

Research Findings Report

Industry: Wealth Management

2009

Geographic Region: Southwest U.S.

Goldline Research recently completed its annual evaluation of independent wealth management professionals in the Southwestern United States. The Southwestern U.S. includes the states of Arizona, Nevada and New Mexico. Our research study was conducted from July 2009 through mid-August 2009.

Historically, we have always found that the Southwestern region comes in near the U.S. median in nearly all of the metrics that we evaluate for wealth management firms. In 2009, that did not change. In fact, the region, despite its reputation for being in the epicenter of the recent real estate

“boom and bust,” has been remarkably consistent in its performance over the last few years. Over time, though, we expect that to change. The region, despite the recent bust, continues to experience net population growth according to the U.S. Census Bureau. Population growth in the region is likely to continue unless increasing concerns about water availability force the imposition of new restrictions on development. As the population in the region grows, the demand for wealth management services should follow accordingly. This suggests that wealth managers in the region are likely to see an increase in the number of clients (which will necessitate the addition of professional and support staff) and in the assets under management. This bodes well for the economics of the firms in the region. Ultimately, these improvements should help drive the overall metrics of the region above nationwide medians and closer to regions such as Southern California and the Northeast U.S., whose metrics continue to outpace the rest of the country.

Key Research Findings¹

Median Years of Experience: **20 years**

Median AUM: **\$76 million**

Median Number of Investment Advisors: **2**

Median Number of Support Staff: **4**

Median Number of Clients: **200**

Median Client: Advisor Ratio: **88:1**

Median Client Retention Rate: **99%**

Median Assets Managed/Client: **\$0.3 million**

¹Source: Goldline Research

Regional Demographics

Estimated Population¹: **10,600,000**

Estimated Number of Households²: **3,875,000**

Estimated Number of Households With³:

\$100K+ Annual Income: **660,000**

Estimated Number of RIA's⁴: **450**

Estimated Number of Certified Financial Planners (CFP®)⁵: **1,500**

^{1,2,3}Source: U.S. Census Bureau

⁴Source: Securities and Exchange Commission

⁵Source: Certified Financial Planner Board of Standards

During the course of our study, we identified more than 450 Securities and Exchange Commission (SEC) registered investment advisors (RIA's) and more than 1,500 individuals holding the Certified Financial Planner (CFP®) designation in the region. This equates to approximately 1 CFP® for every 6,700 people and 1 CFP® for every 420 households earning at least \$100,000 per year in the region. The median years of experience in the region is 20 years and the median firm employs 2 investment advisors and 4 support staff, while managing approximately \$76 million in assets. The median client-to-advisor ratio in the region is approximately 88:1, with the median number of clients for each firm being approximately 200.

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