

## Research Findings Report

Industry: Wealth Management

2009

Geographic Region: Northeast U.S.

Goldline Research recently completed its annual evaluation of independent wealth management professionals of the Northeastern U.S. Our research study was conducted from December 2008 through February 2009.

Despite the dramatic decline in stock market indices during the Fall of 2008 amid on-going economic malaise, wealth managers in the region expressed optimism regarding client retention and, even, new client acquisition. Many of the wealth managers that we spoke with indicated that they anticipate a flight of clients from large brokerage houses to independent firms due to heightened consumer concern about the viability of these brokerage firms.

### Key Research Findings<sup>1</sup>

Median Years of Experience: **22 years**

Median AUM: **\$100 million**

Median Number of Investment Advisors: **3**

Median Number of Support Staff: **4**

Median Number of Clients: **200**

Median Client: Advisor Ratio: **70:1**

Median Client Retention Rate: **98%**

Median Assets Managed/Client: **\$1.4 million**

Median Client Minimum: **\$0.425 million**

<sup>1</sup>Source: Goldline Research

### Northeast Demographics

States: **Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont**

Estimated Population<sup>1</sup>: **13,770,000**

Estimated Number of Households<sup>2</sup>: **5,470,000**

Estimated Number of Households With<sup>3</sup>:

\$100K+ Annual Income: **1,400,000**

RIA's<sup>4</sup>: **2,000+**

Certified Financial Planners (CFP®)<sup>5</sup>: **4,000+**

<sup>1,2,3</sup>Source: U.S. Census Bureau

<sup>4</sup>Source: Securities and Exchange Commission

<sup>5</sup>Source: Certified Financial Planner Board of Standards

If this client flight does, in fact, occur, it will likely take some time to fully play out. Consumers are generally hesitant, and, therefore, slow to make dramatic financial moves such as changing financial advisors. These decisions are usually only accelerated if consumers experience poor service and/or they are forced to make a change as the result of an external event (e.g. life changing event such as a death, birth or marriage). 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).

During our research process, we identified more than 2,000 Securities and Exchange Commission (SEC) registered investment advisors (RIA's) and more than 4,000 individuals

holding the Certified Financial Planner (CFP®) designation in the region. This equates to approximately 1 CFP® for every 3,400 people and 1 CFP® for every 350 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 \$100.0 million in assets. The median client-to-advisor ratio in the region is approximately 70:1, with the median number of clients for each firm being 200. The median client account value is approximately \$1,400,000; and the median client minimum is \$425,000. 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.goldlinersearch.com](http://www.goldlinersearch.com).