

HOW SLOW INDUSTRY GROWTH HURTS YOUR CAREER PROSPECTS

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Revenue growth at wealth management practices has been falling for three years straight, and it imperils advisors' career development prospects, InvestmentNews writes.

Median revenue growth at advice firms has been steadily declining, from 16% in 2013, to 14% in 2014, to 8% in 2015 and to around 5% last year, Philip Palaveev, CEO of The Ensemble Group, said at a recent InvestmentNews workshop. The decline leads to lower business valuations and tighter budgets but it also hurts career prospects, according to the publication.

Some firms certainly grow faster than others and some are standouts in terms of compensation as well as their approaches to staffing, InvestmentNews writes. Among such firms is JMG Financial, according to the publication, which ranked it among the top companies in the category. Yonhee Gordon, principal and chief operating officer of the company, says her firm's success is a direct result of having a career path for its 50-strong employee force as well as competitive salaries and benefits, according to the publication.

But at companies with declining revenue growth advisors have fewer opportunities for growing intellectually as well as financially, "and their careers slow down," Palaveev said, according to InvestmentNews.

And it's not just slowing revenue growth that will affect career prospects in the financial advice space. The RIA channel continues to consolidate, with 2017 well on track to have record M&A activity for the fifth year in a row, according to a recent report from **ECHELON Partners**.

The report projects a 23% jump in deal volume this year compared to 2016, with private equity firms and consolidators now accounting for 53% of RIA purchases year to date. Meanwhile, buyers are looking for ever bigger firms to acquire, with the number of deals for RIAs with \$1 billion or more in assets under management expected to surpass last year's results. So far in 2017, the average deal size was \$1.1 billion — the highest in seven years, according to ECHELON.