The Kitces Report
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How Financial Planners Actually Market Their Services

2026 Marketing Study

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Director of Advisor Research
Mark Tenenbaum, Ph.D.

Dr. Mark Tenenbaum is the Director of Advisor Research at Kitces, where he oversees the production of the site's semi-annual financial planning practice management research studies on advisor technology, productivity, wellbeing, and marketing. He also contributes to the Nerd's Eye View blog, speaks, and consults on these topics. Mark specializes in quantitative research methodology and data science, and has conducted research on a range of topics, including on Americans' political behaviors and their explanations for economic inequality.

In addition to his work at Kitces, he serves as the Managing Editor of Congress and the Presidency, a peer-reviewed academic journal publishing cutting edge research on the executive and legislative branches. Before joining Kitces, Mark worked as a Financial Advisor for WealthCare Investment Partners, a Rhode Island-based RIA. Mark received his Ph.D. in Political Science from American University. With experience as both a financial planner and a quantitative researcher, Mark is dedicated to creating data-driven, insightful content that supports the Kitces mission of helping financial advicers become better and more successful.

Chief Financial Planning Nerd
Michael Kitces, MSFS, MTAX, CFP, CLU, ChFC, RHU, REBC, CASL

Michael Kitces is the Chief Financial Planning Nerd at Kitces.com, dedicated to advancing knowledge in financial planning and helping to make financial advisors better and more successful, and the Head of Planning Strategy at Focus Partners Wealth, an independent RIA with more than $50 billion of assets under management, that provides private wealth management to consumers and turnkey asset management platform services to advisors.

In addition, he is a co-founder of the XY Planning Network, AdvicePay, New Planner Recruiting, fpPathfinder, and FA BeanCounters, the former Practitioner Editor of the Journal of Financial Planning, the host of the Financial Advisor Successpodcast, and the publisher of the popular financial planning continuing education blog Nerd's Eye View.

Beyond his website and many businesses, Michael is an active writer and speaker across the industry, and has been featured in publications including Financial Planning, the Journal of Financial Planning, Journal of Retirement Planning, Practical Tax Strategies, and Leimberg Information Services, as well as The Wall Street Journal, BusinessWeek, CNBC PowerLunch, NBC Nightly News, and more. In addition, Michael has co-authored numerous books, including "The Annuity Advisor" with John Olsen (now in 5th edition), and "Tools & Techniques of Retirement Income Planning" with Steve Leimberg and others.

Sr. Financial Planning Nerd
Sydney Squires

Sydney Squires is Senior Financial Planning Nerd at Kitces.com. She is a regular contributor on the Nerd's Eye View on the topics of practice, process, and people management, aiming to help advisors make nuanced, data-driven decisions that will set up their people and businesses for success. She is also the producer of the Kitces & Carl podcast and has been a speaker at NAPFA, XYPN, and Kitces.com.

A self-professed processes nerd, Sydney has extensive prior experience in director and team management roles for small businesses. She has built processes and pipelines that focus on sustainability, scalability, and setting up team members for long-term success. Her journey as a director and writer has taken her from Salt Lake City, Utah to London, England, giving her insights into building teams with different scales of resources and issues. Now, she combines her professional experience with her passion for research, data, and psychology to create new insights for advisors looking to make their firms not only more successful, but also more fulfilling.

Research Consultant
Dan Inveen, CFA

For more than two decades, Dan has directed a broad spectrum of industry executives toward a better understanding of how to succeed in the financial advisory marketplace. He has worked with broker-dealers, asset managers, leading RIAs, and every major industry custodian, helping to identify emerging trends in the distribution and demand for financial advice as well as best practices in firm management.

Once part of the Moss Adams consulting team that pioneered the field of advisor "practice management" in the mid-2000's, Dan later co-founded his own boutique industry research and consulting firm, FA Insight. After just seven years he successfully sold the firm to TD Ameritrade, at the time one of the country's leading providers of brokerage and custody services.

His research and consulting experience covers a broad range of issues affecting financial advisors, including strategic planning, organizational design, compensation, operations, and M&A. For over a decade Dan led the production of the FA Insight Annual Study of Advisory Firms, a leading resource of critical intelligence for financial advisory firms as well as the institutions that serve them.

Dan began his career as a government economist, including several years leading the Bureau of Economic Research in the U.S. Virgin Islands, before overseeing the marketing research function for Russell Investments. Dan holds bachelor's and master's degrees in economics from the University of Washington and is a CFA Institute charter holder.

Research Associate

Jaweriah Hazrana, Ph.D.

Dr. Jaweriah Hazrana supports the Kitces Research team as a research associate where she contributes to research studies on productivity, advisor technology, practice management, and industry trends. She specializes in econometrics, quantitative research methodology, survey design, and policy research.

Jaweriah holds a Ph.D. in Applied Economics. Prior to joining Kitces, Jaweriah worked as a Postdoctoral Research Fellow at Arizona State University and The Ohio State University.

In addition to her work at Kitces, Jaweriah's broad range of research experience includes published articles on productivity, technology adoption, risk management, climate change, and labor economics. Other past research projects have included analyzing the impacts of policy interventions on economic outcomes and exploring contemporary development issues.

The State Of Advisor Marketing In 2026

- The typical advisory practice in our sample generated 8% organic growth in 2025 as measured by new revenue, and 10% organic growth as measured by new clients. (These figures exclude growth from existing clients, such as market appreciation, as well as growth attributable to mergers and acquisitions.) However, 15% of practices in the sample were "mature" practices that were not actively seeking growth. When these practices are segmented out, we see that mature practices averaged just 5% organic revenue growth and 6% client growth, while practices actively pursuing growth achieved 9% organic revenue growth and 11% client growth. And amongst practices achieving standout growth rates relative to their level of revenue, growth was substantially higher still, reaching 29% in organic revenue growth and 16% in client growth.

- **The marketing costs to achieve these growth outcomes for the typical advisory practice amounted to 7% of annual practice revenue.** Of this figure, just 2.2 percentage points were attributable to the "hard costs" that typically come to mind when thinking about marketing (e.g., marketing software and directory listing fees). The remaining 4.8 percentage points were attributable to the "soft costs" of advisor and staff time. **In other words, soft costs accounted for 68% of marketing expenditures for the typical practice.** Among practices actively seeking growth, typical marketing costs amount to 8.1% of revenue, consisting of 2.6% of hard-dollar expenditures and 5.5% attributable to soft-dollar costs. When looking exclusively among practices achieving standout growth rates, marketing costs amount to 9.1% of revenue, including 3.0% in hard-dollar expenditures and 6.1% in soft-dollar costs.

- The industry allocation of 7%-of-revenue towards marketing represents a decline in typical marketing expenditures since the 2024 edition of this report, for three reasons. First, the lagging effects of the 2022 market downturn reduced practice revenue when early 2023 billing occurred. That is, shrinking client portfolios in late 2022 meant lower AUM-linked revenue collected in early 2023. Given that 82% of our sample relies on AUM-based pricing, this depressed revenue in our 2024 study (where advisors reported 2023 revenue), causing a given dollar amount of marketing expenditures to represent a larger percentage of revenue. Second, the percentage of advisors' workweeks spent on marketing activities declined from 10% in 2024 to 8.2% in 2025, reducing advisor time costs. Third, and relatedly, part of this decline in marketing time is not advisors pulling back from marketing, per se, but appears attributable to advisors becoming more efficient by moving away from tactics that require substantial time with relatively little payoff for most (e.g., newsletters, writing for third-party platforms, and social media) and toward tactics that require far less advisor time (e.g., third-party review sites and SEO)—a trend we expand upon shortly.

- Because advisor time comprises more than two-thirds of marketing costs, and generally becomes more expensive as practice revenue and advisors' incomes rise, advisory firms have clear challenges scaling their marketing as they grow. **While marketing costs decline from 14% of revenue for practices generating less than $250,000 to 6.9% for those generating $2 million in revenue, the growing value of advisor time eventually pushes marketing expenditures back up to 8.2% of revenue, even as growth rates and revenue acquisition *from* those marketing costs continue to decline. In other words, while many new firm owners assume marketing costs will scale favorably with firm growth, beyond $2 million in revenue marketing costs actually "anti-scale," with costs rising as a share of revenue for diminishing marketing returns.**

- The typical Client Acquisition Cost (CAC) was $2,551 in 2026, down from $3,800 in 2024, reflecting the trends of advisors both marketing more efficiently and spending slightly less time doing so. **However, because**

of the anti-scaling effect created by the increasing value of advisor time, CAC rises from $815 for practices generating less than $250,000 in revenue to $4,896 for practices generating between $1 million and $2 million, and to $15,788 for those generating more than $5 million. This phenomenon forces advisory firms to serve increasingly affluent clientele as they grow (to ensure they generate enough revenue to recover their acquisition costs), which further undermines their marketing outcomes, as pursuing higher-dollar clients increases client acquisition costs even further!

- The purest measure of marketing efficiency is Revenue Acquisition Cost (RAC)—the amount a practice must spend to generate each additional dollar of new client revenue. **The typical practice had a RAC of $0.70 in 2026 (meaning advisors spend $0.70 for each new $1.00 of revenue, effectively recouping the cost of their marketing expenditures in approximately 8.4 months of revenue). This RAC is down from $1.09 in 2024 (when it took just over a year to recoup those costs), as advisors showed a proactive pruning of less effective marketing tactics over the past two years. Notably, these outcomes also mean that, for most advisors, marketing remains far more cost-effective than acquiring clients inorganically through M&A transactions often valued at 2.5x–3.5x revenue.**
- The catch is that, because of the growing value of advisor time and rising client acquisition costs, RACs can quickly approach the levels associated with M&A as advisory firms grow in revenue (especially for firms with $5M+ of annual revenues). Among actively growing practices not achieving standout growth, the typical RAC rises from $1.00 for practices generating less than $250,000 in annual revenue to $2.39 for those generating more than $5 million. At that point, M&A becomes similarly cost-effective to traditional marketing tactics, particularly given how much easier it is to deploy large amounts of capital through acquisitions to accelerate growth. Though at the same time, the most effective marketing firms are able to continue maintaining RACs below $1.00 even as their revenue surpasses $5M.
- The end result is that the anti-scaling nature of advisor time costs can drive the cost of acquiring clients organically to levels comparable to acquiring them inorganically through M&A, if firms cannot figure out how to restructure their growth engines as they shift from solo practitioner founder-led firms into multi-advisor ensembles. This dynamic has likely contributed to the wave of industry consolidation and acquisition activity that continues to reach new highs year after year.

Learning To Scale From High-Growth Practices

- The fact that rising advisor time costs can increase acquisition costs to levels problematically comparable to M&A does not mean that practices generating more than $5 million in revenue are destined to market inefficiently. In fact, "high-growth practices"—those achieving organic new-client revenue growth rates in the top third of their peers at a similar revenue level—provide an instructive example of how marketing can be scaled successfully. **Among high-growth practices, RAC rises from $0.23 for practices generating less than $250,000 in revenue to $0.95 for those generating between $2 million and $5 million, then remains essentially flat for practices generating more than $5 million, allowing them to continue to spend no more than $1 for every $1 of new annually recurring revenue they generate. In other words, high-growth practices largely avoid the "anti-scaling" dynamic that causes marketing costs to otherwise spiral upwards (and approach the less desirable economics of M&A) as they grow.** The reason lower RAC in turn contributes to higher growth is straightforward: in addition to making growth achievable and allowing more revenue and client growth per dollar deployed, it also enables faster capital recovery cycles, allowing firms to more quickly generate revenue and free cash flow *from* new clients, that can then be reinvesting into subsequent growth initiatives more quickly.
- The most important reason high-growth firms maintain lower RACs, even at larger firm sizes, is that they figure out how to become less and less reliant on increasingly expensive advisor time as they grow. For practices generating less than $1 million in annual revenue, greater reliance on

advisor time (vs hard-dollar expenditures or paying staff) is associated with lower RACs because advisor time is less expensive. Once practices exceed $1 million in revenue, however, advisor time becomes increasingly expensive, and continued reliance on it tends to drive RAC higher, whereas finding ways to be less reliant on advisors and their time for marketing growth brings RAC back down.

- These advisor-time savings among firms generating more than $1M are not primarily driven by using different marketing tactics. Instead, high-growth firms reduce advisor time costs by executing their existing tactics in ways that require less advisor involvement. **Among practices generating $1 million or more in revenue—the beginning point at which reducing advisor time starts to become associated with higher and more cost-effective growth—high-growth practices use less advisor time in 14 of the 18 tactics for which we have sufficient sample sizes to analyze individually, while other practices do so in just four.** This is accomplished primarily through staff delegation to create operational leverage for advisors (similar to how delegating to associate advisors also lifts an advisor's productivity). For example, among practices generating more than $5 million in annual revenue, staff costs account for 22% of total marketing costs among high-growth practices, compared to just 6% among other practices.
- Beyond reducing advisor time burdens with more staff support as practices scale, several other factors distinguish high-growth firms. One is the level of intentionality they bring to their marketing efforts. **High-growth firms are more likely to use at least three inputs (e.g., client surveys, conferences, blogs, industry research, or consultants) when constructing their marketing plans (65% versus 49%), more likely to design tactics to complement one another (70% versus 44%), and more likely to have systems in place to track prospects once they arrive (37% versus 25%).**
- Another distinguishing characteristic is that high-growth firms are less reliant on referrals from clients and Centers of Influence (COI) for reasons we'll go into shortly. For example, the typical high-growth practice generates just 33% of their new client revenue from referrals compared to 80% for non-high-growth practices.
- Among practices generating less than $1 million in revenue, high-growth practices are more likely to employ tactics that make it easier for prospective clients to find them. **High-growth practices are 17 percentage points more likely to use SEO and 17 percentage points more likely to maintain listings in online advisor directories. They are also more likely to engage in tactics that actively increase visibility, including in-person networking (9 percentage points higher usage) and seminars (13 percentage points higher usage). In addition, amongst specifically high-growth firms generating more than $1 million, there is more use of events-based marketing, including 18 percentage points more likely to host in-person seminars, 20 percentage points more likely to conduct webinars, and 13 percentage points more likely to hold client appreciation events.**
- Finally, among practices generating less than $1 million in revenue, **high-growth practices are more likely to signal expertise through either professional credentials or niche specialization. High-growth practices are more likely to have at least one advanced industry designation, such as the CFP® or ChFC® marks (83% versus 78%), and more likely to be niche-focused (56% versus 41%).** These credibility signals matter more for smaller firms because the business is often centered around a single advisor. In that context, specialization and professional credentials can serve as important heuristics for prospective clients evaluating expertise and trustworthiness. As firms grow and add advisors, however, the firm's brand increasingly becomes that credibility signal, reducing the relative importance of individual designations and niche positioning for most firms.

Trends In Tactics

- **The typical advisory practice used five of the 26 marketing tactics examined in this report.** As a general trend between 2024 and 2026, advisors were effective in moving away from tactics with lower success rates (i.e., a lower share of practices receiving at least one client from the tactic in the past year) and cost-effectiveness (as measured through a high RAC), suggesting advisors are becoming more aware of their marketing results, which in turn is allowing them to become more efficient by cutting low-impact tactics. Tactics experiencing declines in usage had an average RAC of $1.86, while those gaining adoption averaged just $0.72.

- One of the clearest examples of increased adoption of cost-effective tactics is the growing use of third-party review sites. **Driven in part by the SEC's updated Investment Adviser Marketing Rule which took effect in November 2022, the share of advisors using third-party review sites increased from 8% in our 2024 report to 13% in 2026.** As restrictions on the use of testimonials have eased, advisors appear to have become more willing to incorporate online reviews into their marketing efforts. Such efforts are remarkably successful, as this tactic has low RAC of $0.67. **For Google reviews specifically, the RAC is $0.85 when online reviews are merely collected and $0.13 when those reviews are included on advisors' websites, indicating the importance of social proof as prospective clients evaluate whether to work with the advisor.**
- **Search engine optimization (SEO) usage also increased by three percentage points since our 2024 report, reaching 32%, while the emerging tactic of answer engine optimization (AEO)—optimizing content to appear in AI-powered search platforms—was included for the first time in this report and already had a usage rate of 10%.** The growing popularity of online reviews, SEO, and AEO suggests an increasing emphasis on advisor "findability" among prospective clients searching for financial advice. The growth of SEO and online reviews in particular aligns with the broader trend of advisors shifting toward more efficient tactics, as both have among the lowest RACs of any tactic ($0.45 and $0.67, respectively). **AEO, by contrast, currently has one of the highest RACs at $3.45, raising the question of whether advisors will become more successful with the tactic as it matures, or whether AI-powered search tools will ultimately fail to gain widespread traction among consumers seeking advisor recommendations.**
- The clearest example of advisors moving away from less efficient tactics can be seen in content creation. **Nearly every content-oriented tactic experienced declining usage between 2024 and 2026, including newsletters (-6 percentage points), blogging (-4 percentage points), writing for third-party platforms (-4 percentage points), book writing (-3 percentage points), and podcasts (-2 percentage points).** This likely reflects the fact that content creation tactics have an average RAC of $1.99, driven in large part by the substantial advisor time required to create and distribute content that often generates limited results. Two important caveats are worth noting. First, some content creation tactics have economically viable (relative to M&A) RACs, with those for podcasting ($0.62) and blogging ($1.62) being the most favorable. And second, results for these tactics are very skewed, with most advisors struggling to gain even a single new client from these strategies and only a small subset of high-growth firms executing them at scale. **Indeed, when aggregating across content creation tactics, high-growth practices maintain a RAC of $1.36 while other practices maintain a RAC of an eye-popping $5.47.**

  Similarly, social media usage—which is often used to distribute content once it has been created—has declined in all four Kitces Research surveys on Advisor Marketing since 2019, falling from 42% to 36% from 2019 to 2026. This likely reflects the tactic's exceptionally poor economics, as social media has the highest RAC of any tactic at $4.88; it is both time-intensive, relies heavily on expensive advisor time, and for most advisors who do not have clear niche or other differentiation, is highly likely to produce little or no results for the majority of advisors (with a whopping 82% reporting that they failed to get a single new client from their social media efforts in the past 12 months). By contrast, in-person networking, after experiencing a decline during COVID-19, has returned to roughly its pre-pandemic usage rate (46%). Together, these trends suggest the continued importance of direct personal interaction in building trust and relationships with prospective clients. **The single largest decline in usage occurred in webinars, which fell from 25% in 2024 to 18% in 2026.** Part of this decline likely reflects the tactic's relatively poor economics, with a RAC of $2.37—roughly on par with the cost of acquiring clients inorganically through M&A. At the same time, some of the decline likely reflects a broader post-pandemic normalization.
  During COVID-19, advisors shifted away from in-person tactics such as

seminars, networking, and client events, contributing to increased webinar adoption. As those in-person activities have rebounded, webinar usage has declined, suggesting advisors are returning to face-to-face marketing rather than abandoning webinars solely because of their efficiency profile.

- An important exception to the broader trend toward more efficient tactics involves outbound prospecting. As a category, outbound prospecting tactics have an average RAC of $2.53, roughly comparable to the cost of acquiring clients through M&A. Yet several of these tactics have gained adoption. This includes direct postal mail and cold-calling/door-knocking, which experienced 3 and 4 percentage point increases in usage since 2024, respectively. It also includes the emerging category of digital cold outreach, which was included for the first time in our 2026 report. Encompassing AI-assisted outreach tools such as FINNY and Wealthfeed, digital cold outreach had a usage rate of 7%, essentially identical to the more traditional outbound prospecting tactics.

- **Referrals from clients and COIs remain advisors' two most widely used marketing tactics, with usage rates of 88% and 64%, respectively. Client referrals maintain one of the lowest RACs at $0.34, and the typical practice derives 62% of its new clients from this tactic.** However, high-growth firms tend to be less reliant on referrals and more reliant on tactics over which they have greater control (rather than growth being fundamentally reliant on actions taken by clients). One reason high-growth firms are less likely to rely on referrals is that, over time, clients gradually exhaust the pool of people within their networks who are likely to become prospective clients. **In addition, after a decade or more of serving the same client base, many of the most obvious referral opportunities have already been tapped. This pattern can be seen in how the share of new client growth attributable to referrals declines from 11% among practices less than five years old to just 4% among practices that are at least 10 years old.**

- While theoretically one lever available to advisors to increase referrals is simply asking for them, we find that doing so not only fails to increase referral volume, but actually appears to reduce it by causing clients to feel repeatedly solicited.

- One factor that does appear to meaningfully increase referral volume is having a well-defined niche. **Practices with a clear niche exhibit substantially lower client referral RACs ($0.06 versus $0.23) and slightly higher referral-driven organic client growth rates (5.0% versus 4.5%) than practices without a niche.** Referral outcomes improve further when that niche is clearly communicated to clients, as it provides useful context that helps them more readily recognize when a friend, family member, or colleague could benefit from an introduction to the advisor. **Among advisors with a niche, prominently communicating that niche on their website is associated with even lower referral RACs ($0.06 versus $0.13) and higher referral-driven client growth rates (5.0% versus 4.1%). Similarly, clearly articulating an ideal client profile is associated with an additional 0.7 percentage point increase in client growth.**

- Among advisors using COIs, the typical practice receives the majority of its referrals from just two sources: CPAs (used by 89% of advisors utilizing COIs) and estate planning attorneys (79%). **However, the type of COI that most clearly distinguishes high-growth firms is the use of target-market-specific COIs (e.g., an influential doctor in a hospital the advisor is targeting as their niche, etc.), with 37% of high-growth practices using them vs 21% of others.**

- Taken together, these findings suggest that the most successful marketing tactics tend to be those that facilitate trust between the prospect and the advisor. Among high-growth practices, 32% of new clients come from a transfer of trust from existing clients (via client referrals), while another 27% come through another trusted source (e.g., a COI). Still more come from advisors building trust directly with prospects (26%), whether through connecting with them at in-person networking events, or learning from them at webinars or seminars. In other words, 85% of new clients of high-growth firms come from advisors either building trust directly with prospects or receiving a transfer of trust from a trusted source. Indeed, further evidence of this can be seen in how various marketing tactics perform. In-person networking tends to outperform social media because it creates opportunities for genuine relationship building. For smaller practices without an established brand, professional designations and online advisor directories serve as credibility signals that help establish trust. Likewise, the social proof provided by client testimonials appears to help prospective clients feel more comfortable reaching out. By contrast, while AI-powered search tools have emerged rapidly over the past several years, relatively few clients appear to be contacting advisors because they were recommended by an AI chatbot. Put simply, successful advisor marketing can be summarized in a single phrase: it is all about building trust!

Introduction

Defining Advisor Marketing

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Study Methodology

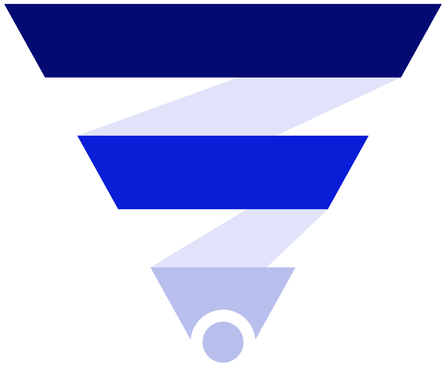
Key Study Terminology

Defining Advisor Marketing

Marketing is often defined, in its most traditional sense, as the process of building a brand and increasing awareness of that brand among potential clients. In practice, however, marketing more broadly encompasses the full set of activities that support client acquisition – including generating leads, nurturing prospects, and ultimately converting them into clients.

The different components of this broader marketing definition neatly fall within the following three-tier funnel (Figure 1.1).

Figure 1.1. A Three-Stage Marketing Funnel



Top: Building awareness with prospects.

Middle: Engaging prospects, establishing credibility with them, attracting their interest, and gaining their trust.

Bottom: The sales process where prospects are converted to clients.

This is not to say that all—or even most—advisory practices strategically deploy tactics across every stage of the funnel. Indeed, as we'll show later in this report, nearly a quarter of practices use fewer than three unique marketing tactics (making it impossible to dedicate a tactic to each stage of the funnel), while many others either concentrate numerous tactics within just one or two stages or deploy tactics in isolation across them, often giving little consideration to how those efforts work together across the broader marketing pipeline. The domain of this study largely encompasses tactics influencing the top and middle tiers of this marketing funnel, including building awareness, generating interest, and establishing credibility. The bottom of the funnel (the advisor's sales process itself once a prospect is ready to meet) is not a primary focus.

An Industry Soured On Marketing

To grow an advisory firm, some amount of marketing is necessary to achieve profitability, fill existing capacity, and—if further growth is desired—continue to scale the business in size. Even among practices that have existed for 20 years or more, three-quarters remain actively engaged in marketing to support continued growth, which means that for most Senior Advisors (i.e., those responsible for both serving existing clients and prospecting for new ones), marketing remains a permanent fixture of their job responsibilities. Indeed, when comparing Senior Advisors with fewer than five years of client-facing experience to those with more than twenty, the share of the workweek devoted to marketing (excluding time spent meeting with those prospects) declines by only four percentage points—from 11% to 7%.

Given the central role marketing plays in advisors' responsibilities, one might naturally hope it is a part of the job they enjoy. However, one fact that emerges repeatedly and inescapably across the breadth of our practice management research is simply how much advisors dislike marketing relative to other tasks. When asked to rate various business activities on a spectrum from frustrating to satisfying, marketing consistently ranks among the most frustrating tasks—surpassed only by administrative work, compliance, and (for those leading teams or firms) management responsibilities. As a result, advisors who spend the most time marketing report lower levels of wellbeing and, by extension, higher turnover risk.

Notably, these trends are not merely a function of newer advisors (who spend the most time on marketing despite being the least experienced doing it) feeling ineffective at prospecting or experiencing pressure because their ability to earn a living depends on generating new clients. Average satisfaction with marketing among advisors with fewer than five years of client-facing experience is 3.5 on a 5-point scale (which while above the mid-point, is lower than most other tasks). Among advisors with 20 or more years of experience, average satisfaction remains...exactly 3.5.

Part of this persistent dissatisfaction stems from the perception that many marketing strategies are ineffective, and that the tools designed to support them often fail to deliver meaningful results. Indeed, of the 26 marketing tactics examined in this report, only seven receive even average satisfaction ratings above 5 on a scale from 0 (lowest satisfaction) to 10 (highest satisfaction), and only one—client referrals, a largely passive marketing tactic fundamentally dependent on the actions of clients rather the advisor—scores above 6.

This same pattern emerges in our AdvisorTech research. Categories associated with marketing and business development, including digital marketing, inbound lead generation, and outbound prospecting, consistently receive the lowest satisfaction ratings among the 45 technology categories we study, with an average vendor satisfaction rating of 6.9 out of 10—lower than our other five category groupings related to general financial planning (8.0), specialized financial planning including tax and estate planning/document preparation (7.7), investments (7.2), operations (7.6), and client engagement (7.7). In fact, when looking at standout vendors across these categories (achieving our high adoption and satisfaction thresholds to be recognized as such), not a single vendor out of the more than 100 included in our five marketing and business-development categories met the criteria necessary for inclusion. In other words, no marketing technology solution resonated strongly enough with advisors to achieve the combination of satisfaction and adoption necessary to become either a market leader in their category or even a rising star on a path to getting there.

Even if marketing tactics and technology tools were more effective, however, it is unlikely that advisors would ever enjoy marketing as much as activities such as financial planning, investment management, or client meetings. This is because marketing simply does not align with what most advisors find intrinsically rewarding. When asked whether they prefer deepening existing client relationships or prospecting for new ones, advisors choose the former by roughly a two-to-one margin. This preference helps explain why our research identifies a wellbeing "sweet spot" of approximately 40 to 100 clients per advisor (depending on client complexity). As client loads continue to rise—which requires time spent marketing to obtain those clients—advisors' wellbeing begins to deteriorate.

Consistent with this preference, one of the happiest advisor groups identified in our research on advisor wellbeing is advisors working within "mature" practices that are no longer actively marketing for growth. This result stands even after controlling for the higher levels of take-home income that often enable advisors to make that decision, which means these advisors are not merely happier because they earn more money; they are happier because they have reached a level of profitability such that they no longer need to spend substantial time doing something (marketing) they dislike. This point cannot be overstated: rather than these advisors becoming happier because they finally feel effective at marketing (making it more enjoyable), they become happier because they grow to the point that they can simply stop marketing altogether.

Ultimately, however, most advisors will spend the majority of their careers at practices that remain committed to growth, so marketing is not something they can simply hope to avoid. And given that marketing remains an industry constant, the stakes are high when it comes to whether firms get their marketing right. As we show throughout this report, firms that fail to do so often quickly find that, rather than the cost required to acquire new clients and revenue scaling efficiently as they grow, those costs regularly "anti-scale"—rising as a share of revenue instead of falling lower in a traditional scaling business. Indeed, the rising cost of acquiring these new clients and revenue organically as firms grow often eventually balloons to the point that growing inorganically through mergers and acquisitions (M&A) becomes more economically attractive than traditional advisor marketing. It is no coincidence, then, that each year brings new records in both the number of large RIAs and the volume of industry M&A activity.

Successful marketing, by contrast, not only helps keep organic growth financially viable, but also, perhaps, can make one of the industry's most notoriously frustrating responsibilities a little more enjoyable because advisors see more fruits of their labor. As such, understanding what works when it comes to advisor marketing —and what does not—remains critically important.

A Leading Voice On Advisor Marketing

Kitces.com is proud to have served as a leading voice in the study of advisor marketing since our inaugural study in late 2019. Since this report, research has continued to center on the following 3 core objectives:

- **What's Normal:** Outlining common practices related to popular marketing tactics and how advisors implement them.
- **What's Trending:** Detailing which marketing tactics are becoming more or less popular, and how execution and delivery strategies of these specific tactics are changing over time.
- **What's Working:** Providing guidance to advisors and firms on more effective marketing (as measured by the actual return on marketing investment), while examining how effectiveness varies based on the development stage or growth strategy of the practice. Such best practices pertain to:
  - Overall strategies and approaches to marketing;
  - Specific marketing tactics used; and
  - The execution and delivery of those tactics.

This fourth edition of our Kitces Research report on Advisor Marketing offers our deepest look yet into the marketing tactics that succeed (and fail!) when it comes to acquiring new clients!

Study Methodology

Recruiting Respondents

This report draws on original survey data collected from March 6 through April 13, 2026. Participation in the Kitces Research survey was promoted to the Kitces.com audience via emails sent to relevant advisor contacts on the Nerd's Eye View mailing list, banners on the Kitces.com website, and multiple Kitces-affiliated social media channels. FinancialExpertsNetwork.com also generously agreed to promote the survey to their audience through emails sent by their team.

Participation was limited to advisors employed at U.S.-based practices established prior to 2026, ensuring respondents had both revenue and marketing expenditures to report for the 2025 calendar year. Participants were also required to work at practices that provide financial advice or distribute investment products. Eligible respondents included individuals across all industry channels who were knowledgeable about their practice's marketing processes and the general characteristics of the advisory practice. Based on these screening criteria, 4% of respondents were disqualified.

Structure Of The Survey

By design, respondents were asked to answer most survey questions from the perspective of their practice rather than as individual advisors. By "practice", we refer to any entity operating with a shared business vision, budget, client base, and service standard (see the Glossary for a more detailed definition). This approach reflects the reality that marketing is typically managed as a practice-level function rather than as a series of independent decisions made by individual advisors within a practice (even if individual advisors may be executing their own marketing plans). As a result, the benefits of marketing investments generally accrue across the broader practice, making it difficult to accurately allocate expenditures and returns to any single advisor or team. Examples of practice-level questions include those related to marketing (e.g., the specific tactics employed, how much they spend, and the number of new clients acquired) as well as general characteristics of the practice (e.g., number of clients, revenue, and assets).

In addition to these practice-level questions, participants were asked to answer some questions about themselves personally, including about their demographics and their individual satisfaction with the marketing tactics employed in their practice.

Composition Of Sample

968 individuals at least partially responded to the 34-minute survey. Of these, 506 provided responses that met our stringent qualification and completeness criteria, allowing us to report most results within a narrow +/-3% margin of error. Of these respondents, 91% came from the Kitces.com audience while 9% came from the FinancialExpertsNetwork.com audience.

The middle half of our sample of advisors (25th percentile to 75th percentile) is displayed in Figure 1.2.

Figure 1.2. Summarizing Typical Survey Respondents

Variable	Range
Respondent Age	42-60 Years
Age Of Respondent's Practice	5-25 Years
Primary Industry Channel	68% Ind. RIA
Practice Staff Size (Including All Advisors)	1-6 FTEs
Annual Practice Revenue	$235,000-$1.65M
Share Of Revenue Dependent Upon AUM Fee	65%-99%
Clients Served By Practice	50-330
Typical Investable Assets Per Client	$500,000-$2M
Share Of Clients 60 Or Older	32%-65%

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

Because this survey drew mostly 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, 68% 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 advisors" – professionals in the business of delivering and getting paid for financial advice to clients (not exclusively selling products).

Despite consisting primarily of Kitces.com financial advisor 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 $235,000 and $1.65M in annual revenue, with 10% representing practices with $5M or more in revenue, and 5% representing those with $10M or more in revenue (roughly consistent with overall industry demographics). The number of clients across these practices typically fall between 50 and 330 clients per practice, with 10% representing practices with 700 or more clients, and 5% representing those with 1,300 or more clients.

Substantial portions of respondents were members of professional organizations such as the Financial Planning Association (34%), The National Association of Personal Financial Advisors (26%), and XY Planning Network (19%) (Figure 1.3).[1]

[1] Disclosure: The owner of Kitces Research, Michael Kitces, is also a co-founder of XY Planning Network (XYPN). However, the Kitces Research team is entirely independent from XYPN. XYPN has no ability to influence which advisors received the Kitces Research survey, no access to advisor research data, no ability to control or impact what results are reported, and no knowledge or awareness of any results outside of those reported publicly in this study.

Figure 1.3. Respondent Membership By Organization

Organization	Share With Membership
FPA	34%
NAPFA	26%
XYPN	19%
CFA	8%
EPC	9%
IWI	6%
FSI	6%
NAIFA	5%
CKA	3%
AICPA	2%
NATP	2%
NAEPC	2%
Garrett Planning Network	2%
AGC	1%
Other	8%

Key Study Terminology

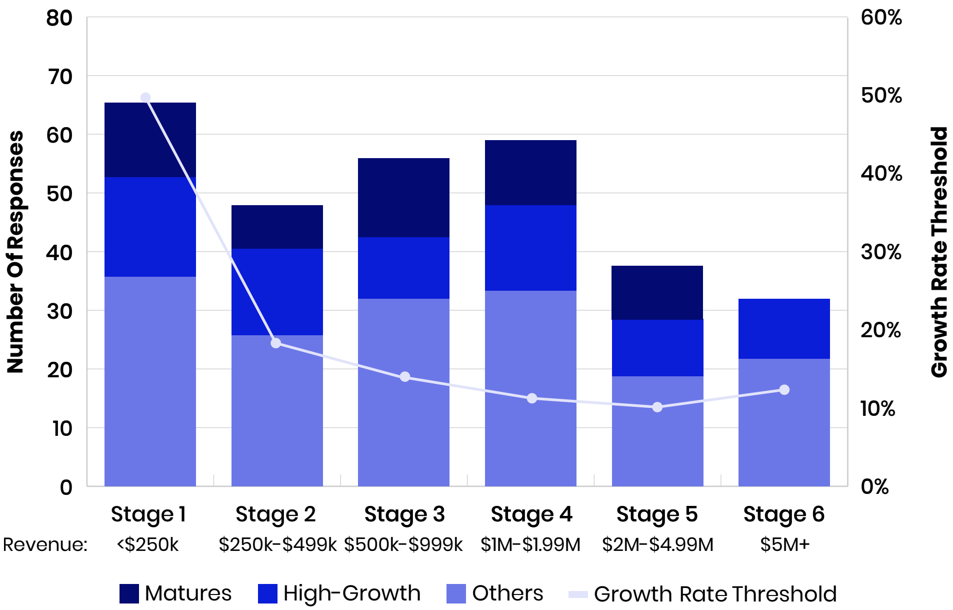
This report frequently relies on several terms and metrics we constructed that are helpful for understanding financial advisor marketing. A complete list defining these key terms may be found in the Glossary at the back of this report.

So that we could better understand and illustrate how marketing evolves as a practice grows, our report frequently looks at survey respondents according to their revenue range, with Stage 1 being the smallest practices in terms of annual revenue (<$250k) and Stage 6 being the largest ($5M+).

At times, we further distinguish these stages based on annual organic new client revenue growth rates. This growth rate measure looks exclusively at revenue growth attributable to marketing efforts. It excludes revenue increases from existing clients—such as revenue growth resulting from market appreciation among practices charging AUM fees, new asset contributions, or fee increases more broadly—as well as revenue acquired inorganically through mergers and acquisitions. Specifically, it is calculated as revenue generated in 2025 from new clients acquired through marketing divided by total practice revenue at the end of calendar year 2024. We classify high-growth practices as those ranking among the top third in each of the six revenue stages in organic new client revenue growth, exclusive of the 15% of our sample working for "mature" practices that are not actively seeking growth (which are excluded from these segmentations). In other words, our comparisons between high growth and other practices only include practices with genuine growth ambitions in the first place. Practices not in the "mature" stage of their development are referred to as "actively growing practices". While the previous edition of this report lacked a sufficient sample size to segment Stage 6 practices by growth rate, the higher level of advisor participation in this edition made such analysis possible. Segmenting key findings in this way is helpful for identifying the marketing tactics and strategies that distinguish the fastest growing practices from the rest.

The bars in Figure 1.4 illustrate these groupings, including the number of responses in each stage from actively growing high-growth and other practices, as well as the number of practices in the mature stage of development not marketing for further growth. The line in Figure 1.4 represents the organic growth rate threshold required to qualify as a "high-growth" practice within each stage. As we will show in greater detail later, smaller practices tend to grow substantially faster than larger practices (largely due to the fact that they're growing on a smaller denominator of existing revenue in the first place), resulting in a much higher threshold for early-stage practices. For example, practices generating less than $250,000 in annual revenue required a 50% organic growth rate to rank among the top third of high-growth practices within their stage. That threshold declines to 10% for Stage 5 practices, before increasing modestly to 12% for Stage 6 practices.

Figure 1.4. Distribution Of Responses by 2025 Revenue And Revenue Growth (Actively Growing Practices)



Note: "Growth Rate Threshold" indicates the annual rate of growth in organic new client revenue that distinguishes high growth practices from other actively growing practices.

2

Overview Of Advisor Marketing Effectiveness

The True Cost Of Advisor Marketing

Why Marketing Costs Struggle To Scale (And Sometimes Anti-Scale)

The Cost Of Acquiring New Clients

The Cost Of Acquiring New Revenue

The Benefits Of Efficient Marketing

Efficiently Scaling Marketing Costs As Firms Grow

Evaluating the effectiveness of a practice's marketing efforts involves three core steps. The first is determining how much the practice actually spends on marketing – a process that is deceptively complex when accounting for the 'true' cost of marketing in both 'hard-dollar' expenditures as well as the 'soft-dollar' time cost of advisors and other staff devoted to marketing activities.

The second step is measuring the revenue generated because of those marketing efforts. In this report, we primarily focus on revenue expected to be generated over the subsequent next 12 months, which reflects the typical evaluation horizon used when assessing returns of both organic growth initiatives (through marketing) and inorganic growth strategies (through M&A).

The third step combines the first two, analyzing how efficiently marketing costs translate into revenue, including metrics such as the average cost to acquire each new client (i.e., Client Acquisition Cost or "CAC"), and – perhaps more importantly – the marketing cost required to generate each additional dollar of new revenue from those new clients (i.e., Revenue Acquisition Cost or "RAC").

The True Cost Of Advisor Marketing

When most advisors think of marketing costs, they think of the hard dollars spent on marketing goods or services (e.g., the $6,000 per year for an AI-assisted prospecting tool, $450 per year to be listed in various directories, $2,000 per year to host a seminar at their office, or the small "thank you" gift for clients who refer their friends). In 2026, these hard marketing costs amounted to 2.2% of revenue for the typical practice in our sample. This figure falls neatly in line with a wealth of other industry data finding that advisory practices spend just 2% of annual revenue on marketing. [2]

However, looking at such expenditures alone considerably underestimates firms' total marketing expenditures by ignoring the 'soft costs' of the time required for advisors (and their staff) to carry these marketing efforts through to completion. Leads generated from cold digital outreach applications (such as the growing number of AI-assisted prospecting tools) must be reviewed, follow-up emails must be written (or in today's AI era, pre-generated emails may need to be edited), Center Of Influence (COI) relationships must be developed over multiple lunch meetings, and successful seminars require many hours of preparation, among other demands. Considering the cost of advisors' marketing time is essential, as advisors' time can be expensive and is inherently finite: every hour dedicated to marketing is an hour that cannot be dedicated to something else.

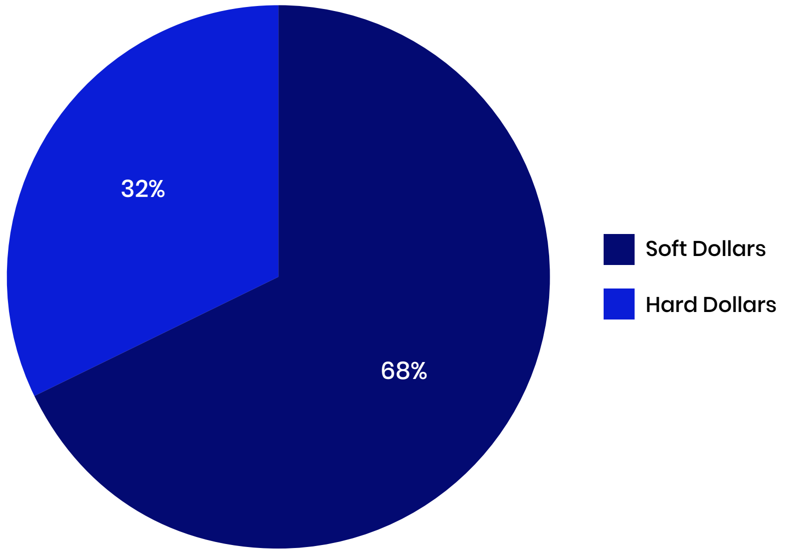
We can estimate the value of an advisor's time by multiplying the share of time spent on marketing by their annual take-home income, which also represents the salary and other compensation costs of the firm to employ that advisor (and deploy their time across various firm activities). For example, if an advisor earns $200,000 per year from their firm (inclusive of any profits from ownership), and spends 25% of their time on marketing and business development, the firm has effectively spent $50,000 of the advisor's time on marketing – even if these advisor time costs are supporting marketing efforts that cost 'just' $20,000 in 'hard' costs. These advisor time costs across all advisors in a practice, taken together with the compensation of any dedicated marketing staff (e.g., a CMO or sales associate), yields an estimate of the practice's total 'soft' marketing costs of advisor and other staff time.

When considering the value of advisor and staff time, it's easy to see how these 'soft' marketing costs quickly add up! In fact, our data suggests soft costs actually dominate marketing expenditures – amounting to 4.8% of annual revenue for the typical firm, and equivalent to 68% of all marketing

[2] For example, Charles Schwab "Insights from the 2025 RIA Benchmarking Study", Page 18.

expenditures (Figure 2.1). Notably, this breakdown of hard versus soft dollars has remained remarkably stable over the editions of this report in which we've distinguished between them; soft dollars amounted to 69% of marketing costs in 2021, and 71% in 2023.

Figure 2.1. The True Cost Of Advisor Marketing For The Typical Advisory Practice



2.2% Of Revenue In Hard Costs + 4.8% Of Revenue On Soft Costs = 7% Of Revenue In Total Marketing Costs

Taken together, hard (2.2% of revenue) and soft marketing expenditures (4.8% of revenue) amount to 7% of annual practice revenue – representing the 'true' cost of marketing to the typical practice. This 7% figure remains nearly identical to the 7.1% observed in 2022, though it represents a meaningful decline from the 11% reported in 2024.

Two factors in particular explain why marketing costs as a share of practice revenue declined since the last edition of this report. The first relates to the denominator (practice revenue) which was unusually depressed in our 2024 study (where advisors reported 2023 revenue), due largely to the lagging effects of the market downturn in 2022 on early 2023 billing. Because most advisors in our sample (82%) rely primarily on AUM-based pricing, declines in the market reduced practice revenue, causing a given dollar amount of marketing expenditures to represent a larger percentage of revenue. Indeed, this can be seen in how hard-dollar marketing expenditures for the typical practice actually remained nearly perfectly fixed at $10,000 in each of the 2022, 2024, and 2026 surveys.

The second factor relates to an actual decline in the numerator (marketing costs) in 2026. At a high-level, this decline occurred because the typical advisor spent 10% of their day marketing in 2024 compared to 8.2% in 2026 (which matters because, as just noted, advisor time costs amount to roughly two thirds of total marketing costs.)

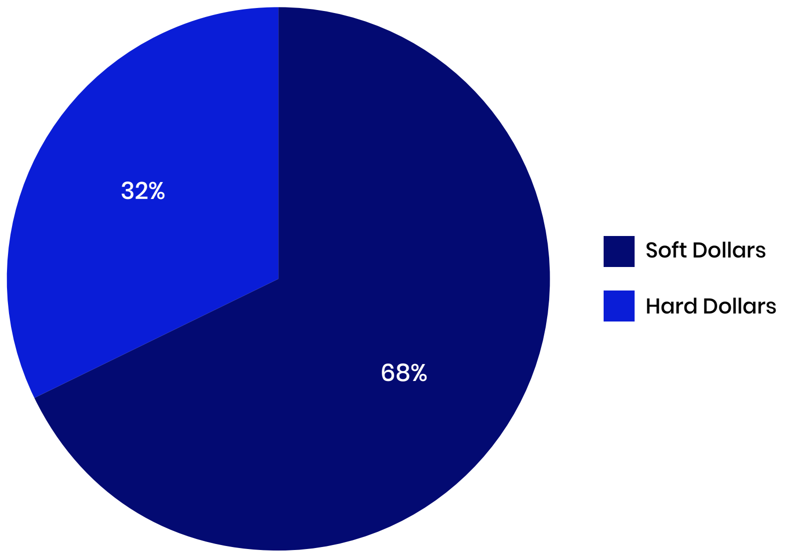
What explains this decline in advisor time spent marketing? One reason is that advisors appear to have naturally shifted away from less cost-effective marketing tactics (as measured by the cost required to acquire new client revenue, a concept explored extensively later in this section) that tended to demand substantial advisor time (which as shown earlier constitutes roughly two-thirds of total marketing costs), such as webinars, newsletters, and book writing. At the same time, advisors appear to have gravitated toward tactics requiring less time investment (like third-party review sites) or those generating a greater typical return on that time investment (e.g., COIs). As a result, advisor time as a share of total marketing costs declined four percentage points, from 64% in 2024 to 60% in 2026, coinciding with a decline in soft-dollar marketing costs as a share of revenue from 7.6% in 2024 to 4.8% in 2026.

A second reason behind the advisors decline in time spent marketing is that, while advisors generally migrated toward more cost-efficient tactics (with some notable exceptions discussed later), there is also evidence that, at least in some cases, many discontinued tactics were simply not replaced, as advisors narrowed their marketing focus to fewer (typically better-working) tactics. Among advisors participating in both our 2024 and 2026 surveys, the typical advisor reported using one fewer marketing tactic in 2026 than in 2024 (decreasing from five to four).

This pruning of tactics also reinforces the broader theme (emerging repeatedly throughout this report) of advisors becoming more efficient. While practices achieving standout organic growth do tend to use a greater range of marketing tactics (and thus rely less heavily on client referrals), expanding into too many tactics (typically beyond four) too quickly before existing tactics are operating efficiently results in an unfocused, less successful marketing strategy.

An important caveat to the growth figures discussed thus far is that they are calculated across all practices, regardless of stage of development. This distinction matters because, while most practices are actively pursuing growth to achieve specific business objectives, approximately 15% of practices in this research are classed as 'mature', meaning they are not actively seeking further growth (though may still accept a few inbound referrals). When looking exclusively at actively growing practices, marketing costs as a share of annual revenue rise further from 7.0% to 8.1%, with 2.6% attributable to hard-dollar expenditures and 5.5% attributable to soft-dollar costs.

Figure 2.2. The True Cost Of Advisor Marketing For Actively Growing Practices

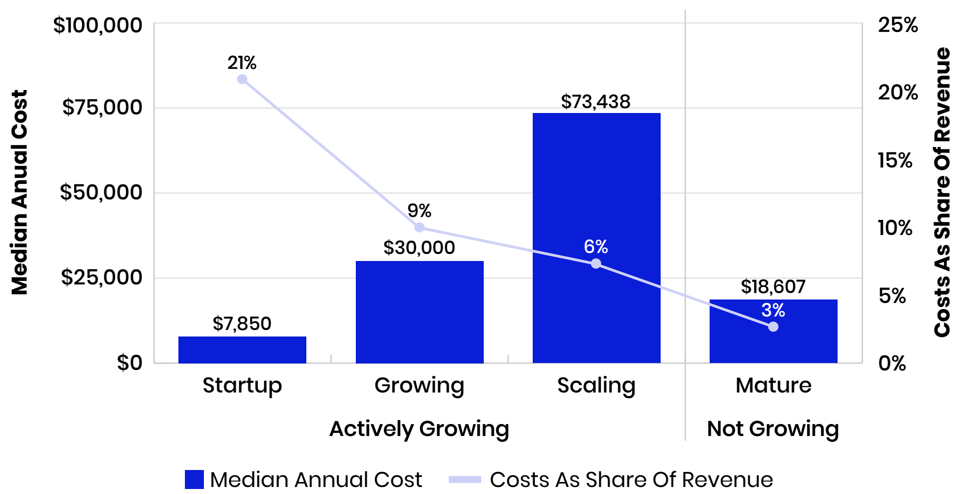


2.6% Of Revenue In Hard Costs + 5.5% Of Revenue On Soft Costs = 8.1% Of Revenue In Total Marketing Costs

Further, even among actively growing practices, marketing costs vary sharply based on whether they are in the 'startup' stage aggressively trying to grow revenue to at least subsistence levels on the path to achieving profitability, versus when they are already cash flow positive and are 'growing' to fill existing capacity, or 'scaling' by expanding their existing capacity to support further growth.

As shown in Figure 2.3, practices in the 'startup' stage of development allocate 21% of revenue toward marketing expenditures, although this equates to only about $7,850 given their relatively limited revenue base at that stage (which both constrains their ability to afford hard-dollar marketing costs, and reduces the cost of their advisor time in soft-dollar expenditures). Among 'growing' and 'scaling' practices, marketing expenditures generally range from 6% to 9% of revenue. By contrast, 'mature' practices that are not actively pursuing growth allocate just 3% of revenue (including hard- and soft-dollar costs) to marketing.

Figure 2.3. Marketing Costs By Practice Lifecycle



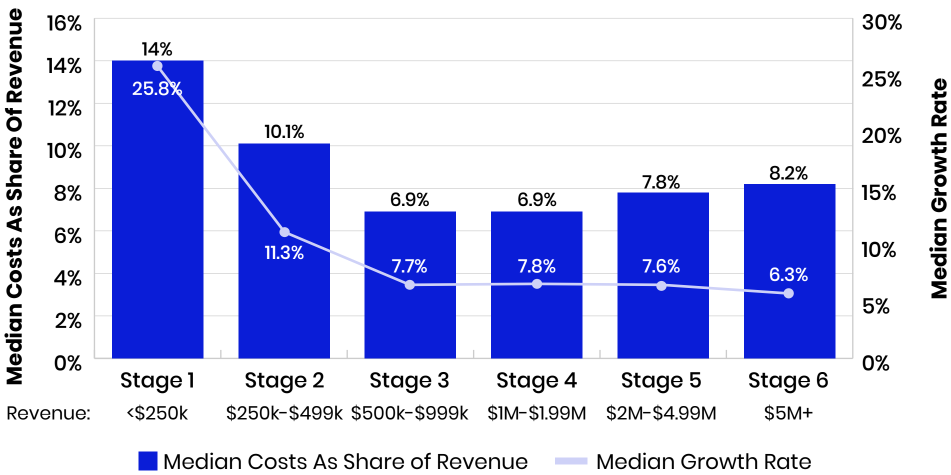
More broadly, given that most other industry benchmarking data suggests typical marketing expenditures amount to approximately 2% of revenue, the finding that mature practices not actively pursuing growth still spend 3% underscores the importance of accounting for both hard-dollar marketing expenses and the soft-dollar costs associated with advisor time devoted to marketing activities. When labor expenses are accounted for, the true cost of marketing is approximately 3.5 times higher than conventional industry assumptions – and even higher among practices actively pursuing growth. As we will show later in this section, this distinction has significant implications when evaluating whether the revenue generated from marketing efforts ultimately represents a strong return on investment.

Why Marketing Costs Struggle To Scale (And Sometimes Anti-Scale)

Beyond offering a more accurate picture of the 'true' cost of marketing, thinking about marketing expenses as a function of both hard and soft costs is important for understanding why firms struggle to scale their marketing as they grow.

As it turns out, among actively growing practices, costs don't actually decline as the firm grows; instead, there is a lopsided U-shaped pattern: marketing expenditures are highest at 14% for practices under $250K in annual revenue, decline steadily to 6.9% for those between $500K and $2M in revenue (as the firm grows), but then rise again to 8.2% for practices exceeding $5M (Figure 2.4).

Figure 2.4. Marketing Costs And Organic New Client Revenue Growth By Practice Size (Actively Growing Practices)



The reasons behind the higher relative marketing costs observed among smaller practices are straightforward. Marketing is often most critical for newer advisory practices – many of which consist of just an unsupported solo advisor – that are actively trying to build sufficient client volume to utilize existing capacity and cover the fixed costs of operating the business. In these early stages, marketing expenditures (the numerator) become especially important, while practice revenue (the denominator) remains comparatively low. Therefore, as practices grow and approach approximately $2 million in revenue – where marketing becomes less emphasized, more naturally efficient marketing channels like referrals start to kick in (as the firm has enough volume of clients to generate some referrals), and new clients are joining a larger existing revenue base – relative marketing costs predictably decline.

However, the subsequent increase in marketing expenditures as practices surpass the $2-million revenue threshold – a finding also identified in prior editions of this report – is particularly remarkable because many firm owners assume that marketing costs will continue to scale efficiently as their businesses grow (either through spreading fixed expenses across a larger revenue base or continuing to grow more efficiently), which would lead to marketing costs declining (or at least remaining stable) as a share of revenue. In practice, though, marketing costs not only fail to scale, but often appear to "anti-scale", increasing as a share of revenue once practices exceed $2 million in annual revenue.

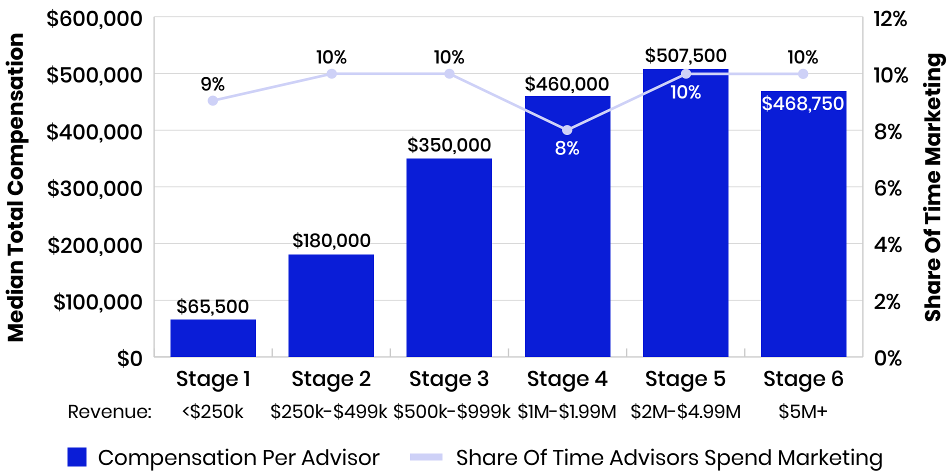
More concerning, these growing marketing expenditures correspond with continued decreases – not increases – in organic growth rates. Annual organic revenue growth from new clients falls from 25.0% to 7.8% between Stage 1 and Stage 4 practices as relative marketing costs decline, but then decline further to 6.6% among Stage 6 firms even as marketing expenditures begin to rise again. In other words, once practices grow beyond approximately $2 million in revenue, they often spend progressively more on marketing for incrementally less in growth outcomes (as organic growth rates continue to decline). The cumulative effect is a gradual decline in the cost-effectiveness of pursuing organic growth through marketing relative to inorganic growth strategies such as mergers and acquisitions (M&A).

The explanation for why marketing costs appear to "anti-scale" as firms grow becomes clearer when revisiting the two components that comprise the true cost of advisor marketing: hard-dollar expenditures and the "soft-dollar" value of advisor and staff time devoted to marketing activities.

New advisory firms that are smaller in size, by definition, have fewer hard dollars available for marketing because their revenue is low. This is reflected in the fact that the typical actively growing Stage 1 practice spends just $5,000 per year in hard marketing costs (versus $16,000 for practices between $1m-$2m in annual revenue and $170,000 for practices over $5m). What these firms do have, however, is plenty of time, given their smaller client bases. Time that, from a glass-half-full perspective, is not yet worth very much because newer advisors have limited client revenue to service anyway at that stage!

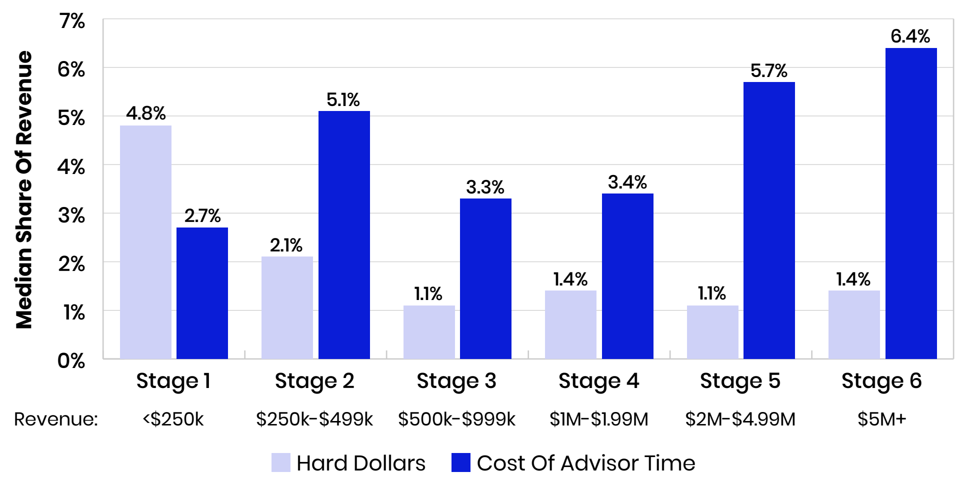
However, as firms successfully bring in more clients and advisors can draw higher income from the practice, their time becomes more valuable. This is reflected in how, among Senior Advisors in our sample (predominately composed of owners), annual income rises as practice size increases (with a modest decline by Stage 6, which data from our other reports reveals is because Senior Advisors at these practices are less likely to be owners – and by extension, are less likely to receive exclusively variable compensation that drives higher take-home income), as shown in Figure 2.5.

Figure 2.5. Senior Advisor Compensation, Including Owner Profits, And Time Spent Marketing By Practice Size (Actively Growing Practices)



Given that (as shown earlier) 68% of marketing expenditures consist of the soft costs of advisor (and staff) time, and the value of advisor time spent on marketing steadily rises as practices grow in revenue (without a corresponding decline in the number of hours spent to marketing – also shown in Figure 2.5), it's easy to see why these soft marketing costs can quickly add up for larger practices heavily reliant on advisor time. Which is why, as shown in Figure 2.6, advisor time costs grow from 3.4% of revenue in Stage 4 to 6.4% in Stage 6!

Figure 2.6. Hard Dollars And Advisor Time Revenue Share By Practice Size (Actively Growing Practices)



Equally notable as the anti-scaling effect of advisor time costs as practices grow is the fact that hard-dollar marketing costs actually do scale with revenue growth as many practice owners might expect. These expenditures decline sharply from 4.8% of revenue among Stage 1 practices to just 1.1% for Stage 3 practices, and remain below 1.5% thereafter.

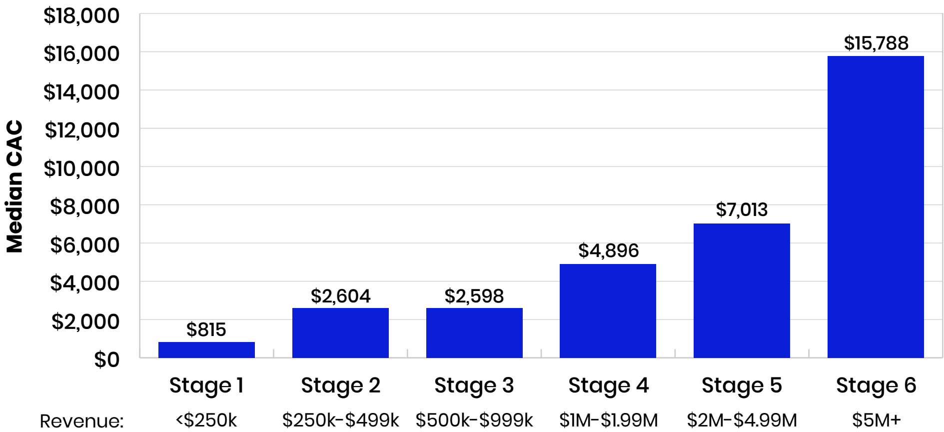
One key implication is that firms may be able to market more effectively when they successfully transition their marketing strategies away from heavy reliance on advisor time – which is more available and less costly in the early stages of a practice – toward greater reliance on scalable hard-dollar marketing investments as firms mature and advisor time becomes increasingly valuable (and "expensive" to deploy towards marketing). This dynamic is explored in greater detail in the final section of this report.

The Cost Of Acquiring New Clients

Further evidence of practices' difficulty scaling marketing costs as they grow – driven largely by the rising cost of advisor time – can be seen in client acquisition costs (CACs). CAC is a key metric for evaluating the return on marketing investment, measuring how many clients are gained relative to marketing spend. It is calculated as total marketing expenditures in a given year, divided by the number of new clients acquired in that same year. By this measure, median CAC increased from $2,167 in 2022 to $3,800 in 2024, before declining to $2,551 in 2026. And notably, this recent decline in CAC since 2024 aligns with the broader decline in relative marketing expenditures from 2024 to 2026 discussed earlier in this section.

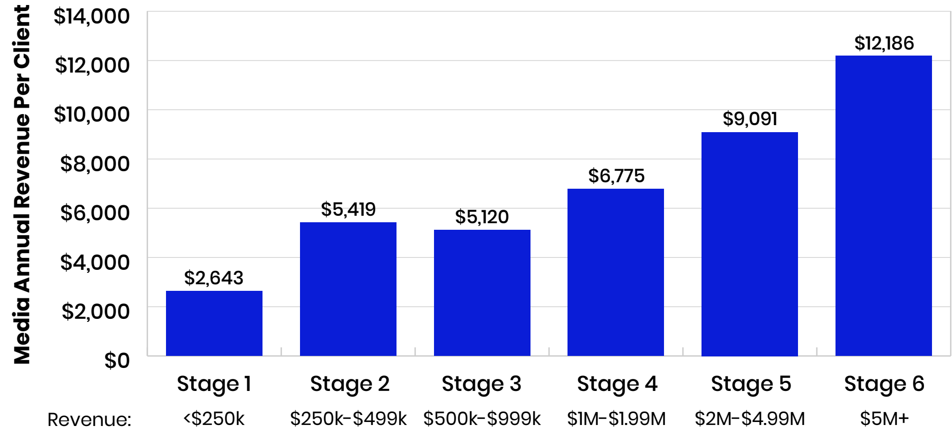
Given that roughly two-thirds of marketing costs are driven by increasingly expensive advisor and staff time, CAC tends to rise sharply as practices grow and generate more revenue: Stage 1 practices typically spend $815 for each new client; Stage 6 practices typically spend $15,788 (Figure 2.7).

Figure 2.7. Client Acquisition Cost By Practice Size



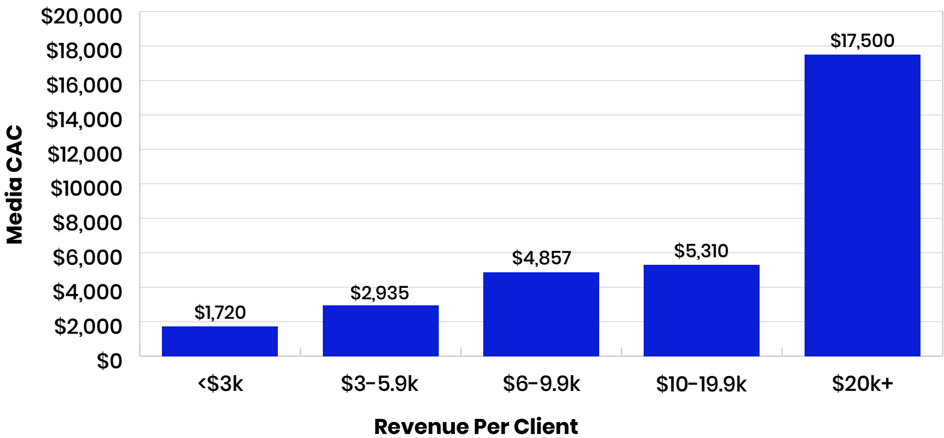
The increase in client acquisition costs (CACs) as practices grow also corresponds with higher annual revenue per client, for two primary reasons. First, because rising CAC is driven in significant part by the increasing economic cost of advisor time, firms are compelled to target more affluent clients – those with both the willingness and financial capacity to pay higher fees – to maintain profitable client relationships in the face of higher acquisition costs. This trend is illustrated in Figure 2.8, which shows that median revenue per client rises steadily from $2,621 among Stage 1 practices to $12,186 among Stage 6 practices, leading to awkward-yet-common phenomenon of firms stating "we built this business taking a wide range of 'smaller' clients, yet now even though we're bigger we can't afford to serve them profitably anymore!?".

Figure 2.8. Revenue Per Client By Practice Size



Second, clients who are willing and able to pay higher fees are also more expensive to acquire. As shown in Figure 2.9, median CAC rises from $1,720 for practices primarily serving clients generating less than $3,000 in annual revenue to $17,500 for those serving clients generating $20,000 or more annually (restricted to just AUM based practices, because as we'll show later, practices mostly reliant on planning fees generate less revenue per client but also have lower CACs). However, these clients also generate substantially greater economic value for both practices and advisors. Indeed, our research finds that revenue per client is a strong predictor of advisor productivity, and if paired with lower client load (because affluent clients require more work to serve), also produces greater advisor wellbeing – and by extension, lower turnover rates. As a result, practices have strong incentives to invest heavily in acquiring these higher-value clients.

Figure 2.9. Client Acquisition Cost By Revenue Per Client (Actively Growing Primarily AUM Practices)



Taken together, the data suggest that larger firms not only feel increasing pressure to move upmarket in response to rising CAC, but are also more likely to leverage the additional resources afforded by their size to pursue affluent clients given the significant operational and economic benefits associated with serving them.

Instinctively, one might expect rising client acquisition costs (CACs) as firms grow to be accompanied by higher client minimums, yet we find surprisingly little evidence that this is occurring. Predominantly AUM-based firms generating more than $250,000 in annual revenue and using asset-based minimums typically maintain minimums around $500,000 regardless of practice size, while firms using minimum fees generally remain clustered within a relatively narrow range of approximately $5,000 to $6,000 annually.

One implication of firms failing to raise minimums – whether due to oversight, guilt-based reluctance, or other factors – is that they may continue accepting clients who are not economically profitable for many years. For instance, if a firm generating more than $5 million in annual revenue accepts a $500,000 client that generates $5,000 of annual revenue, and the firm operates with a typical 30% profit margin, the resulting annual profit contribution would be approximately $1,500. Given the previously cited client acquisition cost (CAC) of $15,877, it would take roughly 10.5 years for the firm to recover the cost of acquiring that client.

In other words, while larger practices are clearly moving upmarket on average in response to rising acquisition costs, the failure to simultaneously increase client minimums suggests that many continue serving a segment of clients who are not immediately profitable, and become less profitable as the cost of their advisor time and other marketing costs rise, further compounding the scaling challenges discussed previously.

The Cost Of Acquiring New Revenue

Ultimately, advisors care about the cost of acquiring new clients because of the additional revenue those clients generate. The extent to which marketing expenditures translate into new revenue therefore serves as our primary measure of marketing efficiency. The purest metric of this is a practice's revenue acquisition cost (RAC): the amount they must spend to generate each additional dollar of new client revenue. (This represents a departure from prior editions of the report, in which our efficiency metric was expressed inversely by measuring the amount of revenue generated for each additional dollar of marketing expenditure as a "marketing efficiency" ratio.)

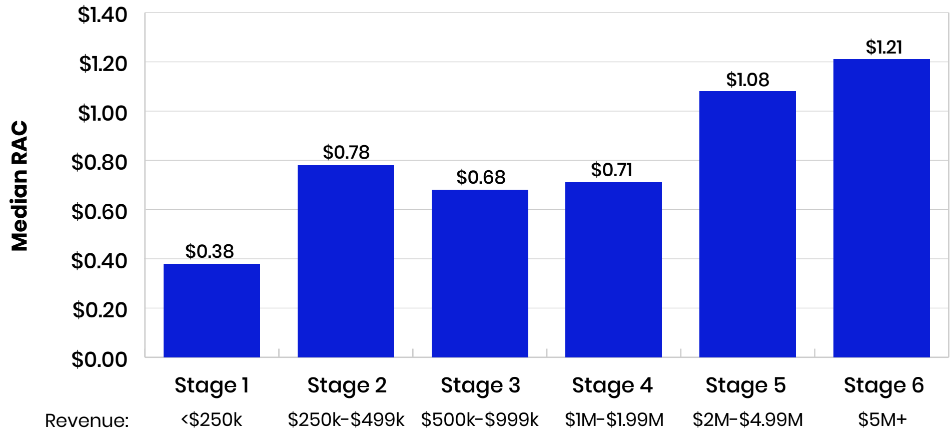
The concept of evaluating the marketing cost of acquiring additional revenue will be familiar to those following the ongoing wave of M&A activity within the financial services industry, where firms are commonly acquired in a purchase transaction for a cost of approximately 2.5x to 3.5x annual revenue. Beyond illustrating the return on marketing investments, RAC also provides a framework for comparing the relative attractiveness of pursuing organic growth through marketing expenditures versus inorganic growth through acquisitions. As the RAC associated with marketing approaches the 2.5x–3.5x revenue valuation range commonly observed in M&A transactions, inorganic growth becomes an increasingly viable financial alternative to organic growth. Once RAC exceeds approximately 3.5x revenue, M&A may represent the more economically attractive path to continued growth (assuming the practice is unable to increase its marketing efficiency). Conversely, when RAC is below 2x revenue, firms would still financially benefit from investing more into their organic growth strategies than pursuing M&A (even if they're spending as much as two years' worth of revenue just to obtain one new client!).

Based on this metric, the RAC of the typical practice declined from $1.08 in 2024 (i.e., it takes just over a year for advisors to make back the cost of their marketing investment) to $0.70 in 2026 (i.e., advisors make back the cost of their expenditures in 8.4 months). In other words, this decline in RAC – driven by a lower CAC – means advisors have gotten more efficient in their marketing between 2024 and 2026! As will be discussed at greater length in the "Marketing Tactics – A Summary" section, this increase in overall practice-wide efficiency is driven by advisors dropping less efficient individual marketing tactics that required lots of their time without adequate payoff for that time (e.g., webinars, newsletters, and writing for third-party platforms) and adopting more efficient tactics more generally (e.g., third-party review sites, and COIs).

What stands out most from our sample-wide median RAC of $0.69, however, is just how good of an investment marketing seems to be, notwithstanding broad advisor dissatisfaction with their marketing results – at least relative to acquiring these clients inorganically. Namely, acquiring additional revenue organically through marketing investments at an RAC below $1 costs roughly 70%–80% less than acquiring comparable revenue inorganically through M&A at 2.5x revenue or more (i.e., a RAC of $2.50+ for acquisitions). In other words, for the small- to mid-sized firms that comprise most of our sample, pursuing organic growth through their existing marketing tactics, and even pushing them to incrementally worse results, still appears to deliver a decisively superior return on investment. This also implies that advisors' persistently sour views toward marketing are, at least for the typical advisor, really not driven by their marketing efforts failing to generate reasonable returns, but more so by the fact that advisors would simply prefer to serve clients once they've been acquired rather than hunting for them in the first place.

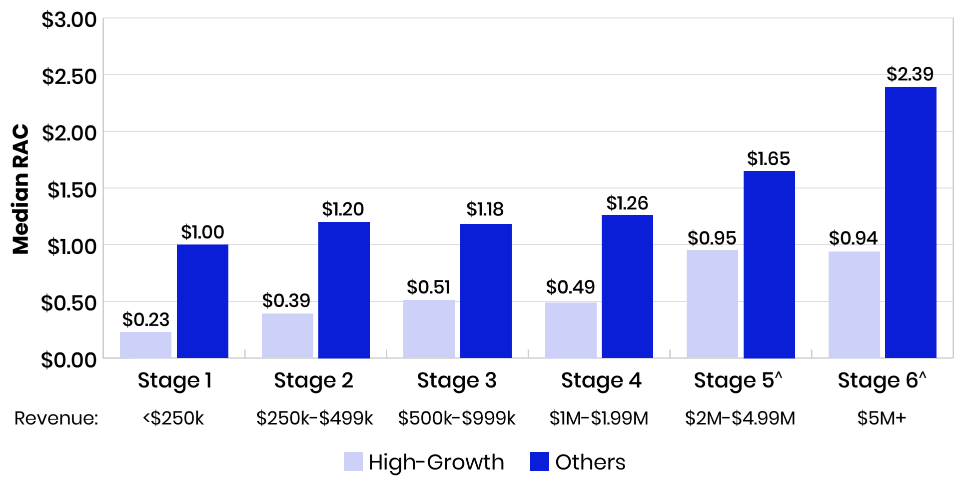
This is not to say, of course, that marketing efforts remain equally as cost effective for all practices. Indeed, because the rise in CAC as practices grow (driven largely by the increasing value of advisor and staff time) outpaces the increase in annual revenue generated by newly acquired clients, the relative attractiveness of pursuing organic versus inorganic growth meaningfully declines as practices grow. As shown in Figure 2.10, RAC rises from $0.38 in Stage 1 practices (i.e., spending 38 cents to generate each additional $1 of new client revenue over the subsequent 12 months) to $1.21 among Stage 6 practices.

Figure 2.10. Marketing Efficiency By Practice Size (Actively Growing Practices)



Still, despite this steady increase, it's notable that even for the typical Stage 6 practice, pursuing organic growth remains more cost-effective than acquiring that revenue inorganically. This picture changes, though, when distinguishing practices achieving standout growth from the rest, as shown in Figure 2.11.

Figure 2.11. Marketing Efficiency By Practice Size, High-Growth Vs Others (Actively Growing Practices)



^ 5-9 responses for one or more of the displayed metrics

At every stage of development, high-growth practices maintain substantively lower RACs, typically half or even one-third the cost of their slower-growth peers. While RAC rises with practice size for both actively growing high-growth and non-high-growth firms (albeit not perfectly linearly), the gap between the two groups widens considerably from Stage 3 through Stage 6, driven primarily by sharply increasing RACs among non-high-growth practices. In fact, non-high-growth Stage 6 practices ($5 million or more in annual revenue) exhibit a RAC of $2.39 – meaning that, at this point, acquiring growth through M&A really is as cost-effective as traditional marketing tactics, and often an easier means of deploying large dollar amounts rapidly to accelerate growth.

Crucially, while the distribution of responses in our sample does not permit segmentation beyond $5 million of annual revenue, the underlying economics suggest that RAC likely continues to rise beyond this threshold, at least on average. The reason is straightforward: as firms grow, advisor and staff time generally become more valuable, yet many marketing tactics remain heavily dependent on that time (especially advisor time). Put differently, one of the paradoxes of firm growth is that the advisor time that helped fuel growth in the first place eventually becomes expensive enough to undermine the economics of continuing to grow in the same way. Which implies that unless firms find ways to detach marketing from advisor time and shift execution toward lower-cost staff or scalable marketing systems, the very tactics that enabled early-stage growth can eventually become obstacles to sustaining it – a phenomenon discussed at greater length later. This dynamic, then, helps explain the sharp rise in M&A activity among larger firms in recent years – which allows firms to acquire clients at a similar cost (without the headache and effort of marketing).

Once again, though, these findings highlight that, for most small-to-mid-sized firms, marketing expenditures still decisively represent a clear return on investment. This is evident not only in comparison to the cost of M&A, but also in the relatively short payback periods: practices in Stages 1–4 (under $2M in revenue) typically recoup their marketing investment within 12 months, while those in Stages 5–6 do so within 18 months.

The Benefits Of Efficient Marketing

As we have shown, there is substantial variation across practices in the efficiency of their marketing efforts, as measured by how much they spend to acquire each additional dollar of new client revenue. Maintaining a low RAC is important because it enables faster capital recovery cycles, allowing firms to reinvest in the business more quickly. For example, if marketing investments require 12 months to be recouped (a RAC of $1), that capital cannot be redeployed toward other growth initiatives – such as additional marketing campaigns or hiring advisors to expand capacity – during that period. By contrast, if marketing investments are recouped within 6 months (a RAC of $0.50), practices can effectively complete two growth cycles within a single year rather than one, doubling their annual growth rate for the same marketing expenditure per new client.

In this way, reducing RAC can create a compounding feedback effect, where faster payback periods enable more frequent reinvestment into hiring, marketing, and other growth initiatives, enabling higher growth rates. In other words, practices able to minimize their RAC can materially boost their organic growth rates.

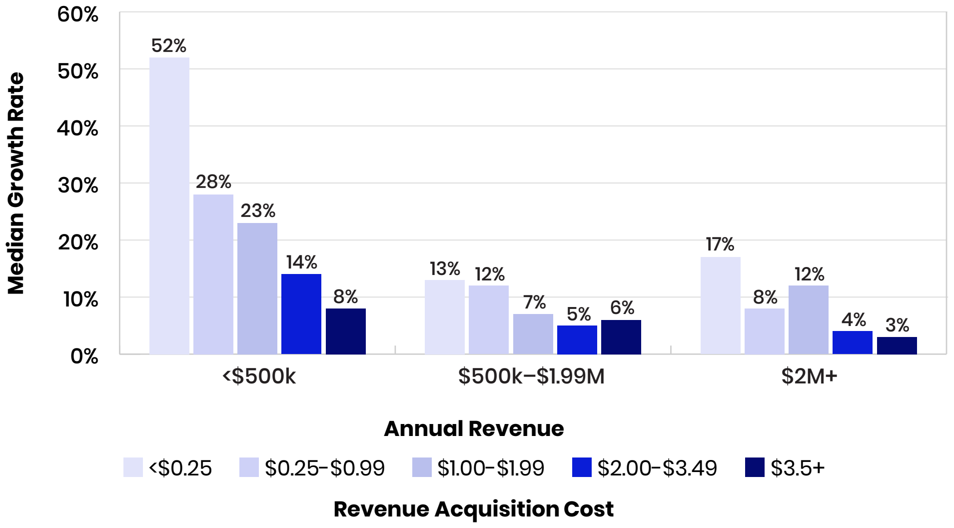
This relationship is illustrated in Figure 2.13, which examines organic growth rates by RAC and practice size. Segmenting by practice size is important because, as shown earlier, larger practices tend to exhibit systematically higher RAC due to the increasing cost of advisor and staff time. RAC groupings are based on natural breakpoints reflecting the relative attractiveness of pursuing organic growth through marketing versus inorganic growth through M&A, the rationales for which are illustrated in Figure 2.12. The numbers presented in both figures are restricted to actively growing practices.

Figure 2.12. Marketing Efficiency Breakpoints (Actively Growing Practices)

RAC Range	Significance	Share Of Practices
<$0.25	Most efficient firms	25%
$0.25-$0.99	Cost of marketing recouped in less than 12 months	32%
$1.00-$1.99	Recouping investment takes over a year, but marketing is less expensive than M&A	20%
$2.00-$3.49	Marketing is comparable in cost to M&A	10%
$3.50+	Marketing is less cost efficient than M&A	13%

As Figure 2.13 illustrates, growth rates are systematically higher among practices generating less than $500,000 in revenue, which naturally grow faster because they are typically still in the process of filling existing client capacity. However, within each revenue band displayed in the figure, higher revenue acquisition costs generally correspond with lower organic new client growth rates – and the magnitude of these differences is substantial. Across each practice size category, the most efficient marketers achieve growth rates between 2–7 times higher than the least efficient.

Figure 2.13. Organic New Client Revenue Growth By Marketing Efficiency And Practice Size (Actively Growing Practices)



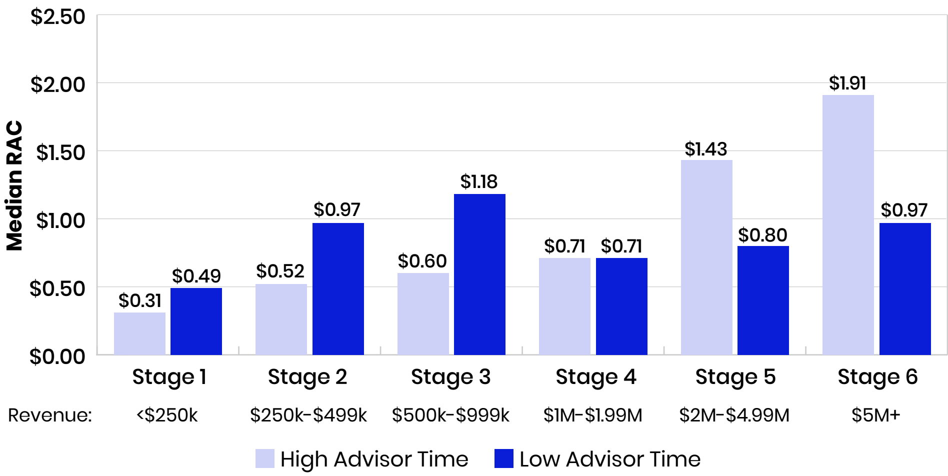
Importantly, these findings suggest that the commonly observed pattern of declining organic growth as practices scale is not solely a function of practice size itself. In fact, highly effective $2M+ practices achieve more than double the organic growth rate of their highly ineffective <$500k counterparts (17% vs 8%)! In other words, while growth rates may tend to moderate as firms mature, increasing marketing efficiency remains a crucial lever in driving long-term organic growth outcomes.

Efficiently Scaling Marketing Costs As Firms Grow

This observation that lower RAC helps drive growth naturally raises the question of how firms can minimize RAC. The single biggest driver is the importance of making marketing less reliant on advisor time as firms grow and that time becomes more expensive, shifting instead toward greater reliance on either hard-dollar expenditures or the time of less expensive (e.g., centralized marketing) staff members.

This should not be confused, however, with never relying on advisor time. In fact, smaller practices (<$1M in revenue) that are more reliant on advisor time actually have lower RACs because the value of advisor time at these stages has not yet ballooned as much as it does later (Figure 2.14), which means using advisor time for growth actually is more efficient than adding a lot of staff overhead for marketing.

Figure 2.14. Marketing Efficiency By Practice Size And Share of Advisor Time Spent Marketing (Actively Growing Practices)

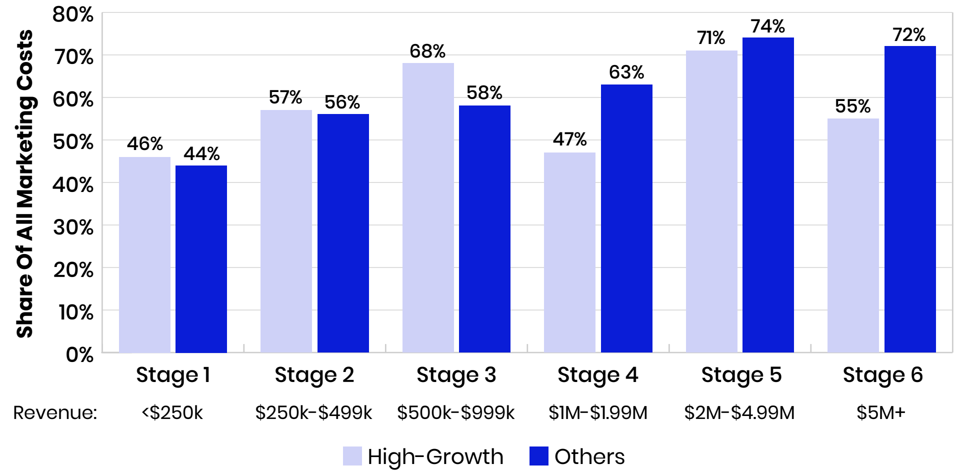


Note: "High Advisor Time" includes practices with median or higher advisor share of total marketing costs. "Low Advisor Time" includes practices with advisor share of total marketing costs below median.

Among practices generating between $1 million and $2 million in revenue, RACs are virtually identical. However, above $2 million revenue, RACs for firms heavily reliant on advisor time balloon to nearly $2, approaching the cost of acquiring comparable revenue inorganically through M&A. By contrast, as low-advisor-time firms grow (typically while building more centralized marketing capabilities or leveraging more external resources to which hard dollars can be deployed), they actually do successfully scale their revenue acquisition costs, resulting in lower RACs as the firm grows beyond $1M of revenue.

And predictably, given the relationship between RAC and organic growth, the importance of transitioning away from advisor time and toward hard-dollar expenditures also appears when distinguishing between high-growth and other actively growing practices (Figure 2.15).

Figure 2.15. Advisor Time Share Of Marketing Costs By Practice Size, High-Growth Vs Others (Actively Growing Practices)



Advisor time costs make up a larger share of marketing spend among high-growth practices until the $1 million mark, then a lower share as firms grow beyond that threshold, suggesting that lower RACs resulting from successfully timing one's transition from advisor-time costs to hard-dollar costs further contribute to firm growth. (And notably, for practices in the $1 million to $2 million range—where RACs tend to be similar regardless of reliance on advisor time—those that have "already" begun shifting marketing from advisor-time costs to hard-dollar costs before advisor time became truly less cost effective appear to be experiencing stronger growth as a result.)

While more detailed discussions of individual tactics are reserved for later sections of this report, it is worth briefly highlighting how the shift away from advisor-time-intensive activities appears across high-growth low-advisor-time firms. The pattern is nuanced, particularly when distinguishing among dropping time-intensive tactics, adopting more cost-effective tactics, and improving efficiency within existing tactics by shifting work to individuals other than the advisor (e.g., more centralized marketing support). In practice, it is relatively rare for firms to eliminate their advisor-time-intensive tactics entirely as they grow and become more efficient. This is because, shown earlier, both practice size and efficiency are associated with the use of a broader range of marketing tactics overall.

One example where a time-intensive tactic does decline is cold-calling and door-knocking, with usage falling from 10% among practices generating less than $250,000 in revenue to 5% among those generating more than $2 million. More commonly, larger and faster-growing firms are somewhat more likely to adopt tactics that require relatively little advisor time. Examples include custodial referrals, traditional solicitors, and direct mail. However, overall adoption rates for each of these tactics remain low (see the "Marketing Tactics – A Summary" section for additional details).

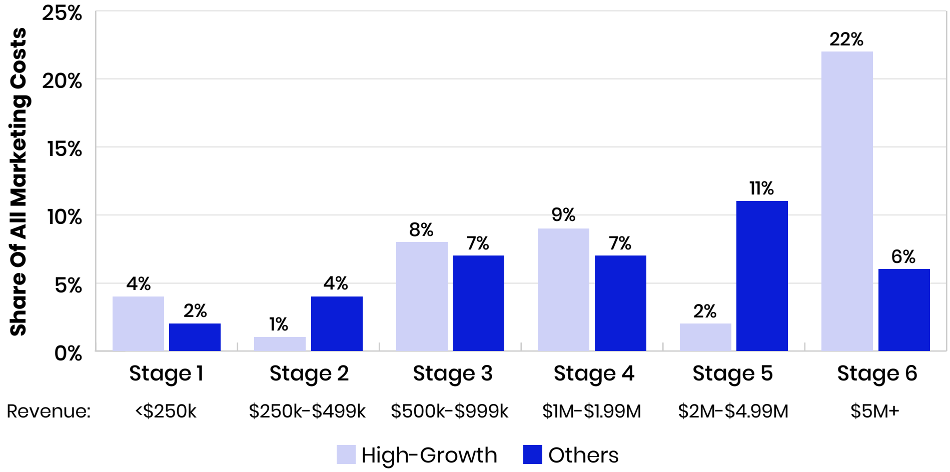
Instead, the primary way high-growth firms minimize advisor time costs is by executing their existing marketing tactics in ways that require less advisor involvement. Among practices generating $1 million or more in revenue—the threshold above which minimizing advisor time is associated with higher growth—high-growth practices use less advisor time in 14 of the 18 tactics for which we have sufficient sample sizes to examine individually, while other practices do so in just four.

A representative example is social media. As we discuss later, social media has ranked among the four most widely used marketing tactics in all four editions of this report, with usage rates ranging from 36% to 42%. Yet despite its popularity, it remains less revenue-acquisition-cost-effective than even M&A transactions completed at a relatively high valuation of 3.5x current revenue.

Among non-high-growth practices, advisor time accounts for 83%–85% of total social media costs regardless of whether the practice is below or above $1 million in revenue, indicating advisors themselves are still personally responsible for their practice's social media activity. Among high-growth practices, however, the advisor-time share falls from 83% to 67% as firms grow beyond the $1 million mark, indicating that – while even among these firms most of the "cost" of this tactic comes from advisor time, advisors at high-growth practices are more successful in delegating or centralizing at least some of their advisors' social media presences. This occurs despite high-growth practices with more than $1 million in revenue having the highest social media adoption rate (51%), compared to just 29%–37% for the other groups.

This pattern of high-growth practices reducing advisor time as they scale without substantially reducing their use of marketing tactics is largely explained by greater delegation of marketing-related work to staff. As shown in Figure 2.16, staff costs account for a larger share of total marketing costs among high-growth practices at most growth stages, with the exceptions of Stages 2 and 5. The difference is most pronounced among the largest Stage 6 practices, where staff costs represent 22% of total marketing expenditures.

Figure 2.16. Staff Time As A Share Of Marketing Costs By Practice Size, High-Growth Vs Others (Actively Growing Practices)



Tactics such as developing relationships with Centers of Influence (COI), and in-person networking, depend heavily on relationships maintained directly by the advisor. However, many marketing tasks can be shifted to support staff. Some tasks that are merely administrative may be well suited for client service administrators, such as scheduling social media posts or setting up for a seminar event and polishing the Powerpoint slides, while others that require more specialized knowledge may be appropriate for junior advisors, such as developing content ideas that a senior advisor later records or reviewing AI-generated digital outreach emails before they are sent to prospects.

Taken together, the findings throughout this section point to an important mindset shift advisors need to make if they are to scale marketing efforts efficiently as they grow. As we have shown, advisor-time-intensive tactics are often more cost-effective and more conducive to growth up to the $1 million revenue mark. As a result, many firm owners naturally assume that continuing these same marketing strategies will allow the firm to continue growing. What firms often discover, however, is that the very strategies that got them to where they are—the strategies that attracted the first clients, made the firm profitable, and enabled it to expand its team and services—eventually stop scaling alongside the business.

The central insight of this section is that high-growth practices manage to maintain RACs below $1.00 even as they surpass $5 million in revenue because their marketing strategies are dynamic as they grow, increasingly relying less on advisor time and more on the time of others. Sometimes this means abandoning particularly time-intensive tactics, such as cold-calling or personally writing a newsletter, in favor of less advisor-intensive approaches that may require more hard-dollar spending, such as direct mail. More often, however, it simply means shifting as much of the support work as possible to someone whose time is less expensive.

3

Marketing Approaches

Marketing Intentionality

Marketing Centralization

Flat Fee-Only Positioning And Marketing Success

As we have shown thus far, marketing efficiently (as measured by the cost required to generate each additional dollar of new client revenue) is essential for supporting a practice's organic growth objectives. At a given size, practices that maintain lower RACs consistently achieve higher growth rates than those that do not.

While marketing effectiveness ultimately depends on the specific tactics employed — the focus of the next two sections of this report — it also depends on how practices approach marketing strategically at a broader organizational level.

We'll examine two distinct but related means by which practices can approach their marketing:

1. **Marketing Intentionality:** The ways practices work to fully realize the value of their marketing investments
2. **Marketing Centralization:** The extent to which silo and ensemble practices centralize decision-making in marketing strategy and execution across service teams to standardize marketing across the practice

Marketing Intentionality

There are many facets to an intentional marketing strategy, including maintaining a formal marketing plan, defining a clear target market, assigning accountability for execution and outcomes, and establishing a process for revising and iterating on the plan as new information becomes available. Figure 3.1 displays 8 measures of marketing intentionality along with the rationale for each measure.

Figure 3.1. Criteria For Marketing Intentionality Scores

Concept	Measurement
"I have a clear marketing plan"	Existence of a marketing plan.
"I'm intentional about what goes in the plan"	Reliance on three or more inputs to inform marketing strategy (e.g., conferences, trade publications, paid consultants, advisor study groups). Employs at least one "supporting tactic" (i.e., a tactic employed to enhance the effect of another tactic, rather than being used independently).
"I know who I'm trying to reach"	Has a defined target market, with enough focus that a majority of new clients actually fall into that target market.
"I track my progress"	Actively tracks number of prospects.
"I track my costs"	Actively conducts cost-benefit analyses of investments or monitors client acquisition costs.
"Someone is accountable for the plan"	At least one individual at the practice accountable for marketing.
"I iteratively improve on the plan"	Refinements are made at least quarterly.

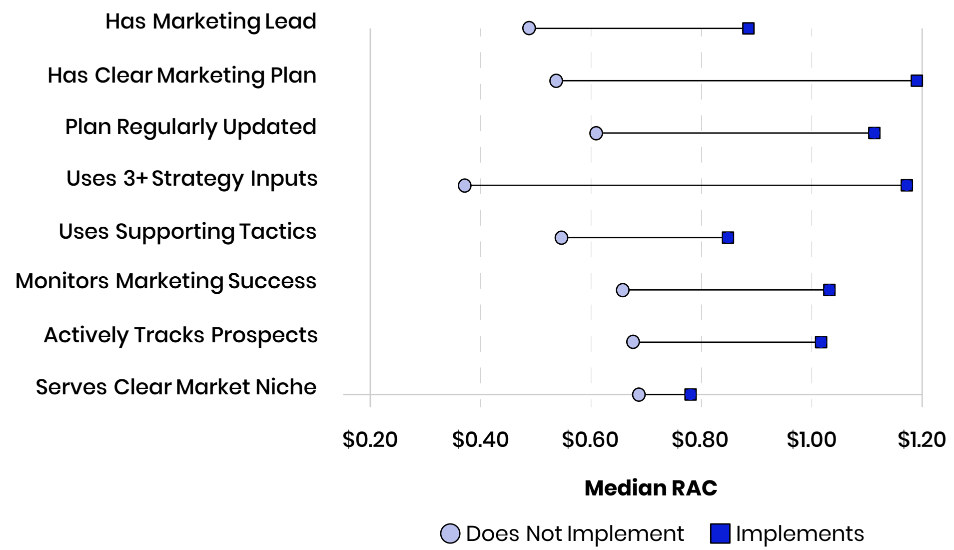
Based on the criteria displayed in Figure 3.2, the typical advisory practice applies 3 measures of marketing intentionality or "steps" to fully realize their marketing investments, although there is considerable variation across them. We divided practices into four groups based on their level of marketing intentionality (Figure 3.2), Overall, 27% of practices have "minimal intentionality" in their marketing approach (taking 0–1 steps), 31% have "some intentionality" (2–3 steps), 29% have "moderate intentionality" (4-5 steps), and 13% are "highly intentional" (6–8 steps).

Figure 3.2. Breakdown Of Marketing Intentionality Groups (Actively Growing Practices)

	Number Of Deliberate Steps To Improve Marketing	Share Of Responses	Median Practice Size (Revenue)	Median Number Of Marketing Tactics	Marketing Hard And Soft Costs As Share Of Revenue	Organic Revenue Growth New Clients Only	Median RAC
Minimal Intentionality	0-1	34%	$625,000	3	2%	8%	$0.18
Some Intentionality	2-3	29%	$872,258	5	8%	7%	$1.00
Moderate Intentionality	4-5	26%	$763,894	7	14%	12%	$1.07
Highly Intentional	6-8	11%	$830,000	8	19%	9%	$1.02

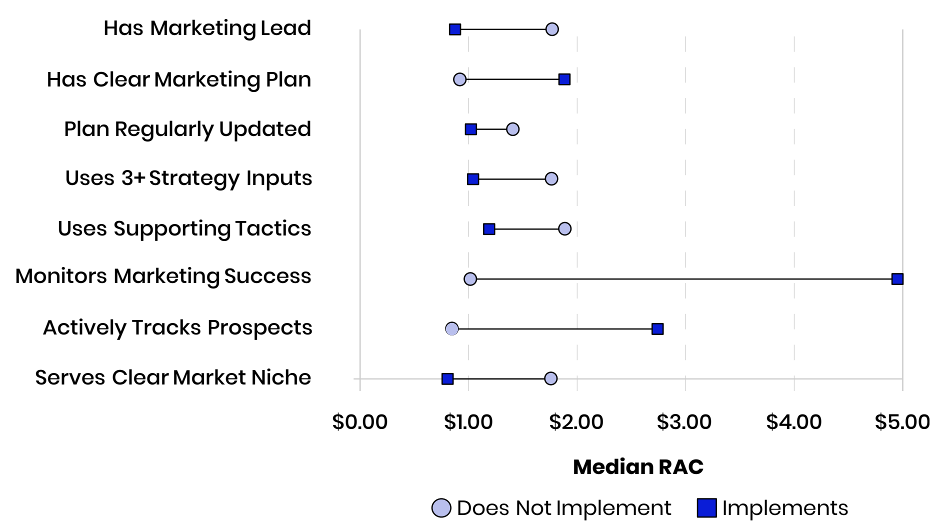
Figure 3.3 displays RACs based on whether respondents exhibit intentionality across each of the eight dimensions across all practices. Across all practices, taking each of the eight steps to maximize the effectiveness of marketing investments corresponds with less efficient marketing, as measured through revenue acquisition cost. When tallying up the number of steps firms have taken, going from minimal intentionality (0-1 steps) to "some intentionality" (2-3) steps corresponds with a sharp increase in RAC from $0.18 to $1.00, though additional steps beyond this point do not. This simply reflects that being more intentionally active about marketing and growth does have a cost; it is an investment into growth (an actual investment, of hard dollars and/or advisor time) to go beyond merely growing passively through referrals.

Figure 3.3. Marketing Efficiency By Specific Intentionality Steps (All Practices)



Within practices generating more than $5M in annual revenue (Figure 3.4), five out of the eight intentional steps are associated with lower RACs.

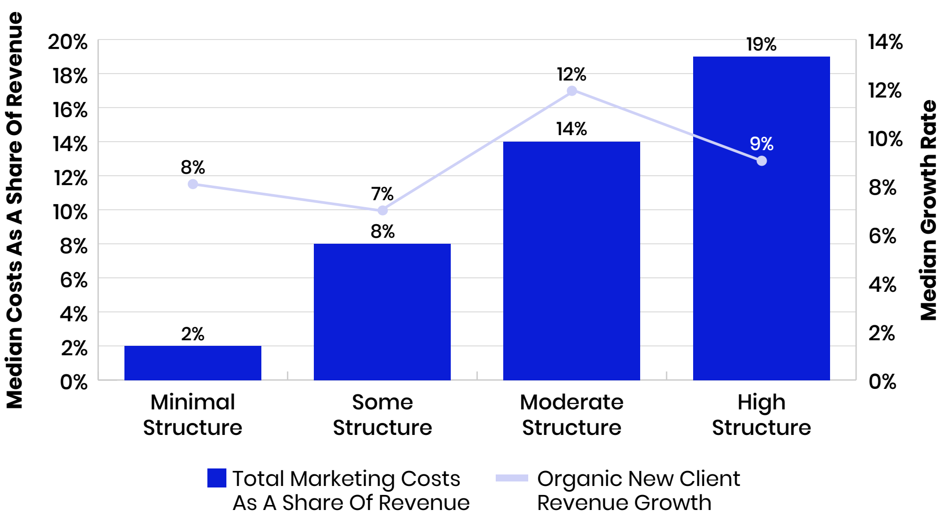
Figure 3.4. Marketing Efficiency By Specific Intentionality Steps ($5M+ Practices)



The explanation behind this divergence by practice size is relatively straightforward. Practices taking more intentional steps to improve their marketing by investing more heavily in marketing do in fact begin to scale their RACs and overall marketing efficiency as they grow and gain marketing economies of scale. This includes the aforementioned investments in marketing infrastructure – such as assigning responsibility for marketing, developing systems to track progress, and regularly evaluating results – as well as deploying a larger number of marketing tactics (and often by then implementing them with incrementally less dependency on expensive advisor time).

For most practices, this additional effort reduces marketing efficiency because the revenue generated by these incremental investments increases less than the additional time and hard-dollar expenditures required to implement them – the result of which is higher revenue acquisition costs. This increase in investment can be seen in Figure 3.5, which shows that total marketing expenditures (inclusive of both hard and soft costs) rise from just 2% of revenue among firms exhibiting minimal intentionality to 19% among highly intentional firms.

Figure 3.5. Marketing Costs And Organic New Client Revenue Growth By Marketing Intentionality (Actively Growing Practices)



In contrast, while each of our eight steps can be applied by practices of any size, they often deliver even greater benefits for larger firms. This is because as organizational complexity increases, many of these steps help firms manage that complexity more effectively, enabling them to execute their marketing more efficiently than they would through a less intentional approach.

The reason why practices many take any number of these eight steps is so that they can grow faster. And importantly, the fact that these additional marketing investments tends to make marketing marginally less efficient for most practices does not necessarily mean those investments are unsuccessful. Indeed, while RACs are consistently higher among firms taking more intentional steps to improve their marketing, they generally remain below $2.00—still comfortably below the point where acquiring growth organically begins to resemble the RAC of pursuing it inorganically through M&A. In other words, it remains entirely possible for these additional investments to generate meaningful growth, despite reducing overall efficiency.

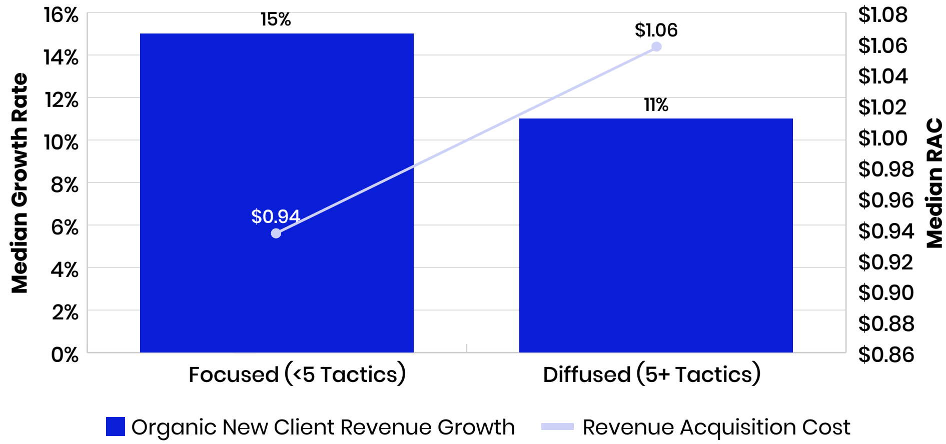
In practice, though, the results are mixed. Increased intentionality does not appear to produce a meaningful lift in growth until marketing expenditures reach approximately 14% of revenue, corresponding with firms exhibiting moderate levels of intentionality (also shown in Figure 3.6). This suggests that many firms may actually be underinvesting in marketing relative to the threshold required to reach a meaningful growth “payoff zone”. At the same time, the fact that growth rates subsequently decline among firms spending 19% of revenue on marketing suggests that practices can just as easily drift into overinvestment, where additional marketing effort and expenditures begin to detract from growth rather than support it.

Deeper analysis reveals there are two primary reasons why these additional marketing efforts result in lower marketing efficiency, and fail to reliably translate into higher growth rates. First, because client referrals remain a nearly universal tactic used by roughly 9 in 10 practices – and because referrals exhibit lower RACs than almost all other tactics simply because it is a relatively passive and thus low-cost growth tactic – adding additional tactics almost by definition means adding more non-referral-based tactics, which at least initially tend to reduce overall marketing efficiency and increase the average RACs across the practice's marketing in the aggregate. (Though as shown earlier in the report, high-growth practices eventually become efficient across a broad range of non-referral tactics, such that even those generating at least $5m in annual revenue are still able to maintain RACs below $1.00.)

Second, and relatedly, practices pursuing growth with the most intentionality may ultimately be diffusing their efforts across too many tactics (as they're currently using 8 versus overall median of 5), before first ensuring that their existing tactics are being executed as efficiently as possible. In this sense, the most "intentional" practices may actually be splitting their substantial efforts across many individual strategies at the expense of maintaining a more focused approach. This dynamic aligns with a broader marketing principle of businesses generally needing sufficient focus to scale existing channels effectively before expanding into new ones. Spreading efforts too broadly across channels and too quickly is often not productive diversification, but rather an over-diffusion of effort that can be ultimately less effective.

To examine this dynamic, among "intentional practices" (those taking at least 4 intentional steps), we compared organic growth rates and RACs between practices with focused marketing strategies (defined as using four or fewer tactics, generally centered around referrals and, to a lesser extent, COIs, along with 1-2 other tactics they're really good at executing) and practices employing five or more tactics (Figure 3.6). Intentional practices that are focused in terms of their more limited use of marketing tactics exhibit both higher growth rates and lower RACs than intentional firms using larger numbers of tactics.

Figure 3.6. Organic New Client Revenue Growth And Marketing Efficiency By Number Of Marketing Tactics Used (Intentional Practices)



Note: Includes only those practices taking at least 4 of the 8 intentional marketing steps.

This reinforces a theme noted earlier in this report: while standout high-growth practices often utilize more marketing tactics than their peers, this does not imply that other practices should emulate them by rapidly expanding the number of tactics they employ before ensuring their existing tactics are being executed efficiently. Without that foundation, adding additional tactics can actually lead to less efficient marketing and weaker growth outcomes.

Marketing Centralization

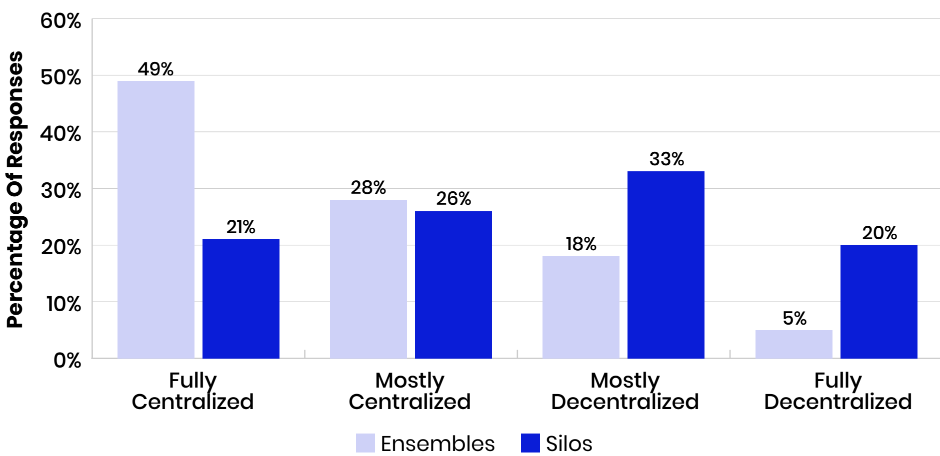
While practices of all sizes can take intentional steps to fully realize the impact of their marketing investments, practices containing multiple service teams face additional decisions regarding how much autonomy to grant their teams in both setting marketing strategy and executing it. By service teams, we mean at least one individual within a practice responsible for serving a specific set of clients.

Different practice structures allow for varying levels of autonomy. Silo structures enable service teams to operate independently, pooling centralized operations and other overhead expenses but selecting their own service standards and bearing responsibility for their own profitability.

Ensembles, by contrast, pool resources and profits across teams and operate under a shared service standard where clients are clients of the firm.

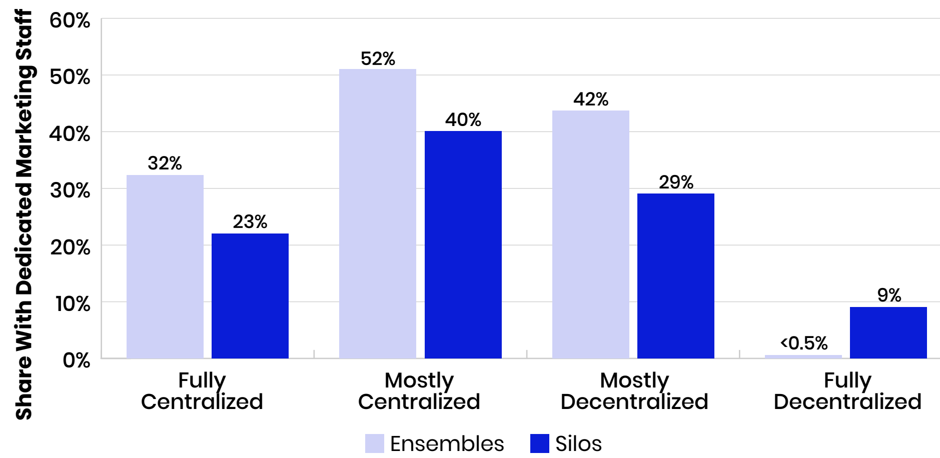
The difference in operational structures between silos and ensembles can be seen in how 49% of ensemble practices fully centralize marketing execution (Figure 3.7), while only 5% fully decentralize. In contrast, silo practices are more varied, with roughly 20–21% falling into both the fully centralized and fully decentralized categories for marketing execution. While not displayed here, patterns when looking at marketing strategy across siloed and ensemble practices are virtually identical.

Figure 3.7. Centralization Of Marketing Execution



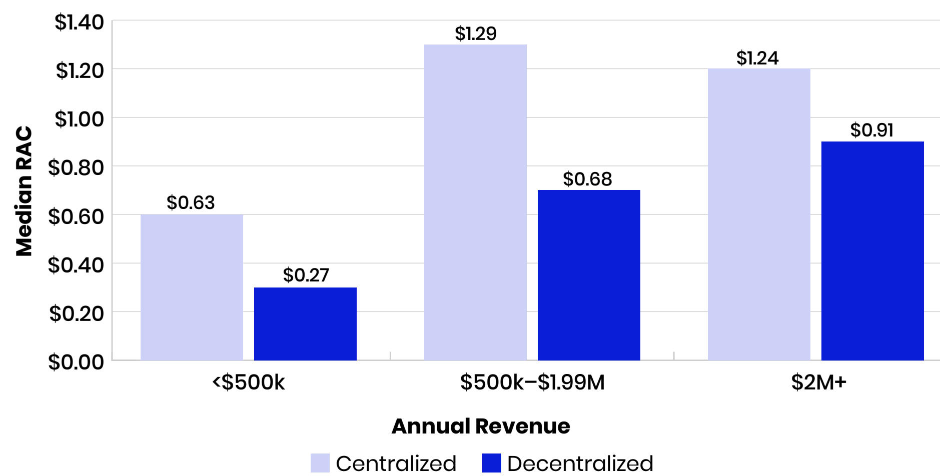
One effective way for practices to centralize marketing strategy and execution is by employing dedicated marketing staff. Examples of these roles include Chief Marketing Officers or Marketing Directors, Internal and External Business Development Specialists, and Marketing Associates (see Glossary for role definitions). Figure 3.8 displays the share of practices with at least one dedicated marketing staff member based on their level of centralization of marketing execution, segmented between siloed and ensemble practices. For both silos and ensembles, dedicated marketing staff are most prevalent in practices where marketing execution are "mostly centralized, with those that are "fully decentralized" predictably being the least likely to have these roles.

Figure 3.8. Existence Of Dedicated Marketing Staff By Centralization Of Marketing Execution



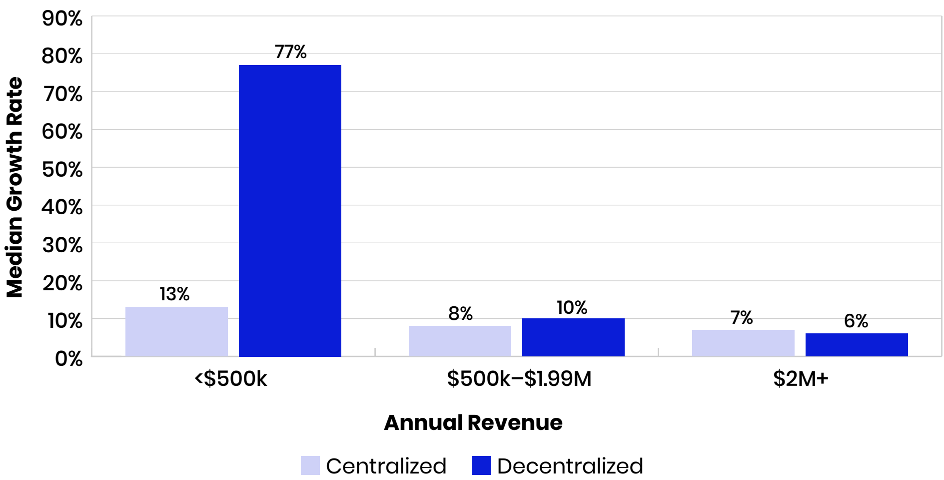
In terms of whether marketing centralization results in more efficient marketing, findings are inconsistent for the centralization of marketing strategy. With marketing execution, however, findings are consistent: across practice sizes, practices with decentralized marketing execution – where discretion lies with advisors themselves and isn't dictated by a practice-wide strategy – have consistently lower revenue acquisition costs than practices where marketing execution is centralized (Figure 3.9).

Figure 3.9. Marketing Efficiency By Centralization Of Marketing Execution And Practice Size (Actively Growing Practices)



Given the relationship established in the previous section between lower RACs and higher organic growth rates, it is not surprising that decentralized practices generally exhibit stronger organic revenue growth when they're smaller, but then struggle to maintain as they grow. Specifically, decentralized practices generate substantially higher organic new-client revenue growth among practices with less than $500,000 of annual revenue and modestly higher growth among practices generating between $500,000 and $2 million (Figure 3.10). The pattern reverses, however, among practices with more than $2 million in annual revenue, where firms with centralized marketing execution see their revenue grow a modest one percentage point faster.

Figure 3.10. Organic New Client Revenue Growth By Centralization Of Marketing Execution And Practice Size (Actively Growing Practices)



The catch is that this small increase in growth among practices generating at least $2 million in revenue corresponds with a higher RAC relative to similarly sized firms that have not centralized their marketing. However, RAC among centralized practices does slightly decline from the $500,000–$2 million range to the $2 million-plus range, while RAC among decentralized practices rises. Which means that if this pattern continues, it suggests that centralization may eventually translate into cost savings for larger practices beyond the size ranges for which we currently have sufficient sample sizes to analyze.

Overall, the fact that centralized marketing is negatively associated with growth among smaller practices but modestly positively associated with growth among larger practices is consistent with the underlying rationale for centralization in the first place: standardizing marketing execution across advisors. Smaller firms must still invest meaningful resources to build and maintain centralized marketing systems, yet those investments can benefit only a relatively small number of advisors, inherently limited the potential inefficiency gains. And further, as we show elsewhere in this report, the success of smaller practices achieving standout growth tends to be driven by both tactics such as online advisor listings and SEO that don't require centralization in the first place, as well as a high reliance on advisor time (which isn't very costly at that stage).

By contrast, larger firms can spread these investments across a broader pool of advisors, allowing the benefits of standardization to be realized more efficiently and at greater scale. In addition, as we have shown, a prerequisite for achieving standout growth as practices increase in size is shifting away from the increasingly costly use of advisor time and toward greater reliance on hard-dollar expenditures and staff time. Ultimately, this shift away from advisor time naturally lends itself to marketing tactics and strategies that can be centralized more effectively.

The clearest takeaway, then, is that while centralization may eventually become beneficial at larger scales, smaller firms appear to achieve better growth outcomes when advisors retain greater control over how marketing is executed.

Flat Fee-Only Positioning And Marketing Success

For the vast majority of financial advisors, pricing structures remain firmly tethered to the investment management services they provide. In our sample, 42% of advisors rely exclusively on AUM fees or commissions, while another 45% rely primarily on them (Figure 3.11). However, a small but growing segment of advisors rely primarily on planning fees — such as subscription, hourly, or project-based fees. This segment includes advisors for whom planning fees constitute the largest revenue source, even if they still earn some AUM fees or commissions (5%), as well as those who rely exclusively on planning fees without charging AUM fees or commissions at all (9%).

This latter group of “Only Flat-Fee” advisors includes several distinct cohorts. One segment consists of advisors who provide both financial advice and investment management but charge exclusively through a flat-fee arrangement for a clearly defined service, often positioning themselves toward fee-sensitive clients interested in delegating investment management (who may have an outright dislike of the traditional AUM model). Another segment consists of “advice-only” advisors who charge solely for advice, appealing either to clients who need financial guidance but lack substantial investable assets, or to those who have investable assets but prefer not to delegate investment management and are seeking an advisor for the rest of their (non-investment) financial advice needs.

What these groups have in common is that their decision to charge exclusively flat fees reflects a deliberate strategic positioning intended to appeal to target markets that are either unable or unwilling to pay AUM fees. Because this approach represents a differentiated market position designed to attract specific clienteles, it raises the question of whether it also results in more efficient marketing outcomes.

To explore this possibility, Kitces Research divided practices into a four-part segmentation framework — also used in our other research reports — based on the role planning fees play within the practice’s overall pricing model (Figure 3.11). These categories include:

- **“Only Flat-Fee” practices**, which rely entirely on planning fees;
- **“Mostly Flat-Fee” practices**, which rely primarily on planning fees but also generate some AUM fees;
- **“Partly Flat-Fee” practices**, which rely primarily on AUM fees but also charge planning fees; and
- **“No Flat-Fee” practices**, which rely exclusively on AUM fees.

Figure 3.11. How Practices Rely On Planning Fees For Revenue

Pricing Category	Pricing Method	Revenue Source	Share Of Responses
Most Reliant On Planning Fees	Only Flat-Fee	Exclusively from planning fees	9%
	Mostly Flat-Fee	Primarily from planning fees, with some from AUM fees	5%
Mostly Reliant On AUM Fees	Partly Flat-Fee	Primarily from AUM fees, with some from planning fees	45%
	No Flat-Fee	Exclusively from AUM fees	42%

Consistent with our prior research, we find that Only Flat-Fee advisors tend to serve clients with the greatest investable assets (median client AUM of approximately $2 million, versus $1 million or less for the other groups), reflecting the appeal of the “Advice-Only” subset of this group among affluent DIY investors who are willing to pay for advice but not investment implementation. At the same time, however, Only Flat-Fee firms generate substantially less annual revenue — both in aggregate and on a per-advisor and per-employee basis — than firms relying primarily on AUM fees. Specifically, 77% of Only Flat-Fee practices fall within Stage 1, generating less than $250,000 in annual revenue, compared to 70% of Mostly Flat-Fee practices, 16% of Partly Flat-Fee practices, and 20% of No Flat-Fee practices. (Whether this is because Only Flat-Fee firms cannot grow larger, are simply so new there aren’t very many larger Only Flat-Fee firms yet, or actively grow away from Only Flat-Fee as they grow and shift themselves to other categories at larger firm sizes, will be explored in future studies!)

Given that most Only Flat-Fee firms are still in Stage 1, we compare their marketing activities specifically to other Stage 1 firms to have a more consistent baseline of comparison. Figure 3.12 displays key marketing and growth metrics for these Stage 1 firm segments, based on their level of reliance on planning fees.

Figure 3.12. Key Marketing And Growth Metrics By Reliance On Planning Fees (<$250k in Revenue)

	Only Flat-Fee	Partly Flat-Fee	No Flat-Fee
Revenue Acquisition Cost	$0.14	$1.03	$0.30
Client Acquisition Cost	$247	$1,571	$933
Marketing Costs As Share Of Revenue	6%	19%	7%
Advisor Time As A Share Of All Marketing Costs	21%	56%	40%
Revenue Per Client	$2,480	$3,917	$2,000
Organic New Client Growth	54%	31%	16%
Organic Revenue Growth From New Clients	52%	21%	18%
Marketing Intentionality Score	3	4	2
RAC Of Top Total Number Of Tactics	5	6	4
RAC Of Top Tactics	$0.09	$0.78	$0.75
Organic Revenue Growth From Existing Clients	3%	17%	15%
Revenue Yield^	0.2%	0.6%	0.5%

Notes:

- *Mostly Flat-Fee results not displayed due to insufficient sample.*
- *^ Revenue yield is defined as revenue per client divided by typical client investable assets*

The first column of Figure 3.12 reveals that, among Stage 1 practices, firms operating under an Only Flat-Fee model are substantially more efficient marketers than firms relying primarily or exclusively on AUM fees. Only Flat-Fee practices maintain a RAC of just $0.14 — less than half that of No Flat-Fee practices and dramatically below the $1.03 RAC observed among Partly Flat-Fee practices.

Early-stage Only Flat-Fee practices can acquire new revenue so efficiently because they spend less to acquire new clients, even though they generate slightly lower revenue per client than Partly Flat-Fee peers (though higher than No Flat-Fee peers). Specifically, Only Flat-Fee practices exhibit a CAC of just $247, compared to $1,571 for Partly Flat-Fee practices and $933 for No Flat-Fee practices, while generating annual revenue per client of $2,480 (versus $3,917 and $2,000, respectively). The result is that Stage 1 Only Flat-Fee practices achieve substantially stronger organic growth rates in both new clients and new revenue than their peers.

This early marketing success does not appear to stem from Only Flat-Fee practices using more tactics or being more intentional in how they deploy them (as measured by a count of the number of "marketing intentionality" measures we introduced in the previous section).

Instead, their superior marketing efficiency is driven by three primary factors. First, Only Flat-Fee advisors take home $86,750 per year in income compared to $339,167 for No Flat-Fee advisors, which means that, as a pure accounting matter, the advisor-time costs of their marketing are lower. Second, we see evidence that Only Flat-Fee advisors are more likely to rely on cost-efficient marketing tactics, as measured by the cost to acquire new client revenue or revenue acquisition cost. A complete discussion of the efficiency of individual marketing tactics is reserved for later sections of this report. In brief, though, because roughly two-thirds of marketing costs stem from advisor and staff time, tactics that rely less on advisor time (and more on hard-dollar spending) tend to be more cost-effective (assuming the practice has sufficient growth and revenue to fund those expenditures).

Client referrals, a low-cost tactic, are the most popular among all of them. Similarly, COI referrals rank among the top seven tactics across the board (and is another of the lowest-RAC tactics in our data). At the same time, all groups are heavily reliant on social media, despite it being among the least efficient tactics from a RAC perspective.

However, early-stage Only Flat-Fee advisors are significantly more reliant on certain key tactics that don't require much advisor time, like online advisor listings – the single lowest-RAC tactic in our dataset – as well as SEO. By contrast, firms primarily reliant on AUM fees are more likely to use certain time-intensive tactics such as in-person networking, writing newsletters, and hosting seminars. As a result, the median RAC across the top seven marketing tactics used by Only Flat-Fee firms is just $0.09, compared to $0.75 for No Flat-Fee firms.

The implication, though – bringing us to the third explanation of their highly efficient marketing – is that there is a growing segment of consumers actively searching for Only Flat-Fee advisors… such that these more passive (and much lower-cost because they are much less time-intensive) inbound marketing tactics are yielding outsized results for Only Flat-Fee practices.

In other words, a reason Only Flat-Fee advisors are finding such success with tactics like SEO and online advisor listings—which put the advisor "in front of" a prospect but still require the prospect to resonate with the advisor's value proposition for them to reach out to the advisor—is their strategic positioning within the marketplace, coupled with emerging consumer demand. Only Flat-Fee advisors appear to resonate particularly well with consumers who have limited investable assets, or who have sizable assets but prefer to remain DIY investors and are unwilling to delegate investment management (and only want to pay for advice). This enables Only Flat-Fee to grow faster than firms whose pricing models remain primarily tied to investment management services, without needing to expend as much marketing effort in the first place.

Simply put, Only Flat-Fee practices are growing faster and more cost-effectively because their business model strongly resonates with their target market, causing prospective clients to act when identifying the advisor through channels like SEO or online advisor listings. More broadly, this phenomenon—where advisors with clearly defined, publicly communicated target markets experience faster growth—is explored in greater depth later in this report.

The extraordinary marketing success of Stage 1 Only Flat-Fee practices in attracting new clients and new revenue also raises an important related question: why does our Advisor Productivity research consistently find that Only Flat-Fee (and Mostly Flat-Fee) practices generate substantially less revenue than firms relying primarily on AUM fees? Indeed, in the survey used to produce this report, Only Flat-Fee practices less than five years old generate approximately $55,000 in annual revenue per advisor, compared to more than $200,000 amongst practices primarily generating revenue from AUM fees. Among practices operating for 10 years or longer, the gap widens even further, from roughly $245,000 for Only Flat-Fee firms to more than $700,000 for their peers.

In other words, despite their strong marketing success, many Only Flat-Fee practices with more than a decade of operating history still generate revenue levels that typically fall within the Stage 1 revenue bucket. The explanation lies in the economics of the AUM-based business model itself. Clients entering into AUM relationships generate recurring fees (unlike hourly or project-based planning fees) that naturally grow along with markets (unlike subscription fees, which must be explicitly repriced periodically). For this reason, our research has consistently found that AUM-based pricing models ultimately generate substantially greater long-term revenue growth than alternative pricing structures.

This fact is relevant to the aforementioned disparity between the marketing success of Only Flat-Fee practices and the revenue they ultimately generate. While Only Flat-Fee practices generate stronger growth from new clients, Partly Flat-Fee and No Flat-Fee firms produce substantially more revenue growth from existing clients (second-to-last column of Figure 3.12), through both growth of markets and ongoing contributions of additional assets (i.e., more savings and/or inheritances) to their managed accounts. Over time, the recurring and compounding revenue growth generated from existing AUM relationships far outpaces the superior new-client growth rates achieved by Only Flat-Fee firms. The challenges of Only Flat-Fee practices in generating revenue from their (disproportionately wealthy) client relationships can be seen in their substantially lower typical revenue yields (i.e., client revenue as a share of client investable assets) compared to those reliant on AUM-fees (final column of Figure 3.12).

Ultimately, despite the growth of the Only Flat-Fee model — driven primarily by newer advisors entering the profession — our Advisor Productivity research suggests that the economic challenge of client fees not naturally compounding alongside market growth appears so strong that advisors who initially rely exclusively or primarily on planning fees eventually frequently transition toward AUM-based pricing over time, and in many cases eventually phase out planning fees altogether at a rate rapid enough to be statistically detectable even across the relatively short two-year intervals between successive editions of our studies. To combat this, Only Flat-Fee practices likely need to adopt more systematic and proactive fee increases over time to keep pace with inflation and rising operating costs. Otherwise, margins and advisor productivity are likely to erode gradually over time, which eventually curtails their ability to expand capacity, reinvest into growth, and continue to scale.

4

Marketing Tactics – A Summary

Trends In Usage

Tactic Usage And Revenue Generated

Can't Get No Satisfaction

Whether examining the deliberateness and centralization of a practice's marketing strategy or the overall effectiveness of its marketing expenditures, these outcomes ultimately reflect the sum of their parts—that is, the specific marketing tactics a practice chooses to deploy. In other words, understanding which tactics are used, how many are employed, and how well they complement one another is essential to understanding marketing success.

We surveyed advisors regarding potential use of 26 different marketing tactics. Figure 4.1 lists these tactics, organized into 9 groups. Figure 4.2 offers a similar version of the table highlighting the tactic groups only.

In calculating acquisition costs, the figures are reported as aggregate averages that sum all reported costs—including unsuccessful investments that generated no clients—and divide them by the total number of clients acquired across all responses.

Figure 4.1. Marketing Metrics By Specific Tactic

Tactic	Usage	Average Satisfaction	Success Rate	Revenue Per New Client	Aggregate Average CAC	Aggregate Average RAC
Referral Generation						
Client Referrals	88%	7.3	97%	$6,715	$3,198	$0.34
Centers Of Influence	64%	5.7	79%	$7,500	$7,371	$0.72
Paid solicitors						
Custodial Referrals^	2%	5.7	67%	*	*	*
Digital Solicitors^	3%	4.7	80%	$8,000	$16,804	$1.96
Traditional Solicitors^	4%	5.6	100%	$10,000	*	$1.52
Lead Generation Platforms						
Online Advisor Listings	18%	4.5	79%	$6,000	$1,366	$0.28
Third-Party Review Sites^	13%	4.3	61%	$3,144	$1,402	$0.67
Outbound Prospecting						
Cold-Calling Or Door-Knocking^	7%	2.9	44%	$3,990	$12,755	*
Direct Postal Mail^	5%	3.9	56%	$10,000	*	*
Digital Cold Outreach^	7%	3.1	50%	$15,000	*	*
Events						
Webinars	18%	3.4	35%	$4,000	$12,917	$2.37
Seminars	23%	5.8	75%	$7,722	$15,447	$1.76
Client Appreciation Events	30%	5.0	55%	$8,333	$44,191	$4.54
Networking						
In-Person Networking	46%	4.6	70%	$5,000	$10,931	$1.45
Social Media^	36%	3.5	18%	*	$48,836	$4.88
Content creation						
Writing S Book^	6%	5.3	*	*	*	*
Writing for Third-Party Platforms^	12%	3.6	48%	$7,000	$18,103	$3.15
Blogging	27%	3.3	35%	$6,778	$10,857	$1.64
Newsletter^	31%	3.4	26%	*	$40,630	$4.14
Hosted Radio Show^	2%	*	*	*	*	*
Podcasts	10%	4.5	53%	$5,000	$4,793	$0.82
Videos	14%	4.5	59%	$4,000	$37,170	$2.75
Get Discovered						
Media Appearances^	10%	3.8	*	*	*	*
Search Engine Optimization	32%	4.4	52%	$5,000	$3,020	$0.45
Answer Engine Optimization^	10%	5.1	48%	$9,000	$23,378	$3.45
Sponsorships/Paid Advertising	15%	3.9	48%	$5,000	$8,406	$1.31
ALL TACTICS AVERAGE	**-**	**4.5**	**58%**	**$6,859**	**$16,925**	**$2.01**

^ 5-9 responses for one or more of the displayed metrics
** Not displayed due to fewer than 5 responses*

Figure 4.2. Marketing Metrics By Tactical Group

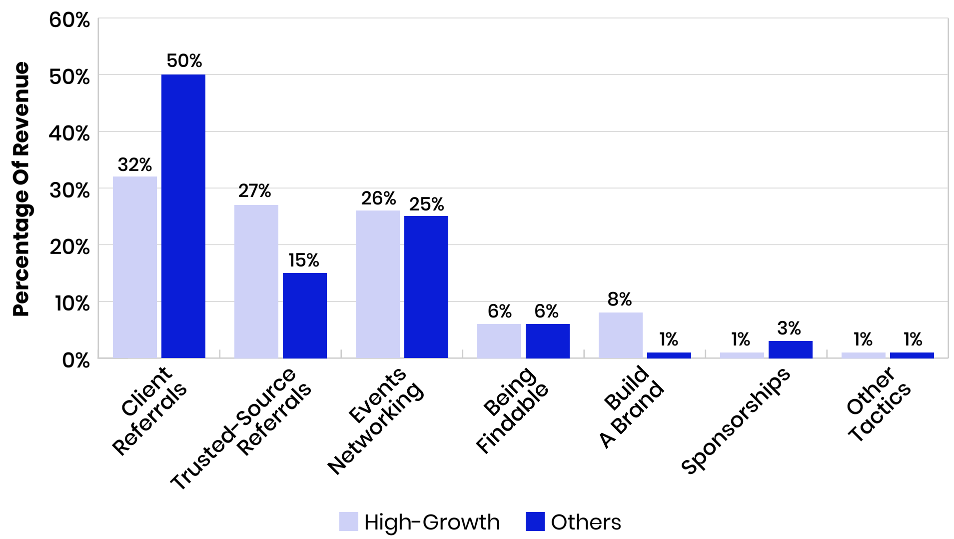
Tactic	Average Satisfaction	Revenue Per New Client	Aggregate Average CAC	Aggregate Average RAC
Referral Generation	6.5	$7,108	$3,979	$0.41
Paid Solicitors	5.3	$9,000	$12,892	$1.59
Lead Generation Platforms	4.4	$4,572	$1,372	$0.31
Outbound Prospecting	3.3	$9,663	$3,592	$2.53
Events	4.7	$6,685	$18,568	$2.08
Networking	4.1	$5,000	$11,151	$1.48
Content Creation	4.1	$5,694	$13,776	$1.99
Get Discovered	4.4	$7,000	$5,358	$0.81
Sponsorships Or Paid Advertising	3.9	$5,000	$8,406	$1.31
ALL TACTICAL GROUPS AVERAGE	**4.5**	**$6,859**	**$16,925**	**$2.01**

Notes:

- *For Average Satisfaction, "Hosted Radio Show" is excluded from Content Creation due to <5 responses.*
- *For Revenue per New Client, the following are excluded due to <5 responses: "Custodial Referrals" from Paid Solicitors; "Social Media" from Networking; "Writing a Book", "Newsletter", and "Hosted Radio Show" from Content Creation; and "Media Appearances" from Get Discovered.*

While the aforementioned tactical groups displayed in Figure 4.2 are thematically grouped based on ways advisors search for clients, we can also group tactics based on the way clients might engage in their own "advisor search" efforts, which is displayed in Figure 4.3.

Figure 4.3. Organic New Client Revenue By Client's "Advisor Search" Approach, High-Growth Vs Others (Actively Growing Practices)



Notes:

- *Trusted-Source Referrals = Centers of Influence (COI), Traditional solicitors, Online Listings, and Third-Party Review Sites.*
- *Events/Networking = Webinars, Seminars, Client Appreciation Events and In-Person Networking*
- *Build A Brand = Third-Party Articles, Blogging, Podcasts and Videos*
- *Being Findable = Search Engine Optimization (SEO) and Answer Engine Optimization (AEO).*
- *Other Tactics = Cold-Calling and Direct Mail*
- *Being Findable, Sponsorships and Other Tactics have fewer than 10 responses*

From the collected data, Kitces Research compiled a host of metrics on each surveyed tactic and selected metrics at the group level. In combination, these metrics form a rich resource for helping advisors evaluate which marketing tactics might be the most appropriate for their practice to emphasize. These metrics, also noted in the Appendix, are explained in Figure 4.4.

Figure 4.4. Key Metrics For Evaluating Marketing Tactics

Metrics	Definition
Usage Rate	Share of practices that make use of a particular tactic.
Advisor Satisfaction	A 1-10 scale, with "10" representing highest satisfaction with a particular tactic.
Success Rate	Share of practices using a tactic that landed at least 1 new client with the tactic.
Revenue Per Client	New client revenue attributable to the tactic divided by the number of clients joining the practice as a result of the tactic.
Client Acquisition Cost (CAC)	Expenditures on the tactic divided by the number of clients joining the practice as a result of the tactic.
Revenue Acquisition Cost (RAC)	Expenditures on the tactic divided by new client revenues attributable to the tactic.

Note: In the prior edition of this report, rather than RAC, we used an inverse measure of marketing efficiency that calculated the amount of revenue generated for each additional dollar of marketing expenditure.

Among the 26 marketing tactics evaluated, 18 were used by at least 10% of advisors (Figure 4.1). By a substantial margin, the most commonly utilized category of tactics was "Referral Generation," which included both client referrals and unpaid referrals generated through centers of influence (COIs). Nearly all practices (88%) relied on client referrals as a source of new business. The 12% that did not were disproportionately more likely than the overall sample to be startup practices with too few clients to generate meaningful referrals in the first place or mature practices that were no longer actively pursuing growth and thus didn't want referrals anyway (26% versus 15%). In addition, 64% of all practices reported working with centers of influence, and 61% utilized both client referrals and COI referrals as part of their marketing approach.

Based on Figure 4.3, we see that high-growth practices are far less reliant than other practices on client referrals (a topic discussed at length in the Referral Generation section later in this report). Instead, they really distinguish themselves from other practices in two important ways. The first is that they receive an outsized share of revenue from Trusted Source Referrals - referrals from entities besides clients themselves. While one interpretation is that these advisors are naturally gravitating towards highly efficient tactics (given that COIs and lead gen platforms that make up this grouping), this is somewhat counteracted by the fact that they are also more likely to invest in Build A Brand tactics – a mix of content-related tactics that tend to have higher RACs.

Trends In Usage

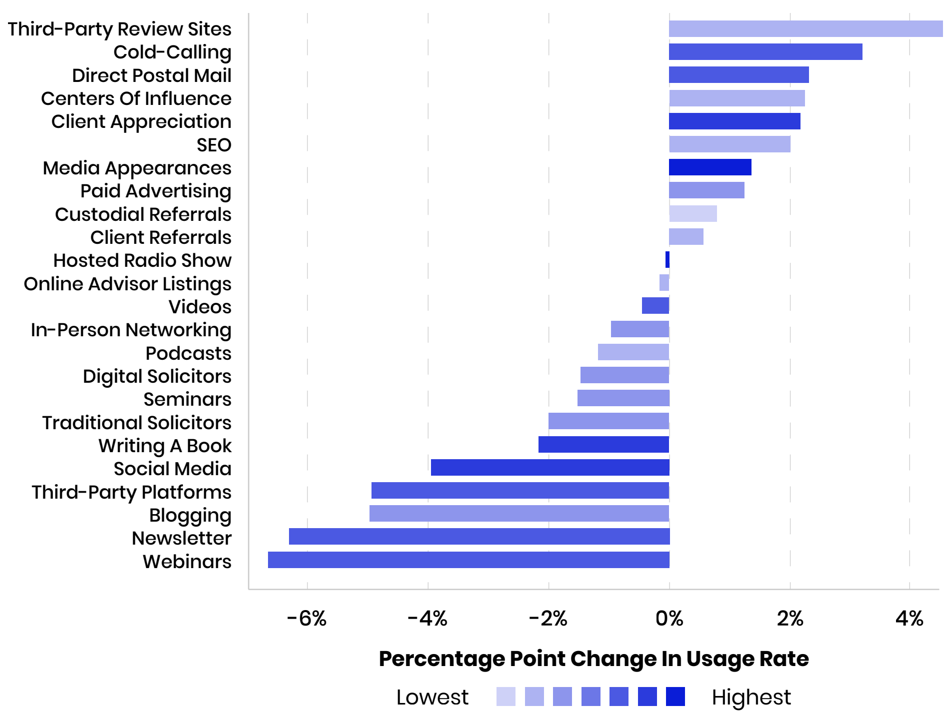
The popularity of specific tactics has evolved some since the first Kitces Research study on advisor marketing in 2018. Figure 4.5 below displays the 10 most popular tactics in each survey wave, along with tactics in which advisors intend to place more emphasis going forward. The following figure tracks changes in usage rates among tactics included in both the 2024 and 2026 surveys used by more than 10 respondents in each wave, shaded based on RAC (Figure 4.6).

Figure 4.5. Most Popular Tactics, 2019-2024

2019		2022		2024		2026		Increasing Future Use	
Tactic	Usage Rate	Tactic	Usage Rate	Tactic	Usage Rate	Tactic	Usage Rate	Tactic	Share
Client Referrals	93%	Client Referrals	93%	Client Referrals	88%	Client Referrals	88%	Client Referrals	77%
Centers Of Influence	60%	Centers Of Influence	60%	Centers Of Influence	62%	Centers Of Influence	64%	Centers Of Influence	57%
In-Person Networking	47%	Social Media	41%	InPerson Networking	47%	In-Person Networking	46%	In-Person Networking	37%
Social Media	42%	In-Person Networking	36%	Social Media	40%	Social Media	36%	Social Media	30%
Client Appreciation Events	36%	Search Engine Optimization	29%	Newsletter	37%	Search Engine Optimization	32%	Client Appreciation Events	29%
Blogging	30%	Blogging	28%	Blogging	32%	Newsletter	31%	Search Engine Optimization	29%
Seminars	26%	Online Advisor Listings	26%	Search Engine Optimization	30%	Client Appreciation Events	30%	Seminars	28%
Drip Marketing*	24%	Webinars	22%	Client Appreciation Events	28%	Blogging	27%	Blogging	26%
Search Engine Optimization	22%	Drip Marketing*	20%	Webinars	25%	Seminars	23%	Newsletter	24%
Videos	12%	Videos	19%	Seminars	25%	Online Advisor Listings	18%	Videos	21%

**Drip marketing defined as newsletter as of 2024 study.*

Figure 4.6. Change In Tactic Usage By Marketing Efficiency, 2024-2026



While more comprehensive analyses of specific marketing tactics are presented later in the report, several broader trends are worth noting. For example, while advisors do often persist with tactics that perform poorly (e.g., social media) or dial back from tactics that have better metrics (e.g., seminars), on the whole advisors were more likely to adopt tactics that are working — as measured by higher success rates and lower RACs — and abandon tactics that are not (as reflected in the shading of Figures 4.5 and 4.6). Indeed, tactics experiencing declines in usage exhibit an average RAC of $1.86, while those gaining adoption average a RAC of just $0.72, which in turn helps to support the overall improvements in marketing efficiency for advisors since our 2024 marketing study.

With that said, even a RAC of $1.86 remains substantially lower than the cost of acquiring comparable revenue inorganically through M&A. In other words, advisors may perceive certain tactics as producing inadequate returns on investment when, in reality, they are still economically attractive relative to acquisition-based growth alternatives.

This disconnect likely stems in part from the fact that client referrals – most practices' mainstay for attracting new clients – both require very little advisor time and are highly efficient (with an RAC of just $0.34), making the time and effort required to implement other tactics often feel comparatively unjustified even when those tactics generate a reasonable return on investment. A discussion of this "referral coasting zone" – and why moving beyond this zone appears to be a prerequisite for achieving standout organic growth – is explored in greater detail in the dedicated "Referral Generation" section later in the report.

Turning to specific tactics themselves, a clear example of advisors gravitating away from inefficient tactics is webinars. Among all tactics, the largest decline in usage occurred in webinars, which fell seven percentage points from 25% to 18%, attributable in part to it having among the highest RACs of $2.37 – roughly on par with that required to acquire clients inorganically via M&A.

At the same time, some of this decline likely reflects a broader post-COVID normalization as advisors return to more in-person forms of marketing that involve more direct personal interaction with prospects. As shown in Figure 4.5, webinars were not among the 10 most widely used tactics in 2019, while client appreciation events (36%) and in-person seminars (26%) were. By 2022, both of those tactics had fallen out of the top 10, while even in-person networking declined from 47% to 36%. Meanwhile, webinar usage rose to 22% in 2022 and increased further to 25% in 2024. Since then, client appreciation events and seminars have reemerged among the top 10 tactics – though still below their 2019 usage rates – suggesting a broader shift back toward in-person tactics. As a result, at least part of the decline in webinar usage likely reflects this transition rather than concerns about efficiency alone (though in practice, webinars do also perform worse on CAC and RAC metrics than other in-person equivalents like seminars).

In terms of overall usage, it is noteworthy that the four most widely used tactics have remained unchanged across every edition of the study: the two tactics within the "Referral Generation" tactical group (client referrals and centers of influence) and the two tactics within the "Networking" tactical group (in-person networking and social media). However, some of these tactics have followed meaningfully different trajectories over time. For instance, social media usage has declined in every successive survey since 2019, falling from 42% in 2019 to 36% in 2026, while the use of Centers of Influence has steadily increased from 60% to 66% over the same period — trends that appear to be driven by advisors acting rationally based on the former having a RAC more than double the tactic average ($4.88 vs $2.01) and the latter having among the lowest ($0.72).

Beyond the four dominant tactics, one of the most notable increases between 2024 and 2026 occurred in the use of third-party review sites, driven in part by the SEC's updated Investment Adviser Marketing Rule, which took effect in November 2022. Amongst other changes, the rule revised restrictions surrounding the communication of investment performance, the use of client testimonials, and advisors' ability to encourage their clients to participate on third-party review platforms. The loosening of restrictions on testimonials was likely the most consequential aspect of the rule for advisors offering financial planning services. Correspondingly, the share of advisors utilizing third-party review sites increased from 8% in our 2024 report to 13% in 2026. Relatedly, SEO usage also increased by three percentage points over the same period. Taken together, these shifts suggest that advisors are placing greater emphasis on tactics that improve their "findability" among prospective clients searching online for an advisor. Though these shifts are also part of the general trend of advisors moving to more efficient tactics over time, as both SEO and third-party review sites have among the lowest RACs of all tactics.

Two other notable tactics that increased in usage since 2024 were direct postal mail and cold-calling or door-knocking — longstanding prospecting tactics traditionally associated with newer advisors building an initial client base. Importantly, this shift does not appear to be attributable to changes in sample composition, as the share of startup practices in the sample actually declined from 14% in 2024 to 8% in 2026.

One possible explanation emerges when examining the tactics that experienced the largest declines in usage between 2024 and 2026. Specifically, tactics within the broader "Content Creation" category — which includes both longstanding approaches (such as radio shows) and newer, more experimental formats for most practices (such as video content and podcasts) — experienced near across-the-board declines in usage, including newsletters, blogging, articles or op-eds, book writing, and video creation.

This dynamic represents an exception to the broader pattern observed throughout the report in which advisors tend to gravitate toward tactics with lower RACs. The "Content Creation" tactical group exhibits the third-highest RAC at $1.99, while the "Outbound Prospecting" category – which includes door-knocking/cold-calling, direct mail, and newer emerging tactics such as digital cold outreach platforms like FINNY and Wealthfeed has the highest RAC overall at $2.53. In other words, by conflating a tactic's historical familiarity or status as a longstanding industry staple with actual marketing efficiency, advisors moving away from content creation may inadvertently worsen the very marketing challenges that prompted the shift in the first place.

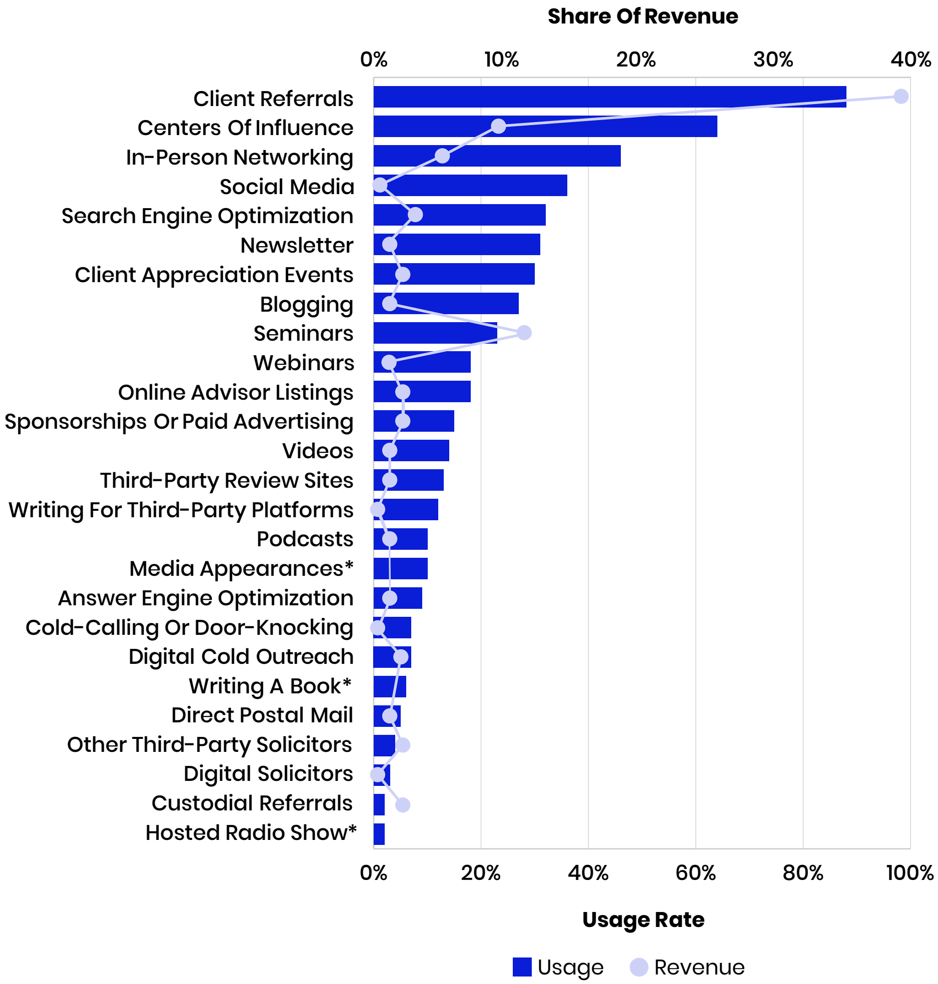
And for this broad-based decline in content-generation tactics, it is noteworthy that not all tactics within the category performed as poorly as the category average. For example, blogging maintained a RAC of $1.64, while podcasts achieved a RAC of just $0.82. This suggests that broader dissatisfaction with content creation as a marketing strategy may be leading advisors to abandon tactics that, while challenging, are still by most measures able to continue to generate favorable returns on marketing investment.

Tactic Usage And Revenue Generated

In 2026, the typical practice relied on five marketing tactics. While the latest edition of our survey included additional tactics not captured in prior versions, a comparable analysis focusing only on tactics included in both surveys and advisors who participated in both waves shows that the typical practice actually used one fewer tactic in 2026 than in 2024 ("4" on the shortened list versus "5" tactics previously).

Figure 4.7 below contrasts usage rates for the 26 marketing tactics with the typical share of new client revenue generated by each one. Predictably, client referrals account for the largest share of new client revenue (39%), followed by seminars (11%), COIs (9%), and in-person networking (5%).

Figure 4.7. Tactics By Usage And Average Revenue Share



Notes:

- *^ 3-9 responses for one or more of the displayed metrics*
- *Revenue data are excluded due to fewer than 5 responses*

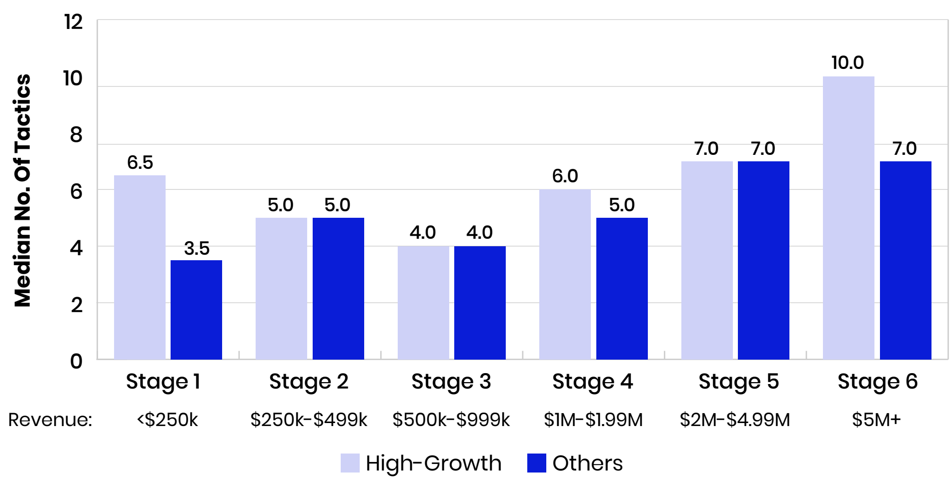
In theory, to the extent that advisors choose their marketing tactics efficiently, usage rates should largely conform to the share of revenue generated by the tactics. Yet as Figure 4.7 highlights, this is not the case in practice.

One particularly notable finding is that social media – the fourth most widely used tactic by adoption rate – generates a negligible share of new client revenue, while seminars, despite ranking only ninth in usage, generate the second-largest average revenue share. This is likely because seminars combine a relatively favorable RAC of $1.76 – below the all-tactics average of $2.01 – with a 75% success rate, well above the all-tactics average of 55%. As a result, their revenue contribution is not dragged down by large numbers of practices failing to attract any clients, as is the case for many other tactics.

This indirectly implies that seminars may still be underutilized by the general advisor population, given how many clients are ultimately relying on seminars to select their advisor. Though as discussed in the "Learning From High-Growth Practices" section, event-based marketing tactics are disproportionately represented among larger high-growth firms, which seem to have 'discovered' their consumer demand and more scalable growth.

The number of tactics also increases with practice size, though it accelerates after surpassing the $5M revenue mark. The median number of tactics remains relatively stable—between 4 and 5—from Stage 1 through Stage 4, rising to 7 at Stage 5 and 8 at Stage 6. At every stage, high-growth practices employ an equal or greater number of tactics than their peers (Figure 4.8), with the differences most pronounced among the smallest practices (6.5 vs. 3.5) and the largest (10.0 vs. 7.0).

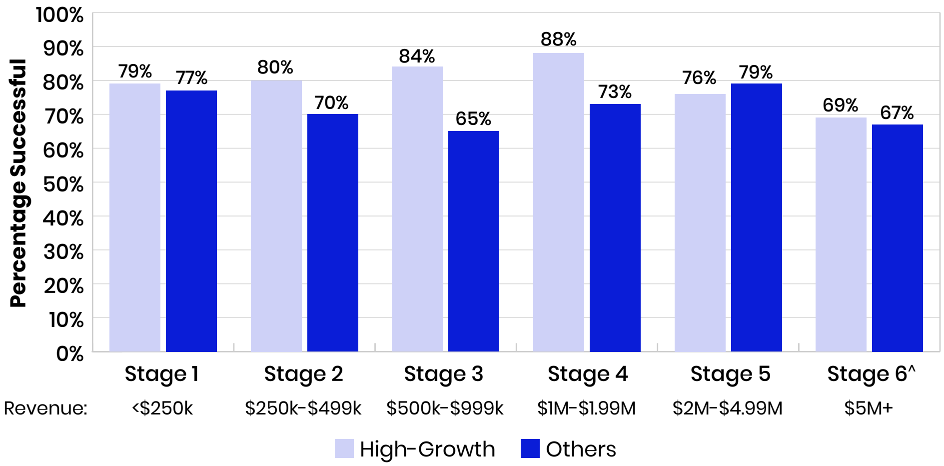
Figure 4.8. Number Of Marketing Tactics, High-Growth Vs Others (Actively Growing Practices)



While part of the reason Stage 6 practices use the greatest number of tactics is simply because they can afford to do so, that raises the question of whether they are actually deploying those tactics successfully, or whether those additional resources are being directed toward tactics with progressively lower marginal payoffs—thereby contributing to the higher CACs and RACs (relative to smaller firms) observed among these firms earlier in the report.

Figure 4.9 displays the average share of tactics practices report using successfully, segmented by practice size and growth. Among high-growth practices, the average success rate of deployed tactics steadily rises from 79% in Stage 1 to 88% in Stage 4, even as the average number of tactics used remains essentially flat at around six. In other words, top-performing firms do appear to become more effective at utilizing their existing marketing tactics as they scale toward the $2M mark. Beyond this size threshold, however, average success rates among high-growth practices decline sharply, falling to 69% by Stage 6.

Figure 4.9. Success Rates By Practice Size, High-Growth Vs Others (Actively Growing Practices)



^ 5-9 responses for one or more of the displayed metrics

This suggests that while larger firms use their greater scale and resources to deploy more tactics, after a certain point each additional tactic delivers a smaller marginal benefit. While the largest practices are no more or less successful at these additional tactics than others, the extra tactics that they often deploy tend to have lower success rates. For example, nearly half of Stage 6 practices use webinars, a usage rate 3 times greater than at other stages. At 33%, the Stage 6 webinar success rate is notably low relative to other tactics – though similar to the 35% across other practices. Across all practice sizes, success with webinars ranked ahead of just 4 other tactics of the 26 covered in our study. As a result, the declining returns of these additional tactics likely are contributing to the higher CACs and RACs seen at these later stages, beyond the impact of rising advisor time costs alone. Or viewed another way, it appears that larger practices are more likely to 'experiment' with new marketing tactics... but also slower to cut bait on the ones that aren't delivering results.

At the same time, though, smaller marginal benefits are – in an absolute sense – still benefits. Stage 4 high-growth practices average 6.1 tactics with an 88% success rate, implying roughly 5.3 successfully deployed tactics. By comparison, Stage 6 high-growth practices average 9.9 tactics with a 69% success rate, which still translates to approximately 6.8 successful tactics overall. In other words, although the marginal efficiency of each additional tactic declines at larger practice sizes, the sheer volume of successfully deployed tactics remains high enough to keep the RAC of high-growth Stage 6 practices at $0.85 – higher than smaller high-growth firms, but remarkably low compared to the broader pool of larger firms.

More broadly, for smaller firms – or firms struggling with persistently low growth rates – it's important not to interpret the greater number of tactics used by larger and high-growth firms as evidence that simply adding more tactics is the path to success. As noted earlier in this report, diffusing marketing efforts across too many tactics can make marketing less efficient overall. High-growth firms don't just market more, they market more effectively – achieving higher success rates with the tactics they use, which ultimately translates into lower CACs and RACs.

In other words, firms looking to improve organic growth shouldn't start by asking, "What additional tactics should we add?" They should first ask how to execute their existing tactics more effectively—and then use the resources generated from that successful growth to expand into additional tactics over time.

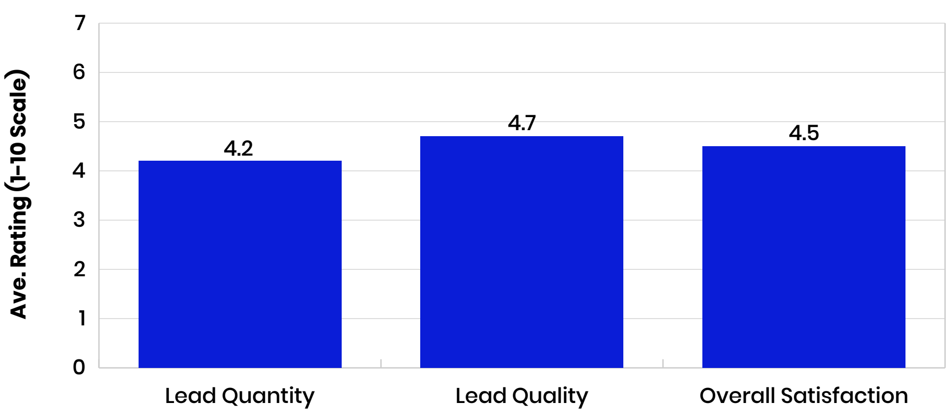
This raises the obvious next question: what does effective execution actually look like across different marketing tactics? That is the focus of the remaining sections of this report.

Can’t Get No Satisfaction

As shown in Figure 4.11, advisors were asked to rate their marketing tactics according to their lead quality, lead quantity, and overall satisfaction on a scale of 1 (least satisfied) to 10 (most satisfied). In practice, satisfaction lagged below the middle threshold; the tactic with highest overall satisfaction was referrals, at 7.3, but the average overall satisfaction sat closer to 4.5, indicating broad dissatisfaction with most marketing tactics and the overall state of advisor marketing across the board!

Consistent with past editions of this report, advisors were more satisfied with their lead quality (4.7) than yield quantity (4.1), albeit both again reflecting very low satisfaction scores on a 1-10 scale! Also consistent with past reports, overall satisfaction ratings (4.5) generally fall between the other two metrics, but more closely tracks lead quality than lead quantity (Figure 4.10), which means that advisors are more satisfied with tactics that yield fewer ‘right fit’ prospects than more ‘poor fit’ prospects.

Figure 4.10. Average Satisfaction Across All Tactics



Note: Average satisfaction based on 1-10 scale with“10” representing most satisfied.

Since the prior edition of this report, average ratings for each of these three metrics fell by 0.1 – 0.2 points. The slight decline may be somewhat surprising given that, as outlined earlier, advisors are actually employing these tactics more efficiently (in terms of the cost to acquire new client revenue) than prior years. A fall in the rate of organic new client growth from 11.1% in our 2024 study to 10.0% by 2026 suggests, however, that satisfaction should be declining more markedly.

More important than these modest year-to-year satisfaction fluctuations, however, is the fact that these consistently low scores offer a clear indication that marketing remains an ongoing pain point for advisory firms, despite the growing number of marketing solutions available to advisors.

Figure 4.11. Average Satisfaction By Tactic

Tactic	Lead Quantity	Lead Quality	Overall Satisfaction
Client Referrals	6.2	7.3	7.3
In-Person Seminars	5.5	6.1	5.8
Centers Of Influence	4.5	6.4	5.7
Custodial Referrals^	6.5	6.0	5.7
Traditional Solicitors	5.5	6.3	5.6
Writing A Book	3.7	5.5	5.3
Answer Engine Optimization	4.3	5.5	5.1
Client Appreciation Events	3.8	5.8	5.0
Digital Solicitors	6.5	4.8	4.7
In-Person Networking	4.1	5.2	4.6
Online Advisor Listings	5.0	4.6	4.5
Hosted Radio Show^	4.5	4.5	4.5
Podcasts	3.5	4.7	4.5
Videos	3.4	4.9	4.5
Search Engine Optimization	4.0	4.3	4.4
Third-Party Review Sites	4.0	3.8	4.3
Direct Postal Mail	4.0	3.6	3.9
Sponsorships/Paid Advertising	4.1	4.0	3.9
Media Appearances	3.7	3.8	3.8
Writing For Third-Party Platforms	3.3	4.0	3.6
Social Media	3.4	3.8	3.5
Webinars	3.2	3.7	3.4
Newsletter	2.7	3.7	3.4
Blogging	3.0	3.7	3.3
Digital Cold Outreach	3.4	3.2	3.1
Cold-Calling Or Door-Knocking	3.8	2.9	2.9
ALL TACTICS	**4.2**	**4.7**	**4.5**

Notes:

- *^ 5-9 responses for one or more of the displayed metrics.*
- *Average satisfaction based on 1-10 scale, with "10" representing most satisfied.*

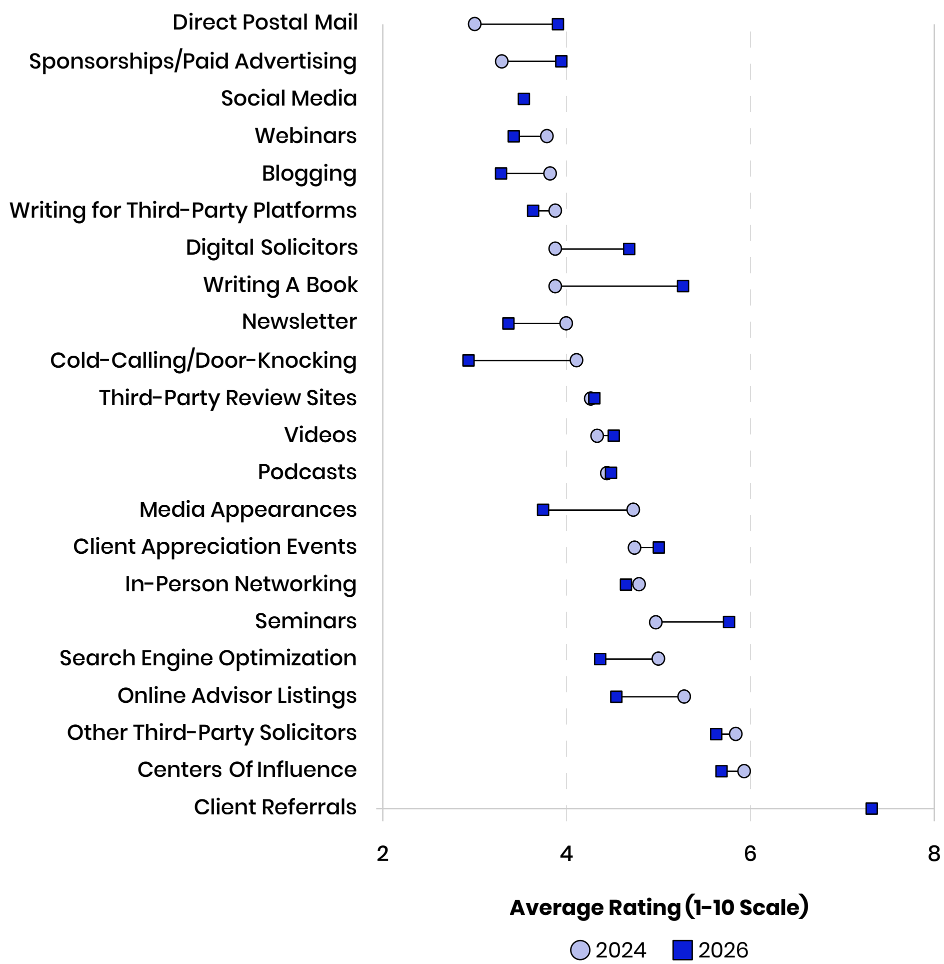
In theory, the most satisfying tactics ought to be cost-effective and have a high success rate, as advisors express their satisfaction with actual marketing outcomes. Yet as it turns out, lead quality is the factor that most correlates to overall satisfaction, over lead quantity, success rate, or even revenue acquisition cost (RAC). Many of the marketing tactics in the top third of overall satisfaction have similar success rates to those in the lower third: for example, Answer Engine Optimization (AEO) had a success rate of 48%, the same as sponsorships, yet AEO garnered a 5.1 overall satisfaction rate compared to 3.9. Alternatively, Client Appreciation Events scored an above-average satisfaction rate of 5.0 (owing to high-quality leads) even with a worse-than-acquisitions RAC of nearly 4.5, while third-party review sites scored a below-average 4.3 on satisfaction even though its RAC was less than 0.7 (i.e., third-party review sites had lower satisfaction despite generating actual marketing results for less than one-sixth the cost!).

That advisors would pursue high-quality leads makes sense – and 'high quality' in these ratings seems to be synonymous with 'warm' (that is to say, already familiar with the advisor and their brand). The warmest tactic is client referrals, for example, which leads in lead quality (7.3) and earns a parallel advisor satisfaction rating (also 7.3). The other marketing tactics that lead in satisfaction are also focused on 'warm' leads – such as custodial referrals, digital solicitors, and Center of Influence referrals. By nature, many of these referrals are not high in quantity, or at least not predictable in quantity. An advisor can spend a lot of time and energy creating a 'referable' client experience, but it is difficult to directly influence the amount of referrals they receive.

Clustered at the bottom of aggregate advisor satisfaction are the 'cold outreach' tactics that tend to produce the lowest lead quality, as they are focused on outbound prospecting: cold-calling or door-knocking (2.9), direct mail (3.9) and digital cold outreach (3.1). These tactics are focused on contacting a high quantity of people, and sifting through a high volume of rejections to get to the few that say "yes", which can work but often take a lot of time and effort (and entail a lot of unpleasant rejection). Notably, these tactics are most used amongst Stage 1 practices (where advisors have few resources but do have a lot of time to spend on their marketing efforts) and then re-appear Stage 5 practices (which may task new advisors with building their own book of business).

More broadly, in terms of trends over time (Figure 4.12), advisor satisfaction either decreased or held steady across nearly all tactics between 2024 and 2026, with the exception of in-person seminars, publishing books, direct postal mail, and video content, each for different reasons. Between 2024 and 2026, seminars saw a 20% increase in overall success rate, one of the biggest success rate leaps in the study. And while books, on the other hand, had weak success in directly attracting new clients, they remain one of the most popular supporting marketing tactics (e.g., as a credibility-builder that enhances the outcomes of other tactics like seminars, or blog or podcast creation). On the other hand, while direct mail had a lower overall lead quality and quantity, it yielded higher revenue per new client who did join the firm. Finally, video content has a high client acquisition cost… but it is also the most successful content-related tactic given its ability to really show how the advisor communicates as a way to build trust and engage prospects (except a hosted radio show, which only has a usage rate of 2%).

Figure 4.12. Changes In Tactic Satisfaction, 2024-2026



Note: Average satisfaction based on 1-10 scale, with "10" representing most satisfied.

All of this to say, satisfaction is a multi-faceted factor – and not entirely rational, as a blend of both the advisor's own enjoyment in talking to "warm" leads, and some combination of actual business results. In an ideal world, advisors can largely build their firm with tactics they enjoy doing (or can delegate out entirely). Yet there is always a push-and-pull between the sustainability of a tactic's cost, the advisor's time, and the type (or quantity) or clients that the tactic attracts. Even the most enjoyable tactics tend to require grit, focus, and a network of supporting tactics (which may be less enjoyable to the advisor). By paying careful attention to the success of different tactics, advisors may be able to iterate to a marketing strategy that is sustainable, scalable, and even enjoyable.

Marketing Tactics - Going Deeper

5

Referral Generation

Paid Solicitors

Outbound Prospecting

Lead Generation Platforms

Networking

Marketing Events

Get Discovered

Content Creation

Advertising And Sponsorships

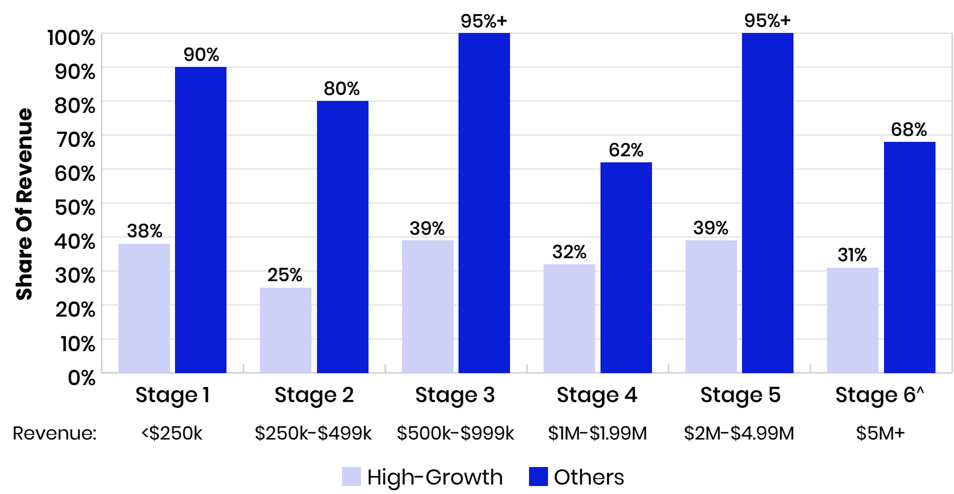
Referral generation includes unpaid referrals received from both clients and Centers of Influence (COI). This tactical group excludes arrangements in which COIs or other referral sources are compensated for referrals, which are instead categorized under the "Paid Solicitors" tactical group.

Referral generation tactics have long been the financial advisor's mainstay for attracting new clients, garnering much higher usage than other tactics. Nearly 9 in 10 advisors (88%) use client referrals, while 64% use COI referrals. The high usage rates (and equally high satisfaction ratings) are not surprising, given top-ranking lead quality, which in turn supports high efficiency and success rates, in combination with low client acquisition costs.

Getting Stuck In The Referral Coasting Zone

Despite serving as the cornerstone of most practices' marketing strategies, the fastest-growing firms are actually the least reliant on client referrals as a source of new revenue — a pattern also observed in prior editions of this report. In fact, Figure 5.1 reveals that most non-high-growth practices across development stages generate little, if any, meaningful new revenue from tactics beyond client referrals. This occurs because non-high-growth firms not only employ fewer non-referral tactics (as shown earlier), but also (to a lesser extent) tend to experience lower success rates from those alternative tactics compared to high-growth firms.

Figure 5.1. Share Of Organic New Client Revenue From Client Referrals, High-Growth Vs Others (Actively Growing Practices)



^ 5-9 responses for one or more of the displayed metrics

This heavy dependence on client referrals among non-high-growth practices reflects what might be described as a "referral coasting zone". That is, once practices grow their client bases to a point where they receive enough referrals to generate a modest but steady stream of new clients which, when combined with revenue growth from existing clients (from new contributions, to increases in AUM fees during rising markets), produces "enough" growth such that firms ultimately opt not to invest heavily in additional marketing tactics that they often struggle to execute anyway.

This decision is understandable in light of how alternative tactics require substantial investments of time, financial resources, and effort to implement effectively — while also being individually less likely to outperform referrals on a standalone basis. In other words, advisors naturally ask: why devote significant effort toward building a content creation strategy (e.g., video production or a regular blog) or improving online discoverability (e.g., through SEO or AEO) when none of these efforts will individually match the effectiveness of client referrals anyway?

Reasons To Avoid This Referral Coasting Zone Are Fourfold

First, while many alternative tactics may be less efficient individually than referrals in terms of the cost of generating new client revenue, even a tactic that underperforms referrals can still generate an economically attractive return on investment. There are at least 8 other marketing tactics among the 26 covered in this study with revenue acquisition costs under $2.00. This $2.00 threshold represents not just a lower cost than acquiring clients inorganically, but an internal rate of return over the lifetime of a typical client relationship that will likely surpass the return that firm owners would achieve by redirecting their profits elsewhere, such as into a retirement savings plan.

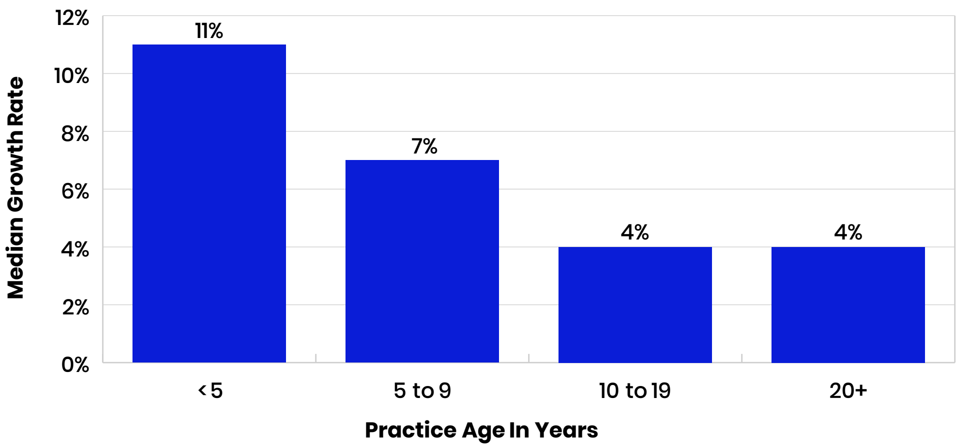
Second, although alternative tactics may individually be less efficient than referrals, Figure 5.1 demonstrates that among high-growth practices they collectively account for a dominant 60%–75% share of new client revenue. This suggests that practices relying exclusively on referrals may be generating less than half the new client revenue that could potentially be achieved through the successful deployment of additional tactics.

Importantly, success with these alternative tactics is far from guaranteed. As shown throughout this report, there are substantial differences in success and efficiency metrics across tactics, and some tactic-level strategies are far more conducive to success than others. Nonetheless, the broader point remains: across all stages of practice development, successfully avoiding the referral coasting zone and deploying additional marketing tactics appears to be a prerequisite for achieving standout organic growth.

Third, relying on a broader mix of marketing tactics not only supports greater growth, but also tends to produce "better" growth in terms of being more consistent. This is because practices dependent primarily or exclusively on referrals are ultimately reliant on the actions of others — namely, clients — to sustain momentum toward their growth objectives. During periods when referral activity slows, those practices often struggle to generate new business consistently. By contrast, practices utilizing a wider range of tactics retain more direct control over their growth levers, whether through refining a social media strategy, increasing networking activity, or allocating additional hard-dollar resources toward advertising and outreach. As a result, diversified marketing strategies are generally better positioned to maintain more consistent long-term growth trajectories.

And fourth, another risk of relying too much on client referrals is that advisors can eventually exhaust the number of referrals available from their existing client base. To put it more directly, generating more client referrals isn't possible by just "turning up the dial". There is a point where the referral source is exhausted. Advisors cannot double growth by simply doubling the number of times their clients are asked to provide a referral. In other words, the well can eventually run dry, particularly when firms are not bringing in enough new clients through other marketing channels who can, in turn, generate referrals from that new clients' personal networks. This dynamic can be seen in Figure 5.2, which shows that new-client growth attributable to referrals declines from 11% among actively growing practices less than five years old to just 2.6% among those that have been in business for at least 20 years. Facilitating further growth requires embracing additional tactics.

Figure 5.2. Referral-Driven Client Growth By Practice Age (Actively Growing Practices)

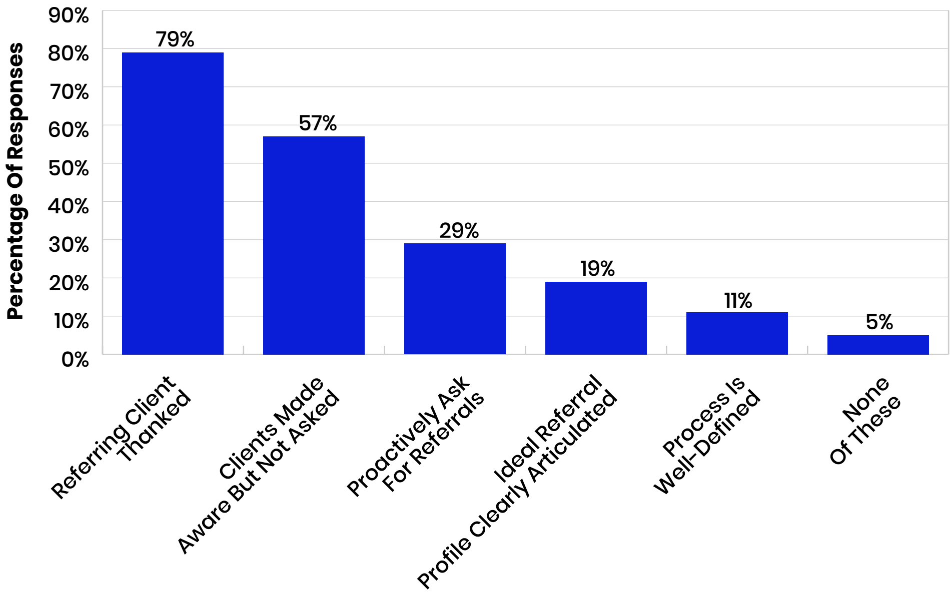


Strategies for Encouraging Client Referrals

While nearly 9 in 10 practices rely on client referrals, these practices differ greatly in terms of how this tactic is implemented.

At a high level, the most basic way advisors can bring greater intentionality to referral generation is simply by establishing a clearly defined process for how referrals should be handled. While this type of intentional structure is often second nature for marketing tactics that are directly under the advisor's control, referrals are unique in that they ultimately depend on actions taken by clients. As a result, many advisors approach referral generation far more passively than other marketing tactics. For this reason, only 11% of advisors using referrals describe their practice's referral process as being well defined (Figure 5.3).

Figure 5.3. Approach Towards Client Referrals

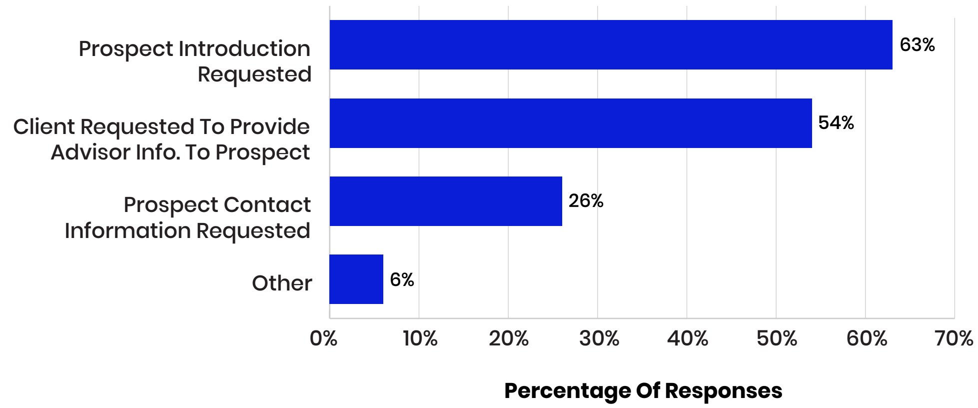


Which means that although advisors employ a variety of specific referral-generation strategies at meaningful rates (also shown in Figure 5.3), these efforts are typically executed on an ad hoc basis at the discretion of individual advisors rather than as part of a coordinated, practice-wide strategy designed to systematically generate referrals.

Asking For Client Referrals

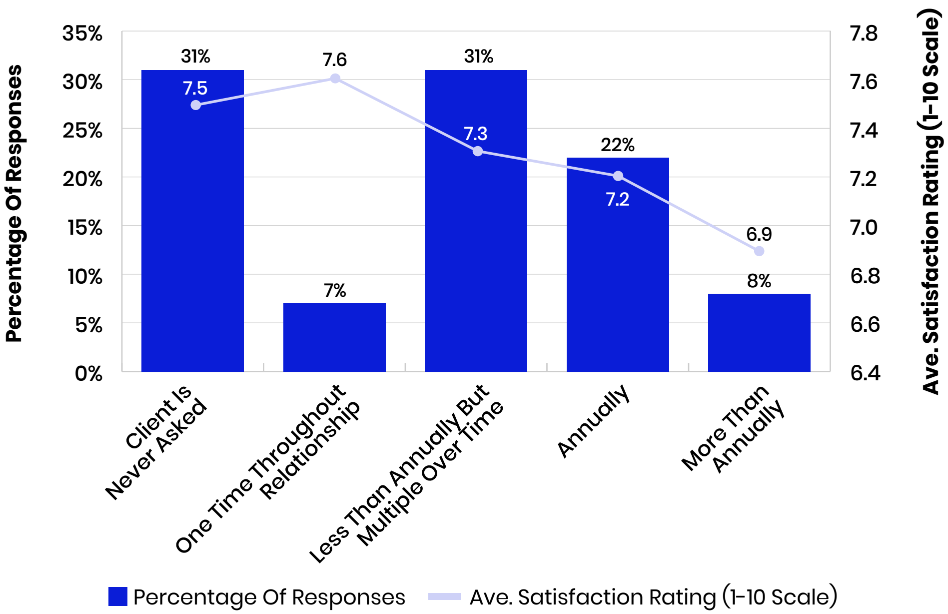
One of the most straightforward ways practices can increase the number of referrals they receive is simply by asking for them. Of course, what it means to "ask for referrals" varies considerably across firms (Figure 5.4). The most common approach is asking clients to formally introduce the advisor to the prospective lead (63%). This is followed by providing prospects with the advisor's contact information and allowing the lead to initiate contact independently (54%). The least common strategy is directly requesting the specific name and contact information of the prospective lead (26%).

Figure 5.4. How Advisors Ask Clients For Referrals



The process of asking for referrals can often feel awkward for advisors, many of whom worry that doing so may cause clients to question whether the advisor's primary motivation is genuine concern for their wellbeing or simply generating additional revenue, making interactions feel less personal and more transactional. For this reason, just 29% of advisors report proactively asking for referrals, though 69% of advisors who use referrals as a marketing tactic do ask for them at least occasionally (Figure 5.5).

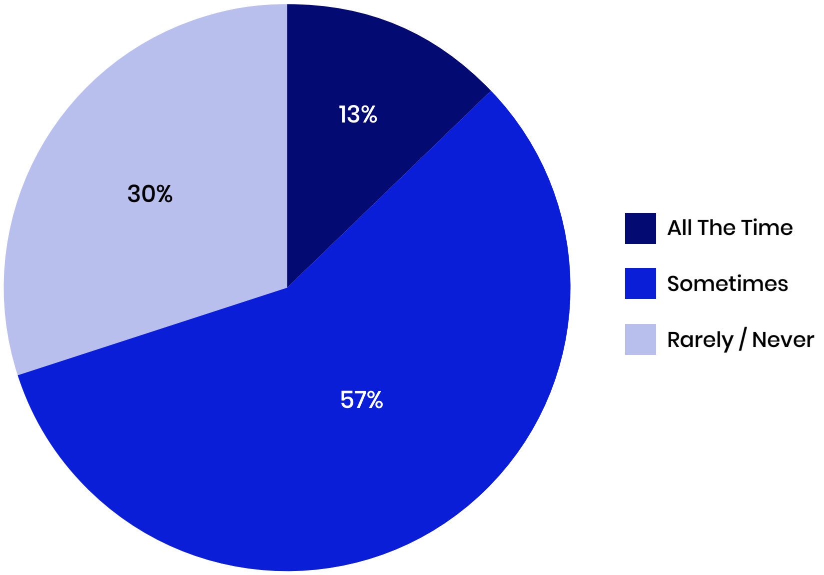
Figure 5.5. Frequency Clients Are Asked For Referrals And Overall Client Referral Satisfaction



Further reflecting advisors' discomfort with referral requests is the fact that overall satisfaction with client referrals tends to decline as the frequency of asking increases. (Though this is also likely partly due to the inverse: advisors not satisfied with their number of referrals may feel the need to ask for them more often, carrying their pre-existing dissatisfaction forward into the asks-for-referrals group.) Notably, however, even among advisors who ask most frequently and otherwise have the lowest satisfaction with the tactic, satisfaction with referrals remains higher than for any other individual marketing tactic, which means advisors still tend to value the number and quality of clients generated through referrals more than they dislike the discomfort associated with requesting them.

Also consistent with advisors' discomfort around asking for referrals is the fact that, among practices with established referral policies (which generally arc towards "asking [more often]"), only 13% of advisors report following those policies "all the time," compared to 57% who say they follow them only "sometimes" and a striking 30% who report rarely or never following them at all (Figure 5.6).

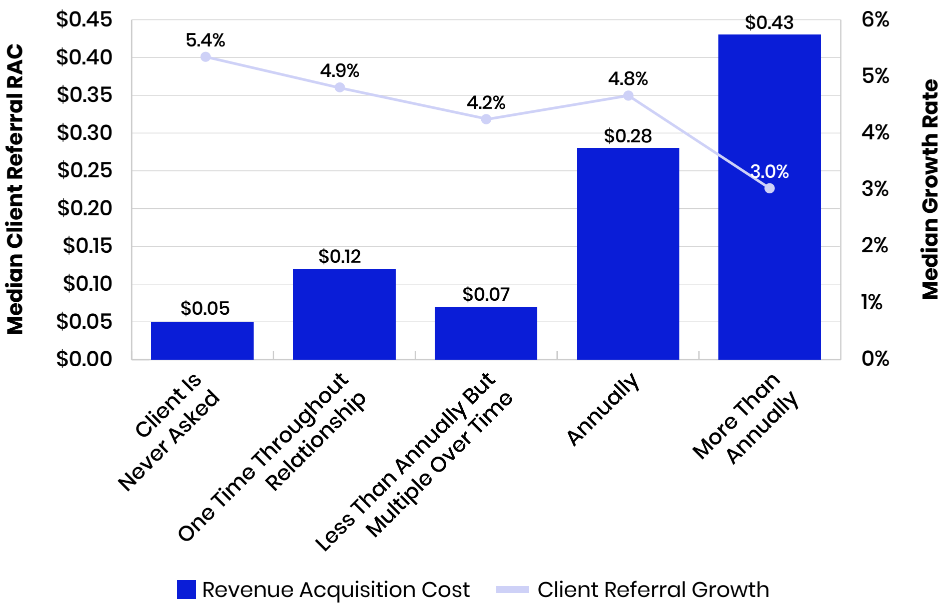
Figure 5.6. Consistency In Following Referral Policy



Of course, a degree of discomfort may still be worthwhile if it translates into greater referral success. At least in terms how efficiently client referrals are being utilized (as measured through their revenue acquisition cost), though, more frequent referral 'asks' tend to correlate with lower efficiency.

Practices that don't ask for referrals maintain a RAC for this tactic of just $0.05 (Figure 5.7). By contrast, practices that ask for referrals only once during the client relationship have a RAC of $0.12, which dips to $0.07 for those that ask multiple times but less than annually, then rises steadily to $0.43 for practices that ask for referrals more than once per year.

Figure 5.7. Client Referral Marketing Efficiency And Referral-Driven Growth By Frequency Advisors Ask For Referrals



However, just because referrals become less cost-efficient as advisors ask for them more frequently does not necessarily mean that asking is not worthwhile from a business perspective. Even a RAC of $0.43 among advisors asking for referrals more than once per year remains dramatically more favorable than the cost of acquiring comparable revenue inorganically through M&A. In other words, asking for referrals more aggressively could still be justified if it meaningfully increased referral-driven growth.

However, in practice, asking more often for referrals doesn't just increase the RAC, it actually reduces growth rates as well! The secondary axis of Figure 5.7 displays client growth attributable to referrals (e.g., a practice with 100 clients that gains four referral clients would exhibit a 4% referral-driven client growth rate). While the relationship is not perfectly linear, practices that do not proactively ask for referrals experienced referral-driven client growth of 5.4%. By contrast, this figure declines to 3% among practices asking for referrals multiple times per year, with practices asking less frequently falling in between.

Ultimately, these findings suggest that beyond creating discomfort for advisors — and potentially their clients — proactively asking for referrals, particularly at higher frequencies, is not only less cost-efficient than not asking because of the time it takes to create structured referral-asking policies, but also fails to produce any meaningful increase in actual referrals at all! In fact, the evidence suggests that asking too frequently may actually correspond with receiving fewer referrals relative to the size of the client base, potentially because clients become less comfortable or enthusiastic about referring when they feel repeatedly solicited.

The Breadth Of Referral Solicitation

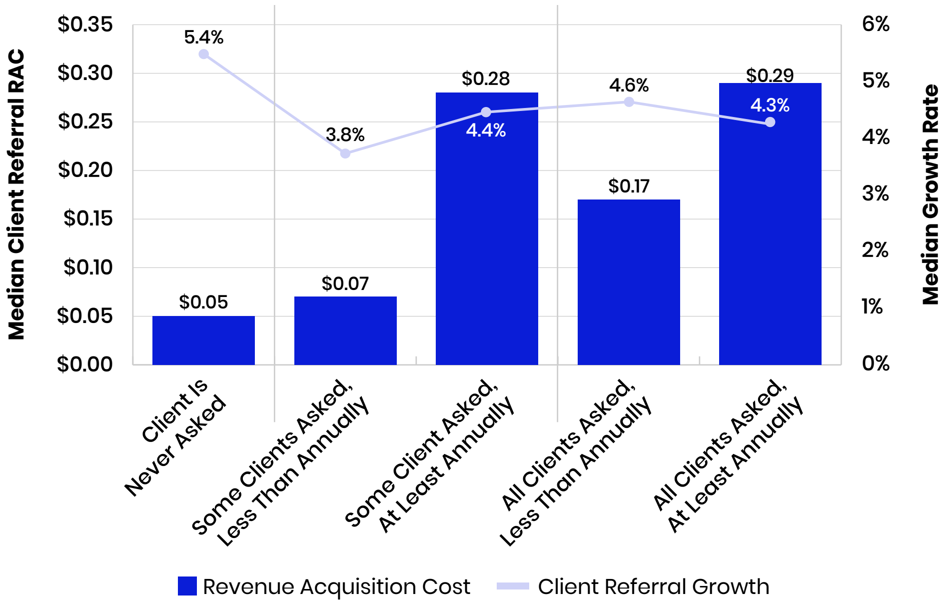
An important caveat to the present discussion, however, is that advisors vary considerably in the share of their client base from whom they seek referrals. Some advisors ask all clients for referrals as a structured component of their planning process or routine meeting cadence (e.g., following the creation or update of a financial plan, or at the conclusion of annual review meetings), while others ask only a subset of clients.

In some cases, this may simply reflect advisors' discomfort with requesting referrals, leading them to apply referral strategies inconsistently (as evidenced by the aforementioned sizeable share of advisors who report not consistently following their firms' established referral policies). In other cases, however, advisors may be intentionally concentrating their time and energy on the subset of clients most likely to generate referrals — often referred to as "active promoters."

Overall, just 36% of advisors that ask for referrals say that they ask all clients for referrals regardless of how likely they are to send referrals; the other 64% focus on the subset of clients they think are most likely to send referrals. However, this 64% does not appear to be doing a genuine active promoter strategy (where they would be expected to ask active promoters for referrals equally as much or more compared to those asking everyone) and instead appears to ask fewer clients for referrals simply because they don't like asking for referrals in general. Of advisors that ask a subset of their clients for referrals, 34% ask them at least once per year.

To examine the relative benefits of asking all clients versus only a subset for referrals — and to distinguish the latter group between advisors intentionally following an "active promoter" strategy from those who are simply inconsistent in asking for referrals — we segment advisors both by whether they ask all clients or only some clients for referrals, as well as by whether they ask at least once per year or less frequently. We also include advisors who do not ask for referrals at all as a comparison group (Figure 5.8).

Figure 5.8. Client Referral Marketing Efficiency And Referral-Driven Growth By Breadth And Frequency Of Referral Solicitation



Overall, referrals remain a remarkably efficient marketing tactic across all five groups, particularly relative to other marketing tactics examined throughout this report. However, some meaningful differences still emerge. RACs are highest among advisors who ask for referrals at least once per year (approximately $0.28), regardless of whether they ask all clients or only a subset of likely "active promoters." By contrast, asking all clients less than annually requires less advisor time and corresponds with a RAC of $0.16, while asking only some clients less than annually produces a RAC of just $0.07 — nearly identical to the $0.05 RAC observed among advisors who do not proactively ask for referrals at all.

In theory, incurring the additional time and structure costs of asking for more referrals can still be worthwhile if the firm actually gets more referrals, but once again the results show this is not the case. Practices that do not proactively ask for referrals exhibit a referral-driven organic client growth rate of 5.4%, compared to between 3.8% and 4.6% for the other groups. Which means the additional effort required to ask larger portions of the client base — and to ask more frequently — creates all the awkwardness and additional cost of time and tracking, yet still does not appear to translate into meaningfully (or any) greater referral generation relative to the size of the practice's existing client base!

In other words, the more time advisors devote to referral solicitation (both in terms of the breadth of clients approached, and the frequency with which they ask), the less cost-efficient referrals become as a marketing tactic overall, and while those results may still be cost effective, they're still worse for the firm's overall growth from referrals than not proactively asking clients at all!

Passive Referral Encouragement

While explicitly asking clients for referrals can be thought of as an "active" strategy from the advisor to encourage referrals, advisors can also "passively" encourage referrals by simply making clients aware that referrals are welcome (i.e., that the advisor is in fact accepting referrals and does have the capacity to take them on)—keeping the idea top of mind for clients when they encounter someone who may be a good fit for the advisor. In other words, actively referral encouragement involves explicitly asking, while passive encouragement exclusively involves increasing awareness.

Overall, 57% of advisors using client referrals indicated that they engaged in at least one passive strategy to encourage referrals. An example of passive encouragement could be, when a client asks the advisor how they're doing, the advisor responds by saying "things are great but busy, our clients have been sending lots of referrals our way." Of advisors passively promoting referrals, 77% will passively promote referrals in conversations with clients. Beyond such conversations, 25% of advisors will note their acceptance of referrals in physical or electronic communications, and 11% will note it on their website.

This approach allows advisors to actively encourage referrals without necessarily creating discomfort for themselves (or for clients) by explicitly asking for them, and to complement their more direct 'asks'.

Figure 5.9 segments respondents based on their use of both active and passive referral encouragement, alongside corresponding RACs and new-client acquisition rates. Once again, the referral data reveal the same underlying pattern: becoming more intentional about referral generation — moving from neither active nor passive encouragement, to one approach, to both — corresponds with progressively higher RACs, though all remain substantially lower than those associated with other marketing tactics.

Figure 5.9. Referral Encouragement Methods (Actively Growing Practices)

Tactic	Percentage Of Responses	Median Client Referral RAC	Median Client Referral Growth Rate
Neither Actively Nor Passively Promotes Referrals	27%	$0.03	6.3%
Passively Promotes Referrals	41%	$0.16	4.1%
Actively Promotes Referrals	16%	$0.20	4.3%
Actively And Passively Promotes Referrals	15%	$0.24	4.0%

Consistent with earlier findings, these extra efforts do not translate into better growth outcomes for the practice, in terms of organic new client growth rates from referrals. Actively growing practices that neither actively nor passively promote referrals experience an organic client growth rate of 6.3% attributable to referrals, compared to 4.0% for practices that engage in some combination of active and passive referral encouragement. (This disparity holds even when restricting the sample to practices less than 10 years old where the well has not yet run dry from existing clients.) And notably, this pattern of higher RACs and lower client growth rates also holds true whether referrals are passively promoted via in-person conversations, electronic or physical client communications, or on their website.

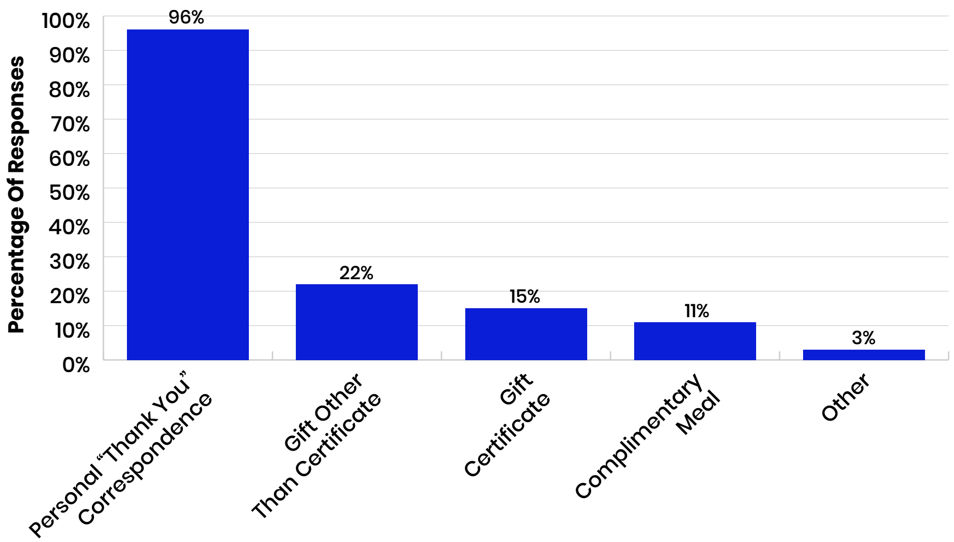
Along with frequency of asks and breadth of the client base asked, this now offers a third example of advisors investing additional effort to boost referrals only to ultimately make them both less cost efficient and plentiful.

Thanking Clients For Referrals

79% of advisors relying on client referrals reported thanking clients for referrals. The underlying premise is straightforward: by expressing appreciation when clients do something beneficial for the business, advisors may increase the likelihood that those clients will provide referrals again in the future.

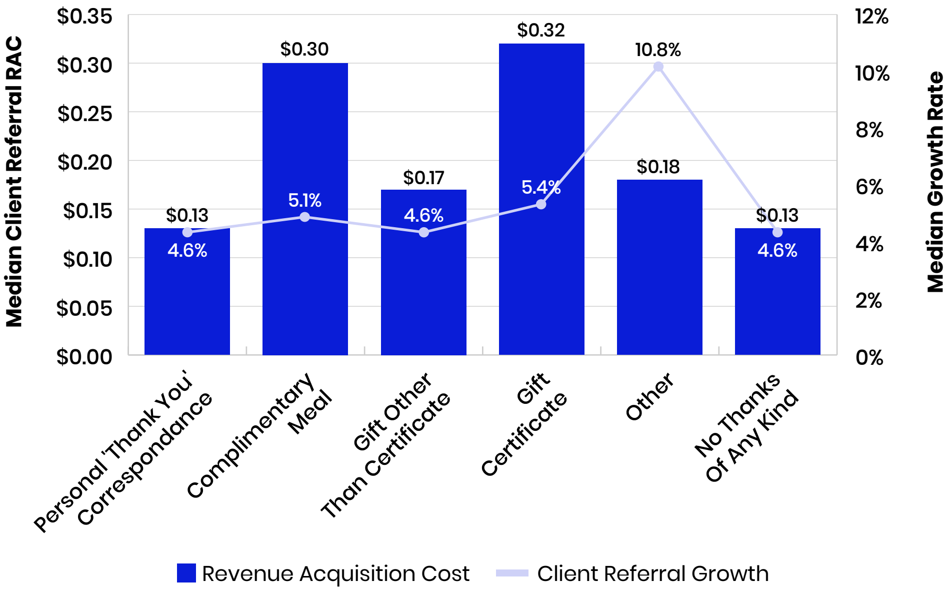
Advisors communicate these expressions of gratitude in a variety of ways (Figure 5.10). By far the most common act is simply offering a personal "thank you" through some form of direct correspondence (e.g., email, handwritten note, or phone call), the approach utilized by 96% of advisors who have some method of thanking clients for referrals in the first place. Other gestures include sending gifts other than gift cards (22%), providing gift certificates or gift cards (15%), and treating clients to a meal or similar outing (11%).

Figure 5.10 How Advisors Thank Clients For Referrals



Consistent with the other referral-encouragement strategies discussed throughout this section, thanking clients for referrals corresponds with higher RACs regardless of how appreciation is expressed (Figure 5.11). In other words, while these efforts remain highly efficient relative to most other marketing tactics, they do appear to modestly reduce the cost-efficiency of referrals themselves.

Figure 5.11. Client Referral Marketing Efficiency And Referral-Driven Growth By Thank-You Method



When examining whether this additional — albeit somewhat less efficient — effort translates into greater growth, the evidence is modestly supportive. Referral-driven client growth rates are approximately 0.6% to 0.8% higher among practices that thank clients by treating them to a meal or providing a gift card or certificate, while growth rates are effectively unchanged among advisors providing other types of gifts. This suggests there is at least some evidence that actively expressing appreciation for referrals beyond a mere “thank you” may increase the likelihood that clients refer again in the future.

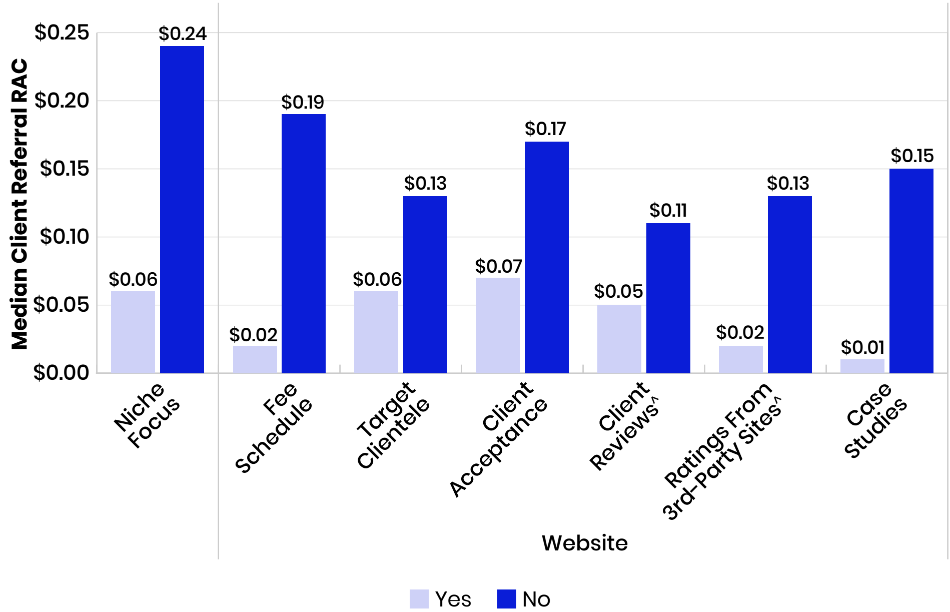
Having (And Conveying) A Clear Niche

Two additional factors that may contribute to greater referral volume involve establishing a clear niche market and, second, clearly articulating that target client profile when encouraging referrals so clients understand exactly whom the advisor is best positioned to serve.

The question of whether practices serve a clear niche market in the first place differs from the other potential levers for increasing referrals discussed so far because it relates to a broader characteristic of advisory practices trying to generate the referrals, rather than being a characteristic about the referral process itself. In essence, it’s about being more referrable in the first place.

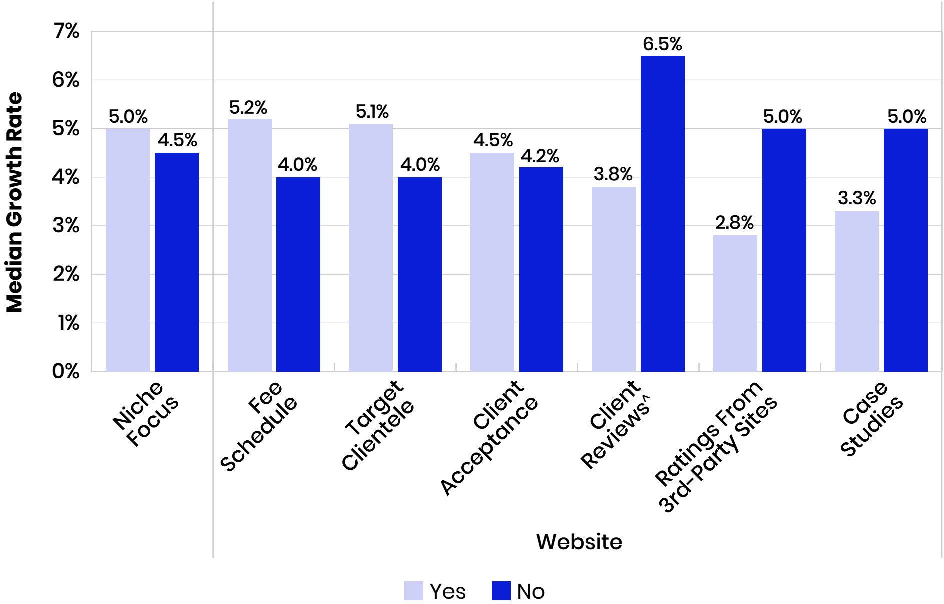
Kitces Research only classifies practices as having a niche if 75% or more of new clients fall within a specific target market (because if a practice claims to serve a target market but a substantial share of clients fall outside of it in practice, then the niche is not meaningfully defining the business). Practices with a clear niche exhibit substantially lower client referral RACs ($0.06 versus $0.24) (Figure 5.12) and slightly higher referral-driven organic client growth rates (5.0% versus 4.5%) (Figure 5.13) than practices without a niche. Further, among advisors with a niche, prominently communicating that niche on their website corresponds with even lower referral RACs ($0.06 versus $0.13) and higher referral-driven client growth rates (5.0% versus 4.1%).

Figure 5.12. Client Referral Marketing Efficiency By Niche Focus And Website Features



^ 5-9 responses for one or more of the displayed metrics

Figure 5.13. Referral-Driven Growth By Niche Focus And Website Features



^ 5-9 responses for one or more of the displayed metrics

Relatedly, aspects of an advisor's website that indirectly signal the type of clientele the practice serves — such as fee schedules and minimums — while not an explicit description of their target market, also appear associated with stronger referral outcomes. (Displaying fee schedules on advisor websites is associated with the largest decline in RAC and increase in referral-driven client growth.) This is because they can function as heuristics that help prospective referrers infer the kinds of clients the advisor typically works with. For example, if an advisor charges relatively high fees or maintains substantial account minimums, clients may naturally surmise that the practice specializes in affluent households.

Beyond merely having a defined target market and presenting it on their websites, advisors can take the additional step of clearly articulating this profile to clients when asking for referrals. Just 19% of advisors using client referrals report doing so.

This relatively low figure is understandable given that many advisors believe (whether rightly or wrongly) that placing responsibility on clients to determine whether someone is an appropriate fit puts an unrealistic burden on clients. In this view, clients may not know enough about the financial circumstances of their friends or colleagues to make an informed judgment (especially if the advisor's ideal client is quantitatively defined by metrics such as "at least $500,000 in investable assets", versus a more readily identifiable target client like "recent widows" or "tech employees at Google or Meta"), and may struggle to recall the advisor's ideal client profile during organic conversations (resulting in them simply avoiding making referrals altogether out of uncertainty).

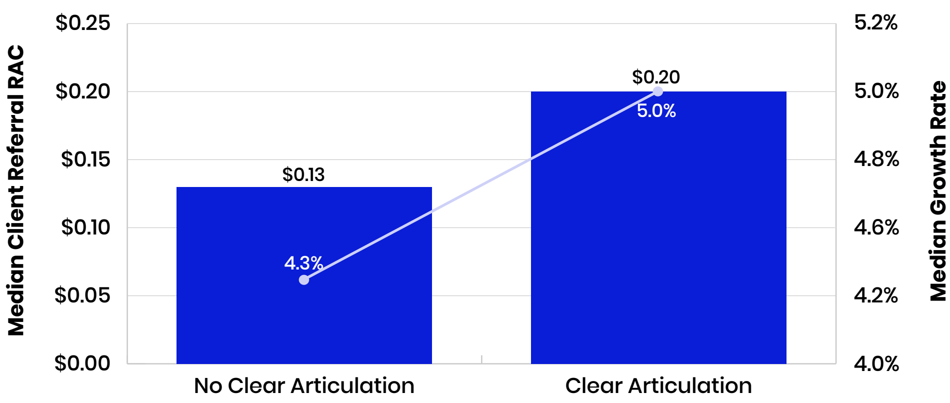
Moreover, advisors ultimately still need to independently determine whether a referred prospect is an appropriate fit, making the client's preliminary screening function somewhat redundant — particularly given that taking on poorly aligned clients just because they were referred by existing ones is ultimately suboptimal both for the new client's experience (because they may require deviations from the existing service standard), as well as the long-term health of the practice (because of the operational tax of this accommodation). As we'll show, this somewhat conventional view is an oversimplification of reality.

On the surface, advisors who communicate an ideal client profile do report slightly higher perceived lead quality, with an average lead quality rating of 7.6 versus 7.3 among those who do not. However, these higher subjective satisfaction ratings are not consistently reflected in more objective measures of client fit.

For example, there is little evidence that communicating an ideal client profile results in higher-revenue referred clients — an important consideration given the scaling challenges associated with marketing discussed earlier in this report. Median annual revenue per new referred client is $6,925 among advisors communicating an ideal client profile versus $7,058 among those who do not. This suggests that the disparity in advisors' subjective assessments of client fit is likely driven less by the effectiveness of communicating an ideal client profile itself and more by the inherently high quality of referral-generated leads generally. Indeed, at 6.2, client referrals carry the second-highest average lead quality rating of any tactic — two points higher than the cross-tactic average of 4.2. As a result, advisors communicating an ideal client profile may attribute the relatively strong quality of referral-generated prospects to the communicated profile itself, when in reality much of that effect likely stems from the naturally higher-quality leads that referrals tend to generate regardless.

In terms of the relationship between taking this particular additional step and overall marketing efficiency and practice growth, the pattern diverges somewhat from the broader findings observed throughout this section. Consistent with earlier results, the added effort required to communicate an ideal client profile corresponds with a higher RAC (Figure 5.14), indicating that referrals become somewhat less cost-efficient — though still highly efficient relative to most other marketing tactics.

Figure 5.14. Client Referral Marketing Efficiency And Referral-Driven Growth By Clear Profile Articulation



However, unlike many of the other referral-generation strategies examined thus far, communicating an ideal client profile is also associated with a modest increase in referral-driven client growth of approximately 0.7 percentage points! While not a huge difference - this amounts to about 1 additional new client per year for an established advisor's practice – the results at least suggest that, rather than creating a cognitive burden that discourages referrals because clients are uncertain whether someone fits the advisor's target profile (as is often thought), communicating an ideal client profile may actually provide clients with some useful context that helps them more readily identify when a friend, family member, or colleague could benefit from being connected with the advisor.

Taken in context with our more objective measures of client fit, though, the irony is that this also implies many of the additional referrals coming in from communicating an ideal client profile still may not actually be great fits for the practice (implying that clients still have trouble actually identifying people they know who fit the advisor's defined market, even as they try to refer incrementally more once they understand who they 'should' be looking for).

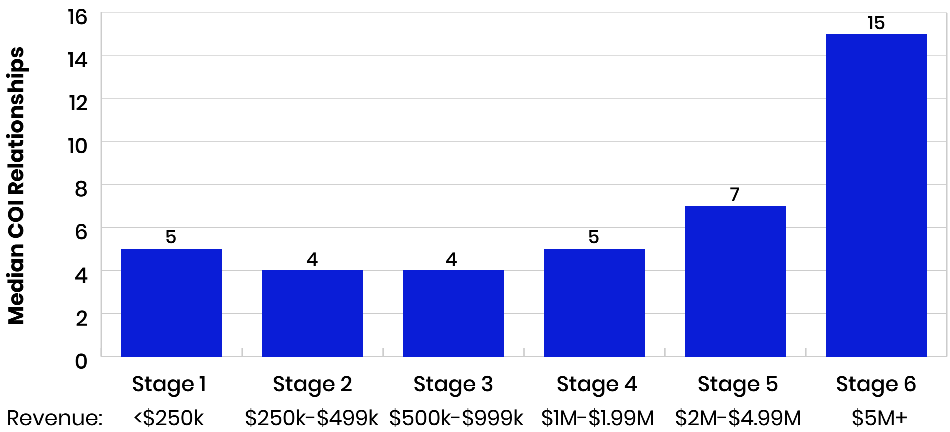
More broadly, when viewed alongside other findings throughout this report, such as the marketing success of Only Flat-Fee practices in attracting affluent DIY investors, these results on niches increasing referral-driven client growth reinforce the importance of maintaining a clearly defined and publicly communicated target market. Doing so not only helps prospective clients more naturally discover advisors whose services align with their needs, but also helps existing clients internalize a clearer understanding of who the advisor serves. In turn, this appears to make clients more likely to recognize potential "fit" and connect people in their network with the advisor when relevant conversations arise (though in practice, these referred prospective clients may not actually be a good fit).

Centers Of Influence

After client referrals, Centers of Influence (COIs) maintain the second-highest usage rate of any marketing tactic, utilized by 64% of all advisory practices – though this figure is higher among high-growth practices. When excluding the 15% of practices in the mature stage of development not actively pursuing further growth, 71% of high-growth practices use COIs, vs 67% of others.

The typical practice using this tactic maintains five COI relationships — unchanged from the last edition of this report. This number remains relatively stable at roughly four to five relationships through Stage 4 practices generating up to approximately $2 million in revenue (Figure 5.15). Beyond that point, however, the number rises to seven among Stage 5 practices and 15 among Stage 6 practices.

Figure 5.15. Number Of COI Relationships By Practice Size



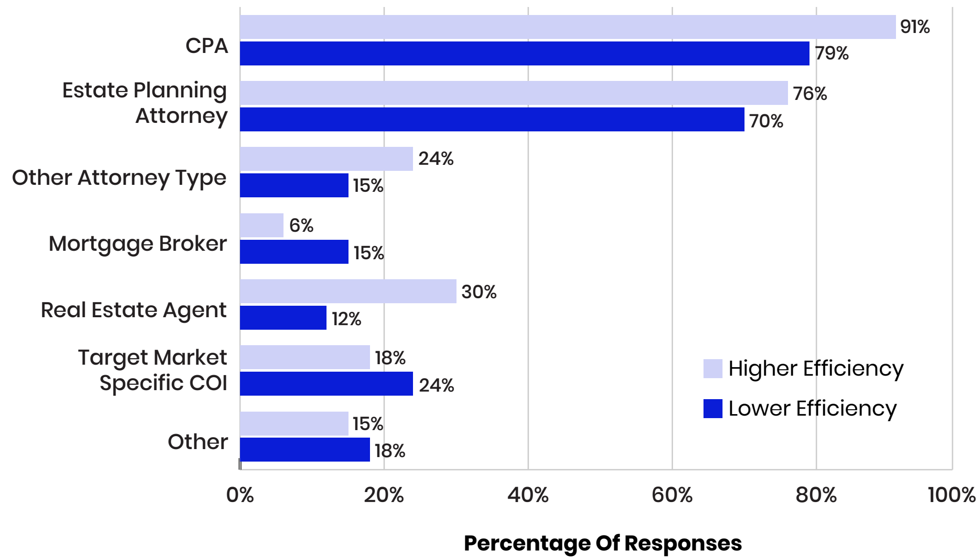
This does not imply that individual advisors within Stage 6 practices each maintain 15 COI relationships. Rather, these larger practices are generally composed of multiple advisors (for example, more than 80% of Stage 1 and Stage 2 practices are solo firms, vs 7% of Stage 6 firms) and *each* of the Senior advisors within the practice often maintain multiple distinct COI relationships. Accordingly, the 15-relationship figure reflects the aggregate number of unique COI relationships maintained across the broader practice as firms get larger.

At the same time, larger numbers of COI relationships do not necessarily imply that practices rely equally on all of them. Consistent with prior editions of this report, the typical practice receives the majority of its COI-generated referrals from just two COI relationships — a figure that remains remarkably consistent across all six revenue stages.

In terms of specific COI relationships, the two most common by a substantial margin are CPAs (89%) and estate planning attorneys (79%). However, meaningful shares of advisors also maintain relationships with other types of attorneys (38%), mortgage brokers (30%), and real estate agents (28%). Notably, while many of these nontraditional COI categories gained considerable ground relative to CPAs between the 2022 and 2024 editions of the report as advisors appeared to be expanding their COI networks, usage rates across COI categories remained virtually unchanged between 2024 and 2026 (Figure 5.15), suggesting advisors are getting positive outcomes from their expanded networks and are maintaining those new COI relationships.

In terms of the relationship between the types of COIs that advisors engage with and marketing outcomes, the practices using this tactic most cost-effectively are less reliant on traditional COIs such as CPAs and estate planning attorneys, and more likely to work with mortgage brokers and target-market-specific COIs (Figure 5.16).

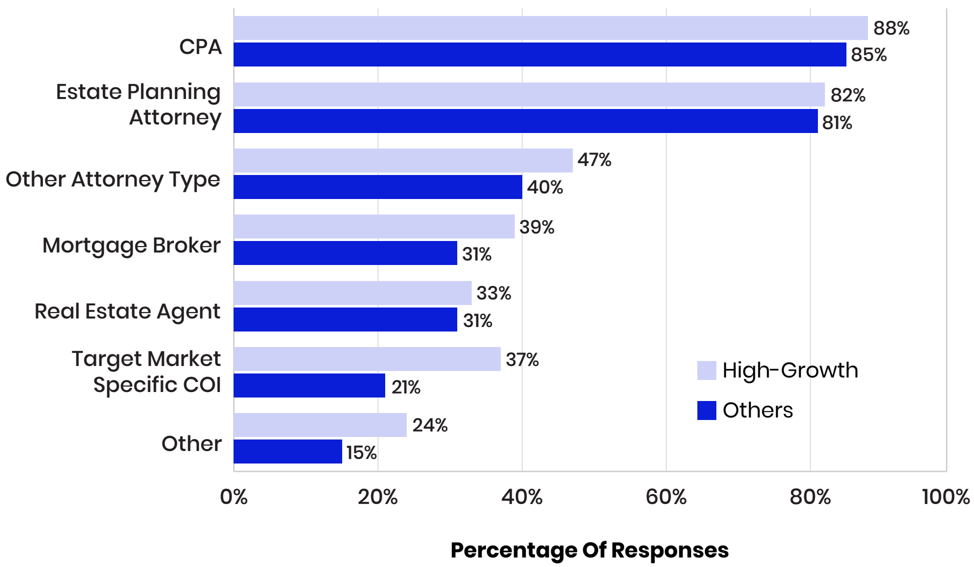
Figure 5.16. Types Of COIs Engaged With By COI Marketing Efficiency



Note: "Higher Efficiency" includes practices with median or lower COI revenue acquisition cost. "Lower Efficiency" includes practices with COI revenue acquisition cost above median.

At the same time, high-growth practices are more likely to utilize every category of COI relationship — meaning that not only are they more likely to use COIs generally, but among practices using COIs they also tend to maintain a broader set of relationships (Figure 5.17). Notably, however, the two largest adoption disparities between high-growth and other actively growing practices occur precisely among the two aforementioned COI categories. Specifically, 37% of high-growth practices report working with target-market-specific COIs (for example, an advisor catering to college professors might have relationships with HR benefit specialists working within local universities) compared to just 21% of others actively growing, while the corresponding figures for mortgage brokers are 39% and 31%, respectively.

Figure 5.17. Types Of COIs Engaged With By High-Growth Vs Others (Actively Growing Practices)



These findings on the use of target-market specific COIs in particular reinforce a broader theme repeated throughout this report regarding the importance of maintaining a clearly defined target market. A well-defined niche not only makes it easier for prospective clients to identify practices that fit their needs and helps existing clients recognize when someone in their network may be a good fit for referral, but also enables advisors to build relationships with other professionals who serve that same clientele but may not already be working with other advisors (unlike pursuing CPAs and estate attorneys who are often saturated by or already attached to other advisors also asking for referrals). In turn, these aligned-but-not-already-attached COIs appear more likely to generate referrals.

Weighing Advantages	
Pros	**Cons**
• Highly efficient due to low client and revenue acquisition costs. • High advisor satisfaction. • High success rates. • Small number of key relationships can generate the majority of the results.	• Less scalable given inability to substitute advisor time for hard dollars when investing into key relationships. • Hard to improve outcomes with active and passive encouragement strategies. • Difficult to sustain growth through client referrals once "well runs dry." • Heavy reliance on client referrals is not a characteristic of high-growth practices. • Critical mass of clients needed before a client referral strategy is truly viable.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Practices with advisor capacity but a lack of hard dollars. • Mature practices with little interest in active marketing. • Stage 3 practices or larger. • Practices with a clear public-facing target market. • Practice age of 10 or more years. • Niche practices working with target-specific COIs to attract hard-to-reach prospects.	• Practices with high growth goals. • Client referrals for Stage 1 practices or practices under 3 years of age. • Practices that lack an understanding of the type of COI that is best suited for the type of prospect they are hoping of targeting.

Figure 5.18. Assessing Fit – Referral Generation

The Paid Solicitor tactical group includes custodial referral programs, digital solicitors, and traditional (i.e., any other) third-party solicitors. The commonality across these tactics is that there is some form of payment from the advisor to the solicitor for providing a referral or introduction to a prospect. Digital solicitors include websites where, unlike online directory listings, leads are provided for payment contingent on the referral becoming a client. Similarly, traditional solicitors (e.g., CPAs or attorneys) are distinct from Centers of Influence relationships that do not involve payments.

Paid solicitors remain among the least-utilized marketing tactics used by advisors. Despite frequent coverage in industry trade media, participation in RIA custodial referral programs is particularly limited because only a relatively small subset of practices qualify to participate. These programs typically impose stringent eligibility requirements, such as minimum assets under management, growth thresholds, service model standards, compliance history requirements, or client experience benchmarks, and often limit the number of participating advisors within a geographic area to reduce competition among program members.

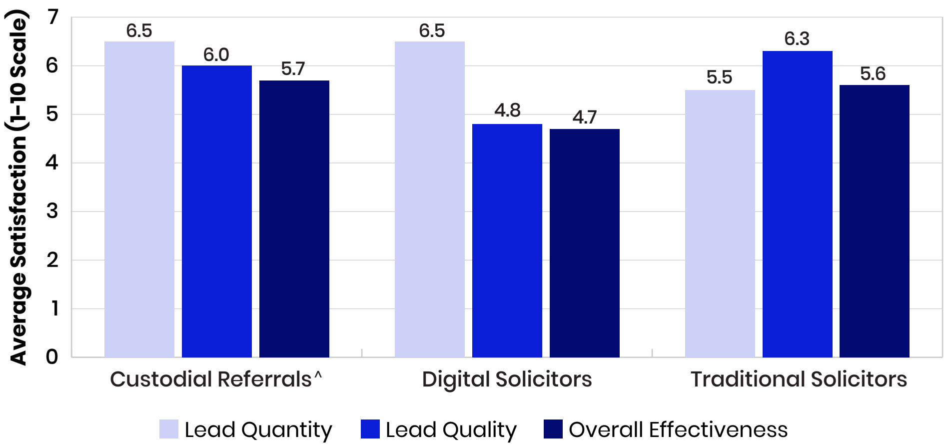
Nonetheless, while adoption rates for paid solicitor arrangements are low, these tactics consistently exhibit above-average success rates (69% or higher, versus the cross-tactic average of 55%) as well as above-average overall satisfaction scores. In terms of marketing efficiency, paid solicitors as an overall group maintain a revenue acquisition cost below the all tactics average ($1.59 versus $2.01), which itself remains substantially below the effective cost of acquiring comparable revenue through M&A.

However, it's notable that while most marketing tactics have a one-time upfront cost to execute the tactic, solicitor arrangements typically have ongoing revenue-sharing arrangements, for at least a period of several years and potentially the entirely lifetime of the client, which means our revenue acquisition costs reported here will substantively understate the cumulative lifetime cost of solicitor-based marketing versus nearly all other marketing tactics (that don't have ongoing revenue-sharing commitments after the initial year of marketing).

Nonetheless, while the cumulative cost over time can be significant, and relatively few advisors are able to work with paid solicitors in the first place, those who do tend to experience comparatively consistent outcomes, and can engage more paid solicitors with more dollars if they want to allocate more money to accelerate their growth. This contrasts meaningfully with tactics such as SEO or podcast production, where results tend to be far more skewed (with many advisors experiencing little or no measurable success), and a limited ability to accelerate growth with a greater spend (i.e., producing twice as many podcast episodes does not typically double or even materially increase the client growth rate).

While all three tactics within the paid solicitors group achieved above-average satisfaction ratings across lead quantity, lead quality, and overall effectiveness, digital solicitors scored lower than both custodial referral programs and traditional solicitors on lead quality (Figure 5.19), which in turn reduced overall satisfaction with the tactic — a trend also identified in the previous edition of this report. This finding is consistent with the broader trend that advisor satisfaction with marketing tactics tends to be driven more by lead quality than lead quantity, and suggests that digital solicitor platforms may face greater challenges in effectively filtering and matching referrals to the specific needs and ideal client profiles of individual advisory practices.

Figure 5.19. Satisfaction Ratings, Paid Solicitors



^ 5-9 responses for one or more of the displayed metrics

In terms of providers, the most widely used digital solicitors are Harness Wealth (52%), followed by Datalign (40%) and Wealthramp (40%). Among advisors using custodial referral programs, Schwab is by far the most commonly used provider (88%), followed by Fidelity (63%), with approximately half of advisors using custodial referral programs participating in both. Regarding advisors using traditional solicitors, these advisors mostly rely on CPAs (59%), followed by former employees (18%), clients (18%), and attorneys (14%).

In terms of compensation structure, nearly all paid solicitor arrangements rely on ongoing revenue-sharing agreements (literally calculated as a percentage of the revenue paid by the client). Compensation based on basis points tied to client assets (as opposed to a percentage of revenue) is substantially less common, while flat upfront fees (e.g., a one-time referral bonus to a solicitor) are rarer still.

In terms of opportunities available to advisors to use paid solicitors, they are unlikely to be considered by a custodian for inclusion in a referral program unless the practice is long-established with a full suite of resources for serving higher-net-worth clientele (especially as the popular RIA custodians increasingly roll out their own advisory services platforms for clients with up to $1M of assets). However, more potential exists for advisors to benefit from both digital solicitors and traditional solicitors. For a younger and smaller practice, solicitors can help to jump-start growth and establish a client base that can in turn generate its own referrals. Larger, more established practices, where the "well has run dry" on client referrals, can benefit as well.

Finally, because paid solicitors require hard-dollar expenditures, they are ideal for larger practices looking to efficiently scale their marketing by making it less reliant on (increasingly expensive) advisor time. Indeed, the importance of moving away from time-based tactics and toward hard-dollar expenses in order to prevent marketing costs from anti-scaling – that is, rising as a share of revenue – as firms grow because of the growing cost of advisor time is a recurring theme of this report. The approach can be especially appealing given that, while there are hard-dollar costs, they are only paid upon success (as a percentage of revenue actually received, often stretched out over a period of time), which turn solicitor growth costs into a variable cost directly aligned with growth in revenue, making it much easier to scale financially.

Advisors considering traditional or digital solicitors, however, will want to account for the time needed to build the relationships to generate referrals, and to educate the solicitor to ensure they receive quality referrals. This means working with the solicitor so that they understand your target client profile or, alternatively, filtering subpar leads on your own. Figure 5.20 provides an additional summary for assessing whether paid solicitors could be a fit for your practice.

Figure 5.20. Assessing Fit – Paid Solicitors

Weighing Advantages	
Pros	**Cons**
• Success rates well above average. • Satisfaction rates well above average. • Low advisor time commitment. • Contingent nature of fees (typically only paid on success) allows the tactic to “pay for itself” in hard-dollar costs.	• Requires advisor time to clarify with referral source the profile of a quality referral, or • Requires advisor time to filter out sub-part referrals. • Stringent requirements to participate in custodial referral programs. • Total cost can be high, albeit often paid over time and only contingent upon success.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Paid solicitors in general may be good for large practices that are trying make their marketing less reliant on advisor time and more reliant on hard dollar costs. • They also may be good for established practices where the “well has run dry” on referrals. • Solicitors other than custodians are ideal for start-up practices without a client base or COI relationships to generate referrals. • Custodial referrals are ideal for established practices with capability to serve the HNW market but limited internal marketing capacity.	• Practices that lack a good understanding of their target prospect or are unable to articulate their ideal target profile. • Custodial referrals are not realistic for less established practices with limited service capabilities.

Outbound prospecting involves advisors reaching out to strangers with whom they do not already have a direct relationship or connection. Traditionally, this form of "cold" prospecting has included tactics such as direct mail, door knocking, and cold calling. More recently, advisors have gained access to a growing range of digital cold outreach strategies, in which advisors either develop or purchase prospect lists and then initiate contact through mediums like email and LinkedIn.

Working the phone, knocking on doors, and direct postal mail were once dominant forms of marketing for financial advisors – particularly during an era when advisors were more commonly referred to as brokers or insurance agents. Today, however, these tactics exhibit among the lowest usage rates of any tactical category aside from paid solicitors: just 7% of practices report using cold-calling or door-knocking, while only 5% utilize direct mail.

Current usage of these "cold" outreach tactics is disproportionately concentrated among newer practices seeking to build an initial client base, though even among these practices, adoption rates remain relatively modest: approximately 3%–5% of practices operating for 20 years or longer use these tactics, but they're still only used 9%–10% amongst of practices less than five years, too.

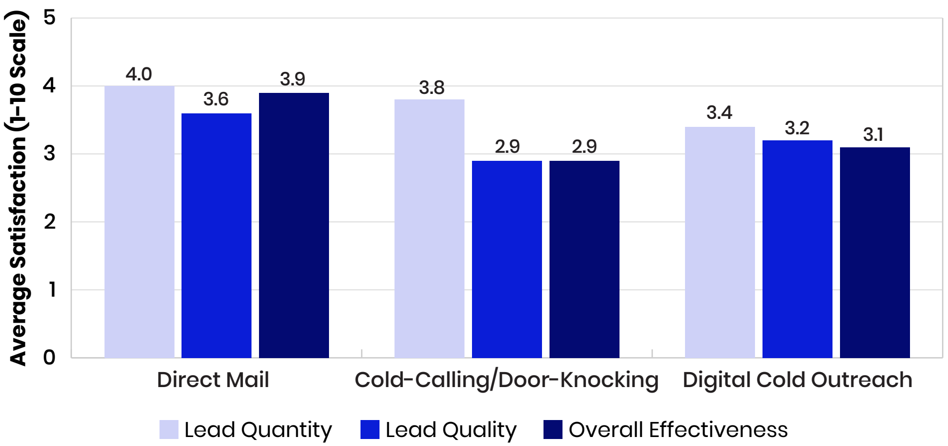
More recently, however, there has been growing advisor interest in digital cold outreach to prospective clients, particularly with the rise of a new crop of AI-driven platforms. While firms can identify prospects for outreach independently, increased adoption has been facilitated by the expanding ecosystem of tools designed to streamline the time- and rejection-intensive cold outreach process for advisors.

Typically with AI-driven digital prospecting platforms, advisors input information describing their target clientele, after which these platforms search large databases not only for individuals matching the advisor's preferred demographic or financial characteristics, but also for signals suggesting a potential near-term catalyst for financial advice (e.g., job changes, retirement, the sale of a business, or other major life events). The result is a ranked list of prospective clients based on various targeting criteria. These platforms then assist advisors in contacting prospects by drafting and scheduling outreach communications, most commonly via email but in some cases by sending messages through other platforms such as LinkedIn. While advisors generally retain the ability to review and edit these communications, the broader objective is to automate enough of the prospecting and follow-up process that advisors can efficiently maintain outreach to a large volume of prospective leads.

For the first time in this latest edition of the report, we examined advisors' use of digital cold outreach tools. Current usage of this tactic stands at 7%, roughly in line with the adoption rates of more traditional non-digital cold outreach tactics such as cold-calling, door-knocking, and direct mail.

While usage rates for paid solicitors — the only tactical group with comparably low adoption rates — appear to be constrained primarily by hard-dollar costs (for digital and traditional solicitors) and exclusivity requirements (for custodial referral programs), the low usage of outbound prospecting tactics appears to be driven instead by weak advisor satisfaction ratings (Figure 5.21). All three outbound prospecting tactics score below overall tactic averages for lead quality, lead quantity, and overall effectiveness, and echo the broad theme that not only do advisors often try to grow to the point that they don't 'have to' do marketing anymore, but in the nearer term they try to grow from "grindy" marketing tactics that have a high volume of rejection (cold prospecting) towards tactics that tend to generate better-fit prospects that are more likely to say "yes".

Figure 5.21. Satisfaction Ratings, Outbound Prospecting



Cold-calling and door-knocking received the single lowest overall satisfaction rating among all 26 marketing tactics examined (2.9), driven largely by the lowest lead quality ratings of any tactic (also 2.9). Similarly, direct mail exhibited low overall satisfaction (3.9), driven by low ratings for lead quality. This is unsurprising given that these cold outreach strategies generally lack a strong selection mechanism for targeting 'ideal' clients.

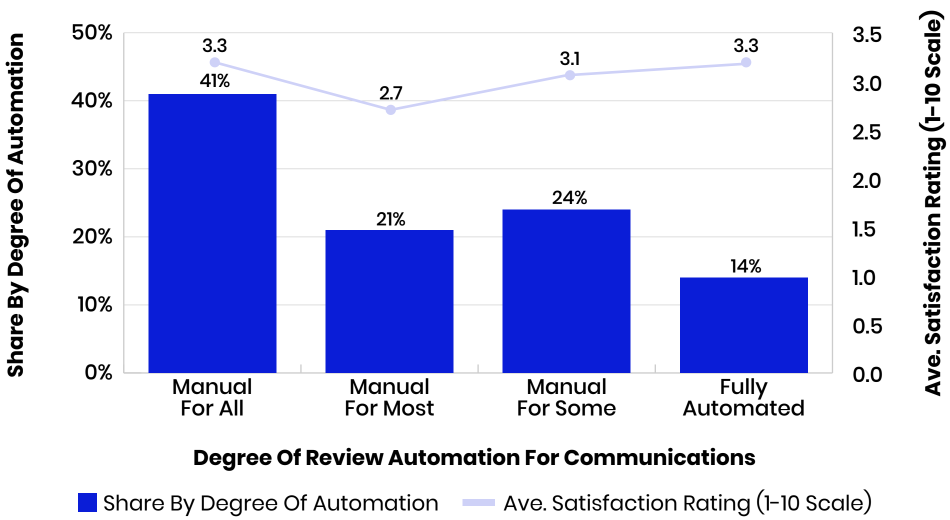
Perhaps more unexpected, given the recent attention and enthusiasm surrounding new digital cold outreach tools, is that these platforms received the second-lowest ratings across all tactics for both overall satisfaction (3.1) and lead quality (3.2). Beyond their modest success rates of approximately 50% — similar to other outbound prospecting tactics — these weak satisfaction scores appear to stem in significant part from the fact that even with their self-professed targeting capabilities, actual lead quality reported from advisors engaging with the tools is worse than direct mail that just broadly canvasses affluent zip codes.

In theory, if low-quality leads are at least filtered by technology automatically, the advisor time commitment to the tactic is reduced, which may make it more appealing and cost effective! And one of the primary advertised advantages of many digital cold outreach tools is their relatively low hard-dollar cost: the median practice using these tools spends just $850 annually in direct expenditures.

However, as discussed earlier in this report, hard-dollar expenses typically account for only roughly one-third of total marketing costs, with advisor and staff time representing the majority. In theory, digital cold outreach tools are intended to reduce those time costs by automating prospect identification and drafting outreach communications for advisor review. In practice, however, our data suggest advisors remain heavily involved in the process.

Specifically, 41% of advisors using 'heavily automated' digital cold outreach platforms still manually review all communications before they are sent, 21% review most communications, 24% review some communications, and only 14% fully automate the process without review (Figure 5.22).

Figure 5.22. Overall Satisfaction With Digital Cold Outreach By Degree Of Automation For Review Of Digital Cold Outreach Communications



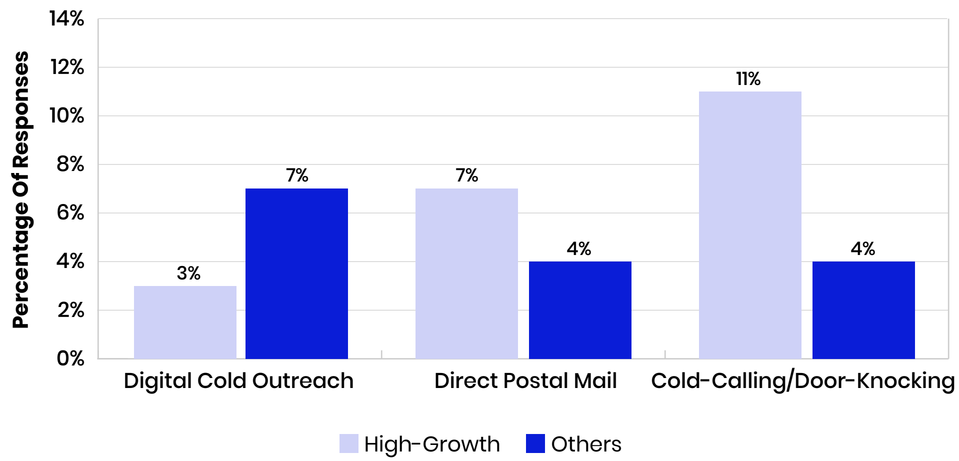
This time commitment accumulates quickly. Practices using digital cold outreach tools contacted a median of 133 unique prospects over the past year, with many of these prospects receiving multiple communications from the advisor (e.g., a multi-message nurture campaign) – each of which must be reviewed. Importantly, advisors' level of involvement reviewing emails does not necessarily imply advisors are misusing the tools or that they were designed to require too much advisor time. Our broader research on advisor technology adoption consistently finds that advisors generally prefer technology that meaningfully reduces time requirements while still keeping a human "in the loop," rather than fully automating client-facing interactions. In fact, the ability for advisors to edit emails appears to have been designed in response to precisely that preference. And while sample sizes are relatively small and should therefore be interpreted cautiously, we find no evidence that greater automation corresponds with higher advisor satisfaction regarding these tools (also shown in Figure 5.22). Again, advisor satisfaction remains driven first and foremost by the quality of leads that the marketing tactic generates, not necessarily its automation efficiency.

What these findings imply more broadly, however, is that advisors should not view the cost of digital cold outreach tools as merely the $850 in hard-dollar expenditures incurred by the typical practice. Indeed, when advisor and staff time are incorporated, our data suggest that the true annual cost of these tools shoots up to approximately $14,340 per practice. This figure is particularly notable given that roughly half of practices using these tools fail to generate even a single client from the investment. In other words, the time advisors spend configuring targeting preferences, reviewing communications, and managing responses ultimately accounts for approximately 94% of the true cost associated with these tools, for a solution that still has a roughly 50/50 chance of generating even one actual new client.

Notwithstanding the low-lead-quality challenges of all the various "cold prospecting" tactics, though, it is notable that high-growth practices were more than twice as likely to engage in direct mail and cold-calling/door-knocking than other practices (Figure 5.23), implying that when executed effectively, cold prospecting can still serve as a meaningful component of an advisor's (or at least an overall practice's) growth strategy.

At the same time, however, cold-calling and door-knocking are extremely time-intensive tactics, with 73% of their total cost attributable to advisor time compared to 60% across all tactics on average. As a result, the costs associated with them are likely to anti-scale as firms grow, since the economic value of advisor time rises with practice growth, suggesting that they are really only cost effective specifically as a 'new-advisor' tactic (while the advisor's time costs remain moderate). Accordingly, larger practices seeking to incorporate outbound prospecting into their growth strategy may benefit from shifting toward direct mail, where advisor time constitutes just 21% of total costs and it's easier to manage and scale the hard-dollar costs of buying lists and covering printing and postage costs to distribute the mailers themselves.

Figure 5.23. Use Of Outbound Prospecting Tactics, High-Growth Vs Others (Actively Growing Practices)



More broadly, the continued use of these longstanding tactics among high-growth firms helps explain why some advisors, after failing to generate meaningful success from newer content-creation-oriented tactics, appear to be returning to these more traditional advisor staples — a trend discussed earlier in the "[Marketing Tactics – A Summary]" section.

In contrast to these traditional cold prospecting tactics, though, digital cold outreach is both less common among high-growth firms and, as noted earlier, still requires a considerable amount of advisor time in practice to input information about target clientele, review outbound communications, and manage follow-up activity. Given advisors' strong preference for keeping a human "in the loop," it is unrealistic to expect advisor time requirements to meaningfully decline simply by simply not vetting communications before they're send to prospects.

For newer practices, where advisors often have greater excess capacity and their time carries a lower economic opportunity cost, these time demands may be less problematic. Similarly, larger practices that have hired junior advisors or support staff may be able to delegate portions of the review process at a lower cost than relying on Senior Advisors' more-expensive time directly. Ultimately, however, whether firms of any size view these tools as a worthwhile use of time depends on whether they meaningfully contribute to growth — something that is not borne out in Figure 5.24 or in the fact that roughly half of advisors using these tools failed to generate a single client from them over the prior 12 months (though this latter fact is comparable to the other two tactics).

While our sample sizes for individual providers are not large enough to determine whether particular platforms are more successful than others at generating growth, the long-term viability of this emerging category will ultimately depend on whether digital cold outreach tools at least match the performance of their more traditional outbound prospecting counterparts, where the key metric may not be "speed and efficiency/automation" but "improving lead quality" in particular. Otherwise, much like several newer content-creation tactics that have struggled to generate sustained advisor adoption due to weak results, advisors may eventually cool on digital cold outreach as well and revert toward more established outbound prospecting tactics such as direct mail and cold-calling/door-knocking.

Figure 5.24. Assessing Fit – Outbound Prospecting

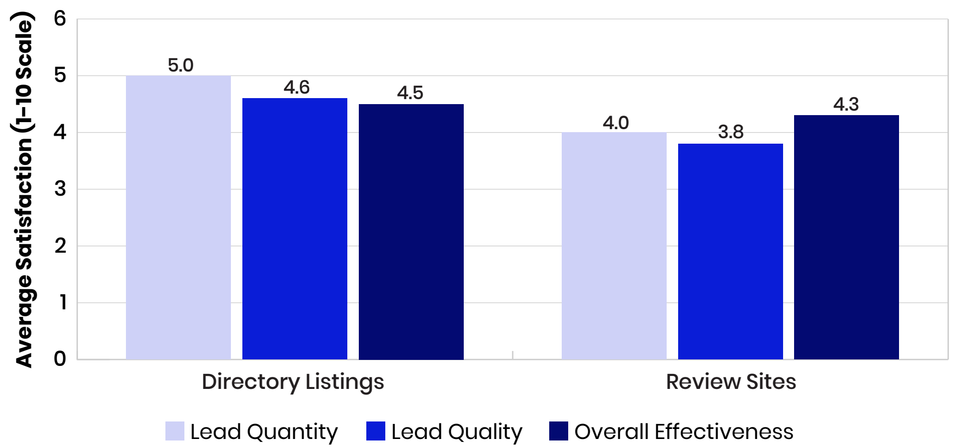
Weighing Advantages	
Pros	**Cons**
• High-growth practices more likely to use direct mail and cold-calling/door-knocking. • Digital cold outreach and cold-calling/door-knocking tools require low hard-dollar costs and can leverage 'inexpensive' new-advisor time while revenue is still limited.	• Low advisor satisfaction. • High time cost with cold-calling/door-knocking and digital cold outreach – the former of which is particularly hard to outsource.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Start-up practices with restricted hard dollars but ample advisor time. • Practices willing to find the right outsource solution for implementation (and some financial wherewithal to pay for that support).	• Practices in which implementation of these tactics must fall on Senior Advisors. • Outside startups, these tactics are a poor fit for practices that insist on doing it themselve.

Tactics making up the lead generation platform group include online advisor directory listings (e.g., CFP Board, NAPFA, Fee-Only Network, or XYPN's Find-An-Advisor portals) as well as third-party review sites such Yelp or Google Reviews. Online listing services are different from digital solicitors in that the only payment made by the advisor, if any, is a dollar amount per lead or flat fee for a listing in the directory. There are no payments linked to whether the lead becomes a client (which for regulatory purposes means they are not treated as paid solicitors, where additional disclosures would otherwise be required).

Leveraging lead-generation platforms falls within the lower tier of tactical groups in terms of adoption: just 18% of advisors report using online advisor listings, while 13% utilize third-party review sites. This latter figure is particularly notable because active advisor engagement with review platforms only became clearly permissible following the SEC's 2022 Marketing Rule, which clarified advisors' ability to use testimonials and interact with third-party review platforms. As a result, third-party review sites were introduced as a tactic for the first time in the 2024 edition of this report, where they had an 8% usage rate. Consistent with our predictions in that edition, usage increased meaningfully by 2026 — representing the single largest increase among all marketing tactics (+5 percentage points).

Overall, online directory listings score above average in lead quantity (5.0 versus the cross-tactic average of 4.2), slightly below average in lead quality (4.6 versus 4.7), and exactly average in overall satisfaction (4.5). Third-party review sites, by contrast, score below both directory listings and overall tactic averages across all three dimensions, with lead quality ratings also lower than lead quantity (Figure 5.25).

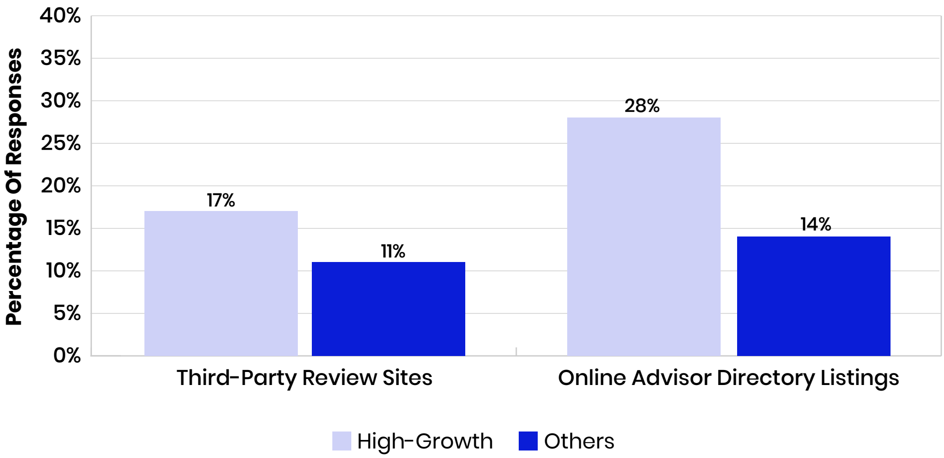
Figure 5.25. Satisfaction Ratings, Lead Generation Platforms



Although online directory listings and review sites maintain above-average success rates (79% and 61%, respectively, versus the all-tactic average of 55%), they produce considerably below-average annual revenue per new client ($6,000 and $3,144, respectively, versus $11,087 across all tactics) – resulting in stronger lead quantity than lead quality. In other words, these tactics are effective at generating leads and clients, but those clients tend to be less profitable to the firm than clients acquired through many other tactics.

Importantly, however, despite tending to generate less profitable clients, these tactics do so extremely efficiently. Client acquisition costs for both tactics remain below $1,500. As a result, online advisor listings maintain the single lowest revenue acquisition cost (RAC) of all tactics at just $0.28 — even lower than client referrals — while third-party review sites exhibit an impressively low RAC of $0.67, substantially below the all-tactic average of $2.01. Perhaps because of this efficiency, high-growth firms are substantially more likely than other firms to utilize both tactics (Figure 5.26), and their modest upfront cost also makes them a popular way for newer Stage 1 practices to accelerate their growth (before they're large enough to generate clients from tactics like existing-client referrals).

Figure 5.26. Usage Of Lead Generation Tactics, High-Growth Vs Others (Actively Growing Practices)

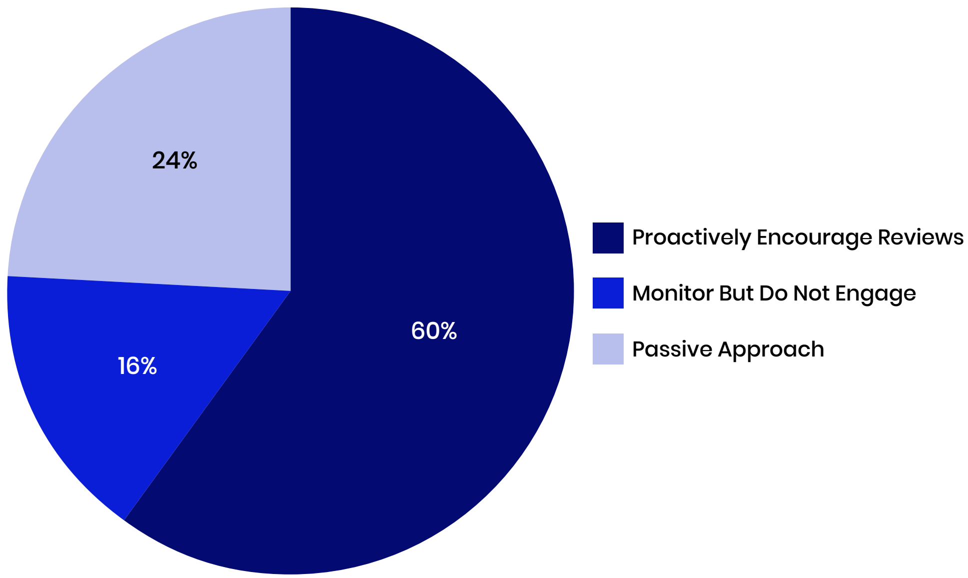


Online directory listings maintain low RACs primarily because the subscription fees are modest relative to the revenue of even a single client, and more importantly, they require relatively little advisor time. Which matters because advisor and staff time typically account for roughly two-thirds of overall marketing costs in any particular tactic, but when it comes to online directory listings, advisor time comprises just 32% of total marketing costs. (Though these low advisor time costs are also due to listings being more common among advisors at smaller practices whose time is less valuable: 30% of practices generating less than $250k use these listings, compared to only 18% of practices generating $5M or more.)

By contrast, advisor time constitutes 64% of total costs for third-party review sites. This difference exists because directory listings generally require little more than creating and periodically updating a profile, whereas review-site strategies often involve encouraging clients to leave reviews, monitoring platforms, and incorporating testimonials or ratings into websites and other marketing materials.

Indeed, over half (60%) of advisors using third-party review sites proactively encourage clients to leave reviews, compared to 16% who monitor these platforms without actively engaging and 24% who take a largely passive approach and rarely monitor them (Figure 5.27). While sample sizes are relatively small and results should therefore be interpreted cautiously, we find suggestive evidence that actively encouraging reviews corresponds with a greater share of the client base leaving reviews — though even among those proactively encouraging reviews, the median share of clients leaving reviews peaks at just 16%.

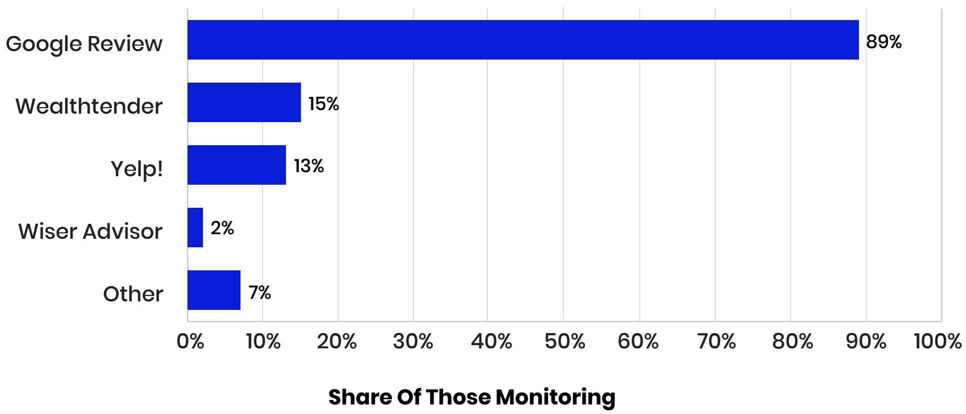
Figure 5.27. Advisor Involvement With Third-Party Review Sites



Beyond encouraging reviews, advisors must also decide whether to incorporate reviews or ratings into their own websites. Among advisors using third-party review platforms, 34% incorporate reviews or testimonials on their practice's website, while just 18% display ratings. Interestingly, high-growth firms are slightly less likely to display testimonials (25% versus 29%), but nearly twice as likely to display ratings (13% versus 7%).

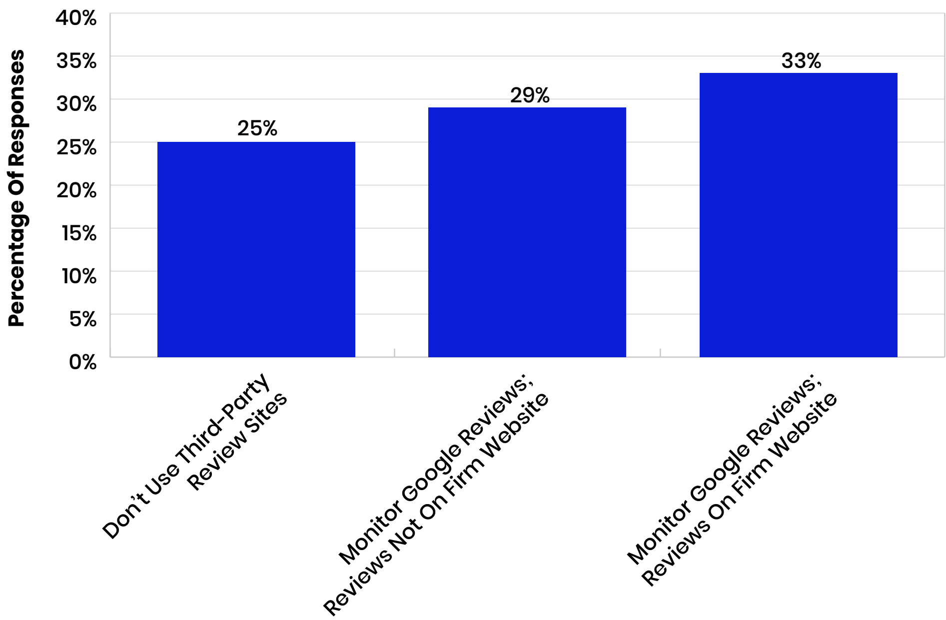
In terms of specific third-party platforms used for reviews, Google Reviews overwhelmingly dominates the category, utilized by 89% of advisors using third-party review sites. Other commonly monitored platforms include Wealthtender (15%), Yelp (13%), and WiserAdvisor (2%) (Figure5.28).

Figure 5.28. Review Sites Monitored



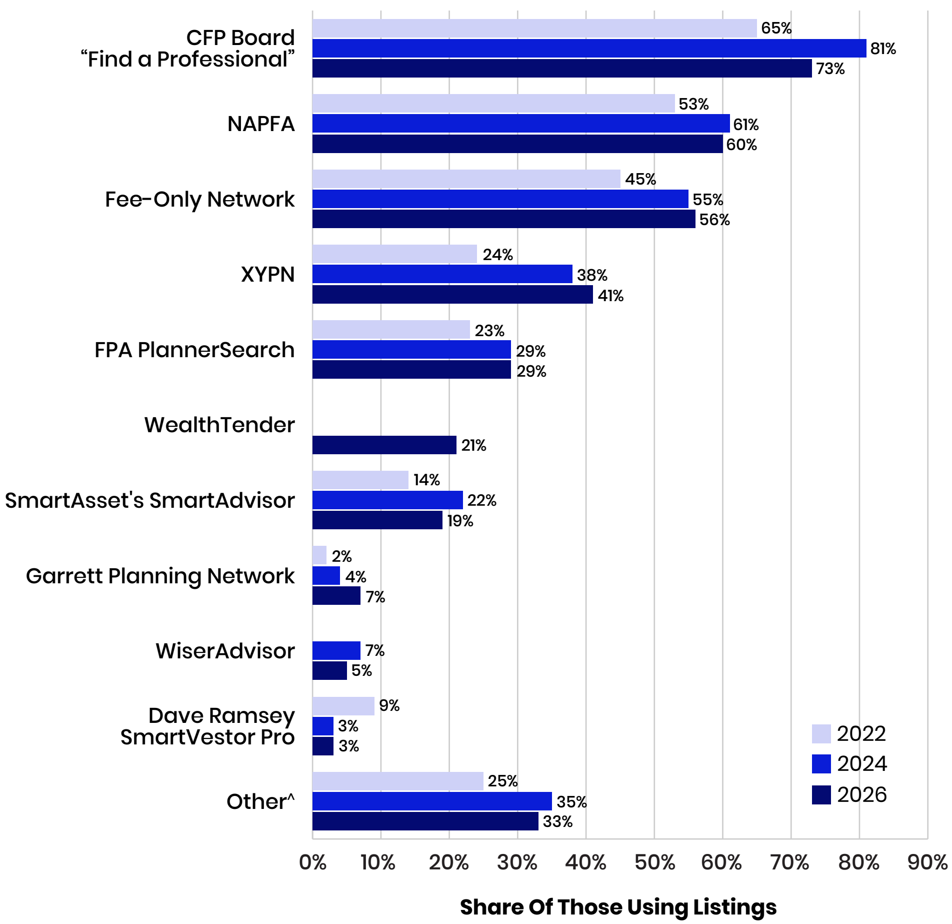
Overall, what stands out most about third-party review platforms is the degree to which their extremely low RACs suggest many advisors may be overlooking a meaningful growth opportunity by failing to establish even a basic presence on these platforms. Figure 5.29 illustrates this clearly: 25% of practices not using third-party review sites qualify as high-growth practices, compared to 29% among practices that have at least claimed their Google Business profile and begun collecting reviews, and 33% among practices that additionally display those reviews on their website. This stronger growth among practices displaying third-party reviews on their websites appears to be driven by new revenue from this added social proof driving down revenue acquisition costs. Practices that showcase reviews on their websites have a RAC of just $0.13 for this tactic, compared to $0.86 for practices that collect Google reviews but do not actively leverage them on their websites.

Figure 5.29. Share Of Practices That Are High-Growth By Third-Party Review Site Approach



Turning to online advisor listings (Figure 5.30), the CFP Board's "Find a CFP® Professional" directory remains the most widely used platform, utilized by 73% of advisors using online listings, though this represents a decline from 81% in 2024, and notwithstanding the CFP Board's substantial public awareness campaign was the advisor listing with the biggest drop in usage (on both a relative and absolute basis). Other widely used listing platforms include NAPFA (60%) and Fee-Only Network (56%), which were similar in usage since 2024 (both of which were up substantially since 2022, though).

Figure 5.30. Online Advisor Directory Listings Used, 2022-2026



Notes:

- *^ This category includes 7 low-percentage platforms (IndyFin, AdvisorFinder, FinancialAdvisors.com, My Perfect Financial Advisor, Planswell, WiserAdvisor, and Paladin Registry).*
- *Data was not collected in 2024 and 2022 for AdvisorFinder, FinancialAdvisors.com, My Perfect Financial Advisor, and WealthTender, as well as for WiserAdvisor in 2022 and Paladin Registry in 2026.*

It is notable that the broader relationship between online directory usage and higher organic growth rates holds across every individual provider examined: practices using any directory platform were more likely to qualify as high-growth firms than practices using none (Figure 5.31).

Figure 5.31. Online Directory Providers, Share Of High-Growth Practices And Detailed Satisfaction Ratings

Provider	Share of High-Growth Practices	Lead Quantity	Lead Quality	Overall Value
NAPFA Find An Advisor	44%	3.7	5.2	5.2
FeeOnlyNetwork	38%	2.8	4.8	4.9
WealthTender	46%	2.3	2.8	4.7
SmartAsset	64%	7.3	4.1	4.2
XYPN Find An Advisor	52%	2.3	3.5	3.8
FPA PlannerSearch	47%	1.4	2.3	3.7
CFP Board 'Find A CFP Professional	41%	1.3	3.0	3.3
Do Not Use Tactic	**33%**	**-**	**-**	**-**

Note: Includes only providers with 5 or more responses. Average satisfaction based on 1-10 scale with "10" representing most satisfied.

The two directories with the highest concentrations of high-growth practices are XYPN Find An Advisor (52%) and SmartAsset (64%), though for different reasons.

XYPN primarily serves newer advisory practices. Among XYPN users in our sample, 58% generate less than $250,000 in annual revenue, while just 4% generate more than $2 million. As a result, the strong growth rates associated with the platform may reflect not only the directory itself, but also the broader "supported independence" model that XYPN provides, which can help advisors in the startup stage grow more quickly than other independent advisors operating without similar organizational support.

By contrast, SmartAsset is more heavily utilized by larger practices. Just 33% of SmartAsset users generate less than $250,000 in annual revenue, compared to 42% that generate $2 million or more. These practices are often willing to invest substantial hard-dollar marketing expenditures into lead-generation platforms in order to accelerate growth, making SmartAsset's association with high-growth firms likely reflective of a different growth strategy altogether.

Interestingly, FeeOnlyNetwork exhibits the lowest share of high-growth practices despite maintaining the second-highest ratings for both lead quality and overall value. By contrast, NAPFA Find An Advisor receives the strongest ratings overall in both lead quality and perceived value, and second in terms of lead quantity, though it ranks closer to the middle of the pack in terms of the share of practices classified as high-growth.

SmartAsset, meanwhile, exhibits the highest concentration of high-growth practices, driven largely by its distinctly strong lead quantity ratings — scores that are impressive not merely relative to the generally weaker ratings common within this tactical group, but in absolute terms as well. While FPA PlannerSearch maintains the second-lowest overall satisfaction ratings, we will monitor them closely in future editions of this report given FPA's recent announcement that they'll be investing more heavily into this platform in a new partnership with advisor marketing platform Snappy Kraken.

CFP Board's "Find a CFP® Professional" directory, by contrast, maintains among the lowest ratings across most evaluated categories. This is notable both because the directory is effectively "free" to use beyond the annual cost of maintaining CFP® certification – which one might have expected to lead advisors towards a lower standard for what constitutes a satisfactory return on investment. Additionally, the CFP Board's substantial recent investments in consumer awareness campaigns do not appear to have translated into a meaningful number of prospective clients – or particularly high-quality prospective clients – finding advisors through the CFP Board directory. Approximately half of advisors pay an explicit fee for directory listings, while nearly 40% pay nothing at all — largely because CFP Board directory listings are included with CFP® certification. Another 9% pay based on a per-lead fee structure. The typical annual listing fee is approximately $500, while typical per-referral fees average roughly $250.

Due to their high efficiency and minimal demands on advisor time, there is little reason why firms actively pursuing growth should miss the opportunity to use in online directories. Being included often requires little more than signing up and, at times, paying a nominal fee in exchange for a consistent, albeit typically moderate, flow of leads. Listings are particularly suitable for less-established practices with limited resources, where even just a few leads can have a meaningful impact on early-stage growth. (One notable exception is SmartAsset, which generates lead volume at a scale that can require substantial advisor time to manage. As a result, SmartAsset tends to be most popular among larger firms that can afford dedicated business development personnel to respond to and qualify leads without needing to rely on expensive and potentially unavailable lead advisor time.)

Finally, while usage of third-party review platforms remains relatively low, adoption appears poised to continue increasing as advisors learn how to better leverage these tools. Review sites appear particularly well suited for larger and more established practices seeking to amplify the credibility of their existing brand presence. Larger firms' broader and more established client bases provide a stronger foundation from which to cultivate sufficient review volume to meaningfully increase visibility and social proof. See Figure 5.32 for an additional summary.

Figure 5.32. Assessing Fit – Lead Generation

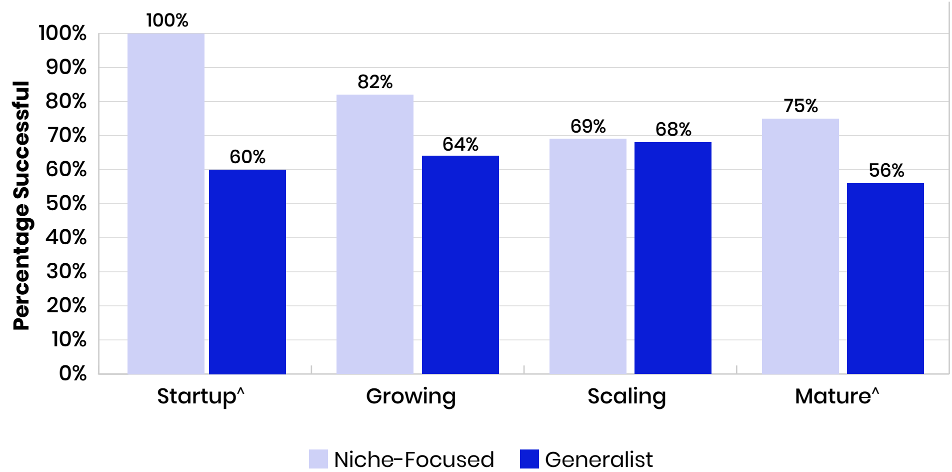
Weighing Advantages	
Pros	**Cons**
• Simple to take part in or engage with. • Low cost and high efficiency. • Success rates well above average. • Directory listings are sustainable in that advisor time is low.	• Limited ability to influence and increase referral flow through directory listings beyond whatever they passively provide.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Practices with limited resources. • Directory listings ideal for startup practices with high growth ambitions. • Review sites particularly advantageous for practices with a large client base.	• Practices that lack a good under-standing of their target prospect or unable to articulate their ideal target profile. • Smaller practices that may not have a client base sufficient in size to generate material awareness through review sites. • High-volume platforms like SmartAsset aren't suitable for practices that can't sift quickly through leads.

Networking tactics primarily center around visibility in a set area: either virtual (such as social media) or in-person (such as serving on a charity or board or joining a business networking group such as the local Chamber of Commerce). At any rate, networking is all about continual presence to establish relationships and build trust – setting the stage for action when the prospective client is ready. Because networking requires shared visibility and community, it excludes self-hosted events such as webinars, seminars, or client-appreciation events (which can be found in "Events"), or marketing efforts like cold-calling (which can be found in "Outbound prospecting").

One of the core challenges of advisory firms is how to build trust with prospective clients. The choice of financial advisor is not a shallow – or inexpensive – one, and advisors often have a high burden of proof to establish their credibility and trustworthiness. As the saying goes, "people do business with people they know, like, and trust". As such, networking is a highly favored marketing tactic for financial advisors as a way to develop relationships and become known, liked, and trusted, making the two networking tactics (in-person and social) the third- and fourth-most commonly used marketing tactics amongst advisors, respectively. Regardless of whether networking is done in-person or virtually, it is a tactic that may not always involve 'direct' marketing – but when done well, it allows the advisor to remain top of mind when the prospective client is ready to act.

Because of the indirect nature of networking, advisors must choose their marketing 'location' well. Advisors are more likely to resonate with prospects if the advisor is speaking to topics and issues that are relevant to them. For in-person networking events, having a niched subsection of the population audience makes a tremendous difference in their initial success (demonstrated in Figure 5.33), akin to how the clarity over who, exactly, the advisor serves also helps make the advisor more 'referrable' for client referrals as well. The benefit of having a clear niche while networking is especially dramatic at first, but continues across most firm stages of maturity.

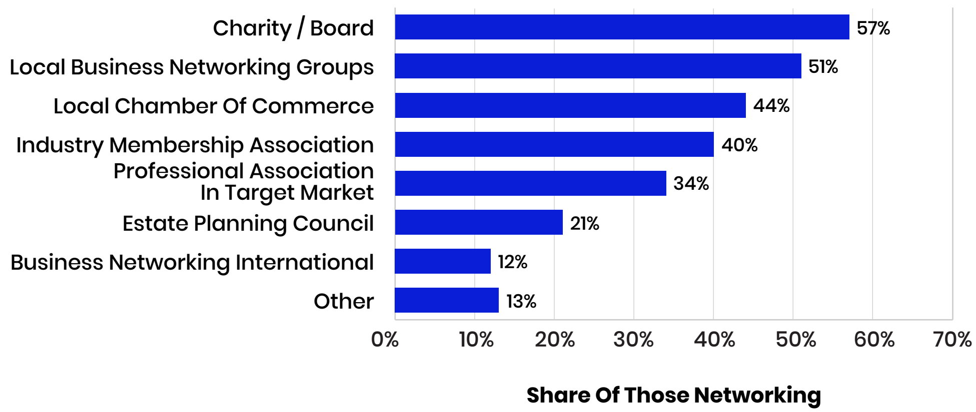
Figure 5.33. In-Person Networking Success, Niche-Focused Vs Generalist, By Practice Maturity



^ 5-9 responses for one or more of the displayed metrics

In-person networking, by its nature, typically focuses on local visibility. The most favored tactics for advisors are to either serve on a charity or board (57%), or within a local business networking group (51%). The latter can be especially helpful as advisors are often business owners themselves, giving them an organic presence within the group while also showcasing their unique expertise to business owners. From there, networking groups get increasingly specialized, such as industry or professional associations. Least popular is Business Networking International (BNI), with only 12% of networking advisors using this networking group provider, as is shown in Figure 5.34.

Figure 5.34. Groups Used For In-Person Networking



However, a lack of popularity does not necessarily reflect a lack of success – while the advisory firms that use these tactics are few in number, the lesser-used tactics averaged higher success rates. For example, BNI yielded the highest success rate (88%) of any group used for in-person networking, despite just a handful of practices relying on this source (given BNI's explicit focus of generating cross-referrals of new clients/customers across members). However, BNI was also a more expensive tactic, in terms of the advisor's time (and culminative revenue acquisition cost as shown in Figure 5.35). Advisors tended to find consistent success networking within professional associations in their target market as well as by serving on charities and boards – which provide organic, long-term networking opportunities that allow advisors to function in a one-to-many fashion.

Figure 5.35. In-Person Networking Marketing Efficiency By Group Attended

Group Type	Median RAC
Local Networking Group	$1.05
Local Chamber Of Commerce	$1.17
Business Networking International	$1.56
Charity / Board	$0.92
Industry Membership Association	$1.03
Estate Planning Council	$1.03
Professional Association In Target Market	$0.15
Other	$0.40

Regardless of the networking tactic used, all firms experience a dip in success rate between $2M–$4.9M in revenue, right when advisory firms typically begin to scale their team and processes in earnest. This transitional period highlights a weakness of in-person networking: because it relies on the advisor's time and presence, when that focus is required elsewhere, the tactic isn't done – or at least, isn't done with the same rigor or focus. In fact, once a firm crosses $1.5M in revenue, the average time spent networking typically halves.

While in-person marketing is typically focused on one-to-few relationships, social media ostensibly offers the benefit of being one-to-many, by allowing advisors to find any corner of the population – no matter how geographically spread out they are – and speak to their specific problems. Yet while social media is the fourth-most used tactic, it is not a tactic that promises high rates of success or satisfaction. This is due to some combination of competition to 'stand out' on social media, and the wide difference between posting on social media… and creating social content that is engaging, does well, and funnels a growing audience towards action.

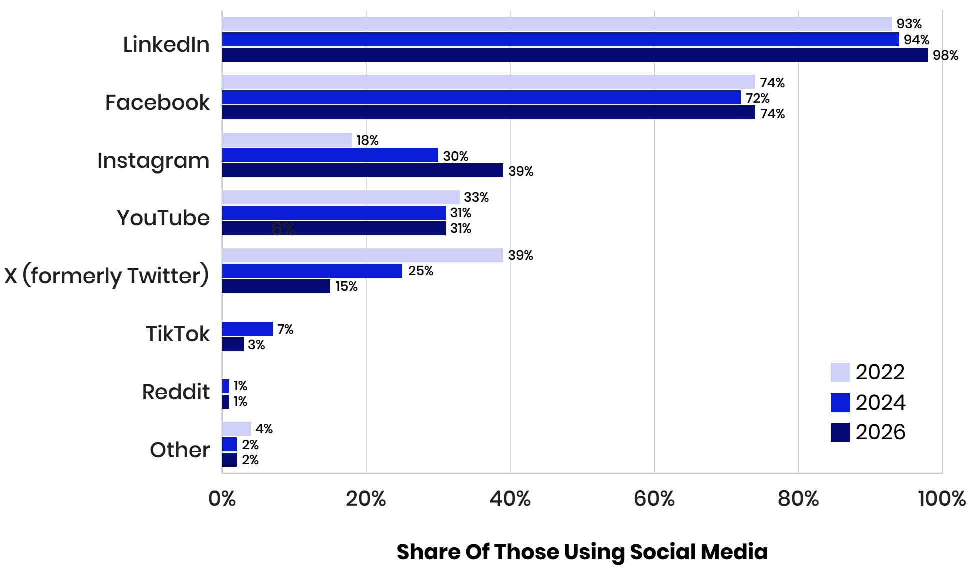
As such, social media is the least efficient of all marketing tactics, with a revenue acquisition cost of $4.88. Put another way, the average client acquisition cost for a $1M AUM client who will pay $10,000/year (at 1% AUM fees) to engage with the advisor through social media is over $48,000. This is already staggering, but it's made worse by the fact that advisors spend a mean of $17,954 per year marketing… which means that it could take over two years of social media marketing to gain any success.

For the average advisor, 85% of those social media marketing costs are 'soft costs', i.e., the advisor's time. This is despite the fact that a sizable share of those who deploy social media (44%) are at least partially reliant on the help of outside support (e.g., paying a consultant to develop and/or execute on the firm's strategy) and keeping the strategy in-house.

Our data reveals that reducing advisor time by at least partially offloading these tasks to centralized support makes this tactic more cost-efficient. Completely outsourcing social media marketing creates the lowest RAC by far ($0.45), compared to $4.17 for partially outsourced and $1.77 for entirely self-sufficient strategy), suggesting that there is a sweet spot between using an external team's expertise and the firm's voice and priorities – ideally, the two parties can keep each other grounded to ensure greater overall success.

In addition to weighing the type of social media marketing support to use (if any), advisors must also consider *where* to post. LinkedIn remains the most popular platform for advisors, with 98% of advisors using it for sales and marketing purposes, followed by Facebook at 74% of market share. Of all the platforms, Instagram saw the sharpest growth, from 30% usage in 2024 to 39% in 2026 (Figure 5.36).

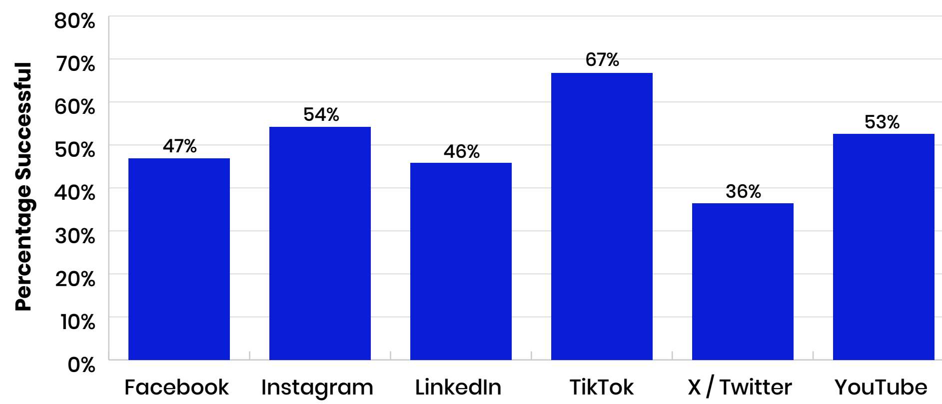
Figure 5.36. Social Media Platforms Used



X (formerly Twitter) has continued to see sharp declines in usage since Elon Musk's acquisition of the platform in 2022, from 39% advisor usage in 2022 to 15% in 2026. However, the platforms which promised to attract X's former users have not seen the same use for advisor marketing – Threads and BlueSky are cumulatively used by less than 2% of advisors. Finally, video-based content – such as that on YouTube or TikTok, saw either a minimal increase or a sharp decline, respectively. Video content can be particularly punishing algorithmically, and the demand for initial quality is higher for video – and it is very expensive to produce a video of even middling quality.

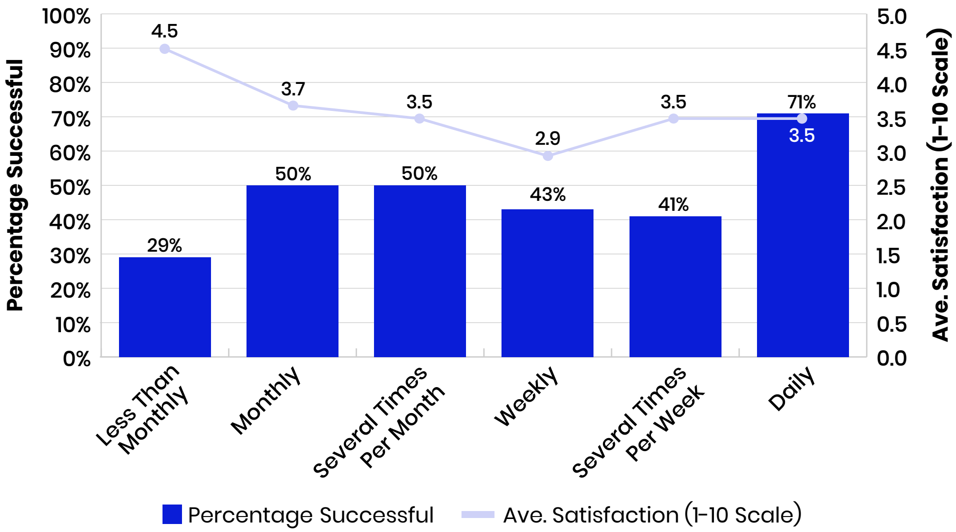
Perhaps more important than sheer usage, however, is the conversion rate of each platform (Figure 5.37). Advisors found the most success on TikTok (67%), with a moderate amount of success on Instagram (54%) and YouTube (53%). With any social media marketing, advisors are fighting to build an audience and retain their attention for long enough to build a relationship (and eventually gain a client). It is certainly easier to maintain that focus on some platforms than others (although all platforms, naturally, want to encourage both users and creators to spend as much time on the platform as possible). This inherent distraction could be a part of this lower success rate – for example, if an advisor uses LinkedIn for both engaging with peers and finding prospects, then they may be diluting their own reach and focus. This is likely why LinkedIn, despite its high use amongst advisors, has the second-lowest success rate across all social media platforms.

Figure 5.37. Success Rate By Social Media Platform



Lastly, posting frequency is generally positively correlated with success rate. – suggesting that visibility and consistency may be the key to finding clients. That said, satisfaction with social media as a tactic tends to decline with posting frequency (Figure 5.38). In other words, while fewer posts may lessen the chances of winning new clients directly, advisors posting less frequently may be reporting higher social media satisfaction due to the lower management strain of producing fewer posts.

Figure 5.38. Social Media Success Rate And Satisfaction By Posting Frequency



In summary, social media and in-person networking come with unique challenges – but they both come down to mindful curation of which audience the advisor is 'actually' speaking to. A common networking hazard is that it is easy to get lost in implementing the tactic itself; with in-person networking comes the invitation to 'just' socialize, and social media offers countless distractions.

In-person networking may be especially effective in the early days – while the cost of advisor time is lower, and especially for firms with a niched audience – but advisors will need to be wary of the diminishing returns as the firm grows and the advisor's time becomes more valuable (and scarce). And while some advisory firms inevitably find social media marketing success, the average firm may want to carefully consider whether it is a good use of their time and energy when clients are likely to be found more easily elsewhere. In short, networking tactics have promise, but only if used with careful vision and guardrails! A further summary can be found in Figure 5.39.

Figure 5.39. Assessing Fit – Networking

Weighing Advantages	
Pros	**Cons**
• Simple to take part in or engage with. • Ability to curate audience to "find your people."	• Can have opaque processes to build trust and create relationships that convert. • Low success rate. • Time requirements scales poorly, especially for in-person. • For social media, challenge between keeping up with trends and firm's own voice.

Weighing Advantages	
Tailor-Made	**Ill-Fitting**
• Practices willing to invest time and money in implementing strategy. • Smaller advisory firms with intentions to maintain small teams.	• Firms that need clients quickly. • Firms with growing advisory teams. • Firms with time constraints.

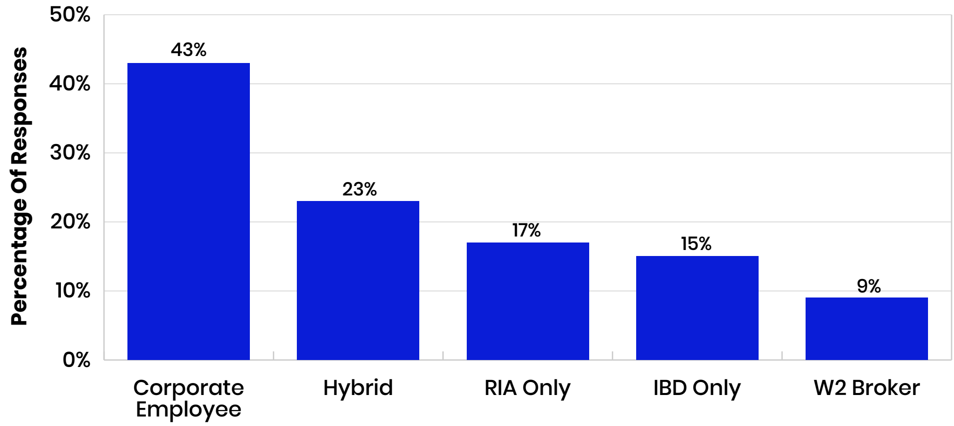
Marketing Events include synchronous events hosted by the practice with the aim of giving prospective clients an opportunity to engage directly with the advisor and either schedule an introductory meeting on the spot or leave with information and resources that may later lead them to reach out. These can include in-person events, such as client appreciation events and seminars, as well as online events like webinars.

A common question from prospective clients is, "What would it be like to work with this advisor?" – and event-related marketing is one way to demonstrate an answer to that question. Events offer prospects a chance to see an advisor in their element – as an educator, host, and human. Furthermore, events allow the advisor to be proactive and to nudge the client to act in a time-bound way; while signing on with an advisor is daunting, signing up for a seminar or especially a webinar often feels markedly less intimidating.

With that said, there are trade-offs with each of these tactics – with webinars in particular being particularly cost-ineffective. In our sample, the typical advisor hosted 8 webinars per year, which averaged 30 attendees per event. Only 35 percent of practices using webinars gained even a single new client from them over the past 12 months – with those new clients typically generating $4,000 per year in revenue (below the all-tactics average of $6,859). The end result is a RAC of $2.37 – approaching a level required to simply acquire these clients inorganically via M&A. The striking cost-ineffectiveness of this tactic helps explain why webinars experienced the single largest decline in usage since the 2024 edition of this report (-7 percentage points). And while a segment of larger high-growth practices are able to generate a reasonable return on their investment, the fact that the typical practice using webinars fails to convert even a single client means newer practices in particular (working more aggressively to increase client headcount) should focus on other tactics more likely to yield success.

Banks, Insurance B/Ds and Insurance Agencies are most likely to use webinars, as is shown in Figure 5.40. Which implies that webinars are commonly hosted when there is some 'good' to be sold in a one-off transactional engagement (more common in these channels), rather than to engage in a holistic advice relationship.

Figure 5.40. Webinar Tactic Use By Industry Channel



As such, many of the firms that use webinars to market don't claim a specific niche, but rather serve the general population. The vast majority of webinars take place during the work week (67%) or weeknights (32%). The majority of webinar event marketing is either promoted via an email list maintained by the practice (85%) or social media post (59%). Paid methods for generating webinar registrations, such as social media advertising or purchased marketing lists, are relatively low in usage (19% and 13%, respectively).

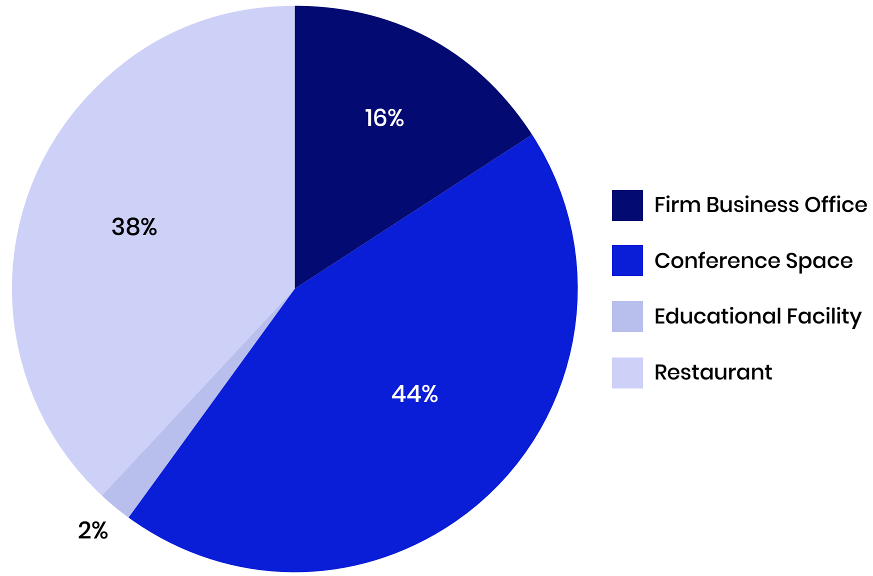
Moving up the scale in satisfaction and success rate are client appreciation events, with scores that are almost exactly middle-of-the-pack: 5.0 for satisfaction and a 55% success rate. The new clients they do attract tend to be relatively valuable, generating an average of $8,333 in revenue. However, client appreciation events are also the most expensive marketing tactic, with an average CAC of $44,191.

Importantly, this large figure does not imply that practices are paying over $40,000 in exclusively hard costs per client for a single event. Rather, client appreciation events carry both meaningful hard-dollar expenses and significant time costs. Advisors generally invest heavily in the client experience itself, while also committing substantial staff time to planning, coordination, and follow-up. When combined with a success rate of only 55%, practices effectively need to conduct roughly two events to gain one new client, causing acquisition costs to accumulate quickly. The result is a RAC of $4.54—higher than every tactic except social media—and more expensive than that required to acquire clients inorganically via M&A, making this among the most cost-ineffective tactics discussed in this report.

One of the perks of client appreciation events is that even if it doesn't lead to new prospects, it can still create a positive client experience, and can also open the door to referrals down the line. In fact, most practices don't directly invite prospects to their client appreciation events – only 5.6% of practices directly invited prospects. Instead, they largely invited clients (67.3%) and the clients' friends and family (27.1%), and then 88.7% of practices actively encourage those clients to bring guests. Admittedly, some of this distinction may be messaging – odds are that the clients' social circles *are* ideal clients. In short, perhaps it is more accurate for most practices to consider any new clients that join the firm due to client appreciation events a bonus of an event well-done, rather than a result of a defined marketing effort (and thus count their costs as a client service expense, rather than a marketing expenditure).

Most advisors hold client appreciation events at restaurants, particularly in the firm's earlier days of getting established. Figure 5.41 shows that as advisory practices grow, conference spaces grow in popularity over restaurants, likely to accommodate the growing number of clients (and potential guests!). At any rate, the practice's business offices never really gain momentum as a host location, likely due to size or layout constraints that would make hosting a great event difficult.

Figure 5.41. Typical Location For Client Appreciation Events



The majority of client appreciation events (64.8%) take place on weeknights, which can also be a factor in decreasing the 'pressure' on client appreciation events – while any event needs to be compelling to be worth a person's time, weeknights are more likely to be open than weekends. This is true regardless of average client age.

With all three of these event types, established practices with at least $1.5M in revenue were far more likely to run successful marketing events. Because virtually no client event will be attended by all clients, the practice needs to accumulate a minimum number of clients to ensure enough anticipated attendees to make this event worthwhile.

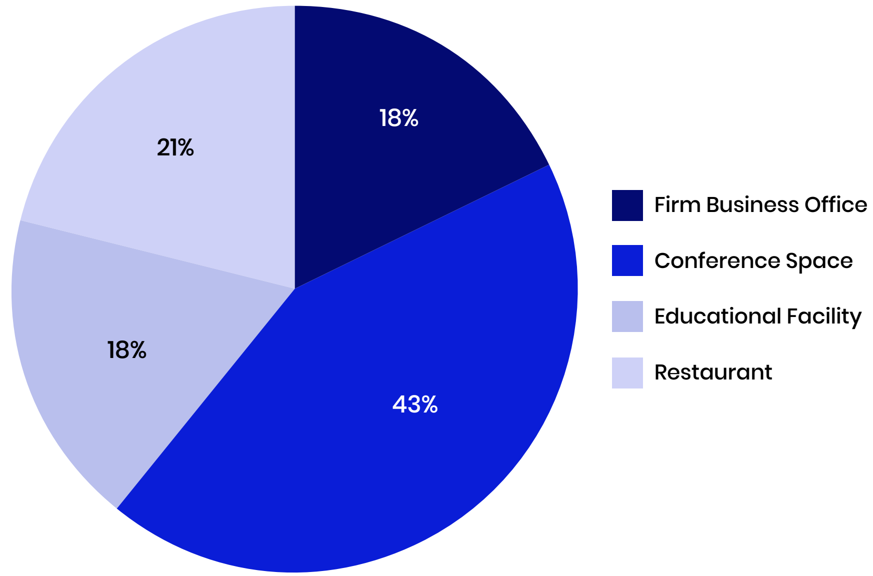
Finally, the events-based tactic with both the highest level of advisor satisfaction (5.8) and cost-effectiveness is seminars. In our sample, the typical practice using seminars hosts 9 events per year with expenditures (inclusive of hard and soft costs) amounting to $7,862 per seminar. Much like webinars, seminars most commonly drive registration through their email list (77.4% of practices), but they're also more likely to use paid social media ads (22.6%) and direct mail (35.8%) to bring people into their events.

Given that 75% of practices gain at least 1 client from this tactic (above the all-tactics average of 55%) and these new clients tend to generate of $7,722 in annual revenue (above the all-tactics average of $6,859), practices can make up the cost of these events quickly, because often just one or two new clients per seminar is enough to recoup the entire cost. The end result is that seminars have a RAC of $1.76 – the lowest of the three events-based tactics and representing a reasonable return on marketing investment.

The success of webinars is because they combine the strengths of webinars (education- and expertise-focused) while maintaining the intimate feeling of client appreciation events. It's also worth noting that in-person seminars average slightly fewer attendees than webinars (30 compared to 33), despite the huge gap in success rate. It could be that the inconveniences of in-person seminars – that is, a client must decide to attend, travel to the location, and so on – actually strengthens conversion because the prospects must be a little more committed.

Seminars are also typically hosted on weeknights (60.2%) and weekdays (36.1%). As Figure 5.42 shows, seminars are far more likely to be held at educational facilities (such as a library or school) than client appreciation events, although conference spaces continue to be the most favored site for both events. While it is often slightly more expensive to hold an event at a conference space, these spaces are also set up to allow for easier food catering and speaking, whereas other locations may have one or the other (e.g., restaurants provide food, but it's more challenging to control the volume enough to give a presentation).

Figure 5.42. Typical Location For Seminars Or Educational Events



In short, while marketing events offer a unique ability for prospects to see the advisor in their element, advisors must remain focused on what their real objectives are with these events. Are they aiming to simply strengthen relationships with existing clients, or to create relationships with new ones? And advisors may want to be wary of making it 'too' easy to attend their events – sometimes, requiring some level of inconvenience (such as hosting an event in-person) can help to ensure that the prospects that attend are more committed and thus more likely to convert.

Figure 5.43. Assessing Fit – Marketing Events

Weighing Advantages	
Pros	**Cons**
• Provides a way for prospects to see advisors 'in their element'. • Time-bound in nature, can encourage prospects to act.	• Requires a high investment of time and money. • Potential for scheduling conflicts with prospects.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Large firms with financial resources.	• Firms with limited budget to market and host.

The Get Discovered tactical group centers on the very top of the marketing funnel: making prospective clients aware of the advisor in the first place. While the primary tactic by usage rate within this category is Search Engine Optimization (SEO), the group also encompasses less common tactics such as media appearances and the fast-emerging tactic of Answer Engine Optimization (AEO). What distinguishes Get Discovered from more content-focused tactical groups is that its primary objective is awareness generation, often for prospects who may already be actively looking for an advisor (for whom the advisor is simply trying to position themselves as the one to be 'found'), rather than simultaneously building trust or establishing expertise.

While advisors put an immense amount of time and effort into content creation, web design, and other tactics, these tactics do not matter to prospects until a prospect discovers them. In other words, the prospect must be aware that the advisor exists before trust can be built. Historically, this top of funnel process was represented in SEO. Visibility in search engine results (such as a Google query or YouTube search), if designed for the 'right' audience, could result in visibility to prospects… which got the prospect to the advisor's website or content, and then allowed the advisor to build trust with their other marketing tactics.

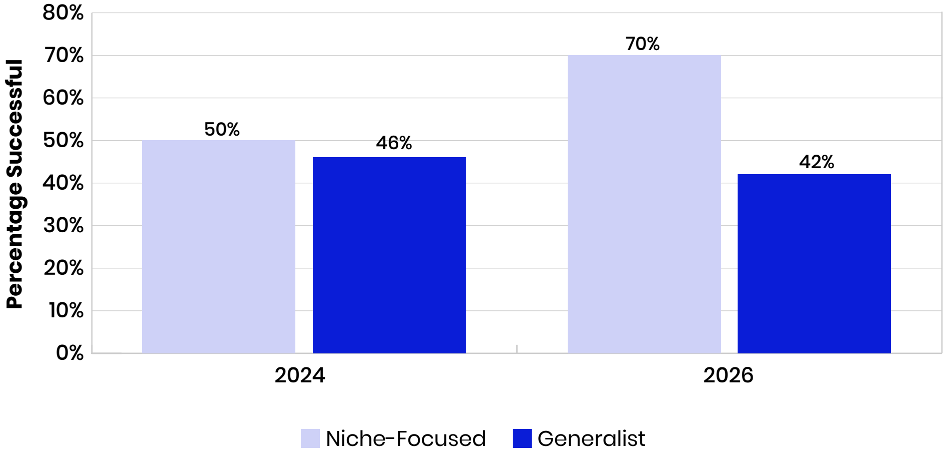
In practice, SEO is a footrace that never ends as technology and strategies evolve, new websites and competitors appear, and practices fight to keep up. This constant state of change has accelerated since the advent of AI – especially since Answer Engine Optimization (AEO) has entered the scene, as consumers increasingly don't just type keywords into Google, but ask whole-sentence questions of an AI tool about who would be best to work with… for which, once again, advisors hope to come up as the Answer. For example, where previously a prospective client might have searched for an explanation on RSUs, then clicked through one (or several) websites for answers, eventually finding the advisor's blog post about the tax treatment of RSUs, today that same person might explain their specific situation to an AI provider, and ask the tool for answers specific to their situation or who the answer engine suggests they should be talking to for further advice. At any rate, the end goal is for the AI's answer results to drive prospective clients to a firm's website, ideally with confidence that this firm can help with their specific problem.

With that said, while success rates for SEO and AEO are relatively similar – 52% and 48%, respectively, the actual implementation of these strategies diverges, reflecting that SEO has had more time to mature as a discovery tactic. Notably, though, early adopters pursuing AEO appear to feel they really can impact their results relatively expeditiously – perhaps even more so than long-standing (and very-competitive) SEO – such that advisors reported higher satisfaction with AEO compared to SEO.

One factor that ought to intuitively correspond with the success of these tactics is having a clearly defined niche, or target audience that the firm actively communicates to and curates clients from. (For a fuller discussion of niches, please reference the "Communicating An Ideal Client Profile" section.) This is because the "Get Discovered" tactical group primarily concerns itself with making prospective clients aware of the advisor's existence – but ultimately getting prospects to actually engage requires resonating with them, which is more likely when the advisor's advertised market strongly aligns with the prospect's identity or needs.

In practice, however, the results are mixed. Practices without a niche tended to receive slightly higher AEO success rates (50%) than those with a niche (44%) (Figure 5.44). By contrast, the pattern for SEO is that practices with niches do perform better, results that were observed in the 2024 edition of this report, and widened further in the current edition, with niche-oriented practices experiencing meaningfully greater SEO success rates (and non-niche practices experiencing incremental declines in success rates from SEO).

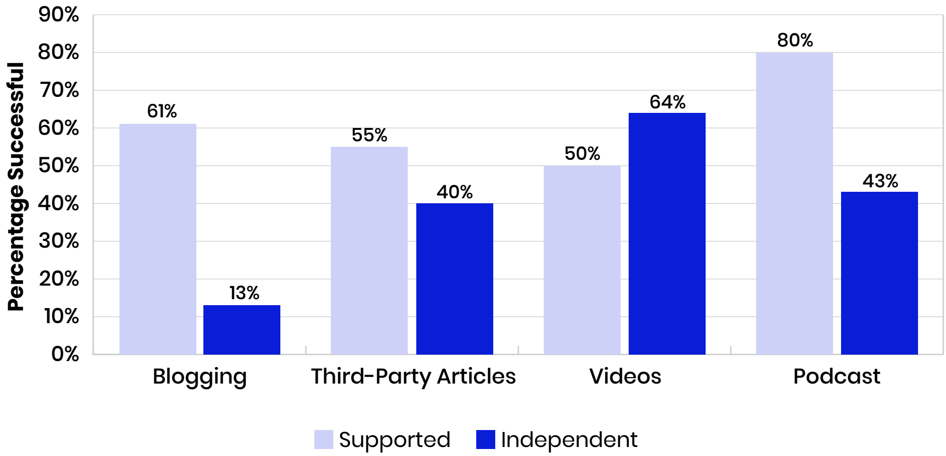
Figure 5.44. SEO Success Rates, Niche-Focused Vs Generalist, 2024 - 2026



This is because, in part, AEO rewards consensus. To simplify greatly, large language model engines (what most clients generally use for search queries) create "statistically likely" answers – that is to say, they strive to respond to questions with the aggregate 'average' of content online, so they look for similarities in website content and reward that. And tactical usage by practice size may be exacerbating this gap, given that large firms (which are more likely to serve general audiences) are also more slightly more likely to use AEO; 9.5% of all advisory practices use AEO as a tactic, compared to 13.7% of Stage 5 practices. However, these larger firms are also slightly less satisfied with their lead quantity and quality on average… suggesting that frontrunners of this relatively new marketing tactic may be struggling with figuring out how to 'best' use it.

On the other hand, SEO rewards differentiation. Search engines rely on keywords to signal both authority and areas of expertise. This is why SEO is primarily effective insofar as it boosts other tactics, such as blogs, websites, and videos, where specialized expertise-differentiating context can be found. In search engine-related results, as is shown in Figure 5.45, SEO greatly boosts the marketing success of blogging, articles, and podcast success rates – podcasts, for example, do twice as well when advisors are deliberate about aiding them through SEO. This reflects the complementary nature of this marketing tactic – prospects have to first find the advisor, but once they are aware that the advisor exists, they can then gauge if their expertise is valuable.

Figure 5.45. Success Rates With And Without SEO, By Tactics Commonly SEO-Supported



Because SEO is most effective when amplifying other marketing tactics, it is no surprise that SEO is commonly used in high-growth practices (who as we showed earlier, tend to use more marketing tactics in general). In fact, SEO is a leading factor in high-growth practices in Stages 1 – 5, as is shown in Figure 5.46. These results only taper off in Stage 6 practices, which are more likely to be a national (or more generalist) practice with multiple offices – thus losing out on the more common niches, such as a local area or specific career field, that SEO tends to reward.

Figure 5.46. SEO Use, High-Growth Vs Others (Actively Growing Practices)

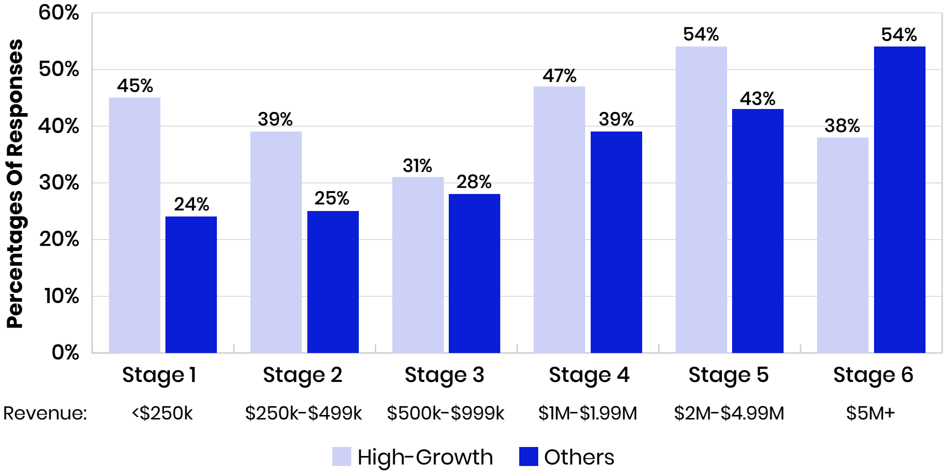
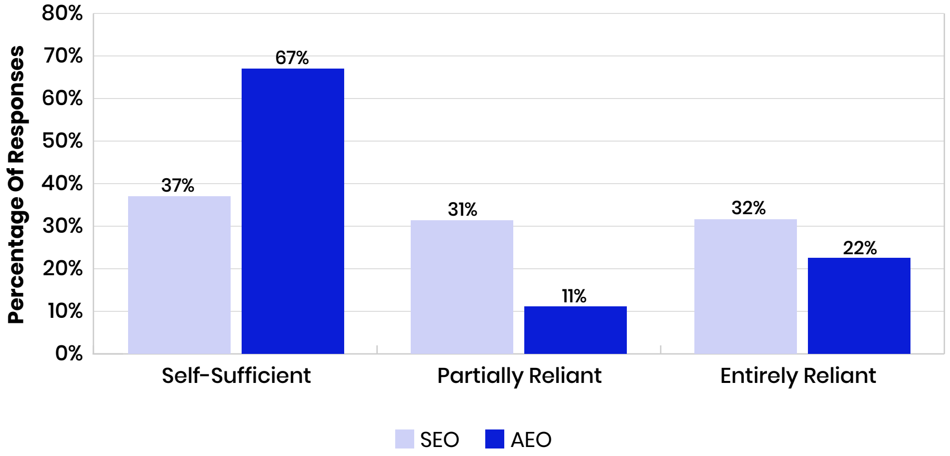


Figure 5.47. Reliance On External Support For AEO And SEO



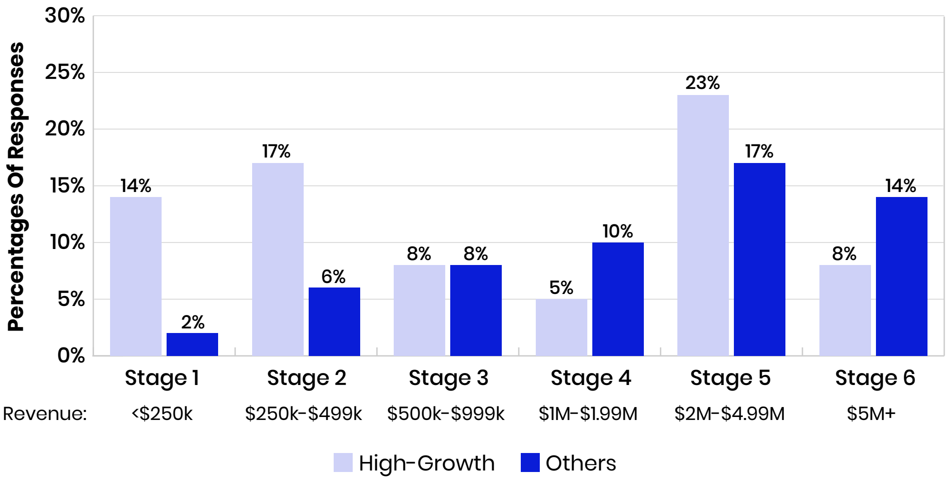
Many practices (62%) using SEO are doing so not for the sake of some niche of specialization, though, but instead with the objective of simply being found by local prospects, which is a differentiator for high-growth practices between Stages 1–4. Either way, advisory practices that use SEO with some objective (namely, attracting local or niched prospects) are much more satisfied with the tactic than those who do not – which is perhaps unsurprising given that, as is discussed above, SEO rewards specificity. Simply having a target may be enough to increase the efficacy of these SEO tactics, because 'being found by local prospects' is more informative of a strategy than 'get found in general'. With that said, there is a sharp decline in local SEO once practices cross $2M in revenue (most likely because firms struggle to optimize for "local" as they expand to multiple locations), and niched SEO objectives see a similar trend as a firm's audience may become more diluted as the client base grows.

Whether AEO will shift in the future to reward niches as dramatically as SEO does (or vice versa!) remains to be seen, but a good indication of the relative competition of AEO and SEO is the way that firms invest (or don't) in these tactics. 67% of practices who use AEO do it entirely self-sufficiently (without using some level of external support to get the best results), as opposed to only 37% of practices who use SEO tactics (Figure 5.47).

One reason that AEO is mostly used as an internally driven strategy (as compared to SEO) is because it is much more popular amongst small firms. Small firm owners may have more time to dedicate to learning AEO strategies, but fewer financial resources. Additionally, small firms tend to have younger owners who may be more receptive to AI-based tactics relative to older advisors that are more accustomed to traditional Google searching and SEO . Approximately 15% of high-growth practices in Stage 1 and 2 of growth use AEO – compared to, for example, 8% of Stage 3 practices.

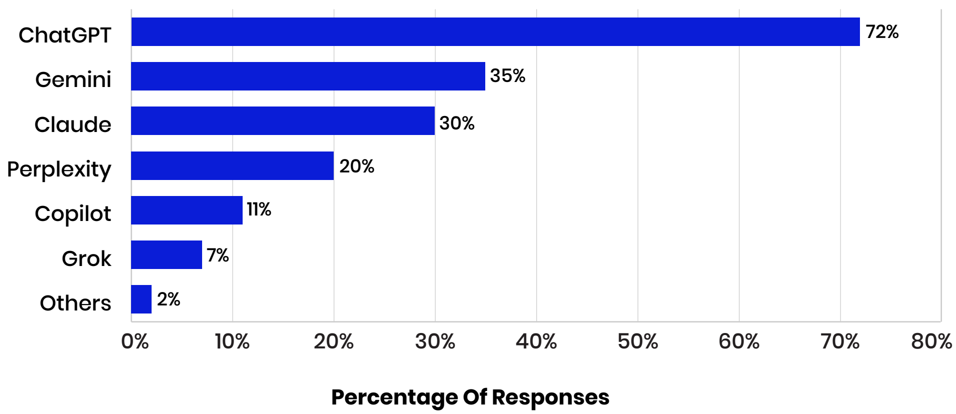
The one exception to this is Stage 5 practices (ranging between $2M – $4M), which also use AEO in higher proportions to their more established peers. These firms represent the sweet spot of being able to implement new marketing strategies, given that they have the financial and staff resources to develop and implement new tactics, but may not yet have the organizational complexity that would prevent them from iterating and experimenting relatively quickly.

Figure 5.48. AEO Use, High-Growth Vs Others (Actively Growing Practices)



Currently, 70% of practices that use AEO create content specifically designed for AI search engines, and have seen the most success from ChatGPT. In fact, as Figure 5.49 shows, 72% of practices using AEO visibility generated inquiries from ChatGPT, more than doubling the second-highest engine of Gemini (35%).

Figure 5.49. AI Platforms Generating Visibility For Advisors



Because it is a new field, AEO tactics remain a bit of a 'black box'. They currently are used by – and reward – generalist advisory firms. The strategies and tactics that AEO rewards will continue to mature. As a reliable marketing pipeline becomes clearer, time will tell if larger firms will choose to pour resources into refining their AEO visibility – or if smaller firms and other early adopters will dominate for some time to come. It also remains to be seen whether AEO will eventually eclipse SEO's as a top-of-funnel activity.

Another discovery tactic is media appearances – whereby advisors try to get visibility through articles or interviews in print, radio, podcasts, television, or other media platforms. Media appearances result in approximately the same client acquisition cost ($10,000) as AEO tactics, but with a lower success rate (only 25%, as 3-in-4 advisors don't generate a single client in a year via their media appearances), which in turn culminates in a lower satisfaction rating (3.8). However, media appearances likely appeal to a different type of advisor: Whereas AEO and SEO largely focus on driving prospective clients to an advisor's site, media appearances rely on prospects' trust (and the reach of) larger media companies. That is to say, rather than trying to painstakingly build authority within a search engine's results, media appearances allow advisors to harness the website already most trusted by those same search methods. The challenge, however, is that consumers rarely act to make a hiring decision based on a one-off appearance of an advisor on TV or mention of their name in an article (even from a high-visibility media platform).

This also means that the largest cost of media appearances is that of the advisor's time, as the advisor tries to establish repeated media appearances over time to build visibility and trust with audiences. That said, advisors using media appearances as marketing tactics are generally at established firms or mature firms, signaling that it may be easier to earn media coverage once the firm has gained momentum elsewhere.

One thing, however, will not change: regardless of the tactic used, advisors must establish visibility to potential prospects so that they can begin the process of building relationships and trust– and firms that can use search engines as amplifiers for the tactics they already deploy (and like) can find much more robust long-term success!

For advisors interested in improving the findability of their practices, key considerations for these tactics are displayed in Figure 5.50.

Figure 5.50. Assessing Fit – Get Discovered

Weighing Advantages	
Pros	**Cons**
• Provides a method of discovery for new clients who are unrelated to the firm. • Powerful boost to many other marketing tactics to ensure that efforts are visible.	• Constantly shifting field – what it rewards today may be invisible tomorrow. • May require additional budgeting to get the most out of efforts.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Firms with consistent, content-based marketing strategies. • Firms with the resources to invest in getting consistent returns.	• Firms without a process to curate trust with clients who discover their firm.

Content creation tactics are designed to attract prospective clients by demonstrating a firm's expertise, communicating the value it can provide within the advisor-client relationship, and building trust and credibility over time. Included within the "Content Creation" tactical group are:

- Book publishing
- Writing articles for third-party platforms
- Blogging
- Newsletters
- Hosted radio shows
- Podcasts
- Video creation

While the Get Discovered tactical group primarily focuses on increasing awareness and making advisors easier for prospects to find, the Content Creation group is distinguished by its additional focus on demonstrating expertise and cultivating trust via repeated exposure over time.

Content generation tactics are typically a more "inbound" form of marketing, predicated on attracting prospects to the firm by demonstrating its potential value and emphasizing the firm's expertise. Given this, content is often an ideal tool for advisors who are uncomfortable with more "outbound" sales approaches, aligned to whatever medium they prefer to leverage for education (e.g., blogging for writers, podcasts for talkers, and video for performers).

Overall, 51% of advisors use at least one content creation tactic, though this tactical group is unique in the sheer variation in adoption rates across its constituent strategies, ranging from just 2% of advisors who host their own radio show to 31% who distribute a newsletter (typically in digital format). Notably, the share of advisors using at least one content creation tactic declined from 60% in 2024 to 51% in 2026. This decline was driven by meaningful reductions in the use of several text-heavy tactics, including newsletters (-6 percentage points), blogging (-5 percentage points), and writing for third-party platforms (-5 percentage points). Conversely, video and podcasts proved more resilient, usage of which remained generally stable since our last report.

These declines are not surprising in light of the content marketing group's poor marketing metrics. While content creation tactics generally exhibit middle-of-the-road success rates, they generate lower average annual revenue per new client ($8,786 versus $10,279 across all tactics) and higher client acquisition costs ($13,776 versus $8,788). The end result is that the content creation category has an aggregate average RAC nearly comparable to the cost of acquiring these clients inorganically via M&A ($1.99), making it the third-least cost-effective form of marketing beyond hosting events and outbound prospecting.

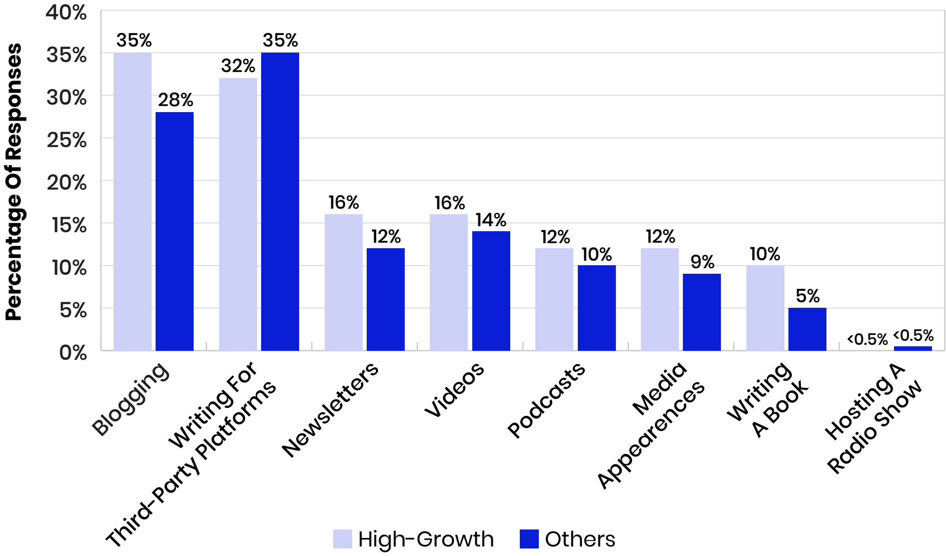
The elevated CAC associated with content creation is largely attributable to the substantial advisor time these tactics require. Advisor time accounts for approximately 69% of total marketing costs across the seven content creation tactics, compared to 57% among all other marketing tactics. As discussed throughout this report, advisor time is typically the largest component of marketing cost, and content creation often requires sustained investments of time with no guarantee that a given piece of content will ultimately generate clients.

More importantly, because RACs tend to rise as practices grow and advisor time becomes increasingly valuable, the economics of content creation deteriorate further among larger practices. Indeed, the average RAC for content creation surpasses $2.50 once annual practice revenue exceeds $500k.

In other words, the shift away from content creation between the 2024 and 2026 editions of this report reflects a straightforward response to the underlying economics: as the cost of advisor time increases, the revenue generated by many advisor-dependent content tactics is often insufficient to justify the growing investment required to maintain them. At a certain scale, these tactics become no more attractive than acquiring comparable growth inorganically through M&A. This helps explain why many advisors appear to be reducing their reliance on content creation and reallocating effort toward tactics that require less advisor time or generate more favorable returns on that time investment.

Perhaps surprisingly in light of the cost-ineffectiveness of this tactical group, most content creation tactics are more likely to be used by high-growth practices (Figure 5.51). Much of this is not because these (generally inefficient) tactics are directly driving growth, but instead because high-growth practices tend to use a greater number of marketing tactics in general, and content tactics are relatively scalable for larger firms to deploy (i.e., the advisor may still have to make the content, but the firm's centralized marketing resources can do 'everything else' to edit, post, and distribute the content once created).

Figure 5.51. Use Of Content Creation Tactics, High-Growth Vs Others (Actively Growing Practices)



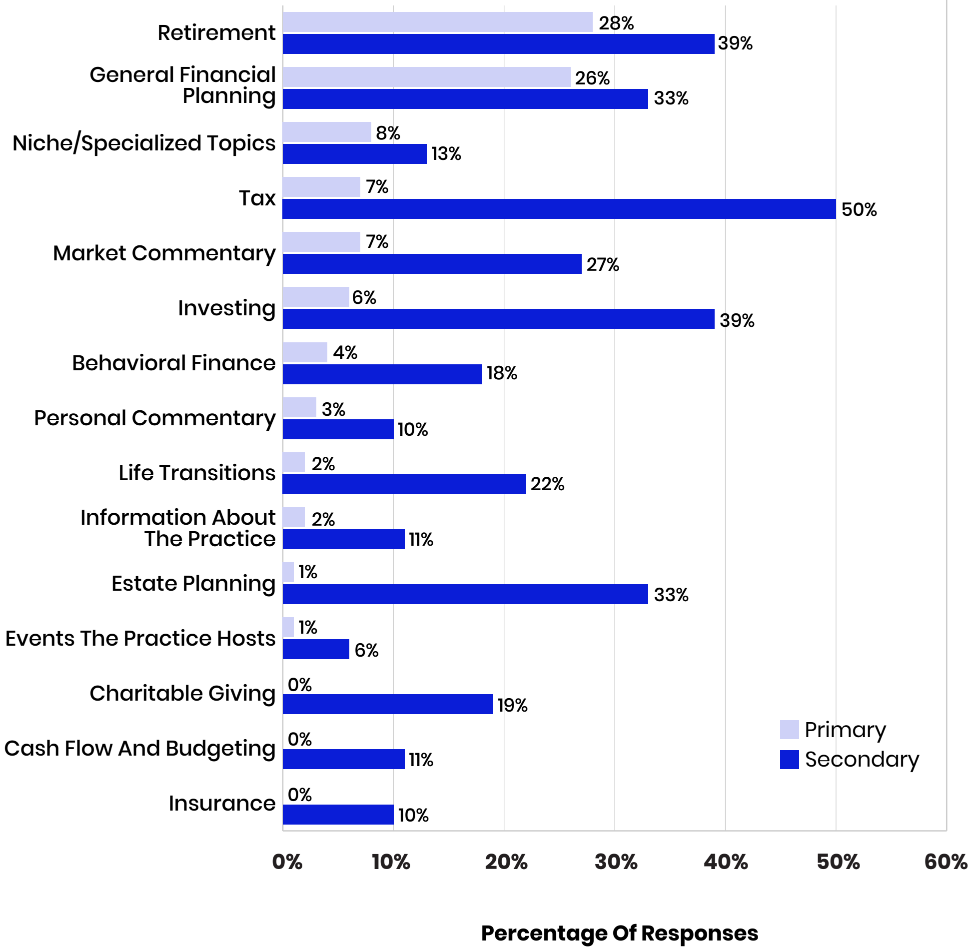
However, part of the reason content tactics are more common among high-growth practices is because of the skewed nature some of their results. Tactics such as blogging and podcasts have low success rates as well as low RACs, which means that most practices investing in them generate no measurable success at all, while a smaller subset of practices achieve results strong enough to affect the tactic's overall cost-efficiency. In other words, these tactics appear capable of producing meaningful growth when executed successfully, but they do so inconsistently enough that most practices never realize those benefits.

In terms of the topics covered in marketing content, retirement is the primary content focus for 28% of advisors, followed closely by general financial planning at 26%. Tax and market commentary are a distant fourth and fifth among primary topics for advisors at 7% each, while investing – despite being a common secondary theme (39%) – is the primary focus for just 6% of advisors (Figure 5.52), suggesting most treat it as context in broader discussions about planning rather than the lead subject of the content itself.

Also notable is how tax is the most common secondary theme (50%), which aligns with financial planning steadily becoming more tax-centric, evidenced in our Kitces Research on Advisor Technology, which finds that specialized tax planning software continues to surge in adoption while most other specialized planning categories (with the exception of estate) are experiencing stark declines.

High-growth practices are more likely to emphasize general financial planning as a primary focus (30% versus 25%) and are less likely to prioritize core investing topics, with just 3% giving it primary emphasis compared to 7% among other practices. High-growth practices' emphasis on financial planning aligns with findings from our latest Kitces Research on Advisor Productivity, which shows that planning-focused practices are more productive in terms of the revenue they generate per advisor.

Figure 5.52. Topics Most Emphasized In Marketing Content



By tactic, the key details of producing and releasing written content are summarized in Figure 5.53. Similarly, Figure 5.54 highlights prominent characteristics for tactics related to audio or video content.

Figure 5.53. Written Content, Key Characteristics

	Book	Third-Party Articles	Blogging	Newsletters
Frequency	-	Quarterly	Monthly	Monthly
Length	30,000	800	800	800
Production	5 Months To Write & Publish In-House Writing; Editing/Publishing Outsourced $10,000 Paid For External Support	-	All Content Created In-House	All Content Created In-House
Typical Distribution Or Supporting Tactics	Media Appearances	Media Appearances	Social Media	Email

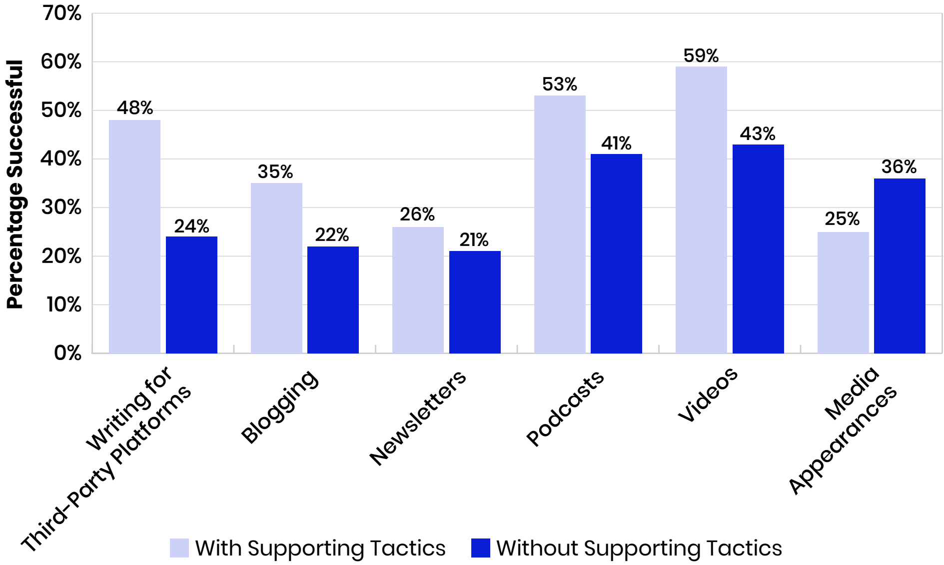
Figure 5.54. Audio And Video Content, Key Characteristics

	Radio Show	Podcasts	Video
Frequency	Weekly	-	Semi-Monthly
Length (in minutes)	40	30	5
Production	Partially Or Entirely Reliant On External Support Solo Host Pay For Airtime	Partially Or Entirely Self-Sufficient Solo And Multiple Co-Hosts	Partially Or Entirely Self-Sufficient
Platforms	AM Radio Streaming Live Streaming (On Demand)		YouTube LinkedIn Facebook

While descriptions of what typical advisors using each tactic do are found in Figures 5.53 and 5.54, it's worth emphasizing some factors that distinguish advisors who are successful in attracting new clients.

Speaking across tactics, the most obvious is the role that supporting tactics play in boosting the ability of marketing content to win new clients. Depending upon the content generation tactic, deploying it in tandem with a supporting tactic typically increased the chances of success by 5 to 24 percentage points (with the exception of media appearances) (Figure 5.55). This benefit from supporting tactics is most pronounced when writing for third-party platforms, where adding supporting tactics effectively doubles the success rate from 24% to 48%. Similarly, blogging increases from a 22% success rate to 35% when supported by other tactics.

Figure 5.55. Success Rates Of Content Tactics, With And Without Supporting Tactics

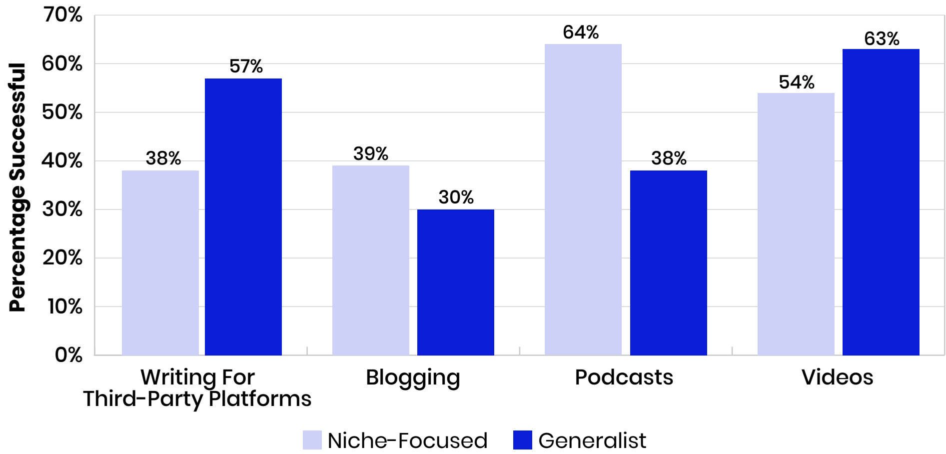


Successful advisors tend to use social media and media appearances to support their content, more than using newsletters, though all of them are far more effective as supporting tactics to expand an overall marketing funnel than as standalone tactics.

On the other hand, it's notable that SEO overall is more effective for written content (where there are actual words to index) than with video or podcast content (where search engines typically can't index the content itself, unless a separate indexable transcript is published).

At least in theory, we might expect that content produced by niche-focused advisors would be more successful because it is more likely to resonate with their target audiences. In practice, though, findings are mixed. For blogging and podcasts, success rates for niche-focused practices were 9 and 26 percentage points higher, respectively, than for other practices using the same tactics (Figure 5.56). However, third-party articles and video content produced by niche-focused practices are actually 19 and 9 percentage points, respectively, less likely to be successful than content produced by other practices.

Figure 5.56. Success Rates Of Content Tactics, Niche-Focused Vs Generalist



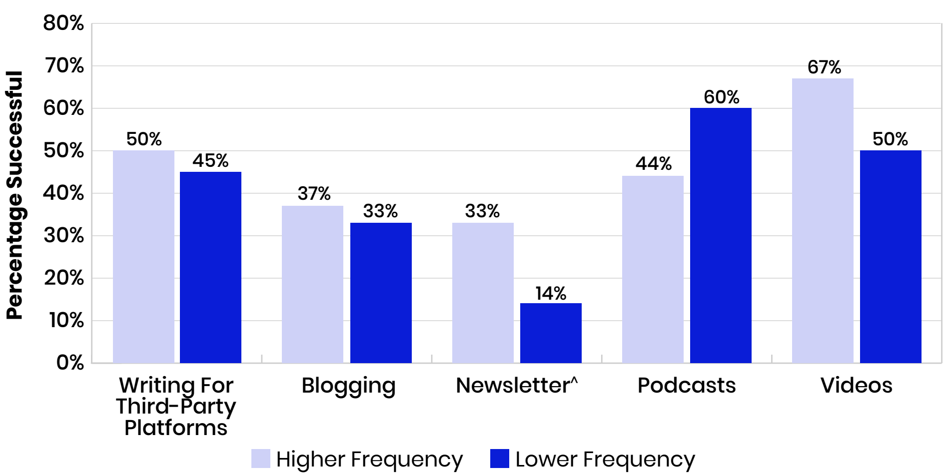
One reason a niche focus is associated with greater success when writing for a personal blog than for third-party platforms may be that niche-oriented content is often best delivered through a self-owned platform designed to attract, build, and convert an audience within that specific target market (with related supporting tactics that cohere into an entire marketing funnel). By contrast, when niche content is published on a third-party platform, only a small subset of that platform's broader audience may find it relevant enough to engage in the first place.

For video content, one possible explanation is that broad-reach videos can generate enough visibility that even relatively low conversion rates result in a meaningful number of leads. In other words, the larger audience reached by a widely viewed video may offset the lower conversion rate associated with less targeted content, especially given how effective video platforms such as YouTube can be to drive 'virality' of a video and significantly expand its reach beyond the advisory firm's existing audience.

Larger practices, with more resources to bear, are often expected to be more successful at winning clients through content generation, utilizing centralized teams to help draft content and effectively facilitate its distribution across multiple channels. Surprisingly, however, practice size does not matter much when it comes to the success of content creation, counter-intuitively defying the expected advantages of scale and resources. In fact, smaller practices (generating less than $500k in annual revenue) perform just as well or better across most categories. This is likely because content produced by smaller practices often comes across as more authentic and personal, which may be more likely to resonate with prospects.

Another factor that could plausibly impact the success of content creation tactics is the frequency with which content is released. Figure 5.57 displays success rates for practices utilizing different forms of content, based on whether practices release content more or less frequently than the overall tactic median. Not surprisingly, more frequent (and regular) distribution of marketing content greatly improves an advisor's chances of winning new clients.

Figure 5.57. Content Success Rates By Creation Frequency



Notes:

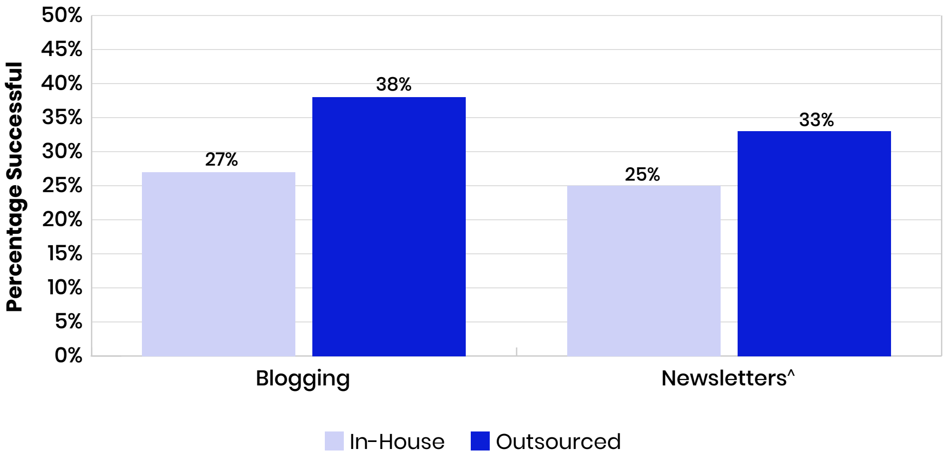
- *"Higher-frequency" practices create content at a median or greater rate of frequency. "Lower-frequency" practices create content at a lesser rate of frequency.*
- *^ 5-9 responses for one or more of the displayed metrics*

Beginning with written content, for third-party articles, advisors in the high-frequency group publish 12 articles/year (with a 50% success rate), compared to the low-frequency group releasing just 2 in a year (achieving a 45% success rate). This pattern holds true for blogging, where higher frequency (40 posts/year) leads to a 37% success rate compared to lower frequency (8 posts/year) at 33%, and for newsletters, where higher frequency (36 issues/year) more than doubles success to 33% compared to lower frequency (12 issues/year) at 14%.

Turning to audio-video content, higher-frequency video production (40 episodes/year) yields a 67% success rate compared to lower frequency (2 episodes/year) at 50%. However, for podcasts, lower frequency yields higher success rates, with lower-frequency podcasts (9 episodes/year) leading at 60% versus 44%, perhaps because a greater volume of episodes can make the podcast feel unfocused and less likely to resonate (especially if advisors feel they have to 'stretch' to come up with new topics for every episode).

The extent to which content is generated in-house or outsourced has a modest impact on success in attracting new clients, favoring external production. For blogging, practices that fully outsource their content achieve a 38% success rate, compared to a 27% success rate for practices that keep production in-house (Figure 5.58). Similarly, for newsletters, 33% of advisors who fully outsource their publications find them to be successful in attracting new clients, compared to only 25% of advisors who craft their newsletters in-house. This higher success rate suggests that relying on outsourced support can improve the quality of the content release or at least make it easier to release content more frequently. As established previously, maintaining a higher frequency is positively associated with higher success at getting new clients, given the sheer importance of consistency and repetition to breed trust.

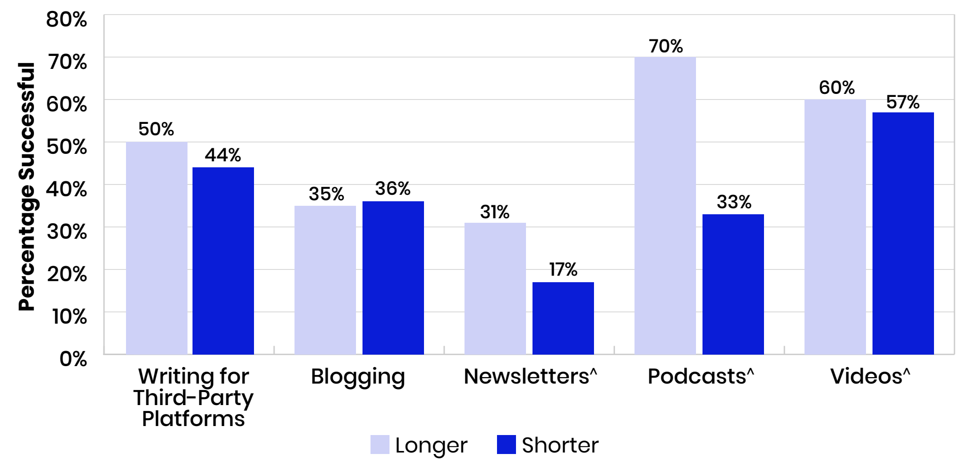
Figure 5.58. Content Success Rates By Content Sourcing Method



^ 5-9 responses for one or more of the displayed metrics

Length of content has a significant impact on the success of a practice in gaining new clients, with longer content generally yielding higher performance across most formats (notwithstanding the conventional view that consumers have short attention spans). Figure 5.59 displays success rates for each content creation tactic based on whether content length was above or below the mean for that tactic. Practices distributing longer articles (a median of 1,225 words) on third-party platforms achieve a 50% success rate, compared to a 44% success rate for practices releasing shorter articles (a median of 500 words). This pattern is also noticed in the case of newsletters, where longer issues (a median of 1,030 words) yield a 31% success rate compared to only 17% for shorter issues (a median of 500 words). In terms of audio-video content, longer podcasts (a median of 40 minutes) achieve a 70% success rate compared to 33% for shorter episodes (a median of 14 minutes), while longer videos (a median of 8 minutes) have a 60% success rate compared to 57% for shorter videos (a median of 2 minutes). Blogging serves as an exception to this pattern, where shorter posts (a median of 500 words) have comparable success rates at 36% success compared to longer posts (a median of 1,000 words) at 35%.

Figure 5.59. Content Success Rates By Content Length



Notes:

- *"Longer" includes practices with content length at median or greater. "Shorter" includes practices with content shorter in length.*
- *^ 5-9 responses for one or more of the displayed metrics*

For advisors interested in adding content creation tactics to their marketing toolkit, Figure 5.60 summarizes key considerations.

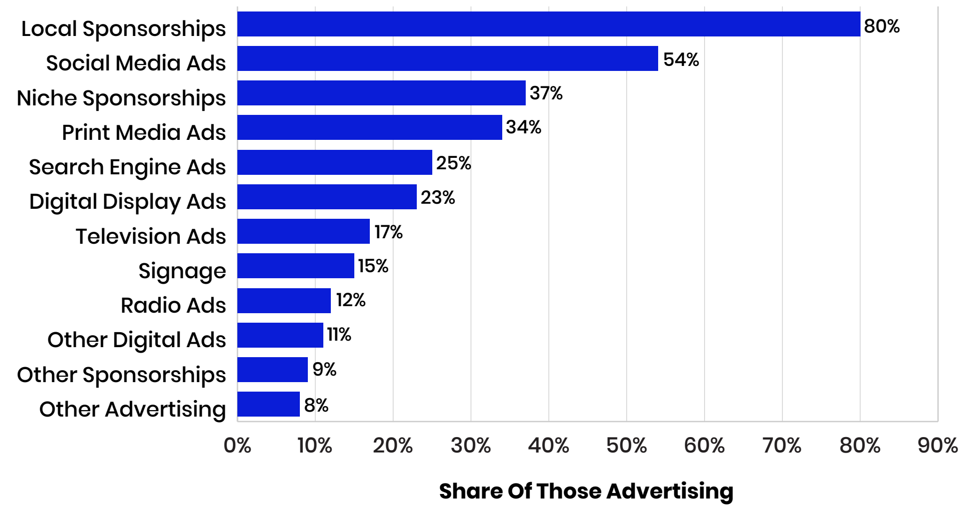
Figure 5.60. Assessing Fit – Content Creation

Weighing Advantages	
Pros	**Cons**
• Effective means for emphasizing the expertise of the practice. • Inbound tactic for those averse to overly 'salesy' outbound approaches. • Very scalable reach for the minority of practices that find success. • Many levers to improve success, including release frequency, length, and, for some content types, being niche-focused.	• Often lacks an immediate payoff. • Can be time-intensive for advisors and compromise the sustainability of the practice.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Practices that lack a strong outbound sales culture and prefer inbound growth. • Practices that view content generation as one component of a long-term marketing plan.	• Practices with limited time capacity or inclination to create content or the inability to outsource it. • Practices unwilling to adhere to a frequent and regular content release schedule. • Startup practices in need of a quick growth stimulus.

Advertising and sponsorships involve advisors paying to promote their services to prospective clients via various media. At a minimum, these tactics are intended to increase awareness of the advisor's brand, though they may also help establish credibility and trust depending on the nature of the advertising medium and message. This tactical group differs from content creation, which focuses on producing material that demonstrates expertise and value – whereas advertising and sponsorships involve paying to place that content, or the advisor's brand more broadly, in front of a targeted audience.

In recent years, the ways in which a business can advertise its services and promote its brand have expanded in many new directions. This is especially true within the digital arena, given the rise of social media, search, and other forms of digital advertising (Figure 5.61). Despite the increasing opportunities, advertising (including sponsorships) remains a relatively minor marketing tactic for advisory practices, as has been the case for the past several years. With overall usage at 15%, these tactics rank above only cold prospecting and paid solicitors in popularity. Within the tactic, the more analog "local sponsorships" approach remains more popular than emerging digital advertising channels.

Figure 5.61. Specific Types Of Advertising Used



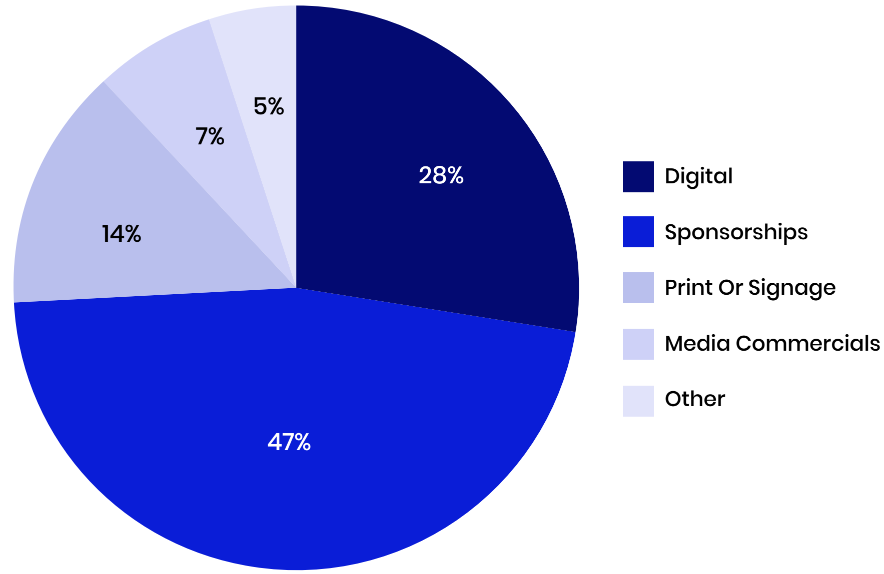
While advertising may have its merits in establishing and maintaining a practice's brand, advisors generally report below-average satisfaction with this tactical group. This appears to be driven by the fact that only about half of practices using advertising and sponsorships directly attributed even a single new client to the tactic over the prior year – and some practices still struggle to measure the results of broad-based marketing at all. In addition, those clients earned from advertising tend to generate relatively modest annual revenue – approximately $5,000 per client, compared to the average of $11,087 in annual revenue derived from new clients generated by all marketing tactics.

The upside, however, is that advertising and sponsorships are relatively inexpensive from a client acquisition standpoint. Client acquisition costs (CACs) via advertising ($8,406 per new client) are roughly half the average across all marketing tactics ($16,925). This is largely because paid advertising requires comparatively little advisor time: While the hard-dollar costs of advertising are more than most practices' modest budgets, just 23% of the total cost of the tactic is attributable to advisor time, compared to 60% across all marketing tactics on average .

The result is that, despite generating fewer and less valuable clients, advertising and sponsorships remain a remarkably highly efficient means of acquiring new revenue. The tactical group maintains a revenue acquisition cost (RAC) of $1.31, substantially below the average of $2.01 for all marketing tactics – and well below the effective cost of acquiring comparable revenue through M&A. In other words, while advertising may not be particularly effective at generating large numbers of high-value clients, its relatively low demands on advisor time allow it to remain a cost-effective contributor to growth in practices' target markets (even if that's just being more visible in their local community through local sponsorships).

Figure 5.62 shows the allocation of hard-dollar spending by practices on five categories of advertising and sponsorships. While the pie chart illustrates where advisors are collectively dedicating the most (or least) of their advertising dollars, it is not, however, representative of the typical advisor, who tends to focus ad spending on only selected categories. Nearly half of advertising advisors (19%) concentrate the majority of their ad spending on only one category.

Figure 5.62. Distribution Of Advertising Expenditures By Category



The largest spending share across all practices, 47%, went toward sponsorships. Sponsorships are more of a "top-of-the-funnel" marketing investment largely intended to build awareness with prospects. Of the advisors who advertise, 97% pay for some form of sponsorship, with 34% allocating a majority of their hard advertising dollars to sponsorships. Among the advisors who indicated sponsorships, 80% sponsored elements of the local communities they served, and 37% provided sponsorships related to niche markets served. Beyond sponsorships, 14% of advisors engage in other print or signage advertising (again, often in their local communities).

By contrast, only 28% of overall ad expenditures goes toward any kind of digital marketing (e.g., social or search ads). Because of its ability to better target and engage with prospects, digital marketing is more aligned with the middle or even bottom tiers of the marketing funnel that center on activities that gain the trust of prospects and ultimately win their business (and/or is better suited to the smaller subset of advisors who have a clear niche to whom they can target those ads). Still, about half (51%) of all advisors who advertise used some form of digital marketing, with 15% committing a majority of their hard-dollar advertising budget to digital tactics.

Successful advisors allocate a higher share of their budget to sponsorships than unsuccessful advisors, making it a clear focus area (33% allocated by those successful versus 25% for unsuccessful advisors). This dynamic changes when looking at print ads or signage, another top-of-funnel activity, where successful advisors spend slightly more than their underperforming peers (18% for successful versus 14% for unsuccessful advisors). While this might suggest print ads and signage remain relevant for growth, it is worth noting again the challenges to directly measure new business won from this kind of advertising. As a result, this relationship may be overstated.

In terms of overall advertising investment, sheer budget volume does not translate to success; in fact, advisors who successfully acquired clients through paid advertising maintained a lower median spend ($8,330) than those who did not gain clients ($12,625). This indicates that total outspending is not a driver of client acquisition. Instead, success appears linked to the specific allocation of the budget rather than its overall size. Digital advertising serves as the primary differentiator, with successful practices committing nearly double the budget share to digital channels compared to unsuccessful ones (25% versus 13%). Beyond digital, they focus their capital more on high-impact channels – specifically sponsorships and print media.

For advisors interested in adding advertising and sponsorships to their marketing toolkit, Figure 5.63 summarizes key considerations.

Figure 5.63. Assessing Fit – Advertising

Weighing Advantages	
Pros	**Cons**
• Ability to speak to a very specific audience, especially via digital. • Scalable, with minimal advisor time required (assuming access to either internal or external marketing support).	• Not as effective for directly facilitating client acquisition. • Requires significant hard-dollar outlay.
Practice Matching	
Tailor-Made	**Ill-Fitting**
• Startup practice interested in quickly establishing its brand with dollars to spend to do so. • Niche practices interested in reaching very specific audiences. • Established resource-abundant practices applying advertising as supplementary marketing.	• Practices with limited marketing budgets. • Practices who lack clarity in terms of the “brand story” they wish to tell and target market they wish to tell it to.

6

Learning From High-Growth Practices

A tremendous amount of information related to how financial advisors are marketing their services, including the usage and performance of specific marketing tactics, is presented in this report. What other advisors in general are doing, and how well they are doing it, is valuable from the perspective of helping individual advisors benchmark their own marketing performance and identify areas that need attention in order to improve.

As noted earlier, "high-growth" practices in our study are distinguished within each of our six revenue stages as being among the top one-third within each revenue band in terms of 2025 organic new client revenue growth (after excluding "mature" practices not seeking further growth in the first place). By separating the high growers within each development stage, rather than across all respondents, a more revealing picture emerges regarding how marketing best drives growth as a practice evolves from a solo practitioner to a multi-advisor ensemble. This includes the best approaches relevant to practices of different sizes, as well as methods more appropriate for particular stages of practice development.

What exactly distinguishes high-growth practices? Certain characteristics are shared across all development stages, while others are specific to each practice development stage. A summary of factors that distinguish high-growth practices from the rest is presented in Figure 6.1.

Figure 6.1. Characteristics Of High-Growth Firms

Tactic or Strategy	All Firms	<$1M Rev	$1M+
Revenue Acquisition Cost			
Low revenue acquisition costs	X		
Marketing reliant on advisor time		X	
Marketing reliant on hard costs or staff time			X
Target Market			
Being niche-focused		X	
Flat fee-only pricing		X	
Expertise			
Industry CFP and post-CFP designations		X	
Marketing Intentionality			
At least 3 inputs to marketing plan	X		
Uses supporting tactics	X		
Actively tracking prospects	X		
Taking less income to invest in greater marketing	X		
Routine updates to plan		X	
Actively tracks marketing costs		X	
Marketing Centralization			
Not centralizing marketing strategy and execution too early		X	
Marketing Tactics			
(Efficiently using) a greater number of tactics than peers at the same level of revenue	X		
Less reliant on referrals from clients and COIs	X		
Use of event marketing			X
Making the advisor "findable" with online directories and SEO		X	

As noted in the section "Overview of Advisor Marketing Effectiveness," the most important factor contributing to the success of high-growth practices is simply that they market more efficiently – typically by learning, refining, and honing in on one or two core tactics that they're especially good at, as measured by the cost required to acquire each additional dollar of new client revenue, or revenue acquisition cost (RAC). Maintaining a low RAC enables growth by allowing firms to recover marketing investments faster and reinvest sooner. For example, if acquisition costs are recouped in six months instead of 12, firms can complete two growth cycles per year rather than one, accelerating growth without increasing marketing spending.

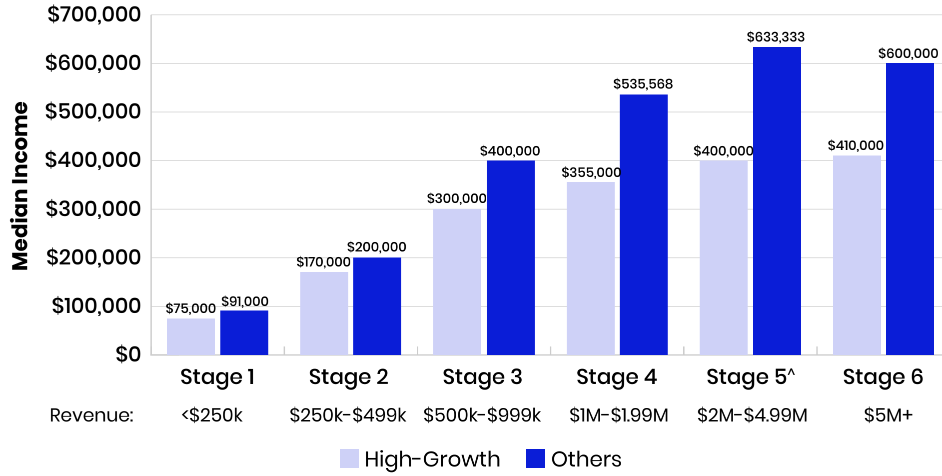
However, while maintaining lower RAC is the central distinguishing factor of high-growth practices regardless of size, the most effective way to minimize RAC differs significantly based on practice size.

For practices generating less than $1 million in annual revenue, RAC tends to be lower among practices that rely more heavily on advisor time. At that stage, because the advisors themselves have less revenue and take-home income, the cost of advisor time is often less expensive than investing heavily in hard-dollar marketing expenditures or support staff. For practices generating more than $1 million in revenue, however, reliance on advisor time drives up RAC because that time becomes increasingly costly.

This is not to say that advisors at high-growth practices generating more than $1 million in revenue necessarily spend less time on marketing, though. In fact, the relationship between working at a high-growth practice and time spent marketing is inconsistent once practice size is taken into account. Instead, their lower RACs are driven by several other factors.

The first, shown in Figure 6.2, is that senior advisors at high-growth firms consistently take home 15-37 percentage points less in income than their peers, with those dollars instead being reinvested to fuel practice growth. In addition to increasing hard-dollar marketing expenditures, these firms are increasingly separating sales from service by investing in centralized marketing execution and shifting more of the responsibility for growth to dedicated marketing teams, allowing senior advisors to focus primarily on client service. In other words, compensation that is not paid to (expensive) senior advisors is reinvested into the business to support more cost-effective growth. This strategy enables firms to provide greater staff support while deploying hard-dollar marketing tactics that are less expensive than relying on senior advisor time. It also scales more effectively as firms grow, because marketing outcomes can be expanded by leveraging relatively fixed investments, such as marketing staff salaries and other centralized marketing resources. At the same time, this approach mechanically lowers RAC from an accounting perspective, as lower advisor compensation reduces the calculated cost of advisor time devoted to marketing activities.

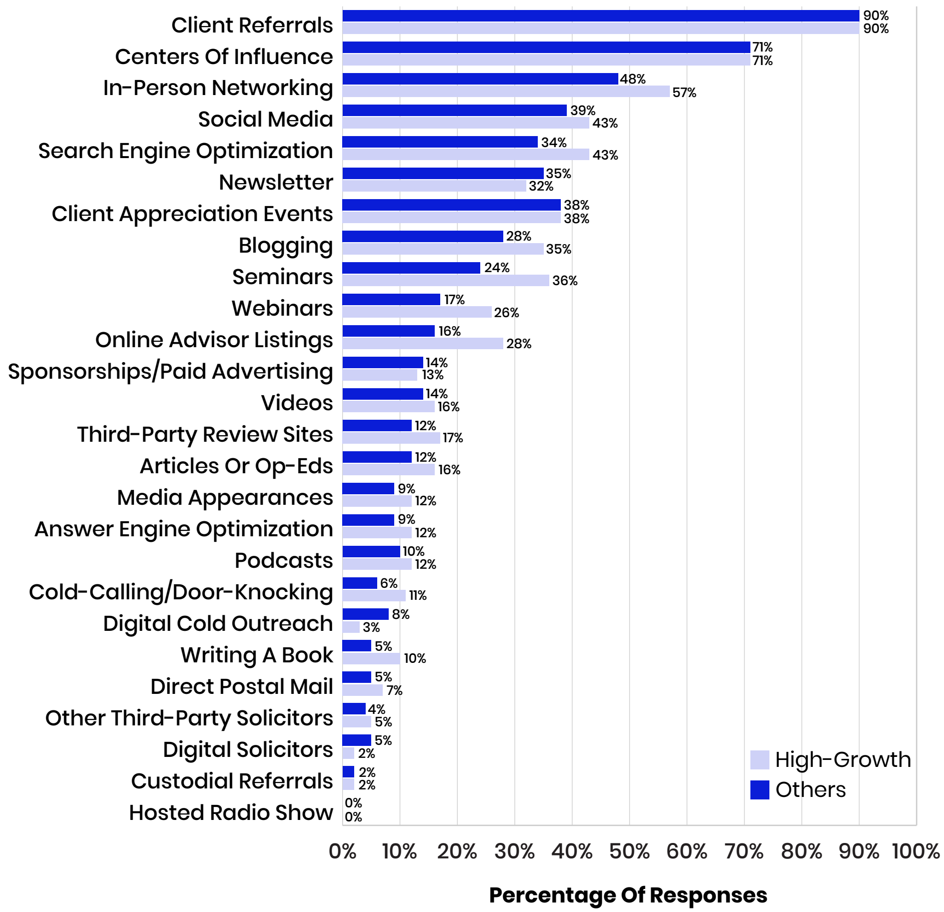
Figure 6.2. Senior Advisor Compensation, Including Owner Profits, By Practice Size, High-Growth Vs Others (Actively Growing Practices)



^ 5-9 responses for one or more of the displayed metrics

Looking at the tactics themselves, one of the clearest patterns among high-growth practices is that while they utilize client referrals and referrals from centers of influence (COIs) at virtually identical rates to other firms (trailing by a mere 0.6 and 1.4 percentage points, respectively), they refuse to let these passive channels limit them (Figure 6.3).

Figure 6.3. Marketing Tactic Usage, High-Growth Vs Others (Actively Growing Practices)



The challenge with referral-based growth is that it depends heavily on the actions of other parties—clients and COIs—leaving advisors with relatively little direct control over their marketing outcomes. When referrals decline, there is often little an advisor can do to immediately reverse the trend. This is especially true in the case of a more mature advisory firm where existing clients may simply run out of referral contacts within their networks after their first few years with the firm. In fact, as we showed earlier, actively asking for referrals can sometimes reduce the number received, as clients may react negatively to feeling repeatedly solicited.

Therefore, rather than allowing the practice's growth trajectory to be reliant on the actions of others, high-growth practices are more engaged with nearly every other form of marketing beyond referrals. As a result, they can more proactively influence their growth—and, when they do receive referrals, those referrals make up a smaller share of new client revenue.

While high-growth practices generally maintain more tactics, there are important variations by practice size in the specific tactics used. Among practices generating less than $1 million in revenue, high-growth practices are more likely to employ tactics that make them easier for prospective clients to find, facilitating the consumer discovery path to themselves as a newer firm. For example, they are 14 percentage points more likely to invest in SEO and 15 percentage points more likely to maintain listings in online advisor directories. They are also more likely to engage in tactics that actively increase their visibility, including in-person networking (6 percentage points higher usage) and seminars (9 percentage points higher usage). This is because these practices place greater emphasis on expanding client headcount to fill out the capacity of existing advisors.

Among practices generating more than $1 million in revenue, however, the defining difference is the greater use of event-based marketing. Relative to their peers, high-growth practices at this size are 16 percentage points more likely to host in-person seminars, 18 percentage points more likely to run webinars, and 7 percentage points more likely to hold client appreciation events. The popularity of these tactics among larger practices likely stems from the fact that event-based marketing has the highest customer acquisition cost (CAC) of any tactical grouping, at $18,568 per client when both hard-dollar and advisor-time costs are included, due to the depth of external or on-team staff support it takes to run a repeatable event marketing process. That is more than double the average CAC across all tactical groupings of $8,788, making it a strategy that generally requires a certain level of scale to pursue consistently. Yet when it still only takes two or three clients to make the event a financial success, larger practices often find event marketing compelling because it is so scalable and controllable; if the practice wants to double its growth rate, it can just turn up the dial and double its marketing events, and with existing marketing staff support it may need little or no expansion of headcount to accommodate a more rapid event-marketing growth pace

Furthermore, an important caveat to the stated high cost of event marketing is that success rates for webinars and client appreciation events are just 35% and 55%, respectively, such that the costs are not high because of the scalable success, but due to how many advisory practices fail to execute. In other words, the high average CAC is driven in part by a large number of practices that invest in these tactics but generate no new revenue from them at all. Results for event-based marketing are therefore highly skewed: many practices – including 65% of practices using webinars – receive no return on their investment whatsoever, while a small subset of practices uses these tactics very successfully to drive growth.

This distinction matters because, while event-based marketing is one of the factors that differentiates larger high-growth practices from their slower-growing peers, its highly skewed outcomes mean it is not necessarily a strategy that firms struggling with marketing should rush to emulate. Instead, firms may be better served by first finding success with tactics that are generally easier to execute and produce more consistent results. Examples of such tactics are those common among smaller high-growth practices where outcomes tend to be less skewed, allowing advisors to implement them with greater confidence that they will produce at least some meaningful results.

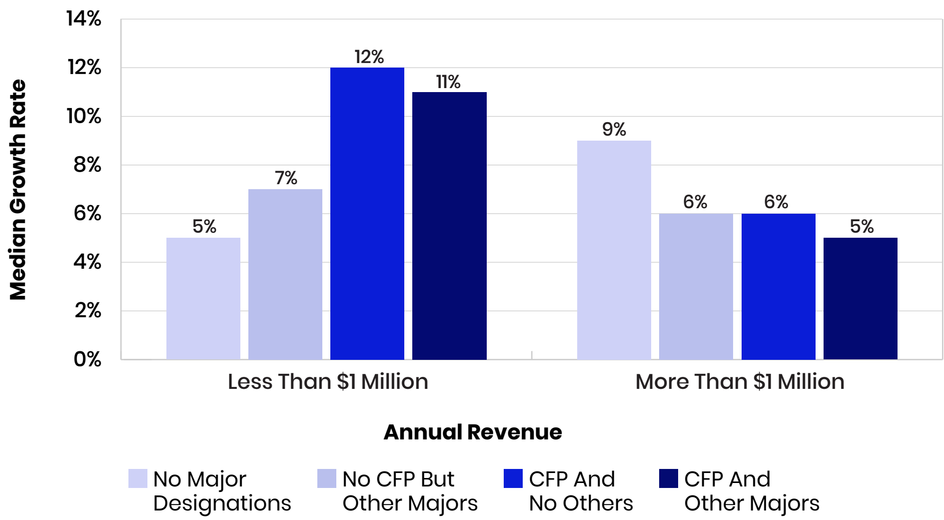
For example, maintaining a listing in an online advisor directory costs little (if anything) and requires little advisor time – yet nearly eight in ten advisors listed in directories reported gaining at least one new client from them in the past year, which means they are a natural place to start for practices looking to incrementally increase their growth.

Beyond marketing tactics themselves, we find that taking steps to establish credibility and build a distinct brand is particularly conducive to success for smaller practices. One example is being niche-focused, which Kitces Research defines as having a clear target market that accounts for at least 75% of new clients. Niche-focused practices are consistently overrepresented among high-growth practices up to the $1 million revenue mark, after which the relationship becomes much less consistent.

One example of a niche that we explored extensively in this report is Flat Fee-Only Positioning. Among Stage 1 practices, advisors using this positioning experienced standout rates of organic new revenue and client growth exceeding 50%– substantially higher than the 20% to 35% early-stage growth rates observed among firms primarily reliant on AUM fees. (That said, these firms also lag significantly in revenue growth from existing clients due to the struggles in raising fees on existing clients in a flat-fee environment, a dynamic discussed at length in the “Flat Fee-Only Positioning and Marketing Success” section.)

Beyond serving a clearly defined target market, the credibility-enhancing role of professional designations such as the CFP®, ChFC®, and CFA® also appear to support growth among smaller practices. As shown in Figure 6.4, among practices generating less than $1 million in revenue, holding industry designations is associated with a greater organic revenue growth from new clients until the CFP® marks are obtained, with no additional benefit when post-CFP designations are obtained. (The failure of post-CFP designations to translate into additional growth also corresponds with our Kitces Research on Advisor Productivity, which finds that, while advisors with the CFP® marks are more productive than those without them, no additional productivity benefits are gained from post-CFP® marks.) For practices generating more than $1 million, however, the relationship reverses, with increasing credentials generally corresponding with lower organic revenue growth rates.

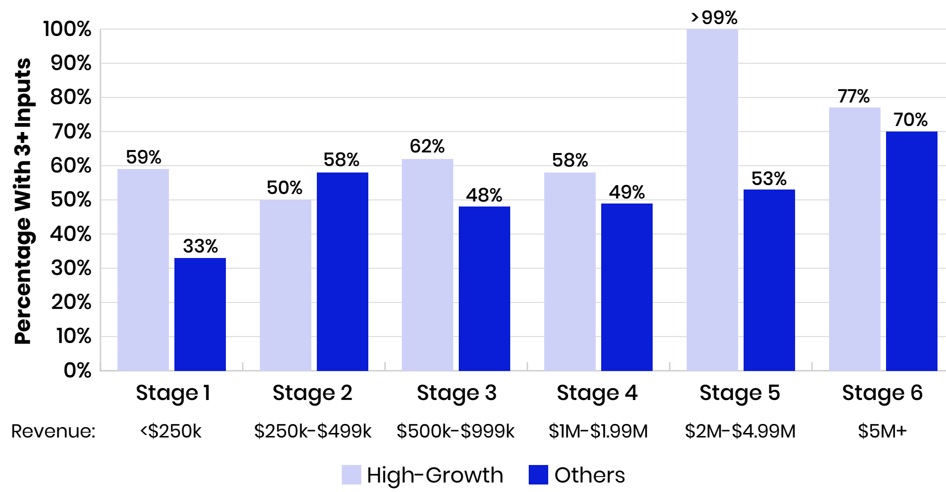
Figure 6.4. Organic New Client Revenue Growth By Practice Revenue And Industry Designations Obtained



One explanation why these two expertise and credibility signals matter more for smaller firms is because the business is often "just" a single advisor. In that context, alignment with a specific niche or possession of respected professional designations can serve as an important heuristic for prospective clients evaluating the advisor's expertise and capability. As firms grow and add advisors, however, the firm's brand itself can become that credibility signal, reducing the relative importance of individual niche positioning and professional credentials.

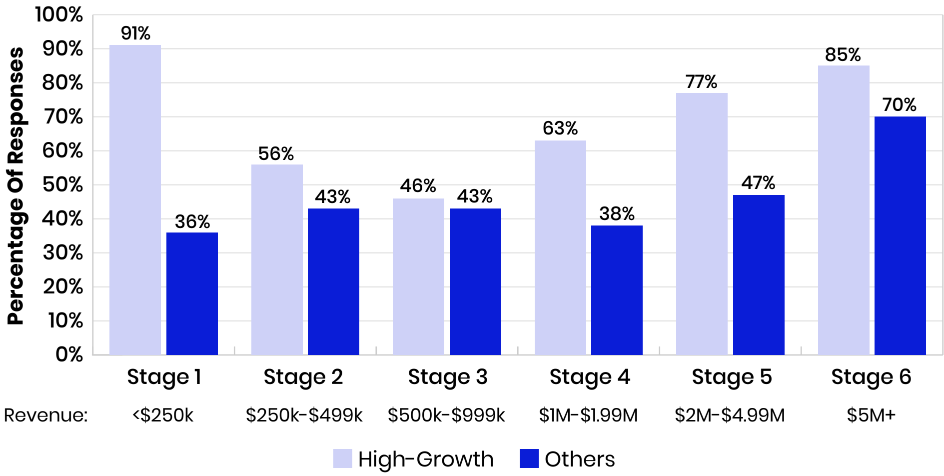
Another set of factors contributing to advisory firm growth is the degree of intentionality firms bring to their marketing efforts. Many of these factors are associated with high growth regardless of practice size. At the most basic level, this begins with the process of constructing a marketing plan. High-growth practices are more likely to draw on a broader range of inputs when developing their plans, including paid consultants, client surveys, advisor study groups, trade publications, industry research, and other sources of information. As shown in Figure 6.5, high-growth practices across most stages of development are more likely than their peers to have incorporated at least three different inputs into the construction of their marketing plans. In other words, high-growth practices invest the effort to ensure their marketing strategies are shaped by a broad and well-informed perspective.

Figure 6.5. Practices With 3+ Inputs To Marketing Plan Construction By Practice Size, High-Growth Vs Others (Actively Growing Practices)



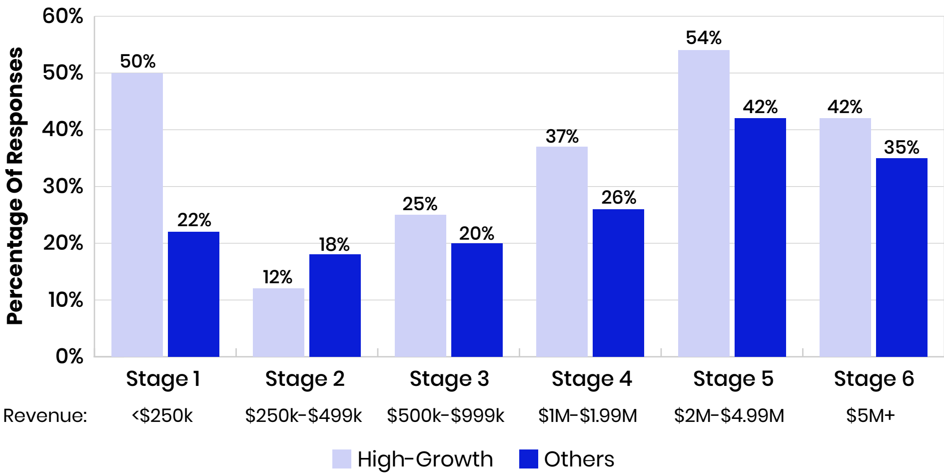
One important aspect of thoughtful marketing planning is building complementary tactics – that is, selecting marketing activities that reinforce one another rather than operating in isolation. At the highest level, this involves thinking about marketing tactics in terms of the three-stage marketing funnel shown in Figure 1.1, where some tactics focus on generating awareness, others establish credibility, and others convert prospects into clients. We capture this concept by asking advisors whether specific tactics are used independently or in a supporting capacity to amplify the effectiveness of other tactics. Across all development stages, high-growth practices were more likely than other practices to report using at least one tactic in a supporting role (Figure 6.6).

Figure 6.6. Use Of Supporting Tactics By Practice Size, High-Growth Vs Others (Actively Growing Practices)



Once a marketing plan is in place, high-growth practices at nearly every size are more likely to monitor their progress by tracking the number of prospects moving through their pipeline (Figure 6.7).

Figure 6.7. Prospect Tracking By Practice Size, High-Growth Vs Others (Actively Growing Practices)



Beyond these broadly applicable tactics, high-growth practices generating less than $1 million in revenue are also more likely to engage in routine marketing plan updates and ongoing monitoring of marketing costs. These activities are especially valuable for smaller practices because their marketing budgets tend to be more constrained, making it particularly important that limited resources are allocated effectively. In addition, even modest improvements can produce meaningful percentage gains when operating from and growing on a smaller revenue base.

Finally, while all firms can take steps to maximize the effectiveness of their marketing investments, multi-advisor practices operating under silo or ensemble structures face an additional decision of how much to centralize marketing strategy and execution across the practice. As discussed in the "Marketing Approaches" section, centralizing marketing execution can lower revenue acquisition costs for practices generating $2 million or more in annual revenue, for which there is enough of an existing revenue base and advisor headcount to amortize the cost of more dedicated centralized marketing support. However, on average, this translated into only 1 additional percentage point of annual new-client revenue growth.

What stands out more clearly is the extent to which centralized marketing execution appears to hinder growth among smaller practices because they still must invest resources to centralize decision-making but haven't yet reached a scale where there is much organizational complexity to manage. That means smaller practices often benefit from affording advisors more autonomy in how they execute their own marketing activities.

In sum, what distinguishes high-growth practices from the rest is that their greater marketing investments—generally funded in part by converting lead advisors from business developers into service advisors who take home less income, so the dollars can be redeployed to marketing—are used to support a more intentional marketing process. Namely, high-growth practices put more effort into constructing their marketing plans, use a greater number of largely non-referral-based tactics, design those tactics to complement one another rather than operate in isolation, and monitor their progress along the way.

What these marketing strategies look like differs by practice size. Smaller firms tend to rely more heavily on advisor time (which is less costly at that stage), while also being more niche-focused and obtaining professional designations to help establish credibility. Larger firms, by contrast, rely more heavily on hard-dollar expenditures and on staff members less costly than the advisor, while making greater use of marketing events.

The end result in either case is lower revenue acquisition costs – the single greatest differentiator between high-growth and other practices – because practices can recover their marketing investments faster and reinvest those proceeds sooner!

Parting Thoughts

Parting Thoughts

A foundational theme running throughout our practice management research is the importance of protecting advisor time. If advisors lose control of their workload and must work on evenings and weekends to keep the firm afloat, this effort not only fails to boost productivity (because they're constrained by the 24 hours in a day and 7 days in a week), it also reduces advisor wellbeing and increases burnout – ultimately increasing the likelihood they leave their firm or the industry altogether. Similarly, when too much of an advisor's day becomes consumed by administrative work and too little is spent actually helping clients – the reason most advisors entered the profession in the first place – the same negative personal and business consequences tend to follow.

Just as limiting excessive work hours and administrative burdens is critical to advisor productivity and wellbeing, a central takeaway of this report is that sustaining cost-effective organic growth as firms grow and scale requires keeping advisor marketing time under control. Now, of course, this should not be interpreted as suggesting that successful firms do less marketing. Indeed, as we have repeatedly emphasized throughout this report, the fastest-growing practices generally use more marketing tactics as well as cast a wider net within the tactics they use (e.g., maintaining more COI relationships, appearing in more directories, etc.).

What distinguishes the most efficient firms is not that they market less, but that they become progressively less reliant on (increasingly expensive) advisor time as they grow. That is to say, what enables some firms to maintain cost-effective marketing while other firms' acquisition costs approach and eventually surpass those associated with M&A is their ability to detach marketing execution from Senior Advisors and instead shift those responsibilities toward lower-cost staff or hard-dollar expenditures. Firms that fail to make this transition as they grow experience their marketing costs actually "anti-scale," rising rather than falling as a percentage of revenue, ultimately hindering growth.

Ultimately, this observation allows us to end on a somewhat-encouraging note. In our opening remarks for this report, we noted that marketing consistently ranks among advisors' least-enjoyed responsibilities. Advisors, then, can take comfort in the fact that while stronger growth does require the practice to market more, scaling this marketing efficiently requires the cost burden to shift such that the advisor doesn't need to spend as much time marketing. Or, stated more simply, one of the paradoxes of marketing success is that the firms that market most effectively are often the ones in which the advisor markets less (and the firm markets more on their behalf)!

Glossary

8

Practices & Teams	Description
Practice	Any entity for which there is a common business vision, budget, client base, and service standard. Across the entity, resources and profits are pooled. A practice could be an entire firm or an individual or team of individuals affiliated with a larger firm. Affiliations, for example, could include a broker-dealer, an independent RIA, or a platform service provider. Study participants represented their practices as either a firm, team, silo, or solo but no combination of these.
High-Growth	A practice that is among the top one-third in its development stage (excluding mature practices that are no longer actively marketing) based on 2025 new client organic revenue as a percentage of the practice's total revenue the prior year. High-growth is defined within each stage except for Stages 5 and 6, which were combined for the purposes of distinguishing a large-practice, high-growth segment with sufficient sample size.
Mature	A practice that may still accept a few new inbound clients but is not actively seeking growth.
Niche-Focused	A practice that caters to up to three niche markets, with more than three-fourths of new clients joining the practice in the last year fitting a niche profile.

Development Stage	Description
Stage 1	Annual practice revenue of less than $250,000.
Stage 2	Annual practice revenue between $250,000–$499,999.
Stage 3	Annual practice revenue between $500,000–$999,999.
Stage 4	Annual practice revenue between $1M–$1.99M.
Stage 5	Annual practice revenue between $2M–$4.99M.
Stage 6	Annual practice revenue of $5M or more.

Marketing Metrics	Description
Advisor Satisfaction	A 1–10 scale, with "10" representing highest satisfaction with a particular tactic or provider.
Advisor Time Share	Share of a tactic's marketing cost attributable to advisor time.
Client Acquisition Cost, Practice-Wide	Total marketing expenditures across the practice in a given year divided by the number of new clients marketing attracted to the practice in the same year. New clients exclude clients that may have joined the practice due to acquisition or merger.
Client Acquisition Cost By Tactic	Total marketing expenditures on the tactic in a given year divided by the number of new clients attracted to the practice via the tactic in the same year.
Efficiency, Practice-Wide	Total marketing expenditures spent across the practice in a given year divided by total new client revenue attracted to the practice in the same year. Revenue or costs associated with a merger or acquisition are excluded.
Efficiency By Tactic	Direct marketing expenditures on a specific tactic in a given year divided by total new client revenue attracted to the practice via that tactic in the same year.
Hard-Dollar Marketing Expenditure	Ongoing costs or one-time outlays for vendors, supplies, software, travel, entertainment, or commission/ referral payments that directly relate to supporting practice marketing or sales.
Marketing Expenditures, Total	Hard- and soft-dollar expenditures directly related to marketing activities.
Revenue Per Client	New client revenue attributable to a marketing tactic divided by the number of clients joining the practice as a result of the tactic.
Soft-Dollar Marketing Expenditure	Imputed cost of time on marketing activity based on estimated hourly compensation and reported hours worked on a marketing activity. The hourly rate for advisors or owners is "income-based", meaning profits are included in addition to compensation. Soft-dollar costs may also include, if applicable, an apportioned cost of time for work done by a dedicated marketing employee.
Success Rate	Share of practices that reported at least one new client from a particular marketing tactic out of the total number of practices that reported using that tactic.
Supporting Tactic	Search engine optimization (SEO), drip marketing, and social media are considered "supporting" in the sense that they often are used in conjunction with other tactics. In cases where they are primarily supporting other marketing tactics as opposed to acting in a "standalone" capacity, their reported costs and returns are blended in with the costs and returns of the other tactics they support.

Marketing Intentionality	Description
Minimal Intentionality	Implementation of 0 to 1 deliberate steps to improve marketing.
Some Intentionality	Implementation of 2 to 3 deliberate steps to improve marketing.
Moderate Intentionality	Implementation of 4 to 5 deliberate steps to improve marketing.
Highly Intentional	Implementation of 6 to 8 deliberate steps to improve marketing.

Flat Fee-Only Positioning	Description
Only Flat-Fee	Complete reliance on planning fees with zero AUM fees or commissions charged.
Mostly Flat-Fee	Primary reliance on planning fees alongside minor generation of AUM fees.
Partly Flat-Fee	Primary reliance on AUM fees alongside some generation of planning fees.
No Flat-Fee	Exclusive reliance on traditional AUM fees or commissions.

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