

Pathways to Growth

2022 Advisor Benchmark Study

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How do you grow?

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Agenda

Capital Group's study: Pathways to Growth

The three pathways framework

Latest findings



Pathways to Growth study

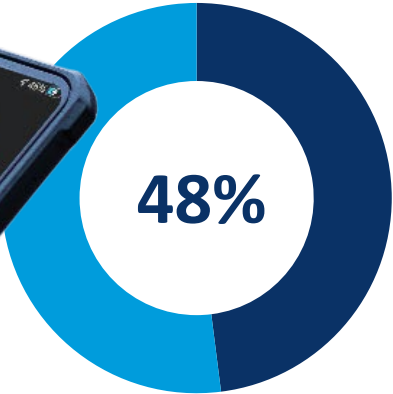
Capital Group's Pathways to Growth study

National benchmark survey findings

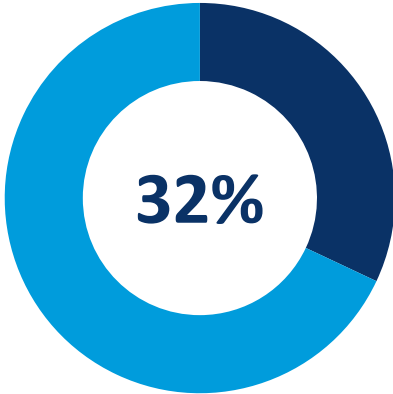
- **3,000+** responses over three years.
- Ranging by **age, tenure, AUM and channel.**
- Includes more than 300 advisors with a **HNW client focus** and more than 500 advisors with a **focus on managing retirement plans.**



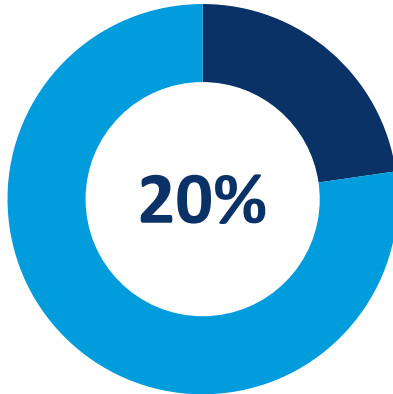
30 minutes = 3% greater growth.



Client relationship management

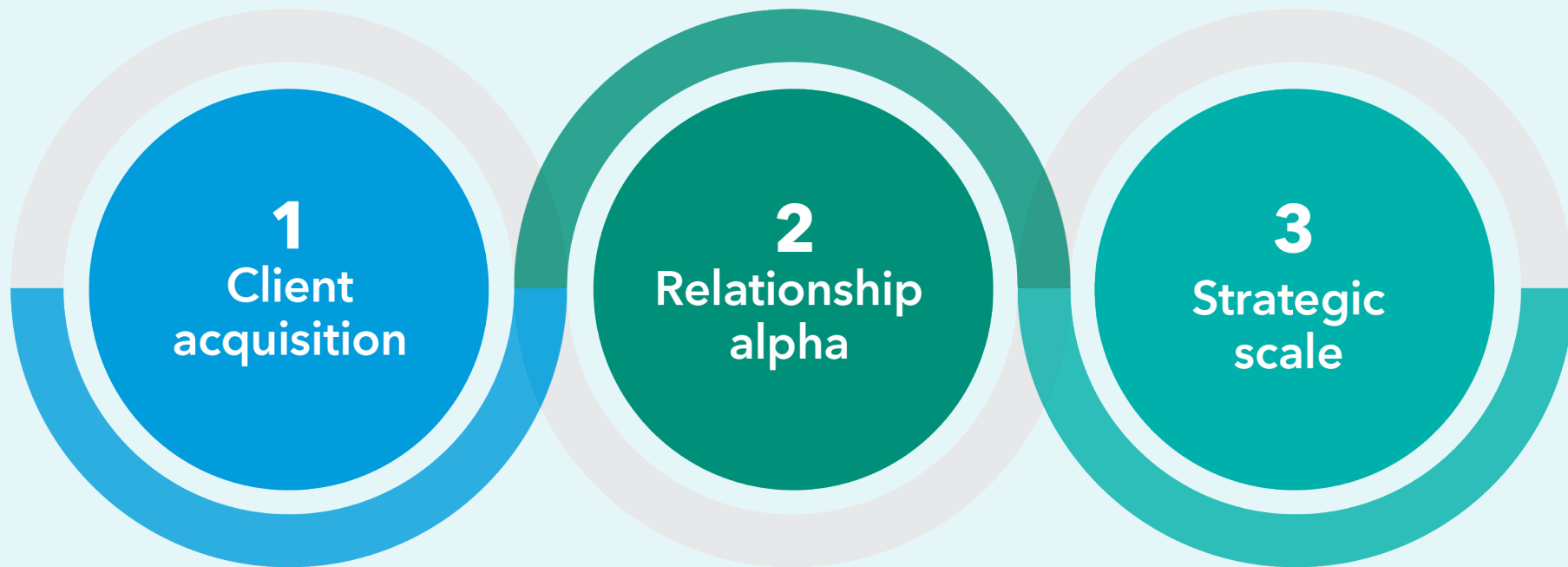


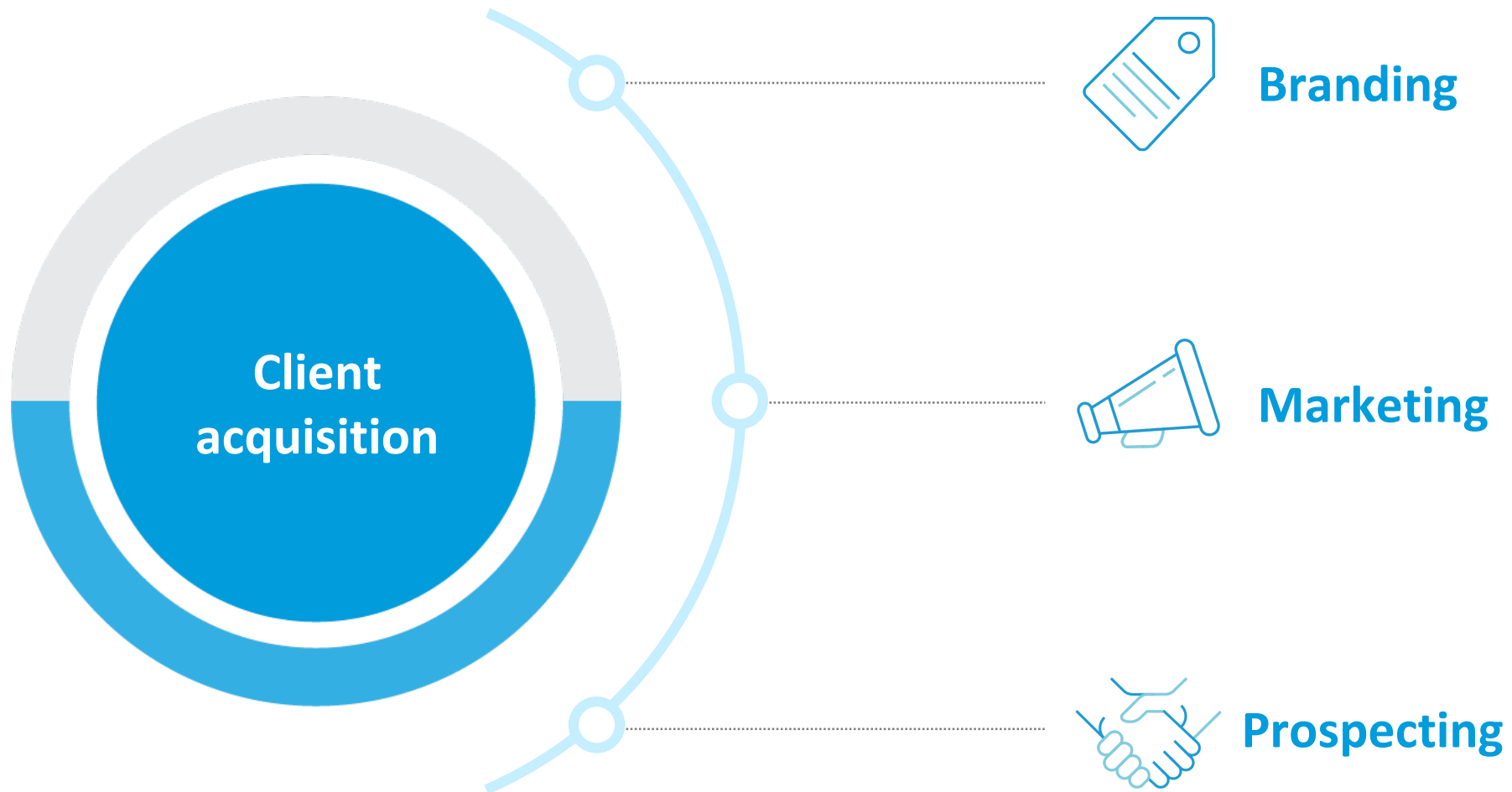
Investment management



Practice/business management

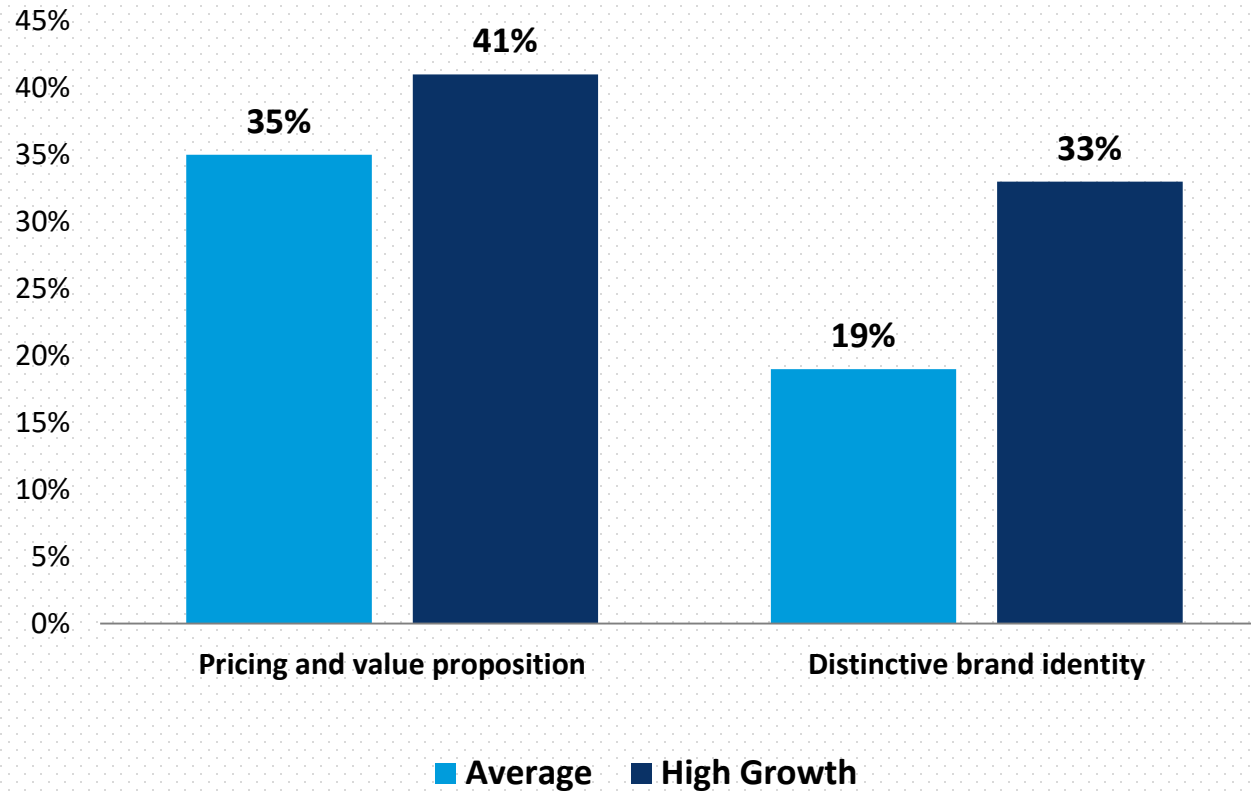
Three pathways framework





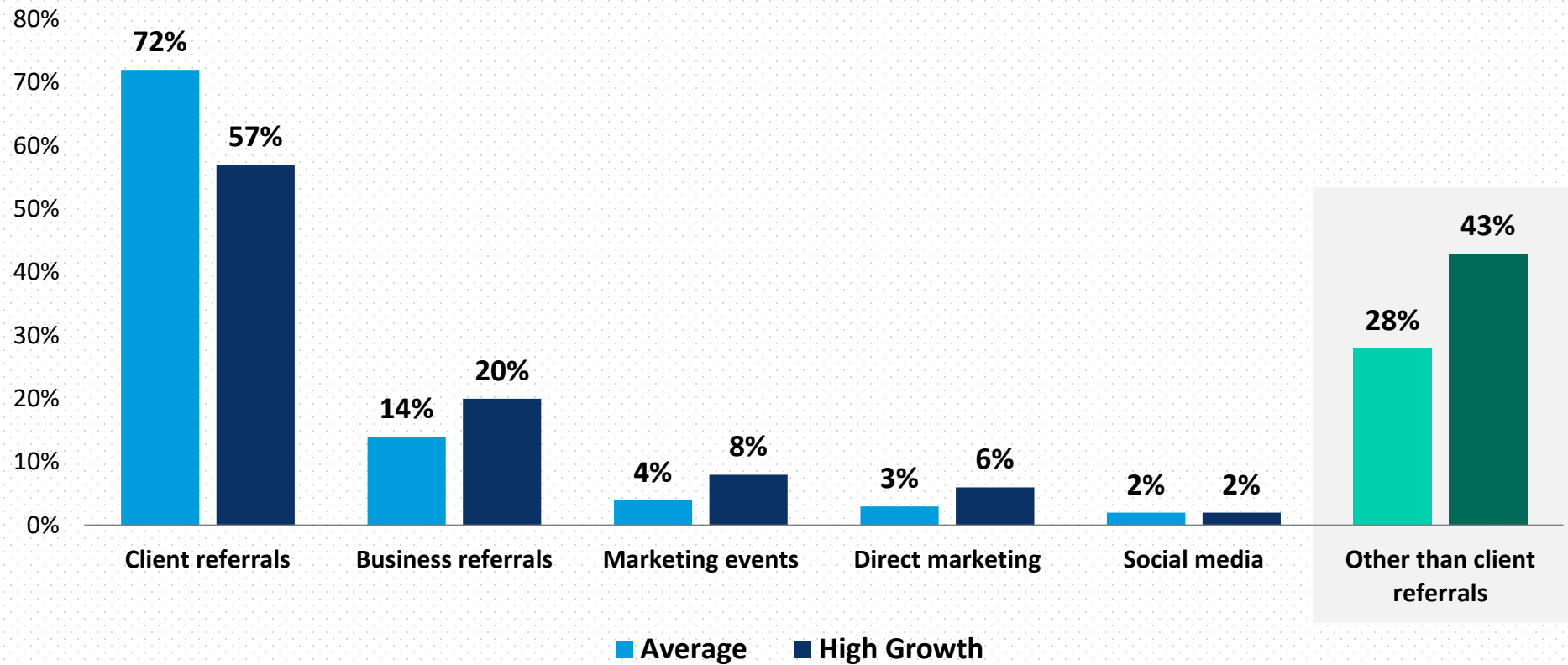
Branding

High-growth advisors are more likely to have built expertise in expressing their brands.



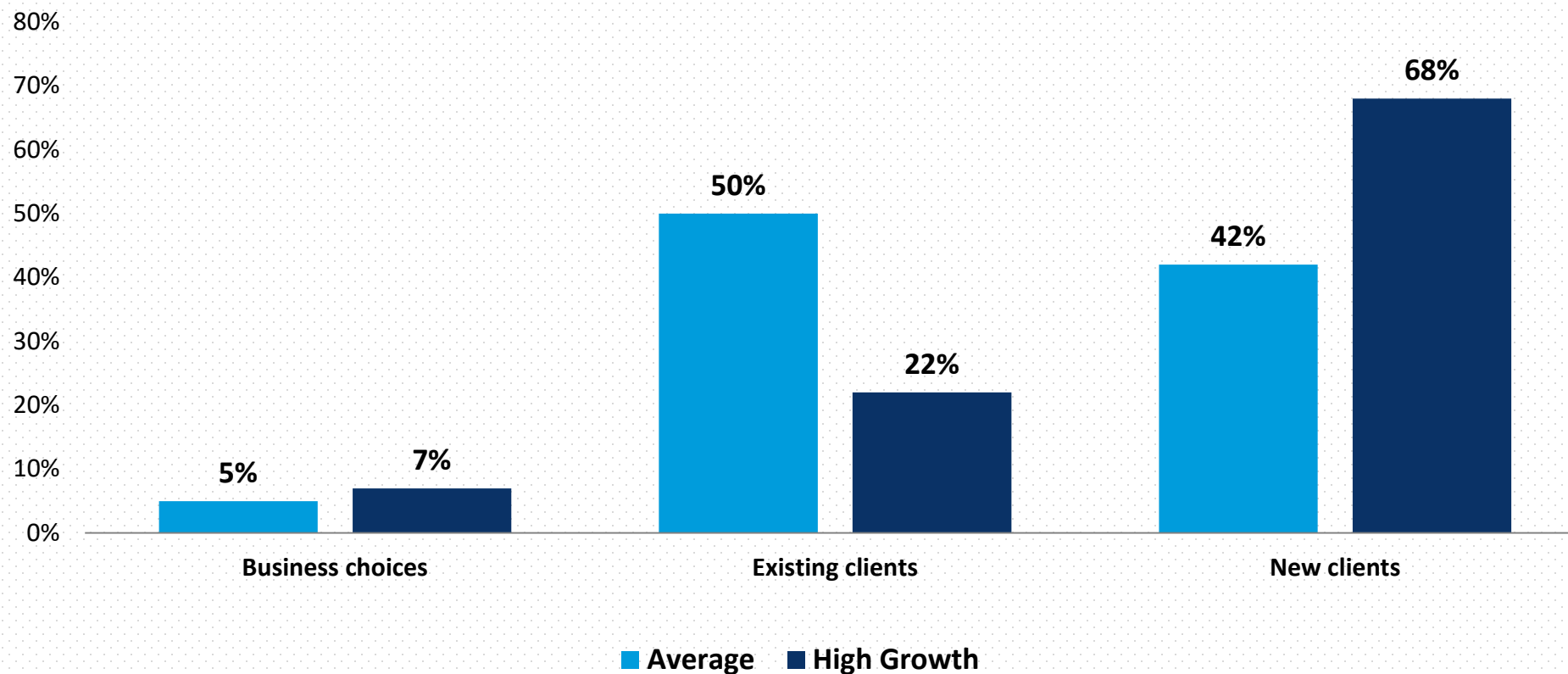
Marketing

High-growth advisors reach out to clients through multiple marketing channels beyond referrals.



Prospecting

High-growth advisors plan to bring in new clients as their growth strategy.



2021 Client acquisition insights

New clients represented

52%

of **AUM growth** for
high-growth advisors
in 2021.

- **Spent 5X** more on marketing than other advisors.
- Increased digital expertise by **20%.***
- Increased client acquisition focus by **22%.***

*Compared to 2020.

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Personalized services

High-growth advisors offer more services to their clients.

	Average	High Growth	
Financial planning	91%	93%	
Investment management	96%	98%	
Retirement planning/income	93%	95%	
Estate planning	59%	72%	+22%
Tax planning and strategy	56%	66%	+17%
Family education and generational wealth transfer	57%	69%	+21%
Educational planning	63%	67%	

Retirement plans



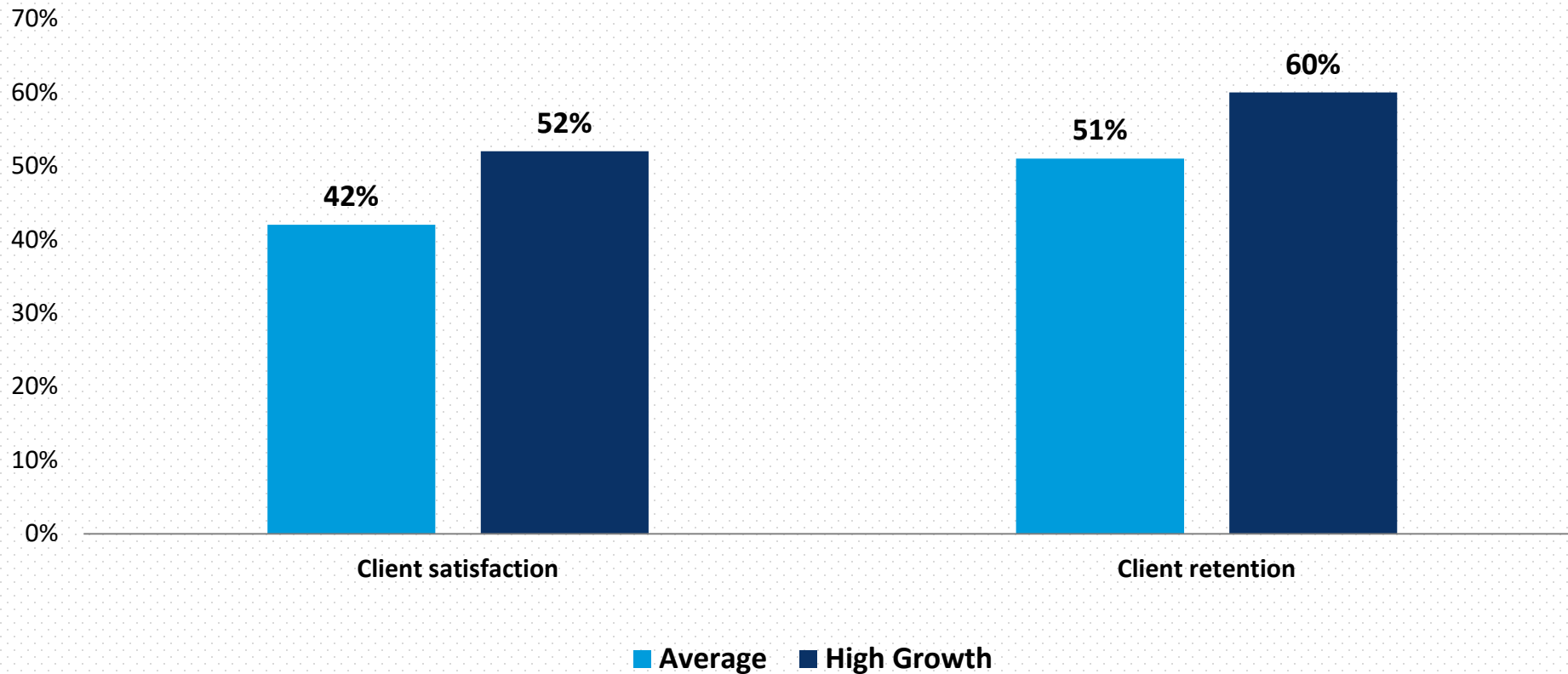
High-growth advisors are

50%

**more likely to provide
institutional retirement plans.**

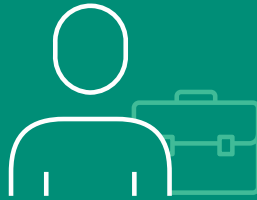
Client satisfaction & referrals

High-growth advisors were much more likely to set client satisfaction and retention goals than the average advisor.



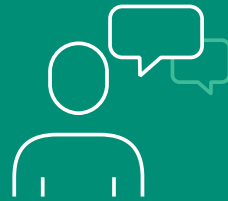
2021 Relationship alpha insights

High-growth advisors
adapted to their clients'
needs in 2021.



17%

increase in offering tax
planning services.



63%

higher number of interactions
with their clients than the
average advisor.

How they found the time:



13%

less time spent on investment
management.



**Strategic
scale**



**Planning &
productivity**



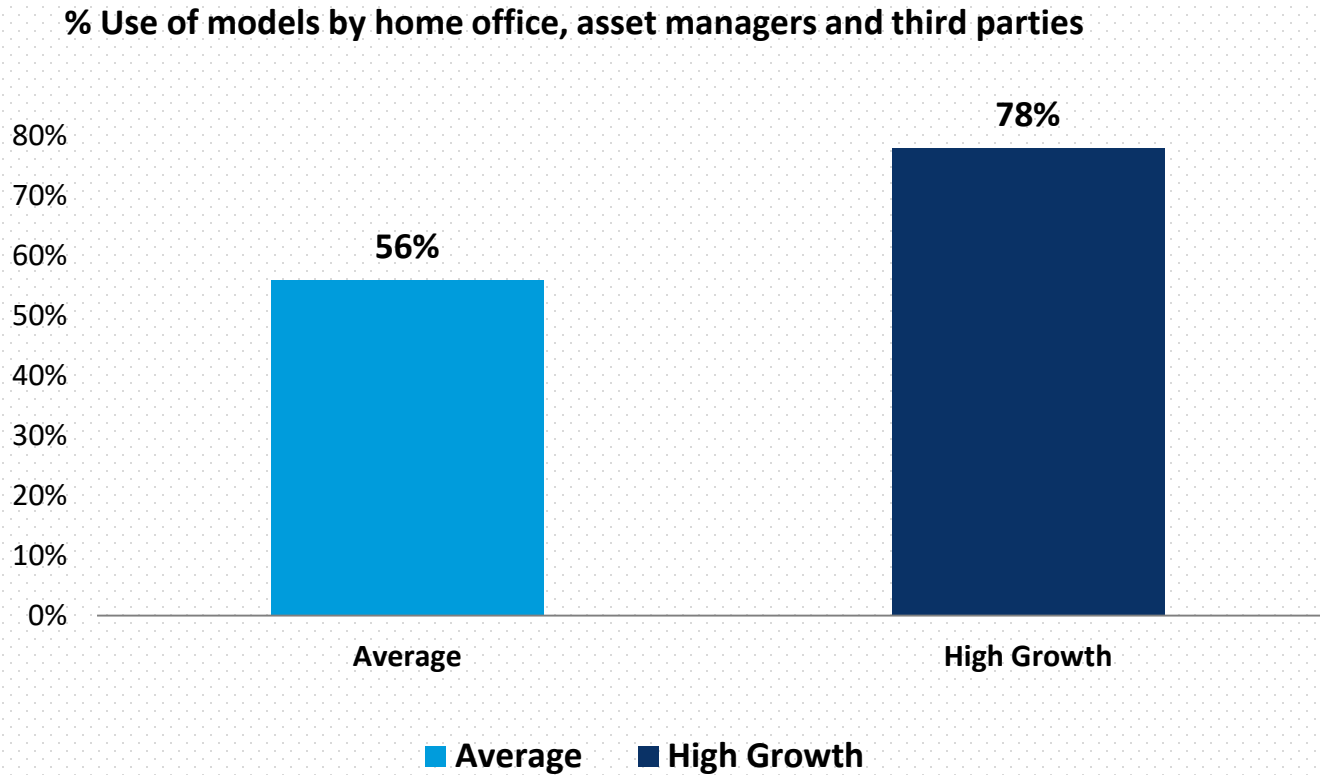
**Goals & standard operating
procedures**



Team management

Planning & productivity

High-growth advisors were 40% more likely to use model portfolios.



Goals & standard operating procedures

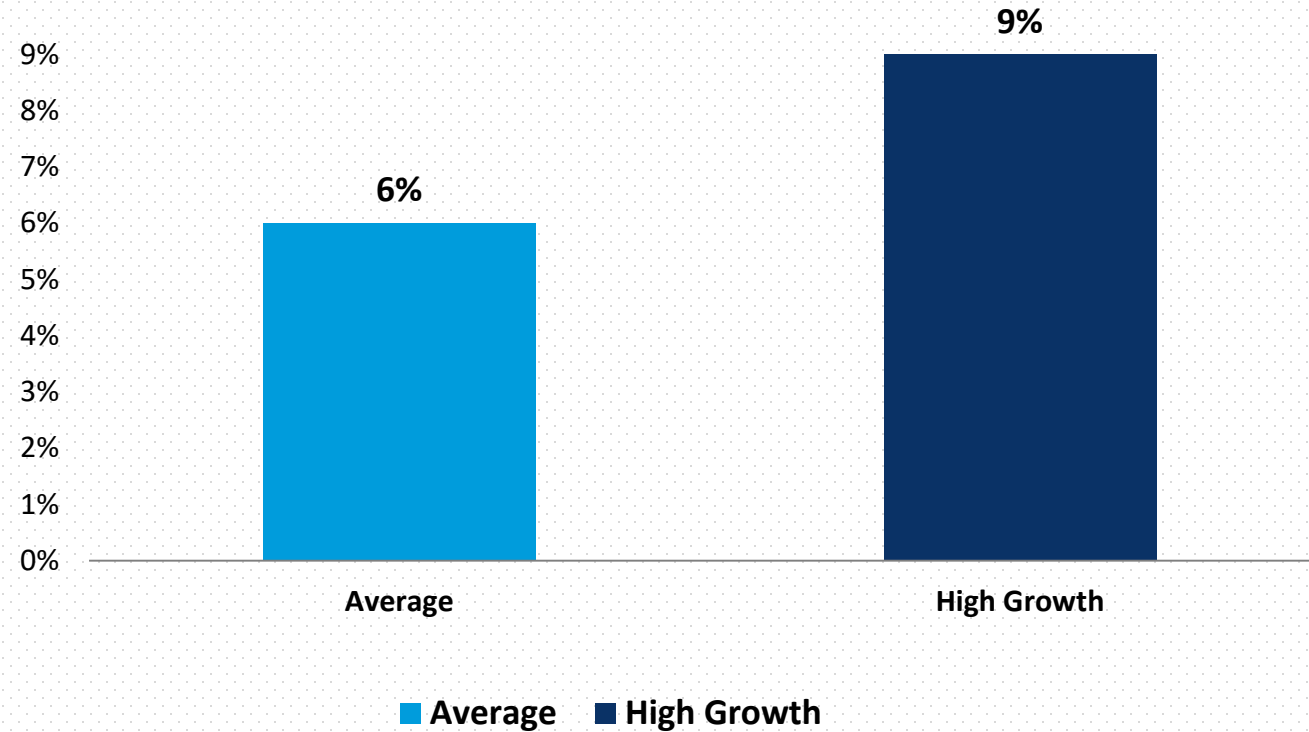
High-growth advisors were more likely to set clear and measurable goals across all areas of the business.

	Average	High Growth	Difference
Assets under management (AUM)	68%	79%	+16%
Revenue	60%	64%	+7%
Client retention	51%	60%	+18%
Client acquisition	40%	57%	+43%
Percent growth in AUM	45%	56%	+24%
Client satisfaction	42%	52%	+24%
Percent growth in revenue	43%	51%	+19%
Return on technology investment	3%	5%	+67%
Productivity	20%	28%	+40%
Efficiency	13%	23%	+77%
Return on marketing investment	9%	21%	+133%
Average	36%	45%	+25%

Team management

High-growth advisors spent 47% more time on team management.

% of time on team management



2021 Strategic scale insights

Advisors are being
challenged to learn and
codify new skills.



SOPs around **prospecting** and client service declined the most.



All advisors, including **high growth**, were less consistent in using SOPs.

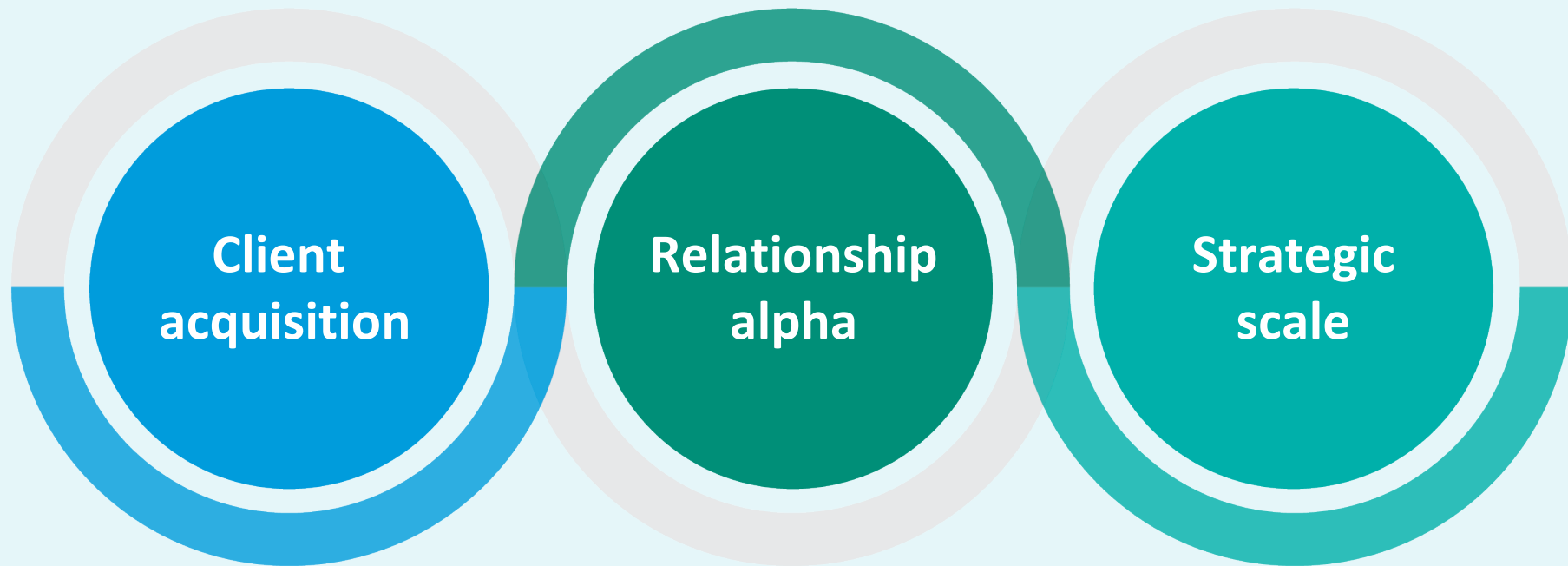


Interestingly, male advisors' expertise was unchanged in 2021, while female advisors grew or maintained their expertise in **90%** of the skills measured.

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What you can do next



Track how you are **spending your time**.



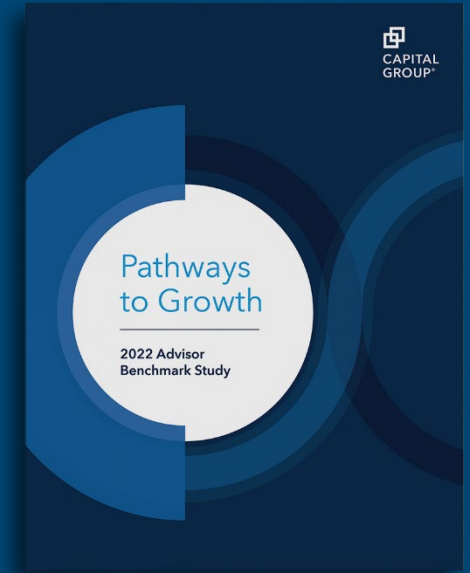
Focus on the areas where you need to improve.



Take **specific and measurable action**.



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- 1 20-minute survey
- 2 Personalized results
- 3 Tailored development



Important information and disclosures

Capital Group, partnering with behavior and analytics firm Escalent, conducted a multi-year advisor benchmarking study among a representative total of over 2,300 advisors. It established a benchmark for behaviors and assessed the relationship between those behaviors and success. Online studies were conducted in July and August of 2020 and repeated in May and June 2021, and Capital Group was not revealed as the sponsor. The data in this report represents the findings from the 2021 study. Respondents represented the range and diversity of US financial advisors, and at minimum had to be 18 years or older, personally own a book of business as an individual or on a team, and have AUM in 2020 of at least \$5 million. Decision Tree analysis and a Time Efficiency model were conducted to understand success linkages.

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