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Covid-19 Can't Dim Advisors' Outlook for a Brighter Tomorrow, TD Ameritrade Institutional Survey Finds

Optimistic RIAs Flex in the Face of 2020 Realities, Using Technology to Serve Clients and Keep Firms Focused on the Long-Game

JERSEY CITY, N.J., Aug. 25, 2020 – In spite of the Covid-19 pandemic, independent registered investment advisors (RIAs) are hopeful for the better days that lie ahead. According to findings from a new survey conducted for [TD Ameritrade Institutional](#)¹, advisors remain bullish on the future of the economy, the market and their businesses, and in the near-term, they're focused on helping clients navigate uncertain times.

Though they have a more somber outlook for the end of this year, more than 60 percent independent RIAs participating in the TD Ameritrade Institutional's [2020 RIA Sentiment Survey Mid-Year Update](#) are optimistic about the prospects for the U.S. and global economy in 2021. A quarter believe that stocks will increase by year-end, whereas 62 percent have a bullish stock market outlook for 2021.

As we head into the second half of a year that has already dealt investors significant challenges, RIAs are paying close attention to headlines on the U.S. economy, the presidential election and corporate earnings for their impact on client portfolios. Consistent with their expectations heading into 2020, they believe the Information Technology, Health Care and Financial Sectors will outperform this year.

"The saying, 'Keep calm and carry on' has served advisors well during these unprecedented times, as they help their clients – and themselves – make sense of, and adapt to, current events that are impacting their long-term goals," said Vanessa Oligino, managing director of business performance solutions for TD Ameritrade Institutional, a provider of brokerage and custody services to more than 7,000 RIAs. "The results show that investors want financial guidance they can trust, which is why RIAs are growing even as they are having to pivot rapidly and in some cases, rethink large portions of their operations."

Fifty-eight percent of RIAs have continued to onboard new clients during the coronavirus pandemic, with client bases increasing nearly 6 percent during this time. Forty-three percent report AUM increases of 8 percent on average, and forty percent of RIAs have seen revenues increase at a similar rate.

RIAs are Back in the Office, but It Looks Different

As the number of positive coronavirus cases rises across the country, RIAs remain undeterred when it comes to taking care of their clients – though it is not back to "business as usual" for most firms.

More than 60 percent of RIAs are already back in the office, but Covid-19 concerns and precautionary measures have changed what this looks like for many. Thirty-six percent of firms are juggling split in-office and remote work schedules to allow for social distancing, and 28 percent are providing staff with PPE.

And 42 percent of advisors say concerns about a rise in Covid-19 cases are holding their folks back from returning to the physical office, while an additional 31 percent worry about their staff morale, health and general

safety. And Covid-19 has thrown RIAs another curveball as well: many are now juggling family obligations that, pre-pandemic, were not a concern and did not impact their ability to get into the office.

Technology Holds the Key to Client Communications in the RIA's New Normal

Thirty-three percent of RIAs report that since the pandemic, they have upgraded their technology to facilitate team and client engagement. Throughout these times, 68 percent of RIAs have increased the frequency of their client communications, and 88 percent report that the quality of these interactions is as good as, if not better than, they were pre-pandemic.

Video conferencing has taken off among RIAs this year, with 84 percent now videoconferencing regularly with clients. Indeed, in the early days of the coronavirus pandemic in the U.S., 64 percent were doing so at least weekly. Though 60 percent of advisors doing client video conferences today were doing so before the onset of the pandemic in the U.S., nearly 40 percent ramped up on these tools in response to Covid-19.

Personalized videos and secure texting are also popular client-facing applications now favored by RIAs.

Looking Ahead to What's Next

Though four in 10 advisors have already invested more than they planned on technology for 2020, advisors view these expenditures as vital to how they do business going forward. Ninety-one percent say their use of virtual meeting and virtual chat tools will remain at a high level once social distancing restrictions have eased.

While it's a full-court press on technology, advisors have put the brakes on other areas for now. They are spending less than anticipated in areas like marketing and professional development budgets. And for the moment, RIAs have eased up on hiring: 66 percent are not actively recruiting right now.

Advisors hold a similar view of deal-making when it comes to their own firms. Though 42 percent expect others to pick up the pace on mergers and acquisitions, just 36 percent are considering some kind of transaction for themselves in the near future.

"The entrepreneurial spirit of RIAs is what enables them to be flexible and find technology solutions that can bridge both physical and relational gaps, bringing them closer to their clients," said Oligino. "It's exciting to watch this industry of innovators rise to the challenges brought forth by the coronavirus pandemic, knowing that advisors are using this time to connect with clients so they can be confident in their investing strategy and approach for the long-term."

Click [here](#) to download the TD Ameritrade Institutional 2020 RIA Sentiment Survey Mid-Year Update.

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¹ TD Ameritrade Institutional is a division of TD Ameritrade, Inc., a brokerage subsidiary of TD Ameritrade Holding Corporation.

About the Survey

Results for the [TD Ameritrade Institutional 2020 RIA Sentiment Survey Mid-Year Update](#) are based on an online survey, conducted by True North Market Insights on behalf of TD Ameritrade Institutional, a division of TD Ameritrade, Inc., between July 14 and July 29, 2020. 158 independent registered investment advisors averaging \$234 million in assets under management participated in this study. Participants, both clients of TD Ameritrade Institutional and non-clients, were asked to share their views on economy, the outlook for their firms and the RIA market overall. The margin of error for the survey is $\pm 6\%$. True North and TD Ameritrade are separate and not affiliated and not responsible for each other's services or policies.

About TD Ameritrade Institutional

[TD Ameritrade Institutional](#) empowers more than 7,000 independent registered investment advisors to transform the lives of their clients. It provides powerful technology and resources that help simplify running a business and let advisors spend more time doing what matters most — serving their clients. Through meaningful innovation, steadfast advocacy and unwavering service, TD Ameritrade Institutional supports RIAs as they build businesses that positively impact their clients and communities. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC, a brokerage subsidiary of TD Ameritrade Holding Corp.

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