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Advisor Services

Schwab RIA Compensation Report

An addendum to Schwab's 2020
RIA Benchmarking Study

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Introduction



Schwab's RIA Benchmarking Study is the leading study in the industry—761 firms participated in the compensation portion of the study in 2020, representing three-quarters of those who participated in the overall study (1,010 firms). Data was collected on nearly 10,000 employees across 27 roles.

- Schwab's RIA Compensation Report reflects responses from Schwab's 2020 RIA Benchmarking Study, the largest study of its kind, and offers a comprehensive look at compensation practices in the independent financial advice industry in 2019.
- The compensation findings enable firms to evaluate how their approach to employee compensation, incentives, benefits, and firm ownership compares with that of their peers.
- Key report highlights:
 - 2019 compensation costs are 74% of a firm's expenses.
 - The competition for talent is growing: 75% of firms hired staff in 2019, and 39% of firms recruited employees from other RIAs.¹
 - Median total cash compensation across all roles increased 4% from 2018 to 2019.
 - Over three-quarters (77%) of firms compensated staff with performance-based incentive pay in 2019.
 - Firms are increasingly adding client team and specialized roles to support strategic firm growth and deliver exceptional client experiences.

¹ The 2020 Benchmarking Study from Charles Schwab was fielded from January to early April 2020. The study contains self-reported data from 1,010 RIA firms. Hiring data represents firms with \$250 million or more in AUM.

Key Compensation Findings

Talented employees help drive firm growth, especially in a volatile environment. That's why having a high-performing team, unlocking their potential and rewarding and developing the next generation of leadership is vital to RIA firm success.

Schwab's 2020 RIA Benchmarking Study supports firms in developing successful compensation strategies to attract, motivate, and retain key staff.

Client Account Management, Sales, and Marketing

- Base salaries for client account management, sales, and marketing roles ranged from \$60,000–\$150,000 at the median.
- Total cash compensation ranged from \$64,000–\$204,000 at the median. Total cash compensation, including owner profit distributions, ranged from \$64,000–\$240,000 at the median.
- The majority of client account management, sales, and marketing roles receive performance-based incentive pay.
- Nearly a quarter (24%) of Senior Client Account Managers / Relationship Managers have compensation tied to revenue and 49% have some degree of firm ownership—more than any other non-executive management role.

Investments

- Base salaries for investments roles ranged from \$60,000–\$125,000 at the median.
- Total cash compensation ranged from \$65,000–\$160,000 at the median. Total cash compensation, including owner profit distributions, ranged from \$65,000–\$170,000.
- More than 55% of all investments roles receive performance-based pay. 80% of Paraplanners collect performance-based incentive pay, followed by 78% of Portfolio Administrators, 76% of Traders, 73% of Research Analysts, 72% of Financial Planners, and 55% of Investment/Portfolio Managers.
- Nearly one-third (31%) of Investment/Portfolio managers and 13% of Financial Planners have some degree of firm ownership. Over a quarter (26%) of Financial Planners have 50% or more ownership in their firms, while 17% of Investment/Portfolio Managers have 50% or more ownership.

Operations and Administration

- Base salaries for operations and administration roles ranged from \$45,000–\$97,000 at the median.
- Total cash compensation ranged from \$48,000–\$111,000 at the median. Total cash compensation, including owner profit distributions, ranged from \$48,000–\$113,000.
- More than eight in ten (83%) Human Resource Professionals receive performance-based incentive pay, followed by Technology Professionals (80%), Internal Accountants / Bookkeepers (79%), and Operations Directors/Managers and Executive Assistants (76%).
- While operations and administrations staff are less likely to receive firm equity, 15% of Operations Directors/Managers hold some firm ownership.

GUIDING PRINCIPLES FOR ADVISORY FIRM SUCCESS



Effective planning and execution is a leading indicator of success



Value is defined through your clients' eyes



Operational excellence creates greater capacity for clients



Your reputation is your brand



People are your most important asset



Effective planning and execution is a leading indicator of success

Growing your firm requires focus, strategic planning, and an innovative mindset. Establishing a shared vision for the future, creating alignment, and driving effective execution power your growth engine and provide a clear understanding of the future and how you'll get there.



Value is defined through your clients' eyes

Firms thrive when focusing on the client experience from their clients' point of view. When every person, process, service offering and system maintains an extreme focus on your ideal client, you are able to differentiate your firm in an increasingly competitive landscape.



Operational excellence creates greater capacity for clients

Institutionalizing your business through technology and operations provides operational discipline, allowing you to maximize scalability, manage risk, and build a solid infrastructure so that you can reinvest time where it matters most—with your clients protecting the trust that you have built.



Your reputation is your brand

Every aspect of your firm—employees, centers of influence, clients and even your digital presence—should effectively amplify your firm's reputation within the community you serve in a way that increases referrals and generates new business.



People are your most important asset

Creating a cycle of opportunity to attract and retain top talent helps ensure continuity of your firm's people, culture, and values as you prepare for the future. That's why having a high-performing and diverse team, unlocking their potential, and rewarding and developing the next generation of leadership is a long-term commitment and critical to building a legacy.

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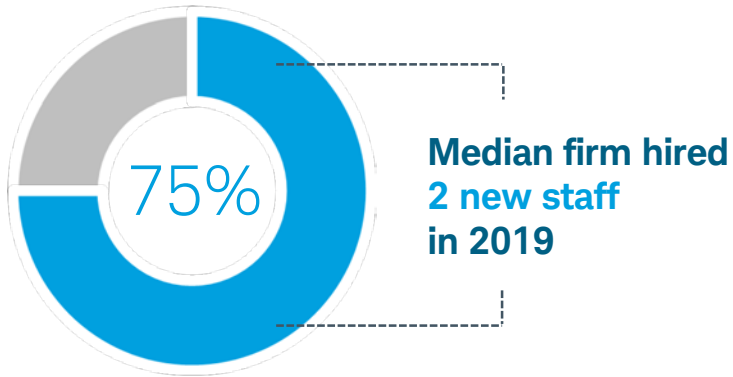


People are your
most important
asset

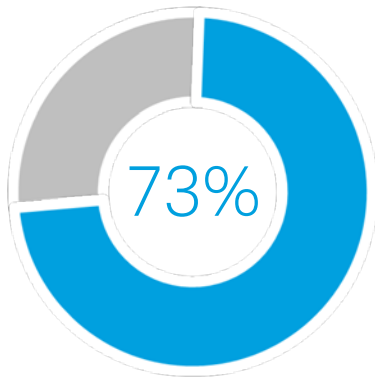


Nearly four in ten firms recruit from other RIA firms, emphasizing the need for a compelling compensation strategy and employee value proposition.

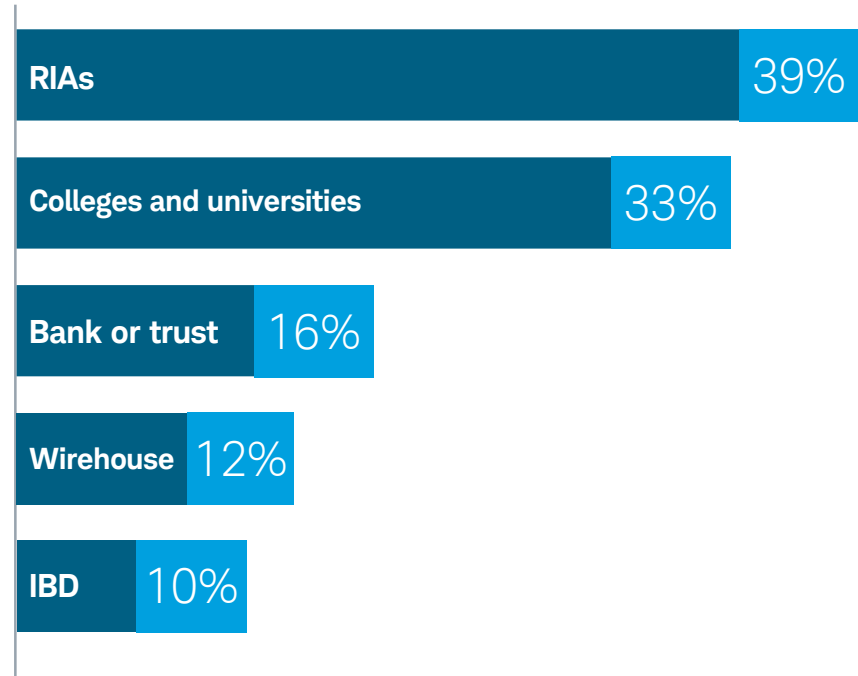
Firms that hired in 2019



Firms that planned to hire in 2020



Recruitment channels in 2019

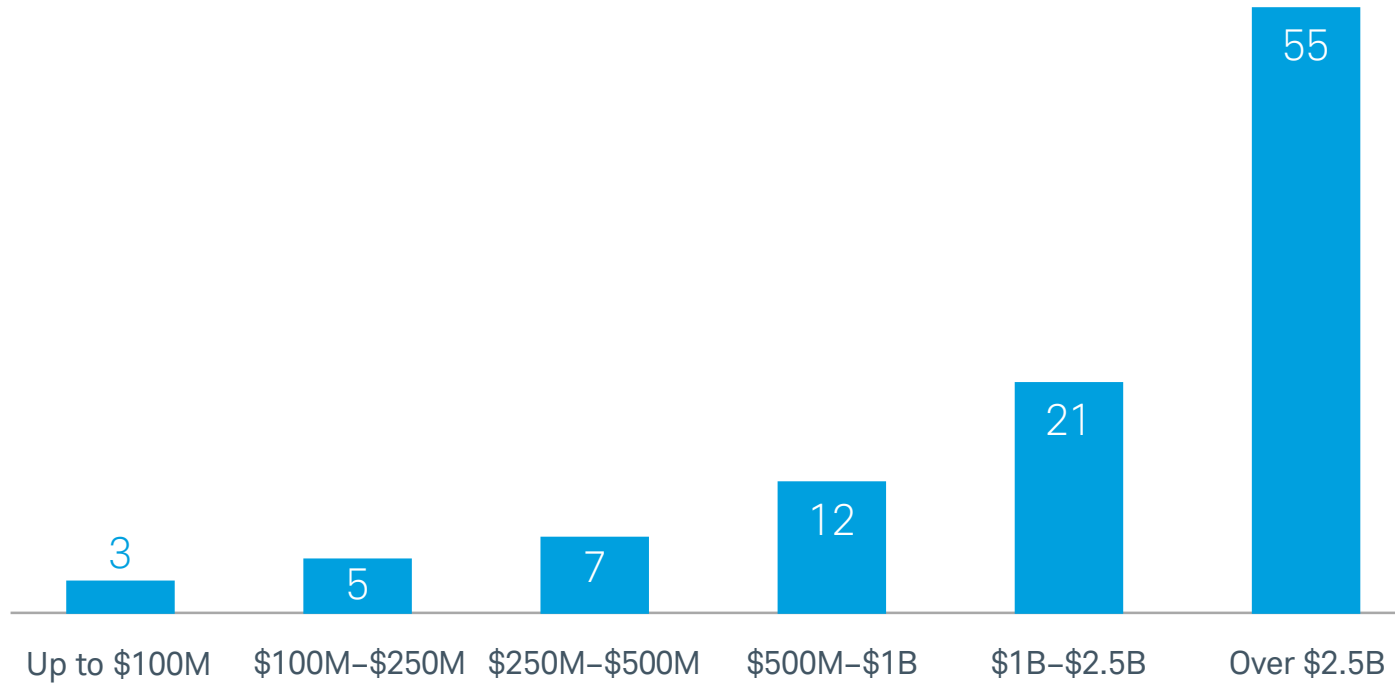


Median results for all firms with \$250 million or more in AUM. Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms.



Planning for increased staff and more complex organizational structures is critical as firms grow.

Total staff by AUM (median)



2019 compensation costs are **74%** of a firm's expenses

Results for firms by AUM peer group. Compensation costs include salaries, bonuses, benefits, payroll taxes, and profit distributions. Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms.



Across the RIA industry, total compensation ticked up year over year.

+4%

Change in median total cash compensation across all roles¹ from 2018 to 2019

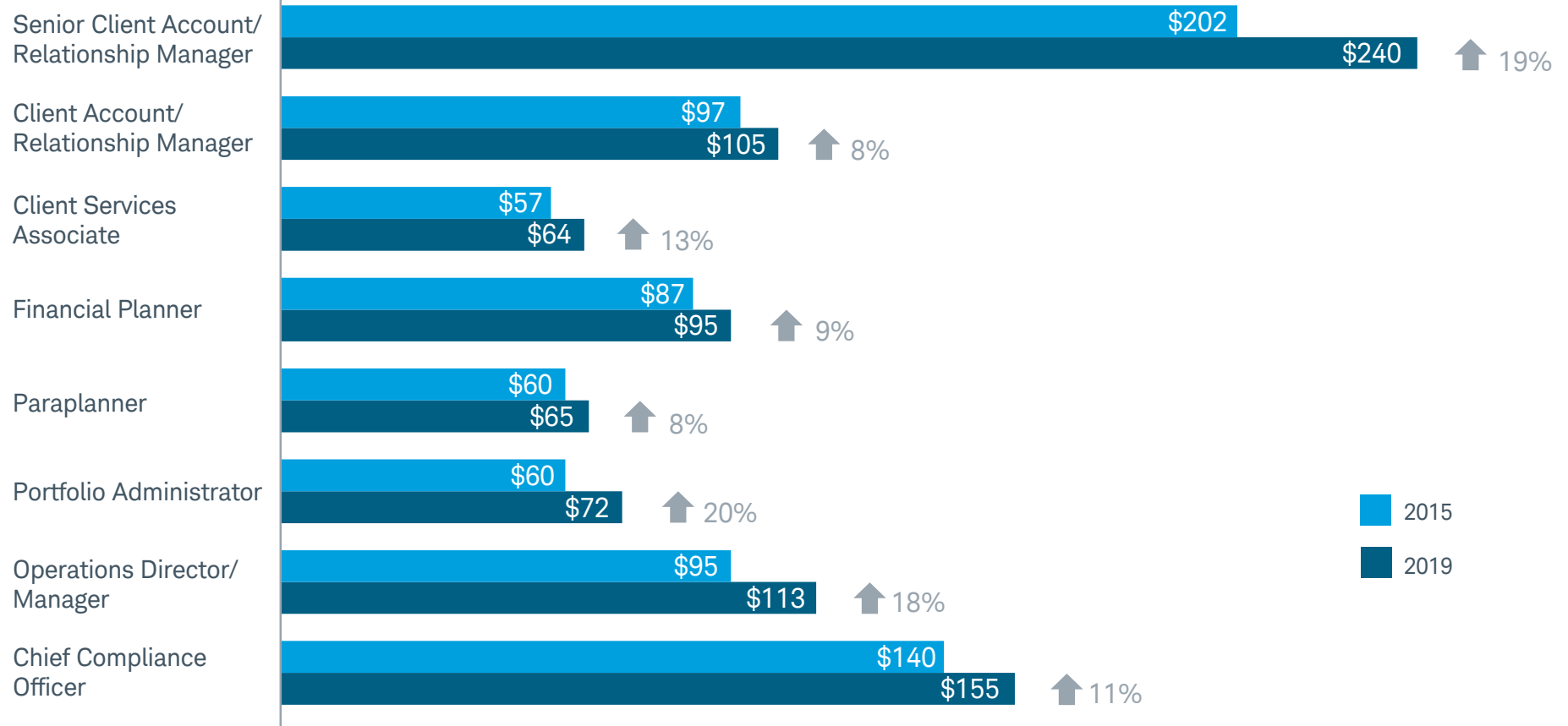
¹ Median percent change for the 27 roles in the compensation portion of the RIA Benchmarking Study from Charles Schwab. Total cash compensation includes owner profit distributions. Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



Client team and specialized roles have seen a long-term increase in compensation, some more than others.

Total cash compensation including owner profit distributions

Median, \$ in thousands

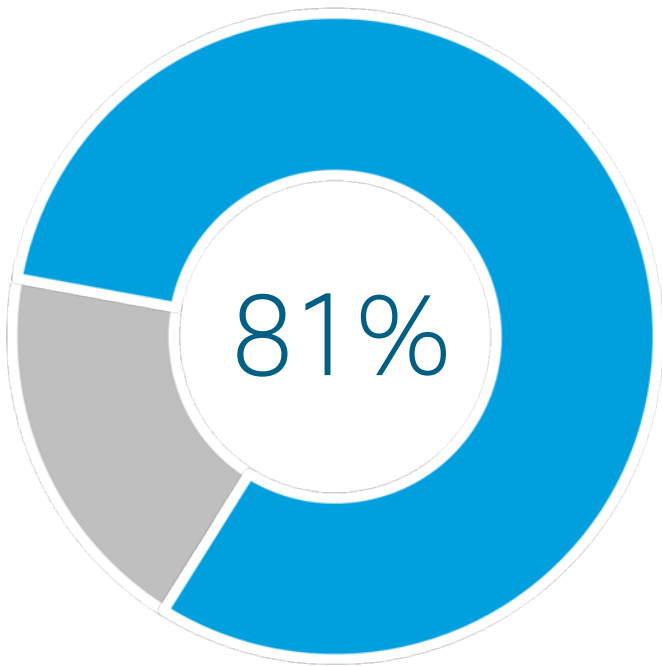


Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



Attractive compensation packages include more than base salary, particularly for revenue-generating roles.

Base salary as a percent of total cash compensation¹ in 2019 across all roles



Base salary as a percent of total cash compensation¹ in 2019 by role type²

Revenue roles

70%

Non-Revenue roles

90%

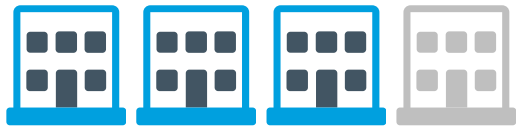
¹ Total cash compensation includes base salary, performance-based incentive pay, compensation tied to revenue generation, and owner profit distributions.

² Role types exclude Executive Management roles.

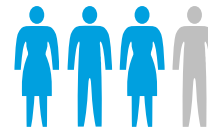
Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



Motivating staff with incentive compensation can impact the quality of talent, engage employees, and advance the firm's goals.



77% of firms compensated staff with **performance-based incentive pay** in 2019.¹



3 of 4 reported roles received **performance-based incentive pay** in 2019.²

¹ Performance-based incentive pay includes discretionary bonus and compensation resulting from firm goals, department or team goals, and business development results.

² Median result for firms that compensated staff with performance-based incentive pay in 2019.

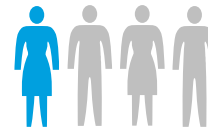
Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



Compensation tied to revenue generation from new and existing clients can help ensure staff are aligned with the firm's growth objectives.



Across the study,
28% of firms **tied compensation to revenue generation** in 2019.

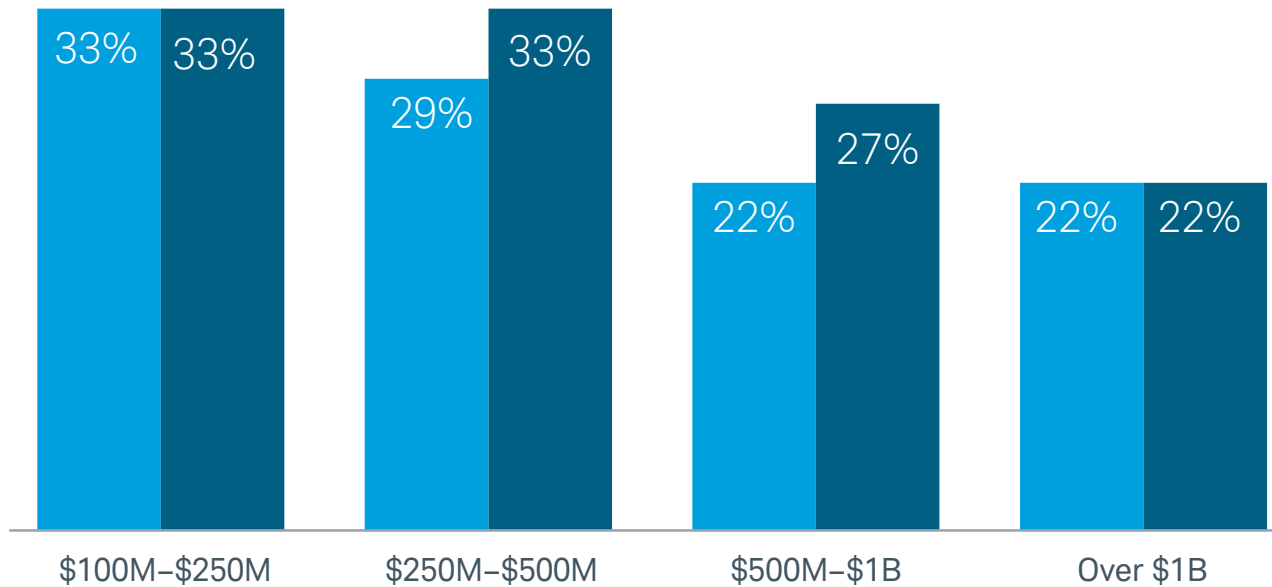


At the median firm,
1 in 4 roles **tied compensation to revenue generation** in 2019.



Equity ownership is an important part of compensation, as it helps to retain talent and support firms' succession strategies.

Working owners¹ as a percent of total staff



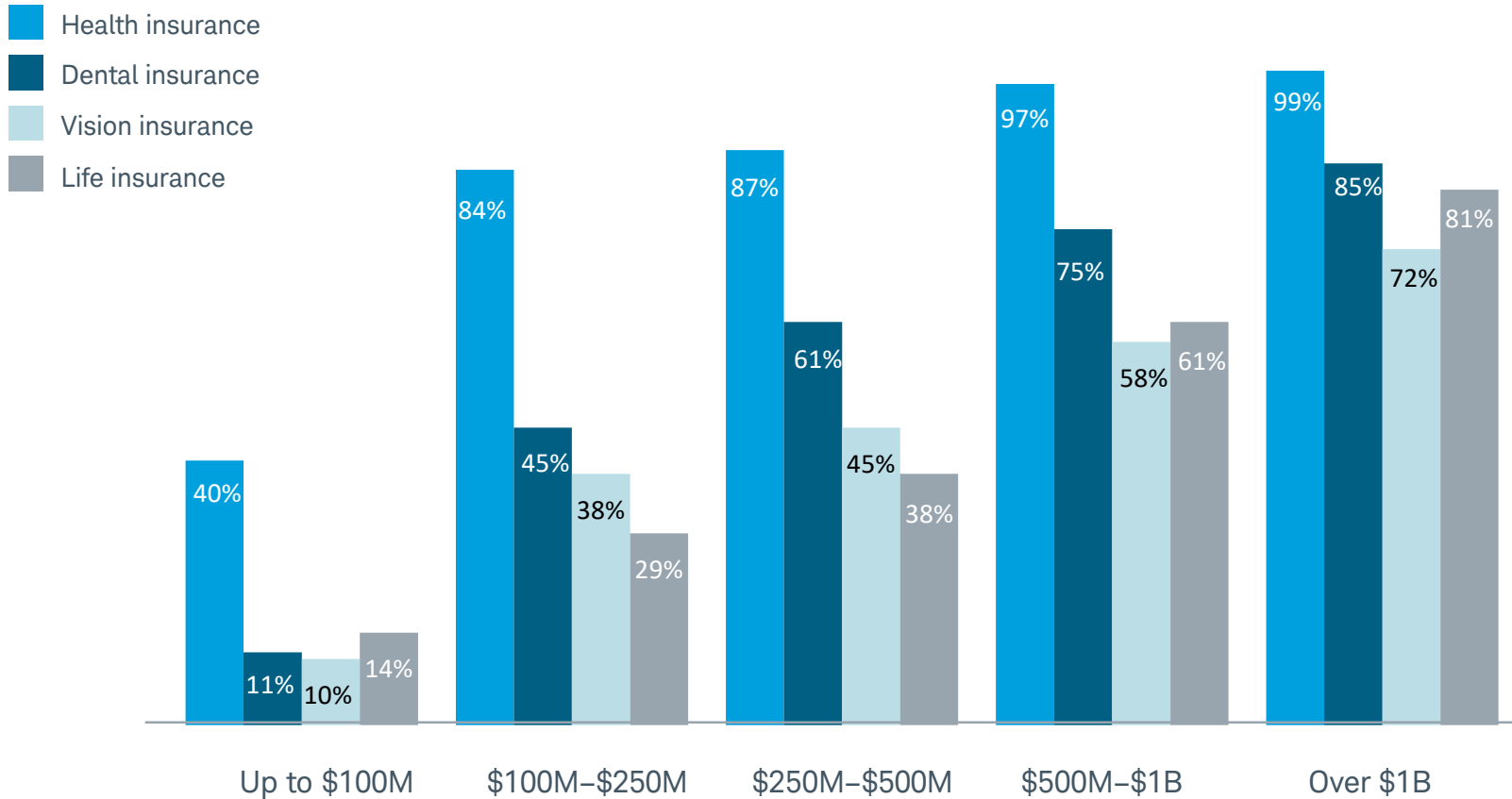
¹ Working owners are staff that hold equity in the firm.

Results from the 2016 and 2020 RIA Benchmarking Study from Charles Schwab. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



Health benefits are a key element of a competitive compensation package.

Percent of firms providing benefit



Results for firms by AUM peer group. Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



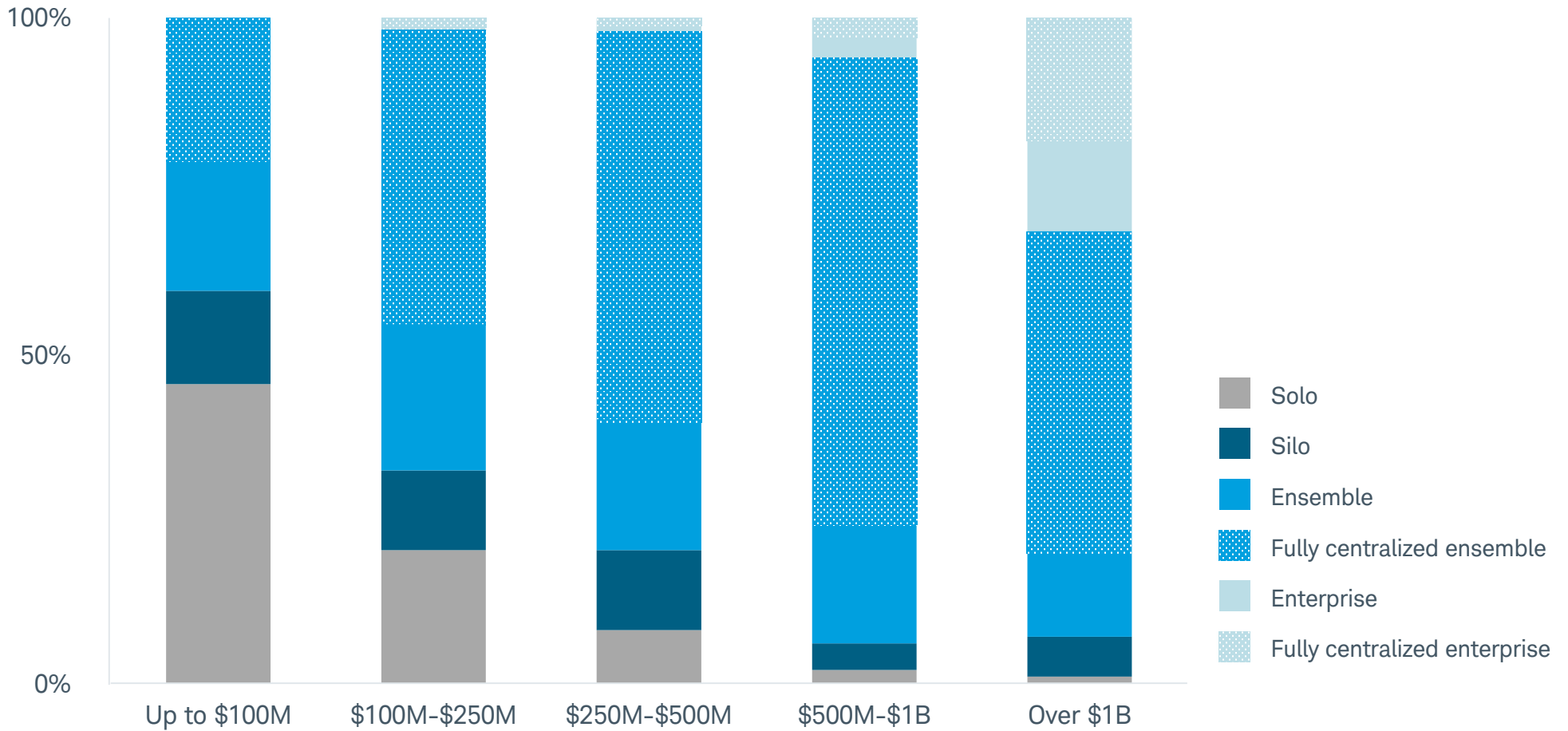
An effective organizational structure can enable strategic growth by establishing the foundation for roles and responsibilities.

Model	Definition	Age of firm	2019 AUM	2019 total staff
Solo	Firm with one advisor, possibly with administrative support.	9	\$94	2
Silo	Firm with two or more advisors—advisors retain their own clients, are compensated on their own book of business, and share overhead costs.	12	\$268	5
Ensemble	Firm with multiple advisors—clients belong to the firm and are served by a team from a relationship-management perspective. Fully centralized ensemble: Ensemble + operational processes are standardized, and staff operate as a functional team.	21	\$482	9
Enterprise	Large firm with multiple locations and advisors—clients belong to the firm. Well-defined functional teams/departments and multiple layers of leadership. Fully centralized enterprise: Enterprise + operations are standardized across all locations or processed in a single location.	23	\$2,271	37

Median results by organizational structure for those firms completing the compensation portion of the RIA Benchmarking Study from Charles Schwab. Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



Firms most often identify with the ensemble model, where clients belong to the firm and are served by a team.



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As organizational structures become more complex, client team and specialized roles are more prevalent.

Percent of firms with role

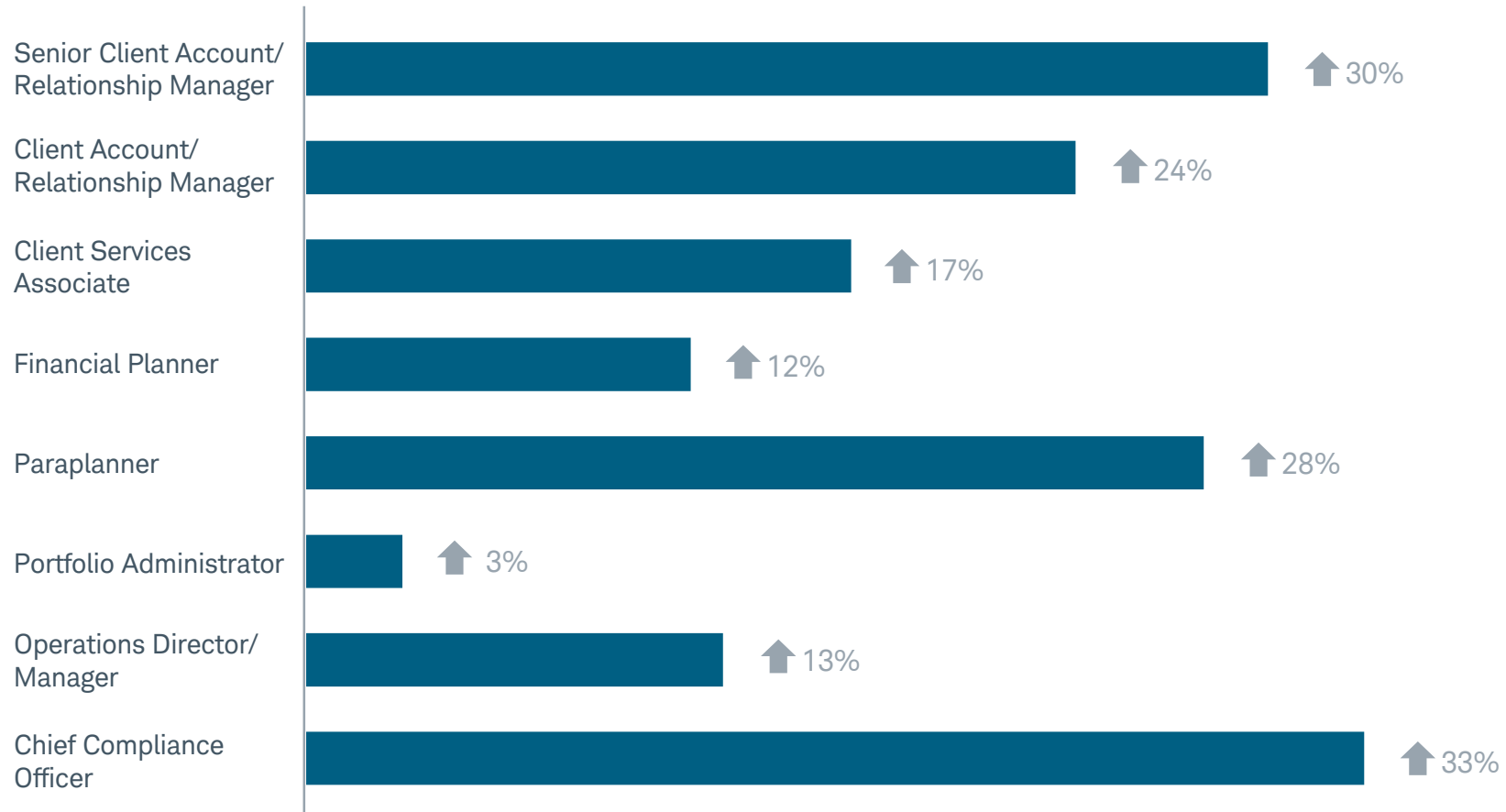
	Solo	Silo	Ensemble	Enterprise
Senior Client Account/Relationship Manager	14%	34%	60%	86%
Client Account/Relationship Manager	12%	34%	51%	81%
Client Services Associate	12%	34%	56%	84%
Financial Planner	6%	15%	31%	42%
Paraplanner	4%	7%	20%	39%
Portfolio Administrator	5%	10%	21%	47%
Operations Director/Manager	28%	31%	40%	66%
Chief Compliance Officer	3%	22%	23%	72%

Results by organizational structure for those firms completing the compensation section of the RIA Benchmarking Study from Charles Schwab. Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.



Over the years, demand for these roles has increased as RIAs have grown.

Increase in percent of firms with role from 2015 to 2019



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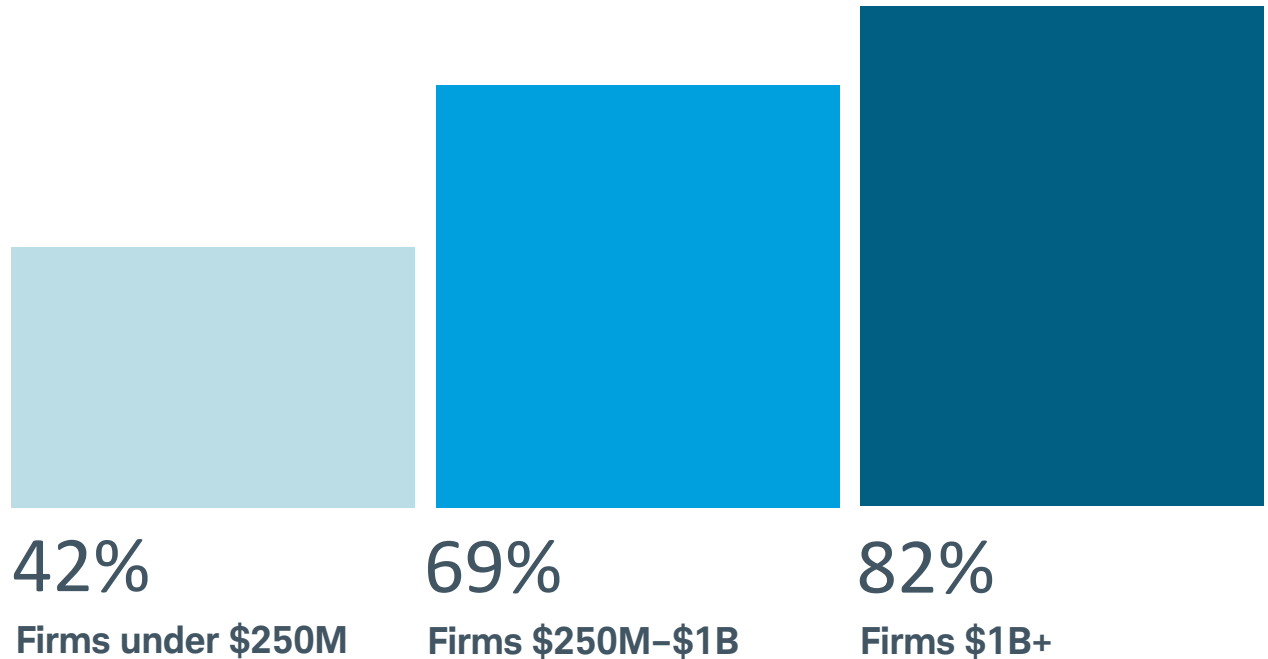
Providing career paths supports staff development, improves engagement, and builds bench strength.



Client Service Career Path

Firms with staff in at least 2 of the 3 roles:

- Client Service Associate
- Client Account Manager/Relationship Manager
- Senior Client Account Manager/Relationship Manager



Firms with staff in at least 2 of the 3 client service roles (Client Service Associate, Client Account Manager/Relationship Manager, Senior Client Account Manager/Relationship Manager) listed in the Compensation section of the RIA Benchmarking Study from Charles Schwab.

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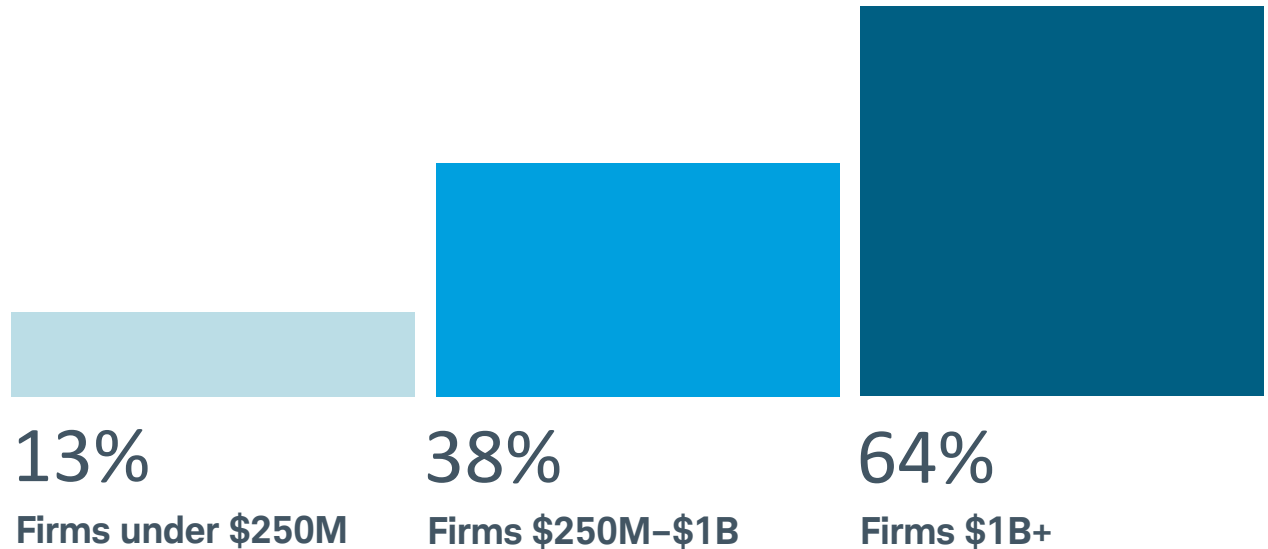
While an operations career path is not as prevalent as a client service career path, it is critical as firms become more complex.



Operations Career Path

Firms with staff in at least 2 of the 3 roles:

- Operations Associate
- Operating Director/Manager
- Chief Operating Officer



Firms with staff in at least 2 of the 3 client service roles (Operations Associate, Operations Director/Manager, Chief Operating Officer) listed in the Compensation section of the RIA Benchmarking Study from Charles Schwab.

Past performance is not an indicator of future results. 2020 RIA Benchmarking Study from Charles Schwab, fielded January to early April 2020. Study contains self-reported data from 1,010 firms for the main study and 761 firms for the compensation portion.

National Compensation Results

National compensation results

All dollar amounts are in thousands.

		Client Account Management, Sales, and Marketing																	
		Director of Client Service			Senior Client Account Manager/Relationship Manager			Client Account Manager/Relationship Manager			Client Services Associate			Business Development Professional			Marketing Professional		
		151 responses			1,361 responses			1,102 responses			1,152 responses			172 responses			150 responses		
		PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES		
		20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th
Summary	Base salary	\$66	\$99	\$175	\$86	\$150	\$240	\$60	\$85	\$120	\$48	\$60	\$75	\$61	\$105	\$185	\$52	\$68	\$98
	Total cash compensation	\$75	\$118	\$208	\$130	\$204	\$323	\$76	\$104	\$157	\$50	\$64	\$83	\$81	\$150	\$265	\$56	\$74	\$110
	Total cash compensation (including owner profit distributions)	\$75	\$121	\$240	\$141	\$240	\$435	\$76	\$105	\$160	\$50	\$64	\$83	\$81	\$150	\$300	\$56	\$74	\$110
Performance-based incentive pay	Responses with performance-based incentive pay	75%			62%			76%			76%			58%			71%		
	Discretionary	\$4	\$12	\$31	\$7	\$25	\$65	\$4	\$10	\$25	\$2	\$5	\$9	\$5	\$13	\$62	\$3	\$6	\$14
	Other ¹	\$5	\$13	\$33	\$10	\$24	\$69	\$5	\$11	\$29	\$2	\$4	\$9	\$10	\$26	\$99	\$2	\$4	\$9
Compensation tied to revenue	Responses with compensation tied to revenue	8%			24%			19%			1%			19%			1%		
	Percentage of new client revenue paid	Insufficient data			20%	25%	50%	10%	25%	50%	15%	20%	40%	13%	25%	35%	Insufficient data		
	Percentage of existing client revenue paid	Insufficient data			10%	25%	47%	8%	25%	50%	6%	10%	38%	10%	20%	32%	Insufficient data		
Ownership details	Total responses with ownership	32%			49%			11%			2%			28%			5%		
	Less than 5% ownership	51%			38%			72%			95%			65%			86%		
	5% to 24% ownership	39%			40%			26%			5%			18%			0%		
	25% to 49% ownership	4%			11%			2%			0%			12%			14%		
	50% or more ownership	6%			11%			0%			0%			4%			0%		
Years of experience	Less than 10 years	25%			15%			59%			65%			28%			59%		
	10 to 19 years	44%			41%			28%			23%			29%			24%		
	20 or more years	31%			44%			13%			12%			43%			17%		
Certifications	Chartered Financial Analyst (CFA)	2%			11%			7%			1%			4%			1%		
	Certified Financial Planner (CFP)	19%			62%			54%			5%			21%			0%		
	Certified Public Accountant (CPA)	8%			14%			9%			1%			8%			0%		

¹ Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.

National compensation results (continued)

All dollar amounts are in thousands.

		Investments																	
		Investment/ Portfolio Manager			Financial Planner			Research Analyst			Paraplanner			Portfolio Administrator			Trader		
		569 responses			434 responses			318 responses			316 responses			387 responses			203 responses		
		PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES		
		20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th
Summary	Base salary	\$75	\$125	\$220	\$57	\$80	\$128	\$60	\$82	\$129	\$49	\$60	\$75	\$53	\$65	\$83	\$52	\$70	\$90
	Total cash compensation	\$93	\$160	\$284	\$65	\$93	\$159	\$65	\$95	\$160	\$52	\$65	\$83	\$57	\$71	\$95	\$58	\$76	\$104
	Total cash compensation (including owner profit distributions)	\$99	\$170	\$369	\$66	\$95	\$170	\$65	\$95	\$164	\$52	\$65	\$83	\$57	\$72	\$95	\$58	\$76	\$104
Performance-based incentive pay	Responses with performance-based incentive pay	55%			72%			73%			80%			78%			76%		
	Discretionary	\$5	\$20	\$66	\$3	\$7	\$20	\$4	\$11	\$27	\$2	\$4	\$8	\$3	\$6	\$14	\$2	\$7	\$17
	Other ¹	\$7	\$18	\$47	\$3	\$8	\$21	\$4	\$9	\$27	\$2	\$4	\$8	\$3	\$5	\$11	\$3	\$5	\$8
Compensation tied to revenue	Responses with compensation tied to revenue	14%			12%			2%			3%			1%			1%		
	Percentage of new client revenue paid	20%	50%	50%	20%	30%	50%	Insufficient data			8%	10%	17%	Insufficient data			Insufficient data		
	Percentage of existing client revenue paid	10%	50%	88%	10%	22%	50%	Insufficient data			Insufficient data			Insufficient data			Insufficient data		
Ownership details	Total responses with ownership	31%			13%			9%			2%			2%			6%		
	Less than 5% ownership	39%			35%			73%			100%			78%			92%		
	5% to 24% ownership	30%			30%			23%			0%			11%			0%		
	25% to 49% ownership	14%			9%			3%			0%			0%			0%		
	50% or more ownership	17%			26%			0%			0%			11%			8%		
Years of experience	Less than 10 years	29%			57%			65%			82%			58%			63%		
	10 to 19 years	33%			26%			22%			14%			22%			27%		
	20 or more years	38%			16%			13%			4%			20%			10%		
Certifications	Chartered Financial Analyst (CFA)	42%			5%			39%			2%			3%			9%		
	Certified Financial Planner (CFP)	20%			62%			6%			25%			4%			4%		
	Certified Public Accountant (CPA)	7%			12%			4%			4%			2%			1%		

¹ Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.

National compensation results (continued)

All dollar amounts are in thousands.

		Operations and Administration																										
		Operations Director/Manager			Operations Associate			Compliance Associate			Office Manager/Administrator			Internal Accountant/Bookkeeper			Human Resources Professional			Technology Professional			Executive Assistant			Receptionist		
		353 responses			504 responses			88 responses			262 responses			163 responses			63 responses			125 responses			232 responses			247 responses		
		PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES			PERCENTILES		
		20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th	20th	50th	80th
Summary	Base salary	\$73	\$97	\$140	\$45	\$58	\$76	\$50	\$72	\$93	\$43	\$60	\$86	\$55	\$75	\$101	\$71	\$94	\$138	\$64	\$87	\$126	\$44	\$58	\$75	\$36	\$45	\$55
	Total cash compensation	\$80	\$111	\$162	\$46	\$62	\$85	\$52	\$75	\$107	\$46	\$67	\$96	\$58	\$81	\$111	\$76	\$110	\$150	\$69	\$95	\$143	\$46	\$62	\$83	\$38	\$48	\$59
	Total cash compensation (including owner profit distributions)	\$81	\$113	\$173	\$46	\$62	\$85	\$52	\$75	\$107	\$46	\$67	\$96	\$58	\$81	\$111	\$76	\$110	\$160	\$69	\$95	\$149	\$47	\$62	\$83	\$38	\$48	\$59
Performance-based incentive pay	Responses with performance-based incentive pay	76%			72%			69%			71%			79%			83%			80%			76%			74%		
	Discretionary	\$5	\$13	\$28	\$2	\$5	\$10	\$2	\$5	\$12	\$2	\$5	\$12	\$2	\$5	\$11	\$4	\$9	\$23	\$4	\$8	\$17	\$2	\$3	\$8	\$1	\$3	\$5
	Other ¹	\$4	\$11	\$23	\$1	\$4	\$7	\$2	\$4	\$10	\$3	\$6	\$12	\$2	\$5	\$9	\$6	\$10	\$20	\$3	\$7	\$12	\$2	\$3	\$8	\$2	\$3	\$5
Compensation tied to revenue	Responses with compensation tied to revenue	1%			0%			0%			2%			1%			0%			0%			1%			0%		
	Percentage of new client revenue paid	Insufficient data			Insufficient data			N/A			Insufficient data			Insufficient data			N/A			N/A			Insufficient data			N/A		
	Percentage of existing client revenue paid	Insufficient data			Insufficient data			N/A			Insufficient data			Insufficient data			N/A			N/A			Insufficient data			N/A		
Ownership details	Total responses with ownership	15%			1%			3%			3%			3%			6%			8%			4%			0%		
	Less than 5% ownership	70%			100%			100%			88%			100%			100%			90%			78%			100%		
	5% to 24% ownership	25%			0%			0%			0%			0%			0%			10%			11%			0%		
	25% to 49% ownership	4%			0%			0%			0%			0%			0%			0%			11%			0%		
	50% or more ownership	2%			0%			0%			13%			0%			0%			0%			0%			0%		
Years of experience	Less than 10 years	26%			65%			46%			44%			34%			35%			47%			45%			56%		
	10 to 19 years	39%			24%			46%			28%			27%			30%			28%			28%			28%		
	20 or more years	34%			11%			9%			28%			39%			35%			24%			27%			16%		
Certifications	Chartered Financial Analyst (CFA)	2%			0%			1%			0%			0%			0%			2%			0%			0%		
	Certified Financial Planner (CFP)	6%			1%			4%			1%			3%			2%			1%			0%			0%		
	Certified Public Accountant (CPA)	3%			1%			3%			0%			24%			2%			1%			0%			0%		

¹ Other performance-based incentive pay includes compensation resulting from firm goals, department or team goals, and business development results.

Definitions

Definitions

Client Account Management, Sales, and Marketing

Director of Client Service:

- Manages the client service activities for the entire firm or a specific business area.
- Coordinates client service activities with those of sales and marketing staff.
- Supervises client service staff.
- Tracks and reports results of key service measures against firm objectives.
- Leads resolution of problems related to client service.
- May manage relationships with key clients and prospects.

Senior Client Account Manager/Relationship Manager:

- Fills the most experienced advisory position within the firm.
- Serves as primary manager of existing client relationships, particularly more complex relationships.
- Formulates and implements advice but may rely on technical specialists to develop recommendations within their area of expertise.
- Often works with, trains, and supervises other staff in client service delivery.

Client Account Manager/Relationship Manager:

- Manages existing client relationships, working either with a principal or more experienced advisor or on their own.
- Provides client service management (often to small and midsize accounts).
- Assists senior professionals in conducting client meetings.
- Resolves basic and routine client account issues.

Client Services Associate:

- Provides non-advice-related support to clients, including:
 - Preparing standard client reports
 - Maintaining contact with clients to provide or obtain updated information
 - Scheduling client meetings
 - Responding to administrative client queries

Business Development Professional:

- Develops new business, with relatively little responsibility (less than 10% of time) for managing relationships, providing advice, or serving clients.

Marketing Professional:

- Implements marketing plans and programs, assists in developing new marketing and advertising campaigns, and develops strategic communications deliverables.

Definitions

Investments

Investment/Portfolio Manager:

- Actively manages a client portfolio using individual securities or a combination of securities and third-party managers.
- May participate in or lead development of an investment strategy. (Note that this position describes an active-style internal manager.)

Financial Planner:

- Provides financial planning to the clients of the lead and service advisors.
- Serves as in-house expert on financial planning issues.
- Does not act as primary relationship manager.

Research Analyst:

- Performs research and analysis and/or manages investment options.
- Provides information and makes recommendations to professional staff on managers, advisory service products, investment selection, suitability guidelines, and reporting.

Paraplanner:

- Provides technical support to the Client Account Manager/Relationship Manager roles in the delivery of advice to clients.
- Responsibilities include data gathering, modeling, case design, plan development, presentation development, etc.
- May participate in client meetings, but not in an advice capacity.
- Has no decision-making authority on client matters.

Portfolio Administrator:

- Sets up and maintains client accounts.
- Compiles and completes client, custodian, and firm paperwork.
- Reviews and maintains client transactions and activity.
- Executes client and firm tasks, such as asset transfers, preparation of reports, and general support of portfolio and investment strategies.

Trader:

- Buys and sells securities as directed by the portfolio managers, advisors, or CIO.

Definitions

Operations and Administration

Operations Director/Manager:

- Manages daily activities within the operations department (e.g., trading and reporting) and serves as an intermediary between the department and executive management.
- Typically supervises operations staff, and may be responsible for establishing or contributing ideas for department processes, procedures, and protocols.

Operations Associate:

- Performs daily activities within the operations department.
- May provide network administration/IT support to staff.

Compliance Associate:

- Assists in implementing the firm's compliance program, under the direction of the designated Chief Compliance Officer.

Office Manager/Administrator:

- Responsible for general office operations, such as internal accounting, office equipment and supplies, benefits administration, and payroll coordination.
- May also coordinate firm website or other marketing tools. (Note: This can be a catchall role in firms that do not employ multiple staff members for each of these functions.)

Internal Accountant/Bookkeeper:

- Performs internal accounting, and generates the firm's financial statements.

Human Resources Professional:

- Handles employee relations, payroll and benefits, and training. May direct and coordinate administrative functions of an organization.

Technology Professional:

- Generally provides service related to software, hardware, databases, Web resources, network, and enterprise systems. Duties can include network management, software development, and database administration.

Executive Assistant:

- Handles a variety of administrative functions to aid a dedicated manager of the firm.
- May perform secretarial and clerical duties as needed by the dedicated manager.

Receptionist:

- Greets and directs clients and other visitors.
- Screens and routes telephone calls.
- May perform incidental typing or other routine clerical duties.

Methodology & Disclosures

Methodology and disclosures

Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on study responses from individual firms. The 2020 study provides information on such topics as asset and revenue growth, sources of new clients, products and pricing, staffing, compensation, client experience, technology, and financial performance. Fielded from January to early April 2020, the study contains self-reported data from 1,010 firms that custody their assets with Schwab Advisor Services™ and represent \$1.1 trillion in AUM, making this the leading study in the RIA industry. This self-reported information was not independently verified. Since the inception of the study in 2006, more than 3,700 firms have participated, with many repeat participants. Participant firms represent various sizes and business models. They are categorized into 12 peer groups—7 wealth manager groups and 5 money manager groups—by AUM size. Unless otherwise noted, study results are for all firms with \$250 million or more in AUM, representing the vast majority of total assets managed by this year's participants.

Compensation data represents all firms that participated in the compensation portion of the 2020 RIA Benchmarking Study from Charles Schwab and contains self-reported data from 761 firms on nearly 10,000 total employee responses. The self-reported information provided by individual advisory firms was not independently verified.

Base salary represents a 40-hour work week. Where study responses specify work of less than 40 hours, base salary has been grossed up to reflect the equivalent salary of a 40-hour work week.

Any responses with total cash compensation (including owner profit distributions) below \$20,000 are not included in the calculations.

Throughout the report, median values are provided, unless otherwise noted, to provide the best indicator of a “typical” firm.

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