



Hiring Trends

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The 1st Quarter of 2017 began at a slow pace and continued a trend from the days and weeks leading up to the presidential election. Despite strong market lift and a record DOW topping 21,115 at the beginning of March, much of Financial Services hiring activity was slow. The distribution side (Sales, Sales Management, Key Accounts, Sub-advised VA/DCIO) of Asset Management was particularly slow especially on the active side as a result of increased margin pressure, continued asset flow transitions from active to passive, strategic restructurings and reorganizations, product culling and rationalization on distribution platforms, and a host of other contributing factors.

Overall however, we have also seen a number of hiring bright spots across the landscape ranging from Financial Technology (FinTech), Data Science, and our focus for this issue... Wealth Management.

In the Wealth patch, which is certainly not without its challenges and dislocations brought on by everything from Fiduciary standards, margin compression, technology evolution and the dawn of the robos, the reality is that Wealth has been and will continue to be a growth segment. The market is currently estimated at over \$35 Trillion right now in investable assets and growth expectations are placed at 2X in 10 years. At the same time the advice industry is faced with an aging and retiring advisor force, advisory practices in transition, greater need for gender and ethnic diversity among advisors, and a next generation of advisor professionals who can help to transition existing practices and be the stewards into the future. DAK has seen increasing growth and hiring taking place within the Independent Wealth RIA segment. This segment is already at over \$4 Trillion in AUM with highly accelerated expectations for continued AUM growth. To put things in perspective, an RIA with \$100 Million in AUM 12 to 15 years ago was considered sizable - today there are over 500 firms with \$1 Billion or more in AUM. DAK has seen an ever increasing demand from these Wealth RIAs for fee-based CFP/Advisors to join and bolster their existing practices, an increasing interest to sponsor and host breakaway teams from broker-dealers who employ a fee-based approach and have similar methodologies and practices, and regional sales specialists who can represent their firms to the branch advisors among the custodial networks "referral programs". One of the more striking developments in the past 5-7 years for the larger Wealth RIA's is that as the scale and complexity of their practices have grown, so has their need for key strategic hires. We are now seeing hiring demands for Chief Operating Officers, Chief Investment Officers, Chief Technology Officers, Chief Compliance Officers, Operating Executives, Heads of Business Development, and even Heads of Growth/Acquisitions. As evidence to this activity, DAK Associates has been engaged by three separate large RIA's this quarter alone to assist with their critical hiring needs, and we expect this trend to continue.

Lastly, we are seeing continued interest in the Investnet Institute on Campus (EIOC) program from the Wealth RIA segment. These firms, while growing, do not have the brand, scale, on-campus recruiting apparatus and resources of larger organizations. In EIOC they see a powerful tool that can help them to bridge the talent gap, and attract talented young men and women into an ever important and explosive growth segment.

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