



Press Release

J.D. Power and Associates Reports: Firm Performance and Organizational Support Are Primary Concerns For Financial Advisors in Volatile Marketplace

Edward Jones and Raymond James and Associates Tie to Rank Highest In Financial Employee Advisor Satisfaction

WESTLAKE VILLAGE, Calif.: 30 September 2008 — While attracting new clients and accumulating assets continue to be key concerns for financial advisors, coping with market volatility and receiving adequate compliance, technology and product support from firms are also critical, according to the J.D. Power and Associates 2008 Financial Advisor Satisfaction StudySM released today.

Now in its second year, the study measures the satisfaction of both employee advisors (those who are employed by their investment services firm) and independent advisors (those who are affiliated with a broker-dealer but operate independently). The study examines eight key drivers of employee advisor satisfaction: internal operational support/people; administrative and compliance support; work environment; firm performance; compensation; products and offerings; problem resolution; and job duties.

“There is no question that the turmoil in the financial services industry has profoundly impacted many leading investment firms, as there has been an unprecedented volume of negative media and market activity in the past 12 months,” said David Lo, director of investment services at J.D. Power and Associates. “In this situation, it’s tempting to cut spending—particularly with regard to support functions and customer service—to combat financial challenges. However, one of the most important actions is to renew focus on the advisor experience. Providing premium operational and administrative support will help ease concerns and allow advisors to grow their business and offer top-notch service to their clients.”

The study finds that among employee advisors, the most important driver of satisfaction is firm performance. The profitability of a firm directly impacts compensation packages among employee advisors, which often includes various incentives and stock options. Among independent advisors, support is of primary importance.

“Clearly, independent advisors have more of a pioneering spirit, and it’s not surprising that what they need most is support through sales, training, resources, and technology and compliance to grow their business,” said Lo. “Supporting employee advisors is also of particular importance considering an average of 63 percent of clients follow their employee advisor when they switch firms. This can lead to a potential loss or gain of \$82 million, on average, in assets under management.”

Edward Jones and Raymond James and Associates tie to rank highest in the 2008 study, with each receiving an index score of 879 on a 1,000-point scale. Edward Jones performs particularly well in providing a satisfying work environment and supporting its advisors. Raymond James and Associates performs particularly well in the job duties, products and offerings, compensation and firm performance factors.

Additionally, among independent advisors, Ameriprise Financial Services, LPL Financial Services and Raymond James Financial Services all perform particularly well.

From a marketing perspective, the study also finds that delivering the right message to prospective advisors can make a considerable difference in the competitive recruiting space. In particular, some practices that firms should focus on and highlight as strengths include:

- Presenting an overview of the firm's performance, which is the most important factor driving employee advisor satisfaction.
- Assuring advisors of the support the firm provides, particularly when it comes to regulatory compliance, technology and administrative operations.
- Offering portfolio planning assistance through training, personnel and e-mail newsletters.
- Creating and promoting a quota-free sales environment.

The 2008 Financial Advisor Study is based on responses from 3,124 financial advisors who are registered with the Financial Industry Regulatory Authority (FINRA). The survey was conducted online between May and June 2008.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, training and customer satisfaction. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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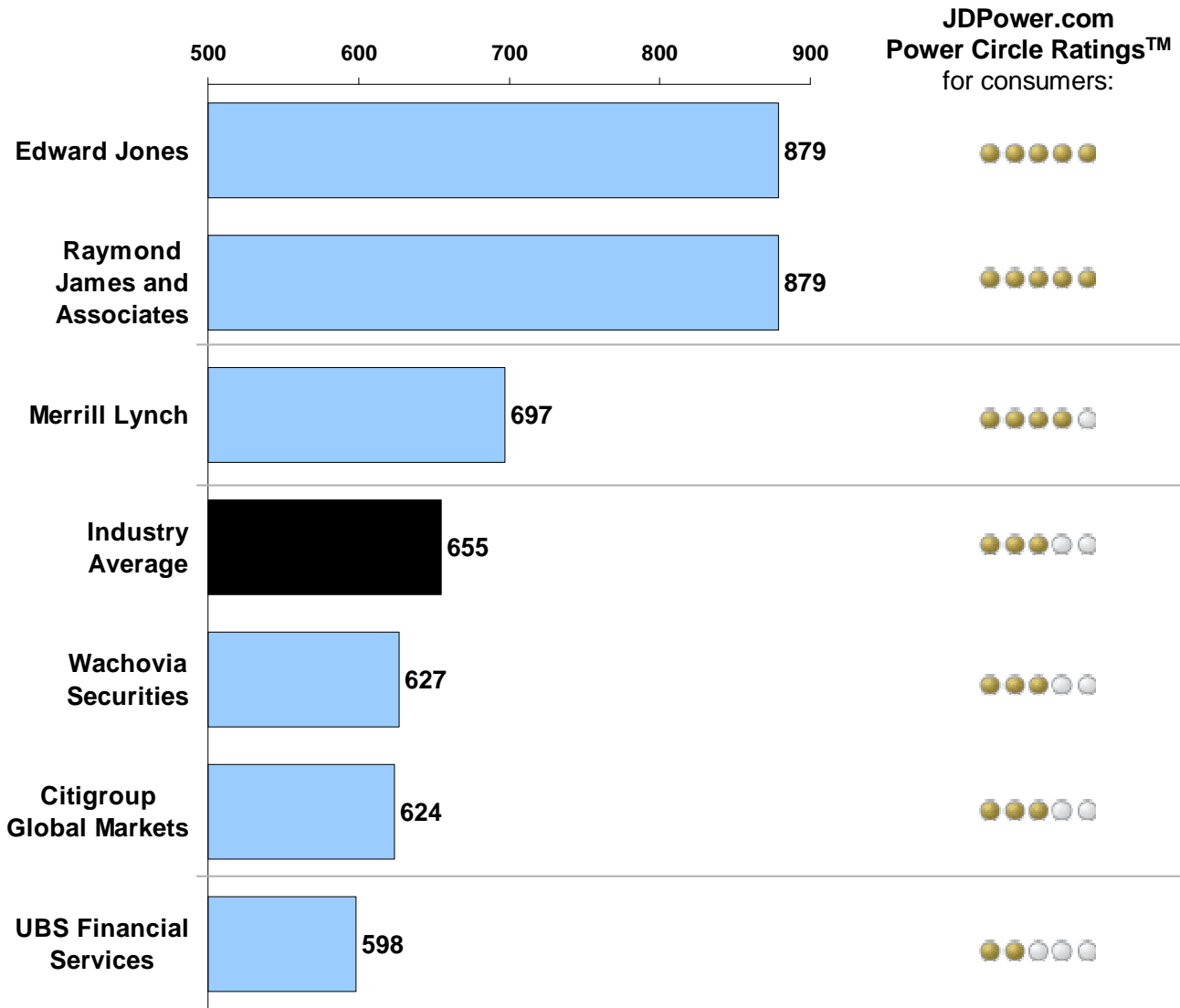
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NOTE: One chart follows.

J.D. Power and Associates 2008 Financial Advisor Satisfaction StudySM

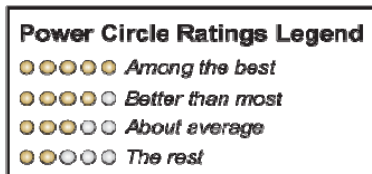
Employee Advisor Satisfaction Index Ranking

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size in alphabetical order are: Ameriprise Financial Services, AXA Advisors, Banc of America Investment Services, Charles Schwab & Co., Fidelity Brokerage Services and MetLife Securities.

Source: J.D. Power and Associates 2008 Financial Advisor Satisfaction StudySM



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