

DAKOTA MARKETPLACE · RIA INTELLIGENCE

# The History of the RIA Market — And How Dakota Wants to Be Your Window Into It

*From a single Charles Schwab innovation in 1987 to a \$10 trillion industry reshaping how America invests — the RIA story is one of the most consequential transformations in financial services. And Dakota has built the most comprehensive window into it.*

**17,000+**RIAs IN  
DATABASE**C-Suite**EXECUTIVES &  
ALL KEY CONTACTS**Detailed**CIO BIOS &  
INVESTMENT PREFS**Tracked**ETF, BDC &  
CLOSED-END HOLDINGS**The**SOURCE OF TRUTH  
FOR RIA DATA

The registered investment advisor — the RIA — is one of the most consequential financial structures created in the modern era. Born from a single act of competitive disruption in the late 1980s, the independent advisor movement has grown into a multi-trillion dollar industry that now touches virtually every corner of American wealth management. More money is managed by RIAs today than at any point in history. More financial professionals are leaving banks and broker-dealers to build their own independent firms than ever before. And the capital infrastructure supporting the RIA industry — private equity firms, aggregators, and strategic acquirers that have made the business of owning an RIA enormously lucrative — has turned a once-fragmented landscape into one of the most dynamic and well-financed growth stories in all of financial services.

At Dakota Marketplace, we have spent years building the most comprehensive, most accurate, and most actionable database of RIA intelligence in the industry. With coverage of more than 17,000 RIAs — including detailed account descriptions, all C-suite executives and due diligence professionals, CIO bios, investment preferences, actual holdings in ETFs, BDCs, and closed-end funds, and the full spectrum of contact intelligence — Dakota is the source of truth for anyone who needs to understand, reach, or build relationships within the RIA market. This is the story of how we got here — and why that database has never mattered more than it does right now.

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## THE 35-YEAR HISTORY

### ORIGINS

## How Charles Schwab Changed Everything — and Why an Entire Industry Was Born

The story of the RIA begins in 1987, when Charles Schwab launched the Schwab Institutional platform — later known as OneSource — creating the first independent custodial infrastructure purpose-built for investment advisors who wanted to operate outside the walls of a traditional broker-dealer. For the first time, a financial professional could manage client assets independently, without being affiliated with a wire house or a captive brokerage firm, and still access the custody, technology, and operational support needed to run a credible investment practice.

The implications were profound. Until that point, financial advisors who built client relationships at banks and broker-dealers had no practical way to take their practices independent. The custodial infrastructure simply did not exist at a cost or scale accessible to a solo practitioner or a small team. Schwab changed that equation — and in doing so, lit the fuse on an industry that would take three and a half decades to reach its full magnitude.

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## THE TIMELINE OF GROWTH

**1987–  
1995****THE  
FOUNDATION**

### **Schwab Institutional Changes the Game — The First Independents Emerge**

Charles Schwab creates the infrastructure that makes independent advising viable. The first wave of breakaway advisors — largely experienced professionals from major wire houses — begin registering as investment advisors with the SEC and building their own firms. The total universe is small but the model is validated: an advisor can go independent, retain their clients, and build something they own. The industry exists. It is just not yet big. The Investment Advisers Act of 1940 provides the regulatory framework — RIAs register with the SEC and hold a fiduciary duty to clients.

**1996–  
2004****EARLY  
GROWTH**

### **Technology Democratizes Portfolio Management — The RIA Model Spreads**

The rise of personal computing and internet-based portfolio management tools dramatically lowers the operational cost of running an independent advisory firm. Portfolio management software, online trading platforms, and digital reporting tools that once required institutional infrastructure become accessible to small teams. More advisors begin to see independence as a genuinely practical option. The Fidelity Institutional and TD Ameritrade platforms join Schwab in competing for RIA custody relationships, further expanding the infrastructure available to independent advisors.

**2005–  
2012****THE  
BREAKAWAY  
WAVE**

### **The Great Breakaway — Wire House Advisors Leave in Significant Numbers**

The period following the GFC marks the first truly significant wave of advisor departures from major wire houses. Damaged by the financial crisis, scrutinized over conflicts of interest, and increasingly constrained by firm-level investment models that limited their ability to serve clients the way they believed they should, experienced advisors with established client relationships begin leaving in meaningful numbers. The message spreads through advisor communities: you can go independent, keep your clients, and own your business. The RIA model grows from a niche option to a mainstream career path. By 2012, independent RIAs are managing an estimated \$3 trillion in assets — a figure that will grow fivefold in the decade that follows.

**2013–  
2018****THE SCALING  
ERA****RIAs Scale, Private Capital Discovers the Opportunity, and the Aggregator Model Emerges**

The RIA industry reaches a critical inflection point. Firms that launched in the 2000s have now been operating for a decade, have built substantial AUM, and face new challenges: how do you scale operations, manage compliance, invest in technology, and plan for succession without giving up the independence you left the wire house to achieve? Private equity firms discover the answer: invest in the RIA model itself. The first significant RIA aggregator platforms — buying minority and majority stakes in successful independent firms — emerge and begin competing aggressively for relationships with the most attractive practices in the market.

**2019–  
2022****THE GOLD  
RUSH****Private Equity Floods the Market — RIA Valuations Surge and Liquidity Becomes Abundant**

The pace of private capital investment in RIAs accelerates dramatically. Dedicated private equity firms — focused exclusively on the RIA sector — raise substantial capital and deploy it aggressively across the industry. Valuations for quality RIA practices surge. An owner of a well-run firm approaching \$1 billion in AUM now has multiple, competitive, well-priced liquidity options that simply did not exist five years earlier. What was once a business you could not exit without shutting down has become one of the most actively acquired asset classes in financial services private equity. RIA M&A activity breaks record after record. Hundreds of transactions per year. Valuations of 8–12x EBITDA for well-run firms become common.

**2023–  
Now****TODAY****The RIA Market Is One of the Most Dynamic Growth Stories in All of Financial Services**

The RIA industry today manages an estimated \$10 trillion or more in assets across more than 17,000 registered firms. Breakaway activity from banks and broker-dealers continues at a steady pace. The aggregator and consolidation model continues to reshape the competitive landscape. The wealth management channel's access to private markets — private equity, private credit, real assets — is expanding rapidly, making sophisticated investment capabilities and institutional-quality manager research increasingly central to how RIAs compete for client relationships. The industry that Charles Schwab made possible in 1987 has become one of the most consequential forces in American wealth management.

HOW THE INDUSTRY ACTUALLY WORKS

# The Perfect Mechanic — Why Advisors Keep Leaving Banks and Why the Numbers Keep Growing

To understand why the RIA market continues to grow at such a sustained pace, it helps to understand the fundamental dynamic that drives it. Every major bank and broker-dealer employs financial advisors whose job is to build relationships with clients and manage their wealth. Those advisors spend years — sometimes decades — cultivating those client relationships, building trust, and developing practices that generate consistent revenue. The clients are loyal to the advisor. The book of business, in every practical sense, belongs to the advisor.

The problem is that the bank or broker-dealer owns the business legally. The advisor cannot sell it, cannot take it to a competitor, and cannot pass it to a successor on their own terms. There is no equity. There is no monetization event. The only liquidity option, historically, was to retire and hope the firm treated your clients well afterward.

Charles Schwab changed that equation by creating the infrastructure for independence. Today, two financial advisors who leave a bank or broker-dealer and set up their own RIA are building something they actually own. They bring their clients with them — client relationships belong to the individual advisor, not the institution, in most circumstances — and they begin building equity from day one. As they scale toward \$500 million or \$1 billion in AUM, they face a natural decision point. The business can keep growing — which requires hiring a CIO, a COO, a chief compliance officer, and building the operational infrastructure of a real institution. Or they can take one of the liquidity options that the private capital markets have made abundantly available.



## The Wire House Starting Point

An advisor spends years at a major bank or broker-dealer building client relationships, developing investment expertise, and growing a book of business. The clients are loyal to them. The business, in practical terms, is theirs — but legally, it belongs to the firm. No equity. No exit. No path to ownership.

### The Breakaway Moment

The advisor registers as an RIA with the SEC, selects a custodian, transitions their client relationships, and begins building independently. The clients follow — loyalty belongs to the individual, not the institution. From day one, the advisor owns equity in a real business with real enterprise value. The breakaway is the most consequential professional decision in an advisor's career.

### The Scale Decision

As the RIA grows toward \$500M–\$1B in AUM, a structural decision emerges. Scale the firm independently — hire a CIO, COO, and compliance team, invest in technology, build institutional infrastructure — or pursue one of the liquidity options that private capital has made abundantly available. Both are legitimate paths. Both are made possible by the equity the advisor has built.

### The Liquidity Event

The advisor who built the practice now owns an asset with genuine market value. Private equity firms, RIA aggregators, and strategic acquirers are actively competing for quality practices. The monetization options that did not exist at a bank or broker-dealer are now real, multiple, and well-priced. The cycle reinforces itself — the liquidity available to RIA owners is one of the most compelling reasons for advisors still at institutions to make the leap.

#### THE LIQUIDITY LANDSCAPE — WHAT PRIVATE CAPITAL HAS BUILT FOR RIA OWNERS

## The Perfect Storm: Every Wind Is at an RIA Owner's Back

The proliferation of private capital dedicated to the RIA sector has created a liquidity environment for RIA owners that is unprecedented in the industry's history. There are now multiple distinct paths to monetization — each with different economics, different implications for operational independence, and different long-term trajectories.

### Private Equity Investment

Dedicated PE firms focused exclusively on the RIA sector buy minority or majority stakes at premium valuations — providing capital, operational support, and a path to further growth while the founding advisor maintains meaningful equity and management involvement.

### RIA Aggregator / Roll-Up

Large aggregator platforms — built specifically to acquire and integrate independent RIAs — offer full or partial liquidity, centralized operational infrastructure, and participation in the combined entity's growth. Advisors trade some independence for scale, resources, and immediate capital.

### Strategic Acquisition

Banks, insurance companies, and larger independent firms acquire well-run RIAs for client relationships, geographic expansion, or capabilities. Full liquidity for the seller, with varying degrees of operational continuity depending on the acquirer's integration model.

#### WHY THE GROWTH CONTINUES

## Six Tailwinds That Are Keeping the RIA Market in Permanent Growth Mode

### Ongoing Breakaway Activity

Advisors continue leaving banks and broker-dealers at a steady pace, attracted by ownership, independence, and the liquidity that private capital has made available.

### Abundant Private Capital

More dedicated PE and strategic capital is chasing RIA acquisitions than at any point in history, keeping valuations high and liquidity options abundant for owners.

### The Great Wealth Transfer

An estimated \$68 trillion in generational wealth is expected to transfer over the next two decades. RIAs are well-positioned to serve the next generation of wealth holders.

### The Fiduciary Advantage

Clients increasingly understand and value the fiduciary standard that RIAs operate under — a legal obligation to act in the client's best interest that broker-dealers do not share.

### Private Markets Access

The expanding availability of private equity, private credit, and real assets to the wealth channel is making sophisticated RIAs more valuable to high-net-worth clients than ever before.

### Technology Tailwinds

AI, data analytics, and portfolio management technology continue to lower the cost and complexity of running an independent firm, making the breakaway decision more accessible to more advisors.

DAKOTA MARKETPLACE — RIA INTELLIGENCE

# The Source of Truth for the RIA Market. 17,000+ Firms. Every Contact. Every Holding. Every Preference.

Dakota Marketplace has spent years building the most comprehensive, most accurate, and most continuously updated RIA database in the industry. It is not just the largest — it is the deepest. For any firm that needs to understand, reach, or build relationships within the RIA channel, Dakota is where that work begins.

**17,000+**RIAs IN THE  
DATABASE**C-Suite**ALL KEY EXECUTIVES &  
DUE DILIGENCE PROS**Detailed**CIO BIOS &  
INVESTMENT PREFS**Tracked**ETF, BDC &  
CLOSED-END HOLDINGS**Live**CONTINUOUSLY UPDATED  
INTELLIGENCE

## 17,000+ RIAs With Detailed Account Descriptions

Comprehensive coverage of registered investment advisors from the largest multi-billion dollar independents to the emerging boutique practices that are the fastest-growing segment of the channel. Every firm is profiled — investment approach, AUM range, client profile, and operational details — so your team always understands who they are calling on before they call.

## Every C-Suite Executive and Due Diligence Professional

Dakota maps the full decision-making architecture at every RIA — CEOs, CIOs, COOs, chief compliance officers, portfolio managers, and the due diligence professionals responsible for evaluating fund managers and investment products. No more calling the wrong person. No more guessing who makes the allocation decision. Dakota tells you exactly who to call and why.

## Detailed CIO Bios and Investment Preferences

In-depth professional profiles of CIOs and investment decision-makers — their background, career history, investment philosophy, and stated preferences by strategy, asset class, and product type. Know who you are engaging before you engage them. Walk into every conversation with genuine knowledge of how the CIO thinks and what they are looking for.

### **ETF, BDC, and Closed-End Fund Holdings — Verified and Current**

Dakota tracks the actual investment holdings of RIAs in ETFs, BDCs, and closed-end funds — drawn from 13F filings and continuously updated. Know what every RIA in your target market currently owns, how those positions have changed quarter over quarter, and where the competitive opportunities for displacement or expansion exist. No other database combines this level of holdings data with the contact and preference intelligence Dakota also provides.

### **Continuously Updated — The Market as It Is Today**

The RIA market is in constant motion. Firms are forming, growing, merging, and being acquired every week. Advisors move. CIOs change firms. AUM shifts. A database that reflects last year's information is not intelligence — it is noise. Dakota is continuously maintained and updated so that every search, every contact lookup, and every intelligence query reflects the market as it actually exists today.

### **AI Intelligence — Conversational Access to the Full Database**

Available as a premium add-on, Dakota's AI Intelligence layer transforms the database into a conversational intelligence engine. Ask any question in plain English — which RIAs hold our ETF and have been growing their position, which CIOs have a fixed income background and manage more than \$1B, which firms in the Southeast are active BDC buyers — and receive an immediate, precise answer drawn from across the full platform.

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#### **WHO USES DAKOTA'S RIA INTELLIGENCE AND HOW**

### **01 ETF & Closed-End Fund Distributors**

Know which RIAs hold your products, who has been adding or trimming, which competitive products they own alongside yours, and who the right contact is at each firm for distribution conversations.

### **02 Alternative Asset Managers**

Identify which RIAs are building alternatives allocations, which CIOs have an institutional alternatives background, and which firms have the client profile and AUM to be genuine buyers of private market products.

### 03 Wholesalers & Regional Distribution Teams

Build territory coverage maps that reflect the actual RIA landscape — who is in your market, what they own, what they are looking for, and who to call first based on fit with your product lineup.

### 04 RIA Aggregators & Private Equity Acquirers

Map the acquisition opportunity across the RIA landscape — identifying firms of the right size, growth trajectory, and strategic fit for partnership or acquisition conversations before anyone else gets there first.

### 05 Asset Managers Building RIA Channel Programs

Build a systematic RIA distribution strategy from scratch — identifying target firms by AUM, strategy fit, and investment preference, then mapping the full contact hierarchy at each one to build coverage at every level.

### 06 RIAs Benchmarking Their Own Peer Universe

RIAs themselves use Dakota to understand how peer firms of similar size and strategy are positioned — what they own, how they are structured, and where the RIA market is moving — for competitive intelligence and business development.

## The RIA Channel Is the Most Dynamic Market in Wealth Management. Dakota Is Your Guide to All of It.

17,000+ RIAs. Every C-suite executive and decision-maker. Detailed CIO bios, investment preferences, and full ETF, BDC, and closed-end fund holdings. The source of truth for the RIA market — continuously updated.

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