The Cerulli **Report**

U.S. Advisor Metrics 2020

Dimensions of Diversity

OVERVIEW & METHODOLOGY

In its 17th iteration, this report provides a broad and deep perspective on financial advisors, highlighting their most critical needs, risks, opportunities, and challenges. With a holistic perspective, the data and analysis cover financial advisors operating across all channels, including wirehouse, national/regional broker/dealer (B/D), independent B/D, hybrid registered investment advisor (RIA), independent RIA, insurance B/D, and retail bank B/D. The report helps B/Ds, custodians, and asset managers identify opportunities to better serve and strengthen relationships with advisors. It highlights top-performing advisor segmentations and identifies their key success factors. In addition, it analyzes drivers of advisor growth and productivity.

This year's report identifies the challenges facing historically underrepresented communities in the financial advice industry, including barriers to advancement as an experienced advisor and barriers to entry for a new advisor. It also outlines firm-level resources, support, and initiatives to address gender and racial/ethnic diversity, including strategies to recruit and retain a more diverse advisorforce. While diversity covers a wide range of dimensions (*e.g.*, age, gender, race, sexual orientation, ability, education), this research focuses primarily on the industry's efforts to expand gender and racial/ethnic diversity among financial advisors.

USE THIS REPORT TO

- Measure advisor gender and racial/ethnic diversity—the only industry-wide market sizing data on this topic
- Examine factors that deter diverse candidates from becoming advisors and barriers that disproportionately or uniquely impact their success as advisors
- Explore solutions for implementing impactful diversity, equity, and inclusion (DEI) initiatives
- Analyze dashboards designed to provide a comprehensive overview of advisor demographics, staffing, growth, and fees
- Evaluate 10-year historical market sizing trends and projections for the U.S. financial advisor marketplace across channels

QUESTIONS ANSWERED

- Have efforts to improve gender and racial diversity among advisors been successful?
- What factors deter candidates from entering the industry?
- How can wealth management firms create more diverse, equitable, and inclusive advisorforces?
- How are retail channels competing for advisor headcount and asset marketshare?
- How has the COVID-19 pandemic impacted advisors' client engagement strategies?
- How can strategic partners compel advisors to outsource portfolio construction?

PRODUCT DETAILS

Included with Purchase

- Digital report in PDF format
- Unlimited online firm-wide access
- Exhibits in Excel
- Key findings
- Analyst support
- Interactive Report Dashboards

Interactive Report Dashboards

Interact and explore select report data with Cerulli's visualization tool.

- **Practice Sizing:** Compare sizing data across intermediary channels with filters by practice assets under management (AUM), including each channel's AUM, advisor headcount, and number of practices, in total and by marketshare.
- **Advisor Profile:** Explore a comprehensive side-by-side comparison of each intermediary channel's demographics, including total headcount and AUM by advisor age, practice licenses and designations, and advisor experience. In addition, evaluate each channel's team structure, practice headcount by role, specialized staff, and product use.
- **Advisor Technology Use:** Analyze technology use among advisors with data covering their current and future plans for use by technology type, plus a comparison of current use levels and opinions on technology across channels and practice AUM tiers.
- **Diversity and Inclusion:** Track the state of diversity and inclusion among advisors by gender and race/ethnicity, which includes years of experience, team structure, and headcount by channel. Additionally, customize charts depicting the factors preventing diverse candidates from entering the industry, advisors' views on industry diversity, and a word cloud representing sentiments on what the industry should do to improve advisor gender and racial/ethnic diversity.

CERULLI ASSOCIATES

Research | Analytics | Consulting

Firms are increasingly investing in advisor diversity

Interactive Data

Exhibit 1.19

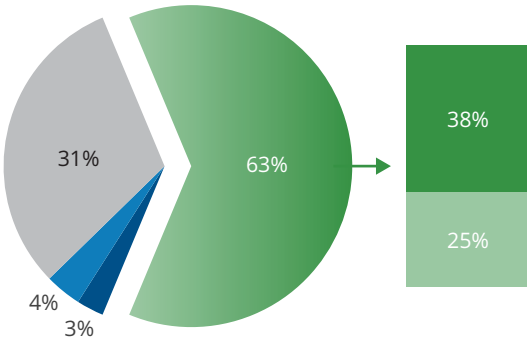
Advisor Views on Firm Diversity Efforts, 2020

Sources: Cerulli Associates, in partnership with the Investments & Wealth Institute, the Financial Planning Association® (FPA®), and the Investment Adviser Association

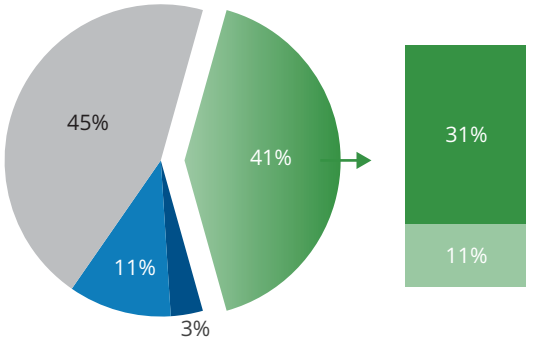
Analyst Note: Respondents were asked to what extent they agree or disagree with the following statements: "My firm's leadership is working to increase diversity among the firm's advisors," and "My firm's efforts to increase advisor diversity have been successful."

Strongly disagree Disagree Neutral Agree Strongly agree

My firm's leadership is working to increase diversity among the firm's advisors.



My firm's efforts to increase advisor diversity have been successful.



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