

# Building a firm for the long term

Results from the 2025  
RIA Benchmarking Study  
from Charles Schwab

## GPS

Guiding Principles Series™

## About the Schwab Guiding Principles Series™

The Guiding Principles Series (GPS) is based on the Guiding Principles for Advisory Firm Success, a foundational framework that helps advisors address the complexities of growing their firms and creating enduring enterprises. Grounded in the best practices of leading independent advisory firms, the GPS delivers relevant and timely information to help advisors solve their unique challenges and strategically manage and grow their firms. The GPS includes industry-leading studies, resources, and tools from Schwab that are designed to help advisors explore innovative concepts and obtain new insights as they set the strategies that propel their firms to new levels of growth.

For over 30 years, Schwab Advisor Services™, the leading custodian of more than 15,000 registered investment advisory firms, and Schwab Business Consulting and Education have been working hand in hand with advisors, leveraging our deep expertise in core business issues to help firms achieve their goals and gain competitive advantage. Schwab's collaborative approach leverages the guiding principles to help advisors benefit from proven practices of the industry's most successful RIA firms.

Visit [advisorservices.schwab.com/guidingprinciples](https://advisorservices.schwab.com/guidingprinciples) to learn more.

## Contents

- 04 Key trends shaping the industry's next chapter
- 06 Organic growth sustains success
- 07 Top Performing Firms outperform across key metrics
- 11 Firms are looking to the future

# GUIDING PRINCIPLES FOR ADVISORY FIRM SUCCESS



Effective planning  
and execution is a  
leading indicator  
of success



Value is defined  
through your  
clients' eyes



Operational  
excellence creates  
greater capacity  
for clients



Your  
reputation is  
your brand



People are your  
most important  
asset

## Introduction

Registered Investment Advisor (RIA) firms of all sizes saw significant growth in 2024. Organic growth and client retention results demonstrate the trusted relationships advisors have built with their clients and the enduring appeal of the independent model. Results from the 2025 RIA Benchmarking Study—from the 1,288 firms representing over \$2.4 trillion in assets under management (AUM) that participated in the 2025 study—showcase these strengths and highlight insights that can help firms uncover opportunities to drive sustained success.



The RIA industry continues to be exceptionally strong, and most firms consider growth a top priority. Firms with under \$250 million in AUM saw 19.1% growth in assets last year, and firms with more than \$250 million in AUM realized 15.9% growth. Revenue rose by 19.1% for smaller firms and by 17.5% for larger firms in 2024, compared with 6.5% for all firms in the study the previous year.<sup>i</sup>

Organic growth<sup>ii</sup> played a pivotal role in gains seen for 2024. Net asset flows contributed 9.2% to AUM growth for smaller firms and 5.0% for larger firms, with investment performance—and inorganic activity for those firms that engaged in that strategy—accounting for the remainder. Client retention—holding steady for more than a decade at 97%—also contributed to healthy net asset flows. Client growth was up 4.8% for all firms in 2024, compared with 4.5% the prior year. Smaller firms added 10 new clients, and larger firms added 38.

The study identifies a subset of Top Performing Firms that consistently achieve superior results. These firms saw twice as much revenue growth over the past five years as all other firms, and net asset flows contributed 12.5% to their strong overall AUM growth of 23.4% in 2024. Top Performing Firms also attracted 85% more new clients, at the median, than all other firms last year. These firms typically have the solid foundational elements on which success is built, such as a strategic plan, ideal client persona and client value proposition, integrated marketing plan, and written referral plans. For details about the methodology used to identify Top Performing Firms, [see page 7](#).



As the RIA industry expands, it's exciting to see how well firms are doing year after year. Their focus on growth points to a strong future. Importantly, firms are dedicated to bringing in outstanding talent as they work to enhance the experience for today's clients as well as tomorrow's."

**Lisa Salvi**

Managing Director, Business Consulting and Education  
Charles Schwab Advisor Services

Learn more about the benefits of participating in Schwab's RIA Benchmarking Study.

Visit [advisorservices.schwab.com/benchmarking\\_education](https://advisorservices.schwab.com/benchmarking_education)

# Key trends shaping the industry's next chapter

**Harnessing the power of AI.** The emergence of artificial intelligence (AI) offers opportunities to boost productivity and streamline operations—by automating tasks, enhancing workflows, improving efficiency, reducing costs, and elevating the client experience—allowing firms to spend more time with clients and focus on growth.

Top Performing Firms are more likely to adopt AI, with 74% indicating they use this technology in some capacity, versus 66% for all firms. Use of AI is similar between smaller and larger firms for many tasks, with administrative support being the notable exception—43% of firms over \$250 million in AUM versus 26% of firms with less than \$250 million in AUM say they turn to AI for tasks such as note taking, summarizing notes, creating meetings, and drafting emails.

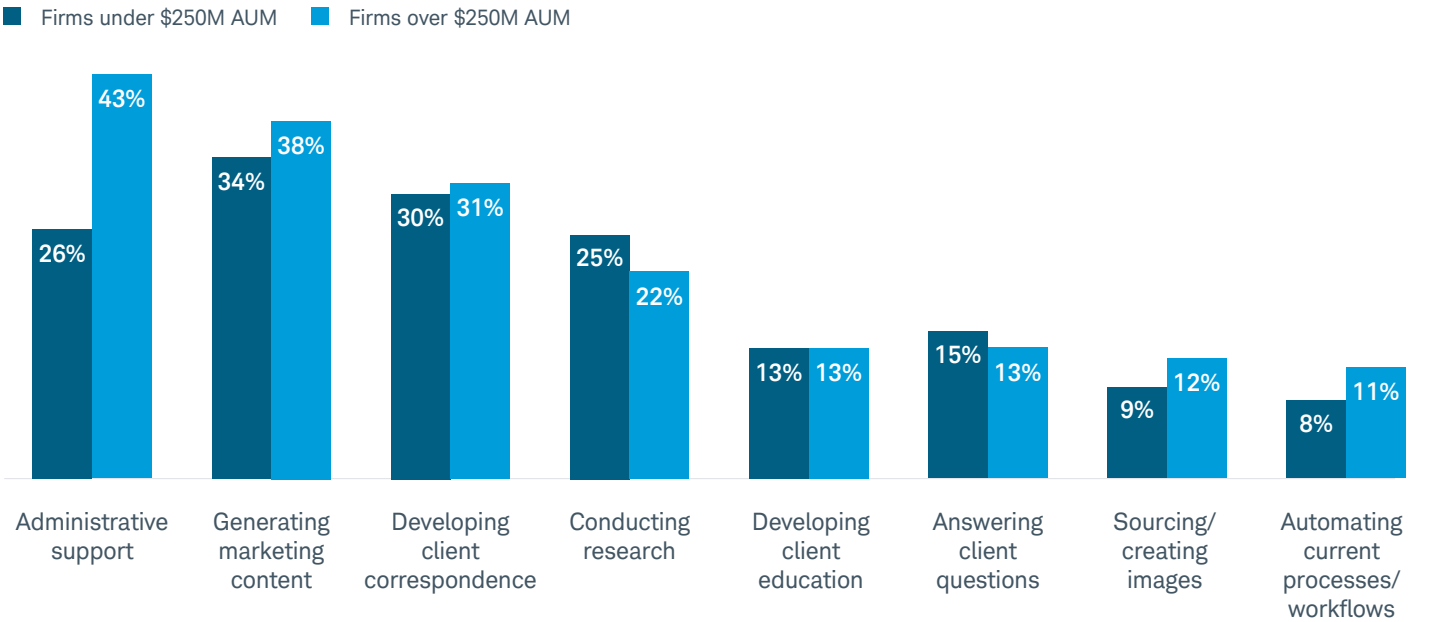
Explore **Additional resources** to learn more about Schwab insights and services.

“We use AI a lot for working through problems. I literally speak to it: ‘I have this problem, how should I solve it?’ We have leveraged it to sift through and analyze expense ratios of outside holdings, website visits, telephone logs, and marketing data. The time savings are substantial.”

**Michael Barrasso**  
Director of Business Development  
United Financial Planning Group

Firms can help their teams become comfortable with this technology by offering training, creating a task force, or engaging with an outside consultant or vendor to explore opportunities. When implementing AI, firms should carefully consider factors such as data privacy, ethical implications, alignment with business goals, and the need for proper training and integration. Additionally, firms should establish clear policies and procedures to govern the use of AI, ensuring compliance, accountability, and consistency across applications.

## Firms are leveraging AI to boost productivity.



Percentage of firms using artificial intelligence for these tasks.

**Outsourcing for scale and efficiency.** By outsourcing certain business functions, advisors can focus their time and resources on acquiring new clients and deepening client relationships. Across the study, 38% of all firms outsource more than half of their compliance activities, while 45% outsource fewer than half. For marketing activities, 23% outsource more than half and 42% outsource fewer than half.

Some firms are looking to outside support for portfolios as well. Twenty-four percent of all firms indicated some level of outsourcing for portfolio design and construction, such as product/security research and selection, model portfolios, or an outsourced chief investment officer (often known as OCIO). Slightly fewer firms, 22%, reported outsourcing some elements of portfolio management and administration, such as trading, rebalancing, portfolio accounting, and client reporting.

#### **Advancing business objectives through consolidation.**

Inorganic activity continues across the industry, ignited by the desire for growth and scale, demand for talent, aging advisors, the cost of equity for internal partners, and the infusion of capital from private equity firms. Over the past five years, 41% of firms have engaged in inorganic activity<sup>iii</sup>—19% of firms have acquired new clients through M&A, and 23% have brought on one or more advisors with a book of business. An increasing number of advisors are joining or “tucking in” to an existing RIA, versus starting their own firm, as a path to independence.

Consolidation will also continue to provide a means to succession. When asked what succession strategies are under consideration, 41% of all firms in the study reported selling,

“The idea is not to do an acquisition just for the sake of it. We do it because we need talent, we need special roles like senior advisors and planners. You really have to lay out your strategic vision, specifying what you’re looking for in terms of philosophical culture, geography, and client type to be successful.”

#### **Dick Pfister**

Founder & CEO

AlphaCore Wealth Advisory

merging, or acquiring another firm. Planning for succession remains an opportunity for many, as only 53% of smaller firms and 64% of larger firms have written succession plans.

**Capitalizing on the wealth transfer.** Of the \$124 trillion projected to be on the move through 2048, \$105.3 trillion is expected to be transferred intergenerationally to heirs and \$18.4 trillion to philanthropic causes. Of that \$105 trillion, more than \$47 trillion is projected to be controlled by women, with men controlling the remainder.<sup>iv</sup> To meet clients’ needs and capture the money in motion, more firms are offering intergenerational planning strategies and services, including family education (72% of firms), estate planning (75%), and charitable planning (86%). Firms are also being intentional about connecting with the next generation—68% of firms reported having a strategy for engaging with their clients’ children.

Firms are addressing the needs of next-gen clients by offering a wider range of investment strategies (34%) and creating teams to better reflect younger investors (57%). As client demographics shift, an opportunity remains to bring more female advisors into the RIA profession—29% of advisor roles in the compensation section of the Benchmarking Study are held by women, with the remaining roles held by men.

More than 50% of the overall wealth transfers are expected to come from high-net-worth (HNW) and ultra-high-net-worth (UHNW) households.<sup>iv</sup> With significant wealth concentration and creation at the upper end of the investor spectrum, there is a growing opportunity to provide more comprehensive advice for HNW and UHNW clients. This can significantly impact a firm’s financial performance. In 2024, 11% of clients had \$5 million or more in AUM but accounted for an estimated 39% of revenue for larger firms.

**Attracting and investing in talent.** With many advisors expected to retire over the next 10 years, it is crucial to attract new talent and position them for success to assure the firm’s long-term sustainability. Nearly 78% of firms reported hiring in 2024, with recruiting staff ranking as the second-highest strategic priority for firms. Looking ahead, 74% of firms reported plans to hire in 2025. To support staff retention and engagement, firms across the study intentionally capture feedback, most commonly by employee interviews and online surveys.

An employee value proposition (EVP) can be a vital tool for attracting job candidates and retaining top talent. An EVP is the firm’s give-get pact that describes what the firm offers



I've always felt that if you want buy-in from your key people, they need to be equity holders. We built a path to partnership outlining what staff need to exhibit to become partners and their responsibilities afterward. Are they willing to lead by example, generate business regardless of their role, and develop others? It's a shift in thinking, focusing on the firm."

**Dick Pfister**

Founder & CEO

AlphaCore Wealth Advisory

its employees in return for the skills, capabilities, and experiences they bring. It's an expression of a firm's talent brand in the marketplace. Top Performing Firms are more likely to have a documented EVP, and it often outlines career paths and progression opportunities as well as mentorships. By investing in and developing their staff, Top Performing Firms saw lower staff attrition, at the median, compared with all other firms in 2024.

## Organic growth sustains success

Again this year, most participants in Schwab's RIA Benchmarking Study identified growth as their top priority. Besides strengthening the business and bottom line, growth helps attract top talent. And the ability to grow organically—from both new and existing clients—is critical to long-term sustainability.

In 2024, 59% of all firms in the study met or exceeded their goals for number of new clients. For Top Performing Firms, it was 78%. Top Performing Firms also gained 2.5 times more assets from new clients and 3.8 times more assets from existing clients.\* They outperform by creating a culture in which everyone in the firm contributes and understands that organic growth is not only a priority but an imperative.

**Supporting growth through focus.** Firms that purposefully design a comprehensive client experience around an ideal client—one who understands and appreciates the value a firm offers and is a "best fit" for the experience that firm provides—typically see growth follow.

Focusing on an ideal client enables firms to better understand the client's needs in relation to a firm's core capabilities and identify how to better serve that client. Advisors can then find ways to delight their ideal clients and deliver a more consistent, highly personalized, and distinctive experience, earning greater trust and building deeper relationships. This creates a differentiated client value proposition that can help firms stand out and earn new business.

Understanding the ideal client, what they value in an advisor, and how best to reach them then helps firms maximize their marketing investment. About one-third of all firms reported having a documented ideal client persona, client value proposition, and marketing plan. Top Performing Firms excel here, with about half leveraging all three strategic tools. Results show that firms with all three documented gained 67% more new clients and 68% more new client assets in 2024 than other firms.

**Meeting client needs to strengthen the business.** An ideal client persona also allows a firm to design and evolve their offering with services that address client needs as they manage their clients' financial lives. Indeed, over the last decade firms have expanded their offerings, with the most growth in charitable planning, tax planning and strategy, and family education. Most are delivered in-house by the advisory firm's teams, though some firms outsource to specialized providers. Determining what services to offer and how to deliver them consistently and efficiently among each segment of clients, aiming to achieve an optimal fit for each, is an important part of any client segmentation strategy. According to the study, 55% of Top Performing Firms have a segmentation strategy; 43% of all other firms have one.



"I believe our approach to attracting clients is different. We offer a fee-based plan first to establish trust and build the relationship. This helps clients get to know me and my expertise. We've been able to tap into a lot of client demand for fee-only planning, and most often they convert to wealth management clients."

**Gerry Barrasso**

President and Founder

United Financial Planning Group

# Top Performing Firms outperform across key metrics

The Firm Performance Index was developed to give RIAs insights about how they are doing. The index uses 15 key metrics to rank all firms in the study, in terms of how they are performing, operating, and building future value, and enabling advisors to identify strengths and potential opportunities for their firms. Top Performing Firms rank in the top 20% of the index overall.

Taking into account the fundamental aspects of running a business, the metrics cover growth, client and staff attrition, operating margin, time spent on client service and operations, ideal client personas and what they value, and strategic and succession planning. They

align with Schwab's Guiding Principles for Advisory Firm Success, a strategic framework that helps RIAs navigate the complexities of growing and managing their businesses.

The strong results of Top Performing Firms may be attributed to the foundational strategies these firms tend to have in place, such as a strategic plan, ideal client persona and client value proposition, integrated marketing plan, written referral plans, and employee value proposition.

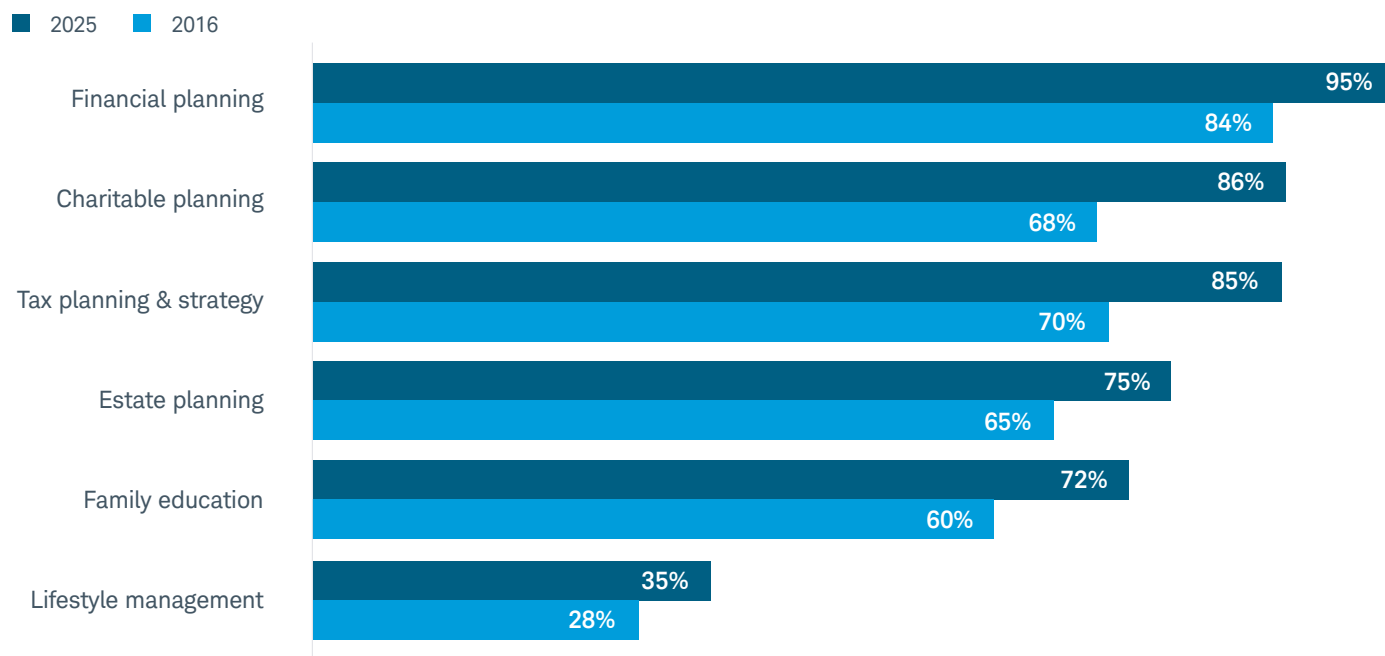
## Top Performing Firms outperform across key metrics.

Metric	Top Performing Firms	All other firms	Multiple
5-year revenue CAGR	20.9%	10.4%	2.0x
5-year client CAGR	12.3%	4.8%	2.6x
5-year net asset flows CAGR	15.7%	5.0%	3.1x
Assets from new clients in 2024	\$49.2M	\$20.0M	2.5x
Assets from existing clients in 2024	\$16.9M	\$4.4M	3.8x
Firms with a written strategic plan	82%	56%	1.5x
Firms with a documented ideal client persona	82%	65%	1.3x
Firms with a documented client value proposition	81%	61%	1.3x
Staff attrition rate	2.6%	5.4%	0.5x

Median results unless otherwise noted. Top Performing Firms are those ranked in the top 20th percentile of the Firm Performance Index. All other firms are those ranked below the 80th percentile of the index. CAGR represents the compound annual growth rate from 2020 through 2024.



## Firms are offering more services to stay competitive.



Results for all firms with \$250 million or more in AUM from the 2016 and 2025 RIA Benchmarking Studies from Charles Schwab.

**Cultivating referrals to support organic growth.** Referrals from clients and centers of influence (COI) continue to be the top driver of organic growth for all firms, accounting for 69% of new clients. Setting and communicating referral goals, as well as measuring performance against those goals, should be part of any referral strategy. At the median firm, 5% of clients made referrals in 2024. For the median Top Performing Firm, it was 7%.<sup>vi</sup> Notably, client retention is 97% for all firms, proof of the value and trust clients have with their advisors.

Documenting referral plans can help optimize efforts. Results consistently show that firms with documented client and COI referral plans achieved stronger new client outcomes from those channels. In fact, those with written client referral plans generated 1.4 times more new clients from that channel, and firms with business partner referral plans also gained 1.4 times more new clients from that source, compared with firms that don't have plans. Many more firms have an opportunity to develop referral plans. Across the study, only 38% have client referral plans, and 25% have business partner plans documented.

Engaging employees in lead generation is vital and can be done by fostering a growth culture where everyone feels invested and motivated to represent the firm. Reinforcing

“Years ago, we joined a trade association and started advising on their endowment. Presenting to the board, composed of business owners, led to new clients who started referring us to others. We love to see these organic centers of influence, because once you get embedded in that, it really can be invaluable to a firm.”

**Dick Pfister**

Founder & CEO

AlphaCore Wealth Advisory

the client value proposition can help staff articulate who is best served by the firm and how the firm can meet those clients' needs.

An RIA can amplify its referral network by letting clients and business partners know they welcome new business and by



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## Guiding Principle: Your reputation is your brand



Every aspect of your firm—employees, centers of influence, clients, and even your digital presence—should effectively amplify your firm’s reputation within the community you serve in a way that increases referrals and generates new business.

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sharing stories—about the firm, their referral process, and the challenges its advisors can solve for clients. The study showed that 84% of firms ensure that existing clients know they welcome referrals, but only 21% and 30% of firms share success stories with clients and COIs, respectively.

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### Tracking growth metrics helps align teams around a goal.



**50%** of leads  
were closed  
in 2024

Median result for firms \$25 million or more in AUM that tracked their lead conversion rate in 2024.

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### Collecting client feedback helps personalize experiences.

Asset growth from existing clients, excluding investment performance, also drives organic growth. Collecting client feedback can support efforts to increase assets from existing clients—especially around wealth events, such as 401(k) rollovers, inheritance, and sales of businesses. By helping firms understand what clients care about most, this feedback helps them personalize the client experience, exceed client expectations, and be prepared for wealth events. Here, too, an intentional plan for collecting feedback makes a difference. Across the study, client surveys, one-on-one interviews, and client exit interviews are firms’ top methods to capture client feedback, and Top Performing Firms are more likely to use these methods.

**Elevating service to drive growth.** Firms are deepening their understanding of clients’ needs and customizing experiences and services accordingly. Adopting technology—such as AI

tools that can analyze client data to uncover preferences, goals, and behaviors—can help advisors deliver a more personalized and differentiated experience.

Enhancing the client experience—as Top Performing Firms more often seek to do—is an increasingly consequential goal for firms in the quest to stand out from the competition, drive asset flows from clients, and increase referrals. As they focus on growth, firms seek to make a great client experience an implicit part of their brand and a goal shared among all employees. Firms employ a variety of strategies to enhance the client experience (CX). The top methods are:

- Develop an organizational culture that prioritizes CX (91% of firms)
  - Train team on delivering a consistent and elevated CX (64%)
  - Use lens of ideal client for client onboarding (55%)
  - Use lens of ideal client to support ongoing client relationship (53%)
  - Document and define the CX based on segmentation strategy and service offering (45%)
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### An intentional plan to gather client insights can enhance the experience firms deliver.



**71%** of  
firms collect  
feedback  
from clients

Results for all firms with \$250 million or more in AUM.

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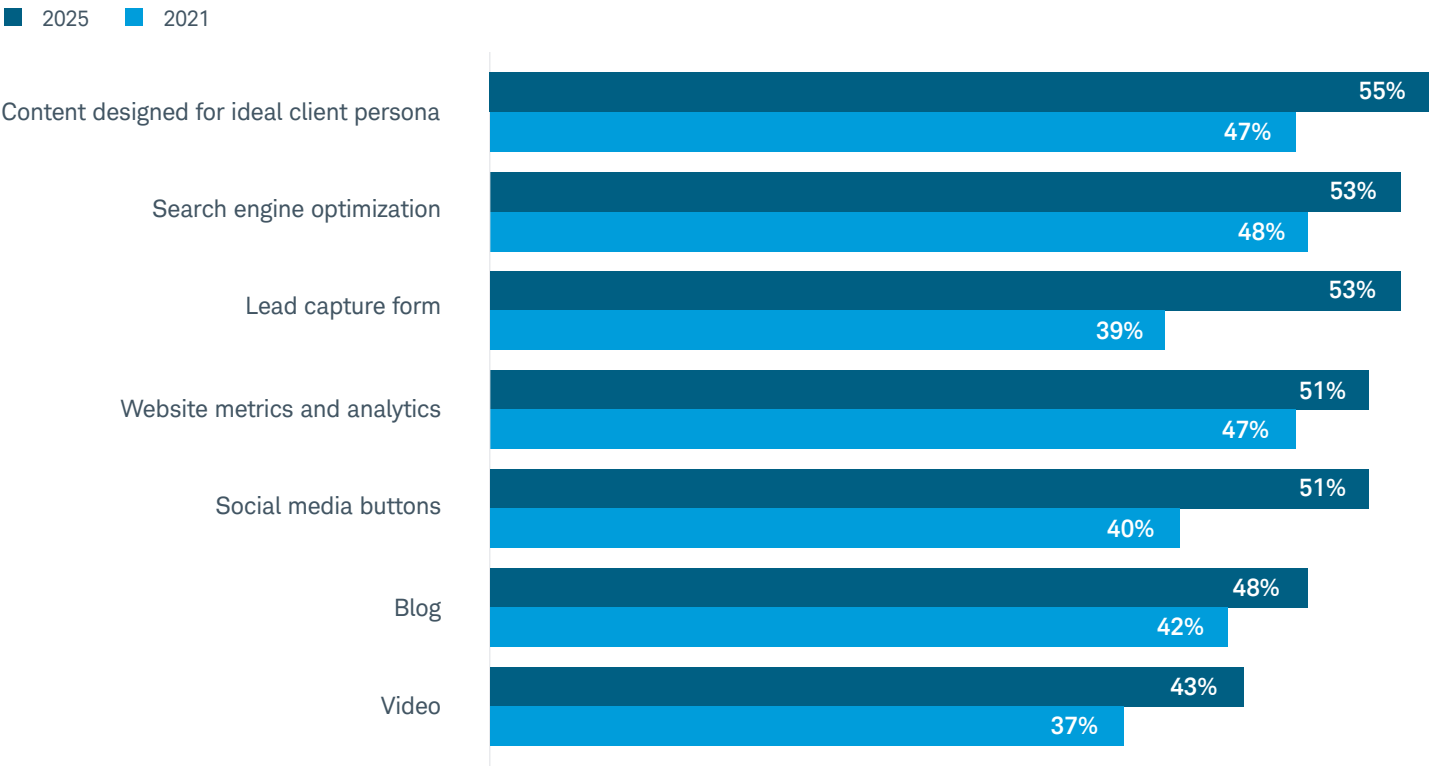
**Embracing the reach of digital marketing.** To engage with clients, reach new prospects, and stand out in a crowded marketplace, digital marketing has become essential. Websites, in particular, have created opportunities for firms to spread their messages to more and more people. When a firm's reputation is consistent with its website, firms can use personal interactions to reinforce that message and generate opportunities for new growth.

A strong website helps firms communicate their value, establish their expertise, compel action, and amplify other marketing. Certain features can also enhance lead generation. Over the last five years, more firms have been implementing website tactics that engage prospects and boost performance.

“We refined our website copy based on our ideal client persona. We ensure that copy on portals that list the firm is dialed into our message and the type of client we target. We also did keyword research, wrote blog posts, and monitored Google Analytics. All of this has been a game changer—visits to our website have shown hockey-stick growth.”

**Michael Barrasso**  
Director of Business Development  
United Financial Planning Group

**Firms are optimizing their websites for lead generation.**



Results for all firms with \$250 million or more in AUM from the 2021 and 2025 RIA Benchmarking Study from Charles Schwab.

## Firms are looking to the future

Year after year, RIA firms are working to improve their performance and delight their clients. Results of the Schwab RIA Benchmarking Study show how they are building strong businesses and preparing for the next chapter. The trending strategies noted this year—from developing talent to enhancing the client experience to cultivating the ideal client—all contribute to organic growth. They are building blocks of lasting success.

## Chart your course

Clearly see how your firm is performing in the marketplace with the RIA Benchmarking Study, open from January to March each year.

Visit [advisorservices.schwab.com/benchmarking\\_education](https://advisorservices.schwab.com/benchmarking_education)

## Additional resources

- Connect with third-party providers who understand your business and offer solutions at preferred pricing. Learn more about [Schwab Affinity Services](#).
- Learn more about the M&A process and ways to strategically prepare for M&A activity in Schwab's [Activating your M&A strategy: A comprehensive action guide](#).
- Explore the value of having an employee value proposition in Schwab's whitepaper, [The Give/Get pact: Attracting and retaining talent with a compelling employee value proposition](#).

- <sup>i</sup> “Smaller firms” refers to firms with less than \$250 million in AUM. “Larger firms” refers to those with \$250 million or more in AUM. “All firms” refers to firms with \$25 million or more in AUM. When not distinguished, results are for firms with \$250 million or more in AUM. Results are median unless otherwise noted.
- <sup>ii</sup> Organic growth is the change in a firm’s assets from new, existing, and lost clients before investment performance is taken into account, and it excludes the growth from acquisitions, divestitures, and advisors joining or leaving.
- <sup>iii</sup> Inorganic activity represents mergers and acquisitions, divestitures, and advisors joining or leaving, from 2020 through 2024.
- <sup>iv</sup> The Cerulli Report, U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2024.
- <sup>v</sup> Compared with all other firms.
- <sup>vi</sup> Based on firms whose clients made referrals in 2024.

## Disclosures

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## About the 2025 RIA Benchmarking Study from Charles Schwab

Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on survey responses from individual firms. The 2025 study provides information on topics such as asset and revenue growth, sources of new clients, products and pricing, staffing, compensation, marketing, technology, and financial performance. Fielded from January to March 2025, the study contains self-reported data from 1,288 firms that custody their assets with Schwab and represents over \$2.4 trillion in assets under management, making this the leading study in the RIA industry. Schwab did not independently verify or validate the self-reported information. Participant firms represent various sizes and business models. The study is part of Schwab Business Consulting and Education, a practice management offering for RIAs. Grounded in the best practices of leading independent advisory firms, Business Consulting and Education provides insight, guidance, tools, and resources to help RIAs strategically manage and grow their firms.

Past performance is not an indicator of future results.

The Firm Performance Index evaluates firms in the study according to 15 metrics that align with the Guiding Principles for Advisory Firm Success, to arrive at a holistic assessment of each firm’s performance across key business areas. It provides comprehensive comparisons for all firms participating in the study, not just within a peer group. The metrics in the Firm Performance Index measure growth in clients, assets and revenue; client attrition; staff attrition; operating margin; time spent on client service; time spent on operations; standardized workflows; written strategic plan and succession plan; and ideal client persona and client value proposition. The Firm Performance Index is calculated among all firms in the study without regard to assets under management or firm type. Firms that rank in the top 20% of the index are included in the Top Performing Firms.

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