

Wealth Magazine of  
WealthManagement.com  
Management

2025

# Market Outlook



# Why Succession Planning is More Important Than Ever

By Mark Schoenbeck  
**KESTRA FINANCIAL**

**The wealth management industry** is facing a demographic shift, making succession planning more urgent. Analysts project that in the coming years, a massive wave of U.S.-based financial advisors, managing trillions in client assets, will retire. The implications are vast, particularly for independent advisors who may not have the built-in infrastructure to handle transitions smoothly.

Here's why independent advisors must prioritize succession planning—for their clients and also for the sustainability of their own businesses.

## 1. Aging Workforce and the Talent Gap

A large number of financial advisors in the US should be planning their exits within the next 10 to 15 years. Unfortunately, fewer young professionals are stepping into these roles, creating a talent gap.

Without a solid succession plan, independent advisors may struggle to find qualified individuals to take over. This can lead to rushed, poorly executed transitions or worse, leaving clients without adequate support.

Instead, advisors should practice what they preach to their clients—leading with planning. By identifying and training a successor early, advisors can ensure that their clients' needs are met seamlessly, even after they step away from the business. This is something that takes time—and more than people expect! It's important to start now.

## 2. Ensuring Seamless Client Experiences

Advisors often sacrifice their own planning because they are too busy helping their clients. But by planning early, independent advisors can manage their exit on their own terms, protecting both their business value and their clients' financial futures. A well-executed succession plan allows the retiring advisor to exit with confidence, leaving their clients in capable hands.

## 3. Client Continuity and Trust

Clients rely on their financial advisors not just for wealth



management, but for long-term guidance through various life stages. The thought of losing an advisor without a clear transition plan can be unsettling for clients, particularly those with complex financial situations or those nearing retirement themselves. Further, clients may be too nice to ask, but they are also

wondering what happens to them if something happens to their advisor. Succession planning is a way for independent advisors to reassure their clients that they will be cared for, no matter what happens.

## 4. Maximizing the Value of Your Business

For many independent advisors, their business represents a lifetime of hard. It's not just a job—it's their legacy. However, when an advisor retires without a clear plan in place, the value of their business can plummet. Clients may leave, and potential buyers or successors may not see the same value in a business that lacks an orderly transition. By planning for succession, independent advisors can maximize the value of their business.

## No Longer a Nice to Have

Succession planning is no longer an option for independent advisors, it's a necessity. With an aging workforce and fewer young professionals entering the industry, the time to plan for the future is now. Independent advisors who take proactive steps today will be better equipped to handle tomorrow's challenges, ensuring their clients—and their firms—are in good hands for years to come. ■

*Mark Schoenbeck, EVP, is Head of Advisor Engagement at Kestra Financial.*

[Learn more at www.kestrafinancial.com.](http://www.kestrafinancial.com)



— 10<sup>TH</sup> ANNUAL —  
 2024<sup>Wealth</sup>Management.com  
 Industry Awards  
**Finalist**