BNY | PERSHING

STARTING THE JOURNEY TOWARDS A BETTER FUTURE

Critical factors financial advisors need to address as they consider their move to independence.

OVERVIEW

Today, more financial advisors are breaking away and choosing to forge their own path as an independent registered investment advisor (RIA) or something in between.

Transitioning a financial advisory practice is not without its challenges and opportunities. Review frequently asked questions and learn why so many advisors are choosing the path of independence.

FAQS

What is driving so many advisors to consider independence?

Advisors at traditional wirehouses are increasingly finding themselves constrained. Corporate leadership is exerting more control over marketing, compliance, and even client engagement. The result is a standardized, one-size-fits-all approach that limits flexibility.

By contrast, independence allows advisors to evolve and personalize the client experience. In an uncertain environment, the ability to innovate and adapt is critical - something far more achievable when business decisions are not dictated from the top down.

What does “independence” mean in practice?

Independence in the RIA space means independent ownership of - and control over - the business. RIAs are not independent of regulators and limitations improsed by technology are other realities of running the business. However, independence gives RIAs control over critical business decisions involving location, staff, technology tools, service model, marketing and branding.

Independence empowers advisors to build a firm in their own image, aligning every detail - from pricing models to service offerings - around their clients’ needs and their own vision for the business.

How do you know if you are ready to run an independent firm?

Readiness is first and foremost a **mindset**. Independence requires passion for more than just advising - it calls for enthusiam about building and running a business. Advisors should reflect on what excites them most: operations, client relationships, scaling a firm, or all of the above.

It is also important to recognize that independence is not one-dimensional. Advisors can launch their own firm directly or choose an affiliation model that offers a balance of autonomy and support.

YOUR GUIDE TO INDEPENDENCE

What are the typical economics of an independent firm?

The economics of independence are compelling. According to the 2024 Cerulli Report, U.S. RIA Marketplace, RIA assets have experienced 16.9% YOY growth with independent RIAs having grown 17.5% YOY and hybrid RIAs having grown by 16.1% YOY. Starting a firm comes with risks and rewards. As you start building equity, you can attract and retain new clients, scaling and growing quickly.

Starting a firm comes with risks, but it also offers the chance to build long-term equity and enterprise value. With the right planning, an advisor can retire owning a valuable business - one that grows in worth as client relationships deepen and scale accelerates. Independence is not just about flexibility today; it is about creating a lasting asset for the future.

What growth opportunities come with going independent?

Independent RIAs can choose to offer planning and consulting services, family office support, tax preparation and any other relevant services that is right for their client and their business.

Independent RIAs also have the freedom to focus on niche client segments, such as high-net-worth and ultra-high-net-worth families, with customized products and services designed around their unique goals.

What are the trade-offs between starting a firm or joining an existing independent firm?

If you want the benefits of independence but are less interested in operating your own firm, joining a firm - “supported independence” is an alternative solution.

Independence is best seen as a continuum rather than a binary choice. Advisors can decide which aspects of the business to control fully and which to outsource. This flexibility lets them focus on what they enjoy most - often, deepening client relationships.

If I were to take this step, how would I explain it to my clients?

Clients want transparency, trust, and personalized service. Moving to independence is an opportunity to highlight:

- Alignment of products and services with clients needs
- Greater cost transparency
- Elimination of many conflicts of interest
- A culture that puts clients - not corporate mandates - at the center

When framed this way, clients see independence not as a disruption, but as an upgrade in their advisor relationship.

Ready to get started on your breakaway journey? BNY Pershing can help.
Visit bnypershing.com or speak to a Sales Executive at (800) 445-4467.

DISCLOSURES & DISCLAIMERS

bny.com/pershing
©2025 Pershing LLC. D/B/A BNY Pershing. BNY is the corporate brand of The Bank of New York Mellon Corporation and may be used to reference the corporation as a whole and/or its various subsidiaries generally. All rights reserved.

Brokerage custody provided by Pershing LLC, member FINRA, NYSE, SIPC, a BNY company. Brokerage services may be provided by Pershing Advisor Solutions LLC, member FINRA, SIPC. Bank custody provided by BNY Mellon, N.A, member FDIC. Technology services provided by Pershing X, Inc.

Investment advisory services, if offered, may be provided by one or more affiliates of BNY. This material provides information for financial professionals. It is not intended for use by the general public. Trademarks belong to their respective owners. Products and services described herein are intended for financial professional use. BNY Pershing provides services to broker-dealers and registered investment advisors and does not provide services to the general public.

Information provided is for informational and educational purposes only and is not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Investing involves risk, including the possible loss of principal invested. BNY Pershing does not provide legal or tax advice. Past performance is no guarantee of future results.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions including delivery timing estimates, mock-ups, and functionality descriptions which remain subject to change without notice. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from those expressed in the forward-looking statements. Certain functionality discussed may not be available as of the time of viewing.

The use of the firm's platforms and technology may be affected by factors such as trading volume, market conditions, system performance and/or other factors. BNY Pershing actively monitors the technology environment and endeavors to resolve issues promptly through various means.

Investment Products: Not FDIC Insured / No Bank Guarantee / May Lose Value.