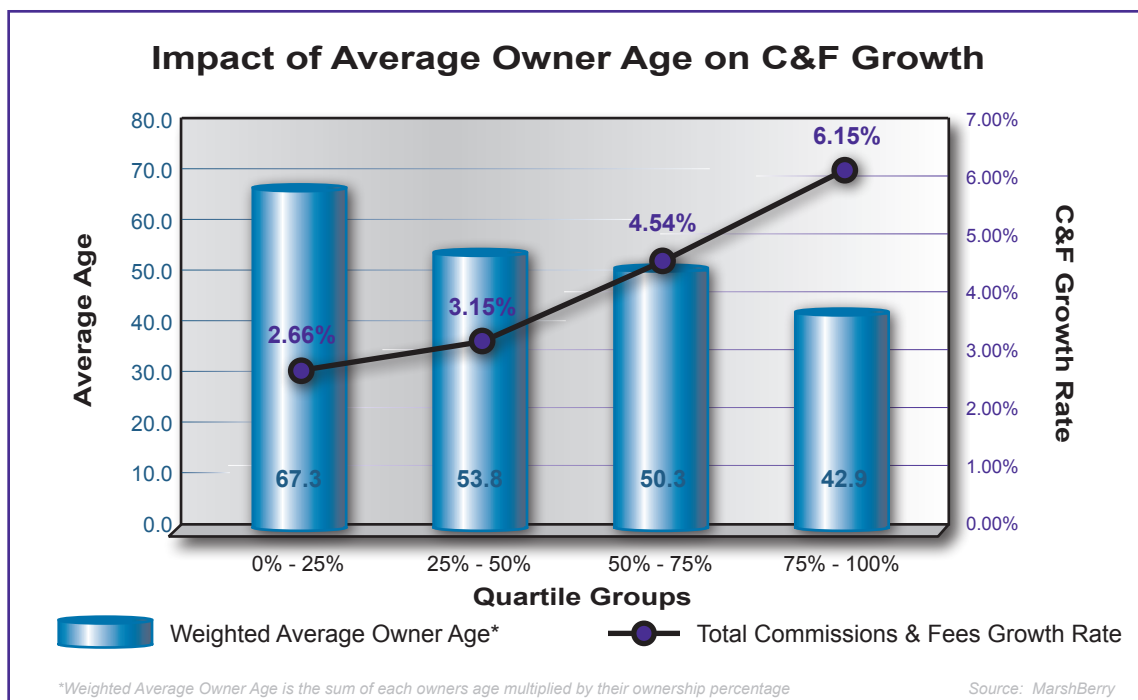


Weighted Average Owner Age and Growth

Successful perpetuation is the result of a well-conceived and executed plan, not a single transaction. Agencies with the foresight to transfer ownership to the high-performing individuals who are driving agency value are more likely to perpetuate, and if they choose to sell instead, will realize a higher market value than agencies with narrowly-held ownership.

There are many additional benefits to diversifying agency ownership among younger employees. Our research shows that among agencies with similar-sized revenue, those with the youngest weighted average ownership age have the highest average commission & fees growth. As depicted in the chart below, agencies with the lowest average age of ownership (42.9 years of age), have the highest average commission & fees growth – 6.15%. Compare this to agencies with the highest average age of ownership (67.3 years of age) which have an average commission & fees growth rate of 2.66%.



Agencies that offer key employees ownership opportunities will be more likely to attract and retain high-quality employees. These employees, having a vested interest in the success of the agency, will continue to drive agency growth.

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