CATCHLIGHT®

2025 RIA GROWTH MARKETING PROFICIENCY REPORT

A Comprehensive Study of How Marketing Teams are Driving Growth in the Country's Top RIAs.

2025 RIA GROWTH MARKETING PROFICIENCY REPORT

A Comprehensive Study of How Marketing Teams are Driving Growth in the Country's Top RIAs.

EXECUTIVE SUMMARY

This report covers the findings of a qualitative study of a representative sample of the marketing teams of Barrons 2024 Top 100 RIAs

The study determined that RIA marketing teams fall into one of four Growth Marketing Proficiency Profiles:

- **LEVEL 1: Marketing Generalists**
- **LEVEL 2: Multidisciplinary Teams**
- **LEVEL 3: Growth-Focused Explorers**
- **LEVEL 4: Data-Driven Masters**

Level 1 and 2 RIAs did not grow organically. Level 3 and 4 RIAs did.

5 marketing attributes of RIAs who are successfully driving organic growth included:

- **Growth accountability mindset with regards to marketing**
- **Prioritizing growth marketing expertise over traditional marketing roles**
- **Intentionally investing for marketing impact**
- **Data-driven with specific funnel metrics and always optimizing**
- **Strategic alignment with and representation in firm leadership**

Private equity ownership strongly correlated with growth marketing investment and sophistication, indicating that external accountability may be a catalyst for market leading organic growth rates.

There's a clear correlation between M&A activity and organic growth. Even outside of "aggregator" firms, those with more acquisitions had more organic growth than those without.

Understanding growth marketing metrics can allow you to predict ROI based on spend.

There are modern marketing practices that growing firms are focusing on that non-growers are not.

FOREWORD

BY WILBUR SWAN, CEO AND CO-FOUNDER OF CATCHLIGHT

Growth is the lifeblood of every wealth management firm and yet, for many RIAs, achieving meaningful organic growth feels harder than ever. The market has been generous, and M&A has been a powerful accelerant, but neither can substitute for the kind of sustainable, client-driven growth that builds enterprise value and resilience over time.

At Catchlight, we understand the challenge. Marketing leaders in this industry are being asked to do more than ever before: generate awareness, drive leads, prove ROI, and deliver measurable impact—all while navigating a rapidly evolving landscape of technology, data, and client expectations. For CEOs, the mandate is clear: growth must happen, but the path forward is often anything but.

This report shines a light on what separates firms that are growing organically from those that are not. The difference isn't size or brand prestige, it's focus. Firms that treat marketing as a true growth engine, invest intentionally, and hold their teams accountable for measurable outcomes are the ones that win. They don't just rely on intuition; they leverage data, technology, and expertise to help build scalable systems that convert prospects into clients efficiently and predictably.

The findings here are both sobering and encouraging. Sobering, because many RIAs still operate with marketing models that cannot deliver the growth they seek. Encouraging, because the path to improvement is achievable. It starts with a mindset shift: marketing is not a cost center; it is a growth driver. It requires investment in the right talent, tools, and partners. And it demands a commitment to measurement and optimization, so every dollar spent moves the firm closer to its goals.

At Catchlight, we believe that data-driven insights and consultative partnership can transform how RIAs grow. By helping firms prioritize the right prospects and optimize their marketing strategies, we aim to make growth not just an eventual possibility, but accelerated certainty.

If you're a CEO or CMO reading this, know that you're not alone and that true organic growth is possible when it becomes a shared, strategic priority. We hope this report provides clarity, inspiration, and a roadmap for what comes next.

INTRODUCTION

Defining the RIA Growth Marketing Proficiency Model

By Mary Kate Gulick, MA

When we initially developed the idea for this research, the goal was simple. We wanted to uncover which RIA marketing teams were driving real organic growth for their firms, what attributes, philosophies and practices those teams exhibited, and how they compared to the teams that were not driving organic growth. And when it comes to RIAs showing organic growth, what better place to start than with the Barron's Top 100 RIAs? So, I set about the task of interviewing and surveying a cross-section of that population.

Sounds simple, right? I thought so.

It wasn't. Across wealth management enterprises, marketing teams are tasked with dramatically different jobs, provided varying levels of resources and strategic input, and expected to produce wildly divergent results. It's often less like comparing apples to apples, and more like comparing apples to zucchini. And there's a reason for this.

Within the wealth management industry, we make the mistake of thinking of growth marketing as a singular discipline. It's not. It's more like 20 disciplines rolled into one neat moniker. What we call "marketing" today has evolved dramatically from what it was 20, 10 or even five years ago. And the expectations attached to marketing leaders in wealth management — especially with the introduction of private equity investment and guidance into the space — have shifted even faster.

Where a marketing leader's job was once to generate brand awareness (a nebulous and largely unmeasurable goal that one could never really fail at), now many marketing teams are expected to generate brand awareness, leads, revenue, and measure how it's all being done.

And while the expectations of marketing's abilities have shifted, the understanding of the resources required to produce new and exciting growth outcomes often haven't kept up. The talent, technology, and partners needed to push revenue growth forward and measure marketing ROI effectively are different than what marketing teams of the past needed. The investment is more significant, but so is the reward.

Marketers in wealth management may have traditionally spent much of their time on strategy and creative, but now they're expected to be technologists and analytics experts with a working knowledge of:

- **Search engine and generative engine optimization**
- **Social media and the ever-changing algorithms across platforms**
- **Web strategy, design, and front-end development**
- **Content marketing**
- **Marketing automation and CRM functionality**
- **Client experience**
- **Sales enablement**
- **Immersive event experiences**
- **Direct response and email conversion best practices**
- **Influencers and the new media landscape**
- **Paid digital advertising**
- **Public relations**
- **Client communications**
- **Video and audio strategy**

And that's before we even start the conversation about artificial intelligence. According to a March 2025 study by McKinsey, marketing teams are the leading adopters of generative AI in financial services (and all other industries), ahead of even their companies' tech teams. Being the tip of the spear for what has already been massively disruptive to internal processes and promises to rapidly transform client experience expectations has become just one more job that RIA marketing leaders are doing off the side of their desks.

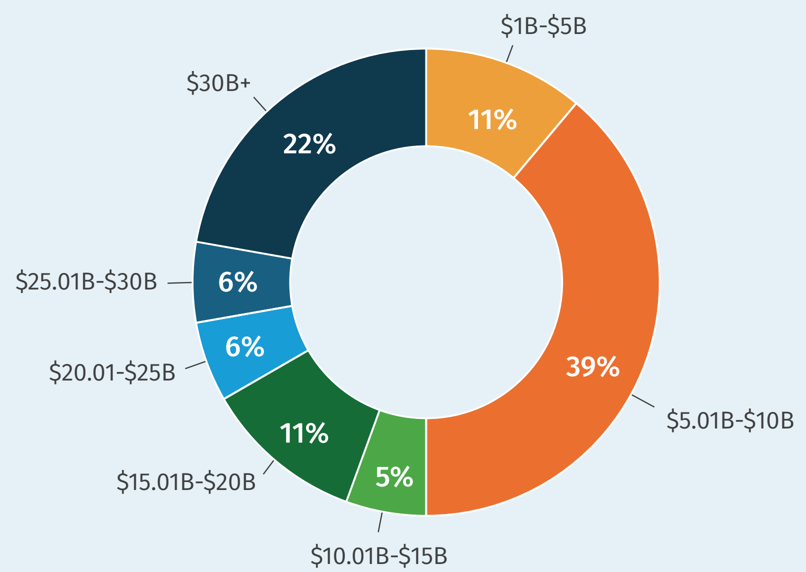
While this has been an exciting evolution for marketing as a field that has created new growth opportunities for the wealth management firms that marketers serve, firms aren't experiencing the shift evenly.

While many marketing teams are being held accountable for AUM growth, there are other teams whose focus is confined to brand image and communications, while also taking on these expanded skillsets. There's nothing wrong with this, but I can't help but think that in these cases, firms are leaving money on the table by not making full use of their marketing talent.

Research Methodology: Questions & Conversations

The challenge of reaching these more-stretched-than-ever marketing leaders in Barron's Top 100 RIAs required a more flexible methodology for data collection. Some were interviewed via Zoom, some were surveyed, some provided their answers to questions via email. In some cases, we spoke with marketing consultants working closely with organizations. Because this is a qualitative study, we were seeking insights from these conversations more than numbers. in the end, we were able to examine the practices of 18 of the Barrons Top 100 RIAs from 2024, a representative sample including the full range of firms from the Mega-RIAs, large, mid-sized and among the smallest on the list.

Firms Studied by Assets Under Management – December 2024



The questions were wide ranging. We covered the size and structure of the marketing team, whether the leader was on the RIA's executive leadership team, the annual marketing budget and how it was allocated, as well as whether it was split between organic growth and M&A. We talked tech stack, metrics, tactics of choice, and where each team focused most of their energy.

After completing the interviews and surveys, each was analyzed and the attributes, practices, investments, and choices of each firm catalogued. Common patterns began to emerge — some RIAs had similar profiles in how they thought about marketing, whether or not it was a growth driver, and whether or not it should be invested in as such. RIAs were then divided into profile groups where they fit.

From there, we pulled the organic growth data from the corresponding year (non-M&A growth between the 12/31/2023 and 12/31/2024) to uncover whether certain profiles were more likely to drive greater organic growth. Was there a difference in how RIAs approached marketing at a fundamental level?

The short answer? Yes. And the difference is big.

But before we dive into that, let's make sure we're all on the same page with some our definitions.

What is "Organic Growth"?

Organic growth: New assets from new or existing clients, not from the acquisition of new advisory firms, new advisors, or other M&A activity, or from market appreciation.

Inorganic growth: New assets from M&A activity.

Market growth: The growth of assets based on market movement, typically based on the S&P 500 index. In 2024, market growth was 25%.

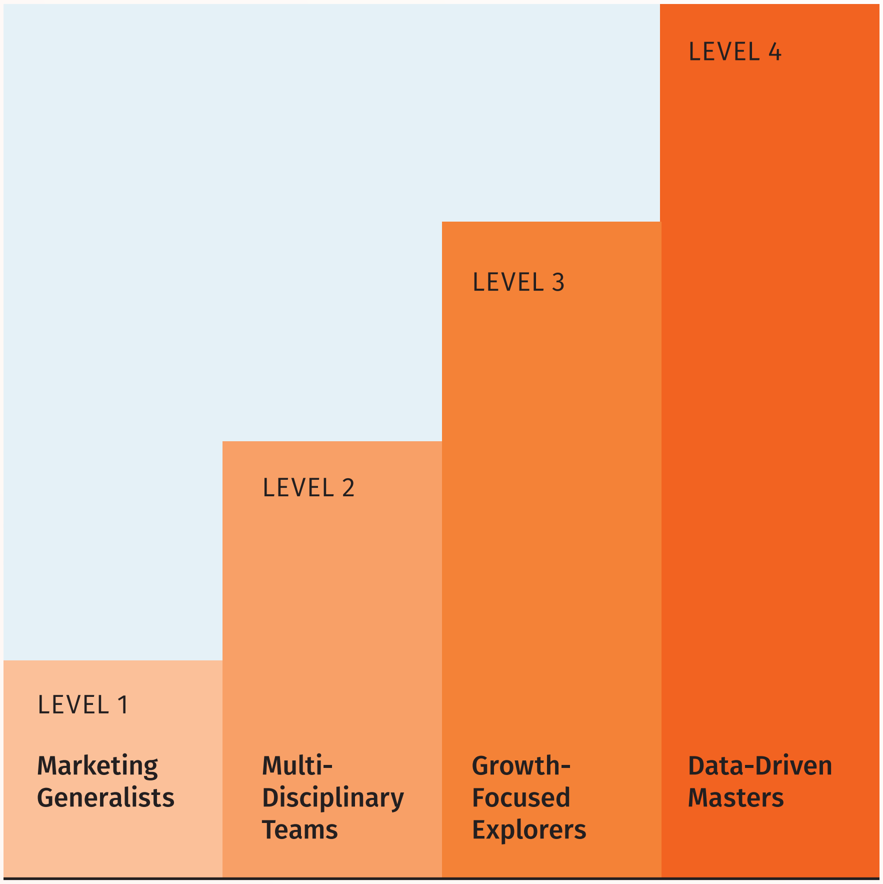
In other words:

Organic growth = (AUM growth) - (Inorganic Growth) - (Market Growth)

Extracting organic growth from total growth is a tricky business, particularly because of the removal of Market Growth. Based on strong market returns as represented by the S&P in calendar year 2024, we calculated that 25% (representing market growth) should be subtracted from a firm's total growth number. In several cases, this will result in negative organic growth for the year. This doesn't mean that these firms lost more clients than usual. In 2024, many firms were adopting a more conservative investment posture for their mass affluent clients due to market uncertainty, which also may have contributed to a lower rate of overall AUM growth.

The 4 Levels of Growth Marketing Proficiency

With a clear look under the hood of these 18 Barrons 2024 Top 100 RIA marketing teams, clear patterns began to emerge, almost on their own. Some marketing departments were teams of one or two with no real budget to speak of. Some teams had 30 people or more with multi-million-dollar budgets, including internal headcount, third-party agencies and partners, and media spend. In between, we saw teams that were organized around disciplines and focused on executional excellence while still focused on brand building rather than AUM growth, and teams that were transitioning into accountability to driving revenue and getting their metrics frameworks in place. In the end, every team fit into one of four profiles which acts as a stage on an evolutionary continuum of organizational maturity.



LEVEL 1
Marketing Generalists

These RIAs usually have only one or two marketing resources who act as a Jack of all trades, the lowest investment of all levels, no strategic marketing leader, and no accountability to AUM growth.

LEVEL 2
Multi-Disciplinary Teams

A more advanced marketing organization, this is a true team with a leader that oversees multiple marketing disciplines — such as copywriting, graphic design, and digital marketing. There may or may not be an overarching marketing strategy, and the marketing leader likely is not on the executive leadership team. The investment in marketing is still low, and there's no direct accountability to AUM growth.

LEVEL 3
Growth-Focused Explorers

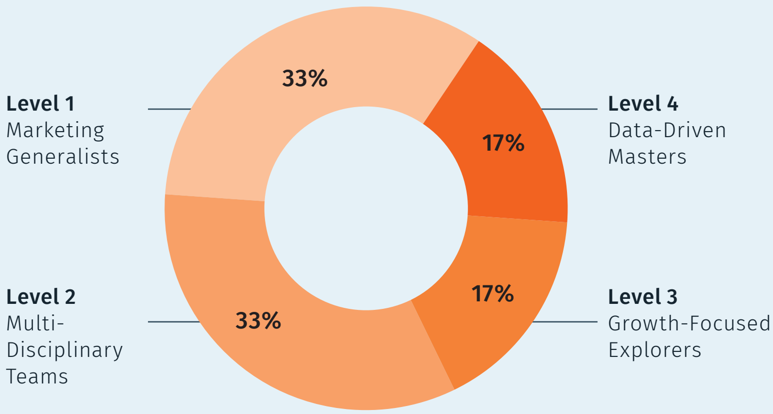
These RIAs are making a major shift in the way they think about marketing and are pushing teams to become revenue drivers. These marketing teams have a leader and overarching strategy, as well as leaders over different marketing areas, such as content creation, advisor marketing, and lead generation. These teams spend more on tech, outside expertise, and are working through how to measure marketing's effectiveness at driving revenue. You'll see these teams looking at numbers like Cost Per Lead (CPL), Client Acquisition Cost (CAC), and other lead generation focused metrics.

LEVEL 4
Data-Driven Masters

These RIAs spend the most on marketing and while they hold marketing accountable for organic growth, they are the most likely to split their marketing teams and spend into areas of focus: client acquisition, M&A, corporate marketing, etc. Their executive leader is on the RIA's executive leadership team and they have a significant media spend, technology budget, and are running a centralized lead generation engine.

The rest of this research will dive deeper into the Growth Marketing Proficiency profiles, discuss the growth rate differences of each profile and the possible reasons for each, and address some other findings from the questionnaire and interviews.

Sampled RIAs from Barron's 2024 Top 100 List by Growth Marketing Proficiency Level



Based on sample data collected for the Catchlight RIA Growth Marketing Proficiency Report.

Before reading any further, it's important to understand that it's not always the bigger firms that are growing the fastest.

Level 3 firms from our cohort, for example, have a lower AUM on average than lower-performing Level 2 firms. Rather, the attributes that drive consistent organic growth surround the firm's approach to marketing and growth in general.

The 4 Levels of Growth Marketing Proficiency: A Deeper Dive

LEVEL 1

Marketing Generalists

Marketing Generalist RIAs At-A-Glance

AVG. AUM
$5.68B

AVG. MARKETING TEAM SIZE
1.5

AVG. 2024 ORGANIC GROWTH
-12%

AVG. 2024 TOT. AUM GROWTH*
33%

AVG. # OF 2024 ACQUISITIONS
<1

AVG. MARKETING BUDGET
<1%

OUTSIDE INVESTORS
Mixed (Banks, Insurance, PE, Independent)

AUM GROWTH EFFORTS
Decentralized with advisors

"There's one person who kind of coordinates all the events, social media, client events, RFPs...she does a bunch. If it were up to me, I'd love to see the budget be a little bit bigger. I think we're below where firms our size are in the industry, but I don't know how low...we spend peanuts."

— LEVEL 1 MARKETING LEADER (who is also in charge of business development and has his own book of business)

Firms in Level 1 don't consider marketing to be a growth function. Generally, they see business development and marketing as two different functions. Business development brings clients in and marketing builds the brand. As a result, the investment in marketing tends to be very low, both in budgeted dollars and employee head count.

The Marketing Jack of all trades

Often, Level 1 firms make use of one in-house marketing resource who is expected to do it all. Given the ever-expanding responsibilities and diverse skills required of marketing teams the introduction discussed, this strategy is becoming less viable year after year. This marketing team of one is often a junior employee with little professional marketing experience, no formal marketing education, or someone who has graduated from an office manager role.

Directed by Executive Intuition

Marketing may have someone assigned to lead it, but it's often someone who has another full-time job and is leading marketing as an extra duty. Typically, this person doesn't have a marketing background. In other instances, there's no leader and the marketing function is taking its orders from other leaders in the organization. Without a governing growth marketing strategy in place, marketing activities are often driven by the (sometimes conflicting) whims of executive and senior advisors.

Outsourcing Strategy

When an opportunity to develop a strategic marketing initiative arises, a Marketing Generalist RIA will often outsource the work — including the strategy — to a marketing agency or consultant. Internally, the assigned marketing leader (if there is one) doesn't always have enough time to oversee these strategic projects, and a Jack of all trades doesn't typically have the skills or experience to handle this type of project. Unfortunately, this is a missed opportunity to use a larger project to develop the critical thinking, marketing, and strategic skills of a more junior associate.

What Growth Metrics?

The marketing function is not held accountable for AUM growth or attracting new clients. In a Marketing Generalist organization, the Business Development team owns the CRM and it's likely the marketing team has never seen the prospect pipeline. There is no consideration of how marketing activities impact what's happening on the sales side of the house, and little to no collaboration or connection between Business Development and Marketing.

LEVEL 2

Multi-Disciplinary Teams

Multi-Disciplinary Team RIAs At-A-Glance

AVG. AUM
$27.22B

AVG. MARKETING TEAM SIZE
4

AVG. 2024 ORGANIC GROWTH
-7%

AVG. 2024 TOT. AUM GROWTH*
18.9%

AVG. # OF 2024 ACQUISITIONS
<1

AVG. MARKETING BUDGET
1% or less

OUTSIDE INVESTORS
Most no, the rest PE

AUM GROWTH EFFORTS
Decentralized with advisors or Centralized with Business Development

> **"I've got a writer, a designer, but I'm missing that person who knows the tech side, segmentation, automation — how to activate everything. I report to the Chief Business Development Officer, and so does the Director of BD — but we've never all been in the same room to talk strategy."**
>
> — LEVEL 2 MARKETING LEADER

While RIAs in Level 2 may not view marketing as a direct growth function, they do see the connection between a strong brand, clear and frequent client communications, sales enablement materials and net new AUM. As a result, these RIAs have larger marketing teams with representation from multiple marketing disciplines, as well as a dedicated marketing leader. While their headcounts may be larger, their budgets are only slightly higher than their Level 1 counterparts.

Disconnected Marketing Strategy

Level 2 Marketing teams have a strategy set by their leader to govern their marketing activities. But because the marketing leader usually doesn't sit on the executive leadership team and is often not privy to the larger firm objectives, tactical pivots, or prioritization shifts, the marketing strategy is often not aligned with the overall firm growth goals. Marketing strategies in Level 2 marketing teams tend to be tactical "to-do lists" for each discipline more than outcome-based plans.

Budget is Going to Headcount

These Multi-Disciplinary teams put their money into their people. Having specialized skills on their internal teams means there's little left to spend on external agencies, media, or technology. Their largest technology spend is often on project management or design software.

Brand Marketing Posture

Level 2 marketing teams are not typically growth marketing teams. They're focused on brand marketing, and any metrics they track tend to be focused on this more traditional set of marketing objectives. These teams tend to look to web traffic, impressions, and engagement numbers as measures of success rather than inquiry form fills, appointment sets, and incoming assets. Level 2 marketing teams aren't held accountable for AUM growth . . . that's the role of business development, and the two teams are not tightly aligned.

Quick to Pivot

Because Level 2 strategies tend to be more tactical than outcome focused, and because Level 2 teams have multiple disciplines at their disposal, they can be nimble and adaptable to change. When they get wind of a new opportunity — a new audience an advisor is serving, a presentation a partner is giving that can be repurposed, or an award the firm is receiving — these teams have enough in-house skill and wiggle room to reprioritize and seize the moment quickly. This also means they have the flexibility to drop tactics that are no longer of value to them.

"There's not a playbook. There's not this history of big marketing...but that's also our strength. We have carte blanche to try things — client events, videos, unique strategies. We divide and conquer and get a lot done. We don't hold anything too tightly. If something's not working — a blog, a newsletter — we let it go."

— LEVEL 2 MARKETING LEADER

LEVEL 3

Growth Focused Explorers

Growth-Focused Explorer RIAs At-A-Glance

AVG. AUM
$17.03B

AVG. MARKETING TEAM SIZE
8

AVG. 2024 ORGANIC GROWTH
10%

AVG. 2024 TOT. AUM GROWTH*
39.8%

AVG. # OF 2024 ACQUISITIONS
3.3

AVG. MARKETING BUDGET
1-3%

OUTSIDE INVESTORS
Yes, all private equity

AUM GROWTH EFFORTS
Building a centralized lead generation program

"At this point, I'm looking at everything marketing has been doing over the years and asking 'why?' Is this helping us grow? Does it bring in more assets? Does it start a prospect on a journey toward more assets? If it doesn't, then it's no longer in our mandate. It goes on the 'stop-doing' list."

— LEVEL 3 MARKETING LEADER

As RIAs cross from Level 2 to Level 3, a major shift takes place. The view of what marketing is and what it can do for the firm transforms and leadership has come to see marketing as a growth function. Whatever caused that perspective change, there are some night-and-day differences between Level 3 RIA marketing teams and those at Levels 1 and 2. There's real, intentional leadership, strategy, and investment where there hasn't been before. And with that comes a dramatic shift in marketing team priorities. At Level 3, marketing teams have partial accountability for AUM growth.

Leveled-Up Leadership and Strategy

Possibly for the first time, many Level 3 organizations bring in or elevate a dedicated marketing leader. Often, this leader sits on the executive leadership team. Even when they don't, the role is a high-level one within the firm, as the leader needs to be in lockstep with the larger firm growth strategy. The marketing leader is responsible for creating a unified marketing strategy based on the growth goals of the organization and working with other areas of the firm — sales, technology, business intelligence — to effectively measure how it's all working. It's no small task.

Intentional Investment

Where marketing budgets in lower levels were at 1% or lower, in Level 3 RIAs, they rise to between 1-3% of revenue. **Much of this spending is associated with lead generation expenses — media, purchased leads, technology to build out the infrastructure of a digital lead generation engine and effectively track its results. T**hese teams aren't spending much of their budgets on outsourcing or agency partners, and tend to handle most marketing work in house. Level 3 marketing teams are significantly larger than Level 2 teams, even though Level 3 firm AUM is lower on average than Level 2 in this study's sample.

> **"Marketing is really about layering. Someone sees our logo at an event, then sees a Google ad, then hears about us from a neighbor. It's not one ad — it's all of it."**
>
> — LEVEL 2 MARKETING TEAM MEMBER

Looking at the Whole Marketing Journey

Just because the marketing team is being held accountable to AUM growth, it doesn't mean they're only focused on conversion-oriented marketing activities. A strategic growth marketing perspective understands that a prospect first needs to know the firm exists, then needs to learn enough about the firm to consider it a possibility before they'll even think of setting an appointment. Level 3 firms are working from strategies that take the full prospect journey into consideration.

Experimental Mindset

Because the Growth-Focused Explorers are breaking new ground, they're not only willing to try new things, but expected to. They will often invest small amounts with new lead sources to determine efficacy, try new campaign content ideas, and test creative in digital ad campaigns frequently to continue to optimize conversion rates.

Sales/Marketing Alignment

In Level 3, the line between Business Development and Marketing becomes blurry. Marketing starts to understand the sales numbers in the CRM because those numbers are just as important to their team's success. The two teams are tightly coupled as they work to align their metrics to understand which leads marketing generates for sales turn into clients, and how marketing can generate more leads like that. The feedback loop from sales takes on a level of urgency it never has before.

Metrics Matter...But Are Not Yet Mastered

Even when the full marketing team has bought into the new metrics they're being held accountable to, they're properly staffed for their new mandate, they have a leader and strategy who can get them across the finish line, and the resources to make it happen, meeting goal metrics still takes time. While we see that Level 3 firms show significantly more organic growth than others, some Level 3 marketing teams need time to determine what realistic benchmarks are for cost per lead, number of leads generated, number of appointments set, client acquisition cost, pay-back period, and similar growth metrics. Finding the right numbers for the firm takes time and experimentation.

LEVEL 4

Data-Driven Masters

Multi-Disciplinary Team RIAs At-A-Glance

AVG. AUM
$50.1B

AVG. MARKETING TEAM SIZE
25

AVG. 2024 ORGANIC GROWTH
3%

AVG. 2024 TOT. AUM GROWTH*
38.1%

AVG. # OF 2024 ACQUISITIONS
9.3

AVG. MARKETING BUDGET
5% or more

OUTSIDE INVESTORS
Yes, all private equity

AUM GROWTH EFFORTS
Has a centralized lead generation program

> “
> **I know what’s working and what’s not. And I don’t do things that don’t work.**
>
> **-LEVEL 4 MARKETING LEADER**

Level 4 represents the most sophisticated RIA growth marketing teams. While the organic average organic growth rate for Level 4 is lower than that of Level 3, their total growth rate is nearly identical to Level 3. Because it’s more difficult to maintain high rates of organic growth the larger an RIA gets, and because each of the Level 4 firms included in this study is considered an “aggregator,” these teams place a significant marketing focus on supporting inorganic growth as a more rapid way to add AUM. Level 4 marketing teams are more likely than all others to divide their departments and budgets into organic growth and inorganic growth-focused internal teams and initiatives.

Executive Leadership

Level 4 teams have a Chief Marketing Officer or Chief Growth Officer who sits on the executive leadership team and has likely been a C-suite or VP level executive at a privately traded company in the past. The sizes of the Level 4 marketing teams vary widely, but each consists of multiple teams and is an organization in and of itself. Each of the teams within marketing had strong leadership, often at the VP level.

Aligned Multilevel Strategy

With the marketing leader as a contributing member of the RIA's executive leadership team, this role has direct visibility into and some measure of influence over the RIA's overall growth strategy. As such, the marketing strategy is built to align directly with the firm strategy. Each division within marketing has its own sub-strategy that ladders up directly to the larger departmental vision set forth by the marketing leader.

Larger, Focused Budgets

Level 4 teams spend 5% or more of projected revenue on marketing, with most spend going to digital advertising to generate leads, purchasing leads from multiple lead aggregators, and a media agency who manages this spend. These teams are often buying from as many lead sources as possible in an ongoing attempt to optimize their costs per lead and discover new lead sources. These teams also have a heavy head count cost due to the size of their teams and invest significantly in ongoing strategic technology partnerships.

Lead Generation Focus

In all cases for Level 4 RIAs, the marketing organizations are heavily focused on centralized lead generation for all the advisors in its network. This has meant not only building out the marketing apparatus to bring in the leads, but developing the in-house capacity to field those leads and route them to advisors in a way that matters, whether that is in the form of a contact center staffed by licensed reps, an automated solution, or a combination of the two.

“

We think of our work as ‘feeding’ the different advisor locations. It's our job to drive leads, more and more effectively and efficiently, so we can make sure that each office gets prospects who can eventually become clients. Because of that, the feedback from offices — knowing within our measurement system — who converted and who didn't is absolutely key to making sure that marketing is leaning into the most profitable channels and messages.”

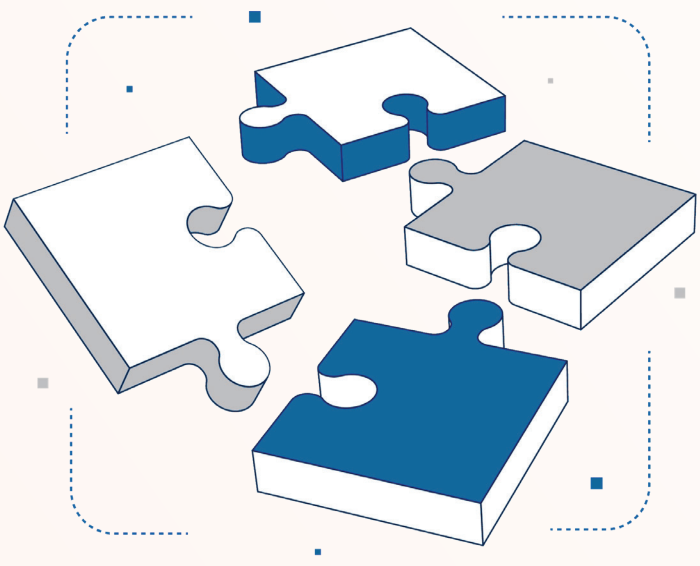
— LEVEL 4 MARKETING LEADER

Significantly Larger Technology Stack

Level 4 teams use more tools. Not only is there a main integrated stack for lead generation and management — CRM, marketing automation system, call routing, lead optimization, calendaring, etc. — each marketing subdivision also has its own technology tools and one-off software subscriptions that enhance productivity and improve the end marketing product. The end result is a sprawling technology map that's difficult to track, but a more tech-aware marketing workforce that's efficiency-minded and solutions-oriented.

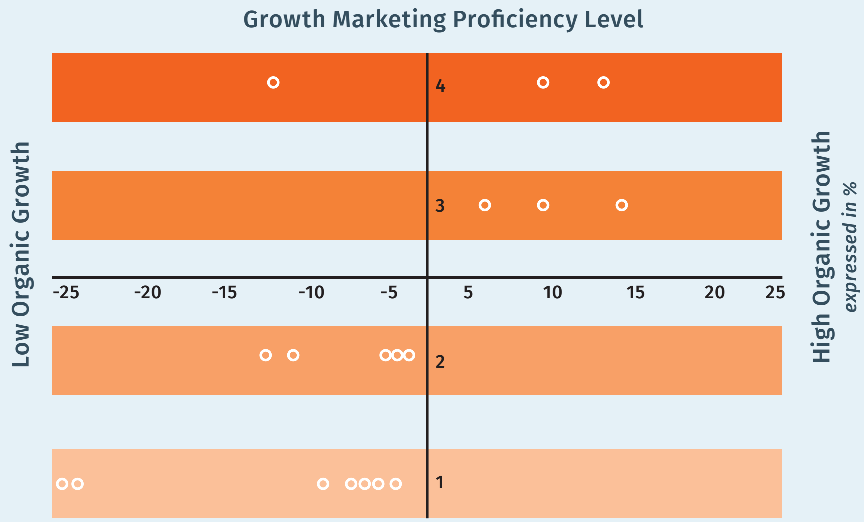
Measurement Focus

A significant part of the tech stack is dedicated to granular measurement of every part of the organic growth (and in some cases the inorganic growth) funnel. Whether in the marketing department or not, Level 4 RIAs also have data personnel available to help ensure teams are measuring the right things, technology is correctly integrated, and the data visualizations are showing what marketers need to see in order to make informed decisions. Level 4 teams also view their organic growth metrics daily and live and die by them. They talk extensively about their CPQL (cost per qualified lead), CAC (client acquisition cost), pay-back periods, appointment set rates and other objective growth metrics in a way that other levels don't.



Growth Patterns

Organic Growth by Marketing Proficiency Level (2024)



Organic Growth Rate is represented by change in calendar year 2024 Assets Under Management minus assumed market return rate.

This chart shows each of the 18 firms examined plotted by their Growth Marketing Proficiency level at their 2024 organic growth rate. As a reminder, organic growth is total annual AUM growth minus any acquisition growth and market growth. For example, the Level 4 RIA in the top left quadrant had a 29% total growth rate in 2024. It also completed 9 acquisitions that year that accounted for more than half of its total growth. Non-M&A growth was 13.07%. When we subtract 2024's overall market growth of 25 percent (it was a very good year), that particular firm's organic growth is around -11.93% for the year.

Even with an outlier, the overall pattern is easy to spot:

Level 3 & 4 firms grew organically. ▸ Level 1 & 2 firms did not.

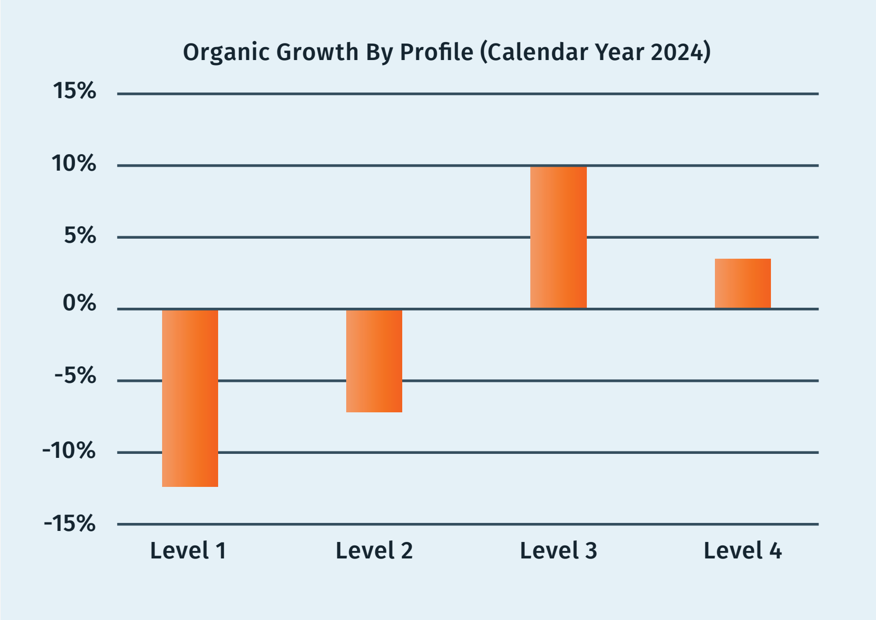
What about that outlier in the top left? It's a Level 4 firm. Because that particular RIA is heavily focused on M&A with 9 completed acquisitions in 2024, it's possible that its inorganic growth strategy was more of a strategic priority than organic growth for the year. That outlier is also one of the largest RIAs in the country, making growth percentages harder to achieve by organic means.

Marketing Attributes & Practices of Organic Growers

When it comes to organic growth, Level 3, the Growth-Focused Explorers, was the winning Growth Marketing Proficiency profile. When it comes to overall growth, Level 3 firms were neck-and-neck with the larger "aggregator" RIAs in the Level 4 profile. But for organic growth, the Level 3 firms exhibited a significant increase over the growth seen in Level 1 and 2 firms. Here are the core marketing attributes that differentiate the organic growers from the non-growers.

1 | Growth Accountability Mindset

While the Level 2 RIAs performed better than Level 1, the firms at both levels failed to show positive organic growth. Neither Level 1 or 2 firms tasked their marketing teams with contributing to meaningful AUM growth in any way. The view of marketing's role (or absence of a role) in organic growth for these two profiles is largely the same — client and AUM growth are the responsibility of the business development team or the advisors themselves. Marketing's job is to build the brand and make the firm look professional, which may indirectly support growth, but does not drive it to any measurable extent.



A significant marketing mindset shift occurs in order to elevate a firm to Level 3 — and this is often revolutionary for the marketing team, and dramatically changes the way marketing activities are resourced.

At Level 3, marketing is now expected to contribute to client and AUM growth in a meaningful, measurable way — usually through marketing-led lead generation leveraging multiple digital and traditional tactics.

The shift from indirect brand support to direct accountability is the difference maker. **This change necessitates a different approach to staffing, technology, relationships with business development and advisors, data and measurement, marketing strategy, and often, executive leadership.** In short, this change in the view of marketing's role changes everything.

2 | From Generalists to Experts

In Level 1 firms, marketing "doers" tend to be junior level coordinators with lower levels of education who are self-taught on surface-level marketing skills. They can run the firm's CRM, deploy emails, create social media graphics, and even run some simple social and search ads. They're resourceful, scrappy, organized, inexpensive to hire, and often overworked. Their work is usually dictated by firm leaders with no marketing background rather than a sound marketing strategy based on growth objectives.

In Level 2 firms, the marketing leader is operating from a brand strategy, and the team is more skilled in functional areas like graphic design and content creation. These teams are focused on brand consistency and attractiveness, as well as the subjective quality of marketing deliverables being created, rather than growth outcomes.

Level 3 and Level 4 firms, however, are staffing and contracting for growth expertise rather than functional expertise. Priority in-house, agency and freelance hires are more related to performance marketing, marketing automation, and data science, with the understanding that graphic design and content are more commoditized, easier-to-find skills.

3 | Investing for Marketing Impact

Another clear difference between growth firms and non-growth firms is an intentional, significant investment in growth marketing. Where Level 1 and 2 firms often have unclear budgets that are frequently under 1% of revenue, Level 3 is where investments are deliberately made in new staff, agencies, technology, and media in order to drive growth in a new way. The amount of the marketing investment isn't the only important factor—it's the clarity and intentionality of the spend. The board and minority investor of the firm is often involved in the sourcing and selection of agency and technology partners, bringing more resources, experience and knowledge to the table. For highly specialized marketing roles and executive leadership positions, search firms are often deployed, something not seen in Level 1 and 2 firms.

4 | Data-Driven and Always Optimizing

Level 3 and 4 marketing teams have made significant, long-term investments into their ability to measure the effectiveness of every phase of their growth marketing. The best teams know how each lead source performs by volume and quality, how quickly a lead is actioned on, how many touches it takes to contact a new lead, and how long the sales cycle is from lead generation to new client signature, and how much the process costs. And because they know all of this, they can predict how much revenue they can generate based on how much they invest in their marketing engine.

They also know that making incremental improvements to metrics adds up to significant bottom line improvements, and are always testing new ways to make every conversion point more productive. That can mean:

- **Ongoing creative, message, and audience testing with digital ads**
- **Consistently seeking out and introducing new lead providers that may deliver better quality leads**
- **Heatmapping landing pages to see where users get hung up on taking action and addressing user experience "bottlenecks"**
- **Working with technology partners like Catchlight to help analyze and prioritize leads so the most promising get the fastest attention**
- **Continually supporting the closing advisors with new content and materials to help them convert leads to clients at the bottom of the funnel**

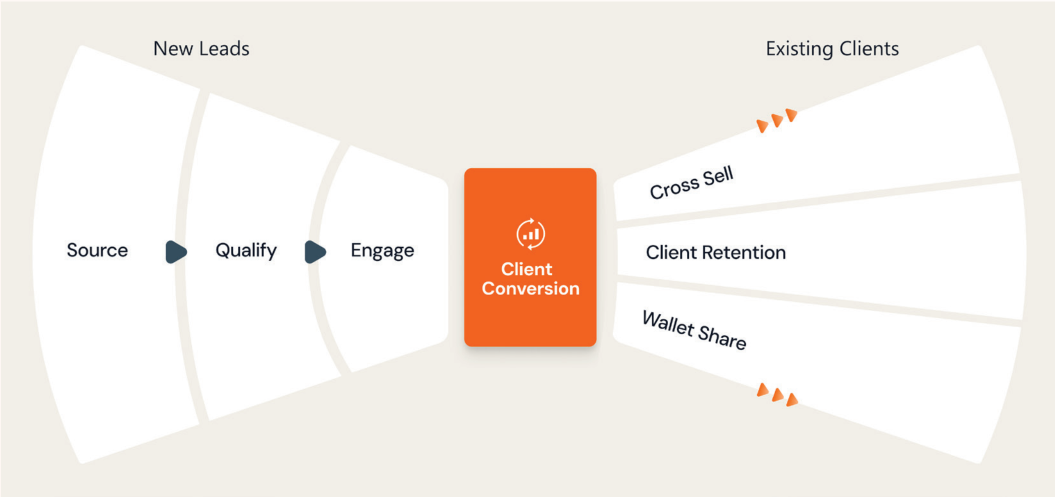
This focus on optimization necessitates a robust commitment to both measurement and automation. Level four teams spend more on their tech stacks, investing not just in the base-level tools to get marketing activities done, but more advanced, enterprise-level marketing automation solutions, the intelligent connective systems that can track prospect and client movement across disparate system, data enrichment providers to create more complete client profiles, and measurement software to track real-time marketing performance and enable data-driven decision-making.

5 | Aligned Strategy

The growth marketing teams at growing firms have a seat on the firm's executive leadership. As a result, the growth marketing strategy can be a direct reflection of the firm's overall growth ambitions, with collaborative input from other executives, board members, and even the firm's minority investors. Marketing at Level 3 and 4 firms doesn't operate in its own silo — it's the execution arm of the firm's long-term strategy, and the executive leadership team is much clearer on the resources needed to produce the desired growth outcomes.

What's more, the growth efforts within these growing firms are centralized rather than decentralized, meaning the aligned growth strategy is executed by a centralized marketing team to benefit all advisors. In a decentralized model, each office or advisor has its own marketing strategy and resources and is expected to generate growth on its own.

At Catchlight we often suggest a framework like the one below to help teams split organic growth into smaller initiatives that can ladder up to big change. We believe that when firms create an aligned strategy across the entire client lifecycle and have buy-in at the highest levels of their organization, hitting growth goals could be more likely.



Catchlight, 2025

Non-Marketing Factors that Affect Growth

This may not be generalizable to the universe of RIAs, but among our sample, the pattern is clear. One way or another, PE-backed firms are finding ways to grow.

Ownership

While our sample is a small one used primarily for qualitative insights, it's hard to ignore a stark pattern across the 18 firms evaluated: The RIAs in the top right quadrant with positive organic growth in 2024 have a private equity minority investor. For the Level 3 firms, this may account for the shift in perspective on marketing's role in organic growth. It may also account for the firms' ability to invest in performance marketing, agency partners, prolific digital media, data scientists, and infrastructure needed to build a sustainable client lead generation practice.

Conversely, within this small sample, the weakest growers farthest to the left tended to be independently or employee-owned, or wholly owned by a bank or insurance company. Those organic non-growers that did have a PE investor also had significant M&A growth over the year, indicating that this approach took strategic priority over organic growth. For example, the firm that placed dead last in organic growth has a PE investor. This firm actually topped the list in overall growth with a 64.13% total growth rate in 2024, driven largely by two, billion-dollar-plus acquisitions.

Why might PE ownership have such a significant impact on an RIA organic growth? There are several reasons. Typically, a PE investor, even with a minority stake, has a strategic say in steering the company, and it makes sense that AUM, revenue and EBITDA growth would be the first focus. As professional growth consultants from the private equity world look under the hood at the RIA they just invested in, they're often discovering (as this study has) that marketing is under leveraged for growth and being used only for aesthetic consistency and general brand awareness. In order to drive AUM growth, PE investors may be the driving force behind the sea change in Level 3 marketing teams — the significant investment, the push for growth accountability, the influx of more experienced team leadership and more expert marketers, and outcomes-based strategy.

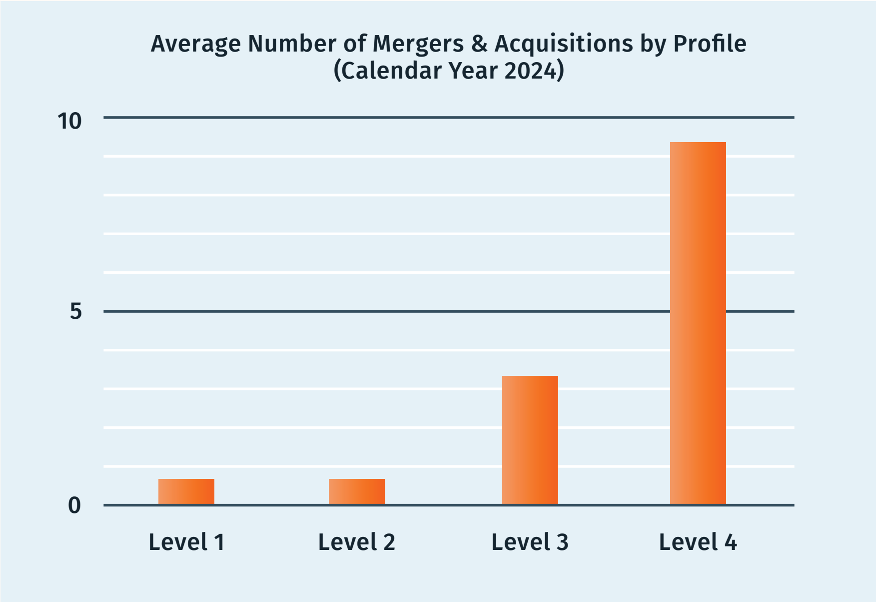
"Generally speaking, it's a little bit of a selection bias too, because we're only investing in good firms," Lisa Crafford, Head of Advisory at Constellation Wealth, an industry-specific private equity firm said.

When asked about what PE-owned firms may be doing differently, Crafford shared that aside from the capital and resources investors bring to the table, "now you have this accountability partner who said 'hey, last year you grew at 5 %. Let's make it 8,' and let's resource you to get there.' It's like having a personal trainer at the gym."

M&A Activity

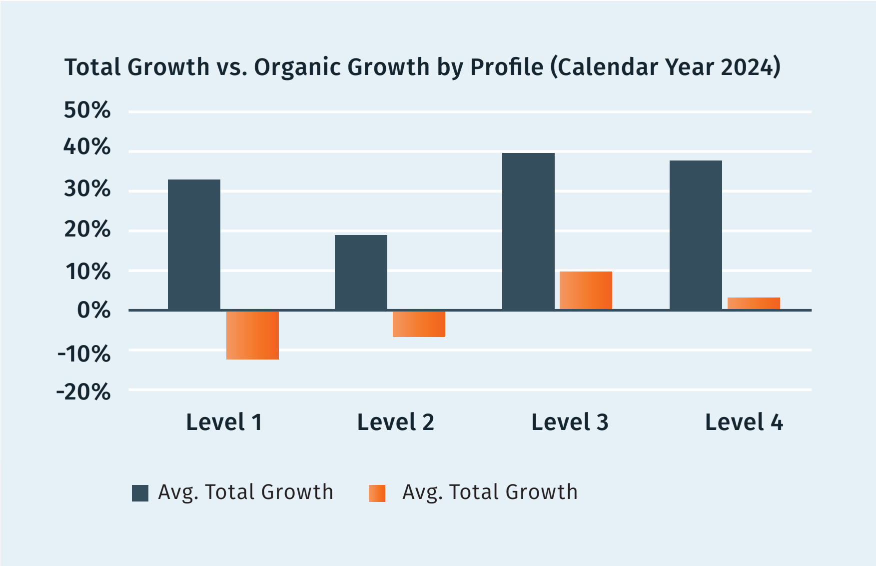
All of the Level 4 firms are large national aggregators, accounting for Level 4's high average AUM. It's harder to drive meaningful growth rates through organic means at a firm with $50 billion under management — a firm that size needs to gather $5 billion in new assets annually to see a 10% organic growth rate, compared to the much more attainable $500 million that a $5 billion firm needs to gather over the same time period. While these PE-backed aggregators are putting plenty of money behind organic growth, just as Level 3 firms are, they're putting far more behind acquiring other firms to drive more rapid AUM growth.

This chart shows the dramatic difference in M&A activity among the Growth Marketing Proficiency Profiles. Both Levels 1 & 2 completed less than 1 transaction on average in 2024. Level 3, all backed by PE, but smaller in scale than the Level 4 firms, closed an average of 3.3 firms — this represents a modest number of deals for firms who are new to the M&A space and focusing most of their energy on organic growth.



The Level 4 RIAs made M&A their primary growth driver. With an average of 9.3 completed deals in 2024, these PE-backed aggregators were significantly larger as measured by AUM — so large that a focus on organic growth alone could not have driven the overall AUM growth that investors were looking for. This balanced, 2-pronged marketing approach that emphasized inorganic growth and firm recruitment while still running a robust organic growth program, ensured that the total growth of Level 4 RIAs kept pace with Level 3 RIAs.

NOTE: Among the 18 RIAs studied for this report, all of the Level 4 RIAs were large aggregators, so naturally are more focused on inorganic growth than non-aggregator firms. Being a major aggregator, however, is not a requirement for inclusion in a Level 4 profile.



Within Levels 1 & 2, the top five organic growth performers all closed at least one acquisition in 2024, with Level 2 being more likely to complete a deal. Of the remaining bottom organic-growth performers, only one firm had any M&A activity. As discussed above, Level 4 firms have lower organic growth than Level 3 firms because of their intense focus on M&A activity, and the need for inorganic growth to drive overall growth. This indicates a certain level of M&A activity may be positively correlated to organic growth, perhaps because both indicate an internal, firmwide commitment to overall growth.

Marketing ROI: What It All Means in Real Numbers

When asked about the primary reason behind low budget allocations to marketing, Level 1 and 2 firms frequently cited the inability to see a return on investment in marketing, and the accompanying belief that marketing cannot generate organic growth. The increased marketing investment and dramatically improved organic growth rates seen within Level 3 and 4 firms flatly contradicts this worldview.

Because Level 3 and 4 firms have clear visibility into marketing's ROI when it comes to driving AUM and revenue, they provide RIAs with an ideal framework for how to think about appropriate resourcing to growth marketing.

Data-Backed Example

Using the types of metrics that Level 3 and 4 firms are able to watch regularly, here is an example of how a Level 2 firm's marketing leader can validate an increased marketing spend, and what the expected ROI of that increased spend will be.

Level 2 Wealth Management currently has $30 billion in AUM and an 8% organic growth target for the coming year. The firm's Chief Marketing Officer, who has worked closely with sales and finance to pull critical firm and client revenue data, has been working through next year's budget allocation only to realize that the dollars allocated to marketing cannot possibly meet that goal. Here's how the CMO determined that.

Firm Data

AUM $30B	AVG ACCOUNT SIZE $1.125M
# OF ACCOUNTS 26,667	AVG FEES 0.95%
REV/ACCT/YR $10,688	ANNUAL REVENUE $285M
MARKETING SPEND % OF REVENUE 2.40%	ANNUAL MARKETING SPEND $6.84M

The CMO has been allocated $6.84 million to drive 8% organic growth. In a $30 billion firm, that is an additional $2.4 billion in a year. Historically, 15% of organic growth has come from expanding share of wallet with existing clients. It will be up to marketing to bring in 85% of goal — or about $2.04 billion. Based on the average account size of the firm's clients, this means the firm needs to add 1,813 new clients in the coming year.

Looking at the current marketing budget and the number of new clients that the firm needs to meet its growth goal, the CMO immediately spots a problem.

Annual Marketing Spend	**$6.84M**
Targeted # of new clients	**1,813**
Budgeted Client Acquisition Cost (CAC)	**$3,773**
Market Client Acquisition Cost (CAC)	**$10,000**
Projected new clients based on Market CAC	**684**
Goal Shortfall	**-62%**

Accounting for the number of clients the firm needs to bring in, the current marketing budget only allows for $3,773 CAC. The CMO knows from past experiences and from studying other successful firms that a more realistic CAC, including head count, technology, agency partners, and media spend, is closer to $10,000 per new client. The current marketing budget will put them 62% short of their goal.

So what kind of budget is required to hit the firm's growth goal?

Targeted # of new clients	**1,813**
Market CAC	**$10,000**
Required budget to hit acquisition target	**$18,130,000**
Required budget as % of revenue	**6%**

The CMO will need a budget of $18,130,000 in order to acquire an additional 1,813 clients in the coming year. This is 2.65x the originally allocated budget. Based on the firm data, the CMO is able to make logical projections about what that increased budget will produce.

Targeted # of new clients	**1,813**
Required budget to hit acquisition target	**$18,130,000**
AUM from newly acquired clients	**$2,039,625**
Year 1 Revenue from newly acquired clients	**$19,377,344**
Year 1 ROI (Year 1 revenue — required budget)	**$1,247,344**
Firm's average client lifespan	**10.7 years**
Lifetime revenue from newly acquired clients	**$207,377,581**
Lifetime ROI (Lifetime revenue — required budget)	**$189,207,581**

This one-year investment in marketing that's focused on the actual cost of client acquisition has the potential to generate an immediate $1.2 million in revenue over the first year, and $189 million over the client lifespan.

An example like this doesn't only apply to RIAs with $30 billion under management. It's a scalable framework for how growth leaders can think about developing their marketing budgets. For a $10 billion firm, the year-one ROI on the same percentage increase in marketing budget is just under $500k, with a projected lifetime revenue from new clients of more than $74 million. For a $1 billion firm, the numbers are $50k and $7.4 million respectively.

"

If you're not growing, you're dying."

— DAVID DEVOE, FOUNDER AND CEO OF DEVOE AND CO., ONE OF THE INDUSTRY'S LEADING M&A CONSULTANCIES.

Devoe notes in a recent article in ThinkAdvisor that for every 1% increase in an RIA's organic growth rate, the firm will see a 7% increase in valuation.

Enterprise Value

The example above focuses only on direct revenue from new clients. It does not, of course, take into account the significant increase in overall enterprise value that organic growth can have on the firm.

For the Level 1 and 2 firms examined in this study, being able to sustainably achieve a few percentage points of increase in organic growth rate over a few years could likely net out to more than 50% in valuation increase.

CONCLUSION

How to Elevate to Level 3 and Beyond

When looking at all the marketing factors that contribute to the organic growth shift that happens between Level 2 and Level 3 firms — change in view of marketing's role in driving growth, accountability and measurement, increased investment, rethinking staffing and leadership priorities, improved technology and data, and a strategy focused on AUM growth outcomes — there's one non-marketing driver of these that all the organic growers have in common: Private equity investment.

Does that mean that independently owned firms can never see the same kind of organic growth results? Or bank-owned firms? Or insurance company-owned firms?

Of course they can. But it requires them to take a page from the Level 3 and Level 4 firm playbook on organic growth.

These firms do five things very well that independent, bank-owned, and insurance company-owned firms do not:

1 Invest in marketing as a growth driver

Growing firms spend 5% and more of their projected revenue on marketing for a reason — it's working. And they know it's working because they've invested in being able to see their metrics across the prospect journey and can predict how their spends will hit the bottom line.

2 Staff marketing to support a growth strategy

Start with a strong marketing leader who is part of the firm's executive team and understands how to build a data-driven team, and prioritize growth marketing experts over generalist hires.

3 Create the technology and data infrastructure to support, optimize, and measure the growth engine marketing creates

If you can't measure performance, you can't predict outcomes or know how much to invest for your goals. Marketers at organic growth firms know their core metrics at every point in the prospect journey and are actively working to optimize them.

4 Leverage outside resources with expertise you don't have in-house

Great PE firms are partners, bringing vast global knowledge to the firms that they invest in. Act like they do. Use sourcing experts to find the exact people and partners to get the results you need. Know what you don't know and spend the money to find the right resources so you don't waste critical time.

5 Look to long-term enterprise value

Building a growth engine doesn't always pay for itself in one year. Sometimes, there's infrastructure, technology and team builds that need to happen before revenue starts increasing. Even when you're looking at a multi-year payback period, remember that immediate ROI isn't the end game. A significant growth in enterprise value is certainly worth the effort.

Catchlight℠ is offered by Catchlight Insights LLC. This content is for informational and educational purposes only and does not constitute an offer or recommendation of any securities or investment, tax, legal or other advice. Catchlight and its affiliates are not responsible for the accuracy of any information provided or for the outcomes of any interactions with existing or prospective clients entered into in reliance on the information provided or for any securities or investment advice provided to any existing or prospective client.

Views expressed are as of the date indicated, based on the information available at that time, and may change based on market or other conditions. The opinions provided are those of the author and not necessarily those of Catchlight or its affiliates. Catchlight does not assume any duty to update any of the information.

Catchlight and other third parties mentioned are independent entities and not affiliated. Mentioning them does not suggest a recommendation or endorsement.

Third party trademarks referenced herein are the property of their respective owners; all others are the property of Catchlight Insights LLC. ©2025 Catchlight Insights LLC. All rights reserved.

1239246.1.0

CATCHLIGHT®

Catchlight Helps Level 3 and 4 RIAs Grow Faster

Discover how Catchlight can elevate your firm's growth marketing posture with AI-driven lead optimization that:

- **Full profiles with up to 2,000 data points on prospects and clients**
- **Segment with data purpose-built for financial firms**
- **Insights for better growth decisions**

Sign up now for your free Growth Marketing Proficiency assessment with Catchlight. We'll examine your marketing structure, strategies, investment and staffing and provide recommendations on your best next steps for leveling up.

Catchlight.ai/assessment

*2024 Tot. AUM Growth include organic growth, M&A, and market appreciation.