Finance vs. Sales: How Prior Work Experience Shapes Financial Advisor Performance

Abstract

This study examines how prior work experience in finance or sales affects financial advisors' (FAs) revenue-generating performance. We find that those with finance experience generate 5.55% more revenue, while those with sales experience generate 10.30% less revenue compared to FAs without such backgrounds. We further show that FAs with extensive or senior-level finance experience excel in revenue generation, leveraging specialized knowledge. Conversely, sales experience is linked to fewer LinkedIn skill endorsements, suggesting overclaiming, and higher rates of unfounded client complaints, indicating trust issues. FAs with finance experience also achieve stronger career outcomes, including more senior and better-compensated starting roles, faster promotions, and larger asset pools under management. These findings highlight the positive impact of finance expertise on FA performance and career progression, while sales experience may hinder client trust and performance.

1. Introduction

Financial advisors (FAs) represent a pivotal segment of the United States (U.S.) finance and insurance sector, classified under the North American Industry Classification System (NAICS) 52. The advisory industry's workforce, which accounted for approximately 10% of the sector's total employment (Coen, 2015), grew from 871,971 employees in 2019 to over one million in 2023—an 11.5% increase (Investment Advisor Association, 2024). This growth underscores the expanding role that FAs play in shaping financial outcomes for households, businesses, and institutional clients. Given the significant scale and accelerated expansion of this workforce, understanding the key drivers of FA performance is relevant not only for individual firms aiming to maintain a competitive edge but also for policymakers seeking to promote transparency, integrity, and consumer trust in the industry.

Previous research on FAs primarily focuses on the incentives and determinants of misconduct (Egan, Matvos, and Seru, 2019; 2022). While such studies offer valuable policy insights for regulators, they capture only the downside of FA performance by highlighting behaviors that undermine client trust and market integrity. However, a critical yet underexplored dimension of FAs' roles is their ability to generate income and contribute to firm revenue, which represents a more holistic and constructive measure of their professional success. Understanding the factors that drive revenue generation is essential for advisory firms aiming to recruit and retain top talent and for regulators seeking a comprehensive view of industry dynamics. This paper seeks to address this gap by examining whether FAs' prior work experience—particularly in finance or sales—affects their revenue-generating performance, offering new insights into how diverse professional backgrounds can shape success within the advisory industry.

FAs occupy a unique role that blends financial expertise with interpersonal skills as they provide financial guidance and advice to clients. This dual responsibility raises an important question: do FAs primarily function as financial experts or as sales professionals? On one hand, financial expertise is crucial for delivering accurate, data-driven advice and establishing credibility. On the other hand, persuasion and relationship-building skills—key attributes of sales proficiency—are equally vital for earning client trust, simplifying complex financial concepts, and turning consultations into revenue. This study examines how prior work experience in finance or sales shapes the FA's revenue-generating performance, offering insights into whether success in the profession is driven more by technical financial expertise or by interpersonal skills associated with sales. By focusing on these two distinct professional

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backgrounds, this research aims to uncover how FAs balance these roles and how their prior experience influences their overall success in the advisory industry.

It remains unclear how prior experience in finance or sales affects FAs' performance. Experience in the finance industry equips FAs with a solid understanding of financial products and services, enabling them to analyze complex financial situations and develop tailored advice that aligns with the client's unique needs and long-term goals. This knowledge can enhance their ability to craft tailored financial advice. Additionally, their familiarity with financial regulations, market trends, and risk management strategies can help them navigate the complexities of the advisory landscape with confidence, offering clients informed and reliable guidance. However, a strong background in finance may also present certain challenges. FAs with extensive finance experience might develop a rigid mindset, becoming overly reliant on familiar products or methods. This could make them resistant to adopting new financial innovations, such as emerging fintech tools or alternative investment strategies. Furthermore, their focus on technical expertise may unintentionally limit their ability to adapt to evolving client preferences, such as the growing demand for sustainable or socially responsible investments. This duality highlights the need to examine how prior finance experience influences an FA's ability to balance technical proficiency with adaptability in a rapidly changing financial environment.

On the other hand, prior sales experience provides FAs with essential communication and interpersonal skills. Sales professionals are trained to explain complex products or services in a clear and compelling manner—an invaluable skill for FAs, who must simplify intricate concepts like investment strategies, retirement planning, or tax implications for their clients. Additionally, sales experience may help FAs identify potential customers, expand their professional networks, and build rapport more effectively. However, sales-focused approaches can also have downsides. Techniques such as persuasion might sometimes be perceived as manipulative, potentially leading to trust issues with clients. Furthermore, FAs with a sales background may carry over aggressive sales tactics driven by the high-pressure environments they previously navigated. This could lead to overpromising or exaggerated claims, ultimately eroding trust and harming client relationships over time. This duality of benefits and risks makes it essential to explore how these distinct experiences influence FAs' ability to balance client trust with performance in revenue generation.

To test our conjecture, we construct a cross-sectional dataset of 23,213 FAs. For each FA, we gather information on employment history and identify whether they have prior experience

in finance or sales. To measure FAs' performance, we extract the revenue generated by each FA and analyze whether prior work experience is associated with their performance once they become FAs. Our results reveal that FAs with prior finance experience generate significantly higher revenue, while those with sales experience see a relatively lower revenue, even when controlling for firm-location factors. The results are economically significant. Specifically, FAs with prior finance experience generate 5.55% more revenue, while those with prior sales experience generate 10.30% less revenue compared to FAs without such work experience. These results highlight the positive impact of finance backgrounds on FA performance, whereas prior sales experience has a detrimental effect on FA performance.

We further investigate the mechanisms through which a FA's prior experience contributes to the variability in revenue production, focusing on three key factors: knowledge of the finance industry from finance experience, overclaim tendency from sales experience, and the erosion of customers' trust. First, we show that FAs with more extensive finance experience—both in terms of the number of positions held in the finance industry and years in the field—demonstrate higher revenue generation. This result is consistent with our conjecture that prior finance roles provide specialized knowledge essential for advisory success. In contrast, more extended experience in sales roles is associated with lower revenue. This is consistent with our conjecture that FAs with prior sales experience may tend to manipulate their clients, creating trust issues. Further, FAs with senior roles in prior finance positions generate more revenue, leveraging high-level insights and professional networks. We also find that entry-level finance experience offers minimal benefit. These results underscore that deep, senior-level finance experience significantly enhances FA productivity. These results support the notion that FAs acquire valuable knowledge in their prior finance roles, which enhances their performance, leading to higher revenue generation.

Relatedly, we show that FAs with advanced degrees and additional certifications see a stronger revenue impact from prior finance experience, as education enhances their ability to acquire and apply financial expertise. In contrast, prior sales experience does not benefit similarly from educational background, highlighting the unique advantage of finance-specific knowledge supported by formal education and professional development.

Second, we utilize a unique setting to examine whether FAs with sales experience tend to overclaim their skills and comparative advantages. In particular, we explore their self-promotion behavior on LinkedIn. The unique feature of LinkedIn is that one can self-disclose her skillsets, but these skillsets can also be endorsed by one's friends on LinkedIn. This unique

feature allows us to examine if FAs with sales skills may tend to overclaim the skills developed in their professional career, which are not endorsed/recognized by their friends. We show that FAs with sales (but not finance) experience are more likely to disclose essential FA skills on LinkedIn, likely as part of self-promotion efforts. However, the skills of these FAs receive fewer endorsements, suggesting a possible overclaim of their skills that are not consistently recognized by their professional network. In contrast, FAs with finance experience selectively disclose fewer FA skills but have no difference in the endorsements of skills compared with FAs with non-finance experience. This pattern indicates that skill disclosure among sales-experienced FAs may not fully align with actual expertise, impacting client perceptions of the integrity and competency of these FAs thereafter, negatively affecting their revenue outcomes.

Third, we explore customers' trust in these two types of FAs. In particular, we measure customers' trust in the FAs as the number of baseless complaints. We find that FAs with prior sales experience receive a higher number of baseless complaints. This result indicates that clients appear wary of FAs with prior sales experience, having lower trust in them. In contrast, there is no significant relationship between client trust and prior finance experience, suggesting that clients may view finance-trained FAs as credible without the same skepticism seen with sales backgrounds.

Next, we examine the career outcomes of FAs with varying prior work experiences, focusing on the seniority and compensation of their initial FA position, the time required for promotion, and the size of the asset pools they manage. Our findings indicate that FAs with prior finance experience have a stronger career trajectory upon entering the industry. They tend to start in more senior roles with higher initial salaries, progress to promotions more quickly, and manage larger asset pools compared to those with sales backgrounds. These results suggest that finance experience equips FAs with the expertise and skills valued in advisory roles, leading to better career outcomes.

Lastly, we conduct several additional tests to ensure the robustness of our results. First, we add controls for specific qualifications and personal characteristics. Our primary findings remain unchanged: finance experience boosts revenue, whereas sales experience reduces it. Tests with alternative samples (i.e., brokers, investment advisers, and dual registrants) confirm that finance experience consistently enhances FA performance, while sales experience hinders it, reinforcing the reliability of our results.

This paper contributes to the existing literature in several key ways. First, we are the first

to investigate the factors influencing the revenue-generating performance of FAs. Previous research has predominantly concentrated on the negative aspects of FAs' work, exploring the determinants of their misconduct. These studies have examined misconduct through the lenses of individual traits and surrounding environments, regulatory environments, and economic conditions.[1] However, understanding the factors that drive FAs' ability to generate revenue—an essential aspect of their role—is equally important. Our study specifically examines the impact of FAs' prior work experience on their revenue generation. We find that prior experience in finance positively influences their revenue performance, whereas prior experience in sales has a negative effect. Additionally, we explore potential mechanisms to explain why these two types of prior experience lead to such different outcomes. By providing these insights, our study advances the understanding of FA behavior and offers a new perspective on the factors that contribute to their professional effectiveness.

Second, this paper contributes to the broader literature examining how individual experiences influence performance outcomes. Prior research has demonstrated the impact of prior experience on the performance of CEOs, directors, analysts, and fund managers.[2] Building on this body of work, we show that FAs with prior experience in finance tend to perform better in terms of revenue generation, whereas those with prior experience in sales exhibit a negative impact on performance. Given that FAs constitute a substantial segment of

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[1] Existing research links FA misconduct to individual traits and surrounding environments. Egan, Matvos, and Seru (2019; 2022) demonstrate that FAs with prior misconduct records have a higher likelihood of reoffending, while female FAs are less prone to misconduct. Law and Mills (2019) find that prior criminal records strongly predict future misconduct. Additionally, Kowaleski, Sutherland, and Vetter (2020) show that FAs who pass qualification exams emphasizing rules and ethics are less likely to engage in unethical behavior. Environmental factors also shape misconduct tendencies. FAs are more likely to commit misconduct when their colleagues (Dimmock, Gerken, and Graham, 2018) or supervisors (Kowaleski, Sutherland, and Vetter, 2024) have histories of unethical behavior. Regulatory environments are critical in mitigating misconduct. Charoenwong, Kwan, and Umar (2019) find that transferring oversight of mid-sized FAs from the SEC to state regulators under the Dodd-Frank Act leads to increased customer complaints. In contrast, Carlin, Umar, and Yi (2023) show that the 2016 Model Act provisions effectively reduce financial crimes targeting the elderly. Economic conditions further influence misconduct incentives. Law and Zuo (2020) reveal that FAs who start their careers during recessions are less likely to commit misconduct, while Dimmock, Gerken, and Alfen (2021) observe lower misconduct rates in regions with higher housing returns.

[2] Research highlights the importance of prior industry and professional experience in shaping performance across roles. For CEOs, industry-specific experience enhances performance, particularly in acquisitions with high information asymmetry, while multi-industry backgrounds may negatively affect firm outcomes (Custódio and Metzger, 2013; Li and Patel, 2019). Board directors with relevant expertise improve firm value, reduce earnings management, and enhance strategic responses, especially in crises or high-information-asymmetry situations, though over-specialization can lead to unprofitable investments (Dass, Kini, Nanda, Onal, and Wang, 2014; Wang, Xu, and Zhu 2015; Ellis, Fee, and Thomas, 2020). Analysts with pre-industry experience deliver more accurate forecasts and reduce earnings mismanagement, while fund managers leverage prior roles to excel in stock-picking and market timing (Bradley, Gokkaya, and Chen, 2017; Chen, Gao, and Ma, 2018). Global experience also drives strategic change and improves cross-border acquisitions but can reduce financial reporting quality (Masuli, Wang, and Xie, 2012; Le and Kroll, 2017).

the workforce in the finance industry, our findings carry significant implications for employers, employees, and regulators. By highlighting the role of specific types of prior experience, our study provides actionable insights for hiring practices, talent development, and regulatory oversight within the industry.

The remainder of the paper is organized as follows: Section 2 reviews the related literature and develops the hypotheses. Section 2 outlines the data, describes the research methodology, and provides summary statistics. Section 3 presents the baseline results, while Sections 4 and 5 report findings from additional tests. Finally, Section 6 offers concluding remarks.

2.   Data and Sample

3.1   Data

In this paper, we use the term FA to encompass both brokers and investment advisors. Brokers, also known as registered representatives, work within broker-dealer firms and are regulated by the Financial Industry Regulatory Authority (FINRA). According to FINRA, a broker is "*an individual who acts as an intermediary between a buyer and seller of securities and who executes such transactions*." Information on brokers can be found in FINRA's BrokerCheck database (*https://brokercheck.finra.org*). On the other hand, investment advisors, or investment advisor representatives, are associated with registered investment advisor (RIA) firms and are regulated by the SEC or state securities authorities. As defined by the U.S. Investment Advisers Act of 1940, an investment advisor is "*a person who, for compensation, is engaged in the business of providing advice to others or issuing reports or analyses regarding securities*." Data on investment advisors is available through the SEC-sponsored Investment Adviser Public Disclosures (IAPD) database (*https://adviserinfo.sec.gov*). The primary distinction between brokers and investment advisors lies in the standards they are held to: investment advisors must adhere to a fiduciary standard, while brokers are only required to meet a suitability standard. A FA can register exclusively as a broker, an investment advisor, or both.

In this study, we start with extracting information for all FAs from BrokerCheck and IAPD. For each FA, we have collected a rich set of information, including their name, registration history, prior misconduct records, industry qualifications, and so on. We infer the gender of FAs using first names through GenderChecker (*https://genderchecker.com*) and genderize.io, which is a publicly available Application Programming Interface. Next, we extract additional information for each FA from a commercial database, Discovery Data,

including production/revenue, assets under management, education, number of associated firms, and whether they directly interact with the client. It is worth noting that Discovery Data provides static information for each FA. Thus, our variable of interest, production/revenue, is the self-reported figure as of when we downloaded the data in 2022 or earlier if the FA disclosed this information at an earlier date. Another limitation of using Discovery Data is that it only includes currently active FAs; thus, those FAs who left the industry are excluded from our sample.

FINRA and IAPD provide information on FAs' employment history, but most FAs do not report their work experience before their first FA job. To address this, we supplement our data with additional information from Revelio Labs, which is one of the most comprehensive workforce databases, by aggregating publicly available professional profiles on LinkedIn. It provides access to an extensive collection of workforce data, including resume portfolios for over 1.1 billion individuals employed at more than 4.5 million firms. By merging our FA data with Revelio Labs, we obtain the complete working history for each FA, including their experience prior to entering the financial advisory industry.

3.2 Research Design

We employ the following OLS model to examine the relation between FA's prior work experience and their performance in the role of FA:

$$Ln(1 + Prod.)_i = \alpha + \beta_1 Finance_i + \beta_2 Sales_i + \lambda X_i + \mu_{f,c} + \varepsilon_i, \qquad (1)$$

where $Ln(1+Prod.)_i$ is the natural logarithm of FA i's self-reported production/revenue plus one as of 2022. Our independent variable of interest, $Finance_i$ ($Sales_i$), indicates whether the FA i had at least one prior experience in finance (sales) before their first FA job. $X_{i,t}$ is a vector of FA controls, including indicators for other types of prior work experience, such as administration (*Administration*), engineering (*Engineering*), marketing (*Marketing*), operational (*Operation*), and science (*Science*) experience, *Prior Exp.* (i.e., the total number of years of work experience accumulated before starting the first FA job), *Education* (i.e., the highest degree), *Education missing* (i.e., indicating whether the education information is missing), *Female* (i.e., indicating whether the gender of FA is female), *FA year* (i.e., the year when the FA started their first job as a FA), $Ln(1+AUM)$ (i.e., the natural logarithm of FA's self-reported assets under management plus one), *No. of firms* (i.e., the number of firms with which the RA is associated), *Prior misconduct* (i.e., indicating whether the FA has a misconduct record), *No. of qualifications* (i.e., the number of qualifications that the FA possesses), and

Client facing (i.e., indicating whether the FA directly interacts or contacts the client). The variable definitions are presented in Appendix A. We also include firm×county fixed effects, $\mu_{f,c}$, in the model to exploit production variations for FAs registered in the same firm and working in the same county. This model accounts for firm-specific characteristics, such as reputation and internal governance, as well as job location-related factors, like regulatory environments, demographic variables, and labor market conditions. To address potential correlations of errors within firms, we cluster the standard errors at the firm level.

3.3   Descriptive Statistics

Table 1 presents the descriptive statistics of the variables used in model (1). The mean of FA's production (*Ln(1+Prod.)*) is 12.896, indicating an average revenue of $398,578. In comparison, the mean of *Ln(1+AUM)* is 17.424, representing an average assets under management of $36.9 million. This implies that the average production rate is 1.08% of assets under management (i.e., 398,578/36.9 million). Regarding our variables of interest, 45.6% of FAs have prior finance experience, while 9.5% have sales experience before becoming a FA. Other types of prior experience are less common. On average, an average FA in our sample has 2.433 years of work experience before starting their FA career. The mean of *Education* is 0.8, indicating that an average FA in our sample holds approximately a bachelor's degree. Additionally, 14.7% of the FAs in our sample are female, and an average sampled FA began their FA career in 1994. On average, a FA is associated with 1.230 firms and possesses 3.694 qualifications. Moreover, 17.4% of sampled FAs have a prior misconduct record, and 85.5% have direct interactions with their clients.

[Insert Table 1]

3.   Baseline Results

Table 2 presents the results of our baseline model that examines the relation between FA's prior finance and sales work experience and their performance in the role of FA. In Column 1, we start with a model that controls for various FA characteristics but without any fixed effects. The results show that the coefficient of *Finance* is positive, while the coefficient of *Sales* is negative, with both being statistically significant at the 1% level. In Column 2, we include firm×county fixed effects to account for unobservable firm-by-job location characteristics. Thus, we compare the performance of FAs who work for the same firm and in the same location but have different work experiences. The results remain consistent: *Finance* continues to be positively associated (*p<0.01*), and *Sales* remains negatively associated (*p<0.01*) with *Ln(1+Prod.)*. In

terms of economic impact, the coefficient of *Finance* (*Sales*) is 0.055 (-0.098), indicating that FAs with prior finance (sales) experience generate 5.57% more (10.30% less) revenue compared to those without such work experience.[3] Our findings suggest that prior finance experience helps FAs generate higher revenue, while prior sales experience has unfavorable impacts on revenue production.

[Insert Table 2]

Regarding the control variables, the results generally align with our expectations. Specifically, we observe that other types of prior work experience have little impact on FAs' revenue production, with the notable exception of prior operational experience, which enhances their performance. This is because such experience develops key skills (i.e., organizational abilities, problem-solving skills, and attention to detail) that are directly transferable to the role. Additionally, FAs generate higher revenue when they have longer prior work experience (*Prior Exp.*) and a higher level of education (*Education*), are male (*Female*), started their FA career earlier (*FA year*), manage more assets (*Ln(1+AUM)*), and are associated with more firms (*No. of firms*). Interestingly, FAs with a misconduct record (*Prior misconduct*) are associated with higher revenue, potentially due to their risk-taking nature.

Overall, our results suggest that finance experience is beneficial to FAs' revenue generation, whereas sales experience is detrimental to their revenue production.

4.   Possible Economic Mechanisms

Thus far, we have demonstrated that prior finance experience plays a positive role in FAs' revenue production, while sales experience has the opposite effect. In this section, we delve deeper into the mechanisms through which the FA's prior experience contributes to the heterogeneity in revenue production, focusing on three key perspectives: knowledge, skill disclosure, and trust.

5.1   Knowledge

Finance positions typically involve substantial engagement with complex financial concepts, rigorous market analysis, and strategic decision-making processes. These roles demand a deep understanding of economic principles, investment strategies, and regulatory frameworks, all of which are directly relevant to the core responsibilities of a FA. In contrast, sales roles primarily emphasize customer acquisition and relationship management, with a focus on persuasion and

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[3] $e^{0.055} - 1 = 0.0565; e^{0.098} - 1 = 0.1030.$

product promotion. Therefore, it is natural to expect that prior finance experience is more likely to endow individuals with the specialized knowledge necessary for optimizing revenue production and delivering sound financial advice. In contrast, prior sales experience may not provide the same level of technical expertise required in the advisory domain.

Apart from accumulating relevant professional knowledge, prior finance experience could also enhance FAs' capabilities by equipping them with practical skills and honing their problem-solving abilities. Furthermore, this experience provides deep industry insights, allowing FAs to navigate complex financial landscapes with greater strategic acumen. As a result, they are better positioned to apply their knowledge in a way that drives superior client outcomes and elevates their overall job performance. Consequently, we would observe that the positive association between prior finance experience and revenue generation is stronger for those with more extensive finance experience, such as having worked in various finance roles, possessing more years of experience, or having held more senior finance positions. In contrast, extensive experience in sales may delay the acquisition of essential professional knowledge necessary for financial advisory roles.

We first examine both the quantity and duration of prior finance experience. Specifically, we construct variables representing the number of prior finance jobs (*Finance #*) and sales jobs (*Sales #*), as well as the total years accumulated from all previous finance jobs (*Finance years*) and sales jobs (*Sales years*). For FAs with relevant experience, the average FA has held 1.28 prior finance jobs and 1.26 prior sales jobs, with 2.81 years spent in finance roles and 7.59 years in sales roles, respectively. This suggests that FAs with prior sales experience tend to work for a significantly longer period in their sales roles before transitioning into the financial advisory industry, compared to those with finance backgrounds.

As shown in Columns 1 and 2 of Table 3, we find a significant positive (negative) association between *Finance #* or *Finance years* (*Sales #* or *Sales years*) and revenue production when using these continuous specifications. It suggests that having more and longer prior finance experience before entering the FA industry helps individuals accumulate relevant knowledge, positively influencing their revenue production. In contrast, having more and longer prior sales experience appears to have a negative impact, as it delays the onset of acquiring essential professional knowledge.

[Insert Table 3]

Next, we consider the seniority of prior finance experience. FAs with more senior roles

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in prior finance positions are exposed to higher-level financial concepts and broader industry insights, both of which are essential for developing the expertise needed to deliver effective financial advice. Additionally, the expanded professional network gained in senior positions further enhances their ability to apply this knowledge in their advisory roles. Thus, we would expect to observe a more pronounced association between prior finance experience and revenue production for FAs who held more senior finance positions before entering the advisory industry.

Specifically, we calculate the seniority levels of the most recent finance role (*Finance seniority*) and sales role (*Sales seniority*) held before transitioning into a FA position. The seniority ranges from 1 (most junior) to 7 (most senior). Additionally, we create two dummy variables to identify whether the FA had only entry-level finance jobs (*Finance junior*) and sales jobs (*Sales junior*) prior to entering the industry. Among FAs with relevant experience, the average seniority is 2.57 for those with prior finance experience and 2.33 for those with prior sales experience. Additionally, only 2% of FAs held exclusively entry-level finance positions, while 25% held only entry-level sales positions. This suggests that among FAs with prior sales experience, a significant number transition into the industry from junior roles.

Column 3 of Table 3 shows that FAs generate higher revenue when they have more senior finance experience before becoming a FA, whereas the seniority of prior sales experience is irrelevant to revenue production. In addition, Column 4 shows that junior finance experience has no significant effect on revenue generation, whereas junior sales experience significantly reduces FAs' production.

Collectively, these findings indicate that more and longer prior finance experience boosts FAs' productivity, while more extensive prior sales experience delays the acquisition of essential professional knowledge, thus diminishing revenue generation. Further analysis suggests that the seniority of prior experience amplifies the positive impact of finance experience on revenue. However, having only junior-level finance experience does not contribute to improved revenue production for FAs.

5.2 The Role of Education in Enhancing the Effect of Work Experience

A strong educational background can enhance the efficiency of knowledge acquisition during their prior work experience. Education provides FAs with a solid foundation of essential skills and theoretical insights, equipping them to handle complex financial situations more effectively. By integrating these foundational skills into practical settings, FAs can maximize the benefits

of their work experience and accumulate more solid professional knowledge, leading to better decision-making and stronger performance in future careers. Consequently, we would expect the positive impact of prior finance experience on revenue generation to be stronger for FAs with higher educational qualifications.

To examine the above conjecture, we consider the highest degree achieved by FAs. Specifically, we construct *Education*, which equals three, two, one, and zero if the highest degree of the FA is Doctor, Master, Bachelor, and others, respectively. Then, we interact it with our variables of interest (i.e., *Finance* and *Sales*) and include it in the model. Column 1 of Table 4 shows that the coefficient of *Finance×Education* is positive and significant, whereas the coefficient of *Sales×Education* is negative but insignificant. These results suggest that formal education can amplify the benefits of prior finance experience (though not necessarily sales experience) by equipping FAs with the tools to accumulate relevant knowledge more efficiently.

[Insert Table 4]

Next, we consider the industry qualifications that the FA possesses. Specifically, we calculate the number of qualifications as well as the number of non-compulsory qualifications (i.e., *No. of qualifications* and *No. of other qualifications*). These variables serve as indicators of how FAs actively pursue further education and professional development beyond the basic requirements. Pursuing additional industry qualifications enhances FAs' prior finance experience by deepening their expertise, keeping them updated with industry trends, and boosting their credibility. This combination allows FAs to apply their previous knowledge more effectively, leading to improved client outcomes and increased revenue generation.

As shown in Columns 2 and 3 of Table 4, the coefficients of *Finance×No. of qualifications* and *Finance×No. of other qualifications* are positive and significant, whereas the interactions with sales experience are insignificant. These results suggest that finance experience is particularly beneficial to capable FAs who are pursuing additional industry qualifications.

Overall, these results provide some evidence suggesting that the positive effect of prior finance experience on revenue production is conditional on the education and learning of FAs. Specifically, the results suggest that finance experience leads to more revenue when FAs have a higher degree and more industry qualifications, indicating that education and industry certifications can amplify the benefits derived from prior finance experience, further enhancing FAs' effectiveness in their role.

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5.3 Skill Disclosure

We further investigate whether a FA's performance is related to their disclosure of essential professional skills. Displaying key FA skills on professional profiles, such as LinkedIn, can serve as a signal of expertise, helping to align client expectations with the FA's professional strengths. Such skill disclosure is part of FAs' broader self-promotion efforts, as they actively shape their professional image to appeal to prospective clients. FAs with sales experience may be especially inclined toward self-promotional practices; their background likely heightens their awareness of image, branding, and the subtle art of signaling value through personal marketing channels. In contrast, FAs with finance experience might emphasize their technical strengths—such as analytical acumen and industry knowledge—to establish credibility. By doing so, they craft a compelling professional presence that resonates with clients who prioritize expertise over persuasion. We empirically test these dynamics as follows.

To conduct our analysis, we first identify 20 essential FA skills from the O*NET database (*https://www.onetonline.org/link/summary/13-2052.00*). We then manually match these key skills with the self-reported skills listed on each FA's LinkedIn profile. On average, a FA discloses 16.713 skills on LinkedIn, of which 5.855 align with the key FA skills outlined by O*NET. We construct *Ln(1+N.o. of FA skills)* and *Ln(1+N.o. of skills)* as the natural logarithms of one plus the number of self-reported FA skills and all reported skills in their LinkedIn profiles, respectively. Additionally, we compute the *FA skill ratio* as the ratio of the number of self-reported FA skills to all reported skills.

We regress *Ln(1+N.o. of FA skills)* on *Finance* and *Sales*, controlling for *Ln(1+N.o. of skills)*. As shown in Column 1 of Table 5, the results indicate that FAs with sales experience are more likely to disclose essential FA skills on their LinkedIn profiles, whereas those with finance experience tend to disclose fewer. Column 2 shows that the results are qualitatively similar when we employ *FA skill ratio* as the dependent variable. Overall, these findings suggest that sales experience encourages greater disclosure of key FA skills, while finance experience is associated with a more selective skill presentation.

[Insert Table 5]

Intuitively, disclosing more essential FA skills should positively impact performance, as clients may be more likely to engage with FAs who visibly demonstrate both skill and transparency about their expertise. However, our findings show an interesting contrast: FAs with prior sales experience tend to disclose more essential FA skills yet exhibit lower revenue

production. One possible explanation is that these FAs may be overstating or overclaiming their skills on their LinkedIn profiles, which could signal expertise to clients but may not necessarily align with their actual performance or revenue outcomes. If FAs with sales experience are indeed overclaiming their essential FA skills, we would expect these skills to receive fewer endorsements from others. This lack of external validation may indicate a discrepancy between the skills they report and the skills recognized by their professional network.

To explore this conjecture, we collect the endorsement information from each FA's LinkedIn profile. We then construct a variable related to the extent of endorsements received by FAs. Specifically, *Endorsement skill ratio* is the ratio of skills that have received one or more endorsements to the total number of skills reported. As shown in Column 3 of Table 5, the proportion of endorsed skills, *Endorsement skill ratio*, is lower for FAs with sales experience. Overall, these findings suggest that sales experience may be viewed less favorably within endorsement metrics, suggesting that these FAs are likely to overclaim their skills in their professional profiles. This explains why FAs with sales experience disclose more skills but generate less revenue.

5.4 Trust

Next, we shift our focus to examining whether clients trust FAs with prior finance versus sales experience. On the one hand, it is reasonable to expect that clients are more inclined to trust FAs with prior finance experience, as this background signals a higher level of expertise, professional credibility, and a robust understanding of financial markets. However, some clients may be less inclined to trust these FAs due to perceptions of overconfidence and complex communication. They may focus too heavily on technical aspects, leading clients to feel their personal needs are overlooked.

On the other hand, clients may have mixed feelings about FAs with sales experience. On the positive side, sales experience can help FAs build strong relationships and communicate well, which can create trust and rapport. FAs with a sales background are often good at understanding client needs and addressing their concerns, which can be reassuring. However, clients might also be cautious, perceiving these FAs as more focused on selling products or earning commissions rather than putting the client's best interests first. This perception can lead to skepticism and reduced trust, especially if clients feel the FA is more motivated by sales goals than by offering impartial financial advice.

To examine the role of trust in the association between prior work experience and revenue

production, we construct a variable that quantifies the extent to which a FA receives baseless complaints from clients. If clients are less likely to trust FAs with certain characteristics, we would expect to observe that these FAs receive more baseless complaints. To measure the extent of receiving baseless complaints, we extract the allegation statement from the customer and the defense statement from the FA, utilizing the advanced capabilities of ChatGPT-4.0 to process the data. Specifically, we provide the following prompt to ChatGPT:

"*You are a specialist in evaluating the baselessness of customer disputes directed at their financial advisors. You will receive a file containing more than many instances where each row represents a specific customer case. In each row, the first column is the CRD number of a financial advisor, the second column is the dispute year, the third column is the allegation of the customer dispute, and the fourth column is the defense statement of the financial advisor. These customer disputes have all been resolved in favor of the financial advisor. Your task is to thoroughly analyze each case to determine the degree to which the customer dispute is baseless and lacks substantial evidence. You should take both the customer's allegation and the financial advisor's defense statement into consideration and assign a rating to each dispute on a scale from one to five, with one indicating the dispute is not baseless at all and five indicating a completely baseless dispute.*"[4]

We define a complaint as baseless if it receives a score of four or five based on the ChatGPT analysis. Next, we construct *Baseless complaint*, which is a dummy variable that equals one if the FA receives one or more baseless complaints and zero otherwise, and *N.o. of baseless complaints*, which is the number of baseless complaints that the FA receives.

As shown in Table 6, we find that *Sales* (but not *Finance*) is positively related to both *Baseless complaint* and *N.o. of baseless complaints*, indicating that FAs with sales experience are more likely to receive and receive more baseless complaints from clients. This suggests that clients are cautious and skeptical, viewing FAs with sales experience as more focused on selling products or earning commissions rather than prioritizing the client's best interests, which diminishes trust and increases the likelihood of lodging baseless complaints. In contrast, we do

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[4] To evaluate the accuracy of ChatGPT in extracting relevant information from FAs' defense statements, we randomly selected 10% of the observations and had two human research assistants independently assess these statements using a similar method to ChatGPT. We then regress the ChatGPT-generated scores against the scores assigned by each research assistant, controlling for firm×county×year fixed effects. The results indicate that the ChatGPT scores are significantly and strongly positively correlated with the scores from both research assistants, suggesting that ChatGPT performs comparably to humans in extracting meaningful information from text (Jha, Qian, Weber, and Yang, 2023).

not find any evidence of a relation between trust and FAs' prior finance experience.

[Insert Table 6]

5.   Further Analyses

6.1   FA Career

Thus far, we have found that FAs with prior finance experience accumulate more knowledge and skills than those with prior sales experience. In contrast, FAs with prior sales experience are perceived as less trustworthy by clients, as they tend to overstate their skills in professional profiles. If prior finance experience enhances an individual's capability to excel as a FA, we would expect them to achieve better career outcomes compared to others. In this section, we examine the career outcomes of FAs with different prior work experiences, focusing on the seniority and pay of their initial FA position, the time taken to be promoted, and the size of asset pools they manage.

We first examine whether prior finance experience affects the seniority and salary of the first FA position for each sampled individual (*Starting seniority* and *Ln(Starting salary)*). As shown in Column 1 of Table 7, we find that when the dependent variable is *Starting seniority*, the coefficient of *Finance* is positive and significant, while the coefficient of *Sales* is negative and significant. These results suggest that individuals with prior finance experience are more likely to secure a more senior position when they become FAs, whereas those with prior sales experience are typically hired at a lower level. Additionally, the results in Column 2 indicate that FAs with finance experience earn higher starting salaries in their first FA job. Next, we examine whether prior finance experience affects the length of time it takes the FA to be promoted to the next level (*Years promoted*). Column 3 shows that the coefficient of *Finance* is negative and significant, suggesting that FAs with prior finance are promoted more quickly than those without such experiences. Last, we shift our focus to the assets pool that the FAs manage. Column 4 shows that the coefficient of *Finance* (but not *Sales*) is positive and significant, indicating that FAs with prior finance experience tend to manage larger asset pools than others.

[Insert Table 7]

Taken together, these results suggest that FAs with finance experience have a more advanced career trajectory when entering the industry. Specifically, our findings indicate that FAs with finance experience are more likely to begin their first FA role at a senior level with a higher starting salary, progress to promotions more quickly, and manage a larger asset pool.

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6.2 Additional Controls

To alleviate the concerns that omitted variables may be influencing our results, we include additional control variables in our model. First, we include specific qualifications as additional control variables. In particular, we add indicators for whether the FA holds the following qualifications: *Securities Agent State Law (S63)*, *General Securities Representative (S7)*, *Investor Adviser Exam (S65/66)*, *Investment Company Product Representative (S6)*, *General Securities Principal* (*S24*), and other qualifications (*No. of other qualifications*). Column 1 of Table 8 shows that the *S63* exam, which covers state security regulations, is particularly beneficial for FAs' revenue production. This qualification serves as a minimal requirement in most states. In addition, we find that FAs passing the *Investor Adviser Exam (S65/66)* are at a disadvantage in generating revenue. This qualification allows individuals to operate as investment advisors, though it is not required by all states. Most investment advisors typically hold either an *S65* or *S66* qualification. Nevertheless, we continue to find a significant positive association between *Finance* and *Ln(1+Prod.)* and a significant negative association between *Sales* and *Ln(1+Prod.)* after controlling for these additional control variables of qualifications.

[Insert Table 8]

We further include a few personal characteristics, including interests (*Interest*), contributions (*Contribution*), and investments (*Investment*) as additional control variables. Specifically, *Interest*, *Contribution*, and *Investment* are dummy variables indicating whether the FA discloses any personal interest (e.g., reading, music, and sport), engages in any form of contribution, and holds any type of investment, respectively. As shown in Column 2 of Table 8, we find a significant negative association between *Contribution* and *Ln(1+Prod.)*, whereas *Interest* and *Investment* are insignificant at the conventional level. Moreover, our main findings that prior finance experience is beneficial for revenue creation while prior sales experience is detrimental to revenue generation remain unchanged.

6.3 Alternative Samples

In this section, we assess the robustness of our findings by using alternative samples. Specifically, we create separate samples consisting of brokers, IAs, and dually registered brokers and IAs. As shown in Table 9, the coefficient of *Finance* remains positive and significant, while the coefficient of *Sales* remains negative and significant across all samples. Our results continue to provide strong evidence that FAs with prior finance experience are more effective, whereas those with prior sales experience are less effective at generating revenue,

even when using alternative samples, suggesting that our findings are not sensitive to the use of alternative samples.

[Insert Table 9]

6. Conclusion

This study provides comprehensive insights into how prior work experience influences the revenue-generating performance of FAs. By constructing a cross-sectional dataset of 23,213 FAs, we analyze their employment history, focusing on the impact of prior finance and sales experience. Our results reveal that FAs with prior finance experience generate significantly higher revenue, while those with prior sales experience perform worse, even after controlling for firm and location-specific factors. Specifically, FAs with finance backgrounds generate 5.55% more revenue, whereas those with sales experience generate 10.30% less revenue compared to FAs without such work experience.

We identify key mechanisms driving these outcomes. FAs with extensive finance experience, particularly in senior roles, demonstrate superior revenue performance, suggesting that specialized knowledge, professional networks, and industry expertise acquired through finance roles enhance advisory success. Entry-level finance experience, in contrast, provides limited benefits. Additionally, FAs with advanced degrees and certifications see amplified gains from their finance experience, further emphasizing the importance of finance-specific knowledge supported by formal education. Conversely, prior sales experience negatively impacts revenue, likely due to behaviors that erode client trust. Our analysis of LinkedIn profiles reveals that sales-experienced FAs tend to overclaim their skills, as evidenced by fewer endorsements for self-disclosed competencies. This discrepancy between claimed and endorsed skills undermines their perceived credibility and may contribute to client skepticism. Supporting this, we find that FAs with sales backgrounds receive more baseless complaints, reflecting lower levels of trust from clients.

Furthermore, our investigation into career outcomes shows that FAs with finance experience start in more senior roles with higher initial compensation, achieve promotions faster, and manage larger asset pools compared to their sales-experienced peers. These findings highlight the long-term advantages of finance experience in building successful advisory careers. Robustness tests confirm the reliability of our results, demonstrating that the observed effects persist after accounting for specific qualifications and personal characteristics and across alternative samples.

Overall, our findings underscore the critical role of prior finance experience in enhancing FA performance and career trajectories, while revealing the detrimental effects of sales experience on revenue generation and client trust. These insights offer valuable implications for firms in the financial advisory sector, guiding hiring and training practices to prioritize finance-related expertise. For policymakers, the results inform efforts to enhance transparency and trust within the industry by understanding the professional traits and experiences that contribute to ethical and effective FA performance.

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Table 1. Descriptive Statistics

This table presents the descriptive statistics of the variables in the baseline regression. Columns 1-6 report the number of observations, the mean, standard deviation, and 5th, 50th, and 95th percentile values of each variable. Variables definitions are described in Appendix A.

	N	Mean	Std. Dev.	p5	p50	p95
	[1]	[2]	[3]	[4]	[5]	[6]
Ln(1+Prod.)	23,213	12.896	1.165	10.820	13.122	14.509
Finance	23,213	0.456	0.498	0	0	1
Sales	23,213	0.095	0.293	0	0	1
Administration	23,213	0.038	0.191	0	0	0
Engineering	23,213	0.022	0.146	0	0	0
Marketing	23,213	0.012	0.110	0	0	0
Operation	23,213	0.039	0.194	0	0	0
Science	23,213	0.008	0.087	0	0	0
Prior Exp.	23,213	2.433	5.048	0	0.167	13.833
Education	23,213	0.800	0.755	0	1	2
Education missing	23,213	0.375	0.484	0	0	1
Female	23,213	0.147	0.354	0	0	1
FA year	23,213	1994	8.384	1981	1995	2007
Ln(1+AUM)	23,213	17.424	1.822	13.816	17.728	19.447
No. of firms	23,213	1.230	0.445	1	1	2
Prior misconduct	23,213	0.174	0.379	0	0	1
No. of qualifications	23,213	3.694	1.398	2	4	6
Client facing	23,213	0.855	0.353	0	1	1

Table 2. Prior Finance vs. Sales Experience

This table presents the OLS regression results that estimate the relation between FAs' prior experience and their revenue production. Observations are at the FA level. *Ln(1+Prod.)* is the natural logarithm of FA's self-reported production/revenue plus one. *Finance* (*Sales*) equals one if the FA had at least one prior experience in finance (sales) before their first FA job and zero otherwise. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Table 2. (Cont.)

Dep. Var.:	Ln(1+Prod.)	
	[1]	[2]
Finance	0.072***	0.055***
	(3.592)	(4.070)
Sales	-0.097***	-0.098***
	(-3.291)	(-3.179)
Administration	-0.046	-0.011
	(-1.285)	(-0.248)
Engineering	-0.030	-0.035
	(-0.635)	(-0.791)
Marketing	0.015	0.012
	(0.202)	(0.141)
Operation	0.099**	0.084**
	(2.502)	(1.992)
Science	-0.030	-0.058
	(-0.260)	(-0.447)
Prior Exp.	-0.003	0.000
	(-1.588)	(0.061)
Education	0.035*	0.030
	(1.936)	(1.476)
Education missing	0.039	0.041
	(1.271)	(1.344)
Female	-0.110***	-0.114***
	(-5.118)	(-5.881)
FA year	-0.018***	-0.019***
	(-12.475)	(-10.548)
Ln(1+AUM)	0.155***	0.131***
	(13.525)	(13.758)
No. of firms	-0.007	0.075**
	(-0.212)	(2.017)
Prior misconduct	0.104***	0.098***
	(5.432)	(5.135)
No. of qualifications	-0.006	-0.003
	(-1.099)	(-0.413)
Client facing	0.021	0.026
	(0.609)	(0.726)
Firm×County FE	No	Yes
N	23,213	23,213
Adj. R^2	0.092	0.142

Table 3. Knowledge

This table presents the OLS regression results that estimate the relation between FAs' prior experience and their revenue production. Observations are at the FA level. *Ln(1+Prod.)* is the natural logarithm of FA's self-reported production/revenue plus one. *Finance #* (*Sales #*) is the number of prior finance (sales) jobs before entering the FA industry. *Finance years* (*Sales years*) is the total years accumulated from all previous finance (sales) jobs before entering the FA industry. *Finance seniority* (*Sales seniority*) is the seniority level of the most recent finance (sales) role before entering the FA industry. *Finance junior* (*Sales junior*) is a dummy variable indicating whether the FA had only entry-level finance (sales) jobs before entering the FA industry. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Dep. Var.:	Ln(1+Prod.)			
	[1]	[2]	[3]	[4]
Finance #	0.046***			
	(4.834)			
Sales #	-0.053***			
	(-2.601)			
Finance years		0.011***		
		(3.052)		
Sales years		-0.007**		
		(-2.191)		
Finance seniority			0.037***	
			(8.107)	
Sales seniority			-0.005	
			(-0.475)	
Finance junior				-0.093
				(-1.135)
Sales junior				-0.112**
				(-2.008)
Controls	Yes	Yes	Yes	Yes
Firm×County FE	Yes	Yes	Yes	Yes
N	23,213	23,213	23,213	23,213
Adj. R²	0.142	0.142	0.144	0.141

Table 4. The Role of Education in Enhancing the Effect of Work Experience

This table presents the OLS regression results that estimate the relation between FAs' prior experience and their revenue production. Observations are at the FA level. *Ln(1+Prod.)* is the natural logarithm of FA's self-reported production/revenue plus one. *Education* equals three, two, one, and zero if the highest degree of the FA is Doctor, Master, Bachelor, and others, respectively. *No. of qualifications* (*No. of other qualifications*) is the number of (non-compulsory) qualifications that the FA possesses. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Dep. Var.:		*Ln(1+Prod.)*	
	[1]	[2]	[3]
Finance	0.020	-0.064	0.021
	(1.064)	(-1.359)	(1.416)
Sales	-0.060	-0.216***	-0.109***
	(-1.388)	(-2.720)	(-2.982)
Education	0.013	0.029	0.030
	(0.564)	(1.442)	(1.456)
Finance × Education	0.043**		
	(2.446)		
Sales × Education	-0.046		
	(-1.235)		
No. of qualifications	-0.003	-0.018***	
	(-0.400)	(-2.716)	
Finance × No. of qualifications		0.032**	
		(2.492)	
Sales × No. of qualifications		0.033	
		(1.512)	
No. of other qualifications			-0.425***
			(-5.392)
Finance × No. of other qualifications			0.404***
			(3.038)
Sales × No. of other qualifications			0.146
			(0.493)
Controls	Yes	Yes	Yes
Firm×County FE	Yes	Yes	Yes
N	23,213	23,213	23,213
Adj. R²	0.142	0.142	0.142

Table 5. Skill Disclosure

This table presents the OLS regression results that estimate the relation between FAs' prior experience and their skill disclosure behavior. Observations are at the FA level. *Ln(1+N.o. of FA skills)* and *Ln(1+N.o. of skills)* are the natural logarithms of one plus the number of self-reported FA skills and all reported skills in their LinkedIn profiles, respectively. *FA skill ratio* is the ratio of the number of self-reported FA skills to all reported skills. *Endorsement skill ratio* is the ratio of skills that have received one or more endorsements to the total number of skills reported. *Ln(1+N.o. of followers)* is the natural logarithm of one plus the total number of followers of a FA on LinkedIn. *Finance* (*Sales*) equals one if the FA had at least one prior experience in finance (sales) before their first FA job and zero otherwise. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Dep. Var.:	Ln(1+N.o. of FA skills)	FA skill ratio	Endorsement skill ratio
	[1]	[2]	[3]
Finance	-0.030**	-0.007	0.002
	(-2.008)	(-1.095)	(0.175)
Sales	0.065***	0.017**	-0.033**
	(2.987)	(2.493)	(-2.571)
Ln(1+N.o. of skills)	0.699***		0.059***
	(41.831)		(4.233)
Ln(1+N.o. of followers)			0.012*
			(1.775)
Controls	Yes	Yes	Yes
Firm×County FE	Yes	Yes	Yes
N	10,649	10,649	10,045
Adj. R²	0.442	0.066	0.223

Table 6. Trust

This table presents the OLS regression results that estimate the relation between FAs' prior experience and the extent of receiving baseless complaints. Observations are at the FA level. *Baseless complaint* equals one if the FA receives one or more baseless complaints and zero otherwise based on the conversation with ChatGPT. *N.o. of baseless complaints* is the number of baseless complaints that the FA receives based on the conversation with ChatGPT. *Finance* (*Sales*) equals one if the FA had at least one prior experience in finance (sales) before their first FA job and zero otherwise. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Dep. Var.:	Baseless complaint	N.o. of baseless complaints
	[1]	[2]
Finance	0.001	0.001
	(1.127)	(1.158)
Sales	0.003***	0.003***
	(2.685)	(2.630)
Controls	Yes	Yes
Firm×County FE	Yes	Yes
N	57,593	57,593
Adj. R²	0.014	0.025

Table 7. FA Career

This table presents the OLS regression results that estimate the relation between FAs' prior experience and the seniority and salary of their first FA position, and the number of years it takes to be promoted. Observations are at the FA level. *Starting seniority* is the level of seniority of the first FA job of each individual. *Ln(Starting salary)* is the natural logarithm of the salary of the first FA job of each individual. *Years promoted* is the number of years that the FA is being promoted. *Ln(1+AUM)* is the natural logarithm of FA's self-reported assets under management plus one. *Finance* (*Sales*) equals one if the FA had at least one prior experience in finance (sales) before their first FA job and zero otherwise. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Dep. Var.:	Starting seniority	Ln(Starting salary)	Years promoted	Ln(1+AUM)
	[1]	[2]	[3]	[4]
Finance	0.166***	0.065***	-1.205***	0.054*
	(6.200)	(4.002)	(-5.202)	(1.739)
Sales	-0.083**	-0.028	-0.292	0.014
	(-2.034)	(-1.080)	(-0.829)	(0.231)
Controls	Yes	Yes	Yes	Yes
Firm×County FE	Yes	Yes	Yes	Yes
N	18,675	18,675	3,354	23,213
Adj. R²	0.098	0.054	0.186	0.131

Table 8. Additional Controls

This table presents the OLS regression results that estimate the relation between FAs' prior experience and their revenue production. Observations are at the FA level. *Ln(1+Prod.)* is the natural logarithm of FA's self-reported production/revenue plus one. *Finance* (*Sales*) equals one if the FA had at least one prior experience in finance (sales) before their first FA job and zero otherwise. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Dep. Var.:	Ln(1+Prod.)	
	[1]	[2]
Finance	0.061***	0.054***
	(4.627)	(4.111)
Sales	-0.098***	-0.094***
	(-2.999)	(-3.033)
Securities Agent State Law (S63)	0.147***	
	(5.232)	
General Securities Representative (S7)	-0.047	
	(-1.141)	
Investor Adviser Exam (S65/66)	-0.065**	
	(-1.974)	
Investment Company Product Representative (S6)	0.038	
	(0.977)	
General Securities Principal (S24)	-0.016	
	(-0.322)	
No. of other qualifications	-0.305*	
	(-1.817)	
Interest		-0.011
		(-0.499)
Contribution		-0.038*
		(-1.768)
Investment		-0.008
		(-0.345)
Controls	Yes	Yes
Firm×County FE	Yes	Yes
N	23,213	22,854
Adj. R²	0.145	0.142

Table 9. Alternative Samples

This table presents the OLS regression results that estimate the relation between FAs' prior experience and their revenue production. Observations are at the FA level. *Ln(1+Prod.)* is the natural logarithm of FA's self-reported production/revenue plus one. *Finance* (*Sales*) equals one if the FA had at least one prior experience in finance (sales) before their first FA job and zero otherwise. Variables definitions are described in Appendix A. Robust t-statistics corrected for clustering by the firm are reported in parentheses. ***, **, or * next to the coefficients indicates that the coefficients significantly differ from zero at the 1%, 5%, or 10% levels, respectively.

Dep. Var.:		*Ln(1+Prod.)*	
Sample:	*Broker*	*Investment advisors*	*Dually registered*
	[1]	[2]	[3]
Finance	0.055***	0.057***	0.058***
	(3.867)	(4.209)	(4.021)
Sales	-0.103***	-0.088***	-0.093***
	(-3.274)	(-2.921)	(-3.030)
Controls	Yes	Yes	Yes
Firm×County FE	Yes	Yes	Yes
N	22,184	21,733	20,710
Adj. R^2	0.143	0.142	0.143

Appendix A. Variable Definition

Variable	Definition	Source
Ln(1+Prod.)	The natural logarithm of FA's self-reported production/revenue plus one.	Discovery Data
Finance	Dummy variable indicating whether the FA had at least one prior experience in finance before their first FA job.	Revelio Labs
Sales	Dummy variable indicating whether the FA had at least one prior experience in sales before their first FA job.	Revelio Labs
Administration	Dummy variable indicating whether the FA had at least one prior experience in administration before their first FA job.	Revelio Labs
Engineering	Dummy variable indicating whether the FA had at least one prior experience in engineering before their first FA job.	Revelio Labs
Marketing	Dummy variable indicating whether the FA had at least one prior experience in marketing before their first FA job.	Revelio Labs
Operation	Dummy variable indicating whether the FA had at least one prior experience in operation before their first FA job.	Revelio Labs
Science	Dummy variable indicating whether the FA had at least one prior experience in science before their first FA job.	Revelio Labs
Prior Exp.	The total number of years of work experience accumulated before starting the first FA job.	Revelio Labs
Education	It is equal to three, two, one, and zero if the highest degree of the FA is Doctor, Master, Bachelor, and others (including missing), respectively.	Discovery Data
Education missing	Dummy variable indicating whether the education information is missing.	Discovery Data

Female	Dummy variable indicating whether the gender of FA is female.	GenderChecker; *genderize.io*
FA year	The year when the FA started their first job as a FA.	BrokerCheck; IAPD
Ln(1+AUM)	The natural logarithm of FA's self-reported assets under management plus one.	Discovery Data
No. of firms	The number of firms with which the RA is associated.	Discovery Data
Prior misconduct	Dummy variable indicating whether the FA has a misconduct record.	BrokerCheck; IAPD
No. of qualifications	The number of qualifications that the FA possesses.	BrokerCheck; IAPD
Client facing	Dummy variable indicating whether the FA directly interacts or contacts the client.	Discovery Data