



Interactive Brokers Advisor Insights Survey

June 2024

Interactive Brokers LLC, member NYSE, FINRA, SIPC.

About the Survey

Interactive Brokers launched its inaugural IBKR Advisor Insights Survey in April 2024 to get a better understanding of how technology and custodial relationships impact RIA operations and growth from the financial advisor's perspective. The email survey was completed by 100 independent, fee-based financial advisors with an average of 24 years of experience and \$74 million in assets under management.



Executive Summary

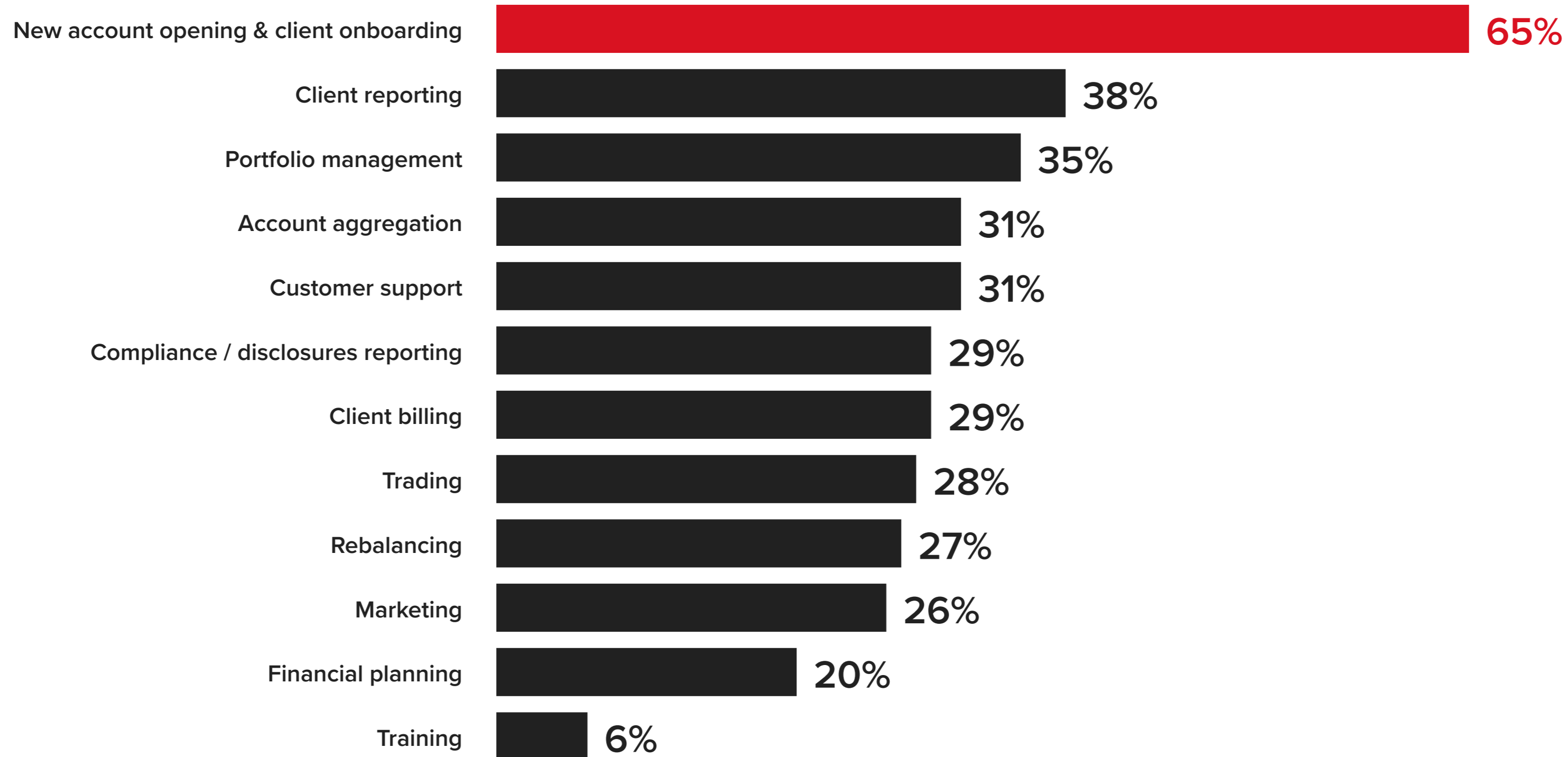
- Automation frees up time for advisor-client relationship building and reduces RIA overhead costs.
- Nearly two-thirds (65%) of advisors believe new account opening and client onboarding could benefit from more automation.
- Cost is advisors' number one factor in choosing a custodian.
- Most advisors (64%) use at least two custodians, and more than a third of those surveyed use at least three.
- Advisors use multiple custodians namely because of client preferences.
- In 2024, advisors' top priorities are winning new business and firm growth.
- When thinking about succession planning, advisors are more apt to recruit and train young talent from within to take over the reins (39%), versus consider M&A as a strategy (4%).
- As fiduciaries, advisors should manage client cash balances in accounts with high interest rates, according to 80% of respondents.

Technology and Operations



Question

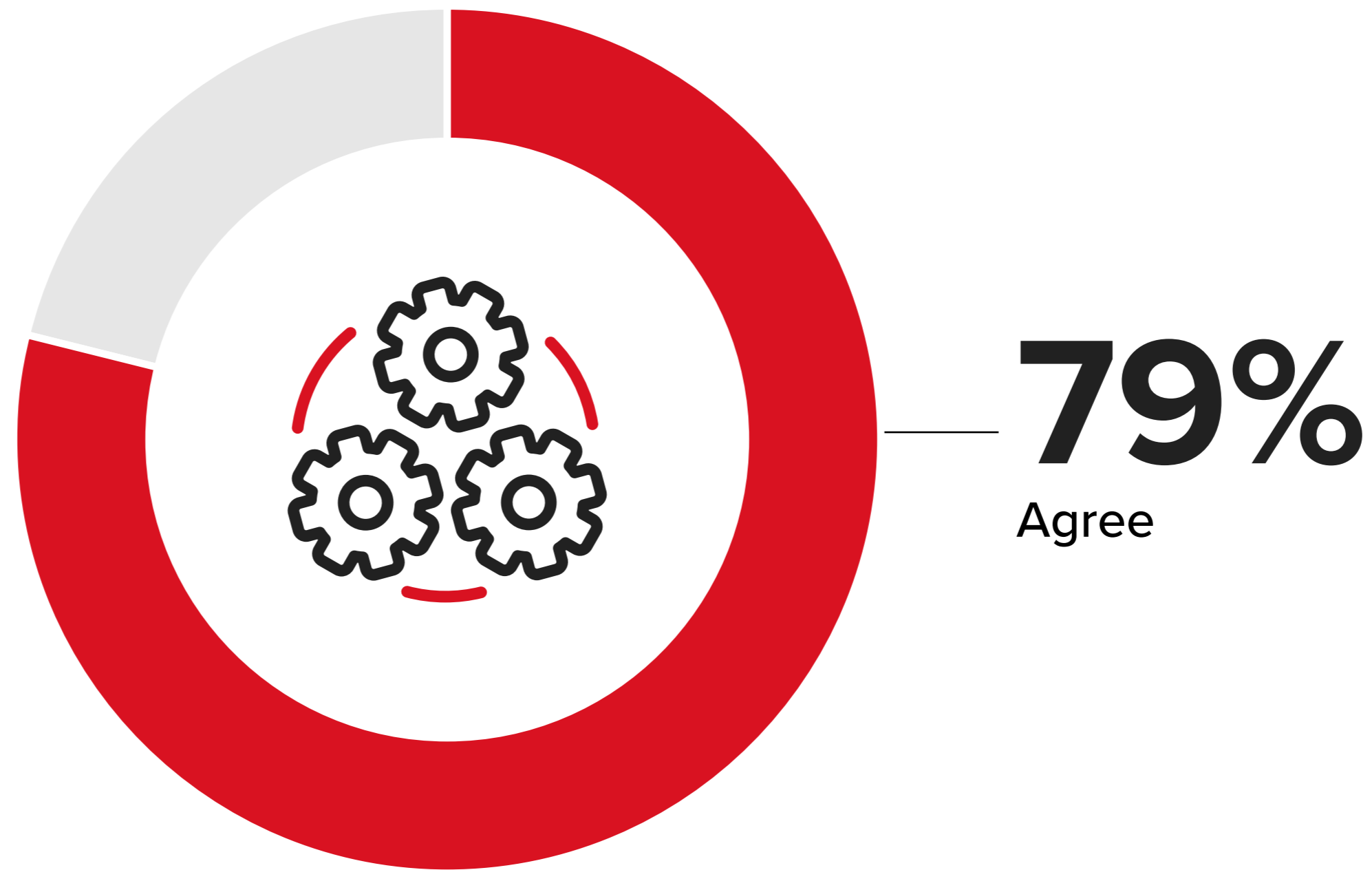
Which activities would benefit from increased automation?



Multiple responses allowed.

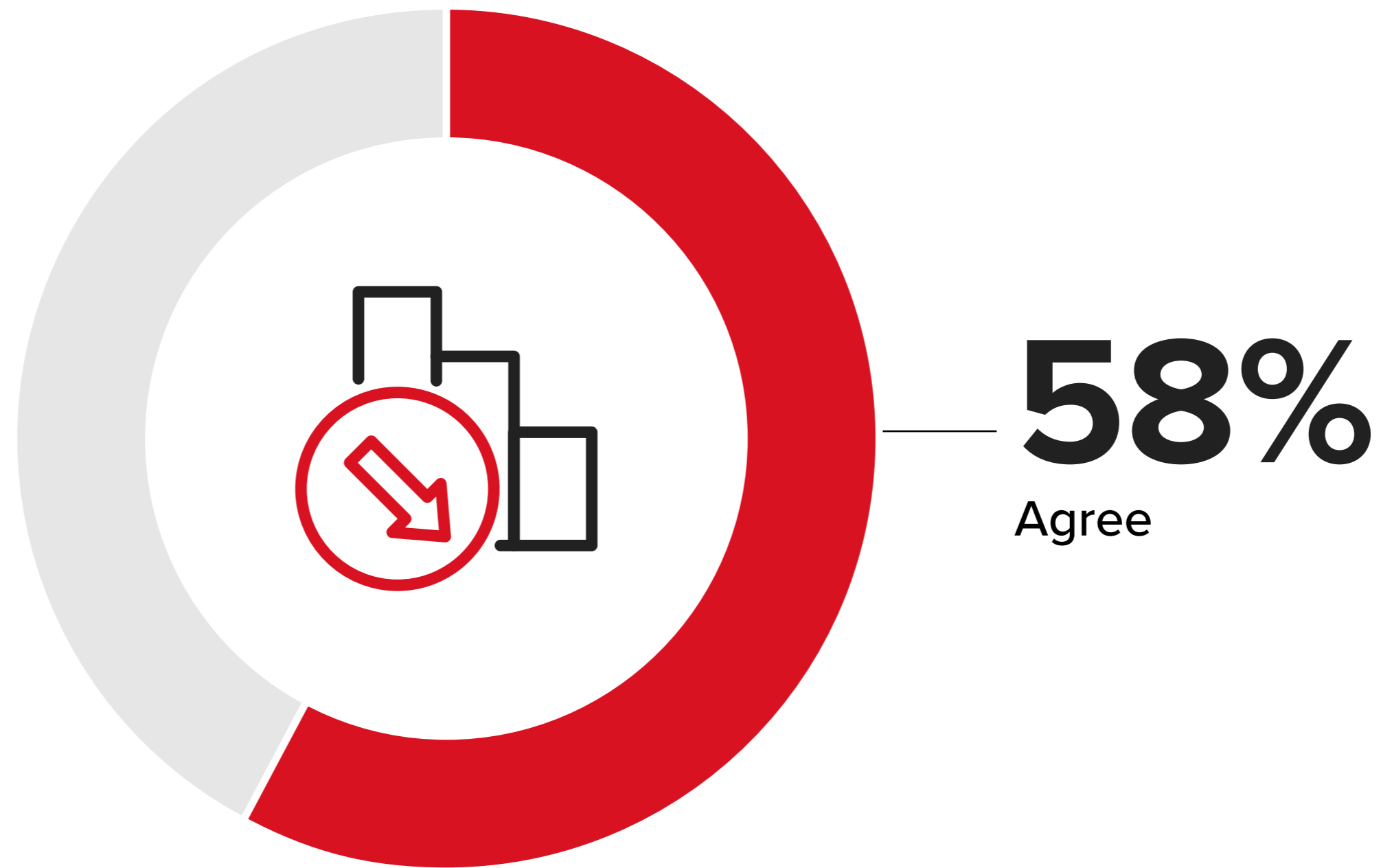
Agree/Disagree

Increased automation in my operations allows me more time for client relationship building.



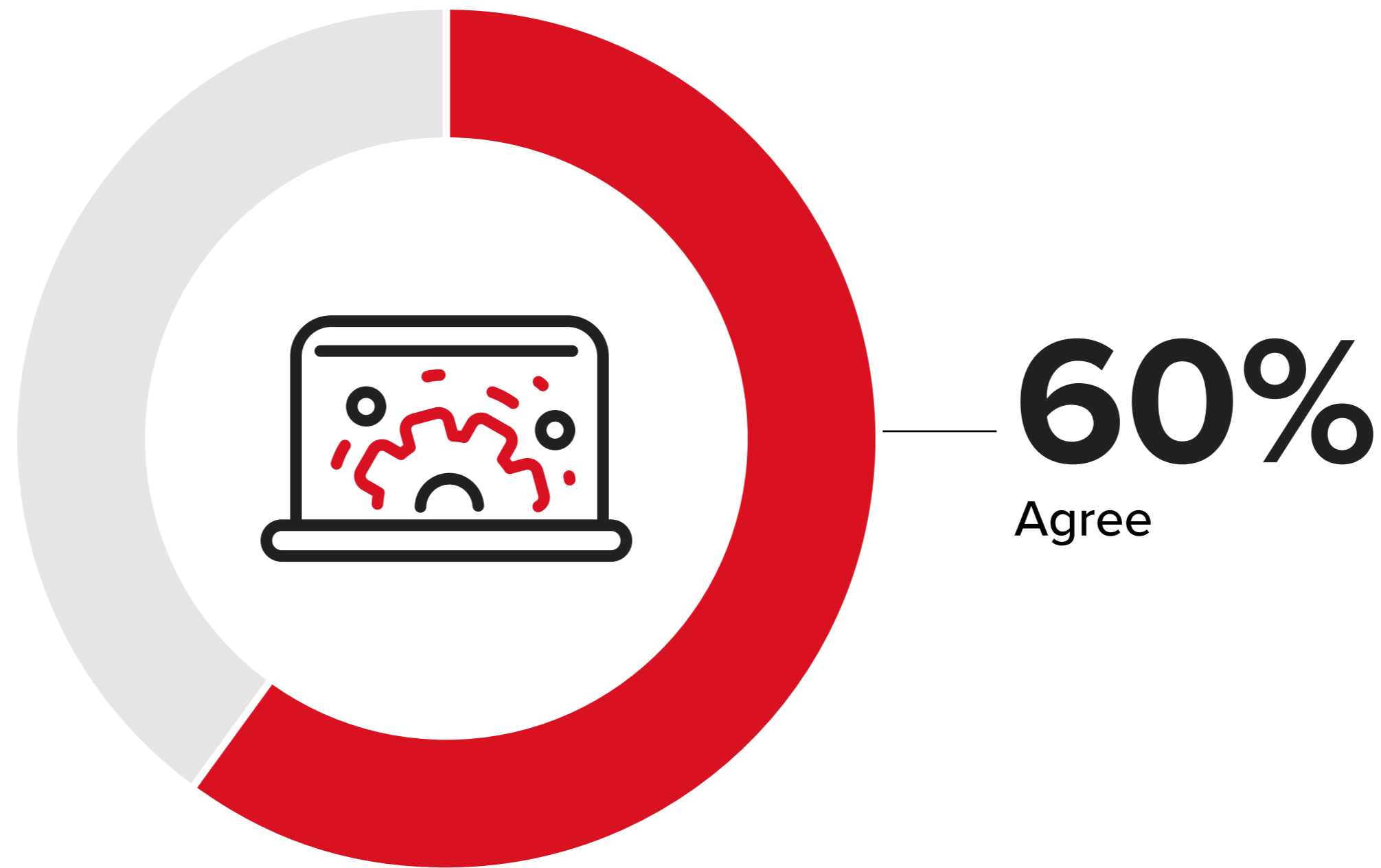
Agree/Disagree

Our firm overhead is lower because we automate much of our account management.



Agree/Disagree

Automation helps new team members get up to speed quickly on firm processes.

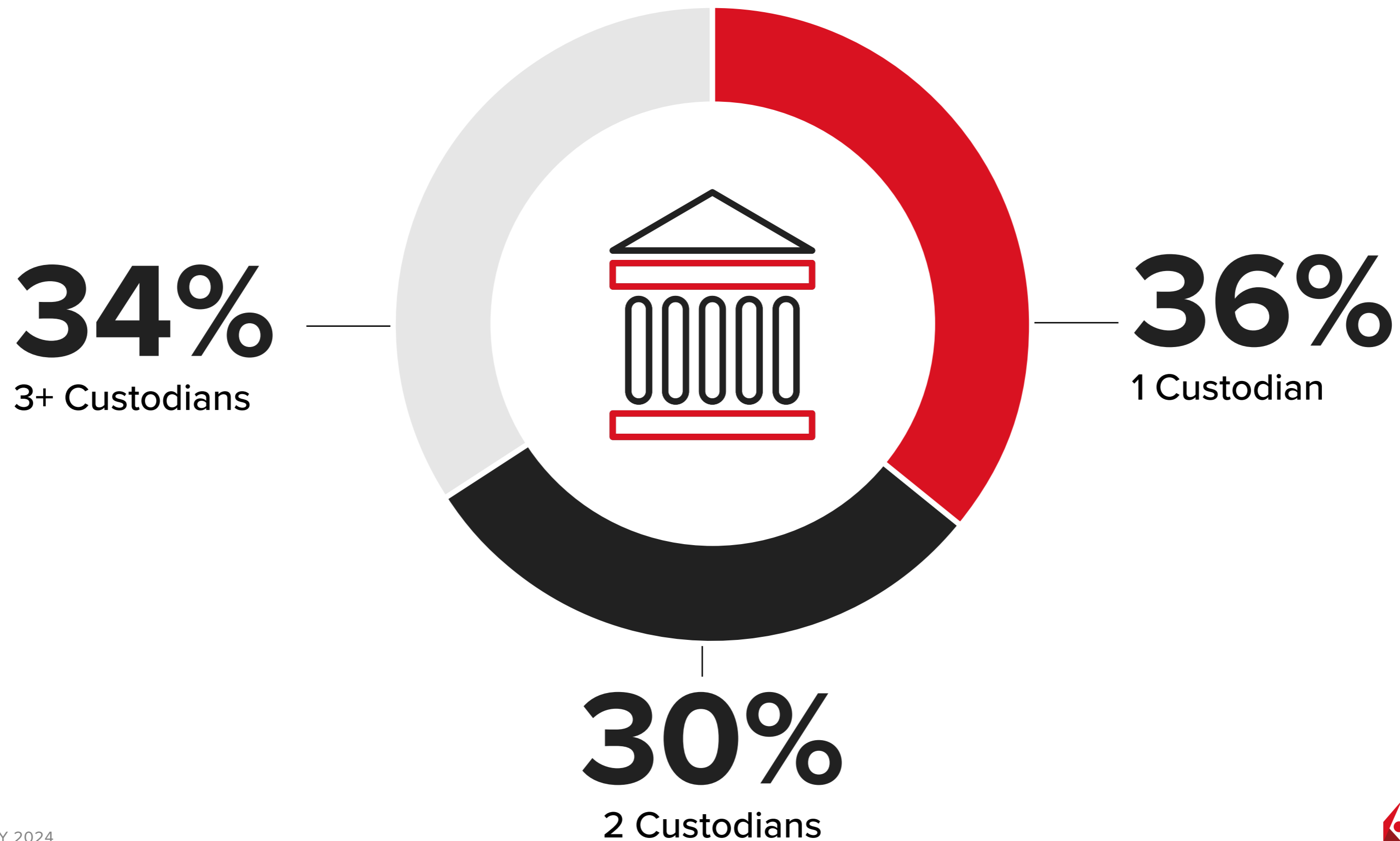


Custodian Considerations



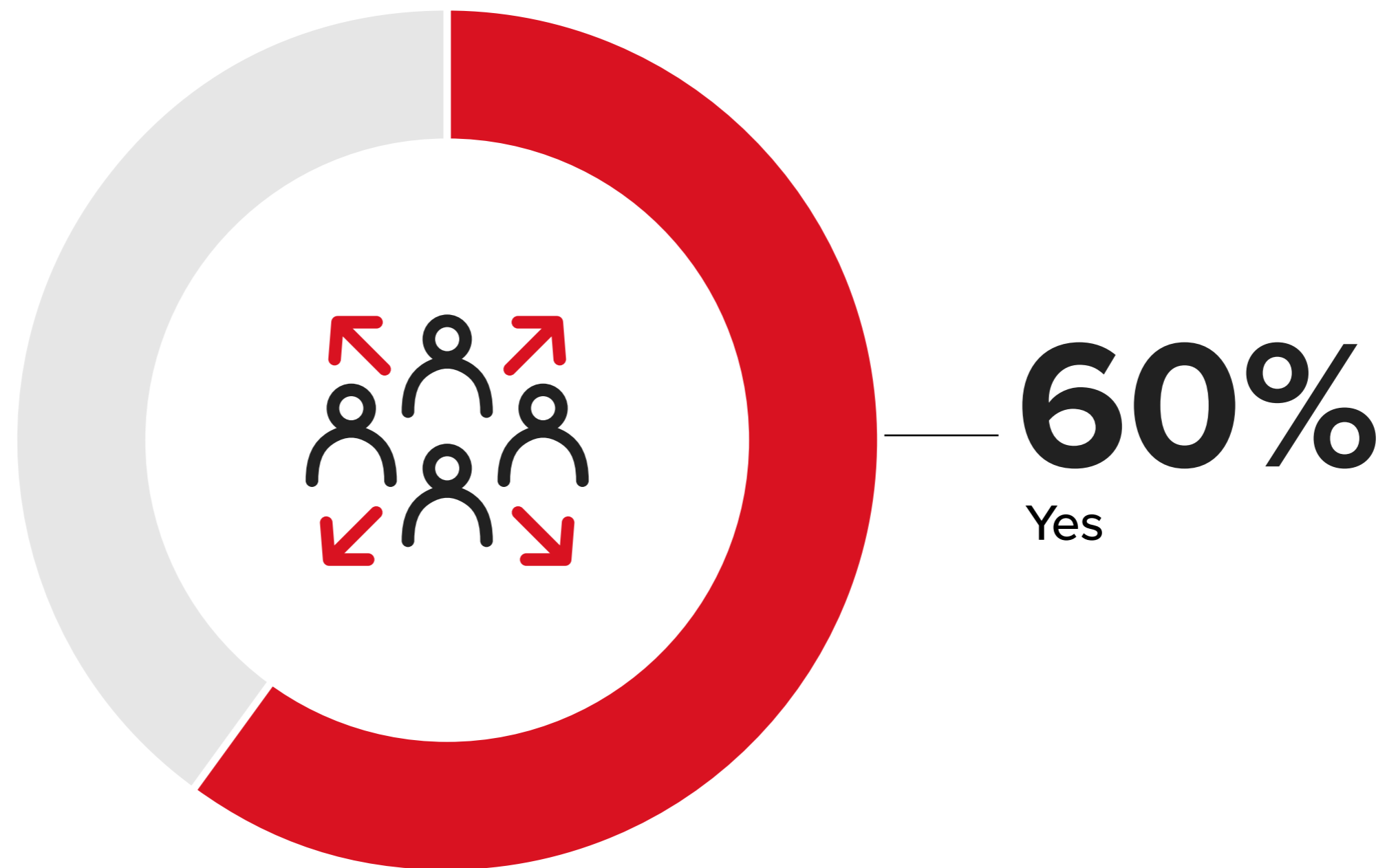
Question

How many custodians for client assets do you currently use?



Question

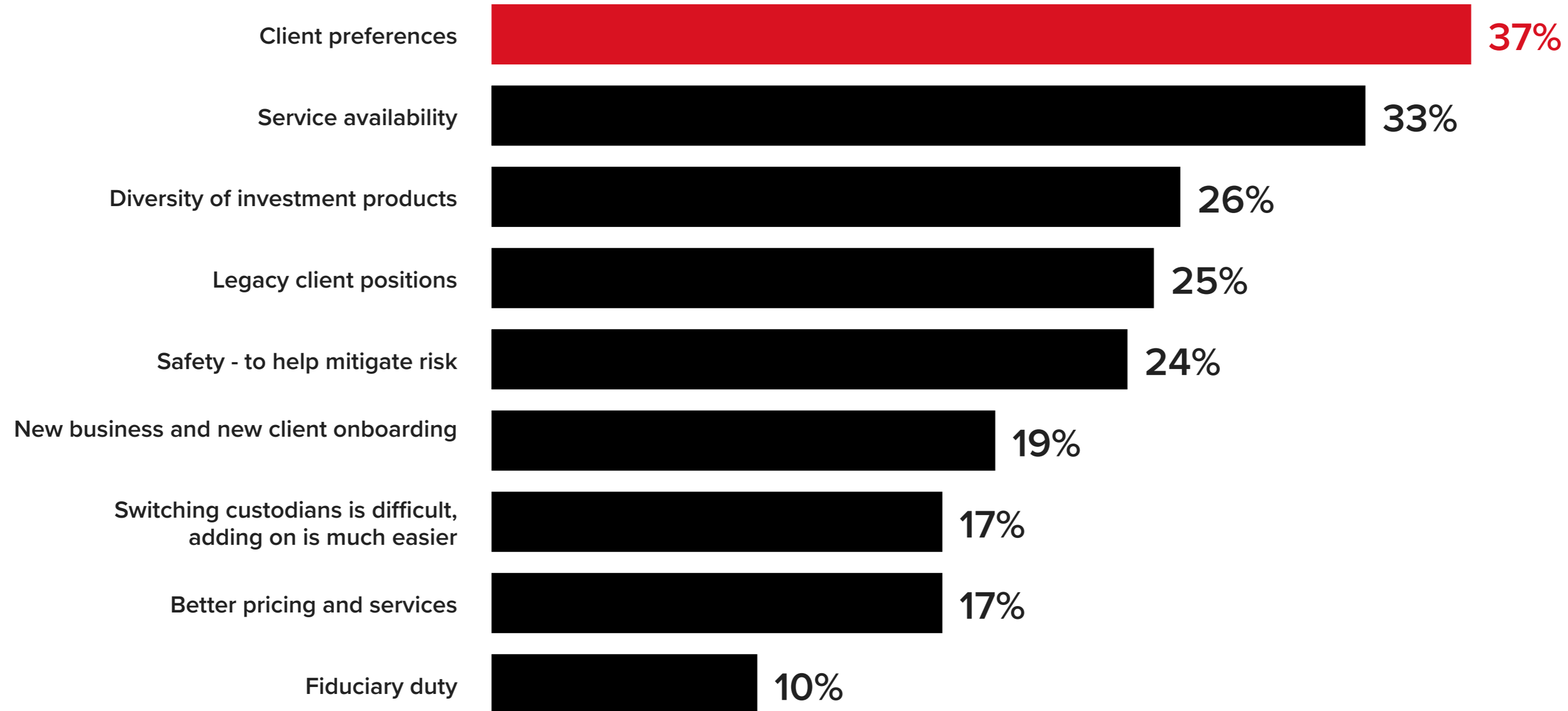
Would you consider a multi-custodial model?



Survey participants who currently use one custodian (n=36)

Question

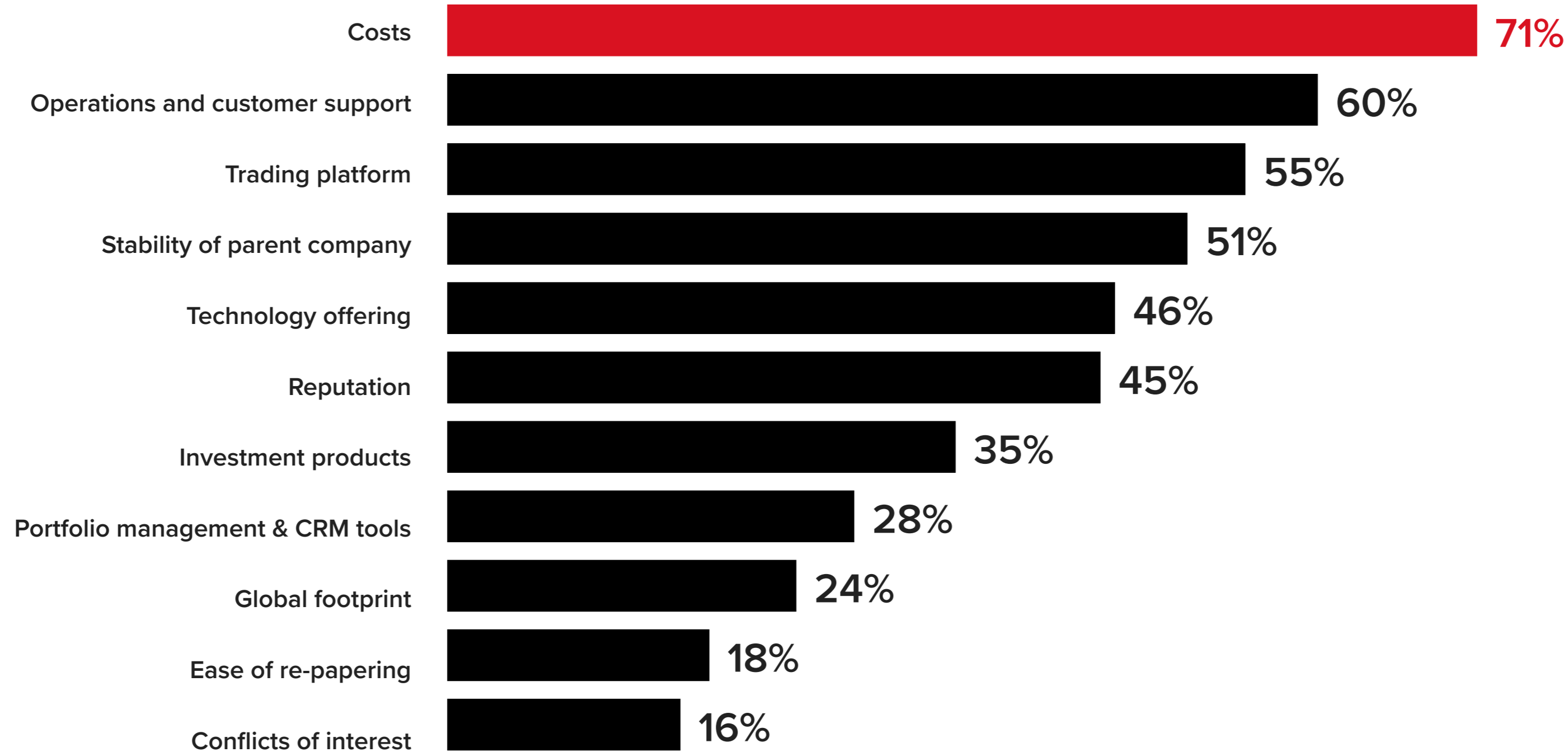
What are the top reasons for having more than one custodian?



Up to three responses accepted.

Question

What are the top factors you consider when choosing a custodian?



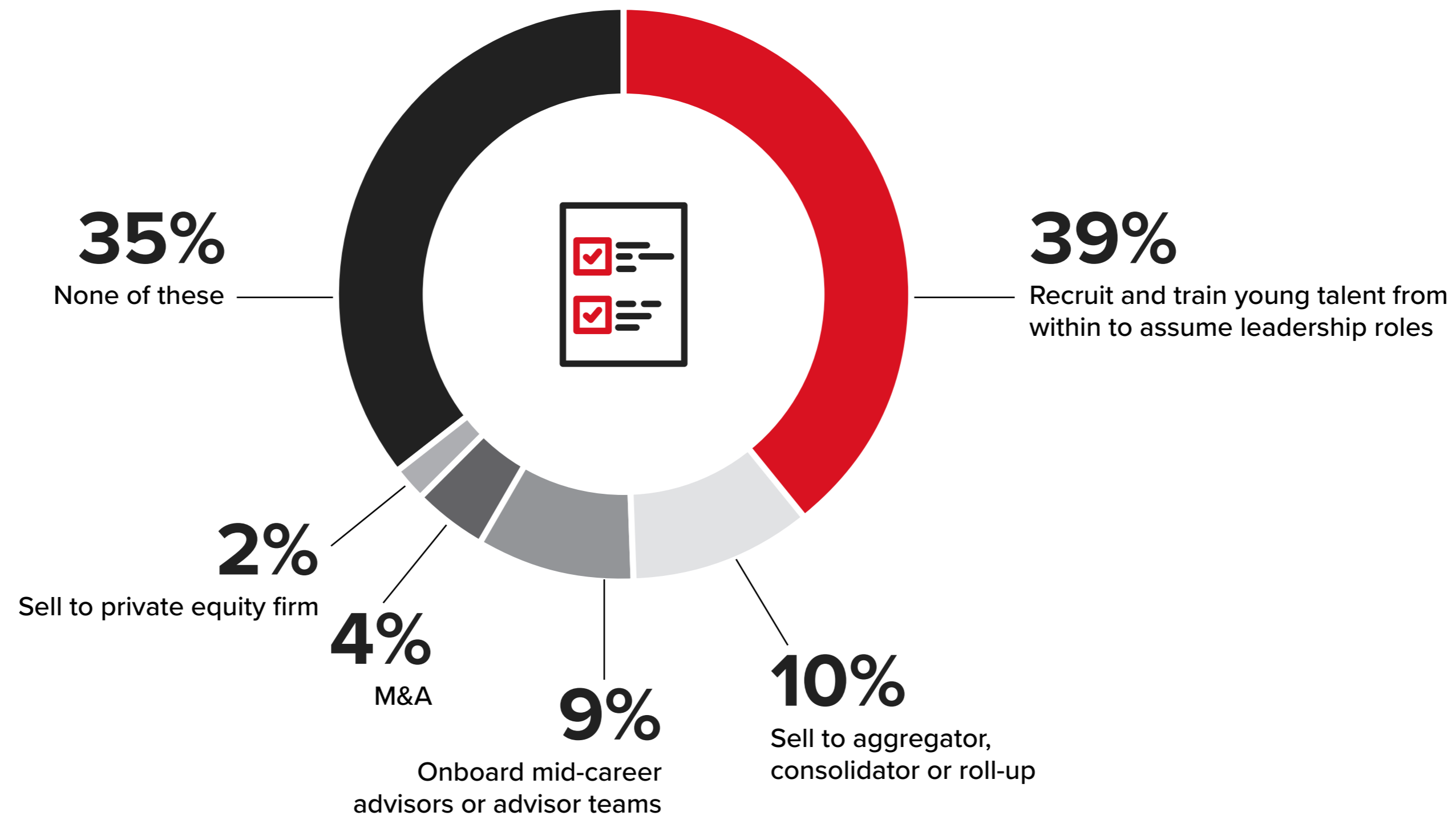
Up to three responses accepted.

Firm Growth and Management



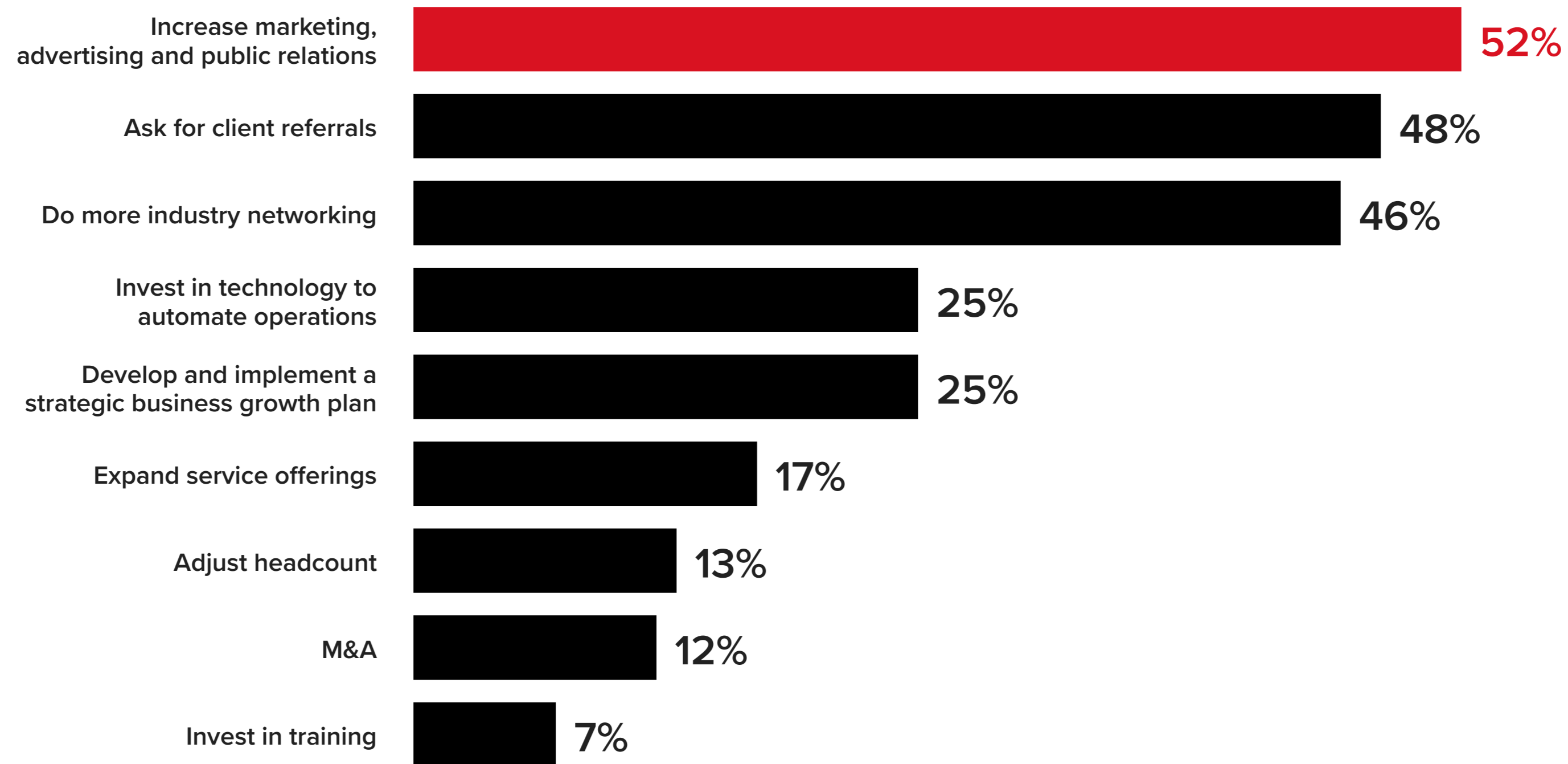
Question

Which best describes your firm's succession planning strategy?



Question

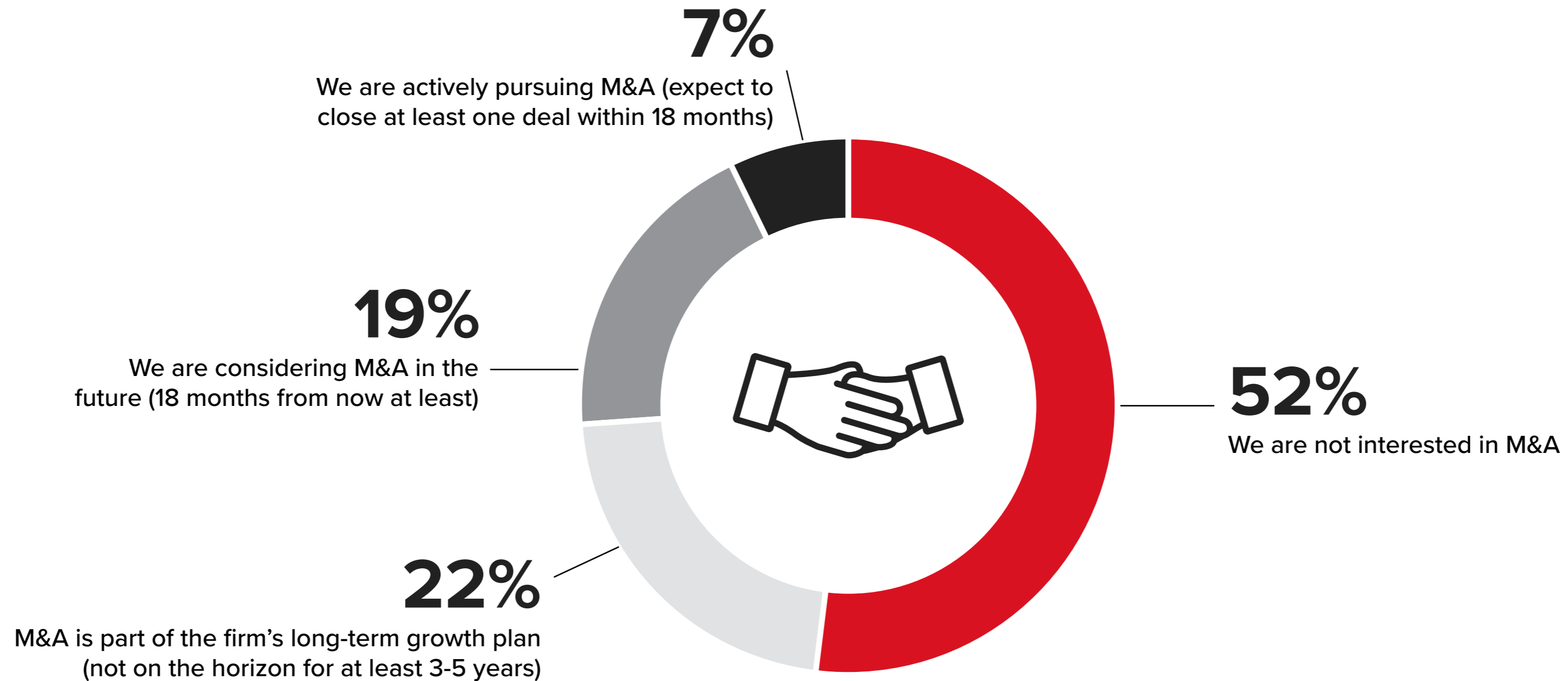
Which could your firm do more of to improve profitability and grow?



Up to three responses accepted.

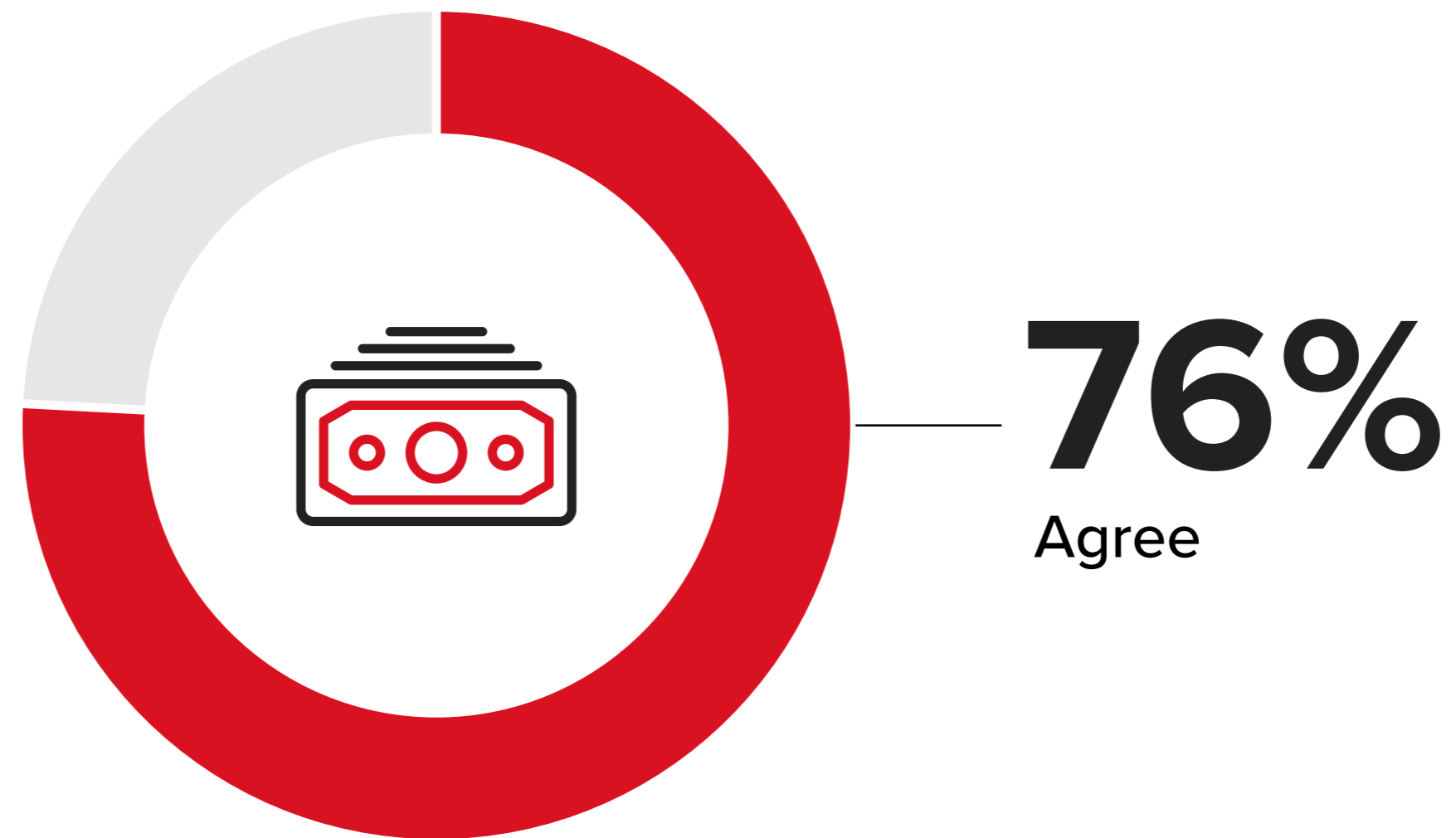
Question

How does M&A fit into your firm's business growth plans?



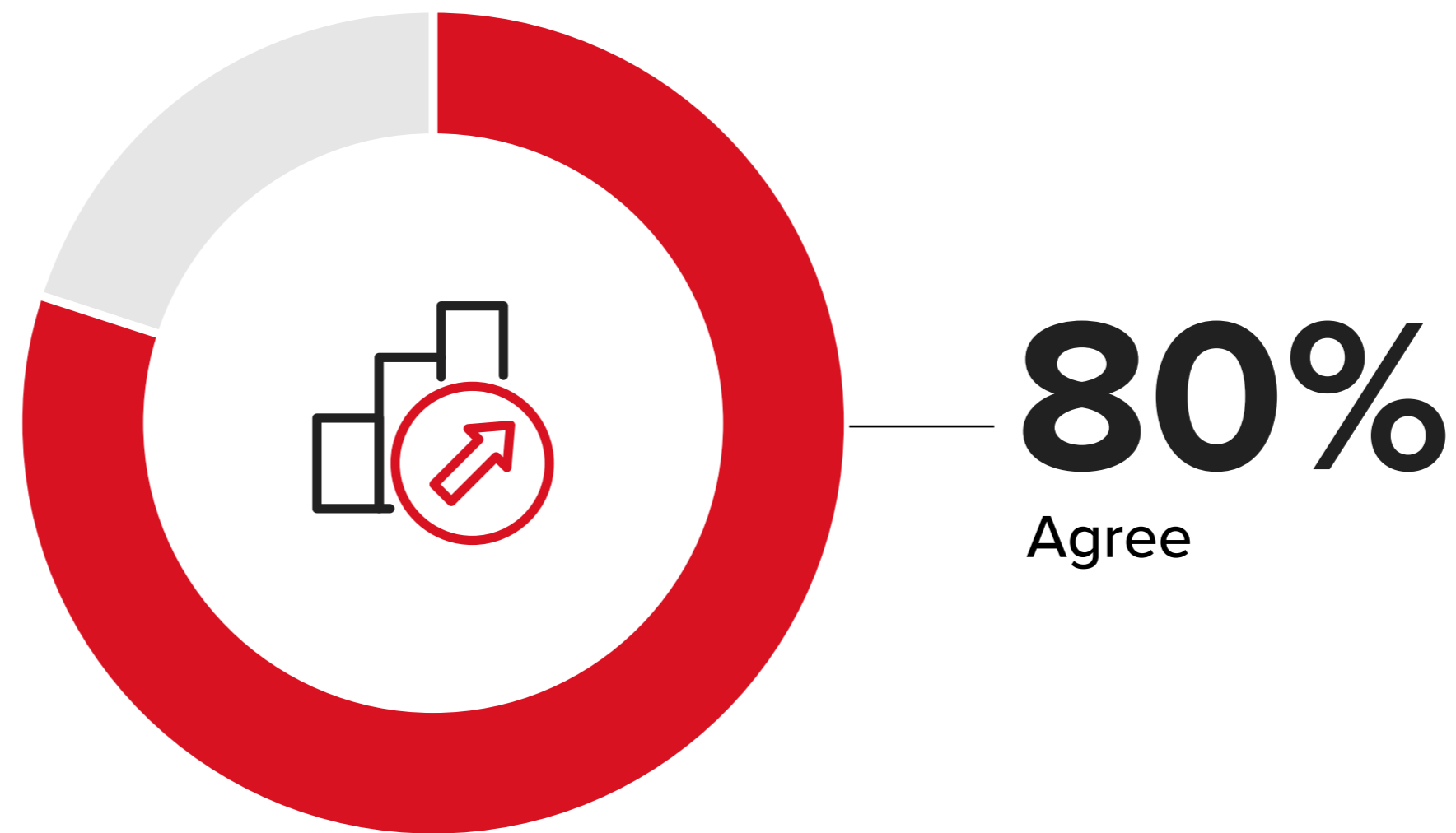
Agree/Disagree

We are more focused on utilizing accounts that offer high interest rates on cash balances for more effective cash management compared to three years ago.



Agree/Disagree

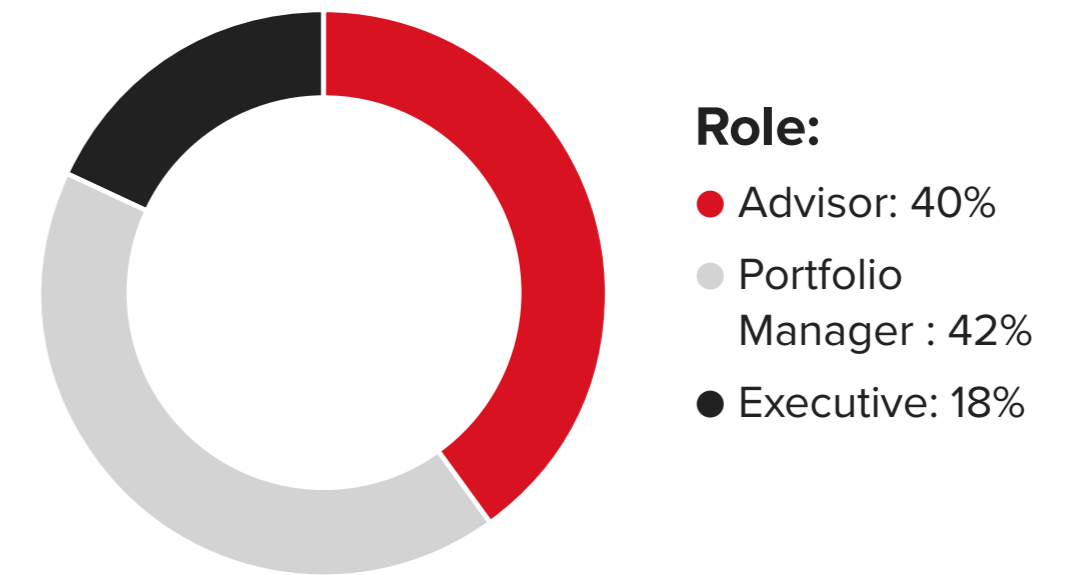
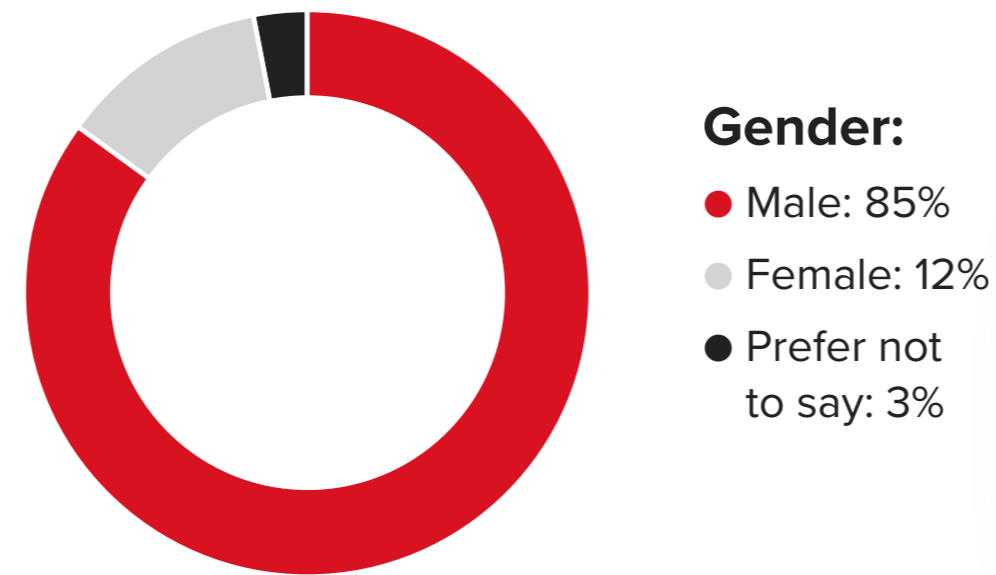
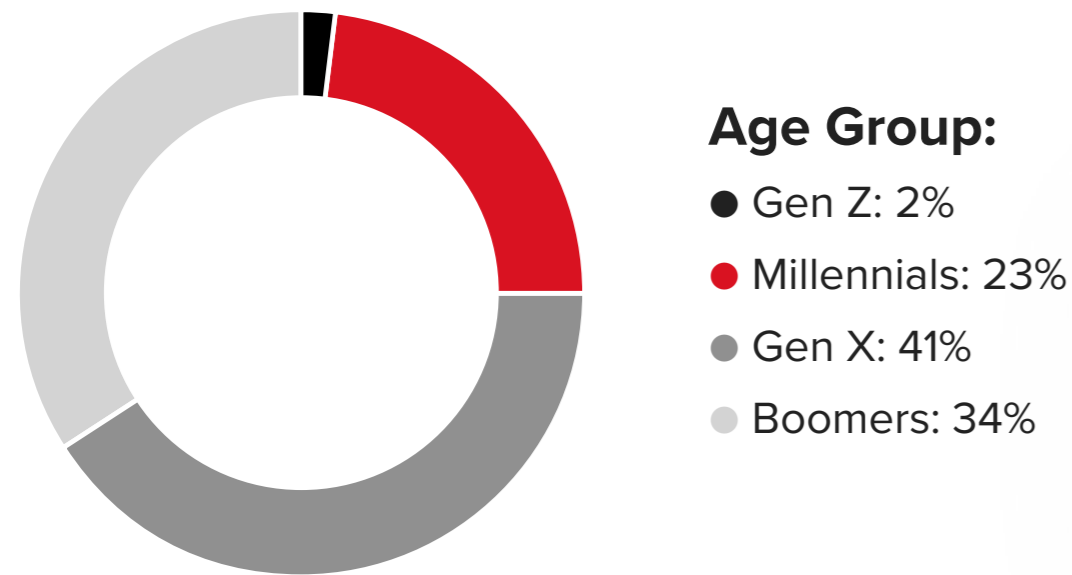
As a fiduciary, it is important to manage client cash balances in accounts that offer high interest rates.



About the Survey



Demographics



How long have you been a financial advisor?

24 years (average)

What is the value of client assets that you are personally responsible for managing?

USD 72 million (average)

20% of respondents manage at least **\$100 million** in client assets – averaging USD **\$278 million**.

Total survey respondents: N=100

Methodology

In its first-ever survey of its financial advisor clients, Interactive Brokers asked respondents to weigh in on the impact of technology and custodial relationships on firm operations and their ability to grow. The global email survey, conducted in April 2024, was completed by 100 fee-based, independent advisors with an average of 24 years of experience and \$72 million in assets under management. Twenty percent of these advisors report managing an average of \$278 million in client assets.