Institute Announces New Research Findings

By Greta Gloven

Recently released research findings from two Investments & Wealth Institute-commissioned studies show that advisor performance can be enhanced through Certified Investment Management Analyst® (CIMA®) certification and by investing in professional education to better serve high-net-worth (HNW) clients.

CIMA ADVISOR PERFORMANCE SIGNIFICANTLY OUTPACES NON-CIMA-CERTIFIED ADVISORS

“The Value of CIMA Certification to an Advisor’s Practice” study, fielded by the Aite Group, gathered input from 436 advisors, including 104 with a CIMA certification, between April and May 2017. More than 60 percent of CIMA-certified professionals surveyed indicated that their CIMA certification had a considerable impact on their knowledge of investment management, confidence providing investment advice to HNW clients, and ability in managing their clients’ investments—earning them greater trust and satisfaction from their clients.

Other findings included the following:

- CIMA advisors in solo practices generate about five times the assets per client than other advisor practices.
- The mean assets per client of CIMA practices is 2.9 times higher than non-CIMA practices.
- Practices with CIMA professionals generated 25 percent more revenue over the past 12 months than practices with non-CIMA advisors.
- Twenty-six percent of practices with at least one CIMA advisor experienced more than a 10-percent increase in revenue growth over the past five years, versus 18 percent of non-CIMA practices.
- CIMA practices manage $385 million in client assets on average and generate $1.9 million in revenue.

CIMA advisors cited a mix of client-facing and career-oriented reasons for pursuing the CIMA certification. More than half (56 percent) wanted to enhance their careers, while 37 percent wanted to convey their expertise to clients and enhance their wealth management knowledge. Thirty-two percent said they take a collaborative approach, saying they seek to add expertise and skills to their teams.

Read the complete report at investmentsandwealth.org/AiteCIMA2017.

HNW INVESTORS VALUE INVESTMENT MANAGEMENT EXPERTISE

The “Investments & Wealth Client Research 2017” study, fielded by AbsoluteEngagement.com, gathered input from 585 mass-affluent and HNW investors across the United States in August 2017. The sample specifically targeted investors with at least $500,000 in investable assets who work with a financial advisor (across all channels) and make or contribute to financial decision-making in the household.

When asked what they are paying their advisors to do for them, clients listed investment management (59 percent), followed by financial planning (46 percent), wealth management (36 percent), and retirement solutions (35 percent). The responses were mirrored when clients were asked to rank the importance of these four types of support/services provided.

According to the survey, investors prioritized qualitative factors indicative of client-centric service when evaluating their advisors: Eighty percent of respondents rated ethical standards as a critically important consideration, followed by trustworthiness (80 percent) and knowledge (77 percent). On these matters, clients were relatively satisfied, with 75 percent reporting satisfaction with their advisor’s ethics, 77 percent with their advisor’s trustworthiness, and 73 percent with their advisor’s knowledgeability.

On more technical, quantifiable measures tied to investment management, however, investors are seeking more from their advisors. Three-quarters said that long-term investment returns are important to them, but only 60 percent reported satisfaction. Other gaps can be found in value relative to fees (67 percent said it’s important; 53 percent stated they were satisfied), as well as levels of risk in the investor’s portfolio (77 percent said it’s important; 67 percent were satisfied).

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Read the complete report at investmentsandwealth.org/InstituteHNWResearch2017.

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