

Seventh Annual

Advisor Authority Study

Powered by the Nationwide Retirement Institute

Financial Professionals Bullish About M&A in RIA Industry

Deal Flow Expected to Rise at Rapid Clip as RIAs, Wirehouse and Broker-Dealer Financial Professionals look to Monetize their Practice—or Make it Stronger

Data Book
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Nationwide®

Section 1: RIAs, Wirehouse and Broker-Dealer Financial Professionals

Q855. How do you expect consolidation / M&A activity in the RIA industry to change in the next 12 months?

	RIA/Fee-Based Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	790	758	507	508	521
TOP 2 BOX (NET)	73%	59%	61%	67%	68%
Increase substantially	20%	15%	13%	15%	17%
Somewhat increase	53%	44%	48%	51%	51%
Stay flat	17%	24%	29%	25%	22%
BOTTOM 2 BOX (NET)	7%	13%	7%	6%	6%
Somewhat decrease	6%	11%	5%	5%	4%
Decrease substantially	1%	2%	2%	1%	1%
Don't know / Not sure	3%	4%	2%	2%	4%

Q855. How do you expect consolidation / M&A activity in the RIA industry to change in the next 12 months?

	Wirehouse Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	501	500	255	212	0
TOP 2 BOX (NET)	74%	65%	72%	72%	-
Increase substantially	22%	22%	35%	24%	-
Somewhat increase	51%	43%	37%	48%	-
Stay flat	13%	22%	21%	23%	-
BOTTOM 2 BOX (NET)	11%	9%	6%	6%	-
Somewhat decrease	8%	7%	6%	5%	-
Decrease substantially	3%	2%	-	-	-
Don't know / Not sure	2%	4%	1%	-	-

Q855. How do you expect consolidation / M&A activity in the RIA industry to change in the next 12 months?

	Broker-Dealer Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	580	642	259	252	0
TOP 2 BOX (NET)	65%	60%	58%	71%	-
Increase substantially	16%	16%	15%	16%	-
Somewhat increase	49%	43%	42%	56%	-
Stay flat	22%	23%	32%	22%	-
BOTTOM 2 BOX (NET)	8%	12%	6%	3%	-
Somewhat decrease	7%	10%	6%	2%	-
Decrease substantially	2%	2%	-	1%	-
Don't know / Not sure	4%	5%	3%	4%	-

Q860. How will consolidation / M&A activity in the RIA industry impact your business in the next 12 months?

	RIA/Fee-Based Financial Professionals		Broker-Dealer Financial Professionals		Wirehouse Financial Professionals	
	2021	2020	2021	2020	2021	2020
Unweighted Base	790	758	580	642	501	500
TOP 2 BOX (NET)	55%	39%	52%	39%	68%	48%
Very positive impact	15%	11%	12%	12%	22%	18%
Somewhat positive impact	40%	28%	40%	27%	46%	30%
No impact	33%	39%	30%	38%	21%	37%
BOTTOM 2 BOX (NET)	11%	18%	15%	18%	9%	12%
Somewhat negative impact	9%	15%	13%	16%	8%	9%
Very negative impact	1%	2%	2%	2%	1%	3%
Don't know / Not sure	2%	5%	3%	5%	3%	3%

Q865. Why do you feel positively about the effect of M&A on the RIA industry? Please select up to three.

	RIA/Fee-Based Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	433	292	298	263	270
Greater resources to serve my clients	35%	30%	32%	40%	46%
Increased opportunities to sell my business	35%	22%	29%	29%	20%
Allow me to create a succession plan	34%	27%	24%	27%	27%
Greater resources to expand / scale my business	32%	28%	30%	34%	31%
Increased opportunities to buy another practice	32%	32%	24%	27%	30%
Allow me to provide ongoing employment for my existing employees	29%	20%	25%	24%	26%
Scale allows increased investments in technology	29%	27%	26%	28%	26%
Increased opportunities to merge with another practice	28%	30%	27%	21%	20%
Smaller competitor set	25%	26%	21%	18%	23%
Other	-	*	*	*	1%

Q865. Why do you feel positively about the effect of M&A on the RIA industry? Please select up to three.

	Wirehouse Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	339	240	192	150	0
Greater resources to serve my clients	33%	35%	34%	38%	-
Increased opportunities to sell my business	38%	25%	32%	23%	-
Allow me to create a succession plan	35%	28%	28%	27%	-
Greater resources to expand / scale my business	30%	30%	31%	38%	-
Increased opportunities to buy another practice	29%	27%	20%	31%	-
Allow me to provide ongoing employment for my existing employees	30%	28%	28%	31%	-
Scale allows increased investments in technology	29%	30%	20%	29%	-
Increased opportunities to merge with another practice	31%	32%	27%	23%	-
Smaller competitor set	26%	25%	28%	21%	-
Other	-	*	-	-	-

Q865. Why do you feel positively about the effect of M&A on the RIA industry? Please select up to three.

	Broker-Dealer Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	302	251	126	122	0
Greater resources to serve my clients	33%	36%	28%	34%	-
Increased opportunities to sell my business	34%	24%	21%	19%	-
Allow me to create a succession plan	32%	25%	30%	23%	-
Greater resources to expand / scale my business	35%	33%	35%	37%	-
Increased opportunities to buy another practice	34%	30%	26%	20%	-
Allow me to provide ongoing employment for my existing employees	27%	29%	23%	18%	-
Scale allows increased investments in technology	32%	30%	31%	30%	-
Increased opportunities to merge with another practice	29%	30%	26%	27%	-
Smaller competitor set	19%	23%	16%	21%	-
Other	-	-	-	2%	-

Q8055. Do you or your firm have a succession plan currently in place?

	RIA/Fee-Based Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	790	758	n/a	508	521
Yes	77%	70%	n/a	72%	67%
No	20%	26%	n/a	24%	27%
Don't know / Not sure	3%	4%	n/a	3%	5%

Q8055. Do you or your firm have a succession plan currently in place?

	Wirehouse Financial Professions				
	2021	2020	2019	2018	2017
Unweighted Base	501	500	n/a	212	0
Yes	84%	79%	n/a	83%	-
No	14%	18%	n/a	16%	-
Don't know / Not sure	2%	3%	n/a	1%	-

Q8055. Do you or your firm have a succession plan currently in place?

	Broker-Dealer Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	580	642	n/a	252	0
Yes	81%	72%	n/a	69%	-
No	16%	24%	n/a	27%	-
Don't know / Not sure	3%	4%	n/a	4%	-

Q870. Why do you feel negatively about the effect of M&A on the RIA industry? Please select up to three.

	RIA/Fee-Based Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	84	134	68	68	68
Pricing compression	40%	46%	26%	37%	38%
Harder to compete as a small independent firm	39%	46%	37%	53%	44%
Increased competition	37%	28%	21%	31%	38%
Increased pressure on profits	33%	37%	26%	40%	28%
I prefer to manage my business independently without oversight	29%	28%	32%	22%	18%
Increased pressure to sell your business	29%	19%	21%	13%	21%
Pressure to \sell\" products to my clients that may not be right for them"	26%	24%	28%	37%	37%
Other	2%	1%	-	-	-

Q870. Why do you feel negatively about the effect of M&A on the RIA industry? Please select up to three.

	Wirehouse Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	46	61	21	18	0
Pricing compression	37%	41%	48%	33%	-
Harder to compete as a small independent firm	24%	26%	38%	33%	-
Increased competition	39%	31%	24%	44%	-
Increased pressure on profits	30%	33%	24%	28%	-
I prefer to manage my business independently without oversight	26%	26%	43%	17%	-
Increased pressure to sell your business	35%	25%	19%	28%	-
Pressure to \sell\" products to my clients that may not be right for them"	37%	26%	24%	44%	-
Other	-	-	-	-	-

Q870. Why do you feel negatively about the effect of M&A on the RIA industry? Please select up to three.

	Broker-Dealer Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	86	116	33	20	0
Pricing compression	38%	41%	30%	55%	-
Harder to compete as a small independent firm	37%	41%	27%	30%	-
Increased competition	40%	28%	21%	10%	-
Increased pressure on profits	27%	40%	27%	25%	-
I prefer to manage my business independently without oversight	30%	24%	30%	15%	-
Increased pressure to sell your business	28%	25%	15%	5%	-
Pressure to \sell\" products to my clients that may not be right for them"	37%	36%	30%	45%	-
Other	-	-	-	-	-

**Section 2: Successful Advisors and Financial Professionals
vs
All Other Advisors and Financial Professionals**

Q855. How do you expect consolidation / M&A activity in the RIA industry to change in the next 12 months?

	Successful Advisors and Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	384	465	231	179	140
TOP 2 BOX (NET)	75%	63%	69%	78%	76%
Increase substantially	25%	20%	24%	30%	21%
Somewhat increase	50%	43%	45%	48%	56%
Stay flat	13%	20%	24%	17%	17%
BOTTOM 2 BOX (NET)	9%	14%	5%	4%	4%
Somewhat decrease	6%	11%	5%	3%	3%
Decrease substantially	3%	3%	*	1%	1%
Don't know / Not sure	3%	3%	1%	1%	3%

Q855. How do you expect consolidation / M&A activity in the RIA industry to change in the next 12 months?

	All Other Advisors and Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	1248	1303	790	793	639
TOP 2 BOX (NET)	65%	58%	61%	67%	69%
Increase substantially	17%	16%	18%	14%	17%
Somewhat increase	48%	42%	43%	52%	52%
Stay flat	22%	24%	29%	25%	21%
BOTTOM 2 BOX (NET)	10%	13%	7%	6%	5%
Somewhat decrease	7%	11%	6%	5%	4%
Decrease substantially	2%	2%	2%	1%	1%
Don't know / Not sure	4%	5%	3%	3%	5%

Q860. How will consolidation / M&A activity in the RIA industry impact your business in the next 12 months?

	Successful Advisors and Financial Professionals		All Other Advisors and Financial Professionals	
	2021	2020	2021	2020
Unweighted Base	384	465	1248	1303
TOP 2 BOX (NET)	63%	47%	51%	40%
Very positive impact	22%	181%	14%	13%
Somewhat positive impact	41%	28%	37%	27%
No impact	24%	34%	33%	39%
BOTTOM 2 BOX (NET)	11%	16%	13%	17%
Somewhat negative impact	10%	12%	12%	15%
Very negative impact	1%	4%	1%	2%
Don't know / Not sure	2%	4%	4%	4%

Q865. Why do you feel positively about the effect of M&A on the RIA industry? Please select up to three.

	Successful Advisors and Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	242	218	158	112	85
Increased opportunities to sell my business	37%	28%	32%	31%	18%
Greater resources to serve my clients	36%	36%	36%	35%	35%
Greater resources to expand / scale my business	33%	24%	28%	29%	39%
Allow me to create a succession plan	32%	22%	27%	25%	25%
Increased opportunities to buy another practice	29%	28%	27%	29%	33%
Increased opportunities to merge with another practice	32%	35%	23%	34%	27%
Scale allows increased investments in technology	29%	32%	30%	34%	33%
Allow me to provide ongoing employment for my existing employees	34%	30%	25%	27%	27%
Smaller competitor set	22%	22%	30%	18%	21%
Other	-	-	-	-	1%

Q865. Why do you feel positively about the effect of M&A on the RIA industry? Please select up to three.

	All Other Advisors and Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	633	518	458	423	299
Increased opportunities to sell my business	33%	23%	27%	23%	21%
Greater resources to serve my clients	33%	32%	30%	39%	44%
Greater resources to expand / scale my business	33%	32%	32%	37%	30%
Allow me to create a succession plan	33%	31%	26%	26%	25%
Increased opportunities to buy another practice	33%	29%	22%	26%	28%
Increased opportunities to merge with another practice	30%	29%	28%	20%	20%
Scale allows increased investments in technology	29%	28%	23%	27%	22%
Allow me to provide ongoing employment for my existing employees	26%	24%	26%	24%	26%
Smaller competitor set	24%	24%	20%	20%	24%
Other	-	*	*	1%	1%

Q870. Why do you feel negatively about the effect of M&A on the RIA industry? Please select up to three.

	Successful Advisors and Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	42**	74**	21**	14**	14**
Pricing compression	45%	45%	33%	71%	50%
Increased competition	38%	26%	33%	29%	36%
Harder to compete as a small independent firm	31%	31%	52%	29%	29%
Pressure to \sell\"products to my clients that may not be right for them"	24%	22%	29%	36%	36%
Increased pressure on profits	26%	42%	19%	29%	57%
Increased pressure to sell your business	29%	31%	14%	21%	21%
I prefer to manage my business independently without oversight	33%	24%	19%	-	14%
Other	-	1%	-	-	-

****caution: Small base size. Please read data as directional.**

Q870. Why do you feel negatively about the effect of M&A on the RIA industry? Please select up to three.

	All Other Advisors and Financial Professionals				
	2021	2020	2019	2018	2017
Unweighted Base	163	222	101	92**	79**
Pricing compression	37%	41%	31%	35%	41%
Increased competition	37%	29%	19%	29%	35%
Harder to compete as a small independent firm	34%	41%	31%	48%	46%
Pressure to \sell\"products to my clients that may not be right for them"	34%	32%	28%	40%	37%
Increased pressure on profits	33%	36%	28%	36%	29%
Increased pressure to sell your business	28%	18%	20%	13%	16%
I prefer to manage my business independently without oversight	25%	27%	37%	23%	20%
Other	1%	*	-	-	-

****caution: Small base size. Please read data as directional.**

About Advisor Authority: Methodology

The seventh annual Advisory Authority Survey was conducted online within the United States by The Harris Poll on behalf of Nationwide from July 22 – August 17, 2021 among 1,632 advisors and financial professionals and 839 investors, ages 18+. Among the 1,632 advisors and financial professionals, there were 790 RIAs, 790 broker-dealer, 501 wirehouse and 160 other financial professionals. Respondents for this survey were selected from among those who have agreed to participate in Harris Poll surveys. Because the sample is based on those who were invited to participate in Harris Poll online research, no estimates of theoretical sampling error can be calculated.

About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas; building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com.

About Nationwide

Nationwide, a Fortune 100 company based in Columbus, Ohio, is one of the largest and strongest diversified insurance and financial services organizations in the United States. Nationwide is rated A+ by both A.M. Best and Standard & Poor's. An industry leader in driving customer-focused innovation, Nationwide provides a full range of insurance and financial services products including auto, business, homeowners, farm and life insurance; public and private sector retirement plans, annuities and mutual funds; excess & surplus, specialty and surety; pet, motorcycle and boat insurance. For more information, visit www.nationwide.com. Follow us on [Facebook](#) and [Twitter](#).

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