

U.S. Broker/Dealer Marketplace 2023

The Challenging Pursuit of Organic Growth

OVERVIEW & METHODOLOGY

This annual report provides in-depth data and analysis for the largest broker/dealer (B/D) firms serving retail financial advisors. For each firm, the report provides a 10-year history of market sizing, analysis of key metrics, and a qualitative examination of the firm's strategic direction, challenges, and opportunities. The report also compiles advisor-reported data to provide insights about each B/D channel's advisorforce, including attributes, challenges, and recruiting opportunities and risks.

For B/Ds and custodians, the report offers an in-depth competitive analysis of the industry's top competitors, identifies opportunities and threats to marketshare, provides benchmarks for growth and operating performance, and addresses recruiting and retention risks. For asset managers, the report identifies compelling distribution opportunities, uncovers areas to better engage specific distributors, and provides firm-specific insights to augment wholesaling and key accounts strategies.

USE THIS REPORT TO

- Review 10 years of sizing data for assets under management (AUM), advisor affiliations, and advisor productivity among B/D firms
- Understand the extent to which there is a continued migration of advisors away from B/D affiliation and toward RIA affiliation, and explore the reasons behind this steady migration as well as barriers to transitioning
- Gain insight into the key areas of differentiation among advisor practices by B/D channel, with data covering the key characteristics of advisor practices within each channel, such as types of clients served, range of services offered, and portfolio construction process
- Identify opportunities where firms can improve their rookie training and development programs to develop the next generation of advisor talent as there continues to be a large portion of the retail financial advisorforce that will be retiring within the next 10 years

QUESTIONS ANSWERED

- To what extent are the various retail financial advisor channels growing in terms of AUM and advisor headcount over the past one-, five-, and 10-year periods?
- What are the causal factors for the growth rates across B/D firms and advisor channels, and what strategies can firms pursue to improve their growth prospects?
- What are the differences in advisor productivity across retail financial advisor channels?
- What are the growth rates in terms of AUM and advisor headcount, and the level of advisor productivity (AUM per advisor) among the top B/D firms?
- What is the marketshare of advisors and AUM that are controlled by the largest B/D firms?

PRODUCT DETAILS

Included with Purchase

- Digital report in PDF format
- Unlimited online firm-wide access
- Exhibits in Excel
- Key findings
- Analyst support
- Interactive Report Dashboards

Interactive Report Dashboards

Interact and explore select report data with Cerulli's visualization tool.

Financial Advisor Distribution Strategy: Explore current and historical data for the market sizing of the retail financial advisorforce, including total advisor headcount, AUM, and productivity, segmented by channel. Benchmark Cerulli's advisor-managed asset projections against customizable user projections with inputs for market return and change in advisor movement.

Financial Advisor Movement: Interact with data pertaining to advisor affiliation preferences and transitions, including historical headcount and AUM growth, and projected net changes in advisor headcount and AUM across all channels.

Broker/Dealer Leaderboards: Review extensive market sizing of top B/D firms, including headcount, AUM, and productivity since 2010. Compare the top-10 B/D parent firms by AUM, headcount and AUM per advisor over time. Gain insights into individual channel dynamics by reviewing growth patterns within the underlying segments that comprise each channel.

Exhibit 2.10

Factors Attracting Breakaway Advisors, 2022

Source: Cerulli Associates | Analyst Note: Data represents advisors who indicate that they would prefer to transition to the independent RIA, hybrid RIA, or IBD channels if they leave their current firm. Employee advisors are defined as any advisor affiliated with a firm in the wirehouse, national and regional B/D, insurance B/D, or retail bank B/D channel.

Factors	Employee Advisors Who Prefer Independent Model		
	Not a Factor	Moderate Factor	Major Factor
Greater autonomy	11%	27%	62%
Higher payout	5%	38%	57%
Ability to build financial value in an independent business	12%	34%	54%
Better work/life balance	23%	32%	45%
Desire more personable culture	24%	37%	39%
Appeal of independent model to clients	32%	41%	27%
Elimination of sales quotas	61%	16%	23%
Lower minimum production/AUM requirements	57%	28%	15%
Greater opportunities for M&A	29%	57%	14%
Reduced exposure to proprietary products	59%	30%	11%

- Higher payout (95%), greater autonomy (89%), and ability to build financial value in an independent business (88%) are the top three factors cited by advisors as attracting them to independence, in the event that they change affiliation in the future.
- Elimination of sales quotas (39%) and lower minimum production requirements (43%) are among the least frequently cited factors for attracting advisors to independence, suggesting that advisors aren't interested in independence because of limitations on their ability to develop new business.

Table of Contents: Expanded

Methodology.....	17
Executive Summary.....	20
Advisor Headcount and Marketshare, 2012-2022	20
Top Factors that Influence Decision to Join a B/D, 2022	20
Core Market, 2022	21
Advisor Productivity, 2022	21
Advisor Retirements: Headcount in Transition, 2022.....	22
Advisor Retirements: Succession Plan for Advisors Retiring within 10 Years, 2022	22
Report Authors.....	23
Chapter 1: Top-10 B/D Dashboards	24
<i>i</i> Exhibit 1.01. 10-Largest B/D Firms by AUM, 2022.....	25
<i>i</i> Exhibit 1.02. Morgan Stanley Wealth Management: Parent Company Market Sizing, 2012–2022	26
<i>i</i> Exhibit 1.03. Merrill Lynch: Parent Company Market Sizing, 2012–2022.....	28
<i>i</i> Exhibit 1.04. Wells Fargo & Company: Parent Company Market Sizing, 2012–2022	30
<i>i</i> Exhibit 1.05. Edward Jones: Parent Company Market Sizing, 2012–2022	32
<i>i</i> Exhibit 1.06. UBS Wealth Management Americas: Parent Company Market Sizing, 2012–2022.....	34
<i>i</i> Exhibit 1.07. LPL Financial: Parent Company Market Sizing, 2012–2022.....	36
<i>i</i> Exhibit 1.08. Raymond James Financial Services: Parent Company Market Sizing, 2012–2022	38
<i>i</i> Exhibit 1.09. Ameriprise Financial Services: Parent Company Market Sizing, 2012–2022	40
<i>i</i> Exhibit 1.10. JPMorgan Chase & Co.: Parent Company Market Sizing, 2012–2022	42
<i>i</i> Exhibit 1.11. Advisor Group: Parent Company Market Sizing, 2012–2022	44

Chapter 2: Affiliation Considerations 46

- Exhibit 2.01. Advisor Tenure by Channel, 2022 48
- Exhibit 2.02. Likelihood to Remain Affiliated by Channel, 2022 49
- i** Exhibit 2.03. Preferred Channel, 2022 50
- Exhibit 2.04. Reasons for Switching Firms, 2022 51
- Exhibit 2.05. Challenges When Switching Firms, 2022 52
- Exhibit 2.06. Advantages of Operating at Current Firm, 2022 53
- Exhibit 2.07. Challenges of Operating at Current Firm, 2022 54
- Exhibit 2.08. Factors that Influence Decision to Join a B/D, 2022 55
- Exhibit 2.09. Satisfaction with New Firm, 2022 56
- Exhibit 2.10. Factors Attracting Breakaway Advisors, 2022 57
- Exhibit 2.11. Breakaway Concerns About Going Independent, 2022 58
- Exhibit 2.12. IBD Advisors: RIA Model Dashboard, 2022 59
- Exhibit 2.13. Asset Retention When Switching Firms, 2022 60
- i** Exhibit 2.14 - Part 1. Projected Advisor Movement, 2023E 61
- i** Exhibit 2.14 - Part 2. Projected Advisor Movement, 2023E 62
- i** Exhibit 2.14 - Part 3. Projected Advisor Movement, 2023E 63
- i** Exhibit 2.14 - Part 4. Projected Advisor Movement, 2023E 64

Chapter 3: Advisor Retirements and Rookie Development 65

- i** Exhibit 3.01. Expected Retirement Age, 2022 67
- Exhibit 3.02 - Part 1. Advisor Retirements: Assets and Headcount in Transition, 2022 68
- Exhibit 3.02 - Part 2. Advisor Retirements: Assets and Headcount in Transition, 2022 69
- Exhibit 3.02 - Part 3. Advisor Retirements: Assets and Headcount in Transition, 2022 70
- Exhibit 3.02 - Part 4. Advisor Retirements: Succession Plan for Advisors Retiring within 10 Years, 2022 71
- Exhibit 3.02 - Part 5. Advisor Retirements: Succession Plan for Advisors Retiring within 10 Years, 2022 72
- Exhibit 3.02 - Part 6. Advisor Retirements: Succession Plan for Advisors Retiring within 10 Years, 2022 73
- Exhibit 3.03. Factors for Success, 2022 74
- Exhibit 3.04. Satisfaction with Firm Support, 2022 75
- Exhibit 3.05. Challenges Grooming Junior Advisors, 2022 76
- Exhibit 3.06. B/D Headcount Projected Change Over the Next Year, 2023E 77

Chapter 4: B/D Channels.....	78
Exhibit 4.01. Assets by Intermediary Segment, 2017–2022.....	80
Exhibit 4.02 - Part 1. Description of Advisor Channels, 2022.....	81
Exhibit 4.02 - Part 2. Description of Advisor Channels, 2022.....	82
<i>i</i> Exhibit 4.03 - Part 1. Overview of Advisor Channels, 2022.....	83
Exhibit 4.03 - Part 2. Advisor Channels: Sizing Overview, 2022.....	84
<i>i</i> Exhibit 4.04. Advisor Headcount and Marketshare, 2012–2022.....	85
<i>i</i> Exhibit 4.05. Advisor-Managed Assets and Marketshare, 2012–2022.....	86
<i>i</i> Exhibit 4.06. Advisor Productivity, 2012–2022.....	87
Exhibit 4.07. Fiduciary Asset Sizing, 2012–2022.....	88
Exhibit 4.08 - Part 1. AUM Growth Benchmarks, 2012–2022.....	89
Exhibit 4.08 - Part 2. Headcount Growth Benchmarks, 2012–2022.....	90
Exhibit 4.09. Independent vs. Non-Independent Asset Marketshare, 2012–2022.....	91
Exhibit 4.10. Projected Advisor Headcount and Marketshare, 2022–2027E.....	92
<i>i</i> Exhibit 4.11. Projected Asset Marketshare, 2022–2027E.....	93
Chapter 5: B/D Firms.....	94
Exhibit 5.01 - Part 1. Top-25 B/D Firms by AUM, 2022.....	96
Exhibit 5.01 - Part 2. Top-25 B/D Firms by AUM, 2022.....	97
Exhibit 5.02 - Part 1. Historical Rankings of Top-25 B/D Firms by AUM, 2022.....	98
Exhibit 5.02 - Part 2. Historical Rankings of Top-25 B/D Firms by AUM, 2022.....	99
Exhibit 5.03 - Part 1. B/D Firm Rankings by AUM: Summary, 2012–2022.....	100
Exhibit 5.03 - Part 2. B/D Firm Rankings by AUM: AUM, 2012–2022.....	101
Exhibit 5.03 - Part 3. B/D Firm Rankings by AUM: Advisor Headcount, 2012–2022.....	102
Exhibit 5.03 - Part 4. B/D Firm Rankings by AUM: Advisor Productivity, 2012–2022.....	103
Exhibit 5.04 - Part 1. AUM Growth Benchmarks for B/D Firms, 2012–2022.....	104
Exhibit 5.04 - Part 2. AUM Growth Rankings for B/D Firms, 2012–2022.....	105
Exhibit 5.04 - Part 3. Headcount Growth Benchmarks for B/D Firms, 2012–2022.....	106

Table of Contents

Exhibit 5.04 - Part 4. Headcount Growth Rankings for B/D Firms, 2012–2022	107
Exhibit 5.05 - Part 1. Largest B/D Firms by AUM: Marketshare Summary, 2022	108
Exhibit 5.05 - Part 2. Largest B/D Firms by AUM: Asset Marketshare, 2012–2022	109
Exhibit 5.05 - Part 3. Largest B/D Firms by AUM: Advisor Headcount Marketshare, 2012–2022	110
Exhibit 5.05 - Part 4. Largest B/D Firms by AUM: Advisor Productivity, 2012–2022	111
Exhibit 5.06 - Part 1. Notable B/D M&A Transactions, 2020–2022	112
Exhibit 5.06 - Part 2. Notable B/D M&A Transactions, 2020–2022	113
Chapter 6: Wirehouses	114
Exhibit 6.01. Wirehouse Channel Overview, 2022	116
Exhibit 6.02. Wirehouse Advisor Headcount, 2012–2022	117
Exhibit 6.03. Wirehouse Advisor-Managed Assets, 2012–2022	118
Exhibit 6.04 - Part 1. Wirehouse Productivity, 2012–2022	119
Exhibit 6.04 - Part 2. Wirehouse Productivity, 2012–2022	120
Exhibit 6.05 - Part 1. Wirehouse Revenue and Return on Assets, 2014–2022	121
Exhibit 6.05 - Part 2. Wirehouse Revenue and Return on Assets, 2014–2022	122
Exhibit 6.06. Wirehouse Retention Expiration, 2022	123
Chapter 7: National & Regional B/Ds	124
i Exhibit 7.01 - Part 1. National and Regional B/D Channel Overview, 2022	126
i Exhibit 7.01 - Part 2. National and Regional B/D Channel Overview, 2022	127
Exhibit 7.02. Description of National and Regional B/D Channel and Segments, 2022	128
i Exhibit 7.03 - Part 1. National and Regional B/D Segments, 2012–2022	129
i Exhibit 7.03 - Part 2. National and Regional B/D Segments, 2012–2022	130
i Exhibit 7.04 - Part 1. National and Regional B/D Segment Headcount Marketshare, 2012–2022	131
i Exhibit 7.04 - Part 2. National and Regional B/D Segment Asset Marketshare, 2012–2022	132
i Exhibit 7.05 - Part 1. National and Regional B/Ds Rankings: Summary, 2012–2022	133
i Exhibit 7.05 - Part 2. National and Regional B/Ds Rankings: AUM, 2012–2022	134
i Exhibit 7.05 - Part 3. National and Regional B/Ds Rankings: Advisor Headcount, 2012–2022	135

Table of Contents

• Exhibit 7.05 - Part 4. National and Regional B/Ds Rankings: Advisor Productivity, 2012–2022	136
Exhibit 7.06 - Part 1. National and Regional B/D AUM Growth Benchmarks, 2012–2022	137
Exhibit 7.06 - Part 2. National and Regional B/D AUM Growth Rankings, 2022	138
Exhibit 7.07. National and Regional B/D Revenue and Return on Assets, 2013–2022	139
Chapter 8: Independent B/Ds	140
• Exhibit 8.01. IBD Channel Overview, 2022	142
Exhibit 8.02 - Part 1. Description of IBD Channel and Segments, 2022	143
Exhibit 8.02 - Part 2. Description of IBD Channel and Segments, 2022	144
Exhibit 8.03 - Part 1. IBD Segments, 2012–2022	145
• Exhibit 8.03 - Part 2. IBD Segments, 2012–2022	146
• Exhibit 8.03 - Part 3. IBD Segments, 2012–2022	147
• Exhibit 8.04 - Part 1. IBD Segment Marketshare, 2012–2022	148
• Exhibit 8.04 - Part 2. IBD Segment Marketshare, 2012–2022	149
• Exhibit 8.05 - Part 1. IBD Rankings: Summary, 2012–2022	150
• Exhibit 8.05 - Part 2. IBD Rankings: AUM, 2012–2022	151
• Exhibit 8.05 - Part 3. IBD Rankings: Advisor Headcount, 2012–2022	152
• Exhibit 8.05 - Part 4. IBD Rankings: Advisor Productivity, 2012–2022	153
Exhibit 8.06 - Part 1. IBD AUM Growth Benchmarks, 2022	154
Exhibit 8.06 - Part 2. IBD AUM Growth Rankings, 2022	155
Exhibit 8.07. IBD and Hybrid RIA Collective Assets and Headcount, 2012–2022	156
Exhibit 8.08. IBD Revenue and Return on Assets, 2013–2022	157
Exhibit 8.09. Notable IBDs That Offer RIA Affiliation, 2022	158

Chapter 9: Insurance BDs..... 159

- i** Exhibit 9.01. Insurance B/D Channel Overview, 2022..... 161
- Exhibit 9.02. Description of Insurance B/D Channel and Segments, 2022 162
- i** Exhibit 9.03 - Part 1. Insurance B/D Segments, 2012–2022..... 163
- i** Exhibit 9.03 - Part 2. Insurance B/D Segments, 2012–2022..... 164
- i** Exhibit 9.04 - Part 1. Insurance B/D Segment Marketshare, 2012–2022..... 165
- i** Exhibit 9.04 - Part 2. Insurance B/D Segment Marketshare, 2012–2022..... 166
- i** Exhibit 9.05. Insurance B/D Rankings: Advisor Headcount, 2022..... 167
- Exhibit 9.06. Insurance B/D Revenue and Return on Assets, 2013–2022 168

Chapter 10: Retail Bank B/Ds..... 169

- i** Exhibit 10.01. Retail Bank B/D Channel Overview, 2022 171
- Exhibit 10.02. Description of Retail Bank B/D Channel and Segments, 2022 172
- i** Exhibit 10.03 - Part 1. Retail Bank B/D Segments, 2012–2022 173
- i** Exhibit 10.03 - Part 2. Retail Bank B/D Segments, 2012–2022 174
- i** Exhibit 10.04 - Part 1. Retail Bank B/D Segment Marketshare, 2012–2022..... 175
- i** Exhibit 10.04 - Part 2. Retail Bank B/D Segment Marketshare, 2012–2022..... 176
- i** Exhibit 10.05 - Part 1. Retail Bank B/D Rankings by AUM, 2012–2022..... 177
- i** Exhibit 10.05 - Part 2. Retail Bank B/D Rankings by AUM, 2012–2022..... 178
- i** Exhibit 10.05 - Part 3. Retail Bank B/D Advisor Headcount, 2012–2022 179
- i** Exhibit 10.05 - Part 4. Retail Bank B/D Advisor Productivity, 2012–2022..... 180
- Exhibit 10.06 - Part 1. Retail Bank B/D AUM Growth Benchmarks, 2022..... 181
- Exhibit 10.06 - Part 2. Retail Bank B/D AUM Growth Rankings, 2022..... 182
- Exhibit 10.07. Retail Bank B/D Revenue and Return on Assets, 2013–2022 183

Chapter 11: Advisor Practices	184
Exhibit 11.01. Household and Asset Distribution, 2022E.	186
Exhibit 11.02. Core Market, 2022.	187
Exhibit 11.03. Practice Type Sizing, 2021	188
Exhibit 11.04. Financial Planning Services, 2022	189
Exhibit 11.05. Advisor Portfolio Construction Process by Channel, 2022	190
Exhibit 11.06. Advisor-Reported Product Mix by Channel, 2022 vs. 2024E.	191
Exhibit 11.07. Advisor-Reported Portfolio Discretion Breakdown by Channel, 2022 vs. 2024E.	192
Exhibit 11.08. Team Structure by Channel, 2022	193
Exhibit 11.09. Advisor Tenure by Channel, 2022	194
Glossary	195
Company Index	200

Company Index

Advisor Group, 44, 45, 95, 104, 106, 141
Allen & Company, 37
American Portfolios Financial Services, 45, 104, 106, 141
Ameriprise, 40, 41, 124, 127, 131, 133, 136, 140, 145, 150
Ameritas, 167
Atria Wealth, 106
B. Riley, 106
Baird, 129, 133
BancWest, 169, 177
Bank of the West, 182
BB&T, 169, 177
BMO, 182
Boenning & Scattergood, 37
Broadridge Financial Services, 35
Cambridge Investment Research, 140, 150
Center Street Securities, 106
Cetera Financial, 95, 170
Charles Schwab, 80, 170
Chase, 177
CI Financial, 27
City National Securities, 177, 182
Commerce Bank, 182
Commonwealth Financial Network, 140, 150, 155
CUNA, 169, 177
D.A. Davidson, 133
Eaton Vance, 27
Edward Jones, 32, 33, 124, 127, 131, 133, 136, 185
Equitable, 161
Fidelity, 80, 170
First Republic Bank, 43
Hilltop Securities, 133
Infinex Financial Holdings, 45, 104, 106, 141
J.P. Morgan, 42, 43, 124, 125, 133, 136
Ladenburg Thalmann, 45, 141
Lincoln Financial, 159, 167
LPL Financial, 36, 37, 95, 140, 141, 145, 150, 155, 160, 169, 170, 177, 182, 185
Merrill Lynch, 28, 29, 66
MetLife, 167
MML Investors, 159, 167
Morgan Stanley, 26, 27, 95, 114, 117-119
National Holdings Corporation, 106
National Planning Holdings, 150
NYLIFE, 159, 167
Oppenheimer, 133
Pathstone, 27
Prudential, 37, 160
Raymond James, 38, 39, 47, 124, 126, 127, 129, 133, 140, 150, 169, 170
RBC Wealth Management, 131
Royal Alliance, 155
SCF Securities, 106
Securian, 155
Stephens, 133
Stifel, 124, 126, 127, 129, 131, 133
SunTrust, 169, 177
Thrivent, 161
Truist, 169, 177
UBS, 34, 35, 119
Voya, 95, 141
Waddell and Reed, 95, 150
Wealthfront, 35
Wedbush, 133
Wells Fargo, 30, 31, 117, 177
Western International Securities, 106
William Blair, 124, 133, 136, 137