



Institutional Insights

Busting Myths about Moving to the Independent Advisor Model

Examining the realities behind the decision to go independent

Perhaps you're considering making a move. Going independent, no less. You're certainly not alone.

According to Cerulli's latest report, 71% of advisors considering a move prefer an independent firm.¹

Despite your personal desire for independence and the autonomy that comes with running your own firm, there are a few nagging questions that might be giving you pause. You start asking yourself:

- ① **Will my clients follow me?**
.....
- ② **How will the economics play out—both short and long term?**
.....
- ③ **Will I feel more fulfilled when I can run my practice the way I want?**
.....
- ④ **How can I be confident that I'm making the right decision to move if I don't know what I don't know?**

Here's the good news: According to Fidelity's most recent Advisor Movement Study, advisors' initial concerns about moving are not often realized.

Let's dive a bit deeper into each of these questions to help dispel some common concerns associated with going independent.

① Will my clients follow me?

Most likely, yes. For example, while under half (42%) of RIA advisors are concerned not knowing whether their clients will follow them, Fidelity's research suggests they needn't be worried, as the majority of clients follow their advisor in a move. Clients build relationships with the advisor, not the firm. Going independent is also a great opportunity to ask for new referrals from loyal clients who have moved with you.



You ask yourself, are my clients going to come with me? And what was a positive surprise that led to a bit of a challenge was that our clients said yes so quickly and were so enthusiastically on board that, by the second week, we had mounds and mounds of paperwork coming in that we needed to execute. That's where you need the support of a trusted team to help with the transition process."

—**Matthew D. Liebman**, Co-Founder and CEO, Amplius Wealth Advisors

② How will the economics play out—both short and long term?

Based on our experience, there are economic benefits to making a move to independence. Four in five RIA advisors who moved reported an increase in AUM since switching firms with a median increase of nearly half (45%).

Advisors who go independent can provide additional value to client relationships by offering holistic planning services, freedom of choice for investments, and more flexibility overall. Enhanced client relationships can lead to long-term economic benefits over the client's life cycle.

③ Will I feel more fulfilled when I can run my practice the way I want?

Almost all surveyed advisors say that they are happy with their decision to move, citing many emotional benefits. Overall, four in five movers felt more confident about their future success, found greater job satisfaction, achieved significant personal growth, and fully realized their vision for their business after making the move to independence.



I'll never forget the first call I made. I was explaining the reason behind my decision to go independent and the reaction and the happiness we felt from our clients to see us do what we were so passionate about was so rewarding. We didn't expect to get such a warm welcome from our clients who felt so happy for us."

—**Sharon Nassir**, Co-Founder and COO of AIRE Advisors

④ How can I be confident that I'm making the right decision to move if I don't know what I don't know?

While six in ten of the surveyed advisors admitted to having an initial fear of the unknown and weren't fully sure what they were getting into when considering their eventual move, more than four out of the five advisors said this initial concern did not end up being a significant issue at all.

94%

of movers said they were **happy with their decision to move**

68%

of advisors **wished they had made the move sooner**

In working with thousands of advisors looking to go independent, the overall experience is positive. However, as with any big change, there may be challenges along the way.

So how do you plan for these challenges and optimize your move?

Finding a reliable, strategic resource to help ensure a seamless transition is key. At Fidelity, our dedicated business development and consulting teams are here to support you during your move to independence, helping find the path that best meets your goals and adds the most value for your clients.

Now that you have more insight into the realities of going independent, visit us at i.fidelity.com/goingindependent or call us at 800-735-3756 to learn how you can make your vision a reality.



Endnote

¹ "Demystifying the Independent Channel." Cerulli Associates and Commonwealth Financial Network, June 2022.

Unless otherwise stated, the statistics cited are from The 2023 Fidelity Financial Advisor Community—Advisor Movement Study.

The study was commissioned to gain a better understanding of recent advisor movement trends. The goal was to help firms and recruiters better target advisors in transition and help them to retain existing advisors. 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.

The experience of these customers may not be representative of the experiences of all customers and is not indicative of future success.

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