Your reputation is your brand

A Guiding Principle for Advisory Firm Success

GPS
Guiding Principles Series™
About Schwab’s Guiding Principles Series™

The Guiding Principles Series (GPS) is based on the Guiding Principles for Advisory Firm Success, a foundational framework that helps advisors address the complexities of growing their firms and creating enduring enterprises. Grounded in the best practices of leading independent advisory firms, the GPS delivers relevant and timely information to help advisors solve their unique challenges and strategically manage and grow their firms. The GPS includes industry-leading studies, resources, and tools from Schwab that are designed to help advisors explore innovative concepts and obtain new insights as they set the strategies that propel their firms to new levels of growth.

For more than 20 years, Schwab Advisor Services™, the leading custodian of over 8,000 registered investment advisory firms, and Schwab Business Consulting and Education have been working hand in hand with advisors, leveraging our deep expertise in core business issues to help firms achieve their goals and gain a competitive advantage. Schwab’s collaborative approach leverages the guiding principles to help advisors benefit from proven practices of the industry’s most successful RIA firms.

Visit advisorervices.schwab.com/guidingprinciples to learn more.

GUIDING PRINCIPLES FOR ADVISORY FIRM SUCCESS

- Effective planning and execution is a leading indicator of success
- Value is defined through your clients’ eyes
- Operational excellence creates greater capacity for clients
- People are your most important asset
- Your reputation is your brand

Contents

03 Introduction
04 Marketing
06 Referrals
07 The Firm Performance Index
09 Centers of influence
10 Case study
12 Conclusion
Introduction

Dana Anspach, Founder and Chief Executive Officer of Sensible Money—a firm in Scottsdale, Arizona, with more than $240M in assets under management (AUM)—started the firm in 2011 with one goal in mind: helping people in their 50s and 60s navigate retirement. According to Anspach and team, this requires a different type of planning to align one’s finances for a transition out of the workforce.

Since opening its doors, the firm has grown rapidly and today serves clients across the country. How did Sensible Money achieve such great results in a relatively short time? In a nutshell, growth has come largely from Anspach’s expertise and her ability to effectively communicate across a variety of channels how she can help a very specific client base. From 2008 to 2016, Anspach wrote as an expert on retirement-related topics for About.com, serving as its “MoneyOver55” expert. This position also led to her Twitter handle—@moneyover55. She also contributes content to MarketWatch and is the author of Control Your Retirement Destiny (2nd Edition) and Social Security Sense. Further, Anspach is active in the industry, participating in conferences and committees for the Retirement Income Industry Association and regularly asked by leading news and information channels to share her insights.

In other words, Anspach and her team view marketing as a growth strategy that takes place consistently, according to a well-developed plan—not just an isolated event that occurs when the firm seeks new clients. Moreover, the firm effectively communicates their value and engages clients and prospects across all channels, both through digital and traditional channels, in a way that reinforces their reputation—or brand.

Year over year, we consistently see that Top Performing Firms attract approximately double the assets from new clients as all other firms (see page 7 for more information on Top Performing Firms). This divergence in performance is based, in part, on the ability of these firms to not only excel at referrals from existing clients and centers of influence (COI)—which are foundational for growth—but also win new clients through other marketing strategies, such as networking, community involvement, digital presence, seminars and events, and other outreach. That is, in addition to referrals, these firms employ an ecosystem of marketing tactics working together to consistently amplify their client value proposition in a way that compels people to take action. This paper explores the topics of marketing and referrals, offering insights and resources to help advisors talk about their firms in the marketplace.

To learn more about Sensible Money and how Anspach and her team got started with their integrated marketing plan, see the Case Study on page 10.

FIGURE 1
Client referrals are a key contributor to asset growth from new clients

Median asset growth from new clients in 2019 for Top Performing Firms and all other firms. 2020 RIA Benchmarking Study from Charles Schwab.
Marketing

A solid marketing strategy is intended to support a firm’s strategic business plan. It helps a firm achieve its goals in order to become what it wants to be in the future. Marketing is the regimen, structure, and rigor firms put behind their long-term objectives every day. It consists of any activity for the purpose of communicating a firm’s value, including the way staff is trained to talk about their firm, to how a firm is highlighted on their website, or the events they host. By participating in conferences and developing content about a specific problem—transitioning into retirement, for example—Anspach has established herself as an expert on retirement planning and as is often cited for her expertise in publications such as The Wall Street Journal, The Washington Post, Forbes, and O: The Oprah Magazine. Even seemingly small acts, such as describing what your firm does to someone at a cocktail party, is a form of marketing, because it is an opportunity to talk about the value your firm provides its ideal client—clients a firm is best suited to serve—in a way that differentiates its services and client experience within the market. Further, a documented marketing plan helps firms allocate time, people, and money toward marketing tactics that are going to help move the needle and avoid those things that will not impact growth.

The key to a successful marketing strategy, however, is the ideal client. In fact, one of the most important things a firm can do for their marketing is to look at their plan through the lens of their ideal client. Often, advisors ask us which tactics—most commonly, social media—they should implement within their plan. Our response is always to start by looking through their ideal client’s eyes and determine which tactics those clients would prefer to engage with when seeking information or working with advisors. For example, if a firm’s ideal client is a Silicon Valley tech executive, that firm may want to invest heavily in social media. However, if a firm’s ideal client is like Sensible Money’s—namely, individuals 55 years or older, retired, and primarily focused on decumulation or cash flow—then social media may not be as significant in communicating with prospects similar to them. By looking at a firm’s
marketing strategy from the perspective of the clients they are best suited to serve, advisors can take a systematic and disciplined approach to marketing, communicating how they can meet or exceed those clients’ needs and engage them, as well as prospects like them, across different channels of communication in a way that helps build or promote their brand. This then becomes an ecosystem of marketing tactics working together to communicate their value.

Further, effective marketing plans employ both traditional and digital marketing channels. Traditional marketing tends to include those things advisors think of when they think of marketing—events, advertising, and radio, for example. However, a firm’s digital presence—such as its website, search engine optimization efforts, and social media—plays a critical role in establishing and communicating a firm’s value. Even in a trust-driven industry like financial services, the Internet has transformed the way investors seek information and make important decisions in their lives. For many firms, digital marketing—most notably, their websites—has created opportunities to engage with clients, reach new prospects, and stand out in a crowded marketplace. In fact, studies have shown that when prospective clients hear about a firm from a friend or family member, they typically research that firm by first visiting their web site before picking up the phone. For example, Sensible Money’s clean and modern website was designed with their ideal client in mind and clearly communicates how the firm can help such clients with their specific needs. When prospects with similar needs visit their website, they feel as if the site is appealing directly to them. The site creates a meaningful interaction that compels prospects to contact Sensible Money over another firm.

“"You can’t be all things to all people. By narrowing your focus, as counterintuitive as it may seem, you can actually grow your market. This stuff is really magic.”

Dana Anspach,
Founder and CEO,
Sensible Money

When a firm’s website is consistent with the reputation they have established in the market, and through word-of-mouth interactions, they are able to continue reinforcing that message to generate opportunities for new growth. In helping advisors with their websites, we have found that a good website helps firms to:

- **Communicate their value.** Every digital interaction is an opportunity to highlight a firm’s strengths. By explaining what you do, the site can help begin to build trust with prospects even before they meet with an advisor.

- **Establish a firm’s expertise.** Clients and prospects want to work with smart, credible advisors. Publishing thoughtful, well-written pieces on topics related to their ideal clients’ lives and goals can position a firm as an expert and motivate people to contact them.

For more on the ideal client and client value proposition, read the Value is defined through your clients’ eyes white paper.
• **Compel action.** While digital communications won’t replace traditional business development activities and in-person conversations, it can help to create more opportunities by building credibility and compelling prospects to engage with a firm.

• **Amplify other marketing.** Digital marketing can help a firm get more mileage from traditional marketing activities. Sending an email (digital marketing) out to clients about an upcoming event (traditional marketing) can help extend your reach as your clients forward that email to friends or family members and potentially boost event turnout.

A quality website makes you viable in the eyes of your clients and prospects. Even a simple website that clearly expresses who you are, what you do, and how to reach you can help you establish credibility. Your firm’s website is no longer a spoke in your marketing efforts but the hub around which your other marketing efforts revolve (see Figure 3 on page 8). For example, after attending an event, many prospects visit a firm’s website to validate what they heard, giving the firm additional opportunities to build connections and reinforce their message. That is, it becomes a relationship-building platform where firms can effectively engage with clients and prospects and accelerate relationships. Firms who lack a compelling website—and an integrated marketing program—may be missing an opportunity to highlight their unique value and make a strong first impression. Worse than that, they may not be making an impression at all, leaving prospects and referrals to look elsewhere.

### Referrals

It is well known that referrals are the largest and most reliable source of new clients for advisors. In fact, as shown in the RIA Benchmarking Study, referrals account for 65% of new-client business, and Top Performing Firms—the firms that rank in the top 20% on the Firm Performance Index in Schwab’s RIA Benchmarking Study (see page 7 for more information)—saw nearly double the growth through referrals from their existing clients than all other firms. That is why these firms include referrals as part of an integrated marketing plan and dedicate resources toward a deliberate referral strategy that systematically involves employees and clients. They create a culture in which everyone in the firm feels as if they have a stake, and every aspect of the firm communicates their client value proposition.

### Enhancing your firm’s website and not sure where to start?

**Start here.** Research has shown that the two most-visited pages on a firm’s website are its origin story and biographies. This highlights the importance of having an “About Us” page complete with a compelling story about why you started your firm as well as personal images and information about your team.
The Firm Performance Index: Top Performing Firms

Schwab’s Firm Performance Index helps RIAs assess the strength of their overall business by looking at 15 key metrics. The goal of the index is to help advisors identify strengths and potential opportunities that align with the Guiding Principles for Advisory Firm Success, a foundational framework that helps RIAs navigate the complexities of growing their businesses.

The index evaluates all firms participating in Schwab’s RIA Benchmarking Study, encompassing all sizes and life cycle stages. It takes into account the most important aspects of running a business: growth in clients, assets, and revenue; client and staff attrition; operating margin; time spent on client service and operations; and the use of standardized workflows. The index also factors in documented strategic plans, succession plans, ideal client personas (ICPs), and client value propositions (CVPs). Top Performing Firms excel in these areas, ranking in the top 20% of the index overall.

Top Performing Firms excel across key metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Top Performing Firms</th>
<th>All other firms</th>
<th>Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in assets from new clients in 2019</td>
<td>8.3%</td>
<td>4.1%</td>
<td>2.0x</td>
</tr>
<tr>
<td>5-year client compound annual growth rate</td>
<td>11.3%</td>
<td>4.2%</td>
<td>2.7x</td>
</tr>
<tr>
<td>Client attrition</td>
<td>2.2%</td>
<td>3.7%</td>
<td>0.6x</td>
</tr>
<tr>
<td>Staff time spent on client service (higher percentage improves ranking)</td>
<td>61.8%</td>
<td>55.9%</td>
<td>1.1x</td>
</tr>
<tr>
<td>Staff time spent on operations (lower percentage improves ranking)</td>
<td>26.3%</td>
<td>30.0%</td>
<td>0.9x</td>
</tr>
<tr>
<td>Firms with a written strategic plan</td>
<td>74.5%</td>
<td>54.2%</td>
<td>1.4x</td>
</tr>
<tr>
<td>Firms with a documented ideal client persona/profile</td>
<td>68.0%</td>
<td>54.1%</td>
<td>1.3x</td>
</tr>
</tbody>
</table>

Median results unless otherwise noted. Top Performing Firms are those ranked in the top 20th percentile of the Firm Performance Index. All other firms are those ranked below the 80th percentile of the index.
Referrals are an organic, word-of-mouth, peer-to-peer expression of a firm’s value to its community and are the single most important growth driver for successful firms. Even firms that have enjoyed strong growth in the past reach a point in their life cycles where a more deliberate referral strategy becomes necessary to enduring success, especially as firms grow and become more complex.

The right growth strategy not only increases referrals but also enables a firm to cultivate the types of high-value clients for whom it truly does its best work, creating a virtuous cycle of engaged and loyal clients who promote the business to others like themselves. This paves the way for advisors to connect with prospects from a position of greater trust and credibility, which often helps shorten the sales cycle.

Once the basic strategy is in place, firms should focus on educating new employees and clients, so that results are repeatable. Summitry, a firm based in San Francisco with $1.6B in AUM, for example, created a document about their ideal client—the Hamlins—and found moments and memorable ways to create real connections, such as placing a framed picture of how the firm envisions the Hamlins on each employee’s desk. Summitry also showcases a “Meet the Hamlins” presentation to all new employees, highlighting who the Hamlins are, what they

“We introduced our ideal client persona—the Hamlins—in a firm-wide meeting. When everyone got back to their desk, they found a picture of Dave and Katherine Hamlin. This set the tone that the Hamlins were important, and we are evolving our business to serve them better.”

Alex Katz, Chief Growth Officer, Summitry
care about, and what planning opportunities exist. These seemingly small gestures create an advocacy platform, as employees—and clients—are able to articulate whom the firm is built to serve and how the firm can deliver a personalized experience to those clients. And, through a firm’s story, they can talk about the challenges its advisors can solve and the difference the firm has made in the lives of its clients, in a way that leads to interest and action. That is, they consistently and effectively amplify the firm’s reputation and create an organization-wide culture that drives referrals.

Centers of influence

Another component of a firm’s marketing ecosystem is their ability to leverage their centers of influence (COIs). The passion advisors have for helping their clients solve critical financial challenges has helped them become remarkably good at building and retaining high-quality client relationships. Further, it has enabled them to maximize the likelihood that other business professionals—with whom they already interact and who serve their target clients—will be motivated to talk about the unique experience their firm delivers. In fact, firms best at leveraging these COIs as a growth engine achieve measurably superior results.

In our experience, firms who excel at generating new business from COIs tend to reveal critical success factors that contribute to their positive outcomes. One such factor is they focus on establishing a few deep, strategic relationships with COIs to drive high-quality referrals. For example, a unique aspect in the San Francisco Bay area is that ownership of a primary residence is a significant source of wealth—and this sizable asset is often passed on to an heir when someone dies. Summitry has been able to establish their firm as a resource to help model real estate decisions for individuals who have inherited such properties, even if the firm is not managing their assets. As a result, Summitry has seen an uptick in referrals from real estate professionals with clients who inherited property and wonder whether to retain or sell that asset. Over time, realtors began referring those individuals to Summitry to help with balance sheet modeling and making the decision to sell or not. After working with Summitry, clients often say, “That was incredibly valuable. I am going to sell the $2 million home. I don’t have a financial advisor. Will you help me?”

Building a small number of professional working relationships with the right COIs—typically up to six per advisor—should be the primary objective of any firm’s COI strategy. By limiting scope and concentrating efforts, advisors are more likely to succeed with the right COIs who can provide more qualified referrals that match their firm’s target or ideal client.

For more on Summitry, read the Value is defined through your clients’ eyes white paper.

Five keys to an effective referral strategy

1. **Focus on your ideal clients.** Crystalize your thinking about the type of client you want to attract and for whom your firm does its best work. This enables you to position your firm more precisely around specific client profiles and needs.

2. **Obtain input from those who know you best.** Gathering feedback from internal and external stakeholders can help you test the soundness of your referral strategy and improve outcomes. When approached correctly, this process can also increase loyalty, engagement, and buy-in.

3. **Communicate value to compel action.** Employees and clients need to be able to talk about what makes your firm special in a way that inspires action. They should be emotionally connected to your firm and the difference you’ve made in their lives.

4. **Turn your clients and employees into advocates.** Implement a repeatable process. Train and empower your team to recognize, create, and capitalize on referable moments.

5. **Enable consistent long-term success.** Create the conditions that will help you achieve your growth goals and make your referral strategy part of your everyday activity.
The courage to be exclusive

When Dana Anspach started Sensible Money in Scottsdale, Arizona, she had a specific goal in mind. As a financial planner since 1995, before starting her own firm, she had begun working with people in their 50s and 60s and realized that a different type of financial planning was needed for a transition out of the workforce.

Uncovering an ideal client
Prior to starting Sensible Money, Anspach had worked as an advisor at another firm. One day a new prospect came in with 10 years of brokerage statements and was seeking Anspach’s help. After reviewing this potential new client’s statements, she was appalled. Although this individual had been investing for more than 10 years, the statements showed a 0% increase in investment value! As Anspach thought of her own grandparents, she became incensed that this individual’s money had not been properly managed. She was so angry, in fact, that she started her own firm and, instead of being all things to all people, decided to serve exclusively individuals who are 55 years of age or older, are in their retirement years, and want help with decumulation. This marked the beginning of her vision of her ideal client.

To get to know these clients better, she took a step back to ask what keeps them up at night. Over and over, she heard questions such as “When do I have to withdraw from my 401(K)? Which accounts do I pull from? How much in taxes do I need withheld?” Anspach further observed that her ideal client tends to be highly educated and wishes to be informed and participate actively in managing his or her money in retirement. “These clients have very specific needs and want to have a very detailed picture of how their money ebbs and flows each month,” Anspach says. This became the problem Sensible Money was looking to solve—and their client value proposition.

Case study at a glance

Guiding principle: Your reputation is your brand

Firm name: Sensible Money
Firm size: $242M in AUM
Firm origination: 2011

Opportunity
Focusing on a particular type of client allowed this firm to create an integrated marketing ecosystem that really resonates in the marketplace.

By focusing on a specific ideal client, you develop the reputational capital that builds a brand that’s distinctive enough to drive business to your firm.”

Jerry Cobb,
Senior Business Consultant,
Business Consulting and Education,
Charles Schwab Advisor Services
Designing a firm with a clear purpose

In designing her firm, Anspach hired a marketing consultant to help her visualize what her firm’s value proposition, and subsequently her brand, would stand for. While investing in brand development can be costly, having an ideal client persona (ICP) and client value proposition (CVP) helped Anspach and her team home in on a design that spoke to prospective clients similar to those she was seeking to serve. In addition, the firm’s ICP and CVP helped Sensible Money find both big and small ways to build a business that resonates with their clients, including the services they provide as well as informing their client strategy meetings, the look and feel of their office, and their marketing.

Standing out from the rest

Essential to their success, Sensible Money knew that by focusing their communications on their unique capabilities and the value they offer—and consistently talking about that value—they could attract other prospects who closely resemble their ideal client. Additionally, the firm created an ecosystem of marketing channels to effectively communicate what they do, whom they serve, and how they help solve their financial concerns, enabling the firm to stand out among competitors.

Sensible Money’s website, designed with their ideal client in mind, echoes the look and feel of their office and spells out whom they are best suited to serve. In addition to a clean and modern website, they have invested in other marketing tactics such as social media, webinars, and blogging, and they have been quoted in mainstream publications and written books on social security and retirement planning.

Because of this commitment to growing their ideal client base and communicating the value they provide through their marketing, today Sensible Money is getting 200 organic leads each year through their website and search engine optimization efforts alone. In addition, Sensible Monday has achieved $2.1M in revenue and over a 25% AUM compound annual growth rate in just 10 years.

Further proof of success can be observed in looking beyond standard financial metrics and turning to feedback from prospective clients. Clients have frequently told Sensible Money, “When I was looking for help, I met with five different advisors and they all gave me the same investment pitch, until I came to you.”

It is not uncommon that we receive calls from investors saying, ‘I know we live in Ohio (or some other state), but can we work with you?’”

Dana Anspach,
Founder and CEO,
Sensible Money
Conclusion

By formalizing a marketing strategy that includes traditional and digital communication tactics, as well as building a deliberate referral strategy that leverages employees, clients, and other professionals, firms can create a powerful ecosystem of multiple sources repeatedly telling the same story about them. And while these efforts may take time to show results, with repeatable and consistent messaging, firms earn a reputation for providing superior service to a distinct type of client. That is why this Guiding Principle is labeled “Your reputation is your brand.” Over time, that reputation grows within the marketplace and starts to become what the firm is known for—its brand. Once a firm has an established reputation or brand, they are able to differentiate themselves from the competition in a way that generates more referrals and wins new business.

Amplifying your value

Schwab’s Amplifying Your Value Insight to Action Program uses a strategic and repeatable approach to help your firm develop an integrated marketing plan that effectively communicates the value your firm provides within the community you serve.

Watch a short video to get familiar with this program, and talk with your Relationship Manager to find out when it is being offered.

Get started:

- Read the Differentiating through client focus white paper.
- Take advantage of the Maximizing firm growth white paper to begin addressing referral culture gaps.
- Read the Leveraging centers of influence white paper.
# The Guiding Principles for Advisory Firm Success

These principles act as a framework for helping advisors address the complexity of growing and managing their firms. The principles are not a checklist and don’t have to be approached sequentially. Rather, they are essential elements advisors will need to address over and over as they approach key turning points at different AUM levels.

Click on the following titles to download each white paper and learn more about the principles.

## Effective planning and execution is a leading indicator of success

Growing your firm requires focus, strategic planning, and an innovative mindset. Establishing a shared vision for the future, creating alignment, and driving effective execution power your growth engine and provide a clear understanding of the future and how you’ll get there.

“Developing a strategic plan has been a game-changer for us. It has brought us clarity and confidence, and it couldn’t have been simpler or more straightforward, thanks to Schwab’s process and support.”

**Matt Taddei,**
President and CEO,
WestHill Financial Advisors

## Value is defined through your clients’ eyes

Firms thrive when focusing on the client experience from their clients’ point of view. When every person, process, service offering, and system maintains an extreme focus on your ideal client, you are able to differentiate your firm in an increasingly competitive landscape.

“If you are going to grow your business, you start with the question ‘Who is your target audience?’ and then evolve your offer around that. That’s how you stand out.”

**Alex Katz,**
Chief Growth Officer,
Summitry

## Operational excellence creates greater capacity for clients

Institutionalizing your business through technology and operations provides operational discipline, allowing you to maximize scalability, manage risk, and build a solid infrastructure so that you can reinvest time where it matters most—with your clients, protecting the trust you have built.

“Having consistent and repeatable ways of running your business is a reflection of the experience you provide your clients. It helps you to be proactive and thoughtful as well as do things in a meaningful way so that you can scale your business and grow.”

**Paul Ewing,**
Senior Technology Consultant,
Business Consulting and Education,
Charles Schwab Advisor Services
Your reputation is your brand

Every aspect of your firm—employees, centers of influence, clients, and even your digital presence—should effectively amplify your firm’s reputation within the community you serve, in a way that increases referrals and generates new business.

People are your most important asset

Creating a cycle of opportunity to attract and retain top talent helps ensure continuity of your firm’s people, culture, and values as you prepare for the future. That’s why having a high-performing and diverse team, unlocking their potential, and rewarding and developing the next generation of leadership is a long-term commitment and critical to building a legacy.

“Every interaction is an opportunity to reinforce what we do best. From there it starts to snowball as more people talk about what we do. Referrals just start to happen over time.”

Brock Gearhart,
Chief Executive Officer,
Greenwood Gearhart

“Firms that invest in recruiting and hiring, developing their team, creating a competitive compensation plan, and designing a path to equity are investing not only in their people, but also in the future success of their business.”

Nikolee Turner,
Managing Director,
Business Consulting and Education,
Charles Schwab Advisor Services
Additional Resources

The RIA Benchmarking Study from Charles Schwab
https://www.schwab.com/public/file/P-7224839

Differentiating through client focus
advisorservices.schwab.com/clientvalue

Amplifying Your Value video
advisorservices.schwab.acsitefactory.com/content/bce-marketing-video

Maximizing firm growth
https://www.schwab.com/public/file/P-12877343

Leveraging centers of influence

Guiding Principles six-part white paper series:

A foundation for success
advisorservices.schwab.com/guidingprinciples/executivesummary

Effective planning and execution is a leading indicator of success
advisorservices.schwab.com/guidingprinciples/planstrategically

Value is defined through your clients’ eyes
advisorservices.schwab.com/guidingprinciples/createvalue

Operational excellence creates greater capacity for clients
advisorservices.schwab.com/guidingprinciples/maximizescalability

Your reputation is your brand
advisorservices.schwab.com/guidingprinciples/communicatevalue

People are your most important asset
advisorservices.schwab.com/guidingprinciples/investintalent

Unless otherwise noted, median results for firms with $250 million or more in AUM.

Median results for Top Performing Firms compared to all other firms.

For informational purposes only. Third-party firms and their employees are not affiliated with or an employee of Schwab. Their mention is not, and should not be construed as, a recommendation, endorsement, or sponsorship by Schwab. Experiences expressed by advisors may not be representative of the experience of other advisors and are not a guarantee of future success.

About the 2020 RIA Benchmarking Study from Charles Schwab

Past performance is not an indicator of future results. Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on study responses from individual firms. The 2020 study provides information on such topics as asset and revenue growth, sources of new clients, products and pricing, staffing, compensation, client experience, technology, and financial performance. Fielded from January to early April 2020, the study contains self-reported data from 1,010 firms that custody their assets with Schwab Advisor Services™ and represent $1.1 trillion in AUM, making it the leading study in the RIA industry. The self-reported information provided by individual advisory firms was not independently verified. Since the inception of the study in 2006, more than 3,700 firms have participated, with many repeat participants. Participant firms represent various sizes and business models. They are categorized into 12 peer groups—7 wealth manager groups and 5 money manager groups—by AUM size.

Top Performing Firms are those that rank in the top 20% of the Firm Performance Index, which measures firms in the RIA Benchmarking Study on 15 metrics that align with the Guiding Principles for Advisory Firm Success for a holistic assessment of a firm’s performance across key business areas. The Firm Performance Index is calculated among all firms in the study without regard to assets under management or firm type.

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.

©2021 Charles Schwab & Co., Inc. (“Schwab”). All rights reserved. Member SIPC.
(0421-1KWW) MKT114240-01 (03/21)