

# 2021 RIA Compensation Report

An addendum to Schwab's 2021  
RIA Benchmarking Study

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# Introduction



Schwab's RIA Benchmarking Study is the leading study in the industry – **1,036 advisory firms participated in the compensation portion** of the 2021 study, representing over three-quarters of those who participated overall (1,340 firms).

**Data was collected from January to March 2021 on nearly 13,000 employees** across 27 roles typically found at RIAs.

- Schwab's RIA Compensation Report reflects responses from Schwab's 2021 RIA Benchmarking Study, the largest study of its kind, and offers a comprehensive look at compensation practices in the independent RIA industry.
- The compensation findings help firms develop, adjust, and evolve a compensation structure that supports their talent strategy and evaluate how they compare with their peers.
- Three key themes found throughout the study focus on: hiring to meet firm growth and client needs, leveraging rewards beyond base salary to drive performance, and offering more than compensation to attract and retain top talent.

Trend to watch



This icon identifies trends from the study that are important considerations when managing a firm's talent strategy.

*"As RIAs continue to grow and deliver an exceptional experience to more clients, firms recognize talent is the differentiator of the future. In this tight labor market, firms can ensure they have a compelling compensation strategy and a well-defined employee value proposition to help attract and retain top talent, drive business performance, increase diversity, and support their staff as the workplace evolves."*



Lisa Salvi  
Managing Director  
Business Consulting & Education  
Schwab Advisor Services

# Key Highlights

## Hiring to meet firm growth and client needs

- **People are a firm's most important asset** and continue to be the largest investment for RIAs, comprising 71% of a firm's expenses. (Slide 7)
- With the tight labor market, firms are competing for talent as they look to hire to support firm growth and client needs.
  - **Nearly 80% of firms reported that they planned to hire in 2021.** If current growth rates continue, the median firm will need to hire 6 new roles over the next five years, without accounting for employee attrition/turnover. (Slides 5 and 10)
  - Generally, **advisors add a new role for every \$325K in revenue.** As firms grow, they typically add dedicated client service teams, specialized roles, and executive management positions. (Slides 8 and 9)

## Leveraging rewards beyond base salary to drive performance

- Firms can evaluate and employ a spectrum of levers to create attractive compensation packages, including:
  - **Incentive pay** – 74% of firms use performance-based incentive compensation to help engage employees and advance the firm's goals. (Slides 14 and 15)
  - **Equity ownership** – at the median firm, 1 in 3 staff are equity owners. Overall equity ownership is diversified generationally. (Slides 19 and 21)
- A firm's compensation strategy, **especially incentives, can help drive overall firm goals when aligned with the firm's strategic plan.** Firms using performance-based incentive pay more often have documented foundational elements and see stronger long-term results. (Slides 16 and 17)

## Offering more than compensation to attract and retain top talent

- Firms can ensure they have a **compelling compensation strategy** and a well-defined **employee value proposition** to help differentiate them in a competitive labor market. (Slide 11)
- Providing a variety of benefits is an important part of a firm's offer.
  - **Traditional benefits** like health and dental insurance are typically considered table stakes. (Slide 23)
  - **Nontraditional benefits** can be used to directly impact employee satisfaction, support development, and incentivize staff with long-term opportunities (Slide 24). Nontraditional benefits include:
    - **Workplace flexibility** to support work-life balance, which in today's environment both prospective and current employees are seeking.
    - **Career path opportunities** to support staff development, improve engagement, and build bench strength. Internal promotion also provides progression and advancement opportunities for staff. (Slides 26, 27, 28)
    - **Investing in staff** helps employees feel connected and appreciated. The median firm with \$250 million or more in AUM spent over \$1,700 per professional on training, education, and professional dues. (Slide 25)
- **Fostering inclusive and equitable employee experiences** can optimize a firm's talent pipeline. Of the survey responses received, 47% of the roles were filled by women and 53% were filled by men. (Slide 22)

# 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.

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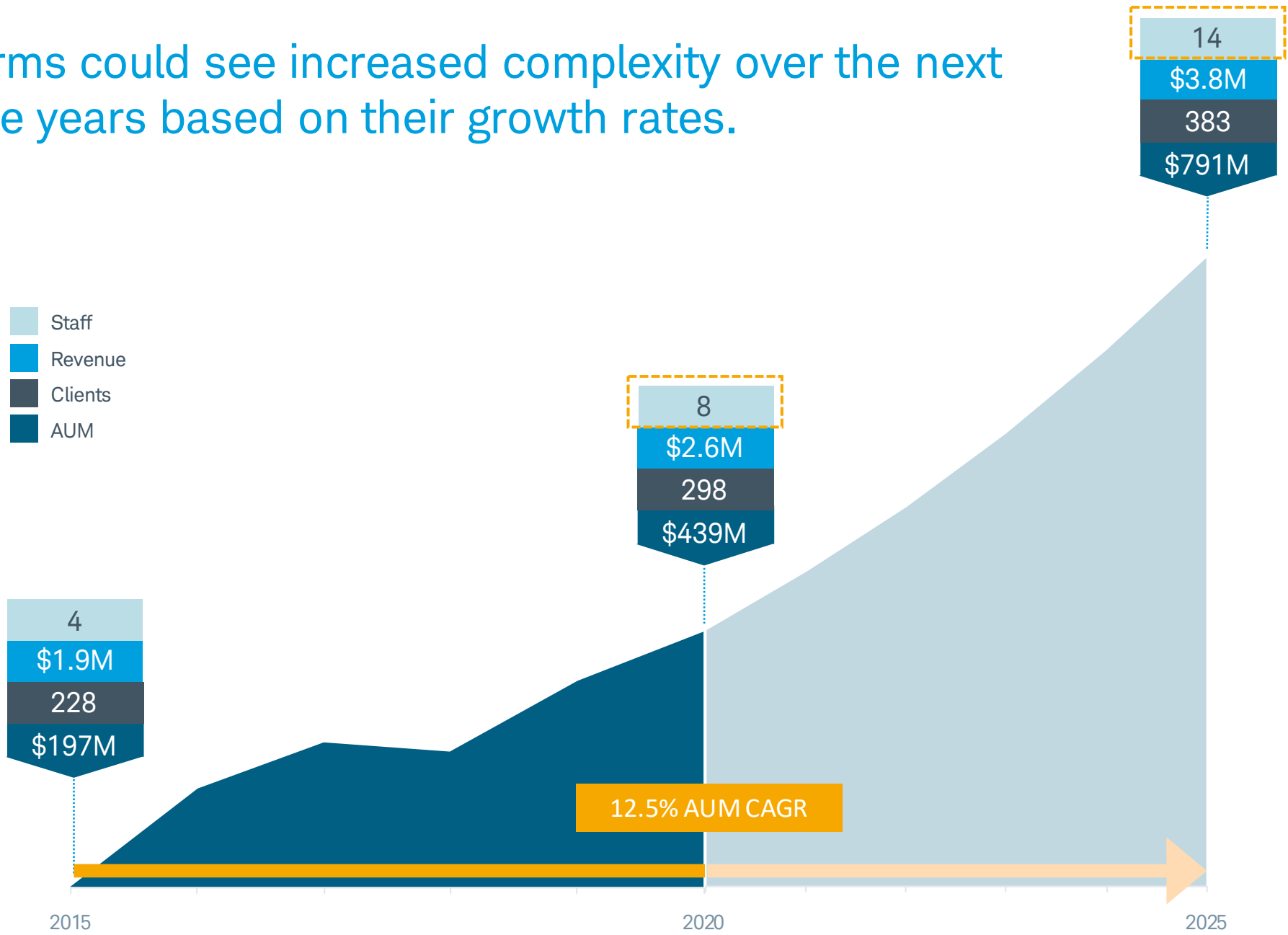


Your  
reputation is  
your brand



People are your  
most important  
asset

Firms could see increased complexity over the next five years based on their growth rates.



Median results for 2015 and 2020 for all firms with \$25 million or more in AUM. 2025 projections based on historical 5-year compound annual growth rates. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms. Participant firms represent various sizes and business models categorized into 7 peer groups by AUM.



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

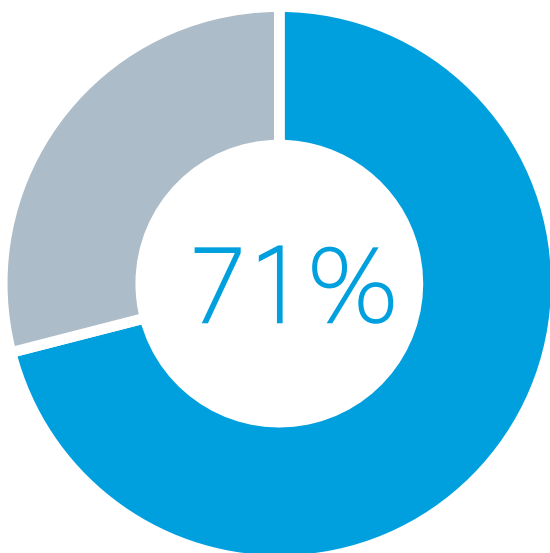
Model	Definition	Age of firm	2020 AUM	Total staff
<b>Solo</b>	Firm with one advisor, possibly with administrative support.	7	\$83	2
<b>Silo</b>	Firm with two or more advisors—advisors retain their own clients, are compensated on their own book of business, and share overhead costs.	10	\$250	6
<b>Ensemble</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	\$460	9
<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.	22	\$3,159	52

Median results by organizational structure. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms.

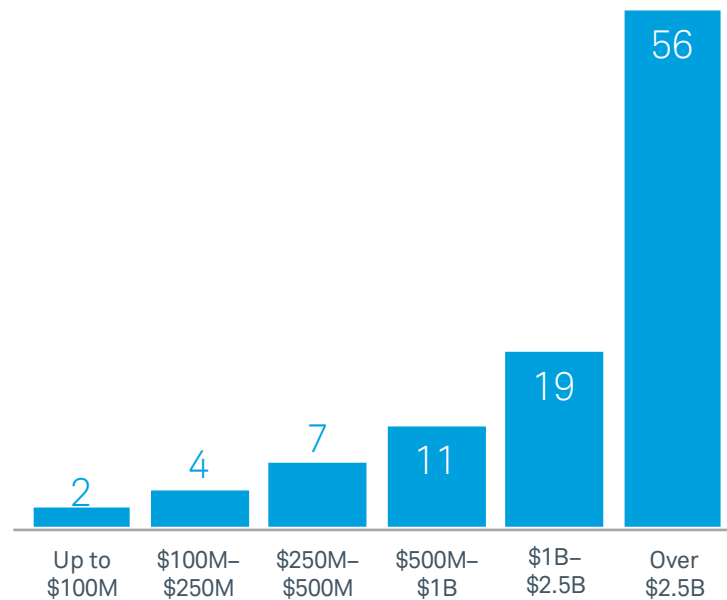


Having a well-defined and intentional human capital strategy is critical as talent continues to be the largest investment for firms.

**Compensation costs in 2020 account for 71% of a firm's expenses**



**Total staff by AUM (median)**



Compensation costs include salaries, bonuses, benefits, payroll taxes, and profit distributions. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms.





Staffing ratios provide directional guidance to help firms determine when to consider expanding their team.

**\$325K**

\$325K in revenue  
translates to  
1 additional staff<sup>1</sup>

**1 to 1.5**

Every revenue role  
is supported by  
1.5 non-revenue roles<sup>3</sup>

**1 in 5**

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

**1 in 6**

Executive  
management roles  
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> Ratio includes Executive Management roles.

Median results for all firms that completed the compensation section of the study. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



As firms grow, dedicated client service team, specialized roles, and executive management positions are more prevalent.

Roles found at ~50% or more of firms (by AUM)		Under \$250M	\$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		✓	✓	✓
Specialized roles	Investment/Portfolio Manager			✓	✓
	Operations Director/Manager			✓	✓
	Research Analyst				✓
	Operations Associate				✓
Executive management roles	Receptionist				✓
	Chief Compliance Officer <sup>1</sup>				✓
	Chief Investment Officer/Director of Research				✓
	Chief Operating Officer				✓
	Managing Partner				✓

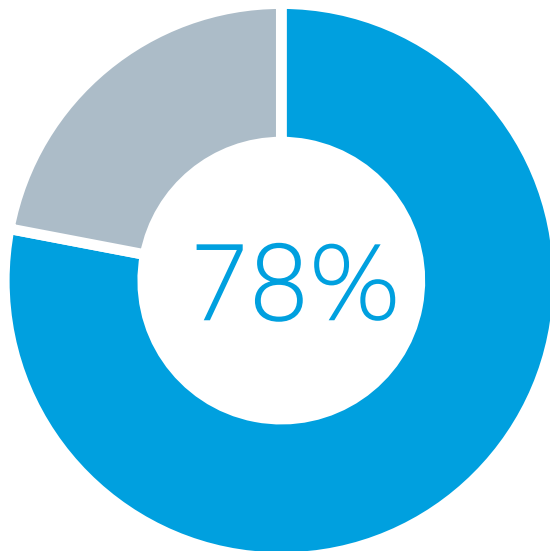
1 Role where staff is dedicated as Chief Compliance Officer.

Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.

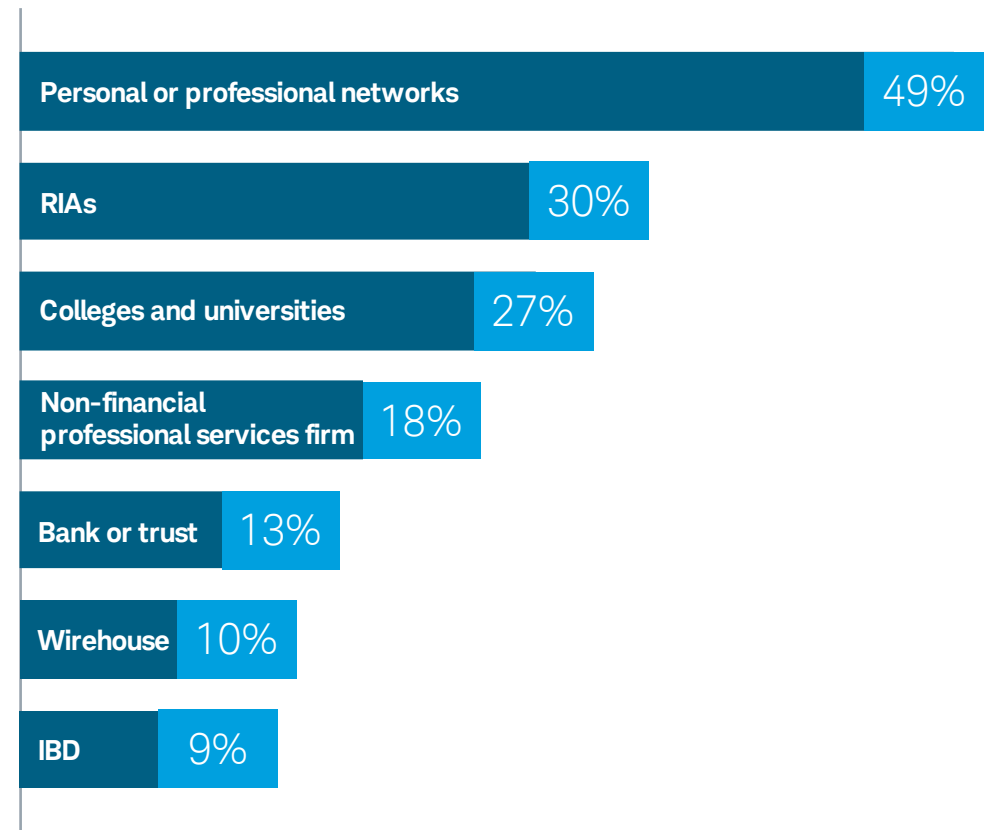


Securing top talent can be competitive, as nearly 80% of firms reported they were looking to add staff in 2021.

### Firms that planned to hire in 2021



### Recruitment channels in 2020



Median results for all firms with \$250 million or more in AUM. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms. Participant firms represent various sizes and business models categorized into 7 peer groups by AUM.



# Having an employee value proposition is essential to attract and retain talent.

Elements of an employee value proposition include:

- ☒ Meaningful and compelling work in a positive environment
- ☒ Financial rewards, beyond base salary
- ☒ Equity ownership opportunities
- ☒ Benefits, both traditional and nontraditional, including a signature program
- ☒ Professional development for career pathing/progression
- ☒ Commitment to a diverse and inclusive workplace



Across the RIA industry, total compensation has ticked up each year.

Total cash compensation<sup>1</sup> has **increased 14.5%** since 2016.

2021 data likely to reflect tight labor market



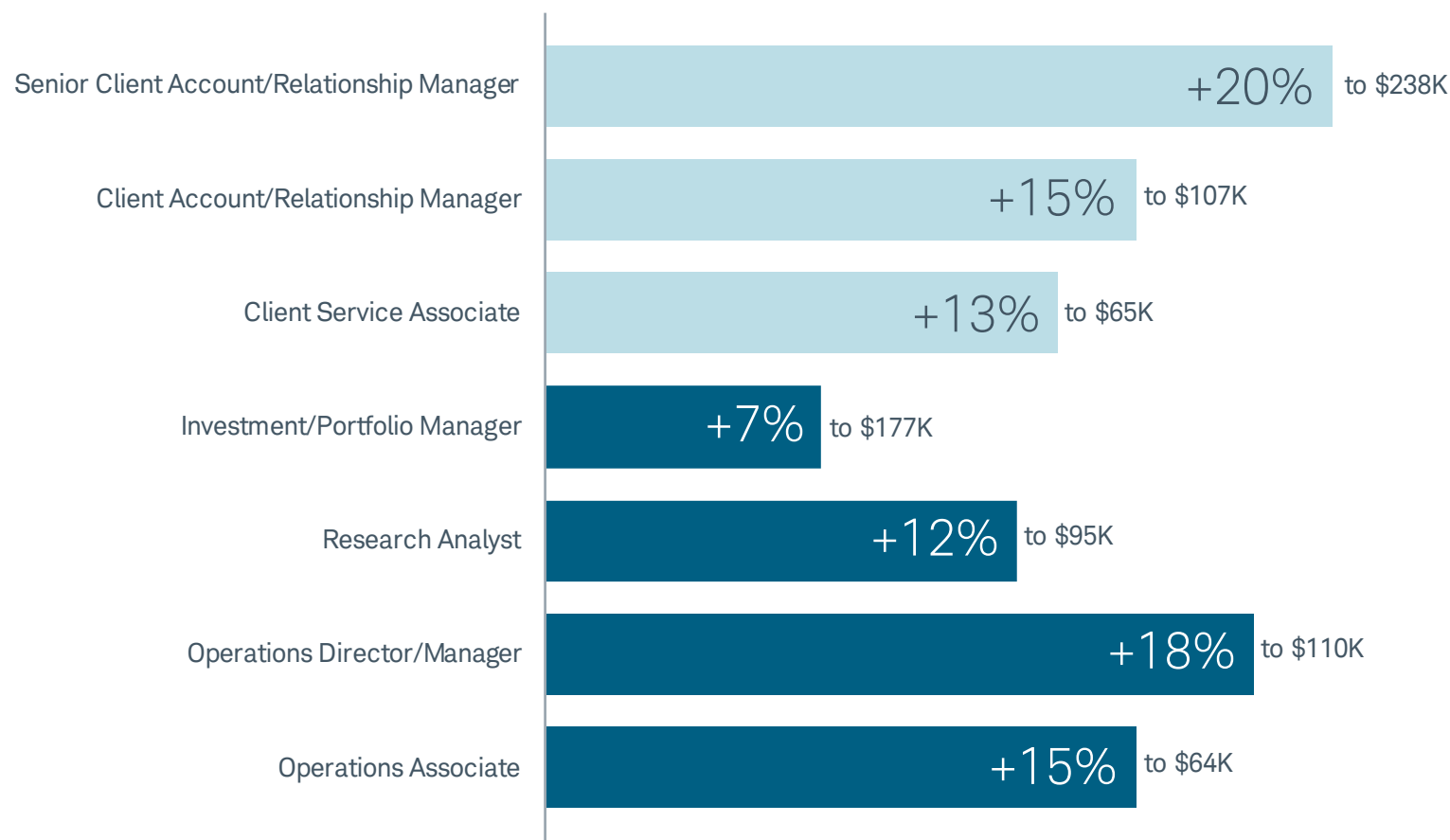
<sup>1</sup> Median percent change for the 27 roles in the compensation portion of the RIA Benchmarking Study from Charles Schwab. Total cash compensation includes owner profit distributions.

Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



## Client service teams and specialized roles have seen a long-term increase in compensation.

### Change in median total cash compensation<sup>1</sup> from 2016 to 2020



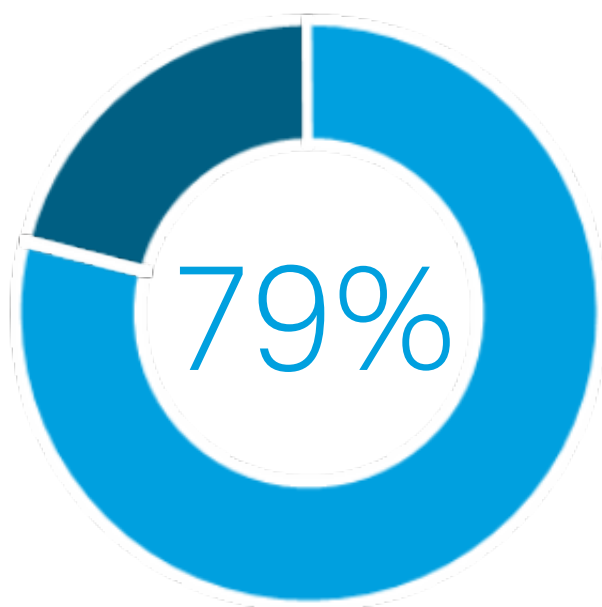
<sup>1</sup> Total cash compensation includes owner profit distributions.

Median total cash compensation for role in 2020. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



## Offering compensation packages that include more than base salary helps align staff with firm goals.

**Base salary as a percent of total cash compensation<sup>1</sup> in 2020 across all roles**



- Base salary (79%)
- Performance-based incentive pay (10%)
- Compensation tied to revenue generation (7%)
- Owner profit distributions (4%)

**Base salary as a percent of total cash compensation<sup>1</sup> in 2020 by role type<sup>2</sup>**

### REVENUE ROLES

70%

### NON-REVENUE ROLES

88%

<sup>1</sup> 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.

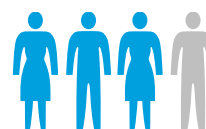
Average results. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



Motivating staff with incentive compensation can impact the quality of talent and engage employees.



**74%** of firms  
compensated staff  
with **performance-  
based incentive pay**  
in 2020<sup>1</sup>



**3 of 4** reported  
roles received  
**performance-based  
incentive pay**  
in 2020<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 for firms that compensated staff with performance-based incentive pay in 2020.

Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.





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

	Firms using incentive pay that have a...	Firms not using incentive pay that have a...	Difference
 Strategic plan	62%	43%	19%
 Ideal client persona/profile	61%	44%	17%
 Client value proposition	59%	42%	17%
 Marketing plan	53%	33%	20%

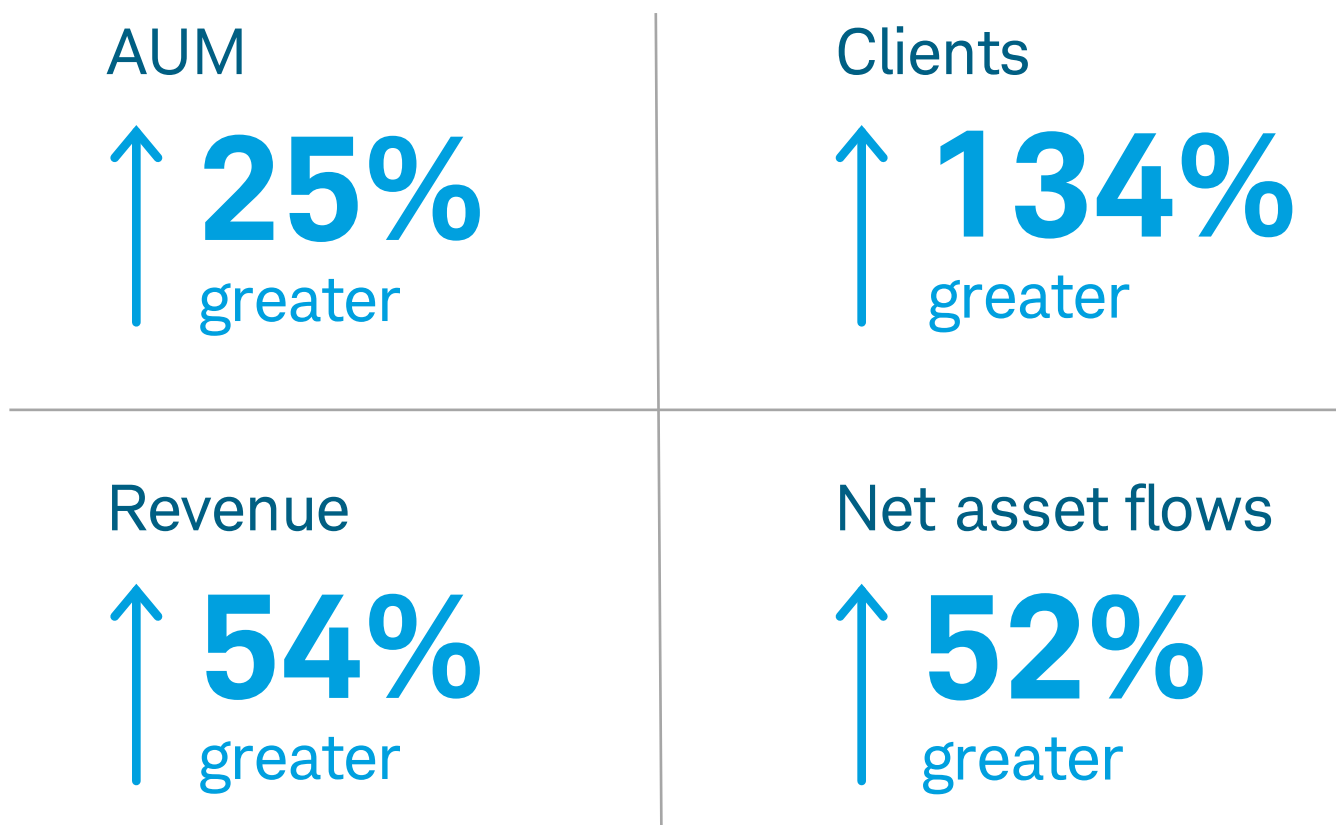
Performance-based incentive pay includes discretionary bonus and compensation resulting from firm goals, department or team goals, and business development results.

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

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



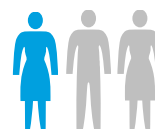
Percent change in median compound annual growth rates for all firms that reported using performance-based incentive pay compared with all firms that reported not using performance-based incentive pay. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



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



Across the study,  
**26%** of firms **tied compensation to revenue generation** in 2020



At the median firm,  
**1 in 3** roles **tied compensation to revenue generation** in 2020<sup>1</sup>

<sup>1</sup> Percent of reported roles that tie compensation to revenue generation includes only those firms that tie compensation to revenue generation.

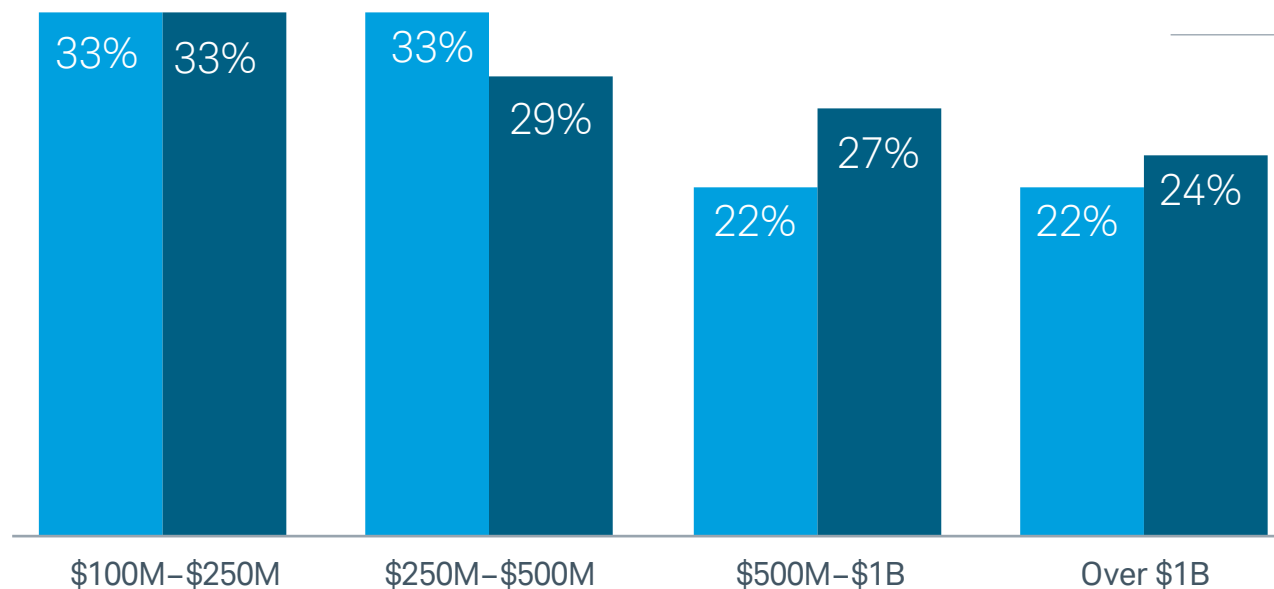
Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



Equity ownership is an important part of compensation, as it helps to retain talent and support firms' succession strategies.

### Working owners<sup>1</sup> as a percent of total staff

2016  
2020



At the median firm,  
**1 in 3 staff**  
are equity owners

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

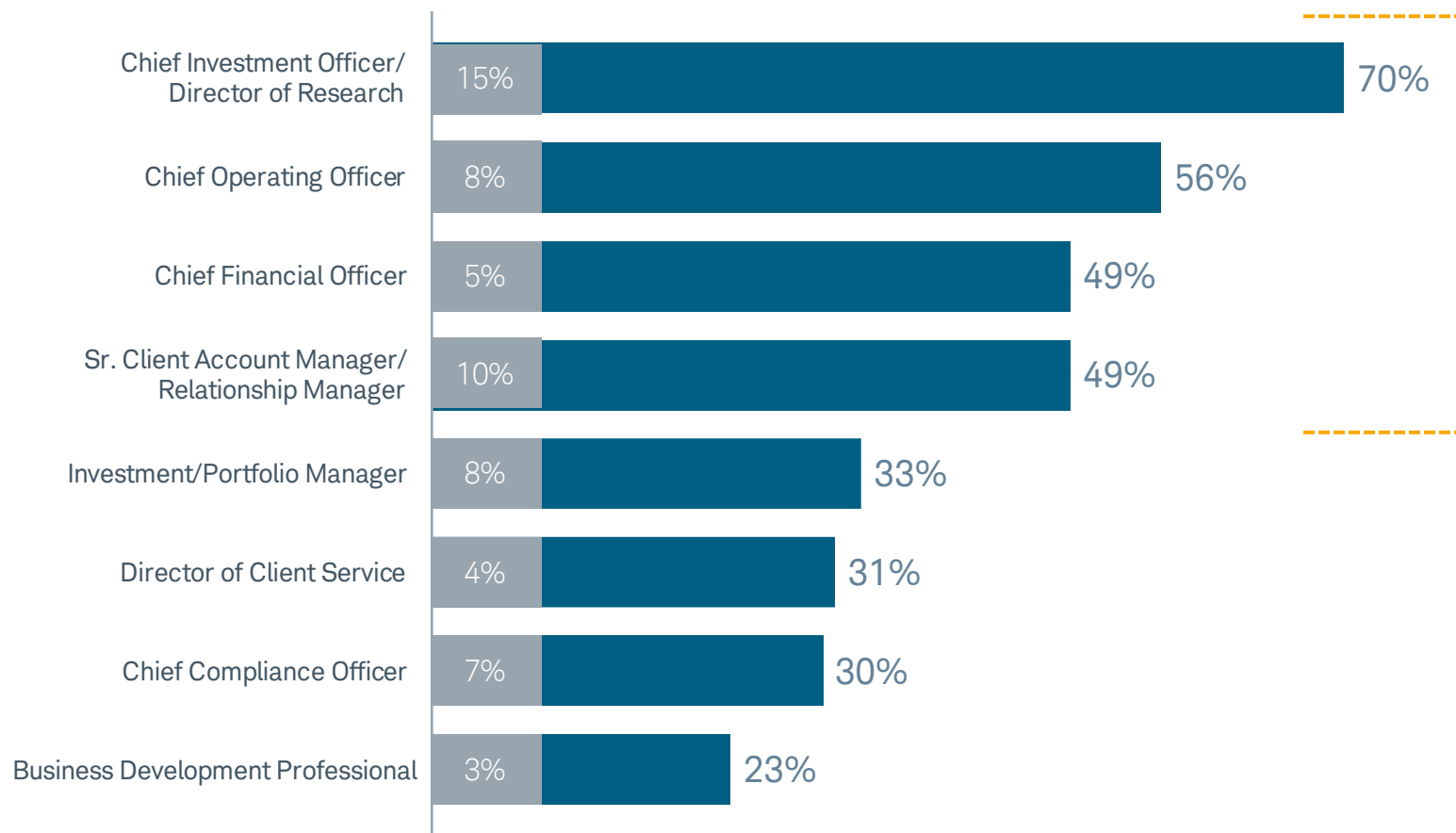
Results from the 2017 and 2021 RIA Benchmarking Study from Charles Schwab. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



# Having an equity stake is more often found with certain roles.

## Responses by role<sup>1</sup> with ownership, excluding CEO and Managing Partner

■ Median equity position<sup>2</sup>



At least half  
of staff in  
these roles  
are equity  
owners

<sup>1</sup> Roles where percent of responses with ownership is 20% or greater. Excludes CEO and Managing Partner roles where over 90% of responses have ownership.

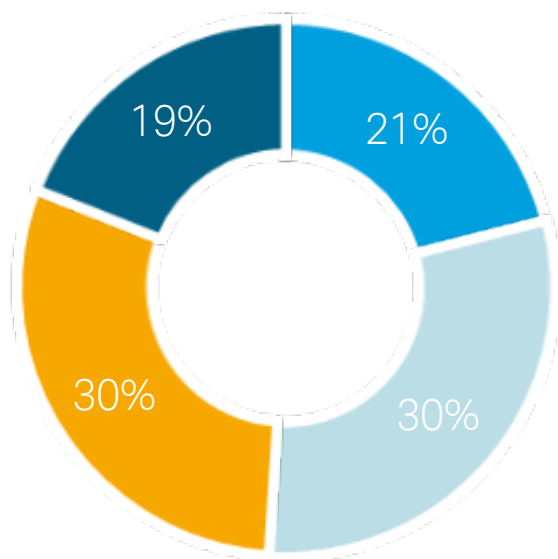
<sup>2</sup> Includes only those responses (for all firms) with ownership.

Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms for the main study and 1,036 firms for the compensation section.



Overall equity ownership is diversified generationally, with staff 49 years and under holding about one-third of larger equity positions.

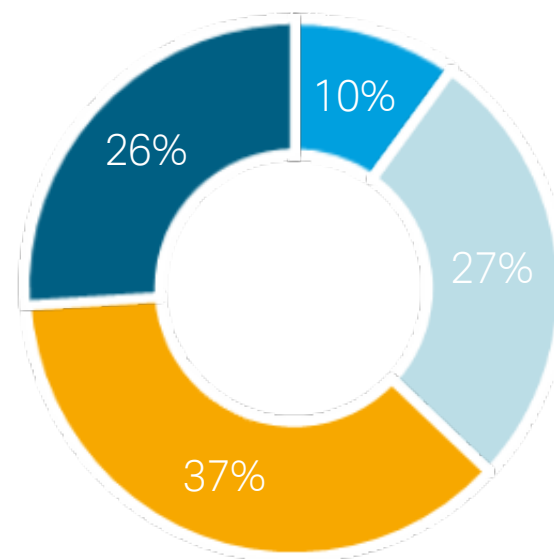
Staff<sup>1</sup> with any level of equity



Owners 49 and under = 51%

Owners 50 and over = 49%

Staff<sup>1</sup> with 25% or more equity



Owners 49 and under = 37%

Owners 50-59 = 37%

Owners 60 and over = 26%



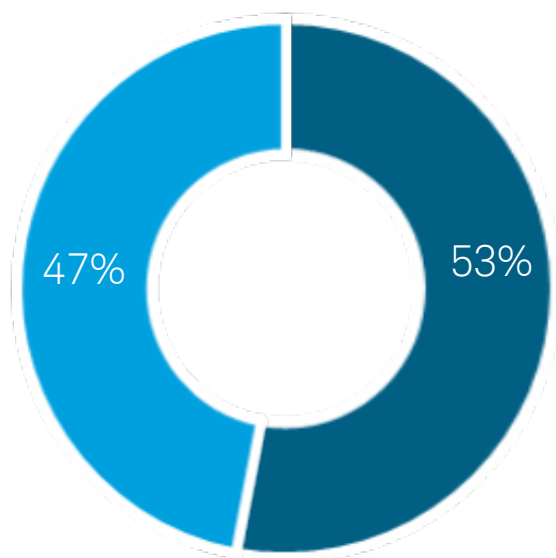
<sup>1</sup> Working owners who are staff that hold equity in the firm.

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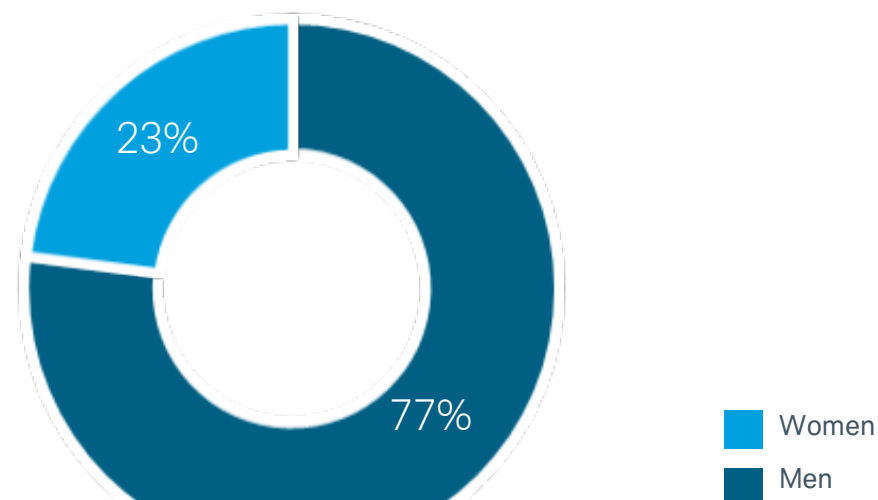


# Fostering inclusive and equitable employee experiences can optimize a firm's talent pipeline.

## Gender diversity across all roles<sup>1</sup>



## Ownership<sup>2</sup> by gender



<sup>1</sup> Excludes decline to share responses.

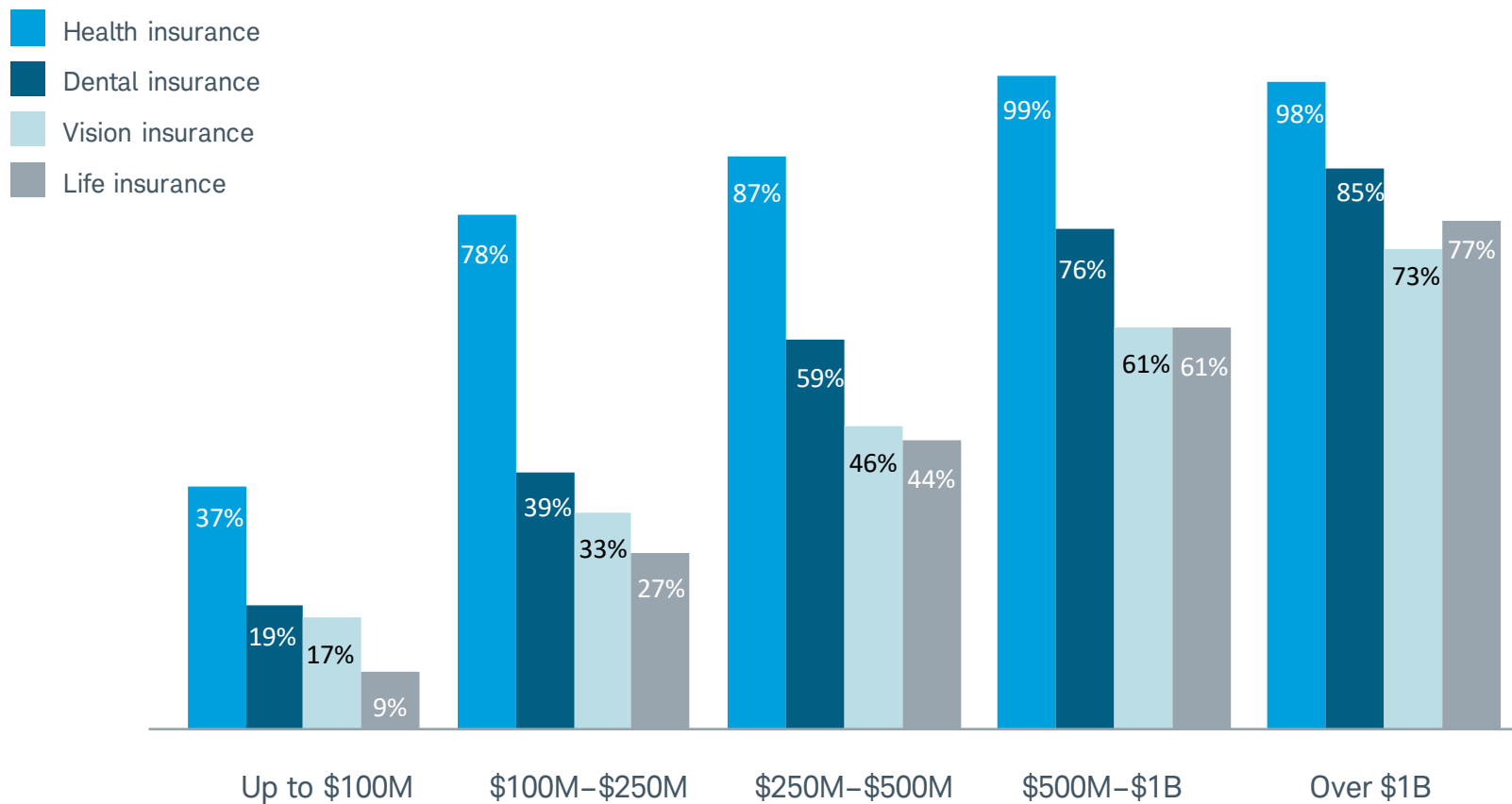
<sup>2</sup> Includes any level of equity.

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Benefits are an important component of a total awards package, especially during a tight labor market.

### Firms providing benefit



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Nontraditional benefits play an important role in a firm's employee value proposition.

### Nontraditional benefits include:

- ☒ Remote work even after COVID
- ☒ Flexible work schedule
- ☒ Health and wellness benefits
- ☒ Childcare and eldercare reimbursement
- ☒ Charitable donation matching
- ☒ Paid time off for community service/volunteer time
- ☒ Investment management/financial planning for employees



Investments in staff help team members feel appreciated and better able to meet the growing needs of clients.



**Median spend per professional staff on training, education, and professional dues**

FIRMS UNDER \$250M

\$1,250

FIRMS OVER \$250M

\$1,717

Median results include only those firms investing in training, education, and professional dues for staff. Past performance is not an indicator of future results. 2021 RIA Benchmarking Study from Charles Schwab, fielded January to March 2021. Study contains self-reported data from 1,340 firms. Participant firms represent various sizes and business models categorized into 7 peer groups by AUM.



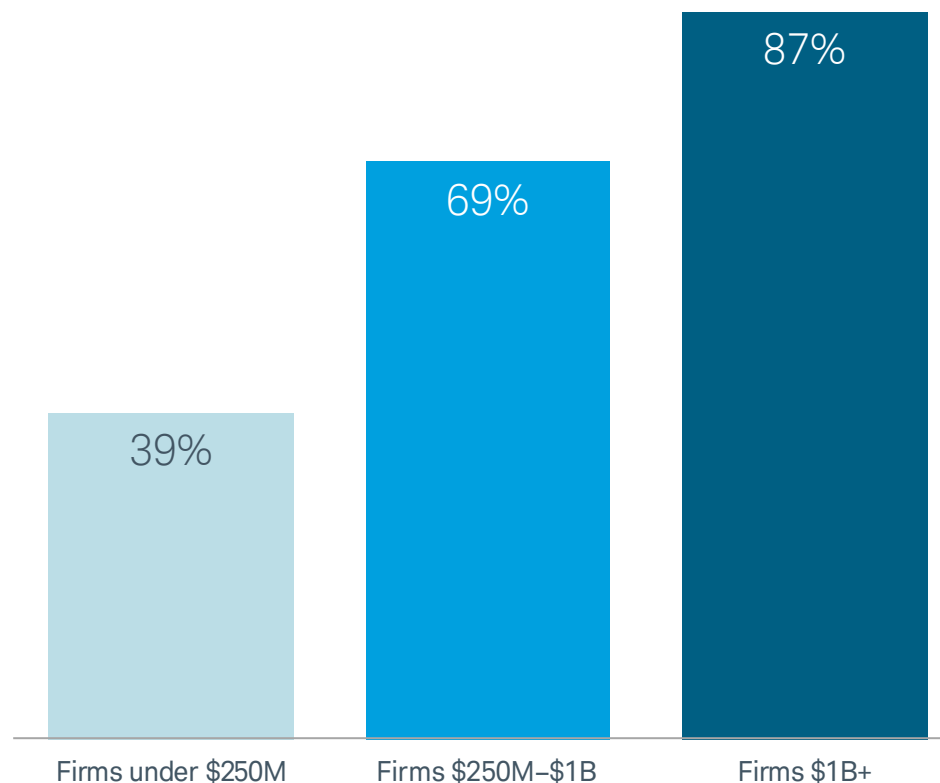
# Providing career paths supports staff development and can increase satisfaction and build bench strength.



## Client service career path

Firms with staff in at least 2 of the 3 roles:

- Client Service Associate
- Client Account Manager/Relationship Manager
- Senior Client Account Manager/Relationship Manager



Firms with staff in at least 2 of the 3 client service roles (Client Service Associate, Client Account Manager/Relationship Manager, Senior Client Account Manager/Relationship Manager) listed in the Compensation section of the RIA Benchmarking Study from Charles Schwab.

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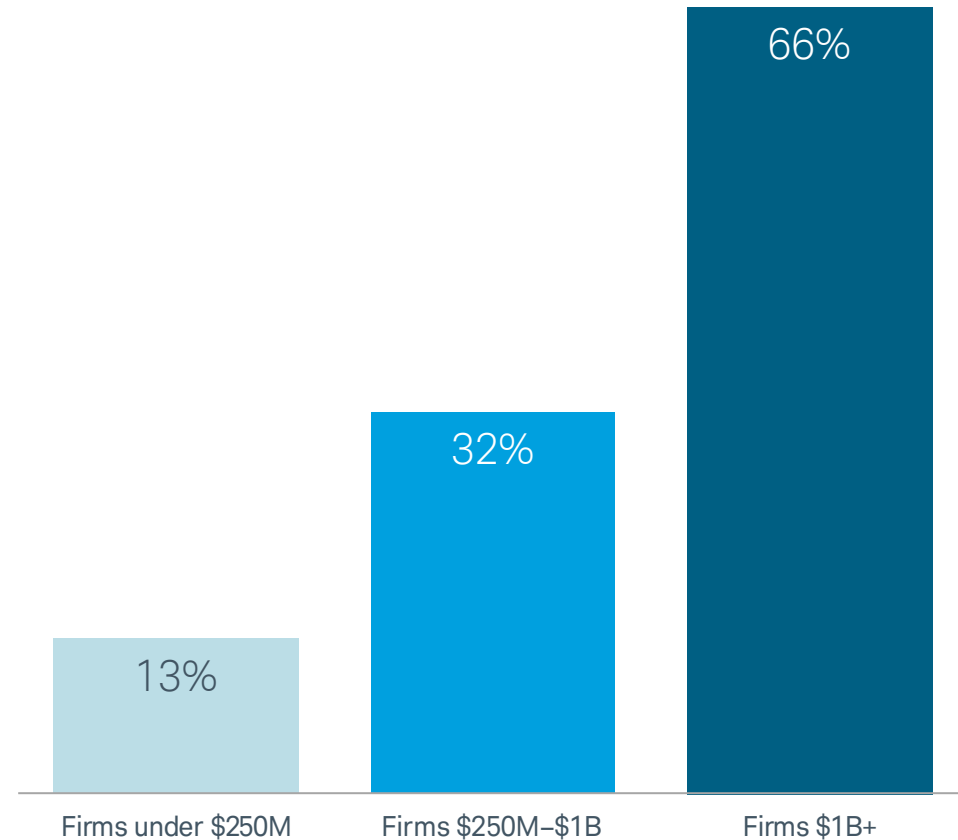
While an operations career path is not as prevalent as a client service career path, it is critical as firms become more complex.



## Operations career path

Firms with staff in at least 2 of the 3 roles:

- Operations Associate
- Operating Director/Manager
- Chief Operating Officer



Firms with staff in at least 2 of the 3 operational roles (Operations Associate, Operations Director/Manager, Chief Operating Officer) listed in the Compensation section of the RIA Benchmarking Study from Charles Schwab.

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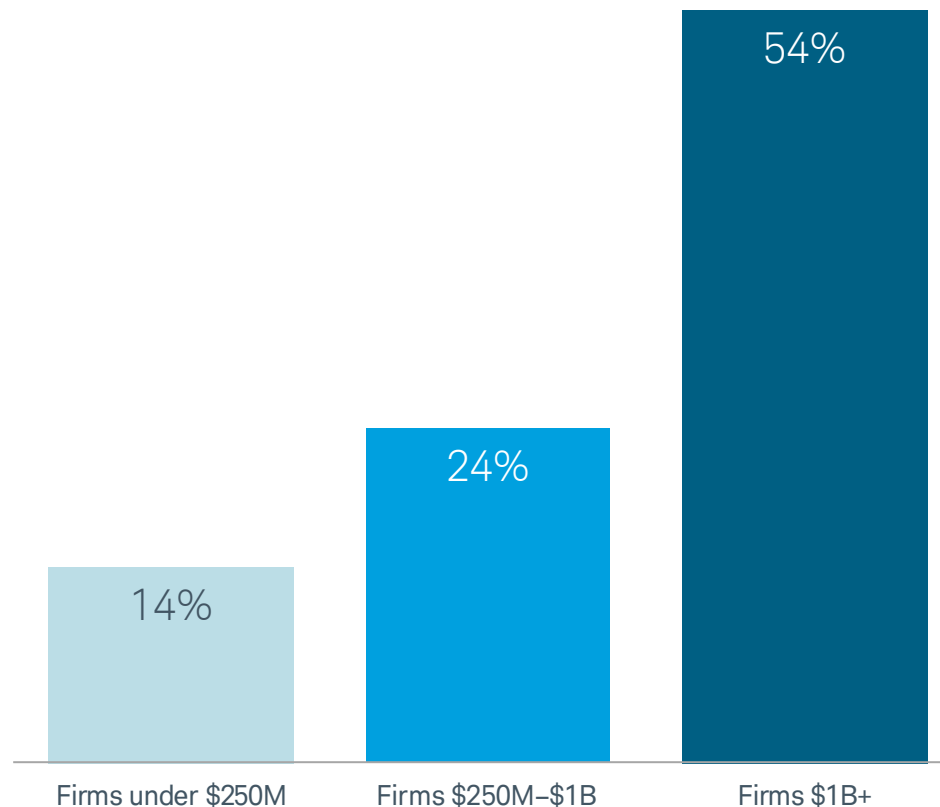
# Firms are promoting from within, providing progression and advancement opportunities for staff.



## Firms promoting staff in 2020

Promotions across all roles, including:

- Client-facing Senior Management
- Relationship Managers
- Investment Professionals
- Business Development Officers
- Non-client-facing Management
- Back-office and Admin staff



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# Firms with a greater commitment to staff saw higher staff retention, helping to ensure they deliver an exceptional experience to clients.

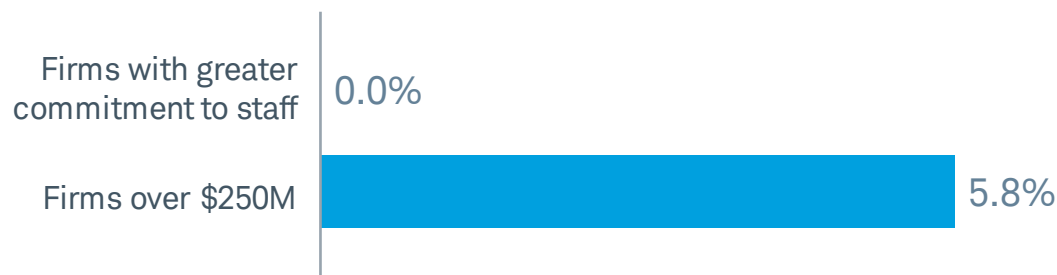
## Greater commitment to staff is defined as firms that:

- Invest more in training, education, professional dues and licensing<sup>1</sup> than the median firm over \$250M
- Offer a client service and/or operations career path
- Compensate a greater percentage of staff with incentive pay than the median firm
- Share equity with a greater percentage of staff than the median firm

## Firms with staff departures in 2020



## Median staff attrition/turnover rate in 2020



<sup>1</sup> Per professional staff.

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# Appendix

## Advisor Services

# National compensation results

All dollar amounts are in thousands.

		Client Account Management, Sales, and Marketing																	
		Director of Client Service			Senior Client Account Manager/Relationship Manager			Client Account Manager/Relationship Manager			Client Services Associate			Business Development Professional			Marketing Professional		
		223 responses			1,747 responses			1,457 responses			1,502 responses			246 responses			226 responses		
		PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES		
		20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th
Summary	Base salary	\$68	\$100	\$179	\$80	\$150	\$230	\$62	\$86	\$123	\$48	\$60	\$75	\$60	\$100	\$175	\$50	\$70	\$100
	Total cash compensation	\$75	\$122	\$234	\$126	\$200	\$325	\$76	\$105	\$160	\$50	\$65	\$84	\$78	\$135	\$260	\$53	\$77	\$114
	Total cash compensation (including owner profit distributions)	\$77	\$125	\$252	\$139	\$238	\$446	\$76	\$107	\$166	\$50	\$65	\$84	\$79	\$140	\$292	\$53	\$77	\$115
Performance-based incentive pay	Responses with performance-based incentive pay	75%			60%			74%			76%			62%			73%		
	Discretionary	\$5	\$12	\$31	\$9	\$25	\$68	\$4	\$10	\$25	\$2	\$5	\$10	\$5	\$13	\$50	\$2	\$6	\$16
	Other <sup>1</sup>	\$5	\$15	\$85	\$8	\$23	\$68	\$4	\$11	\$27	\$2	\$4	\$9	\$15	\$40	\$116	\$3	\$5	\$14
Compensation tied to revenue	Responses with compensation tied to revenue	5%			23%			18%			1%			17%			0%		
	Percentage of new client revenue paid	19%	30%	45%	15%	25%	45%	15%	25%	45%	4%	20%	30%	15%	25%	40%	Insufficient data		
	Percentage of existing client revenue paid	Insufficient data			9%	30%	50%	10%	23%	50%	1%	10%	36%	10%	15%	40%	Insufficient data		
Ownership details	Total responses with ownership	31%			49%			12%			2%			23%			8%		
	Less than 5% ownership	51%			36%			64%			90%			63%			94%		
	5% to 24% ownership	30%			36%			32%			6%			20%			6%		
	25% to 49% ownership	12%			14%			2%			3%			9%			0%		
	50% or more ownership	7%			15%			2%			0%			9%			0%		
Years of experience	Less than 10 years	31%			14%			57%			64%			32%			58%		
	10 to 19 years	36%			41%			29%			23%			29%			31%		
	20 or more years	33%			45%			13%			12%			39%			10%		
Certifications	Chartered Financial Analyst (CFA)	3%			10%			7%			0%			2%			1%		
	Certified Financial Planner (CFP)	20%			63%			55%			6%			15%			1%		
	Certified Public Accountant (CPA)	7%			13%			8%			1%			7%			1%		

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



# National compensation results (continued)

All dollar amounts are in thousands.

		Investments																	
		Investment/ Portfolio Manager			Financial Planner			Research Analyst			Paraplanner			Portfolio Administrator			Trader		
		786 responses			640 responses			392 responses			362 responses			429 responses			280 responses		
		PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES		
		20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th
Summary	Base salary	\$80	\$130	\$215	\$60	\$80	\$125	\$63	\$83	\$125	\$50	\$60	\$76	\$51	\$65	\$84	\$55	\$70	\$90
	Total cash compensation	\$95	\$163	\$299	\$68	\$95	\$154	\$67	\$94	\$150	\$53	\$66	\$86	\$55	\$73	\$94	\$58	\$76	\$103
	Total cash compensation (including owner profit distributions)	\$100	\$177	\$370	\$69	\$97	\$163	\$68	\$95	\$151	\$53	\$67	\$86	\$55	\$73	\$95	\$58	\$76	\$103
Performance-based incentive pay	Responses with performance-based incentive pay	58%			69%			78%			80%			86%			79%		
	Discretionary	\$6	\$20	\$62	\$4	\$8	\$20	\$5	\$10	\$25	\$2	\$5	\$9	\$3	\$5	\$14	\$2	\$6	\$14
	Other <sup>1</sup>	\$6	\$21	\$50	\$3	\$9	\$22	\$3	\$7	\$18	\$2	\$4	\$7	\$2	\$5	\$8	\$3	\$6	\$10
Compensation tied to revenue	Responses with compensation tied to revenue	12%			10%			2%			3%			0%			3%		
	Percentage of new client revenue paid	14%	25%	50%	20%	30%	48%	10%	25%	25%	2%	20%	30%	Insufficient data			Insufficient data		
	Percentage of existing client revenue paid	10%	40%	88%	12%	25%	45%	Insufficient data			Insufficient data			Insufficient data			Insufficient data		
Ownership details	Total responses with ownership	33%			13%			11%			3%			2%			5%		
	Less than 5% ownership	37%			29%			82%			100%			78%			85%		
	5% to 24% ownership	36%			34%			16%			0%			22%			15%		
	25% to 49% ownership	12%			10%			2%			0%			0%			0%		
	50% or more ownership	15%			28%			0%			0%			0%			0%		
Years of experience	Less than 10 years	27%			61%			70%			80%			61%			65%		
	10 to 19 years	34%			24%			20%			15%			22%			23%		
	20 or more years	39%			15%			11%			5%			17%			12%		
Certifications	Chartered Financial Analyst (CFA)	41%			4%			35%			1%			1%			5%		
	Certified Financial Planner (CFP)	18%			63%			7%			23%			2%			5%		
	Certified Public Accountant (CPA)	6%			10%			3%			3%			2%			1%		

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

# National compensation results (continued)

All dollar amounts are in thousands.

National compensation results (continued)		Operations and Administration																											
		Operations Director/Manager			Operations Associate			Compliance Associate			Office Manager/ Administrator			Internal Accountant/ Bookkeeper			Human Resources Professional			Technology Professional			Executive Assistant			Receptionist			
		475 responses			600 responses			113 responses			311 responses			248 responses			96 responses			184 responses			277 responses			291 responses			
		PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			
		20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	
Summary	Base salary	\$70	\$96	\$135	\$45	\$59	\$77	\$55	\$75	\$95	\$47	\$60	\$84	\$54	\$74	\$102	\$68	\$91	\$135	\$64	\$90	\$128	\$45	\$60	\$78	\$36	\$44	\$55	
	Total cash compensation	\$80	\$110	\$160	\$48	\$64	\$86	\$59	\$80	\$105	\$50	\$69	\$99	\$58	\$81	\$119	\$75	\$100	\$158	\$70	\$100	\$150	\$46	\$63	\$86	\$38	\$47	\$60	
	Total cash compensation (including owner profit distributions)	\$80	\$110	\$167	\$48	\$64	\$86	\$59	\$80	\$105	\$50	\$69	\$100	\$58	\$81	\$120	\$75	\$100	\$160	\$70	\$100	\$159	\$47	\$63	\$87	\$38	\$47	\$60	
Performance-based incentive pay	Responses with performance-based incentive pay	76%			76%			75%			72%			73%			85%			81%			77%			78%			
	Discretionary	\$6	\$13	\$30	\$2	\$5	\$11	\$3	\$6	\$15	\$2	\$5	\$12	\$2	\$6	\$14	\$5	\$10	\$27	\$4	\$9	\$20	\$2	\$5	\$10	\$2	\$3	\$5	
	Other¹	\$5	\$10	\$20	\$2	\$4	\$8	\$3	\$5	\$10	\$3	\$5	\$12	\$2	\$5	\$12	\$5	\$8	\$16	\$2	\$7	\$13	\$2	\$4	\$7	\$2	\$3	\$5	
Compensation tied to revenue	Responses with compensation tied to revenue	2%			0%			0%			1%			1%			0%			0%			0%			0%			
	Percentage of new client revenue paid	Insufficient data			Insufficient data			N/A			Insufficient data			Insufficient data			N/A			N/A			Insufficient data			N/A			
	Percentage of existing client revenue paid	Insufficient data			Insufficient data			N/A			Insufficient data			Insufficient data			N/A			N/A			Insufficient data			N/A			
Ownership details	Total responses with ownership	14%			2%			4%			3%			5%			9%			10%			4%			1%			
	Less than 5% ownership	68%			100%			100%			56%			92%			100%			95%			80%			100%			
	5% to 24% ownership	28%			0%			0%			33%			0%			0%			5%			20%			0%			
	25% to 49% ownership	4%			0%			0%			0%			8%			0%			0%			0%			0%			
	50% or more ownership	0%			0%			0%			11%			0%			0%			0%			0%			0%			
Years of experience	Less than 10 years	28%			65%			51%			41%			36%			29%			46%			49%			60%			
	10 to 19 years	41%			23%			33%			29%			27%			36%			30%			25%			22%			
	20 or more years	30%			13%			16%			31%			37%			35%			24%			27%			18%			
Certifications	Chartered Financial Analyst (CFA)	2%			0%			0%			0%			0%			0%			1%			0%			0%			
	Certified Financial Planner (CFP)	8%			3%			4%			1%			2%			0%			1%			0%			0%			
	Certified Public Accountant (CPA)	3%			1%			4%			1%			26%			1%			1%			0%			0%			

1 Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.

# Methodology and disclosures

Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on survey responses from individual firms. The 2021 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 4,100 firms have participated, with many repeat participants. Fielded from January to March 2021, the study contains self-reported data from 1,340 firms that custody their assets with Schwab or TD Ameritrade and represents over \$1.5 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 seven peer groups by AUM size.

One thousand thirty-six advisory firms participated in the compensation portion of the 2021 study, representing over three-quarters of those who participated overall. Data was collected on nearly 13,000 employees across 27 roles typically found at RIAs.

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

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