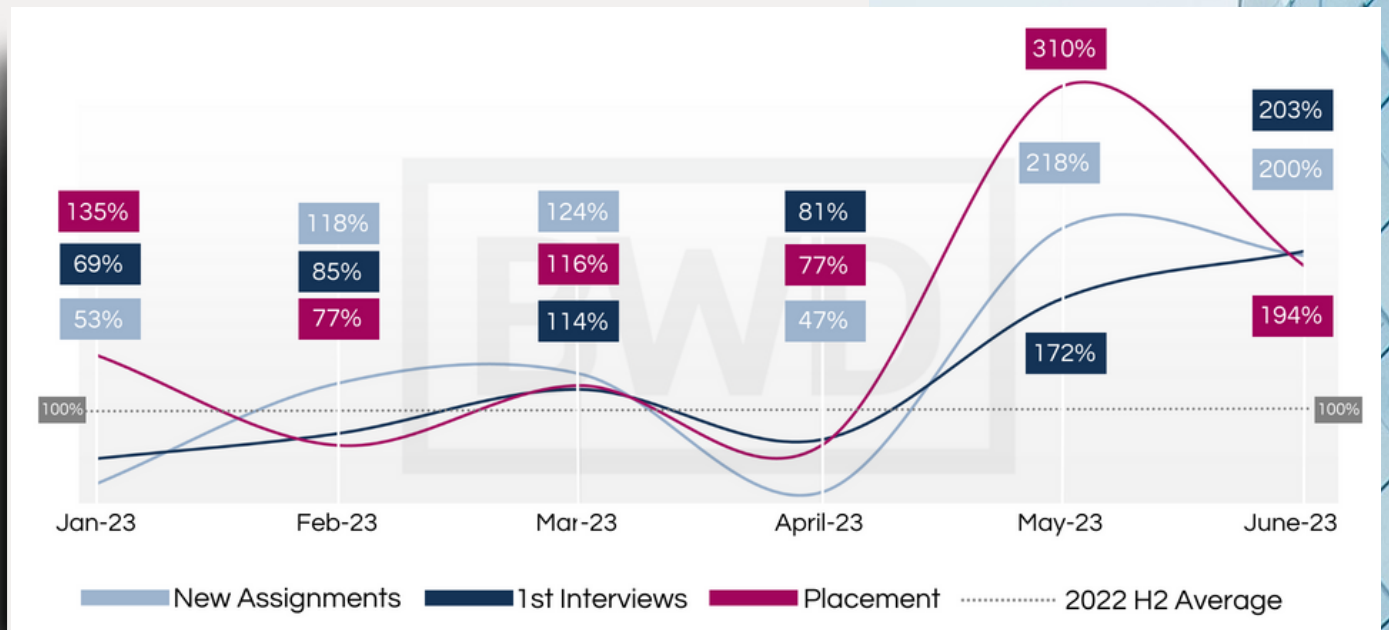


WEALTH MANAGEMENT MARKET REPORT - H1 2023

BWD



WELCOME

Following unprecedented levels of recruitment activity in 2022, it was easy to assume that H1 2023 would see us returning to more normal business levels. However, this year has actually seen the upward trajectory continue. During H1, levels across all three of our main metrics were up compared to last year's averages, with new assignments at 126%, 1st interviews at 120% and placements at 151%.

Against a backdrop of continued geopolitical unrest and economic turmoil, these results may be surprising. Even more reassuring is how evenly spread the business was across a high number of clients. There wasn't one or two clients having a big recruitment drive, skewing the numbers, but more moderate, carefully considered, recruitment across virtually all of our client companies.

OPPORTUNITY KNOCKS

Change naturally creates uncertainty for employees and often leads them to be more open-minded to new opportunities.

The recruiting firms have taken opportunities when presented, with the ongoing change within the industry creating these.

Already this year we have seen the announcement of restructures and redundancies at Abrdn and Brown Shipley, the confirmation of the Rathbones/Investec merger, sale rumours of Close Brothers and 7IM, and concerning news about WH Ireland.

Add to this the unrelenting appetite of PE backed consolidators, new and old, snapping up IFA firms at what seem like an ever-increasing rate (there were a record 440 deals struck last year), and you can see why perhaps there have been more candidates than usual considering their options.

HIGH COMPETITION FOR FEMALE PLANNERS

Bucking the industry average of an 85/15% male to female gender split, we continue to see a stark increase in the specific demand for female Financial Planners, and the ratio of female planners in our placements.

3 years ago, in 2020, female Planners made up just 14% of our placements, roughly in line with the adviser population. By 2022 this had risen to 29% and this year is currently running at 42% of all adviser placements. This is almost certainly more down to the appetite of hiring firms to diversify their advisory teams, than it is the overall number of female planners in the industry increasing.

Female Financial Planners also saw slightly higher uplifts when moving roles in H1 2023, receiving 21% on average, compared to 19% for their male counterparts.

There is still a lot to do to bring more diversity into the industry, and fresh talent in general, a subject our Director, James Woods, discussed with the FT Adviser on a recent podcast.



PLAYING IT SAFE WITH HIRING DOES NOTHING TO HELP THE INDUSTRY AS A WHOLE

As mentioned above, one of the well-publicised dangers the industry faces is the lack of younger advisers in the industry. According to a recent poll by researchers, Opinium, 76% of advisers are looking to retire within the next 10 years. There are a number of things the industry can do better to attract new talent into the industry, but one of the factors often overlooked is to give them opportunities when they have finally become advisers.

An issue we often see, when an adviser retires, is that firms play it safe with their replacement, assuming the client base wants 'more of the same'. We often put forward young, high quality planners only for them, more often than not, to lose out to more experienced advisers towards the end of their career.

Take a chance and don't just assume the client base would react negatively to a younger adviser – you may find that they value the fresh approach, different angle, and the greater longevity that a younger adviser can give themselves and their children. Furthermore, it will give greater longevity to the firm, and reduce the chances of the disruption of going through the same hiring process in 5-10 years' time.

THE VALUE OF CHARTERED STATUS

Even starker than in previous years, is the ratio of firms specifically looking for CII Chartered status when recruiting Financial Planners. So far this year, over half of the advisory roles worked on by our wealth management team have required CII Chartered status as a pre-requisite, meaning that a candidate without it, or someone who has level 6 through a different route, has significantly less choice when exploring the market.

The rationale is different firm to firm, however it is usually down to one of 3 factors;

- A) need to maintain the requisite level of CII Chartered advisers, in order to qualify for Corporate Chartered status
- B) Internal protocols (eg. in certain firms, Paraplanners cannot be promoted internally to advisory roles, or Wealth Planners to Senior Wealth Planners, without first gaining Advanced Diploma therefore they cannot justify bringing in someone external without it
- C) Company ethos and preferences

One thing is for certain though, CII Chartered status is still seen as the gold standard, and the importance placed on it by hiring firms is only increasing. Becoming Chartered as a candidate will not only increase your value in the market - our most recent salary census reported total earnings averaged 32% higher for Chartered Financial Planners, compared with level 4 adviser (£109K v £82K) - but will ensure you have the widest possible choice of roles available.

THE PERFECT INTERVIEW PROCESS

This year we are seeing more and more firms adopt what is, in our opinion, the ideal interview process. It is essential for hiring firms to consider this, and candidate experience, in what is still a talent short market.

First stage should be an exploratory two-way conversation via video call, enabling even the busiest or most passive of candidates to investigate the opportunity easily.

Second interview should be face to face, more detailed and used to complete the key parts of the interview process (competency questions or formal testing). Ideally the candidate will meet two or three key decision makers within the business (including line management, HR etc) meaning that a third stage is only necessary if either party still have questions or concerns. If there is a third stage, this 'fireside chat' can be used to iron things out and to cement the relationship.

Post offer and acceptance, consistent direct contact by the hiring manager, and perhaps a chance for the candidate to meet the team in a social setting, can help to further strengthen the relationship and reduce the chances of any counter-offer succeeding.

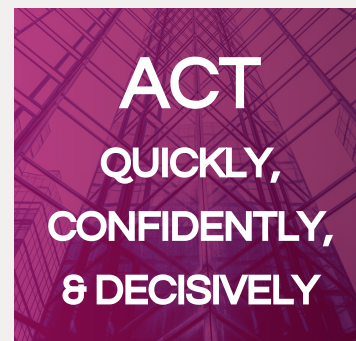
Any more than three stages, for the vast majority of roles, is too many, and time lags between stages need to be kept to a minimum. The firms that have the best hiring success, act quickly, confidently, and decisively to avoid missing out on talent.

OUTLOOK FOR H2 2023

Despite volatile market conditions, and consistent doom-mongering in the press, the outlook seems positive for the rest of 2023. We are in discussions with a number of our key clients about significant expansion of their existing teams, or development of new propositions/divisions, which is a clear indicator of market confidence and the demand for advice.

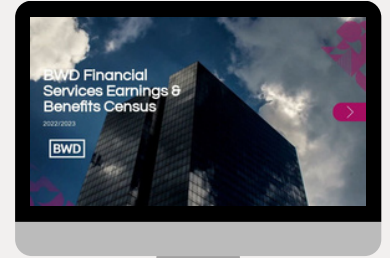
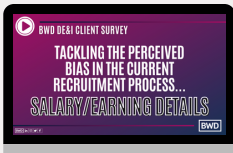
No doubt H2 will not be without its surprises or challenges, but the resilience and strength of Financial Services has already shown to be fairing well against other industries this year.

It will be fascinating to see how a number of high-profile potential M&A deals play out and whether overall IFA consolidation in the market exceeds last years' record high, as we suspect it will. As always in this market, interesting times.



INTERESTED IN MORE?

Click on any of the reports here to find out more...



OUR ADVICE FOR CLIENTS

- A streamlined, two-way interview process helps keep candidates engaged
- Direct communication, and following the interview process establishes trust between candidate and new employer
- Don't let good talent pass you by, act fast!
- Counteroffers are rife, expect your budgets to be pushed
- Candidates are seeking flexibility, and be clear in your vision for the business
- Benchmark market pay using our [salary calculator](#)

STRUGGLING TO FIND TALENT?

Talk to our experienced Financial Services recruitment consultants today to develop a talent-ready strategy.

[BOOK A CALL](#)

OUR ADVICE FOR CANDIDATES

- Before exploring alternative options, consider asking your employer about possible pay awards and promotional opportunities. You can benchmark your salary using our [salary calculator](#)
- View all job offers with an open mind. The company offering the most money might not be the best company to work for
- What perks come with each offer; is there confirmed flexibility, how much scope is there for growth and personal development?

OPEN TO NEW OPPORTUNITIES?

Register with us today to be kept up to date on the latest roles & receive the latest market insights and general career advice.

[REGISTER](#)

EXCEPTIONAL SERVICE POWERFUL RESULTS

BWD delivers proven financial services recruitment strategies that connect the best talent with the industry's leading companies.

And we're not all talk either. Based on feedback using Recruiter Insider, we are ranked in the top 5 agencies for both [client](#) and [candidate](#) experience.

FOR FURTHER
INFORMATION,
PLEASE CONTACT:

JAMES WOODS
DIRECTOR

07824 467 011

JAMES.WOODS@BWD-SEARCH.CO.UK

[Linked in](#)