

# 2023 RIA Benchmarking Study

## Compensation Report



Report prepared for

**SCHWAB TEST ADVISORY FIRM**

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Sample

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# Introduction

Talent is a differentiator, helping to drive growth and long-term success. As people are a firm's most important asset and largest investment—accounting for 69% of expenses—it's vital that firms unlock their employees' potential, reward staff, and develop the next generation of leaders. Schwab's 2023 RIA Benchmarking Study offers strategic insights for firms seeking to attract and retain talent. This year, 1,044 firms participated in the compensation portion of the study, providing data on over 14,500 employees—making this study the industry leader.

Hiring new talent continues to be top of mind for firms, ranking as the second-highest strategic priority in the study. In 2022, 77% of firms hired staff, comparable to the previous year. The median firm brought on two staff, and two-thirds of hires were for new roles. Looking ahead, 75% of firms plan to add staff this year.<sup>ii</sup>

Having a compelling employee value proposition (EVP)—what a firm offers to employees in exchange for their talent and commitment—can help attract, motivate, and retain staff. An EVP is a firm's talent brand in the marketplace, and it showcases elements that appeal to both head and heart. Across the study, 40% of all firms<sup>iii</sup> have an EVP—an area of opportunity for many RIAs.

Compensation is central to a strong EVP, with competitive plans including financial rewards beyond base salary. Across all roles in the study, base salary represents 79% of total cash compensation on average, with performance-based incentive pay, compensation tied to revenue generation, and owner profit distributions comprising the balance. Seventy-nine percent of firms use performance-based incentive pay to link compensation with individual goals, team-based goals, or firm-wide milestones. Equity also helps align employees' goals with those of the firm. By investing in talent with a robust EVP that incorporates financial incentives and nonfinancial rewards, such as career path/progression opportunities and nontraditional benefits, firms can enhance the quality of their teams and impact success.

## How to use this report

This customized report provides results from the compensation portion of the annual RIA Benchmarking Study, enabling advisors to compare their firm's compensation practices with those of their peers. The findings include detailed compensation data on 14,746 employees across 27 roles typically found at RIA firms. Please review the general definitions and role descriptions on pages 198–201.

**For best viewing**, in your PDF reader go to View > Page Display, choose Two Page View, and select Show Cover Page in Two Page View.

For each role, this report includes salary, incentive pay, compensation tied to revenue, ownership details, years of experience, and certification information at three levels: national, tier, and regional. Your firm's tiers and regional markets are indicated on the facing page; these enable you to compare your firm's performance against firms across the industry and in your geographic region.

- **National benchmarks** represent all firm responses for that particular role. This allows you to compare compensation for a particular role at your firm at the national level.
- **Tier benchmarks** represent a compilation of counties across the country with comparable labor costs. This allows you to compare compensation for a particular role at your firm with that of other firms anywhere in the United States with similar cost of labor. For a list of cities in each tier, see pages 202–225. Refer to page 254 to review the tier assignment methodology.
- **Regional market benchmarks** reflect results from counties within a geographic region that are also within the same tier. This allows you to compare compensation for a particular role at your firm with that of other firms within your region—often your most direct competition. For a list of cities and zip codes in each regional market, see pages 226–253. Only markets with sufficient responses are reflected in this report.

Benefits and ownership information are offered in five groupings based on assets under management. Benefits include retirement plans; health, life, and disability insurance; paid time off; and maternity/paternity leave. Ownership considers working owners, non-working owners, and outside owners. The diversity, equity, and inclusion metrics provide views on gender, race, and generational diversity across all firms.

## Online compensation tool

The Benchmarking Compensation Tool is available to firms that participate in the compensation portion of the annual RIA Benchmarking Study. To receive your custom link to access the tool, visit <https://advisorservices.schwab.com/compensationtool> or, for those firms without a Schwab Advisor Center account, <https://www.sim.wallst.com/schwabbenchmarkingstudy/register/>. This online tool provides extra views and filtering capabilities, such as compensation based on years of experience, location, and firm size.

Use this compensation report as the starting point for developing your own formal compensation package for various positions. Together with your internal criteria—such as affordability, equity, and job worth relative to other positions within the firm—the data provides a foundation for planning how best to compete for and retain the talent you need to drive success.

<sup>i</sup> Results for firms with \$25 million or more in AUM.

<sup>ii</sup> Results for firms with \$250 million or more in AUM. Ranking of strategic initiatives based on firms that selected initiative as a top-three strategic priority.

<sup>iii</sup> "All firms" refers to firms with \$25 million or more in AUM. Results are median unless otherwise noted.

## Tier & Market Assignments

Tier Regional Market<sup>1</sup>

### Attributes of Your Firm

	Your Firm
<b>Firm Profile</b>	
2022 Ending AUM (in millions)	\$384
2022 Revenue (in thousands)	\$2,680
2022 Ending number of clients	330
Age of firm (in years)	9
<b>Compensation Overview</b>	
2022 Total compensation costs (in thousands)	
Number of total staff	0
Number of Client Account Management, Sales, and Marketing staff	0
Number of Investments staff	0
Number of Operations and Administration staff	0
Number of Executive Management staff	0
Number of owners	0
Total profit distributions (in thousands)	

<sup>1</sup> Only regional markets with sufficient data are shown.

# Responses by Role

	Your Firm 0 responses	National 1,044 firms 14,746 responses
<b>Client Account Management, Sales, and Marketing</b>		
Director of Client Service		262
Senior Client Account Manager/Relationship Manager		1,922
Client Account Manager/Relationship Manager		1,683
Client Services Associate		1,793
Business Development Professional		267
Marketing Professional		317
<b>Investments</b>		
Investment/Portfolio Manager		766
Financial Planner		718
Research Analyst		467
Paraplanner		541
Portfolio Administrator		395
Trader		331
<b>Operations and Administration</b>		
Operations Director/Manager		551
Operations Associate		801
Compliance Associate		151
Office Manager/Administrator		370
Internal Accountant/Bookkeeper		293
Human Resources Professional		167
Technology Professional		236
Executive Assistant		279
Receptionist		308
<b>Executive Management</b>		
Chief Executive Officer/President		575
Chief Financial Officer		120
Chief Compliance Officer		250
Chief Investment Officer/Director of Research		261
Chief Operating Officer		241
Managing Partner		681

Total number of roles

Firm participation

Responses from all firms

Relationship Manager responses<sup>1</sup>

27

1,044

14,746

3,605

**Tier A**

217 firms  
1,781 responses



**Tier B**

829 firms  
10,204 responses



**Tier C**

262 firms  
2,761 responses



<sup>1</sup> Includes Senior Client Account Managers/Relationship Managers and Client Account Managers/Relationship Managers.

# Client Services Associate

		Your Firm			National		
		0 responses			1,793 responses		
		Low	Mid	High	20th Percentile	Median	80th Percentile
<b>Summary</b>	Base salary				\$52	\$65	\$82
	Total cash compensation				\$55	\$70	\$91
	Total cash compensation (including owner profit distributions)				\$55	\$70	\$91
<b>Performance-based Incentive Pay</b>	Responses with performance-based incentive pay				74%		
	Discretionary				\$3	\$5	\$11
	Other <sup>1</sup>				\$2	\$5	\$10
<b>Compensation Tied to Revenue</b>	Responses with compensation tied to revenue				1%		
	Percentage of new client revenue paid				10%	25%	25%
	Percentage of existing client revenue paid				1%	20%	62%
<b>Ownership Details</b>	Total responses with ownership				2%		
	Less than 5% ownership				88%		
	5% to 24% ownership				5%		
	25% to 49% ownership				5%		
	50% or more ownership				2%		
<b>Years of Experience</b>	Less than 10 years				66%		
	10 to 19 years				21%		
	20 or more years				13%		
<b>Certifications</b>	Chartered Financial Analyst (CFA)				0%		
	Certified Financial Planner (CFP)				4%		
	Certified Public Accountant (CPA)				1%		

<sup>1</sup> Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.



Median base salary  
**\$65,000**

Median total cash compensation\*  
**\$70,000**

Base salary as a percentage of total cash compensation\*  
**93%**

Individuals with 5% or more ownership  
**12%**

Tier A 213 responses			Tier B 1,267 responses			Tier C 313 responses		
20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
\$45	\$57	\$71	\$51	\$64	\$78	\$60	\$78	\$96
\$46	\$62	\$81	\$55	\$69	\$87	\$66	\$84	\$109
\$46	\$62	\$81	\$55	\$69	\$87	\$66	\$84	\$109
66%			74%			76%		
\$2	\$5	\$10	\$3	\$5	\$10	\$3	\$6	\$16
\$2	\$5	\$9	\$2	\$4	\$10	\$4	\$6	\$11
1%			1%			3%		
Insufficient data			9%	20%	30%	Insufficient data		
Insufficient data			2%	20%	20%	Insufficient data		
2%			3%			1%		
75%			88%			100%		
0%			6%			0%		
25%			3%			0%		
0%			3%			0%		
71%			66%			65%		
15%			21%			22%		
14%			13%			13%		
0%			1%			0%		
1%			4%			5%		
1%			1%			1%		

# Client Services Associate

All dollar amounts are in thousands

## Chicago Metro

Tier B  
73 responses



## Denver Area

Tier B  
32 responses



		20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
<b>Summary</b>	Base salary	\$54	\$67	\$85	\$65	\$74	\$89
	Total cash compensation	\$58	\$73	\$97	\$66	\$82	\$97
	Total cash compensation (including owner profit distributions)	\$58	\$73	\$97	\$66	\$83	\$97
<b>Performance-based Incentive Pay</b>	Responses with performance-based incentive pay	82%			81%		
	Discretionary	\$3	\$10	\$15	\$4	\$7	\$10
	Other <sup>1</sup>	\$2	\$5	\$8	Insufficient data		
<b>Compensation Tied to Revenue</b>	Responses with compensation tied to revenue	0%			0%		
	Percentage of new client revenue paid	N/A			N/A		
	Percentage of existing client revenue paid	N/A			N/A		
<b>Ownership Details</b>	Total responses with ownership	3%			3%		
	Less than 5% ownership	100%			100%		
	5% to 24% ownership	0%			0%		
	25% to 49% ownership	0%			0%		
	50% or more ownership	0%			0%		
<b>Years of Experience</b>	Less than 10 years	68%			72%		
	10 to 19 years	17%			19%		
	20 or more years	14%			9%		
<b>Certifications</b>	Chartered Financial Analyst (CFA)	0%			0%		
	Certified Financial Planner (CFP)	5%			6%		
	Certified Public Accountant (CPA)	2%			0%		

<sup>1</sup> Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.

Florida (Affluent)			Great Lakes			Great Lakes (Affluent)			Greater Boston		
Tier B 46 responses			Tier A 20 responses			Tier B 144 responses			Tier C 15 responses		
20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
\$51	\$65	\$70	\$42	\$52	\$62	\$44	\$55	\$70	\$75	\$90	\$103
\$57	\$72	\$80	\$45	\$56	\$70	\$46	\$60	\$80	\$87	\$105	\$130
\$57	\$72	\$80	\$45	\$56	\$70	\$46	\$60	\$80	\$87	\$105	\$130
72%			65%			66%			100%		
\$2	\$6	\$10	Insufficient data			\$3	\$4	\$7	\$10	\$20	\$26
Insufficient data			Insufficient data			\$2	\$7	\$20	Insufficient data		
2%			10%			1%			0%		
Insufficient data			Insufficient data			Insufficient data			N/A		
Insufficient data			Insufficient data			Insufficient data			N/A		
7%			0%			3%			20%		
100%			N/A			80%			100%		
0%			N/A			0%			0%		
0%			N/A			20%			0%		
0%			N/A			0%			0%		
64%			82%			67%			47%		
17%			18%			20%			40%		
19%			0%			13%			13%		
0%			0%			0%			0%		
3%			0%			0%			0%		
0%			0%			1%			0%		

# Client Services Associate

All dollar amounts are in thousands

## Metro Atlanta

Tier B  
61 responses



## Mid-Atlantic

Tier A  
16 responses



20th Percentile    Median    80th Percentile    20th Percentile    Median    80th Percentile

### Summary

Category	Metro Atlanta 20th Percentile	Metro Atlanta Median	Metro Atlanta 80th Percentile	Mid-Atlantic 20th Percentile	Mid-Atlantic Median	Mid-Atlantic 80th Percentile
Base salary	\$57	\$72	\$99	\$41	\$53	\$71
Total cash compensation	\$63	\$75	\$107	\$42	\$54	\$71
Total cash compensation (including owner profit distributions)	\$63	\$75	\$107	\$42	\$54	\$71

### Performance-based Incentive Pay

Category	Metro Atlanta	Mid-Atlantic
Responses with performance-based incentive pay	74%	69%
Discretionary	\$4    \$10	Insufficient data
Other <sup>1</sup>	\$2    \$4    \$10	Insufficient data

### Compensation Tied to Revenue

Category	Metro Atlanta	Mid-Atlantic
Responses with compensation tied to revenue	2%	0%
Percentage of new client revenue paid	Insufficient data	N/A
Percentage of existing client revenue paid	Insufficient data	N/A

### Ownership Details

Category	Metro Atlanta	Mid-Atlantic
Total responses with ownership	0%	0%
Less than 5% ownership	N/A	N/A
5% to 24% ownership	N/A	N/A
25% to 49% ownership	N/A	N/A
50% or more ownership	N/A	N/A

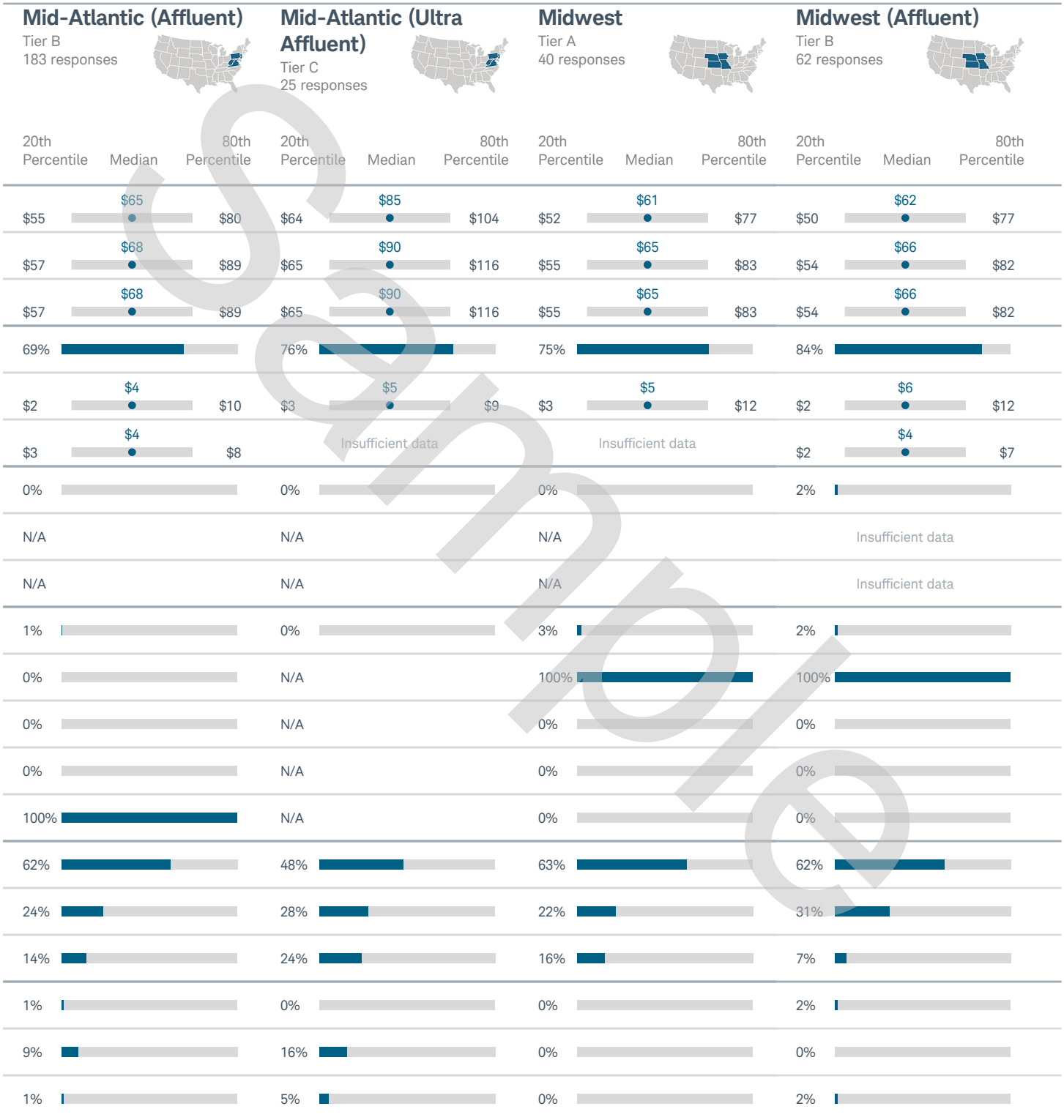
### Years of Experience

Category	Metro Atlanta	Mid-Atlantic
Less than 10 years	65%	44%
10 to 19 years	28%	25%
20 or more years	7%	31%

### Certifications

Category	Metro Atlanta	Mid-Atlantic
Chartered Financial Analyst (CFA)	0%	0%
Certified Financial Planner (CFP)	5%	0%
Certified Public Accountant (CPA)	0%	0%

<sup>1</sup> Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.



# Client Services Associate

All dollar amounts are in thousands

## Minneapolis-St. Paul (Affluent)

Tier B  
58 responses



## New England (Affluent)

Tier B  
79 responses



20th Percentile    Median    80th Percentile    20th Percentile    Median    80th Percentile

### Summary

	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
Base salary	\$54	\$62	\$78	\$60	\$67	\$82
Total cash compensation	\$56	\$67	\$83	\$63	\$75	\$93
Total cash compensation (including owner profit distributions)	\$56	\$67	\$83	\$63	\$75	\$93

### Performance-based Incentive Pay

Responses with performance-based incentive pay	79%		76%			
Discretionary	\$3	\$5	\$9	\$3	\$5	\$13
Other <sup>1</sup>	\$2	\$4	\$4	\$3	\$4	\$6

### Compensation Tied to Revenue

Responses with compensation tied to revenue	0%		1%	
Percentage of new client revenue paid	N/A			Insufficient data
Percentage of existing client revenue paid	N/A			Insufficient data

### Ownership Details

Total responses with ownership	7%		0%	
Less than 5% ownership	100%		N/A	
5% to 24% ownership	0%		N/A	
25% to 49% ownership	0%		N/A	
50% or more ownership	0%		N/A	

### Years of Experience

Less than 10 years	68%		64%	
10 to 19 years	16%		26%	
20 or more years	16%		10%	

### Certifications

Chartered Financial Analyst (CFA)	2%		1%	
Certified Financial Planner (CFP)	0%		5%	
Certified Public Accountant (CPA)	2%		0%	

<sup>1</sup> Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.

New York			New York (Affluent)			New York Metro			Northern California		
Tier B 32 responses			Tier C 18 responses			Tier C 34 responses			Tier B 21 responses		
20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
\$58	\$63	\$74	\$50	\$71	\$88	\$60	\$70	\$90	\$60	\$73	\$88
\$61	\$68	\$85	\$66	\$83	\$104	\$63	\$78	\$101	\$60	\$79	\$100
\$61	\$68	\$85	\$66	\$83	\$104	\$63	\$78	\$101	\$60	\$79	\$100
81%			100%			76%			57%		
\$3	\$5	\$10	Insufficient data			\$4	\$7	\$11	Insufficient data		
Insufficient data			Insufficient data			Insufficient data			Insufficient data		
3%			33%			6%			0%		
Insufficient data			Insufficient data			Insufficient data			N/A		
Insufficient data			Insufficient data			Insufficient data			N/A		
0%			0%			0%			0%		
N/A			N/A			N/A			N/A		
N/A			N/A			N/A			N/A		
N/A			N/A			N/A			N/A		
N/A			N/A			N/A			N/A		
72%			61%			79%			50%		
19%			22%			15%			39%		
9%			17%			6%			11%		
0%			0%			0%			0%		
7%			0%			13%			6%		
0%			0%			3%			0%		

# Client Services Associate

All dollar amounts are in thousands

## Ohio (Affluent)

Tier B  
79 responses



## Pacific Northwest (Affluent)

Tier B  
80 responses



20th Percentile    Median    80th Percentile    20th Percentile    Median    80th Percentile

### Summary

	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
Base salary	\$50	\$59	\$73	\$52	\$60	\$72
Total cash compensation	\$52	\$63	\$80	\$55	\$67	\$79
Total cash compensation (including owner profit distributions)	\$52	\$63	\$80	\$55	\$67	\$79

### Performance-based Incentive Pay

Responses with performance-based incentive pay	80%		79%			
Discretionary	\$1	\$3	\$7	\$3	\$5	\$7
Other <sup>1</sup>	\$2	\$6	\$9	\$2	\$5	\$6

### Compensation Tied to Revenue

Responses with compensation tied to revenue	0%		0%	
Percentage of new client revenue paid	N/A		N/A	
Percentage of existing client revenue paid	N/A		N/A	

### Ownership Details

Total responses with ownership	5%		5%	
Less than 5% ownership	100%		100%	
5% to 24% ownership	0%		0%	
25% to 49% ownership	0%		0%	
50% or more ownership	0%		0%	

### Years of Experience

Less than 10 years	56%		73%	
10 to 19 years	27%		17%	
20 or more years	17%		9%	

### Certifications

Chartered Financial Analyst (CFA)	0%		0%	
Certified Financial Planner (CFP)	7%		1%	
Certified Public Accountant (CPA)	1%		3%	

<sup>1</sup> Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.



Pacific Northwest (Ultra Affluent) Tier C 71 responses			Phoenix Area/Tucson (Affluent) Tier B 40 responses			San Francisco Bay Area Tier C 92 responses			Southern Tier A 38 responses		
20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
\$65	\$80	\$96	\$48	\$59	\$77	\$61	\$84	\$103	\$44	\$54	\$67
\$68	\$83	\$116	\$50	\$65	\$87	\$70	\$90	\$111	\$45	\$54	\$71
\$68	\$83	\$116	\$50	\$65	\$87	\$70	\$90	\$111	\$45	\$54	\$71
87%			78%			63%			45%		
\$3	\$5	\$14	\$3	\$4	\$6	\$5	\$8	\$17	Insufficient data		
\$6	\$7	\$13	\$3	\$3	\$8	\$3	\$6	\$10	Insufficient data		
0%			3%			2%			0%		
N/A			Insufficient data			Insufficient data			N/A		
N/A			Insufficient data			Insufficient data			N/A		
0%			0%			1%			0%		
N/A			N/A			100%			N/A		
N/A			N/A			0%			N/A		
N/A			N/A			0%			N/A		
N/A			N/A			0%			N/A		
71%			81%			64%			72%		
19%			11%			22%			14%		
10%			8%			15%			14%		
0%			0%			1%			0%		
5%			8%			3%			0%		
0%			3%			0%			3%		

# Client Services Associate

All dollar amounts are in thousands

## Southern (Affluent)

Tier B  
41 responses



## Southern California

Tier B  
101 responses



20th Percentile    Median    80th Percentile    20th Percentile    Median    80th Percentile

### Summary

	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
Base salary	\$47	\$60	\$75	\$55	\$66	\$80
Total cash compensation	\$50	\$64	\$81	\$58	\$70	\$87
Total cash compensation (including owner profit distributions)	\$50	\$64	\$81	\$58	\$70	\$87

### Performance-based Incentive Pay

Responses with performance-based incentive pay	78%		70%			
Discretionary	\$2	\$4	\$7	\$2	\$6	\$8
Other <sup>1</sup>	Insufficient data		\$2	\$3	\$6	

### Compensation Tied to Revenue

Responses with compensation tied to revenue	0%		1%	
Percentage of new client revenue paid	N/A		Insufficient data	
Percentage of existing client revenue paid	N/A		Insufficient data	

### Ownership Details

Total responses with ownership	0%		1%	
Less than 5% ownership	N/A		100%	
5% to 24% ownership	N/A		0%	
25% to 49% ownership	N/A		0%	
50% or more ownership	N/A		0%	

### Years of Experience

Less than 10 years	51%		82%	
10 to 19 years	29%		14%	
20 or more years	20%		4%	

### Certifications

Chartered Financial Analyst (CFA)	0%		1%	
Certified Financial Planner (CFP)	0%		2%	
Certified Public Accountant (CPA)	0%		0%	

<sup>1</sup> Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.

Southern California (Affluent)			Texas (Affluent)			The Carolinas			The Carolinas (Affluent)		
Tier C 53 responses			Tier B 76 responses			Tier A 23 responses			Tier B 18 responses		
20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile	20th Percentile	Median	80th Percentile
\$60	\$75	\$83	\$50	\$63	\$78	\$42	\$60	\$67	\$44	\$54	\$70
\$61	\$78	\$94	\$55	\$70	\$88	\$42	\$64	\$76	\$44	\$60	\$84
\$61	\$78	\$94	\$55	\$70	\$88	\$42	\$64	\$76	\$44	\$60	\$95
70%			76%			61%			61%		
\$2	\$4	\$26	\$3	\$6	\$10	Insufficient data			Insufficient data		
Insufficient data			\$2	\$8	\$14	Insufficient data			Insufficient data		
0%			0%			0%			0%		
N/A			N/A			N/A			N/A		
N/A			N/A			N/A			N/A		
0%			1%			0%			6%		
N/A			100%			N/A			0%		
N/A			0%			N/A			100%		
N/A			0%			N/A			0%		
N/A			0%			N/A			0%		
69%			63%			69%			56%		
18%			16%			13%			25%		
14%			21%			19%			19%		
0%			0%			0%			0%		
0%			2%			0%			0%		
0%			0%			0%			0%		

## General Definitions

### Base salary

The fixed annual salary a staff member receives for work performed within the firm based on a 40-hour work week.

### BIPOC

Acronym that stands for Black, Indigenous, and People of Color.

### Compensation tied to revenue

Variable compensation paid to a staff member, often in addition to base salary, that is specifically tied to revenue generated. Commonly referred to as commissions.

### Discretionary compensation

Variable compensation paid to a staff member, typically in addition to base salary. Discretionary compensation is payment as a reward for individual performance and is not linked to the achievement of specific financial metrics.

### Full-time equivalent (FTE)

An individual working 40 or more hours per week. Full-time equivalent staff includes owners.

### Outside owners

Outside investors include individuals who do not work actively in the firm and entities such as accounting firms, private equity firms, strategic acquiring firms, and banks.

### Owners

Individuals or entities that hold an equity stake in the firm.

### Other performance-based incentive pay

Variable compensation paid to a staff member, typically includes compensation resulting from firm goals, department or team goals, and business development results.

### Performance-based incentive pay

Variable compensation paid to a staff member that includes both discretionary and other performance-based compensation.

### Percentage of existing client revenue paid

The total percentage of revenue paid to a staff member for revenue generated from his/her existing clients.

### Percentage of new client revenue paid

The total percentage of revenue paid to a staff member for revenue generated from his/her new clients.

### Percentage of premium paid

For medical insurance, dental insurance, and vision insurance, it is the percentage of premium paid by the firm for the benefit. For long-term and short-term disability, it is the percentage of salary that constitutes the benefit.

### Total cash compensation / total compensation costs

Sum of base salary and variable compensation (performance-based incentive pay and compensation tied to revenue) paid to a staff member. Total compensation costs represent base salary and variable compensation (performance-based incentive pay and compensation tied to revenue) paid to all staff members.

### Total cash compensation (including owner profit distributions)

Sum of base salary and variable compensation (performance-based incentive pay and compensation tied to revenue) paid to a staff member, plus any profit distributions paid to a staff member for being an owner in the firm.

### Total profit distributions

Sum of all profit distribution payments to staff members who are owners working actively in the firm. Does not include profit distribution payments to outside owners.

Sample

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# Role Descriptions

## Client Account Management, Sales, and Marketing

### Director of Client Service

Manages the client service activities for the entire firm or a specific business area. Coordinates client service activities with those of sales and marketing staff. Supervises client service staff. Tracks and reports results of key service measures against firm objectives. Leads resolution of problems related to client service. May manage relationships with key clients and prospects.

### Senior Client Account Manager/Relationship Manager

Most experienced advisory position within the firm. Primary manager of existing client relationships, particularly more complex relationships. Formulates and implements advice but may rely on technical specialists to develop recommendations within an individual specialist's area of expertise. Often works with, trains, and supervises other staff in client service delivery.

### Client Account Manager/Relationship Manager

Manages existing client relationships, either working with a principal or more experienced advisor, or on their own. Provides client service management, often to small and midsize accounts, assists senior professionals in conducting client meetings, and resolves basic and routine client account issues.

### Client Services Associate

Provides non-advice-related support to clients, including preparing standard client reports, maintaining contact with clients to provide or obtain updated information, scheduling client meetings, and responding to administrative client queries.

### Business Development Professional

Develops new business, with relatively little responsibility (less than 10% of time) for managing relationships, providing advice, or serving clients.

### Marketing Professional

Implements marketing plans and programs, assists in developing new marketing and advertising campaigns, and develops strategic communications deliverables.

## Investments

### Investment/Portfolio Manager

Actively manages a client portfolio using individual securities or a combination of securities and third-party managers. May participate in or develop an investment strategy. (Note that this position describes an active-style internal manager.)

### Financial Planner

Provides financial planning to the clients of the lead and service advisors. Serves as in-house expert on financial planning issues. Does not act as primary relationship manager.

### Research Analyst

Performs research and analysis and/or manages investment options. Provides information and makes recommendations to professional staff on managers, advisory service products, investment selection, suitability guidelines, and reporting.

### Paraplanner

Provides technical support to the Client Account Manager/Relationship Manager roles in the delivery of advice to clients. Responsibilities include data gathering, modeling, case design, plan development, presentation development, etc. May participate in client meetings but not in an advice capacity. Has no decision-making authority on client matters.

### Portfolio Administrator

Sets up and maintains client accounts; compiles and completes client, custodian, and firm paperwork; reviews and maintains client transactions and activity; and executes client and firm tasks, such as asset transfers, preparation of reports, and general support of portfolio and investment strategies.

### Trader

Buys and sells securities as directed by the portfolio managers, advisors, or CIO.

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## Operations and Administration

### Operations Director/Manager

Manages daily activities within the operations department (e.g., trading and reporting) and serves as an intermediary between the department and top management. Typically supervises operations staff and may be responsible for establishing or contributing ideas for department process, procedures, and protocols.

### Operations Associate

Performs daily activities within the operations department. May provide network administration/IT support to staff.

### Compliance Associate

Assists and implements firm's compliance program.

### Office Manager/Administrator

Responsible for general office operations, such as internal accounting, office equipment, and supplies. May also coordinate firm website or other marketing tools. This is a catch-all function in firms that do not employ multiple staff members for each of these functions.

### Internal Accountant/Bookkeeper

Performs internal accounting and generates the firm's financial statements.

### Human Resources Professional

Handles employee relations, payroll and benefits, and training. May direct and coordinate administrative functions of an organization.

### Technology Professional

Generally provides service related to software, hardware, databases, Web resources, network, and enterprise systems. Duties can include network management, software development, and database administration.

### Executive Assistant

Handles a variety of administrative functions to aid a dedicated manager of the firm. May perform secretarial and clerical duties as needed by the dedicated manager.

### Receptionist

Greets and directs clients and other visitors. Screens and routes telephone calls. May perform incidental typing or other routine clerical duties.

## Executive Management

### Chief Executive Officer/President

Generally provides strategic leadership, planning, and broad executive management to achieve the firm's strategic objectives. Typically spends less than 50% of his or her time delivering advice and/or generating business. If the staff member in this position spends more than 50% of his or her time delivering advice and/or generating business, use one of the professional positions as the primary role.

### Chief Financial Officer

Establishes policies and procedures for effective recording, analyzing, and reporting of all financial matters of the organization.

### Chief Compliance Officer

Develops and monitors the firm's compliance program, ensuring that all activities meet the requirements of state and federal legal and regulatory agencies. Acts as a liaison with regulatory agencies on compliance-related issues in response to complaints.

### Chief Investment Officer/Director of Research

Plans and directs all aspects of an organization's investment programs. Oversees the research, evaluation, and selection of investment vehicles and makes sure investment selections are aligned with the organization's goals.

### Chief Operating Officer

Directs, administers, and coordinates the activities of the organization in accordance with policies, goals, and objectives of the firm. This is purely a management function and is not responsible for revenue production.

### Managing Partner

Owner and principal of the business, with broad responsibilities for business development, client relationships, service, and management. Responsible for developing new business, managing relationships, providing advice, or serving clients. In addition, has shared responsibility of strategic leadership, planning, and broad executive management decisions to achieve the firm's strategic objectives.

# Methodology, Disclosures, and Terms of Use

## General Disclosures and Terms of Use

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## Questions on Your Benchmarking Compensation Report

If you have any comments or questions on your report, please email us at [riabenchmarking@schwab.com](mailto:riabenchmarking@schwab.com), or contact your Account/Relationship Manager or supporting staff.

## Overall Methodology

- Responses were collected from January through March of 2023.
- All data is self-reported by study participants and is not verified or validated. Each participating advisory firm submitted only one set of responses.
- Tier assignments are defined by the cost of labor for each geographic location. Information from the ERI Economic Research Institute, Inc., which provides compensation, benefits, and human resources research for public and private organizations, was used in our analysis to determine the average salary by county. ERI Economic Research Institute, Inc. is not affiliated with or an employee of Schwab. We compared each average salary by county to the national average to arrive at three tiers:
  - Tier A: Counties with average salary less than 95% of national average
  - Tier B: Counties with average salary between 95%–114% of national average
  - Tier C: Counties with average salary 115% or more of national average

- Regional market assignments are comprised of counties within a region that all have the same tier assignment.
- AUM peer groups were assigned to provide a comparison with firms similar in size, regardless of business model. Each participant's self-reported 2022 year-end total AUM was used to identify five peer groups:
  - Under \$100M AUM
  - \$100M–\$250M AUM
  - \$250M–\$500M AUM
  - \$500M–\$1B AUM
  - Over \$1B AUM
- A given individual firm report will display only the individual firm data for which the study responses were sufficient to perform the required calculation. If insufficient data was provided to include an individual firm result, only the national, tier, and regional market data will appear in the firm report.
- All calculated averages count each firm equally and are not weighted by firm assets, firm revenues, number of new clients, or similar factors.
- Base salary represents a 40-hour work week. Where study responses specify work of less than 40 hours, base salary has been grossed up to reflect the equivalent salary of a 40-hour work week.
- Any responses with total cash compensation (including owner profit distributions) below \$20,000 are not included in the calculations for the national, tier, and regional market data and are not reflected in the individual firm results.
- Throughout the report, median and average values are reported in various settings. Median values are the best indicator of a "typical" firm, because they are in the middle of the group. Averages can give a good indication of performance of the group as a whole, but are subject to influence by a few high or low peer values. Firm values that are not a normal distribution and small numbers of firms do influence the average values.
- Throughout the report, "M" is used to represent millions of dollars, and "B" represents billions of dollars.



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## Specific Notes by Page

### *Pages 8-189*

- Responses with performance-based incentive pay is expressed as a percentage of total responses by role that indicated a compensation structure of Base Salary and Performance-based Incentive Pay.
- Responses with compensation tied to revenue is expressed as a percentage of total responses by role that indicated a compensation structure of Base Salary and Percentage of Revenue.
- Ownership levels are expressed as a percentage of total responses by role with ownership.

### *Pages 194-195*

- Ownership results do not include firms owned solely by outside investors.

### *Pages 196-197*

- Diversity, equity, and inclusion results do not include responses where demographic information was not shared or not available.
- Ownership results are expressed as a percentage of responses with ownership.

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