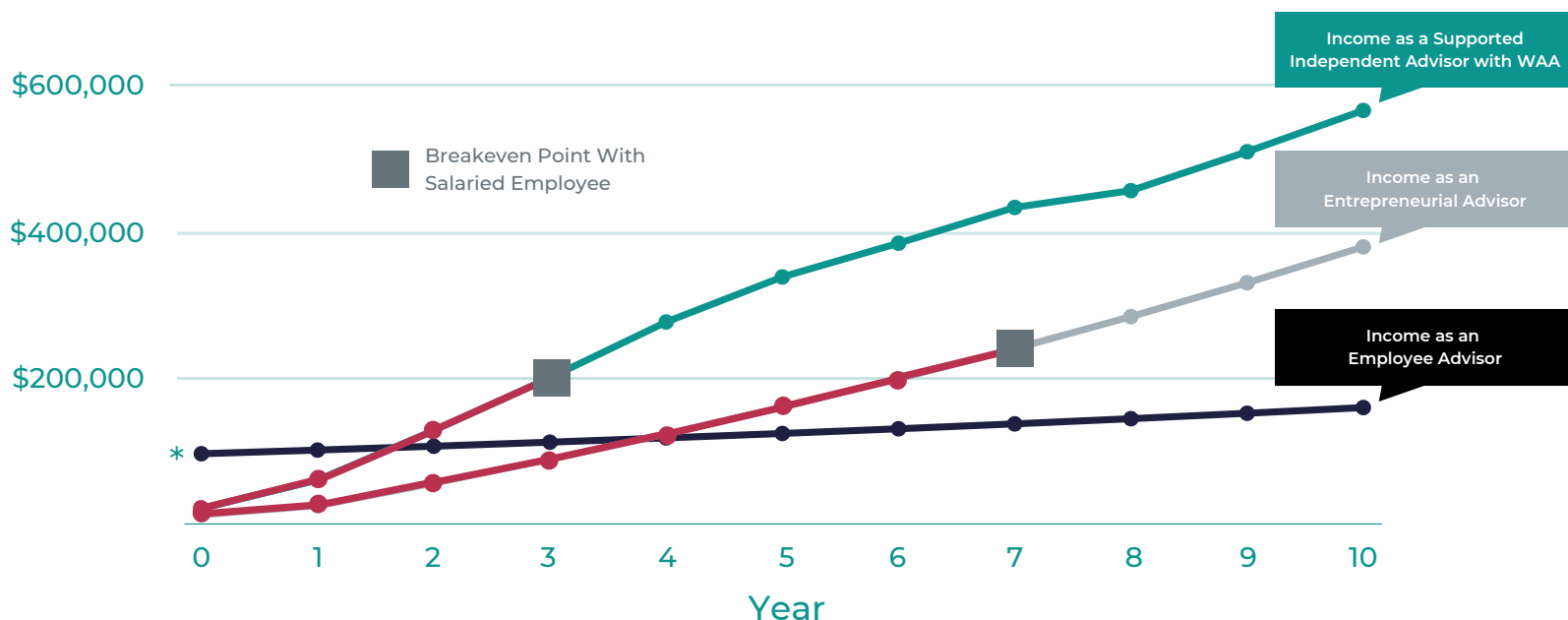


## COMPARING THE PAY OF AN ENTREPRENEURIAL VS. EMPLOYEE ADVISOR



The graph assumes the advisor can recruit \$4,000,000 of new assets each year at an average fee of 0.85% of AUM (assuming clients' average returns of 6% net of the advisor's fees, and as a salaried employee the advisor's compensation would increase 5% annually). Entrepreneur costs would be 15% of revenue collected, and due to delays associated with RIA registration, technology setup, prospecting, and clients coming in throughout the year, the advisor ends up with a reduced first year of revenue. The AUM of the prior year-end and that year-end is averaged to account for clients coming in throughout the year. For the Supported Independent Advisor with WAA model, the advisor pays higher operating costs at 25% and buys \$3,000,000 of AUM over the first five years at a multiple of three times revenue paid out of fees over seven years.

\* Salaried employee is based on the \$100,000 average compensation for a TD Ameritrade financial advisor in New York City, according to LinkedIn



82% of full-time independent workers say they are happier working on their own<sup>1</sup>



Independent entrepreneurs spend, on average, one-third of their time on compliance<sup>2</sup>



With a Global Entrepreneurship Index of 83.6, the U.S. is rated as the best country for entrepreneurs<sup>3</sup>

# INDEPENDENCE WITH OPTIONS



#### Sources

1. "The State of Independence in America - 2019: The Changing Nature of the American Workforce." MBO Partners, June 2019. Accessed March 2020.
  2. Diana Britton, "Advisors Paying More for Compliance." Wealthmanagement.com, October 9, 2017. Accessed March 2020.
  3. "2019 Global Entrepreneurship Index Ratings." The Global Entrepreneurship and Development Institute, January 2020. Accessed March 2020.
- \* "Salary Insights: Financial Advisor Salaries in New York City Metropolitan Area at TD Ameritrade." LinkedIn.com, March 2020. Accessed March 2020.

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