

# 2024 RIA Compensation Report

An addendum to  
Schwab's 2024 RIA  
Benchmarking Study

# The 2024 RIA Benchmarking Study and Compensation Report

Schwab's RIA Compensation Report reflects responses from Schwab's 2024 RIA Benchmarking Study, the largest study in the industry, and offers insights into compensation practices in the independent RIA industry.

1,055 advisory firms participated in the compensation portion of the 2024 study, representing 81% of those who participated overall (1,304 firms).

Data was collected from January to March 2024 on over 15,000 employees across 27 roles typically found at RIAs and reflects results from the 2023 calendar year.

The compensation findings help firms develop, adjust, and evolve their compensation structure to support their talent strategy and evaluate how they compare with peers.

*"This year's Compensation Report underscores what we already know: talent is a firm's most important asset—a trend that shows no signs of slowing down. As RIA leaders refine their employee value propositions and offer performance-based incentives and equity opportunities, they're focused on attracting, inspiring, and retaining the brightest minds in the industry."*

*Lisa Salvi  
Managing Director, Business Consulting and Education  
Charles Schwab Advisor Services*



# Key highlights

Talent is a differentiator, helping to drive growth and long-term success. As people are a firm's most important asset and largest investment, it's vital to unlock employees' potential, reward staff, and develop the next generation of leaders.

## Talent remains a top priority for RIAs

- **Growth in the industry has translated to strong hiring activity.** Over the past five years, about three-quarters of firms have hired each year; a rate that is not projected to slow down. Recruiting new staff ranked as the third-highest strategic priority and 73% of firms reported they planned to hire in 2024. (slides 5-7)
  - The median firm hired two staff for new roles added in 2023. Generally, firms added a new role for every \$370K in revenue, bringing on dedicated client service teams, specialized operational and investment roles, and executive management positions as they grow. (slides 6, 10, 11)
  - Firms are casting a wide net to attract candidates. About 1 in 3 firms are recruiting more experienced talent directly from other RIAs; 36% of firms are recruiting new talent from colleges and universities. (slide 12)
- **Firms are focused on retaining talent and addressing talent gaps.** Developing capabilities/skillsets of staff is a top-five strategic priority for the first time in the study's tenure. Providing professional development opportunities, which Top Performing Firms do more often, is an imperative. Eighty percent of Top Performing Firms offer career path/progression opportunities, 70% offer coaching and/or mentorships, and the median Top Performing Firm spent \$2100 per professional staff in 2023 on training, education, and professional dues. (slides 5, 16, 28)

## An employee value proposition—the give/get pact between employer and employee—is key to attract, motivate, and retain talent

- **Top Performing Firms more often have a documented employee value proposition (EVP)** explaining what a firm offers its employees in return for the skills, capabilities, and experiences they bring. An EVP is a firm's talent brand in the marketplace and showcases elements that appeal to both the head and the heart that resonate with the firm's ideal employee. (slides 15-16)
  - **Compensation** is central to a strong EVP, and across the 27 roles in the study, total cash compensation has increased 17% at the median from 2019 to 2023 (slide 17). Compensation packages that link the firm's interest with those of the employee can help drive performance. This can be done through incentive pay, compensation tied to revenue generation, and equity. Across all roles, base salary represented 79% of total cash compensation. (slides 17, 18, 20)
  - **Benefits** are an important part of a total rewards package. Traditional employee benefits such as health insurance are table stakes; whereas nontraditional benefits—which 68% of Top Performing Firms offer—can help strengthen the offer. Three-quarters of firms offer remote/hybrid work and 70% offer flexible work schedules. (slides 27-29)
  - **A mission statement, culture, and values** are integral to an EVP. Understanding the firm's ideal employee—one who best aligns with the firm's purpose and values and communicating those well—can help attract and retain the right talent. Eighty-six percent of Top Performing Firms include a defined mission statement, culture, and values in their EVP and at the median saw lower staff attrition last year. (slides 16, 30)

## Creating ownership opportunities and a path to partnership is smart for long-term growth and sustainability

- **A well-designed equity ownership program can help attract and retain key talent by offering employees the opportunity to participate in—and drive—the growth of the firm.** At the median firm in the study, 1 in 3 staff are equity owners. Two-thirds of firms with \$5 billion or more in AUM offered equity to advisors that joined with a book of business in 2023. (slides 23, 25)
- **Expanded ownership creates an environment that drives firm value and growth.** Founders who wish to reap the full financial benefits of the enterprise value they've built do well to begin including additional equity owners proactively rather than waiting until later in their businesses' life cycles. Nearly half of Top Performing Firms' equity owners—with stakes of 25% or greater—are staff under 50 years old. (slide 26)

# 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



Your reputation is your brand



People are your most important asset



## 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.



## 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.



## 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 that you have built.



## 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.

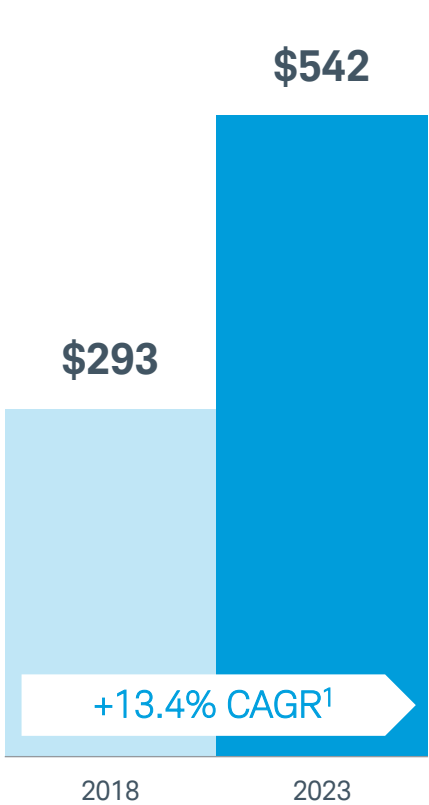


## People are your most important asset

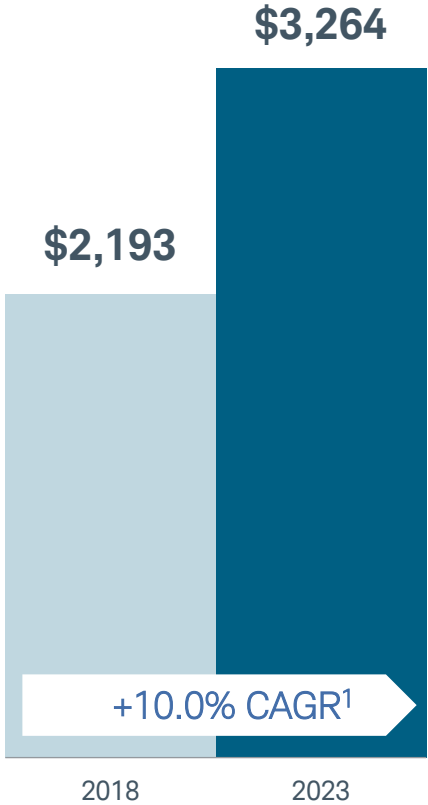
Creating a cycle of opportunity to attract and retain top talent helps ensure continuity of your firm's people, culture, and values as you prepare for the future. That's why having a high-performing and diverse team, unlocking their potential, and rewarding and developing the next generation of leadership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

# The RIA industry continues to demonstrate strong long-term results.

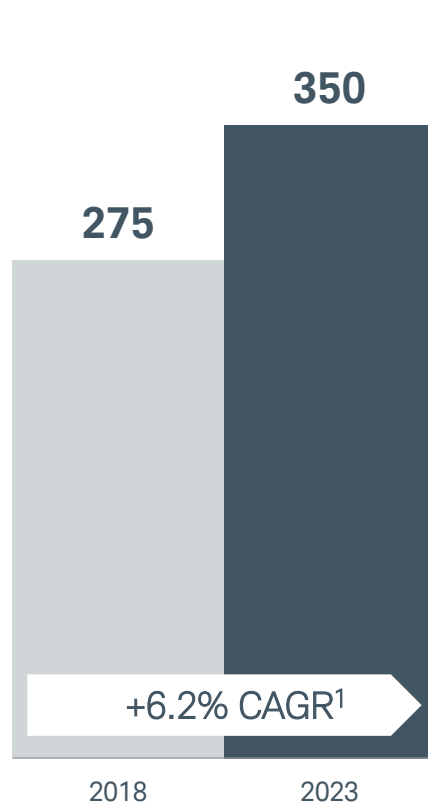
**AUM (\$M)**



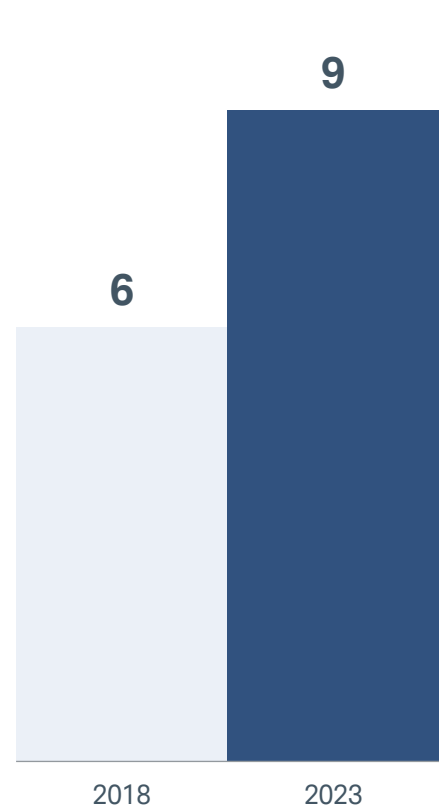
**Revenue (\$K)**



**Clients**



**Staff<sup>2</sup>**



<sup>1</sup> Median 5-year compound annual growth rate (CAGR) over the period from year-end 2018 through 2023 for all firms with \$25 million or more in AUM.  
<sup>2</sup> Staff in 2018 based on average of median results for the \$100M-\$250M and \$250M-\$500M AUM peer groups. Staff in 2023 based on average of median results for the \$250M-\$500M and \$500M-\$750M AUM peer groups.  
 Median results for all firms with \$25 million or more in AUM. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

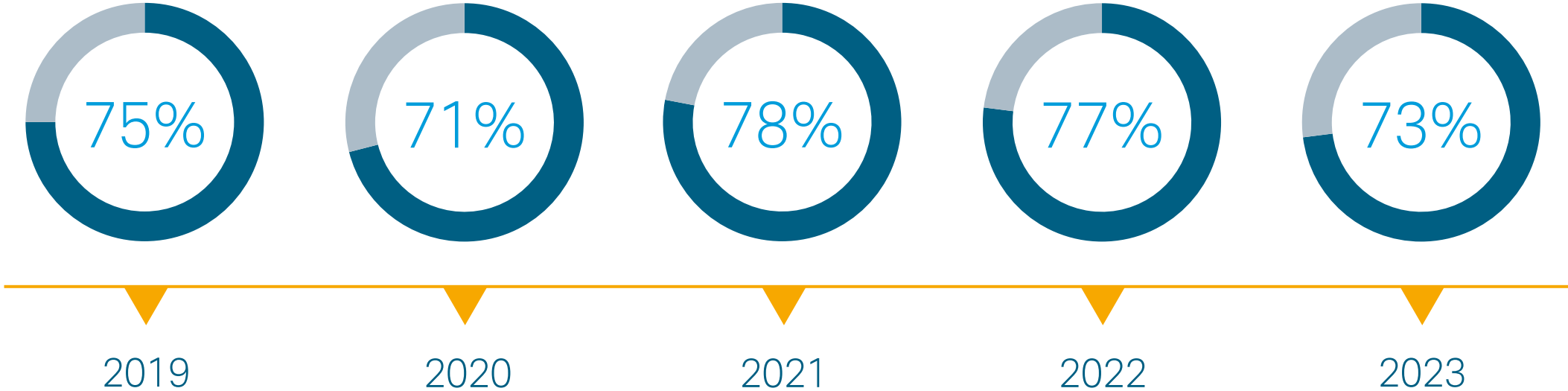
# To support growth and meet client needs, recruiting and developing talent are top priorities.

Top strategic initiatives	Rank			
	2024	2023	2022	2021
Acquire new clients through client referrals	1	1	2	1
Acquire new clients through business referrals	2	3	3	4
Recruit staff to increase firm's skill set/capacity	3	2	1	2
Enhance strategic planning and execution	4	4	4	3
Develop skills and capabilities of staff	5	6	8	10
Improve productivity using process changes	6	5	5	7

Results for all firms with \$250 million or more in AUM that selected initiative as a top 3 priority. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

# Over the past five years, most firms have hired.

## Firms that hired



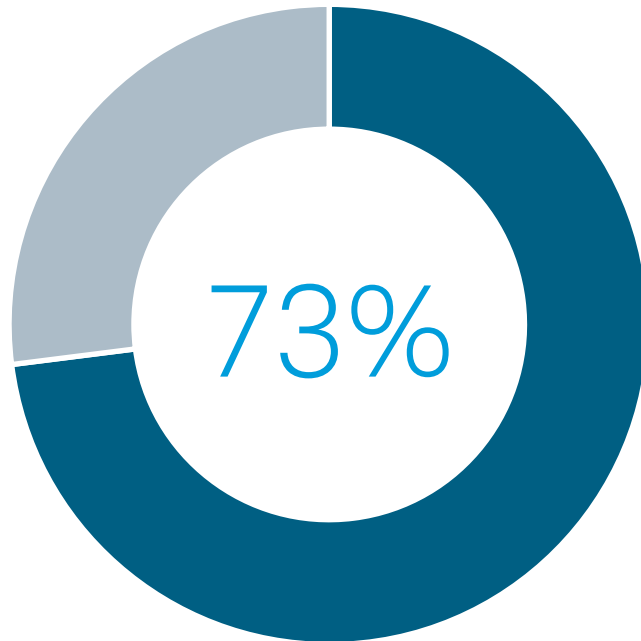
Median firm hired 2 staff for new roles added in 2023.

Results for all firms with \$250 million or more in AUM. Staff hired based on those firms that added staff. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.



# Adding talent continues to be a focus.

## Firms that planned to hire in 2024<sup>1</sup>



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Over the next five years,



Median firm will need to hire **4 new roles**



Median Top Performing Firm will need to hire **7 new roles**

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Based on current growth rates and the number of RIAs, the industry will need to hire **more than 70,000 new staff** over the next five years, without accounting for any attrition, retirements or new firms.

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<sup>1</sup> Results for all firms with \$250 million or more in AUM.

Hiring projections based on all firms with \$25 million or more in AUM and Top Performing Firms which are those that rank in the top 20% of the Firm Performance Index. The index evaluates all firms in the study according to 15 metrics to arrive at a holistic assessment of each firm's performance across key business areas. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.



# An effective organizational structure can establish the foundation to support growth and the desired client experience.

Model	Definition	Age of firm	2023 AUM	Total staff
<b>Solo</b>	Firm with one advisor, possibly with administrative support.	12	\$85M	2
<b>Silo</b>	Firm with two or more advisors—advisors retain their own clients, are compensated on their own book of business, and share overhead costs.	10	\$280M	5
<b>Ensemble</b>	Firm with multiple advisors—clients belong to the firm and are served by a team from a relationship-management perspective. Operational processes and systems may be fully standardized.	20	\$564M	10
<b>Enterprise</b>	Large firm with multiple locations and advisors—clients belong to the firm. Well-defined functional teams/departments and multiple layers of leadership. Operations may be fully standardized across locations.	25	\$3,863M	48

Median results by organizational structure. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

2024 RIA Benchmarking Study from Charles Schwab

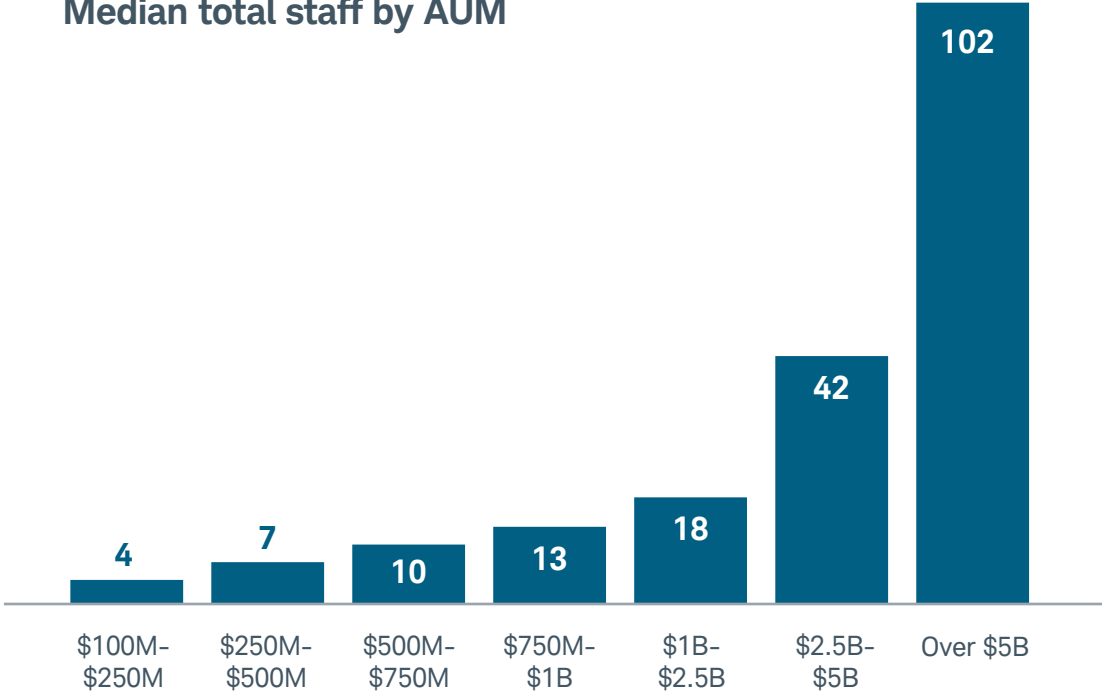
Having an intentional human capital strategy is critical as talent is the largest investment for firms.

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Compensation costs accounted for **70%** of a firm's expenses in 2023

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Median total staff by AUM



Compensation costs include salaries, bonuses, benefits, payroll taxes, and profit distributions in 2023 for all firms with \$25 million or more in AUM. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

# Staffing ratios can help provide directional guidance as firms consider when to grow their team.

**\$370K**  
in revenue translates to one additional FTE<sup>1</sup>

Client account/  
relationship managers<sup>2</sup>  
account for  
**1 in 5**  
staff

**1 to 1.3**  
One revenue role is supported by 1.3 non-revenue roles<sup>3</sup>

Executive management positions represent  
**1 in 6**  
staff

<sup>1</sup> Based on median change in revenue for firms with 1 to 20 staff.

<sup>2</sup> Includes both Senior Client Account/Relationship Managers and Client Account/Relationship Managers.

<sup>3</sup> Includes Executive Management roles.

Median results. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

Dedicated client service teams, specialized roles, and executive management positions are more often seen as firms grow.

**Roles found at ~40% or more of firms (by AUM)**

		Under \$250M <sup>1</sup>	\$250M-\$500M	\$500M-\$1B	Over \$1B
Client service team roles	Chief Executive Officer	✓	✓	✓	✓
	Senior Client Account/Relationship Manager		✓	✓	✓
	Client Account/Relationship Manager		✓	✓	✓
	Client Services Associate		✓	✓	✓
	Director of Client Service				✓
Specialized roles	Operations Director/Manager		✓	✓	✓
	Operations Associate			✓	✓
	Investment/Portfolio Manager			✓	✓
	Research Analyst				✓
	Financial Planner				✓
	Trader				✓
Executive management roles	Chief Compliance Officer <sup>2</sup>				✓
	Chief Investment Officer/Director of Research				✓
	Chief Operating Officer				✓
	Managing Partner			✓	✓

<sup>1</sup> Represents firms with \$100 million to \$250 million in AUM.

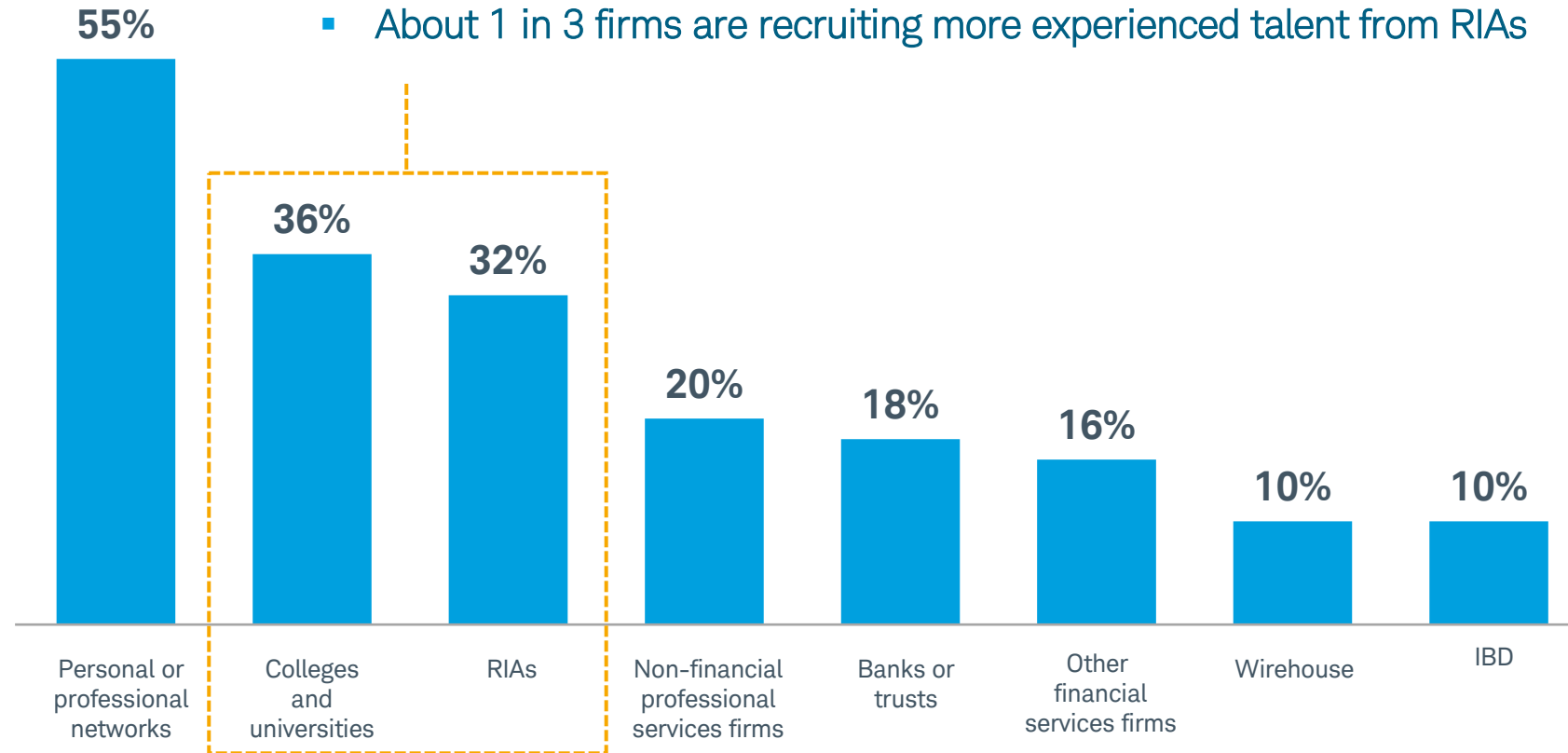
<sup>2</sup> Role where staff is dedicated as Chief Compliance Officer.

Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Firms are casting a broad net to recruit candidates.

- About 1 in 3 firms are recruiting new talent from colleges and universities
- About 1 in 3 firms are recruiting more experienced talent from RIAs

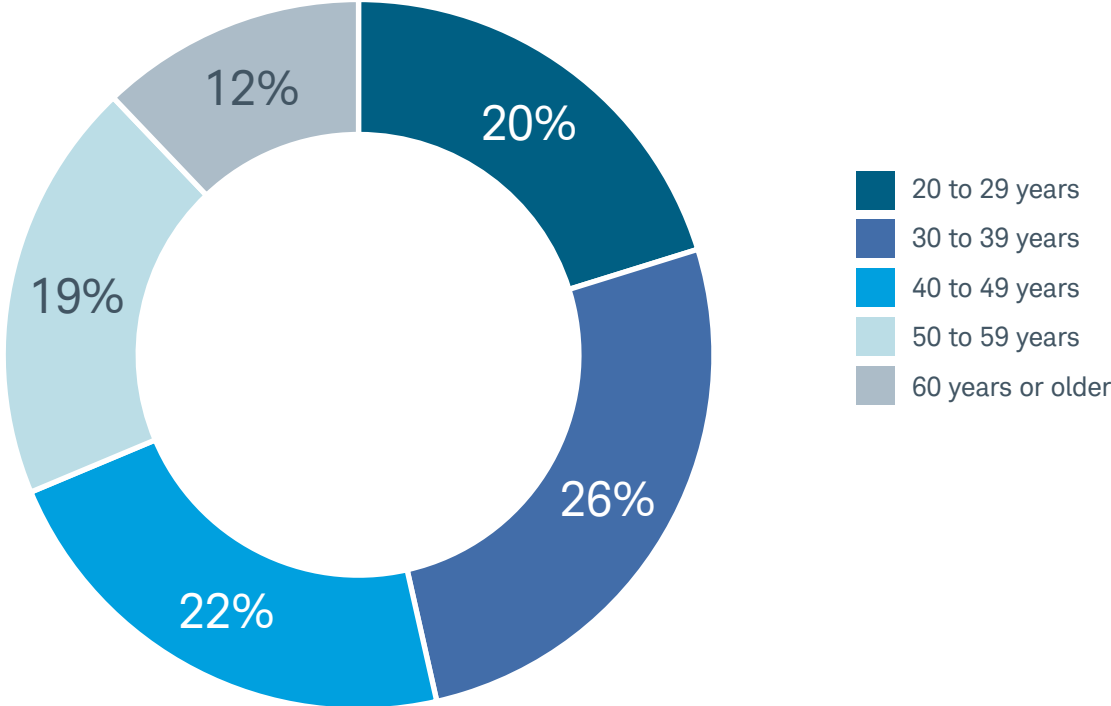
Recruitment channels used in 2023



# Overall staffing is generationally diversified at RIAs.

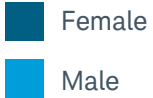
Generational diversity across all roles

46% of employees **under 40**  
22% of employees **40 to 49**  
32% of employees **50 and older**

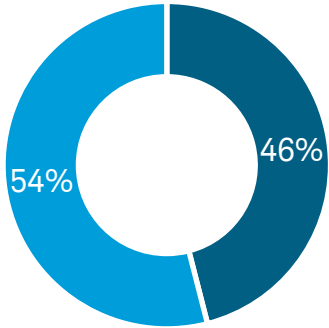


Results exclude responses where demographic information was not shared or not available. May not sum to 100% due to rounding. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

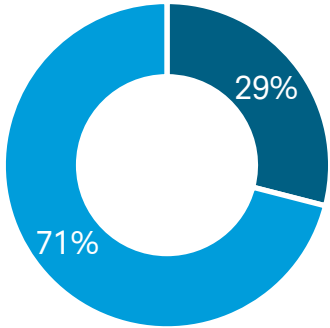
# Fostering inclusive and equitable employee experiences can optimize a firm's talent pipeline.



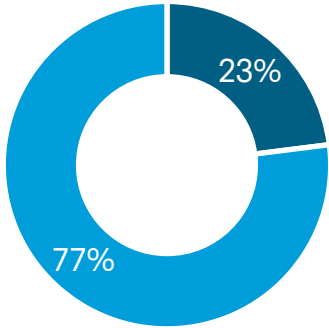
Across all roles



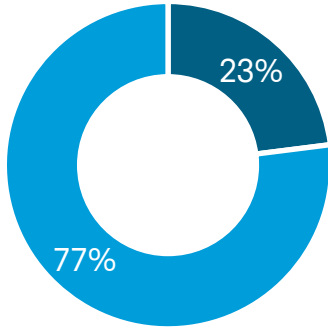
Advisor roles<sup>1</sup>



Executive mgmt roles<sup>2</sup>



Working owners<sup>3</sup>



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

<sup>2</sup> Includes CEO/President, CFO, CCO, CIO/Director of Research, COO, and Managing Partner roles.

<sup>3</sup> Staff members holding equity positions of 25% or more.

Results exclude responses where demographic information was not shared or not available. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

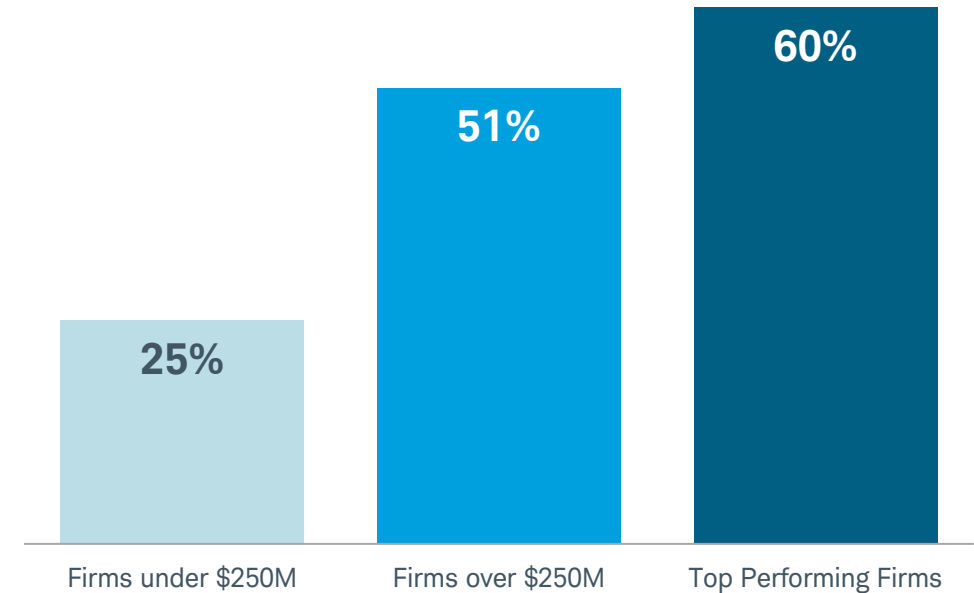


# An employee value proposition (EVP) is essential to attract, motivate, and retain talent.



## Firms with a documented employee value proposition

An EVP is a set of offerings the firm provides to staff in return for the skills and experiences employees bring to the firm.

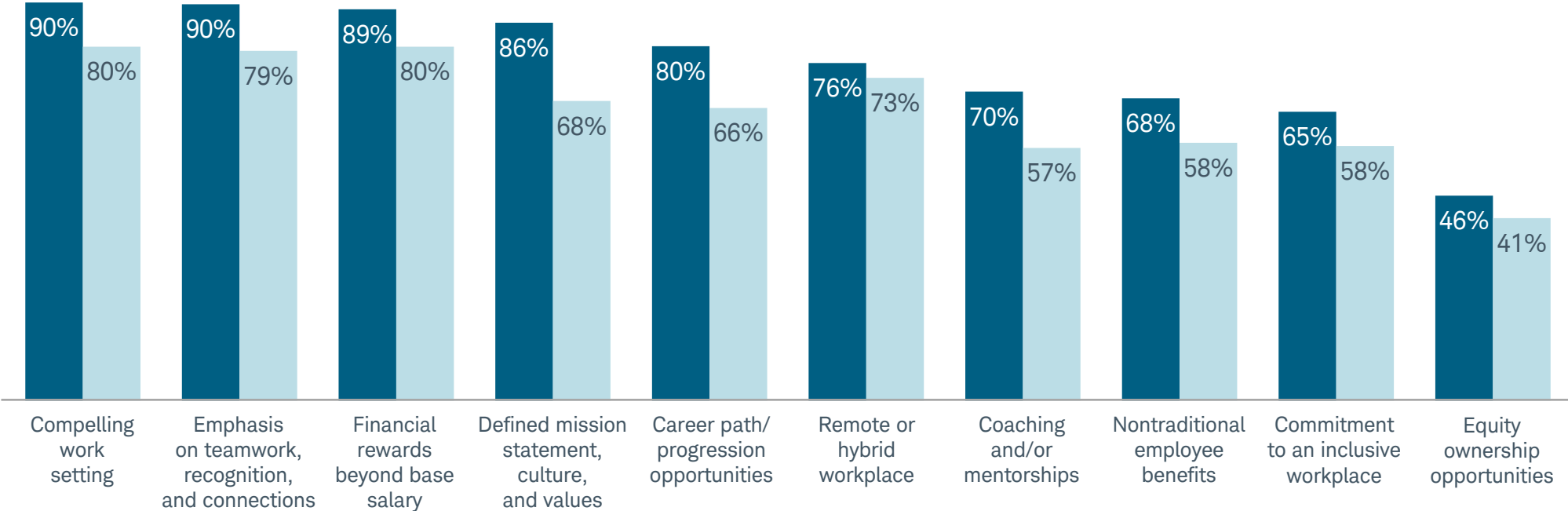


Top Performing Firms are those that rank in the top 20% of the Firm Performance Index. The index evaluates all firms in the study according to 15 metrics to arrive at a holistic assessment of each firm's performance across key business areas. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

# Elements in an EVP need to resonate with the firm's current and prospective employees.

## Elements firms include in their employee value proposition

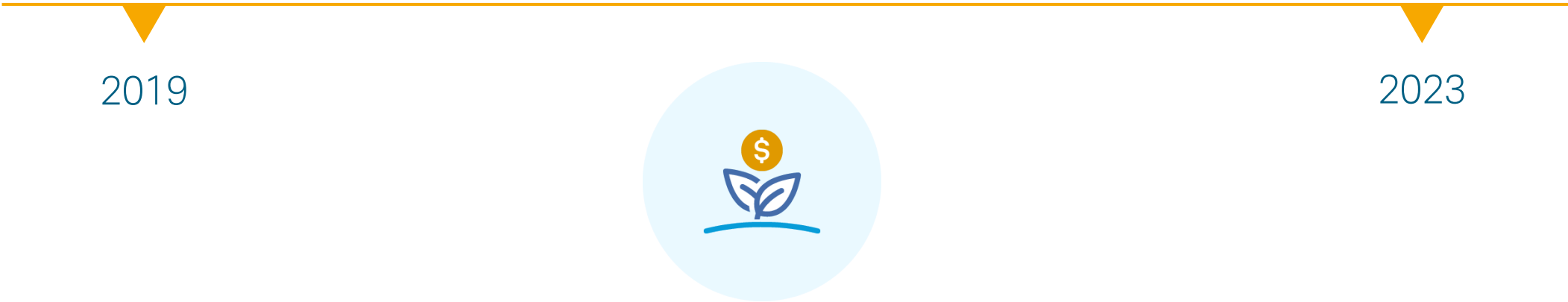
■ Top Performing Firms  
■ All other firms



Results for Top Performing Firms and all other firms. Top Performing Firms are those that rank in the top 20% of the Firm Performance Index. The index evaluates all firms in the study according to 15 metrics to arrive at a holistic assessment of each firm's performance across key business areas. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

# Compensation is a critical component of an EVP.

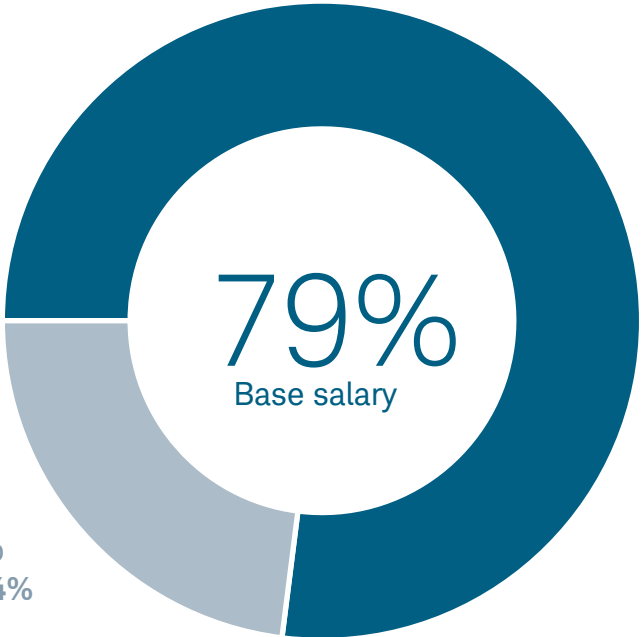
Across all roles, total cash compensation<sup>1</sup>  
**increased 17%** from 2019 to 2023



<sup>1</sup> Median percent change for the 27 roles in the compensation portion of the RIA Benchmarking Study from Charles Schwab. Total cash compensation includes owner profit distributions. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Compensation packages that include more than base salary help align staff with firm goals.

**Components of total cash compensation<sup>1</sup> across all roles**



Performance-based incentive pay: **10%**

Compensation tied to revenue generation: **4%**

Owner profit distributions: **7%**

**Base salary as a percent of total cash compensation<sup>1</sup> by role type<sup>2</sup>**

REVENUE ROLES

**70%**

NON-REVENUE ROLES

**89%**

<sup>1</sup> In 2023. Total cash compensation includes base salary, performance-based incentive pay, compensation tied to revenue generation, and owner profit distributions.

<sup>2</sup> Role types exclude Executive Management roles.

Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Incentive compensation can help motivate staff and engage employees.



77%

of firms compensated staff with **performance-based incentive pay** in 2023<sup>1</sup>



3 of 4

reported roles received **performance-based incentive pay** in 2023<sup>2</sup>

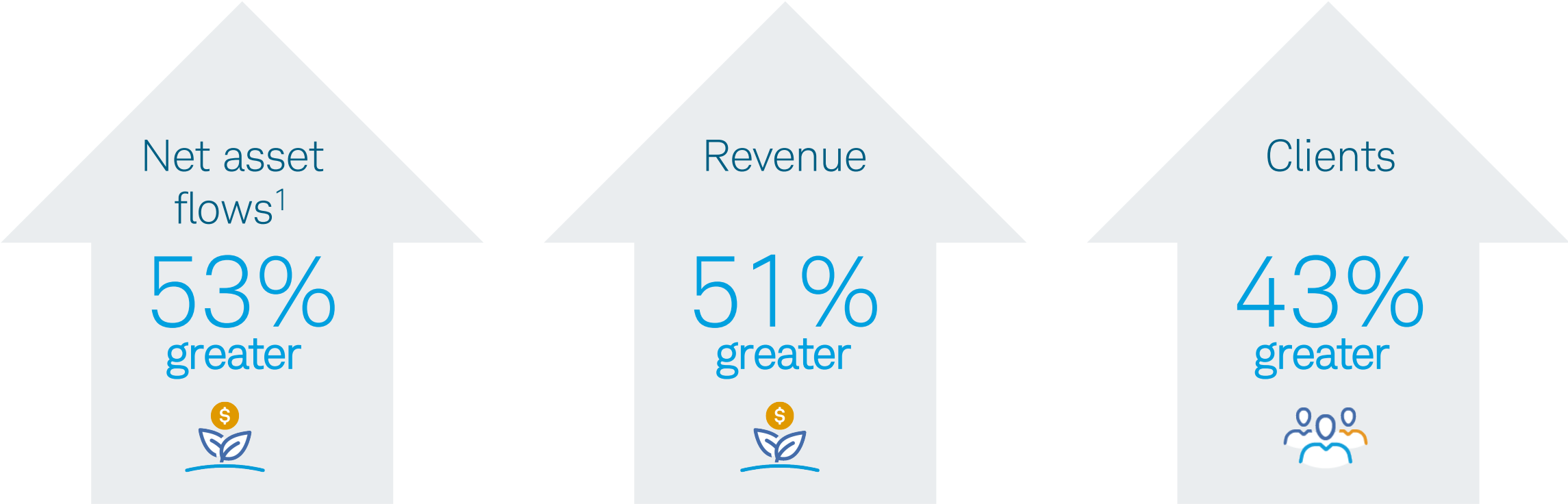
<sup>1</sup> Performance-based incentive pay includes discretionary bonus and compensation resulting from firm goals, department or team goals, and business development results.

<sup>2</sup> Median result based on reported roles of firms that compensated staff with performance-based incentive pay in 2023.

Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.





# Firms leveraging performance-based incentive pay saw stronger long-term performance.

## 5-year CAGRs of firms using performance-based incentive pay



<sup>1</sup> Net asset flows is the change in a firm's assets from new, existing, and lost clients before investment performance is taken into account, and it excludes the growth from acquisitions or divestitures and from advisors joining or leaving  
Percent change in median compound annual growth rates for all firms that reported using performance-based incentive pay compared with all firms that reported not using performance-based incentive pay. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Firms using performance-based incentive pay more often have documented foundational business strategies.

	Firms using incentive pay that have a...	Firms not using incentive pay that have a...	Difference
 Strategic plan	66%	46%	21%
 Ideal client persona/profile	71%	56%	15%
 Client value proposition	70%	55%	15%
 Marketing plan	51%	31%	20%

Performance-based incentive pay includes discretionary bonus and compensation resulting from firm goals, department or team goals, and business development results. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.



Compensation tied to revenue from new and existing clients can help ensure staff are aligned with the firm's growth objectives.



29%

of firms **tied compensation to revenue generation** in 2023

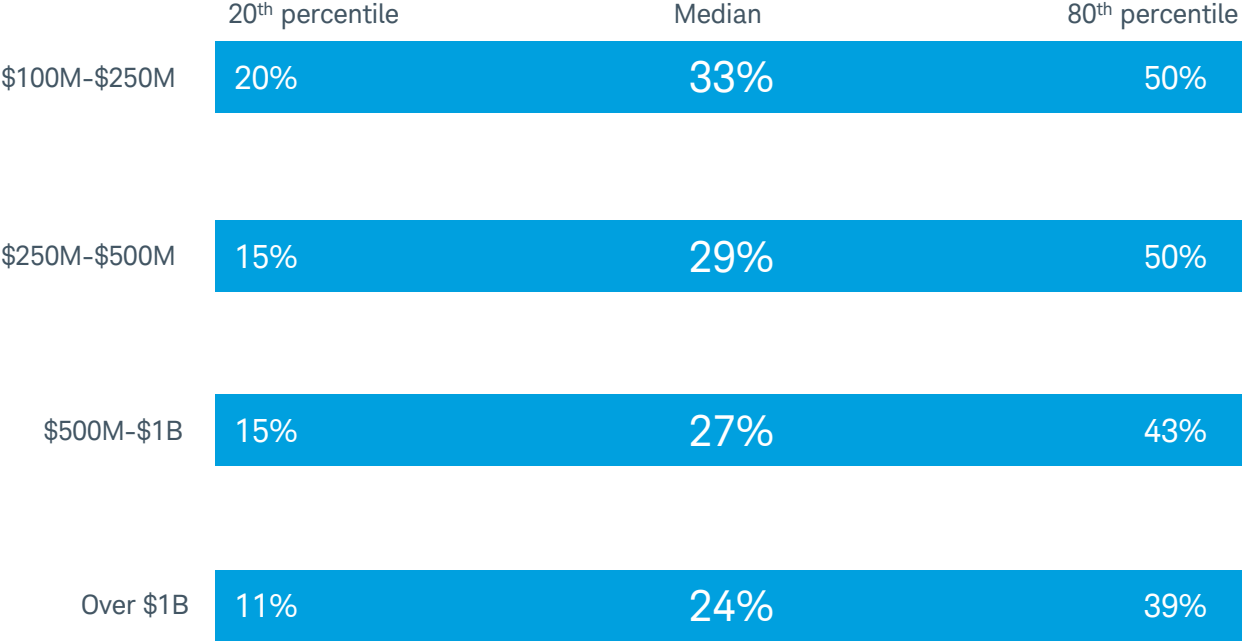


Nearly **1 in 3** roles **tied compensation to revenue generation** in 2023<sup>1</sup>

<sup>1</sup> Median result based on reported roles of firms that tied compensation to revenue generation in 2023. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Equity is a key currency firms are using to help retain talent and support their succession strategies.

**Working owners<sup>1</sup> as a percent of total staff (by firm size)**



Across the study,  
**1 in 3 staff**  
are equity owners<sup>2</sup>

<sup>1</sup> Working owners are staff that hold equity in the firm.

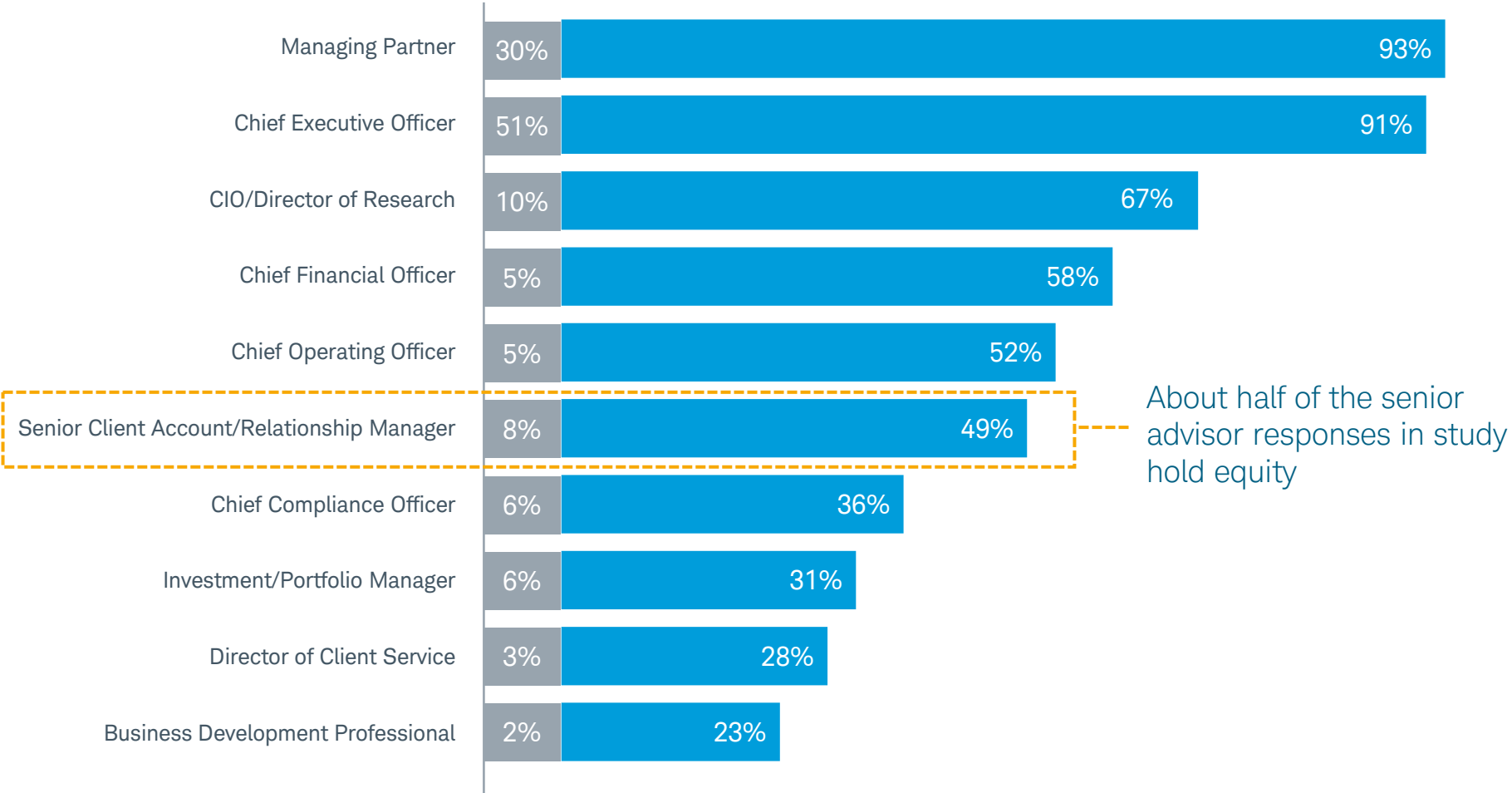
<sup>2</sup> Median result.

Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Equity ownership is more common with certain roles.

## Roles where about 25% of responses hold equity

- Responses with equity
- Median equity position<sup>1</sup>

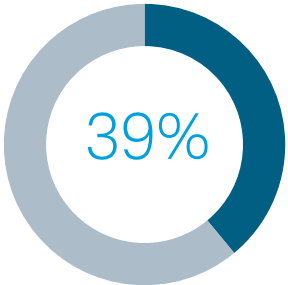


<sup>1</sup> Includes only those responses with ownership.  
 Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

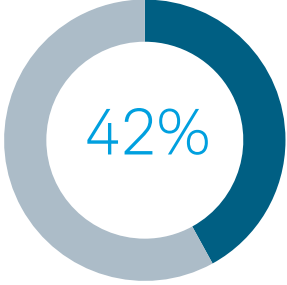
# Equity can be an important driver to attract and retain advisors with a book of business.

## Firms that offered equity to advisors who joined with book of business

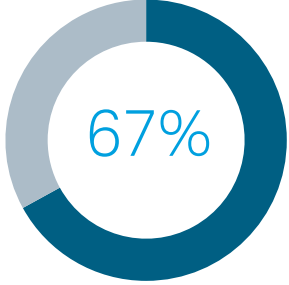
Firms over \$250M



Firms over \$1B



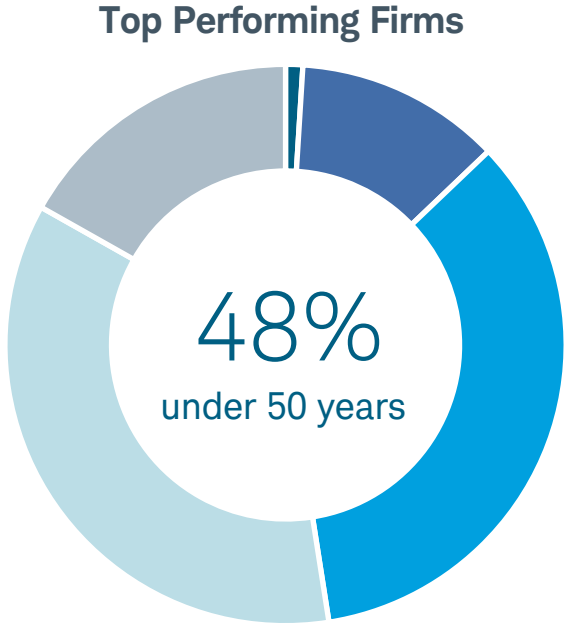
Firms over \$5B



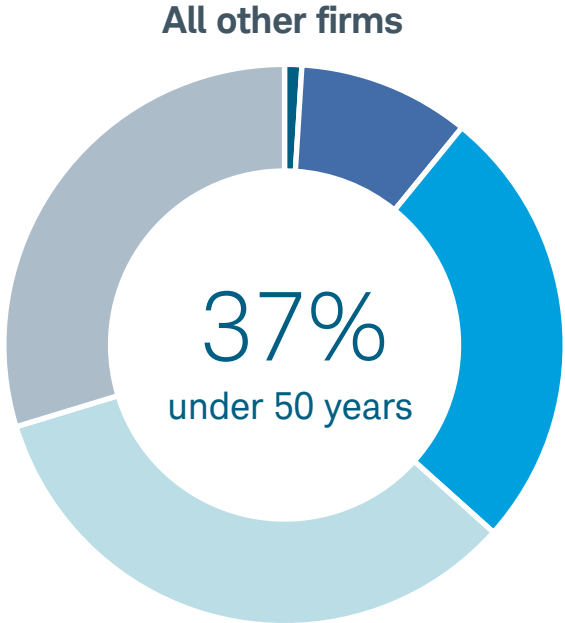
Based on advisor joins in 2023. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

# Nearly half of Top Performing Firms equity owners<sup>1</sup> are under 50 years old.

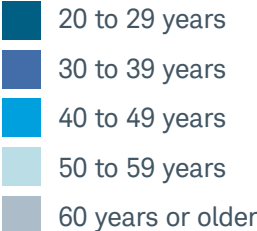
Age of working owners with positions of 25% or more<sup>1</sup>



Owners under 50	<b>48%</b>
Owners 50 to 59	<b>36%</b>
Owners 60 and over	<b>17%</b>



Owners under 50	<b>37%</b>
Owners 50 to 59	<b>34%</b>
Owners 60 and over	<b>30%</b>

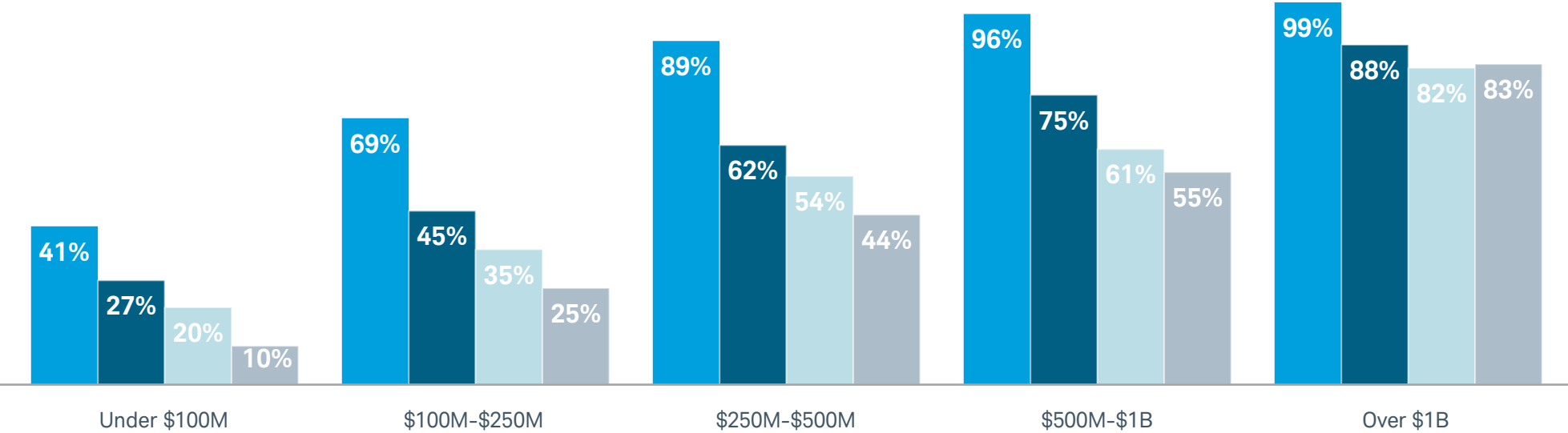


<sup>1</sup> Staff members holding equity positions of 25% or more. Results exclude responses where demographic information was not shared or not available. May not sum to 100% due to rounding. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Benefits are an important part of a total rewards package.

## Firms providing traditional benefits

- Medical insurance
- Dental insurance
- Vision insurance
- Life insurance



## Firms contributing to premiums<sup>1</sup>

Medical: 98% of firms  
Dental: 81% of firms  
Vision: 72% of firms

<sup>1</sup> Contributing to premiums either with a percentage of premium paid by firm or a fixed amount paid by firm to employee annually. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Other benefits can help enhance the rewards package.

## PTO

20% of firms offer unlimited PTO;  
40% offer a traditional PTO package with vacation, sick time, and paid holidays

## Parental Leave<sup>1</sup>

69% of firms offer fully-paid leave

## 401k

80% of firms offer a 401k with the median firm matching or funding 4%

## Career path

76% of firms offer career path/progression opportunities;  
39% promoted staff in 2023<sup>2</sup>

## Training & dues

The median Top Performing Firm spent \$2100 per professional staff on training, education, and prof. dues<sup>3</sup>

## Nontraditional benefits

64% of firms offer nontraditional benefits

<sup>1</sup> Represents maternity and/or paternity leave.

<sup>2</sup> Results for firms with \$250 million or more in AUM.

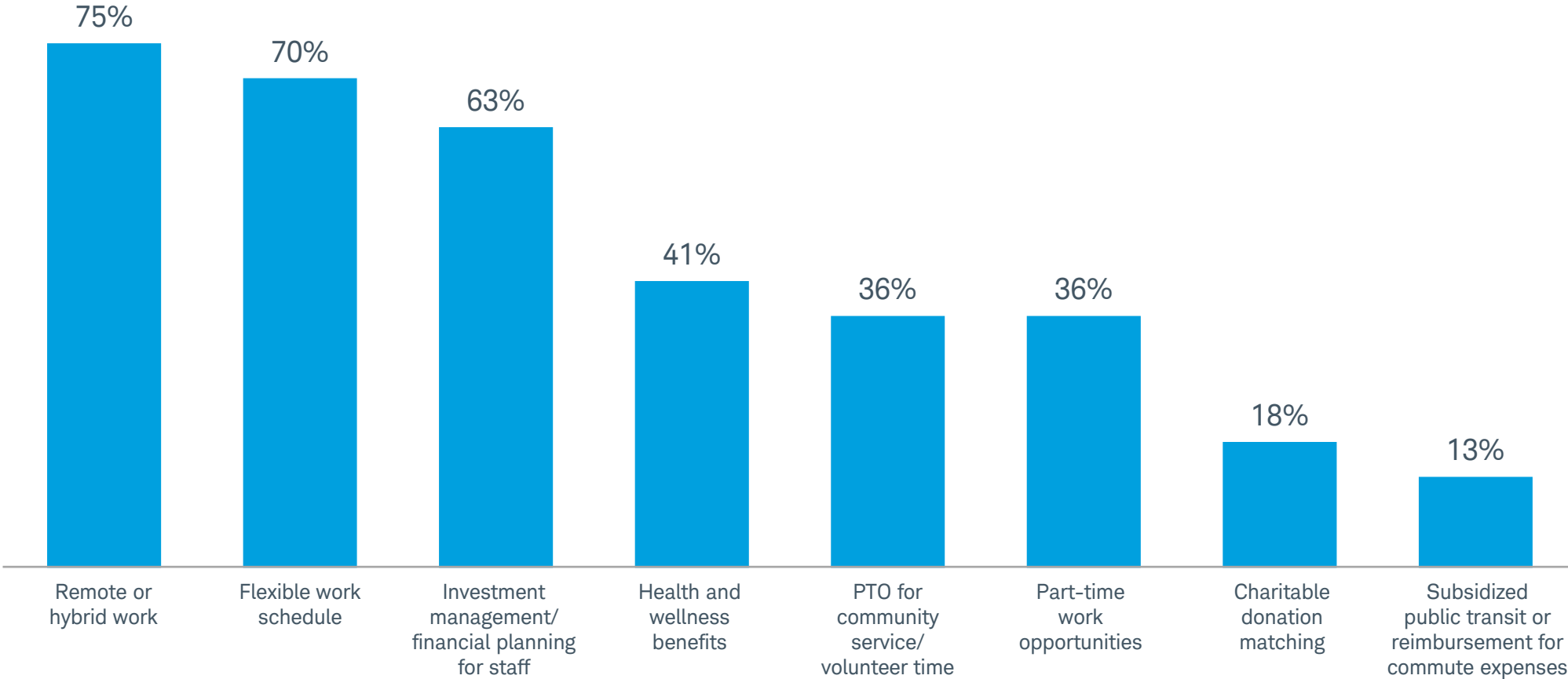
<sup>3</sup> Median results rounded to the nearest 100 and includes only those firms investing in training, education, and professional dues for staff. Top Performing Firms are those that rank in the top 20% of the Firm Performance Index. The index evaluates all firms in the study according to 15 metrics to arrive at a holistic assessment of each firm's performance across key business areas.

Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.



# Nontraditional benefits can be a differentiator.

## Nontraditional benefits offered



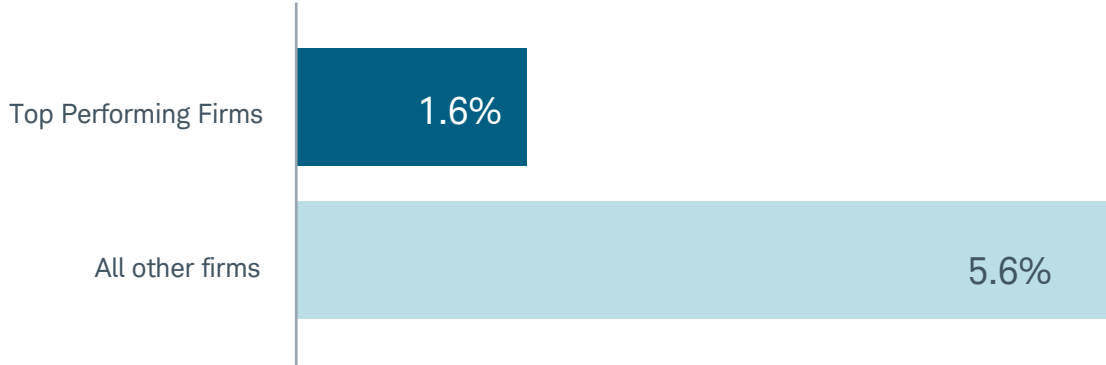
Results for all firms. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms for the main study and 1,055 firms for the compensation section.

# Minimizing staff attrition helps ensure a firm's stability.

## Firms with staff departures



## Median staff attrition rate



Top Performing Firms are those that rank in the top 20% of the Firm Performance Index. The index evaluates all firms in the study according to 15 metrics to arrive at a holistic assessment of each firm's performance across key business areas. Past performance is not an indicator of future results. 2024 RIA Benchmarking Study from Charles Schwab, fielded January to March 2024. Study contains self-reported data from 1,304 firms. Participant firms represent various sizes and business models categorized into peer groups by AUM.

# Appendix

# The Firm Performance Index identifies Top Performing Firms and helps advisors pinpoint strengths and opportunities.

The Firm Performance Index ranks all firms on 15 metrics that align with the Guiding Principles for Advisory Firm Success.

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The index is a holistic assessment of RIA performance across key areas.

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Top Performing Firms are those that rank in the top 20% of the index.

## Firm performance

- 5-year client CAGR
- 5-year net asset flows CAGR
- 5-year revenue CAGR
- 2022 AUM growth rate from new client assets
- 2022 AUM growth rate from existing client assets
- Client attrition
- Staff attrition
- Operating margin (reported)
- Time spent on client service
- Time spent on operations

## Activities implemented

- Standardized workflows in CRM for over 50% of tasks
- Written strategic plan
- Written succession plan
- Ideal client persona/profile
- Client value proposition

# Methodology and disclosures

This report was produced by Charles Schwab & Co., Inc. and is intended for independent investment advisory firms. The report is intended for informational and educational purposes only, and is not intended to provide financial, investment, regulatory, compliance, legal, or tax advice. Any guidance taken from the report is not tailored to the particular circumstances of any reader of the report or their firm.

Schwab does not provide human resources, legal, regulatory, tax or compliance advice. Consult professionals in these fields to address your specific circumstances.

Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on survey responses from individual firms. The 2024 study provides information on topics such as asset and revenue growth, sources of new clients, products and pricing, staffing, compensation, marketing, technology, and financial performance. Since the inception of the study in 2006, more than 4,800 firms have participated, with many repeat participants. Fielded from January to March 2024, the study contains self-reported data from 1,304 firms that custody their assets with Schwab and represents \$2 trillion in assets under management, making this the leading study in the RIA industry. Schwab did not independently verify or validate the self-reported information. Participant firms represent various sizes and business models. They are categorized into peer groups by AUM size. The study is part of Schwab Business Consulting and Education, a practice management offering for RIAs. Grounded in the best practices of leading independent advisory firms, Business Consulting and Education provides insight, guidance, tools, and resources to help RIAs strategically manage and grow their firms.

Past performance is not an indicator of future results.

The Firm Performance Index evaluates firms in the study according to 15 metrics that align with the Guiding Principles for Advisory Firm Success, to arrive at a holistic assessment of each firm's performance across key business areas. It provides comprehensive comparisons for all firms participating in the study, not just within a peer group. The metrics in the Firm Performance Index measure growth in clients, assets and revenue; client attrition; staff attrition; operating margin; time spent on client service; time spent on operations; standardized workflows; written strategic plan and succession plan; and ideal client persona and client value proposition. The Firm Performance Index is calculated among all firms in the study without regard to assets under management or firm type. Firms that rank in the top 20% of the index are included in the Top Performing Firms.

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. Throughout this report, median values are provided, unless otherwise noted, to provide the best indicator of a “typical” firm.

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