

# Business Better (Episode 6): Conversations with Women Leaders in Finance, with Special Guest Stephanie Lom of Raymond James

Speakers: John Wright, Emilie Ninan, and Stephanie Lom

John Wright:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, John Wright. For nearly 15 years, I was Senior Vice President and General Counsel at Triumph Group Incorporated, a global aerospace component supplier. I'm now a member of the Securities and M&A Groups at Ballard Spahr, a national law firm with clients across industries and across the country.

John Wright:

Today's episode is the second in a series in which we'll focus on women in finance and their leadership roles and financial services in capital markets. Our guest is Stephanie Lom, Director in the Public Finance Department at Raymond James, who will talk about the role ESG considerations are playing in public finance, the efforts of Raymond James to increase the participation of women in public finance, her own career path, and her experience with the COVID-19 pandemic.

John Wright:

Leading the discussion again is my Ballard Spahr colleague, Emilie Ninan, a partner in our Wilmington, Delaware, and Washington DC offices, and co-chair of Ballard Spahr's Finance Department. Emilie will take it from here.

John Wright:

Please note that Emilie's and Stephanie's conversation was recorded earlier from their homes because of the pandemic, which occasionally affects the sound quality. Just another sign of the times.

Emilie Ninan:

Stephanie, thanks for joining us for this conversation today. Can you start by describing your current role and responsibilities as Director at Raymond James?

Stephanie Lom:

Sure. And thanks Emilie for inviting me, I'm excited to be here for your second podcast. I'm a Director in the Public Finance Department at Raymond James. I work with local governments throughout the Northeast and Mid-Atlantic to help them raise money for their capital projects or refinance outstanding debt.

Stephanie Lom:

My business is generally focused in New York and New Jersey, but I do cover some issuers outside that footprint, including Delaware, where you and I have worked together in the past.

Emilie Ninan:

We did work together on the Delaware Sustainable Energy Utility Deal earlier this year. Those bonds were designated as green bonds, and so I know sustainable investing and ESG, which is environmental, social, and governance, for those listening who may not be familiar, is an area of focus and growth for Raymond James. Can you talk about that sector? Why it's been an area of growth and focus for Raymond James? And maybe your opinion on whether you think it's a fad or is it here to stay?

Stephanie Lom:

Oh sure. So as an overview, when investors are looking at ESG investing in general, they're considering the societal impact of their financial investments in addition to any financial returns, essentially. It exists in all asset classes, equities, corporate debt,

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and has seen substantial growth, I would say, since 2000 in non-municipal bond sectors. The expectation I think market wide is that this will continue to grow as younger generations, millennials and on down, are becoming the driving force in investing and they're seen as seeking to align their investing with their values.

Stephanie Lom:

With respect to munis we've seen a slower acceptance by both issuers and investors of the concept. But I would say within the last two to three years, we've seen it really starting to pick up. We've always said at RayJay that it's sort of ironic that munis are slow to pick up on this because essentially every muni bonds provides a societal benefit, so muni bonds are like really the original ESG bonds. So there's sort of a clear path for people that are interested in ESG investing to be purchasing muni bonds.

Stephanie Lom:

The first pillar that you discussed, environmental, was sort of where the muni markets started to pay attention and that was through the use of green bonds. Bonds can be designated as green, depending on the use of the proceeds of those bonds, like cleaner drinking water infrastructure, public transit, energy efficiency projects. That's what we worked on with the Delaware Sustainable Energy Utility that was funding energy efficiency projects for departments within the state, as well as institutions of higher education.

Stephanie Lom:

Since COVID started, sort of starting in 2019 and picking up when COVID started, we've seen increase in social bonds as well. And those are where proceeds are expected to have a social impact in the community, so hospitals, school districts, that sort of thing. Raymond James has senior managed a couple of these. One was to provide supportive housing for people experiencing mental illness that were homeless or could be homeless. That was in the state of California. And then we also senior managed a deal for the replacement of lead service pipes to ensure access to safe drinking water. Those are just some examples of the social bond side of the ESG picture.

Stephanie Lom:

We've definitely seen increased rating agency and investor focus on ESG factors when considering a rating as well as whether or not someone's going to invest. So regardless of whether or not the investor has made any statement about ESG, it is something that investors are looking at.

Stephanie Lom:

I think that that comes into play into the municipalities that are on the water and could be susceptible to impacts from hurricane or storm surge or [inaudible 00:05:51]. So that's one side of it.

Stephanie Lom:

We've seen a little bit of a chicken and egg issue with muni ESG investing, where the investors aren't sure if they want to create these funds because they're not sure there's going to be enough muni assurance to fill the funds, and the issuers aren't sure if they should designate bonds as green or social because they're not sure if the demand is going to be there. So that sort of cycle has continued over the last few years.

Stephanie Lom:

I think we are starting to sort of get ourselves out of that cycle. There seems to be enough of a track record for both sides to understand that there's interest and we're seeing more and more investors set up muni specific green or social impact funds and also a significant number of investors mentioning ESG investing in their collateral [inaudible 00:06:42] material.

Stephanie Lom:

So it's definitely the investors are picking up on what their clients are looking for and that's translating into their marketing material, which is helpful for people on the assure side to see that there is demand there.

Stephanie Lom:

One of the question that we always get from issuers is, is there any kind of pricing benefit when the bonds are designated as green? Because that's really what it comes down to, will I get a cheaper cost of capital if my bonds are designated as green. We're always hesitant to say, yes, absolutely there's a pricing benefit, but we do think that it expands the potential investor base of an issue. So if it's a case where the [inaudible 00:07:30] of the bonds is small in a way that an investor might pass over it because they have 16 new issues that they're considering, they might come back and give it a second look if there's a green bond designation.

Stephanie Lom:

I think that, to answer your question about whether or not it's a fad, I don't think it is, because speaking as a 30 something, technically a millennial, although sometimes I don't consider myself one, that the people my age and younger as they're getting... One, they're making their own money, and two, there is going to be some kind of transfer of wealth. Those people, the younger people, are interested in putting their money where their mouth is and investing in things that are providing some kind of good.

Stephanie Lom:

I'm not on the desk side, so I can't eloquently comment on it, but I do think that there's a track record of green or ESG funds, not necessarily muni funds, but ESG funds making more money than non-ESG funds. So I guess it's going to be interesting to see what it comes down to. Are people willing to... If they make more money on the ESG investing, obviously, that's a no-brainer, but will people be willing to continue the ESG if maybe you're giving up some incremental return? So that'll be, I think, the question going forward.

Emilie Ninan:

Thanks for that overview. I think lots of good information you've shared there. There's definitely a lot of interesting projects being done in the sector. And I hope people will continue to align investing with values that are important to them and that the sector will continue to perform the way it has.

Emilie Ninan:

Switching gears a little bit, I've been practicing law for over two decades and it's still atypical to work with a female investment banker, especially in a lead position on a transaction. So obviously the two of us have worked together. I know your colleague, Amanda. And because of that, even though it's just two of you, I have this impression that your workplace is pretty gender diverse and you may or may not agree with that.

Emilie Ninan:

But I did attend Raymond James' Flourish event last year. I understand that event was started to educate and empower women investors. But you were kind enough to invite me as well. And I thought it was a great event. I really enjoyed Arianna Huffington's remarks and the book signing and the networking.

Emilie Ninan:

Can you talk about the initiatives that Raymond James, or you yourself, are involved with to encourage women's increased participation in the finance industry?

Stephanie Lom:

Sure. The Flourish event was part of a program that our private client group runs, and that sort of came out of the Women's Financial Advisor Network. I might be messing up the actual title of that, but Raymond James has been running a conference for over 25 years for our financial advisors. About six or seven years ago, they invited the women of capital markets to join them at a conference, capital markets being fixed income, equities, public finance, that sort of side of things. And once we saw, we meaning Raymond James, saw what that Women's Advisor Network was able to do in that forum, they created [inaudible 00:11:00] Women in Capital Markets Forum.

Stephanie Lom:

Every year, we get together in Florida, obviously not this year, but generally either in the fall or in January, when everyone wants to go to Florida, so it's helpful. The idea behind that was to start a dialogue within capital markets where gender diversity is not as prevalent as it is amongst our financial advisors.

Stephanie Lom:

I think it [inaudible 00:11:27] conversation between us as anchors and then [inaudible 00:11:32] several upper managers, who are generally men, and we hear from speakers, we learned about unconscious bias, learned about how women make investing decisions differently than men. We also attend professional development workshops while we're there. And I also think crucially our male managers attend all of this. We often joke that sometimes we think the men are probably better served by some of these things than women are, from conscious bias. I think that a lot of women are aware of how that works in the workplace, so it's helpful that our managers are involved as well.

Stephanie Lom:

I think it became clear at the beginning of the Women in Capital Markets Conferences, that there was a lack of female leadership specifically in that function. And there's been sort of open communication about what they're trying to do and how they're trying to fix it, how they're trying to do a better job of recruiting at all levels.

Stephanie Lom:

I think it's always nice to see that there is open dialogue. They're not putting their heads in the sand about what's going on in terms of gender diversity. I will say within public finance, we have a pretty even distribution of more senior people, although that has not necessarily translated into leadership. So I think, again, it's something that everyone is aware of. No one is pretending that that's not the case. I don't want to speak for my management, but I think it's something that everyone is planning to work on.

Stephanie Lom:

But I always think, when I see how many female public finance bankers are, I think it's a reflection of who our clients are, and there are just more, from my perspective, I don't know this data-wise, but it just seems like there are more women on the client side in public finance than there might be in other parts of investment banking, equity investment banking and the like, and I think it's important for your bankers and lawyers to reflect who your client base is. So it's sort of an easy, not easy, but it's logical to me that there would be more women public finance bankers, because many of my clients are women. I don't know if you've experienced that as well.

Emilie Ninan:

Yeah, I've certainly seen the change in the time that I've been practicing. And one of the things we're really proud about at Ballard is that we're 50% women as well in our public finance group, and that certainly wasn't the case when I started practicing a couple of decades ago. So it's a good start, and I think we're making some good progress, but agreed that I see more women in the room now in working group. Not that we meet in person anymore, but if we were in person, we would see more.

Stephanie Lom:

I do think I see that too and there are times where it's entirely women, and everyone feels the need to make the comment. Look at us. It's all, the banker and the lawyer, the FFA, the issuer, we're all women. And I wonder, will we ever get to the point where it's not noticeable that we're only women? Maybe we will. But I just think it's interesting that we all feel that need to be like, wow, look, it's all of us.

Emilie Ninan:

Yeah, I look forward to the day it's not so significant.

Stephanie Lom:

Yeah, exactly.

Emilie Ninan:

Turning back now to your personal experience. Some take a direct path to finance and others take a more scenic route. So what was your path into finance? And was there something particular that piqued your interest in that area?

Stephanie Lom:

I started out in college as a history major. I had sort of a thought that maybe I'd work in government. My mom worked in city government when I was growing up, and I like history, that was sort of appealing to me. And then I guess I was shockingly practical as an 18 year old, because I remember thinking, how do I get a job with a history major? That's not going to be helpful. And so I switched to finance my second semester freshman year, and it made sense to me because I have a math brain. I was generally better at math than writing or creative pursuits. That still is the case these days. So that it was logical for me and I enjoyed it.

Stephanie Lom:

I got an internship in public finance the summer between my junior and senior year of college. I got it through a family friend, which I always try and be candid about because I want to make sure that I was honest about the fact that I was helped into this industry and I hope that I can do that for people in the future, but I liked the public finance side of it because it sort of combined the government aspect of what I thought I was planning to do when I started college with a finance aspect of what my major was.

Stephanie Lom:

Once I finished my internship that's that's the sort of job I looked for, public finance, and I applied to Raymond James in 2006 and 14 and a half years later, I'm still here. Every time I say it, that's crazier and crazier.

Emilie Ninan:

Well, I think that length of time you're there speaks volumes about you and of Raymond James, because obviously they're doing something right to keep you there and you're still finding the right challenges and experiences that you want.

Emilie Ninan:

I had a similar experience. I went straight through undergrad and started as a journalism major and quickly switched to the business school and then went on to law school where I got [inaudible 00:17:33] MBA and then started at a law firm. So I've only been at two different firms over 25 years, so I think that speaks highly of both of those firms as well. And you don't hear that a lot. I think we've been lucky that way.

Stephanie Lom:

For sure. Especially with, well, I have one or two friends my age that have been at the same job but otherwise it's, at this point, like three or four jobs. And so agreed, it's definitely rare these days.

Emilie Ninan:

Yeah. And I'm glad you mentioned sort of getting help into the industry through somebody you knew, because I think some women don't take advantage of the contacts they have. And obviously now you're in a position where you can help others to reach out. So I hope people do reach out to us, because I think most of us want to help if we can. You don't want to be the last person in your position, you want to have others come behind you. So I think that's great too.

Emilie Ninan:

We're almost seven months now into COVID. So I know you live in New York, so what's it been like living in New York during COVID and then dealing with the isolation that comes from quarantine? I think you've been quarantined by yourself most of the time. So what have you done to sort of adjust that?

Stephanie Lom:

I think maybe it's confirmed my thoughts that I am an introvert. So for the first four weeks, I was thinking this is great. I don't have to go anywhere. I can sit on my couch and do exactly what I want to do. I think that the first two months in New York were really unsettling. How wide it was. The siren we heard earlier, that was sort of a constant sound in the background. And because there was no nothing else going on, it was more clear and just a constant reminder of what was going on around us.

Stephanie Lom:

I was, one, very lucky that I was able to work from home. Raymond James sat there and quickly decided that that's what we're all going to do. They provided us everything we needed. In New York city you have access to delivery of everything. You could really go months without leaving your apartment if you really wanted to. So that there is the opportunity to keep yourself safe here. And I feel lucky that I was able to do that, because I know there are a lot of people that had to leave their apartment.

Stephanie Lom:

My sister's a doctor, my brother manages a Trader Joe's, so I felt like of my family, I was doing the least to help the world at that point. So I figured the least I could do was try to keep myself insular and avoid creating any other issues within New York City.

Stephanie Lom:

I definitely am ready for it to be over. My introvertedness has taken me as far as it's going to go and I'm ready to... It's like seeing people, but also being able to have normal conversations again. I really miss that. And having conversations with new people. I think that I am craving the idea of like meeting someone new and having something to talk about that's not what, how has 2020 been for you, and sort of rehashing all the same things that we're talking.

Stephanie Lom:

But I have had opportunities to leave the city and go to different places within New York state, some different lakes around, so that's been nice. But I am crossing my fingers that this week we get through the opening of indoor dining and start in person school. So if we can make it through the next few weeks without the infection rate going up, I feel like maybe there's some light at the end of the tunnel, but I don't feel that positive about it. We'll see.

Emilie Ninan:

Yeah, hopefully that'll go well. That would be a big step. I think one of the books that came out during COVID was by Dr. Vivek Murthy, the former Surgeon General of the United States, and I think it's called Together, where he talked about the need for connection and what he saw as loneliness as a public health crisis and how we need that connection.

Emilie Ninan:

But I also remember you telling me at the beginning of COVID, mentioning you were an introvert and staying home wasn't the worst thing, and I certainly identify with that. I don't get my energy from other people usually. I mean, I like talking to people, I like the meetings and having lunches and stuff, but I certainly feel depleted by that by the end of the day. I don't define introvert as being shy, but sort of like, do you get energy from people or do they deplete it?

Emilie Ninan:

But there was a book that came out, I don't know if you saw this, by Susan Cain, it's called Quiet. And it's about the power of introverts in the world that can't stop talking, and I just found that so refreshing to think about not just how introverts can get along in a very extroverted society, but that they're needed, and needed in leadership and what they contribute positively.

Stephanie Lom:

It's interesting because I haven't read that book. Someone else recently recommended it to me. I mean, I must've been having a similar conversation. It's on my list to read. But I do think it's interesting that both of us that are in careers that require us to, in a normal time, sort of network and meet people face-to-face and sell ourselves and that sort of thing, and did we end up here as introverts?

Emilie Ninan:

It proves that any skill can be learned. So where do you see yourself going post COVID? How do you define success for yourself?

Stephanie Lom:

You gave me a hat tip to this question, so I'm prepared for it. And I have to say, I've struggled to come up with an answer because I think, outwardly, people look at sort of the first thing they think of when you hear success is sort of a monetary thing. And that's not what success is for me. I think for me, it's feeling fulfilled with what I'm doing, making sure that I feel like I'm making a difference, and it's hard to sort of equate that with finance. Sometimes I think we get a bad rap about what we're doing, especially the term investment banker that can be sort of demonized a little bit, but in terms of what we do in public finance, that could even, going back to the ESG discussion, we're doing a public good. We're helping infrastructure, we're helping governments save money, which is so important right now.

Stephanie Lom:

I think that's what it comes back to me for when I'm thinking of success and am I happy with what I've done at the end of the day? That's sort of what I'm thinking. What that means post COVID...

Emilie Ninan:

Just getting out, meeting people [crosstalk 00:25:17]. Yeah, no, I definitely like that about public finance as well. I started actually in litigation for my first couple of years of practice and just felt so far removed from what I was working on at the time. But I liked the working group atmosphere, that we're all working toward the same end, and also being able to pass a hospital or a school or a dorm and say I had some part in that and it feels connected to the community or the affordable housing, whatever that project may be. So I definitely agree with you that that's the plus of what we're doing in the public finance [crosstalk 00:25:56].

Stephanie Lom:



I like the working group aspect of it too. And since I've only ever done public finance, I don't know if this is a rare quality, but the idea that when you're working on a deal team and you could call up any member and if there's a problem, generally, I think it's like everyone comes together to solve the problem. It's much less sort of finger pointing about what is the problem, who caused the problem, no one really does that. It's all like, how do we make sure that we can get the deal closed or cross the finish line and that sort of comraderies is nice.

Emilie Ninan:

Yeah, no, I enjoy that, especially on the legal side where other parts of the law, you're paid to be adversarial, that's your job. I like having this option where we're working toward the same end. So just a couple of questions as we wrap up our time here, knowing what you know now, what advice would you give your younger self?

Stephanie Lom:

Number one, and I've said this a bunch of times to my friends, so I'm sure if anyone is listening they'll remember this, but I would really go to a state school for college. I went to Lee High, no offense to Lee High, go Mountain Hawks, but I think that the value of an expensive private higher education is limited after your first job. Maybe it helps you get your foot in the door after your first job, but after that I'm not sure that it's worth it. I'm sure other people will have a different opinion on that.

Stephanie Lom:

I would take less student loans out. My mom was still paying off student loans. I'm still paying off student loans. And just go to the state school. I grew up in Connecticut, UConn would have been a fine school. I'm sure I could have ended up in a similar situation.

Stephanie Lom:

The other thing I always tell people I talk to is to take classes in stuff that you aren't majoring in because when else are you going to be in a situation where you're surrounded by subject matter experts for all kinds of things? I wish I took more on international relations and history and that sort of thing, politics, that really interests me.

Stephanie Lom:

I look back and see who the professors were and they're these impressive people that I had the opportunity to learn from and I didn't necessarily take full advantage of that. So I think it's sort of once in a lifetime opportunity when you're in college to do that. Those are my two things.

Emilie Ninan:

No, I think that's both great advice and I hear more and more that about higher ed. I actually did go to a state school for undergrad knowing I'd have to go to grad school. I was going to practice on then went to Georgetown for law school, which I thought was the better place to spend the money. Certainly now I have a daughter in private school and she's taking classes here at home and it's really hard to understand how that's worthwhile. Certainly rethinking that.

Stephanie Lom:

Amanda, who you mentioned earlier, my coworker, who has been to doing public finance for a little bit longer than me, maybe 16 years, [inaudible 00:29:11] she went to Rutgers. Her and I sort of have similar tracks and we ended up at a similar place, and she did state school and I did a private school, so it's always interesting to compare where we've ended up.

Emilie Ninan:

Is there a person or event that was a turning point in your life or somehow changed the trajectory of your life?

Stephanie Lom:

When I started working, I worked in Atlanta. I'm from Connecticut, I went to school in Pennsylvania, and I was a bit of a fish out of water in Atlanta. I was ready to leave and I was able to work out with a banker in the [inaudible 00:29:47] New York office, Larry Mash, to help to move out here and work with him. And I think he taught me a lot about how to be a public finance banker, and he taught me a lot about how to ask for what I thought I deserved in a way that I hadn't learned before and sort of moving me out of the South and into the New York market opened up just a ton of opportunity in terms of the people that I'm covering now.

Stephanie Lom:

When I read this question, I immediately thought of Larry and he's well into retirement now, but I think that I probably would have left the industry if it wasn't for working with him just as a way to move home from Atlanta. So the fact that he was able to make it work where I got to New York was sort of life changing. And 12 years later I'm still here. I'm the number one defender of New York City right now. If you need pep talks about what the city is like, and no, there are still people here, there are people eating outside, there's music everywhere. It's great. So I thank Larry for that.

Emilie Ninan:

Yeah, that's great that he would do that and know that's what it would take for you to stay. I mean, if Raymond James hadn't done that, you may not be there and have contributed so much to them in the last 14 years. So that's great to hear. And was that mentoring sort of sponsoring relationship that just came naturally and organically because you worked together or is there some sort of formal program?

Stephanie Lom:

The relationship that Larry and I had was a natural progression towards a mentor and mentee relationship, it wasn't anything formal. I feel strongly about the fact that those kinds of relationships tend to do better when it's organic, rather than a setup between potential mentor and mentee. It just seems like when it's not a forced situation it can be better for both sides.

Emilie Ninan:

I agree. While there may be a role for formal mentoring programs, the relationships that grow organically, or at the mentees request, are the ones that I've seen be most beneficial and successful.

Emilie Ninan:

With that our time has come to an end. Stephanie Lom from Raymond James, thank you for joining us today.

Stephanie Lom:

Thank you for having me.

John Wright:

Thanks again to Emilie Ninan and Stephanie Lom. Make sure to visit our website, [www.ballardspahr.com](http://www.ballardspahr.com), where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify, or your favorite podcast platform. If you have questions or suggestions for the show, please email [podcast@ballardspahr.com](mailto:podcast@ballardspahr.com). Stay tuned for a new episode coming soon. Thank you for listening.