

The RIA Benchmarking Study from Charles Schwab

SCHWAB BUSINESS CONSULTING AND EDUCATION

“Firms of all sizes have benefited from the robust peer insights the Benchmarking Study provides, helping to drive decisions that support firms in reaching their goals.”

Lisa Salvi

Managing Director, Business Consulting and Education
Schwab Advisor Services

- Assess your performance across hundreds of key metrics.
- Compare your firm side by side with other RIAs of similar size.
- Identify the strategic opportunities most beneficial for your firm.
- Fine-tune your compensation strategy to attract and keep top talent.

Get insights and data amid increasing competition to help you make strategic decisions with confidence.

The RIA Benchmarking Study from Charles Schwab gives you the customized information you need to measure how your firm is performing and how you compare to other Registered Investment Advisors (RIAs) of similar size. The results can help you align your business plan, track progress against your goals, and identify growth opportunities. Insights from the study have helped many participating firms make beneficial changes to their referral strategies, operations, pricing, compensation structure, and more.

Schwab's Benchmarking Study is the largest of its kind exclusively for RIAs, with more than 1,000 firms participating each year and representing more than \$1 trillion in assets under management. The study covers hundreds of performance measures and includes compensation data on more than 12,000 employees in key roles across RIA firms.

As a participant, you get access to this information, which can help you make informed decisions for your firm's future.



Analyze your firm's performance

Each year, the Benchmarking Study generates a wealth of data at no cost to participants. This information allows you to see how your business is performing across measures of growth, profitability, productivity, staffing, and more.

The most compelling benefit of the study is the robust peer reporting. These competitive insights help you understand how your firm is doing in the marketplace.

As a participant, you receive a 45-page customized Peer Report that compares your firm's performance side by side with similar-size firms.

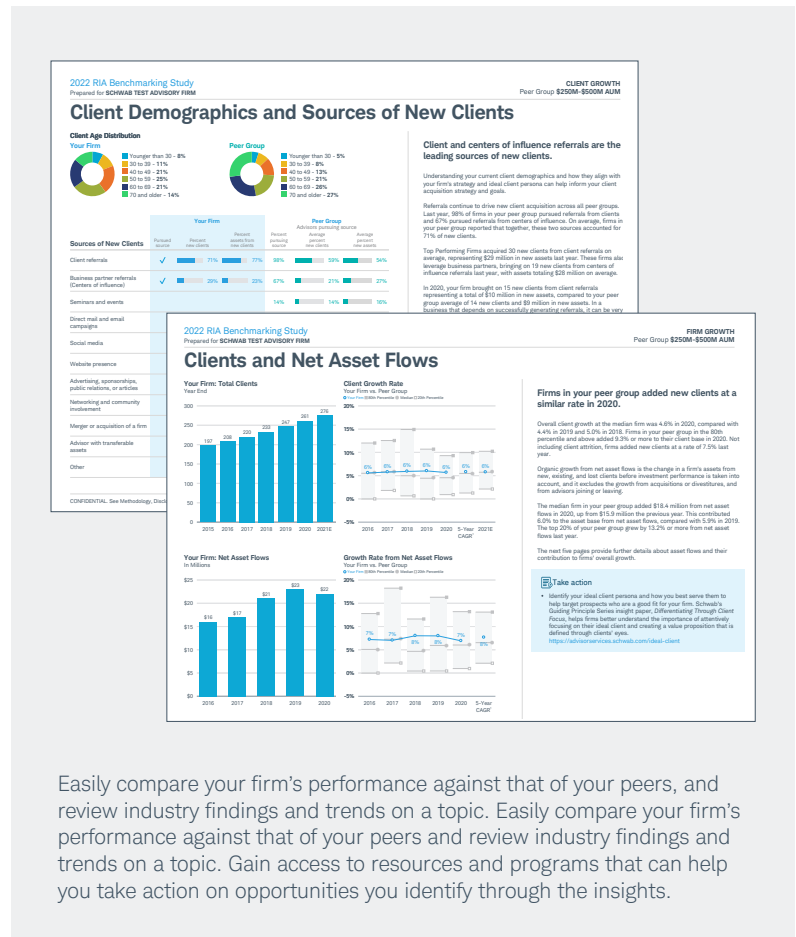
Metrics include key categories, such as:

- Asset and revenue growth
- Financial performance
- Profitability
- Staffing levels and productivity
- Sources of new clients
- Services and pricing strategies
- Marketing and business development
- Technology and operations

On each page, you'll see a clear breakdown of your firm's results against your peers', along with commentary on issues and trends affecting the RIA industry. Insights from the Benchmarking Study will help validate your business performance, identify areas to focus on, and ensure you're making progress toward your goals.

Performance and benchmarking consultation

Your Account or Relationship Manager can also partner with you to turn your study results into actions. Together, you'll assess your business, identify your strengths and opportunities, and develop a plan to help you achieve your long-term goals.



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“The RIA Benchmarking Study helps us be more aware of what our peers are doing, what we're doing right, and where we need additional resources. It's an essential tool that has absolutely helped us grow.”

Don Olmstead

Managing Director, Novare Capital Management

Develop competitive compensation strategies

Compensation is a critical element in attracting and keeping top talent. The Benchmarking Study sheds light on what other firms offer, so you can develop a competitive package.

When you complete the compensation portion of the study, you receive a customized 200-page report that details how your compensation strategy compares with that of firms in your region and nationally. You'll see details on base salary, incentive compensation, benefits, ownership information, and more, drawn from more than 10,000 employees across key roles at RIA firms.

Get insights into:

- Salary and incentive compensation
- Certifications
- Ownership distribution

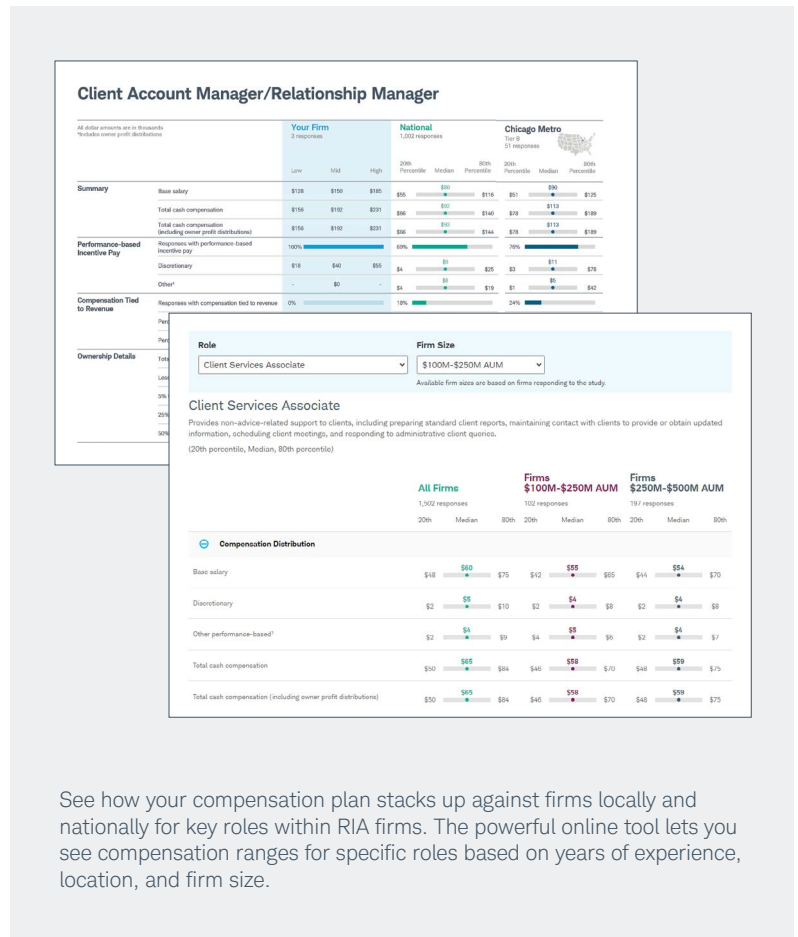
Go beyond compensation with:

- Medical, dental, and vision insurance
- Disability coverage
- Life insurance
- Paid time off policy
- Maternity/paternity leave
- Defined contribution plans

Interactive compensation tool

Participating in the compensation portion of the study also unlocks your access to an interactive online compensation tool. This tool allows you to dig deeper and search compensation ranges for individual roles by years of experience at the city and state levels and based on firm size.

With all of this data in hand, you can remain competitive and develop strategies for compensating and motivating staff—your most important asset.



See how your compensation plan stacks up against firms locally and nationally for key roles within RIA firms. The powerful online tool lets you see compensation ranges for specific roles based on years of experience, location, and firm size.

For illustrative purposes only



As we've created more defined positions in our organization, the compensation aspect of Schwab's Benchmarking Study has shown us areas where adjusting our compensation could help us stay competitive."

Duane Duim

Managing Partner, Paracle Advisors

ADVISOR CASE STUDY

The annual checkup this firm never misses

How Westmount Asset Management uses the Benchmarking Study to meet their goals year over year.

When Jim Berliner and his father started Westmount Asset Management in Southern California over 30 years ago, they adopted the emerging RIA model because they felt it would allow them to deliver the best client experience. That drive for excellence has guided the management of their firm as well, with tools and processes that have helped them excel through all phases of their growth.

Now the firm has over \$4 billion under management, with 10 partners, 35 employees, and about 1,000 clients. All along the way, they've found Schwab's annual RIA Benchmarking Study essential to managing their business for long-term growth and continuous improvement.

Annual assessment

"We participate in Schwab's Benchmarking Study for the same reason that people get an annual checkup. It's a great way to find out how we're doing," explained Berliner, the firm's president.

"Schwab's Benchmarking Study confirms the steps we've taken to improve the health and strength of our business—and helps us identify areas where we can and should devote more attention and resources."

—Jim Berliner

"This is a very fragmented industry," said partner Mike Amash, "and you can feel that you're operating in a silo. Being able to get a true assessment of what the rest of the industry is doing gives us a better perspective."

Impactful adjustments

Over the years, Schwab's Benchmarking Study has helped the firm's leadership make a number of impactful decisions.

For one, cumulative benchmarking data revealed to firm leaders that "as our client size increased, we dropped well below our peers in what we were charging," said Amash. Participating in the study annually gave the firm reliable, repeatable information that "made it an easy decision to implement the fee change we needed."

Another impactful example involved the number of advisors at the firm. "It was enlightening for us," said Amash. "The benchmarking data really let us see below the hood with regard to our profitability," and indicated that the firm was likely understaffed. "It led us to work on rightsizing our staffing to make sure clients got the attention we want to give them," added Berliner.

One especially helpful aspect of the study is Schwab's online compensation tool, said Chief Operating Officer Chris Werner. "I use the tool regularly to get good comparative data on compensation ranges."

Essential to the firm's success

All in all, said Berliner, "participating in the Benchmarking Study is a very comprehensive and introspective process. It forces you to look deep within your firm and know aspects of it that maybe you weren't very well acquainted with."

"I would describe the Benchmarking Study as an essential tool for anyone who cares about running their business well."

—Mike Amash

For all these reasons, added Amash, "once you do the study, you realize it's a necessity because the data points are so critical to making good decisions."

The RIA Benchmarking Study from Charles Schwab is the largest of its kind in the industry. The study gives you critical insights into your firm's performance alongside your peers.

Together with these insights and the support of your Account or Relationship Manager, you'll be able to easily assess your business, identify strengths and opportunities, and develop a plan to achieve your business goals over time.

The power of insight

For more than 30 years, the Schwab Business Consulting and Education team has been working hand in hand with RIAs, leveraging our deep expertise in core business issues to help independent advisory firms achieve their goals and gain competitive advantage.

Chart your course

See how your firm is performing in the marketplace with the RIA Benchmarking Study, open from January to March each year.

Contact your Account or Relationship Manager to learn more. Or email riabenchmarking@schwab.com

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