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# BRIDGING THE GAP: FIRM LEADERSHIP & NEXTGEN ADVISORS

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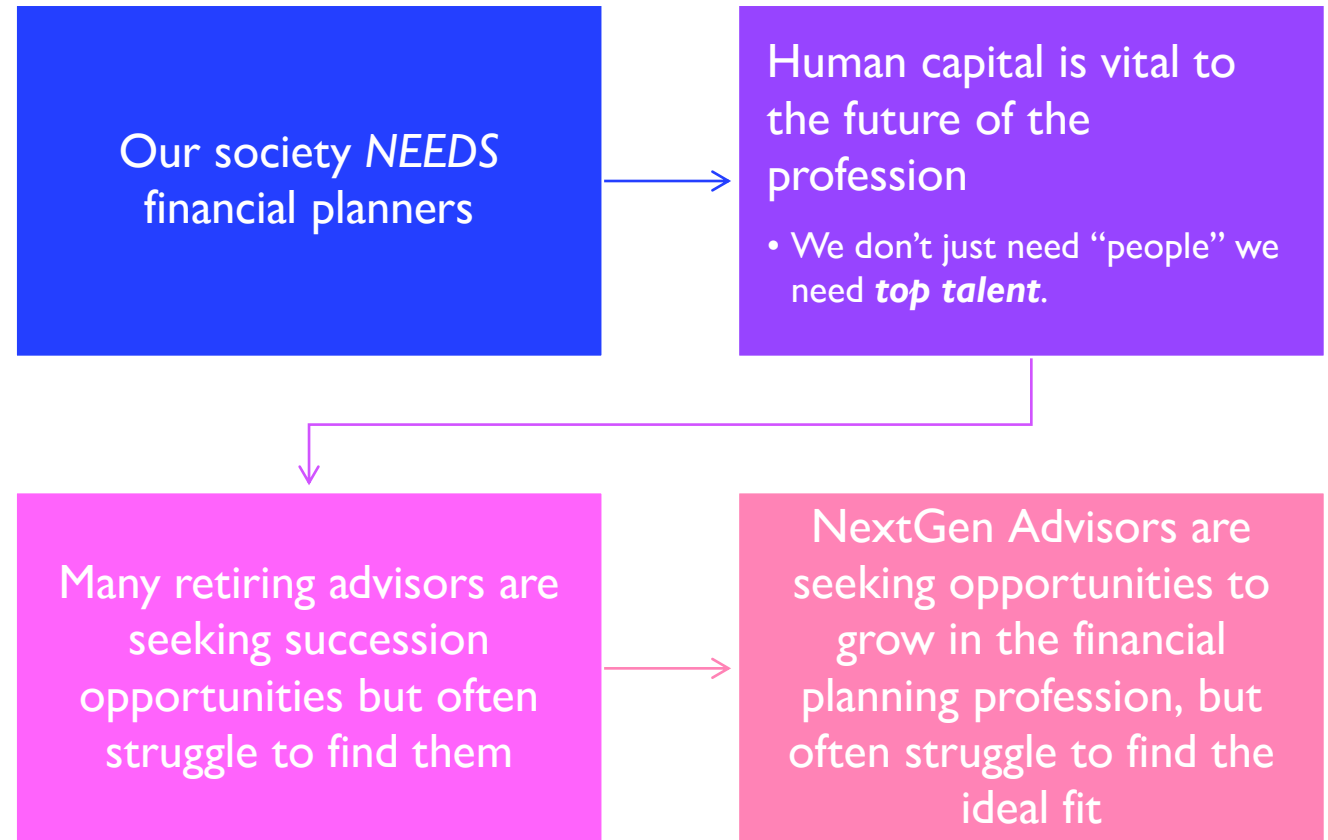
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# Where are we as a profession?

- The long predicted “Talent Shortage” has arrived
  - 45% of CFPs are over age 60
    - Improving, but not quickly enough!
  - Cerulli Report suggests that roughly 40% of advisors will retire over the next decade
- The retention problem
  - Cerulli Report suggests a 72% rookie advisor failure rate
  - Does business model impact this? Yes.

*Antidotally, there are more opportunities than qualified candidates*

# Why is this so important?



# What do firm owners want from NextGen Advisors?



Maturity

Accountability

Humility

Curiosity

Attention to Detail

Respect

Problem-solving

Empathy

Independence

Growth

Intelligence

Persistence

Patience

Capacity

Wisdom

Hunger

Grace

Passion

An Ownership Mentality

# What are NextGen Planners seeking?

Opportunity  
Clarity  
Responsibility  
Mentorship  
Fulfillment  
Growth  
Client-facing  
Flexibility  
Professional Development  
Guidance  
Career Path  
Compensation  
Education  
Autonomy  
Respect  
Equity?

# Why do employees leave their current job?



## Herber's & Company 2022 Study

- Dislike Leadership
- Burnout
- Lacked Fulfillment
- Lacked Flexibility

## The antidotes I hear most often from NextGen Advisors?

- “I’ve hit my ceiling here”
- “I don’t see a path for growth”
- “I’m not being challenged”
- “Someone else reached out to me about...”

# What do Advisors say about NextGen?

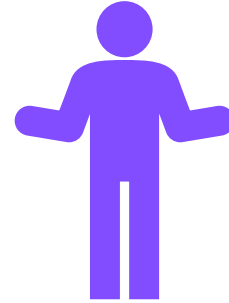


## The good

Often well-prepared technically

Assist in improving the firm's technology/"techstack"

"Energetic, passionate, aware"



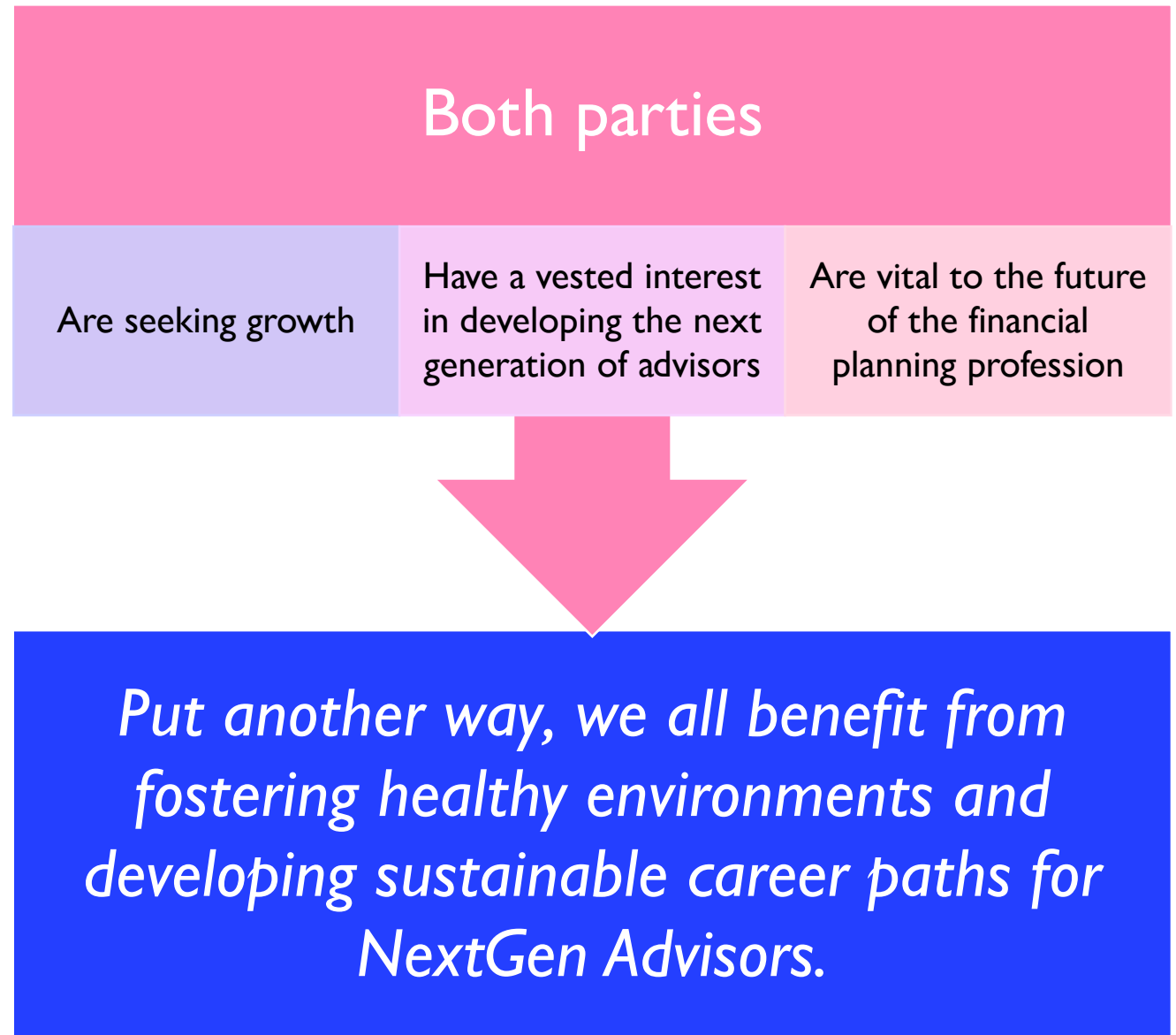
## The Bad

"Impatient, entitled, ungrateful, short-sighted, too informal"

Often lacking emotional intelligence

Professional development may need refinement  
(I repeat, informal)

# Groundwork for Inroads





# ACCOUNTABILITY VS. ENTITLEMENT

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# Developing Markers of Accountability

- Address differences in expectations up front
- Defined career paths matter
- Create impersonal standards
- Identify priorities and conceptualize a future that aligns with the goals of the firm and the new hire
- Create a timeline
  - What does the new hire need to accomplish at each stage in their development? What must they demonstrate before they are handed additional/new responsibilities?

# Accountability Continued...



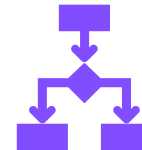
Schedule “check-ins”  
and stick to them



Seek and provide  
feedback



**Keep** the standards  
impersonal



Be prepared to re-  
evaluate and adjust



Using compensation  
as a reward



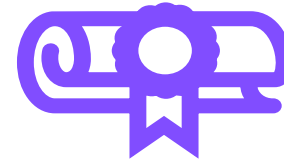
**DIFFERENTIATING  
BETWEEN  
INFORMATION &  
WISDOM**

# Information



**Webster's Definition: "knowledge obtained from investigation, study, or instruction"**

**How does that convey from the classroom to the client meeting room?**



**Graduates from financial planning programs are starting their careers with more technical "textbook" knowledge than any previous generation of planners**

*Creates challenges AND opportunities for all parties involved*

# Wisdom



Webster's Definition: ability to discern inner qualities and relationships

Comes from life experience... "Time in the seat"



How do we accelerate this to optimize the profession's human capital?

Observing meetings

Explain, de-brief, improve.

Help NextGen understand the "why"

# Balancing Patience & Ambition *For* *NextGen* *Advisors*

Avoid the comparison trap

- *Don't compare your game film to everyone else's highlight reel*
- Get active the profession – it's reenergizing!

Like the client-planner relationship, it's all about trust

You have decades ahead of you...

Look for opportunities to add value

- Managers: encourage & reward this behavior!

Age-old advice is still true...

# On attracting new talent into the profession...



Understand *why* NextGen Advisors are choosing this profession



Building trust in our institutions



The narrative: “*Advicers*” engaged in the *ultimate helping profession*

Who do we impact?



A cohesive vision for the future



# Room for optimism

Firms continue to refine career paths, titles, compensation programs, etc.....

- CFP Board data
- Plethora of salary surveys now available

NextGen Advisors are receiving better information about the profession

Retention for “Advicers”

- VT CFP graduates are staying in planning

# A few additional ideas...



## For Firm Owners:

Cultivate "buy in"

- Fantasy sports, bowling, book clubs, including spouses, etc.....

Network with professionals who spend time with NextGen Advisors

- Program directions, NextGen/Genesis leaders, recruiters, etc.....



## For NextGen Advisors

It's a marathon, not a sprint

Become a master of preparation

Formalities matter

Ask questions, but do so with humility

Hint: They may have thought of that already!

Don't be afraid to do the dishes!

# QUESTIONS?

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