

2022 RIA Compensation Report

An addendum to
Schwab's 2022 RIA
Benchmarking Study



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The 2022 RIA Benchmarking Study and Compensation Report



Schwab's RIA Benchmarking Study is the leading study in the industry—**971 advisory firms participated in the compensation portion** of the 2022 study, representing 80% of those who participated overall (1,218 firms).

Data was collected from January to March 2022 on **over 13,500 employees** across 27 roles typically found at RIAs.

Schwab's RIA Compensation Report reflects responses from Schwab's 2022 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 their compensation structure to support their talent strategy and evaluate how they compare with peers.

"The past few years have underscored that people are truly a firm's most important asset. In this year's Benchmarking Study, recruiting new staff ranked as the top strategic priority among independent advisors. And it is not surprising—based on current growth rates, the industry will need to hire more than 70,000 new staff over the next five years. Compensation is one piece of the broader puzzle to attracting and retaining talent in today's market. Compensation tied to a strategic plan is what can help set firms apart."



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

Key Highlights

Talent is a key differentiator for ongoing success as people are a firm's most important asset

As firms hire to support growth and client needs, talent is the top strategic priority for RIAs

- For the first time in the study's tenure, recruiting new staff ranked as the top strategic priority, ahead of acquiring new clients through client referrals which typically takes the top spot. (slide 5)
- 80% of firms reported they planned to hire in 2022. 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 attrition, retirements or new firms. (slide 6)
- Generally, firms add a new role for every \$360K in revenue, bringing on dedicated client service team, specialized operational and investment roles, and executive management positions as they grow. (slides 8 and 9)
- Over half of Top Performing Firms include recruitment and onboarding in their talent strategy. This can help ensure firms anticipate hiring needs rather than react to capacity constraints and help new employees become integrated into the firm, improving retention. (slide 7)

A compelling employee value proposition is essential to attract, motivate, and retain top talent

- Nearly 40% of firms in the study and 55% of Top Performing Firms have a documented employee value proposition (EVP), a differentiator in the competition for talent. An EVP explains what a firm offers its employees in return for the skills, capabilities, and experiences they bring. (slides 12 and 13)
- Compensation, employee benefits, and career path/progression opportunities are three key areas of an employee value proposition.
 - **Compensation** remains the benefit candidates most value. Across the 27 roles in the study, total cash compensation increased over 6% at the median from 2020 to 2021 (slide 14). Well-executed compensation packages link the firm's interest with those of the employee to drive performance. This can be done through incentive pay, compensation tied to revenue generation, and equity. (slides 16, 19, 20)
 - **Employee benefits—both traditional and nontraditional**—are an important part of a total rewards package. Traditional benefits such as health and dental insurance are table stakes; whereas nontraditional benefits can strengthen a firm's offer. Among the most common are remote and hybrid workplace models (70% of all firms), flexible schedules (66%), and health and wellness benefits (54%). (slides 22, 23, 24)
 - **Career path/progression opportunities**, offered by more than two-thirds of all firms and 82% of Top Performing Firms, can incentivize staff and improve engagement and performance. To support career advancement, 80% of Top Performing Firms provide training and skill development and spend over \$1,700 per professional on training, education, and professional dues. (slides 25, 26, 27)

Building an inclusive workplace is smart for business

- Cultivating an inclusive workplace that values different background, ideas, perspectives, and experiences is increasingly important to attracting talent—especially younger generations—and can help drive firm impact, innovation, and performance. A more diverse workplace can also help firms appeal to a broader range of potential clients as investor demographics shift along with the makeup of the U.S. population.
- Half of all firms include a commitment to a diverse, equitable, and inclusive workplace as part of their EVP. Putting the DEI strategy in writing can help align the entire firm around it. Top Performing Firms more often do both. (slides 7 and 13)

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 excellent 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

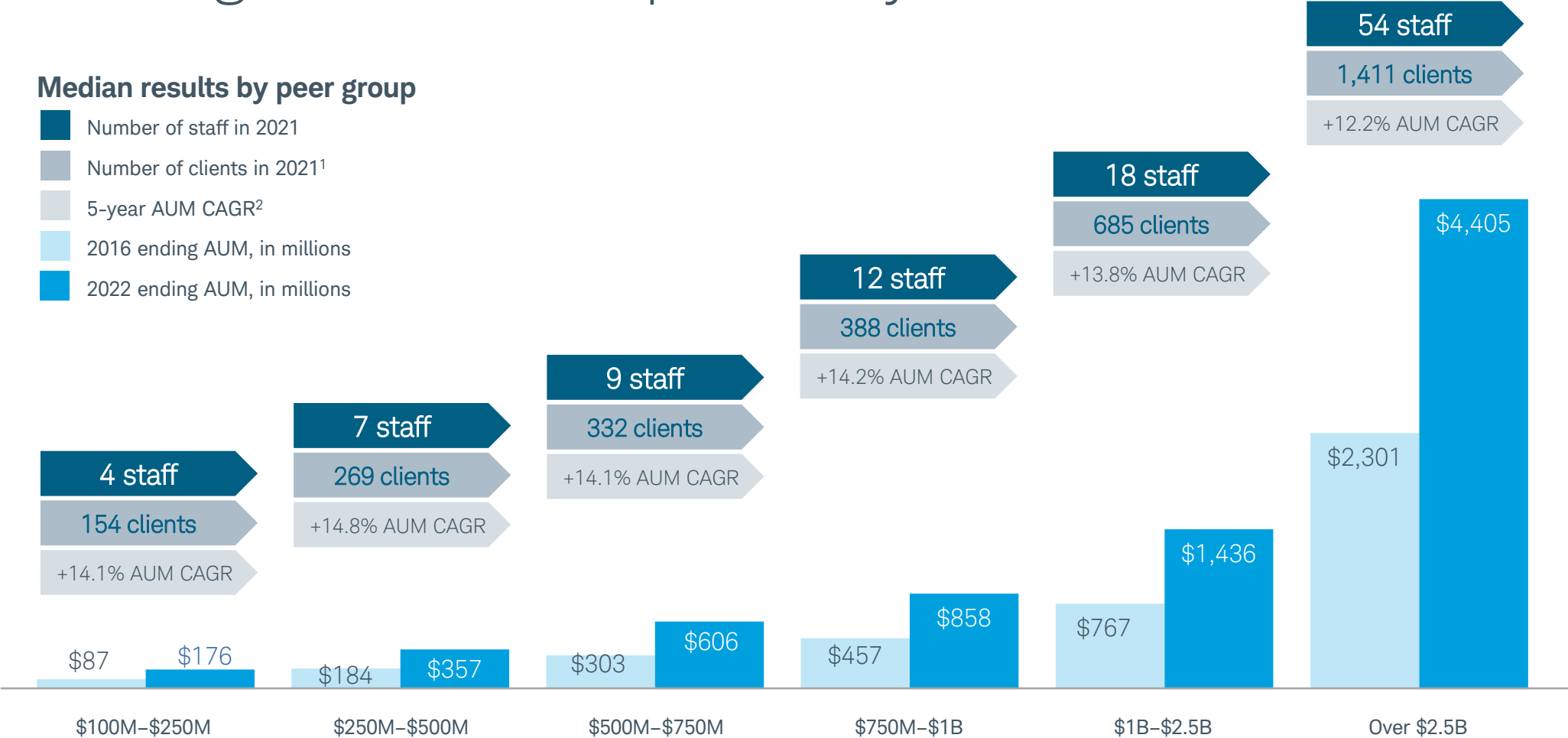
Every aspect of your firm—employees, centers of influence, clients and even your digital presence—should effectively amplify your firm's reputation within the community you serve in a way that increases referrals and generates new business.



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.

RIAs have seen remarkable growth, with the median firm more than doubling AUM over the past five years.



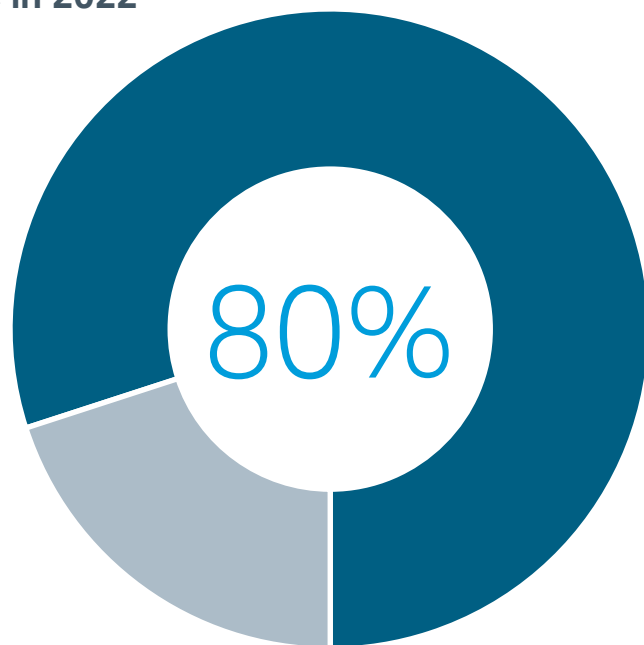
¹ At year-end.
² Median 5-year AUM (assets under management) compound annual growth rate (CAGR) over the period from year-end 2016 through 2021.
Past performance is not an indicator of future results. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms.
Participant firms represent various sizes and business models categorized into 7 peer groups by AUM.

To support growth, recruiting talent is top of mind, ranking as the top priority for the first time in study's tenure.

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

Adding talent continues to be a focus for most firms.

Firms that planned to hire in 2022



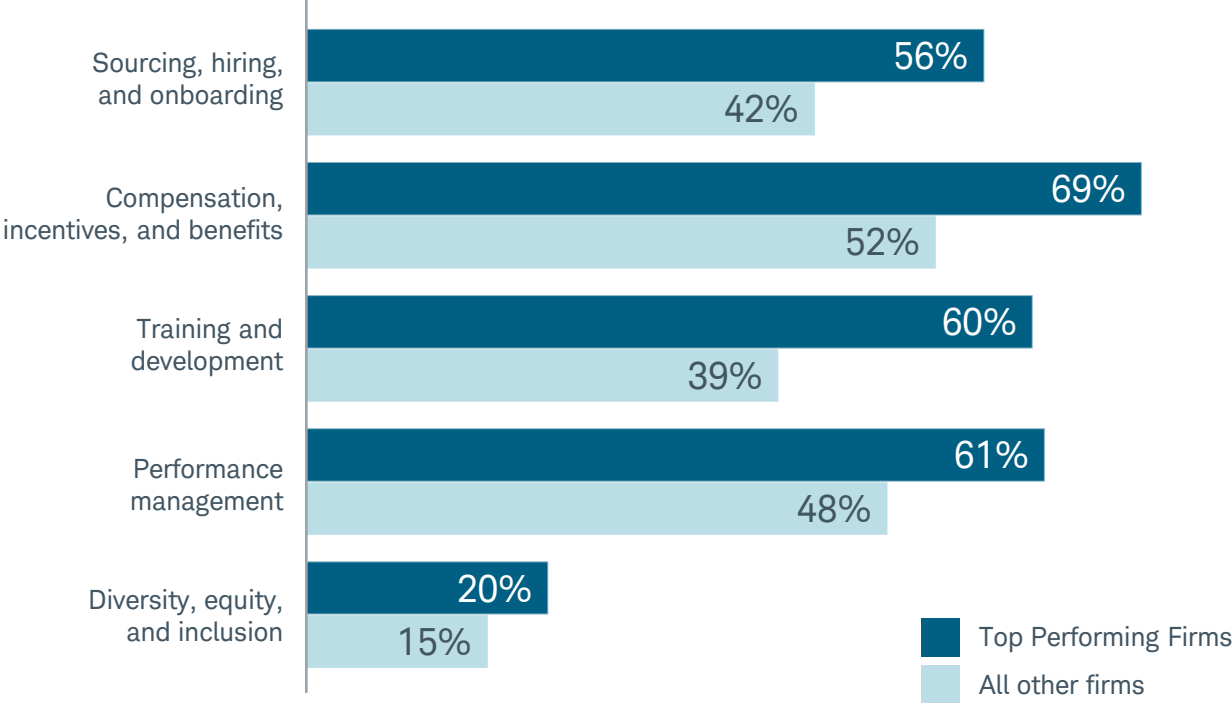
Median firm will need to hire **6 new roles** over next five years.

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.

Having a documented human capital strategy is critical as talent is the largest investment for firms.

Compensation costs
account for
three-quarters
of a firm's expenses

Firms with documented talent strategy processes



Compensation costs include salaries, bonuses, benefits, payroll taxes, and profit distributions in 2021 for all firms with \$25 million or more in AUM. 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. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms.

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

\$360K

in revenue translates to
1 additional FTE¹

1 to 1.3

1 revenue role is supported
by 1.3 non-revenue roles³

Client account/relationship
managers² account for
1 in 5 staff

Executive management
positions represent
1 in 6 staff

¹ Based on median change in revenue for firms with 1 to 20 staff.

² Includes both Senior Client Account/Relationship Managers and Client Account/Relationship Managers.

³ Includes Executive Management roles.

Median results. Past performance is not an indicator of future results. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms for the main study and 971 firms for the compensation section.

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

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

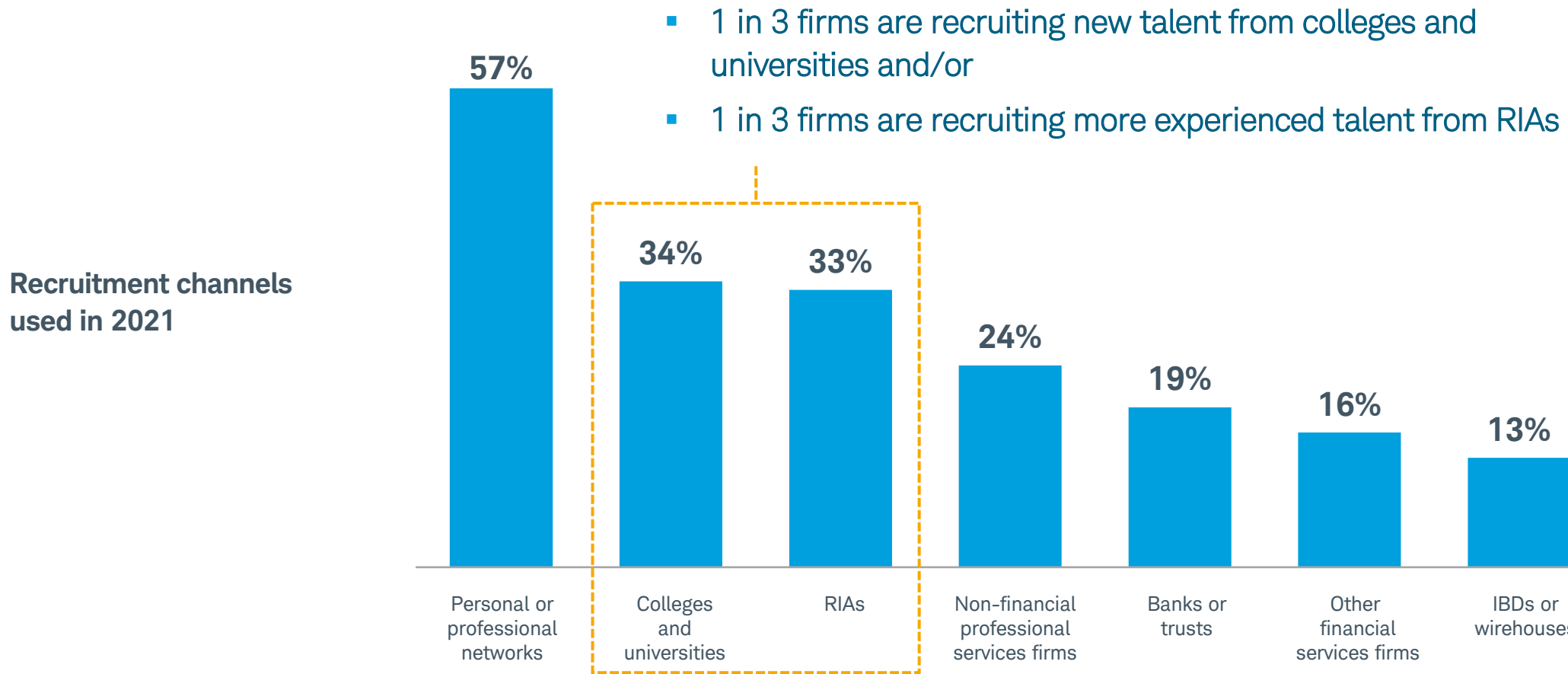
		Under \$250M ¹	\$250M-\$500M	\$500M-\$1B	Over \$1B
Client service team roles	Chief Executive Officer	✓	✓	✓	✓
	Senior Client Account/Relationship Manager		✓	✓	✓
	Client Account/Relationship Manager		✓	✓	✓
	Client Services Associate		✓	✓	✓
Specialized roles	Investment/Portfolio Manager			✓	✓
	Operations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

¹ Represents firms with \$100 million to \$250 million in AUM.

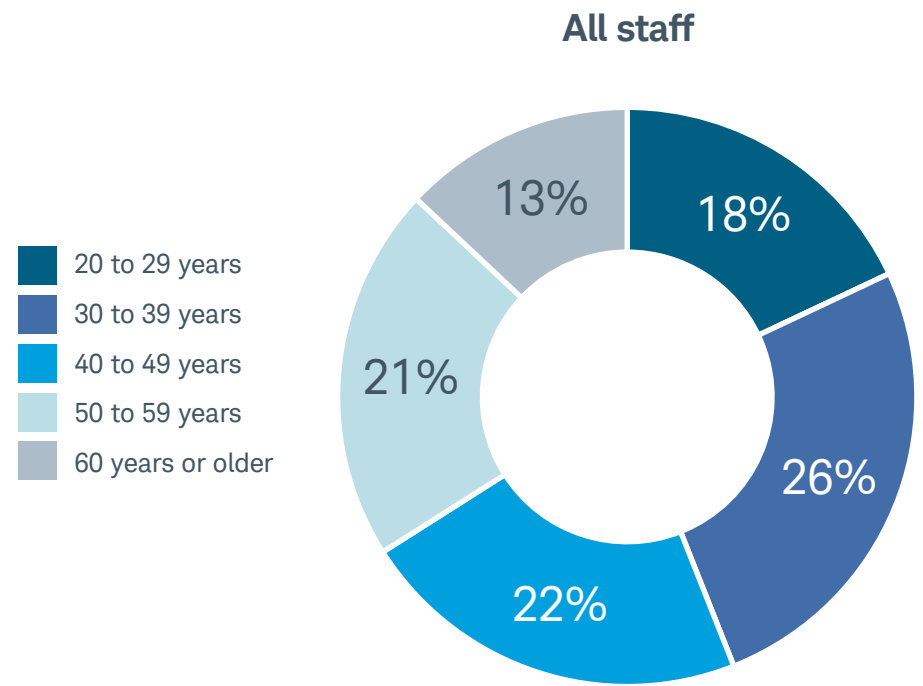
² Role where staff is dedicated as Chief Compliance Officer.

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Firms are recruiting from a variety of channels to find talent.



Overall staffing is generationally diversified at RIAs.



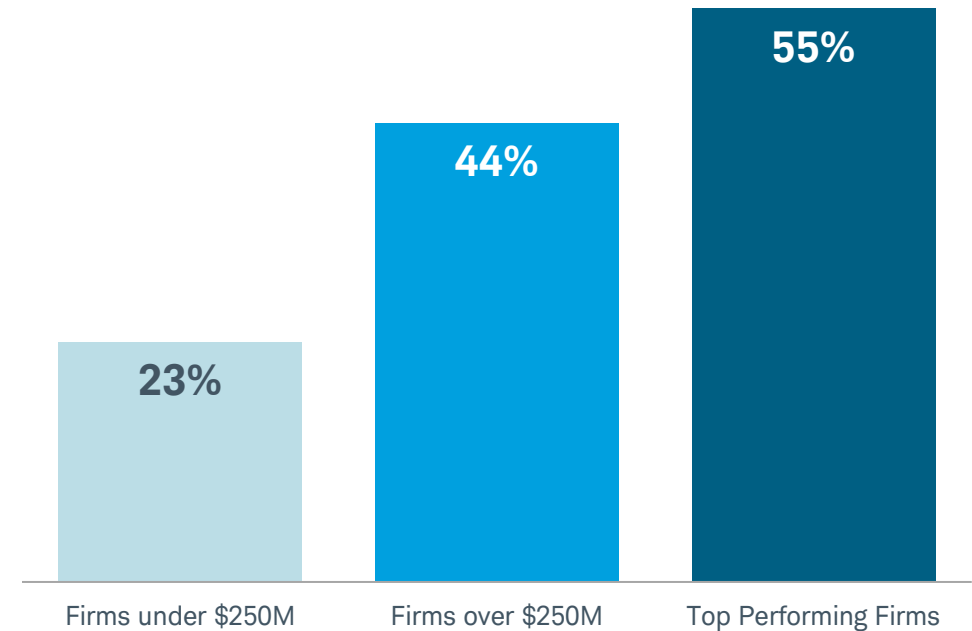
44% of employees **under 40**
22% of employees **40 to 49**
34% of employees **50 and over**

An employee value proposition (EVP) is the currency firms are using to attract, motivate, and retain talent.



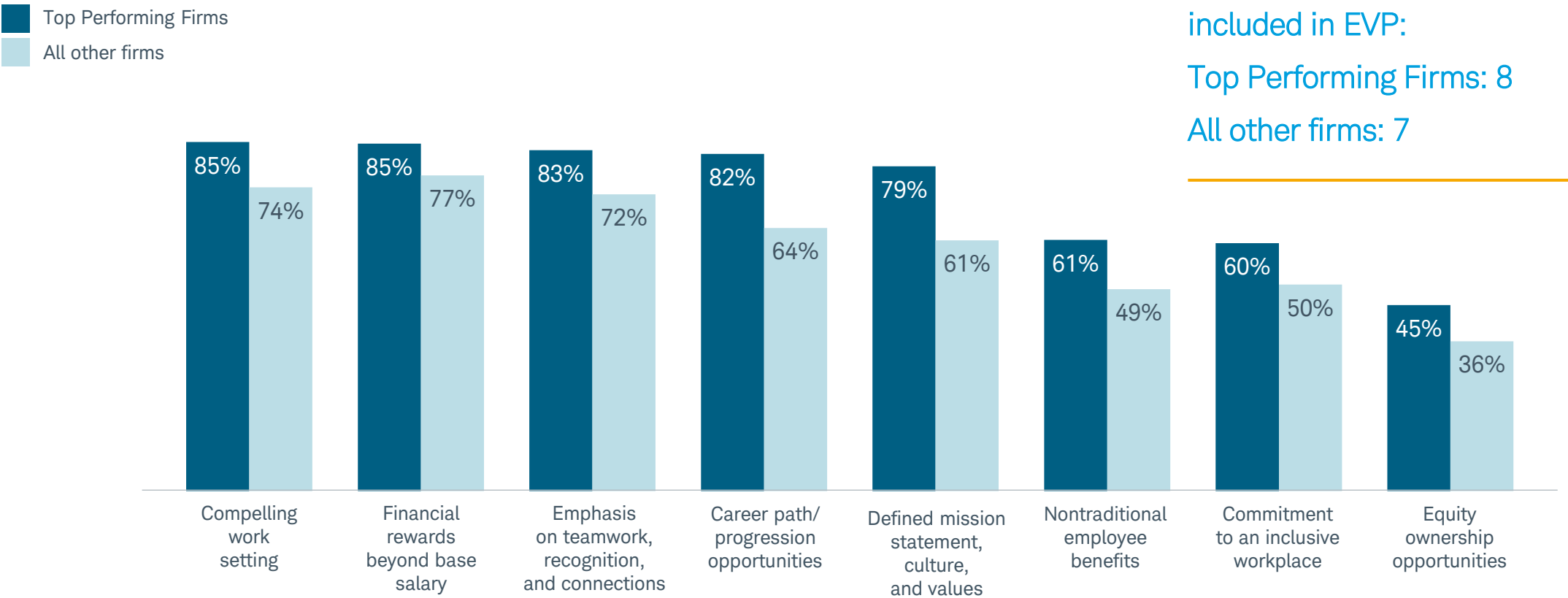
Firms with a documented employee value proposition

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



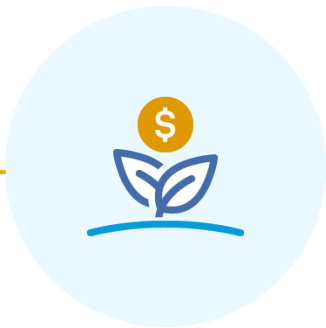
A compelling EVP includes elements that appeal to both head and heart.

Elements firms include in their employee value proposition



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. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms. Participant firms represent various sizes and business models categorized into 7 peer groups by AUM.

Firms reported that compensation is the benefit candidates most value.



Across all roles, total cash compensation¹ **increased 16%** from 2017 to 2021

Uptick of **over 6%** from 2020 to 2021

2017

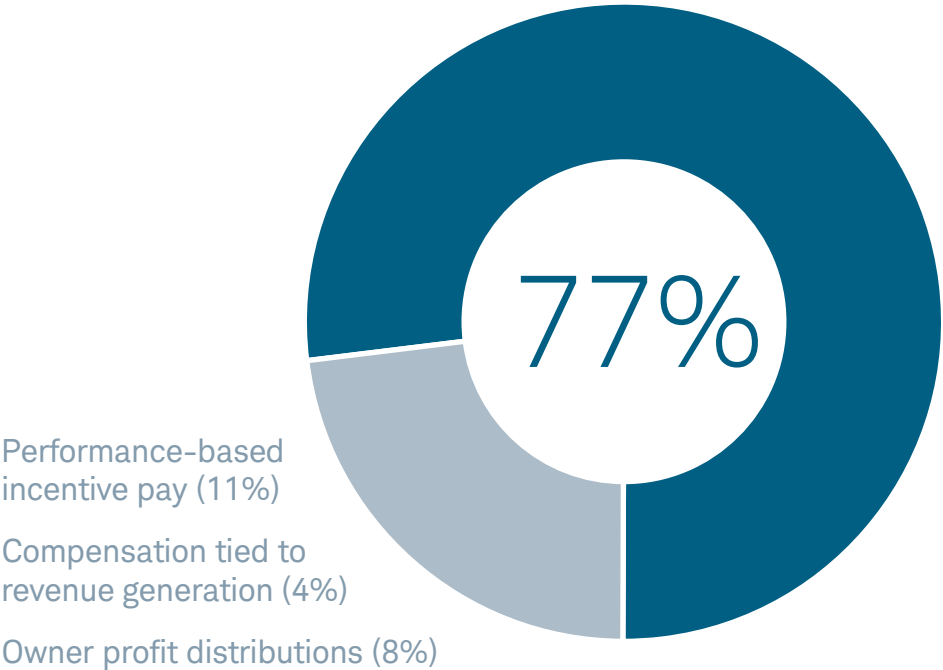
2020

2021

1 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. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms for the main study and 971 firms for the compensation section.

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

Base salary as a percent of total cash compensation¹ in 2021 across all roles



Base salary as a percent of total cash compensation¹ in 2021 by role type²

REVENUE ROLES

69%

NON-REVENUE ROLES

87%

¹ Total cash compensation includes base salary, performance-based incentive pay, compensation tied to revenue generation, and owner profit distributions.

² Role types exclude Executive Management roles.

Past performance is not an indicator of future results. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms for the main study and 971 firms for the compensation section.

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

79% of firms
compensated staff
with **performance-
based incentive pay**
in 2021¹

3 of 4 reported
roles received
**performance-based
incentive pay**
in 2021²

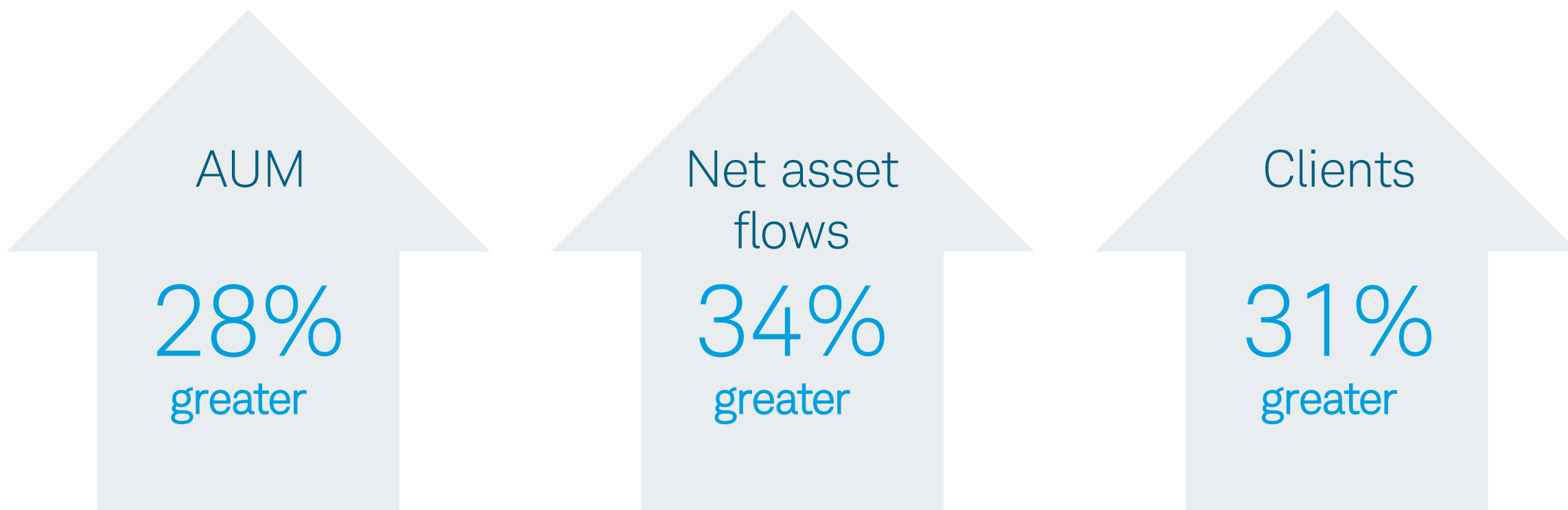
¹ Performance-based incentive pay includes discretionary bonus and compensation resulting from firm goals, department or team goals, and business development results.

² Median result for reported roles of firms that compensated staff with performance-based incentive pay in 2021.

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Leveraging performance-based incentive pay can help lead to stronger long-term performance.

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. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms. Participant firms represent various sizes and business models categorized into 7 peer groups by AUM.

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	65%	41%	24%
 Ideal client persona/profile	65%	46%	19%
 Client value proposition	62%	44%	18%
 Marketing plan	41%	28%	13%

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. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms for the main study and 971 firms for the compensation section.

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

26% of firms
**tied compensation to
revenue generation**
in 2021

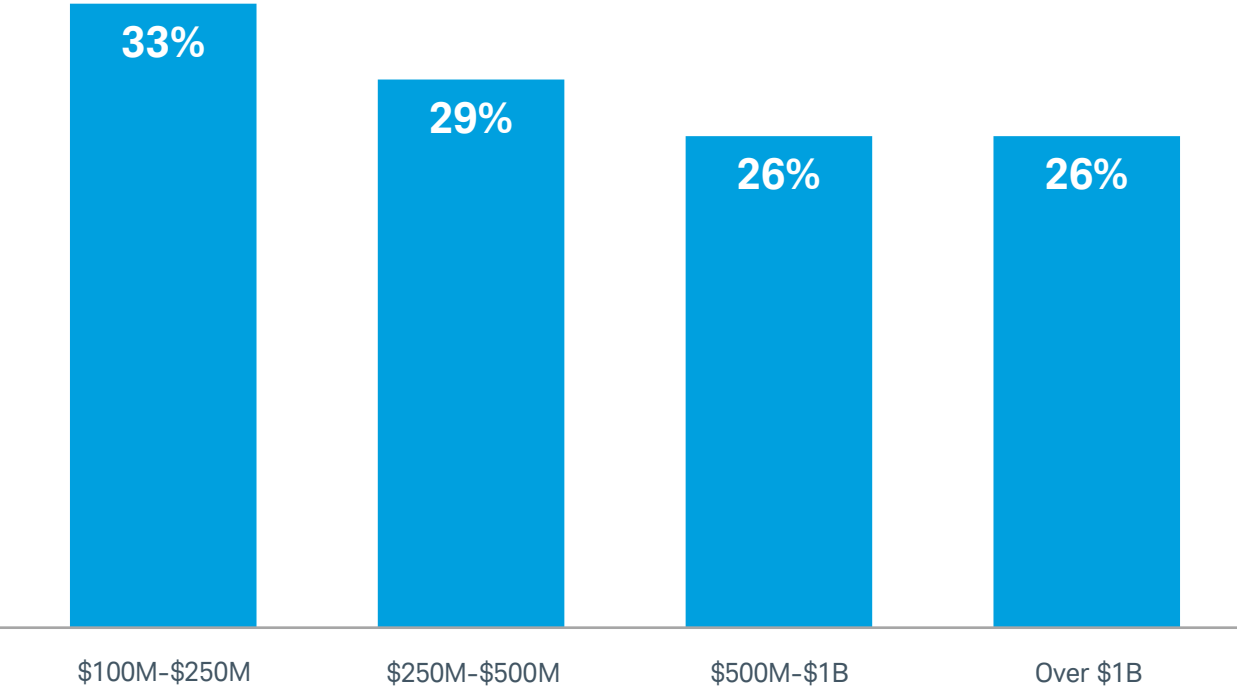
1 of 3 roles
**tied compensation to
revenue generation**
in 2021¹

¹ Median result for reported roles of firms that tied compensation to revenue generation in 2021.

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

Working owners¹ as a percent of total staff (by firm size)

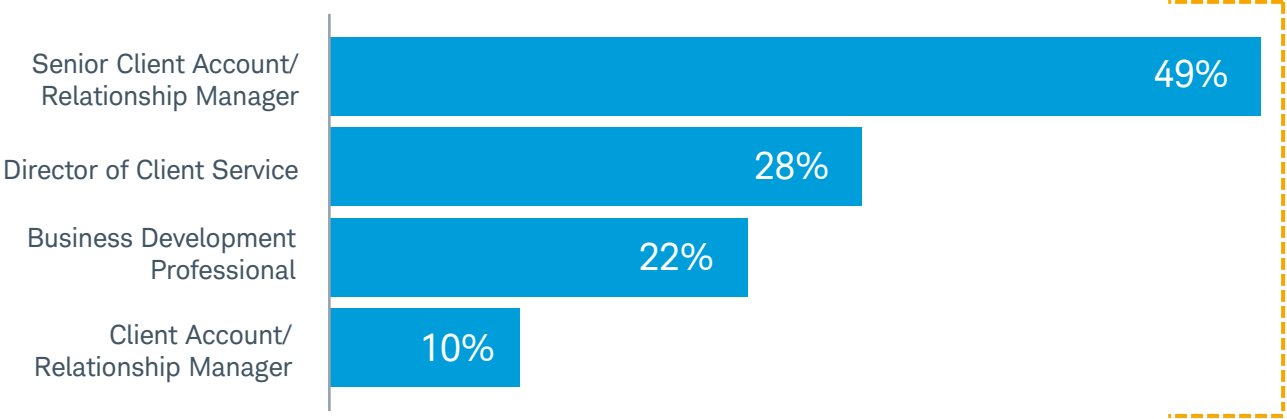


At the median firm,
1 in 3 staff
are equity owners

¹ Working owners are staff that hold equity in the firm.
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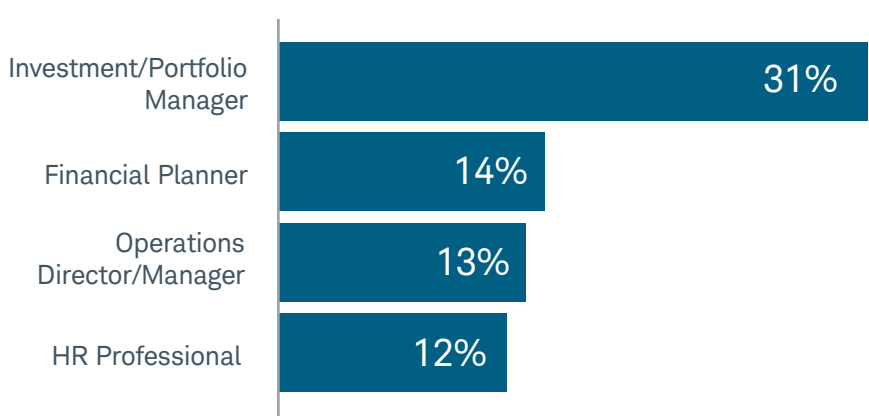
Staff in revenue roles are 4x more likely to hold equity compared with those in non-revenue positions.¹

Responses with equity ownership for revenue roles¹



30% of staff in revenue roles have equity ownership

Responses with equity ownership for selected non-revenue roles²

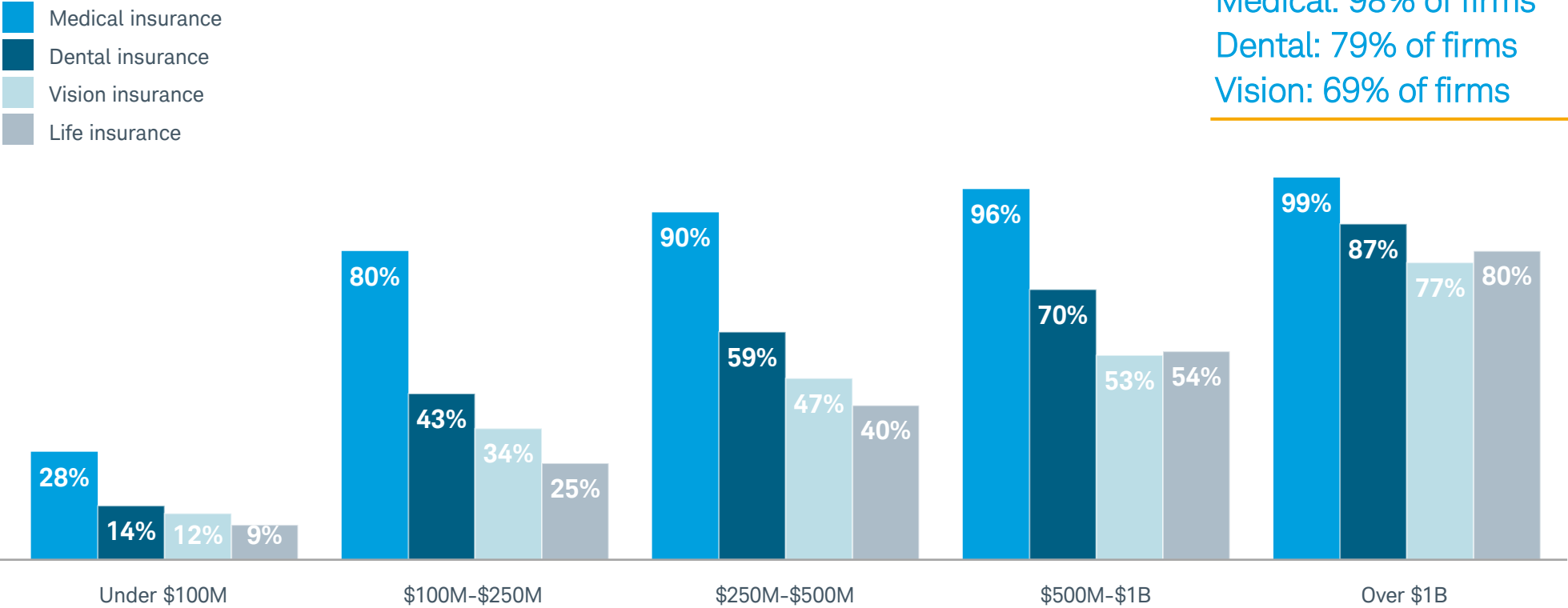


8% of staff in non-revenue roles have equity ownership

¹ Excludes Executive Management roles.
² Non-revenue roles with greatest responses of equity ownership, excluding Executive Management roles.
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Benefits are an important component of a total rewards package.

Firms providing traditional benefits



Firms contributing to premiums¹
Medical: 98% of firms
Dental: 79% of firms
Vision: 69% of firms

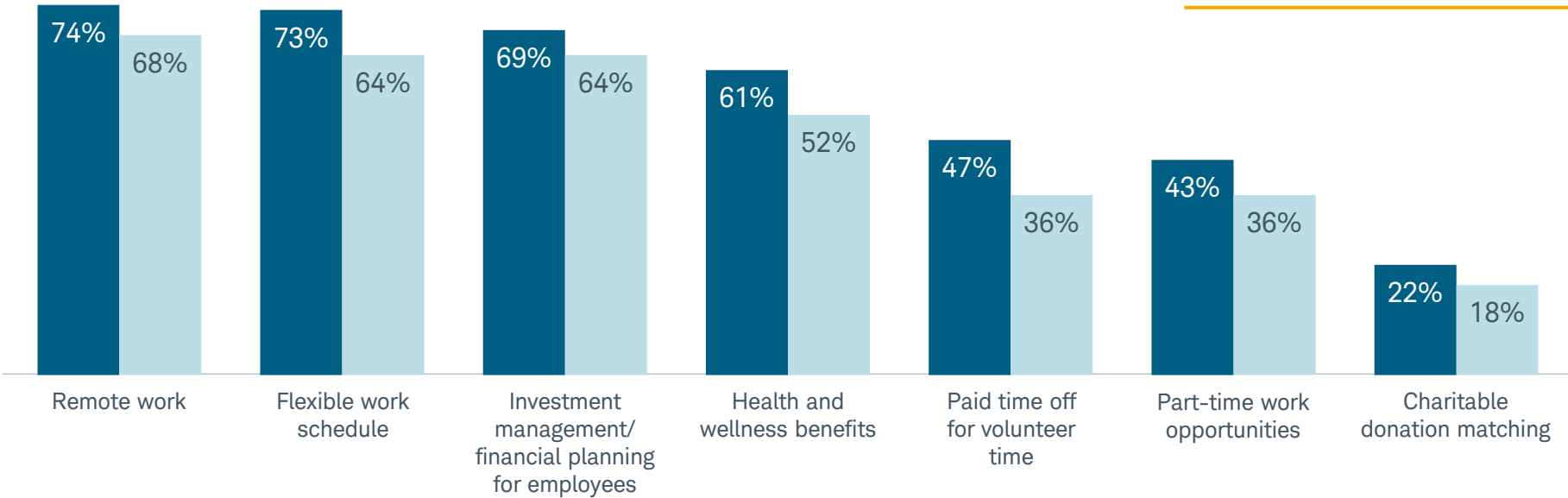
¹ Contributing to premiums either with a percentage of premium paid by firm or a fixed amount paid by firm to employee annually.
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Nontraditional benefits can impact employee satisfaction as well as support work-life balance.

Firms offering nontraditional benefits

- Top Performing Firms
- All other firms

Median number of nontraditional benefits offered:
Top Performing Firms: 5
All other firms: 4



Other benefits can help enhance the total package.

PTO

Nearly 20% of firms offer unlimited PTO, 2x more than five years ago

Parental Leave¹

Two-thirds of firms offer fully-paid leave

401k

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

¹ Represents maternity and/or paternity leave.

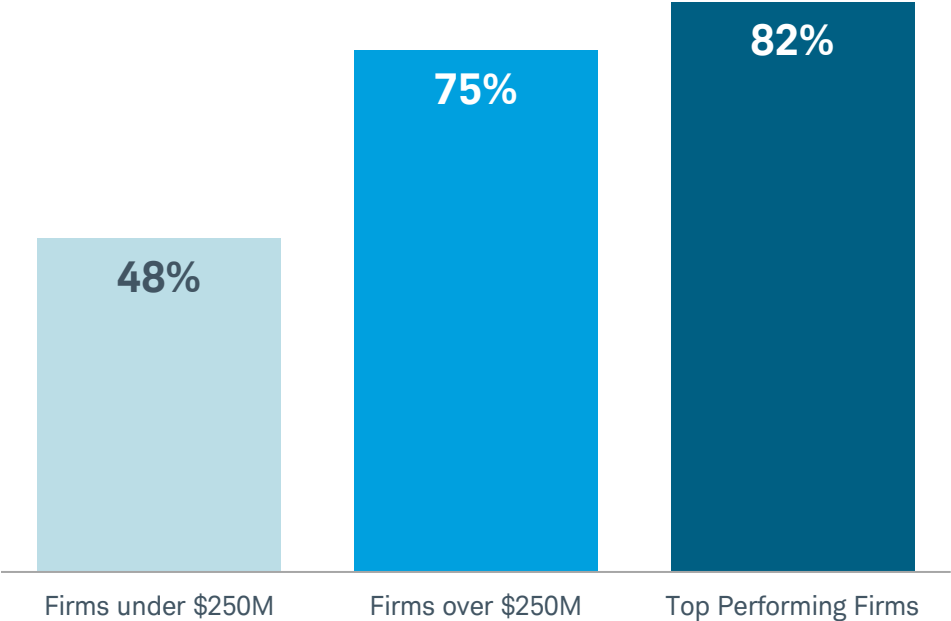
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Providing career path and progression opportunities can incentivize staff and improve engagement and performance.



Firms with defined career paths and/or career progression opportunities

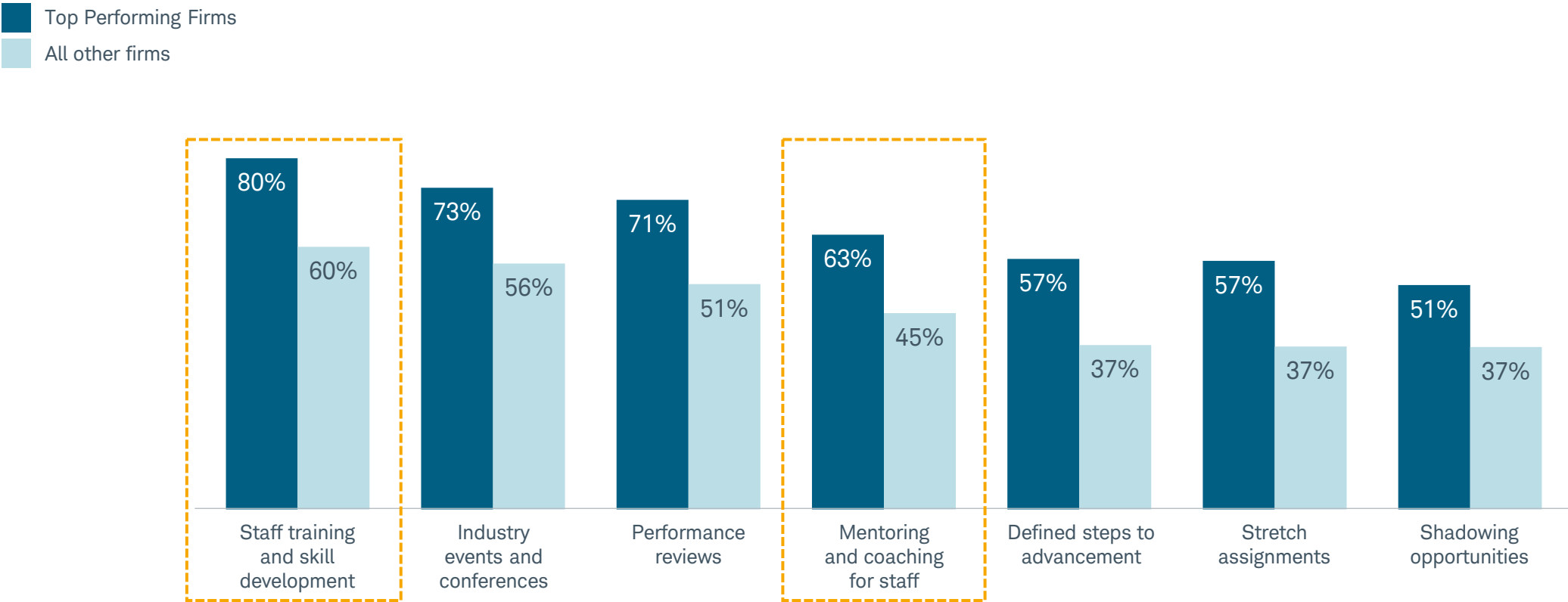
1 in 3 firms promoted staff internally in 2021¹



¹ Results for all firms with \$25 million or more in AUM. 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. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms. Participant firms represent various sizes and business models categorized into 7 peer groups by AUM.

Top Performing Firms more often provide professional development to support career advancement opportunities.

Firms offering professional development support

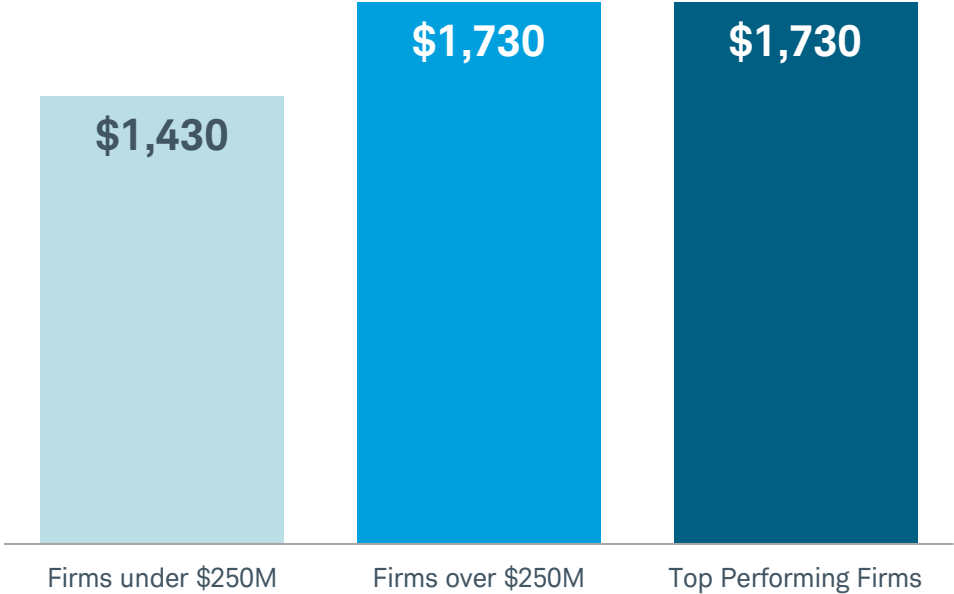


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Investments in staff can help the team be better equipped to meet the growing needs of clients.



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



Median results rounded to the nearest 10 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. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms. Participant firms represent various sizes and business models categorized into 7 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.

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

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
- 2021 AUM growth rate from new client assets
- 2021 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

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		
		238 responses			1,782 responses			1,582 responses			1,580 responses			278 responses			270 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	\$74	\$105	\$183	\$84	\$150	\$242	\$63	\$90	\$125	\$49	\$62	\$78	\$60	\$107	\$200	\$55	\$75	\$110
	Total cash compensation	\$82	\$130	\$227	\$134	\$220	\$362	\$77	\$112	\$168	\$52	\$68	\$90	\$75	\$161	\$307	\$60	\$83	\$126
	Total cash compensation (including owner profit distributions)	\$86	\$134	\$256	\$148	\$266	\$524	\$77	\$113	\$171	\$52	\$68	\$90	\$75	\$167	\$372	\$60	\$83	\$127
Performance-based incentive pay	Responses with performance-based incentive pay	77%			61%			75%			79%			59%			74%		
	Discretionary	\$6	\$19	\$42	\$8	\$32	\$103	\$5	\$12	\$30	\$2	\$6	\$11	\$5	\$15	\$58	\$2	\$7	\$18
	Other ¹	\$5	\$13	\$44	\$10	\$29	\$77	\$5	\$12	\$30	\$3	\$5	\$11	\$14	\$50	\$149	\$3	\$5	\$13
Compensation tied to revenue	Responses with compensation tied to revenue	3%			24%			18%			1%			14%			1%		
	Percentage of new client revenue paid	Insufficient data			20%	30%	50%	16%	25%	50%	8%	25%	30%	19%	30%	40%	Insufficient data		
	Percentage of existing client revenue paid	Insufficient data			10%	26%	50%	10%	20%	50%	1%	10%	38%	10%	15%	25%	Insufficient data		
Ownership details	Total responses with ownership	28%			49%			10%			2%			22%			7%		
	Less than 5% ownership	55%			39%			63%			94%			56%			89%		
	5% to 24% ownership	33%			38%			33%			3%			27%			11%		
	25% to 49% ownership	3%			11%			3%			3%			10%			0%		
	50% or more ownership	9%			12%			1%			0%			6%			0%		
Years of experience	Less than 10 years	32%			15%			59%			65%			26%			56%		
	10 to 19 years	35%			40%			29%			23%			26%			33%		
	20 or more years	33%			44%			12%			12%			48%			11%		
Certifications	Chartered Financial Analyst (CFA)	3%			11%			6%			1%			6%			0%		
	Certified Financial Planner (CFP)	23%			63%			53%			5%			18%			1%		
	Certified Public Accountant (CPA)	9%			12%			7%			1%			7%			0%		

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

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National compensation results (continued)

All dollar amounts are in thousands.

		Investments																	
		Investment/ Portfolio Manager			Financial Planner			Research Analyst			Paraplanner			Portfolio Administrator			Trader		
		750 responses			687 responses			380 responses			420 responses			415 responses			322 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	\$136	\$225	\$60	\$85	\$135	\$60	\$82	\$132	\$50	\$60	\$75	\$54	\$69	\$87	\$55	\$72	\$94
	Total cash compensation	\$102	\$176	\$314	\$70	\$100	\$160	\$67	\$94	\$155	\$53	\$64	\$86	\$59	\$77	\$101	\$58	\$80	\$110
	Total cash compensation (including owner profit distributions)	\$110	\$192	\$421	\$72	\$105	\$184	\$67	\$94	\$156	\$53	\$64	\$86	\$59	\$77	\$101	\$58	\$80	\$110
Performance-based incentive pay	Responses with performance-based incentive pay	64%			68%			77%			77%			87%			81%		
	Discretionary	\$10	\$29	\$100	\$5	\$10	\$24	\$5	\$11	\$28	\$2	\$4	\$9	\$2	\$7	\$16	\$3	\$7	\$20
	Other ¹	\$8	\$23	\$51	\$5	\$10	\$25	\$4	\$8	\$18	\$3	\$6	\$9	\$3	\$6	\$13	\$4	\$6	\$11
Compensation tied to revenue	Responses with compensation tied to revenue	13%			9%			2%			2%			0%			1%		
	Percentage of new client revenue paid	20%	25%	50%	20%	38%	53%	12%	25%	34%	Insufficient data			Insufficient data			Insufficient data		
	Percentage of existing client revenue paid	9%	30%	85%	15%	25%	50%	Insufficient data			Insufficient data			Insufficient data			Insufficient data		
Ownership details	Total responses with ownership	31%			14%			7%			1%			3%			7%		
	Less than 5% ownership	36%			36%			92%			100%			100%			83%		
	5% to 24% ownership	34%			32%			4%			0%			0%			13%		
	25% to 49% ownership	12%			12%			4%			0%			0%			4%		
	50% or more ownership	18%			20%			0%			0%			0%			0%		
Years of experience	Less than 10 years	27%			58%			70%			83%			59%			65%		
	10 to 19 years	36%			26%			20%			13%			26%			22%		
	20 or more years	37%			16%			10%			3%			15%			13%		
Certifications	Chartered Financial Analyst (CFA)	42%			3%			34%			1%			1%			6%		
	Certified Financial Planner (CFP)	20%			63%			6%			21%			2%			5%		
	Certified Public Accountant (CPA)	6%			10%			3%			5%			2%			1%		

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

Past performance is not an indicator of future results. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms for the main study and 971 firms for the compensation section.

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			
		482 responses			714 responses			144 responses			343 responses			238 responses			121 responses			231 responses			273 responses			281 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	\$100	\$144	\$45	\$60	\$80	\$55	\$78	\$100	\$46	\$61	\$86	\$59	\$80	\$109	\$61	\$85	\$138	\$63	\$90	\$130	\$45	\$60	\$80	\$38	\$47	\$57	
	Total cash compensation	\$83	\$117	\$170	\$50	\$66	\$91	\$57	\$84	\$112	\$50	\$69	\$99	\$61	\$87	\$131	\$66	\$94	\$150	\$65	\$101	\$150	\$49	\$65	\$90	\$40	\$50	\$63	
	Total cash compensation (including owner profit distributions)	\$83	\$120	\$176	\$50	\$66	\$91	\$57	\$84	\$113	\$50	\$69	\$100	\$61	\$87	\$131	\$66	\$94	\$154	\$65	\$101	\$153	\$49	\$65	\$90	\$40	\$50	\$63	
Performance-based incentive pay	Responses with performance-based incentive pay	77%			76%			74%			70%			76%			78%			73%			75%			75%			
	Discretionary	\$6	\$15	\$35	\$3	\$6	\$13	\$3	\$8	\$16	\$3	\$6	\$14	\$3	\$8	\$22	\$4	\$10	\$26	\$3	\$10	\$30	\$2	\$5	\$14	\$1	\$4	\$7	
	Other ¹	\$6	\$11	\$22	\$3	\$5	\$11	\$2	\$6	\$10	\$3	\$6	\$15	\$3	\$6	\$13	\$5	\$10	\$25	\$4	\$9	\$17	\$2	\$4	\$9	\$2	\$4	\$6	
Compensation tied to revenue	Responses with compensation tied to revenue	1%			0%			0%			1%			0%			0%			1%			1%			0%			
	Percentage of new client revenue paid	Insufficient data			Insufficient data			N/A			Insufficient data			N/A			N/A			Insufficient data			Insufficient data			N/A			
	Percentage of existing client revenue paid	Insufficient data			Insufficient data			N/A			Insufficient data			N/A			N/A			Insufficient data			Insufficient data			N/A			
Ownership details	Total responses with ownership	13%			2%			3%			2%			6%			12%			9%			3%			1%			
	Less than 5% ownership	78%			92%			75%			75%			100%			100%			100%			71%			100%			
	5% to 24% ownership	17%			8%			25%			25%			0%			0%			0%			29%			0%			
	25% to 49% ownership	5%			0%			0%			0%			0%			0%			0%			0%			0%			
	50% or more ownership	0%			0%			0%			0%			0%			0%			0%			0%			0%			
Years of experience	Less than 10 years	30%			68%			51%			41%			38%			30%			49%			49%			58%			
	10 to 19 years	42%			21%			32%			28%			31%			38%			30%			26%			21%			
	20 or more years	28%			11%			17%			32%			31%			32%			21%			25%			21%			
Certifications	Chartered Financial Analyst (CFA)	2%			0%			0%			0%			0%			1%			2%			0%			0%			
	Certified Financial Planner (CFP)	8%			2%			5%			1%			4%			0%			2%			0%			0%			
	Certified Public Accountant (CPA)	3%			1%			5%			1%			26%			1%			0%			0%			0%			

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

Past performance is not an indicator of future results. 2022 RIA Benchmarking Study from Charles Schwab, fielded January to March 2022. Study contains self-reported data from 1,218 firms for the main study and 971 firms for the compensation section.

Methodology and disclosures

Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on survey responses from individual firms. The 2022 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 4,300 firms have participated, with many repeat participants. Fielded from January to March 2022, the study contains self-reported data from 1,218 firms that custody their assets with Schwab or TD Ameritrade and represents \$1.8 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. 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 firm.

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.

Nine hundred and seventy-one advisory firms participated in the compensation section of the 2022 study, representing 80% of those who participated overall. Data was collected on over 13,500 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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