Independent advisors will manage more than wirehouses by 2019: Cerulli

By Editorial Staff *Thu, Jan 15, 2015*

"More than two-thirds of advisors indicate they would prefer the independent broker/dealer, registered investment advisor, or dually registered models if they decided to leave their current firms," said Cerulli associate director Kenton Shirk in a release.

The combined asset market share of the independent advisory channels will surpass the wirehouse marketshare in the next 5 years, according a new report, *Advisor Metrics 2014*, from Cerulli Associates, the Boston-based global analytics firm.

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Advisors like the flexibility, autonomy and economics of being independent, Shirk said. "Payouts are higher and advisors become responsible for their own overhead decisions. Independent advisors can build long-term enterprise value."

The *Advisor Metrics 2014: Capitalizing on Transitions and Consolidation* report focuses on advisor trends and consumer information, including market sizing, advisor product use and preferences, and advice delivery, Cerulli said.

"Many independent broker/dealers and custodians have sufficient scale to offer broad and deep service offerings," said Shirk, noting that access to practice management resources, financial planning support, and investment research—where wirehouse advisors used to have an edge–are now readily available to independent advisors.

Cerulli expects the wirehouse and independent broker-dealer channels to lose "significant asset market share" to RIAs and dually-registered advisors over the next five years.