make sure that even the largest firms were offering professional opportunities to minorities and women.

Time also helps. At this point, the people who came into the industry in the 1970's and 1980's are in their forties and fifties. Maturity and a little grey hair go a long way toward instilling confidence. As people like me have long careers and track records, some of the earlier objections go away.

**LS:** You are an incisive thinker, a woman of fortitude and action, and a person who becomes passionate about issues of importance. What do you feel passionate about these days? What do you see as key issues for women now?

**MRC:** I feel passionate that this country remain a place of opportunity, where talented people can achieve their goals regardless of socio-economic background, race or gender. I want the tradition of social mobility to thrive.

Among the key issues facing women is the potential rollback of some of the gains made in the 1970's, both rights and workplace gains. Among the disservices that came out of the women's movement were the notions of "having it all" and "work-life balance". As busy women have found over the past thirty years, it's well nigh impossible to have it "all", something's got to give. Further, the word "balance" implies that there's a perfect equilibrium out there, but, as we know, real life is messy. So, the challenge really is: how do women integrate all the different elements of their lives? At the same time, how do women push back against the forces that would roll back the clock on gains?



**LS:** You have provided key leadership for the Institute for many years, first as a member of our National Advisory Panel and now as Chair of the National Advisory Panel. What first attracted you to the Institute? How have you seen it change and grow over the years? What do you see as most compelling and important about the Institute's work?

**MRC:** I approached the Institute to find out what kind of work Stanford was doing in the areas of women and gender (after getting involved with some programs at other universities). I was impressed by the breadth of research covered: history, literature, law, medicine, anthropology and psychology. And I also liked the cross-disciplinary aspects that came about through the Difficult Dialogue programs, which brought together scholars from different backgrounds and faculties to discuss such thorny issues as "Aging in the 21st Century". The Institute has changed tremendously over the years. It started off as a place that provided resources to Bay Area scholars who were unaffiliated formally with Stanford yet working on women's or gender issues, as well as supporting some graduate students. Over the last few years it has become more firmly centered within the University, on its way to becoming the "go to" place on campus for any research related to women and gender. Its work is important because it is often cross-disciplinary and cutting edge. Cross-disciplinary work can get lost within the silos of academia. Academics seem to be rewarded for depth of work in their field and can be penalized for breadth or vision. Women and gender issues have been seen as not necessarily crucial to academic research in individual subjects. I don't think this was the result of specific decisions but rather due to a focus on what was seen as the core of each discipline. The Institute allows new research to flourish and hopefully inform the work that is done in other departments in the University.

**LS:** The Institute for Research on Women and Gender focuses on research. How do you see the Institute's work being relevant in the "real world"?

**MRC:** Research is important to the real world. There is a lot of cant and opinion bandied about on women's and gender issues, both from the right and the left. Much of it makes unsubstantiated assertions and claims, some of which seeps into policy making. The subject matter is of vital interest to the entire world and therefore should be researched carefully by top-notch thinkers.

**LS:** As you know, the Institute has over 160 Stanford Faculty Affiliates, of whom about a third are men. How do you see men being involved in issues affecting primarily women?

**MRC:** I think that what are sometimes called "women's issues" are really "people's issues" and men need to be aware of them. Women outnumber men. Men have mothers, wives, daughters, female friends, and colleagues. Issues relating to the family have traditionally been thought of as women's issues but these affect men too. Admittedly the challenges facing men in the family might differ from those facing women, but they are real nonetheless. Another important factor that should interest men is the changing demographics of the workplace. The U.S. economy is facing an upcoming worker shortage which will need to be filled by having more workforce participation by both women and older workers. This will present new challenges.

I think that women are acting as the "canary in the coal mine" by surfacing issues such as work/life integration, family-care issues and the overall search for meaning in their lives. There appears to be an increasing awareness of these issues among men too. And men are facing challenges about the changing meaning of masculinity in today's world.

**LS:** Despite your pressing schedule, you work actively with the Institute in addition to mentoring kids in business through the East Harlem Tutorial Program—something I observed first hand in your New York office. Those kids were adorable, especially the pint-sized girl who pulled herself up to full-size before explaining to one of the boys something of grave importance about her "mentor". You also serve as a Director of the Board for Children of Bellevue. Why are philanthropy and volunteerism important to you?

**MRC:** I'm a perpetual optimist and believe in doing rather than sitting around. It's easy to criticize things, but I believe that if you have been fortunate in some way you should put your beliefs into action and help others. I am enormously grateful to the people who have helped me in my life and the opportunities that I have been given. It is truly a pleasure for me to try to make available to others the opportunities given me, especially those facing socio-economic or cultural hurdles.

**LS:** Tell us a little about yourself. You read voluminously. What are some of your favorite books? What are your favorite pastimes outside the office?

**MRC:** My reading list is varied: history, fiction, business, and science. I particularly enjoy reading history (a recent favorite was *The Island at the Center of the World*, a history of the Dutch in New York and North America). I have a sentimental fondness for nineteenth- and early twentieth-century British fiction (I love George Eliot and E.M. Forster). I alternate between history, serious fiction, mysteries, and topical books to keep my mind active. I am also a doting pet owner with four cats, two horses, two llamas, two goats, and five sheep. I enjoy horseback riding, gardening, playing golf, and going to movies.