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SCHWAB

Advisor Services

# The RIA Benchmarking Study from Charles Schwab

SCHWAB BUSINESS CONSULTING AND EDUCATION

“The power of the Benchmarking Study really becomes apparent when the insights begin informing your business decisions and strategies to drive your firm’s growth.”

**Jon Beatty**

Senior Vice President, 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 growth opportunities most beneficial for your firm.
- Fine-tune your compensation strategy to attract and keep top talent.

Leading your firm to greater success amid increasing competition takes insights and data to help you make strategic decisions with confidence.

The RIA Benchmarking Study from Charles Schwab gives you the customized information you need to assess your firm's performance and see how you compare to other Registered Investment Advisors (RIAs) of similar size. The results can help you align with your business plan, track progress against your strategic goals, and identify opportunities for improvement. Study insights 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 well over 1,000 firms participating each year and representing more than \$750 billion in assets under management. The study spans hundreds of performance measures and includes extensive compensation data on more than 10,000 employees in key roles across RIA firms.

As a participant, you can gain the information and insights you need to make informed decisions as you chart a course for your firm's future.



## Analyze your firm's performance

Each year, the Benchmarking Study generates a rich trove of data at no cost to those who take part. This allows you to clearly see how your business is performing across measures of growth, profitability, productivity, staffing, and more.

The unique benefit of the RIA Benchmarking Study is the robust peer data it provides. These competitive insights help you understand how your firm is doing in the marketplace.

One of the key advantages of participating in the study is that you receive a 45-page customized Peer Report that aligns your firm's performance metrics side by side with those of other firms similar to yours in size and business model.

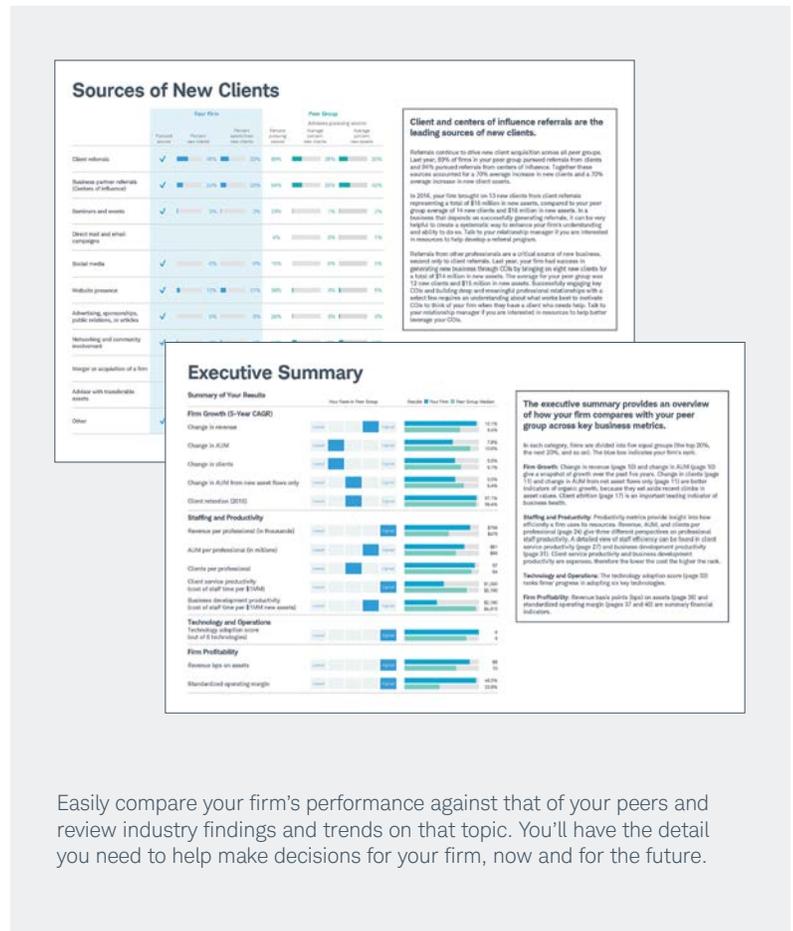
Metrics encompass critical categories, such as:

- 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 see a clear breakdown of your firm's results against those of your peers, along with relevant commentary on issues and trends affecting the RIA industry. Insights gleaned from the Benchmarking Study will help validate your business performance, identify areas that could benefit from some additional focus, and ensure you're making progress toward your strategic vision.

### Firm performance and benchmarking consultation

Your Schwab Relationship Manager can also partner with you to turn your study results into actions. Together, through conversation, questions, and analysis, 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 plays a critical role in your ability to compete for top talent and keep that talent over time. The Benchmarking Study sheds light on what your competitors provide to help you develop a compelling offer.

When you complete the compensation portion of the Benchmarking Study, you receive a customized 200-page Compensation Report that lets you see how your approach to employee compensation 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 typically found at RIA firms.

You can gain a clear perspective on:

- Salary and incentive compensation
- Certifications
- Ownership distribution

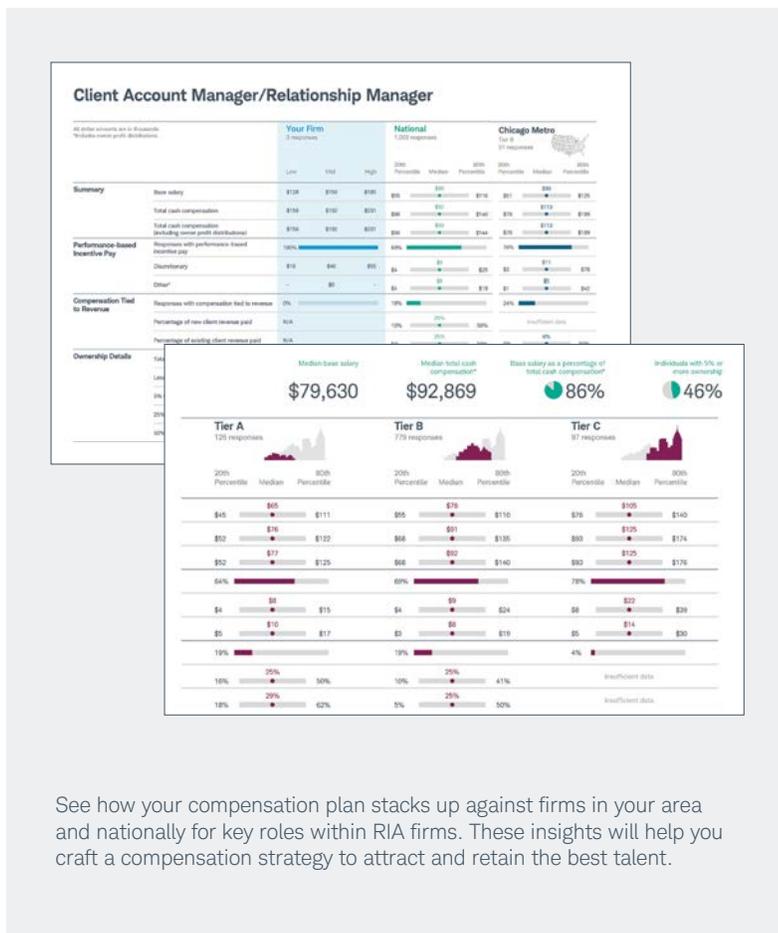
Access information beyond compensation including:

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

### A dynamic interactive tool

Participating in the compensation portion of the Benchmarking Study also unlocks your access to a dynamic interactive online compensation tool. This tool allows you to look a layer deeper and search individual roles based on years of experience at the city and state levels.

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



See how your compensation plan stacks up against firms in your area and nationally for key roles within RIA firms. These insights will help you craft a compensation strategy to attract and retain the best talent.

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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

The RIA Benchmarking Study from Charles Schwab gives advisors the essential insights they need to meet their firm's goals year over year.

When Jim Berliner and his father started Westmount Asset Management in Southern California nearly 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 roughly \$2.7 billion under management, with seven partners, 31 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, the largest of its kind in the industry, gives you critical insights into your firm's key business metrics relative to your peers. Aided by those insights and the support of your Schwab Relationship Manager, you'll be able to easily evaluate and assess your business, identify areas of strengths and opportunities, and develop a plan to achieve your business goals over time.

## The power of insight

For more than 20 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

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

**Contact your Schwab Relationship Manager to learn more.**

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The RIA Benchmarking Study comprises self-reported data from advisory firms that custody their assets with Schwab. Schwab does not independently verify or validate the self-reported information. 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.

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