2026

THE NEW REFERRAL PLAYBOOK

New research. Untapped referral opportunities. A clear path to organic growth.

ABSOLUTE ENGAGEMENT

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Each year, Absolute Engagement asks high-net-worth investors about their advisory experience, with an emphasis on when and why they refer. This report looks at referrals, through the eyes of clients, and tackles three questions that matter to firms focused on growth.

- Where is the real - often hidden - referral opportunity?
- What is getting in the way of capturing that opportunity?
- What should we do differently as a result?

There is one clear conclusion from the research.

Advisory firms are missing out on a significant referral opportunity. And the reason is that we are using an outdated playbook.

The traditional referral playbook has been a core part of advisor training for decades. Deliver a great experience, build satisfaction and loyalty, remind clients that referrals are welcome and wait for introductions to follow.

But the data tells a different story about the success of that playbook. Fewer than half of clients say they have referred, despite consistently high satisfaction. And most of the referrals clients make never become introductions.

That means growth-oriented firms need to do more than encourage new referrals. At a minimum, they need to understand and identify the referrals that have already happened and turn them into introductions.

For firm leaders, the question is whether their referral strategy, data and advisor training are built around how clients actually behave, or the assumptions inherent in an outdated playbook.

Referral Blind Spots

A modern referral playbook starts with recognizing where our assumptions may be getting in the way.

The issue is not that advisors or leaders lack commitment to referral growth. It is that some of our long-held assumptions about why clients refer, what prompts them to act and where to focus our efforts do not match the research. Four blind spots stand out.

1 Satisfaction is only part of the referral equation.

We know that 95% of clients are satisfied and 65% are Promoters[1], yet only 46% say they have provided a referral. Satisfaction and willingness to refer matter, but they do not guarantee action. Other factors, including client confidence, influence referral behavior.

Leadership Implication: We can't rely on satisfaction to drive referrals. Firms need to understand, and focus on, the other drivers of referral activity.

2 Referral strategies don't always reflect client motivation.

Conventional referral training emphasizes asking clients for referrals. Yet only 20% of clients, who provided a referral, said they did because their advisor asked. Most were trying to help a friend or family member, and the most common reason for not referring was simply not knowing who to refer.

1. The Net Promoter Score asks how likely a client is to refer their advisor using a 0-10 rating system. Promoters are those selecting 9 or 10.

Leadership Implication: Instead of encouraging advisors to 'ask more often', implement training and systems to help clients recognize someone who could benefit from advice and make it easy to take the next step.

3 The biggest referral opportunity may not be more referrals.

In 2026, 46% of clients said they had provided a referral in the previous 12 months. Advisors, by contrast, typically estimate that they receive successful referrals from about 4% of clients.

Those two numbers describe different things. Clients count referrals they make; advisors generally see only the direct introductions. The opportunity is to translate more of those referrals into introductions.

Leadership Implication: A focus on generating more referrals can distract firms from the referrals already happening that never reach an advisor.

4 Referral behavior changes with age.

Referral activity varies significantly by age. Clients under 45 are more than 2.5 times as likely to refer as those aged 65 and older, despite reporting lower average levels of satisfaction.

Yet advisors often turn, first, to their longest-standing clients, who may also be their oldest. Those relationships feel familiar, and referral conversations can seem easier.

Leadership Implication: Familiarity is not the same as referral potential. Firms should use what they know about client behavior to decide where to focus their efforts.

The Path Forward

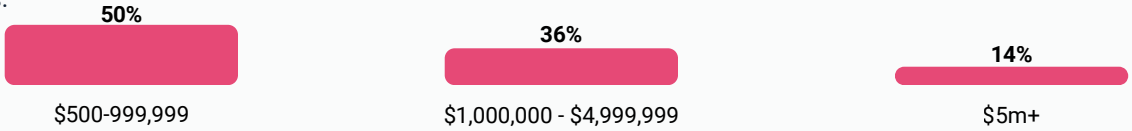
The evidence points to a different and more modern referral playbook.

Better service and more frequent asks are not enough on their own. Firms need tactics that reflect why clients refer, a process to shine a light on missed opportunities and training that helps advisors take meaningful action.

For firm leaders, the challenge is to make that approach practical and consistent across the organization, rather than leaving referral growth to the individual preferences of advisors.

About the research

In 2026, data was collected, via online survey, from 1,000 respondents between February 28 and March 9 with a 3.1% margin of error. All respondents work with a financial advisor, meet specific household investable asset thresholds and have some involvement in financial decision-making. The report highlights change since 2020 on some questions.



Q: Please tell us which best describes your current total investable assets, including all mutual funds, stocks, bonds, 401(k), IRA and other retirement accounts, but excluding your home/real estate.

Source: Absolute Engagement Investor Research 2026

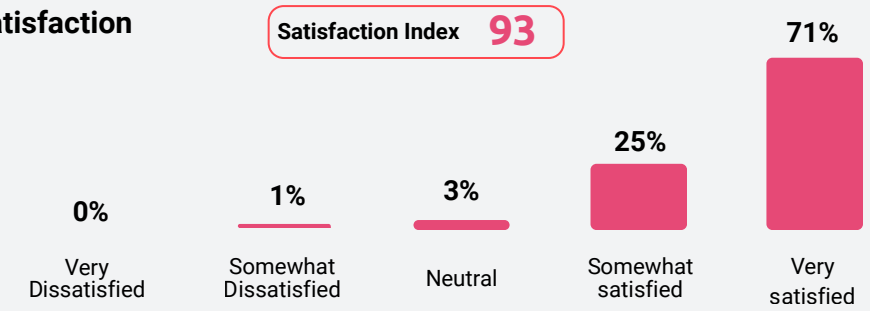
Blind Spot #1

Satisfaction is only part of the referral equation.

The traditional approach to referral generation sounds reasonable: Deliver a great experience, build strong relationships and clients will share that experience with others.

Satisfied clients often refer. Yet other satisfied clients do not. That referral activity can lead to a false sense of security, and advisors may easily assume that if they focus on satisfaction then referrals will follow. It's a logical, but not an entirely correct conclusion.

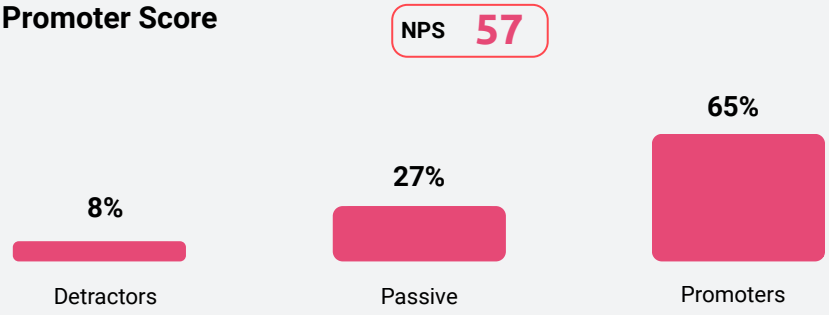
Satisfaction



Q: Please rate your overall level of satisfaction with your financial advisor.

Source: Absolute Engagement Investor Research 2026

Net Promoter Score



Q: How likely is it that you would recommend your financial advisor to a friend or colleague?

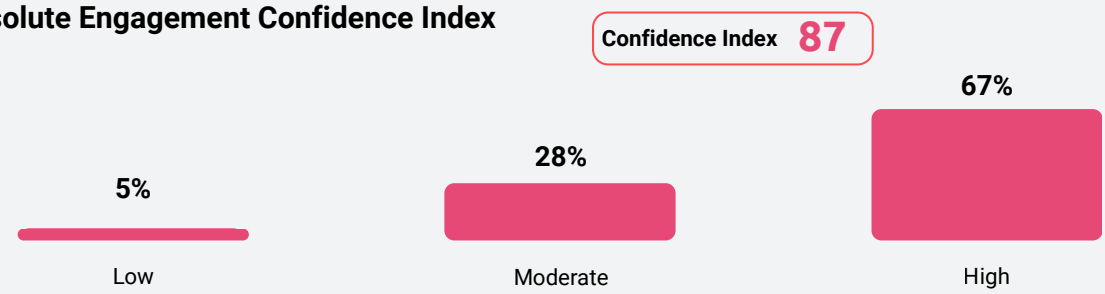
Source: Absolute Engagement Investor Research 2026

46%

of clients say they have provided a referral in the last 12 months

Our research points to another important driver of referrals and that is client confidence. Absolute Engagement tracks confidence across the industry, within advisory firms and at the individual client level. Our proprietary **Client Confidence Index** brings together how secure clients feel financially, and how much confidence, control and clarity they have about their plan for the future, in a single number.

Absolute Engagement Confidence Index



Source: Absolute Engagement Investor Research 2026

Clients who are confident about their future are considerably more likely to refer.

Low confidence	Moderate confidence	High confidence
11%	38%	51%
	...have referred	

Source: Absolute Engagement Investor Research 2026

Clients who feel confident about their financial future are more likely to share their experience with others. Confidence is very different from satisfaction. Satisfaction tells us how a client feels about the relationship; confidence tells us how a client feels about their own situation. High satisfaction can co-exist with low confidence, at least for a while. This is a stronger indicator than satisfaction.

The implication: Measuring satisfaction and Net Promoter Score is important, but neither is a complete reflection of referral potential. Understanding client confidence can reveal additional insights into what drives referral behavior.

Blind Spot #2

Referral strategies don't always reflect client motivation.

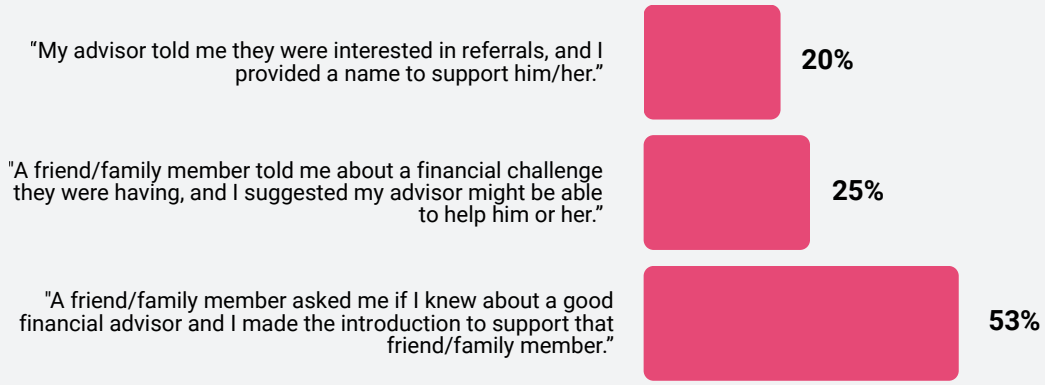
One of the most familiar referral tactics taught to advisors is to ask clients for referrals, or to remind them that they would welcome meeting their friends and family.

Our research has consistently shown that clients refer because they want to help someone they care about solve a problem. Helping their advisor is a welcome by-product, but rarely the driver of action.

That is why a strategy built mainly around asking for referrals misses the point. It starts with what the advisor wants rather than what motivates the client.

We asked clients, who had made a referral, what prompted them to do so. Fully 78% were responding to a need or request from a friend or family member; only 20% said they referred after their advisor asked.

Why Clients Refer



Q: What were the circumstances of providing the last referral? n=clients who provided a referral

Other: 1%
I don't know: 1%

Source: Absolute Engagement Investor Research 2026

It is just as important to understand why clients do not refer, as why they do. Advisors often assume clients are uncomfortable talking about money. But the most common explanation is far more practical - they do not know anyone to refer. They have not spotted a referral opportunity.

This highlights an important distinction between willingness and ability. Clients may be willing to recommend their advisor, but unless they recognize someone who could benefit from that advice, they are unlikely to act. The challenge isn't necessarily convincing clients to refer, it's helping them recognize when a referral would be valuable.

Why Clients Don't Refer



Q: Which of the following best reflects why you have not referred? n=clients who have not provided a referral

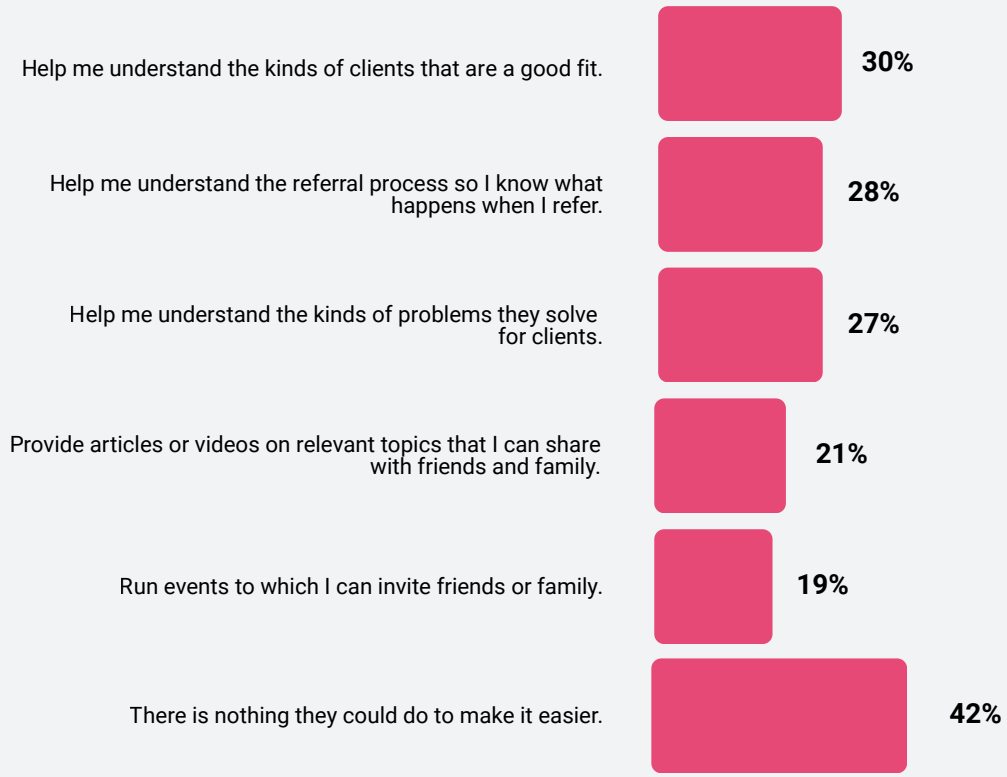
Source: Absolute Engagement Investor Research 2026

Clients also see this gap. When we asked what their advisor could do to make referrals easier, 58% identified at least one action. Their responses point to three basic needs:

- Help me understand who to refer
- Help me understand the referral process
- Make it easy for me to refer

58% **of clients said there was something their advisors could do to make referrals easier.**

Why Clients Refer



Q: What, if anything, could your advisor do to make it easier for you to introduce your friends and family to their services? Please select all that apply. n=all clients

Source: Absolute Engagement Investor Research 2026

The implication: Asking still has a place, but it should not carry the whole referral strategy. Advisors need to help clients connect the problems they solve with people they know. Firm leaders can reinforce that message through clear communication about whom they serve, what happens after a referral and the resources clients can share to make an introduction.

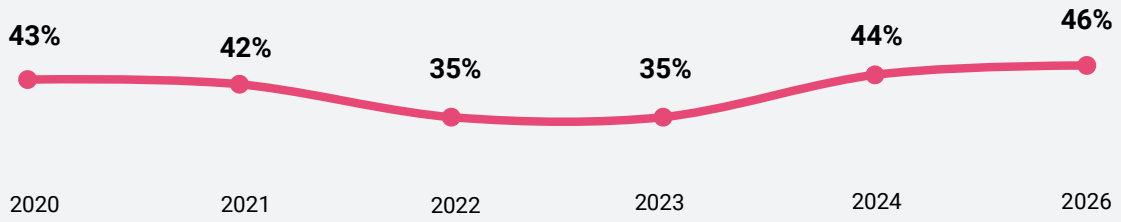
Blind Spot #3

The biggest referral opportunity may not be more referrals.

It may sound strange to say that the best way to grow through referrals is not necessarily to generate more of them. But that is where the numbers lead.

Clients have been recommending their advisors for years. In 2026, 46% reported making a referral, the highest level in at least five years.

Referrals



Q: Have you provided a referral to your financial advisor in the last 12 months?
Percentage shows those who responded Yes. n=all clients

Source: Absolute Engagement Investor Research 2026

Absolute Engagement's advisor research tells a different story. Asked what percentage of clients provide successful referrals, advisors estimate about 4%. They are counting the referrals they can see, which are the direct introductions.

This distinction matters. Clients report referrals, whether or not they lead to an introduction. Advisors report the introductions that reach them. A great deal of referral activity may therefore be taking place outside the advisor's view.

> **The bigger opportunity is among clients who have already referred their advisor. If we can identify them, learn what prompted the recommendation, and support the next step, then referrals will become introductions.**

Most firms cannot see those referrals today. They know which introductions arrived, but not which clients have been telling friends and family about their advisor without a successful introduction. That leaves a potentially valuable source of growth largely invisible. Stated differently, you cannot act on the opportunities you do not see.

Consider an illustrative firm with 10 advisory teams, each serving 100 client relationships. The potential gap is substantial, particularly based on Absolute Engagement's research that shows that clients who referred typically referred 2 people, on average, in the last 12 months.

Number of advisory teams	**10**
Number of clients Each advisory team manages 100 client relationships	**1,000**
Number of referrals provided 46% of clients indicated they had provided 2 referrals each	**920**
Number of introductions Advisors estimated 4% of clients provided a successful referral	**40**
Untapped referral opportunity Estimated number of referrals that did not become introductions	**-880**

If the firm could turn just 20% of those untapped referrals into introductions, that could mean up to 176 additional introductions. How many become clients would depend on the firm's conversion rate, however the potential is substantial.

The implication: Before investing only in more referral activity, find out what clients are already doing, and give advisors a way to follow up easily and comfortably.

Blind Spot #4

Referral behavior changes with age.

When advisors focus on referrals, they often start with the clients they know best. Many of those long-standing relationships are with older clients.

But younger clients report much higher referral activity. That matters when deciding where to direct firm resources and advisor attention.

	Under 45	45-64	65 and older
Provided a referral in the previous 12 months	79%	44%	30%

Source: Absolute Engagement Investor Research 2026

For firms seeking to attract the next generation, this finding is especially important. Younger clients may represent a greater referral opportunity, creating a potential connection between referral growth and broader next-generation growth objectives.

This is not an argument to focus only on younger clients. It is a reminder that age affects referral behavior and that firms can be more deliberate about whom they engage.

The implication: Strong relationships matter, but age alone should not determine the focus of a referral strategy. Look at where the potential actually lies.

Let the evidence drive your tactics

Taken together, the data challenges two familiar assumptions. The first is that satisfaction will naturally produce referrals, and the second is that asking more often is the best way to increase them.

Neither delivering excellent service nor asking for referrals is wrong. The problem is relying on those tactics alone when the research shows more about why clients refer, where opportunities are missed and who is most likely to act.

Firm leaders have an opportunity to turn those insights into a repeatable approach. Three things matter:

- **The right playbook.** Align referral strategies with what actually motivates clients to refer. This means going beyond encouraging clients to refer and helping them recognize opportunities to support friends and family. It also means making the referral process clear and easy, with consistent support across the organization. You don't need more referral tactics, you need a referral system.
- **The right data.** The greatest untapped opportunity may be hidden in referrals that didn't become introductions. Firms need to look beyond the introductions advisors receive and understand which clients are already referring, what motivates them and where opportunities are being missed. That data can help advisors focus their efforts where they are most likely to have an impact.
- **The right training.** Insights only create value when advisors act on them. Training needs to go beyond encouraging advisors to ask for referrals and equipping them with practical strategies to help clients recognize opportunities, facilitate introductions and follow up effectively. As importantly, training needs to address the internal obstacles advisors face, such as concern they will appear 'salesy'. Firms can reinforce those efforts with shared resources, content and events that make referrals easier for clients.

Three questions for leadership

Three questions are worth asking about your current approach:

1. **Are your referral strategies aligned with what actually motivates clients to refer?**
2. **Do you have the data to identify clients who have referred, but which didn't result in a direct introduction?**
3. **Are you equipping advisors with the skills and support to turn those opportunities into introductions?**

Data matters only if it changes what advisors do. Firms can make that easier by providing clear guidance, useful client-facing resources and opportunities for clients to connect others with the firm.

Put the research to work

At Absolute Engagement, our focus is helping firms find the referral opportunities they are missing and activating that data to help advisors take action.

We do that in two complementary ways:

Engagement Engine: Identify and activate untapped referral opportunities.
Engagement Engine captures and analyzes referral data directly from clients, uncovering untapped referral opportunities. It then translates those insights into practical guidance and recommended actions, providing tailored approaches for each client based on whether they have referred or not, and why that was the case.

Referral Activation Training: Equip advisors to turn opportunities into introductions.
Our evidence-based training helps advisors understand the psychology of referrals and implement practical strategies to facilitate more introductions across all clients. Training can be delivered independently or integrated with Engagement Engine, using client-specific intelligence to help advisors focus their efforts, and take action.

Strategic guidance is part of both approaches. We work with firm leadership to align referral strategies with the research, identify opportunities for improvement and develop an approach that supports consistent growth across the organization.

Schedule a conversation with Absolute Engagement to explore your untapped referral potential and how to take action. Or reach out to questions@absoluteengagement.com

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