

# Intro to Market Intelligence with Discovery Data

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# Discovery Data

## Discovery Overview

- Discovery is a well-known data provider that has had a relationship with TAC for ~12 years
- They provide data on key markets including BD, RIA, and Insurance Agents
- The data is sourced primarily from Regulatory reporting (i.e. IAPD, ADV-1s, etc.)

### BD

A broker-dealer (**BD**) is a person or firm in the business of buying and selling securities for its own account or on behalf of its customers

A **BD firm** is a company that is in the business of buying and selling securities, stocks, bonds, mutual funds, and certain other investment products on behalf of its customers, for its own account or both.

### RIA

A registered investment advisor (**RIA**) is a firm that advises clients on securities investments and may manage their investment portfolios.

An **RIA firm** is in the business of giving advice about securities to clients.

*Money managers, investment consultants, and financial planners are regulated in the United States as “investment advisers” under the U.S. Investment Advisers Act of 1940 or similar state statutes. The Act defines an investment adviser as any person or firm that for compensation is engaged in the business of providing advice to others or issuing reports or analyses regarding securities.*

### Insurance Agent

An insurance agent represents one or more insurance companies and sells their policies for a commission. This includes Life, Variable, P&C, etc.

# Table of content

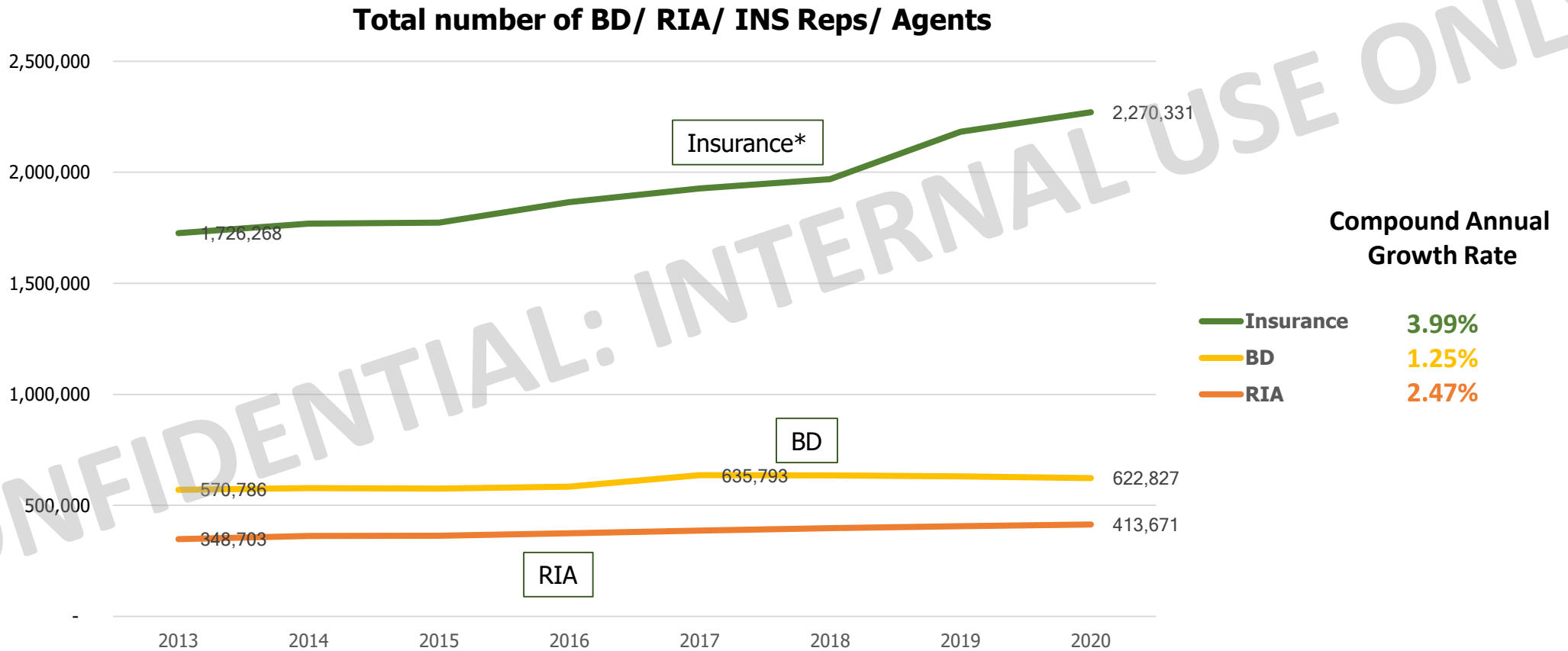
- 1) Overview of BD/ RIA/ INS reps/ agents
  - Dually Registered
  - Breakdowns of Other Key sub-Categories
- 2) Case study: RIA reps entering/ staying/ leaving
- 3) A look at Designations & Companies
- 4) Where reps (BD/RIA) are located
- 5) AN INDUSTRY FIRST: Race & Gender distribution of reps and agents  
(building towards WMDI)

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Overview of BD/ RIA/ INS reps/ agents

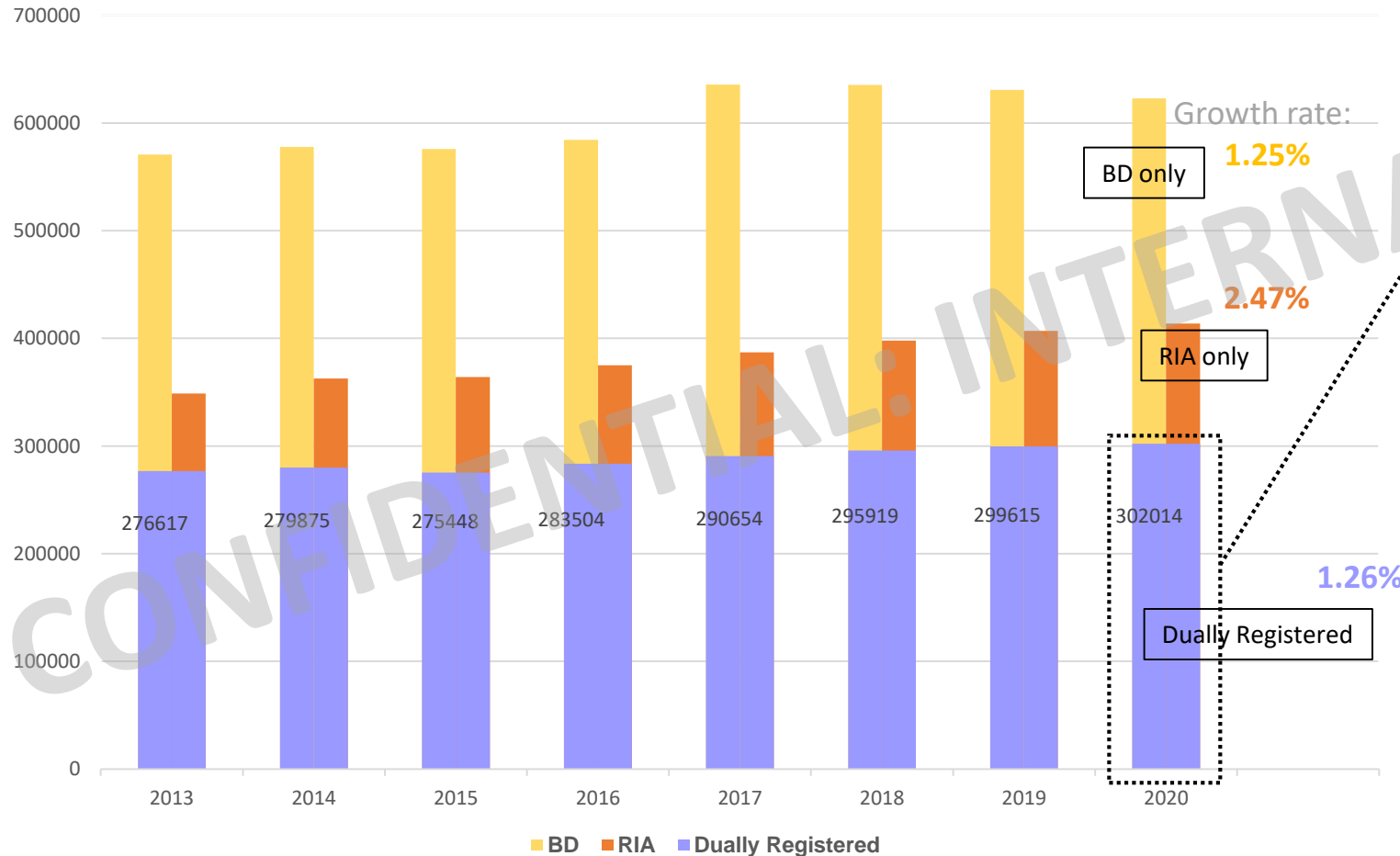
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# Total number of BD/ RIA/ INS individuals



\*Insurance means all insurance agents (i.e. life, variable, P&C, etc)  
Has 'double-counting' when an individual has multiple registrations

## Dually Registered reps (BD + RIA) over time

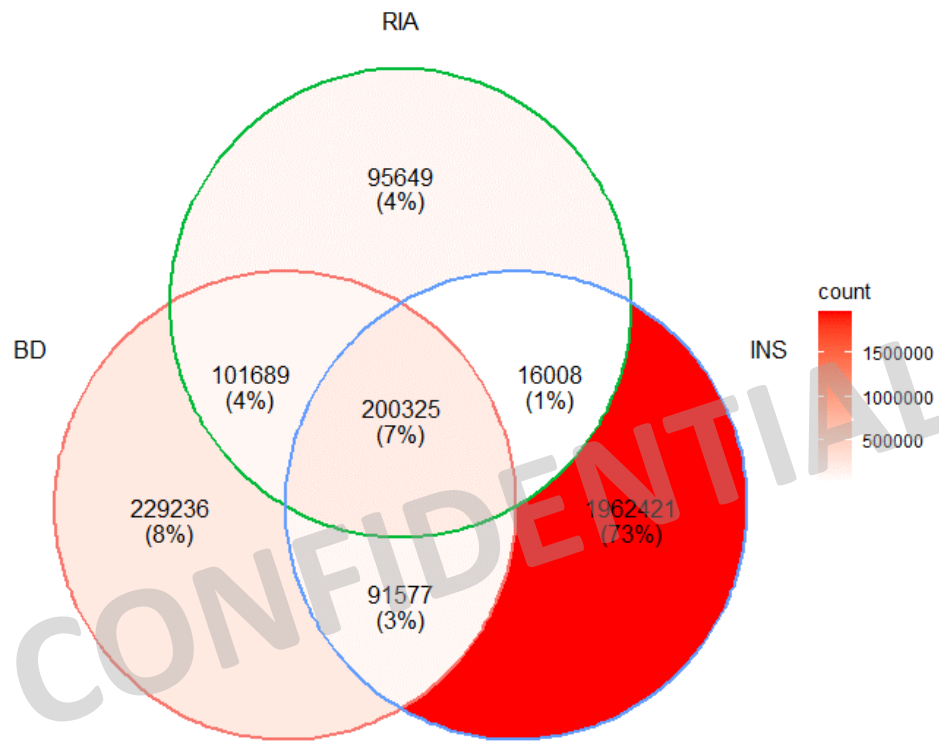


A **Dually Registered** Rep is in both BD's and RIA's datasets

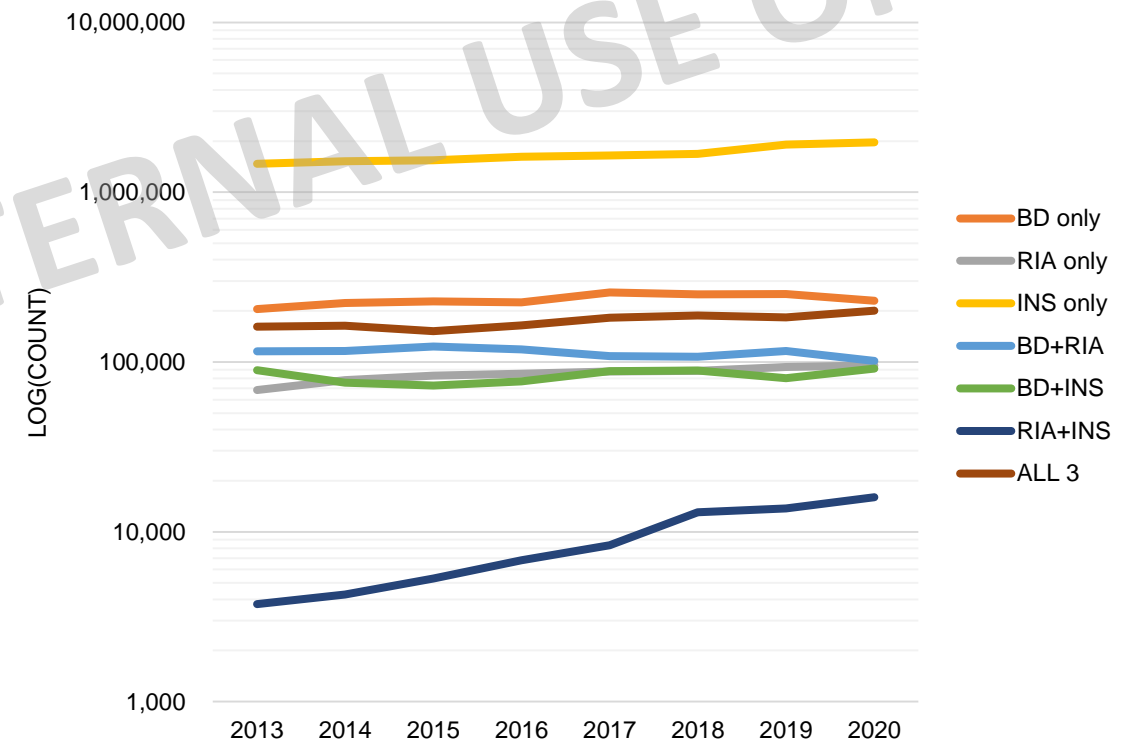
~ **45 - 50%** of BDs are Dually Registered  
~ **75 - 80%** of RIAs are Dually Registered

# A deeper look at sub-categories

A Venn Diagram of Rep Categories in 2020

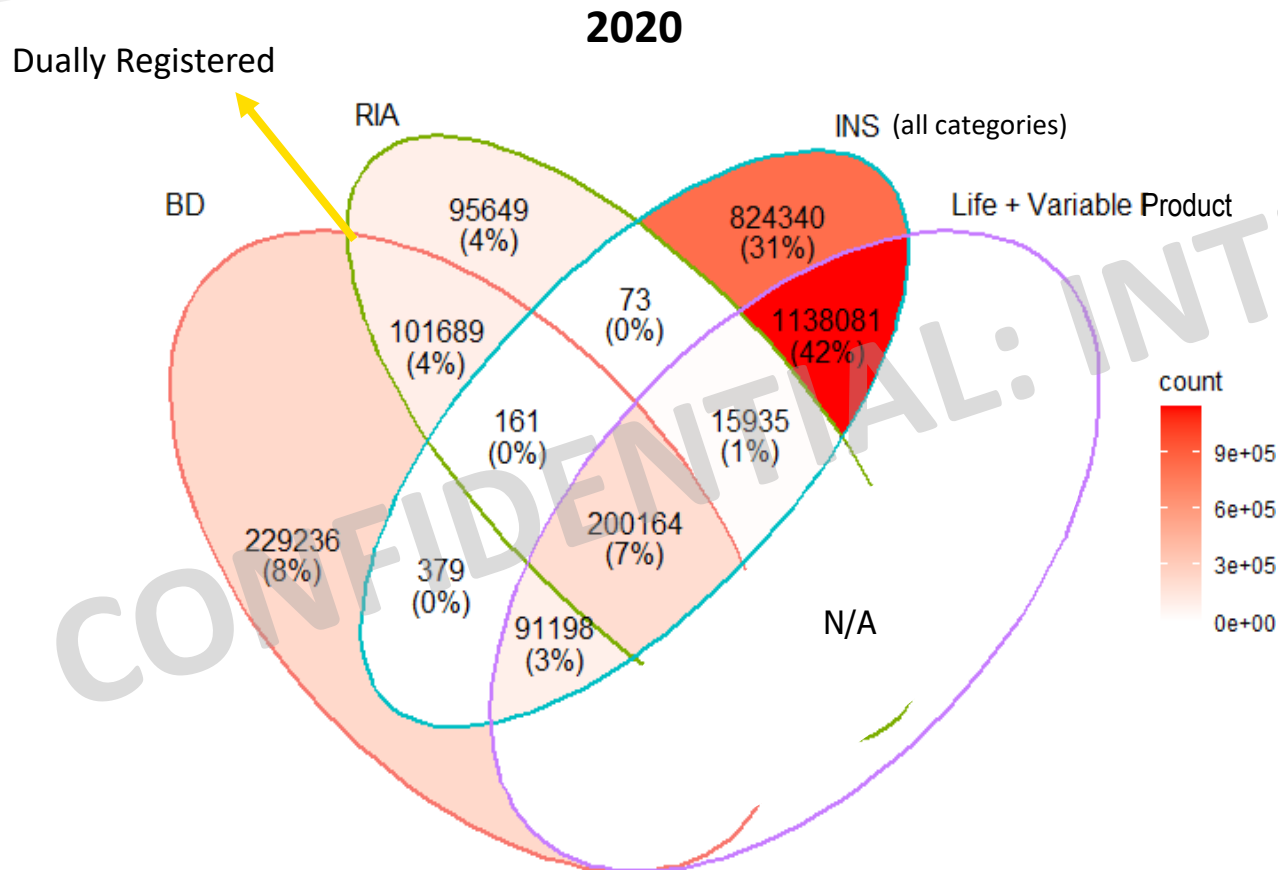


Rep Categories over time



- Each of the areas in the 3-way Venn Diagram represent a line in the chart to the right.
- INS = all insurance (i.e. life, variable, P&C, etc)

## Individual registrations across categories: highlighting Life + Variable products



### Key takeaways:

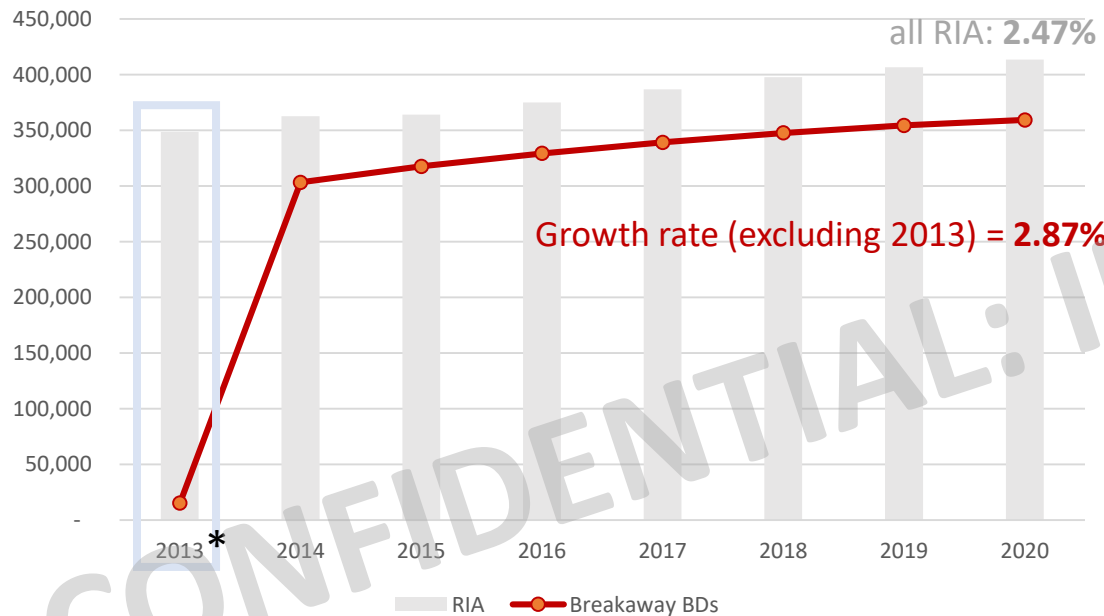
- Most insurance agents sell Life and/or Variable Products
- **2/3** of dually registered reps sells Life and/or Variable Product
- **~1.4M** individuals are licensed to sell Life/ Variable products
- Insurance agents don't operate within Wealth Management without selling either Life or Variable products



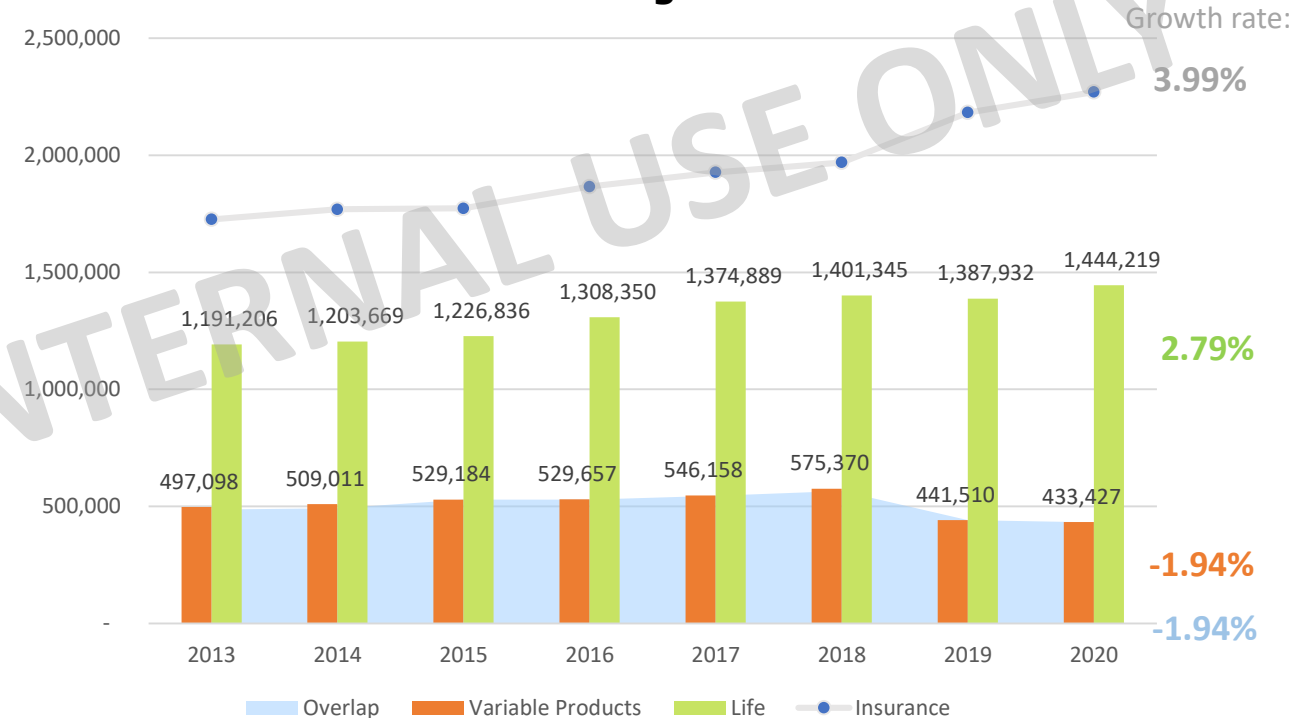
# Breakaway BDs & Life Insurance agents over time

Among RIA reps

## Breakaway BDs



## Insurance agents



- **Breakaway BDs** are BD reps that left their BD firms and joined/ started their own RIA
- **2013\*** seems to have some systematic data collection issues due to changes in their processes

- **Insurance:** total number of insurance agents (All categories)
- **Variable Product:** those selling variable products
- **Overlap:** Those selling both Life and Variable products at the same time
- **Life:** those selling life insurance

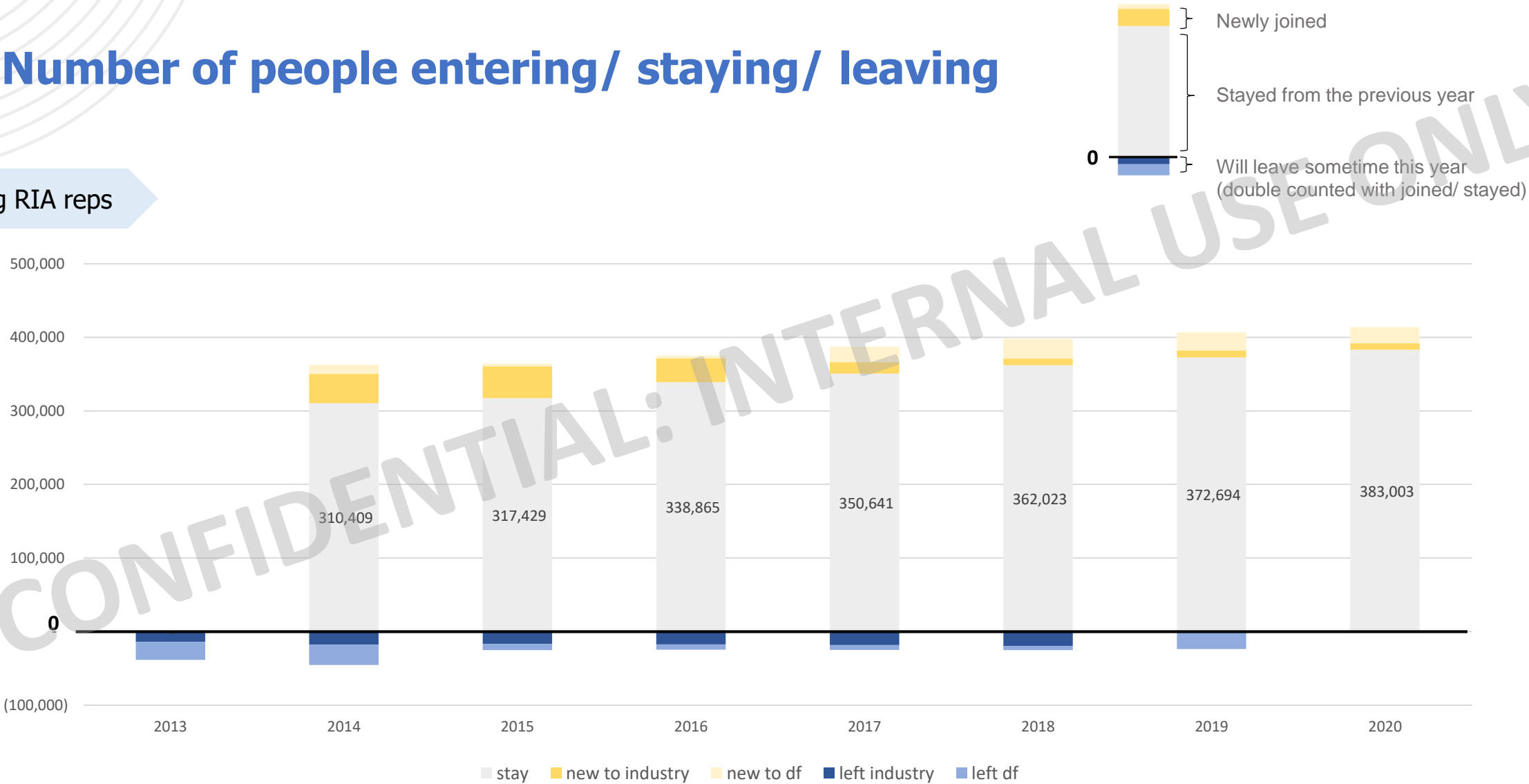
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Case study: RIA reps entering/ staying/  
leaving

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# Number of people entering/ staying/ leaving

Among RIA reps



df = data frame = a one-year slice of data

Leaving df:

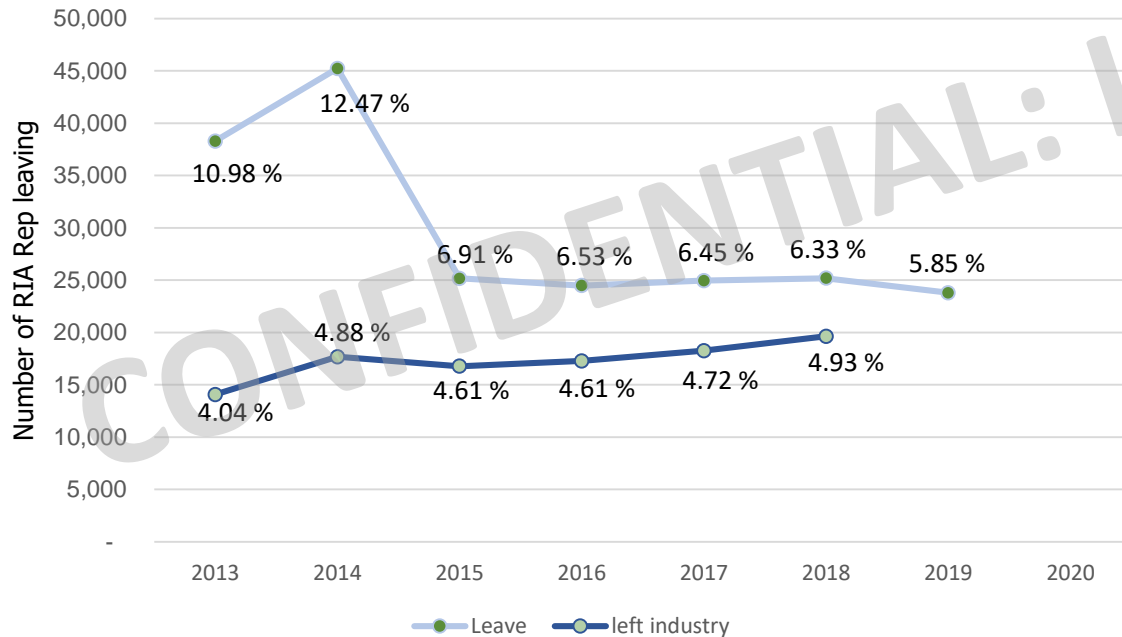
does not appear in next year's df

Leaving industry:

will not appear in any of the dfs in later years

Among RIA reps

Leaving



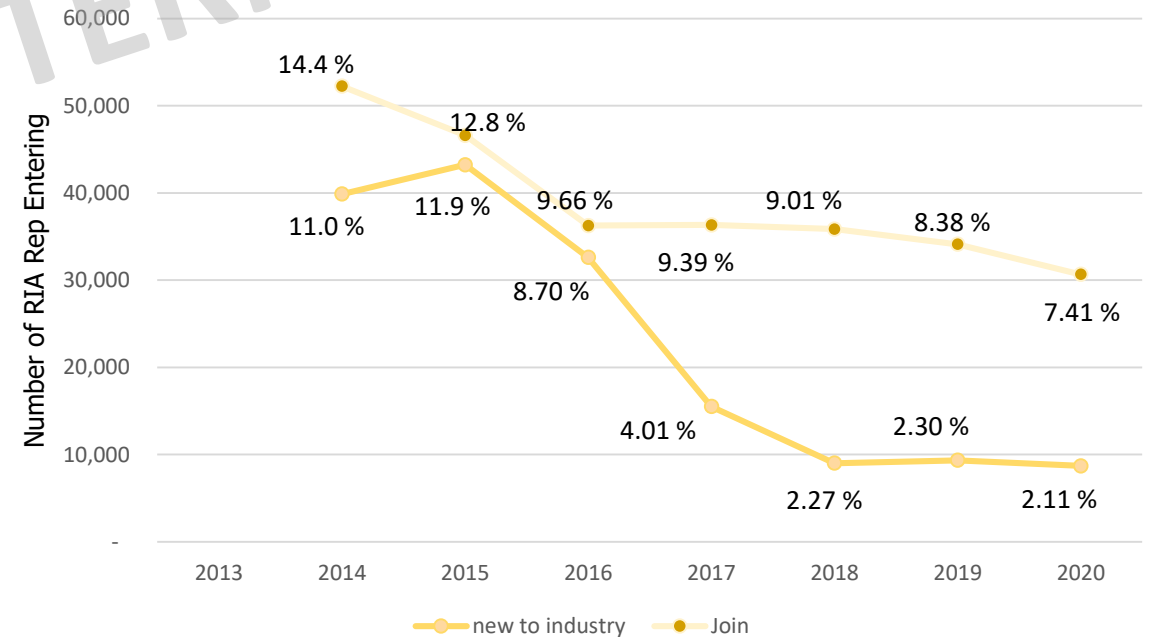
Entering df:

was not in the previous year's df

Entering industry:

filtering "Entering df" to  
*AddedToDiscoverData* == 20XX

Entering



3

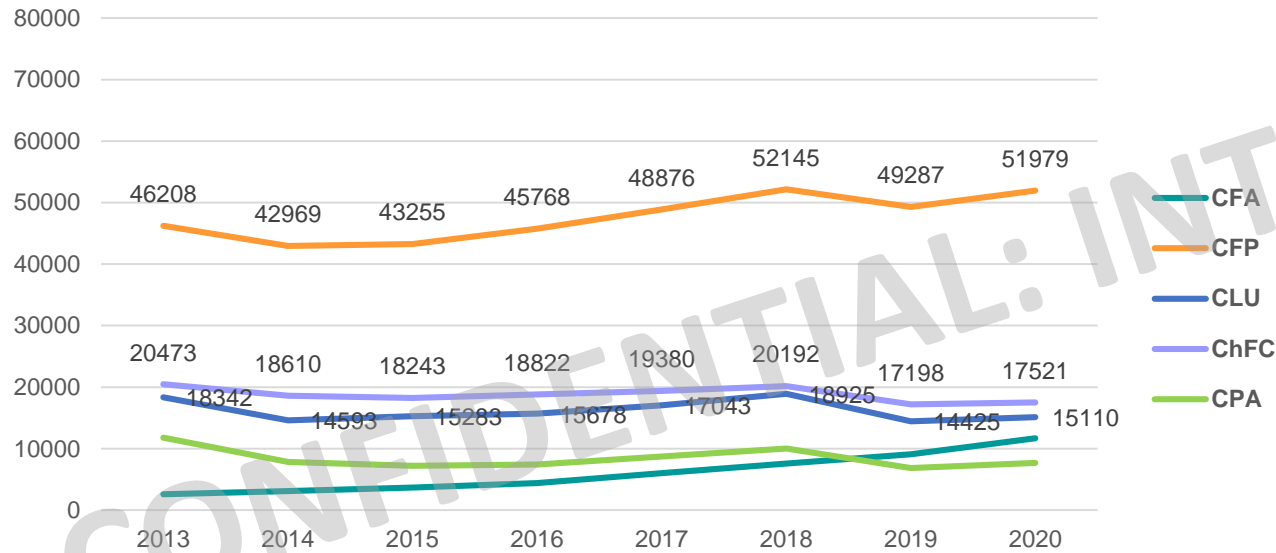
## A look at Designations & Companies

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# Designations over time

Growth Rate	
CFP	1.76%
ChFC	-2.2%
CLU	-2.73%
CPA	-5.97%
CFA	24.19%

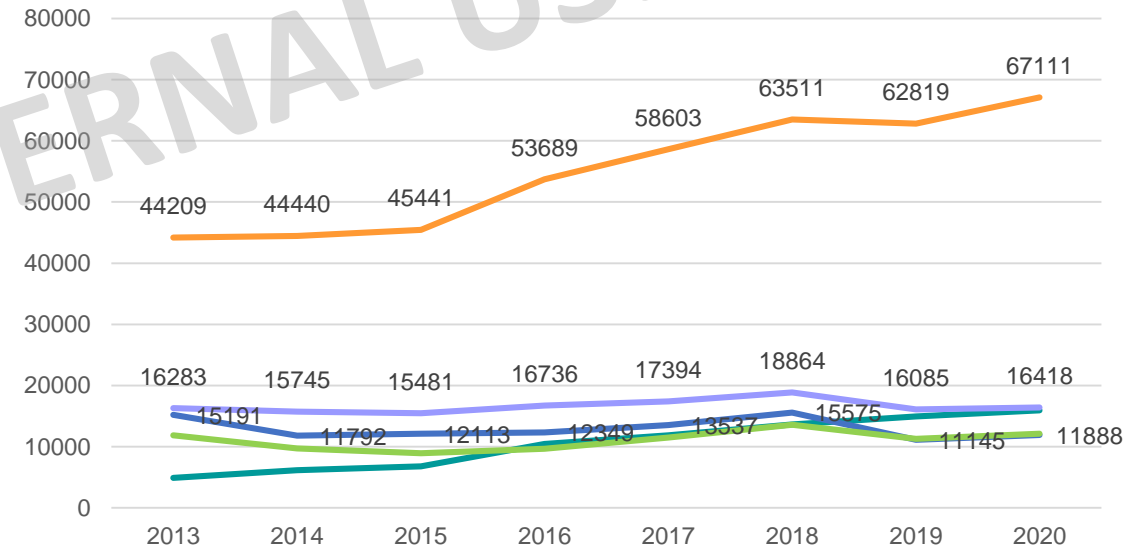
BD



	BD_2013	BD_2014	BD_2015	BD_2016	BD_2017	BD_2018	BD_2019	BD_2020
CFA	0.45%	0.54%	0.64%	0.76%	0.94%	1.19%	1.44%	1.88%
CFP	8.1%	7.44%	7.51%	7.83%	7.69%	8.2%	7.81%	8.35%
CLU	3.21%	2.53%	2.65%	2.68%	2.68%	2.98%	2.29%	2.43%
ChFC	3.59%	3.22%	3.17%	3.22%	3.05%	3.18%	2.73%	2.81%
CPA	2.07%	1.36%	1.25%	1.27%	1.37%	1.58%	1.08%	1.23%
# of BD Rep	570786	577704	575922	584324	635793	635552	630742	622827

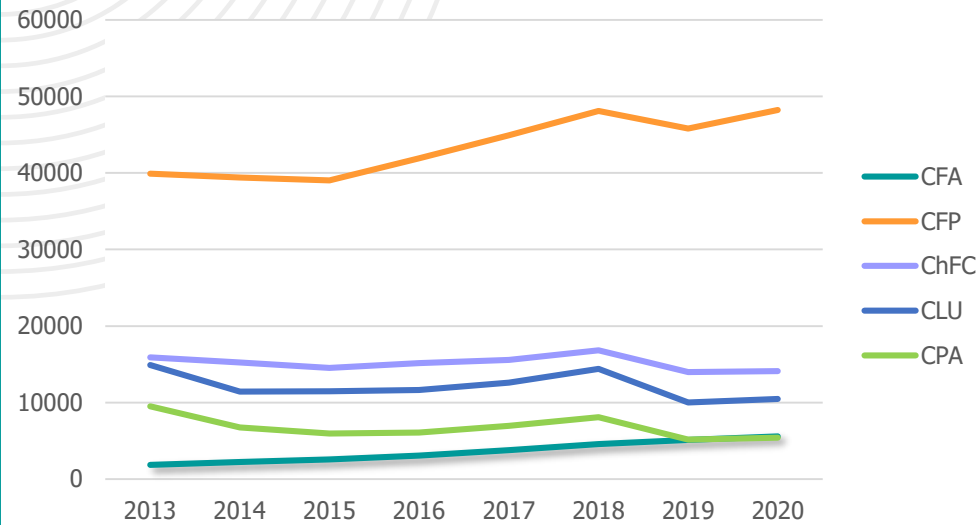
Growth Rate	
CFP	6.14%
ChFC	0.12%
CLU	-3.44%
CPA	0.28%
CFA	18.31%

RIA



	RIA_2013	RIA_2014	RIA_2015	RIA_2016	RIA_2017	RIA_2018	RIA_2019	RIA_2020
CFA	1.41%	1.69%	1.86%	2.78%	3.07%	3.43%	3.67%	3.85%
CFP	12.68%	12.25%	12.48%	14.31%	15.14%	15.96%	15.44%	16.22%
CLU	4.36%	3.25%	3.33%	3.29%	3.5%	3.91%	2.74%	2.87%
ChFC	4.67%	4.34%	4.25%	4.46%	4.49%	4.74%	3.95%	3.97%
CPA	3.41%	2.68%	2.46%	2.57%	2.97%	3.42%	2.78%	2.93%
# of RIA Rep	348703	362657	364031	375118	386983	397876	406801	413671

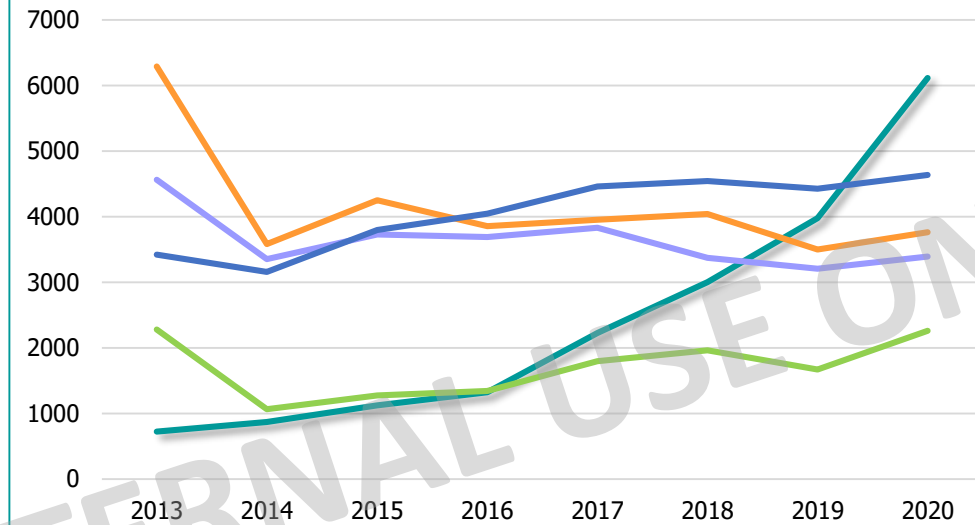
## Dually Registered Reps



### Growth Rate

CFP	2.73%
ChFC	-1.69%
CLU	-4.93%
CPA	-7.75%
CFA	17.14%

## BD only

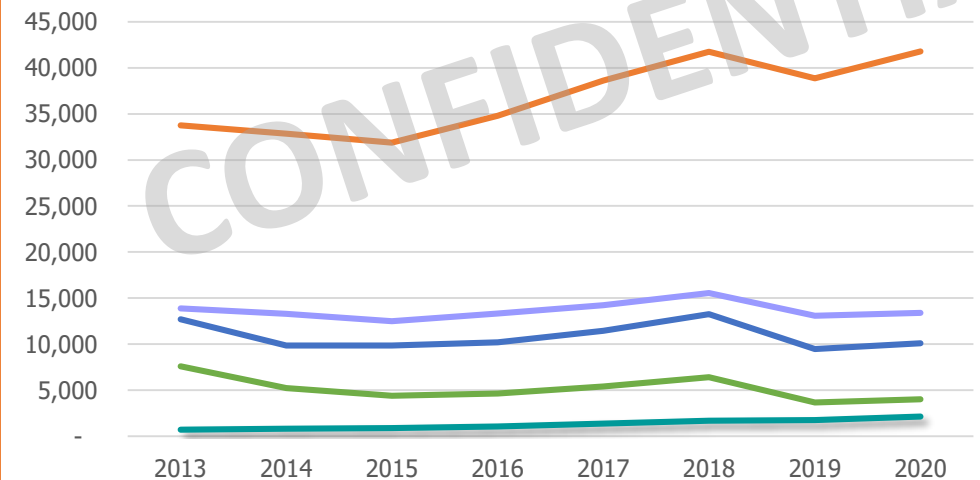


### Growth Rate

CFP	-7.08%
ChFC	-4.13%
CLU	4.43%
CPA	-0.13%
CFA	35.69%

## A BD/RIA Rep + insurance agent of any kind

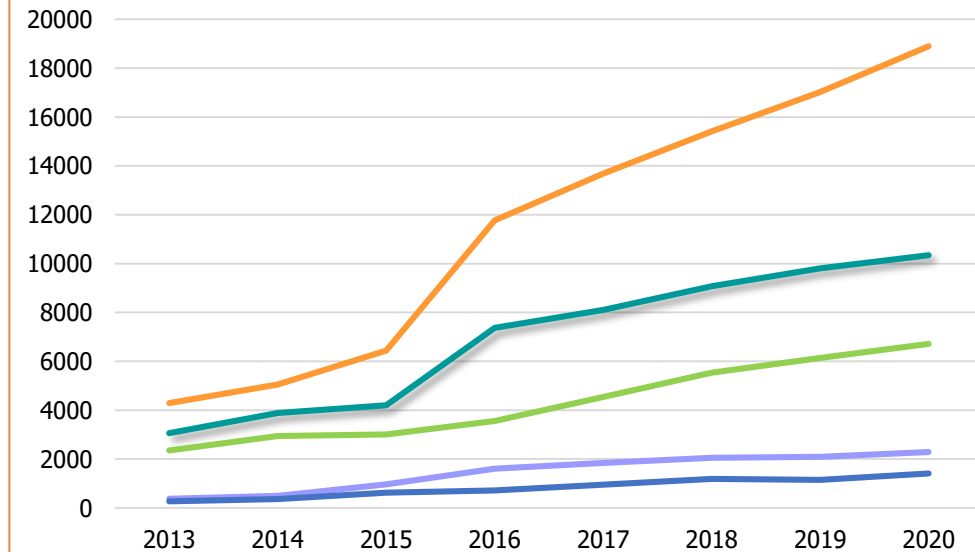
(since there's no Designations columns for insurance agents)



### Growth Rate

CFP	3.09%
ChFC	-0.51%
CLU	-3.25%
CPA	-8.65%
CFA	16.76%

## RIA only



### Growth Rate

CFP	23.59%
ChFC	29.7%
CLU	26.66%
CPA	16.11%
CFA	18.98%

# Top Companies

	BDFirmName	Total # of Rep	How many has designation	% Rep with Des	How many des / Rep	CFA%	CFP%	CLU%	ChFC%	CPA%
616	Morgan Stanley	23581	6454	27.37%	1.4	2.8%	54.3%	17.7%	12.6%	12.6%
593	Merrill Lynch, Pierce, Fenner & Smith Incorporated	30017	5917	19.71%	1.4	3.2%	59%	14.7%	10.2%	12.8%
565	LPL Financial LLC ★	16600	5802	34.95%	1.4	0.9%	52.1%	15.7%	19.1%	12.2%
657	Northwestern Mutual Investment Services, LLC ★	7839	4747	60.56%	1.9	0.4%	20%	44.2%	31.8%	3.6%
908	UBS Financial Services Inc.	11999	3245	27.04%	1.5	3.8%	53%	18.3%	12.3%	12.6%
290	Edward Jones ★	15074	2774	18.4%	1.6	1.3%	41.1%	25.2%	15.6%	16.8%
738	Raymond James Financial Services, Inc.	4817	2169	45.03%	1.5	1.2%	53.6%	14.8%	16.1%	14.3%
144	Cambridge Investment Research, Inc.	2787	1265	45.39%	1.4	1%	51.8%	13%	23.8%	10.4%
737	Raymond James & Associates, Inc.	5006	1255	25.07%	1.5	2.6%	47.9%	22.2%	13.4%	13.9%
721	Pruco Securities, LLC.	4656	1213	26.05%	1.6	0.2%	14.3%	48.1%	35.4%	2%
215	Commonwealth Financial Network	2110	1087	51.52%	1.4	0.8%	58.4%	10.6%	21.4%	8.7%
879	Thrivent Investment Management Inc.	3400	1015	29.85%	1.6	0.2%	31.8%	29.1%	35.6%	3.3%
819	State Farm VP Management Corp. ★	12966	1007	7.77%	1.3	0.2%	25.4%	7%	63.7%	3.8%
757	Royal Alliance Associates, Inc.	1973	986	49.97%	1.5	0.7%	51.4%	15.9%	18%	14%
179	Cetera Advisor Networks LLC	2736	959	35.05%	1.4	0.9%	48.7%	17%	22.1%	11.3%
739	RBC Capital Markets, LLC	4671	925	19.8%	1.5	2.7%	45%	24.1%	14.2%	14.1%

★ = our **MAJOR** partner companies

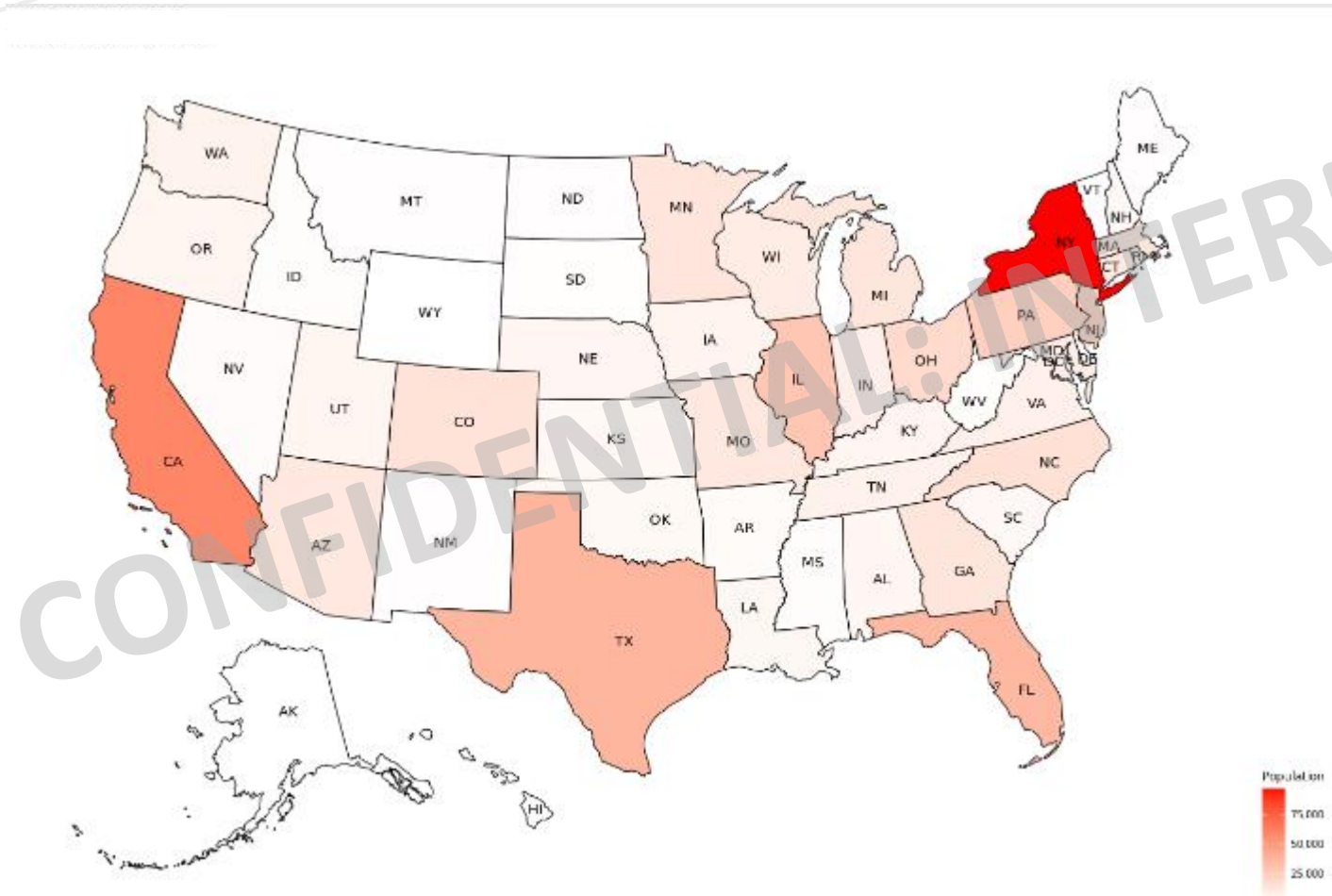


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Where reps(BD/ RIA) are located?

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# Where they live: States & Metropolitan Areas

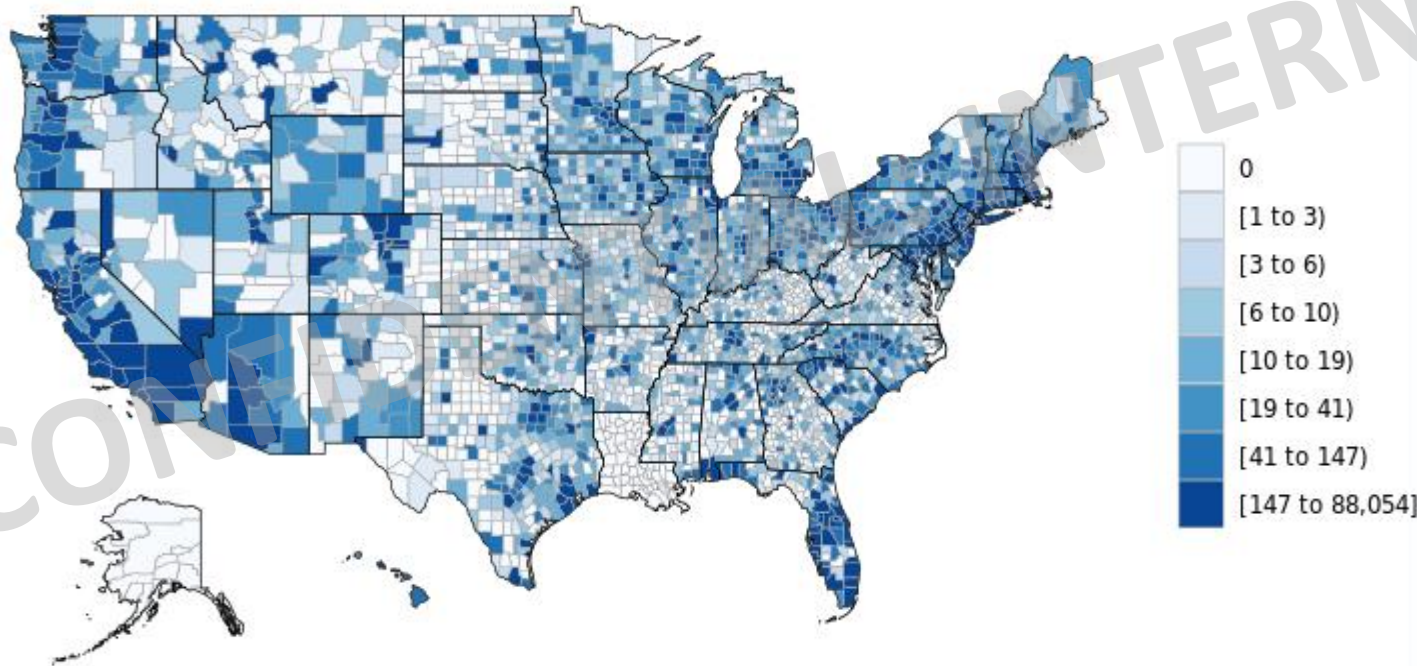


## Metropolitan Areas:

	Var1	Freq
238	New York-Northern New Jersey-Long Island NY-NJ-PA	105293
1		25318
66	Chicago-Naperville-Joliet IL-IN-WI	24679
202	Los Angeles-Long Beach-Santa Ana CA	23618
260	Philadelphia-Camden-Wilmington PA-NJ-DE-MD	15493
84	Dallas-Fort Worth-Arlington TX	14845
216	Miami-Fort Lauderdale-Pompano Beach FL	14026
299	San Francisco-Oakland-Fremont CA	13298
44	Boston-Cambridge-Quincy MA-NH	11521
220	Minneapolis-St. Paul-Bloomington MN-WI	11113
93	Denver-Aurora CO	11017
152	Houston-Sugar Land-Baytown TX	10429
261	Phoenix-Mesa-Glendale AZ	10410
21	Atlanta-Sandy Springs-Marietta GA	10256
328	St. Louis MO-IL	9083
354	Washington-Arlington-Alexandria DC-VA-MD-WV	8256
62	Charlotte-Gastonia-Rock Hill NC-SC	7987
95	Detroit-Warren-Livonia MI	7169
335	Tampa-St. Petersburg-Clearwater FL	6646

Showing 1 to 19 of 370 entries, 2 total columns

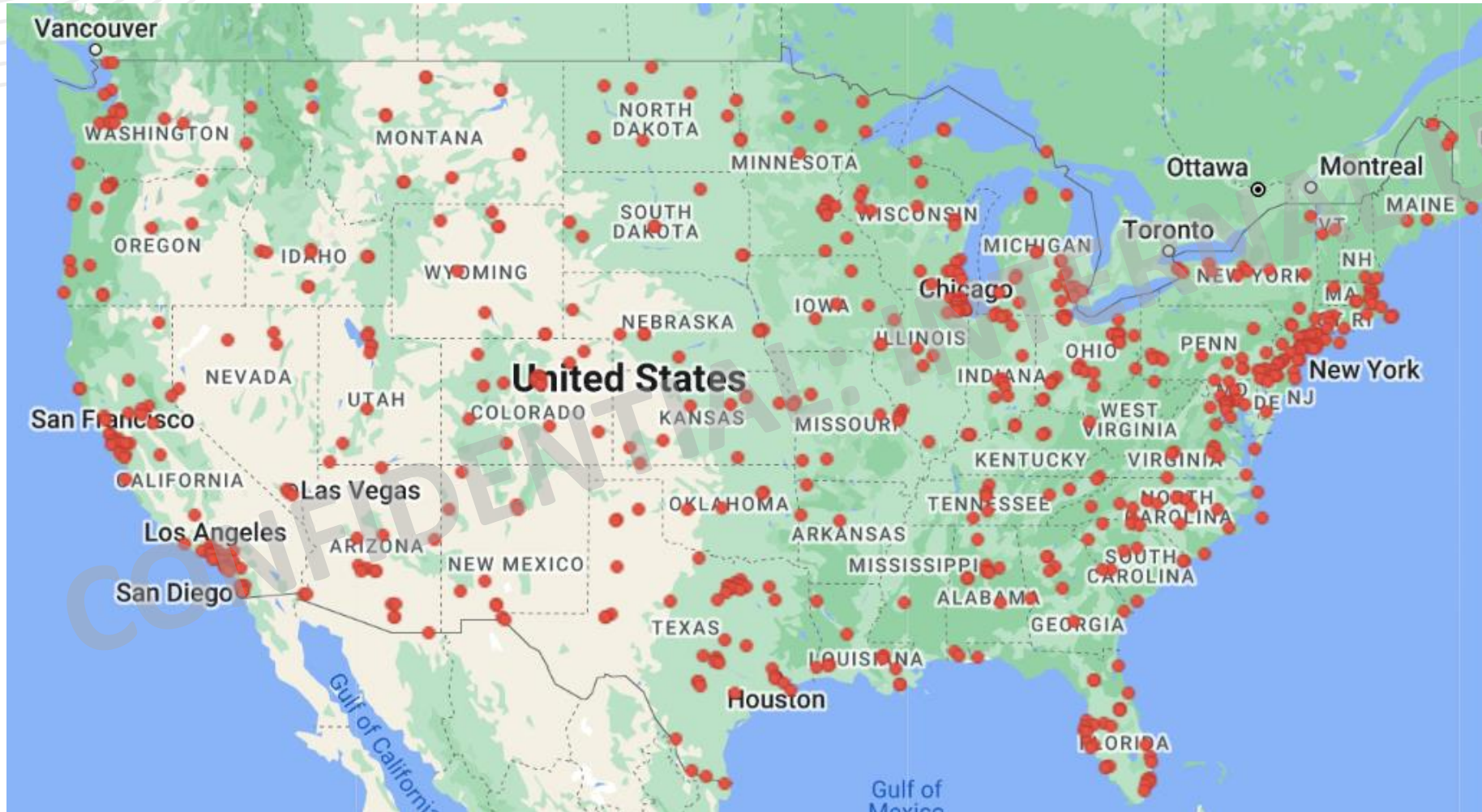
# Where they live: Counties



## Most populated counties in Dec 2020:

1. New York County, NY – 88,054 Reps
2. Cook County, IL – 19,115 Reps
3. Los Angeles County, CA – 15,995 Reps
4. Maricopa County, AZ – 11,668 Reps
5. Mecklenburg County, NC – 9,890 Reps

# Branch locations



Each dot represents a branch

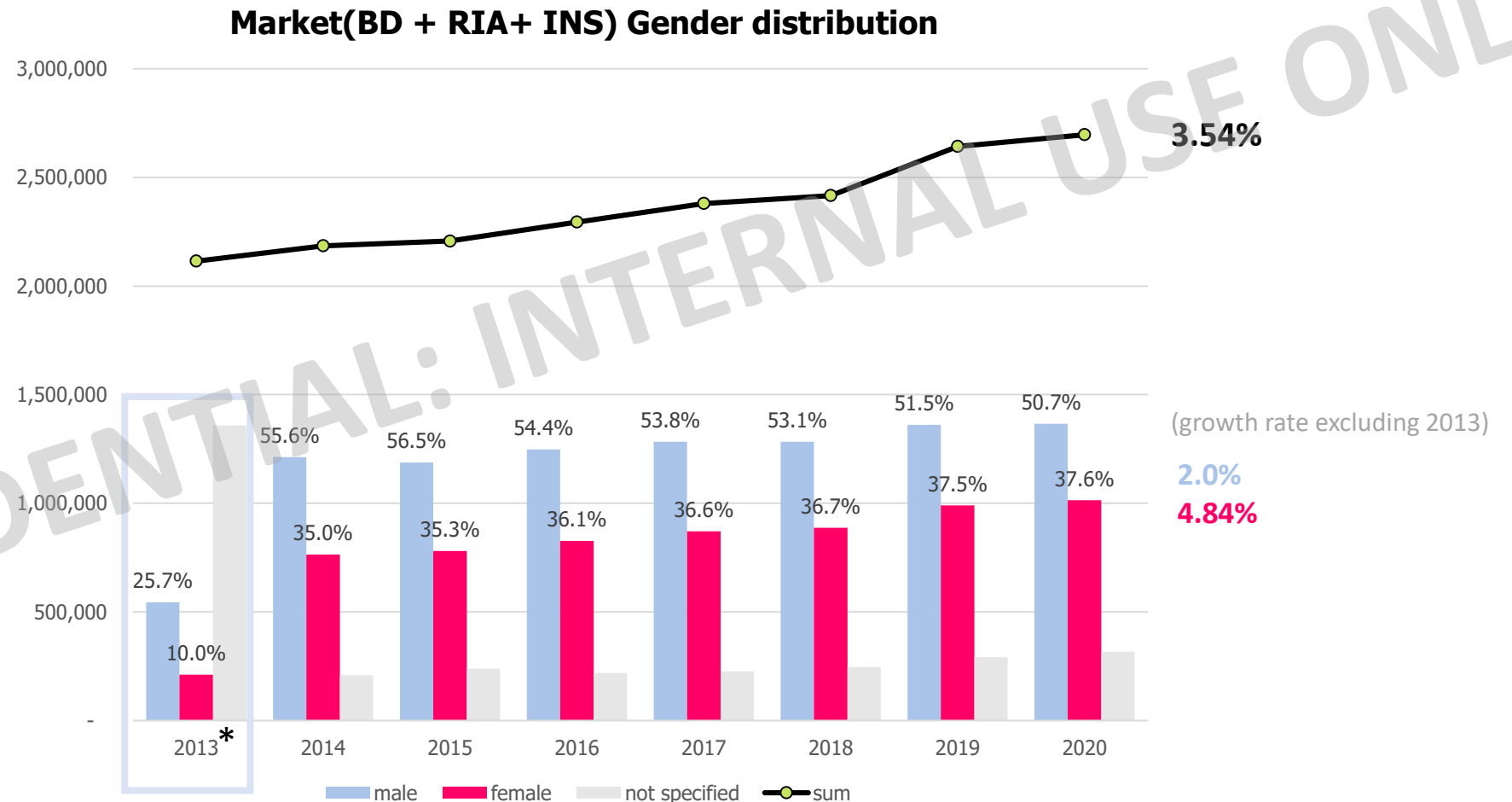


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**AN INDUSTRY FIRST: Race & Gender  
distribution of reps and agents**

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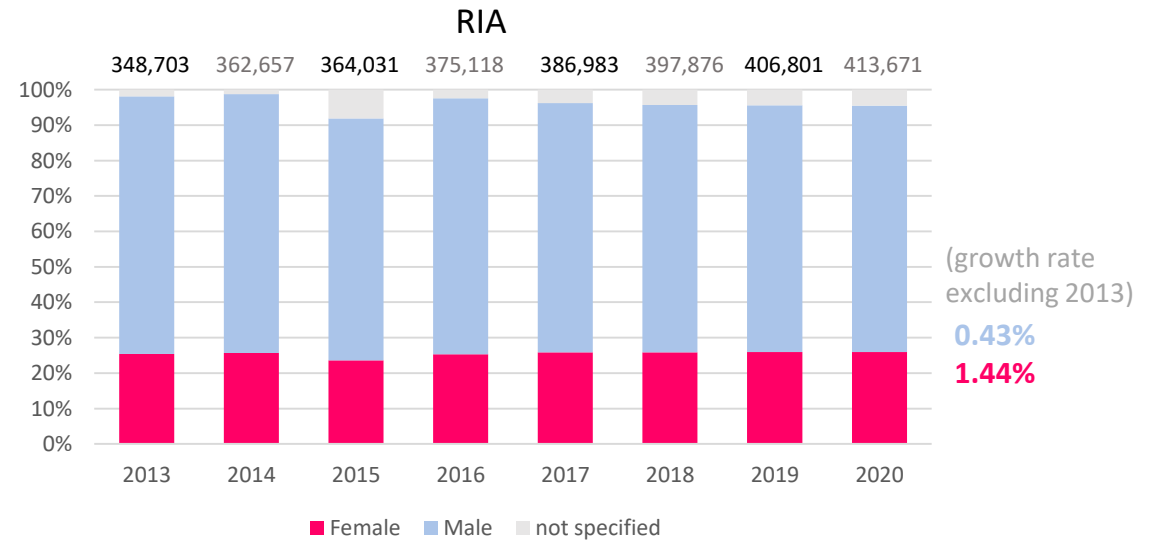
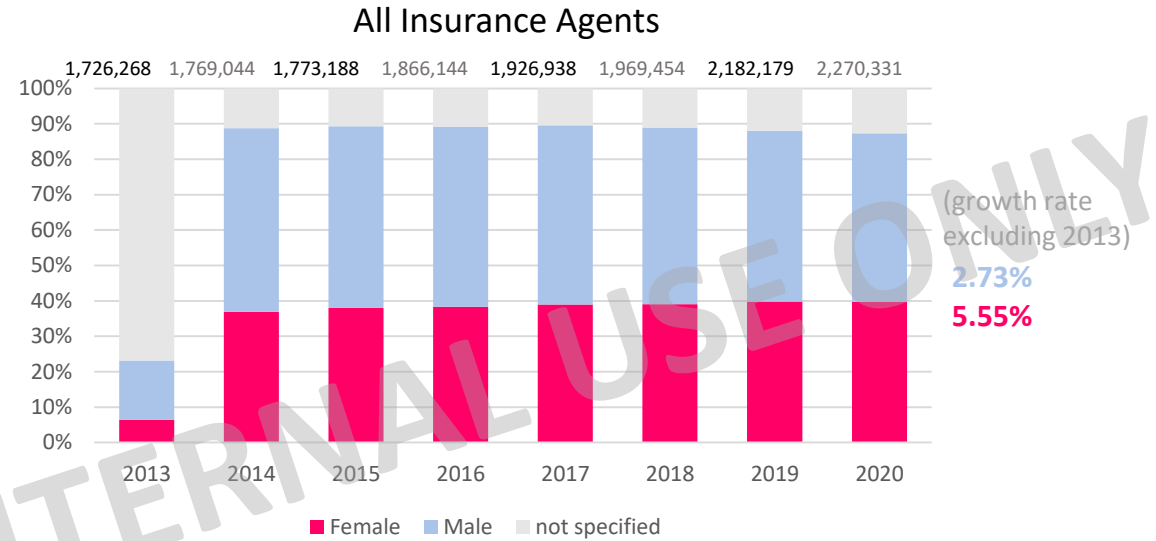
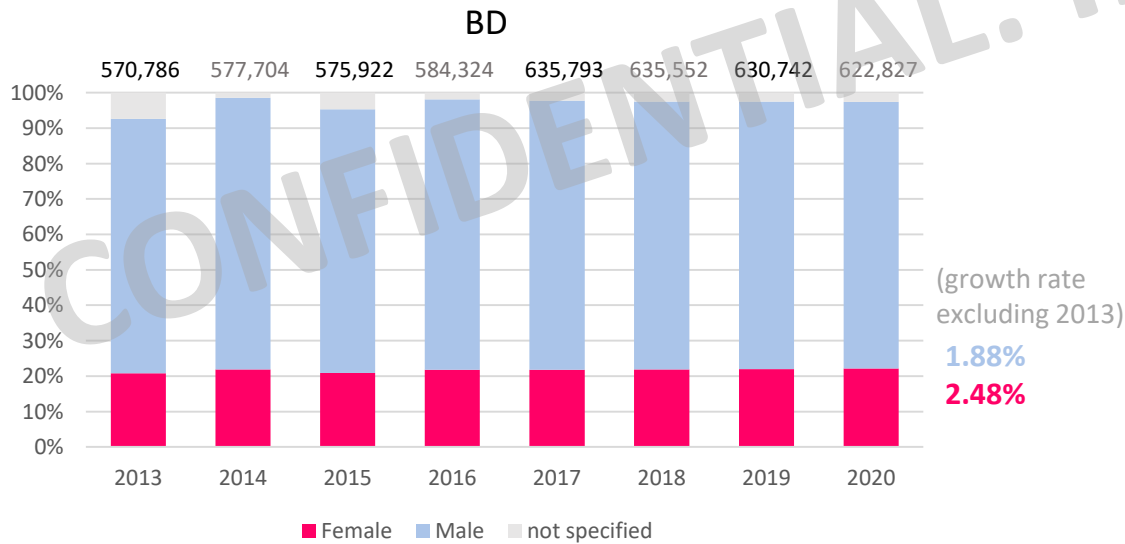
# Gender distribution of industry over time



2013\* seems to have some systematic data collection issues due to changes in their processes

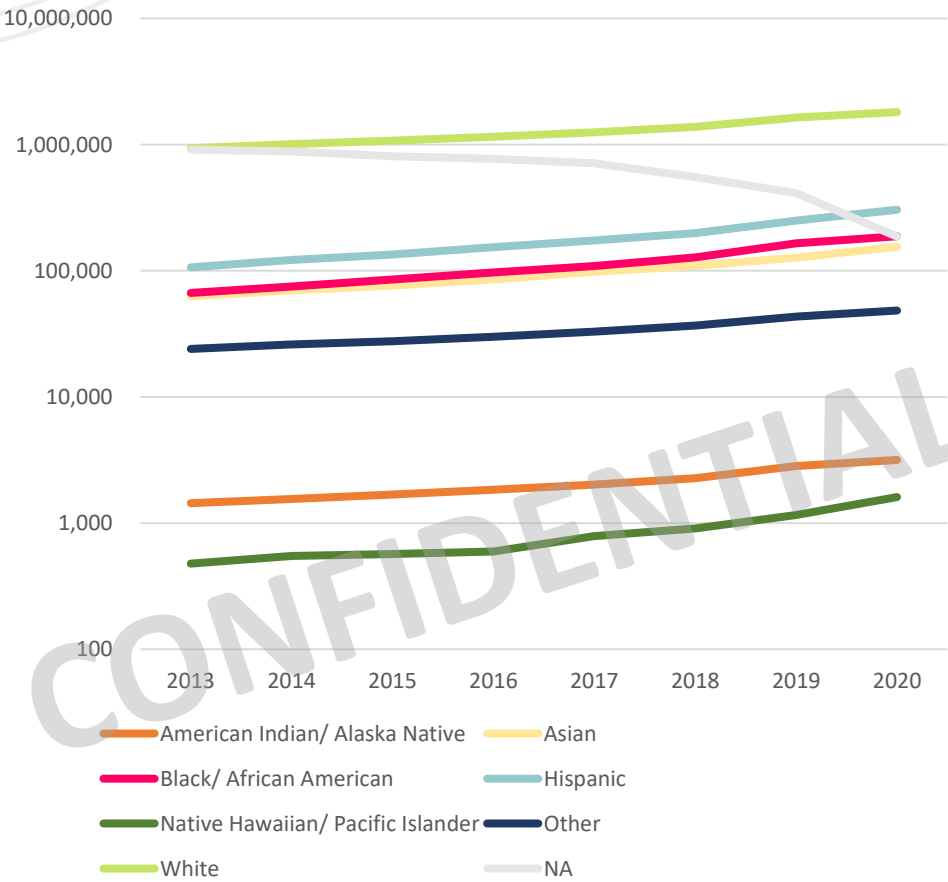
# Gender distribution by key Rep categories

- What gender distribution looks like in these three different areas



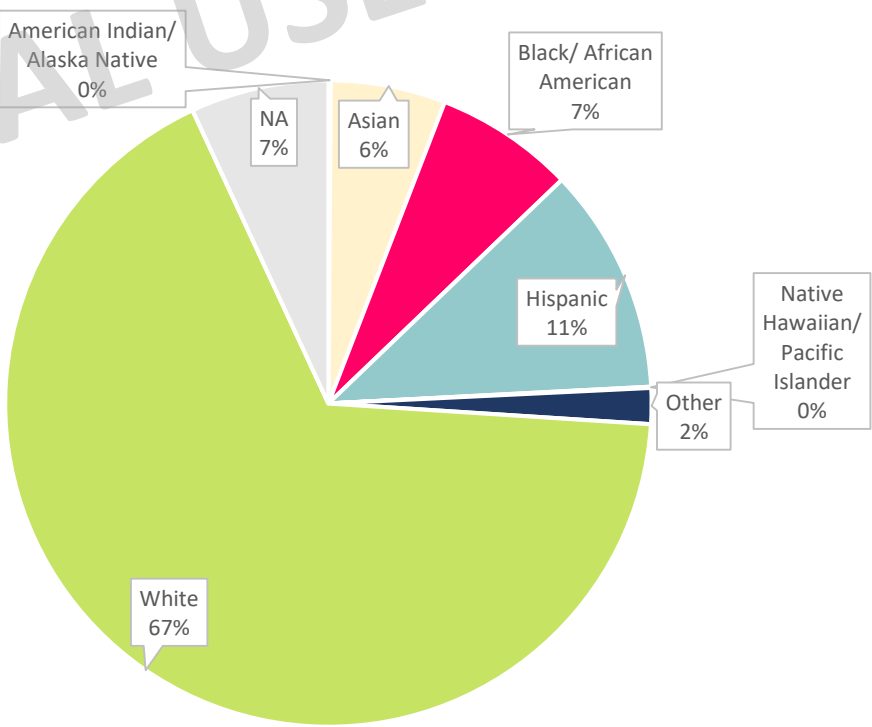
# Exploring Ethnicity: All Gender

Ethnicity from 2013-2020



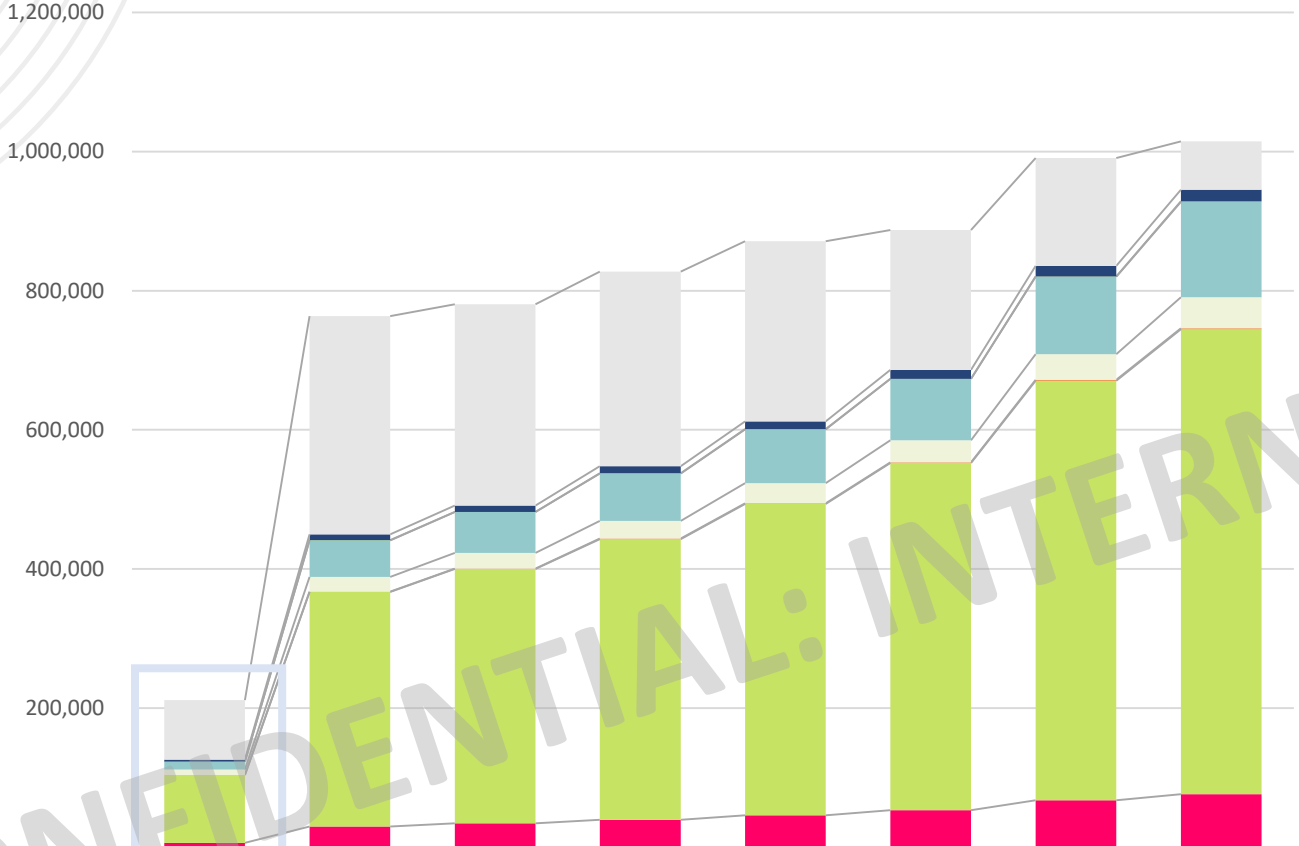
	Growth Rate
White	9.85%
Hispanic	16.22%
Black/ African American	15.93%
Asian	13.78%
Other	10.5%
American Indian/ Alaska Native	11.92%
Native Hawaiian/ Pacific Islander	18.97%

What ethnicity distribution looks like in 2020 in a pie chart





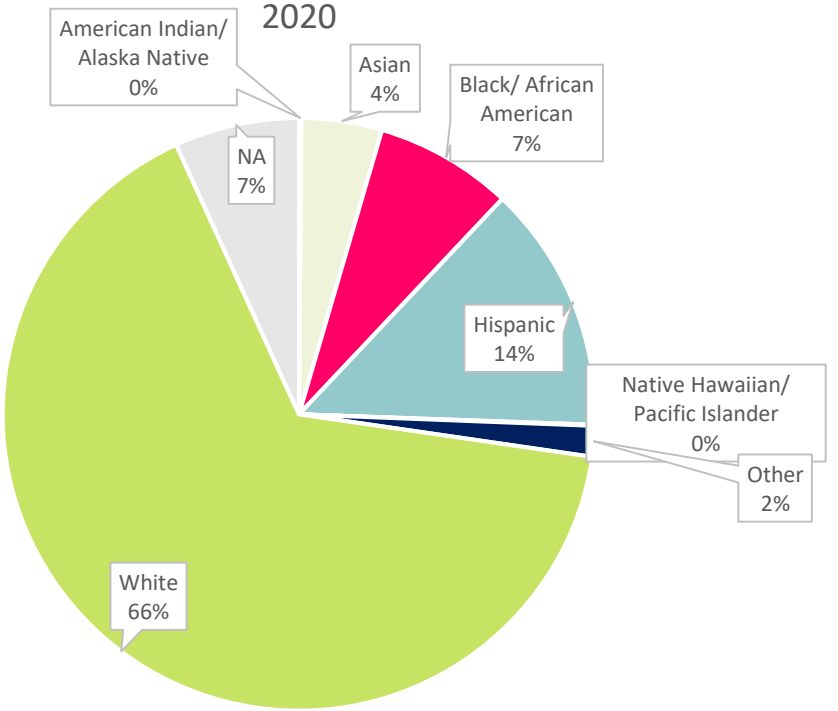
Ethnicity over time, Female only



	2013	2014	2015	2016	2017	2018	2019	2020
NA	85,436	313,902	289,074	279,703	258,626	200,899	154,597	68,986
Other	2,659	8,373	9,079	10,138	11,288	12,667	15,201	16,985
Native Hawaiian/ Pacific Islander	64	195	199	217	294	332	411	574
Hispanic	11,563	52,577	58,962	68,206	77,436	88,074	111,570	137,181
Asian	7,795	20,901	22,248	25,370	29,001	31,989	36,812	44,530
American Indian/ Alaska Native	161	617	673	747	835	933	1,184	1,322
White	97,204	337,084	365,366	403,504	447,119	498,871	603,112	668,477
Black/ African American	6,733	30,018	34,720	39,456	46,278	53,307	67,496	76,238

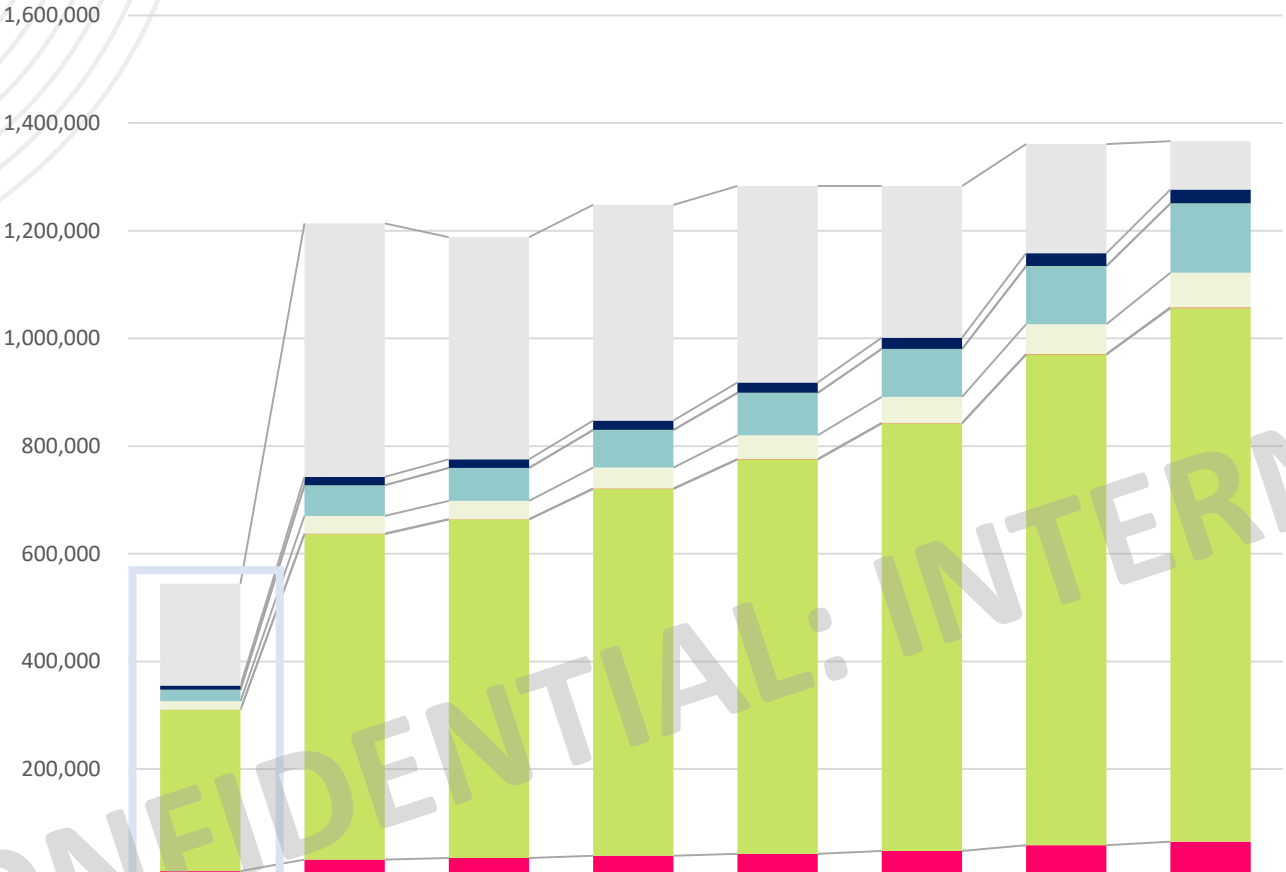
(growth rate excluding 2013)

	Growth Rate		Growth Rate
White	12.09%	Other	12.51%
Hispanic	17.33%	American Indian/ Alaska Native	13.54%
Black/ African American	16.81%	Native Hawaiian/ Pacific Islander	19.71%
Asian	13.44%		



2013\* seems to have some systematic data collection issues due to changes in their processes

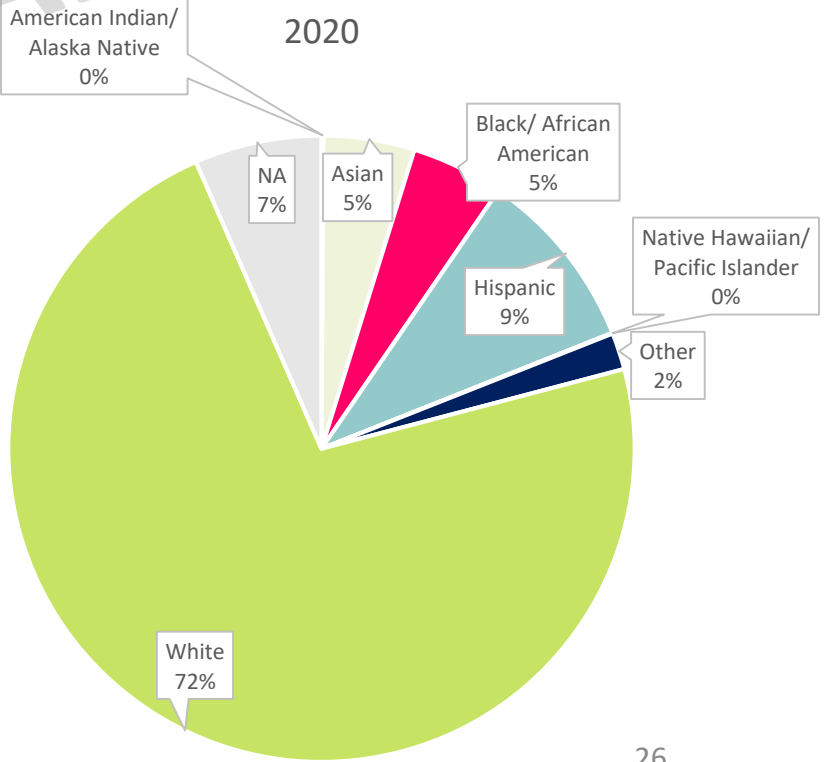
Ethnicity over time, Male only



	2013	2014	2015	2016	2017	2018	2019	2020
NA	189,079	470,478	412,514	400,549	365,006	281,825	202,782	89,701
Other	8,050	15,588	16,141	17,484	19,046	20,751	23,658	25,950
Native Hawaiian/ Pacific Islander	100	201	206	226	287	324	407	514
Hispanic	21,026	56,682	60,876	70,002	78,762	88,947	107,856	128,494
Asian	15,607	32,985	33,834	38,397	43,994	48,178	54,784	64,124
American Indian/ Alaska Native	337	787	848	933	1,023	1,119	1,304	1,437
White	299,638	604,817	629,041	681,627	732,405	794,223	911,262	991,188
Black/ African American	10,555	31,752	34,676	38,810	42,570	47,931	58,731	65,116

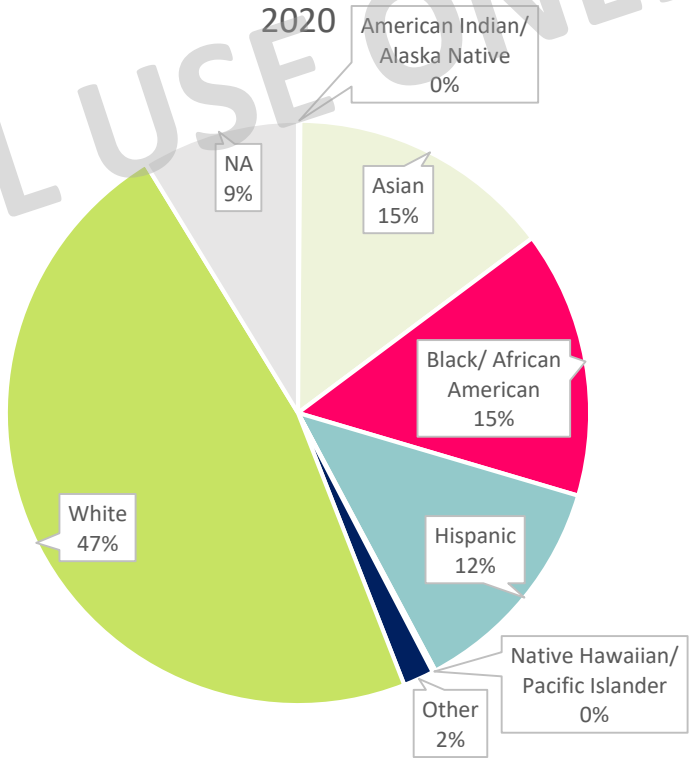
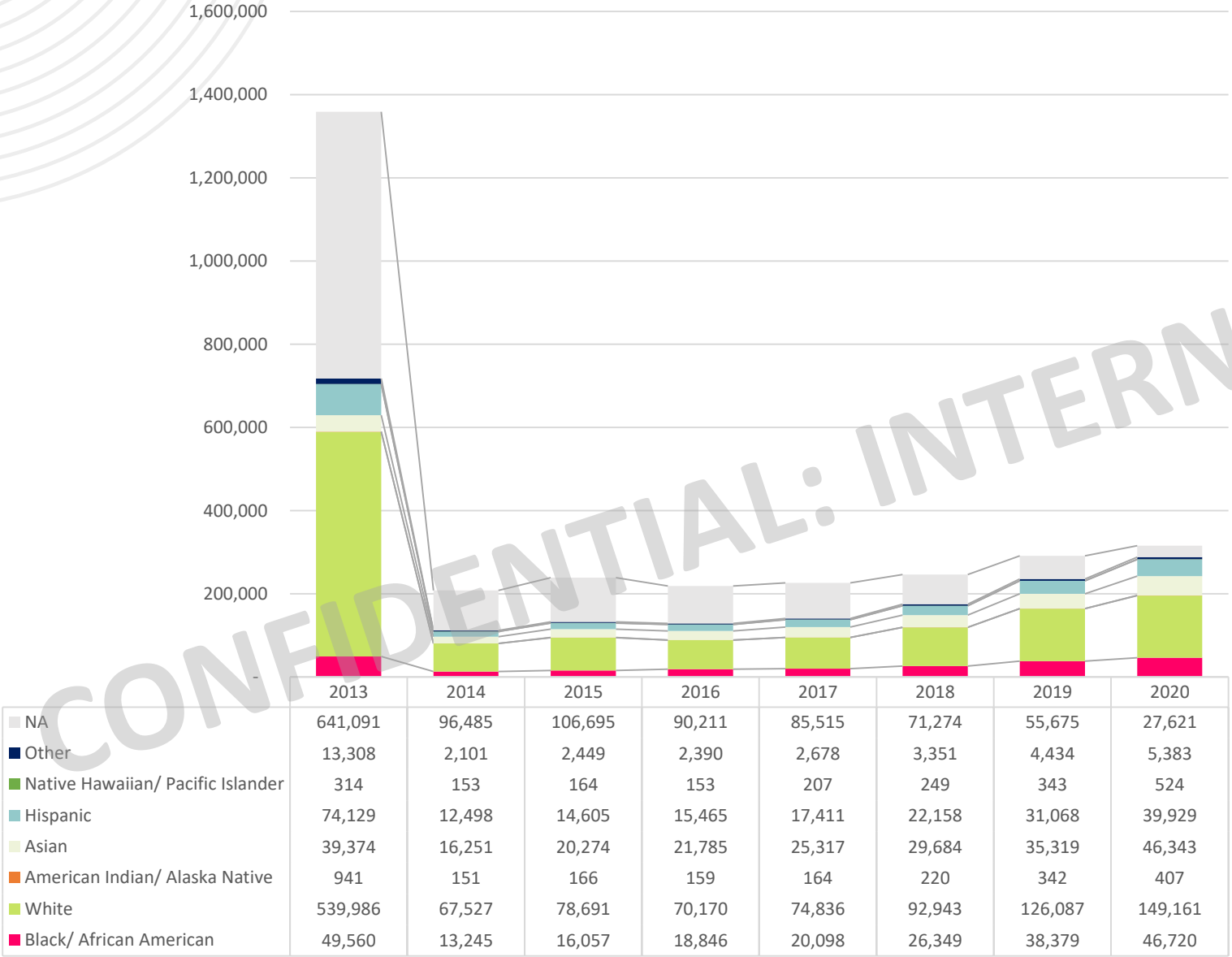
(growth rate excluding 2013)

	Growth Rate		Growth Rate
White	8.58%	Other	8.87%
Hispanic	14.61%	American Indian/ Alaska Native	10.56%
Black/ African American	12.72%	Native Hawaiian/ Pacific Islander	16.94%
Asian	11.72%		

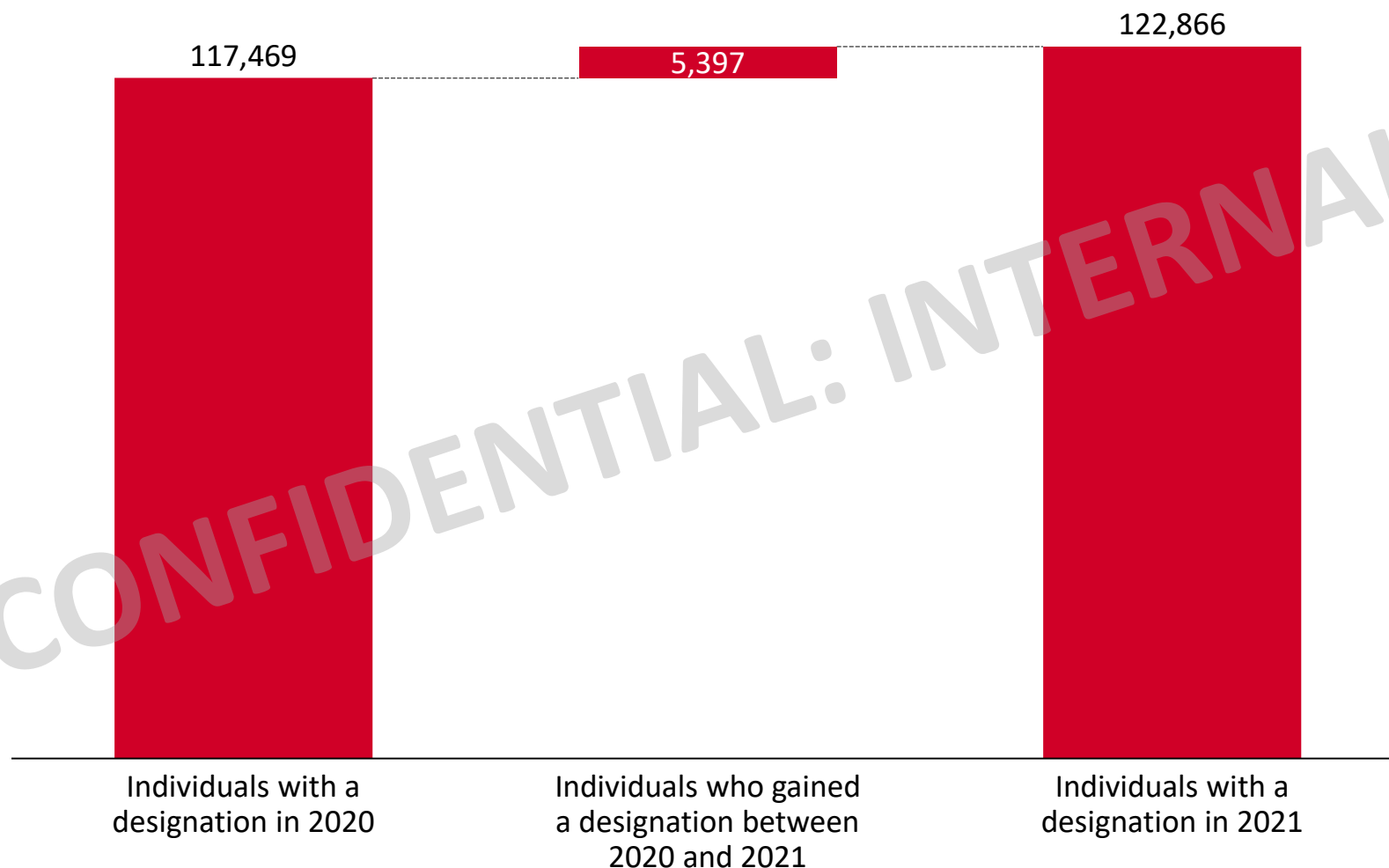


2013\* seems to have some systematic data collection issues due to changes in their processes

Ethnicity over time, Gender Not Specified



## Number of new individuals who got a designation between 2020 and 2021

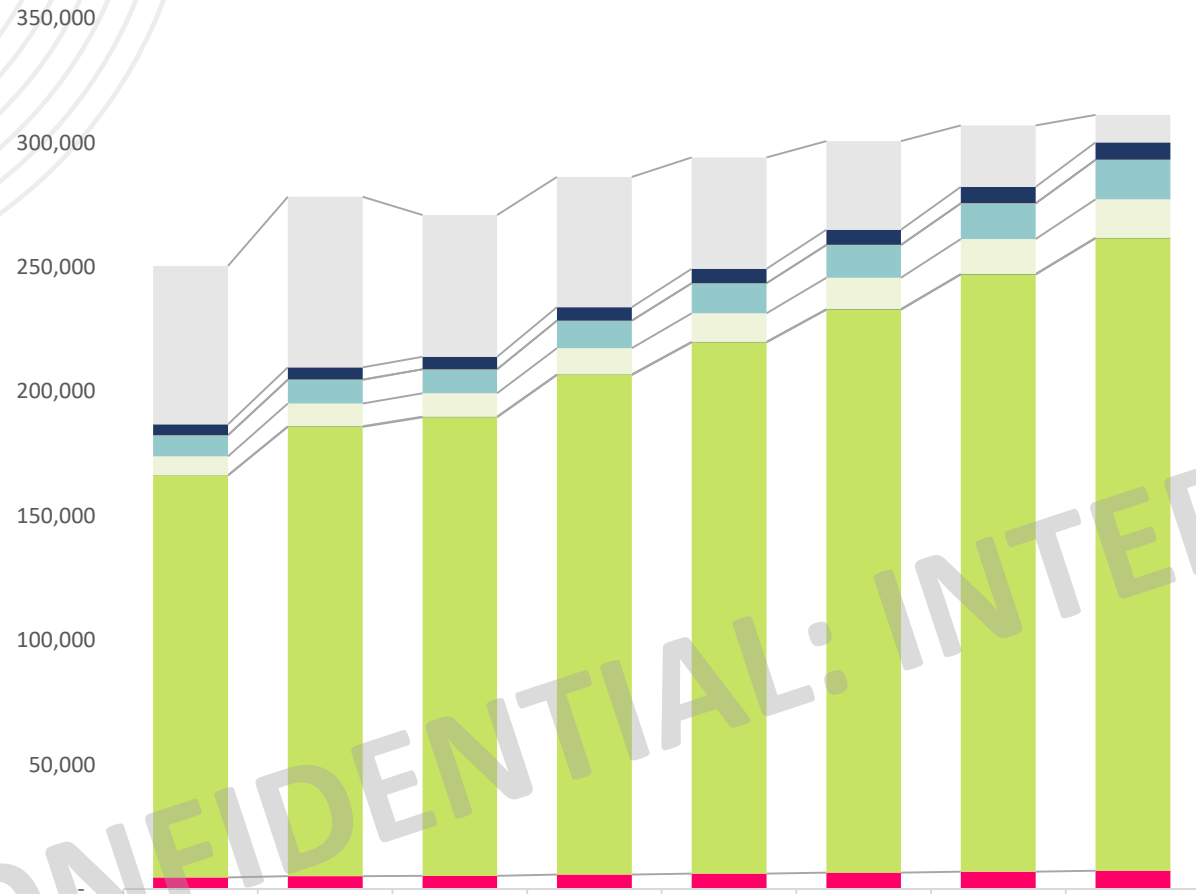


- ~5,400 new individuals got designations within the BD/RIA (and multi-registered market)
- In comparison, TAC had ~2,500 new alumni during this time period across all markets (including Insurance)

RIA only: Ethnicity & Gender breakdowns

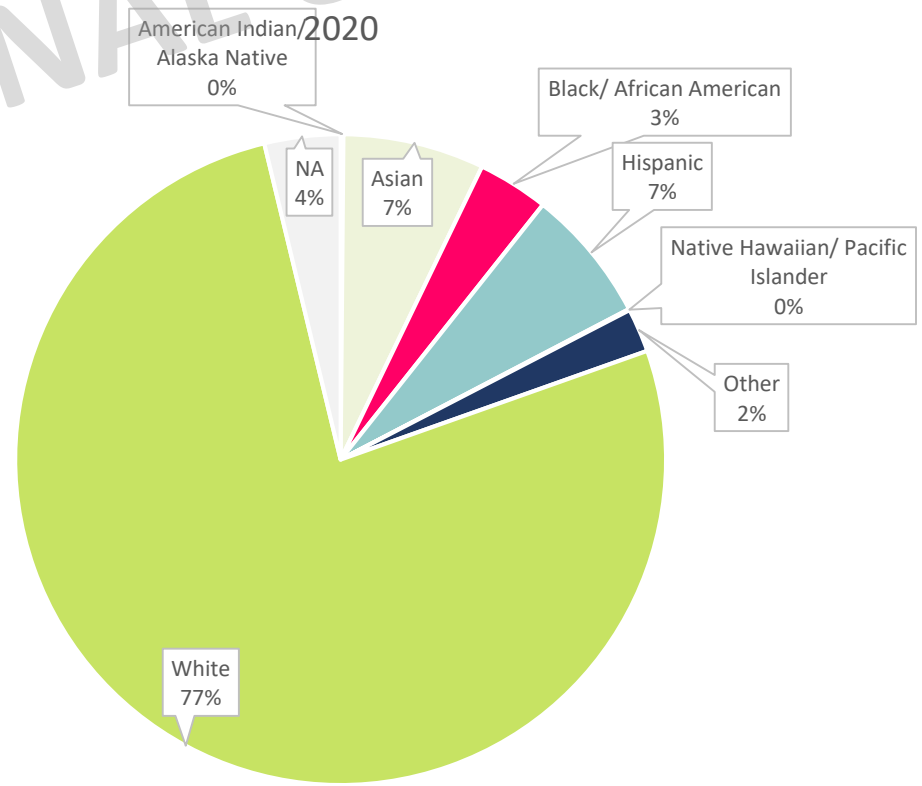
RIA

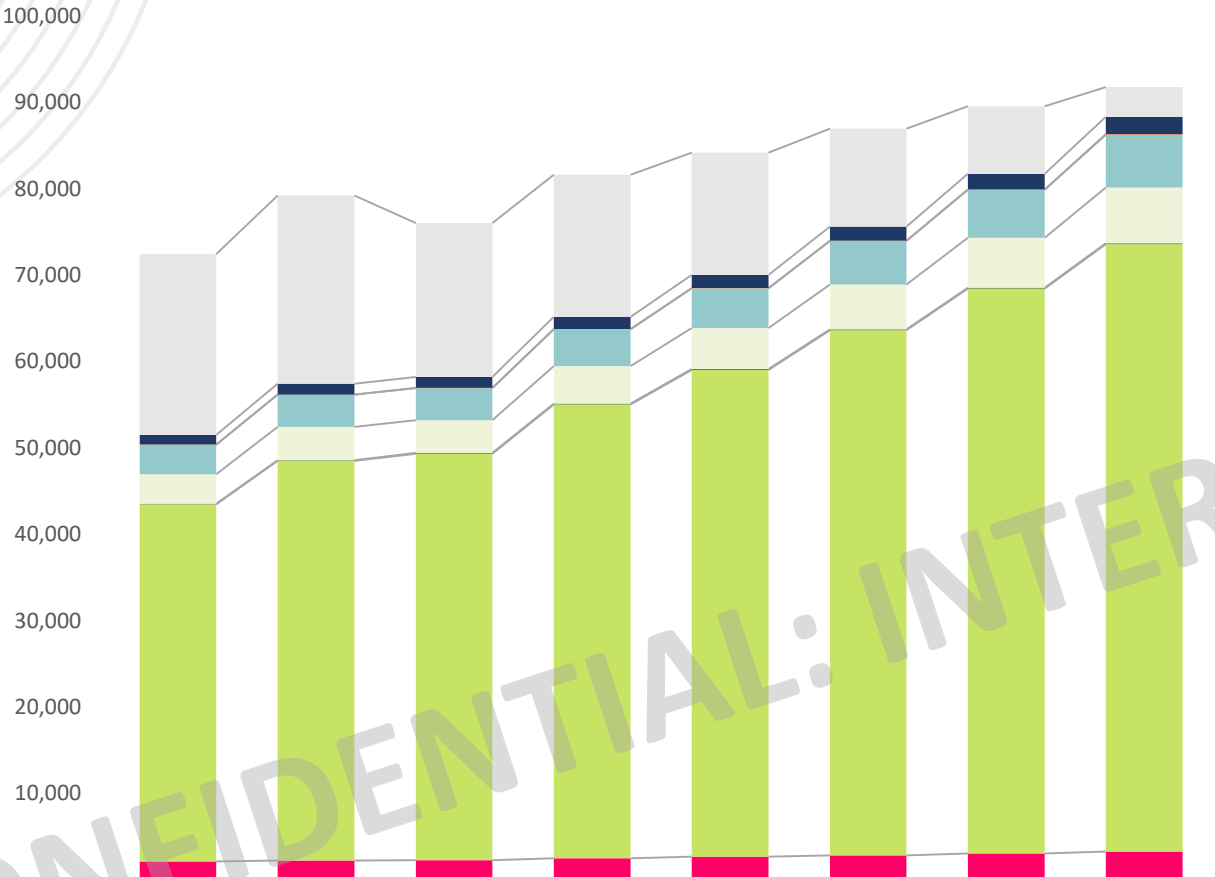
# Ethnicity over time, Male only



	2013	2014	2015	2016	2017	2018	2019	2020
NA	63,731	68,566	57,001	52,438	44,840	35,651	24,813	11,079
Other	4,327	4,932	4,930	5,390	5,720	6,105	6,531	6,963
Native Hawaiian/ Pacific Islander	58	68	69	77	76	82	93	99
Hispanic	8,443	9,547	9,708	10,950	12,064	13,132	14,334	15,805
Asian	7,610	9,151	9,393	10,597	11,466	12,647	13,940	15,389
American Indian/ Alaska Native	167	186	202	221	236	258	275	289
White	161,576	180,737	184,415	200,906	213,561	226,317	240,183	254,346
Black/ African American	4,654	5,119	5,236	5,785	6,193	6,555	6,906	7,276

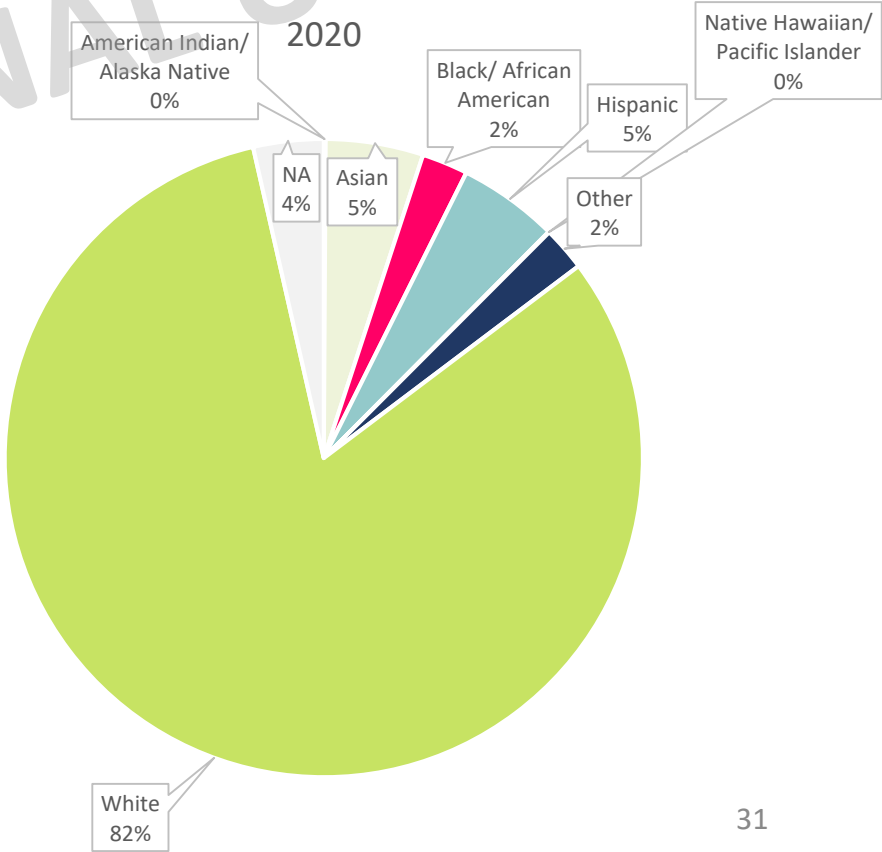
	Growth Rate		Growth Rate
White	6.7%	Other	7.03%
Hispanic	9.37%	American Indian/ Alaska Native	8.15%
Black/ African American	6.59%	Native Hawaiian/ Pacific Islander	7.94%
Asian	10.58%		



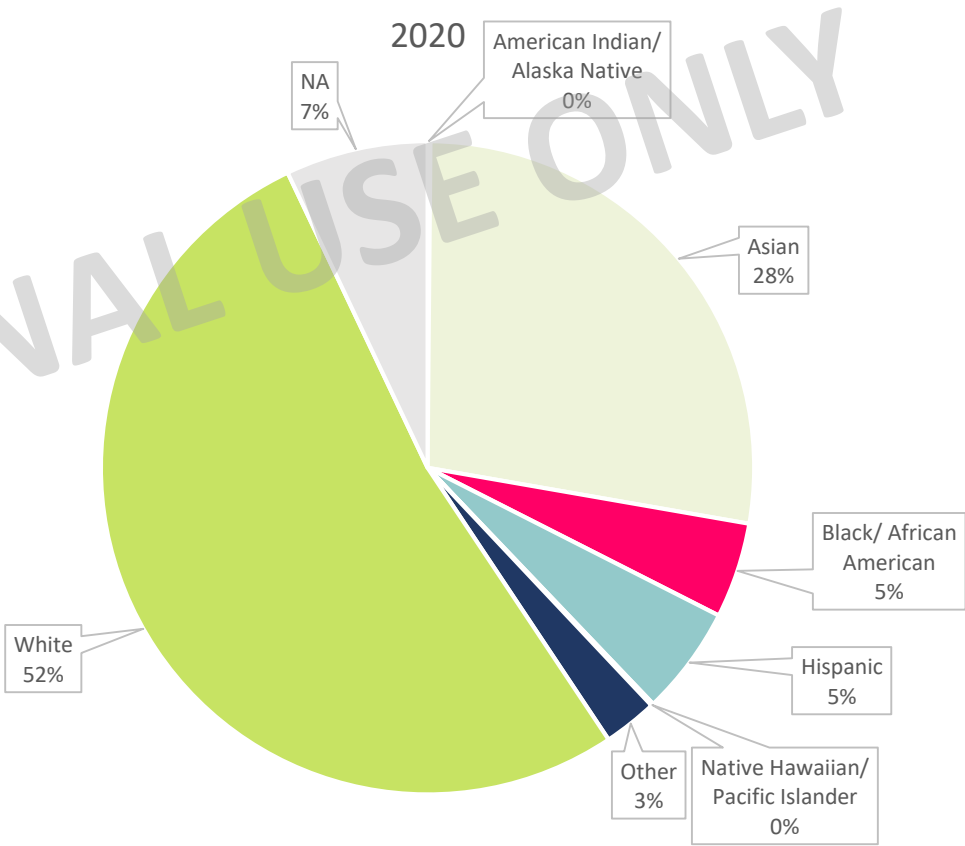
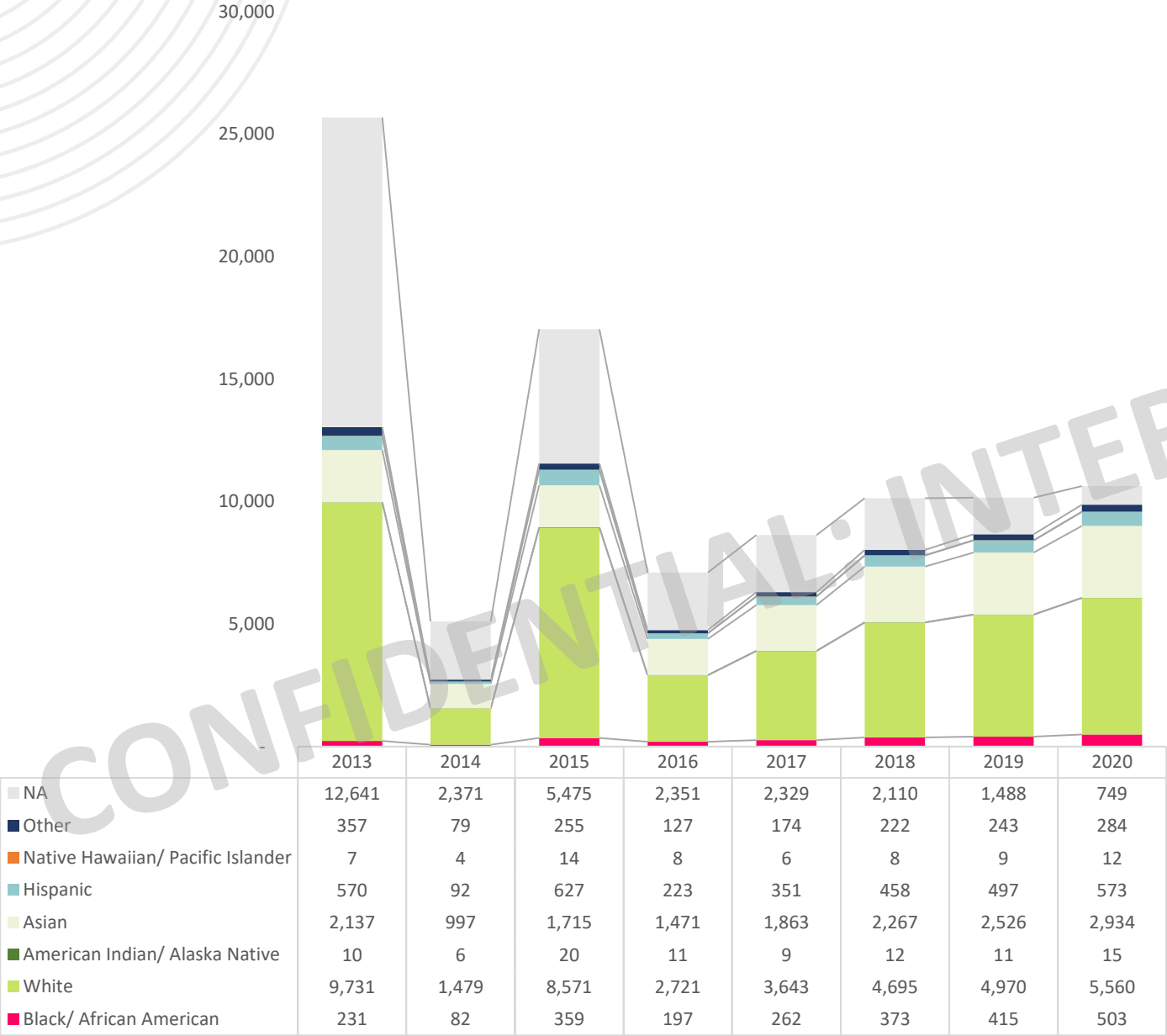


	2013	2014	2015	2016	2017	2018	2019	2020
NA	20,936	21,808	17,822	16,471	14,157	11,336	7,809	3,463
Other	1,126	1,245	1,258	1,403	1,500	1,642	1,819	1,996
Native Hawaiian/ Pacific Islander	26	31	31	41	44	45	48	53
Hispanic	3,419	3,727	3,712	4,260	4,617	5,042	5,567	6,119
Asian	3,406	3,868	3,806	4,347	4,745	5,200	5,764	6,444
American Indian/ Alaska Native	74	75	81	93	100	109	115	125
White	41,368	46,270	47,106	52,565	56,385	60,803	65,439	70,363
Black/ African American	2,098	2,217	2,225	2,465	2,642	2,807	3,006	3,232

	Growth Rate		Growth Rate
White	7.99%	Other	8.52%
Hispanic	8.67%	American Indian/ Alaska Native	7.78%
Black/ African American	6.37%	Native Hawaiian/ Pacific Islander	10.71%
Asian	9.54%		



Gender not specified Ethnicity Breakdown





## Where do people currently in RIA come from? BD?

- There are a total of 62,302 unique RIA Reps that are “Breakaway BDs” from 2013-2020
- They are from 4,951 different BD companies. Most of them are from LPL and Merrill Lynch as shown in the table on the right

Var1	Freq
LPL Financial LLC	2045
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1949
Purshe Kaplan Sterling Investments	1090
Charles Schwab & Co., Inc.	998
Ameriprise Financial Services, Inc.	959
Fidelity Brokerage Services LLC	917
Morgan Stanley	890
UBS Financial Services Inc.	811
Raymond James Financial Services, Inc.	801
Cambridge Investment Research, Inc.	774
Edward Jones	676
LPL Financial Corporation	650
Wells Fargo Advisors, LLC	633
J.P. Morgan Securities LLC	611
Citigroup Global Markets Inc.	564
MML Investors Services, LLC	522
Goldman Sachs & Co.	515
Northwestern Mutual Investment Services, LLC	510
TD Ameritrade, Inc	461
Securities America, Inc.	446

Showing 1 to 21 of 4,951 entries, 2 total columns



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