
High-end advisors shifting to holistic planning: Cerulli and IWI

By Editorial Staff *Thu, Aug 15, 2019*

Investments & Wealth Institute members are nearly twice as likely to report operating in a primarily fee-based practice relative to the industry average (62% vs. 38%, respectively). By 2020, members expect brokerage assets to make up just 10% of their client assets.

The sea change in the business models of top advisors toward holistic advice and asset-based fees has been substantiated by a recent survey of the members of the Investments & Wealth Institute (formerly IMCA). The institute and Cerulli Associates conducted the survey.

Ten years ago, fewer than one in five Institute advisors operated in one of the independent advisory channels, the survey showed. Today, 45% of Institute advisor members are independent, either working in an independent RIA firm (23%), in an independent broker/dealer firm (9%), or in a dually-registered or hybrid firm (13%).

IWI members are nearly twice as likely to report operating in a primarily fee-based practice relative to the industry average (62% vs. 38%, respectively). By 2020, members expect brokerage assets to make up just 10% of their client assets.

The survey also found that more than three-quarters (78%) of Institute members' clients receive comprehensive or targeted financial planning advice. This is 10 percentage points higher than other industry advisors and is projected to rise another 7% by 2020.

The survey was based on data that Cerulli Associates collected from Investments & Wealth Institute members. The Institute serves more than 12,700 members and certificants, up 20% since 2016. Membership includes wealth managers who provide investment consulting, financial planning, and wealth management services to retail clients, high-net-worth clients, and institutional clients.

Almost 40% of Institute advisors serve a core market of households with more than \$2 million in investable assets, and the average assets under management for Institute members is four times greater than the average advisor.

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