

# All signs point to RIA

5 reasons top-performing teams are breaking away

The Registered Investment Advisor (RIA) movement has reshaped the investment advisor landscape. Offering new opportunities, resources, and support, the independent RIA model can serve the evolving needs of investment advisors and their clients. In response, teams are moving to independence at an inspiring rate.

## 1 Teams of all sizes are leaving the building



"Multibillion-dollar teams don't view this as running away," says John Furey, founder of Advisor Growth Strategies. "They view it as the best structural and long-term decision for the team and their clients."

**59%** Industry-wide increase in RIAs that had \$1B+ in client assets between 2014 and 2018<sup>1</sup>

## 2 The support ecosystem is robust



The industry today has a mature ecosystem of support that has attracted a record number of sophisticated teams, leading to historic growth in the RIA channel. Industry services include compliance, technology, transition support, ongoing practice management, and marketing.

Far outperforming other models, RIA assets have grown

**22.7%** annually since 2008<sup>2</sup>

## 3 Keep more of what you earn



Some teams are seeing revenue gains, even in the short term. With more control over their money, they can reinvest, develop a brand, and realize the value of ownership.

Median 5-year compound annual growth rates in revenue for newly transitioned teams:<sup>3</sup>

**16.5%** \$500M to \$1B AUM

**20.8%** \$1B+ AUM

## 4 Freedom to put clients first



"We still have so much room to grow. Why? Because most investors do not understand something as simple as fiduciary versus suitability standards."

—Tim Oden, National Managing Director of Business Development, Schwab Advisor Services

RIA teams have the ability to meet the complex needs of sophisticated investors. Without the constraint of broad-stroke policies, teams are free to create a more client-focused approach—their way.

**87%** of investment advisors who said the appeal of the RIA model to clients was a factor for wanting to go independent<sup>4</sup>

## 5 On track to meet shifting expectations



Investment advisors are being shaped by shifting expectations. A client-first approach is becoming the norm, and RIAs are well positioned as they strive to be trusted fiduciaries.

Investment advisors retain an average of **87%** of clients when they go independent<sup>5</sup>

### The rise of the RIA and you

Learn more about how elite teams are redefining the RIA landscape.

Visit [advisorservices.schwab.com/rise](https://advisorservices.schwab.com/rise).



*Own your tomorrow*

1. The Cerulli Report, U.S. RIA Marketplace 2019: Consolidators Gain Momentum, Exhibit 2.14, Cerulli Associates, November 13, 2019.  
 2. The Cerulli Report, U.S. Intermediary Distribution 2019: Capitalizing on Specialization, Exhibit 2.07, Cerulli Associates, September 4, 2019.  
 3. 2019 RIA Benchmarking Study from Charles Schwab, fielded January to March 2019. Study contains self-reported data from 1,310 firms. Participant firms represent various sizes and business models categorized into 12 peer groups—7 wealth manager groups and 5 money manager groups—by AUM size.  
 4. The Cerulli Report, U.S. RIA Marketplace 2019: Consolidators Gain Momentum, Exhibit 4.08, Cerulli Associates, November 13, 2019.  
 5. Independent Advisor Sophomore Study from Schwab Advisor Services, Logica Research (formerly Koski Research), March 2018.  
 For informational purposes only.  
 Third-party firms and their employees are not affiliated with or an employee of Schwab.  
 Registered Investment Advisors are independent and are not employees or agents of Charles Schwab & Co., Inc. and its affiliates.  
 Schwab Advisor Services™ does not provide legal, regulatory, or compliance advice to independent RIA firms.  
 Schwab Advisor Services serves independent investment advisors and includes the custody, trading, and support services of Schwab. Independent investment advisors are not owned by, affiliated with, or supervised by Schwab.  
 ©2020 Charles Schwab & Co., Inc. ("Schwab"). All rights reserved. Member SIPC.  
 AHA (0520-05X0) ELC100559-02 (05/20)