

## Pathways to Growth

2023 Advisor Benchmark Study

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

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Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

#### What has helped some advisors grow at more than double the growth rate of their peers?

**2X High-growth** 

Average

## Agenda

Key success trait of high-growth advisors

#### An interactive growth model (Pathways to Growth)

How you can get started





# Pathways to Growth study

#### **Capital Group's Pathways to Growth study: Methodology**

## Nearly **3,000** advisors nationally

# through $\frac{3}{3}$ waves of research

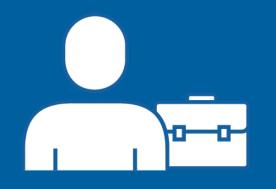


Participants ranging by age, tenure, AUM and channel

Includes more than 500 advisors with a HNW client focus, and more than 600 advisors with a focus on institutional retirement plans

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2020-2023.

#### **Intention drives results**



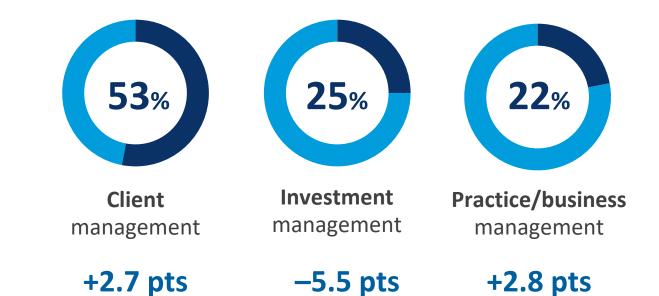
## High-growth advisors

\*Average high-growth advisor segment responses to question: "What percent of your time is spent in the following areas?"

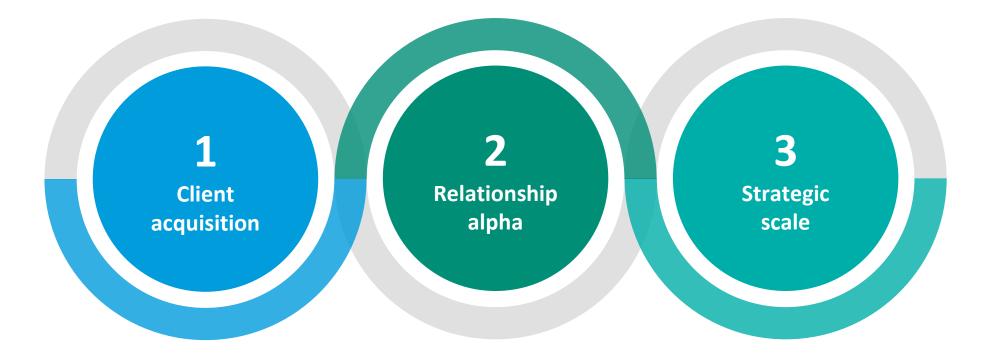
Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

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# Deliberate about where they spend their time<sup>\*</sup>



#### Pathways to Growth: An interactive growth model



# Client acquisition insights

Source: Pathways to Growth: Advisor Benchmark Study, 2023.

New clients represented

63%

of AUM growth

for high-growth

advisors in 2022

VS.



for the average advisor

# Client acquisition insights

New clients represented

63%

of **AUM growth** for high-growth advisors in 2022 Branding

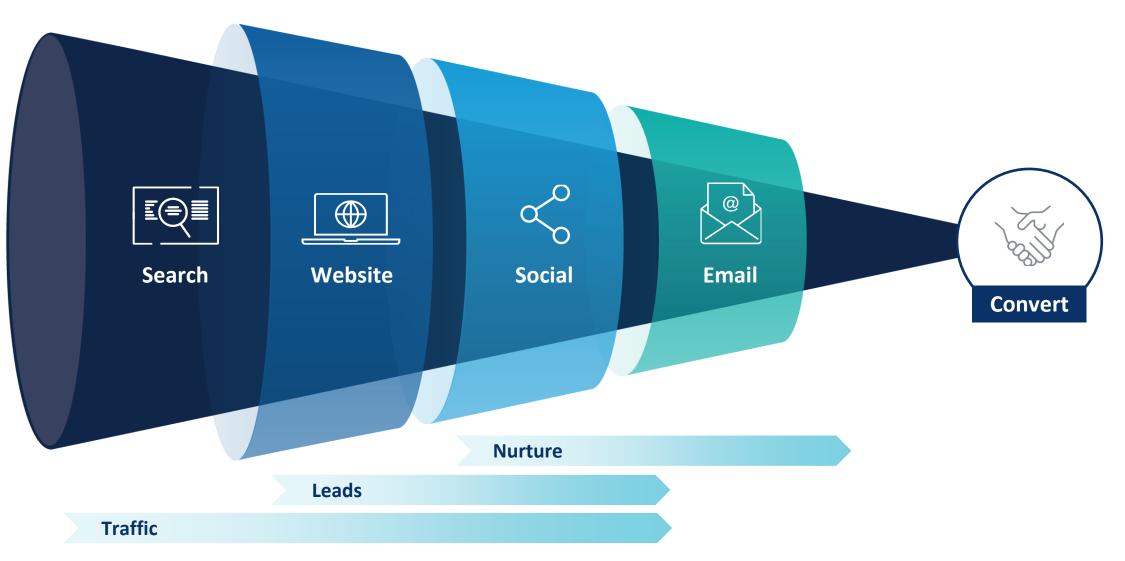
Marketing

Prospecting

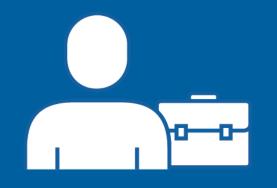
Source: Pathways to Growth: Advisor Benchmark Study, 2023.



#### **Build a high-converting digital pathway to your practice**



#### **Intention drives results**



## High-growth advisors

#### Have a consistent growth mindset ... even in volatile times

**63%** of 2022 AUM growth from new clients

**3X** marketing spend

**Nearly twice as likely** to have standard operating procedures (SOPs) for prospecting

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

# Relationship alpha insights

\*Compared to the average advisor in our study. Source: Pathways to Growth: Advisor Benchmark Study, 2023.

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High-growth advisors garnered

**3**X

the number of **referrals**\*

Personalized services

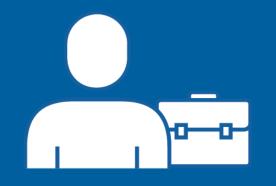
Client satisfaction & referrals

Retirement plan advising

#### **Deepen your value to clients with added services**



#### **Intention drives results**



## High-growth advisors

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

Pursue high-impact growth and efficiency strategies

# **Target a wider range** of customer profiles and generations

#### Offer a **broader range of services** to clients

Nearly **3** out of **4** seek efficiency through use of models

More time spent on and have higher confidence about team management

# Strategic scale insights

\*Compared to the average advisor in our study. Source: Pathways to Growth: Advisor Benchmark Study, 2023. High-growth advisors spent

14%

more time on **practice management** and 18% less time on **investment management**.<sup>\*</sup> Planning and productivity

Team management

**Goals and SOPs** 

#### Develop high-performing teams through employee engagement

Leadership

G II

Professional growth and retention

Team

culture

and unity

An enabling infrastructure

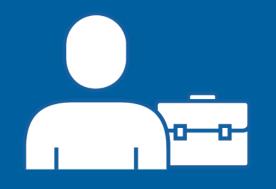
**Recruiting and** 

development

skill

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#### **Intention drives results**



## High-growth advisors

#### **Create accountability**

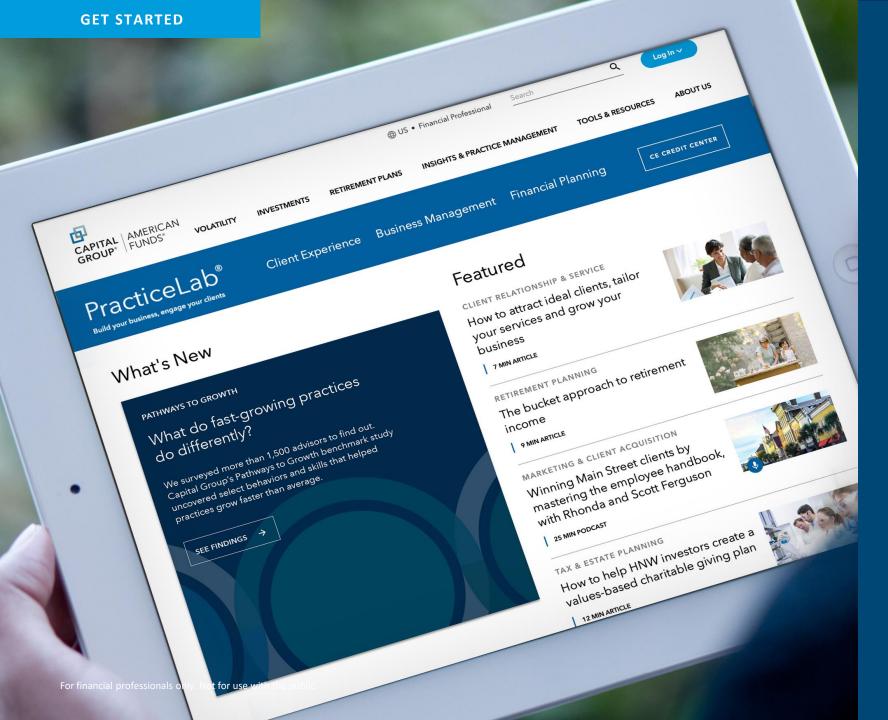
**Nearly 3X** less likely to operate without measurable business goals

~ 20% more likely to have SOPs for client service, goals-based planning and fiduciary standard of care

**45%** more likely to have SOP for leadership leave of absence

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

# Get started on your Pathway to Growth



## Download the Pathways to Growth report



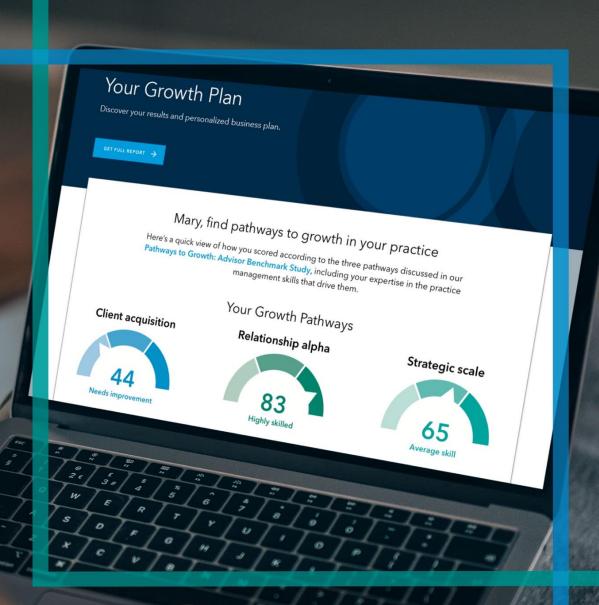


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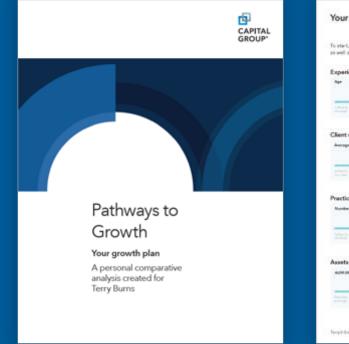
Get your personalized growth plan in three easy steps



20-minute survey **Personalized results Tailored development** 3



#### Your Growth Plan personalized report



#### Your practice profile

To start, bursts a systek overview of how pice compare to the average advisor in your pave group, as well as the average for all respondents in sur survey.



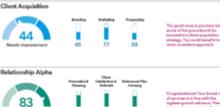
Practice size The set of function of function of functions of functio

**Comparative practice profile** 

#### Your results

Highly shifted

First har overview of howyou compared to the high-growth advisort. Using a scale from one to 000, we have globad your responses in three categories: highly allots, awarge will are needs improvement. Which skills and practice management behaviors had the most impact on results from such gatway, we have identified specific behaviors and processes that improve your chances of access. Here are your results for each.



Congratulational Pour formal menu of services is in fine with the highest growth exhibition. These may be even more wege to tailor your professional offerings.

Strategic Scale	Paneng-A Rustachily	Norm Normality 88	Società Sofie Boli Boli Boli	While you endowed the other of basiness photolog and advancing productivity you may search these guardiade encodi you tites, Autoung space can help.	
Wigh-growth advisors - Top-quickle in terms of growth as measured by a compactite of assets, swence and market of clients.					
Terry's Growth Plan				NUTRIEND TO DEDICT:	

#### **Results dashboard**

#### Your development plan

You know the path alward, and what it takes to get there. To help you take action, we have ranked your areas of opportunity starting where there is the greatest room for improvement.

	<b>Client Acquisition</b>	Relationship Alpha	Strategic Scale
Your top areas of opportunity	44	83 Halfly utilitied	65
Lowest accore	28 Property 45 Bending		
		68 Second Nucleons 72 Recented Throug	58 Rosery & Poducian 68 Gash & SON
Highertacore	77 Martenia	91 Christelioto Milioto	III has Assigned
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action. To sturt, solice: tage to these forces areas for improvement. Therefore rescalar take recepting on all of occur, take the		1	

#### **Development plan worksheet**

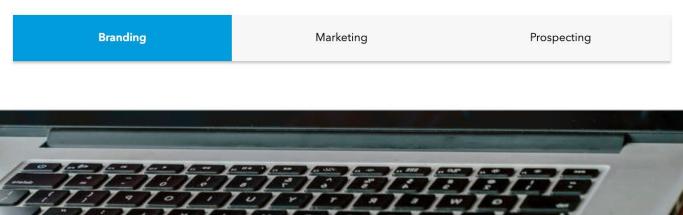


#### **Client acquisition**

Client

acquisition

New clients help drive business growth, which is why the fastest growing practices in our **Pathways to Growth: Advisor Benchmark Study** were intentional about their approach to client acquisition. A winning acquisition focus includes established processes in three distinct areas: branding, marketing and prospecting. Find more about these topics below or visit similar collections for **Relationship alpha** and **Strategic scale**.



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\*American Funds is a gold award winner in Corporate Insight Annual Asset Management Monitor – Advisor Awards, December 2022.

#### **Important information and disclosures**

Capital Group, partnering with behavior and analytics firm Escalent, conducted a multiyear advisor benchmarking study among a representative total of nearly 3,000 financial advisors in the U.S. This study established a benchmark for behaviors and assessed the relationship between those behaviors and practice growth. The online study was first fielded in 2020. Capital Group was not revealed as the sponsor. The data in this presentation reflects the latest wave of data collected in 2023 among more than 1,500 financial advisors and reflects 2022 growth. Participants ranged in career tenure, firm types, practice size (AUM, revenue, number of employees) and client specialty, including those who worked with high net worth clients or provided advisor-sold retirement plans. We analyzed results based on dozens of factors, including things like model portfolio usage, AUM, retirement plan assets, efficiency models, technology adoption and practice management behaviors. Decision tree analysis and regression models were used to understand success linkages.

\*American Funds is a gold award winner in Corporate Insight Annual Asset Management Monitor — Advisor Awards, December 2022. Corporate Insight recognized American Funds' PracticeLab hub, podcast and webinars as part of their 2021 Financial Advisor Survey, where they analyzed asset managers' specific site features and distributed awards in gold, silver and bronze based on the quality of desktop tools and features in five areas: homepages, practice management resources, fund profile pages, login and registration, and portfolio diagnostic tools. Corporate Insights used proprietary software to evaluate and compare the full digital capabilities of 20 firms' websites. For practice management resources, they evaluated firms based on positioning, range of topics, publication frequency, content format and value-added features.

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