

2024 Connected Wealth Report

A survey of 300 financial advisors that explores their perspective on technology and its impact on the wealth management industry



Welcome

Advisors have new opportunities to reach unprecedented levels of productivity across their practices. As a result, the chance to grow organically and serve more households has never been higher. These productivity gains will largely be unlocked through technology and fueled by data. On the flip side, a lack of these tools within firms is quickly becoming a talent deal breaker—and advisors are voting with their feet.

Now in year three of our ongoing research for this award-winning series, we again engaged advisors to learn how technology impacts their satisfaction and growth potential. As you might expect, they didn't hold back. Advisors noted that outdated technology is a chief concern. They also flagged data quality as being a cornerstone of productivity and a key to enabling trust and deeper client relationships. Unfortunately, 61% of financial advisors agree that “bad data” is the primary obstacle they face today.

Nearly 11,000 advisors representing more than 156,000¹ years of experience left their firms from January through September of 2023. Why? The data, as well as ongoing research and engagement with executives, consultants, and advisors, suggests it has a lot to do with technology and how data is or is not leveraged to galvanize relationships with clients. While we know technology can be expensive for enterprise wealth management firms to purchase, deploy, and adopt, the cost of doing nothing is substantial when you view it through the lens of the immediate and future revenue impact of losing advisors and the households they serve.

Enabling and maintaining innovative solutions is no easy feat—but it's essential. And it starts with the data your firm is using. We know the true power of data emerges when it is carefully designed, displayed, and presented to empower decision-making between the advisor and the client. Our research shows that advisors often must manually collect, calculate, and collate days-old data from various sources. After that, they rely on presentation tools to transform complex data into insights that are easily digestible and actionable for the households they serve. This becomes the bridge between financial advisors and their clients, fostering a collaborative environment

where decisions are made with confidence and trust. That's why it's imperative for firms to provide their advisors with a tech platform that's powered by clean, consistent, timely, and trustworthy data that allows them to be more efficient and effective.

The right technology choices bring both the data and tools together to unleash productivity like we've never seen before. But there is a caveat to this. Firms need to choose the right technology partners—ones that are forward thinking and creating tech for younger generations of investors and advisors alike.

Leaders within enterprise wealth management firms have some tough decisions to make when it comes to technology: Build, buy, bypass, or partner? These are the same decisions that have been around for years, and they haven't gotten easier. Can enterprise wealth management firms afford to take the bypass option and let their advisors walk away because of corporate inertia? Or will they be bold and usher their firms forward by choosing a build, buy, or partner approach? In this report, we explore the tech that is driving the evolution of our industry and what advisors have to say about it—where the problems lie, what can be fixed, and what needs to be added to allow them to grow. If these findings resonate with you, or if you would like to join the conversation, connect with me on LinkedIn and tell me what you think.



Sincerely,

Jeff Schwantz
CRO, Advisor360°

 @jeffschwantz

1. Discovery data (MarketPro) from January to September 2023. Comparison of prior firm to current firm. Excludes firms that were acquired or those who merged legal entities.

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Research concept

Advisor360° surveyed 300 financial advisors and executives at enterprise wealth management firms in the U.S. to better understand their perspective on the impact of technology on their business. Responses were collected via a telephone- and email-based survey fielded during September and October 2023. Respondents were from firms with an average of \$9 billion in assets under management and more than 1,000 employees.

The survey for the 2024 Connected Wealth Report was conducted by Coleman Parkes Research on behalf of Advisor360°. Advisor360° and Coleman Parkes are separate and unaffiliated organizations.

About the respondents

Figure 0.1

JOB ROLE



- Advisor
- Executive (e.g. Head of Wealth Management, etc.)
- Trust Officer

Average assets under management:

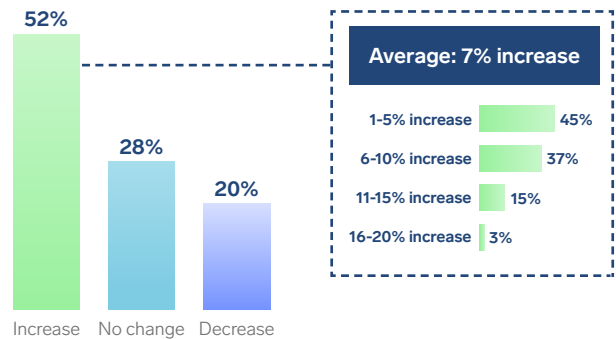
\$40 million

Average age of respondents:

36 years, 7 months

CHANGE IN NEW CLIENT ASSETS

Thinking about your own book of business, what was the percentage change in your inflow of new client assets under management in the last financial year?

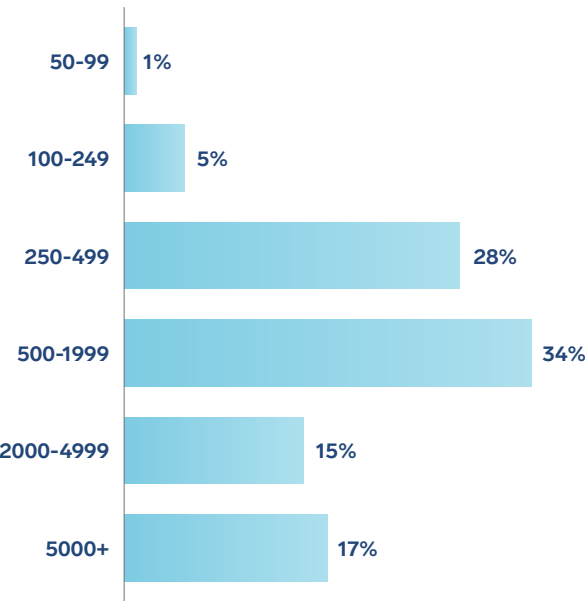


About their firms

Figure 0.2

NUMBER OF ADVISORS EMPLOYED

How many advisors are employed at your broker-dealer/RIA/bank overall (not just in your individual office)?



VALUE OF FIRMWIDE ASSETS UNDER MANAGEMENT

What is the total value of assets under management at your firm?

