
Next CEO of Charles Schwab Takes On Its Transition Rick Wurster, Schwab's president since 2021, will be tasked with steering the brokerage through a transition.....	2
Schwab's Longtime CEO to Retire; President Tapped for the Top Role.....	5

THE WALL STREET JOURNAL.

Next CEO of Charles Schwab Takes On Its Transition Rick Wurster, Schwab's president since 2021, will be tasked with steering the brokerage through a transition

By Hannah Miao

1,018 words

7 October 2024

The Wall Street Journal

J

B12

English

Copyright 2024 Dow Jones & Company, Inc. All Rights Reserved.

When Rick Wurster arrived at McKinsey as a fresh-faced M.B.A. graduate, he was often quiet during meetings. In a crowded room, he preferred to chat with a colleague in the corner. A mentor noticed his shyness and gave him a suggestion: take an acting class.

He never quite caught the acting bug, but over time, he grew more confident speaking up. On Tuesday, some 20 years later, Wurster was named the next chief executive of Charles Schwab.

Wurster will be tasked with steering Schwab through a transition. Troubles with its banking arm led to stalling revenue and profits over the past couple of years.

Founded by Charles "Chuck" R. Schwab roughly 50 years ago, the company is no longer the underdog upstart for amateur investors known for catchy slogans such as "Talk to Chuck." Schwab is the largest publicly traded U.S. brokerage, managing more than \$9 trillion across 43 million customer accounts. Growth is harder to come by at this size.

Wurster, 51 years old, has been primed for the top job since becoming president in 2021. Employees and analysts expect Wurster to largely continue the strategy set by longtime CEO Walt Bettinger, who will remain executive co-chairman of the board alongside Chuck Schwab. The company laid out plans to adjust how it makes money on customers' cash and to boost its more lucrative services including loans and financial advice.

"He's open, clear, people like him and trust him and will follow his lead," said Chuck Schwab.

Colleagues say Wurster is usually the first one in the office, often arriving around 5 a.m. A numbers guy, he peppers them with questions and wants to understand the minutiae of each part of the company.

Some say he can come off as impersonal or overly scripted in larger arenas like town halls, but he connects better with people in smaller-group settings. Each year, he travels to more than 60 branches and service centers across the country to sit down with employees and hear customer feedback.

"I don't think I was a natural-born leader," Wurster said. "I've had to be very thoughtful and intentional about it."

Wurster grew up in Acton, Mass., near Boston. His father worked in **technology** sales and his mother was a homemaker. They often spoke about investing for retirement.

He was captain of the golf team and studied economics at Villanova. He got his M.B.A. from Dartmouth, where he met his wife, Jill, which he said was "the best part of business school."

At McKinsey, he led consulting projects for asset managers. Then he jumped to Wellington Management, expanding the firm's asset-allocation team, and building and managing investment strategies and products.

"He was always the kind of person who you could trust to do business with on a handshake," said Salim Ramji, CEO of Vanguard, who worked with Wurster at McKinsey.

Therapy for his second daughter, who was born with disabilities, brought Wurster and his family to the San Francisco Bay Area. The move also led him to Schwab.

In 2016, he was brought on to lead two money managers Schwab had acquired. Soon, he was heading up Schwab's asset and wealth management arm. By 2021, his purview as president included everything from the brokerage's individual-investor business, to services for financial advisers, to banking, to **technology**. He focused on streamlining the day-to-day experience for customers.

As Wurster rose through the ranks, Bettinger encouraged him to get to know Chuck Schwab. As they had both played golf in college, Schwab asked Wurster to play a round.

Wurster hardly had time to golf anymore, but played exceptionally well that day. He remembers Schwab asking him, "Hey, do you ever work, or do you just come out and golf?"

"I said, 'No, Chuck, trust me, this is an aberration,' " Wurster said. "I didn't play as well the last 10 holes, which was probably good for my career."

Under Bettinger, Schwab expanded its bank and cut fees. It eliminated commissions on online stock trades in 2019, a move competitors swiftly followed, and acquired rival TD Ameritrade in 2020.

Then a rapid rise in interest rates pressured Schwab's strategy for making money on clients' idle cash, which makes up roughly half its revenue. Customers shifted money from bank accounts to money-market funds with higher yields, while the longer-term bonds in Schwab's investment portfolio declined in value.

Schwab's stock dropped 17% last year and the company laid off about 2,000 employees. Shares are down 5.9% year to date. The S&P 500 is up about 50% since the end of 2022.

With the Federal Reserve cutting rates, Schwab expects the movement of client cash to stabilize. The company is looking to put more of its investment portfolio into shorter-term assets and potentially unload more of its deposits to third-party banks.

Wurster believes the company can continue to grow if it keeps existing customers happy, which should encourage them to bring more business to Schwab.

"The stock will go up and down, the noise around the business may go up and down, but what's most important is building the long-term value for our clients," Wurster said.

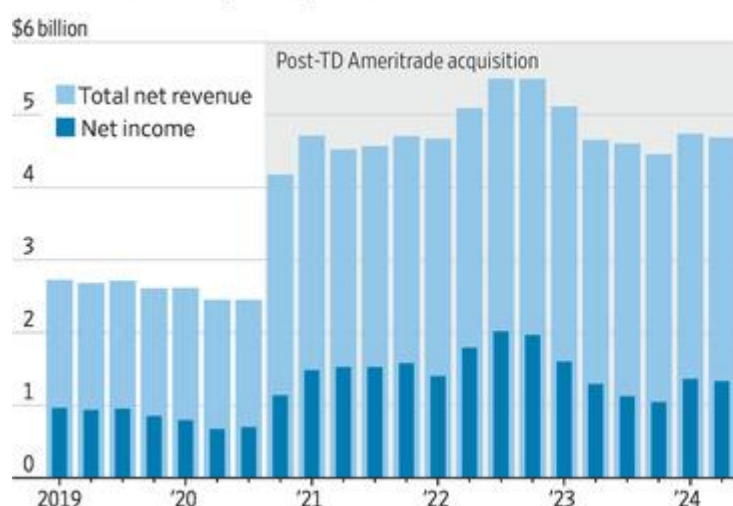
Now living in Texas, where Schwab is based, Wurster tries to make it home for dinner before picking work back up in the evening. Last year, he coached his son's baseball, basketball and flag football teams.

When Neesha Hathi, Schwab's head of wealth and advice solutions, started reporting to Wurster, an assistant scheduled their one-on-one meetings in the morning, when Hathi usually spent time with her sons before school.

Wurster emailed the assistant to move the meetings so Hathi could continue her family routine.

"I didn't even have to ask him," Hathi said. "It's just a lovely thing when someone knows what your values are."

Charles Schwab's quarterly financial results*



*TD Ameritrade results included from Oct. 6, 2020, forward.

Share-price and index performance



Sources: the company (financial results); FactSet (performance)

THE WALL STREET JOURNAL.

Schwab's Longtime CEO to Retire; President Tapped for the Top Role

By Hannah Miao

698 words

2 October 2024

The Wall Street Journal

J

B1

English

Copyright 2024 Dow Jones & Company, Inc. All Rights Reserved.

Charles Schwab has named Rick Wurster as its next CEO, promoting an executive who has been primed for years to take the top job and who will be tasked with steering the brokerage through a turnaround.

Wurster, currently Schwab's president, will take over as chief executive officer and join the board on Jan. 1, the company said Tuesday. Longtime CEO Walt Bettinger will retire from the top job and continue to be executive co-chairman of the board alongside namesake founder Charles "Chuck" R. Schwab.

Under Bettinger, Schwab grew from a discount brokerage for amateur investors to a personal-finance juggernaut. Schwab's move to eliminate commission fees on online stock trades in 2019 and its acquisition of rival TD Ameritrade in 2020 shook the industry.

Now, Wurster inherits a company in the midst of a transition.

As interest rates climbed over the past couple of years, Schwab's revenue and profit stalled, bank deposits fell and its investment portfolio declined in value. Schwab's stock is down 7% this year, after a 17% drop in 2023. The S&P 500 has risen 49% over the same period.

Schwab's playbook of making easy money on client cash has been upended and the company is looking to increase the revenue it brings in from more lucrative services like loans and financial advice.

Wurster, 51 years old, said his priority is keeping existing customers happy.

"If we delight them on a day-in-and-day-out basis, with great service, with digital experiences that are intuitive and straightforward and that they enjoy, we're going to have a growing and thriving business with the client base that we have today," Wurster told The Wall Street Journal in an interview.

Other focus areas include bolstering offerings for specific groups like high-net-worth individuals and active traders, and becoming more efficient through the use of artificial intelligence, he said.

Wurster has been viewed as the heir apparent to the chief executive role since becoming president in 2021. Schwab's multiyear succession plan included naming Bettinger as co-chairman of the board in 2022.

Schwab earlier this year named former Citigroup treasurer Mike Verdeschi as chief financial officer, succeeding Peter Crawford.

"When you're in jobs like this, your responsibility is to serve others, not to be served," Bettinger told the Journal. "[Rick] just proved over and over again during the three years he was president that he was the right person to be my successor."

As president, Wurster has overseen investor, adviser and retirement-plan services; asset and wealth management; banking; **technology**; and operations. Before joining Schwab in 2016, he worked at consulting firm McKinsey and investment-management firm Wellington Management.

Wurster will be the fourth person to hold the CEO post since the company was founded roughly 50 years ago. Chuck Schwab passed the baton to David Pottruck in 2003, but returned to the role in 2004 after Pottruck was ousted by the board. Bettinger became chief executive in 2008.

Bettinger, 64, took the top job in the throes of the global financial crisis. It couldn't have been a worse time to become CEO, Bettinger has often said with a smile.

He focused on growing Schwab's bank, cutting fees and expanding services like financial advice and wealth management. During Bettinger's tenure, Schwab grew from managing about \$1 trillion of assets to more than

\$9 trillion. Its client accounts grew from about nine million to about 43 million. Schwab is the biggest publicly traded brokerage in the country and the 12th largest U.S. bank.

Bettinger joined Schwab in 1995 through the acquisition of the Hampton Co., a retirement-plan provider he founded at age 22. His entrepreneurial background endeared him to Chuck Schwab. Bettinger led the brokerage's individual-investor business in the aftermath of the bursting of the dot-com bubble and had previously been president and chief operating officer.

Bettinger said he made a promise to his wife to retire from his CEO role before turning 65 and he looks forward to spending more time with his family.

Document J000000020241002eka20000p

Search Summary

Text	(technology OR "AI" OR fintech OR "digital banking" OR "cloud computing" OR blockchain OR cybersecurity OR "machine learning" OR "data analytics" OR "big data" OR "predictive analytics" OR "cloud migration" OR "edge computing" OR "5G banking" OR "API banking" OR "open banking" OR "data governance" OR "data monetization" OR "digital transformation" OR "quantum computing" OR "AI-driven banking" OR "AI in compliance" OR "AI-powered fraud detection" OR "AI in customer service" OR "AI in investment banking" OR "conversational AI" OR "generative AI" OR "robo-advisors" OR "natural language processing" OR "algorithmic trading" OR "automated risk assessment" OR "AI regulatory challenges" OR "embedded finance" OR neobanks OR "Banking as a Service" OR "BaaS" OR regtech OR suptech OR "decentralized finance" OR DeFi OR "cryptocurrency adoption" OR "Central Bank Digital Currencies" OR CBDCs OR tokenization OR "real-time payments" OR "Buy Now Pay Later" OR BNPL OR "cyber resilience" OR "Zero Trust security" OR "identity verification" OR "fraud detection" OR "insider threats" OR "AI-driven cybersecurity" OR "financial data breaches" OR "data privacy laws" OR GDPR OR CCPA OR "operational risk management" OR "regulatory compliance technology" OR KYC OR "Know Your Customer" OR AML OR "Anti-Money Laundering" OR "hyper-personalization in banking" OR "customer-centric banking" OR "omnichannel banking" OR "digital wallets" OR "contactless payments" OR "voice banking" OR "biometric authentication" OR "wearable banking" OR "banking UX/UI innovations" OR "financial inclusion technology")
Date	10/01/2024 to 12/31/2024
Source	The New York Times Or The Wall Street Journal Or The Economist Or Forbes
Author	All Authors
Company	The Charles Schwab Corporation
Subject	All Subjects
Industry	All Industries
Region	All Regions
Language	English
Results Found	2
Timestamp	17 March 2025 8:55 PM GMT