



Black Diamond
WEALTH SOLUTIONS

THOUGHT LEADERSHIP

The Talent Imperative

Solving Wealth Management's Talent
Retention and Succession Crisis

Wealth management faces a demographic cliff:

aging key advisors and high turnover among new entrants threaten succession and growth. Structured succession plans, team models, and modern technology are essential for client retention, AUM protection, and readiness for future industry challenges.

While much attention is given to the aging baby boomer client base, firms face another pressing issue: aging advisors and a limited pool of new talent. Recent research from Cerulli Associates indicates that the average age of an advisor is 56.¹ McKinsey estimates that some 38% of today's advisors, responsible for about 42% of total industry AUM, will retire in the next decade. Moreover, the advisor headcount is declining at a rate of about 0.2% per year—a time when US wealth is growing, and with it, the demand for human financial advice.² This presents a problem for firms without structured transition plans. Clients of retiring advisors may be inclined to move their assets to more stable firms with more modern service offerings. The effect could be a seismic shift of billions in AUM unless more firms shore up their succession strategies.

On the plus side, 57% of people earning the Certified Financial Planner (CFP) certificate in 2024 were under 35 years of age, according to the CFP Board.³ This would seem to suggest a steady influx of fresh talent to keep the net advisor headcount relatively flat. But this perception masks a deeper issue: workforce instability. Cerulli estimates that 72% of “rookie” advisors exit their first firm within five years.⁴ Turnover and attrition are drains on productivity. Failed hires increase costs for recruiting, onboarding, and training, and may result in lost clients. And in a relationship-driven business, the instability of the talent pipeline simply compounds the risks posed by advisors aging out and retiring.

Never too early: A mid-sized RIA firm in the Midwest with \$2B in AUM realizes that its three founding partners, who control 70% of the firm's revenue, plan to retire within seven years. Without successors in place, this firm faces an existential risk. The firm needs to move aggressively to put a plan and the right people in place to assure clients of continuity.

Building a Modern Succession Blueprint: Four Key Pillars

Commentary around succession planning in the wealth management industry often centers on founders and partners making plans to transfer their ownership interest in their firms. However, with so many experienced advisors expected to retire in the near future, firms require concrete strategies to address organic advisor transition and mitigate the risk of client attrition. This includes taking steps to minimize turnover among younger team members, engaging them more effectively, and involving them in shaping the firm's future.

Four key approaches, taken separately or in tandem, can help firms build a strategy for continuity:

1. Cross-Generational Mentorship



Firms should be actively cultivating next-generation talent through formal mentorship programs. This serves a dual benefit: establishing lines of succession for advisors planning to retire, while charting career paths that will encourage younger professionals to stay with the firm. According to research cited by WealthManagement.com, "mentorship programs significantly boost employee retention, with mentees having a 72% retention rate compared to just 49% for those without mentorship."⁵

An effective mentorship program should be formally structured, with clear guidelines, time frames, and commitments regarding what's expected from both mentors and mentees. It is essential to involve mentees in client meetings at the earliest opportunity, allowing them ample time to establish rapport with clients while gaining insight into the advisor's role.

Active Mentoring: A \$3B Firm Builds Formal Mentor-Apprentice Teams. Senior advisors gradually introduce their successors to client relationships over a three-year period, ensuring a smooth transition and continuity of service to clients.

2. Hybrid Career Paths (Phased Retirement)



Firms can offer semi-retirement options that enable senior advisors to scale back their work gradually, continuing to oversee their relationships while transferring a greater portion of their workload to successors. For example, firms might adopt a system in which advisors of a certain age (say 60) transition to a three-day workweek over the course of five years. This enables senior advisors to remain available to clients while their designated successors assume key responsibilities, including increasing exposure to clients over time.

3. Team-Based Models



At many firms, relationships are often built around a few key advisors, most likely the founders and partners. As a firm grows, this dependence on key people heightens the risk of client attrition when those people announce their retirement plans.

Moving to a team-based or ensemble model serves to reorient the client relationship toward the firm as a whole rather than with a single advisor, so that clients feel well-served by the firm when their lead advisor decides to retire. Besides providing a framework for long-term continuity, the team-based approach brings other benefits, notably improved collaboration and the ability to service more clients at scale.

Teamwork works: A Florida RIA Restructures Into Three Dedicated Team—Financial Planning, Investment Management, and Client Service. This type of restructure ensures a seamless transition and continuity for clients regardless of advisor departures.

4. Client-Centric Succession



Intergenerational wealth transfer has become an increasingly essential consideration for wealth managers as their baby boomer clients prepare to leave an inheritance to their Millennial children. Many firms are taking proactive steps to develop whole-family relationships with the goal of retaining the heirs as clients and continuing to manage their assets. As part of that strategy, firms should consider matching the next-generation clients—now in their mid-to-late forties—with advisors who are closer to their age and better aligned with them in terms of life experience, values, and goals.



Technology: The Bridge

Technology plays a critical role in attracting and retaining talent, building a professional team, and transferring knowledge across generations.

Millennials or Gen Y—those born between 1981 and 1996—now comprise a plurality of the US workforce at 36%.⁶ This is a generation whose lives have been shaped mainly by the internet and mobile technology, and that is even more true of the Gen Z cohort following them into the workforce. In a competitive labor market, younger candidates will tend to gravitate towards technologically advanced businesses. They will want tools that help them be more productive, effective, and successful in their roles—solutions that are intuitive to use and provide fast access to the information they need to do their jobs.

Technology is the key to transparency, team collaboration, and relationship continuity. It provides visibility into client histories, profiles, and interactions, enabling those who have or will have client-facing responsibilities to “know” the firm’s clients and serve them in a custom-tailored manner.

Without underestimating the importance of a modern technology infrastructure, it is the human factor that demands attention today. The ability of advisors to deliver empathetic, nuanced advice remains the industry’s core differentiator and demand driver. Technology, when used strategically, simply enhances and supports the personal relationships that remain the heart of the wealth management business.

Transition Planning is Not Optional

Succession at the advisor level is now an urgent strategic priority for firms seeking long-term stability. The combination of demographic risk and high advisor turnover requires action: transition planning and talent development are business imperatives for the next decade. Firms that proactively blend human relationships with scalable technology will best retain clients, assets, and their internal culture, positioning themselves for sustained growth.

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How SS&C Black Diamond Wealth Solutions Supports Advisor Transitions

SS&C Black Diamond® Wealth Solutions enables seamless continuity of client service when senior advisors delegate their responsibilities to successors.

Unified Infrastructure

- Permission-based views allow retiring advisors to securely share client data with successors.
- Household-centric data supports the transition of household accounts to designated successors with no service disruption.
- With our fully integrated solutions, we streamline workflows that avoid the need for managing different systems.

Client Continuity Tools

- A branded Client Experience Portal and Relationship Timeline help build trust and confidence in the firm as a whole among multi-generational clients.
- Integrated trust accounting supports complex estate planning and wealth transfer objectives.
- Leverage one of three purpose-built CRMs for wealth and trust management firms for advisors working in teams to have access to the same, accurate data.

Operational Flexibility

- Black Diamond scales to support phased retirements, hybrid models, and team structures without disruption.
- The core platform centralizes staff communications and task management.
- Through our modern approach to User Experience, advisors have a seamless experience.

For more information

To learn how SS&C Black Diamond Wealth Solutions can be tailored to the unique needs of your firm, contact us at 1-800-727-0605, or email info@sscblackdiamond.com.

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