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PRESS RELEASE

Premiere Annual Study Shows Firms Maintaining Commitment to Their People Despite Struggling to Contain Expenses

Tacoma, WA (November 3, 2009) – Coming off an 18% fall in assets under management during 2008, the typical independent advisory firm owner anticipates 2009 revenues will decline 2% in 2009. This compares to just 5% revenue growth in 2008, according to the inaugural *2009 FA Insight Study of Financial Advisory Firms: People and Pay*.

The study, released today by FA Insight and exclusively sponsored by TD AMERITRADE Institutional, a division of TD AMERITRADE Holding Corporation (NASDAQ: AMTD), further reveals that the inverse relationship between the direction of firm revenue (down) and firm workload (up) placed upward pressure on expenses, particularly overhead costs, during the latter half of 2008. The average 45% in overhead expenses as a share of revenue for the study's participating firms in 2008 was 10 or more percentage points above what is the norm for a typical well-run firm in less testing times.

Despite recent challenges most firms remain steadfastly committed to their people. The typical participating firm expects to maintain the same level of five staff members in 2009 that the firm maintained in 2008 and 2007. Just 8% of firms plan to let staff go in 2009 as a result of weak financial performance. On average, firm owners are anticipating a 3.5% *increase* in staff for 2009. In addition, while most owners do not anticipate any 2009 adjustments to salaries as a result of economic conditions, of those that do plan to make a change, more say they are apt to be raising salaries than decreasing them.

In 2008 about three of every four dollars spent by advisory firms was related to compensating or developing people. A firm's human capital is much more than simply a cost, however. Eliza De Pardo, FA Insight's Director of Consulting and a co-author of the study emphasizes, "Whether in good times or bad, human capital must be viewed as an asset that is constantly invested in, nurtured, and allowed to grow in order for firms to enjoy long-term success."

The *People and Pay* study reveals that the industry's best firms, referred to as Standouts, clearly recognize this. Standout firms are putting people first and getting the most from people as a result. For example, Standouts are taking advantage of a suddenly available talent pool and adding staff instead of cutting back. Further, Standouts are more likely to make formal training programs available to their staff.

According to Dan Inveen, the Director of Research at FA Insight and a veteran manager of many leading industry research initiatives: "The study's Standouts are a shining example of the benefits that can be achieved through disciplined people practices, particularly the way these firms continue to build their organizational structures, compensation plans, and staff development practices despite market conditions.

Adds De Pardo, "Standout Firms have systems and processes in place that allows their professionals to delegate non-essential work and stay focused on revenue generation, yielding more overall production out of a dollar's expenditure on labor."

"People are the engine that will drive client satisfaction, retention, business efficiency and ultimately the financial performance of an advisory firm," said Tom Bradley, president, TD AMERITRADE Institutional. "The *People and Pay* study is filled with actionable insights that firms can use to build a strong foundation of talented and skilled people. We are excited to work with the FA Insight team to provide this important resource to help business owners manage their human capital and move their practices to the next level."

In addition to offering consultative prescriptions for success based on current industry trends, *People and Pay* also provides advisory firm owners with a host of critical data for benchmarking their firms against peers. Included are metrics relating to firm financials and operating performance as well as compensation and other data specific to positions within an advisory firm.

About the Study

The 2009 FA Insight Study of Advisory Firms: People and Pay survey, which was administered exclusively online, fielded between May 1 and June 29, 2009, with participation promoted through a strategic relationship with *Investment Advisor* magazine. Participating firms invested 45–60 minutes of their time to complete the survey. They were required to provide a thorough financial statement, detailed information on up to 33 advisory firm positions and the individuals that fill them, and answer 37 questions relating to the firm's human capital practices and operational characteristics. Of more than 350 firms initially responding to the survey, two hundred met study standards for a complete submission. Eligibility criteria included being in business for at least one year, and earning a minimum of \$75,000 in annual gross revenue. The study can be purchased for \$250. For ordering information, please visit www.fainsight.com or call 1-206-826-4382.

About FA Insight

FA Insight is both a consulting and a research firm that works exclusively within the financial services industry. Our clients represent every type of marketplace participant, including individual advisory firms, custodians, broker-dealers, trade and professional associations, fund companies, banks, and accounting firms.

We provide clients with actionable insight that is based on a powerful combination of unique marketplace data, consulting and analytical expertise, and deep knowledge of financial advisors and their business environment. Core services focus on: performance benchmarking, “best practices” research, strategic business planning, and human capital management.

The industry’s leading firms depend on FA Insight for valuable, reliable benchmarking information and advice on how to address key management issues. For details concerning how we can help you, please visit the FA Insight Web site at www.fainsight.com.

About TD AMERITRADE Institutional

TD AMERITRADE Institutional is a leading provider of comprehensive brokerage and custody services to over 4,000 fee-based, independent Registered Investment Advisors and their clients.¹ Our advanced technology platform, coupled with personal support from our dedicated service teams, allows investment advisors to run their practices more efficiently and effectively while optimizing time with clients.

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