The Cerulli **Report**

U.S. Broker/Dealer Marketplace 2025

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, advisor productivity, and other key metrics. 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 firms, identifies opportunities and threats to marketshare, provides benchmarks for growth and operating performance, and considers 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

- Analyze the growth among the largest independent broker/dealers (IBDs), which is being fueled through both organic and inorganic means, with the largest IBDs leading the charge and the channel now controlling the largest share of financial advisor headcount
- Evaluate how, over the last decade, there has been a pronounced shift away from brokerage-based transactional client relationships and toward ongoing investment advisory services provided under a fiduciary standard of care as firms look for recurring revenue streams and advisors and clients seek more client-centric service models
- Explore key factors influencing the ability of B/D firms to recruit and retain experienced advisors and to recruit and develop the next generation of financial advisors that will be needed to provide a retirement path for a firm's older advisors.

QUESTIONS ANSWERED

- How much has each of the retail financial advisor channels grown in terms of assets under management (AUM) and advisor headcount over the past one-, five-, and 10-year periods?
- How much has each wealth management broker/dealer grown in terms of AUM and advisor headcount over the past one-, five-, and 10-year periods? What are the factors behind those growth rates?
- What are the causal factors for the growth rates across B/D firms and advisor channels and strategies that firms can pursue to improve their growth prospects?
- What are the differences in advisor productivity across retail financial advisor channels?
- What is the marketshare of advisors and AUM 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: 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 2.04

Reasons for Switching Firms, 2024

Source: Cerulli Associates | **Analyst Note:** Data shown is for advisors who changed from one employee-based affiliation to another employee-based affiliation within the past three years. 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.

Factor	Employee to Employee Moves		
	Not a Factor	Moderate Factor	Major Factor
Desire for greater independence	23%	26%	52%
Unhappy with senior management	28%	24%	48%
Concerns about quality of B/D's culture	36%	27%	37%
Current B/D not adding enough value in relation to cost	35%	30%	35%
Poor client service or operational processing	40%	30%	30%
Desire higher compensation or signing bonus by new firm	40%	31%	29%
Restrictive or inflexible compliance	45%	31%	24%
Insufficient technology (*e.g.,* lack of integration)	48%	30%	22%
Limited product selection	51%	29%	21%
Erosion of B/D's brand	56%	25%	19%
Conflict with direct manager	63%	18%	19%
Issues resulting from a merger or acquisition of B/D	67%	17%	17%
B/D restructured or downsized advisorforce	73%	18%	9%

- Among advisors who switched from one captive B/D firm to another, the most frequently cited major or moderate factors motivating the change are a desire for greater independence (77%), dissatisfaction with senior management (72%), and concerns about the quality of a B/D's culture (64%).
- Despite all the consolidation and change in the industry recently, the fact that their B/D restructured or downsized their advisorforce (27%) or issues resulting from a merger or acquisition (33%) are the two least frequently cited major or moderate factors in an advisor switching firms.

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