



## Institutional Insights

# Top 5 reasons to consider going independent

Firm leaders share their motivations for choosing the path of independence



of advisors who made the move to an independent firm are happy with their decision.<sup>3</sup>

Independence has been the fastest-growing form of advisor affiliation over the last 10 years.<sup>1</sup>

For investors, demand for financial advice is expected to increase over the next few years, with an anticipated faster-than-average growth rate of 7% through 2028.<sup>2</sup>

Why are so many advisors and teams opting to go independent and start their own firms?

## Top 5 influencing factors for going independent

There are a variety of factors influencing an advisor's decision to move. Our experience in working with thousands of advisors and teams who have broken away has helped us identify their top five considerations.

①

**More freedom and control**

②

**Ability to provide a higher level of client service**

③

**Access to better tools and resources**

④

**Opportunity to maximize revenue**

⑤

**More opportunity for growth**

### ① More freedom and control

Many firm leaders and advisors who seek independence want the ability to focus on the type of clients they believe they can best serve. They also want the ability to build the infrastructure and team their way to support those clients. This includes being able to determine their own fee structure, select the products and services they want, and hire the advisors and back-office support associates who will best support their business model.

“Our dream and goal when we started GenTrust was to create something that was our own – to have the independence to make our own decisions that are in the best interest of our clients. We like the fact that we really have the liberty to shape the firm and make decisions that are our own, and that we know in the end are in the best interest of our clients.”

—Zulay Labra  
COO, GenTrust



### ② Ability to provide a higher level of client service

The ability to focus on a client's best interests and goals without the pressure of hitting sales goals is a motivating factor for many advisors looking to make the move to independence. Advisors want the freedom to meet their clients where they are, personalize the client experience to match their needs, and have the ability to serve clients holistically.

“As the industry and my clientele evolved, the one-size-fits-all model wasn't working. And it became more and more obvious that long term, if I really wanted to grow my practice and take care of my clients, that I needed to find a better solution. What gave me confidence was the ability to build resources around clients and do it on a customized basis. It really got me excited to lean into what our clients need.”

—Terry Cook, CEO and  
Managing Principle,  
Parcion Private Wealth



### ③ Access to better tools and resources

Today's independent advisors can pick and choose what's best for their practices. They can choose the “best in breed” from different technology vendors, and access RIA platforms that provide them with integrated technology, investment and planning solutions, as well as ongoing operational, compliance, and marketing support. Ultimately, the freedom of choice for independent advisors allows them to pass that freedom on to their clients. When considering a move to help expand their choices, firm leaders and advisors may align with custodians with experience in RIA-specific focus areas, with services ranging from launching an RIA practice to helping optimize your business for growth.

“My a-ha moment was the ability to give choice to clients. Let's take lending as an example. A lot of clients like to borrow using their portfolio as collateral for maybe a real estate deal or a private business. And, when you're at one firm, generally speaking, you can only borrow from that firm. Today, when a client wants a loan, we can have several financial institutions effectively bid for our client's business with us advocating to find the best fit. That's something we couldn't do before. And you can extrapolate that to a number of different areas throughout the business.”

—Matt Liebman, co-founder  
and CEO of Amplius  
Wealth Advisors



#### ④ Opportunity to maximize revenue

As the fastest growing category, many advisors are choosing an RIA model to go independent. Depending on the RIA model they choose, advisors may be able to determine how much of their revenue they keep. They can also build equity and create a profitable succession plan, which they may not have been able to control in previous settings.

#### ⑤ More opportunity for growth

A move to independence can provide more opportunity for growth, both organically and inorganically. With the freedom to provide emerging solutions to clients, for example, advisors can acquire more assets from existing clients, as well as attract, develop, and retain new clients. Independent firms also have the ability to recruit new advisors who have existing books of business to help bolster their firm.

According to Fidelity's 2023 Advisor Movement Study, advisors who switched firms experienced a **42% average increase in asset growth** versus the prior year.<sup>4</sup>

"First and foremost, you have to have a culture around growth and a mindset around growth. Everybody in the firm has to be excited and motivated about growth, and part of that is educating everyone. We're growing because we want to provide a better experience for our clients by implementing better technology, utilizing better resources, etc."

—**Joe Belfatto**, Managing Partner, Simon Quick Advisors



#### You don't have to go it alone

As with any journey, it is important to find the right guide to help you along the path to independence and beyond.

To learn more about exploring various paths for growth, visit [i.fidelity.com/goingindependent](https://i.fidelity.com/goingindependent) or call us at 800-735-3756.

"I look back on what it took to start this firm, and we really could not have just done this on our own. Fidelity has been there throughout this entire process, so we're very, very appreciative of it. And on a daily basis, we are able to speak with people at Fidelity who want to help our business and help us. They want to make sure we get everything solved for our clients in a timely manner."

—**Amir Monsefi**, co-founder and CEO of AIRE Advisors





## Endnotes

<sup>1</sup> Cerulli Associates, Taking Control: Exploring Independence, June 13, 2022.

<sup>2</sup> Bureau of Labor Statistics, Occupational Outlook Handbook: Personal Financial Advisors, 2021.

<sup>3</sup> The 2023 Fidelity Advisor Movement Research Study was conducted from April 10 through April 26, 2023. It surveyed a total of 1530 financial advisors, including 196 wirehouses, 430 registered investment advisors (RIAs), and 904 advisors employed by banks, insurance firms, and other financial institutions. The study was conducted via an online survey, with the sample provided by Cerulli, a third-party firm not affiliated with Fidelity. All respondents are screened for working with individual and/or small business investors and are licensed and credentialed. The results of the study are weighted to reflect the target populations based on channel and AUM, according to Cerulli data. Reported base sizes are unweighted, unless otherwise indicated.

**Information provided in, and presentation of, this document are for informational and educational purposes only and are not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.**

Unless otherwise noted, the opinions provided are those of the author and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.

Third-party firms listed are independent companies and are not affiliated with Fidelity Investments. Listing them does not suggest a recommendation or endorsement by Fidelity Investments.

Third-party marks are the property of their respective owners; all other marks are the property of FMR LLC.

Fidelity Investments® provides investment products through Fidelity Distributors Company LLC; clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC (Members NYSE, SIPC); and institutional advisory services through Fidelity Institutional Wealth Adviser LLC.

Personal and workplace investment products are provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC.

Institutional asset management is provided by FIAM LLC and Fidelity Institutional Asset Management Trust Company

© 2024 FMR LLC. All rights reserved.

1044547.2.0

1.9906298.101