

Schwab clarifies that its mass proliferation of 'wealth' offices nationally is way to generate 'connectivity,' not an upmarket retail presence, but analysts say the ratcheting up of competition for RIAs is largely the same

The reframing of Schwab Wealth Advisory offices as non-descript, nearby call centers -- and not branches -- disguises the substantial SWA marketing aggression Schwab is introducing into local markets, says one analyst.

🕒 17 min read

By **Oisín Breen** June 1, 2026

Updated: June 2, 2026



Mike Watson: [Schwab] is a competitor with a massive brand, massive client reach, and every incentive to capture more of the advice economics itself.

Key Points



Brooke's Note: This article was prompted by Schwab's request to correct the "premise" of the previous article about Schwab surging Schwab Wealth Advisory personnel into dozens of new markets nationally – namely that it might pose a fresh

threat to RIAs. RIABiz made one clear correction to the existing article, which was to remove the word “plush” as an adjective to describe the new SWA offices. Apparently, the new ‘wealth’ offices are unassuming, utilitarian spaces designed for work, not to wow clients. RIABiz did offer Schwab the chance to comment or clarify before the publication of our previous article. They never responded. Still, Schwab has the right to clarify– even after the deadline. We also felt we owed analysts the chance to react to Schwab’s “corrections.” In the end, much comes down to whether these new satellite offices – whether you call them “branches” or “localized call centers” – constitute a more abject RIA competitive threat and whether it is fair play. Again, both Schwab and its critics are right. Schwab is unlikely to take many RIA clients. But this SWA initiative could win it tens of billions in net new assets every year, and sopping up that market share is presumably a competitive threat to RIAs. We are working on an RIA-react article that also finds interesting wrinkles.

Charles Schwab & Co. has revealed more details about the wealth manager satellite offices it is proliferating into dozens of local markets across the United States in an effort to dispel the notion that these are “branches” in the retail-financial sense, and that RIA clients need not see them as a threat rising up from within the Schwab family.

Critics contend that Schwab is indeed upping its competitive wealth game – albeit more as a big wealth sponge than as a poacher of existing clients – even if the offices don't sport glassy facades, comfy lobbies and massive signage.

Schwab contends that it will not compete with RIAs and bases its argument – made via email, and through a mid-year press briefing – that it has not opened branches, but has instead “located” Schwab Wealth Advisory advisors “in separate office[s]” – with “no signage, or storefront presence,” and no “walk-in[s]” allowed.



Tim Welsh: The strategy is actually more sophisticated ... and therefore more threatening.

(Editor's note: [RIABiz](#) was not invited to the mid-year press briefing. Schwab has also yet to answer RIABiz's detailed response to its May 27 and May 28 critiques. It did not respond to a May 19 request for comment.)

According to the company in an email, “the overall premise – that Schwab is building a network of client-facing, RIA-only branch

offices in local markets to compete with independent advisors – is not accurate."

But Tim Welsh, founder and CEO of [Nexus Strategy](#), who spent six-and-a-half years at Schwab (1999 to 2006) says the semantic battle over “branches” vs. “offices” disguises the substantial Schwab Wealth Advisory (SWA) marketing aggression Schwab is introducing in local markets.

Office strategy

[Neesha Hathi](#), managing director and Head of Wealth & Advice Solutions, let the cat out of the bag by directly referring to a "local branch" strategy during Schwab's Investor Day meeting, May 14.

“We've actually expanded locally,” she said at the meeting. “We had our wealth advisers located in 4 locations across the country. We're now in 20 markets, actually, we'll be in 30 markets by the end of the year, which does a lot in terms of building that local relationship with clients in all the affluent markets that we want to be in.”

[SWA] is hiring “like crazy,” and opening 10 new SWA branches by year-end 2026, taking SWA's total branch count to 30, according to the Investor Day transcript.

Schwab head of investor service & retail investing, Jonathan Craig went on to explain that putting SWA offices out in the field is the exercise of a marketing principle that Schwab has learned in building conventional brokerage branches nationally.

“All things equal, local is better than national. In fact, when we have a local branch versus a national relationship, we see about a 35% improvement in market share in that branch,” he said.

“So not surprisingly, you're going to see us continue to invest in financial consultants and wealth consultants, and you're going to see us opening more and more branches, expanding and renovating other ones. It is core to our strategy and definitely working,” he added.



[Greg O'Gara](#): SWA represents an expansion of an established model, not a departure into something covert.

Hathi and Craig's comments were the basis of a May 27, [RIABiz report](#) – based on a

[transcript](#) of the event – that revealed how and where it's expanding its RIA, Schwab Wealth Advisory (SWA) network. See: [Schwab drops bomb that 30 SWA offices will be up and running by 2027 as 'core' offering](#).

Local expansion

A Schwab spokeswoman added that “SWA advisors will continue to work closely with financial consultants and retail clients virtually, or via a hybrid model ... and being in-market provides the added benefits of shared market context and local knowledge, not to mention working hours.”

The new offices “strengthen regional connectivity” with branch consultants and clients, on a “hybrid” and “virtual” basis, she said.

Hathi also noted that the latest effort is a departure from Schwab's traditional “hybrid or virtual” offices and an expansion into local markets. “So some of you might have the history here, but this was an offer that was always hybrid or virtual.

Marketing aggression

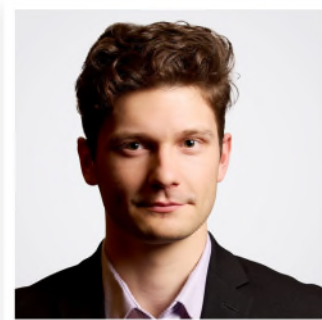
“Schwab has essentially built a relationship-distribution machine disguised as a real estate strategy,” says Welsh.

“Whether the SWA advisor is technically a ‘branch’ or not is a distinction without a difference; what matters is that they're *there*, building the relationships that convert awareness into action.

“It is still direct competition for every RIA that custodies with Schwab,” he explains.

“The same clients those RIAs are prospecting in their local markets are now being pursued by SWA advisors operating out of the next strip mall. Schwab is essentially farming the same soil, with better irrigation.

“Schwab calling these offices 'not branches' because they lack signage is like calling a duck a non-duck because it's indoors,” Welsh continues.



Sean Dunlop: I struggle to envision why it would be preferable or important to distinguish between branches and locations.

“What the new detail does reveal is that the strategy is actually more sophisticated than a traditional branch rollout, and therefore more threatening, not less,” he concludes.

Schwab pushes back by saying assets are so plentiful that RIA competition is “rare.”

“There’s a \$37 trillion opportunity out there for all of us,” Schwab managing director and head of advisor services, Jon Beatty told the press, during a mid-year press briefing, according to a May 28 [WealthManagement.com report](#).



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“We rarely bump into each other in the marketplace,” he explained, adding that he has received just one email discussing a potential conflict with an RIA in the last 12 months, and that it was resolved “in about 15 minutes.”

“Investors have been asking everybody for more help and advice, and we will respond to that in the marketplace to meet our clients in their time of need,” he added.

Pipeline compression

“The real competition isn’t poaching existing RIA clients. It’s pipeline compression,” says Welsh.

“Which is precisely why Schwab is working so hard to call these locations something other than branches. ‘Branch’ triggers a specific regulatory and psychological alarm, it signals direct competition, captive distribution, and a conflicted custodian,” Welsh adds.

Although SWA’s branches or offices do represent evolution, the shift is far from gradual, Welsh says.



Jon Beatty: ‘There’s a \$37 trillion opportunity out there for all of us.’

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"It's evolution, but don't let that word lull anyone ... [SWA is] upstairs, not in your face. What's new is the localization at scale, [so] Schwab's 'we're not competing with RIAs' line is technically accurate but strategically dishonest, which is very on-brand for them."

"DIY Schwab investors who grew in wealth and complexity used to graduate, organically, toward independent advisors. Schwab is now intercepting that journey internally before those prospects ever reach the independent channel. They'll never admit it publicly, that it is competition, yet it obviously is," he says.

"If Schwab admits these are branches, every RIA on their platform has to ask whether their custodian is also their competitor. So far, the answer is obviously 'yes' and these semantic gymnastics are just Schwab trying to obfuscate the obvious in the hopes nobody notices or cares, while their network quietly scales."

Schwab pushback

Schwab's efforts to push back on reports out of the Investor's Day meeting seemed to hinge on shaded definitions for an office and a branch.

Despite Hathi's comments during the meeting, Schwab asserted that "the SWA advisor locations referenced at Investor Day are not branches and were not referred to as branches at any point."

Schwab is technically not introducing a new business model either, according to [Greg O'Gara](#), senior advisor at Datos Insights.

"Non-traditional office formats are not new to Schwab; they're part of how it has extended its footprint ... [including] satellite locations with minimal signage in

Schwab Wealth Advisory (SWA)

Originally launched as Schwab Private Client, SWA functions as a hybrid model. It leverages Charles Schwab & Co., Inc.'s broker-dealer infrastructure for trade execution and custody while maintaining a separate registration with the SEC as a Registered Investment Advisor (RIA) to provide fiduciary investment management.

underserved markets.

So, "the objection to 'branch' reads less like a principled definitional stance and more like a reflection of how flexibly they've defined the format," he explains.

A deeper response

"SWA advisors [are] located in geographic markets – not in existing branches, nor in newly created SWA-only branches," the company's spokeswoman continues.

"SWA advisors work in office spaces that are not intended for client-facing activities. There is no signage, no storefront, [and there are] no walk-ins.

"SWA advisors will continue to work closely with financial consultants and retail clients virtually, or via a hybrid model ... and being in-market provides the added benefits of shared market context and local knowledge, not to mention working hours.

Story Timeline



May 26, 2026

8 days ago

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Schwab eyes massive branch network expansion using independent operators

“Schwab’s financial consultants and wealth advisors are [also] not RIAs. They are employees of Schwab serving retail clients through Schwab’s broker-dealer ... [and SWA] is not designed to recruit or solicit clients of independent advisory firms,” she says.

The new offices “strengthen regional connectivity” with branch consultants and clients, on a “hybrid” and “virtual” basis, Schwab's spokeswoman concludes.

But according to [Schwab's own marketing materials](#), when clients enroll in a paid, discretionary wealth management program through SWA, both Schwab and the assigned Wealth Advisor act as fiduciaries. They are legally obligated to act in your best interest and put your needs first – the definition of an RIA. (See SWA, forms [ADV](#), [ADV2](#), and [ADV3](#).)

Ari Sonneberg, a partner at Wagner Law Group confirmed in an email exchange that SWA is an RIA operating as an affiliate of Schwab's broker-dealer.

Flipping the dynamic

Welsh says the issue of constructive “connectivity” from SWA offices in local markets is real for Schwab.

Even if the company keeps the newly deployed advisers secreted away in unmarked offices in generic nearby office buildings, “What they're describing is about how referrals actually work inside a big organization,” he says.

"A Boca [Raton, Fla.,] Schwab branch broker

Branch Office (n):



A typical Schwab branch.

isn't going to confidently hand a client to an SWA advisor in Denver because they've never met, never grabbed lunch, never built the kind of casual trust that makes an internal referral feel safe rather than risky.

"You don't refer someone you don't know. You refer someone you've seen in the hallway, someone whose name comes to mind because they were just in your branch last Tuesday.



The Cambridge English dictionary [defines](#) a branch as “one of the offices or groups that form part of a large business organization.” [Investopedia](#) defines a branch as “a secondary, separated location of a main business, where various operations are conducted to better serve clients and manage specific administrative tasks.”



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“Put the SWA advisor locally, and that dynamic flips. Now they're colleagues, not strangers on an org chart. The relationship builds organically, the broker's comfort level rises, and suddenly SWA services are being actively sold rather than passively available.

"That's the 35% lift. It's not magic, it's just what happens when human beings actually know each other.”

Nuanced structure

SWA, which has the capacity to manage assets on a discretionary basis as of last July, but largely still does not, is also a more complex beast than some imagine, not least in how it interacts with the wider Schwab organization.

“SWA is not designed to recruit or solicit clients of independent advisory firms, and that the program's target is Schwab's existing base of self-directed retail investors, clients already custodied at Schwab and currently unadvised,” O'Gara says.

"The structure is more layered than the BD-RIA distinction conveys. The local [retail] advisors are not running money independently. They function as relationship managers

and non-discretionary providers, with actual portfolio management sitting inside SWA,” he explains.

“The program spans both structures: BD on the client-facing side, affiliated RIA on the investment management side. That kind of dual-layer architecture is consistent with how Schwab has long organized its advisory business

"For clients, the practical implication is that final investment decisions remain theirs," unless otherwise agreed, he says.

Distinct push



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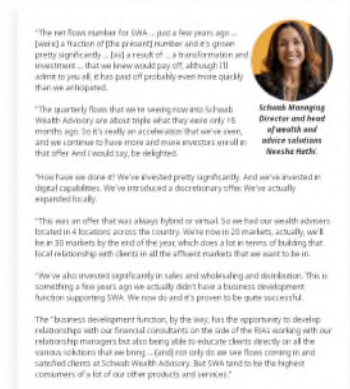
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Morningstar Director of Equity Research Sean Dunlop, says he struggles “to envision why it would be preferable or important to distinguish between branches and locations.”

SWA's new offices "won't encroach on the RIA market in the sense that they don't intend to compete for advisors sales nor existing clients with RIAs that custody on the Schwab platform. But growth in SWA definitionally comes at the expense of an advisory relationship elsewhere, [through] the [Schwab] referral pipeline,” Dunlop explains.

Last July Schwab also moved to allow SWA advisors, or **IARs**, to buy and sell securities without first getting permission from investors – which is table stakes at virtually any other registered investment advisor. See: [Charles Schwab finally launches 'discretionary' version of Schwab Wealth Advisory](#).

Dunlop says Schwab's opening of no-walk-in SWA branches also has clear downsides, at least that the lack of branding reduces the traditional advantages of opening a new



An edited extract from Neesha Hathi's speech at Schwab's May 14 Investor Day event. (Click to enlarge).

branch. But it will see as a win in any move that improves its hit rate when bringing DIY investors into its higher-margin advice unit.

“The branch strategy has long been that they lower client acquisition costs dramatically, with around a four-year break even ... [But] this local push does seem distinct ... The lack of a conventional branch seems to obviate, to some extent, the main historical benefit,” he explains.

“I’m struggling somewhat to get to ‘why.’ Maybe they believe they can recruit better talent and increase client [NPS](#) with this approach, rather than servicing clients out of a centralized location.”

Yet “all else [being] equal, Schwab would prefer the 0.75% or 0.80% wrap fee that comes with a direct advisory relationship, rather than the smaller fee [of] maybe 0.20% that comes from a referral relationship” shared with an RIA, and “in their investor day presentation, they point out that branches help increase local market share by 35%,” he adds.

RIA by stealth

The bigger benefit, of course, is that the offices further tool up relationship managers in retail branches, who can now refer DIY investors to IARs with "local" knowledge, says Welsh, who argues that the new branches create a segmented local RIA by stealth.

“It’s different from the old one-size-fits-all branch and call center model by being more targeted, hybrid-first, relationship-driven. But the key move people have missed is the connection to Schwab quietly granting SWA advisors discretionary trading authority last July,” Welsh notes.

"First you give your advisors the functional toolkit of an RIA, then you embed them locally to build the trust relationships that justify using it.

“Together, these moves are deliberately professionalizing SWA into something that looks, smells, and operates like an independent RIA, while Schwab maintains it’s nothing of the sort. They’ve been running this playbook for 25 years by inching toward the RIA model, while denying they’re doing it.

Shadow vs light

Schwab disputes the idea that its May 14 announced expansion of its initially four SWA “locations” to 20, with plans for a further 10 by year-end 2026 can be described as a “shadow” branch build out.

It noted, specifically, that its Investor Day event constituted a public announcement to hundreds of analysts and investors, although not the general public or retail investors.

When public companies tell Wall Street analysts information on a public earnings call, it is considered a [legal](#) disclosure.

“This was not hidden information ... [and there is] no ‘shadow RIA branch network.’ SWA advisors are not RIAs,” Schwab's spokeswoman explains.

The word ‘shadow’ itself is likely also specifically unpalatable to Schwab because of the potential “connotation of concealment,” O’Gara says.

“This office format is [also] not new to Schwab ... SWA represents an expansion of an established model, not a departure into something covert,” he adds.

Welsh counters that “traditional branches catch walk-ins, [whereas] this model deploys human beings locally to intercept DIY Schwab investors at the exact moment they realize they need advice, [leading to] Lower overhead, higher conversion, and [it’s] invisible enough to deny.”

“‘Shadow network’ still fits,” he says.

Local railroads

Schwab is also playing a canny hand in building out the infrastructure to court small clients that few RIAs have the means to do, analysts say.

“For years, RIAs have treated Schwab like infrastructure. [It provides] custody, technology, service, scale, [and all the] necessary plumbing, but this branch expansion is another reminder that Schwab is not a utility,” says Mike Watson, EVP, and head of Axos Securities at Axos Bank.

"Schwab is no longer just the railroad ... it's a competitor with a massive brand, massive client reach, and every incentive to capture more of the advice economics itself.

"Independent RIAs should be very clear-eyed about that. The same platform that helps you custody client assets may also be building a model designed to serve those clients without you," Watson explains in an email.

Rational strategy

No apex predator will leave alone an untapped food source and Schwab has systematically identified, cultivated, and built out the means to manage a rich new hunting ground, and for that it deserves credit, not criticism, O'Gara counters.

"Schwab holds trillions in self-directed retail assets, [but] a significant portion of those clients are unadvised, not because they've chosen [DIY] independence, but because no one has engaged them at the local level," he says.

"Placing relationship managers in local markets, connected to a centralized investment infrastructure, is a systematic effort to convert that latent asset base into advised relationships.

"That's a rational and well-constructed growth strategy."



Oisín Breen

Dublin-native and Edinburgh-based Oisín Breen has spent seven years writing about finance, including five whirlwind years diving into the advisor world for RIABiz. A widely published and well regarded poet with two full collections under his belt, Breen is also an academic in English Literature with a deep fondness for his Scottish rabbit, Hessel.

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Brooke Southall and Keith Girard contributed to the editing of this article.

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Mark Tiberkien

June 2, 2026 – 10:21 AM

I have no skin in this game these days, but I just have to say, the effort to defend what has been known for decades might be causing more fuss than it deserves. The twisted explanations from HQ do not seem helpful. First, many RIAs are in denial that they do not compete with brokerage firms like Schwab or Morgan Stanley or Vanguard for clients. They can use the argument that they are not selling product, but delivering advice. Yet, RIAs as a segment manage 1/3 of the country's wealth with the balance being handled by banks, brokerage firms, fund companies and digital platforms. I think I would call that competition for the same prospects whether or not one "bumps into" the other. Second, virtually every media outlet focused on the business of financial advice urges advisors to step up its marketing game. Average organic growth within RIAs is often described as pathetic partly because of capacity issues, but greatly because of lack of branding, effective prospecting or market presence. Meanwhile, Schwab spends at least \$100 million a year on marketing and is one of the most prominent consumer names in the business of wealth and asset management. They even sponsor a professional golf tournament! Third, it is difficult for clients let alone prospects to discern the difference between a broker and an advisor; or a wealth manager and an asset manager; a multi family office and a holistic solution provider. Every body wants their money to manage for a fee; and some are just better at feeding their pipelines and converting prospects into paying clients. There are many more points to make. But reality is that the wise and wealthy leaders of Schwab have always known it is far more profitable to go direct to the consumer than to be a middle office for small independent businesses. Even the kick back they get on referrals to RIAs would not replace the income generated from their direct to investor business. The pricing and product changes at the custody level seem to reveal this tension. True, as a wealth manager, they may not be as good as the client advocates within RIA firms.