

ECHELON PARTNERS RELEASES 2017 RIA M&A DEAL REPORT™

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ECHELON Partners, a leading investment bank focused exclusively on wealth and investment management industries, announced today the release of the **2017 ECHELON RIA M&A Deal Report** designed to capture, analyze and report on all of the key transactions, trends and M&A activity in the RIA and Wealth Management industries.

Merger and acquisition activity in the RIA industry set a record with 168 transactions in 2017, up 22% over 2016's previous record year. As part of this record-breaking deal making, Private Equity investments are playing an increasingly larger role in the \$1 billion+ segment and those investments are projected to continue as these sophisticated buyers see opportunities, particularly in the high end of the growth of the wealth management space.

Additionally, RIA breakaways continue to sustain their momentum in the face of a more restrictive environment stemming from the high profile departures of major Wall St. firms from the Broker Protocol. Through 2017, 423 breakaways were recorded to have taken place with a record 121 in Q4 2017. The breakaway movement continues to gain momentum as the average size of breakaways increases, up 5% over 2016 AUM levels to \$304 million.

WealthTech, a subset of the overall financial technology industry, has also seen robust M&A activity, with 22 deals recorded in 2017, another wealth management industry record. This growing in importance sector received 12% of the overall total of capital invested in FinTech, surpassing \$16 billion for the first time.

"The key factors driving this record M&A activity are the increased availability of financing, market cycle timing, the increase in private equity buyers and an increase in deal assistance along with greater knowledge by sellers," said ECHELON Partners CEO **Dan Seivert**.

With the DJIA closing over 26,000 combined with the recent tax law changes, sellers and buyers alike are feeling more confident resulting in higher activity. This heightened confidence combined with advisors becoming more comfortable with debt financing and more internal succession plans coming to fruition, is leading to higher and higher volumes of transactions, according to the Deal Report.

"The environment we are entering is creating a very bullish marketplace for M&A deal making and we fully expect to see these trends drive volumes of transactions, both in total numbers as well as in assets going into 2018," said Seivert, "Our research in the Deal Report is projecting a continued increase in M&A activity across the board and the momentum in our business is directly reflecting these results as advisors and industry participants are increasingly looking for expert advice to optimize their results in transactions that can result in tens of millions of dollars from monetized business equity."

Additional and expanded findings from the Deal Report include:

Record Setting Deal Volume: 2017 was the 5th year in a row of record setting deal volume, with 41 total consummated transactions in the 4th quarter of 2017 to bring the year total to 168.

Consolidators Take Control of RIA Deal Activity: In search of growth platforms and scale, well-capitalized, strategic buyers and consolidators have accounted for 44% of RIA purchases in 2017, consummating a record 74 deals.

Average Deal Size Exceeds \$1 BN for the Second Straight year: 2017 saw an average transaction size of \$1.01 BN, a 22% CAGR since 2013.

RIA Breakaways Rally, Despite More Restrictive Advisor Protocol: 4Q17 saw an increase of 13% vs.3Q17 with a total of 121 breakaways. The big Wall St. firms leaving the Protocol pushed advisors to accelerate breakaway activity.

\$1 BN+ AUM Deal Making Surges: \$1 BN+ AUM wealth manager deal activity surpasses strong 2016 numbers with 54 transactions as buyers seek out these ideal, lower risk companies.

The ECHELON Deal Report was recently recognized as the winning initiative in the 2017 wealthmanagement.com's Industry Awards in the Investment Banking & Succession Planning category for its innovative, high-quality research that is proving to be the go-to industry resource to help wealth management decision makers with their strategic options.

To gain access to the ECHELON RIA M&A Deal Report, visit: <http://www.RIADealReport.com>

About ECHELON Partners

Founded over 16 years ago, ECHELON Partners <http://www.echelon-partners.com> combines the high quality expected of a large investment bank with the high-touch expected of a personal boutique. Compared to traditional investment bankers, ECHELON Partners offers a total platform approach of investment banking, valuation and management consulting services - bringing together financial advisory, strategic consulting, and senior-level operational experience to each engagement. ECHELON's keys to successfully serving clients are a deep understanding of the wealth and investment management industry, an extensive network of contacts and strategic partners, a powerful set of processes and databases, integrity, and trust. ECHELON Partners is committed to bringing all of these qualities to every client assignment. With a track record spanning hundreds of engagements, ECHELON's team understands the unique needs of owners and executives in the financial services industry.
