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## Advisors' main goal: More wealthy clients

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By Editor Test    *Mon, Jun 10, 2013*

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*More than 80% of advisors reported in a Curian Capital poll that they have access to adequate investment products to meet their clients' retirement income needs.*

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More advisors are optimistic about the economy than in previous years, but are concerned with rising interest rates and tax burdens, and few advisors rank social media as a priority for them, according to the Curian Advisor Survey: 2013 Outlook for Advisor Priorities.”

Curian is a registered investment advisor affiliated with Jackson National Life, a unit of the UK's Prudential plc. In its sixth annual advisor survey, the firm polled 2,088 independent financial advisors with average AUM of \$96.2 million at 186 firms.

Among the survey findings:

- Acquiring more affluent clients was advisor's most frequently stated goal for 2013 (72%). When asked the single biggest challenge advisors face, respondents reported growing and attracting clients and generating referrals (49%).
- Fixed annuities ranked as the product that advisors were expecting to increase their usage of the least (at 2.5%)
- 83% of advisors reported that they have access to adequate investment products to meet their clients' retirement income needs.
- More than 30% of advisors said they have 10% or more of their assets under management allocated to alternatives.
- More than 87% of respondents said that tax efficiency and after-tax performance are important aspects of the solutions they propose to clients, while nearly 9% said they were not important (4% said they were unsure).
- 54% of respondents believe the economy will improve in the next 12 months, while 26% were unsure. Only one-fifth of respondents reported they were pessimistic. In December 2011, only 34% of respondents felt optimistic.
- Unemployment topped the list of the economic issues that advisors believe are the biggest threats to their clients' wealth management plans at 23%, followed by government spending at 20%.
- 30% of respondents reported that their clients also feel unemployment is the biggest threat to their wealth management plans, while 14% believe their clients perceive market volatility as the biggest threat. Declining Social Security benefits ranked as the lowest perceived threat for both advisors and their clients.
- Nearly 95% of respondents were moderately or very concerned about rising interest rates and the impact this may have on the value of clients' fixed-income investments; close to 6% were not concerned.
- 63% of advisors also said they have access to and actively use tools and strategies to reduce the impact of taxes on clients' investment portfolios. However, more than 28% of respondents said they have access to such tools but don't use them.
- 27% of advisors surveyed expect to increase their usage of separately managed accounts (SMAs) this

year, while 24% said they expect to increase their usage of alternative investment products.

- More than 31% of advisors report that they plan to increase their usage of alternative investments this year by 5-10%, and one-fifth of advisors plan to increase their usage by 10-15%.
- 57% of advisors use multi-strategy open-end mutual funds, and 38% of advisors use single-strategy open-end mutual funds, to gain access or exposure to alternative asset classes.
- More than three-fourths of advisors said they value ease-of-use of the platform and technology as the most valuable service from their advisory solutions provider, closely followed by strong performance history of the investment options provided (nearly 68%).
- 94% of advisors said their existing clients garner them the most leads, followed by referrals from industry professionals such as CPAs, attorneys, insurance professionals and mortgage/real estate professionals (nearly 50%).
- Only 6% of respondents selected social media, and fewer than 5% chose traditional media advertising, as one of their top three sources of leads.
- Most advisors do not use social media within their practices, but those who do said they most frequently use LinkedIn (35%).
- When asked what type of mobile device advisors would like to see from an asset management firm, the response was split; 49% preferred apps that mimic a firm's primary website and 46% preferred calculators or tools for business purposes.
- While one-third of advisors don't use a tablet device, more than 50% of respondents reportedly prefer to use an Apple iPad or Apple iPad Mini; 7% use a Samsung Galaxy tablet, fewer than 3% use an Amazon Kindle Fire and other tablet devices had reported usage of less than 2% each.