



## By the Numbers: Financial Advisory Firms and the State of HR, Benefits and Payroll Consulting

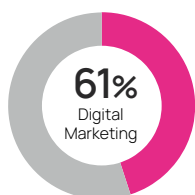
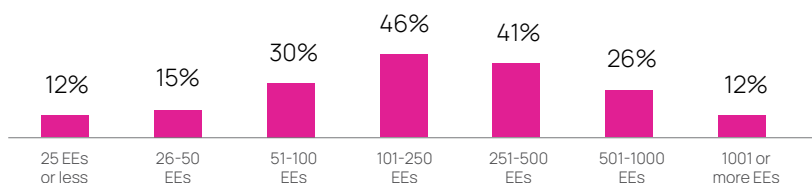
Human resources (HR) departments are often swamped with a myriad of tasks, including recruitment, benefits management, compliance and policy development. To effectively navigate these responsibilities, many organizations seek guidance from specialized advisors who they know, trust and already work with—including their financial advisors. In isolved's Advisory Services Research: The State of Benefits, Financial and HR Consulting report, we surveyed financial advisory firms to understand their perspectives on the primary challenges and promising opportunities when offering HR guidance to their clients.

Here is what they told us.

### Financial Advisory Firms: Client Snapshot

#### Typical Business Size of Client

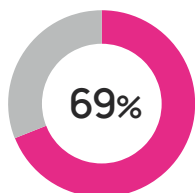
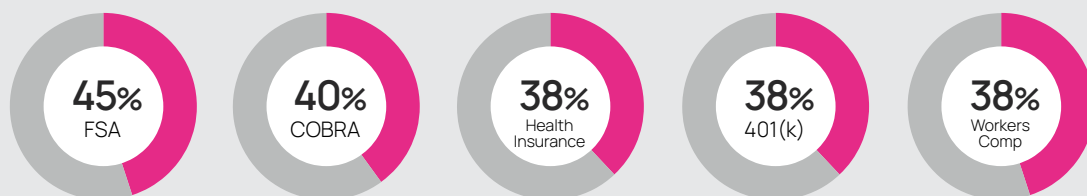
Most financial advisories support clients with between 100 and 250 employees.



#### Where do Financial Advisors Source Clients?

Financial advisors most often win new clients through digital marketing efforts including digital ads, intent data, email marketing, social media, third-party websites and more. After this, referrals are their most common route to new business.

#### Which Services Are Being Advised On?



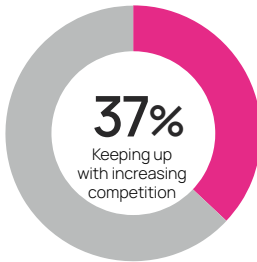
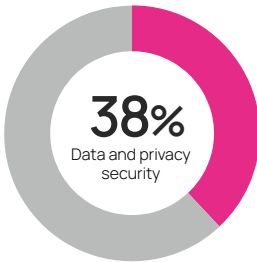
#### Who Handles Benefits and Compliance?

Almost 7 in 10 financial advisories outsource some portion of benefits and compliance services for their clients to third parties.

# Financial Advisory Firms: Challenges and Priorities

## Top Challenges for Financial Advisory Firms

Maintaining compliance as well as data and privacy security are the top concerns for advisory firms—both key components of their third concern: remaining competitive.



## Top 5 Client Concerns, Ranked

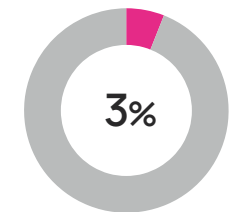
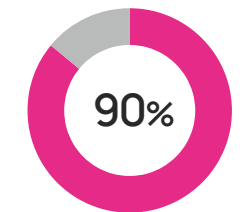
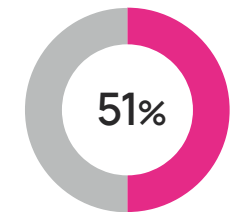
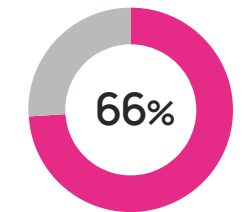
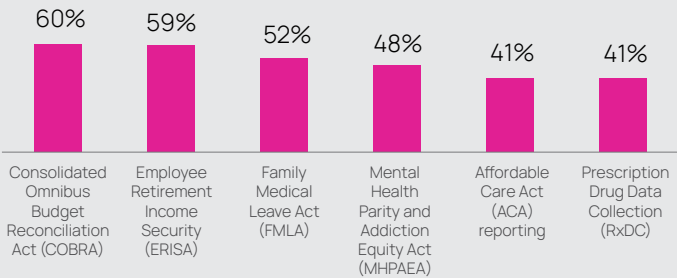
- 1. Maintaining compliance
- 2. Recruiting and retaining top talent
- 3. Managing challenges with benefits enrollment
- 4. Offering competitive benefits
- 5. Keeping up with competitors

## Rising Concerns from Clients

Staying competitive and offering competitive benefits are also top concerns for financial advisors' clients—but they are preceded by concerns around staying compliant, recruiting top talent and managing benefits enrollment.

## Top Compliance Worries

Managing COBRA compliance tops the list of concerns for finance advisory firms' clients, followed quickly by ERISA.



## All-in on AI

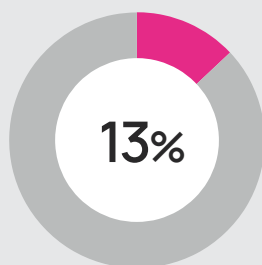
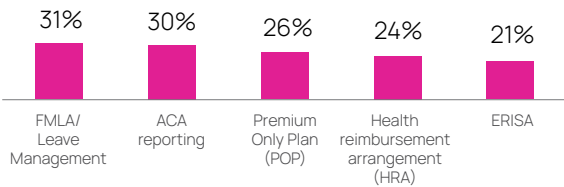
Half of financial advisory firms (50%) are investigating options to leverage artificial intelligence (AI) and another 40% are already offering AI solutions. Only 3% are not interested in AI at all.

Sixty-six percent of firms believe AI advancements could replace human brokers, and more than half believe the biggest disruptors of financial wellness and employee benefits will include shifting demographics that demand tailored benefits with AI analytics (22%), AI-based business models (18%) and Fintech AI investment strategies (11%).

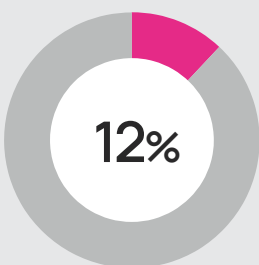
# Financial Advisory Firms: What's Next

## Service Offerings Now On Deck

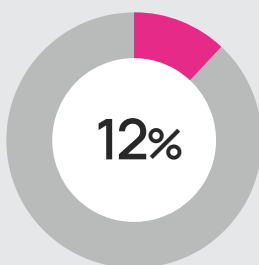
Finance advisories have their eyes on leave and healthcare reporting, as more than a quarter are looking to add FMLA support and ACA reporting to their list of services, followed by 24% looking to add support for FMLA. Those who don't currently support leave management say the main reason is a lack of familiarity with the offering.



Emphasizing ESG criteria investment strategies for socially responsible options



Embracing AI and automation for personalized investment strategies



Leveraging digital transformation to enhance customer experience

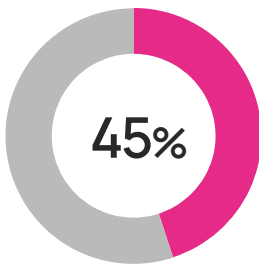
## Top 2025 Opportunities

Emphasizing environmental, social and governance (ESG) leads the list when financial advisors identify opportunities in 2025, as they look at ESG criteria in socially responsible investment strategies. Digital transformation and AI also rated highly.

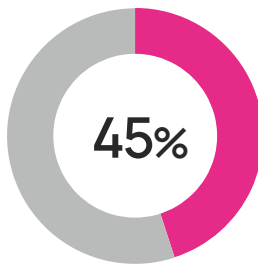
## Helping Clients Grow Their Business

Unsurprisingly, finance tops the list when these firms offer advice—their top piece of advice for clients is to implement retirement savings plans such as 401(k) to support employees' long-term financial goals. Communications and wellness also rank high.

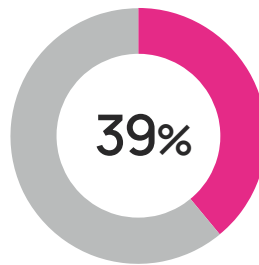
## Most Frequent Advice for Clients



Implement retirement savings plans such as 401(k) to support employees' long term financial goals



Ensure transparency and clear communication about employee benefits packages to foster trust and satisfaction among employees



Invest in employee wellness programs to improve productivity and reduce healthcare costs

Partnering with the right HCM technology vendor can help financial advisory firms solve top client concerns—like staying compliant and attracting employees—resulting in happier clients that are more likely to come back for support in the future (and share their experiences with others).

**Download our full Advisory Services Research:** The State of Benefits, Financial and HR Consulting (2024-2025) report to discover more.

[Read the Report](#)