



What Actually Contributes To Advisor Wellbeing

2025 Advisor Wellbeing Study

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The State Of Advisor Wellbeing In 2025

- Psychologists define wellbeing as a combination of feeling good and functioning well. Kitces Research measures this using the Gallup-popularized Cantril Ladder, in which respondents rate their lives on a scale from 0 (the worst possible life) to 10 (the best possible life). **Based on this measure, average Cantril ratings for financial advisors rose from 6.8 in 2023 to 7.3 in 2025.** In past studies, Cantril averages for advisors were consistently on par with those of the general US population (6.7, according to the 2025 edition of the *World Happiness Report*); now, though, advisors report notably higher wellbeing, making a career in financial services stand out as increasingly appealing compared to other professions.
- We further classified advisors at each respective end of the Cantril Ladder, either as Unwell or Thriving (with scores of 5 and below or 9 and above, respectively). The improvement in advisor wellbeing can be seen not only in how **the share of advisors classed as Unwell dropped from 19.6% in 2023 to 12.5% in 2025,** but also in how **the share classed as Thriving rose from 13.8% to 22.5%.**

Why Firms' Financial Success Depends On The Wellbeing Of Their Advisors

- Understanding what drives advisor wellbeing is important – not only because it helps to improve the day-to-day experience of individual advisors, but also because low wellbeing across a firm's advisor base significantly increases the risk of turnover. This, in turn, can impact the firm's growth and profitability, as departing advisors often take clients (and the associated revenue) with them, leading to considerable time and managerial resources that must be redirected toward rehiring for existing roles and retaining clients who might be inclined to follow a departing

advisor. This means that supporting and investing in the wellbeing of their advisors serves as a crucial business lever for advisory firms to minimize the negative business consequences of turnover.

- Overall, 2.3% of advisors report being “extremely likely” to leave their current employer or platform within the next year (excluding those who intend to retire), rising to 4.8% over the next five years. The strong link between wellbeing and expected turnover can be seen in how 13% of advisors in the Unwell group are at high risk of turnover within five years, compared to just 1% of those in the Thriving group. **Among employee advisors specifically, the risk is even more pronounced, with 21.3% of employees categorized as Unwell at high risk of turnover – compared to less than 0.5% of their counterparts in the Thriving group!**
- Beyond turnover, advisory firms with happier advisors also report stronger business performance. Compared to advisors in the Unwell group, those in the **Thriving group tend to work at firms with higher revenue per advisor (\$597,500 versus \$343,929) and per team member (\$373,214 versus \$275,568), and earn significantly more annual income (\$450,000 versus \$172,500).**
- While this relationship flows in both directions – wellbeing influences business outcomes through factors like retention and turnover, and positive business outcomes enhance wellbeing by helping advisors become more financially successful and feel like they're making progress on their goals – ultimately, advisory firms aiming to improve performance should pay close attention to the wellbeing of the advisors who power their success.

Advisor Wellbeing In An Age Of Mergers, Acquisitions, And Standardization

- Mergers & Acquisitions (M&A) in the advisory industry continue to increase, with firms acquiring peers and institutional investors like Private Equity (PE) and family offices taking ownership stakes. Despite this trend, 90% of firms in our sample remain entirely internally owned. However, because PE-funded firms tend to be larger (the median institutionally funded firm has 19 advisors, compared to 3 for firms without outside ownership, aligning with the overall sample median) only 4% of our total sample of advisors work at an institutionally funded firm.
- Despite some industry detractors against institutional investment into advisory firms, our results find that advisors at firms having taken PE/institutional money actually report higher wellbeing. However, this appears to be primarily due to the pre-existing financial success of the firm (which meant their advisors were *already* more likely to be thriving prior to investment); once controlled for, we find there is no relationship (positive or negative) between Cantril ratings and outside ownership. Given how recent this M&A activity is, though, there is reason to think this relationship may change. **For instance, only 28% of PE-backed advisors strongly agreed their life has purpose and 45% expressed optimism about the future – compared to 44% and 58%, respectively, among advisors without outside ownership.** This suggests that the shift in financial goals and the time horizon of institutional ownership really does come as a trade-off to advisors' own personal time horizon and goals (which tend to be longer-term careers far beyond the ownership window of current institutional owners), worsening their future outlook.
- Institutional investment, along with size and growth in general, has also led to a growing trend of standardization, particularly through the development of more centralized service models, where advisors share support teams that offer any combination of operations, planning, and investments support. On one hand, reliance on centralized support is positively associated with advisor wellbeing when service teams manage operations internally and centralize planning and/or trading in ways that

match their specific strengths and weaknesses. However, advisors at firms with fully centralized models (i.e., with fully centralized support and no dedicated team support) report average Cantril ratings nearly as low (6.8) as unsupported advisors with access to neither dedicated nor centralized support (6.7), indicating that the centralized-efficiency benefits of this model may be outweighed by the value of having dedicated team members who deeply understand the team's clients (whom clients can also get to know!) and can learn to optimally support and work with a specific lead advisor – and their individual client service preferences – as a high-functioning team unit.

The Five Key Drivers Of Advisor Wellbeing (And Their Lessons For Advisory Firms)

Our analyses identified a number of variables that reliably predict advisor wellbeing. These variables can be organized into thematic categories reflecting five key drivers of advisor wellbeing: Experience, The Right Workplace, Autonomy, Revenue Per Hour, and Having Enough. Among these drivers, “Experience” and “The Right Workplace” emerge as the most influential, followed by “Autonomy” and “Revenue Per Hour”, with “Having Enough” ranking as the least important of the five.

Experience

- *Years of Industry Experience.* Years of industry experience emerged as one of the strongest predictors of advisor wellbeing, presumably because the more time advisors spend gaining ‘reps’ (i.e., repetitions that develop relevant skills) – handling diverse client scenarios, building trust, converting leads, and turning prospects into clients – the more competent and effective they feel, which improves their wellbeing. This is reflected by our results, where 28% of advisors with fewer than five years of experience are included in the Unwell cohort, compared to just 7% for those with 20 or more years of experience.

- *Working at an Established Practice.* Similarly, advisors in the startup phase of their business – where survival depends on quickly acquiring enough clients and revenue to become economically viable and sustainable – report lower wellbeing than those running established firms.
- *Career Transitions.* Interestingly, the happiest advisors are not those who launched their careers immediately after college to ‘start the clock’ in the industry as early as possible. New advisors entering straight from undergraduate programs are often learning both how to be advisors and how to function in a professional workplace for the first time. Among the youngest advisors with fewer than five years of experience, 47% fall into the Unwell group, compared to only 26% of early-stage advisors entering the industry later in their careers from other professions and bringing workplace skills (such as meeting deadlines and collaborating effectively with teams). This gap narrows over time but never fully closes. Ultimately, firms have a financial trade-off between hiring those right out of college (who have lower salary demands but are more likely to turn over) and career switchers (who command 20%–40% higher salaries but are more likely to survive and stay).

The Right Workplace

- The second driver of advisor wellbeing is being in “The Right Workplace”. Advisors can think about where they work (and whether it’s the right fit) on three levels: their firm, their specific service team (which may be the same as the firm for solo advisors), and their physical work environment – at home, in an office, or elsewhere. Each of these drivers shape wellbeing.
- *Tech Stack Satisfaction.* At the firm level, the biggest wellbeing driver is tech stack satisfaction. On a 1–10 scale, advisors included in the Unwell group average a 6.2 rating, while those in the Thriving group average 7.9. In alignment with the observation that advisor wellbeing is tied to industry turnover, we see that **25% of advisors with low stack-satisfaction scores (scores of 1–3) are at high risk of turnover over the next five years, compared to just 1% of advisors with high stack-satisfaction scores (scores of 9–10)**. This creates a crucial trade-off for advisory firms between the cost of better technology (firms with low stack-satisfaction scores

spend 3.0% of their revenue on technology versus 7.1% for those with high satisfaction scores) and the cost of high advisor turnover.

- *Living out Mission & Values.* Working at a purpose-driven firm – where Mission & Values (M&V) statements are lived out in practice – positively relates to advisor wellbeing. Having M&V statements and living them out both matter. At firms where M&Vs are “very central”, 28% of advisors are in the Thriving group, compared to 21% at firms with no M&Vs. Crucially though, when M&Vs are “minimally central”, the share of advisors in the Thriving group drops to just 4%, likely due to the mismatch between advisors’ expectations and their actual experience – where they’re drawn to a firm based on its stated values only to discover that those values are not meaningfully reflected in the day-to-day culture. In other words, while firms with a clear purpose foster happier advisors, firms that allow their advisors autonomy to set their own path also have reasonably happy advisors. The real risk lies in promoting values that don’t actually show up beyond the website.
- *Having Team Support.* At the service-team level, being an unsupported solo advisor is negatively associated with wellbeing compared to advisors on multi-member teams, as unsupported solos are unable to delegate the administrative, compliance, and other tasks they find most frustrating. Notably, both Kitces Research studies on Advisor Wellbeing and Advisor Productivity show that while outcomes can vary by team size and structure, the most important factor is simply having any team at all – even when it’s limited to CSA support alone (which actually produces the most substantive lift of any one individual addition to the team!).
- *Working In Preferred Environments.* Finally, our research finds that there is no significant difference in wellbeing between business-office versus work-from-home environments; however, alignment between an advisor’s ideal work environment and their actual environment significantly improves wellbeing: only 8% of advisors working in their ideal setting are included in the Unwell group, compared to 16% of those who are not in their ideal environment. In practice, this alignment is made possible either by advisors seeking out firms that fit their existing preferences, or by firms providing flexibility to their advisors about where their advisors work. And

because it's very challenging for most advisors to change firms (if their current firm isn't already aligned to their preference), the absence of such flexibility not only lowers wellbeing but also increases the risk of turnover – **only 4% of advisors with workplace flexibility say they are “very likely” to leave their current employer or platform within five years (excluding retirement), compared to 33% of those without it.**

Autonomy

- *Control Over Schedule.* The third driver of advisory wellbeing is “Autonomy”, encompassing two key components: control over one's schedule and having ownership. For the first element, 72% of advisors agree or strongly agree that they have control over their schedules – a major attraction to the profession. The contrast for those without this autonomy is stark: **only 8% of advisors with schedule control fall into the Unwell group, compared to 43% of those who lack it.**
- *Having Ownership.* The second element of Autonomy is ownership. A significantly lower share of advisors who have an ownership stake are in the Unwell group (9%) than employee advisors without ownership (22%), who may feel they have less influence over decisions, including those affecting technology or work environment (22%).

Revenue Per Hour

- *Weekly Work Hours.* The fourth driver of advisor wellbeing involves increasing the “Revenue Per Hour” advisors generate, which can occur either by increasing revenue without increasing workload or by reducing weekly work hours while maintaining current revenue. Beginning with the latter, total work hours are negatively associated with advisor wellbeing. The benefit comes not only from avoiding long hours but also from advisors who manage to work fewer than 40 hours per week – often by serving fewer, higher-value clients and having more support staff to offload administrative tasks.
- *Client Affluence.* On the revenue side, client affluence is positively associated with wellbeing. Since 90% of advisors earn at least some AUM-based revenue (81% rely on it primarily), working with fewer – but wealthier

– clients leads to higher revenue per client than serving many smaller clients with equivalent total assets, given that all client relationships require a certain baseline of time and overhead. The caveat is that client affluence only increases revenue per client if advisors deliver value that justifies their fees and have the pricing confidence to ask for it. In other words, improving wellbeing requires being paid well for the work performed – which depends not just on having clients who can afford the fees but also on an advisor's ability to articulate their value proposition and their confidence to translate it into greater revenue per client.

- *Reconciling Fewer Hours With More Affluent Clients.* At first glance, working fewer hours and moving upmarket may appear to conflict, as higher-net-worth clients typically have greater service demands requiring more team hours overall. However, the key to moving upmarket while working fewer than 40 hours per week is pruning the client base – gradually reducing the number of clients served to focus on the right affluent clients: those whose needs align with the advisor's strengths and who can be served most effectively and profitably. Even if service hours per client rise, revenue per client typically rises even faster, resulting in a net increase in the advisor's revenue-per-hour productivity.
- *40-100 Client Households.* Because there is a certain mental load in maintaining *any* client relationship, advisors can also become overwhelmed when they have too many client relationships to manage at once. **Our research finds that the ‘sweet spot’ for advisor wellbeing generally falls between 40 and 100 client households, with the optimal number decreasing as client affluence increases.** These boundaries can shift based on factors like team support and the range and depth of services offered. Wellbeing declines sharply below 40 clients – where advisors often face profitability challenges or have revenue concentrated in too few households – and also above 100 clients, where profitability per client tends to drop or total work hours and cognitive load become unsustainable. Which helps explain why, as advisors gain team, tech, and productivity efficiencies, many choose to go deeper with existing clients or take more time off rather than increase their client load.

- *Right Growth Mindset.* An example of advisors adopting a wellbeing-problematic approach of growing by more efficiently serving a larger number of less profitable clients can be seen in B/D-affiliated advisors using TAMPs. These advisors serve 109 clients at an average of \$4,281 in annual revenue per client (totaling \$466,000 in team revenue per year), generating \$271 in take-home income per hour, while non-TAMP-users serve fewer (84) clients at a higher (\$5,769) annual revenue per client (totaling \$484,000 in team revenue per year), generating \$338 in take-home income per hour. Because the latter group generates nearly 25% more revenue per hour, the former group reports lower wellbeing. This highlights how efforts to solve an ‘unprofitable clients problem’ through tech efficiency and outsourcing – rather than by moving upmarket to increase revenue per hour – ultimately undermine advisor wellbeing.

Having Enough

- *Prioritization of Lifestyle Over Business Growth.* The fifth driver of advisor wellbeing is “Having Enough”. In essence, business-centered goals – such as building a sustainable client base, making a first hire, or generating enough revenue to support personal life goals – are important only to the extent that they enable success in relationship-centered goals, like deepening connections with clients, team members, and loved ones. Advisors who consistently sacrifice these relationships in pursuit of continuous growth ultimately report lower wellbeing.
- *Team Orientation.* Advisors who are willing to trade lifestyle for business growth or who prioritize adding clients over deepening existing relationships consistently report lower wellbeing. At its extreme, a growth-first mindset can lead advisors to view their teams primarily as a means to increase personal output rather than as collaborators. The distinction matters: among advisors who say their team helps “me” serve more, 20% fall into the Unwell group, compared with just 12% of those who say their team helps “us” serve more.
- *Annual Income.* **Annual income is another part of the Having Enough driver. We find that advisor wellbeing increases with income... but only up to around \$500,000 of take-home income, after which it plateaus.** In addition, while income is positively associated with wellbeing, it has less impact than factors like experience, tech satisfaction, work hours, and control over one’s schedule (consistent with our 2023 report).
- *Interpreting ‘Enough’.* None of this suggests that earning more or pursuing business goals is inherently detrimental. In fact, when business success is used to build a strong team – creating better career opportunities for them while allowing the team to absorb administrative and compliance work advisors often find frustrating, deepen client relationships, and create space for a meaningful life outside of work – it can indirectly support higher levels of wellbeing. But when growth comes at the expense of the underlying relationship-centered goals that often motivate advisors in the first place, happiness tends to decline. Advisors stuck on an endless treadmill of new goals may never feel satisfied – because if ‘enough’ is always just out of reach, there’s no true finish line.

Introduction

Advisor Wellbeing: A Crucial Business Lever To Reduce Turnover

Advisor Wellbeing In A Fast-Evolving Industry

Our Fourth Look Into Advisor Wellbeing

Survey Participants And Methodology



Advisor Wellbeing: A Crucial Business Lever To Reduce Turnover

While “happiness” is often used interchangeably with “wellbeing”, psychologists define wellbeing more precisely as a combination of feeling good and functioning well. This includes happiness but also encompasses broader dimensions such as life satisfaction, a sense of control, purpose, personal growth, and feeling valued.

Given the breadth of this concept, wellbeing is shaped by many aspects of individuals’ lives, including the activities they engage in, their environment, and the relationships they maintain. One influential factor in shaping wellbeing is work. With a standard 40-hour workweek and eight hours of sleep per night, work takes up more than a third of a person’s waking hours. Whether that time is spent on meaningful or monotonous tasks – and whether a job feels fulfilling or draining enough to leave no energy for anything else – has a profound impact on overall life satisfaction.

From a business perspective, employee wellbeing can determine whether a company maintains a stable and engaged workforce – one that consistently channels its energy, talent, and focus toward advancing the goals of the organization – or whether it must continually redirect significant time, financial resources, and managerial attention to the costly and disruptive effects of high turnover. This dynamic can quickly spiral into a cycle in which constant rehiring detracts from efforts to retain existing employees.

Such challenges are increasingly evident in the financial services industry, where departing advisors often take clients – and the associated revenue – with them, even when non-compete or non-solicitation agreements are in place. This trend of ‘clients following their advisors’ has intensified in recent decades as the industry has shifted from a transaction-based model focused on product sales to a relationship-based fiduciary model centered on

ongoing advice. As a result, it’s often easier and more appealing for clients to complete a new advisory agreement, risk tolerance questionnaire, and ACAT transfer forms to follow their advisor to a new firm than to rebuild trust with a new advisor at their previous firm.

The urgency of reducing turnover is heightened by the industry’s well-documented advisor talent shortage. When firms struggle to fill open roles, retaining current advisors becomes even more critical. For advisory firms, this means that supporting and investing in the wellbeing of their advisors serves as a crucial business lever for minimizing turnover and its consequences on the firm. Understanding the factors that meaningfully shape advisor wellbeing – and which do not – is essential for activating that lever. This report examines those drivers and their implications for advisory practices.

Advisor Wellbeing In A Fast-Evolving Industry

In many respects, financial advisors today have more autonomy than ever to build a career that supports a meaningful life. The growing share of advisors operating exclusively in the independent RIA channel enjoy greater flexibility than previous generations in choosing the clients they serve, the service model they find most fulfilling, and the technology that helps bring their vision to life.

Further, the very notion of what it means to work for an advisory firm has evolved. In 2020, the COVID-19 pandemic forced firms to adapt quickly by shifting many operations online. As noted in our latest Research on Advisor Productivity, while some firms returned to in-person operations as soon as possible, others found long-term value in remote work and made it a permanent part of their model. As we describe later, the share of advisory firms no longer operating exclusively in a traditional business office setting continues to grow, even as the pandemic recedes further into the past.

In short, whether it's an advisor running a solo lifestyle practice online while working just 200 days a year, an advice-only planner focused on tax strategies for DIY clients, or a professional in a larger ensemble firm offering integrated services such as in-house tax preparation, today's advisory landscape offers more flexibility and better tools than ever to help advisors design the work lives that best support their overall wellbeing.

For the most part, advisors appear to be making the most of this flexibility. As outlined throughout this report, advisor wellbeing has seen a meaningful and widespread improvement between 2023 and 2025. However, this upward trend does not mean the picture is universally positive.

As advisory firms scale and the number of 'mega-RIAs' continues to grow, many larger firms are beginning to limit the choices available to their advisors – whether in service models, technology stacks, or operational workflows – effectively reintroducing the kind of rigid structures once associated with IBDs, now within the 'independent' space. This shift is largely driven by accelerating consolidation in the industry, particularly through private-equity-backed acquisitions. These deals often prioritize enterprise value and emphasize the standardization of services for consistency and repeatability – decisions intended to improve operational efficiency and EBITDA margins, but which can leave advisors feeling constrained and unable to serve clients in the personalized, mission-driven ways that drew them to independence in the first place.

In this rapidly evolving environment, understanding what actually succeeds (and fails!) in driving advisor wellbeing has never been more important. High advisor turnover doesn't just affect internal morale or disrupt client relationships; it directly threatens a firm's ability to grow and sustain its business. Productivity metrics like revenue per advisor or client acquisition rates quickly lose their meaning if firms are stuck in a costly and constant cycle of attrition. In this context, advisor wellbeing is not a 'nice-to-have' but a foundational indicator of long-term business success – because it's what makes all other success metrics sustainable.

Ultimately, beyond being essential for the health of the business, advisors who feel genuinely fulfilled in their work are best positioned to do the work that matters most: serving their clients.

Our Fourth Look Into Advisor Wellbeing

Given the importance of advisory wellbeing in reducing turnover and improving the quality of service clients receive, Kitces.com is proud to be a leading voice and resource in its study of wellbeing. Prior to our inaugural white paper on the topic in 2020, advisor wellbeing received little systematic attention.

Since that first study, our research agenda has continued to center on three core objectives:

1. Understand the current state of wellbeing across various segments of advisors and how these wellbeing levels have changed over time;
2. Identify the factors that most drive the personal wellbeing among advisors; and
3. Explain how supporting advisor wellbeing serves as a lever for improving business outcomes and reducing turnover within advisory firms.

Survey Participants And Methodology

Recruiting Respondents

This report draws on original survey data gathered from August 22 through September 22, 2025, via the Kitces.com platform. Participation in this Kitces Research survey was promoted to the Kitces.com audience through emails to the Nerd's Eye View mailing list, banners on the Kitces.com website, and multiple Kitces-affiliated social media channels.

Participation was limited to advisors who met the following criteria:

1. Worked at a US-based firm established in 2023 or earlier, allowing for full-year 2024 revenue reporting; and
2. Worked at a firm that provides financial advice and played a role in delivering that advice.

Eligible participants across all industry channels included firm executives, Senior and Service Advisors who manage client relationships, and Associate Advisors and Paraplanners who support those advisors (role definitions are provided in the Glossary).

Individuals working exclusively in operations or administrative roles without executive responsibilities (e.g., Client Service Administrators) were not eligible.

Structure of the Survey

While the most important items on our questionnaire pertained to respondents' personal wellbeing, the survey also asked advisors to provide information about their current work environments, work accountabilities, work-related preferences, and perceptions of job performance. Additional questions covered demographics, income, and operating characteristics of the respondent's practice.

Measuring Wellbeing

Our principal metric of advisor wellbeing is the "Cantril Ladder". Officially known as the Cantril Self-Anchoring Scale, the measure was developed in 1965 by Dr. Hadley Cantril, a pioneering social researcher. Respondents are asked to imagine a ladder with the best possible life as a 10 and the worst possible life as a 0. They are then asked to rate their own current lives on this 0–10 scale.

The simplicity of this measure has led in its widespread adoption in the social sciences – most notably in research conducted by the Gallup Organization across 160 countries. As a result, the Cantril scale not only sheds light on differences in wellbeing across segments of advisors but also allows for straightforward comparisons between advisors and the US workforce more broadly.

In addition to analyzing average ratings on the 0–10 Cantril Ladder, we also categorize respondents based on where they placed themselves (Figure 1.1). Advisors rating their life quality at 5 or below were placed in the "Unwell" segment, those reporting between 6 and 8 were grouped as "Typical", and those rating their lives at 9 or 10 were categorized as "Thriving". Across our sample, 12.5% fell into the Unwell segment, while nearly twice as many, 22.5%,

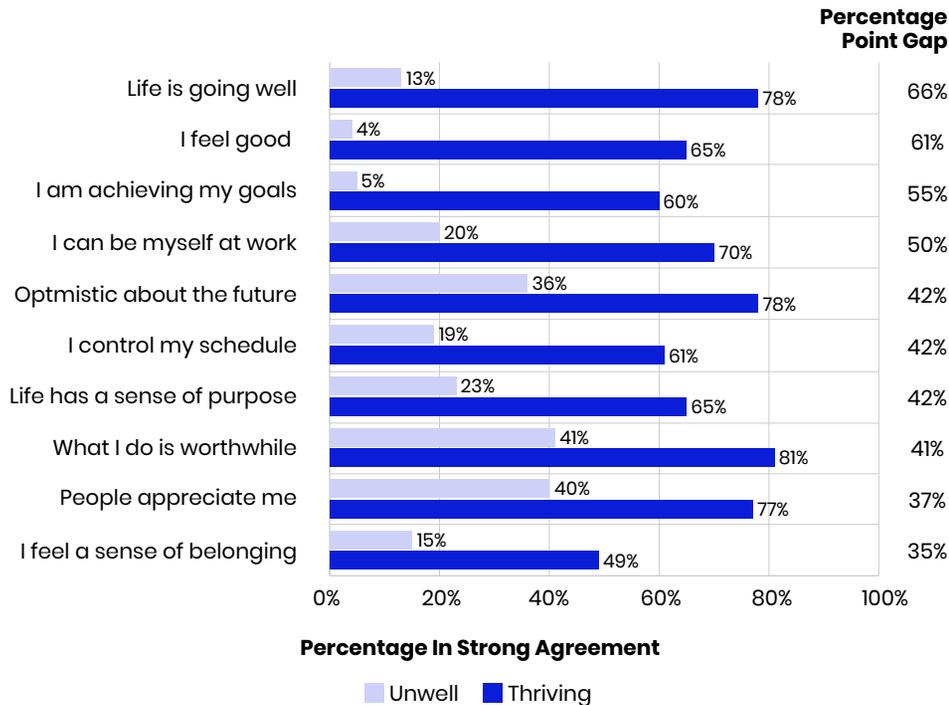
were in the Thriving segment. Throughout the report, capitalized references to Thriving, Typical, and Unwell denote these three specific score-based segments of advisors.

Figure 1.1. Classifying Advisors Based On Level of Wellbeing

	Unwell	Typical	Thriving
Cantril Rating	0–5	6–8	9–10
Share of Responses	12.5%	65.0%	22.5%

Beyond the Cantril Ladder, our survey also included questions capturing more specific aspects of wellbeing, many of which originate from the Brief Inventory of Thriving (BIT), a construct developed by psychologists Rong Su, Louis Tay, and Ed Diener, to assess comprehensive wellbeing and positive functioning. Figure 1.2 deploys both the Cantril and BIT constructs to compare respondents in the Thriving segment with those in the Unwell segment across key measures related to wellbeing, several of which originate from the Brief Inventory of Thriving. These comparisons offer a more detailed picture of the sentiments that most strongly correlate with higher – or lower – levels of wellbeing.

Figure 1.2. Gap In Positive Sentiments by Unwell Vs Thriving



Respondents in the Thriving segment were at least twice as likely to strongly agree with all measured sentiments. The most notable difference was in agreement with the statement “Life is going well”: only 13% of respondents in the Unwell segment strongly agreed, compared to 78% of those in the Thriving segment – a gap of approximately 66 percentage points. Three additional sentiments showed differences of 50 percentage points or more, in order of magnitude: “I feel good”, “I am achieving my goals”, and “I can be myself at work”. In sum, these patterns suggest that respondents reporting higher wellbeing – those describing themselves as “living their best possible life” – were most likely to feel positive about themselves, their achievements, and overall direction of their lives.

Composition of Sample

Nearly 1,500 participants at least partially completed the survey, which took roughly 25 minutes to finish. Of these, 827 were usable responses that met our stringent qualification and completeness criteria, which allowed us to report most results within a +/- 3% margin of error.

Because this survey drew from Kitces.com readers, the sample represents a unique segment of the financial advisor community. Kitces.com readers tend to be more advice- and planning-centric than the broader industry, which has a greater share of professionals focused primarily on stand-alone asset management or investment and insurance product sales. This distinction is important, as the results may not fully represent everyone who identifies as a “financial advisor”. For example, 57% of the sample is exclusively affiliated with an RIA – higher than industry-wide averages.

Even so, these results are particularly meaningful for those who identify as “financial advisers” – professionals in the business of delivering financial advice (not exclusively selling products) to clients and getting paid for that advice.

Despite being limited to Kitces.com financial adviser readers, the sample nonetheless represents a wide range of professional organizations, pricing structures, client profiles, and other variables. The middle half of respondents worked at practices generating between \$330,000 and \$2.5M in annual revenue (with the remaining 25% above and 25% below that range). The number of clients served in respondents’ particular service teams vary considerably, typically falling across a rather wide range between 65 and 277 clients per service team (Figure 1.3). Substantial portions of respondents were members of professional organizations such as the Financial Planning Association (36%), The National Association of Personal Financial Advisors (25%), and XY Planning Network (13%) (Figure 1.4).

Figure 1.3. Summarizing Typical Survey Respondents

Variable	Range
Respondent Age	40-59 Years
Age of Respondent's Practice	8-25 Years
Primary Industry Channel	57% Pure RIA
Annual Revenue Across the Practice	\$330,000-\$2.5M
FTEs Across the Practice	1-9 FTEs
Annual Service Team Revenue	\$250,000-\$1.7M
Service Team Size (including all advisors)	1-5 FTEs
Share of Revenue Dependent Upon AUM Fee	70%-100%
Clients Served by Team	65-277
Typical Investable Assets Per Client	\$500,000-\$2M
Share of Clients 60 or Older	35%-70%

Note: Ranges represent 25th to 75th percentiles unless noted otherwise.

Figure 1.4. Respondent Membership By Industry Organization

Organization	Share With Membership
FPA	36%
NAPFA	25%
XYPN	13%
IWI (formerly IMCA)	6%
Garrett Planning Network	6%
CFA Institute	6%
AICPA PFP	5%
FSI	4%
Kingdom Advisors	3%
NAIFA	3%
NAEPC	3%
Other	8%

The Current State of Advisor Wellbeing (And Why It Matters)

The Current State of Advisor Wellbeing

Wellbeing And Better Business Performance

2

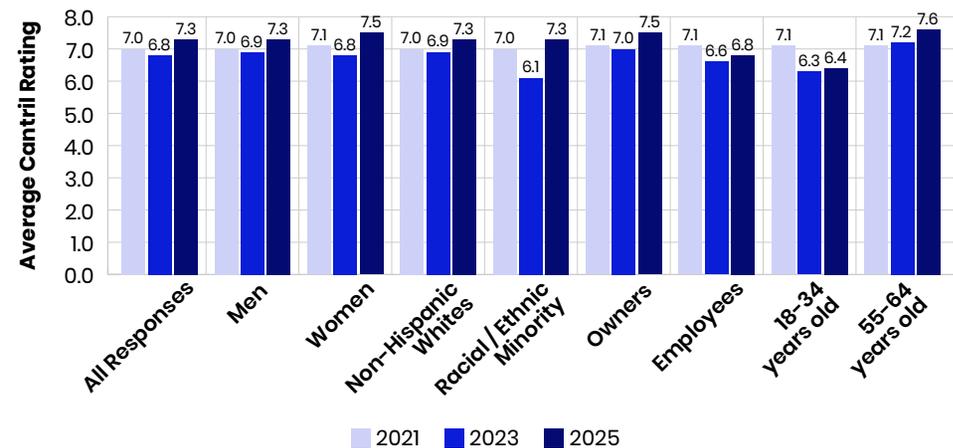
The Current State Of Advisor Wellbeing

Advisors' self-reported wellbeing improved between our 2023 and 2025 reports, based on both the Cantril Ladder as well as the more specific measures of wellbeing drawn largely from the Brief Inventory of Thriving (BIT).

When asked to think of a ladder where the worst possible life is rated as 0 and the best as 10, Kitces study participants gave an overall average rating of 7.3. Following 0.2-point decrease from 2021 to 2023, a 0.5-point increase between 2023 and 2025 was equivalent to about one-third of a standard deviation – a medium-sized lift in most psychological research (Figure 2.1). The size of this improvement is consistent when examining the longitudinal subset of approximately 150 respondents who completed both the 2023 and 2025 version of Kitces Research surveys, suggesting a genuine rise in life satisfaction rather than a shift in sample composition.

Notably, while advisors generally grow happier over time as they expand their client base, increase earnings, and gain confidence through experience (a trend explored further in the next section), the rise in average Cantril ratings among this shared cohort cannot be fully explained by tenure alone. Even the most extreme time-based difference in wellbeing – between advisors with fewer than five years of experience and those with 20 or more – is only 0.8 points. In short, the best explanation for the improvement in Cantril ratings between the 2023 and 2025 surveys is also the most straightforward: advisors are genuinely feeling better than they were two years ago.

Figure 2.1. Changes In Wellbeing By Select Segments, 2021–2025



With this increase, the average advisor now reports notably higher wellbeing than the US population at large. According to the World Happiness Report released in the spring of 2025 (based on data collected throughout 2024), the US national Cantril average was 6.7 – half a point lower than the average financial advisor. This gap is particularly notable given that Cantril averages in previous Kitces wellbeing studies were consistently on par with those of the general US population.

What stands out most from our latest data is the extent to which the rising tide of greater wellbeing truly lifted all boats, with each advisor segment showing improvement and several reaching record highs. Among the segments displayed in Figure 2.1 wellbeing rose from 2023 for all eight and reached record highs for six. The largest surge was among racial minorities – an increase of 1.2 points – fully closing the gap with non-Hispanic Whites.

However, while racial and ethnic disparities in advisor wellbeing have closed, new disparities have emerged between two other segments of advisors. In 2021, both owner and employee advisors reported identical average Cantril ratings (7.1). By 2023, this gap widened to 0.4 points – driven by a sharper decline in employee ratings – and further increased to 0.7 points in 2025.

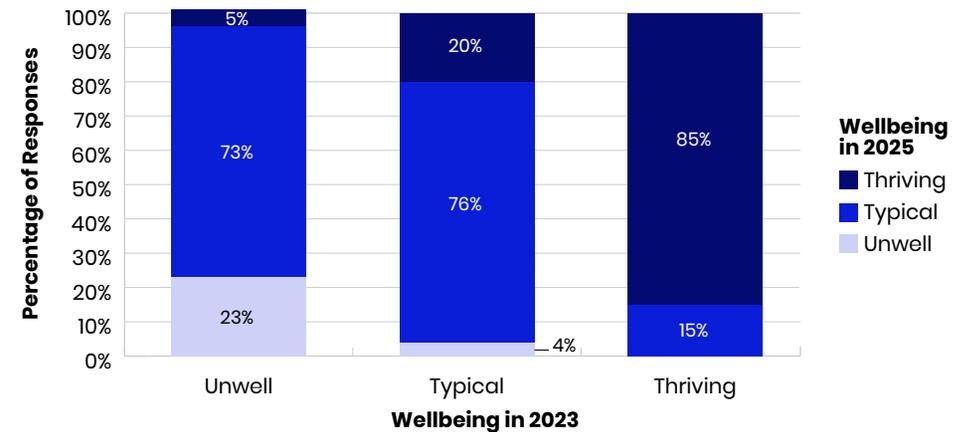
Similarly, young (aged 18 to 34) and older (aged 35 to 64) advisors also reported identical average ratings of 7.1 in 2021. By 2023, a 0.9-point disparity appeared, with older advisors' ratings rising to 7.2 while younger advisors' ratings fell to 6.3 – a gap that widened to 1.2 points in 2025.

Notably, employees and younger advisors – the only two groups whose wellbeing declined from 2021 to 2025 – significantly overlap. Among young advisors, 74% are employees and 23% are owners; among older advisors, the proportions are nearly reversed (21% employees versus 74% owners). Despite this overlap, neither disparity is entirely reducible to the other. Among young advisors, owners report slightly higher wellbeing (6.5) than employees (6.4), while among older advisors – despite higher overall wellbeing – the disparity is larger (7.5 versus 6.9). As explored later, both age and ownership status strongly relate to advisor wellbeing.

Why, then, have the wellbeing trajectories of (typically older) owners and (typically younger) employees trended in opposite directions? The reasons aren't entirely clear, but the years immediately following the 2020 pandemic in 2020 may have placed particular strain on owners. During this period, they first had to quickly adapt their businesses to remote work and later manage a new environment where staff and clients expected ongoing flexibility in where advisory work was performed. Now, with many of these challenges resolved, owner wellbeing has rebounded. By contrast, employees may have had a boost in wellbeing during the pandemic due to increased flexibility, and now – facing more restrictions on where they work – may be experiencing a decline.

More broadly, the primary reason average wellbeing levels rose between 2023 and 2025 is that the advisors who had been struggling most experienced improvement over the past two years. Focusing on advisors who participated in both waves of the survey, Figure 2.2 shows the share of advisors placed in the Unwell, Typical, and Thriving categories in 2025, based on their 2023 segment classification. Among those classified as Typical or Thriving in 2023, about 8 in 10 remained in the same category in 2025. However, the majority of advisors who were categorized as Unwell in 2023 had moved into either the Typical (73%) or Thriving (5%) categories by 2025.

Figure 2.2. Changes In Wellbeing, 2023–2025

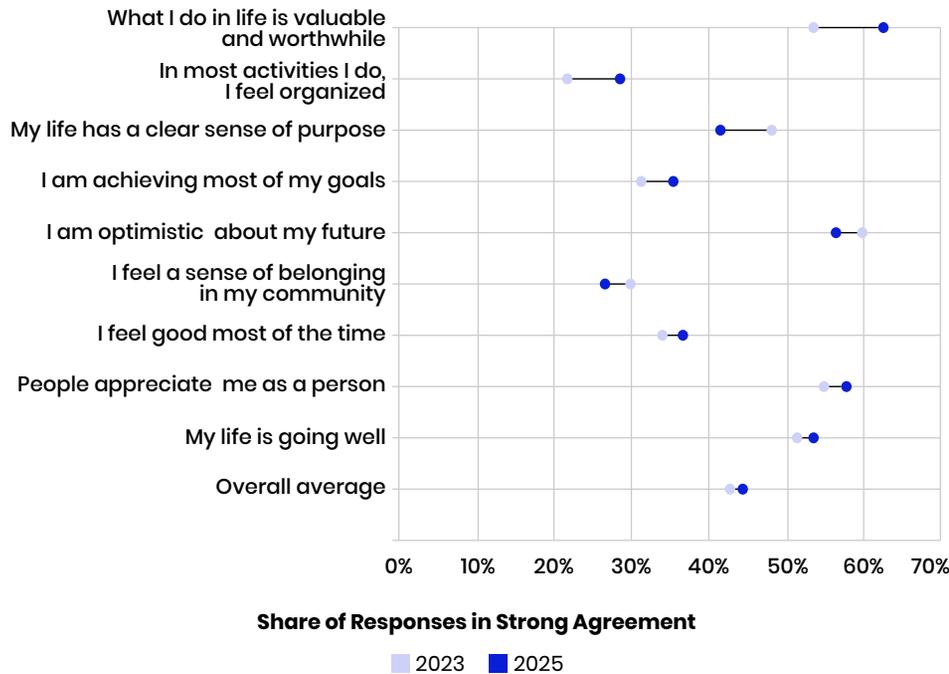


Note: Only includes respondents participating in both the 2023 and 2025 surveys.

Turning to our more specific measures of wellbeing, largely drawn from the Brief Inventory of Thriving (BIT), advisors who participated in both the 2023 and 2025 surveys became more likely to indicate “strong agreement” in 6 of the 9 measures (Figure 2.3), consistent with the overall lift in advisor wellbeing discussed earlier. The largest increases were in the share of advisors strongly agreeing that “What I do in life is valuable and worthwhile” (up 9 points, from 54% to 63%), “In most activities I do, I feel organized” (up 7 points, from 22% to 29%), and “I am achieving most of my goals” (up 4 points from 31% to 35%).

The improvement in feeling organized may reflect a post-COVID recalibration, particularly around execution and workflow. In 2023, many advisory firms were still experiencing lingering disruptions in their processes, making this the item that advisors were least likely to agree with. By 2025, though, more advisory firms had reestablished their workflows, contributing to the observed improvement.

Figure 2.3. Changes In Positive Sentiment, 2023–2025



Note: Only includes respondents from both the 2023 and 2025 surveys.

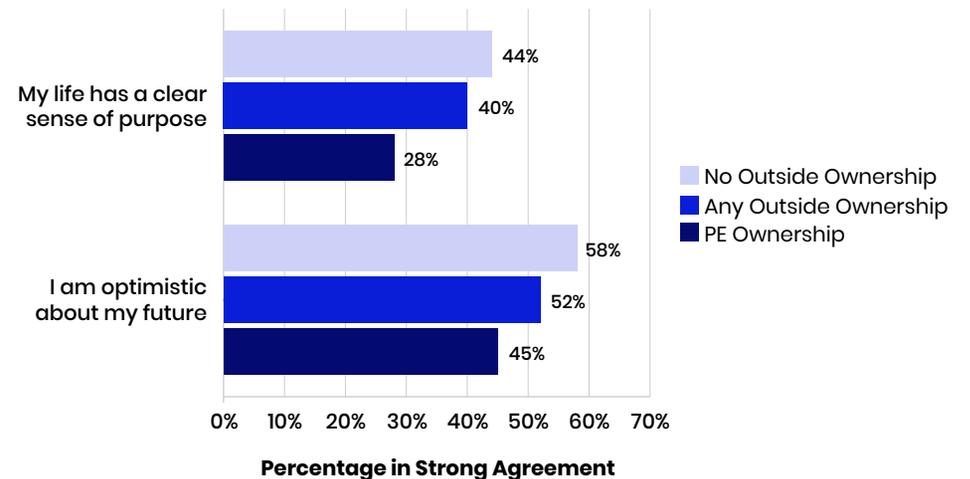
However, the change in BIT responses was not uniformly positive. Advisors were six percentage points less likely to strongly agree with the statement “My life has a clear sense of purpose” (dropping from 48% to 42%), three points less likely to strongly agree with “I am optimistic about the future” (from 60% to 57%), and three points less likely to strongly agree that “I feel a sense of belonging in my community” (30% to 27%). The decline in optimism about the future is notable given that advisors became more likely to agree that what they do is worthwhile and that they are achieving their goals. This pattern suggests concern that future outcomes may be adversely shaped by external factors beyond advisors’ control.

One such external factor is the potential for Artificial Intelligence (AI) to disrupt or reduce demand for financial advisors. According to our latest Research on Advisor Technology, while most advisors are at least moderately optimistic about their ability to leverage AI to improve business outcomes, about 1 in 5 are skeptical that the profession will truly be able to harness it –

potentially contributing to lower optimism about the future despite individual professional success in recent years. Still, it’s important to note that despite the modest decline, most advisors remain optimistic about both AI and the future in general, suggesting that concerns about AI are concentrated among a minority of skeptical advisors rather than reflecting widespread panic.

Another reason some advisors may be losing their sense of purpose and optimism about the future is the increasing flow of outside capital into the industry. Among advisory firms with no outside ownership, 44% strongly agree that their life has a clear sense of purpose and 58% are optimistic about the future. In firms with any level of outside ownership, these figures drop to 40% and 52%, respectively. Among firms where outside ownership includes a private equity firm, the numbers decline further to 28% and 45% (Figure 2.4).

Figure 2.4. Select Positive Sentiments By Outside Ownership Of Firm



This pattern suggests that the process standardization often introduced by outside ownership in the name of efficiency may come at the cost of advisors’ autonomy, limiting their ability to run their practices as they see fit and reducing the sense of meaning they derive from their work.

More broadly, the declines in advisors’ sense of purpose, community, and connection also raise the question of whether industry membership organizations – which often base their appeals to advisors on precisely these dimensions – could help fill the gap. Indeed, as we’ll show later, while

membership in organizations such as FPA, NAPFA, and XYPN is not among the top drivers of advisor wellbeing, members nonetheless report better wellbeing than non-members.

Wellbeing And Better Business Performance

As emphasized in the introduction, persistently poor levels of wellbeing among a firm’s advisors can lead to high rates of turnover – which, in turn, can significantly affect the firm’s growth and profitability, because when firms are forced to allocate time and managerial resources toward rehiring for existing seats and retaining clients who may be inclined to follow a departing advisor, it comes at the expense of advancing broader organizational goals and long-term strategic priorities.

At a high level, 3.4% of advisors report being “extremely likely” to leave their current employer or platform within the next year, with this figure rising to 10.1% when asked about leaving within the next five years. However, one challenge in interpreting this data to reveal employee turnover risk is that it includes advisors who are planning to retire. Given that the median respondent in this Kitces Research study was 51 years old, more than half of all intended departures can be attributed to anticipated retirement. Including these expected retirees in turnover projections blends two fundamentally different types of departures – retirements driven by financial readiness and career transitions driven by dissatisfaction – which makes it harder to interpret the relationship between wellbeing and turnover.

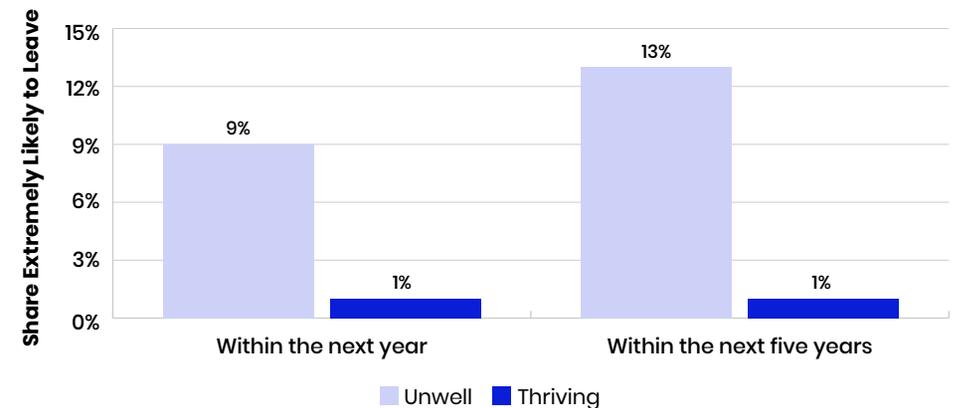
In fact, as we discuss in more detail later, the oldest advisors are the happiest they’ve been at any point in their careers. Among advisors aged 50 or older, those categorized as Thriving are three times more likely to intend to retire within five years (12%) than those in the Unwell group (4%). This finding appears closely tied to differences in financial readiness: advisors with lower wellbeing may simply lack the financial capability to retire – and this constraint may itself be a contributor to lower wellbeing.

While there’s a common assumption that unhappy advisors are more inclined to leave the profession, our findings suggest a different dynamic. Advisors with the highest wellbeing scores are not only more likely to have sufficient savings to retire but are also more likely to feel they have achieved their goals.

As a result, a greater share of advisors in the Thriving group anticipating retirement may feel that they have accomplished enough in their careers and, with this sense of completeness, they are more ready and willing to retire.

To clarify the distinction between retirement-driven departures and turnover driven by dissatisfaction – and given that wellbeing influences both retirement decisions (Thriving, more likely to leave and retire) and turnover (Thriving, more likely to stay) – the 2025 report introduces a refined measure of expected turnover that excludes advisors with retirement intentions. This adjustment allows us to more accurately isolate turnover driven by job dissatisfaction. Based on this revised metric, 2.3% of advisors are “extremely likely” to leave their employer or platform within one year, rising to 4.8% over five years. The fact that this five-year figure is reduced by more than half from an unadjusted 10.0% underscores the importance of adjusting for retirement when analyzing advisor turnover.

Figure 2.5. Likelihood Of Leaving Platform Or Employer (Excl. Retirement), By Unwell Vs Thriving



Using this revised metric, Figure 2.5 highlights the extent to which lower advisor wellbeing relates to turnover risk. Excluding departures related to intended retirement, nearly one in ten advisors in the Unwell group report being “extremely likely” to leave their employer or platform within the next year – almost 10 times the rate of advisors in the Thriving group. This disparity increases to 13 times when looking ahead to the next five years. For some advisors, dissatisfaction extends beyond the firm level and leads to an exit

from the financial services industry entirely: excluding potential retirees, 4% of advisors in the Unwell cohort say they are “likely” or “extremely likely” to leave the industry within the next five years, compared to less than one-half of 1% of advisors who are Thriving.

The relationship between expected turnover and wellbeing is examined more deeply in Figure 2.6, which displays 1-year and 5-year intentions, segmented by level of wellbeing and whether advisors are employees or owners.

Figure 2.6 Likelihood Of Leaving Or Retiring, Owners And Employees, By Unwell Vs Thriving

Likelihood of Leaving	Owners		Employees	
	Unwell	Thriving	Unwell	Thriving
Extremely likely to leave platform or employer (excl. retirement)				
In the next year	6.1%	0.7%	12.8%	<0.5%
In the next 5 years	6.1%	1.6%	21.3%	<0.5%
Extremely likely to leave industry (excl. retirement)				
In the next year	4.1%	<0.5%	2.1%	<0.5%
In the next 5 years	4.1%	<0.5%	2.1%	<0.5%
Extremely likely to retire				
In the next year	2.0%	1.4%	<0.5%	<0.5%
In the next 5 years	4.0%	8.3%	<0.5%	6.7%

Note: Percentages indicate share that are extremely likely to leave or retire.

When examining advisors’ likelihood of leaving their current employer or platform – excluding those planning to retire – two important differences emerge. First, those in the Unwell group are significantly more likely to leave than those in the Thriving segments. Second, advisors in the Thriving segment report consistently low turnover intentions, regardless of whether they are employees or owners, with the likelihood of leaving within five years never exceeding 2%.

By contrast, intentions to leave are much higher among advisors whose scores fall into the Unwell segment, particularly for those in employee roles. Among advisors in the Unwell segment who are owners, 6.1% are extremely likely to leave their firm within both the next one and five years. Among advisors in the Unwell segment who are employees, the numbers are even more striking: 12.8% report being extremely likely to leave within the next year, and 21.3% within the next five years!

However, while advisors in the Unwell segment who are employees show a 2X to 3X higher likelihood of leaving their firm or platform compared with owners in the same segment, they’re only *half* as likely to leave the industry altogether. In other words, while employee advisors in the Unwell group are *much* more likely to leave their current firm, they are more inclined to remain in the profession – such as by joining another firm or launching their own practice for greater autonomy – whereas owners in the same segment show a comparatively greater tendency to consider exiting the industry entirely.

Ultimately, high levels of turnover resulting from low levels of wellbeing can have considerable financial consequences for advisory firms. Figure 2.7 below displays the relationships between different business metrics with advisor wellbeing, while Figure 2.8 displays the relationship between these metrics and turnover excluding retirement. Both analyses, relying on advisors with at least seven years of client-facing experience, feature only more established advisors for these comparisons.

Figure 2.7. Key Business Metrics, Experienced Advisors By Unwell Vs Thriving

Group Median *	Wellbeing	
	Unwell	Thriving
Clients Per Advisor	65	75
AUM Per Advisor	\$49,000,000	\$100,000,000
Revenue Per Advisor	\$343,929	\$597,500
Revenue Per Team Member	\$275,568	\$456,052
Revenue Per Hour**	\$136	\$328
Revenue Per Client	\$5,000	\$6,923
Income Per Advisor	\$172,500	\$450,000
Hourly Earnings	\$73	\$225
Income Ratio***	68%	76%
Share of Time on Admin. or Compliance Tasks	31%	20%

*Results include only advisors with seven or more years of client-facing experience.

**Team revenue divided by the product of annual hours respondent worked times total team advisors.

***Income ratio is defined as advisor income as a share of client revenue.

More experienced advisors in the Thriving segment achieve much greater business success across all measures displayed in Figure 2.8, while also spending a smaller share of their time on administrative and compliance work. (This reduced administrative burden likely contributes to these outcomes, as client-facing time is one of the four key drivers of advisor productivity identified in our most recent edition of “How Financial Planners Actually Do Financial Planning”).

A key caveat in interpreting the relationship between advisor wellbeing and business outcomes is that the causal arrow flows in both directions. Wellbeing influences business outcomes – particularly through turnover and

the disruption it creates – but positive business outcomes also influence positive wellbeing. Advisors who are more financially successful and feel they are progressing toward or achieving their goals tend to be happier, a theme explored in more depth later.

When looking at the relationship between business metrics and turnover likelihood (excluding prospective retirees), some may be surprised to find that established advisors who are “extremely likely” to leave their employer or platform within five years actually work on teams that manage more in Assets Under Management (AUM) and generate more revenue per advisor and per client than those who are “extremely unlikely” to leave.

Figure 2.8. Key Business Metrics, Experienced Advisors By Likelihood Of Leaving Employer Or Platform Within 5 Years (Excl. Retirement)

Group Median *	Extremely Likely to Leave	Extremely Unlikely to Leave
Clients Per Advisor	74	75
AUM Per Advisor	\$160,000,000	\$82,500,000
Revenue Per Advisor	\$625,000	\$450,000
Revenue Per Team Member	\$287,500	\$300,000
Revenue Per Hour**	\$265	\$244
Revenue Per Client	\$6,854	\$5,849
Income Per Advisor	\$325,000	\$342,000
Hourly Earnings	\$172	\$181
Income Ratio***	64%	72%
Share of Time on Admin. or Compliance Tasks	31%	20%

*Results include only advisors with seven or more years of client-facing experience.

**Team revenue divided by the product of annual hours respondent worked times total team advisors.

***Income ratio is defined as advisor income as a share of client revenue.

The greater tendency for this higher-producing group to leave appears to stem from inefficiencies within their teams or within the firm or platform they affiliate with. More experienced advisors who reported they are “extremely likely” to leave their platform or employer tend to have greater service-team support – typically 0.75 FTEs per lead advisor, compared to 0.5 FTEs among similarly experienced advisors who are unlikely to leave. However, despite the support advantage, the more-likely-to-leave group works more hours overall and dedicates a greater share of those hours to administrative and compliance work.

On average, those most likely to leave work 46 hours per week, compared to 41 hours for those most unlikely to leave. They also dedicate 31% of their work week to administrative and compliance tasks, versus 20% among their least-likely-to-leave peers. As a result, they spend 5.5 additional hours per week on these tasks (13.5 hours versus 8 hours) – roughly equivalent to the hourly difference in their overall work weeks.

As detailed later, administrative and compliance tasks rank as the two most frustrating responsibilities for financial advisors among the 13 job functions included in the survey. This means that not only are the most turnover-prone established advisors working more hours each week, but those extra hours are spent disproportionately on tasks they find least fulfilling.

The most-likely-to-leave group also tends to operate at an economic disadvantage. Despite having significantly more affluent clients – reflected in their nearly-double AUM for a comparable client load – they typically report lower annual income, lower hourly earnings, and lower income ratios. This signals that most-likely-to-leave advisors face challenges in converting generated revenue into personal income. Several factors may contribute: insufficient platform support, a heavier burden of platform-level administrative or compliance tasks that fall on the advisor individually despite team support, difficulties managing and leading growing teams serving a larger client base, or unfavorable payout arrangements that further limit earning potential.

In short, platforms or employers that constrain advisor progress – whether through unfavorable economics, heavier administrative and compliance workloads, or insufficient development of advisors leadership capabilities – are at highest risk of losing their most productive advisors. When advisors begin to question the value offered by the affiliate they partner with, they are more likely to seek environments that better support income generation from revenue and limit time spent doing low-fulfillment tasks.

What Really Matters In Driving Advisor Wellbeing

The Five Key Drivers Of Advisor Wellbeing

3



Throughout this report, there are numerous examples of how various characteristics associated with wellbeing interact, making it difficult to determine which factors can truly change the outcomes of wellbeing. For example, while CFP certification status correlates with wellbeing, it is not a primary driver, as having the CFP marks coincides with more direct influences such as possessing more years of experience and a reduced likelihood of being in the difficult early stages of a startup practice.

To reduce the risk of attributing the impact of one factor to another, we employed a series of statistical models to identify which practices and strategies genuinely contribute to – or detract from – advisor wellbeing.

It’s worth briefly highlighting that the key drivers of advisor wellbeing identified in this report share both similarities and differences with those identified in the previous edition. Two reasons help explain the differences that emerged. First, drivers of advisor wellbeing evolve alongside the financial services landscape. For example, as the number of tools in the advisor tech stack – and the amount of time advisors spend interfacing with technology – have steadily grown, advisors’ experience with technology has become increasingly important in shaping their wellbeing. Second, with each successive study, we refine our questionnaire and methodologies to gain deeper insight into advisor wellbeing. This refinement reflects the essence of the scientific method: a continual process of testing, learning, and revision that enables deeper and more accurate insights over time.

The Five Key Drivers Of Advisor Wellbeing

Our analyses identified several variables that reliably predict advisor wellbeing. These variables group naturally into five thematic categories – referred to as the key drivers of advisor wellbeing: Experience, The Right Workplace, Autonomy, Revenue Per Hour, and Having Enough (Figure 3.1).

Each driver is briefly summarized in this section, with more detailed discussion of their component variables provided throughout the remainder of the report. Among these five drivers, “Experience” and “The Right Workplace” emerge as the most influential, followed by “Autonomy” and “Revenue Per Hour”, with “Having Enough” exerting the least influence overall.

Figure 3.1. The Five Key Drivers Of Advisor Wellbeing

What It Is	What We Measured That Mattered
Experience	<ul style="list-style-type: none"> Working at an established practice Years of industry experience Entering the industry with prior work experience
The Right Workplace	<ul style="list-style-type: none"> Satisfied with the tech stack Working in desired environments (e.g., office, home) Firm meaningfully lives out its Mission & Values Having team support Minimizing time on administrative and compliance work
Autonomy	<ul style="list-style-type: none"> Control over schedule Having ownership in firm
Revenue Per Hour	<ul style="list-style-type: none"> Client affluence Fewer weekly hours worked Serving a client base of roughly 40-100 clients Not using a TAMP
Having Enough	<ul style="list-style-type: none"> Prioritizes lifestyle over business growth Not primarily driven by growing income or enterprise value Annual income

Experience

The first driver of advisor wellbeing is advisors' level of experience, including the stage they are in within their careers. Years of industry experience emerged as one of the strongest predictors of advisor wellbeing. The reason is straightforward: as advisors spend more time getting 'reps' – navigating new client scenarios, building trust in meetings, converting leads into initial prospect meetings, and ultimately converting those prospects into clients – they tend to feel more capable in their roles, which aligns with greater wellbeing.

As a result, 28% of advisors with fewer than five years of industry experience fall into the Unwell segment, compared to just 7% of those with 20 or more years (a 4X difference). Similarly, working in the startup stage of an advisory firm (when the sole focus is finding enough clients and revenue to survive) is also negatively associated with advisor wellbeing – a dynamic that is unsurprising given that this typically occurs early in one's career (48% of advisors working at startup-stage firms have fewer than five years of experience versus 20% of those at established firms) and requires advisors spend considerable time on business development rather than the more fulfilling tasks of planning and meeting with clients – often for years before the advisor can draw a stable income from the firm.

However, more experience in the industry does not necessarily mean that advisors who enter the profession immediately after college to 'start the clock' as early as possible experience higher wellbeing earlier in their careers. Advisors who join the industry right after graduation – simultaneously learning 'how to be advisors' and 'how to be employees in any workplace' – tend to report lower wellbeing than those who switch careers and enter financial services with soft skills (e.g., meeting deadlines, working in teams) already developed. Among advisors with fewer than five years of experience, 47% of those who joined the industry shortly after college report in the Unwell group, compared to 26% of those who entered the industry later in their careers – a gap that narrowed, although never fully closed, in later years. This means that while accumulating years of industry experience is undeniably valuable, those entering the profession with prior career experience often begin with a broader set of transferable skills.

More broadly, the importance of career stage in shaping advisor wellbeing can offer reasons for advisors to feel relieved *and* discouraged. On one hand, there is no shortcut for simply 'getting the reps in' and grinding through the difficult early years for newer advisors who need to build a client base while developing confidence and competence and ironing out an evolving service model through trial and error. On the other hand, the importance of years of experience means that struggling new advisors can take real comfort in the fact that 'it really does get better from here'.

The Right Workplace

Advisors can think about where they work on three different levels: their advisory firm, their particular service team (which is sometimes identical to the firm in the case of a solo advisor/owner), and their work environment – whether at home, in an office, or somewhere else. Our research suggests that each of these factors plays an important role in driving advisor wellbeing.

At the firm level, the most important workplace component influencing advisor wellbeing is tech stack satisfaction. Advisors in the Unwell cohort report an average tech stack satisfaction of 6.2 out of 10, compared to 7.9 for those in the Thriving cohort.

Notably, our latest Kitces Research study on Advisor Technology finds that producing satisfied advisors is less about firms choosing the tools *they* think are best and more about giving advisors the flexibility to choose the tech they want to use (recognizing that for larger firms, this flexibility is easier to provide for planning and some operations tools; however, this same level of flexibility is generally not available for tools related to compliance or revenue generation, like archiving technology and billing systems). Beyond offering flexibility, firms can improve advisors' experiences with technology by offering upfront and ongoing training – and especially by driving deeper integrations across applications, which our Research on Advisor Technology shows is decisively the single greatest driver of stack satisfaction.

Beyond technology, working at a purpose-driven firm – defined as having Mission & Values (M&V) statements that are actively lived out in daily operations – is positively associated with the wellbeing of their advisors. Both prongs of this statement – having M&V statements and living them out – are

critical. For example, 28% of advisors at firms where M&Vs are “very central” scored in the Thriving group, compared to 21% of those at firms with no M&Vs. Strikingly, this rate of Thriving drops sharply to just 4% for advisors at firms where M&Vs are “minimally central”. This decline is likely due to the mismatch between advisors’ expectations and their actual experience – where they’re drawn to a firm based on its stated values only to discover that those values are not meaningfully reflected in the day-to-day culture. In other words, while purpose-driven firms produce happier advisors than those without M&Vs, the real imperative is to avoid being a firm whose purported values extend no further than a page on their website.

At the service-team level, wellbeing is reinforced when advisors have support staff (e.g., Client Service Administrators, Associate Advisors, Paraplanners) to whom they can delegate the administrative and compliance work they find most frustrating. These findings align with our latest Kitces Research on Advisor Productivity, in which having a team and having the right team structure to drive an increase in face time with clients were two of the four primary drivers of advisor productivity. Ultimately, while both productivity and wellbeing can vary by team size and structure, the most important factor is simply having *any* team at all to leverage and be supported by – even if the ‘team’ consists of a sole CSA.

A final set of components within “The Right Workplace” driver relates to advisors’ work environment – that is, whether they work from a business office, from home, a mix of both, or somewhere else. Our research shows that drivers of advisor wellbeing are not merely the environment in which advisors work, but rather the alignment between an advisor’s *ideal* work environment and their *actual* work environment. Among those working in their ideal environment, only 8% fall into the Unwell cohort; for those not working in their ideal environment, that number doubles to 16%. In other words, neither working from home nor being in an office is inherently better; wellbeing suffers when advisors work in a setting that doesn’t match their preference.

In sum, the advisors reporting the highest wellbeing levels tend to be those at mission-driven firms who have autonomy over the tech they use, work in an environment that aligns with their preferences, and can delegate administrative tasks to support staff – allowing them to focus on the work

they find most meaningful. Which suggests that the happiest advisors have the ‘right’ workplace that enables them to be the kind of advisor they want to be.

Autonomy

The third driver of advisor wellbeing is Autonomy, which broadly consists of two components. The first is simply having ownership in the advisory firm. Owners have more autonomy (or at least input) than employees over many of the considerations outlined in “The Right Workplace” driver, such as the technology they use and the environment in which they work. As a result, just 9% of owners report being Unwell, compared to 22% of employees.

The second component of Autonomy that showed up in our models is having control over one’s schedule. While 72% of advisors agree or strongly agree that they have control over their schedules – indeed, such flexibility is a major reason many are drawn to the industry – the cost of lacking this control is clear: only 8% of those with schedule control fell into the Unwell category, compared to 43% of those who disagree or strongly disagree that they have control!

Revenue Per Hour

The fourth driver of advisor wellbeing is the revenue that advisors generate for every hour they work, which is shaped by the types of clients they serve, the time they allocate to revenue-generating activities, and the number of hours it takes to produce the revenue they are responsible for.

Beginning with the latter, the number of hours advisors work per week is the second strongest individual predictor of advisor wellbeing (after years of industry experience, discussed under the “Experience” driver). Notably, as we’ll discuss later, the relationship between work hours and wellbeing is driven less by the negative impact of working too many hours and more by the boost in wellbeing experienced by advisors who successfully reduce their workload below 40 hours per week – typically through some combination of having fewer (but higher-value) clients, offloading administrative or compliance tasks, and relying more on team support.

On the revenue side, client affluence is positively associated with advisor wellbeing. Because 90% of advisors earn at least some of their revenue through AUM fees – with 81% relying on AUM as their primary source – serving higher-net-worth clients leads to substantially more revenue per client with only a moderate increase in time per client, resulting in more annual revenue. This dynamic is why client affluence was also identified as one of the four key drivers of revenue productivity in our recent report on the subject. The caveat, however, is that client affluence only results in higher revenue per client if advisors can deliver value that justifies their fees and have the pricing confidence to ask for it. In other words, improving wellbeing involves being paid well for the work being done – which requires both clients who can afford to pay their advisors well and the value proposition and confidence needed to translate that into greater revenue per client.

At first glance, these two components may appear to conflict: working fewer hours is associated with greater advisor wellbeing, while the latest Kitces Research on Advisor Productivity highlights how higher-net-worth clients typically have greater service demands that require considerably more total team hours to address. However, the key to increasing revenue by moving upmarket while working fewer than 40 hours per week is pruning one's client base – that is, gradually reducing the number of clients served as client affluence increases. Simply put, it's easier to lift productivity (and wellbeing) by working with more affluent clients who will pay \$500/hour of the advisor's time instead of \$250/hour (even under an AUM model, which still converts to a revenue-per-hour equivalent), than by trying to double productivity through efficiencies alone, which allows an advisor to expand capacity but doesn't necessarily reduce their total working hours.

As described later, the “sweet spot” for optimizing clients per advisor – and for maximizing wellbeing – is between 40 and 100 households (varying based on factors such as whether advisors have team support). This range allows for enough revenue to ensure firm profitability and a healthy advisor take-home income, with advisors moving toward the lower end of this number-of-households range as the affluence of their client base (and thus revenue *per client*) rises. Conversely, wellbeing falls for advisors serving fewer than 40 clients (who often do not have a sufficiently large client base for the firm to be profitable, or may feel an overconcentration risk where too much revenue is

tied to just a few clients) and for those serving over 100 (where profitability per client tends to fall or total work hours become unsustainable).

An example of the mindset of ‘trying to grow by serving a larger number of less profitable clients’ is B/D-affiliated advisors who outsource investment management to Turnkey Asset Management Platforms (TAMPs). Among this group, those not using a TAMP serve an average of 84 clients, each generating \$5,769 in annual revenue – totaling roughly \$484,000. By contrast, TAMP users serve 109 clients generating \$4,281 per client – about \$466,000 in total revenue. As a result, TAMP users in this group generate \$271 in revenue for every hour they work, compared to \$338 for non-users, resulting in the former group reporting lower levels of wellbeing. In short, this segment of advisors highlights how they attempt to solve a ‘less-profitable-client problem’ through efficiency alone – rather than by solving the profitability problem of having clients who simply don't generate enough in fees to service properly in the first place – ultimately correlate with lower wellbeing and less financial success as a result.

Having Enough

The fifth and final driver of advisor wellbeing is simply the advisor's comfort level with “Having Enough”. This means that business-centered goals – such as building a sustainable client base, growing to a point where you can make your first hire, or generating enough revenue and income to meet personal life goals – are important only to the extent that they support relationship-centered goals, including building stronger connections with clients, team members, and the people in one's life. Advisors who sacrifice their relationships in pursuit of continuous growth ultimately have lower wellbeing as a result.

This is clearly illustrated in our data when examining how advisors approach trade-offs between business growth and lifestyle considerations. Advisors who are willing to sacrifice their lifestyle for business growth – or who prefer expanding client count over going deeper with existing clients – consistently report lower levels of wellbeing.

At its most extreme, the growth-first mindset can lead advisors to view their team not as collaborators but as a means to free up their own production capacity to keep growing their personal income and wealth – a mentality that ultimately reduces wellbeing. When asked whether their team “helps *me* serve more” or “helps *us* serve more”, 20% of the former group fall into the Unwell category, compared to just 12% of the latter.

Another component related to the “Having Enough” driver is annual income, which is positively associated with advisor wellbeing (although, perhaps surprisingly, less strongly than other variables such as years of experience, tech stack satisfaction, work hours, and maintaining control over one’s schedule). Income falls under the “Having Enough” driver because its association with wellbeing rises as income increases – up to around \$500,000 of take-home income – after which the relationship plateaus.

None of this is to suggest that merely ‘having more’ – whether it’s earning a greater income or focusing on the pursuit of business goals – is inherently harmful. In fact, when business success is harnessed to build a strong team that can handle the work advisors find frustrating (often consisting of administrative and compliance-related tasks), allow the advisor to go deeper with clients, and create time for a meaningful life outside of work, that success can contribute indirectly to higher levels of wellbeing. But when those relationships are consistently deprioritized in favor of growth, advisors end up less happy – not because growth is bad, but because it came at the expense of the underlying relationship-centered goals that are often the very reasons for pursuing such growth.

And when goal-oriented advisors feel they never have enough, they have a tendency to set increasingly higher goals for themselves each time an existing one is reached – a treadmill that becomes exhausting when there’s no satisfying end point.

Advisor Wellbeing From Four Perspectives

Perspective 1: Who You Are

Perspective 2: What You Do

Perspective 3: Where You Work

Perspective 4: What You Earn And How You Get Paid



Consistent with our past reports, we divide our survey of the existing landscape of advisor wellbeing into four perspectives:

- Who You Are
- What You Do
- Where You Work
- What You Earn & How You Are Paid

Organizing advisor wellbeing into these four perspectives makes it easier to identify practical steps to improve personal wellbeing. Certain perspectives – such as “Who You Are” – include characteristics that relate to wellbeing but may be difficult or impossible for individuals to change (e.g., age, racial group, or gender). Characteristics in other perspectives – such as “Where You Work” or “What You Do” – are comparatively easier to change and, consequently, may represent more fruitful areas of focus when seeking wellbeing improvement.

Figure 4.1. Wellbeing From Four Perspectives



Respondent characteristics under the “Who You Are” perspective include basic demographics, work experience, credentials, involvement in professional associations, status within the firm, and personality attributes. While some of these factors can evolve over the course of a career, many are mostly fixed, which limits the extent that advisors can influence this aspect of their wellbeing. Some of these factors are more open to modification, however.

Demographics

Among the “Who You Are” characteristics, demographic attributes – such as gender and race – are the least amenable to change. While these attributes are often correlated with wellbeing, none emerge as direct drivers in our analyses. Despite this, examining demographic attributes is useful for distinguishing which factors meaningfully influence wellbeing from those that are simply associated with it.

Gender

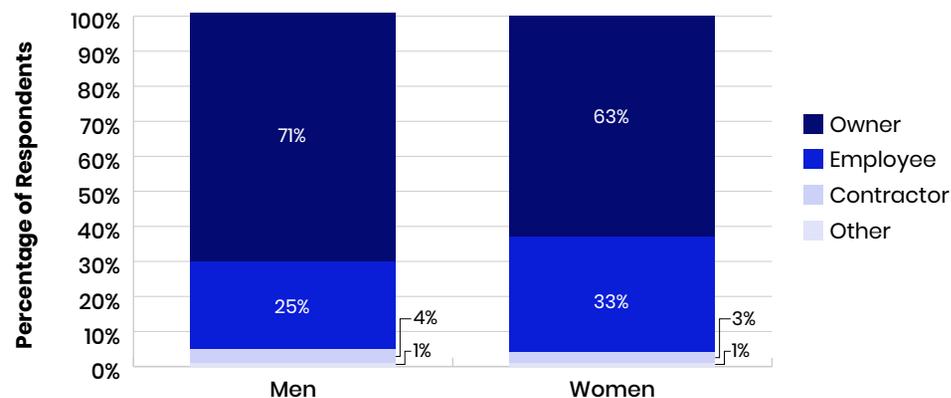
The share of our sample consisting of men remained steady at 71% between 2023 and 2025. While women reported a slightly higher average Cantril rating than men (7.5 versus 7.3), men were more likely to sit at both extremes: either in the Unwell group (14% versus 9%) or the Thriving group (24% versus 20%). By contrast, women were more likely to fall in the “Typical” range (neither Unwell nor Thriving) for Cantril ratings (72% versus 62%). (Note: Gender options in the survey included “Man,” “Woman,” “Non-Binary,” and “Other.” Men and women were the only cohorts with sufficient sample size to feature in this discussion.)

One reason men are more likely to be classified as Thriving is that they typically have more years of client-facing experience – 15 years on average compared to 10 for women. As we’ll show in the next section, years of experience contribute to wellbeing both directly by increasing confidence and competence through repeated client interactions, and indirectly by giving advisors more time to move beyond early-stage survival dynamics, build a stable client base, and advance into senior roles. Over time, that

additional experience also increases the likelihood of becoming a partner firm owner – groups that, as shown later, tend to report higher wellbeing.

Partially as a result of men tending to have more experience, 80% of male advisors are Senior Advisors and 71% are owners, compared to 74% and 63% of female advisors, respectively (Figure 5.1). Another contributing factor is the time spent in non-client-facing roles: prior to becoming advisors women spend an average of 5.3 years in non-client-facing early-career positions, compared with 2.9 years for men.

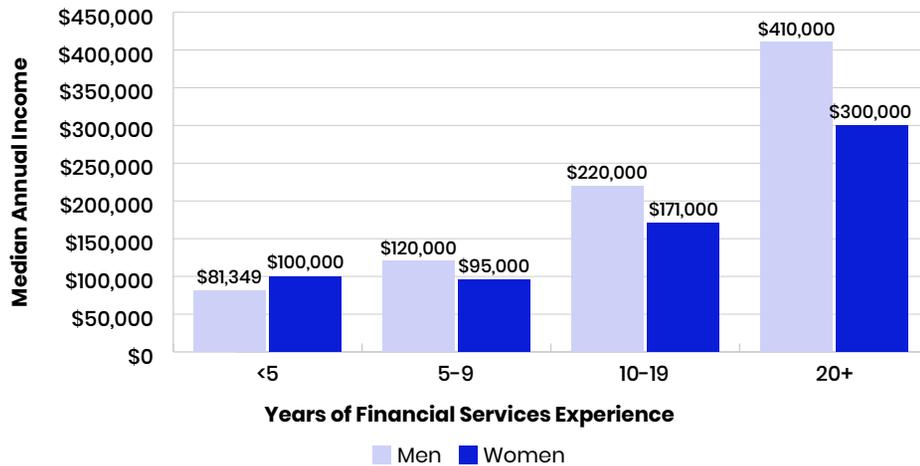
Figure 5.1. Status In The Firm By Gender



More broadly, while years of experience generally correspond with higher wellbeing, experience can also be a double-edged sword depending on how it was gained. As discussed in the later section on experience, advisors joining the industry directly after college report lower wellbeing than those who enter later in their careers, presumably because the former group is learning both ‘how to be advisors’ and ‘how to be employees’ at the same time. One implication of this pattern is that men are more likely to be among the advisors in the Unwell group because they more often enter the financial services industry at the start of their careers (36%) than women (28%), who are comparatively more likely to enter as career changers with skills developed in prior roles.

Compensation is another factor that helps explain differences in wellbeing based on gender (Figure 5.2). Among advisors with fewer than five years of financial services experience, women report higher typical incomes than men (\$100,000 versus \$81,349). However, men quickly surpass women in average earnings, and the gap widens over time. Among advisors with 20 or more years of experience, women typically earn \$300,000 annually compared with \$410,000 for men – a difference of \$110,000.

Figure 5.2. Income By Gender and Experience



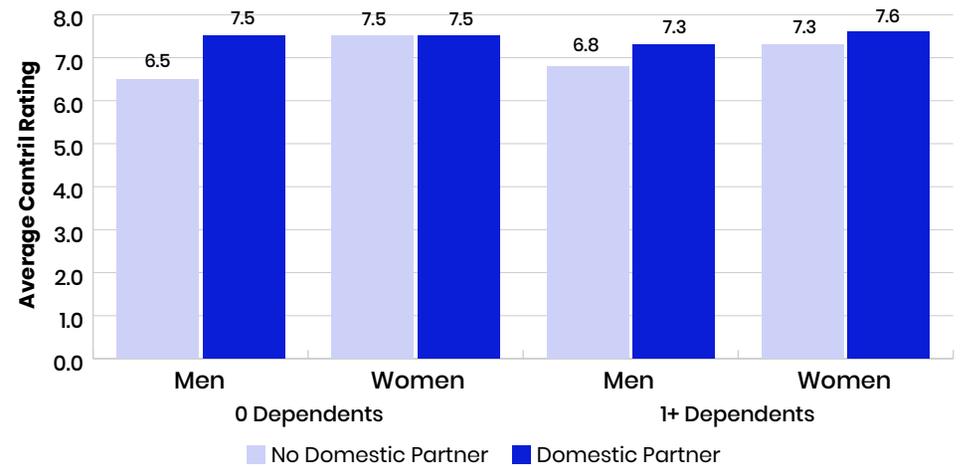
A partial explanation for the early income advantage for women may be their tendency to enter financial services with more professional experience overall. Another likely contributing factor for women’s early income advantage and later shortfall relates to preferences for variable compensation (e.g., based on revenue or net profits) versus stable compensation (e.g., fixed salary). When asked about their preferences, 48.5% of women expressed at least a slight preference for variable income, compared to 70.6% of men. Consequently, 59.7% of men have exclusively variable compensation compared to 46.8% of women – a difference that persists, though at varying levels, across all experience tiers.

This difference in preference affects earnings trajectories. Men tend to earn less early in their careers due to the lower initial payouts associated with variable compensation, contributing to their higher representation within the

Unwell group. Over time, however, as variable pay structures begin to scale with performance, men’s earnings overtake women’s – contributing to their overrepresentation within the Thriving group.

Of course, examining men and women in isolation only captures part of the picture. Equally important is understanding how family life may shape advisor wellbeing – most directly through whether advisors have a domestic partner and whether they have dependents. Figure 5.3 displays average Cantril ratings for men and women segmented by these two factors.

Figure 5.3. Wellbeing By Marital Status, Gender, And Total Dependents



What stands out most from this figure is how women’s wellbeing remains remarkably stable – within the 7.3 to 7.6 range – regardless of whether they have a partner or dependents. Men, on the other hand, show a notable ‘partnered premium’, reporting higher levels of wellbeing when they are married or partnered, a phenomena observed in many general-population studies as well. Among male advisors without dependents, this premium amounts to a full step on the Cantril Ladder (6.5 versus 7.5). For men with dependents, the difference narrows but still amounts to a meaningful 0.5 points.

One reason men exhibit more of a partnered premium than women relates to work hours. The typical single male advisor works 45 hours per week,

compared to 40 hours for those with a domestic partner. Women, by contrast, tend to work around 40 hours per week regardless of relationship status.

However, the partnered premium doesn't appear to be solely a matter of partnered men scaling back work hours. Single men are also more likely to cite money as a strong motivator for entering the industry – 57% compared to 38% of women – which may contribute to greater financial pressure and a willingness to work longer hours in the absence of a second household income (even if those extra hours ultimately take a wellbeing toll).

Having dependents also influenced wellbeing, though again the differences are far more pronounced for men than for women. Partnered men's wellbeing decreased slightly with the presence of dependents, whereas single men's wellbeing increased slightly with dependents.

These patterns may reflect the trade-offs introduced by dependents: additional demands on non-working hours, especially for primary caregivers of younger dependents, can reduce the time and attention available for work. At the same time, dependents can offer intrinsic motivation, satisfaction, and clarity regarding the purpose of one's work.

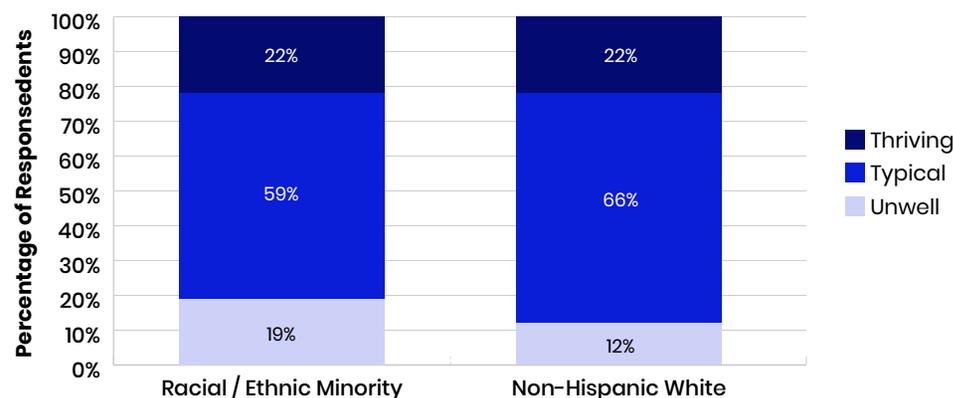
Taken together, these dynamics illustrate why it can be difficult to point to any single factor as the root cause of differences in wellbeing (or earnings). Individual motivations, employer accommodations, and broader cultural norms all play a role – for example, men being more likely to take on variable-compensation roles, single men working longer hours, a greater share of women entering as career changers, and the presence or absence of dependents. Each of these elements can meaningfully – and at times, in competing ways – influence an advisor's earnings trajectory, career path, and overall wellbeing.

Race And Ethnicity

As is noted earlier, the wellbeing disparity between Non-Hispanic White (referred to hereafter as “white”) and Racial/Ethnic Minority advisors we've observed in the past – amounting to 0.8 points on the Cantril scale in 2023 – has disappeared entirely. Both groups scored an average of 7.3. Indeed, while in 2023 white advisors were 1.5x more likely to be in the Thriving group (15% versus 10%), in 2025, 22% of both groups rated themselves as Thriving.

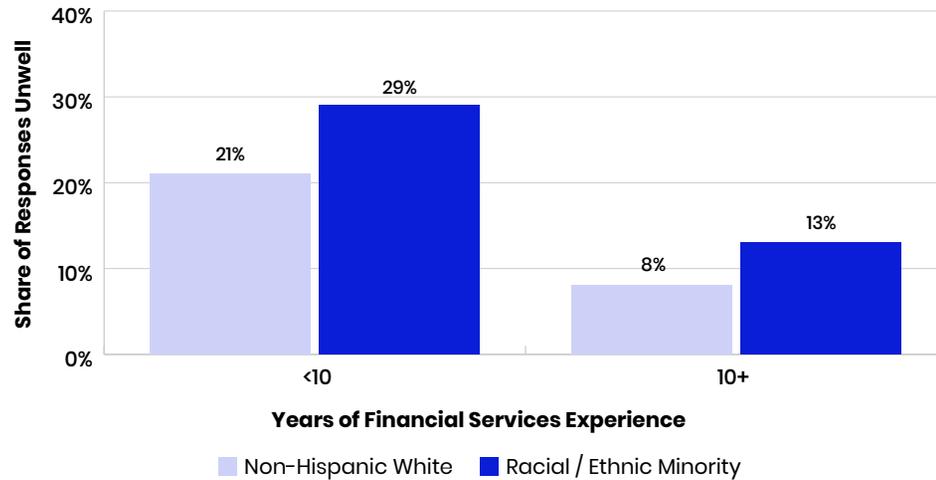
This is not conclusive proof, though, that the industry is now doing a better job in supporting racial and ethnic minorities. Part of the improvement identified in our 2025 report likely reflects differences in the demographic and professional composition of respondents that participated in the study relative to 2023. For example, in 2023 minorities tended to be much younger and lower-compensated relative to white advisors. These differences grew much smaller in our 2025 sample. Further, even among our 2025 sample advisors from racial and ethnic minority groups were more likely to report into the Unwell group (19%) than white advisors (12%), as shown in Figure 5.4).

Figure 5.4. Unwell Vs Thriving By Race



As shown in Figure 5.5, racial and ethnic disparities in the share of advisors classed as Unwell widen further when looking specifically at those with fewer than 10 years of industry experience (29% of minorities are in the Unwell group versus 21% of others) and narrows for those with 10+ years (13% versus 8%).

Figure 5.5. Wellbeing By Race And Experience



However, this may be less a function of the experience of advisors who are in minority groups and more about the intersection between their career trajectory and the clientele they serve. New advisors often build their client base through personal networks, which – because of long-standing racial wealth disparities in the US – tend, on average, to have lower levels of investable assets for racial and ethnic minorities, resulting in a less affluent initial client pool. For example, among advisors with fewer than 10 years of experience, white advisors typically serve clients with \$1,000,000 in investable assets, compared to about \$450,000 for advisors in minority advisors. Among those with 10 or more years of experience, this gap narrows: the average for white advisors remains stable, while it rises to \$900,000 for minority advisors. This suggests that minority advisors often experience a more significant shift ‘upmarket’ in the clients they serve over time.

Given the uneven distribution of wealth across racial and ethnic groups in the US, racial and ethnic minority advisors with more experience may also face added pressure to choose between continuing to serve their communities – who may have less financial affluence, at least on average – or shifting their focus to wealthier clients from outside their communities.

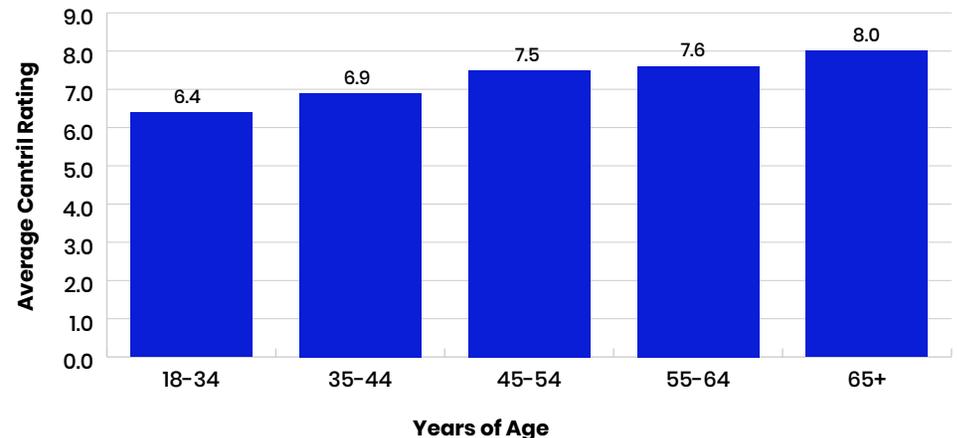
Experience

As noted earlier, an important driver of advisor wellbeing relates to the advisor’s experience – namely, the process by which they arrived at their current financial services role, both in terms of how they have grown within the industry and the pathway through which they entered it. Crucially, however, not all considerations under the umbrella of “Experience” play an equal role in shaping wellbeing.

Age

An example of a variable that corresponds with advisor wellbeing but is not directly determinative of it is age. Age relates to experience because it generally tracks the length of time over which a career has unfolded. As Figure 5.6 highlights below, there is a strong positive relationship between age and advisor wellbeing, a pattern consistent with broader population studies. Advisors aged 18–34 report an average Cantril rating of 6.4, with scores increasing with each successive decade, reaching 8.0 among those aged 65 and older.

Figure 5.6. Wellbeing By Age Group



Wellbeing increased across all age groups between our 2023 and 2025 reports, though the gap between the youngest and oldest advisors widened due to larger gains among the latter, as described earlier.

More broadly, these age-based differences help illuminate some of the dynamics behind the industry's 'succession crisis' for up-and-coming advisors. Those who remain in the industry past traditional retirement age are often earning more than ever (as we show later), working fewer hours, and experiencing the highest levels of satisfaction and fulfillment in their careers. In other words, why should they plan an exit and retire, when they've never been happier with their business exactly the way it is today?

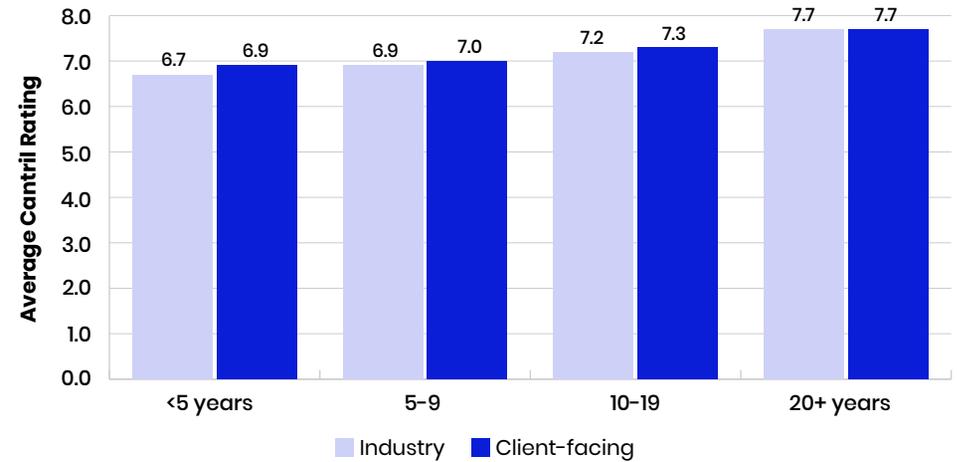
The reason age itself is not a direct driver of wellbeing – despite this positive relationship – is because it strongly correlates with two other aspects of an individual's work experience that ultimately matter more, which we discuss next: years of industry experience and the skills brought from prior professions when entering the industry.

Years of Experience

Consistent with past editions of this report, years of experience is a strong predictor of advisor wellbeing – for reasons that are unsurprising. Financial planning knowledge and skills – from client communication to business development to specialized planning – develop over time. There are few, if any, shortcuts for 'getting reps in' when navigating new client scenarios, building trust in meetings, converting leads into initial prospects, and then converting those prospects into clients. Additionally, building a brand that people trust – and are therefore willing to refer others to – is something that can only be achieved with time.

Accordingly, there is a positive relationship between years of experience and advisor wellbeing. However, as Figure 5.7 shows, the strength of this relationship depends on how experience is measured. The relationship is strongest when looking at overall industry experience (including both advisor and support roles) rather than only 'client-facing' experience as a Senior Advisor or Service Advisor.

Figure 5.7. Wellbeing By Years of Experience

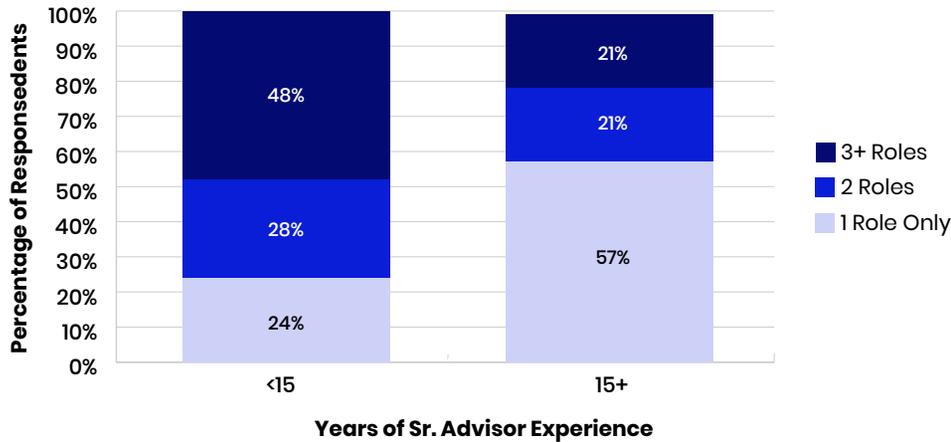


Industry Roles Worked

Of course, not all advisors follow the same path to reach their current role. Historically, most Senior Advisors began by simply 'hanging out a shingle' and prospecting without any prior industry experience. However, this landscape is shifting, as an increasing number of advisors now progress through other industry roles – such as starting as a Client Service Administrator (CSA), getting licensed, transitioning into an Associate Advisor role with trading and planning responsibilities to support a Senior Advisor, and eventually becoming a partner in their firm or launching their own practice as a Senior Advisor.

This industry evolution is illustrated in Figure 5.8, which shows that among Senior Advisors with 15 or more years of experience in their current role, 57% entered the industry as a Senior Advisor (i.e., they were the 'Senior Advisor' running their own practice from the start). That figure drops by more than half, to 24%, among those with fewer than 15 years of experience. In other words, advisors with less experience tend to have held more roles within the industry than those with greater experience.

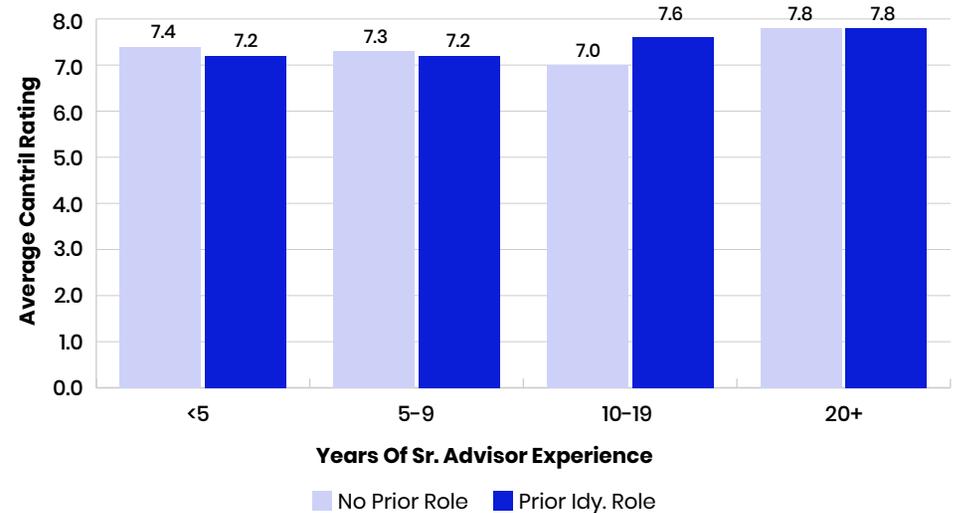
Figure 5.8. Number Of Industry Roles By Years Of Experience, Sr. Advisors



This difference, which may seem counterintuitive at first glance, reflects an evolving industry in which today’s new advisors are transitioning into their roles through increasingly structured career tracks – put in place by larger, more established advisory firms (especially RIAs, although increasing in other channels as well). By contrast, the previous generation of advisors typically began assuming Senior Advisor responsibilities from day one because there was no career track or any other path.

At least in theory, the proliferation of career tracks could lead to higher levels of wellbeing by better preparing new advisors for client-facing roles. In practice, however, Figure 5.9 offers little support for this view. Except for a 0.6-point wellbeing advantage for advisors with 10–19 years of experience, there is no meaningful difference in wellbeing among Senior Advisors based on whether they held prior industry roles.

Figure 5.9. Sr. Advisor Wellbeing By Industry Background And Experience



One explanation for this is that while those who worked in prior roles may enter their Senior Advisor positions with more industry knowledge, they may find the shift from a team-based support role to a revenue-oriented, client-facing role to be challenging. Another possibility is that advisors who start out directly in client-facing roles tend to score higher on our measure of entrepreneurialism, which suggests they are more mentally prepared for the risk, stress, and uncertainty inherent in advisory roles. By contrast, those who transition from prior roles may tend to be less entrepreneurial, which would offset any benefits gained from their earlier industry experience. Or perhaps more simply, the reality is just that being a Senior Advisor is a unique challenge to learn and master unto itself, and wellbeing and success are determined by how well the advisor learns that particular role when they get there, regardless of the path that brought them there in the first place!

Career Transitions

Advisors develop expertise and relevant experiences not only through prior financial services roles, but also through experience in other industries. Someone starting in a financial services position right out of college isn’t just learning the difference between ordinary and qualified dividends or the compliance record-keeping requirements for former clients – they’re also developing foundational soft skills often gained in early career roles, such

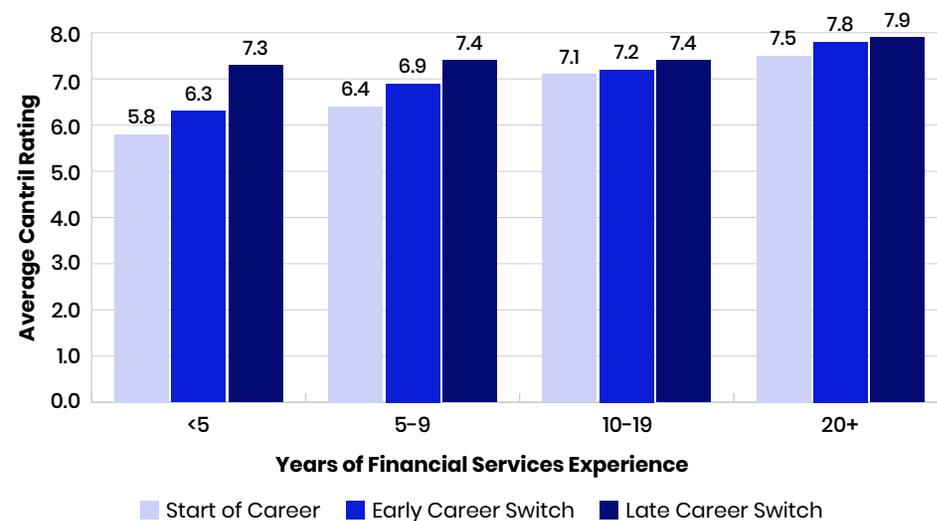
as meeting deadlines, communicating effectively with internal and external stakeholders, and managing up within a professional hierarchy.

By contrast, those entering the industry later in their careers are more likely to have already built these soft skills, and often bring with them a personal network of friends and colleagues from prior roles who can serve as an initial client base. These early clients tend to be more established in their own careers, giving career-changing advisors a head start and helping them hit the ground running.

For the first time in our 2025 report, Kitces Research segments advisors based on when they entered the industry: those who began their careers in financial services (before age 25), those who made an early-career switch (between ages 25 and 39), and those who made a late-career switch (after age 40).

Figure 5.10 shows that individuals who started their careers in financial services report lower levels of wellbeing, with these disparities especially pronounced in the early years – highlighting that many soft skills developed in non-industry roles do, in fact, transfer effectively to new roles in financial services. This is reflected in the fact that only 7% of advisors with fewer than five years of industry experience “strongly agree” that they feel effective in their job, compared to 33% of early-career switchers and 37% of late-career switchers.

Figure 5.10. Wellbeing By When Financial Services Work Began And Industry Exp.



In addition to entering the industry with more soft skills, part of the elevated wellbeing among career switchers may also be attributable to their ability to leverage prior experience into higher salaries. Looking exclusively at respondents with fewer than five years of industry experience, those who joined the industry shortly after college typically earn \$76,250 in annual income, compared to \$92,500 for early-career switchers and \$100,000 for those who joined later in their careers (Figure 5.11). Which suggests that firms themselves recognize – and are willing to remunerate – the additional work and life experiences that ‘entry-level’ career changers bring relative to 20-somethings who are entirely new to the workplace.

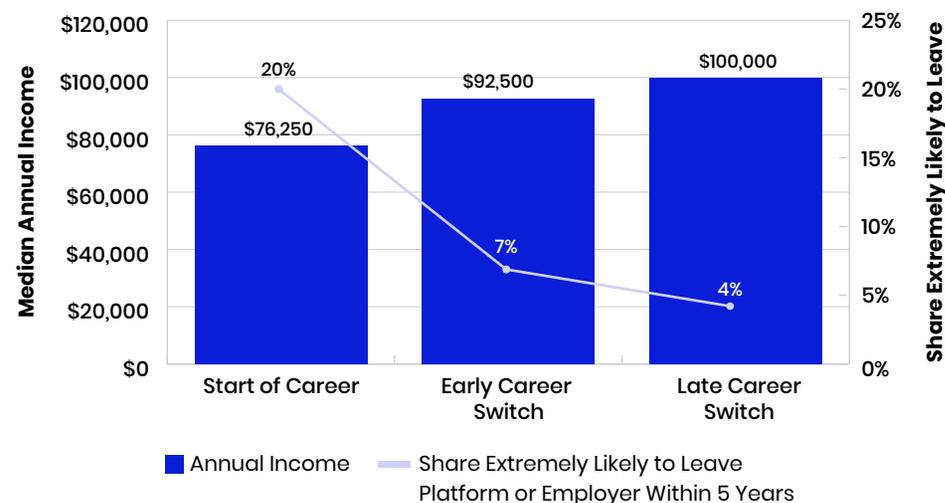
More broadly, it's notable that while the gap in average Cantril ratings between career starters and late-career switchers narrows considerably over time – from 1.5 points for those with fewer than five years of experience to 0.4 points to those with 10+ years of experience (a gap which remains for those with 20+ years of industry experience) – career starters with 10 to 19 years of industry experience still report lower levels of wellbeing than late-career switchers with fewer than five years of experience. In other words, while those entering the industry directly out of college eventually end up relatively happy, it can often be a long journey to get there.

An important caveat here is that part of the reason the disparity between career starters and switchers narrows over time is due to a function of survivorship bias – those with the least satisfaction among the career starters are more likely to leave the industry altogether. As a result, the findings presented in Figure 5.10 – significant as they are in supporting the path of career changers over those who start in the industry from scratch – may still *understate* the enduring benefits of entering the profession as a career-changer.

One potential challenge to the supposed benefits of career switching displayed in Figure 5.10 is that later-career changers are, by definition, older than career starters when holding years of experience constant – raising the possibility that these differences in wellbeing are simply age-related. However, even when controlling for age in our statistical models, career switching remains a robust predictor of wellbeing. For this reason, it constitutes an important component of the first of our five key drivers of wellbeing (“Experience”).

Ultimately, when it comes to deciding whether to dedicate resources to recruiting advisors right out of college or those later in their careers, firms face a clear trade-off, illustrated in Figure 5.11. On one hand, hiring advisors later in their careers typically costs 20%–40% more than hiring those directly out of college, depending on how late they made the transition. Additionally, from a recruiting standpoint, it is generally easier – and less expensive – to reach a high volume of interested soon-to-be college graduates (e.g., via college job fairs) than to identify select mid-career professionals willing to make a career change.

Figure 5.11. New Advisor Income And Likelihood Of Leaving Employer Or Platform (Excl. Retirement) By Entry Point Into Financial Services



Note: Only includes respondents with less than five years industry experience.

On the other hand, advisors entering the industry right out of college are more prone to leave their firms when wellbeing is lower, while those joining later in their careers (and who typically report higher wellbeing) are more likely to stay committed to their career change. This is reflected by the fact that among advisors with fewer than five years of experience, 20% of career starters report being “extremely likely” to leave their current employer within five years, compared to just 4% of late-career switchers.

Notably, those joining financial services later in their careers command 8% higher salaries (\$100,000) than those switching industries early in their careers (\$92,500) while being only slightly less likely to be at high risk of turnover (4% versus 7%). Which means that the economic trade-off that firms face – whether to dedicate resources to recruiting advisors right out of college or pursue candidates later in their careers – is largely a choice between those right out of college (with higher turnover rates) and early- to mid-career switchers (with lower turnover risk but higher salary requirements).

By contrast, late-career switchers are likely to require even higher salaries than early-career switchers, albeit with only slightly less turnover risk.

In the end, the ideal approach for advisory firms depends on whether they have the cash flow to support a more extensive recruiting process for life-experienced (and more expensive) professionals from other industries – or the capacity to invest heavily in training those straight out of college. Alternatively, firms with more limited resources may prioritize the lower upfront cost of hiring new graduates and accept the capacity strain of higher turnover as part of the model.

Expertise

“Expertise” refers to having specialized knowledge in a particular domain. While the primary way advisors gain expertise is simply through ‘getting reps in’ on essential planning, operations, business development, and other tasks required for the role – a process for which there is no true shortcut – advisors can supplement this development through other methods, such as formal education, pursuing industry designations, and networking with other advisors. Ultimately, while none of these factors emerge as direct drivers of advisor wellbeing in the way that years of experience does, some do serve as indirect drivers in important ways.

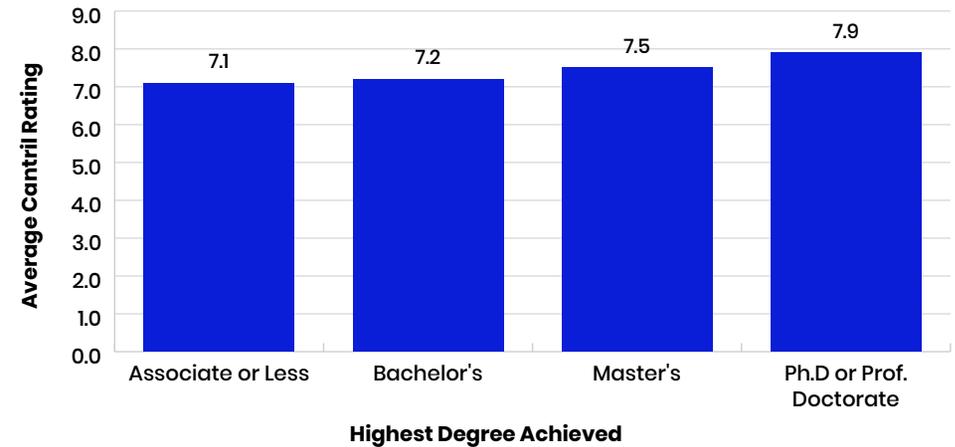
Expertise From ‘Cracking Open The Textbook’

Beyond gaining experience through years on the job in various industry (and non-industry) roles, advisors can also build their knowledge through formal study. The most basic example is obtaining a university degree. While only 13% of advisors hold an undergraduate or graduate degree in financial planning, higher education of any kind still imparts valuable skills – such as critical thinking and collaboration – that can be beneficial in advisory roles.

Figure 5.12 shows a clear positive relationship between educational attainment and wellbeing: respondents with an associate’s degree or less report an average Cantril rating of 7.1, compared to 7.9 for those with a doctorate.

This higher level of wellbeing is not merely a result of graduate-degree holders entering the industry later in life; when limiting the sample to those who began their careers in financial services, the gap in average Cantril ratings between these groups widens to 6.8 and 8.2, respectively.

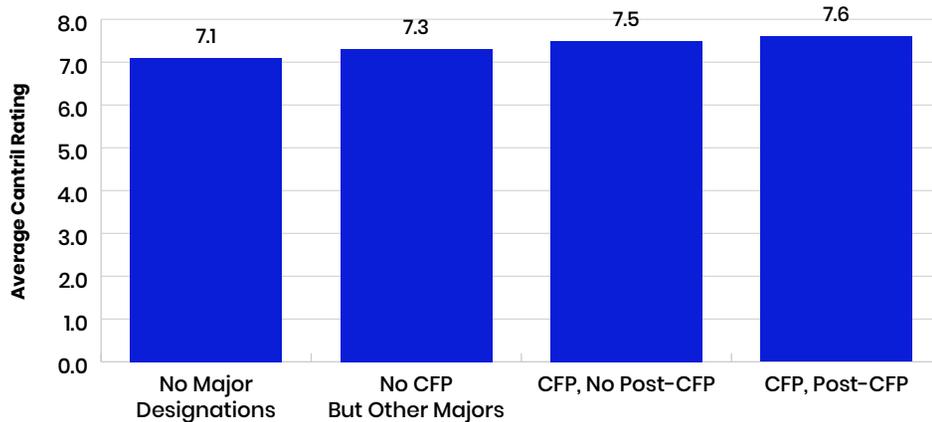
Figure 5.12. Wellbeing By Level Of Educational Attainment



Beyond formal education, advisors can deepen their knowledge by dedicating late nights and weekends to earning key industry designations, such as the CFP marks and various post-CFP professional credentials like the ChFC, CLU, CPWA, TPCP, or the RICP or RMA designations. As shown in Figure 5.13, wellbeing among those without any of these certifications averages 7.1 but rises to 7.6 for those who hold CFP certification along with at least one post-CFP professional designation.

While obtaining designations themselves is not a direct driver of wellbeing, our latest Research on Advisor Productivity finds that planning-centric practices – most basically, those led by Senior Advisors with the CFP marks – are able to leverage their expertise (and the growing public awareness of the CFP professional brand) to move upmarket and attract more affluent clients. This, in turn, supports higher revenue per hour, a key component of the “Revenue Per Hour” driver of wellbeing. In other words, designations may indirectly support wellbeing by helping advisors move upmarket.

Figure 5.13. Senior Advisor Wellbeing By Expertise

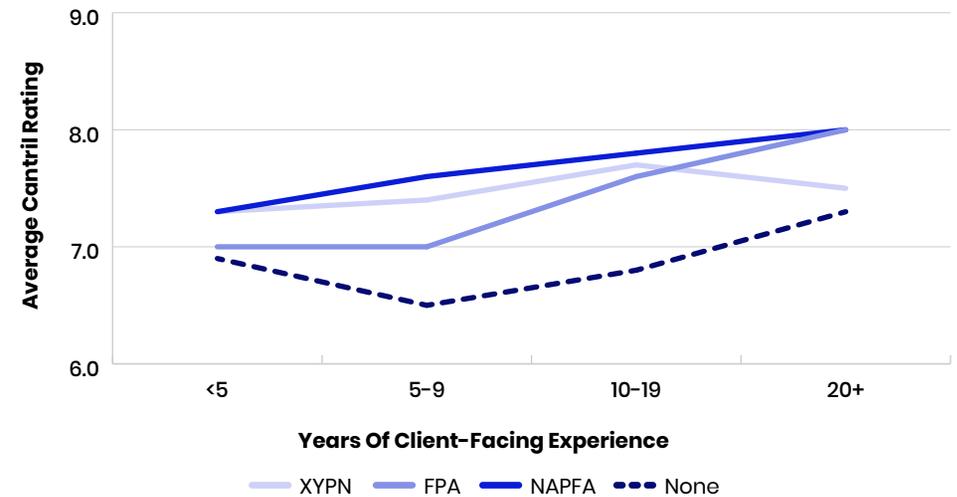


Expertise From Connecting With Other Advisors

Beyond formal study, whether for school or an industry designation, advisors can gain insight into how to plan for clients in particular situations, survive their first audit, or optimally structure their tech stack by connecting with advisors that have succeeded in precisely these challenges. Industry membership organizations offer advisors regular channels for these kinds of discussions. For this reason, while membership itself is not a direct driver of advisor wellbeing, it creates opportunities for peer conversations to translate into success in variables that do matter.

Figure 5.14 displays the relationship between years of client-facing experience and wellbeing separately for members of the three most common organizations in our sample: FPA, NAPFA, and XYPN.

Figure 5.14. Wellbeing By Client-Facing Experience And Organization Affiliation



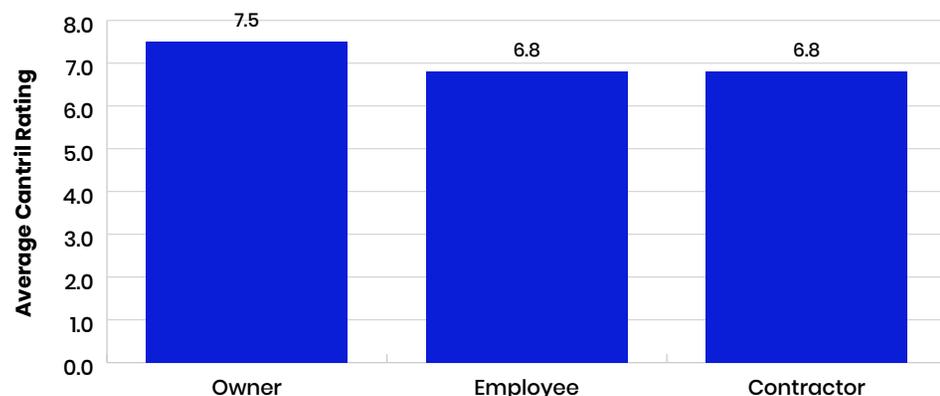
Note: Lines do not represent mutually exclusive segments of advisors and respondents that are members of multiple organizations are included in the calculations for each.

What stands out most from Figure 5.14 is the significant difference in wellbeing between advisors who are members of any industry organization and those who are not, regardless of experience level. Among the organizations examined, XYPN members with fewer than five years of experience narrowly report the highest levels of wellbeing while those with 20 or more years of experience report lower levels than members of FPA and NAPFA – consistent with the organization’s historical focus on supporting new entrants to the industry. By contrast, NAPFA members report the highest levels of wellbeing among all advisors with five or more years of experience. Still, the key takeaway is that advisors who are not members of any professional network or membership association report the lowest wellbeing in every experience bracket.

Status At The Firm

The status that one has within the firm, self-reported by survey participants based on their perception of what best describes them, is defined in terms of being an owner, employee, or contractor. Consistent with past reports, owners report the highest wellbeing (with an average Cantril rating of 7.5) while employees and contractors report the lowest (6.8), as displayed in Figure 5.15.

Figure 5.15. Wellbeing By Status In The Firm



The fact that the wellbeing of contractors more closely resembles that of employees than owners may seem surprising, given that contractors also ‘own’ their business and therefore operate with a similar level of autonomy as advisory firm owners. However, the underlying reasons for the lower levels of wellbeing among employees and contractors vary considerably.

As shown in Figure 5.16 employees score worse than owners or contractors in many measures of autonomy: they are less likely to strongly agree that they have control over their schedules (21%, compared to 42% for owners and 56%, respectively) or report high levels of satisfaction with their tech stack (14%, versus 21% and 25%) in part because they have less influence over the tools they use. Employees also tend to work at larger firms where customizing technology across a large number of advisors is often problematic. In addition, they are younger on average (41 years old, compared to 53 for both owners and contractors) and have fewer years of client-facing experience (4 years, compared to 18 and 12), which predictably corresponds with lower income.

All of this suggests that lower wellbeing among employee advisors is largely driven by reduced autonomy, less experience, and lower income – factors that, as noted earlier, strongly influence wellbeing but are not inherent to the status of ‘being an employee’ itself.

Figure 5.16. Factors Affecting Wellbeing By Status In The Firm

	Owner	Employee	Contractor
Percent Unwell	9%	22%	19%
Median Age	53	41	53
Effective at job (% in strong agreement)	44%	33%	52%
Control over schedule (% in strong agreement)	42%	21%	56%
Satisfaction in Tech Stack (% selecting 9 or 10 out of 10)	21%	14%	24%
Median annual income from advisory practice	\$300,000	\$120,000	\$160,000
Median years of client-facing experience	18	4	12
Median share of time on admin. or compliance tasks	20%	25%	33%
Percent working in startup practice	4%	2%	19%
Share of revenue from commissions	5%	5%	16%
Percent affiliated with a broker-dealer	37%	31%	63%

Notably, being an employee still maintains a small negative relationship with wellbeing even after controlling for these variables – indicating the importance of having *some* form of ownership, whether in an advisory firm itself or in a company it contracts with.

This discussion still doesn’t explain why contractors report similarly low levels of wellbeing – especially since, on most of these same metrics, they more closely resemble advisory firm owners. The explanation appears to lie in the types of roles contractors are more likely to occupy. Contractors are more likely than owners or employees to be affiliated with broker-dealers and rely more heavily on product sales for revenue, and they are also more likely to work with newer practices. Both dynamics increase the amount of

administrative and compliance oversight required – navigating FINRA rules, accommodating home office compliance regulations, and operating in startup environments that often lack support staff. As a result, contractors predictably spend the highest share of their week on these tasks (33%), compared to 25% for employees and just 20% for owners.

Ultimately, the key point is that although employees and contractors report similar levels of wellbeing, the underlying reasons differ. Employees tend to report lower wellbeing because of their relative lack of autonomy and experience. By contrast, contractors report lower wellbeing *despite* these advantages – primarily because they tend to be concentrated in early-stage product-driven roles with more sales pressure, heavier compliance burdens, and lower revenue.

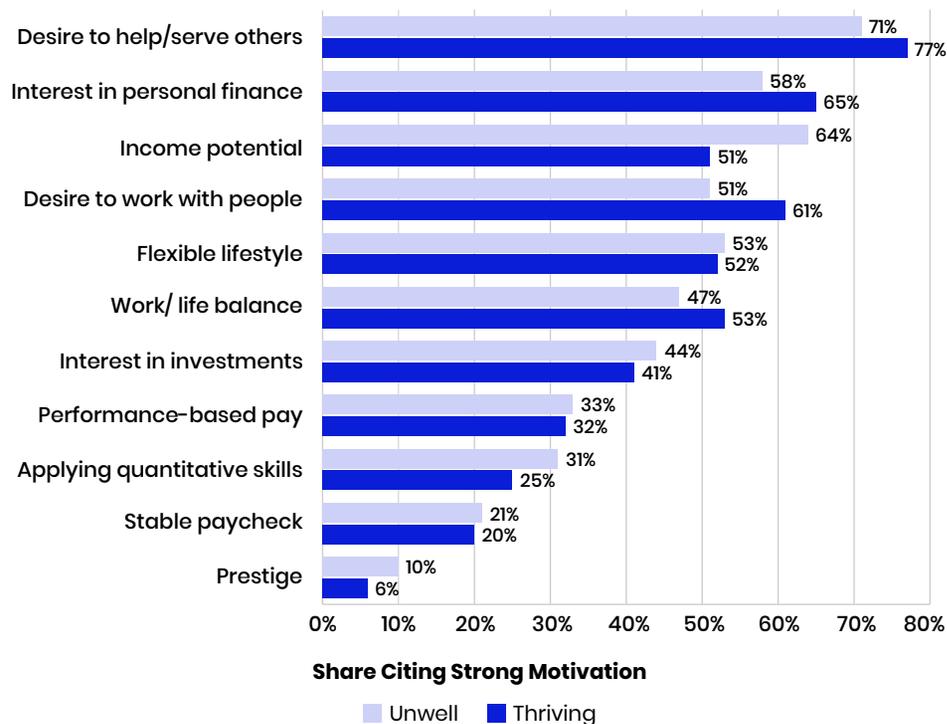
Preference About Work

A core element of “who you are” as it relates to wellbeing, involves individual preferences about work. Two key dimensions of this are “who becomes advisors”, reflected in individuals’ motivations for entering the financial services industry, and “what kind of advisor you want to be”, expressed through a range of work-related preferences.

Motivations For Pursuing Financial Services Careers

Surveyed financial advisors were presented with a list of 11 possible motivations for pursuing a career in financial services and asked to select those that were personally applicable. Figure 5.17 below shows the percentage of advisors who selected each motivation, segmented by whether they were classified as Thriving or Unwell based on their Cantril ratings.

Figure 5.17. Motivational Differences By Unwell Vs Thriving



Thriving and Unwell respondents had many important similarities in their motivations for joining the industry – suggesting a set of universal drivers that attract people to the financial planning profession. A desire to help others stood out as the single most important motivation for both groups (77% for Thriving; 71% for Unwell), while prestige was the least common motivation for each (6% for Thriving; 10% for Unwell).

The most pronounced disparity between the Thriving and Unwell groups was in the importance of income potential. Consistent with our 2023 report, respondents in the Unwell group were more likely to be motivated by the industry’s earnings potential (64%) than respondents in the Thriving group (51%). Those in the Unwell group were also more likely to be driven by an interest in investments and applying quantitative skills. By contrast, the strongest differentiator among respondents in the Thriving group was a desire to work with people (61% versus 51%). They were also more likely to value work-life balance and express interest in personal finance.

Overall, this suggests that “investment-oriented” advisors – those who enjoy research and trading – tend to report lower wellbeing than “planning-oriented” advisors who prioritize ongoing client relationships and a passion for personal finance. The wellbeing disparity between these groups is likely driven in part by the industry’s continued shift toward more planning-centric models. Investment-oriented advisors may find themselves either needing to do more planning work than they prefer or facing less competitiveness in the current marketplace due to their narrower investment-only focus.

More broadly, the data show a profession characterized by a strong desire to work with people and help others, deep interest in personal finance, and a preference for careers that offer flexibility and work-life balance.

Preferences Clusters

In addition to sharing their motivations for pursuing a career in financial services, respondents also described a range of general work preferences. A full breakdown of responses to the 24 related questions is provided in the appendix. These questions asked respondents to choose between paired options – for example, preferring to manage teams versus manage clients, favoring stable versus variable income, enjoying building plans versus presenting them, or preferring to develop new systems versus relying on proven ones.

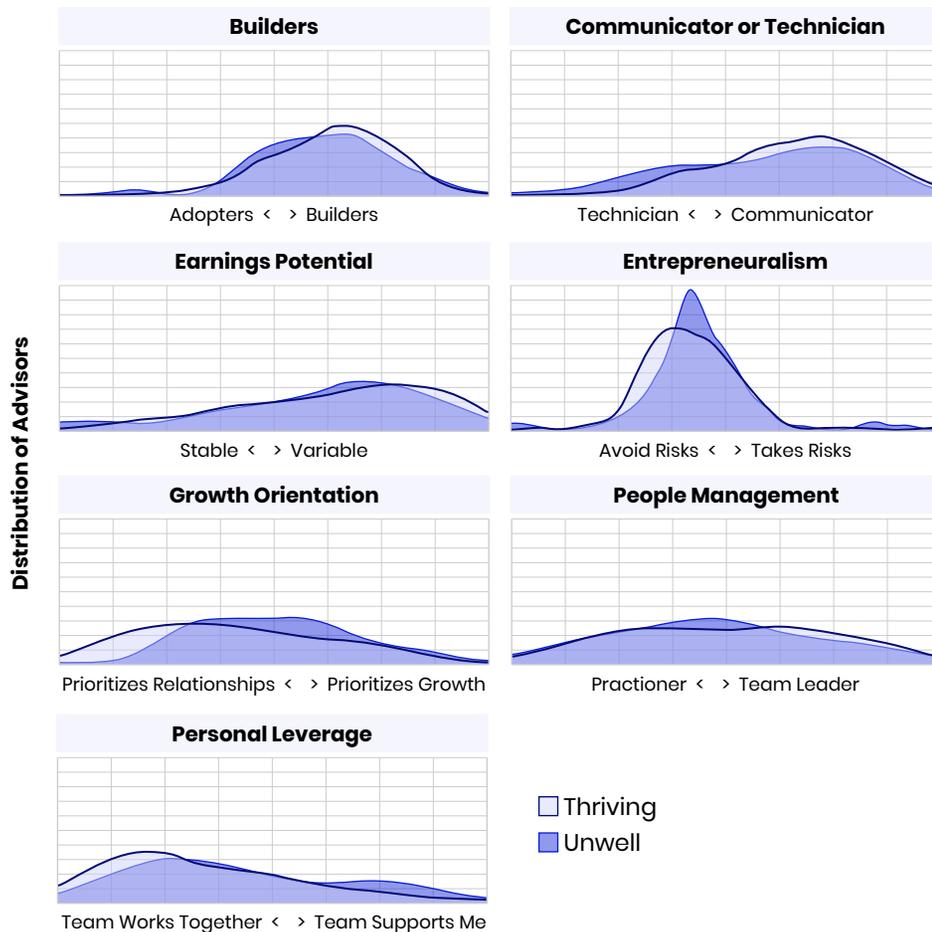
To explore how these 24 work preferences related to one another, Kitces Research conducted a factor analysis – a statistical technique for grouping together related variables – which revealed seven distinct preference clusters within the data:

- **Builders:** Building and owning one’s own systems versus plugging into and operating within existing systems.
- **Communicators or Technicians:** Doing behind-the-scenes planning work versus meeting and building the relationship in person.
- **Earnings Potential:** Taking financial risk for the opportunity to earn more versus having a stable, predictable income.
- **Entrepreneurialism:** Prioritizing growing a firm to fit their vision versus prioritizing personal lifestyle.

- **Growth Orientation:** Seeking out new clients versus focusing on existing relationships.
- **People Management:** Managing other individuals and driving enterprise value versus focusing on serving clients.
- **Personal Leverage:** Viewing the team as a tool to expand one’s own capacity versus viewing oneself as part of a larger collective.

Figure 5.18 below shows how respondents in the Thriving and Unwell groups distribute across each of the seven clusters. Unsurprisingly, most advisors – regardless of their level of wellbeing – tend to value autonomy, are generally willing to accept variable compensation for potentially higher earnings, and, because most entered the industry to help and serve others (shown earlier this section), derive more satisfaction from presenting recommendations to clients than from developing them behind the scenes.

Figure 5.18. Distribution Responses For Each Work-Preference Factor, Thriving Vs Unwell



However, some notable differences between those in the Thriving group and those in the Unwell group stand out, each highlighted in Figure 5.19, which show the relationship between each work-preference factor and wellbeing. While most advisors – regardless of wellbeing – are “Communicators” rather than “Technicians”, those who fall into the latter group tend to report lower levels of wellbeing.

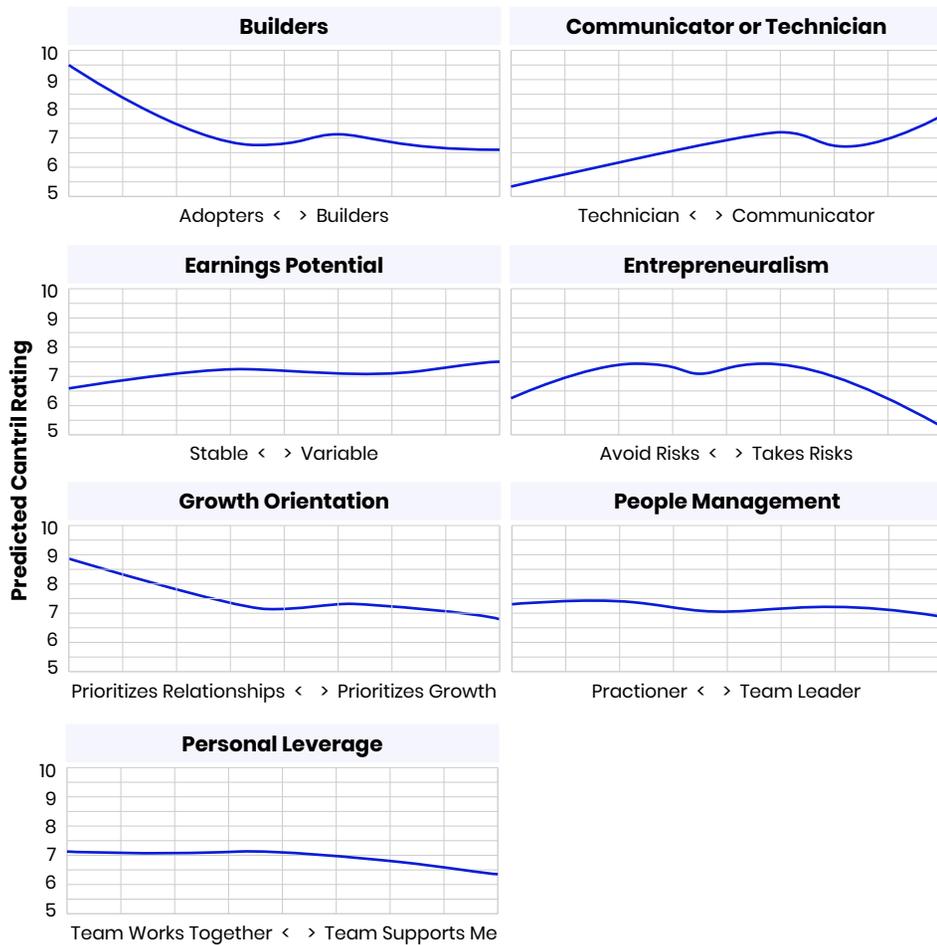
Perhaps surprisingly, there is a negative relationship between ‘Builders’ and wellbeing – suggesting that advisors who don’t strongly prioritize establishing their own systems may experience higher wellbeing when they can plug into an existing entity (e.g., a wirehouse, bank, or corporate RIA) that relieves them of business development responsibilities. This dynamic helps explain why, despite a broader industry shift toward the RIA channel, many wirehouse advisors choose to stay for the duration of their careers. It also underscores that the freedom to build one’s own systems is a double-edged sword: for advisors who don’t *want* to build, the actual process of doing so can be stressful and demanding – resulting in lower wellbeing compared to those who prefer to operate within established frameworks without the burden of creating it themselves.

The most important takeaway from these figures, however, is that the mindset of ‘never having enough’ – whether in the form of constantly driving to accumulate new clients instead of deepening existing relationships, prioritizing business growth at the expense of one’s lifestyle, or, at its most extreme, viewing the team primarily as a tool to expand personal capacity – takes a significant toll on wellbeing.

Crucially, this does not imply that a preference to ‘have more’ by working toward business goals or increasing income is inherently harmful. In fact, a preference for variable compensation – and the income growth this enables – contributes directly to advisor wellbeing (though, as shown later, the relationship between income and wellbeing plateaus beyond roughly \$500,000 per year). Further, growing out of the startup stage and hiring support staff as revenue grows both drive advisor wellbeing and (as shown in our Productivity Research) revenue productivity. Pursuing business goals later in one’s career, like steadily moving upmarket, do the same.

The key point is that wellbeing suffers when the pursuit of growth supersedes all other relationship priorities – whether with clients, team members, or even individuals outside of work affected by long hours. This is why the absence of that dynamic – feeling like one ‘has enough’ and focusing on providing great service to great clients with a great team – emerges as one of the five key drivers of advisor wellbeing.

Figure 5.19. Relationships Between Work-Preference Factors And Advisor Wellbeing



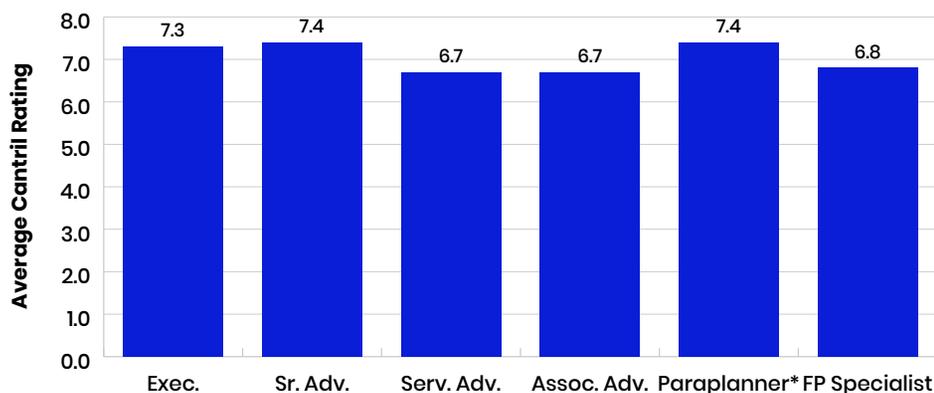
Characteristics related to “What You Do” are often more flexible and subject to change, offering individuals opportunities to improve their wellbeing. This perspective includes advisors’ specific roles and responsibilities, overall workload, and perceptions of their current job.

Work Performed

Business Role

Career progression has always had a positive impact on advisor wellbeing – so it’s no surprise that, as is consistent with previous editions of this report, Senior Advisors report the highest wellbeing (7.4), tied with Paraplanners (based on a limited sample of just seven respondents) and followed closely by Executives (7.3). As in 2023, Associate Advisors and Service Advisors report the lowest average wellbeing (6.7), with other roles falling in between (Figure 6.1).

Figure 6.1. Wellbeing By Business Role



*Based on a sample of just seven responses.

Looking at average Cantril ratings alone, though, obscures the extent to which Senior Advisors fare better than their Service Advisor and Associate Advisor peers. Only 9% of Senior Advisors fall into the Unwell group, compared with 21% of Service Advisors and 29% of Associate Advisors. Senior Advisors tend to

report higher wellbeing because they are more favorably positioned across several of the key drivers outlined earlier – including Experience, Autonomy, and income (Figure 6.2).

Figure 6.2. Factors Affecting Wellbeing By Business Role

	Sr. Advisor	Service Advisor	Assoc. Advisor
Percent Unwell	9%	21%	29%
Effective at job (% in strong agreement)	45%	26%	17%
Control of schedule (% in strong agreement)	60%	45%	45%
Annual income from advisory practice	\$260,000	\$110,000	\$78,000
Years of client-facing experience	20	11	5

Senior Advisors have considerably more years on the job to refine their skill set and tailor their responsibilities toward work they find fulfilling. As a result, they are significantly more likely to report feeling effective in their roles (45%) than Service Advisors (26%) or Associate Advisors (17%). Additionally, as outlined later, Senior Advisors are more likely to hold ownership stakes in their firms. This often means being compensated through variable pay structures – which generally leads to higher compensation – and exercising greater autonomy (e.g., through more control over their schedules). Both elements support increased wellbeing.

Service Advisors tend to resemble Associate Advisors more than Senior Advisors when it comes to wellbeing, job effectiveness, income, and schedule control. This is largely because nearly 80% of Senior Advisors have ownership in their firms, compared to just 17% of Service Advisors and virtually none

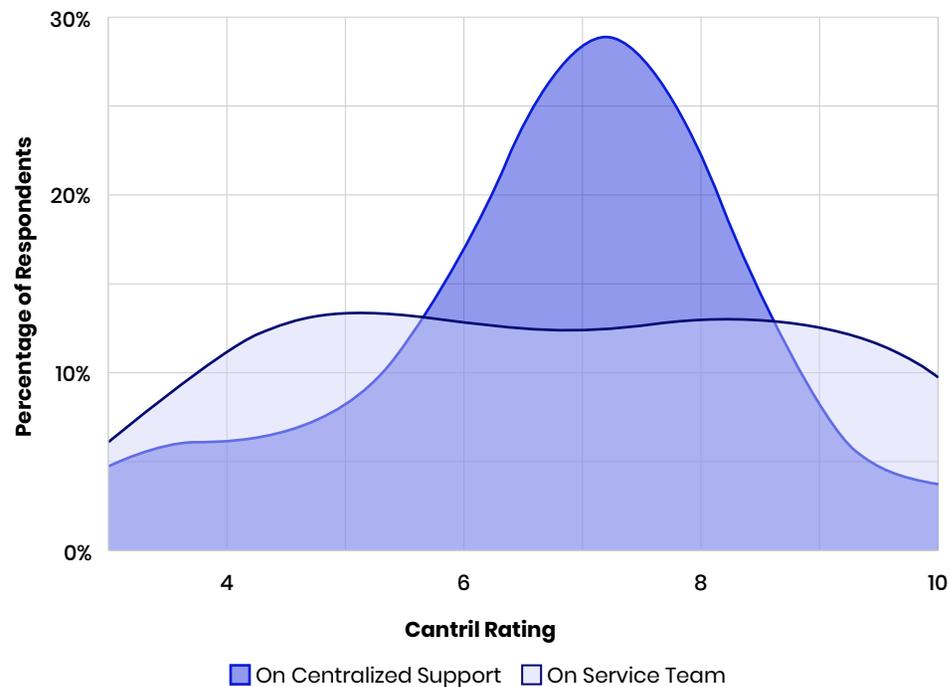
of the Associate Advisors. As noted earlier, reduced ownership typically results in reduced autonomy, which plays a significant role in shaping these differences.

Associate Advisors are the most likely group to fall into the Unwell category (29%), – consistent with past editions of this report – though their average Cantril scores have improved significantly since 2023, rising from 5.7 to 6.7. Many *Associate Advisors* experience lower wellbeing because this role is often their entry point into the industry, and as new entrants, they may feel uncertain about their responsibilities and their confidence is still developing. For these individuals, structured onboarding, formal mentoring, and a clear path to begin engaging in practical day-to-day work can significantly boost wellbeing.

More experienced *Associate Advisors* may also report lower wellbeing, but for different reasons. Many feel they have reached a ‘competency ceiling’ within their firms: they believe they’re ready to take on more client-facing or technical planning responsibilities – and earn more – but remain at the Associate level. Often, this reflects a lack of firm infrastructure for training and promotion. Few aspire to stay in a permanent *Associate Advisor* role; while the work itself may be fulfilling, many ultimately want to shift toward tasks like managing their own clients or specializing in advanced planning work. In short, they seek more autonomy in their daily roles – conditions typically associated with higher compensation, better work-life balance, and greater wellbeing.

Paraplanners and *Financial Planning (FP) Specialists* are unique among the industry roles in that some (59%) operate within service teams (like the other roles described so far), while others (41%) belong to centralized support teams that assist multiple service teams at the firm. Although both groups report nearly identical average Cantril ratings (6.9 for those on service teams versus 6.8 for those on centralized support teams), the distribution of these ratings tells a more nuanced story (Figure 6.3). Those on centralized support teams are far more likely to report “Typical” wellbeing – few give very high or very low ratings – while those on service teams show much greater variability.

Figure 6.3. Paraplanner And Financial Planning Specialist Wellbeing By Where The Role Resides



This difference likely comes down to team management and the nature of the roles. Paraplanners and FP Specialists on centralized support teams tend to have more consistent workloads and processes, primarily handling core planning tasks across multiple teams. Centralized support teams are more likely to have a consistent, core manager (e.g., a Director of Financial Planning) who can streamline and organize the ‘quality of life’ for their advisors, while being a more effective manager focused on the Paraplanners’ training and development.

By contrast, team-based Paraplanners and Service Advisors are more subject to the (increased) variability of Senior Advisors’ ability to manage and develop them, which can lead to role drift – being pulled into administrative work that feels below their skill level, or stepping into *Associate Advisor* responsibilities (such as attending client meetings or handling communications) that may not align with a preference to work ‘behind the scenes’.

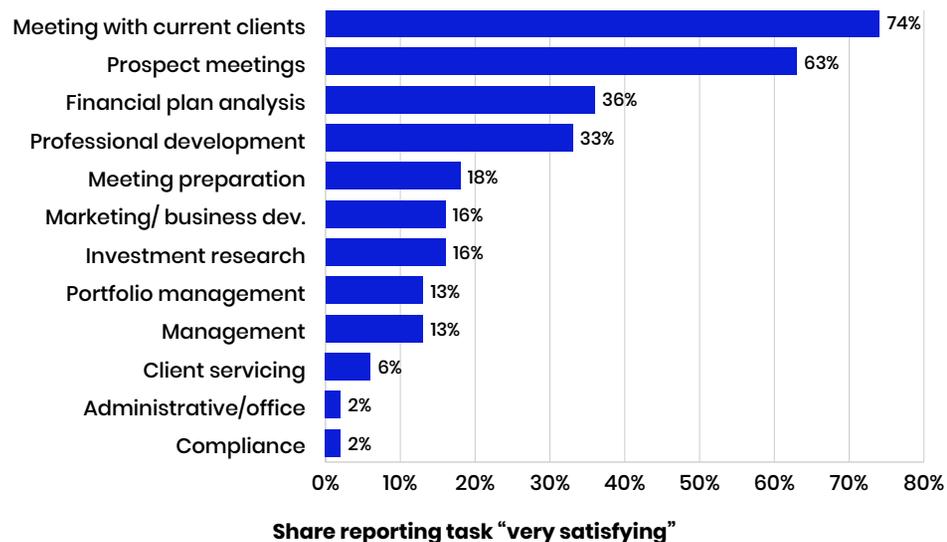
At the same time, Paraplanners on service teams may also enjoy a stronger sense of fulfillment by supporting a defined client base and seeing client progress over time, even with limited direct interaction :–a type of continuity that’s harder to experience when performing one-off planning tasks for unfamiliar clients across multiple teams.

Taken together, these dynamics create a more varied experience for Paraplanners and FP Specialists – resulting in both a higher share of respondents in the Unwell group, and a higher share in the Thriving group.

Job Responsibilities

For the first time in our 2025 report, Kitces Research asked advisors to rate their level of enjoyment across 13 distinct business activities on a scale from “very frustrating” to “very satisfying”. Figure 6.4, below, displays the share of respondents who found each task “very satisfying”.

Figure 6.4. Task Satisfaction By Specific Activity



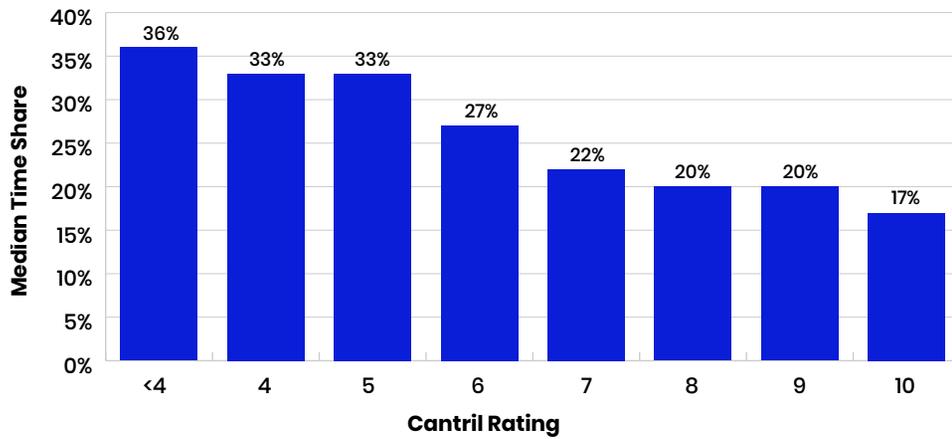
Consistent with our earlier data showing that helping others and working with people are key motivators for advisors entering financial services, the two most enjoyable tasks identified in the current study were meeting with existing clients and prospects, with 74% and 63% reporting these activities as “very satisfying”, respectively – ranking ahead of staple functions

like researching and managing investments (both at 16%). Conversely, administrative, compliance, and client-servicing tasks were the least enjoyed, with far fewer than 10% strongly agreeing that any of these were very satisfying – viewed instead as necessary burdens to keep the firm operating.

Notably, “management” and “marketing and business development” tasks rank fourth and fifth lowest in task satisfaction, respectively. This is important in light of many the ‘accidental business owners’ in the industry – individuals who enter the profession to help and serve others but quickly find themselves dedicating considerable time to growing the firm and managing team members, often at the expense of the client-facing work they find most meaningful and fulfilling. These difficulties cannot be easily avoided by advisors choosing to remain unsupported solos, because the time saved from management duties is exchanged for time spent on administrative work that can’t be delegated away. Overall, while advisors find their client-facing and planning work to be far more satisfying than the back-office work that enables it, the latter is often more difficult to eliminate than many initially assume.

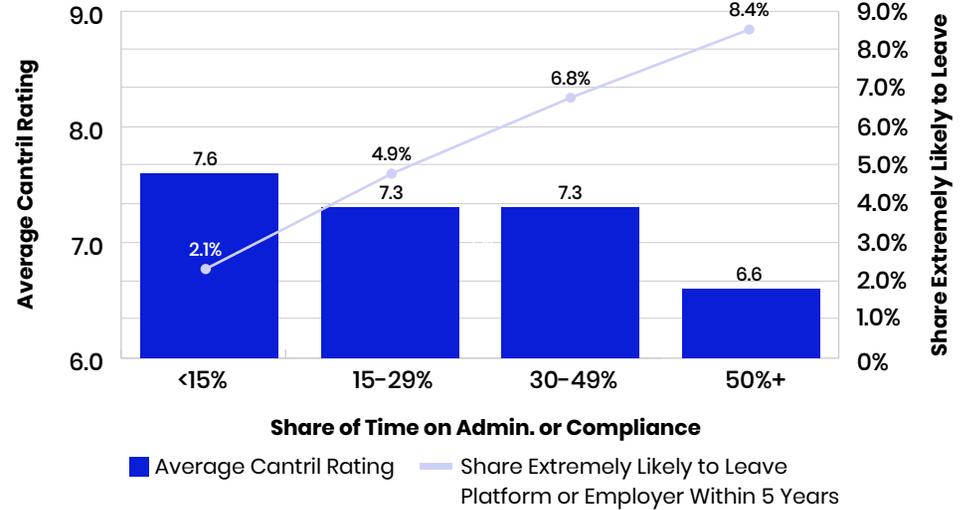
Advisors’ strong dislike for administrative and compliance work in particular has a clear consequence for wellbeing: the more time spent on these tasks, the lower their reported wellbeing. As shown in Figure 6.5 below, advisors with a Cantril rating of 3 or lower spend 36% of their time on this type of work, while those with a rating of 10 spend just 17%

Figure 6.5. Time Spent On Administrative And Compliance Tasks By Cantril Rating



In turn, not only is increased time spent on administrative and compliance work associated with lower wellbeing, but as we’ve shown earlier, these decreases in wellbeing translate into materially higher levels of advisor turnover risk. As Figure 6.6 illustrates, advisors who have to do more of their own administrative and compliance tasks have substantively more vulnerability to turnover: advisors who spend less than 15% of their time on administrative tasks report an average Cantril rating of 7.6 and just a 2.1% likelihood of being “very likely” to leave their employer within the next five years. By contrast, those spending 50% of their time on such work report a reduced wellbeing score of 6.6 and a more-than-double (8.4%) likelihood of leaving.

Figure 6.6. Wellbeing By Likelihood Of Leaving (Excl. Retirement) And Time On Admin. Or Compliance Tasks



On average, each additional hour spent on admin or compliance work every week corresponds to a roughly 0.3-point increase in the percentage of advisors who are “very likely” to leave their current employer within five years.

Workload

Fully understanding the relationship between advisors’ responsibilities and wellbeing requires looking beyond individual tasks and considering the cumulative impact of their overall workload. One of the most basic indicators of workload is the number of hours worked each week. In addition to hours worked, other common indicators of financial planning workload and productivity include revenue generated, Assets Under Management (AUM), and the number of clients managed per advisor or team member. While each of these is an imprecise measure on its own, together they offer valuable insight into the level of effort individuals invest in their work.

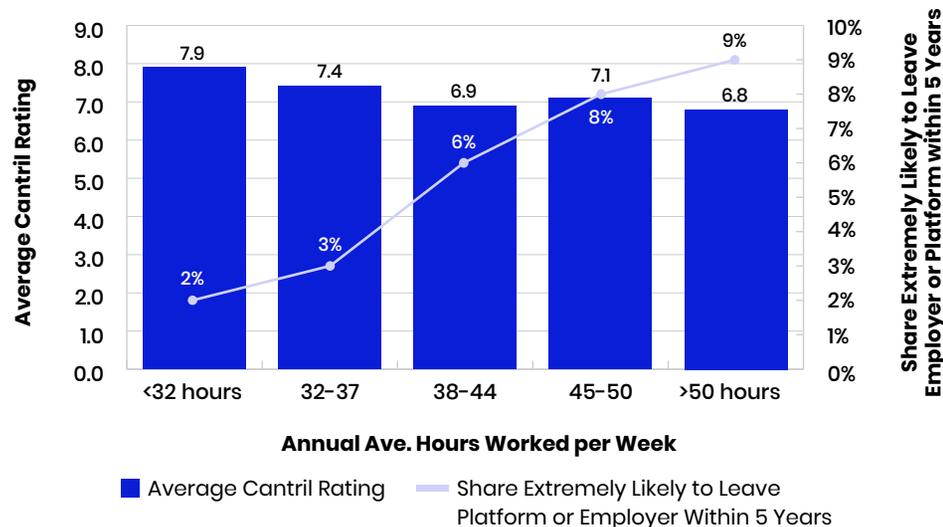
Hours Worked

Even a schedule filled with meaningful tasks – such as client meetings and deep planning work that advisors often enjoy – can become overwhelming if it consistently requires late nights and weekend hours. Too many such weeks can lead to burnout and, eventually, result in many advisors leaving their jobs altogether.

Figure 6.7 shows how advisor wellbeing and turnover vary based on weekly hours worked. The highest levels of wellbeing are reported by advisors who reduce their client load and/or expand their teams to serve clients within a 4-day, 32-hour workweek, with an average Cantril rating of 7.9.

Notably, the negative relationship between hours worked and wellbeing appears to plateau around 38 hours per week, beyond which advisors do not become successively less happy (implying that, at the least, the additional income or enterprise value they create may offset the toll on happiness that comes with the additional hours worked).

Figure 6.7. Wellbeing And Likelihood Of Leaving Platform Or Employer (Excl. Retirement) By Average Weekly Hours Worked



However, when it comes to potential turnover, no such plateau occurs: only 1% of advisors working fewer than 32 hours per week are “extremely likely” to leave their employer or platform in the next five years, compared to 9% of those working 50 or more hours. Which means that while advisors may not become less happy as hours worked increases beyond a full-time workweek, they do eventually reach a point where, if they don’t see a path to fewer working hours with their current platform or employer, they will leave to another firm that gives them such a pathway.

In short, advisory firms attempting to boost productivity by increasing the “productive” working hours of their advisors may not succeed when it results in a >40-hour workweek, partly because such strategies lead to increased turnover the firm must later absorb.

Alternative Metrics Of Workload

AUM, client count, and revenue per advisor all serve as indirect measures of an advisor’s workload. Among these, client count – measured as the average number of client households served by each advisor on a team – arguably is the most accurate indicator. This is because there is a high baseline amount of time required to serve clients, even among those with the least complex circumstances, simply given the requirements to build any level of substantive relationship with an ongoing financial planning client.

For example, while there is a strong positive relationship between revenue per client (a proxy for complexity) and the number of hours teams dedicate to their clients each year, Kitces Research on Advisor Productivity finds that service teams still collectively spend an average of 16 hours per year serving clients that generate less than \$2,500 in annual revenue. (Indeed, the principle that ‘more clients generate more work’ – even when those clients have less complexity – is part of why firms that aggressively leverage technology to scale financial planning for the mass affluent, operating with high client-advisor ratios, still struggle to achieve profitability.)

Revenue can be a useful measure of workload as well, since the level of service provided must ultimately align with the fees generated by the advisor, regardless of how services are structured or billed. However, this measure can be problematic because it is heavily influenced by client assets, given the prevalence of the AUM-based fee model. This means that while the same level of effort is exerted by an advisor serving a one-million-dollar client as one serving a two-million-dollar client, the latter still generates more revenue.

Notably, despite its popularity as a metric, AUM is the least reliable indicator of workload of the three measures (AUM, client count, and revenue per advisor). It fails to capture advisors who dedicate significant time to planning services while managing little or no assets, and it does not distinguish between those working with institutions versus individuals – groups with

very different service needs (and very different fee structures). It also fails to account for differences between advisors who bundle extensive planning services into their AUM fees and those who are “investments-only”.

For these reasons, client count maintains the strongest relationship with advisors’ weekly hours worked, while revenue and, in particular, AUM show weaker relationships.

To explore how each of these three measures relates to advisor wellbeing, we ran statistical models that allowed for non-linear relationships. This approach enabled us to see whether there is a point at which ‘too much of a good thing’ begins to erode wellbeing. The results of these analyses are presented in Figure 6.8.

Figure 6.8. Wellbeing By Three Measures of Workload



‘Too much of a good thing’ dynamics are immediately evident when examining both revenue per advisor and, especially, clients per advisor. (Conversely, the absence of such a relationship for AUM per advisor reinforces why this is the least reliable measure of workload.) Wellbeing rises sharply with revenue per advisor up to around \$250,000 – an amount that typically allows advisors to earn an economically viable income after expenses and

potentially make their first support hire to offload tasks they dislike, such as administrative work. (In fact, the slight dip in wellbeing between \$250,000 and \$500,000 occurs when many advisors make their first hire, indicative of temporarily working through challenges managing that first employee.) Wellbeing continues to rise more gradually until around \$1,250,000, after which it begins to decline.

A more pronounced version of this pattern emerges with clients per advisor: wellbeing increases steeply as advisors grow their client base, peaking at around 50 clients. After that point, wellbeing declines steadily to about 200 clients, where it levels off at the lowest levels of unhappiness. While a wellbeing peak at ‘just’ 50 clients may seem low, it aligns with findings from our latest Kitces Research on Advisor Productivity, which shows that as advisors move upmarket to serve more affluent clients, they tend to prune their client base to accommodate higher service demands and more time per client. This leads to a negative relationship between client affluence and clients per advisor but a very positive productivity lift, since higher revenue per client often more than makes up for the smaller quantity of clients.

In other words, advisors experiencing peak wellbeing with 50 clients tend to have practices built around serving a core set of highly profitable households. As client count rises beyond this point, the data increasingly reflect advisors solving low revenue-per-client challenges by taking on large volumes of unprofitable clients – leading to heavier workloads (and often reduced service efficiency as client bases become less homogenous). These advisors ultimately represent the least happy segment of advisors displayed in Figure 6.8.

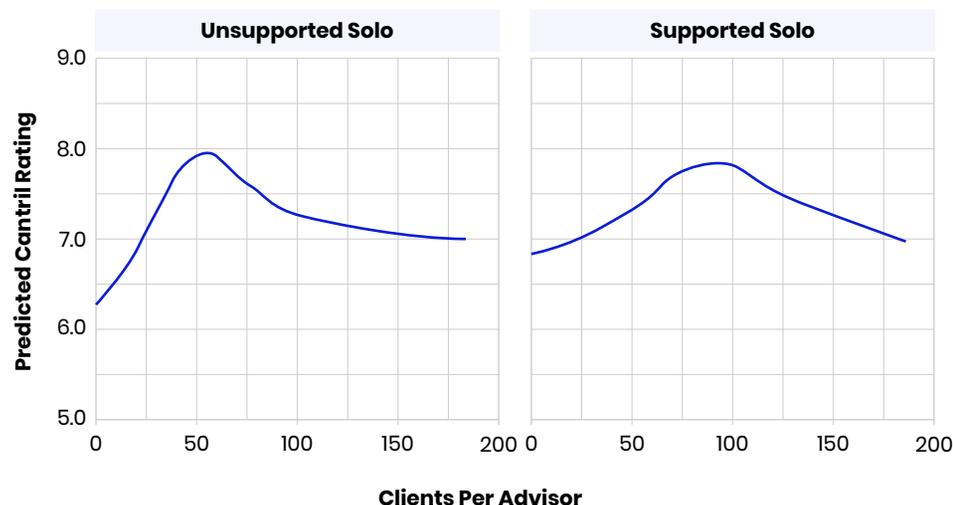
More broadly, this suggests that as advisors grow their practices and improve efficiency, they do not aspire to increase their client loads indefinitely – nor do they benefit from trying to. Instead, higher wellbeing corresponds with going deeper with the clients they already serve. This dynamic raises concerns about Private Equity (PE) firms investing in advisory firms that pursue growth by driving up client loads, and about AdvisorTech vendors who aim to help advisors increase their client loads (rather than enabling them to deepen existing client relationships). While increasing client loads may boost short-term firm revenue, it is also likely to undermine advisor wellbeing – potentially

leading to advisor attrition and, ironically, client attrition as well, given the well-documented tendency of clients to follow their advisor when they leave a firm.

On the other hand, this does not diminish the importance of support staff for expanding advisor capacity and maintaining wellbeing. While team support doesn't eliminate the strain created by high client loads, it does expand the 'happiness window' – enabling advisors to sustain higher levels of wellbeing at higher client loads than would otherwise be feasible. This can be seen in Figure 6.9, in which contrasts the relationship between wellbeing and clients per advisor among unsupported solo advisors and supported solo advisors. Wellbeing for unsupported solo advisors peaks at around 50 clients per advisor while that of supported solos peaks at just under 100 clients.

In short, advisors in the Thriving group are not immune to the effects of client overload – they've just built the team structures that let them stay in the 'sweet spot' longer.

Figure 6.9. Advisor Wellbeing By Clients Per Advisor And Practice Structure

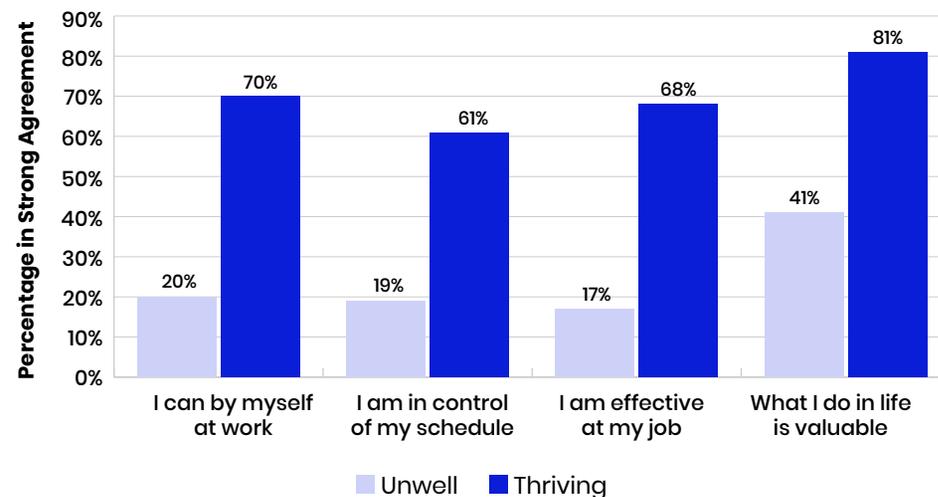


Perceptions Of Work

How advisors feel about their work corresponds with their levels of wellbeing – and in some cases, directly drives it. Figure 6.10 highlights the percentage of advisors in strong agreement with four positive statements about their

current jobs: “I can be myself at work”, “I am in control of my schedule”, “I am effective at my job”, and “What I do in life is valuable”. Across a variety of statements related to wellbeing and job satisfaction, results for these four reveal the largest differences between respondents in the Thriving and Unwell groups in terms of strong agreement.

Figure 6.10. Perceptions Of Work, By Unwell Vs Thriving



Among these four statements, the one with the highest level of agreement from both groups was “What I do in life is valuable and worthwhile” (81% of respondents in the Thriving group versus 41% in the Unwell group). This relatively high agreement likely reflects the inherently service-oriented nature of the profession. As noted earlier, the most frequently cited “strong motivation” for entering financial services among advisors in both the Thriving (77%) and Unwell (71%) groups was the desire to help and serve others. Regular reminders of this purpose – such as seeing clients move from financial anxiety and uncertainty about their financial situation to clarity about their goals and excitement about their progress – reinforce a sense of meaning in their work and lives.

However, the lower agreement among advisors in the Unwell group suggests that some may feel disconnected from the service-driven mission that initially brought them into the profession. This is especially common for Service

Advisors and Associate Advisors, who often perform more behind-the-scenes work. They may enjoy these responsibilities less, and the impact of their efforts may be less visible to them (e.g., when they're not present in meetings where a Senior Advisor delivers recommendations based on their efforts). Newer Senior Advisors may experience similar disconnects when early career demands – especially business development or limited support staff to help with less enjoyable tasks – leave them with less time for planning and client meetings.

More broadly, respondents in the Unwell group are often newer to the industry. With less experience and training in their current tasks – and a role that may not yet align with their strengths and interests – they are less likely to report feeling effective on the job (17% in strong agreement) compared to those in the Thriving group (69%).

Two additional prominent divides between respondents in the Thriving and Unwell groups appear in the share of advisors who strongly agree they can “be myself at work” (70% of Thriving versus 20% of Unwell) and feel “in control of my schedule” (61% versus 19%). Control over one’s schedule, in particular, emerged as a powerful influencer of advisor wellbeing and is a core component of Autonomy, one of the key drivers of wellbeing identified earlier.

As previously noted, firm ownership plays a significant role in enabling autonomy, which helps explain why owners are disproportionately represented among advisors in the Thriving group (79%) compared to those in the Unwell group (49%). Ownership also shapes whether advisors feel they can fully be themselves at work, as firm owners set the tone and values – giving them greater freedom to express their identities. By contrast, advisors working in someone else’s firm may need to align with that firm’s culture and values, which can feel limiting when there’s a mismatch. Similarly, owners are better able to use their autonomy to shape their schedules, a factor that ultimately contributes to higher wellbeing.

For financial advisors, the question of “Where You Work” operates at multiple levels, each with implications for wellbeing. At the broadest level is the advisory firm itself, encompassing factors such as industry channel (e.g., RIA, IBD), stage of development (e.g., early start-up, actively growing, scaling, or mature and no longer pursuing growth), mission and values, and the presence of outside ownership.

Larger firms may also be composed of multiple service teams (and, by definition, a solo advisory firm is a single service team), introducing additional dynamics relevant to wellbeing, such as size and the makeup of their clientele.

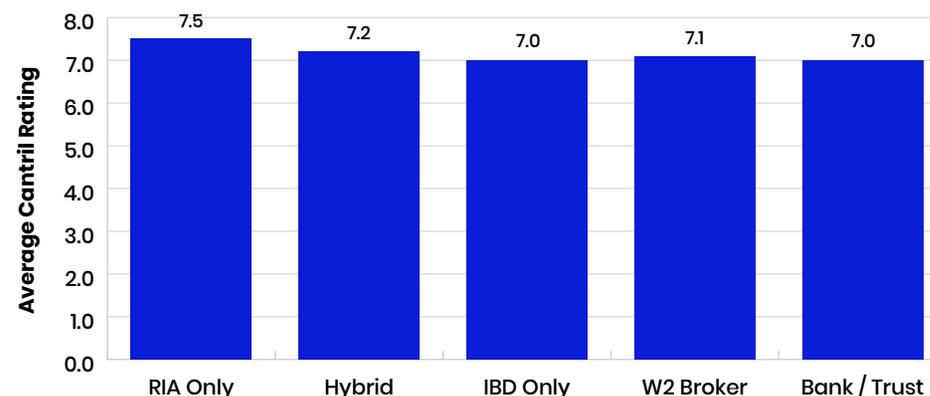
Finally, there is the advisor’s individual work environment – a consideration that has become increasingly important since the pandemic, especially for knowledge-based businesses that can operate fully online without the need for a physical office.

Firm Characteristics

Industry Channel

Looking first at differences in wellbeing by industry channel (Figure 7.1), the pattern remains consistent with past reports: advisors exclusively affiliated with an RIA report the highest average Cantril ratings (7.5), followed by those who are dually registered with both an RIA and IBD (7.2). Advisors solely registered under a broker-dealer model report slightly lower wellbeing, though there is no substantive difference between independent broker-dealers and regional or national broker-dealers operating on a W-2 employee model.

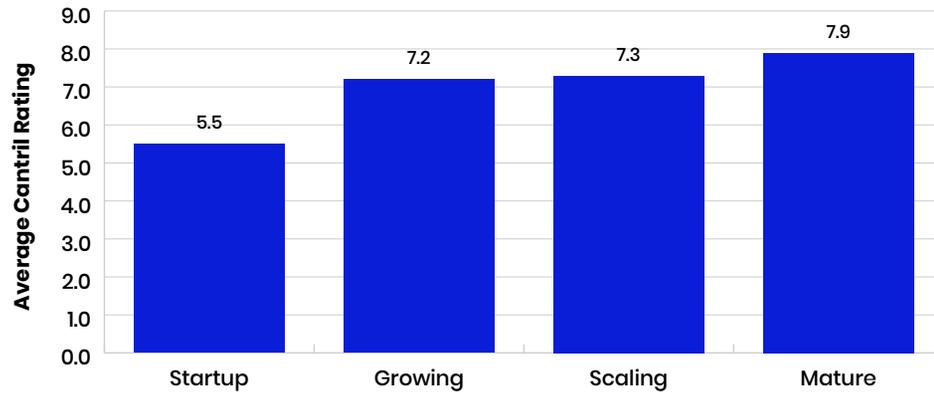
Figure 7.1. Wellbeing By Industry Channel



Firm Stage of Development

Ultimately, differences in wellbeing by channel are relatively minor compared to those observed when examining a firm’s stage of development, as shown in Figure 7.2 below. Advisors at firms still in the startup stage report the lowest average Cantril rating of any segment in this report (5.5). This lower wellbeing is driven by several factors: having the fewest years of experience, still working to build a client base large enough to generate sustainable income (with a median income of just \$40,000, compared to \$162,000–\$320,000 for other stages), and spending the most time on business development – a task advisors enjoy significantly less than their preferred activities of meeting with clients and engaging in financial planning.

Figure 7.2. Wellbeing By Firm Development Stage



Once advisors move beyond the startup stage, wellbeing increases significantly. Advisors who have established client bases report higher wellbeing (7.2), which continues to hold as firms add capacity to scale for future growth (7.3), and reaches its highest levels (7.9) at mature firms that no longer need to actively market their services – though they may still accept occasional referrals.

The mature-firm group is notable as, by traditional industry standards, ‘if you’re not growing, you’re dying’. In reality, though, mature firms report the highest income, work fewer hours per week (35) than advisors at any other stage – including those in the startup phase who do not yet have full client loads (36 hours) – and are the most likely to strongly agree that they feel effective at their jobs.

This peak level of wellbeing among advisors at mature no-longer-growing firms also carries broader implications. When platforms push advisors to grow beyond a certain point, they may actually *decrease* the wellbeing of their advisors, which in turn can cause self-inflicted increases in attrition. And because advisors at mature firms are the happiest they’ve ever been – after spending a career building a practice that aligns with their ideal work and lifestyle – this dynamic also helps explain some of the industry’s succession challenges: if you’re the happiest you’ve ever been, why would you want to retire?

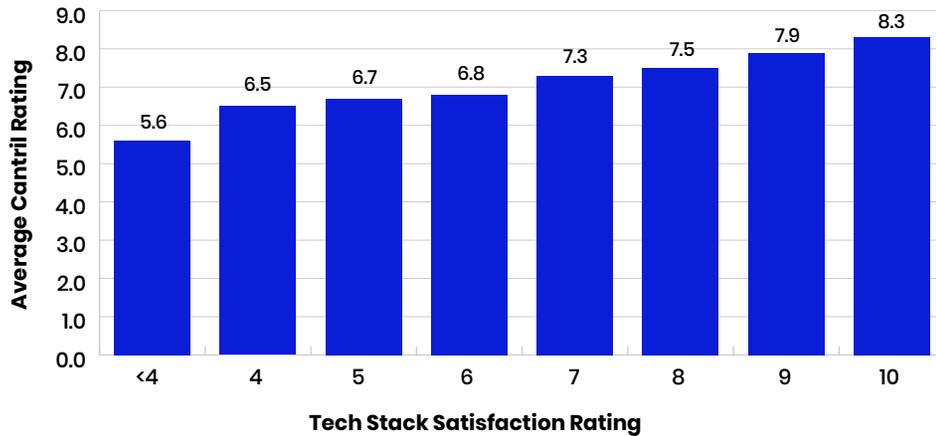
Tech Stack Satisfaction

Whether entering data in their CRM, running analyses with financial planning software, sending emails, or placing trades, the reality of a 21st-century advisory firm is that advisors interact with technology continually throughout the day. In fact, our latest Kitces Research study on Advisor Technology finds that the typical five-member advisory firm uses 15 different software tools to support 20 distinct business functions. Even the ‘least’ technologically sophisticated firms still rely on nearly a dozen tools to operate.

Given this constant technology use, advisors’ experience interfacing with these tools – whether they find individual applications frustrating and poorly integrated or have a tech stack that’s easy to use and seamlessly integrated – can significantly impact their day-to-day job satisfaction. In other words, the more satisfied advisors are with their technology, the higher their overall wellbeing is likely to be.

As shown in Figure 7.3, there is a strong positive correlation between advisor wellbeing and tech stack satisfaction, as measured on a 1–10 scale. As noted earlier, stack satisfaction is one of the strongest predictors of wellbeing and a key component of the second driver of advisor wellbeing – working at “The Right Workplace”. Advisors who rated their tech stack between 1 and 3 reported an average Cantril wellbeing score of 5.6, while those who gave their stack a perfect 10 reported an average score of 8.3. This disparity of 2.7 points is among the largest identified in this report.

Figure 7.3. Wellbeing By Level Of Satisfaction With Tech Stack



Note: Ratings are on a scale of 1-10, with 10 representing the highest possible level of satisfaction.

As highlighted earlier, decreases in wellbeing are closely linked to an increased likelihood of advisor turnover. Accordingly, 25% of advisors with low stack satisfaction (scores of 1–3) are at high risk of turnover over the next five years, compared to just 1% of advisors with high stack satisfaction (scores of 9–10).

What makes this especially notable is that, according to findings from our latest Kitces Research on Advisor Technology, a firm’s level of technological sophistication does *not* correspond with any meaningful increase in key measures of revenue productivity – such as revenue per advisor or revenue per team member. In other words, while better tech may not directly boost firm productivity, it nonetheless remains a critical business consideration, because advisors are more likely to leave if their day-to-day experience with the technology is poor.

From a business perspective, this creates a fundamental trade-off between the costs of investing in better technology and the costs associated with high advisor turnover. According to our latest Kitces Research on Advisor Technology, firms with advisors who report low tech stack satisfaction spend an average of 3% of total revenue on technology, while those with high satisfaction spend an average of 7%.

Of course, as detailed in that research, it’s not the dollar amount itself that drives stack satisfaction – it’s how the money is used. Three factors matter most: supporting a broad set of business functions, making intentional efforts to maximize the impact of technology investments (e.g., upfront and ongoing training, or having a designated tech expert), and, most importantly, establishing integration across at least advisors’ ‘main’ applications (typically their portfolio management tool, CRM, and financial planning software).

For five-member advisory firms generating \$1,000,000 in revenue, the difference between these spending levels amounts to an average of \$31,400 annually. This amount is often less than what a firm may lose in revenue productivity from an unfilled seat – before even accounting for the added costs of onboarding, training, and recruiting a replacement advisor.

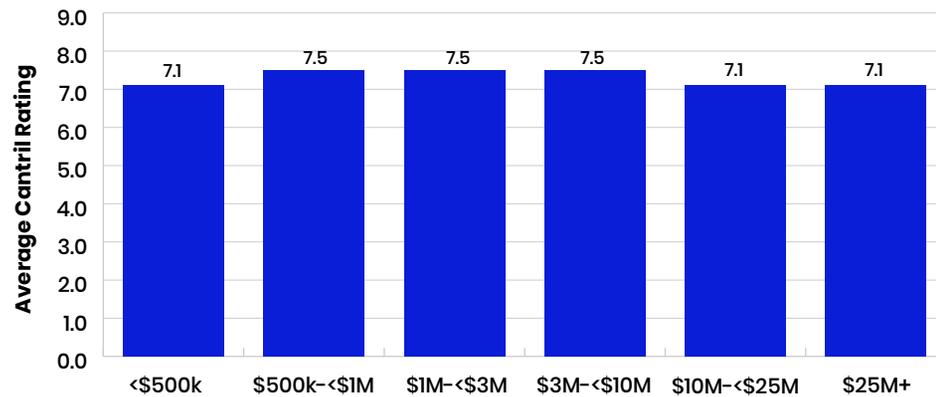
Ultimately, it’s essential for firms to recognize that money *not* spent on improving technology, training, or integration isn’t necessarily money saved. Instead, it may simply be money deferred – only to be spent later addressing the consequences of advisor dissatisfaction and turnover driven, at least in part, by frustrating day-to-day experiences interfacing with technology. Which means even if advisory firms struggle to figure out *how* to select and implement technology well, spending on a consultant to get help with their tech integrations may still be better than the cost of subsequent advisor turnover instead.

Firm Size

Firm size can be conceptualized in several different ways. Total AUM is a common metric among both advisors (e.g., the RIA owner growing to hit \$100M for SEC oversight) and industry media (e.g., the rise of ‘billion-dollar RIAs’). However, AUM has notable limitations for measuring firm size: many firms now rely on planning fees for a significant share of their revenue, some serve a mix of institutional and individual clients with very different service models and price points, and advisors with larger clients often generate less revenue per managed dollar because of fee breakpoints and high-net-worth discounting. As a result, revenue – as well as total firm employees measured in Full-Time Equivalents (FTEs), whose compensation is tied to that revenue – offers a more comparable view of firm size across practices.

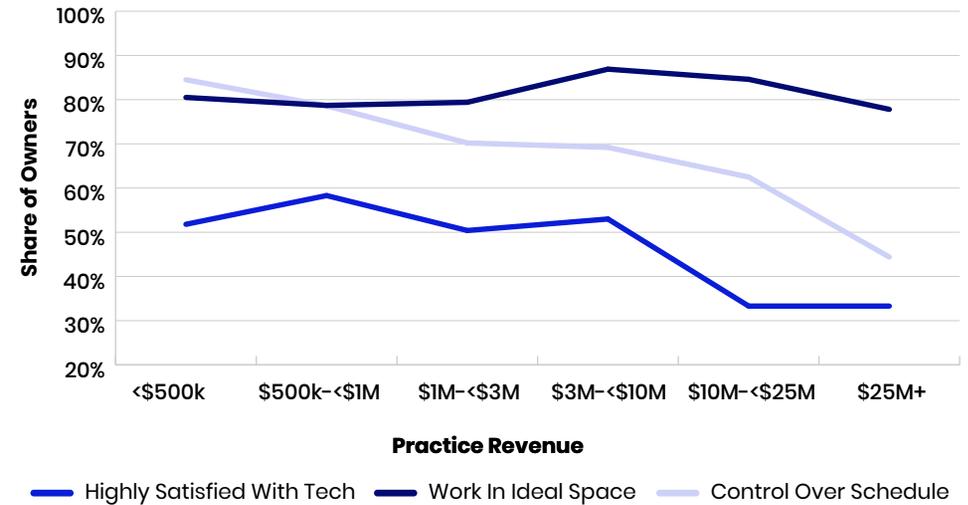
Figure 7.4 displays average Cantril ratings by firm size measured in terms of annual practice revenue. The pattern resembles an ‘upside-down U’, where advisor wellbeing tends to peak between \$500,000 and \$3 million in revenue, then begins to decline, dropping sharply after \$10 million. While AUM and FTEs show a similar trend, both the rise and subsequent decline in advisor wellbeing are sharpest when using practice revenue as the size metric – suggesting it is the most precise indicator of firm scale. Indeed, at both ends of the revenue spectrum, average wellbeing is roughly 0.5 points lower than at the curve’s peak.

Figure 7.4. Wellbeing By Practice Revenue



Despite the consistency of these findings, firm size itself is not a direct driver of advisor wellbeing. Rather, the operational standardization that tends to accompany a growing firm can restrict freedom in areas that *do* directly affect wellbeing. Figure 7.5 reveals that as firms scale, they begin to standardize key processes – such as where advisors can work, which technologies they can use, and how their schedules are structured. The graphic focuses on owners, as they are the firm members with the most control over their firms’ growth and capacity trajectories.

Figure 7.5. Owner Autonomy By Practice Revenue



Much of this standardization is a necessary consequence of growth and the implementation of formal business infrastructure. Larger firms often operate with a baseline service model (e.g., a high-touch firm may require in-person service, while an online-only firm may seek consistency by avoiding one-off branch offices) and aim for uniform software for functions such as compliance (e.g., document storage and communication archiving) and revenue generation (e.g., billing for AUM or planning fees). In some cases, firms may also mandate the use of additional software tools to qualify for enterprise pricing.

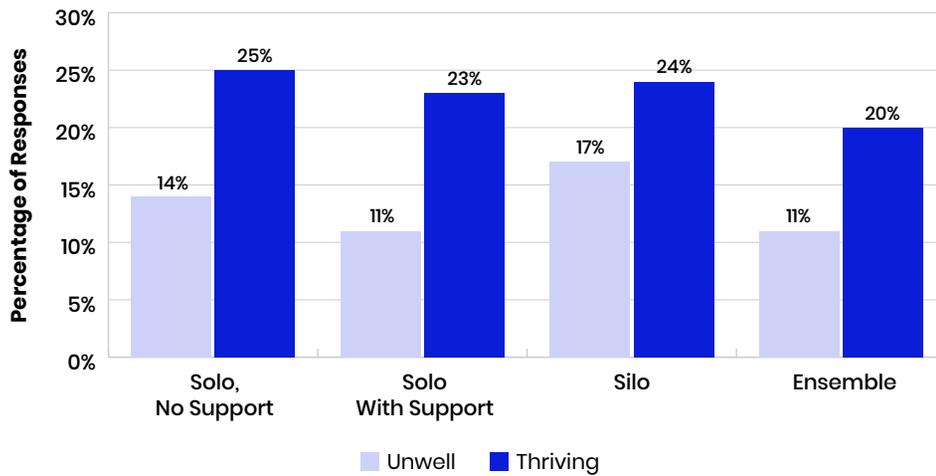
While some standardization is essential for larger firms to function effectively – and to ensure a consistent client experience – it often comes at the cost of autonomy. And ultimately, reductions in autonomy are associated with lower levels of advisor wellbeing.

Firm Structure

Turning to firm structure, average Cantril ratings vary little based on whether the advisor operates a solo firm (with or without support), is part of a siloed service team (sharing a common firm or platform but serving independent client bases, such as with an independent broker-dealer or a corporate RIA platform), or works within an ensemble structure (multiple service teams pooling resources and profits, serving all clients under a consistent standard).

However, more meaningful differences emerge when examining the proportion of advisors in each group who report particularly low (Unwell) or high (Thriving) levels of wellbeing (Figure 7.6). Unsupported solo advisors are the most likely to fall into the Thriving group (25%) – and the second most likely to fall into the Unwell group (14%). This reflects the bimodal nature of solo firms, where many new solo advisors in the startup phase report the lowest levels of wellbeing (when excluding startups, just 9% of solos are in the Unwell group), while those who move into the ‘mature’ phase – often evolving into lifestyle practices – report the highest wellbeing.

Figure 7.6. Share Unwell And Thriving By Practice Structure



Ensemble firms are the least likely to report either Thriving or Unwell scores and are the most likely to report Typical wellbeing. This pattern reflects the consistency and stability of their work environment: advisors in ensemble practices tend to have more defined roles and shared responsibilities. They are also less likely to be in the extremes of either launching a new practice or operating a lifestyle firm with the full autonomy to tailor the business solely to their personal goals – rather than needing to compromise with partners on shared goals.

Use Of Centralized Support

Consistent with our 2023 report, advisors in firms with siloed service teams remain the most likely to fall into the Unwell group. One factor that appears to correspond with lower wellbeing among these firms is the use of centralized support models.

While advisory firms have traditionally been structured around service teams composed of both advisors and dedicated on-team support staff serving a defined client base, there is growing interest in centralized support models – especially among larger advisory firms as they scale and systematize. In these models, advisory firms provide centralized support teams that assist advisors across multiple service teams. These roles can include operations staff handling administrative tasks like scheduling and paperwork, paraplanners and financial planning specialists who build plans in software based on advisor input, and investment staff responsible for research, model updates, and quarterly rebalancing.

Some service teams may use centralized support to offload specific responsibilities – such as a planning-focused service team offloading investment management to the firm or a solo advisor handling investments and planning independently, but needing help with administrative tasks – and thus still contain dedicated support staff (like Associate Advisors or CSAs), often with more focused responsibilities. Other service teams are fully reliant on centralized support and contain only lead advisors.

For the first time in this 2025 report, Kitces Research asked advisors whether they use centralized support for administrative tasks, financial planning, trading, and investment research. Respondents were segmented based on whether they use centralized support for at least one of these functions, and whether their team includes at least one on-team support staff member as well (defined here as Client Service Administrators, Associate Advisors, Paraplanners, or Financial Planning Specialists).

As shown in Figure 7.7, a small minority (6%) of siloed service teams consist solely of advisors with no dedicated or centralized support. Equal shares (15% each) rely exclusively on either dedicated support or centralized support. The majority (65%), however, follow a hybrid structure – where advisors have dedicated support staff while also leveraging some centralized services offered by the firm.

Notably, firms in this hybrid category vary in how they utilize centralized support. Specifically, 5% rely solely on centralized operations, 13% on planning or trading, 24% on operations and either planning or trading, and 22% on all three: operations, planning, and trading.

Figure 7.7 Prevalence Of Support Models Among Siloed Firms

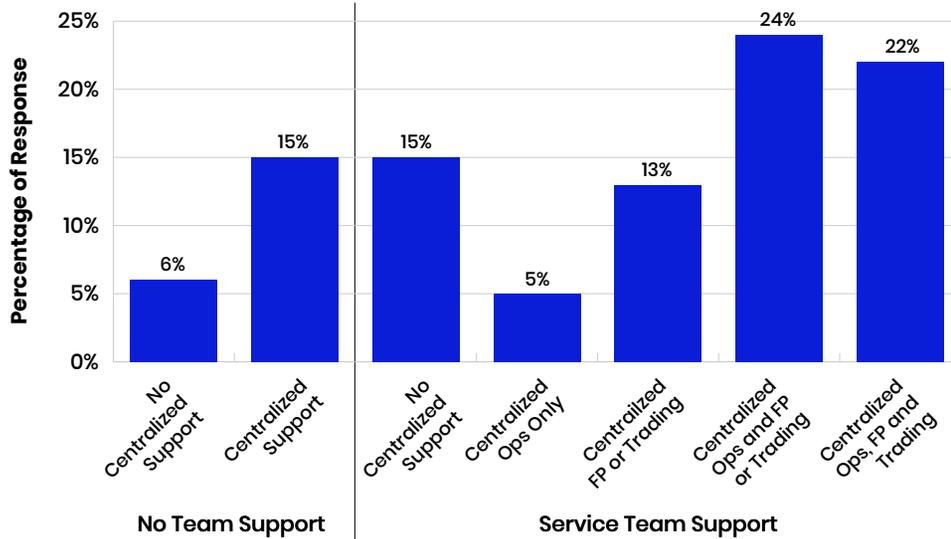
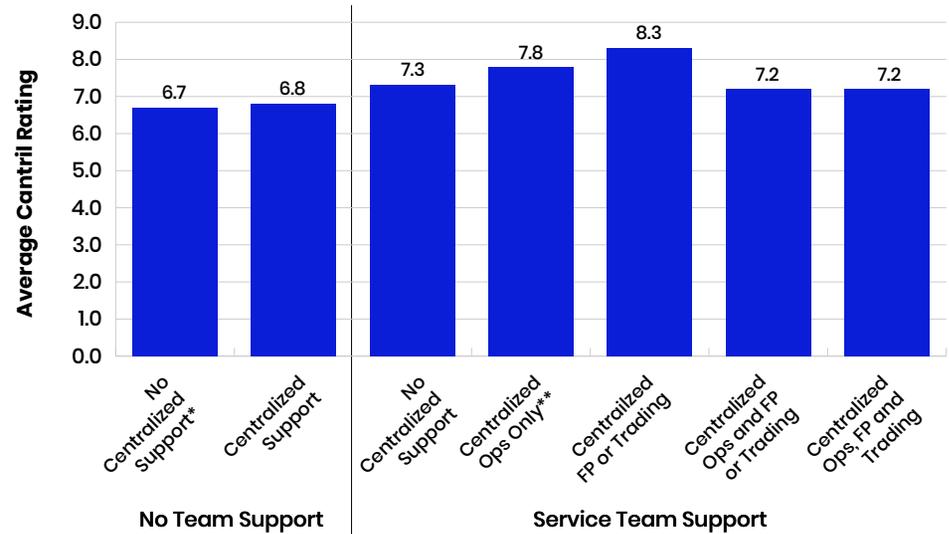


Figure 7.8 Wellbeing by Support Model Among Siloed Firms



*Based on a sample of just six responses.

**Based on a sample of just five responses.

In terms of the relationship between support models and advisor wellbeing, those on siloed service teams with neither on-team nor centralized support report the lowest levels of wellbeing (6.7) – an unsurprising finding given their inability to delegate the administrative work they find most frustrating, as discussed earlier (Figure 7.8). Advisors in fully centralized environments without dedicated on-team support report the second-lowest wellbeing (6.8), highlighting the importance of maintaining at least some dedicated support within the team structure.

Strikingly, the impact of adding centralized services to teams that already have dedicated support varies based on the scope of that centralization. Advisors with only dedicated on-team support report an average wellbeing score of 7.3. Those whose teams combine dedicated support with centralized services for operations *and* either (or both) trading and financial planning report slightly lower wellbeing (7.2), suggesting that increased reliance on centralized systems can introduce friction or complexity.

However, teams with dedicated support that rely on centralized services *only* for operations report significantly higher wellbeing (7.8). And those that centralize only planning and/or trading report the highest average Cantril rating (8.3). In other words, the optimal structure builds a support team for the advisor around one function and centralizes the other, depending on the core competencies of the firm and its advisors. For example, planning-centric advisors may prefer team-based planning support and centralize operations, while investment-centric advisors may prefer team-based operations and trading support, relying on centralized planning support).

These findings suggest that the increasingly popular (though still relatively rare) model of fully centralizing all support functions – with no dedicated service-team members for individual advisors – misses two important elements that matter for advisor wellbeing.

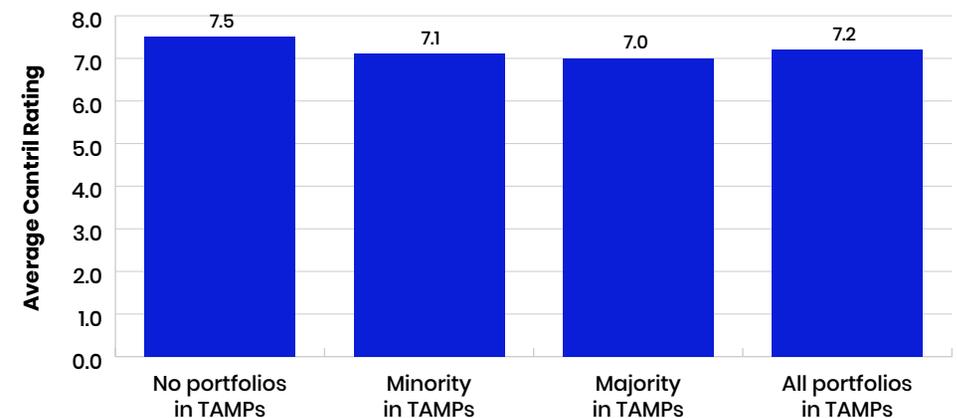
First, while fully centralized models may offer efficiency benefits (e.g., standardized workflows, streamlined task execution), they come at the expense of relationship-based support. Dedicated team members get to know the team’s clients deeply, and clients can get to know them. Over time, these cultivated relationships help dedicated team members work together more cohesively, understand each others’ strengths and weaknesses, and develop meaningful synergies – advantages that tend to be lost when support comes from a rotating centralized team. As a result, advisors required to operate within fully centralized models report wellbeing levels nearly as low as those with no support at all, indicating that efficiency alone is not enough to sustain wellbeing.

Second, while proponents of the fully centralized model often emphasize the value of outsourcing operations, our data suggest this emphasis is misplaced. The happiest advisors in siloed firms aren’t those who outsource the work typically handled by operations staff, but rather those who are supported by a great dedicated service team and selectively outsource the advisor tasks they *personally* find less fulfilling – whether that’s operations/trading or financial planning, depending on their preferences. This structure allows advisors to focus more of their time on the work they find most meaningful.

TAMP Use

While one way for advisors to offload work from their team is by leveraging centralized resources provided by their firm, another is by outsourcing to entities outside the firm. A common method for doing so is through Turnkey Asset Management Platforms (TAMPs). Overall, 67% of respondents reported managing no client portfolios through TAMPs. Nearly 20% indicated that most or all of their client portfolios are managed via TAMPs, with the remaining advisors using them for a minority of their clientele – often as a way to keep smaller accounts in-house in the hopes of maintaining their profitability (e.g., legacy clients they don’t want to transition out, children of existing clients, or lower-market-segment clients who might otherwise be priced out of the firm’s services).

Figure 7.9. Wellbeing By TAMP Use



In practice, two primary advisor groups rely heavily on TAMPs – both of which report lower levels of wellbeing compared to advisors who do not use TAMPs at all.

The first (and larger) group includes advisors affiliated with broker-dealers. Among advisors exclusively affiliated with a broker-dealer or insurance company, 56% use a TAMP. This drops to 46% for dually registered advisors and just 12% for those exclusively registered with an RIA. This segment of broker-dealer-affiliated advisors often uses TAMPs to grow by serving a larger number of less profitable clients. For example, among B/D-affiliated advisors,

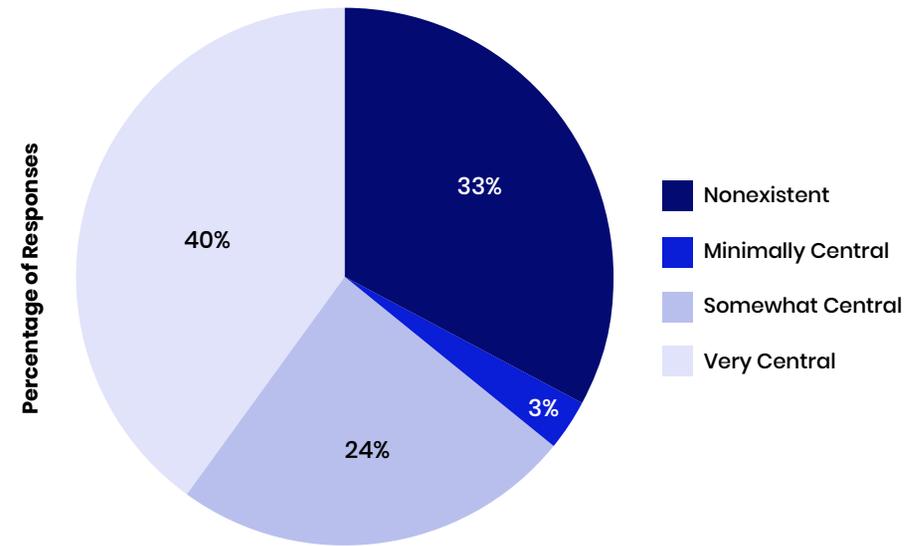
those not using a TAMP serve an average of 84 clients, each generating \$5,769 in annual revenue – for a total of roughly \$484,000. By contrast, TAMP users in this group serve 109 clients generating \$4,281 per client, amounting to about \$466,000 in total revenue. As noted earlier, taking on too many clients – rather than going deeper with a focused client base – reduces advisor wellbeing, as the TAMP advisors on average serve more clients for less revenue (and likely far less profitability given the costs of the TAMP itself). Accordingly, B/D-affiliated advisors using TAMPs have an average Cantril rating of 7.0, compared to 7.3 for those who do not.

The second (smaller) group of TAMP users includes planning-centric advisors in the independent RIA channel who do not position investment management as a core part of their value proposition. Instead, they see it as sufficient to place clients in a risk-aligned portfolio and outsource ongoing investment due diligence and rebalancing to a third party. This can be seen in how, among advisors exclusively affiliated with an RIA, planning fees account for 22% of revenue among those not using TAMPs, compared to 30% among those with all client portfolios managed through TAMPs. Unlike their broker-dealer peers, those in the independent RIA channel show little difference in client count (62–66), revenue per client (\$6,200–\$6,300), or total revenue (\$385,000–\$400,000), regardless of TAMP usage. However, among this group, TAMP users also report lower wellbeing (7.3) than non-users (7.6).

Mission And Values

Firms also vary in how purpose-driven they are. For the first time in 2025, Kitces Research asked whether firms have mission statements and core values that are clearly articulated, and how central these are to the firm’s operations and decision-making (Figure 7.10). Responses clustered at polar extremes, with 40% of firms reporting that mission and values statements are “very central”, while 33% indicated they were “nonexistent” (33%). The remaining 27% fell somewhere in between, indicating their mission and values statement are either “minimally” (3%) or “somewhat” (24%) central.

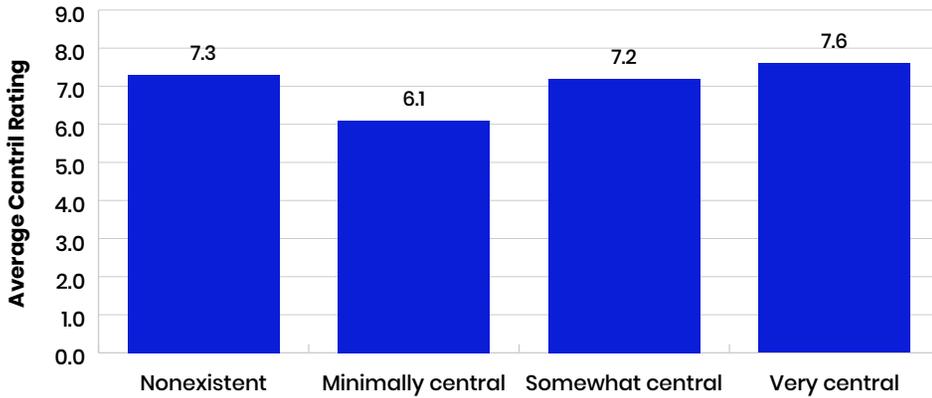
Figure 7.10. Centrality Of Mission And Values Statements



Advisors who reported that their firm’s mission and values statements are “very” central to daily operations also reported the highest levels of wellbeing (7.6). Interestingly, they were followed by those at firms with no mission or values statements at all – environments where advisors may simply operate according to their *own* personal values. The lowest levels of wellbeing were reported by advisors at firms where these statements are “minimally central” (6.1), followed by those where they are “somewhat central” (Figure 7.11).

In other words, what stands out most is that having mission and values statements ‘on paper’ but not meaningfully living them out corresponds with lower advisor wellbeing than having none at all. Conversely, firms that actively embody their stated mission see a modest boost in advisor wellbeing compared to those without such statements.

Figure 7.11. Wellbeing By Centrality of Mission and Values To Daily Operations



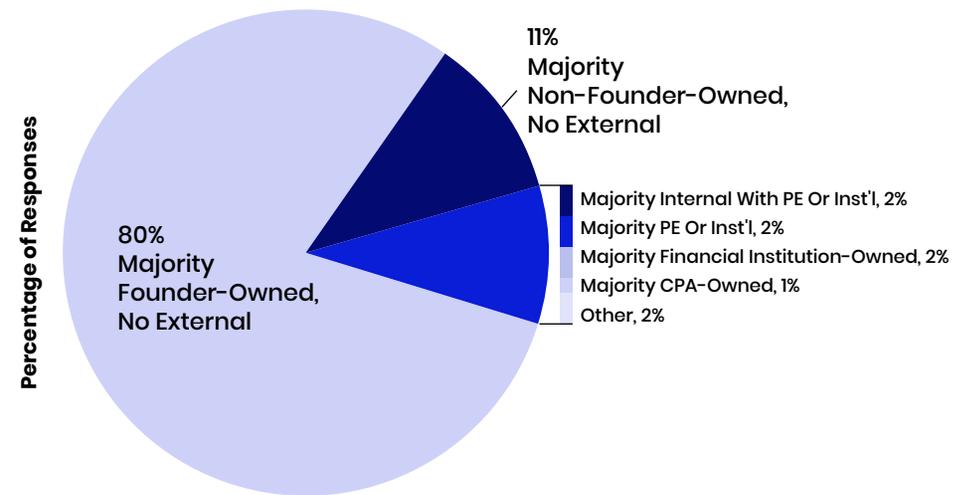
Outside Ownership

One final firm-level variable that could reasonably impact advisor wellbeing is outside ownership. In recent years, there has been increasing M&A activity in the industry, not only with advisory firms acquiring one another, but also with financial buyers like private equity and family offices taking stakes in advisory firms. In some cases, these externally funded firms then deploy additional PE dollars to further acquire and aggregate many other advisory firms under a single umbrella.

Figure 7.12 displays the prevalence of different ownership structures among advisory firms. Just over 90% of firms are entirely internally owned, with the majority of these (79.7%) being majority-owned by founders, and another 11.4% primarily owned by non-founders.

Only about 4% of firms have received investments from outside private equity or family offices – a group that is roughly split between firms where outside capital holds a majority stake and those where it holds a minority stake. Smaller shares of firms are primarily owned by banks (2.4%), CPA firms (0.9%), or fall under some other ownership structure (1.7%).

Figure 7.12. Ownership Structures Of Advisory Firms



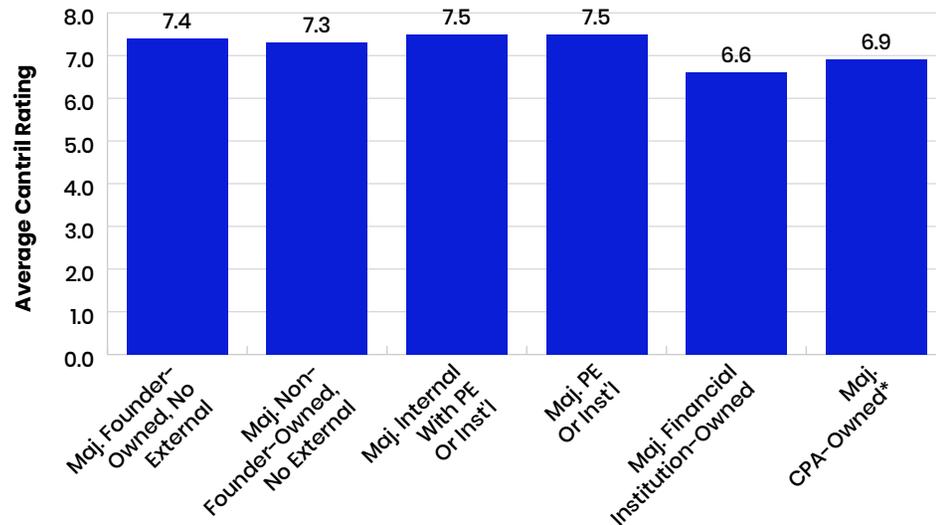
While the share of advisory firms with external ownership has increased in recent years, the fact that more than 9 in 10 firms in our sample of disproportionately small-to-mid-sized firms have no outside ownership at all may suggest that the profession remains largely dominated by advisor-owned firms. This may be true on a firm-weighted basis, but external ownership has a far greater presence based on industry headcount.

The typical practice with any share of outside ownership maintains nine team members, compared to just three for practices with no external investors. This ‘undercount’ is particularly evident for the 4% of our study sample reporting from institutionally owned firms (with either PE or family office investors). These firms typically maintain 19 team members – roughly 5X the median FTE count of other practices.

Turning to the relationship between ownership structure and advisor wellbeing, an initially surprising finding emerges: firms that have taken on outside capital from private equity or family office investors report the highest average levels of wellbeing (Figure 7.13). However, this is not because the changes such firms often introduce (e.g., service model standardization, operational streamlining) directly enhance wellbeing. Rather, these firms tend to be more financially successful to begin with – and *that* financial success, not the capital infusion itself, is what correlates with higher wellbeing.

Indeed, when controlling for various measures of business success, we find no meaningful relationship between external ownership and advisor wellbeing.

Figure 7.13. Wellbeing By Ownership Structure



*Based on a sample of just seven responses.

That said, it's worth emphasizing that much of the increase in M&A activity – particularly as it relates to private equity participation – is relatively recent. In fact, the industry has seen its highest M&A rates ever since the publication of our last report. As a result, more time is needed not only to increase our sample size of externally owned firms, but also to fully assess the long-term impact of outside capital on advisor wellbeing, particularly as new ownership structures have more opportunity to shape internal processes and firm culture.

If outside ownership *does* ultimately affect advisor wellbeing, the complete lack of a relationship between these variables after controlling for business success suggests that any such impact does not occur immediately. However, earlier in this report we highlighted some warning signs that longer-term impacts may occur eventually. Specifically, advisors currently at externally owned firms – and especially those at PE-owned firms – are less optimistic about the future and less likely to report having a clear sense of purpose compared with their peers.

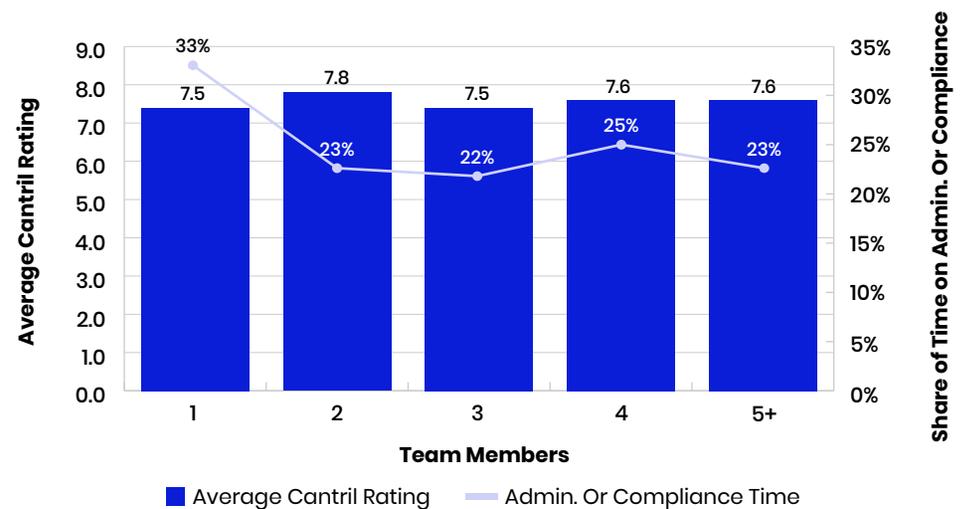
Service Team Characteristics

Team Size

While two-thirds of advisors in our sample consist solely of their service team – their 'firm' is just themselves – the other one-third work for firms consisting of multiple service teams or firms that maintain roles outside of the service team (e.g., marketing or IT). Therefore, it's crucial to examine how features of service teams themselves relate to advisor wellbeing.

One important aspect of service teams is their size. While the median service team in our sample consists of three members, about one-third of respondents are unsupported solo advisors, while roughly one-quarter are part of teams with five or more members. As shown in Figure 7.14, however, there is no clear relationship between team size and wellbeing when including only advisors with established firms. (Excluding advisors at firms in the startup stage eliminates the drag on wellbeing due to the stresses of launching a new firm, which disproportionately effects the one-FTE team or solo advisor, a larger share of which are just starting out and haven't necessarily made a deliberate decision to remain as solos.)

Figure 7.14. Senior Advisor Wellbeing And Time On Admin. Or Compliance By Service Team FTE's. Established Practices Only



Note: Respondents with startup-stage firms are excluded.

The fact that unsupported solo Senior Advisors report levels of wellbeing on par with those on multi-member teams is particularly surprising, given that the former group spends 33% of their time on administrative and compliance work, compared to just 23%–25% for advisors on multi-member teams. However, despite the absence of a clear bivariate relationship between team size and Senior Advisor wellbeing, being an unsupported solo advisor is associated with a statistically significant reduction in wellbeing once we control for other factors.

One key factor not captured in Figure 7.14 – yet essential for understanding the true relationship between team size and wellbeing – is the difference in work hours, which, as shown earlier, has a strong negative correlation with advisor wellbeing. Solo Senior Advisors work an average of 36 hours per week, compared to 43 hours for those on multi-advisor teams. This means that if work hours were held constant at, for example, 40 hours, solo advisors would show lower wellbeing than Figure 7.14 suggests (because they would be working more hours than the typical solo advisor in the chart), while advisors on multi-member teams would show higher wellbeing (because they would be working fewer hours than they typically do).

Notably, our models suggest that having any form of team support – even when that support consists of a single CSA – is more influential in supporting advisor wellbeing than the specific size of the team. For this reason, access to support was included earlier as a key component of “The Right Workplace” driver of advisor wellbeing.

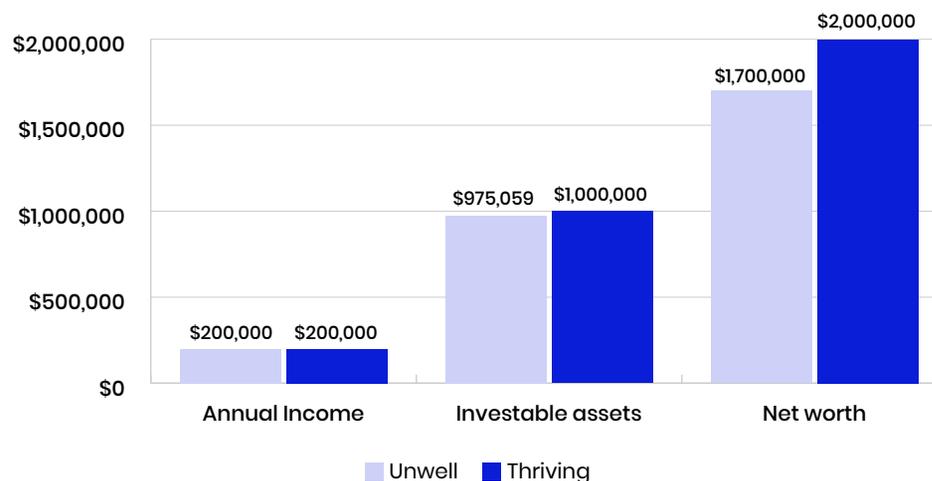
Client Characteristics

Given that service teams are defined as groups of individuals serving a defined client base, it’s natural to expect that the makeup of those clients – such as their level of affluence, age, and alignment with a specific niche – may relate to advisor wellbeing.

Of these three factors, *client affluence* is most strongly associated with advisor wellbeing. The key caveat, however, is that this positive relationship holds only when advisors are able to translate affluent clients’ ability to pay higher fees into higher revenue per client by pricing effectively for the value clients receive. This becomes clear when comparing the relationship between

wellbeing and different measures of client affluence (Figure 7.15) with the relationship between wellbeing and revenue per client (Figure 7.16).

Figure 7.15. Typical Client Affluence By Unwell Vs Thriving

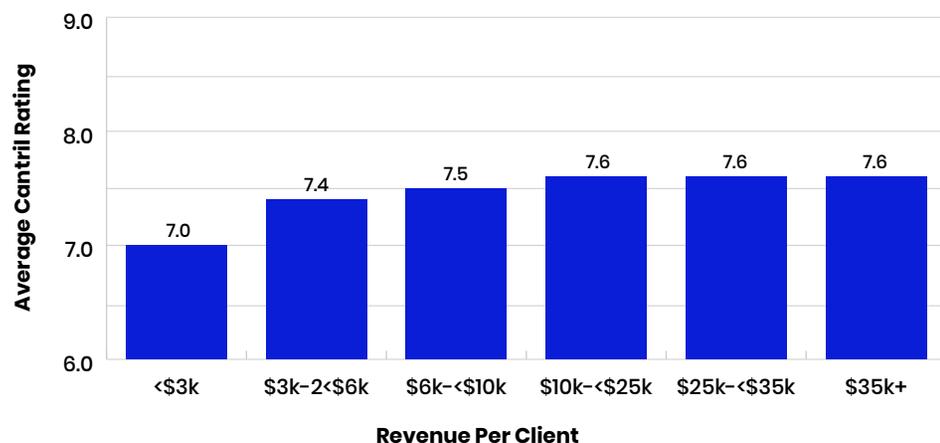


Strikingly, there is little difference in the income and investable assets of the clients served by advisors in the Thriving and Unwell groups. When examining overall net worth, though, clients of advisors in the Thriving group have a median net worth of \$2 million versus \$1.7 million among clients of advisors in the Unwell group.

Despite the similarities in client affluence, revenue per client differs markedly between the two groups. The typical advisor in the Thriving group generates \$6,923 in revenue per client compared to just \$5,000 for those in the Unwell group – nearly a 40% difference. The fact that the largest difference between advisors in the Unwell and Thriving groups can be seen when looking at revenue per client rather than in client affluence highlights that affluence only results in higher revenue per client when advisors can deliver value that justifies their fees and have the pricing confidence to ask for it. In other words, improving wellbeing involves being paid well for the work done – which requires both clients who can afford the fees and an advisor value proposition that supports higher pricing.

However, greater revenue per client has its limits in terms of maintaining happiness. As shown in Figure 7.16, wellbeing rises from 7.0 among advisors generating less than \$3,000 in revenue per client, to 7.4 among those between \$3,000 and \$6,000, and increases further to 7.6 for those earning between \$10,000 and \$25,000 per client – after which it plateaus.

Figure 7.16. Wellbeing By Revenue Per Client



This suggests, first, that reaching the \$3,000 revenue-per-client threshold is a critical inflection point, as it provides advisors with enough revenue to begin investing in team support before hitting a personal capacity wall. However, from the standpoint of advisor wellbeing, the most meaningful gains occur by reaching at least \$10,000 in revenue per client.

This plateau that appears after this point is likely due to the greater service obligations required to service highly profitable clients. According to our latest Kitces Research on Advisor Productivity, service teams working with clients generating less than \$2,500 per year in revenue collectively spend an average of 19 hours serving clients during their first year with the firm and 17 hours annually thereafter. By contrast, teams serving clients generating \$40,000 or more spend an average of 38 hours in the first year and a staggering 62 hours every year thereafter. As a result, once client service demands become too great, increases in revenue per client stop translating into higher advisor wellbeing.

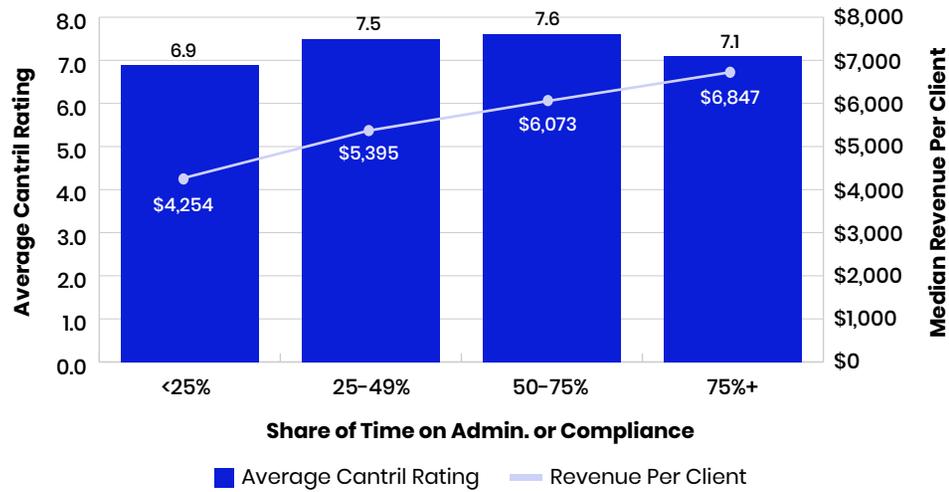
Ultimately, taken together with results from Kitces Research on Advisor Productivity, client affluence directly enhances both advisor productivity and wellbeing. For this reason, it is an important component under our fourth driver of advisor wellbeing: “Revenue Per Hour”.

Serving a niche itself has very little connection with advisor wellbeing. Advisors without a niche report marginally lower wellbeing (7.3) than those with one niche (7.4) or two to three niches (7.4). The difference becomes more apparent for advisors offering an ‘experiential’ niche (7.5) – for example, firms designed around a fully virtual experience or a high-touch, concierge model. This group tends to attract more affluent clients than others: median revenue per client is \$5,858 for advisors with no niche, \$5,995 for those with at least one niche, and \$6,410 for those with experiential niches.

Conversely, advisors serving psychosocial niches – focused on specific demographics or lifestyle segments, such as millennials or clients integrating financial and physical wellness – report lower-than-average wellbeing (7.1). This reflects less affluent clients in these segments, with revenue per client averaging just \$4,791.

Finally, when looking at client age, we see a similar dynamic as with niches: as the share of clients aged 60 or older rises from 25% to 75%, both revenue per client and wellbeing increase, largely reflecting clients’ greater ability to pay higher fees. Beyond that point, revenue per client continues to grow, but advisor wellbeing begins to decline (Figure 7.17).

Figure 7.17. Wellbeing and Revenue Per Client by Share of Clients Over 60



There are several plausible and mutually compatible explanations for why advisor wellbeing declines when 75% or more of their clients are age 60 or older, despite this group generating the highest revenue per client (which, as we just showed, is typically associated with higher wellbeing).

One explanation is the emotional toll of regularly facing the deaths of longtime clients. When a large enough segment of clients are retirees – especially older retirees – a certain number of client deaths each year becomes actuarially inevitable.

A second related explanation is that client death can lead to significant financial outflows from the firm. Combined with the fact that older clients are more likely to be in net withdrawal mode from their portfolios, advisors may feel as though their practice is slowly shrinking – or, at the very least, much harder to grow – simply because of the tide of dollars consistently flowing out due to retirement spending and mortality.

A third explanation relates to the nature of the planning work itself. By the time clients retire, many of their most complex financial planning issues have already been addressed. What remains is often routine maintenance – monitoring and making small incremental adjustments as needed. As highlighted earlier, a deep interest in personal finance is one of the most

common reasons advisors enter the profession, and advisors rate planning as one of the most satisfying aspects of the job – second only to meeting with clients and prospects. When the work becomes more about maintenance than problem-solving, there are presumably fewer new and interesting planning challenges to solve, making it easy to see how this might gradually take a toll on advisor wellbeing.

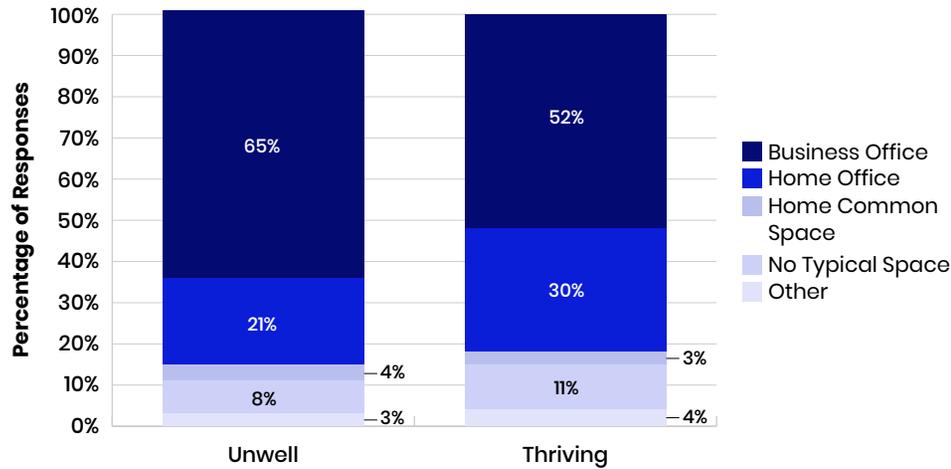
Overall, while age, niche, and client affluence all show some relationship with advisor wellbeing, client affluence itself ultimately explains the differences in the other dimensions. In other words, the happiest advisors tend to work with clients who pay them well – who are disproportionately older and more likely to seek out a high-touch service model, because they both value it *and* can afford it!

Work Environment

While the brunt of COVID-19 may be behind us, the question remains as to whether ‘the office’ continues to be the best place for workers – including financial advisors – to do office work. Worker wellbeing is often a key consideration in determining whether work should be conducted from a business office, from home, or somewhere else. The share of all advisors working primarily out of a business office dropped from 60% in 2023 to 55% in 2025. This trend aligns with findings from the last two editions of our Productivity Study, which show that the alternative non-office working arrangements that surged during the pandemic have continued to grow more popular over time.

Figure 7.18 contrasts the work environments of advisors who fall into the Unwell and Thriving categories and shows a positive relationship between working from home and advisor wellbeing. Specifically, 52% of advisors in the Thriving group work primarily from a business office compared to 65% of advisors in the Unwell group. The explanation for this positive relationship, however, is more complicated than simply concluding that working from home makes advisors happier.

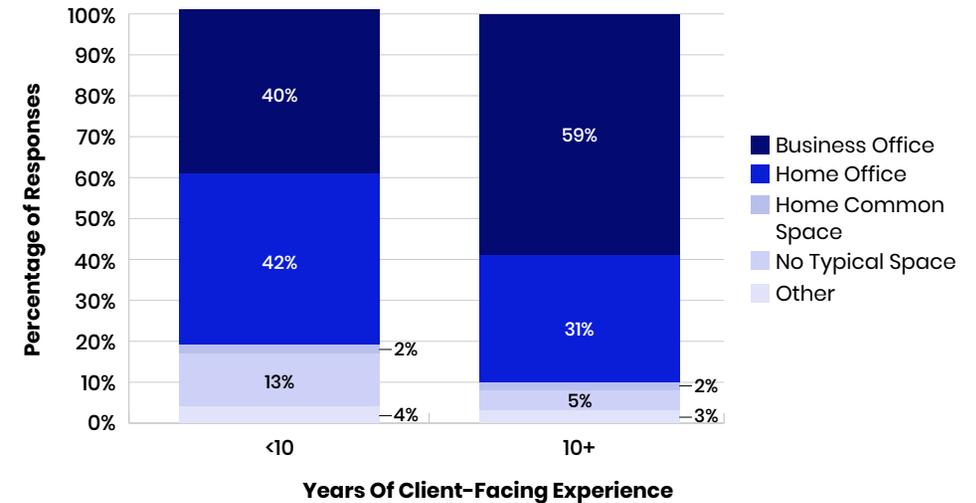
Figure 7.18. Daily Work Environment By Unwell Vs Thriving



When examining the relationship between advisors’ work environments and wellbeing, it’s important to consider both advisors’ ideal and actual work environments. Figure 7.19 compares the preferred work environments among advisors with fewer than 10 years of experience and those with more than 10 years. What stands out most is a clear generational divide in work preferences. While 59% of more experienced advisors prefer working from a business office, only 40% of less experienced advisors share that preference. By contrast, preference for working from home rises from 33% among older advisors to 44% among newer ones, and the share indicating no preference jumps from 5% to 13%.

The relevance of considering both current and ideal work environments together lies in the possibility that advisor satisfaction is driven less by the specific environment itself and more by the alignment between where advisors work and where they *want* to work. Put simply, the happiest advisors are those whose work environment matches their preferences.

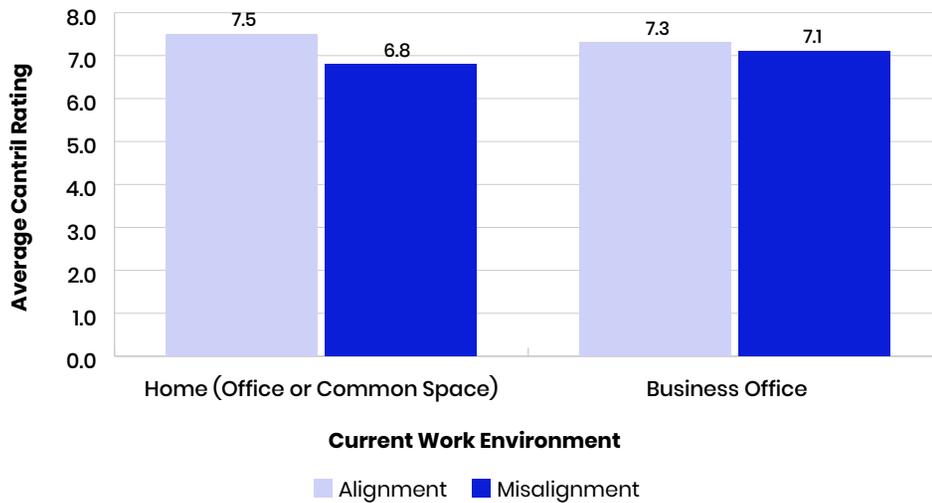
Figure 7.19. Preferred Work Environment By Years Of Client-Facing Exp.



This is illustrated in Figure 7.20 below, which shows advisor wellbeing based on whether their current work environment aligns with their ideal environment. For both advisors working from home and those in a business office, those in their preferred setting report higher wellbeing than those working somewhere they don’t prefer. However, the magnitude of this difference is nearly five times larger for those who prefer working from home.

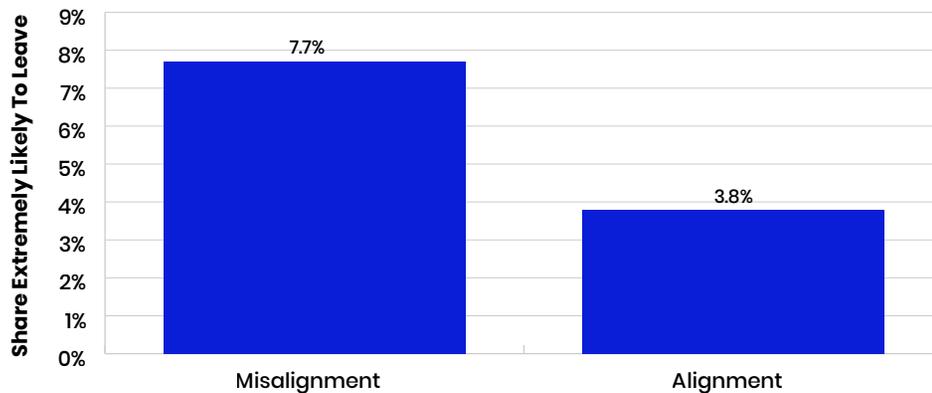
This larger gap is driven by two factors: misaligned work-from-home advisors – those working from home who would prefer not to – report lower wellbeing than misaligned office-based advisors (e.g., an extrovert isolated at home may experience more dissatisfaction than an introvert required to be in an office). At the same time, aligned work-from-home advisors – those who prefer and currently work from home – report higher wellbeing than their aligned office-based counterparts.

Figure 7.20. Wellbeing By Alignment Between Current And Preferred Work Environment



The consequence of reduced wellbeing from misaligned work preferences on risk of advisor turnover is considerable. For advisors working in their ideal work environment, just 3.8% indicate that they are “very likely” to leave their current employer or platform in the next five years. For those not working in their ideal environment, this spikes to 7.7% (Figure 7.21).

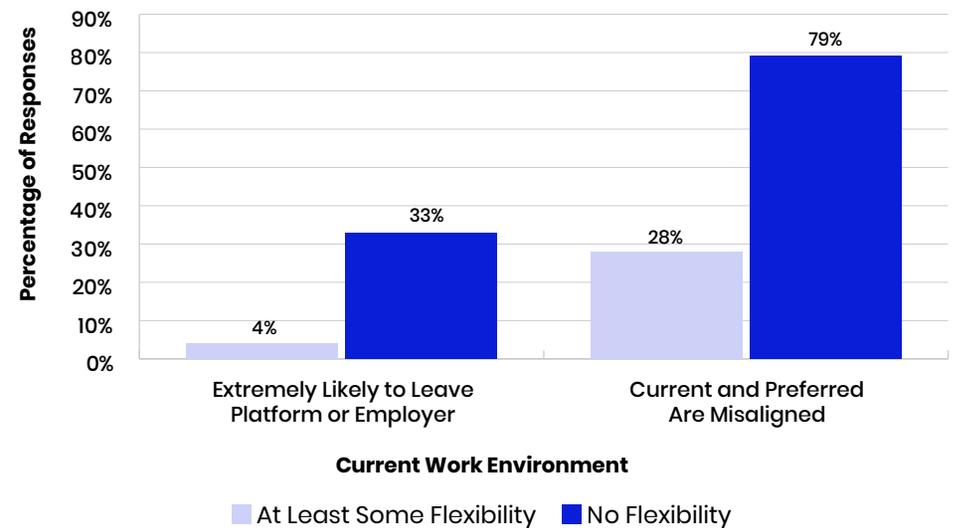
Figure 7.21. Likelihood Of Leaving Platform Or Employer (Excl. Retirement), By Whether Current Work Environment Aligns With Preferred



Given the importance of alignment between advisors’ ideal and actual work environments for improving wellbeing and reducing turnover, this raises the question of how to ensure advisors are working where they want to work.

The answer is remarkably simple: give them flexibility. As shown in Figure 7.22, 79% of advisors with at least limited flexibility in where they work are in their preferred environment, compared to just 28% of those without flexibility. This also sharply corresponds with a reduction in industry turnover risk. Among advisors with flexibility in where they work, only 4% indicate that they are “very likely” to leave their current employer within five years (excluding retirement); among those without such flexibility, this figure spikes to 33%!

Figure 7.22. Firm-Provided Flexibility by Likelihood Of Leaving (Excl. Retirement) And Whether Current Work Environment Aligns With Preferred



Advisor Workstyles

Throughout this report, we have explored the relationship between various working arrangements and advisor wellbeing. Naturally, no single working arrangement is ideal for every advisor. Advisors who value building their own systems and maintaining work-life balance may thrive as independent advisors with lifestyle practices. Those who dislike business development responsibilities might find greater satisfaction avoiding them entirely and may be better suited to employee advisor roles, where the firm provides the client base. Others seeking autonomy without the burden of establishing their own independent firm may prefer to plug into an existing corporate RIA structure.

In other words, the working arrangements that advisors find most fulfilling may depend on their individual preferences about work – such as whether they prefer building systems versus operating within them, focusing on client relationships versus behind-the-scenes work, or prioritizing lifestyle flexibility versus business growth. (Examples of such preferences include the seven clusters discussed in *Perspective #1: Builders, Communicators or Technicians, Earnings Potential, Entrepreneurialism, Growth Orientation, People Management, and Personal Leverage.*)

More specifically, advisors' enjoyment of their work is likely shaped by the alignment between their work preferences and two key aspects of their advisor working arrangements:

- **Ownership Status** – whether they are *employee* advisors or *independent* by virtue of owning an advisory firm or a company that contracts with one; and
- **Practice Orientation** – whether they operate *lifestyle* practices, work within *supported* environments that leverage existing infrastructure, or build *enterprise* firms by creating and scaling their own systems, (as reflected by firm size and industry channel).

Kitces Research refers to the intersection of these two dimensions – ownership status and practice orientation – as an “Advisor Workstyle”. Together, these dimensions produce six distinct Advisor Workstyles, which are outlined in Figure 7.23 for the purposes of this research.

Because these descriptions were designed to reflect specific advisor segments rather than exhaustively classify all possible arrangements, approximately 80% of advisors in our sample fall into one of the defined Workstyles, while the remaining 20% do not neatly align with any single category.

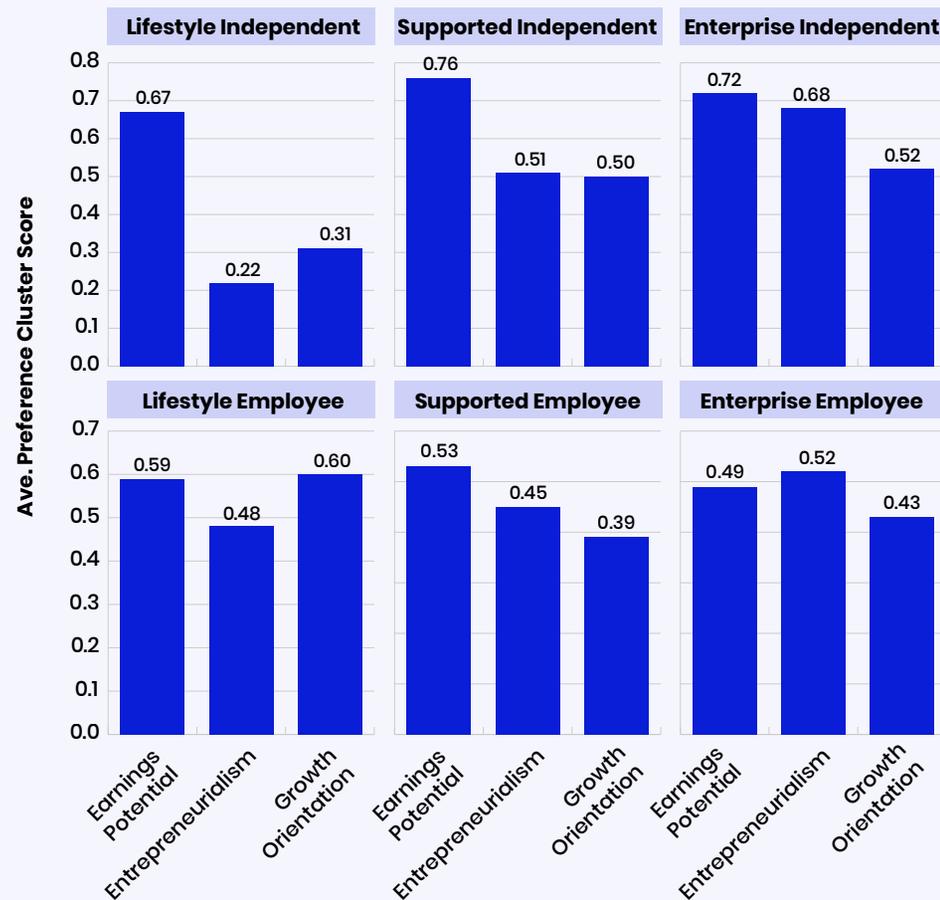
Figure 7.23. Six Advisor Workstyles

		Practice Orientation		
		Lifestyle	Supported	Enterprise
Ownership Status	Independent	<ul style="list-style-type: none"> Independent RIA only and fewer than half of clients in TAMP Owner or contractor 1 firm lead advisor Not in startup stage 	<ul style="list-style-type: none"> Affiliated Corporate RIA or IBD/Ins or Independent RIA only with more than half of clients in TAMP Owner or contractor 	<ul style="list-style-type: none"> Independent RIA only and fewer than half of clients in TAMP Owner or contractor 2+ firm lead advisors Not in mature stage
	Employee	<ul style="list-style-type: none"> Independent RIA only and fewer than half of clients in TAMP Employee 1 firm lead Advisor Not in startup stage 	<ul style="list-style-type: none"> Affiliated Corporate RIA or IBD/Ins or Independent RIA only with more than half of clients in TAMP Employee 	<ul style="list-style-type: none"> Independent RIA only and fewer than half of clients in TAMP Employee 2+ firm lead advisors Not in mature stage

One key implication of the fact that advisors' enjoyment of their working arrangements depends on their work preferences is that the highest levels of wellbeing are reported by advisors whose actual Advisor Workstyle aligns with the 'ideal' Workstyle suggested by those preferences.

When examining the seven work-preference clusters identified earlier, several intuitive patterns emerge across the six Advisor Workstyles. Three selected clusters are displayed in Figure 7.24 that highlight how the relative importance of these preferences differs across Workstyles.

Figure 7.24. Select Work Preferences Clusters By Advisor Workstyle



Predictably, Lifestyle Independents are the least willing to sacrifice their lifestyle to grow a firm that fits their vision. That is, while they are often independent firm owners, they score relatively low in Entrepreneurialism – not because they lack the skills to build a business, but because they are generally not building a business for growth's sake, instead shaping one to support their personal lifestyle goals. They are also the most likely to prefer investing in existing client relationships over pursuing a steady stream of new clients (low in Growth Orientation), which makes them more likely to reach a 'Mature' stage where they no longer seek new clients at all.

However, this does not mean Lifestyle Independents are unconcerned with business outcomes. In fact, they show a strong preference for assuming more risk through variable compensation in order to earn more – using income growth as a pathway to achieve their personal financial goals.

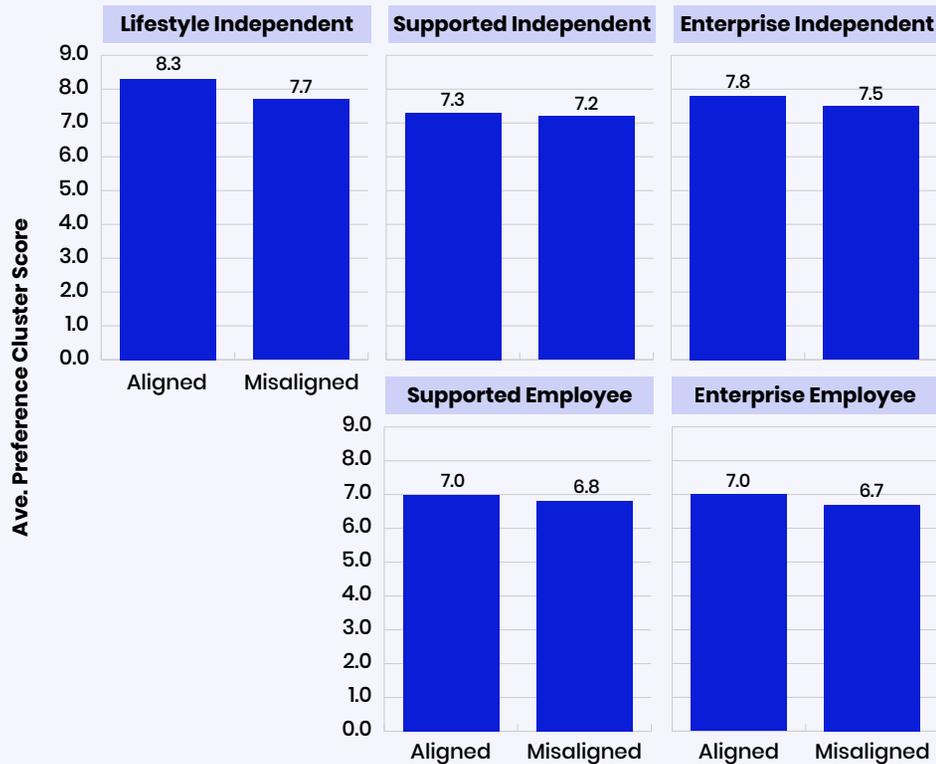
Other notable findings include Enterprise Independents emerging as the most entrepreneurial group, as these advisors not only launch their own independent firms but also grow them to include multiple advisors, and prefer building their own systems rather than plugging into an existing platform. By contrast, Employee advisors across all Workstyles are the least likely to prioritize upside earnings potential, reflecting a greater willingness to accept the healthy but more predictable compensation structures commonly associated with employee roles.

To determine advisors' 'ideal' Workstyles, Kitces Research ran statistical models predicting Workstyles based on what would be expected from each advisor's individual preferences across the seven work-preference clusters outlined earlier. These Workstyles predictions are considered 'ideal' under the assumption that, over time, most advisors have already tended to self-select into Workstyles that better align with their preferences – though some may still be misaligned in their current workplace.

Advisors for whom the model accurately predicted their actual Workstyle were classified as having "aligned" Workstyles (i.e., those best suited to their preferences), while advisors whose predicted Workstyles did not match their actual work environment were classified as having "misaligned" Workstyles.

Overall, advisors with aligned Workstyles report an average Cantril rating of 7.65, compared to 7.18 for those with misaligned Workstyles. As shown in Figure 7.25 below, this disparity persists – albeit at varying levels – across each Workstyle. Together, these findings support the idea that maintaining a working arrangement consistent with one’s work preferences contributes to greater wellbeing. They also imply that advisors may be better able to identify their ideal long-term Workstyle earlier in their careers by having a clear way to assess and reflect on their work preferences.

Figure 7.25. Wellbeing By Alignment Between Work Preferences And Advisor Workstyle



Note: Lifestyle Employees excluded due to insufficient sample.

A crucial caveat, however, is that some Workstyles appear to be more conducive to wellbeing *even for advisors whose current arrangements are misaligned with their work preferences*. For example, while aligned Employee

advisors report higher wellbeing than their misaligned counterparts, Employee wellbeing tends to ‘cap out’ at 7 on the Cantril Ladder – lower than that of any misaligned advisor with ownership. This finding is consistent with our earlier observation that ownership – part of the third key driver of advisor wellbeing, “Autonomy” – is positively associated with wellbeing, even for those who were not otherwise entrepreneurial and seeking to be enterprise builders.

Among advisors with ownership, however, even aligned Supported Independent advisors report lower wellbeing than misaligned Enterprise or Lifestyle Independents. This difference appears to be explained by the fact that Enterprise advisors operate exclusively in the independent RIA channel while the former group does not – and may face additional compliance or operational challenges associated with broker-dealer environments.

Notably, despite its frequent use as a pejorative term within the industry, “Lifestyle” Independents are the single happiest segment of advisors. Even misaligned Lifestyle Independents report the third-highest wellbeing levels of any segment shown in Figure 7.25.

Taken together, while the findings presented in this section do suggest that advisors may experience higher or lower wellbeing depending on how their roles align with their work preferences, what stands out most is that the positive effect of such alignment – while real – is far smaller than the positive impact of simply having some kind of ownership in an independent RIA firm, especially when the resulting autonomy allows advisors to support the work-life balance they desire.

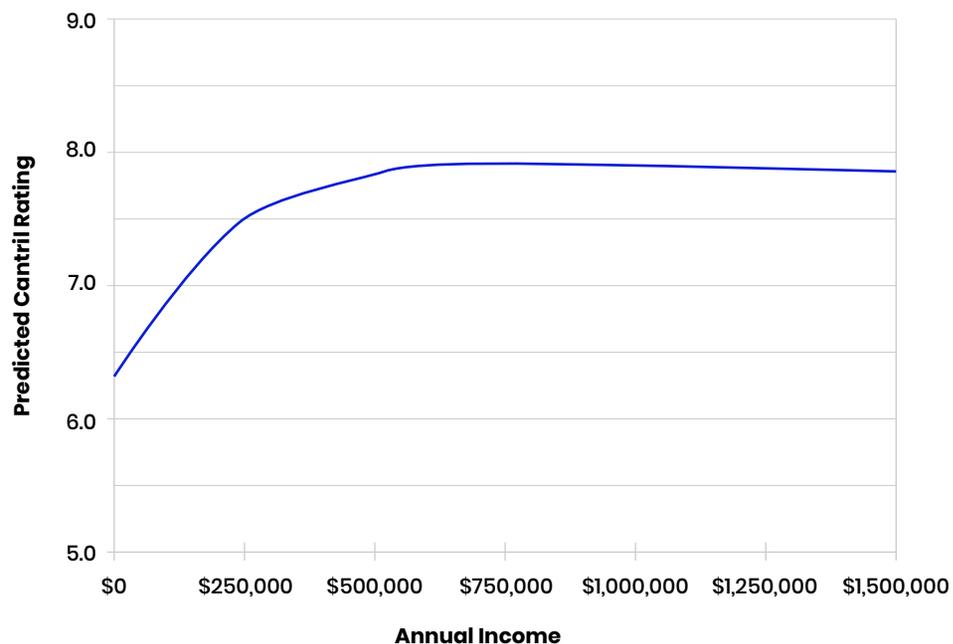
Wellbeing can also be examined from the perspective of income, which includes not only the level of compensation a financial advisor receives but also the methods through which clients pay the practice and, in turn, how the practice ultimately compensates the advisor.

Annual Income

As discussed earlier, annual income directly influences advisor wellbeing. Perhaps surprisingly, though, while income is often assumed to be one of the top drivers of advisor wellbeing, consistent with our 2023 report we find that it actually ranks behind several other important drivers – such as years of experience, hours worked, tech stack satisfaction, control over one’s schedule, and the age one started working in the industry.

Income tends to have a weaker relationship with wellbeing than other variables because its positive effect plateaus at around \$500,000 per year (Figure 8.1). Beyond this point, additional income appears to yield diminishing returns in terms of lifestyle enhancement or overall wellbeing. This pattern reflects trends seen in the broader population, where increases in income beyond a certain point eventually stop contributing significantly to improved quality of life.

Figure 8.1. Wellbeing By Annual Income



By contrast, doubling a low annual income – such as going from \$20,000 to \$40,000 – can have a dramatic impact on wellbeing by addressing fundamental needs like housing and food. However, for an advisor who doubles their income from \$100,000, which already covers basic needs, additional income is more likely to be spent on life’s luxuries, which may not yield as significant a boost in wellbeing. Thus, despite its correlation with wellbeing, income gains alone don’t necessarily translate into gains in happiness once basic financial security has been achieved. For this reason, annual income is a core component of the fifth driver of advisor wellbeing: “Having Enough”.

Examining other influential factors while keeping income levels relatively constant further highlights this point. Figure 8.2 contrasts the differences in

key wellbeing drivers between respondents in the Unwell and Thriving groups within two income brackets: the bottom quartile (earning less than \$110,000) and the top quartile (earning more than \$450,000).

Figure 8.2. Highest And Lowest Income Quartiles By Unwell Vs Thriving

	Unwell	Thriving
Lowest Income Quartile		
Median annual income	\$68,750	\$80,000
Wellbeing 5 years prior (Cantril Ave.)	3.5	6.5
Share in transitioning or start-up practices	23%	4%
Share that are unsupported solos	35%	46%
Median hours worked per week	38.5	23.8
Share of time on admin. or compliance tasks	33%	20%
Years of client-facing experience	2.0	4.5
Highest Income Quartile		
Median annual income	\$850,000	\$700,000
Wellbeing 5 years prior (Cantril Ave.)	4.8	7.3
Share in transitioning or start-up practices	<0.5%	<0.5%
Share that are unsupported solos	<0.5%	10%
Median hours worked per week	50.4	35.8
Share of time on admin. or compliance tasks	13%	14%
Years of client-facing experience	17	23

Within the bottom quartile of income, Advisors in the Thriving group do tend to earn more – their median annual income of \$80,000 is 16% higher than that of their peers in the Unwell group. This supports the earlier point that, at lower income levels, higher earnings do correspond with enhanced wellbeing.

However, within the bottom quartile income range, several other metrics show even greater disparities between advisors in the Thriving and Unwell groups. Those in the Thriving group typically have more than twice the years of client

experience and are far less likely to be part of a startup-stage practice. They also work nearly 40% fewer hours per week and devote a significantly smaller share of their time to administrative and compliance tasks. Consistent with past editions of this report, these factors play a greater role than income itself in supporting advisor wellbeing.

Among top-quartile earners, the typical advisor in the Thriving group – earning \$700,000 annually – actually earns 18% less than comparable advisors in the Unwell group! This finding reinforces the income-wellbeing plateau observed after the \$500,000 threshold, as discussed earlier. More broadly, it reflects the negative relationship between extremely high levels of entrepreneurialism – pursuing growth for growth’s sake, such as maximizing enterprise value at the expense of personal lifestyle – and advisor wellbeing. This theme was explored in depth in the discussion of one of our key drivers of advisor wellbeing: “Having Enough”.

For advisors in this top income quartile, higher wellbeing among those in the Thriving group is instead supported by the fact that they work 30% fewer hours per week. While it may seem surprising that advisors in the Thriving group at this income level are more likely to operate as unsupported solos – given that solo status is generally associated with lower wellbeing, as noted earlier – this pattern further reflects the ‘having enough’ mindset. High-earning advisors in the Unwell group are more likely to prioritize firm growth over personal lifestyle, which often requires building larger teams. By contrast, many high-earning solo advisors in the Thriving group operate lifestyle practices that support strong work-life balance and remain unsupported because they are not focused on growing their client bases.

Implied Hourly Earnings

Beyond looking at revenue (per advisor covered in Perspective #2; practice total and per client covered in Perspective #3) and annual income, it can also be useful to consider earnings on an hourly basis – that is, the implied revenue and income that advisors generate for every hour worked. One benefit of measuring these variables hourly is that it better captures the success of ‘lifestyle’ advisors, who may generate the same (or even less!) annual revenue and income as full-time advisors, but much more per hour by working just three to four days per week and taking more time off.

While advisors often think in terms of the hourly fees clients are willing to pay for the work they do, income per hour remains a useful metric because it also reflects decisions around how much advisors invest in team support or external infrastructure – choices that may reduce take-home pay in the short term but can ultimately improve wellbeing by enabling delegation of administrative work and/or reduction in total hours worked.

Ultimately, while these metrics are not identical in what they capture, the associations between revenue per hour (Figure 8.3) and income per hour (Figure 8.4) and wellbeing are remarkably similar.

Figure 8.3. Wellbeing By Revenue Per Hour

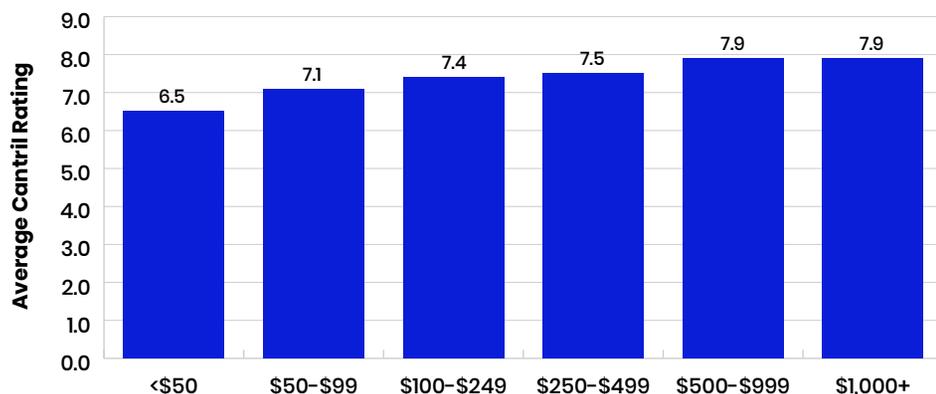
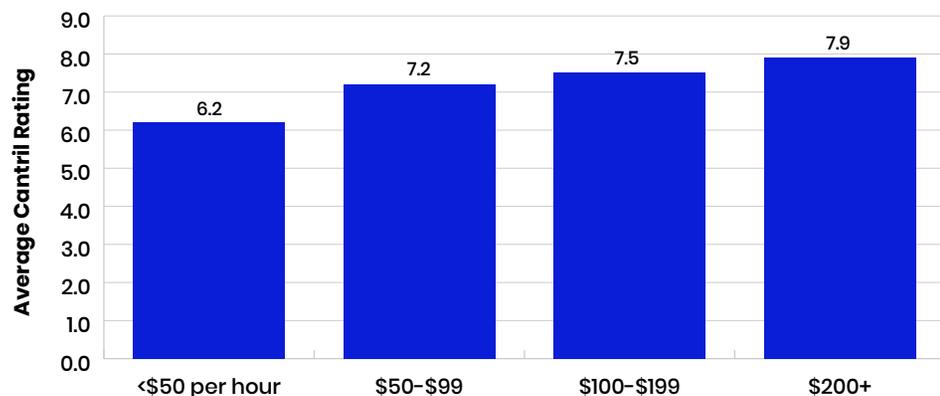


Figure 8.4. Wellbeing By Income Per Hour



Despite these strong correlations, what stands out from our statistical models is the degree to which income and revenue-per-hour metrics themselves actually predict advisor wellbeing less than the underlying individual variables that make them up. That is to say, wellbeing appears to be more closely associated with the underlying factors of reducing one’s workload to 3–4 days per week, earning income that supports one’s lifestyle, and serving 40–100 highly profitable clients that allow advisors to go deeper – rather than hourly metrics themselves.

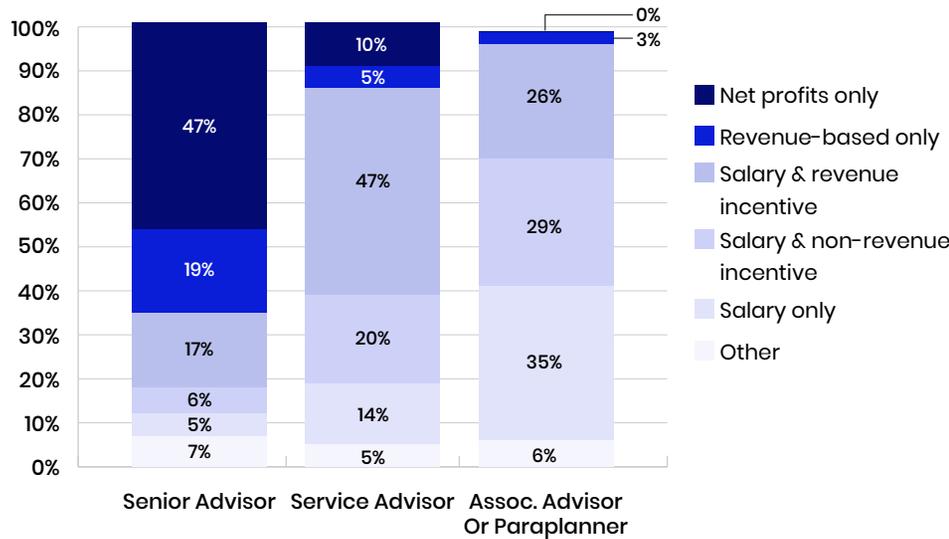
Compensation Structure

In addition to annual income, an equally relevant dimension of “What You Earn And How You Get Paid” is how advisors are compensated and how revenue is generated in the first place. Financial advisors have a wide range of compensation structures – ranging from fixed salaries to variable revenue-based compensation to outright profit distributions for ownership – which differ from many other professions.

In this sample, most advisors report income exclusively from variable compensation: 39% earn solely from net profits, and another 16% are compensated exclusively through revenue-based means. This skew reflects the composition of survey respondents, who tend to be firm owners (68%) and/or Senior Advisors (78%).

For firm owners, compensation is most commonly based on whatever remains after paying support staff and overhead expenses. Accordingly, 70% of owners are compensated exclusively through revenue or net profit, compared to just 24% of others. Senior Advisors also tend to be heavily reliant on variable compensation, unlike other roles on an advisory team. As shown in Figure 8.5, 66% of Senior Advisors are compensated exclusively through variable pay (either net profits or revenue-based compensation), 7% receive a fixed salary, and 26% are paid through a combination of the two.

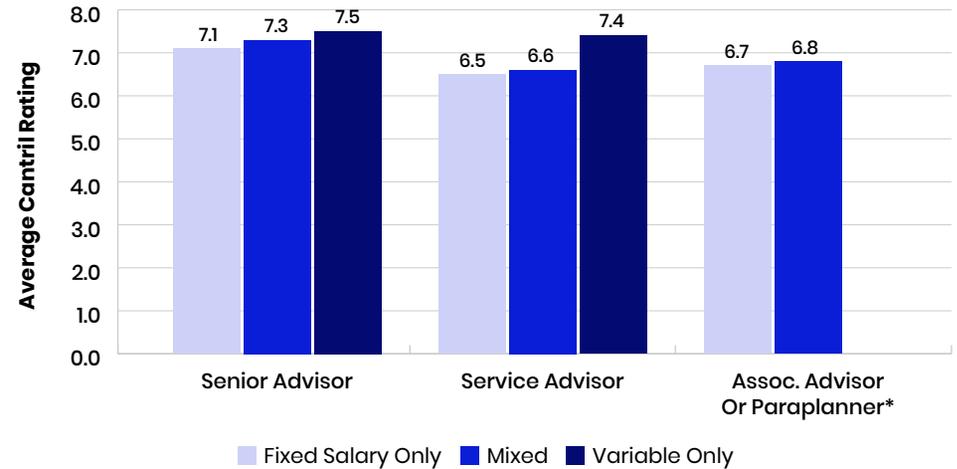
Figure 8.5. Compensation Structure



For Service Advisors, just 15% are compensated exclusively through variable pay, while 67% receive a mix of fixed and variable compensation – with the variable portion tied primarily to revenue-based incentives – and 14% report receiving a fixed salary only. For Associate Advisors and Paraplanners, almost none are fully variable; 55% have a hybrid structure – though unlike Service Advisors, they are more likely to have non-revenue incentives than revenue incentives – with 35% indicating they are paid via fixed salary alone.

When advisors are grouped by whether their compensation is entirely variable, entirely fixed, or mixed (Figure 8.6), variable compensation is strongly associated with higher wellbeing across Senior Advisors and, in particular, Service Advisors. For Senior Advisors, average Cantril ratings drop from 7.5 for those compensated exclusively through variable pay, to 7.3 for those with a hybrid pay structure, and further to 7.1 for those receiving only fixed compensation.

Figure 8.6. Wellbeing By Role And Compensation Structure



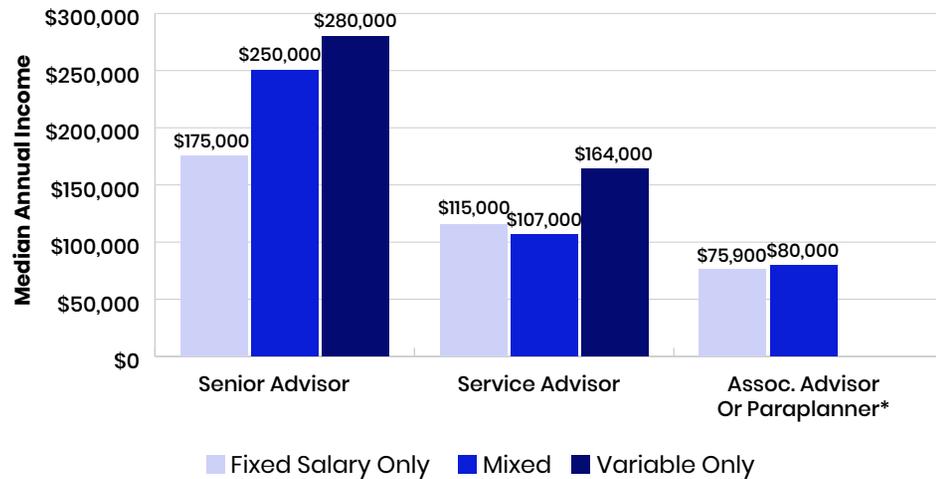
*No Associate Advisor or Paraplanner reported a variable-only compensation structure.

Among the five groups of Service and Associate Advisors/Paraplanners shown in Figure 8.6 (where we lack sufficient sample size to display a variable-only comp group for Associates/Paraplanners), it's notable that the only group reporting wellbeing outside the narrow 6.5–6.8 range are Service Advisors with exclusively variable compensation.

One explanation for both this and the broader positive relationship between variable compensation and advisor wellbeing is that variable compensation is frequently associated with ownership, a key driver of wellbeing. Additionally, variable pay structures enable greater annual income – which, as outlined earlier, directly enhances wellbeing (at least up to \$500,000 per year).

As shown in Figure 8.7, Senior Advisors with exclusively variable compensation earn the highest average annual income (\$280,000), followed by those with a hybrid pay structure (\$250,000), while those with exclusively fixed salaries make significantly less (\$175,000) – though still more than any segment of Service Advisors or Associate Advisors/Paraplanners. Among both Service Advisors and Associate Advisors, there is no meaningful difference in income between those with mixed or fixed compensation structures. By contrast, Service Advisors with exclusively variable compensation clearly stand out, typically earning \$164,000 – well above their peers.

Figure 8.7. Median Income By Role And Compensation Structure



*No Associate Advisor or Paraplanner reported a variable-only compensation structure.

This suggests that while firms that add a variable component to compensation may be more effectively incentivizing desired work behaviors, they are not necessarily increasing total compensation for non-Senior Advisor roles. Most likely, the variable portion replaces a higher base salary, with the performance-based component – whether tied to revenue, bonuses, or other incentives – too small to materially affect total income.

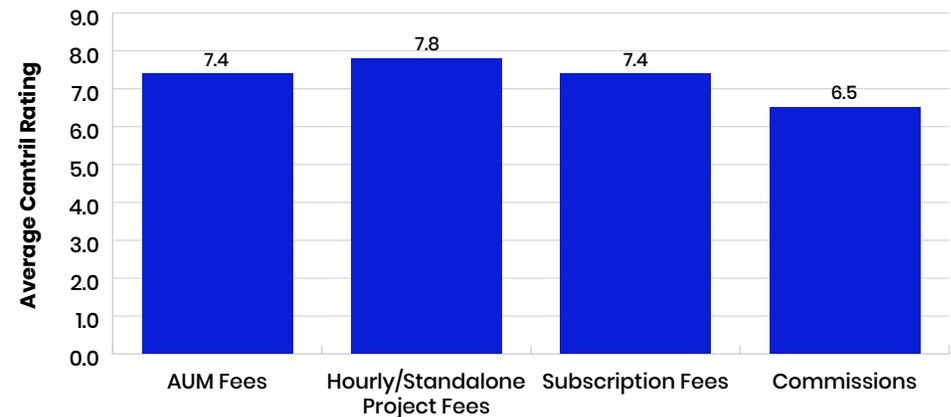
By contrast, for Senior Advisors, the shift from a fixed salary to a mixed compensation structure is associated with a substantially larger increase in income. On average, moving from fixed to mixed compensation corresponds with an increase of approximately \$75,000 in annual income – exceeding the additional \$30,000 gain associated with moving from mixed to fully variable compensation.

In summary, while there is a strong positive relationship between variable pay structures and advisor wellbeing, any impact on wellbeing is likely due to other factors that typically correlate with variable pay. These include the close connection between variable compensation and ownership as well as – though to a more limited extent – the greater income potential that variable pay can provide for some advisors.

Majority Revenue Source

The final aspect of financial advisor compensation relates to how revenue is generated from clients. Advisors who rely on hourly or project-based fees maintain the highest average Cantril ratings (7.8), followed by those who generate revenue through AUM fees or subscription/retainer fees (7.4), with advisors reliant on commissions reporting the lowest levels of wellbeing (6.5). Consistent with previous editions of this report, advisors who rely on commissions once again report the lowest average wellbeing.

Figure 8.8. Wellbeing By Majority Revenue Source



While revenue source – like compensation structure – is not a direct driver of wellbeing, it can play an important indirect role. For instance, hourly advisors report the highest levels of wellbeing and are also most likely to operate mature practices that are no longer actively marketing their services (24%) – a stage of firm development that, regardless of fee model, is highly correlated with the happiest advisors, likely reflecting more experienced and older age. By contrast, only 12% of commission-based advisors work in mature practices.

Conclusion

5

A recurring theme in our findings is that growth is essential for improving advisor wellbeing – albeit only up to a point. Early on, it helps newer advisors building their own firms move past the stress of the startup stage, where the focus is mainly on adding clients and revenue just to reach profitability and a reasonable income and into building a practice that allows them to focus on the work they enjoy most. As the business grows, advisors can hire team members to shed frustrating tasks, cut back their hours, invest in technology that supports their work instead of getting in the way, and move upmarket to do more complex planning for well-paying clients – all of which are associated with higher advisor wellbeing.

However, what stands out most in our latest data is how advisors' wellbeing suffers when relationship-centered goals – whether related to clients, team members, or life outside of work – are subordinated to business-centered goals. Advisors who are willing to sacrifice these relationships for business objectives often feel they never have enough, continually setting ever-higher goals as soon as previous ones are met – a treadmill that becomes exhausting when there's no clear sense of a successful endpoint (as the goalposts just keep moving further out).

Starting with client relationships, the happiest advisors aren't those with the most clients or the highest revenue. In fact, our data show that wellbeing begins to decline once client headcount exceeds 100 or revenue climbs past \$1.25 million per advisor in the advisor's practice. Because as advisors gain experience and become more efficient, most don't actually aspire to endlessly increase their client loads; instead, the happier ones aim to go deeper with the clients they already serve and use their time efficiencies to work fewer hours overall. In turn, while spending significant time on business development is necessary to exit the grueling startup phase, the happiest advisors tend to have 'mature' practices that are no longer actively marketing their services (though they may still accept occasional inbound referrals) and focus their energy on deepening existing relationships. When constant prospecting comes at the expense of cultivating current relationships, wellbeing suffers.

When it comes to team relationships, happier advisors tend to see their teams as collaborative partners in service – not just as tools for increasing personal capacity and income. This shows up in how, when asked whether their team “helps me serve more” or “helps us serve more”, 20% of the former group reports being Unwell, compared with just 12% of the latter.

Finally, the happiest advisors are those who grow to support the lifestyle they want outside of work, rather than sacrificing that lifestyle to increase the enterprise value of their firm. This appears in our data both in responses to questions that explicitly probe this trade-off and in the wellbeing of advisors who allow their workload to become excessive. Some advisors, for example, accept nearly all potential clients, trying to compensate for lower revenue per client by becoming more efficient. This includes many B/D-affiliated advisors who outsource investment management to TAMPs (as detailed in this report) and advisors who heavily leverage technology to automate internal processes (as explored in our separate Research report on Advisor Technology). Yet ultimately, trying to solve 'unprofitable client problems' by churning through a higher volume of clients tends to lead to longer working hours serving a larger client base, hurting the advisor's wellbeing as a result.

Taken together, this suggests that the happiest advisors don't have the biggest teams, the most clients, or the firms with the highest enterprise values. Instead, they typically serve from around 55 (as unsupported solos) to 90 (with a support team such as an Associate Advisor and a CSA) highly profitable clients who pay well for the value delivered, allowing the advisor to focus on the work they like best and enjoy life outside of work. Crucially, this structure doesn't preclude financial success. As described in our latest Research on Advisor Productivity, unsupported solo advisors tend to cap out at about one-third the revenue of their supported peers; however, adding even a single CSA enables solo advisor service teams to achieve nearly the same per-advisor revenue as multi-advisor firms. And highly team-leveraged “Lifestyle” advisors can still readily exceed \$1M of gross revenue, of which 70%+ drops directly to the advisor-owner's bottom line.

In the end, for most advisors, this is a relationship-based business. The most common “strong motivator” for pursuing a career in financial services is the desire to help and serve others (cited by 75% of respondents). Fortunately, building a financially successful firm does not require ignoring that impulse or pursuing growth at all costs; it requires being intentional about what ‘enough’ looks like, clarifying the advisor’s personal vision of success, and structuring the practice accordingly. When advisors tailor their business-centered goals to support their relationship-centered ones, they are far more likely to find success in each.

Appendix



Figure A.1. Work Preferences

Share Choosing Left Column		Share Choosing Right Column	
Autonomy			
Follow established procedures	26%	74%	Do it my way
Rely on proven systems	42%	58%	Build systems to fit my vision
Business Involvement			
Work IN the business	54%	46%	Work ON the business
Deliver advice to clients	78%	22%	Manage the business
Communicator Technician			
Deliver plans for clients	75%	25%	Produce plans for clients
Meet clients	69%	31%	Analyze clients' situations
Minder or Finder			
Serving current clients	61%	39%	Getting new clients
Strengthening client relationships	68%	32%	Building prospect relationships
Ownership			
Get paid well for what I do	24%	76%	Own what I build
Salary for what I do	17%	83%	Profits from what I build
Drive			
Build a business to support my lifestyle	54%	46%	Build a business bigger than me
Stop adding clients when enough	48%	52%	Expand capacity to add more clients
Purpose or Enterprise			
Success measured by business outcomes	29%	71%	Success measured by client outcomes
Prioritize enterprise value	10%	90%	Prioritize client experience
Team Support Goals			
Team that helps us serve more	74%	26%	Team that helps me serve more
Team that expands our capacity	61%	39%	Team that maximizes my productivity
Team Orientation			
Delegate	31%	69%	Automate
Manage a team	28%	72%	Manage clients
Growth or Lifestyle			
Keep working toward next level	58%	42%	Work to afford what I need
Grow as much as I can	56%	44%	Grow as much as I need
Relations or Problem-solving			
Serve consistent client base	55%	45%	Have steady flow of new clients
Socialize with clients	41%	59%	Research new client solutions
Income Stability			
Take risks for upside potential	64%	36%	Have a steady income
Variable compensation	65%	35%	Stable salary



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