

Access to Financial Professionals

By 2034, the financial advice industry is projected to face a **shortage of 100,000 advisors** based on current demand.¹

Understanding the Problem:

66%

of Americans don't work with a financial advisor.²

64%

of Americans don't have a financial plan.³

\$4 trillion

Retirement gap.⁴

102 million

Americans have no or not enough life insurance.⁵

Rules for Independent Financial Security Professionals

To prepare, the profession is shifting toward **team-based models** that support more comprehensive, holistic financial planning. The breadth and depth of expertise in these teams make it an ideal environment for developing the next generation of advisors. The **Clarity for Compensation Act** would level the playing field for independent financial security professionals by allowing payments to ensemble practices and supporting **workforce development** for the next generation of planners.

Key Provisions of H.R. 7187



Upholds and Clarifies Regulatory Standards

Advisors spend 59% of their time on administration and compliance instead of working with their clients.⁶

- Compensation standards should protect advisors and clients without added barriers
- Unclear rules increase costs and waste time Less administrative burden lets more Main Street Americans access holistic financial planning



Stimulates Workforce Recruitment and Development

Regulatory certainty in advisor compensation is essential to building and maintaining teams that can attract and develop the next generation of financial advisors.

- Easier entry for new and diverse professionals
- Stronger learning and development for new advisors
- Better advisor retention and fosters long-term careers
- Wider access to trusted financial guidance



Enables Choice and Growth on Main Street

In 2024, 92.7% of SEC-registered advisors employed 100 or fewer employees.⁷

- Most advisory firms are truly small businesses that work with families and local businesses
- These firms help clients plan and protect their financial futures
- Broad access to holistic financial advice supports Main Street growth
- Strong local advice helps build prosperity in communities across the United States

The 2025 Insurance Barometer Study found that in an age of AI tools and digital self-service, consumers still overwhelmingly turn to financial professionals for trusted, personalized guidance.⁸

94%

working with one, express trust in their advisors.

78%

of all Americans say they trust financial professionals.



Support H.R. 7187, the Clarity for Compensation Act

NAIFA supports H.R. 7187, the Clarity for Compensation Act, introduced by Reps. Zach Nunn (R-IA) and Gregory Meeks (D-NY). This bipartisan bill helps modernize how financial professionals can team and build practices that serve more Americans. By clarifying how compensation can be paid to team-based and entity structures, the bill removes outdated regulatory barriers that make it harder for professionals to form and sustain effective teams.



Codify the SEC's No-Action Letter

In late 2025, the SEC issued a letter stating it would not recommend enforcement against personal services entities (PSEs) solely for receiving transaction-based compensation. The Clarity for Compensation Act codifies the SEC's position, providing regulatory certainty while maintaining the standards that protect advisors and their clients as the business grows.

NAIFA Supports H.R. 7187

NAIFA strongly supports this bill as introduced by Rep. Zach Nunn (R-IA) and Rep. Gregory Meeks (D-NY).

We support efforts to:

- Promote consumer access to financial professionals
- Ensure financial professionals can provide products to meet their clients' needs
- Align SEC rules with today's advisory business models

NAIFA is ready to work with legislators on both sides of the aisle to enact this important legislation.

1. McKinsey & Co.
2. Poll by Fabrizio Lee
3. 2024 survey by Charles Schwab
4. Employee Benefits Research Institute
5. LIMRA
6. 2025 Fidelity Advisor Insights Study
7. Investment Adviser Association Industry Snapshot 2025
8. 2025 Insurance Barometer Study by Life Happens and LIMRA

