DIMENSIONAL 360®

Dimensional

# A Road Map for Strengthening Your Business

## Insights from Dimensional's 2026 Global Advisor Study

# What Is the Global Advisor Study?

Dimensional's Global Advisor Study offers advisory firms a data-driven way to benchmark against peers, uncover strategic opportunities, and track the impact of business decisions, year over year.

The Global Advisor Study is one of the largest global benchmarking studies in the industry[1] and a key part of *Dimensional 360*.® By participating, firms receive access to a dynamic dashboard and strategy support from Dimensional's Practice Management team—helping them set goals, make informed decisions, and strengthen their business strategy.

## By the Numbers

**SINCE INCEPTION**

| Years of Data | Global Participants | Countries |
|---|---|---|
| 16 | 4,000+ | 16 |

**2026 US PARTICIPATION**

| Firms | Total Billable Assets | Households Serviced |
|---|---|---|
| 410 | $473B | 246,000 |

| Firm Revenue | Full-Time Equivalents (FTEs) per Firm |
|---|---|
| $2.7M (median) | 7 (median) |

## What Stood Out in 2026

- Net profit margins continue to trend upward, from 26% in 2023 to 33% in 2025.
- High Performing Firms are more likely to tailor investment offerings to ultra-high-net-worth clients.
- Advisors with three or more supporting employees bring in significantly more assets than those with fewer supporting employees ($25 million versus $14 million, on average).
- Median cash compensation increased across nearly every role from 2024 to 2025.

### High Performing Firms (HPFs)

Dimensional's Practice Management group uses this term to identify the highest–performing advisory firms by evaluating metrics collected in the Global Advisor Study. Each firm is given a percentile rank across five metrics: revenue growth, client retention, employee retention, profit margin, and revenue per advisor. A firm's overall score is the average of these rankings. Firms whose overall score is in the top quartile among all firms are considered High Performing Firms (HPFs). Firms in the other three quartiles are referred to collectively as Other Firms.

1. Based on Dimensional's analysis of published and publicly available information from other known industry surveys in 2026.

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# Strategic Planning

Having a strategic plan is important. But equally important is being able to overcome the challenges you may face on the path to reaching your goals. For the last three years, firms have reported the same top three *operations* challenges:

- Developing employees
- Implementing workflow processes
- Recruiting and hiring qualified employees

Meanwhile, for the past three years, **capacity constraints** have been the No. 1 reported *growth* challenge. In many ways, capacity constraints and the top operational challenges above are highly intertwined.

## Identifying and Understanding Capacity Challenges

**Start:** Begin by trying to identify the unique challenge your firm is facing.

**Q:** *Can your capacity challenge be solved through hiring, team restructuring, or stronger role clarification or alignment?*

### People

If hiring is an answer, work to understand when and what role(s) may create capacity.

1. Compare your firm's metrics to "Productivity Metrics by Revenue Peer Group" (page 5).

   **Tip:** For firms looking to grow, compare to the next peer group up to better understand future needs and identify opportunities.

2. Compare your headcount by team to identify ways to structure or staff your organization as your firm continues to grow.

   **Tip:** Staffing ratios, like the back-office-to-client-facing ratio, or support staff per advisor, can shed light on opportunities to increase the capacity of your key employees to generate new business.

### Next Steps

- **Read**–*Practice Points: Recruiting for Growth*
- **Listen**–*From Growth Within to Success Throughout: Nurturing Employee Development for Firm Prosperity*

**Q:** *Can your capacity challenge be solved through process improvements or stronger workflow mapping and implementation?*

### Processes

Map process improvements by expected impact and effort. This framework can help you prioritize actions to take next.

| | Low Effort | High Effort |
|---|---|---|
| High Impact | Accelerate | Plan |
| Low Impact | Delegate | Eliminate |

When it comes to implementation, here are some best practices.

- **Standardize checklists and workflows:** Client onboarding, reviews, and account maintenance should be consistent and documented to reduce rework.
- **Segment service delivery:** Align cadence of meetings and tasks with client complexity and value, so advisor time is allocated where it creates the most impact.
- **Delegate to lowest appropriate level:** Clarify roles and decision rights so operational and preparatory work moves away from advisors, allowing them to focus on advice and business development.

### Next Steps

- **Listen**–*AI as the Next Thought Partner in Finance*
- **Watch**–*Tech Stack: Driving Integration and Workflows Forward*

**Q:** *Can your capacity challenge be solved through technology and/or tech outsourcing?*

### Technology

1. **Reduce repetitive tasks:** Use workflow automation, e-signatures, scheduling, data syncing, and document generation.
2. **Create an integrated technology ecosystem:** Enable information to flow efficiently between CRM, financial planning, portfolio management, document management, and communication tools.
3. **Augment advisor productivity:** AI can compile meeting notes, summarize client interactions, prepare review materials, answer internal knowledge questions, and generate first drafts of client communications. A human should always review any AI output before it becomes part of the firm's official books and records.

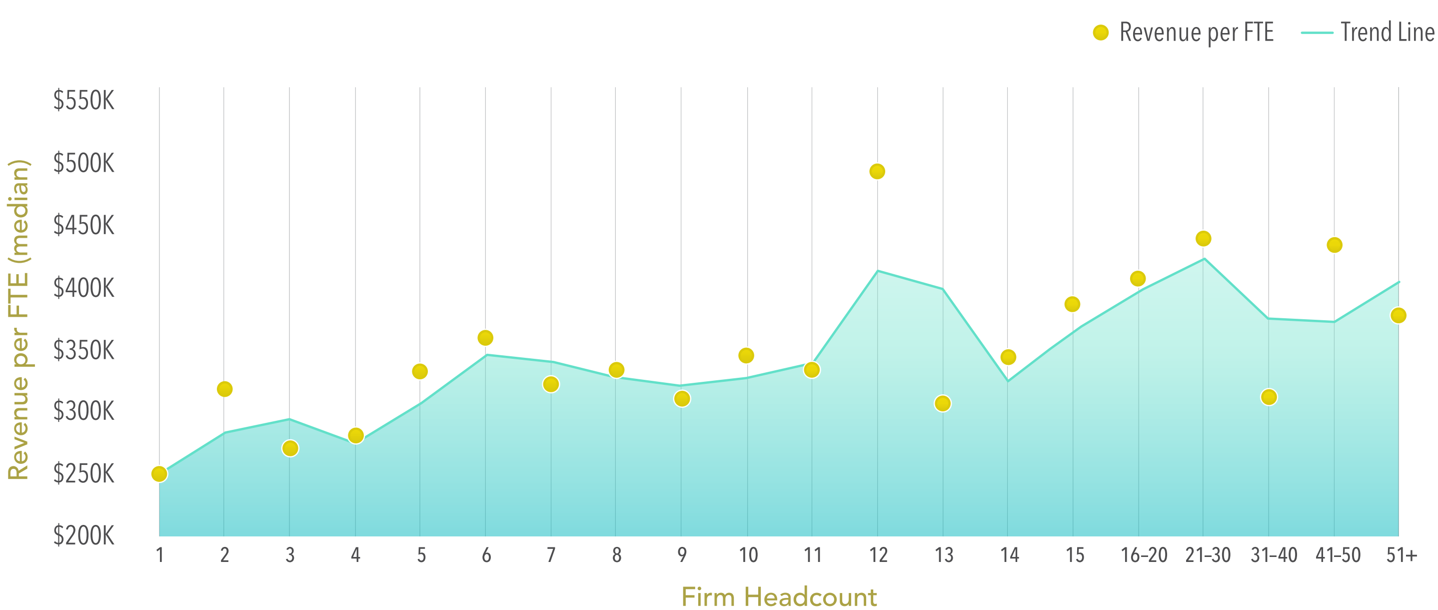
### Next Steps

- **Read**–*Practice Points: Technology Transitions*
- **Listen**–*Why Leveraging Technology in Your Advisory Firm Has Never Been More Important*

## Productivity Metrics by Revenue Peer Group

| | $0-$1M | $1M-$3M | $3M-5M | $5M-$10M | $10M-20M | $20M+ |
|---|---|---|---|---|---|---|
| Assets per Advisor (Senior + Service) | $79M | $170M | $208M | $304M | $511M | $318M |
| Revenue per Advisor (Senior + Service) | $403K | $1M | $1.2M | $1.7M | $2M | $1.5M |
| Households per Advisor (Senior + Service) | 61 | 115 | 108 | 134 | 126 | 83 |
| Assets per FTE* | $50M | $69M | $76M | $83M | $100M | $80M |
| Revenue per FTE | $244K | $382K | $417K | $451K | $503K | $392K |
| Households per FTE | 34 | 42 | 39 | 40 | 40 | 25 |
| Assets per Household | $1.6M | $2.2M | $2.4M | $3.5M | $3.7M | $4.9M |
| Revenue per Household | $8K | $12K | $13K | $17K | $23K | $23K |

## Firm Revenue per FTE by Headcount




*Full-time equivalents

# Growth and Marketing

Unsurprisingly, High Performing Firms (HPFs) have significantly higher growth rates than Other Firms.

| | Revenue Growth | Asset Growth | Household Growth |
|---|---|---|---|
| **HPFs** | 43.7% | 29.5% | 12.8% |
| **Other Firms** | 17.1% | 25.5% | 8.7% |

Year over year, the most common channel of growth is referrals from existing clients. About half of new clients come from referrals. Scaling for firm size, **HPFs gain 1.2 more households from referrals** for every 100 existing clients. Over time, this can have a large impact. Assuming an average revenue per household of $13,500, gaining an additional 1.2 households every year would **result in an additional $880,000 in revenue over 10 years**.

### Start

Compare your firm's metrics to the benchmarks below. Personalized peer group benchmarks are available to participants in the Global Advisor Study dashboard.

| | HPFs | | Other Firms |
|---|---|---|---|
| **PROFIT** (PER HOUSEHOLD) | $6,340 | VS. | $4,430 |
| **EXISTING CLIENT REFERRALS** (PER 100 HOUSEHOLDS) | 5.8 | VS. | 4.6 |
| **PROSPECT CONVERSATION RATE** | 68% | VS. | 61% |

### Consider

*"Do I have a clear target client profile (TCP)?"*

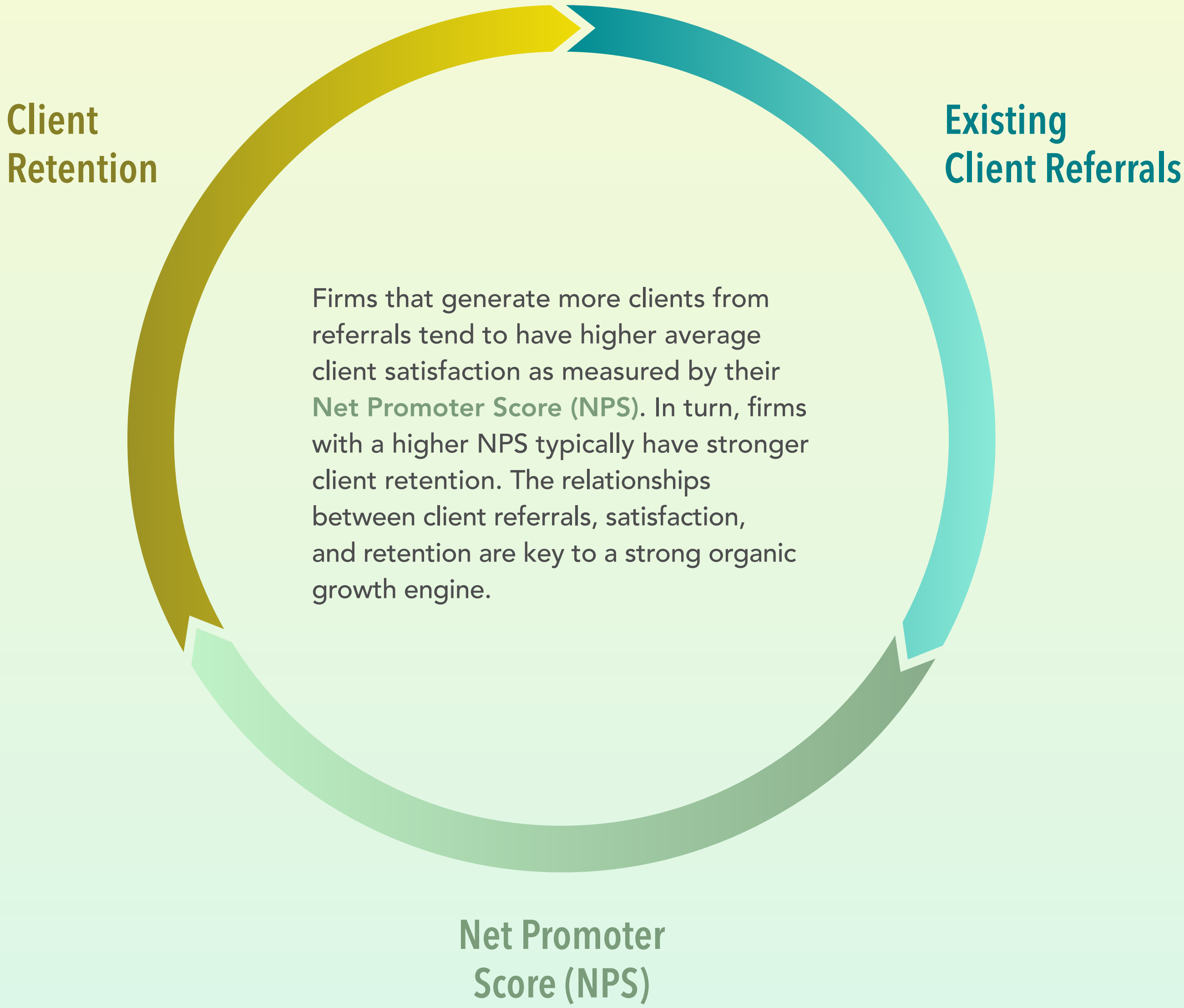
Defining your firm's ideal client(s) and the value that you bring to this segment can help you more consistently attract the "right" prospects and convert them into clients. Ensure that your website and promotional strategies reinforce your TCP and unique value proposition.

### Next Steps

Focus on developing a growth strategy that attracts your ideal target client(s). Aligning your firm's service offering to your TCP can also help reduce the cost to serve per client.

- **Use** the *Global Investor Study* to gather client feedback. This can help you identify your TCP, or the right clients to ask for referrals.
- **Read**–*Practice Points: Building Client Personas* and *Client Referrals*
- **Listen**–*Building Trust Beyond Referrals: Testimonials and AI Search*

# A Virtuous Circle




Firms that generate more clients from referrals tend to have higher average client satisfaction as measured by their **Net Promoter Score (NPS)**. In turn, firms with a higher NPS typically have stronger client retention. The relationships between client referrals, satisfaction, and retention are key to a strong organic growth engine.

## Net Promoter Score (NPS)

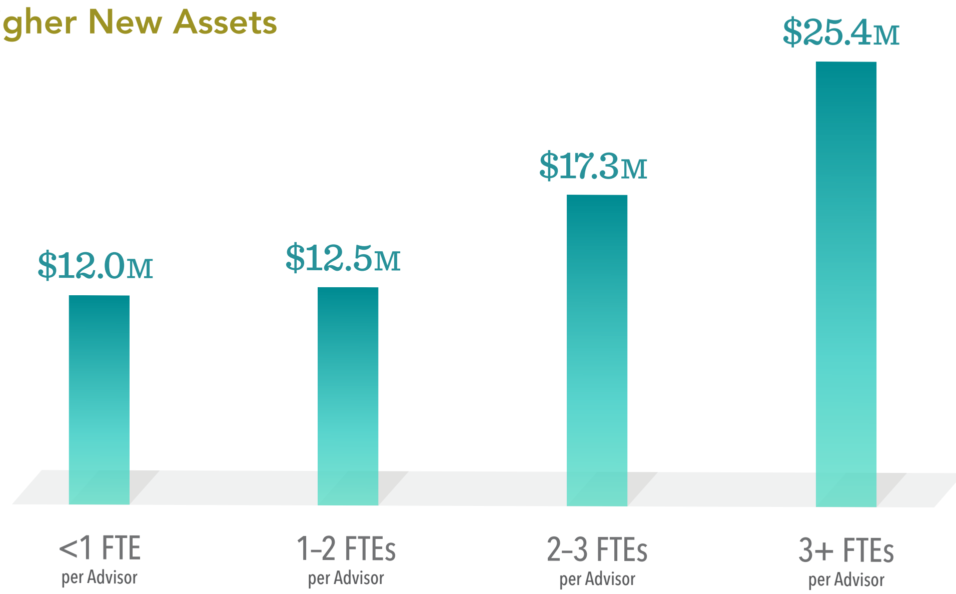
The Net Promoter Score is a common metric used in customer experience programs. An NPS measures customer loyalty by looking at customers' likelihood of recommending a given business. An NPS score is measured with a single-question survey and reported with a number ranging from −100 to +100 (a higher score is desirable).

# Human Capital

| Advisors with 3+ supporting employees | | Advisors with <3 supporting employees |
|---|---|---|
| **$25M** | vs. | **$14M** |

HPFs tend to have more supporting employees per advisor (2) than Other Firms (1.8). This allows senior advisors to spend less time on administrative tasks and more on business development activities. On average, **advisors with three or more support employees bring in more assets ($25 million) versus advisors with fewer than three ($14 million)**. A team structure that tilts toward lower-compensated roles also helps reduce spending on compensation as a percentage of revenue.

## Higher Support, Higher New Assets




### Start

With your firm's growth goals in mind, review your current headcount and team structure compared to those of HPFs in the next peer group up.

### Consider

Ask your advisors to track how they're spending their time (business development, managing people, servicing clients, etc.). Shift the non-revenue-generating tasks to more support-focused roles.

### Next Steps

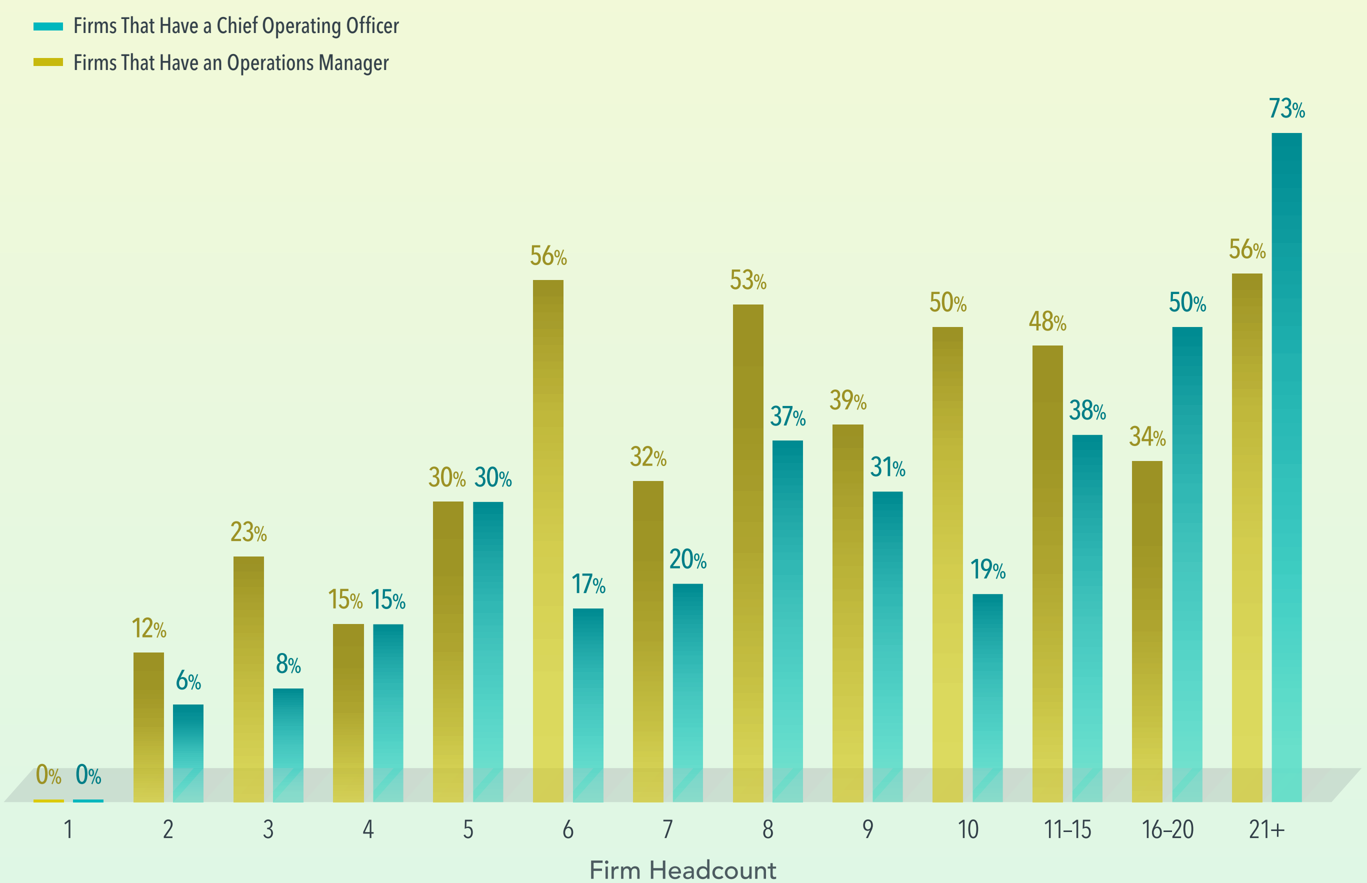
Identify which role(s) you may need to hire for next and determine what "signals" will indicate when it's the right time for you to hire.

- **Read**–*Practice Points: Organizational Structure and Job Descriptions*
- **Listen**–*What's in a Dream Team: Key Characteristics of Highly Effective Teams*

## Did You Know?

Human capital is by far the largest expense for firms. In 2025, HPFs spent **39%** of revenue on human capital while Other Firms spent **48%**. See the next page for details on how HPFs hire to increase revenue capacity.

# When Firms Hire Operations Leaders




## 2026 Hiring Trends

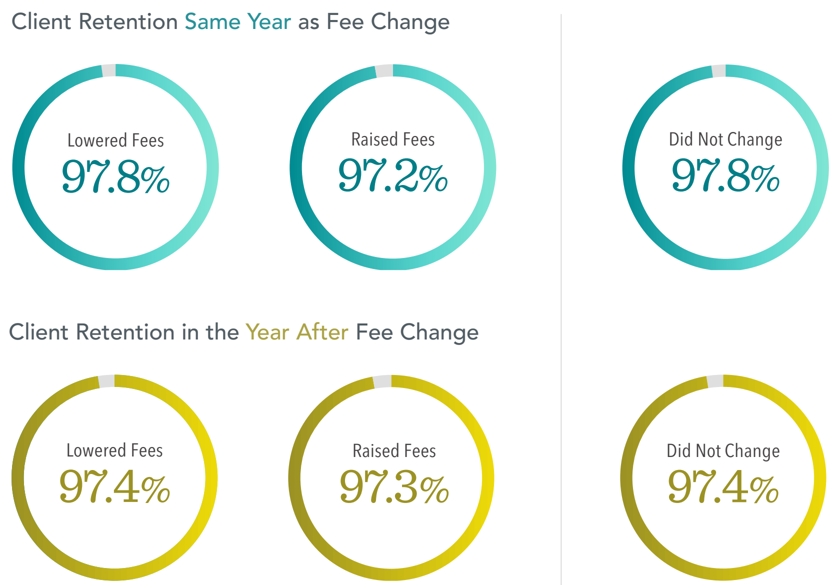
- HPFs are increasing headcount at a higher rate than Other Firms (10.4% versus 5.6%) and are focusing their efforts on building their operations team.
- The study showed a 26% increase in operations managers and an 11% increase in operations associates among HPFs.

# Investments and Operations

*Fees: What You Need to Know*

1. A majority of firms did not change their fees in 2025. Of the firms that did make a change, fees were raised (26% of firms) more often than they were lowered (7% of firms).
2. Client retention remains incredibly high regardless of whether firms increase fees, decrease them, or keep them the same.

## Negligible Impact of Changing Fees on Client Retention




HPFs generated higher **profits per client** ($6,340) than Other Firms ($4,430).
Here are two reasons:

1. A greater share of HPFs' clients (65%) pay the full fee schedule relative to Other Firms (61%).
2. HPFs tend to have larger clients in terms of assets. (HPFs: $2.8 million. Other Firms: $2.5 million)

### Start

Evaluate whether your firm's fees are aligned with your clients' perceived value of your firm and the services you provide.

### Consider

Work to ensure that your firm's fee structure aligns with the value you are providing to clients–considering aspects like your service offering, delivered client experience, client segments, and marketplace norms.

### Next Steps

- **Read or Watch**–*Practice Points: Increasing Client Fees*
- **Listen**–*The Bionic Advisor: Using Technology to Serve, Scale, and Succeed*

## The Relationship Between NPS and Fees

Clients who feel they are receiving excellent value for their fees, such as access to a variety of services, tend to rate advisors with a higher NPS. Use the *Global Investor Study* to better understand what your clients value.

# Client Experience

HPFs have a younger client base compared to Other Firms. This helps to ensure the continuity of the business, supporting long-term revenue and business growth. Equally important in supporting business continuity is ensuring that assets transferred to heirs and beneficiaries stay within the firm. A plurality of HPFs report that they anticipate that 61%–80% of client assets will stay in their care through the transition of wealth to heirs. Comparatively, a plurality of Other Firms anticipate that they will retain only 41%–60% of assets. Creating a strategy that engages the next generation of clients, well before the time of wealth transfer, is key to sustainable growth.

## Households Serviced by Age Range

| | <=40 years | 41-50 years | 51-60 years | 61-70 years | >70 years | **N/A** (i.e., Institutional) |
|---|---|---|---|---|---|---|
| **HPFs** | 14.9% | 17.0% | 18.5% | 23.1% | 24.0% | 2.7% |
| **Other Firms** | 14.6% | 13.3% | 18.6% | 23.9% | 25.4% | 4.3% |

### Start

Review and assess the demographics of your current clients. Build and define a growth and referral strategy geared toward engaging the next generation of clients. Consider building resources and scripts related to wealth-transfer conversations for your team.

### Consider

- Are there opportunities to enhance your service offering to better support or attract the next generation of clients (small account solutions, financial planning, etc.)?
- Are there current firm initiatives (events, educational opportunities, newsletters, etc.) that you could use to begin igniting relationships with next-gen clients?

### Next Steps

- **Review** *Practice Points: Wealth Transfer* and begin to build your firm's strategy to attract and retain the next generation of clients.
- **Listen** to *Referral-Worthy Relationships: Nurturing a Long-Term Mindset Throughout Client Life Stages* for more ways to support your clients and maintain strong relationships over time.
- **Use** the *Global Investor Study* to directly measure your firm's client experience and identify areas of opportunity.

## How do clients measure the value they receive from their advisor?

Firms and clients both reported "**sense of security and peace of mind**" as No. 1.

What does this mean from a client's point of view?

- Being able to maintain my lifestyle
- Access to expertise for all financial matters
- Having a trusted partner to navigate financial challenges and opportunities

## 77% of Firms Have an Ideal Target Client Profile

Delivering a stellar and differentiated client experience begins with understanding who your clients are and what they value most. HPFs retain clients at a higher rate (**99.1%**) than Other Firms (**96.7%**), but they don't necessarily offer more services. Instead, they better align their offering with the needs of their ideal client.

# 2026 Optional Modules

*As in past years, the 2026 Global Advisor Study consisted of the required Core Business Metrics module above and additional optional modules, which vary by year. This year's optional modules were Roles and Compensation, Income Statement, Asset Allocation, and Compliance and Cybersecurity.*

# Roles and Compensation

Median cash compensation increased across nearly every role from 2024 to 2025. Further, firms shifted a greater portion of senior advisor compensation away from bonuses and toward base salary.

## Compensation Increase by Role

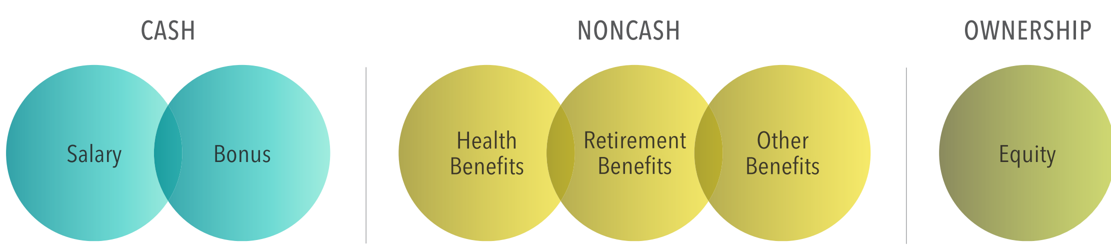
| Role | Average Total Cash Compensation (Base + Bonus) | Increase in 2025 |
|---|---|---|
| **Senior Advisor** | $278,385 | 3.7% |
| **Service Advisor** | $142,643 | 6.4% |
| **Associate Advisor** | $122,833 | 4.1% |
| **Client Service Associate** | $81,432 | 4.2% |
| **Paraplanner** | $89,818 | 3.1% |
| **Operations Manager** | $133,787 | 4.3% |
| **Operations Associate** | $86,829 | 6.5% |

### Start

Compare your firm's compensation metrics to peers to gauge where you stand in the talent marketplace. More detailed salary data is available to participants in the Global Advisor Study dashboard.

### Consider

Cash compensation is not the only factor that keeps employees engaged and motivated. Ownership/equity and noncash benefits (health, retirement, etc.) also influence employee retention. Consider designing your compensation plans to support and motivate employees while driving firm goals.




> HPFs retain employees at a higher rate than Other Firms (98.6% versus 94.8%). One reason might be access to equity. At HPFs, 34% of employees have an ownership stake, compared to only 23% at Other Firms.

### Next Steps

- **Read** *Practice Points: Business Development Incentives* and explore different bonus structures that allow you to design compensation plans that support your firm's growth goals.
- **Listen**—*Retaining and Rewarding Talent Through Internal Equity Transactions*

# Income Statement

Maintaining strong profitability is essential to firm growth.

Profitability is what supports firms in hiring new team members, investing in technology, and offering additional services. It can directly impact a firm's ability to deliver an exceptional client experience and provide value consistently. For those considering a future merger or acquisition, maintaining profitability over time is essential to showing long-term stability and increases firm attractiveness in the eyes of potential buyers.

## Net Profit Margin Trends

| 2023 | 2024 | 2025 |
|---|---|---|
| 26% | 32% | 33% |

### Start

Compare your firm's net profit margin to the benchmarks above. Review and consider the different business components that impact profitability, such as fees (and the number of clients on your current fee schedule) and key performance indicators (KPIs), like revenue per household or client breakeven.

### Consider

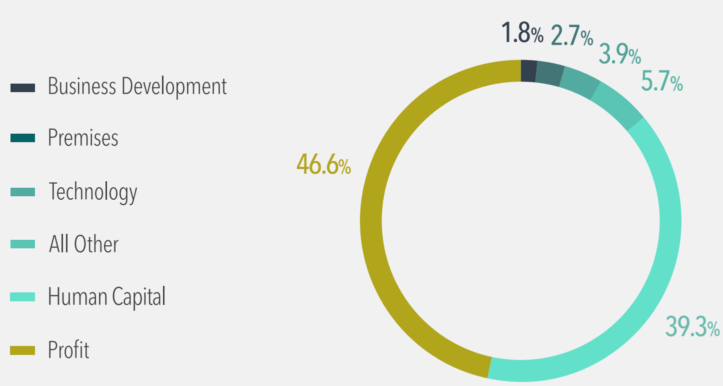
At a high level, profitability can be improved in two ways:

- **Increasing revenue:** Methods include gaining new clients, increasing client fees, winning additional assets from existing clients, or even through M&A.
- **Decreasing expenses:** Methods include increasing operational efficiencies, outsourcing or investing in technology, leveraging economies of scale, and even retaining and taking on new clients that better align with your firm's target client profile.

### Next Steps

- **Explore** where your firm's expense breakdown may differ from that of HPFs.

#### Expense Breakdown as a Percentage of Revenue




- **Read**–*Practice Points: Key Business Metrics*
- **Listen**–*How Your P&L Statement Can Help Guide Your Business Decisions*

# Asset Allocation

*Top Takeaways*

1 On average, firms use **10–11 funds** in client portfolios. This has been a consistent finding since 2013.

2 While the total market cap weight of US stocks has grown in recent years, advisors' relative overweight to US stocks in client allocations is the **smallest it has been since 2007**.

- From 2023 to 2026, the US increased as a percentage of global market cap (57% to 62%).
- Despite this, the average firm held its US allocation steady over this time (67% to 66%).

3 Below BBB remains a small part of bond allocations. At **4%**, it now has the lowest average allocation since 2017, down from **8%** in 2023.

4 The profitability premium in advisor allocations is below market in the US but at or above market outside of the US.

### Start

Compare your asset allocations to the averages above to identify areas where you may deviate from peers. Next, ask yourself these key questions.

### Consider

*"Should my firm use models? If so, how many model sets do we need?"*

- HPFs have a slightly higher percentage of client assets in models (**81%**) versus Other Firms (**78%**), but HPFs tend to have fewer model sets (median of **8.5** versus **10**).

*"Do we have a tax loss harvesting strategy?"*

- Nearly all HPFs (95%) actively harvest losses for clients as part of their standard offering. Further, they are more likely to have set criteria for when to harvest losses, such as when they reach a certain dollar amount threshold. 67% of HPFs have set criteria versus only 51% of Other Firms.

### Next Steps

- **Read**—*Three Reasons Why Dimensional Models Stand Out from the Pack*
- **Use** *Tax Loss Harvesting: A Primer for Investors* to refine your tax loss harvesting strategy.
- **Subscribe** to *Above the Fray*, a weekly newsletter providing timely investment insights on current market events and trends.

## Did You Know?

HPFs are more likely to tailor their investment offering to ultra-high-net-worth clients in many ways, including by maintaining unique models for these clients (**32%** of HPFs versus **24%** of Other Firms)

# Compliance and Cybersecurity

As firms grow, they are more likely to use a third party for certain aspects of their compliance program. Only 9% of US firms handle their compliance program completely in house.

When it comes to cyber insurance, the amount of coverage varies widely by firm size.

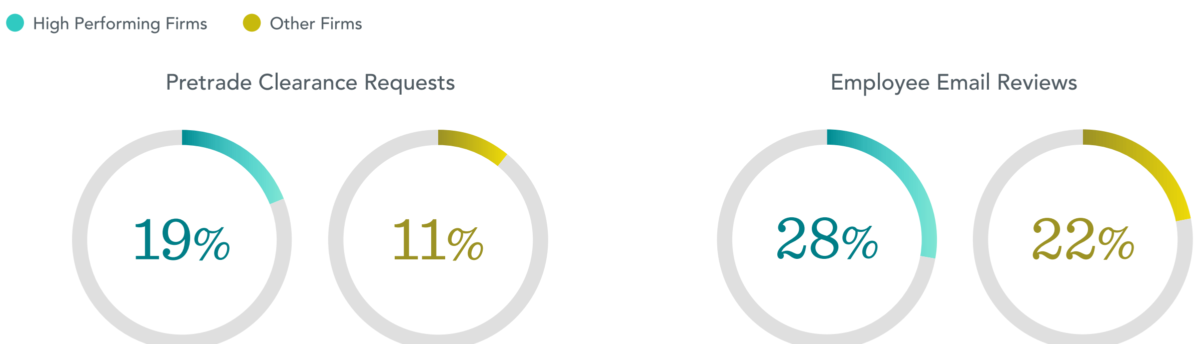
## Cyber Insurance Coverage

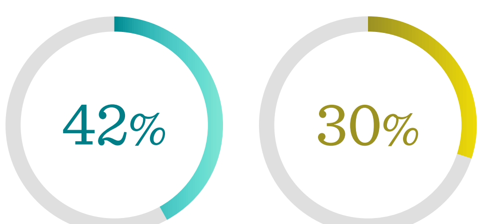
*Percentage of firms with at least $5M in cyber insurance coverage*

| Revenue | Firms with Coverage |
|---|---|
| <$500,000 | 0% |
| $500K–$5M | 7% |
| $5M+ | 23% |

## Automating Compliance Processes and Workflows

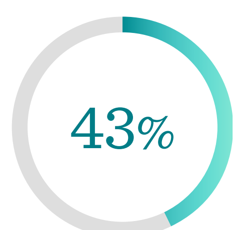
*Percentage of firms that have an automated/system-based workflow*




**42%** of HPFs are using or actively considering AI to enhance security vs. **30%** of Other Firms.

**43%** of firms conduct periodic drills or simulations to prepare staff for cyber events, disasters, or other disruptions.




### Next Steps

▶ **Read**–*Practice Points: Outsourcing Compliance*

# Dimensional Practice Management

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