Why No Revenue Sharing Advisors Are Gaining Ground in the RIA World

The shift toward independence in financial advice

For years the standard model for financial advisors meant joining a large brokerage or insurer, taking a cut of the revenue the firm generated, and handing over a significant slice to the home office. That arrangement worked when the firm provided the brand, the leads, and the compliance infrastructure. But a growing number of experienced advisors are questioning whether that split still makes sense. They want to keep more of what they earn, and they want to control how they serve clients. That is where the idea of no revenue sharing advisors comes in.

An advisor who operates without revenue sharing keeps 100 percent of the fees they charge. Instead of paying a percentage to a parent firm, they pay a flat fee or a monthly subscription for the services they actually use: compliance software, back-office support, and access to an RIA platform. The economics are straightforward. The more an advisor produces, the more the flat-fee model rewards them. And because the advisor is not giving up a portion of every dollar, they have more incentive to build their practice efficiently.

The concept is not entirely new, but it has gained real momentum as technology has made it easier for solo and small-shop advisors to handle regulatory compliance, client onboarding, and portfolio rebalancing on their own. A decade ago an independent advisor who wanted to keep all their fees had to build their own RIA from scratch, a process that could take months and cost tens of thousands in legal and filing fees. Today, platforms like the Advice-Only Network and others provide the legal and compliance wrapper so that advisors can launch quickly without giving up equity in their own revenue.

What no revenue sharing actually means in practice

When an advisor says they are a no revenue sharing advisor, they are making a structural claim about their business model. They are not saying they work for free, and they are not saying they avoid all costs. They are saying that the firm they affiliate with does not take a percentage of their gross revenue. Instead, the advisor pays a predictable fee, often monthly, for the infrastructure they need. That infrastructure can include custodian accounts at Charles Schwab, TD Ameritrade, or Fidelity Clearing, along with compliance software, errors and omissions insurance, and administrative support.

This model has particular appeal for fee-only advisors who charge a flat retainer or an assets-under-management fee. Because those advisors are already transparent about how they get

paid, the idea of a transparent back-end arrangement aligns naturally. A fee-only advisor who works on a retainer basis, for example, might charge a client $3,000 per year. Under a traditional broker-dealer model, the advisor might keep only $1,800 of that after the firm takes its cut. Under a no-revenue-sharing arrangement, that same advisor keeps the full $3,000 and pays a fixed monthly cost, say $500, for their platform and compliance. The difference in take-home pay is substantial, especially as the client base grows.

Of course, the trade-off is that the advisor takes on more responsibility. They have to manage their own marketing, client acquisition, and business development. They cannot rely on a branch manager to hand them leads. For advisors who are already comfortable building their own book of business, that trade-off is easy to accept. For newer advisors who are still learning how to prospect, the traditional model might still make sense because it provides a safety net and a revenue share that subsidizes training.

The compliance angle: fiduciary standard and regulatory obligations

One concern that often comes up when advisors consider going independent is compliance. The fiduciary standard requires that advisors act in the client's best interest at all times, and regulators have become more aggressive about enforcement. Under the SECURE Act 2.0 and other recent rule changes, the bar for what counts as suitable advice has only gotten higher. An advisor who keeps 100 percent of their fees still has to meet every regulatory requirement, from filing Form ADV to maintaining accurate records of client communications.

That is where a good RIA platform earns its keep. Platforms like Cerity and Adhesion Wealth provide the compliance software and the regulatory filing support that a solo advisor would struggle to handle alone. They handle the annual renewal, the state registrations, and the audit support. The advisor retains full ownership of the client relationship and the revenue, but the platform ensures that the regulatory compliance burden does not become overwhelming. This is a critical distinction. The advisor is not going it alone; they are simply choosing a different kind of partnership, one that charges a flat fee rather than a percentage of revenue.

For advisors who work under the fiduciary standard, the flat-fee model also removes a potential conflict of interest. When a firm takes a percentage of revenue, there is always a subtle pressure to recommend products or strategies that generate higher fees. A no revenue sharing advisor avoids that structural friction. Their income does not depend on selling proprietary products or steering clients toward higher-cost funds. That clarity can be a strong selling point when clients ask how the advisor gets paid.

How technology makes it possible

It is hard to overstate how much technology has reshaped the back end of financial advice. Fifteen years ago, an independent advisor who wanted to run a fee-only practice had to cobble together a patchwork of tools: one for portfolio rebalancing, another for tax-loss harvesting, a third for client onboarding, and a fourth for billing. Today, integrated platforms bring most of that functionality under one roof. Advisors can manage custodian accounts, run compliance checks, generate performance reports, and bill clients from a single dashboard.

This integration reduces the need for a large central office. An advisor can work from a home office, a co-working space, or a small storefront and still deliver professional-grade service. The savings on overhead alone can more than cover the cost of the platform. And because the advisor is not paying a percentage of revenue, every dollar they save on overhead goes straight into their pocket or back into their practice.

Some advisors worry that going independent means losing access to the institutional resources of a large firm. In practice, the opposite is often true. Many RIA platforms now offer the same institutional-quality research, model portfolios, and trading tools that wirehouses provide. The difference is that the advisor chooses which tools to use and how to use them. They are not locked into a proprietary system that limits their flexibility.

Who should consider this model

The no revenue sharing advisors approach is not for everyone. An advisor who is still paying off a training debt or who relies on the firm for a steady stream of referrals may find that a traditional split makes more sense in the short term. But for an advisor who has been in the business for several years, who has a solid book of business, and who is tired of seeing a chunk of their revenue disappear every month, the flat-fee model is worth a close look.

Advisors who work with a niche clientele often find the model especially attractive. If you specialize in serving physicians, pilots, or tech executives, you already know how to attract those clients. You do not need the firm's marketing machine. What you need is a clean compliance wrapper, reliable back-office support, and the freedom to design your own service model. That is exactly what a no-revenue-sharing affiliation provides.

It is also worth noting that this model aligns well with the values of the XY Planning Network, Kitces.com, and other educational resources that advocate for transparent, fee-only advice. Michael Kitces and others have written extensively about the economics of the advisory business, and the flat-fee RIA model has been a recurring theme in that conversation. The argument is simple: if advisors are going to charge clients a transparent fee, they should also have a transparent cost structure on the back end.

Practical steps to evaluate the model

If you are an advisor considering a move to a no-revenue-sharing arrangement, there are a few concrete things to check before making the switch:

- Compare the total cost of the flat-fee platform against your current revenue share. Include every line item: compliance, custody, technology, insurance, and administrative support.
- Review the client onboarding process. Does the platform handle the paperwork for custodian accounts at Charles Schwab, TD Ameritrade, or Fidelity Clearing? How long does it take to open a new account?
- Ask about the compliance support. Who files the Form ADV? Who handles state registrations? What happens during an audit?
- Check whether the platform supports the investment tools you need, such as automated portfolio rebalancing and tax-loss harvesting.
- Talk to advisors who have already made the switch. Their experience will tell you more than any marketing material.

The decision ultimately comes down to where you are in your career and what kind of practice you want to build. If you value autonomy, transparency, and keeping the full value of your work, the no revenue sharing advisors model is a proven path. If you prefer the structure and support of a traditional firm, the old model still works. The important thing is that advisors now have a real choice, and that choice is only getting better as technology and regulation continue to evolve.