Transcription details:

Host:	Bill Coppel, First Clearing Chief Client Growth Officer
Guest:	Tony Sirianni, AdvisorHub Publisher and Owner

Transcription results:

Intro	Welcome to The Next Frontier, where we examine what the role of the financial advisor will be in a world that's being disrupted by artificial intelligence and algorithms. Our mission is to spark new conversations that create stronger connections and build greater client confidence. Join us as we look at our industry, and others, through a new lens and explore the opportunities emerging at the intersection of high-tech and high-touch. It's time for a new conversation. Are you ready?
BILL COPPEL	Hi. This is Bill Coppel and welcome to The Next Frontier. We are a week from the 2020 Presidential Election as we record this episode. Despite the outcome, which appears to be conclusive, there remains a fair amount of uncertainty as to what's next. And yes, while this election may be viewed by many as hitting the reset button, it will no doubt lead to more change, leading to more uncertainty, and then more change. As you've heard me say before, in a period of perpetual uncertainty and accelerating change, the right kind of advice and guidance become even more valuable. And what I'm talking about is holistic advice that expands beyond what we traditionally associate within financial services. While helping people navigate the financial landscape of their lives is truly important, it's not the only area where advice can make a profound difference. There's a broader spectrum of issues we're all dealing with on a daily basis, largely due to the fact that we're living longer, and that can't necessarily be solved by rebalancing a portfolio. This presents an enormous opportunity for financial advisors if they're able to see it.
BILL COPPEL	So you might want to ask yourself two questions. How nimble are you and how curious are you about finding new approaches to discovering what matters most to clients today? For the business of advice to remain relevant and capitalize on this opportunity, it has to change its value structure. This has potentially broad implications, from how clients pay for the services we provide, to the scope of services and how they're delivered, and the role the clients want to play in the experience. It also has to recognize that while we're traditionally focused on those who've accumulated a certain amount of assets, which points to a certain age group, we need to address how we deliver value across all age cohorts, regardless of where they sit on the path to what I like to call the third half of life. So as an advisor, how do you embrace this opportunity? That's what our guest today Tony Sirianni is here to help us explore. How we can productively navigate an industry in transition.
BILL COPPEL	Tony is the publisher and owner of AdvisorHub, a leading financial services news web site. A 29-year veteran of the industry, he's the former managing partner of Sirianni Strategy Group, was president of Steward Partners Consulting Solutions, and was a founding partner of two RIA firms -- Steward Partners Holdings and Washington Wealth Management, where he was also CEO. Previous to these roles, Tony held leadership positions at Morgan Stanley, Smith Barney, Legg Mason, Crestar Bank, Mass Mutual Insurance, and Oppenheimer Funds, and was a broker at Merrill Lynch. He's done extensive business planning with hundreds of advisor teams, groundbreaking RIAs, and Fortune 100 institutions and has been widely acknowledged by the financial press as an innovator in the emerging post-wire house

	world. His podcast, *The Tony Sirianni Podcast: An Industry in Transition*, attracts leaders of the nation's largest advisor firms as guests. Tony, welcome to The Next Frontier.
TONY SIRIANNI	Thanks, Bill. It's great to be here. Appreciate you having me. It's always good to talk to you.
BILL COPPEL	Tony, we're having this conversation shortly after your Industry in Transition Virtual Summit on Health, Wealth, and Politics And for our listeners who may have missed it, the event featured nationally renowned epidemiologists, political thinkers, economists, industry leaders who addressed the state of the country and the future of the wealth management business. So Tony, what were some of the key takeaways from the event?
TONY SIRIANNI	Well, thanks, Bill. And you were a participant there, so we appreciate your participation in that. Look, it's a tough time man. As a country, we're sort of under the gun, and that's why we tried to put together something that could address all of the issues we're facing. And interestingly, yet again, our business is sort of dead center in everything. After people's health, their wealth, and their livelihoods are their legacy. It is one of the most important things. And to watch the markets gyrate like they have been has been difficult. And then to do that while you're worried about a pandemic and very serious things about life and death are going through your head and our advisors on the phone with our clients may be in a way more intimately than they've ever been before and we thought that we should build an event around that.
TONY SIRIANNI	So we had the Surgeon General of the Army, Nadja West, come in. We talked about that. You and I have addressed this concept before of don't forget about the weather. So if you're going to talk about something and say you're a writer, you always like to sort of say, "Oh, the character sees the smoke on their breath because it's really cold." or "you're bundling up somehow." There's always something you need to remember about the weather, right? In our situation, we've got some pretty tough weather in our business, so we wanted to address it. We want to address the pandemic. We want to address social justice issues. Again, where our industry sort of lags, and there's a conversation to be had there. We want to address the markets because obviously, that's something that we're involved in pretty intimately. And we want to address the political situation because the event was two days after the election and, as a divided country, we still don't have 100% of the answers back yet with the Senate races. So we wanted to address all of those things.
TONY SIRIANNI	And I guess what I took away from it basically was that General West talked about empathetic leadership. You need to have empathy for people. It doesn't mean you're a wimp if you're concerned. And I think all advisors have to lead in an empathetic style and kind of do that with their clients anyway. That a bifurcated government would actually be good for the markets. That's from talking to the folks at Goldman Sachs, to your panel … to everything. To Ari Fleischer thinking that this might be best for the markets going forward. But basically, we talked about race and nothing bad happened, we talked about politics without insulting each other, and we talked about the markets without getting upset. So I was pretty optimistic after all of that.
BILL COPPEL	Well, yes it was. And you did cover a lot of ground. A lot of important ground I'd say, Tony. And it really brought to the fore the fact that dialogue and conversation is very, very valuable. Particularly, in times of uncertainty. Which leads me to this issue of sort of this changing client demand - as a result, a lot of the change that you talked about at the summit. And I recall what John Peluso, who's head of First Clearing, talked about when he talked about this in the context of the three drivers of advice in the future that are going to be the things that really reflect this changing client demand.

And again, he noted that clients are continuing to want advice, particularly now, given all the uncertainty that's out there, as I mentioned at the top of this conversation, and probably more than ever. And they want it from both a human being, this goes back to the empathetic comment that was made, and they also want it delivered easily from technology. It's not one or the other anymore. As an industry, what the balance is, and how do we bring these elements together in a productive way.

TONY SIRIANNI

Well, that's going to be the trick, right? So going forward, we-- we're in the middle of a technological experiment that, had you and John Peluso said, "Hey, let's do this at First Clearing," they would have fired you. "Let's send everybody home for nine months and just use our tech and see how that goes." So we couldn't have done it before. But the thing about technology is once it's out of the box, it's out of the box. You don't go back. So people have figured out the convenience of this stuff and the Zoom calls and all that. So they're not going to go back. But the question is, to what extent are you going to rely completely on Zoom versus some stuff really needs to be done in person? Other than with a pandemic, I think you wouldn't want to do a Zoom call if you're talking to a bereaved spouse of one of your clients, right? That, you're going to have to go back to being there for them. And we're just going to have to find that sort of middle ground between.

TONY SIRIANNI

And I think generationally, it's a little bit different, or I think it was different before, in terms of the embrace of technology, but the pandemic has sort of made everybody embrace it. And the second thing, not to just constantly talk about this, but there's an acceptance, there's a level of acceptance today, that this is okay. A Zoom call is okay. I think it would have been thought of as rude or a client would have said, "What do you mean you're not coming to my house?" Or an advisor might say, "Well, hey, I'm really important. You need to come to my office. I'm too busy." But today Zoom will be okay. Zoom's acceptable. And I think that goes with a lot of other technology. And with the technology come the habits. The things that we're doing. And those are becoming acceptable. Things that may have been thought rude or not traditional ways of doing business are now acceptable. So somewhere in that, with the view of acceptance, we're going to move forward and we're going to find a convenient mix of in-person and online stuff.

BILL COPPEL

So what it makes me think about, Tony - because I think your point is spot on - is that maybe the technology-- and I've noticed this in my own personal life… The technology is doing a lot of things for me that I don't have to do anymore, right? I call it the "Amazon effect" in a lot of ways. I can look on my refrigerator, and there's a little screen on my refrigerator now, and I can get the news on there and I can see stock quotes there, right? So what's I think important here is that as an advisor, we have to begin to think about delivering things face-to-face that really don't replicate what someone can get on their own. I think we all like the idea of having more control in our life. And what's interesting about Zoom is that the generation we would think that would be sort of wary of all this technology - Boomers and the Greatest Generation, if you will - they're probably embracing Zoom-- they probably embraced Zoom before this more readily so they could see grandchildren and great-grandchildren, and now they're very, very comfortable with it, dealing back and forth with their advisors.

BILL COPPEL

So I think your point's well taken. I'm not sure what that blend's going to be. The second point that John made, I wanted to touch on with you and get your reaction and get your insight is, our industry has been largely focused on people that have a lot of money, and that generally points to a very specific age cohort, right? Baby boomers is what we're looking at right now, primarily. But is there an opportunity to go beyond that? We call them HENRYs. High Earners, Not Rich Yet. Professionals maybe in their late twenties, early thirties that have significant incomes but haven't really accumulated a lot yet. How do we, as an industry begin to address that reality? Because I don't think we're structurally set up to do that in any particularly productive way.

TONY SIRIANNI

So I find that to be an extremely loaded question because, in my mind, that gets at the heart of who we are and who we're going to be next. So who we were, when I started in this business-- and I think there's a-- I know people get aggravated with it, but there is a sort of racial component to this too. A social justice component, as it were, because it's for women as well. But when I started, you could open $10,000 accounts. When I started, you could cold call. When I started, the focus was really, I thought, on opening accounts. That was the key. And then we sort of grew to a place where you had open accounts that were $100,000 or $250,000. If you got something under that, you had to send it away to a call center and I think that stifled a lot of growth in our business. And that's part of the reason why our business is so old now.

TONY SIRIANNI

Because if you're just coming out of school, how are you going to open $250,000 accounts? You don't know anybody with 250 grand. And if you're a first-generation college person or a first person in your family to maybe be in business of some kind, who do you know that's got-- you don't know anybody. So how are you going to get there? And we have to sort of reconfigure the industry to allow us to open accounts that we can get in front of millennials, even though they don't have a lot of money now and do what we always traditionally did. I mean, have them on the books. They feel kind of cool having an advisor they can call every once in a while. At the same time, we build this long-term relationship. Everyone's kind of chasing that same Boomer dollar and we've sort of created these teams that sort of run everything on these large teams.

TONY SIRIANNI

Those teams need to get younger people. They need to get people who look different than them because the fastest growing middle-class segment in the United States is African American. Women are going to control 70% or so of the assets in this country. So you need to expand out. I'm not suggesting any malevolence or purpose with it, but I'm saying that that question is a loaded question because we need to figure out a way to bring people into the business in a sustainable fashion. Pay them in some way for activity, but still, if we put people on salary, we take away the unlimited upside and we're hurting everybody. So that's not what we want to do. So there has to be a way to sort of set goals and hit things that we know will work. Because if you have a whole bunch of accounts - if you're able to open hundreds of accounts - you're going to be successful in this business. And by the way, this business isn't for anybody. Eighty percent of the people are still going to fail. But hopefully, we'll have a broader group of people who make it.

BILL COPPEL

That's right. And I think that-- I think we'll come back to this in a moment, but the compensation and aligning the compensation with the kind of outcomes we're looking for us is certainly up for grabs. And changing, perhaps the way we view success in our industry is probably on the horizon as well. And we'll dive a little deeper into this whole notion of the value of advice as well, because I think that once we get past the fact that it's not just about portfolio management, it opens the door to a lot of conversations around how we structure businesses and how we are compensated for those kinds of activities that we perform on behalf of clients. But I want to go to this article that you published recently in AdvisorHub, which I really love the title of; *How A Three-Year-Old Will Change Our Business Forever*. Talk to the audience a little bit about what you were getting at there. What the message is. Particularly as you structured the article, it's really designed to help us understand what we mean and where client expectations are likely to go when COVID is over.

TONY SIRIANNI	Well, the only novel thing-- I said this relatively early. I think everyone has sort of come around to this notion that-- and you mentioned it earlier, too. That Boomers and even the group above them, what's left of the Greatest Generation, they use technology, but they're sort of ambivalent about it. They're not taking Instagram photos of their food and sending it around to everybody. So they need technology that works for them. They still like to get their newspaper delivered, right? But they'll read it online if they have to, but want the Sunday *Times*, right? So there is sort of an interesting mix of both. But as you mentioned, in order for them to spend time with their grandchildren during COVID, they've had to learn to work the Zoom technology. Not only have they done that, they've embraced it. And there's an acceptance with that generation, of "This works. This makes sense to me. I get it. And now all of a sudden all my service providers are just a touch away." And that has real ramifications for our business in what the expectations are of clients going forward.
TONY SIRIANNI	They expect you to be there. They don't care if you're in a T-shirt. It's okay if the kids are screaming in the background. It's okay if the dog is barking or you're at home with a cocktail, it's all good as far as they're concerned. But they still want access to there. So it's kind of a Back to the Future sort of model. They want access to the live person whenever they want it, 24/7. And that's sort of worked in COVID and I don't know how much of that you can backpedal. And we have the DocuSign. We have all this stuff that we can work online that's been figured out. How much of that-- I mentioned bereavement. There are some things you're going to have to do in-person. But I think for your standard client check-in, we're going to be there. And it's because of these three-year-old - very cute three-year-old kids - that grandparents want to see all the time.
BILL COPPEL	You're right. I think it's easier today for me to buy a very expensive automobile in a matter of a few clicks and have it delivered to my driveway than it is to open an IRA account. And [crosstalk]--
TONY SIRIANNI	I did that, by the way, during COVID.
BILL COPPEL	Okay. [laughter] Well, [crosstalk]--
TONY SIRIANNI	Zero percent. I brought a bunch of cars online. [laughter]
BILL COPPEL	There you go. There you go. But it's really interesting. The point you're making here is that we-- typically if I think about this thing from a generational standpoint, really up until Gen Y, as an example, there was a high probability that we would grow up to be more like our parents than not, okay? Now, it seems that the Boomer generation is going to be heavily influenced by Gen Y and Gen Z. And in fact, are going to likely behave more like them in many ways, particularly around technology and access than ever before in history. So I think your point is well taken. That we have to embrace this technology and understand that folks want that personal connectivity. And they're willing to do that in some of the new ways that they are able to, that technology has provided. Let me talk about advice for a little bit in the advice business, which is really at the centerpiece of our industry. And it seems to me that the question out there, particularly in light of one of the phenomenons that occurred this past-- well, I guess back in early 2020 now. Was this notion of zero-com, as you phrased it in one of your articles on AdvisorHub, when Schwab actually went to zero. And so the customer-- in the case of a customer who is the customer of an RIA, as an example, there was no charge for the trade. Let's talk a little bit about this and try to speculate as to where you think the way in which people - clients - pay for advice is heading?

TONY SIRIANNI

Well, I think it's heading exactly what you said -- clients are going to start paying for advice. That's what ultimately zero-com does, right? That's the natural direction it pushes itself in. And you add that to the acceptance quotient we have with the pandemic, you add that to the acceptance of technology-- and I'm talking about for the Boomer generation, who has been used to working with an advisor in a certain way. I think now they're open to changes. And zero-com kind of makes sense. At least on paper, you look at and say, "Well, this makes sense." And the other thing is, I don't know, 30 years ago when I was an advisor, I thought I was giving advice. I didn't look at my job as a commission salesperson. I think a lot of people don't. So between Reg BI and zero-commission-- before zero-com, we had this-- we deregulated trading. And that took a long time to have an impact, but it had a huge impact. And especially when you look back-- sometimes you don't recognize what's going on while it's happening, but when you look back on it, I've never seen commissions go anywhere but down, have you? I've been doing this for 30 years--

BILL COPPEL

That's right. Yeah. And you're talking-- yeah, you're talking about 1975 when we deregulated commissions. Basically, it was the birth of the discount broker, which ultimately is what Schwab started out as. And so--

TONY SIRIANNI

Yeah. Look what they've evolved into. And all of that you can say, "At some point--" that facilitated the huge independent movement we have today, at some point. What it did take though it took that horrible crash of 2008, 9, 10. All that terrible, perfect storm of things happening, to really turn the indie movement into a juggernaut. But that wouldn't have happened without deregulation. I think things are happening faster these days. So I do see that zero-com is having a long-term impact. And what will happen is, people will have to start charging for advice. And this really fits in nicely to this notion of you being a service provider for these Boomers. "Hey, I want to call my lawyer." I get them online. I'm doing doctor visits online because I don't want to-- if I have just a regular doctor thing, I'm just doing it via Zoom. "Hey, doctor. I got a sinus headache."

BILL COPPEL

You're right. And what's going to be interesting is that all of those professional services you just identified, we have been forced into online experiences to achieve what we wanted to achieve, whether it was your lawyer, your doctor, your accountant, whatever, largely to protect ourselves from the COVID virus. But we also learned that there's a lot of convenience in that. So it'll be interesting to see how many of those will actually extend on permanently as part of our culture in a way we are served. And I want to go back to something that you mentioned here around this notion of paying for advice, which is, when you think about it, going back 10 or 20 years, sort of the advice was ancillary to the transaction. And you might say today that now the transaction is ancillary to the advice. So what are you really paying for? What's the real value now in the relationship with your financial advisor? As a client, what should I be expecting, Tony, in terms of value going forward?

TONY SIRIANNI

This is a good news, bad news thing. And this sort of was stated in 10 different ways by 10 different CEOs at the conference, which is that you're separating the good advisors from the band advisors here. The men from the boys, the girls from the women. I mean, this is it. You're either giving good advice through this crisis or not. As a matter of fact, there was an article that just came out about how the “stay and hold” strategy worked really well through all this, had you held on, just like it always does, right? But we thought, "This is different. This is different." But the “stay and hold” worked best. That was the best strategy to have. And clearly, from studies, time immemorial, it's advisors who say, "Stay the course." You could say it's because it's in their self-interest or whatever, but we always advise that, and it works, and it worked again. So clients were advantaged by good advisors who gave them good advice and were a calming influence and talked to them, especially face-to-face, at odd hours, and from home. And there's something soothing about that too, I think. So I think that the advice piece is going to turn into the piece, and advisors being at home through COVID and this technological thing where we're kind of set up to do that. I just feel like when you take the office out of it and the big constructions of a large firm, and it just becomes one-on-one, it feels more like advice.

BILL COPPEL

One of the things you identified and I want to follow up with you on it is the business models are changing, right? My words, not yours. But you alluded to the fact that, if people are going to be paying for advice, they're going to want a different level of service from the individuals who are providing it. So when you start to think about that from the standpoint of how the industry will continue to fund its growth, fund itself, what are the implications for custodians and other central players in this space that ultimately support that individual who is out there providing the kind of advice you're talking about?

TONY SIRIANNI

Right now, the emperor's got no clothes. Everybody's a genius in a 10-year bull market. Everybody seems like they're pretty smart. And you can be lazy and have sort of these models that maybe are not so smart or well put together and they work because the markets are on your side. Well, the models that are sort of bad are being stretched during a crisis like this. People are seeing maybe there's a real value to scale, for instance, and being on my own is tough … or maybe some people feel it's better. And a lot of it's going to be guided by the likes of the different advisor. You can see some advisors are going-- there's always the last-- I'm sure the guy who made buggy whips and he was the buggy whip maker go under, I'm sure he was a great buggy whip maker, but who gives a crap? It's time has come and gone. So some advisors will try hard to hold onto old ways of doing things. And it's either that or you step in front of it.

TONY SIRIANNI

Are you going to be in front of the change here or not? And I think custodians have to provide … if the independent movement is going to continue to gain ground and be the place where things happen. Look, I believe a wire house has an enormous opportunity to jump in front of this thing and gain market share by sort of being really innovative right now that they just-- they actually just won't do it. I don't know why. But a custodian seems to be a little more forward-thinking. They can look at what's going on in the world and change to fee-for-advice a lot more easily. And I'm not even talking about regulation, I'm talking almost more about mentality. But you want to step in front of that. Make it convenient. Make it easy. Create the auspices by which an advisor can transform their business to an advice business and charge a fee for that or even an hourly rate, like a doctor or a lawyer would do or a consultant would do.

BILL COPPEL

That's right. And as you pointed out, there's no question that the move towards independence, which has been something that's been going on for a decade, and particularly with the emergence of the independent RIA today, which seems to be gaining terrific ground, as measured by Cerulli, whether it's based on assets under management or just pure headcount, it's moving. And it tends to be the better advisors who, as you say, have their eyes open and are willing to change. It's similar to the automotive industry, where Mary Barra recently came out after this terrific quarter that General Motors has had and said, "We're in a position to begin to self-fund our transformation from building combustion automobiles to electric cars." So maybe that's what I hear you saying about the industry, if you will. Let's talk a little bit about business models here. Talk to us about what you're seeing. Clearly, AdvisorHub draws a lot of attention from the independent space, and I think to a large degree from RIAs who are big followers of what goes on on your platform. You said, "If the independent business continues to grow." Is there a question in your mind that it may stall at some point?

TONY SIRIANNI

No, but I always have, because I think it won't. But it's just I wish I could shake-- they're losing their advantage every day. But I still think the wire houses have advantages. They have enormous advantages in sophistication and technology and just assets and the amount of wealth they can throw at things. But for some reason, they've thought that what they're going to do is squeeze what they have and pinch these guys out into a small-- through all these legal means, bind them through team agreements, through sunset agreements as advisors retire. And all of a sudden, get these guys on a salary. And then that's going to be-- that's the goal. To become a European style advisor-based system where everybody's on a salary. And if they can get there tomorrow, they would. But that seems to be where they're going, versus the open-ended, indie model.

TONY SIRIANNI

And I say that because I think they could still do it if they would just have a mindset shift. And they could capture enormous market share, but they won't. Whereas the independents now have this opportunity to jump in front of this fee-for-advice idea and explain it in such a way that advisors know that they'll continue to grow. And then there are those hybrids, which have been homes-- I think one of the things I said and I think it got slowed down by COVID, but it still happened a lot at the very high end. You see these big multi-billion-dollar teams. They'll leave a wire house and join a hybrid firm. And then after a couple of years realize, "We can do this on our own. We've got 12 people on our team. We really don't need to pay an extra 10% to the aggregator firm, so we're going to leave and do our own firm." And I think that'll continue more next year. I really thought we'd have a lot more of it this year, but we had a fair amount of it. You'll see that kind of movement.

TONY SIRIANNI

And custodians, the more-- I think they're learning lessons from these hybrid firms as well, but there may be some things they should add that make a little more culture. Make it feel a little more clubby, like everyone's welcome to it. A club everyone's welcome to. I think that they're taking some lessons from there. But, obviously, I think the independent space is still going to grow. It's hard to figure out who the challenger is going to be. And it's also hard to see which of the aggregator-type firms are going to succeed. I'm very leery of firms that take a lot of investment from venture capital people. I don't think they understand they're not investing in a business, they're making an investment, and there's a big difference.

BILL COPPEL

Got it. Obviously, there's a terrific future ahead. Particularly, in light of the fact that I think that we both agree that advice is very, very valuable today. And it will behoove all of us to really focus on that as we begin to leave the idea of living in a world of transactions as our primary value and moving into helping clients navigate and identify what really matters to them and hopefully help them live a better life. So let me wrap it up with a question to put you a little bit on the spot. I'm a big fan of AdvisorHub and read it regularly, and you're great at making predictions. So as we close out 2020, give us a glimpse into what you see on the horizon for 2021.

TONY SIRIANNI

So I don't want to wimp out with the answers to that because usually, I make these bold predictions and interestingly a fair number of them happen. I'm thinking about zero-com, for instance, and all that. I feel we're going to have, in general - and I don't know if that makes me very smart because I think people just feel this way now - is an acceleration of what we had through the pandemic here. The things that started here are going to continue to accelerate. The things have slowed down here are going to continue to decelerate. So I don't know that that's a hugely bold prediction. And I'll sort that out and parse it out piece by piece what I think is going to happen to real

	estate, versus what I think's going to happen to wire house firms, and how firms deal with people who want to work from home now, how is that going to work? Advantage, again, is to the independent firms that don't have large-- real estate leases and large amounts of ten-year leases that they've signed. I think they're going to be at a significant advantage going forward. It's all about the pandemic and the stuff that we've done so far, how is that going to play out in 2021?
BILL COPPEL	Well, I like what you said. Those things that are changing rapidly, that trajectory is not likely to slow down too much and those things that are contracting are likely going to continue to contract after we get through COVID. I think that's a keen observation. Is there a day when we're going to all go back to the office the same way we were prior to the March shutdown of at least most businesses in America?
TONY SIRIANNI	I don't think so. If you go to New York today, it's rough. I'm a native New Yorker. I live on a horse farm in Virginia now, as you know, but we still have an office there. We have our reporters and a salesman there. So it's a big part of the AdvisorHub landscape. And it's sad. It's going to be-- it's going to be different. The CEOs that I talked to that were looking-- and I talked to all of them, right? That were interested in taking 80,000 square feet on Park Avenue and now looking at 20,000. A couple of months ago, they were looking at 30 or 40 thousand. It's an expensive proposition. I mean, we all-- I don't have to name the firms. We know firms that have moved out of New York permanently and moved the headquarters out.
TONY SIRIANNI	So the great thing about New York City was you could get there and you could-- and you and I know this. You can get there, and you can have seven meetings in a day with CEOs of seven different firms, and you can get a whole bunch of stuff done in a week in New York City that would take you a million plane trips to get everywhere. So I hope we don't lose that. But I don't know how much of that is wishful thinking on my part or what's really going to happen. If people really pare down their offices-- my fingers are crossed is that it'll be senior people will still be in New York or these big cities so you can get together and meet them. But if I'm a senior person and I've got a nice place in Westchester, why would I want to do that? I don't know. So I'm not sure that we go back to exactly the way we were. I think it would be a mistake to bet against New York.
TONY SIRIANNI	I think people are voting with their feet right now in these big cities and leaving them and driving up real estate prices. Where I am here too, outside of Washington, D.C., you don't spend a million bucks on a house and then decided to go back. So I think there are going to be issues going forward. One of the things I will mention that I should put in my predictions - you've got to remind me if I don't do it - is that for young people - and I have two young folks. One is 25 and 24, and they're working at jobs in D.C. They're working from home. They were lucky enough to be home, I mean, be in the office for six months to a year so they got to know people. But boy, this is really hard for young people right now. How do you even understand? Because now I'm seeing their friends that are graduating this year, and I'm anticipating my junior in college graduating the next year, you have no mentorship. I mean, boy, you learn a lot just going to lunch with people don't you when you start in the business?
TONY SIRIANNI	I mean, that's what I worry about. How do you teach culture? And not for anything. Kids don't understand there's a way to do business. And if you're in an office and people aren't telling stupid jokes and they're acting a certain way, if you don't have that-- [laughter] if the COVID vaccine comes out and we have all these young people at the Christmas party, no one's going to know how to act. It's going to be like a fraternity basement or something because people don't get it. You have to inculcate in people some sense of capitalism and business and develop entrepreneurship and

	let people get together to let those things spark up a little bit. And that, I am concerned about. We're not going to get these years back. You look at these little three-year-old kids, and they're sort of not socialized very well. You're not getting the time back. So kids are starting their careers, and we're not really helping them. They're not being able to see a path forward. I think that's going to be tough.
BILL COPPEL	You're right. And I think at the end of the day through history we have learned from each other and most of the time it's been in a face-to-face situation. And the points you're making are quite valid. It'll be interesting to see how this plays out. With that, Tony, I want to say thank you very, very much for your time today. Really enjoyed having you on. Congratulations on an outstanding summit this year, which we all were sort of sitting there waiting to see how it would work out in a virtual format. And it really worked very nicely. Which again, is going to point towards the future of just simple things--
TONY SIRIANNI	Yeah. I know.
BILL COPPEL	--[crosstalk], right?
BILL COPPEL	But I really want to thank you and keep up the good work at AdvisorHub and we look forward to having you back maybe early next year to really get those predictions out of you.
TONY SIRIANNI	Sounds good. Thanks, Bill.
BILL COPPEL	For our listeners interested in learning more about Tony's work and his podcast, *The Tony Sirianni Podcast: An Industry in Transition*, and AdvisorHub, you can find links to his information in this episodes show description. We hope you enjoyed our conversation today. Please take a moment to subscribe to our podcast. And if you like what you heard, please tell others about it. It helps people find us and ensures you never miss an episode. Our commitment is to continue to share industry trends, insights, and timely information with the aim of helping you build a better future for your clients and your business. [music] Thanks for listening and until next time, be well.
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