

Wealth Management Firms Need Advisors as Brand Evangelists to Attract New Talent, J.D. Power FindsEdward Jones, Commonwealth Rank Highest in Satisfaction in Respective Segments

TROY, Mich.: 6 July 2022 — Long before the Great Resignation became a national phenomenon, wealth management firms were struggling to manage attrition among their financial advisors and attract new talent to the profession. According to the J.D. Power 2022 U.S. Financial Advisor Satisfaction Study,SM released today, a combination of technological- and pandemic-driven disruption has exacerbated that challenge, with 15% of advisors at wirehouse firms¹ and 7% of independent advisors now categorized as “at risk” of leaving their firms in the next two years.

“With the average age of a financial advisor climbing to 57 this year, wealth management firms that want to continue to grow must do more than just manage advisor attrition rates; they also need to actively create advisor brand evangelists who will attract the next generation of talent,” said **Mike Foy, senior director of wealth and lending intelligence at J.D. Power**. “Right now, many firms are missing the mark on developing that level of advisor engagement, but there are some clear drivers that need to be in place for it to happen. Notably, firms that are making the right investments in technology, effective marketing support, competitive products and services and have a strong top-down corporate culture are significantly outperforming the competition when it comes to advisor satisfaction and advocacy.”

Following are some key findings of the 2022 study:

- **Advisor loyalty in decline:** Advisor attrition risk increases this year across all categories. Wirehouse firms have the largest proportion of at-risk advisors, with 15% considering leaving their firm in the next one to two years. Among independent advisors, 7% fall into the at-risk category.
- **Tech, competitive products and culture help build advisor advocacy:** Among advisors classified as brand evangelists—those with the highest levels of satisfaction and loyalty to their firms—91% say the technology offered by their firm has improved during the past two years. Likewise, 79% say their firm offers competitive products and services and 74% say their firm’s corporate leadership fosters a strong culture.
- **Employee advisor satisfaction declines significantly with length of tenure:** While overall satisfaction among independent advisors is relatively consistent across all advisor tenure levels, it declines significantly among employee advisors based on the length of their industry tenure. Overall satisfaction is 741 (on a 1,000-point scale) among employee advisors in their first 10 years of tenure and falls to 689 among mid-career employee advisors and to 658 among those with a tenure of 20 years or more. This represents a huge risk as experienced advisors obviously have accumulated significant assets that will very often leave the firm if the advisor departs.
- **Advisors want to go back to the office:** A majority (62%) of advisors say their preferred work style is either in the office most of the time (38%) or in the office full-time (24%). Overall satisfaction scores are highest among advisors who are currently working in the office full time (791), followed by those who are working in the office most of the time (778).

¹ Merrill, Morgan Stanley, UBS and Wells Fargo Advisors

Study Rankings

Among employee advisors, **Edward Jones** ranks highest in overall satisfaction with a score of 876. **Stifel** (872) ranks second and **Raymond James & Associates** (863) ranks third.

Among independent advisors, **Commonwealth** ranks highest in overall satisfaction with a score of 918. **Raymond James Financial Services** (842) ranks second and **Ameriprise** (821) ranks third.

The U.S. Financial Advisor Satisfaction Study measures satisfaction among both employee advisors (those who are employed by an investment services firm) and independent advisors (those who are affiliated with a broker-dealer but operate independently) based on six key factors (in alphabetical order): compensation; leadership and culture; operational support; products and marketing; professional development; and technology.

The study is based on responses from 3,039 employee and independent financial advisors and was fielded from January through May 2022.

For more information about the U.S. Financial Advisor Satisfaction Study, visit <https://www.jdpower.com/business/resource/us-financial-advisor-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2022075>.

About J.D. Power

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Media Relations Contacts

Geno Effler, J.D. Power; West Coast; 714-621-6224; media.relations@jdpa.com

John Roderick, J.D. Power; East Coast; 631-584-2200; john@jroderick.com

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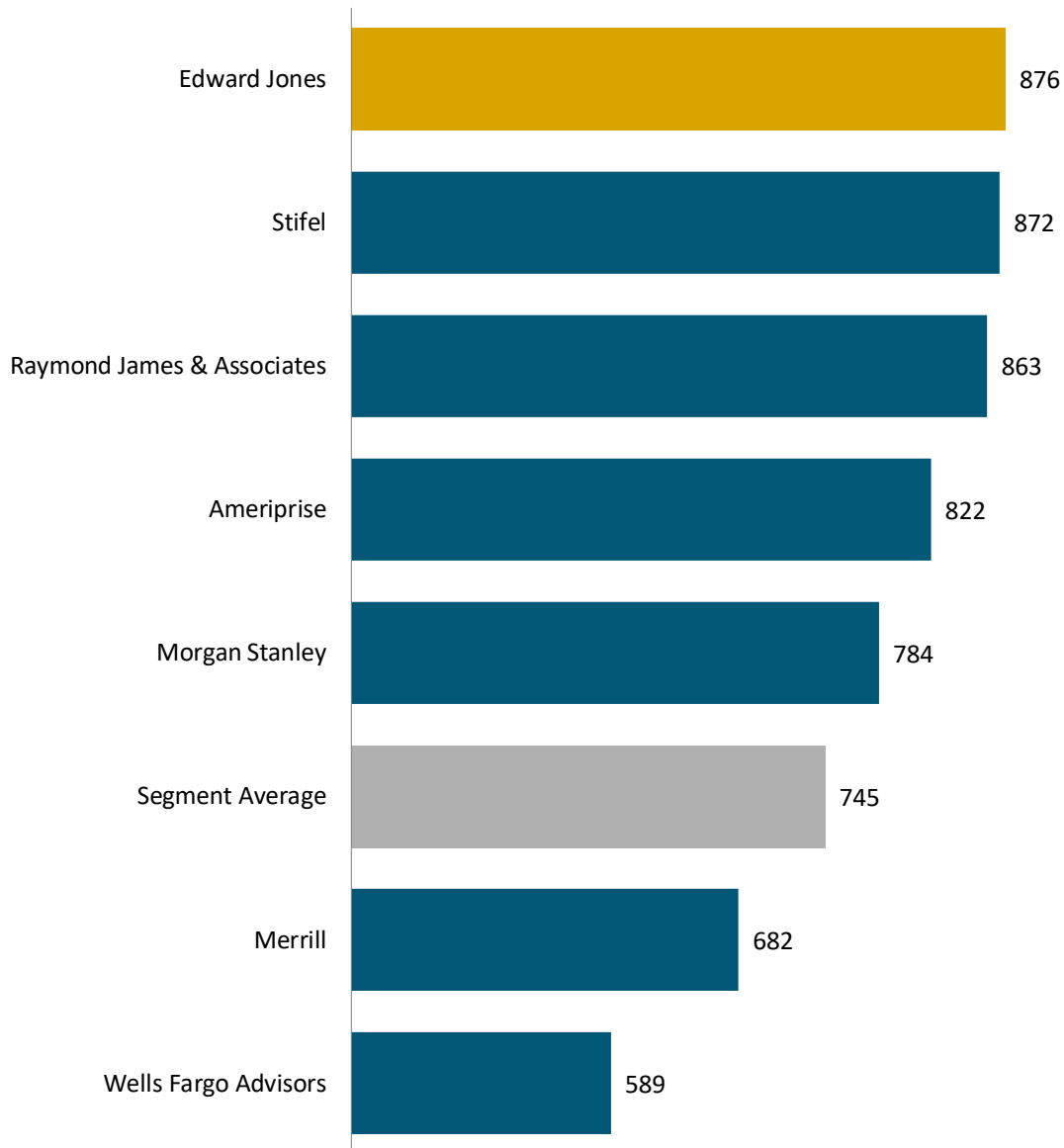
NOTE: Two charts follow.

J.D. Power 2022 U.S. Financial Advisor Satisfaction StudySM

Overall Advisor Satisfaction Index Ranking

(Based on a 1,000-point scale)

Employee Advisors



Source: J.D. Power 2022 U.S. Financial Advisor Satisfaction StudySM

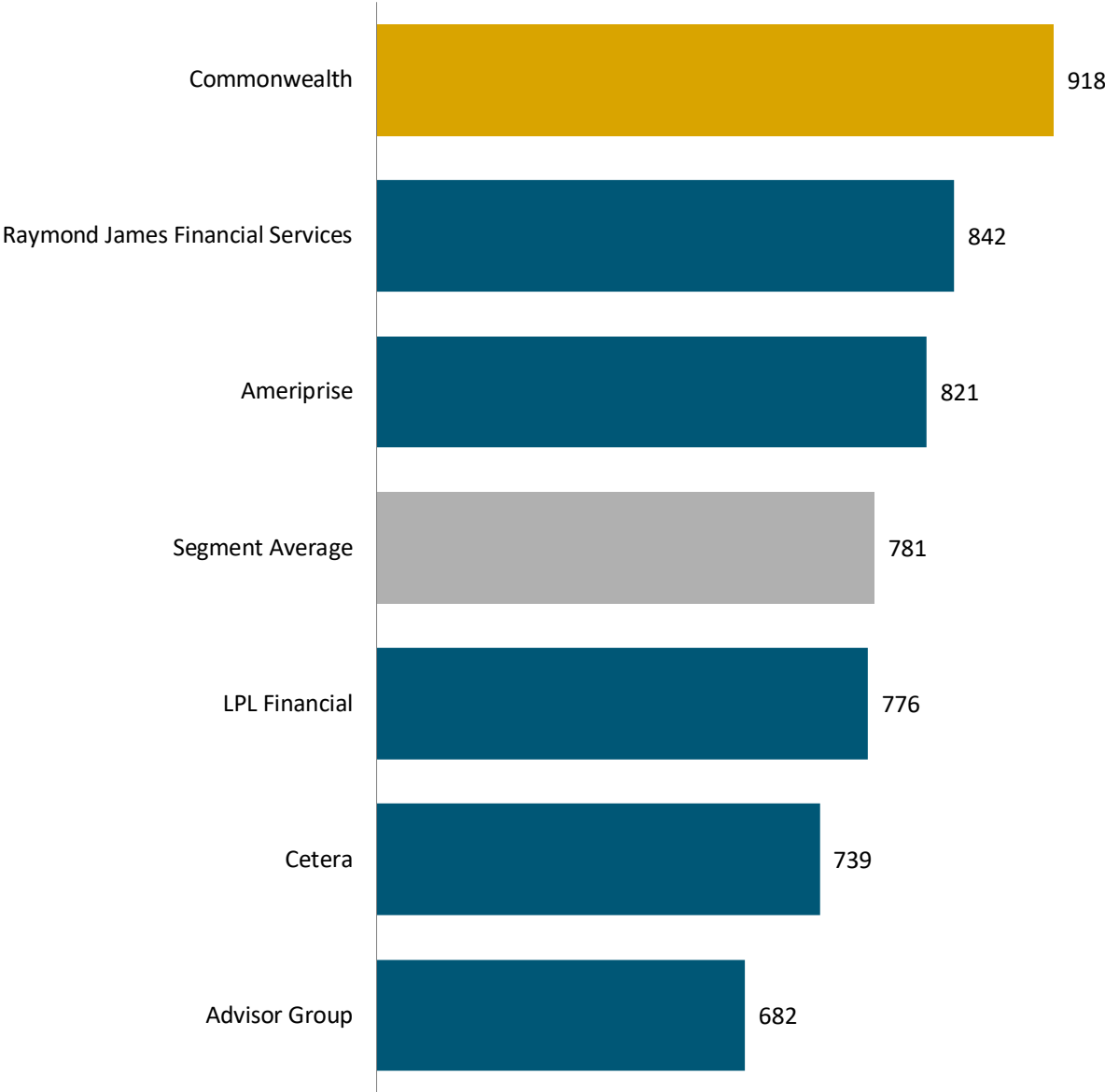
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J.D. Power 2022 U.S. Financial Advisor Satisfaction StudySM

Overall Advisor Satisfaction Index Ranking

(Based on a 1,000-point scale)

Independent Advisors



Source: J.D. Power 2022 U.S. Financial Advisor Satisfaction StudySM

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