



Pulse Survey

July 2024 Survey Report:

How Financial Professionals
Are Operating In 2024

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KEY FINDINGS

The Advisor Practice: Building For The Future

The **2024 Advisor Pulse Survey** explored issues, such as communication, critical to client retention, as well as the importance of innovative investment solutions as the key to Advisors differentiating themselves in a competitive marketplace. Respondents also identified how growth opportunities are changing and where those opportunities for expanding their client base may lie in the future. We are highlighting these and many other vital issues impacting Advisors and their practices in this year's **Pulse Survey Report**.

The Advisor Practice 2024

61% of Advisors have primarily lost a client due to death, yet conversely 82% say they won business because the previous Advisor did not communicate with their clients.

Outside of client relationships how do they differentiate themselves?



33% stated that the top challenge they have with their current clients is that they are listening to bad ideas from their adult kids or others.

Where do they get innovative ideas? **The top source? 59% from wholesalers.**

Top Advisors (\$601 million to over \$1 billion AUM) are more likely to expand beyond their local area than others.

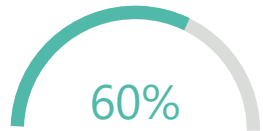
Advisors said they have expanded their business over the past 3 years to include:



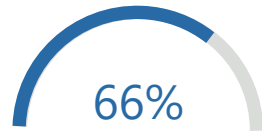
Looking at the Next Generation of Investor

41% of their existing client base is now in their 50s or younger.

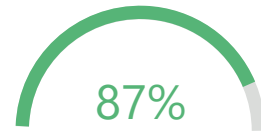
Where is the great transfer of wealth? 19% of the assets for their clients under 50 came from family money or an inheritance. 81% of their assets come from a business they own or their job.



Younger generation is being influenced to go elsewhere for advice

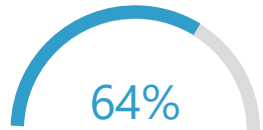


of Advisors have a plan to focus on the next generation

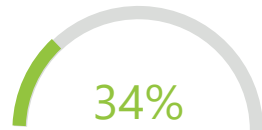


of Advisors agree pursuing younger investors is time well spent

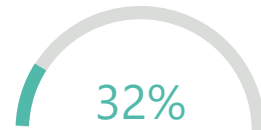
What surprised Advisors about this demographic?



Reliance on social media for their investment advice



They don't admit to needing investment help



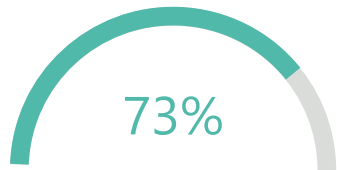
How low their investment IQ is

"As advisors look to their next generation of clients, it's important to understand how technology has changed how younger investors engage with financial education and advice. Instead of resisting generational differences, embrace them and drive your growth."

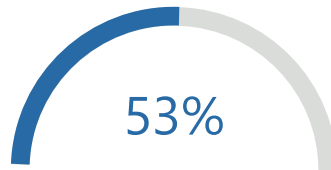
CHRIS MEE
INSPEREX HEAD OF
DISTRIBUTION

Differentiating Your Business With Structured Products

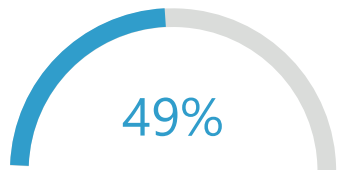
Structured products were identified as a great way to differentiate an Advisor's business. Results showed that in addition to providing downside protection (83%), protecting principal (75%), generating income (49%), keeping clients invested in the market (44%), replacing fixed income (42%), and customizing potential outcomes and risk exposure (35%), structured products also helped Advisors:



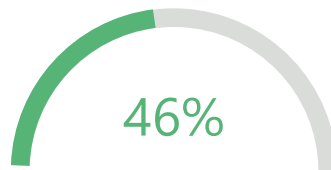
Differentiate their business



Create stronger client relationships



Create better client experiences



Gain a competitive advantage

"Advisors are increasingly using structured products as their competitive advantage. They're flexible, customizable, and help advisors deliver exceptional value to their clients."

CHRIS MEE
INSPEREX HEAD OF
DISTRIBUTION

Where is the Market Going and What are the Headwinds?

Each year we ask Advisors for their thoughts on the markets and this year they provided a clear direction. The majority (78%) of advisors are bullish about the S&P 500 performance by year end and expect :



The majority (56%) of advisors said the Magnificent 7 stocks (APPL, AMZN, GOOG, META, MSFT, NVDA, TSLA) will outperform the S&P 500 from mid-July to the end of 2024.

The concerns of financial advisors and their clients are not entirely aligned, according to the advisors surveyed.

Clients most worried about:



Advisors most worried about:



Just 9% of advisors are worried about the US Presidential election.

Survey Methodology and Findings

The 2024 InspereX Pulse Survey was conducted between July 8-15, 2024 by Red Zone Marketing on behalf of InspereX. The 487 financial advisors responding work at independent broker/dealers, RIAs, banks, regional firms and wirehouses.

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July Survey Methodology

July 8 – 15, 2024

SURVEY COLLECTION

487 Financial Advisors

RESPONDENTS

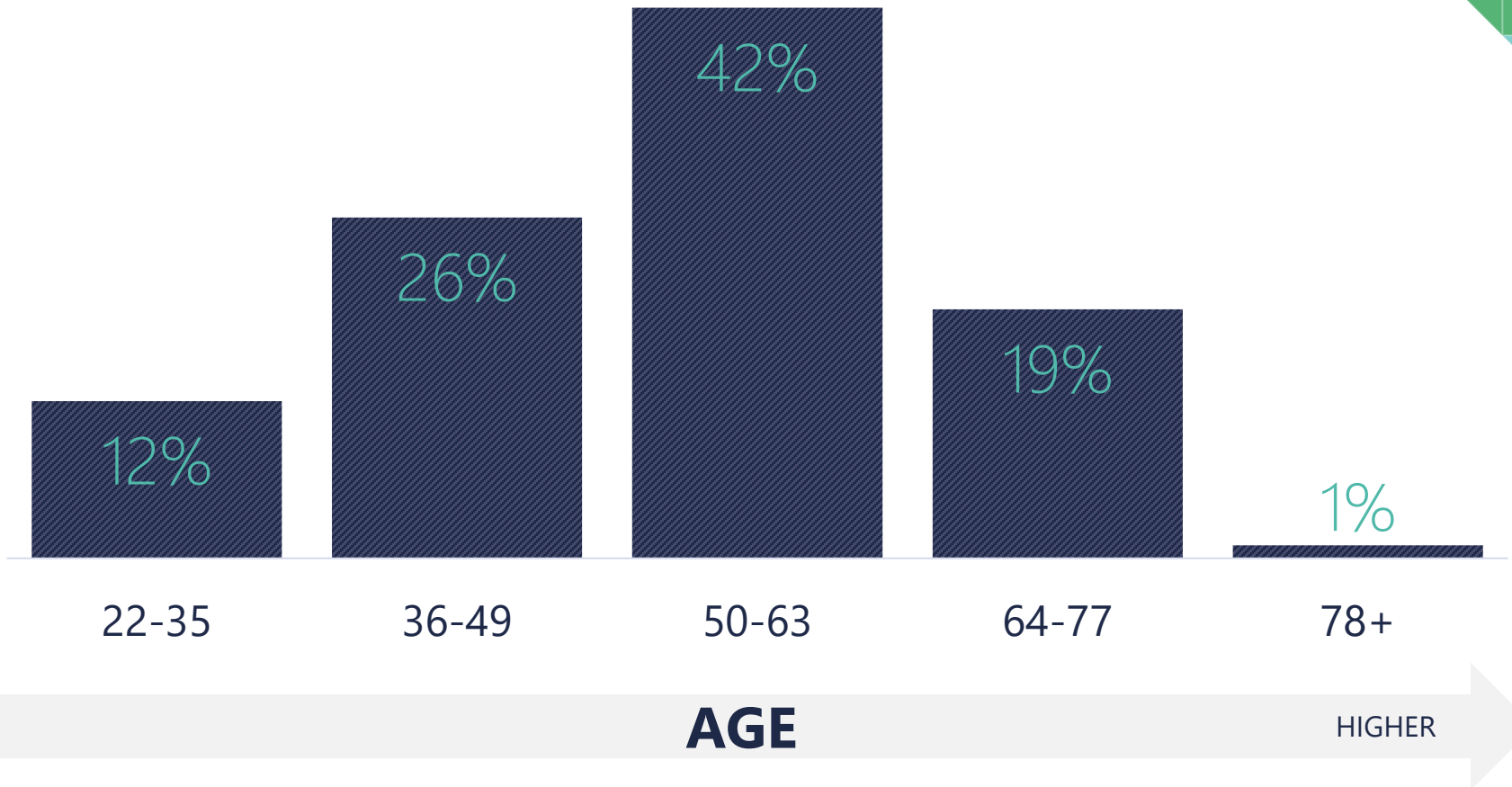
86%



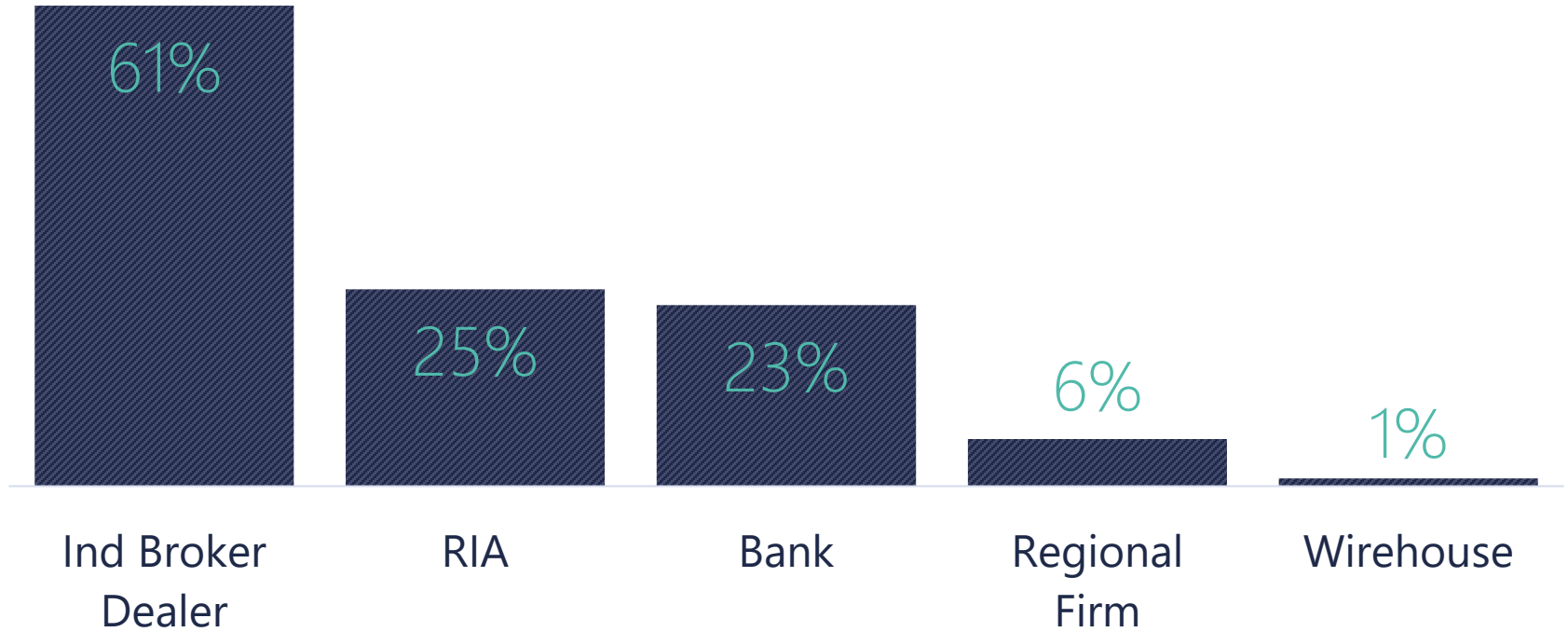
14%

GENDER

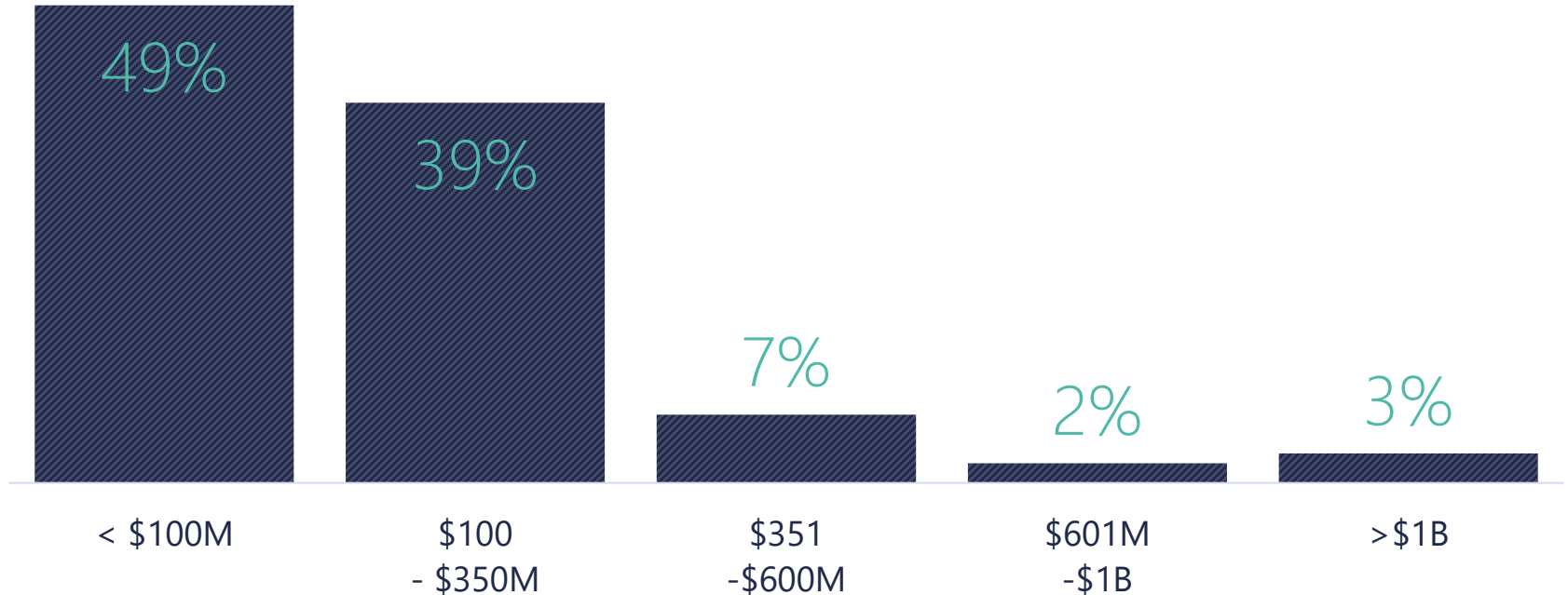
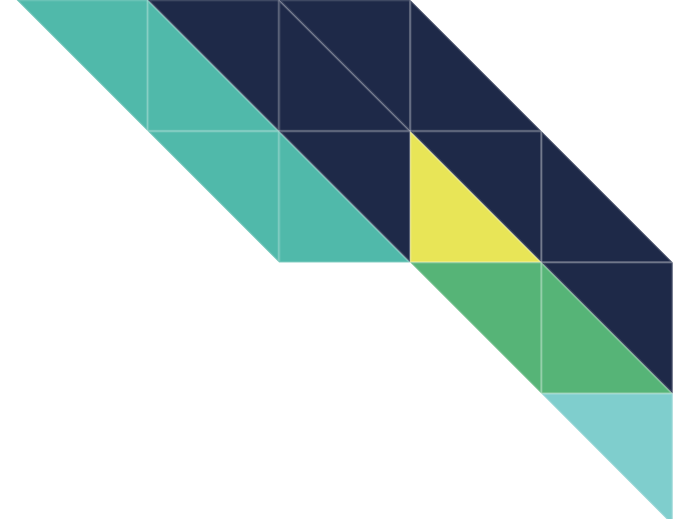
Age Breakdown



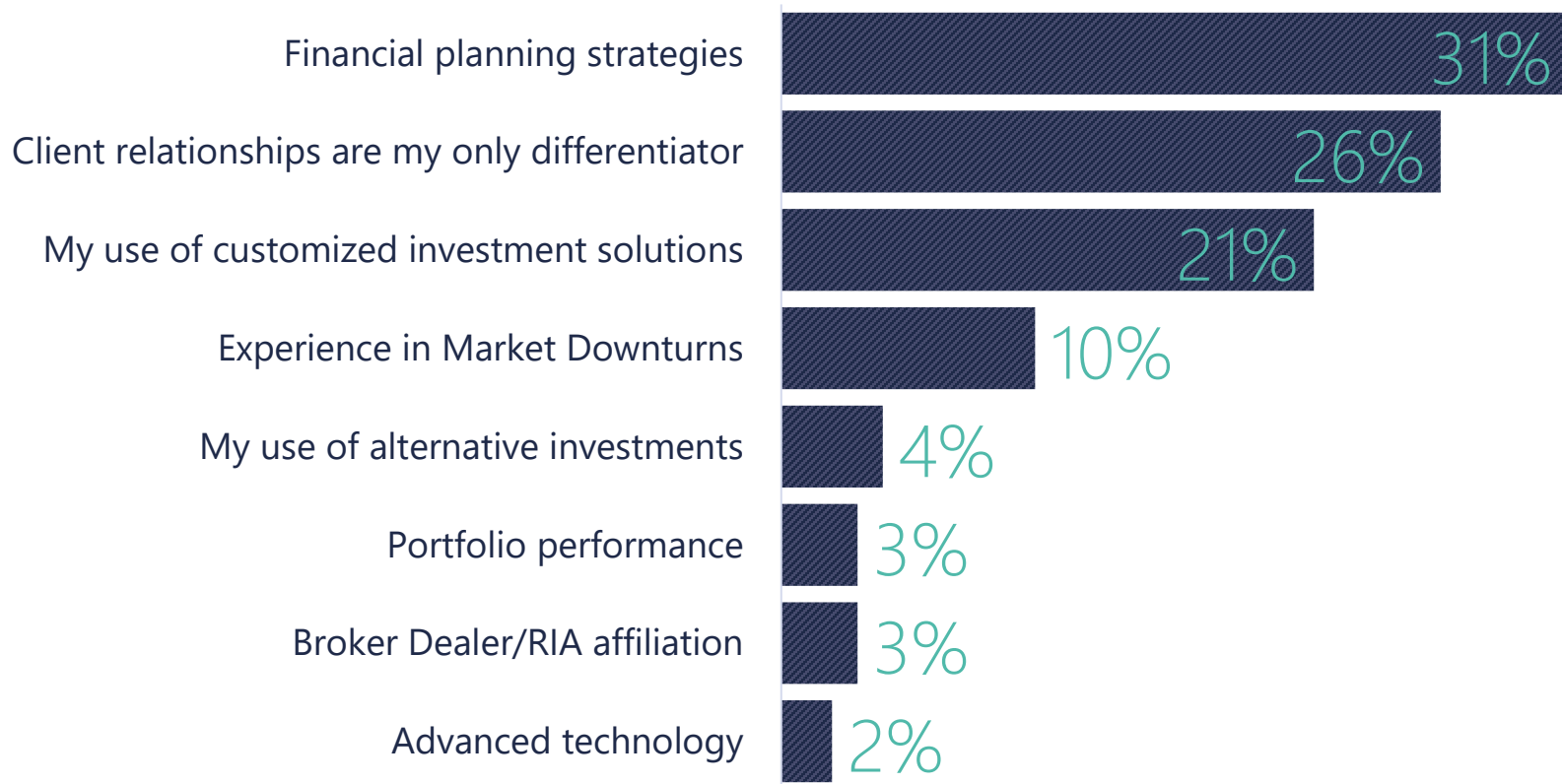
Advisor Affiliation (Select All That Apply)



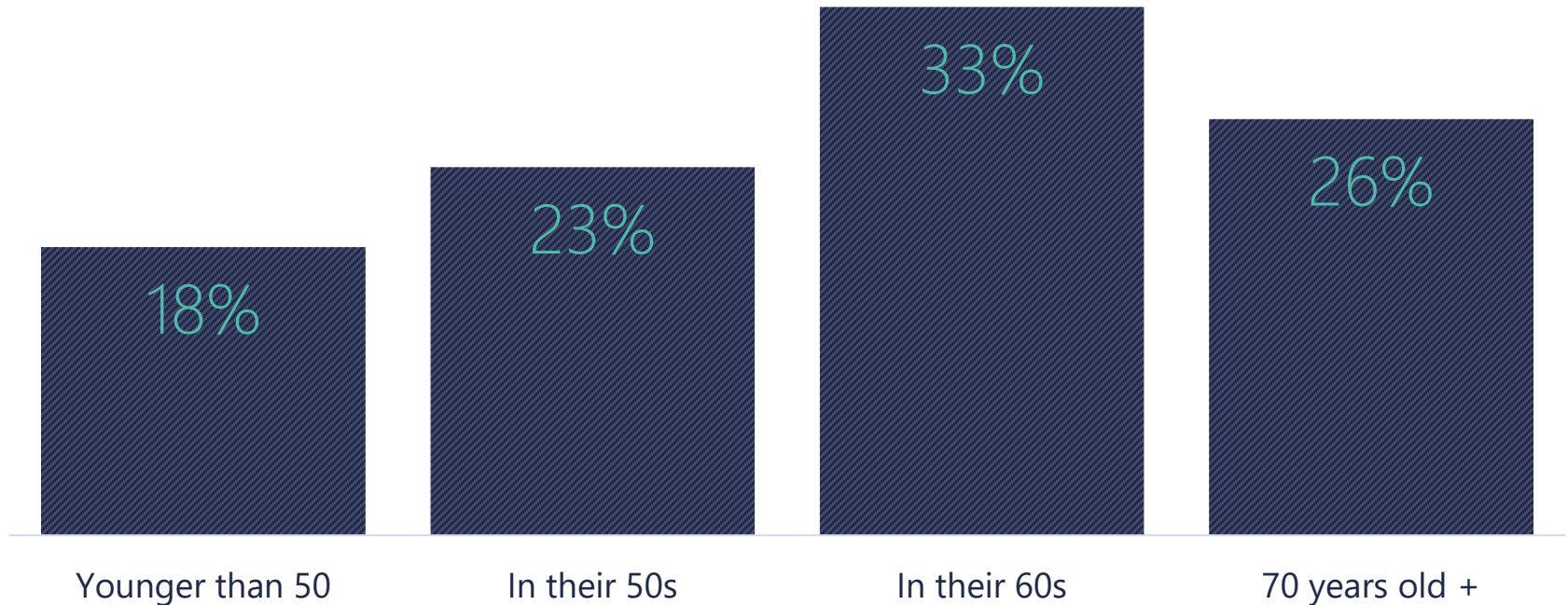
Assets Under Management (AUM) at end of 2023



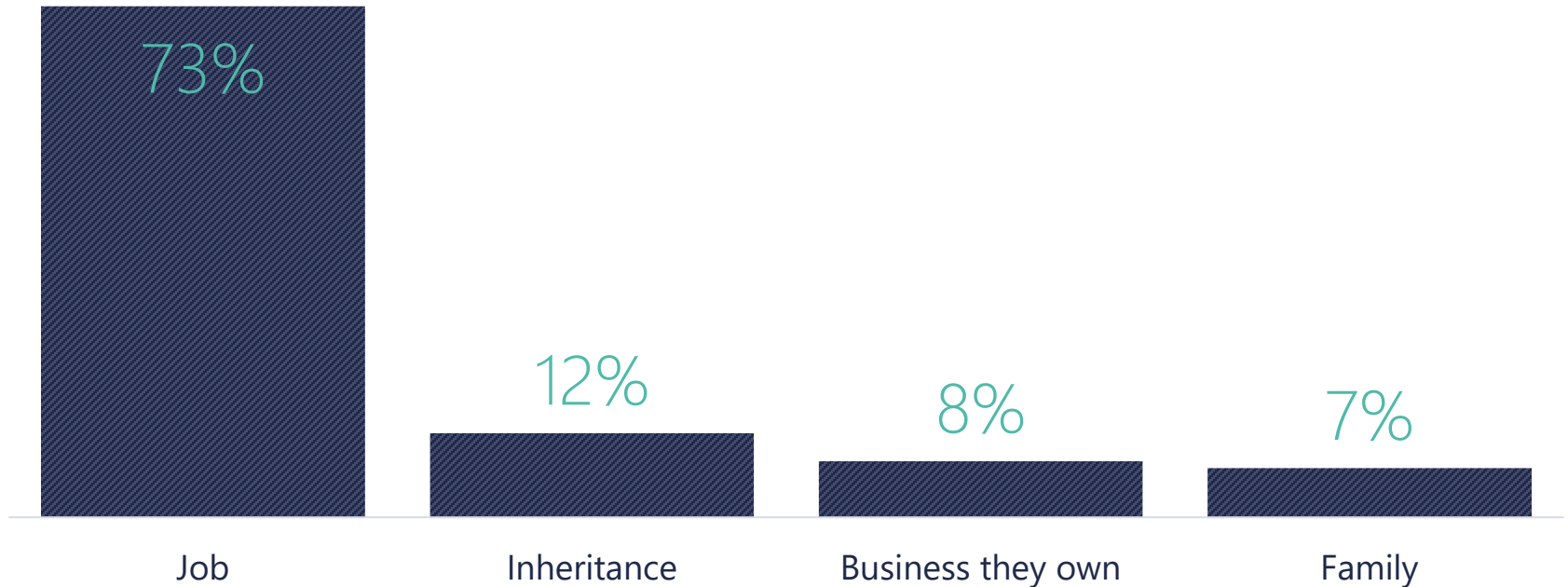
Outside of your client relationships, what do you believe differentiates your practice?



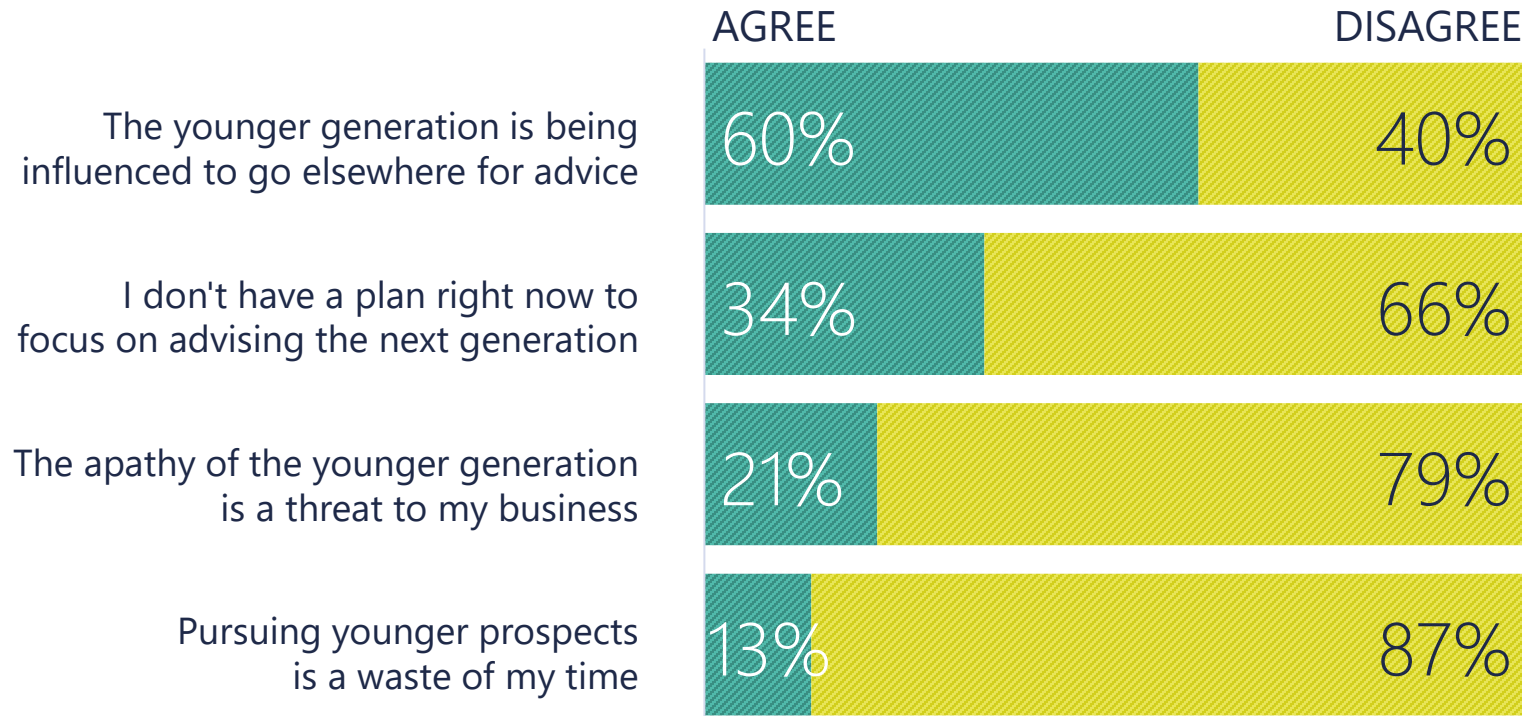
Based on the number of clients
in your practice, what % are:



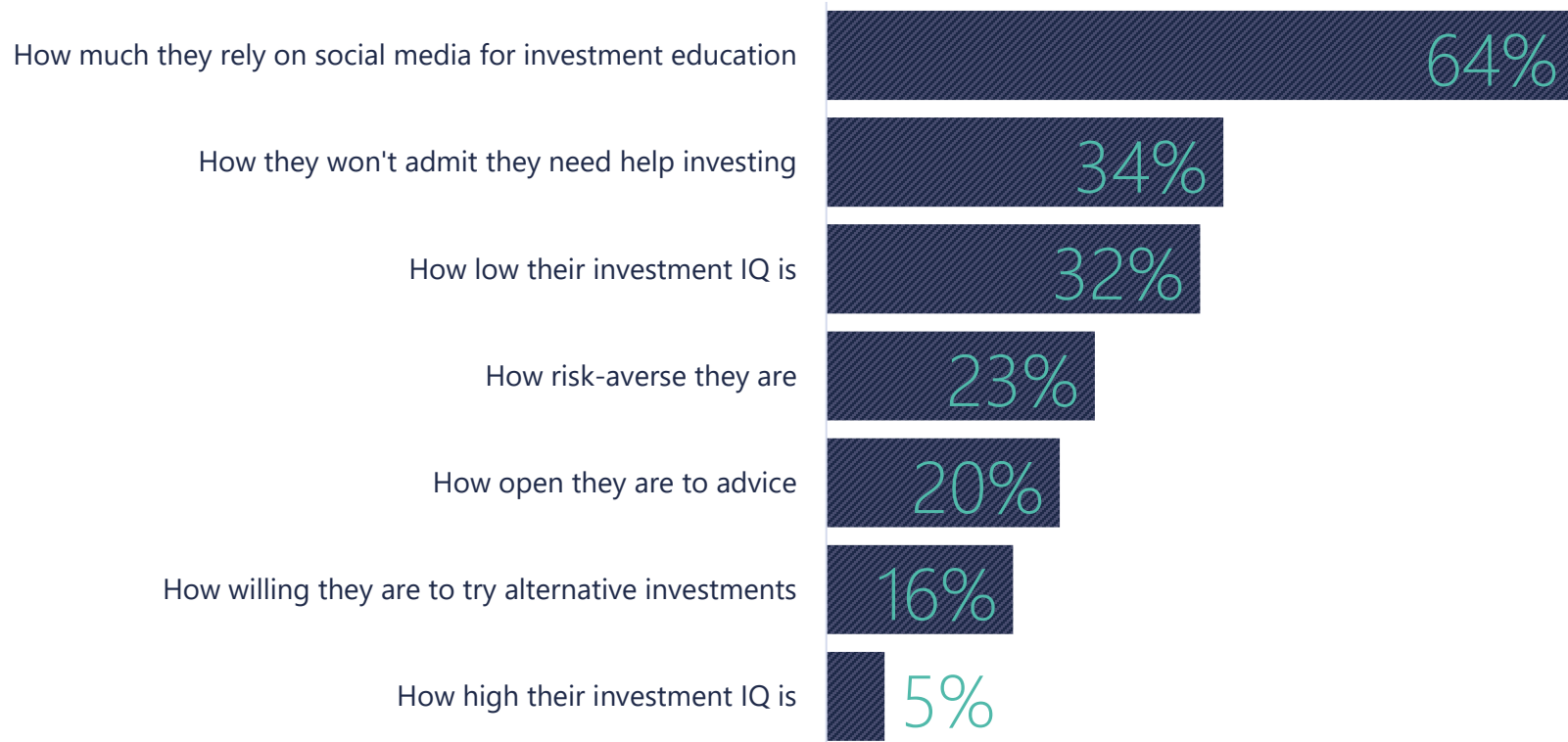
For your under 50-year-old clients, where do a majority of their assets come from?



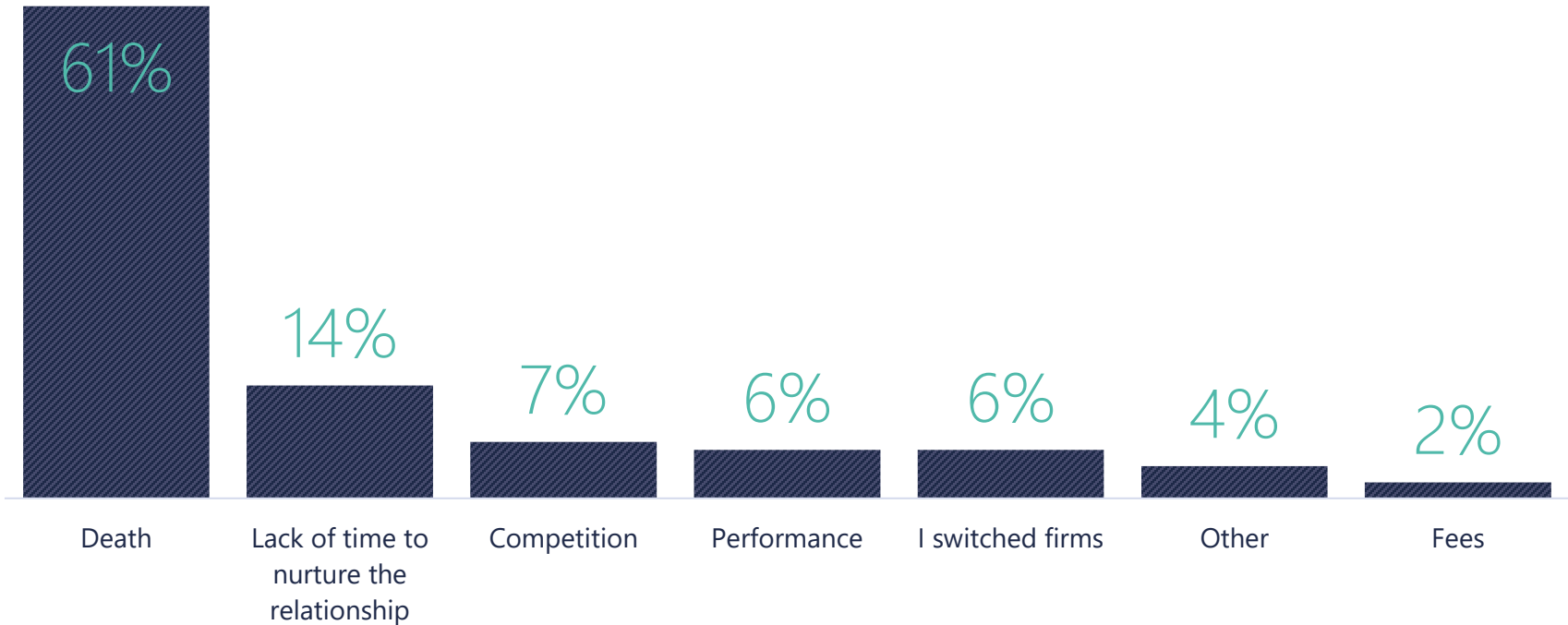
Agree or Disagree with the following statements



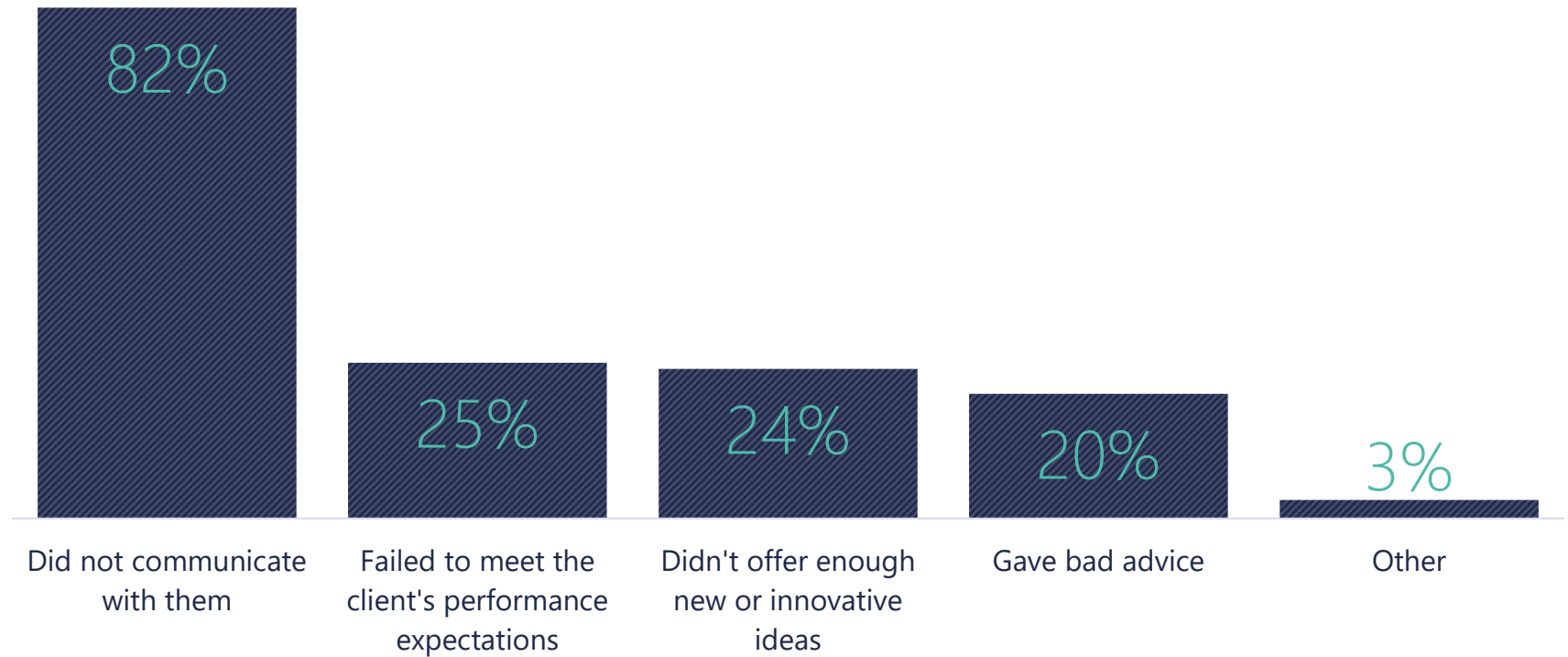
What surprises you about younger investors today... (Select all that apply)



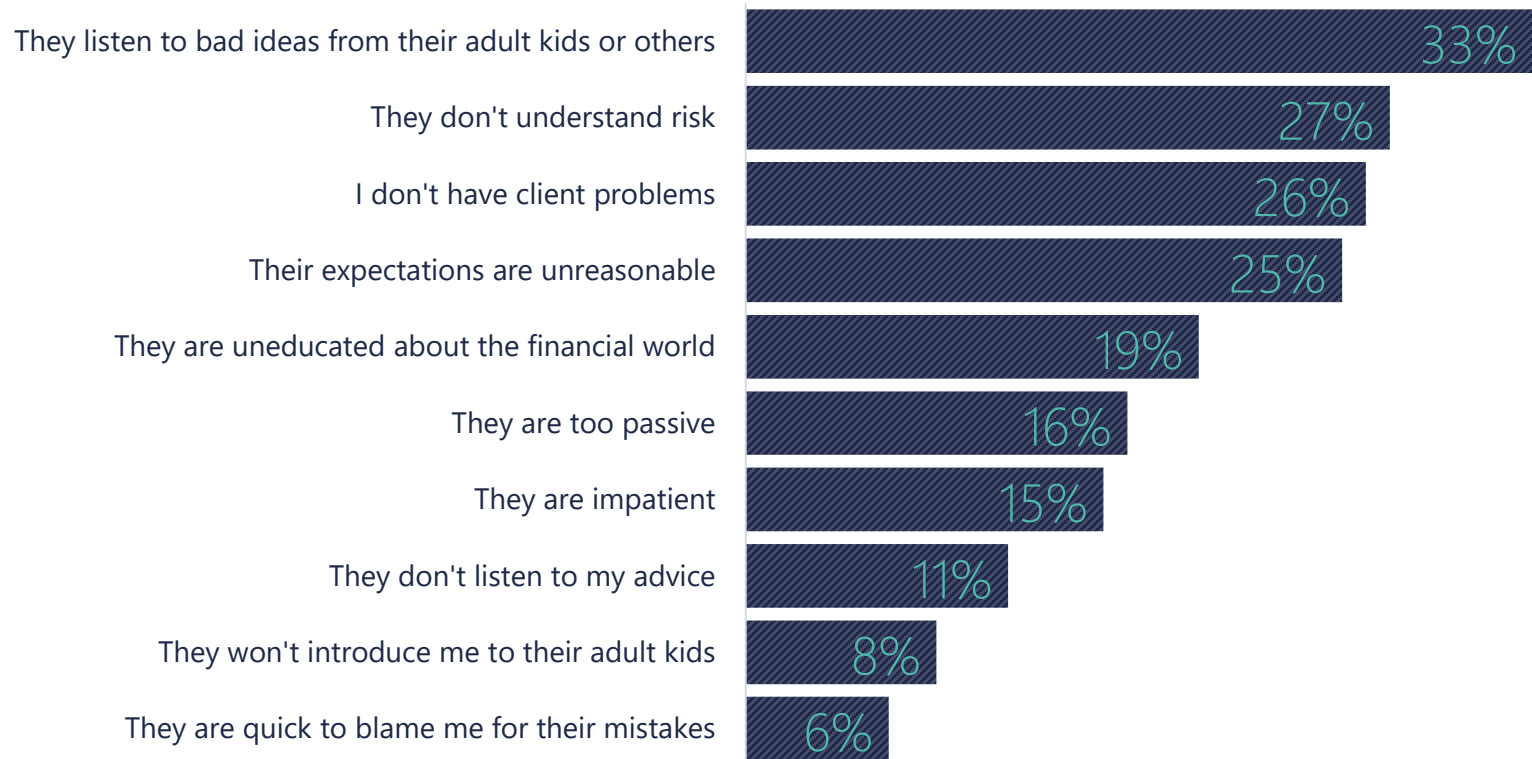
When you have lost a client it has been primarily because...



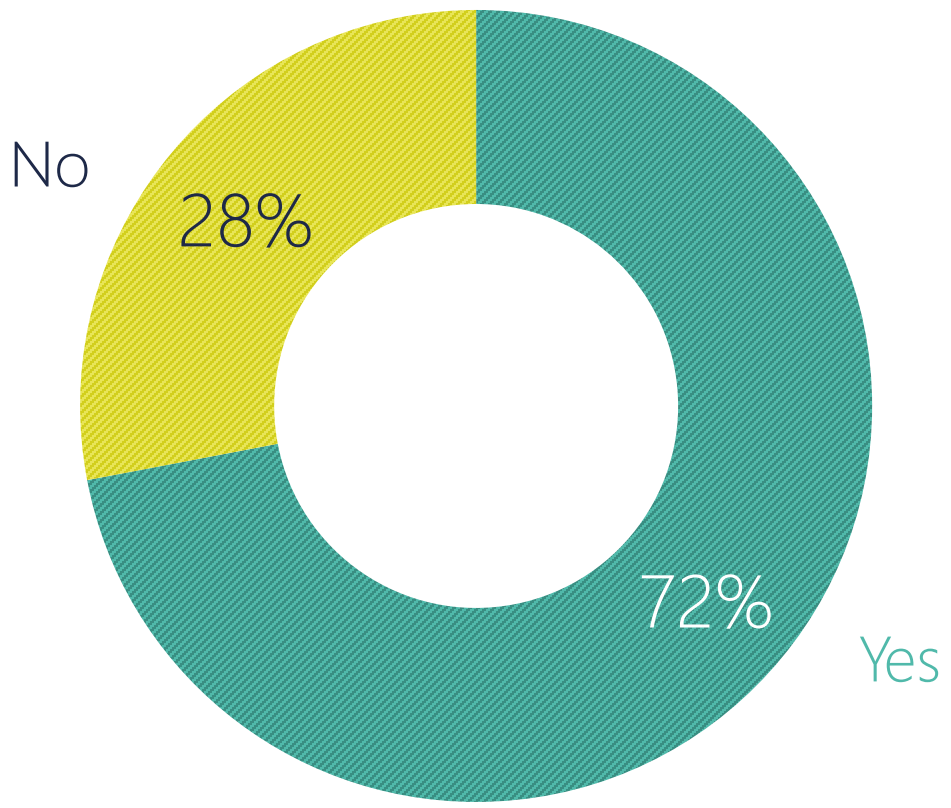
I have won business from other advisors because they... (Select all that apply)



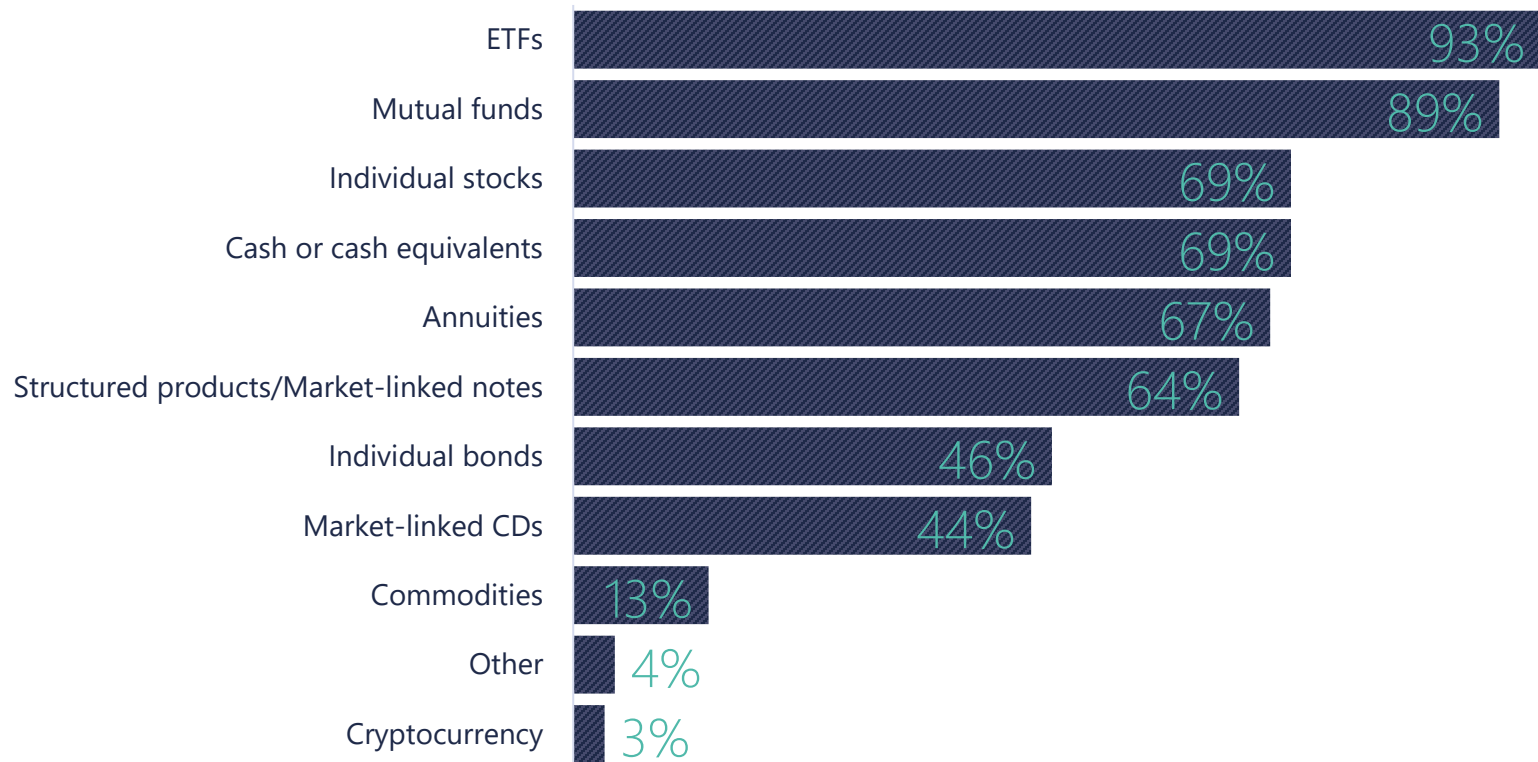
Challenges I have with my current clients include... (Select all that apply)



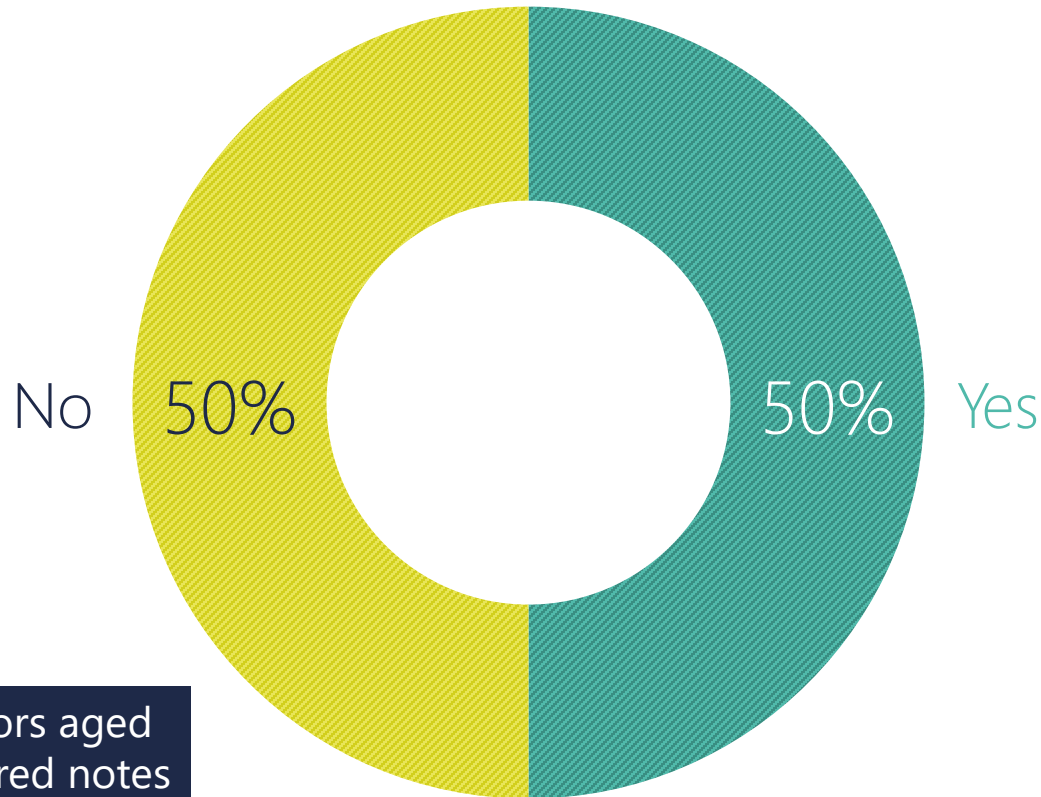
Do you build customized (not model) portfolios for your clients?



My customized portfolios may include (Select all that apply):

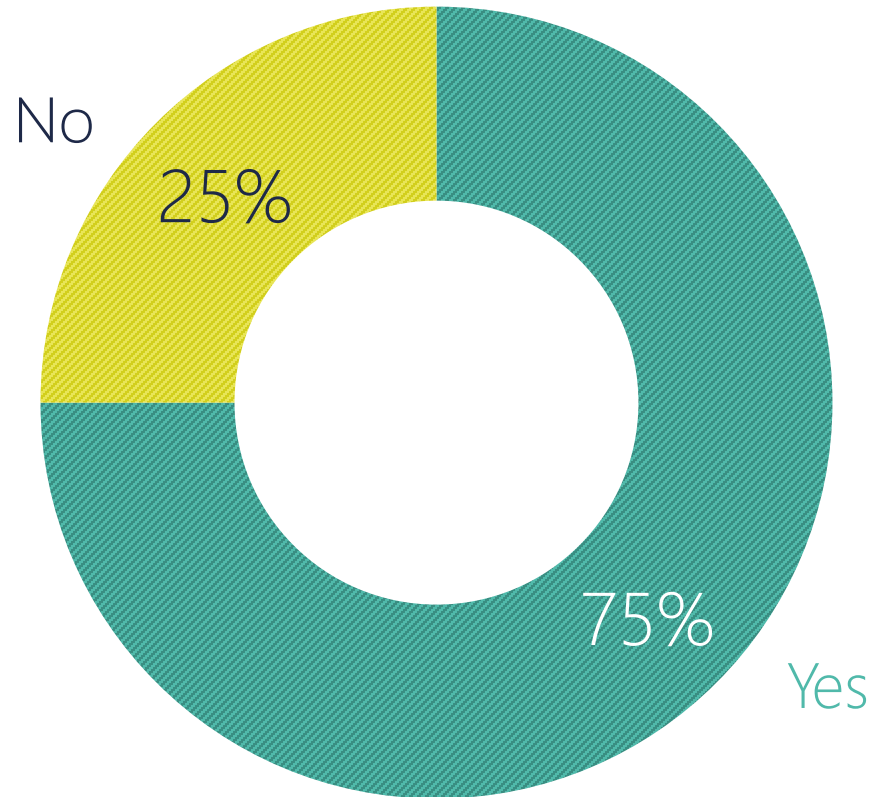


Do you own structured notes and/or market-linked notes in your personal portfolio?

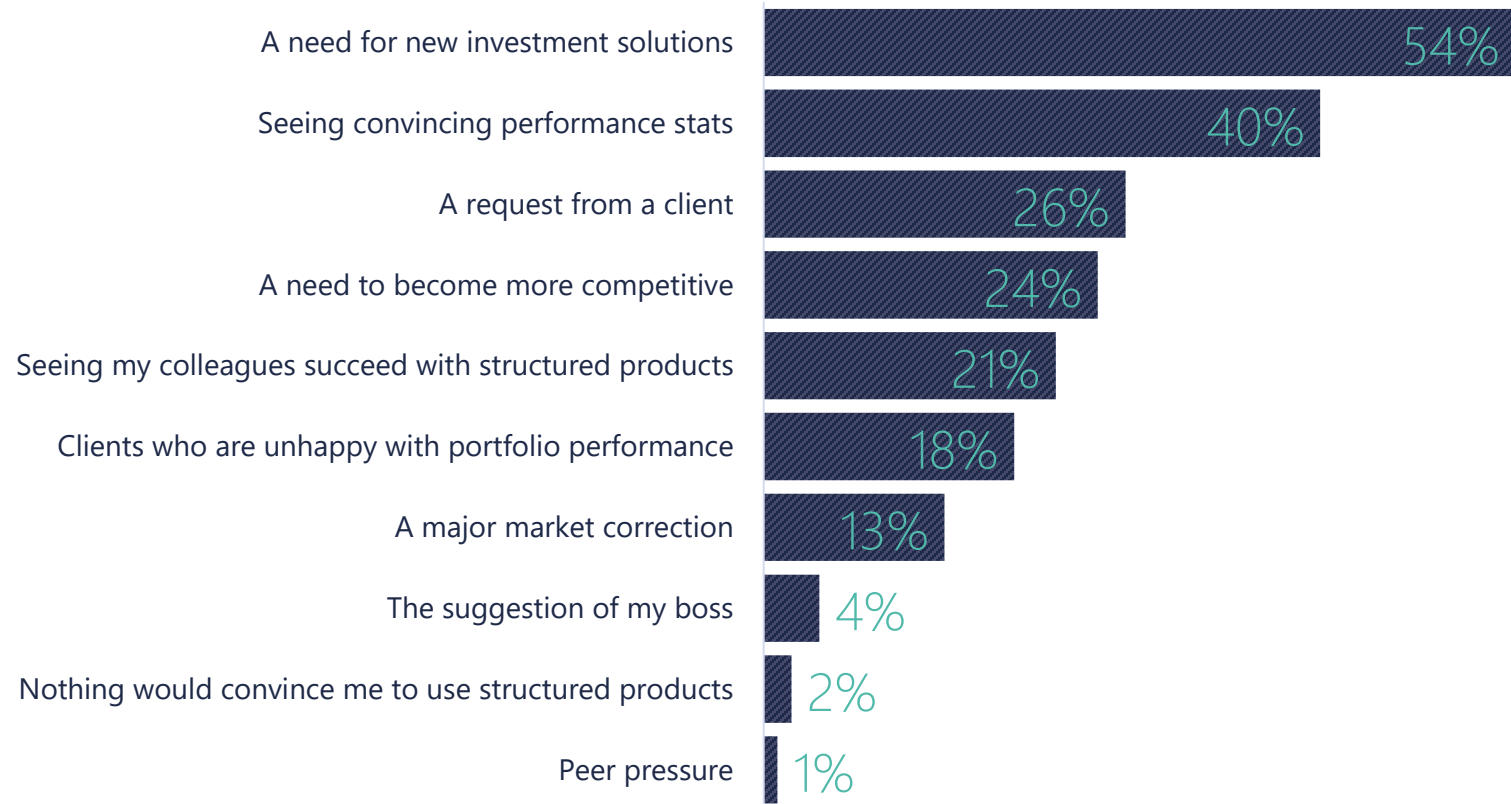


Only 36% of advisors aged 22-35 own structured notes in their own portfolio

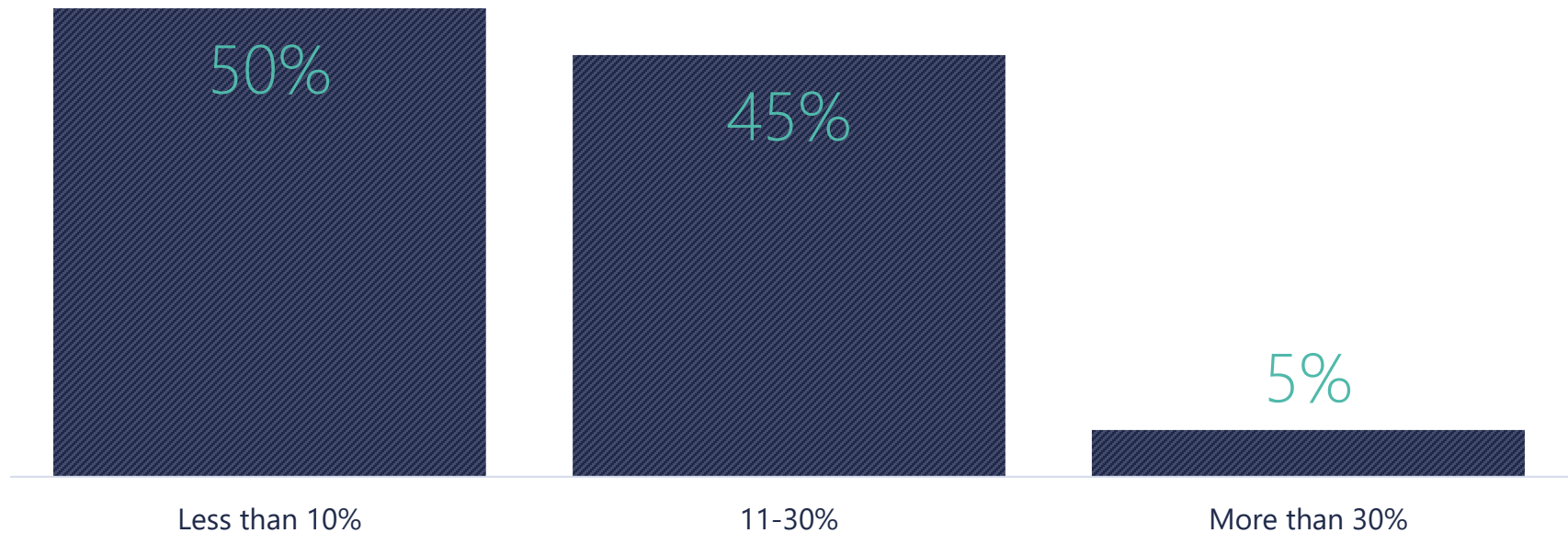
I use structured notes and/or market-linked notes in my business.



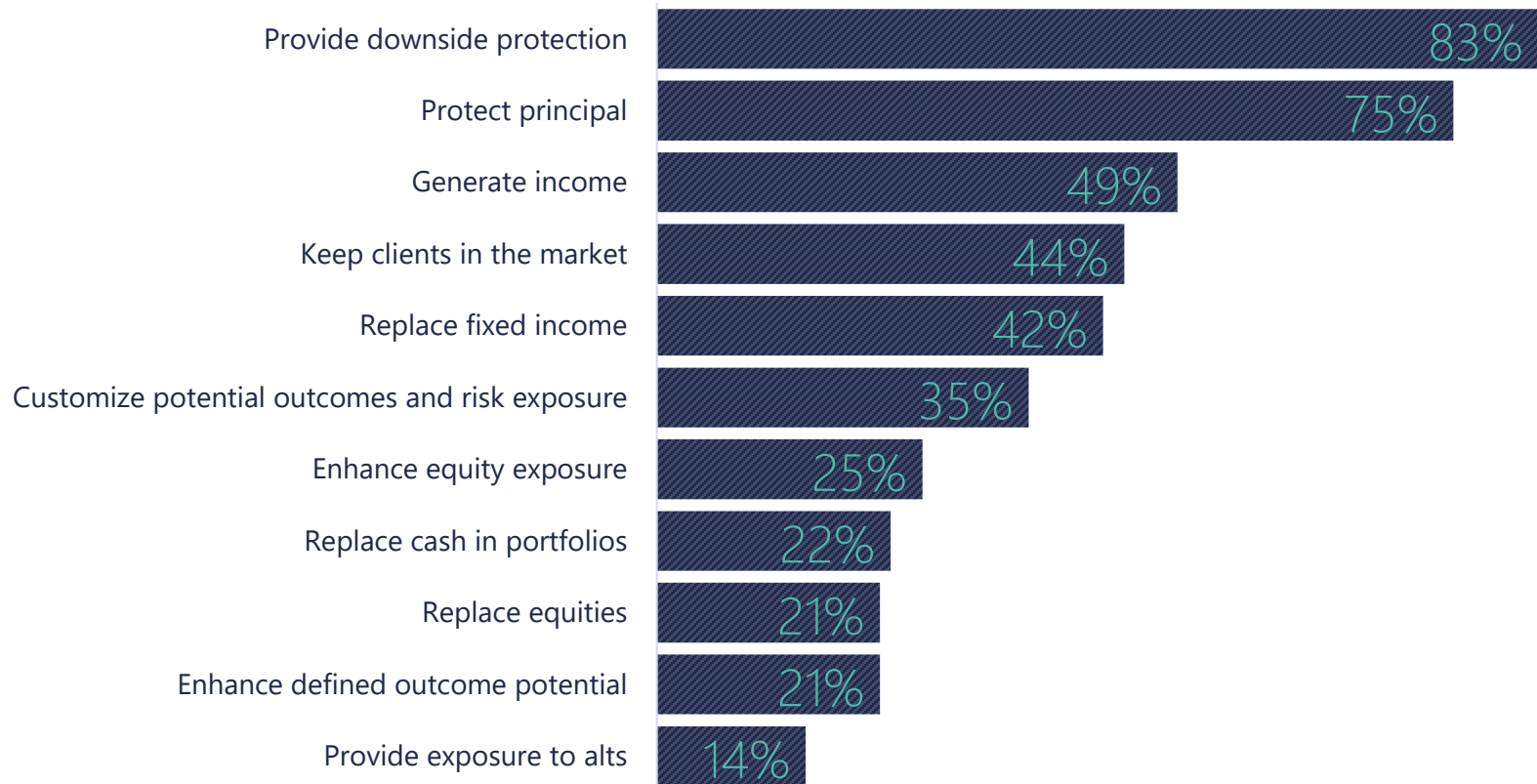
What would prompt you to use structured products in your business?



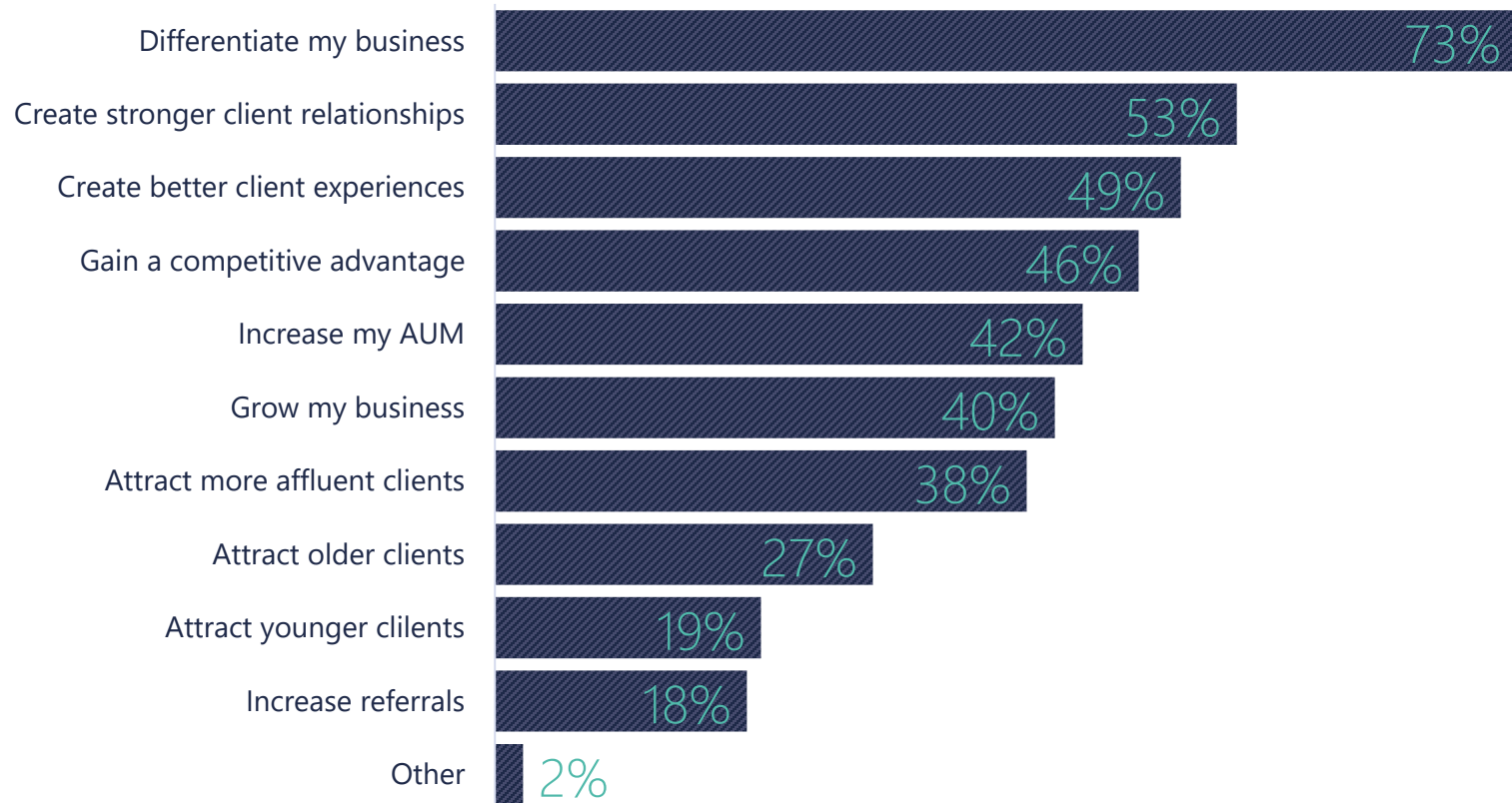
I typically allocate ____% in a portfolio to structured products



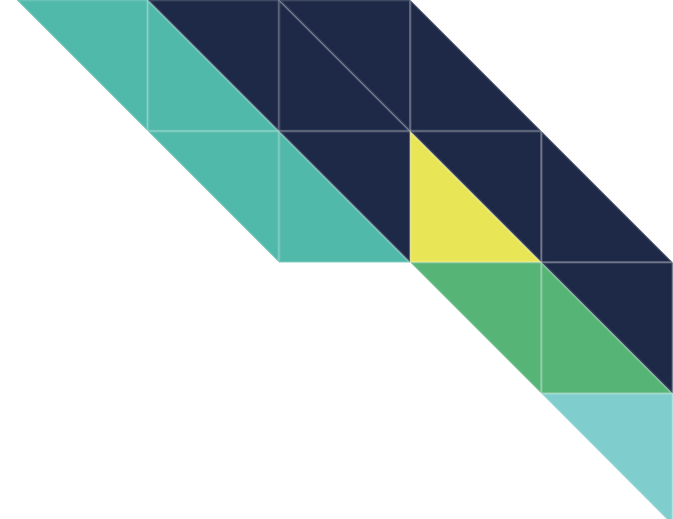
I use structured notes and/or market-linked notes to... (Check all that apply)



The use of structured notes and/or market-linked notes help me (Select all that apply)

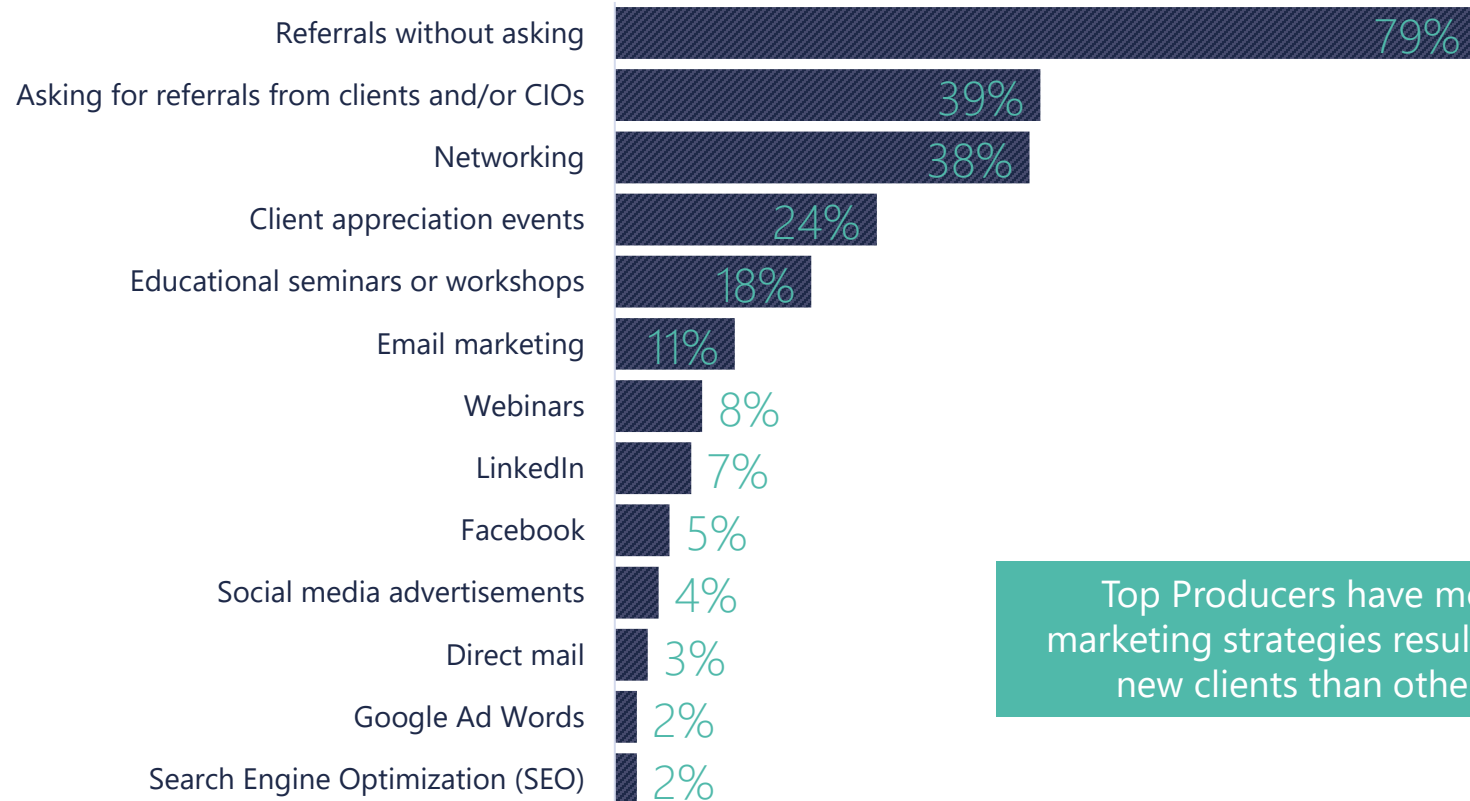


My business has expanded in the past 3 years to include (Select all that apply)



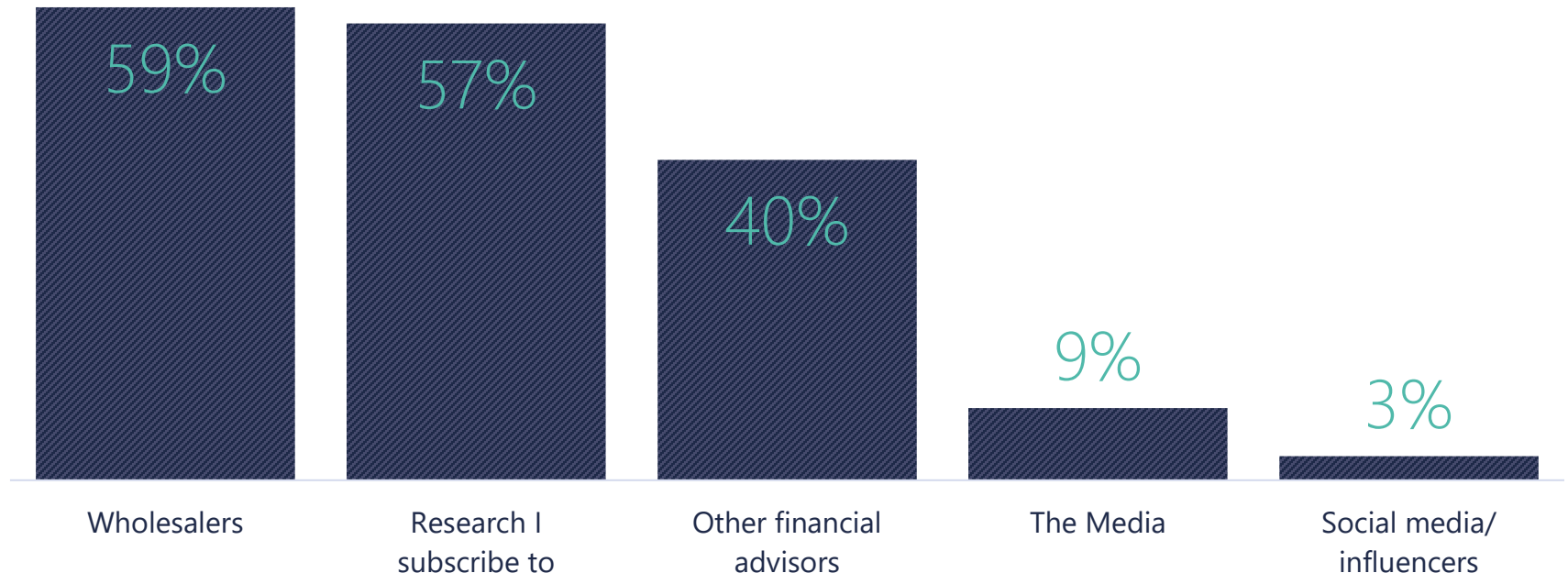
Top Advisors (\$601 million to over \$1 billion AUM) are more likely to expand beyond their local area than others.

Which marketing strategies have resulted in new clients so far in 2024? (Check all that apply)

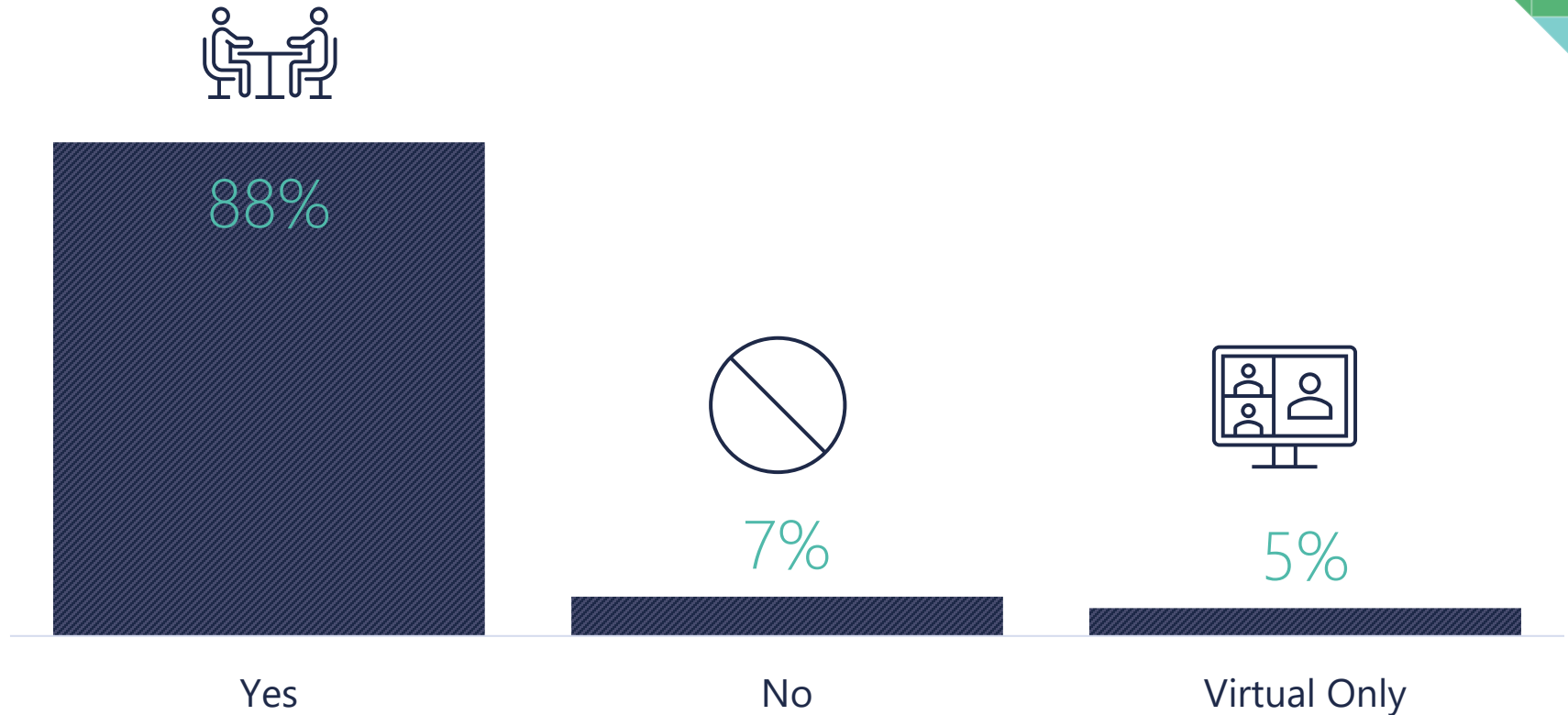


Top Producers have more marketing strategies resulting in new clients than others.

Aside from what your firm provides, where do you get your most innovative ideas? (Select all that apply)



Do you meet with wholesalers?



What would convince you to meet with a new wholesaler? (Select all that apply)

The reputation of the wholesaler's firm and product lineup

64%

An introduction from another advisor I trust

50%

The reputation of the wholesaler to deliver valuable ideas

49%

Endorsement from my firm

19%

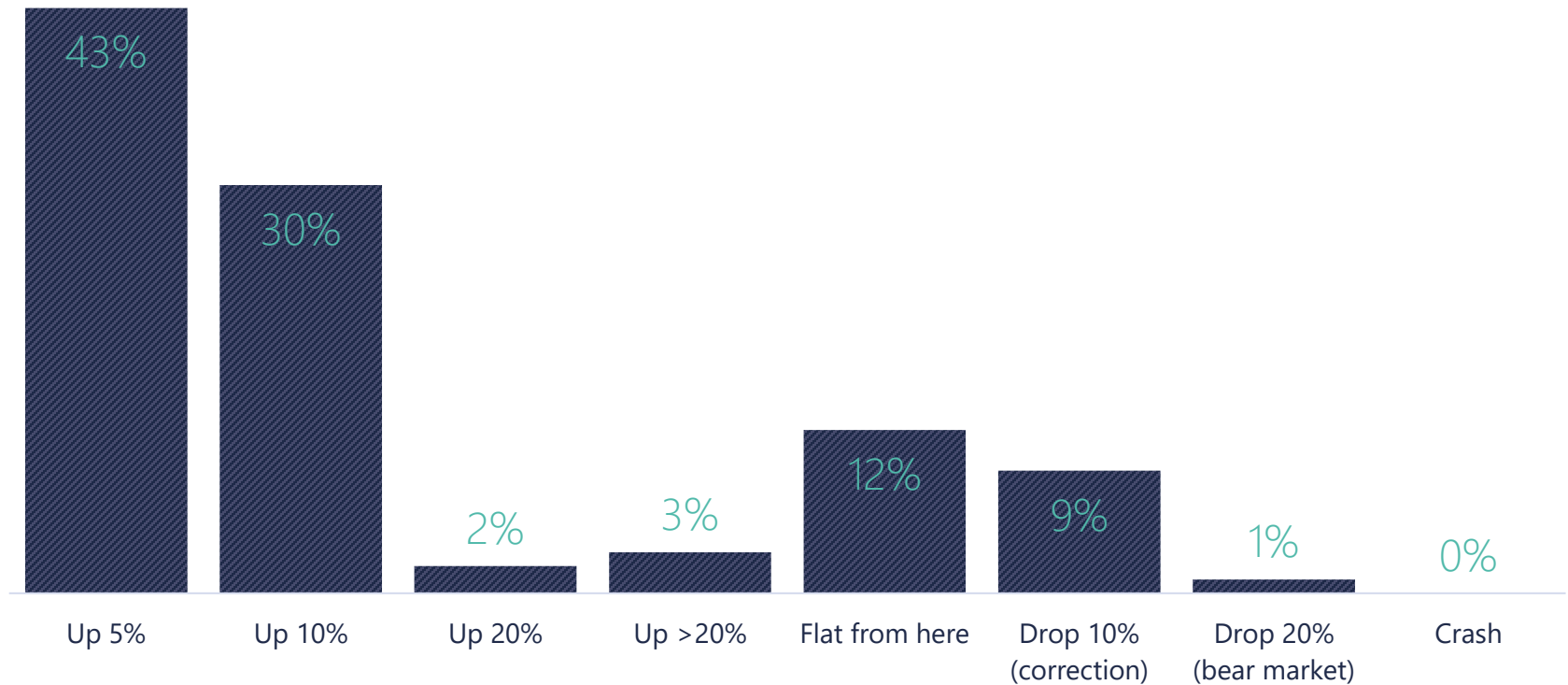
Nothing - I do not meet with wholesalers

4%

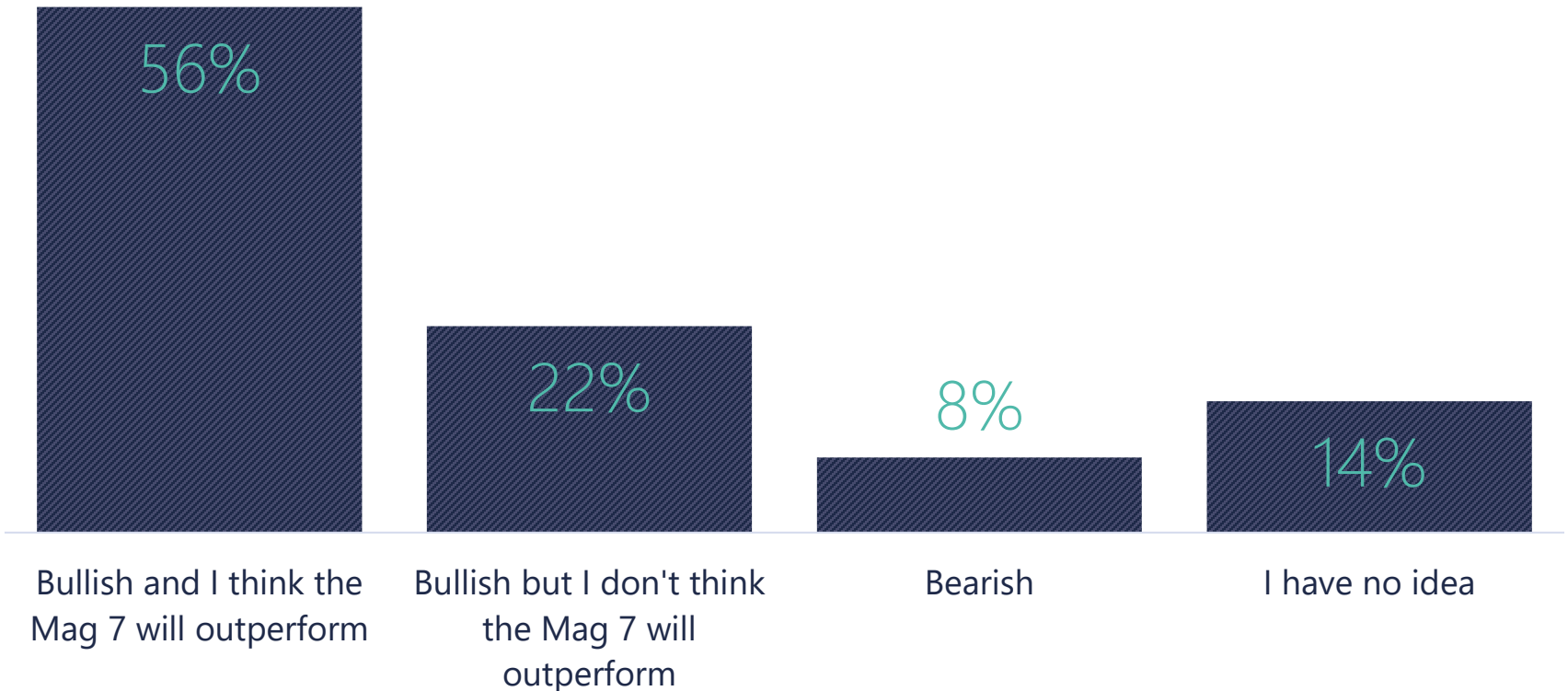
What types of webinars would interest you? (Select all that apply)



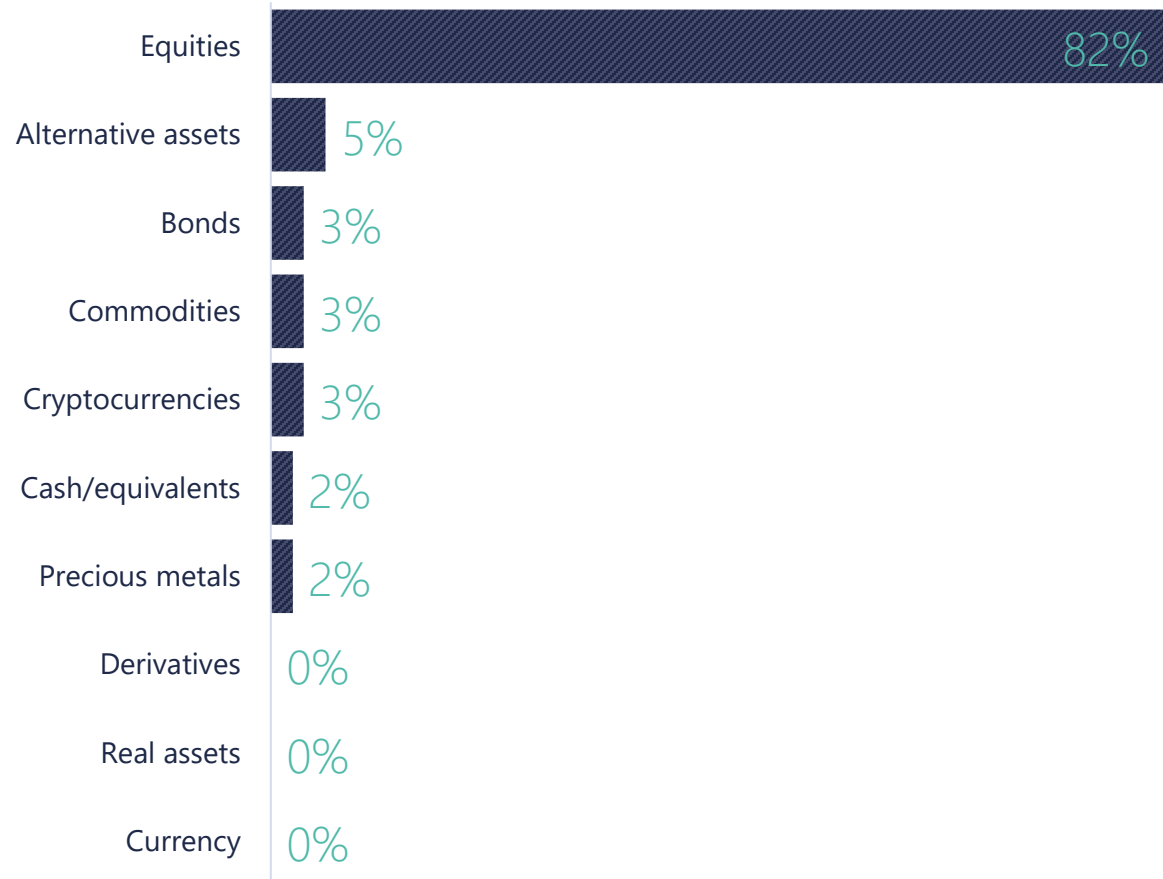
What do you expect to happen to the stock market over the remainder of 2024?



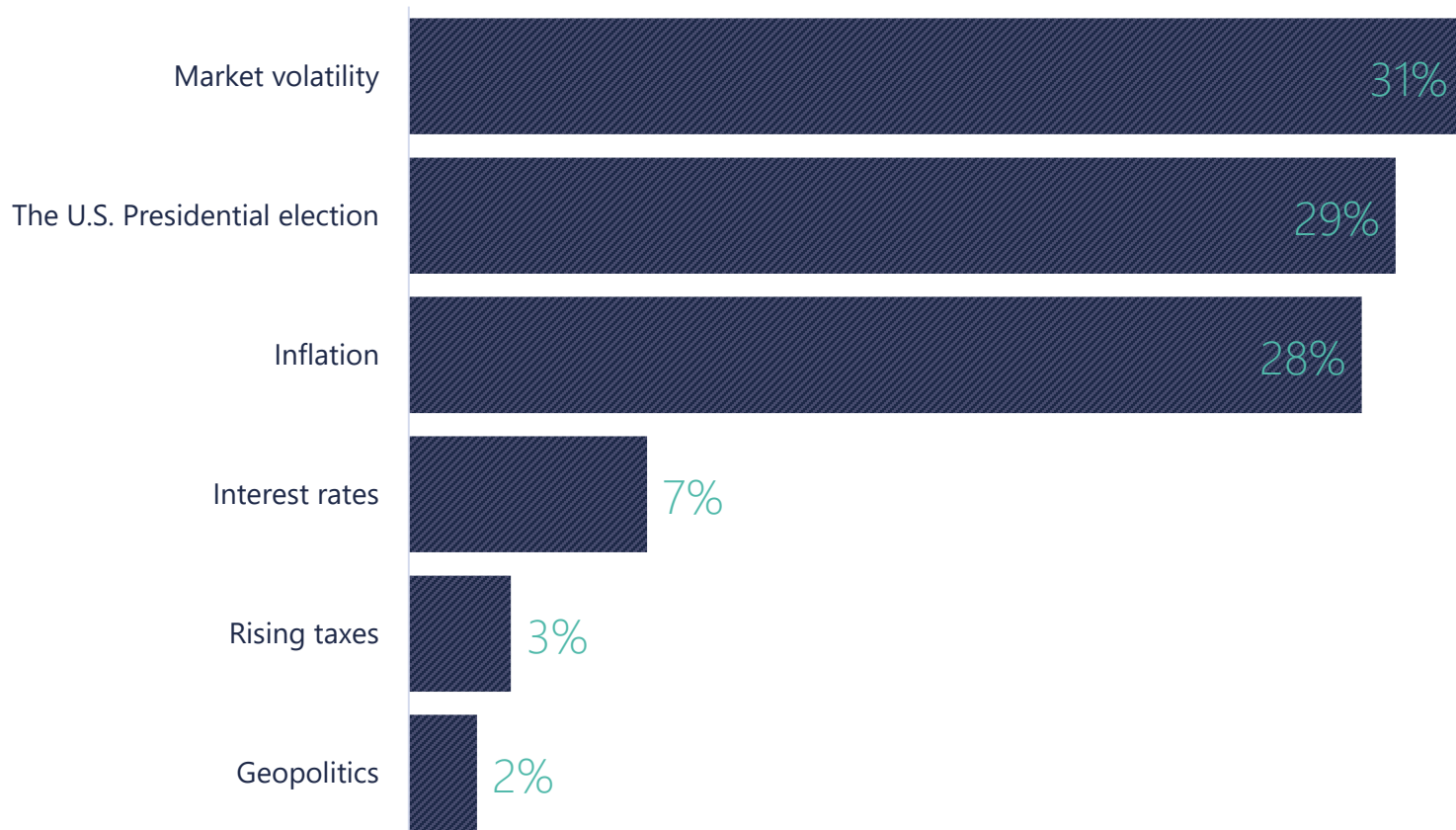
Do you expect the Magnificent 7 to outperform the S&P 500 for the remainder of 2024?



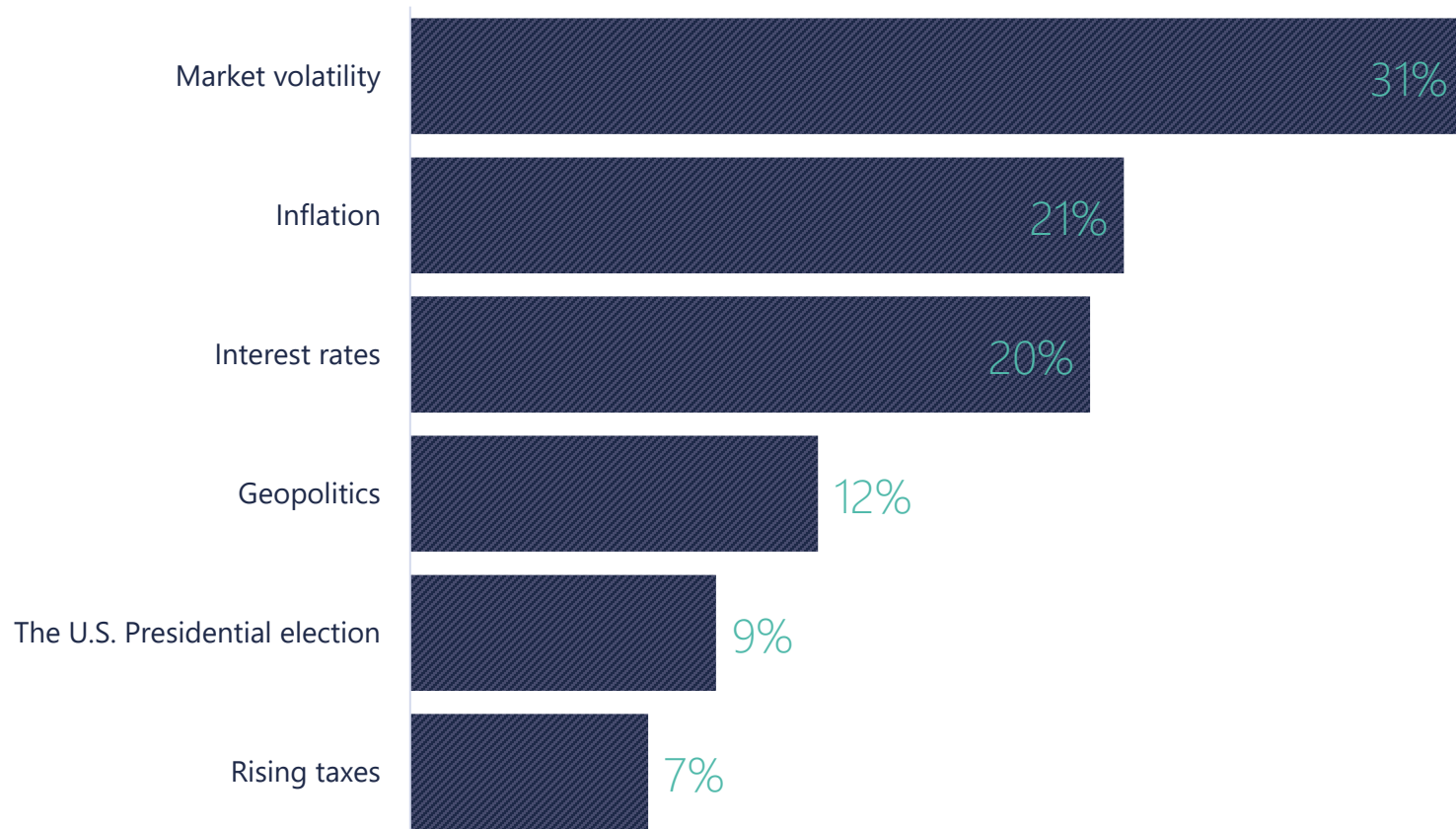
Which of these do you believe will be the top performing asset class in 2024?



My clients are most worried about...



As a financial advisor, I am most worried about...



Anxiety Level of Your Clients Towards Investing Right Now



On a scale of 1-10 with 10 being the highest

Important Information

Questions? Contact InspereX at **888.849.5732** or **AdvisorSupport@insperex.com**

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