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Wells Fargo Advisors unveils new bonus plan for brokers

The broker-dealer, like many of its larger peers, now basing awards on growth in new assets

By **Jessica Toonkel Marquez**
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In an effort to get its advisers to focus on snagging more of their existing clients' assets, along with new clients, Wells Fargo Advisors LLC has introduced a new rewards program in its deferred-compensation plan.

Until Jan. 1, the firm's 12,000 advisers were eligible for a bonus based on growth in revenue. Now the bonus will be based on bringing in new assets.

"The focus for this coming year is organic growth and incentivizing FAs for their expertise in gathering assets from new and existing clients," said Wells Fargo Advisors spokeswoman Teresa Dougherty. "This complements the base award that is production based and the recurring revenue award."

The minimum amount of net new assets to qualify for this award is $500,000, and the incentive is 2 percent of an adviser's total revenue. The award is also partially based on the tenure of the adviser.

For example, said Ms. Dougherty, an adviser with seven years at the firm who brings in $600,000 in revenue and $750,000 in net new assets would receive a bonus of 2% on that $600,000, or $12,000.

Wells Fargo is following the lead of larger broker-dealers that are rewarding their advisers based on new assets instead of growth in revenue, said Danny Sarch, president of Leitner Sarch Consultants. "New assets is the mantra going on in the retail brokerage firm arena," he said.

Broker-dealers have to focus their advisers on grabbing new assets because there are only so many millionaires out there, said Rick Peterson, a recruiter who has an eponymous Houston firm.

"It's going to be a struggle for these firms to grow their businesses going forward, because we have fewer people who technically qualify for high-net-worth society and we have just as many brokers going after that same delta," Mr. Peterson said.