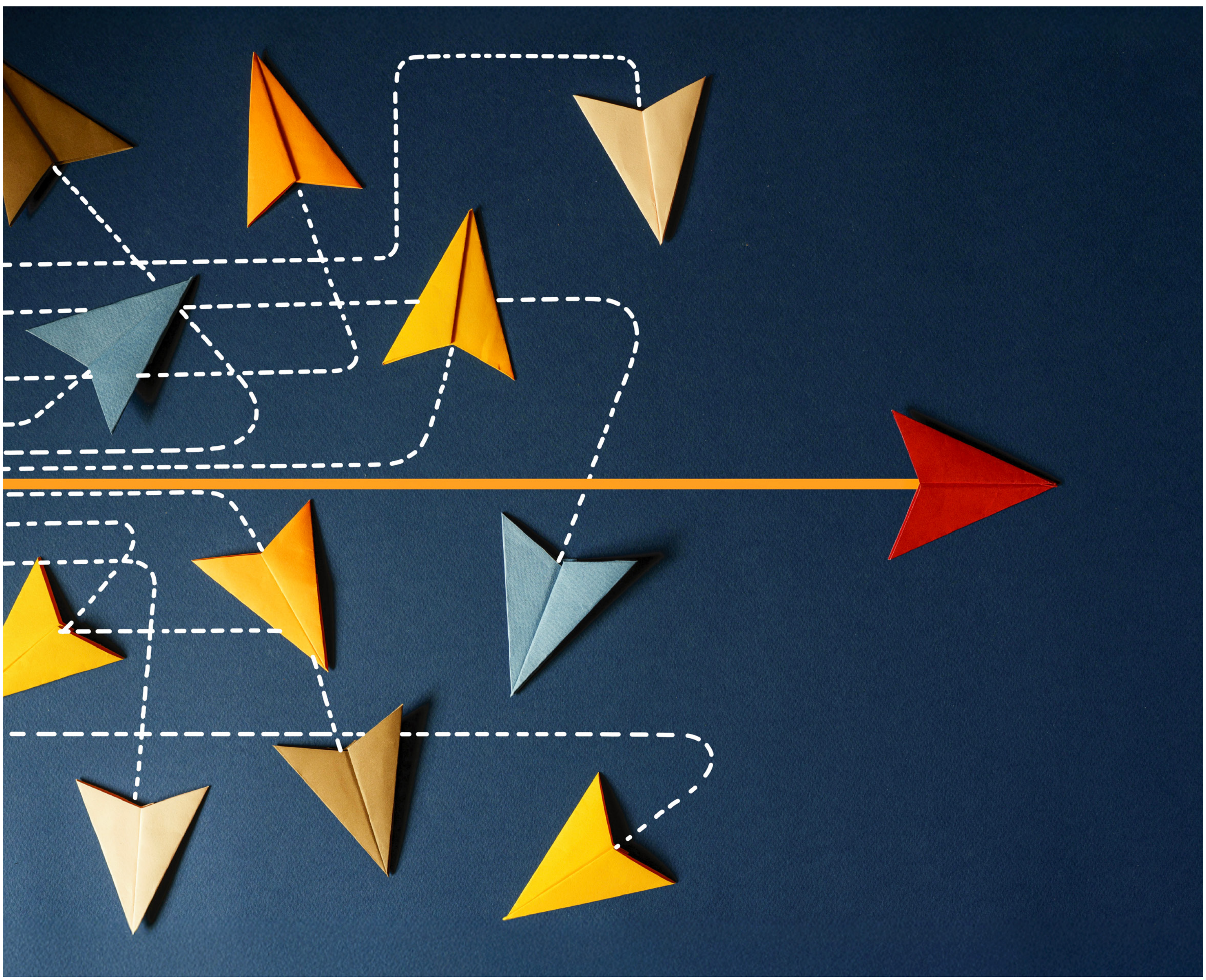
PRIVATE BANKING & WEALTH MANAGEMENT

Staying ahead.

How community banks and trust companies can leverage technology to win over wealth advisors.



As the wealth management industry is staring down an impending wave of advisor retirements, private banks and trust companies face a two-pronged threat: retirement plus an exodus to independent channels.

In this article, we'll look at how banks and trust companies can turn their wealth tech from liability to strength, helping them retain experienced advisors while attracting a new generation of talent.

Banks and trust companies must offset advisor retirements by both attracting new talent and slowing advisor attrition—while competing with the allure of independent advisory models.

One of the greatest weaknesses for many community banks and trust companies, hindering both recruiting and retention efforts, is their technology. In community banking, where relationships are paramount, technology should empower advisors to spend more time engaging with clients and supporting their communities, rather than being bogged down by manual processes.

In one survey, only 12% of bank executives and advisors reported being satisfied with their firm's technology; more than half expressed frustration. Technology stacks were cited nearly universally as a top challenge of operating in the bank channel.[1] Even as wealth tech has advanced significantly across the wider industry, many banks still rely on outdated, legacy technology. Many community banks and trust companies operate with leaner teams and more limited technology budgets than their larger counterparts, creating a need for solutions that are cost-effective, scalable, and easy to implement.

The situation: Wealth advisor attrition.

The war for talent in wealth management continues to intensify, with advisor attrition on the rise and a shrinking pool of candidates stepping up to fill the gap.

On average, advisors in the private bank and trust channel are 48 years old,[2] up from 40 in 2022.[3] And bank advisors, on average, expect to retire at age 64—four years earlier than peers in other channels.[4]

Meanwhile, nearly three-quarters of rookie advisors (having three or fewer years in an advisory role) failed or left the wealth management industry in 2022, resulting in advisor headcount growth of just 2,579 in 2023.[5]

At the same time, the number of bank advisors moving to independent channels will likely accelerate in the coming years, as advisors look for more freedom or monetization options ahead of retirement. Research indicates that 71% of advisors would prefer independent affiliation, compared to only 44% of advisors who are currently independent, pointing to excess demand for independent channels.[6]

How can community banks and trust companies make it more attractive for advisors to operate within their wealth management programs? By upgrading to tech that makes it easier and more enjoyable for advisors to achieve their professional and financial goals.

The solution: Wealth tech that works.

As the role of a financial advisor has expanded from product sales to more comprehensive wealth management and investment services, so too has the range of functions that advisors must perform.

This includes managing and analyzing large data sets, meeting regulatory compliance, and communicating complex information to clients.

Wealth tech has continued to innovate and evolve to meet this need and wealth management practices increasingly use technology to expand their functions and capabilities. To remain competitive in attracting and retaining talent, community banks and trust companies need to modernize their wealth management platforms to keep up with advisors' needs and expectations.

The following page explores three critical ways a better wealth platform can help wealth management firms keep existing advisors engaged while attracting younger advisors to the firm.

1. Empower advisors to focus on what they do best

In interviews with Cerulli, wealth advisors at banks frequently cited tasks such as account opening and beneficiary changes as processes that could be more automated or streamlined, but instead take several days or longer due to technological limitations.[7] The more time advisors spend on routine tasks, the less time they have to spend on what they do best: building relationships with clients.

According to a recent J.D. Power survey, almost one in three advisors report that administrative burdens prevent them from spending sufficient time with clients. Among those affected, 41% devote more hours each month to compliance and other non-value-added tasks than to direct client engagement.[8] It's time to ask: What if your firm could double the amount of time advisors spend with clients?

Consider how much time is spent on manual tasks. Are advisors devoting too many hours to extracting and analyzing data? How often do they have to rekey the same information as clients move through the investment journey? How long does the client onboarding process take—and how much paperwork is involved? Workflow automation can standardize and streamline these processes, freeing advisors to focus on clients.

41%

41% of advisors devote more time to non-value-added tasks than to direct client engagement

2. Get critical data where it's needed, faster

Lack of integration between digital tools and applications is one of the top challenges advisors point to in using technology effectively. In a recent study, nearly 69% of advisors surveyed said it was a moderate or major challenge.[9]

Inter-application integration is critical, given the sheer range of wealth management tools that front, middle, and back-office teams must use on a daily basis. For advisors to provide personalized and timely services to clients, they need to have critical information at their fingertips—without having to manually cobble together data, accounts, and reports from multiple sources.

A single, unified technology platform with straight-through processing can facilitate seamless information exchange and collaboration while eliminating the dreaded "swivel chair." This not only facilitates transparency and empowers advisors with the information they need but can also foster a greater sense of teamwork among all employees.

69%

Nearly 69% of advisors say that the lack of integration between digital tools and applications is a challenge

3. Help advisors achieve their goals

On average, only 25% of advisors say their tech is very effective at enabling them to efficiently and effectively deliver services and engage clients.[10] To help advisors succeed in their goals for themselves and their banks, technology must have a positive impact on key metrics and business objectives.

Technology can help community bank and trust company advisors deliver the high-touch, personalized service their clients expect. Tools that enable tailored outreach, local event management, and customized financial education resources can reinforce the institution's community focus—while real-time data and automation free up advisors to spend more time with clients.

Technology can also play an integral role in helping advisors secure and retain clients. Two-thirds of advisors in a recent survey reported that outdated technology has cost them business—while those with a more modern tech stack saw increased growth of new client assets under management (AUM) over the past year.[11]

25%

Only 25% of advisors say their tech enables them to deliver services and engage clients effectively

The future of work in wealth management.

Over the past few years, the labor force in general has become bolder about stating their wants and needs at work. Community banks and trust companies often compete with larger institutions and independent firms for top talent, especially in smaller or rural markets. Improving the employee experience and attracting new talent often requires extra effort and investment from employers.

Within wealth management, many advisors are looking to work and interact with clients in new ways, fueled primarily by digitization. Hybrid working models and digital collaboration tools, for instance, provide greater flexibility and enable new forms of engagement. In some cases, these may become a preference for both advisers and their clients.

Newer generations in particular, from millennials to Generation Z, expect to work with modern technology, similar to the seamless, online engagement they enjoy in other areas of their lives. As more assets move to the next generation of clients, a fresh wave of advisors is needed to serve this market. And younger advisors don't want to do business in the way it has always been done.

A main key to attracting and retaining talent is to improve the digital experience they encounter every day. Otherwise, these advisors will simply move on to join companies that do it well.

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[1] Cerulli Associates, "Improving Recruitment and Retention Throughout Advisors' Lifecycles," 2023.

[2] Cerulli Associates, "U.S. Private Banks & Trust Companies 2025: The Technology and A.I. Roadmap," 2025.

[3] Cerulli Associates, "U.S. Private Banks & Trust Companies 2022: Scaling for Growth," 2022.

[4] Cerulli Associates, "Improving Recruitment and Retention."

[5] Cerulli Associates, "The Cerulli Edge-U.S. Asset and Wealth Management Edition," June 2023, No. 310.

[6] Cerulli Associates, "The Cerulli Edge-U.S. Advisor Edition, 3Q 2023," No. 80, 2023.

[7] Cerulli Associates, "Improving Recruitment and Retention."

[8] "Advisors Don't Have Enough Time for Clients, J.D. Power Says," *Barron's Advisor*, July 2023.

[9] Cerulli Associates, "U.S. Private Banks & Trust Companies 2025."

[10] Cerulli Associates, "U.S. Private Banks & Trust Companies 2025."

[11] "2025 Connected Wealth Report," *Advisor360°*, 2025.

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