

RayJay: No Changes to Broker Comp for 2022 - AdvisorHub

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Raymond James & Associates executives have signaled to managers in recent weeks that for the fourth consecutive year, there will not be any compensation changes for the roughly 3,400 brokers they oversee, according to two sources.

The company, whose 2022 fiscal year starts October 1, is one of the first firms to announce its compensation plans for the next year. Brokers are closely watching to determine whether broker-dealers will continue to [minimize changes](#) in acknowledgement of the challenges created by the Covid-19 pandemic.

The expectation is that many firms will likely continue to make tweaks only on the margins as the rebounding markets have taken pressure off senior executives to cut costs, according to compensation consultant Andy Tasnady.

"The firms have shared in the revenue growth and increased profitability, so the pressure is not on as much to reduce costs at the sales force," said Tasnady, who was not familiar with Raymond James' plan. "I don't expect a lot of big changes."

A spokeswoman for Raymond James declined to comment.

Raymond James pays its employee brokers between 28% to 50% of the fees and commissions generated from customers according to a sliding scale based on production. It last made a broad change to broker comp in 2018 when it [reduced payout percentages](#) by around 100 basis points reflecting rising compliance and recruiting costs. It also [eliminated more than 500 jobs](#), or just under 4% of its workforce, a year ago in response to pandemic-related cost pressures.

But the St. Petersburg, Florida-based firm has been aggressively recruiting and promotes itself to broker recruits based on its culture and steady payouts in contrast to its larger Wall Street competitors where changes can be more frequent. It also this year [raised hiring bonuses](#) for new recruits after recruiting slowed and executives said it was being outbid in some cases by as much as 50% by rivals.

Tasnady said he expects that most of the changes that firms make for 2022 will be on the margins, aimed at promoting behaviors such as opening new accounts or moving up-market by trimming pay on households with under \$250,000 in assets. They could also change the mix to defer a greater portion of advisor pay.

“Firms can avoid major comp changes by tweaking smaller policies,” Tasnady said.

Raymond James also serves around 4,800 independent contractor brokers who work under a different comp scheme that pays a higher rate but leaves the broker responsible for covering their own real estate and operational expenses.