

For Immediate Release:

Financial Institutions Add Investment Services Capacity, Experience Growing Pains

Kehrer Group's Annual Industry Checkup Released

Chapel Hill, NC, March 2, 2026. After decades of tepid progress toward the goal of growing the financial advisor force in banks and credit unions, 2025 was a breakthrough year. The number of financial advisors working in financial institutions increase 9.2%, the biggest jump in headcount ever observed in this report. Bank-affiliated broker dealers led the way, adding 11% to the advisor force during the year. The number of financial institution-based advisors affiliated with the third-party broker dealers ("TPMs") increased 5.6%, after increasing 6% the previous year.

At the same time, banks and credit unions appear to be embracing anew the practice of licensing branch staff after all but abandoning it over the past several years. The number of licensed branch staff, commonly known as platform reps, increased by more than 3% in bank-affiliated BDs, after growing 10% the year before. Platform rep headcount in TPM client institutions jumped by more than 6%. Most of the new platform reps that are being deployed do not sell investment or insurance products directly to the client but instead refer prospects to the investment unit.

Taken together, the growth in advisor headcount and the increased use of licensed branch staff represent a major, and perhaps historic, expansion of investment services capacity in US financial institutions.

These were the top-level findings of the Kehrer Group [2025/2026 Annual Industry Checkup](#), released today.

But with rapid capacity growth, came growing pains. Average advisor productivity in financial institutions improved by less than 2%, despite double-digit revenue growth. Revenue per advisor declined slightly in the bank-affiliated BDs, while it increased 10% in the TPMs. Improvement to productivity was constrained by the addition of advisors in both types of firms, as new advisors are least productive during their first years with a firm. But the impact was felt more acutely in the bank-affiliated BDs because they added significant headcount during 2025 after years of capacity stagnation.

Financial institutions grew investment services revenue 12% during 2025, slower growth than the previous year but still above goal for most firms. Investment services revenue increased 16.2% in financial institutions that work with a third-party broker dealer compared to 10.2% in banks that own their broker dealer. Revenue from investment services has been increasing faster in institutions that work with a third-party BD over the previous several years because the TPMs have been relatively more successful at growing advisor headcount over that period.

The payoff from growing capacity will come after the newly-added advisors mature into their practices, as is already happening with the advisors that joined the TPMs two to three years ago.

The 2025/2026 Annual Industry Checkup is sponsored by Terrapin Technologies.

“Terrapin Technologies is proud to once again sponsor the Annual Industry Checkup,” said Kristefor Lysne, President of Terrapin Technologies. “This year’s report highlights a historic expansion of advisor capacity across banks and credit unions. As firms invest in growth, business intelligence tools will help leaders better understand performance and ensure that new capacity drives real productivity and profitability.”

About the Annual Checkup

Since 2012 Kehrer Group has combined proprietary and industry data to provide an annual review of the health of investment services in banks and credit unions. The data for this year’s report cover 1,180 of the banks and credit unions that provide investment services, which collectively manage 5,658 advisors, making it the most comprehensive study of industry trends available.

About Kehrer Group

Kehrer Group is the bank and credit union financial advice community’s trusted partner for original thought leadership, insight based in data, and strategies that drive success. For more information, visit our website at www.kehrergroup.com.



About Terrapin Technologies

Terrapin Technologies provides data and business automation solutions to wealth management firms. Our platform unifies critical data and automates key processes across the organization, including compensation management, compliance oversight, reporting, and business intelligence tools. Since 1995, our expertise and technology solutions have helped our customers realize scalable and predictable growth. We help firms see the big picture, increase profits, and reduce risk. <https://www.terrapintech.com>