GoldlineResearch

Research Findings Report **2009**

Industry: Wealth Management *Geographic Region: Great Lakes*

Key Research Findings[1]

Median Years of Experience: **22 years**

Median AUM: **$130 million**

Median Number of Investment Advisors: **3**

Median Number of Support Staff: **4**

Median Number of Clients: **190**

Median Client: Advisor Ratio: **62:1**

Median Client Retention Rate: **98%**

Median Assets Managed/Client: **$1.45 million**

[1] Source: Goldline Research

Goldline Research recently completed its annual evaluation of independent wealth management professionals of the Great Lakes region. Our research study was conducted in February 2009.

Wealth management professionals in the Great Lakes region are always among the more optimistic professionals that we evaluate each year, and despite the current economic malaise, this year proved no different. In fact, confirming a trend that we saw earlier this year in both the Rocky Mountain region and the Northeast region, wealth managers in the Great Lakes are very encouraged by the potential migration of clients from large brokerage houses to independent wealth management firms, and, a number of wealth managers reported increased inquiry in this regard.

Great Lakes Demographics

States: **Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin**

Estimated Population[1]: **49,200,000**

Estimated Number of Households[2]: **19,800,000**

Estimated Number of Households With[3]:

$100K+ Annual Income: **3,400,000**

RIA's[4]: **3,000+**

Certified Financial Planners (CFP®)[5]: **10,000+**

[1, 2, 3] Source: U.S. Census Bureau
[4] Source: Securities and Exchange Commission
[5] Source: Certified Financial Planner Board of Standards

The nature of wealth management services is such that many consumers are often hesitant to disrupt an existing relationship with a wealth manager unless the consumer experiences poor service or poor performance (or both). Because of the perception (or reality) that many of the large brokerage houses have been remiss in their fiduciary responsibilities to their clients, consumers appear to be re-examining those brokerage relationships. If the shift does occur, independent wealth managers in the region are well positioned to take advantage due to their lack of product affiliation (e.g. captive offerings such as mutual funds, insurance).

We identified more than 3,000 Securities and Exchange Commission (SEC) registered investment advisors (RIA's) and more than 10,000 individuals holding the Certified Financial Planner (CFP®) designation in the region during our research process. This equates to approximately 1 CFP® for every 4,800 people and 1 CFP® for every 330 households earning at least $100,000 per year in the region. The median years of experience in the region is 22 years and the median firm employs 3 investment advisors and 4 support staff, while managing approximately $130.0 million in assets. The median client-to-advisor ratio in the region is approximately 62:1, with the median number of clients for each firm being nearly 200. This data suggests that wealth managers in the region have the ability to conservatively add new clients without negatively impacting service levels for existing clients.

For more information about Goldline Research or this research findings report, please visit our website at www.goldlineresearch.com.