

## Research Findings Report

Industry: Wealth Management

2009

Geographic Region: Southern California

Goldline Research recently completed its annual evaluation of independent wealth management professionals in Southern California. Our research study was conducted from late March 2009 through mid May 2009.

It may come as no surprise that Southern California is one of the wealthiest regions that we evaluate, with more aggregate households in the region earning in excess of \$100,000 per year than nearly every other region in our research portfolio. From a wealth management standpoint, the wealth in the region translates directly into a median assets per client figure that is nearly 40% higher than the national average. However, the aforementioned data belies the fact that just under 10% of the households in the region earn \$100,000 or more per year, which is the lowest percentage of any region that we evaluate. In addition, the region has more financial advisors per capita than any other region that we evaluate. This indicates that competition for prospective clients in the region is likely more intense than in other areas, which is supported by the fact that the median number of clients is about 20% below the national figures. Despite the intense competition for clients, advisors in the region enjoy better client retention rates than their counterparts across the nation, suggesting that once a client has chosen an advisor, client turnover is unlikely.

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

Median Years of Experience: **26 years**

Median AUM: **\$172 million**

Median Number of Investment Advisors: **3**

Median Number of Support Staff: **3**

Median Number of Clients: **158**

Median Client: Advisor Ratio: **60:1**

Median Client Retention Rate: **99%**

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

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

### Regional Demographics

Estimated Population<sup>1</sup>: **23,100,000**

Estimated Number of Households<sup>2</sup>: **7,600,000**

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

\$100K+ Annual Income: **2,000,000**

Estimated Number of RIA's<sup>4</sup>: **2,100**

Estimated Number of Certified Financial Planners (CFP®)<sup>5</sup>: **5,100**

<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

During the course of our research, we identified more than 2,100 Securities and Exchange Commission (SEC) registered investment advisors (RIA's) and more than 5,100 individuals holding the Certified Financial Planner (CFP®) designation in the region. This equates to approximately 1 CFP® for every 4,530 people and 1 CFP® for every 390 households earning at least \$100,000 per year in the region. The median years of experience in the region is 26 years and the median firm employs 3 investment advisors and 3 support staff, while managing approximately \$170 million in assets. The median client-to-advisor ratio in the region is approximately 60:1, with the median number of clients for each firm being approximately 160.

For more information about Goldline Research or this research findings report, please visit our website at [www.goldlineresearch.com](http://www.goldlineresearch.com).