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How to Recruit Gen Y Advisors

Are advisors getting it wrong on recruiting and hiring? A new report out from Pershing finds a gap between what advisors say they ought to be doing and what they're actually getting right.

The firm's Study of Advisory Success quizzed a variety of advisors (from RIAs, wirehouses, independent broker-dealers and more) about how their practice was doing, and asked what factors were contributing to their success (or lack of it). "The biggest gaps we saw were around human capital," said Kim Dellarocca, a Pershing director who runs segment marketing and practice management.

When asked what strategies would make them more successful, more than three-quarters of the advisors surveyed said "having the right team of people" was critical. But reality fell short: Only 59% of advisors who said their firm's own performance was improving said they currently had the right team in place -- and only 39% of those who were struggling said they had the right team.



FOCUS ON YOUNGER ADVISORS

To that end, the Pershing report also looked at generational differences and offered hiring and recruiting tips for advisors seeking to build out their teams.

In addition to technological savvy, younger advisors also think of themselves as more organized and more team-oriented than their older peers. They also look for structured training and development paths, said Cam Marston of Generational Insights, a generational consultant who spoke at the Pershing announcement.

"Most firm leaders are boomers, and when they are recruiting, they tell their stories," emphasizing the firm's history, said Marston. That could be a deal-breaker for younger advisors, he pointed out: "They want a message based on their future."

RECRUITING STRATEGIES

Pershing offered a few key points of advice for advisors looking to enhance their own recruiting:

- **Develop a recruiting strategy:** Think strategically about how to attract and hire younger talent. Also consider developing career paths for firm support staff.
- **Focus on staff development:** Gen Y wants strong coaching, mentoring and development -- and you need to develop the kind of lieutenants who can help you focus on your most important clients. A development plan can help firms with both recruiting and staffing needs, the report said.
- **Get the right technology:** In addition to making your firm more attractive to younger job candidates, greater automation may help "reduce the impact of advisor shortages," the report said.