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TD Ameritrade Research Finds Great Interest in the RIA Career Path, But a Lack of Awareness and Misinformation Hinder Access to Talent

Looming talent shortage compels RIAs to take action now, to sustain the industry's growth for the long haul

JERSEY CITY, N.J., Oct. 14, 2019 – Personal financial planning is a fulfilling, flexible, and financially rewarding career path – and one that is largely overlooked by job-seekers. That's a challenge for a registered investment advisor (RIA) industry that needs to attract a new generation of talent to help sustain its growth well into the future, according to a comprehensive, industry-first research project¹ commissioned by TD Ameritrade Institutional².

To better understand the challenges RIAs face in attracting and developing new talent, TD Ameritrade Institutional surveyed more than 2,000 advisors, students, career-changers and university program directors to learn more about what current job seekers look for in a career and the recruiting headwinds RIAs may face. The research set out to measure the overall awareness, familiarity and sentiment of these key groups toward the RIA career path.

What it found is that many students and career-changers don't know that the financial planning career exists, even though RIAs offer many of the benefits job-seekers desire.

"Much needs to be done to make the financial planning profession more attractive and sustainable, and our first job is to make it more visible," said Kate Healy, managing director of Generation Next at TD Ameritrade Institutional. "With so many advisors expected to retire in the next decade, combined with the rising demand for financial advice, our industry needs to expand its access to talent if it hopes to be sustainable and serve future generations."

TD Ameritrade intends to use the insights generated by the research to develop programs that can help RIA firms attract young professionals and expand the pool of potential talent. Below are some key findings from the research:

Awareness of the RIA profession is low outside the industry, yet interest grows the more people know about it. Fewer than half of potential job seekers surveyed knew what an RIA is, but their level of interest nearly doubled after learning more about the career path.

- Only 37% of students were aware of the profession, but 63% expressed interest after learning more about it.
- Likewise, 44% of career-changers were aware, 64% showed interest after learning more.

Most advisors are hiring, but they need to cast a wider net to attract Generation Next. The focus of most recruiting is on experienced advisors with an existing client base, but that can exclude high-potential students, career-changers, and professionals from diverse backgrounds.

- 57% said their firms have hired new associates in the past year.
- 56% said their firms offer internship programs.
- 36% of advisors rely mostly on referrals, when hiring.
- 7% use recruiting and LinkedIn for sourcing potential hires.

Lack of familiarity and misinformation create headwinds for recruiting career-changers and students. The biggest barrier for students and career-changers is a lack of interest in what they perceive to be characteristics of a financial planning career, many of which are inaccurate.

- 37% of undergrads would prefer “to do something else.”
- 31% aren’t interested in finance, while 35% say they’re not interested in sales.
- The biggest turn-offs for career-changers: fear of starting over or losing tenure (46%), and a lack of interest in sales (41%).
- 34% of career-changers are worried about “unsteady income” -- another misperception.

It’s not just about numbers. Advisors say people-oriented skills are important when assessing job candidates, perhaps even more than math and analytical skills.

- 75% of advisors say the enjoyment of working with people is the top quality for candidates.
- Advisors also look for self-confidence (71%), clear communication (70%) and entrepreneurial spirit (66%) as important skills.

The good news for RIAs: Many potential job seekers want the things an RIA career offers. Most students and career-changers say they are looking for work-life balance and purpose, in addition to competitive compensation, when considering a career.

- The majority of students (53%) and career-changers (52%) prioritize work/life balance.
- Compensation is the No. 2 deciding factor for 53% of students and 45% of career-changers.
- Personal fulfillment is the third most-cited factor for 35% of students, 38% of career-changers.

“Though there’s been plenty of discussion about the demographic challenges facing our industry, TD Ameritrade Institutional embarked on this important research project to shed light on the issues. Our findings reinforce the urgent need for our industry to take action,” said Healy. “Working together, we need to cast a wider net to attract the next wave of talent. We need to step up our game at colleges and universities and even high schools. We have much to do, but the good news is: we can do this.”

Learn More, Take Action

For more than a decade, TD Ameritrade Institutional has been a leader² in developing programs to attract and foster a next generation of RIAs, helping elevate the profession on campuses across the U.S., furthering industry sustainability, and championing women and diversity³.

To learn more about strategies and programs to find and attract nextgen talent, RIAs that work with TD Ameritrade Institutional can visit the [Education Center](#) through Veo® and Veo One® to access guidebooks and other resources. Other advisors are invited to visit <https://www.tdainstitutional.com/why-ria/advocacy.html> or call us at 800-934-6124.

¹ TD Ameritrade Institutional commissioned a comprehensive research study with an independent research firm to better understand how the financial advisor industry and its career opportunities are viewed in the marketplace. The research included online qualitative and quantitative research with more than 2,000 advisors, students, adults changing careers, and university program directors surveyed between January and May 2019.

² TD Ameritrade Institutional is a division of TD Ameritrade, Inc., a brokerage subsidiary of TD Ameritrade Holding Corp.

³ Wealth Management Industry Awards, 2016, "Outstanding Achievement in Corporate Social Responsibility".

⁴ TD Ameritrade Institutional named a "Diversity Champion" in the 2019 InvestmentNews Diversity & Inclusion Awards.

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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