

# Press Release

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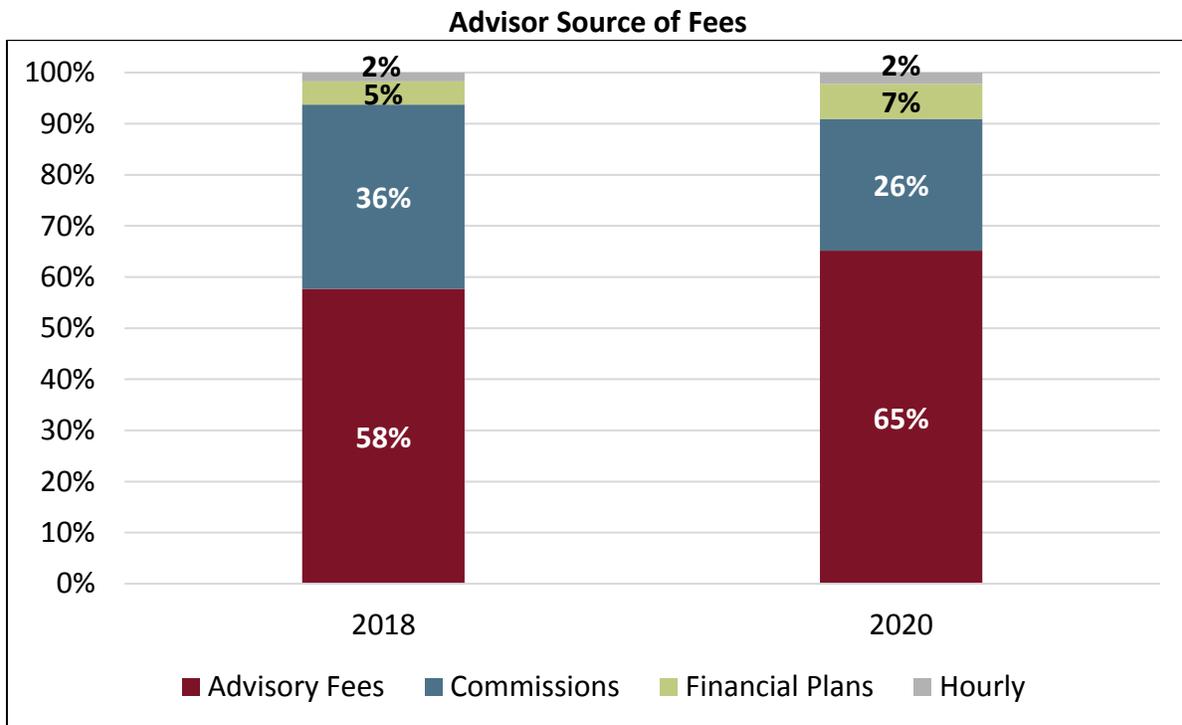
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## Advisor Revenue Sources Evolving in Lockstep with Advisory Business Model

March 7, 2018, Needham, MA – The increased focus on wealth management, financial planning, and deeper client interactions is accelerating a realignment of the traditional advisor revenue mix. In fact by 2020, advisors will generate nearly two-thirds of their total client fees from their advisory business, with commission-based fees decreasing to just 26%, according to FUSE Research Network’s latest Advisor Trend Monitor Series Report – *Advisor Top Trends for 2018*, published in conjunction with WealthManagement.com.



Source: FUSE Advisor Top Trends for 2018

Note: Data may not add to 100% due to rounding

As advisors continue to convert their practices from a transactional mode to advisory, there has been a concurrent upturn in advisory fee income. As Patrick Newcomb, Director of BenchMark

Research, FUSE Research Network, explains, “The persistent pressure on fees is one of the main drivers that is fueling this shift in the role of an advisor to a more holistic financial life guide. On the horizon, we expect advisors will solve for client issues through a goals-based lens and will charge fair and reasonable pricing for an exceptional client experience.”

Across all distribution channels and advisory segmentations, financial planning revenues are also on the upswing. “This has sparked increased popularity in the Certified Financial Planning designation and we expect advisors will be focusing more on overall wealth management versus one-off strategies such as retirement,” notes Newcomb. The combination of the increase in advisory and financial planning fees will drive commissions lower. Currently, commissions represent 36% of revenues, and advisors predict that this portion of their income will slide to just roughly one-fourth of total fees over the next two years.

In addition to advisor sources of fees, the Advisor Trend Monitor Report – *Advisor Top Trends for 2018* surveyed nearly 700 advisors on the following topics: robo-advisors, wholesaler interactions, asset allocations and interval funds. Overall data survey findings are presented, as well as by channel, average client account size, age and practice type.

The FUSE Advisor Trend Monitor is a survey-based report series that provides timely insight into advisor views on a range of issues central to asset managers’ decisions about resource allocation. With the ongoing support of our partner, WealthManagement.com, FUSE releases a total of six reports annually that make up the Advisor Trend Monitor series.

For details about obtaining a copy of *Advisor Top Trends for 2018*, please email Jason Heinhorst at [jheinhorst@fuse-research.com](mailto:jheinhorst@fuse-research.com) or call (720) 221-5223.

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### [About FUSE Research Network LLC](#)

FUSE was launched in 2008 with the view that research and consulting support for asset managers has failed to evolve with the changing needs of the client. The future competitive environment will demand that clients make important business decisions within shorter and shorter timeframes.

In order to support clients in this setting, FUSE provides a dynamic research platform that covers our clients’ current and future decision areas (strategic and tactical). Our goal is to become an invaluable business partner through the delivery of highly informed and forward-looking recommendations that are among the critical inputs our clients need to optimize results.

