



American Century Investments

First Quarter 2010

Financial Professionals Social Media Adoption Study

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Objective

The objective of the “Financial Professionals Social Media Adoption Study” was to help American Century Investments gain a better understanding of financial intermediaries’ use of social media with specific attention to attitudes toward and use of the “newer” social media such as Twitter, LinkedIn, Facebook, YouTube, and MySpace.



Methodology

The study targeted individuals who are employed as financial planners, brokers and registered investment advisors (RIAs).

- Potential respondents were screened to verify that they sell and/or provide advice regarding financial instruments.
 - Work for a full-service national firm, regional broker/dealer, independent broker/dealer, insurance broker/dealer, bank brokerage or work as a registered investment advisor (RIA)
- e-Rewards, the largest “by-invitation-only” online research panel provider with millions of panelists, provided the sample source.
- Data was collected using an online survey fielded First Quarter 2010.



Methodology

303 financial professionals participated in the study.

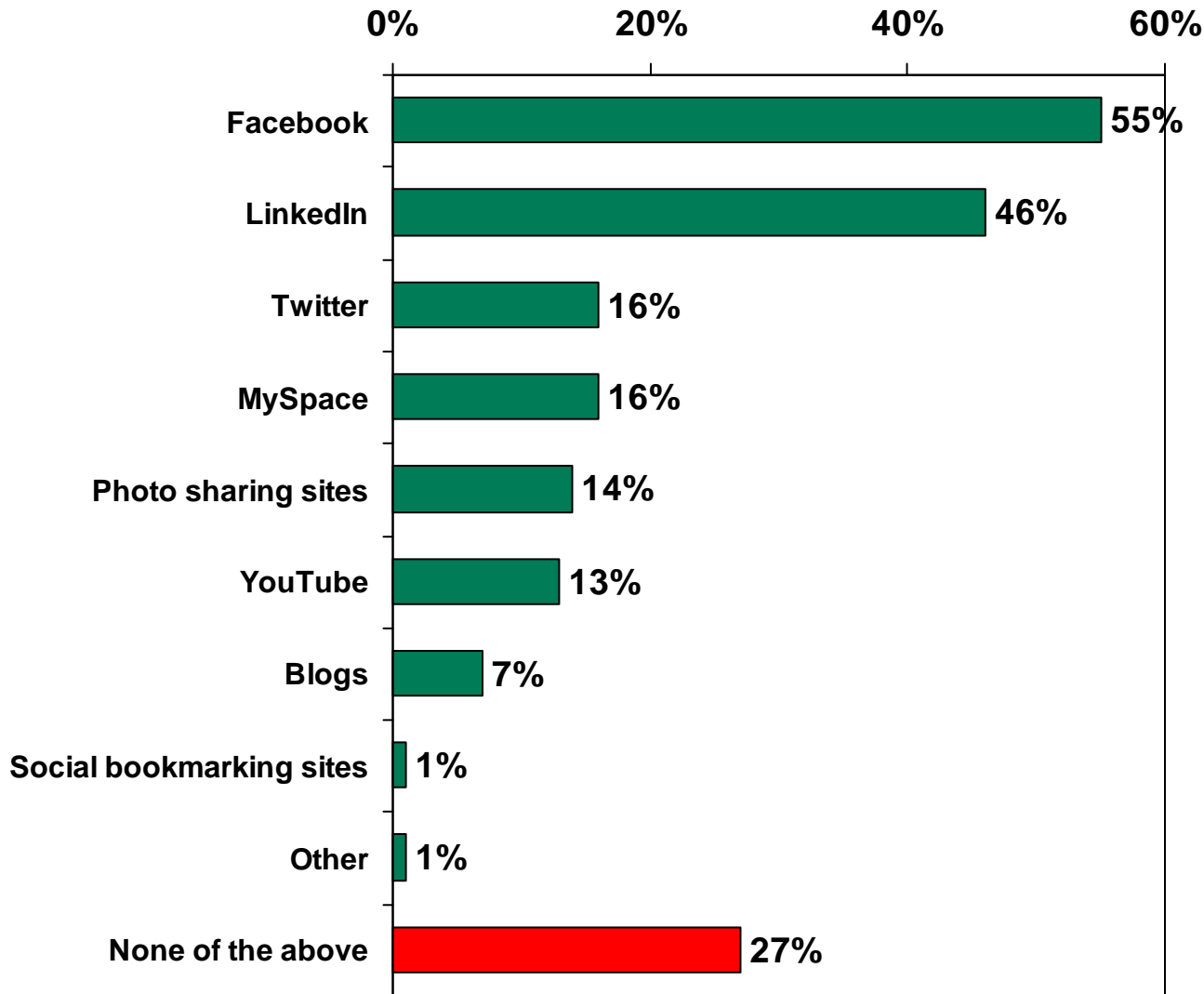
- Types of financial professionals represented in the study included (multiple responses accepted):
 - Financial planners, financial advisors, or personal financial consultants 84%
 - Brokers 26%
 - RIAs 28%
- Participants had an average of 14 years in the business and reported offices in 39 states across the US.
- 73% of the participants were male and the age of the participants ranged from 23 to 80 with an average age of 46.



Summary

- Study found widespread “personal use” of social media among financial professionals while “business use” is still in the early stages of adoption.
- For business purposes, financial advisors are researching prospects/clients and seeking expert commentary/insights.
- Regulatory and compliance issues are the biggest barriers to adoption.
- While social media doesn’t currently produce tangible results for their businesses, many advisors see it as a trend with significant future potential.
- Advisors think asset management firms are “smart” to use social media to engage clients, yet most FAs are unfamiliar with current social media outreach by asset managers.

General Findings – Overall Social Media Use



73% of the participants reported that they have a profile or account with one or more of the social media/media types mentioned.

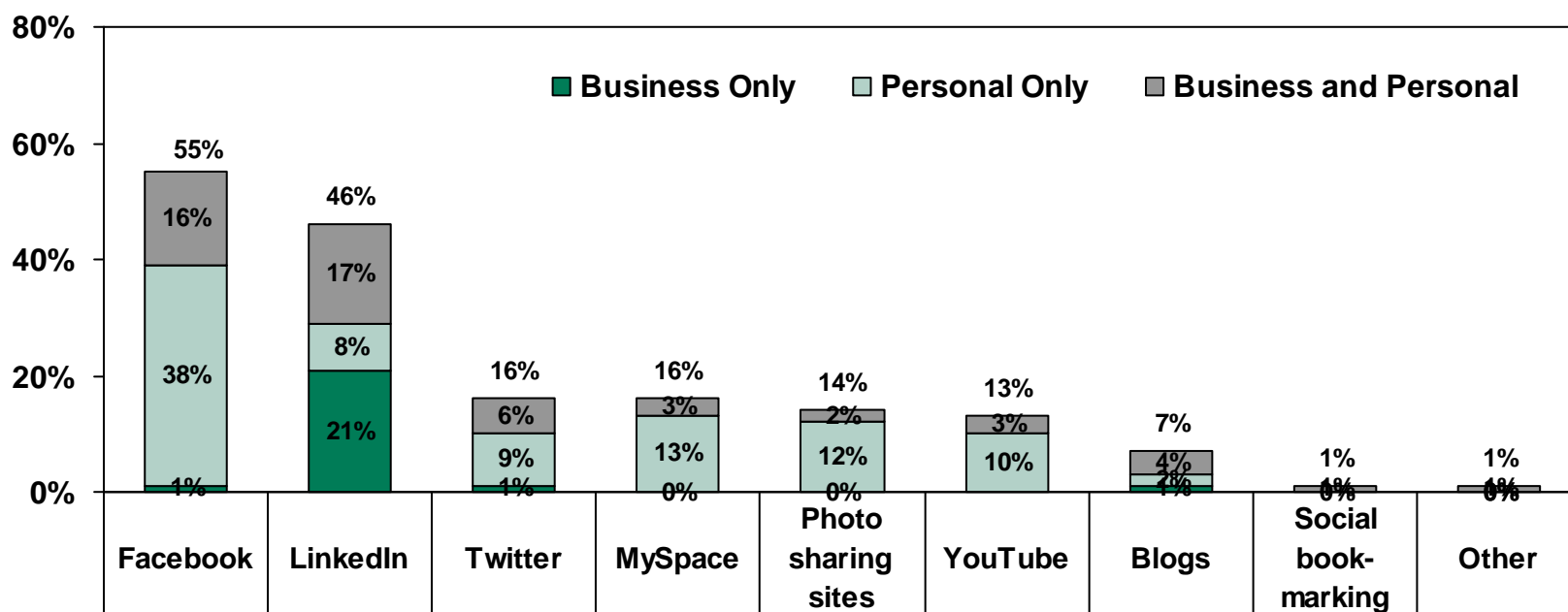
- Facebook was in the top position with 55%
- LinkedIn was a close second with 46% indicating they have a profile or account with them.

n=303

Q1 Do you have a profile or account with any of the following social media?

General Findings – Overall Social Media Use

While Facebook had the highest percentage of respondents with profiles/accounts (55%), most of the use (38%) is for “personal” reasons. LinkedIn had the highest percentage indicating “business use” (21%) or “business and personal use” (17%).



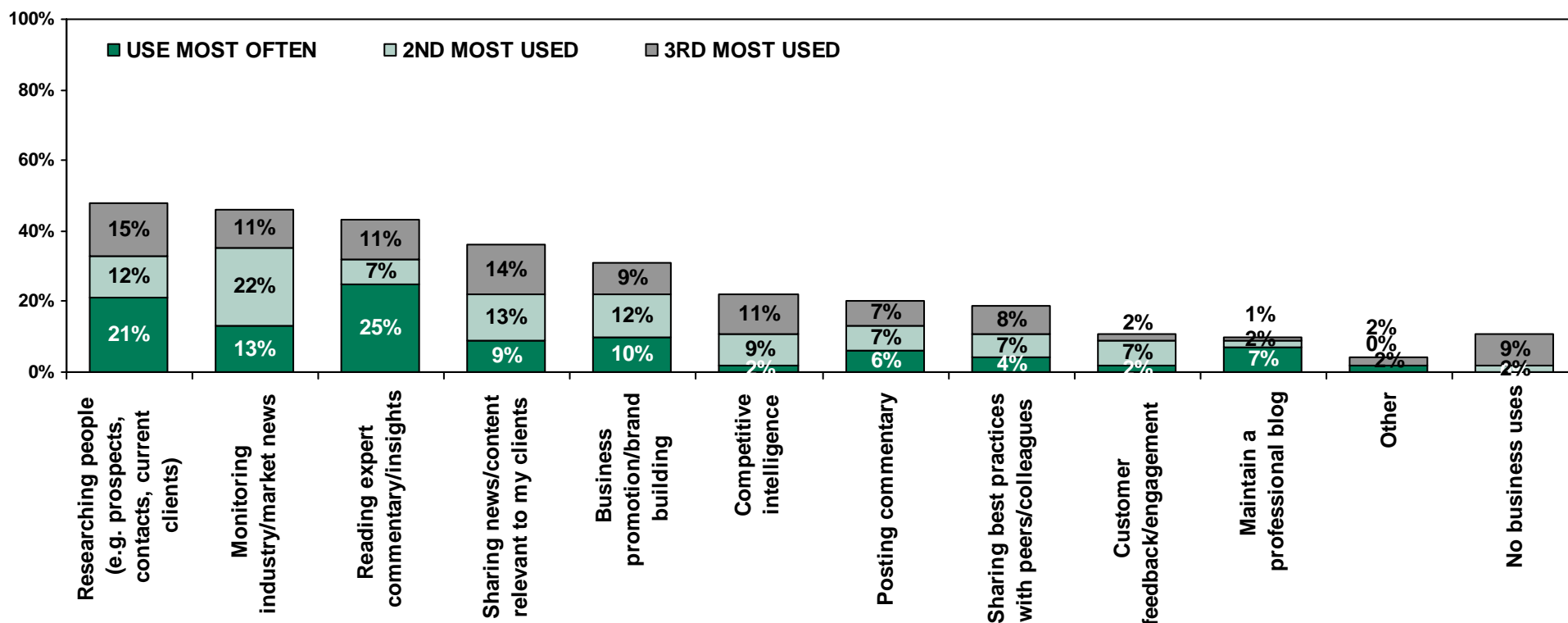
Total	55%	46%	16%	16%	14%	13%	7%	1%	1%
Business and Personal	16%	17%	6%	3%	2%	3%	4%	1%	1%
Personal Only	38%	8%	9%	13%	12%	10%	2%	0%	0%
Business Only	1%	21%	1%	0%	0%	<1%	1%	<1%	0%

n=303

Q2 Do you rely on social media for business purposes ONLY, personal use ONLY or both business and personal use?

General Findings – Business Use

Of those who said they use social media for business and reported at least one business use, “researching people,” “monitoring industry/market news,” and “reading expert commentary/insights” were the top 3 most indicated categories (indicated use most often, 2nd most used, and 3rd most used) of use.

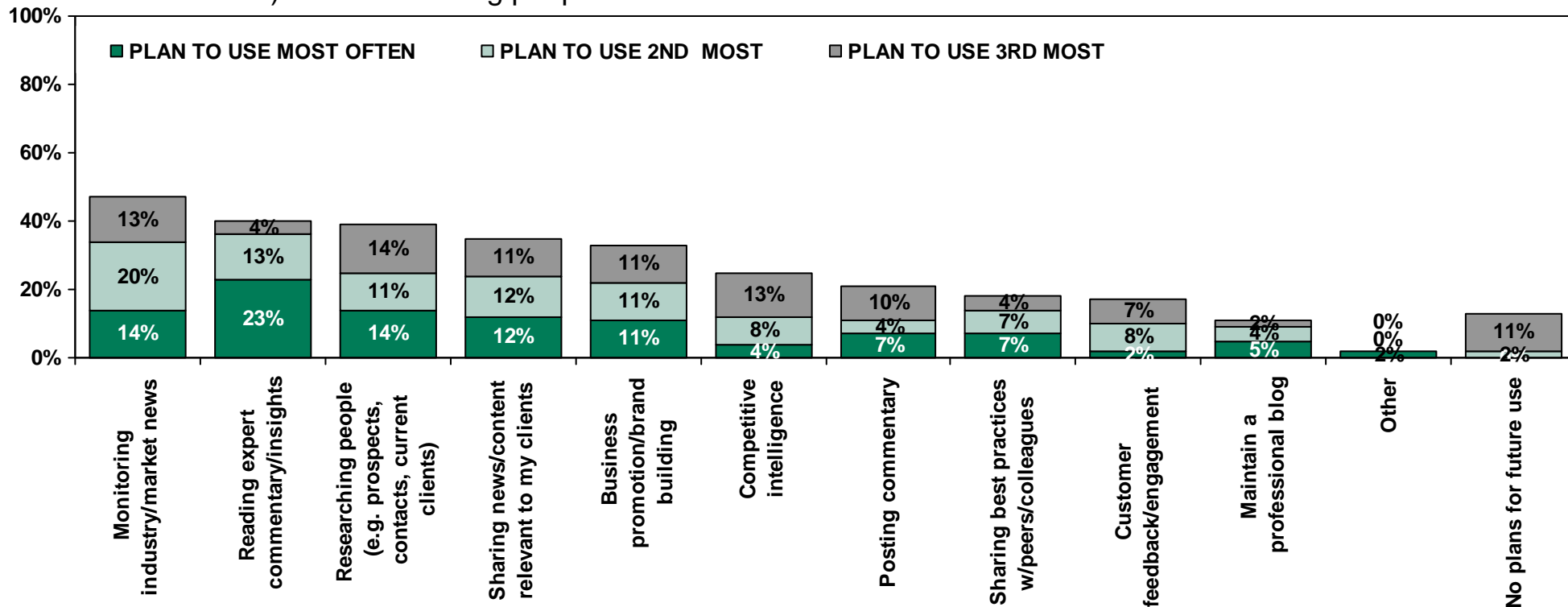


n=123

Q3 Please indicate your TOP 3 BUSINESS USES of social media?

General Findings – Business Use

- Seventy-one percent of the respondents indicated they have one or more future business uses planned for social media.
- Of those who reported they have at least one future business use planned for social media, “monitoring industry/market news” was the category that was indicated most (indicated as “plan to use most often,” 2nd most, and 3rd most) followed by “reading expert commentary/insights” (also having the most 1st mentions) and researching people.

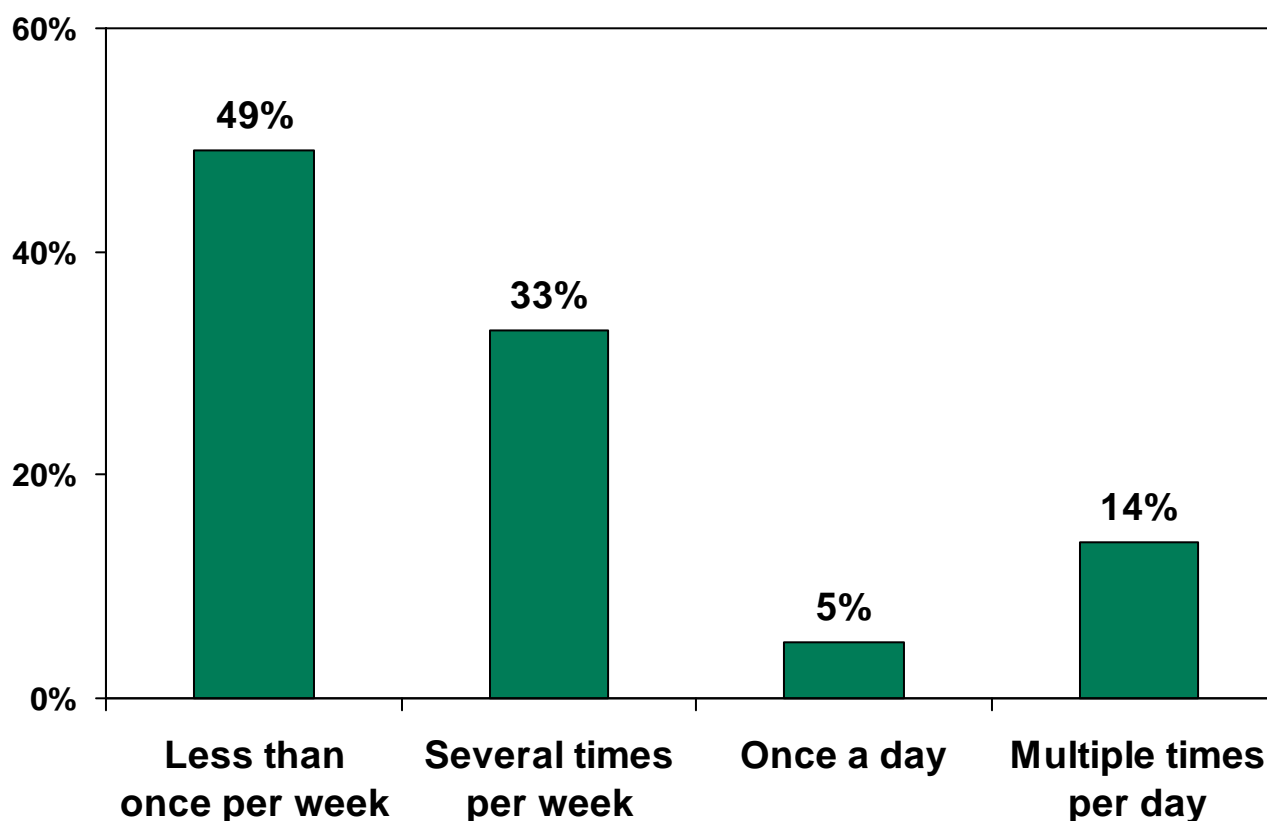


n=214

Q4 In the future, for which of the following BUSINESS USES do you PLAN TO USE social media?

General Findings – Business Use

Of those who use social media for business purposes, almost one-fifth (19%) report using it “daily” (either once a day or multiple times per day) but 49% report using it “less than once per week.”

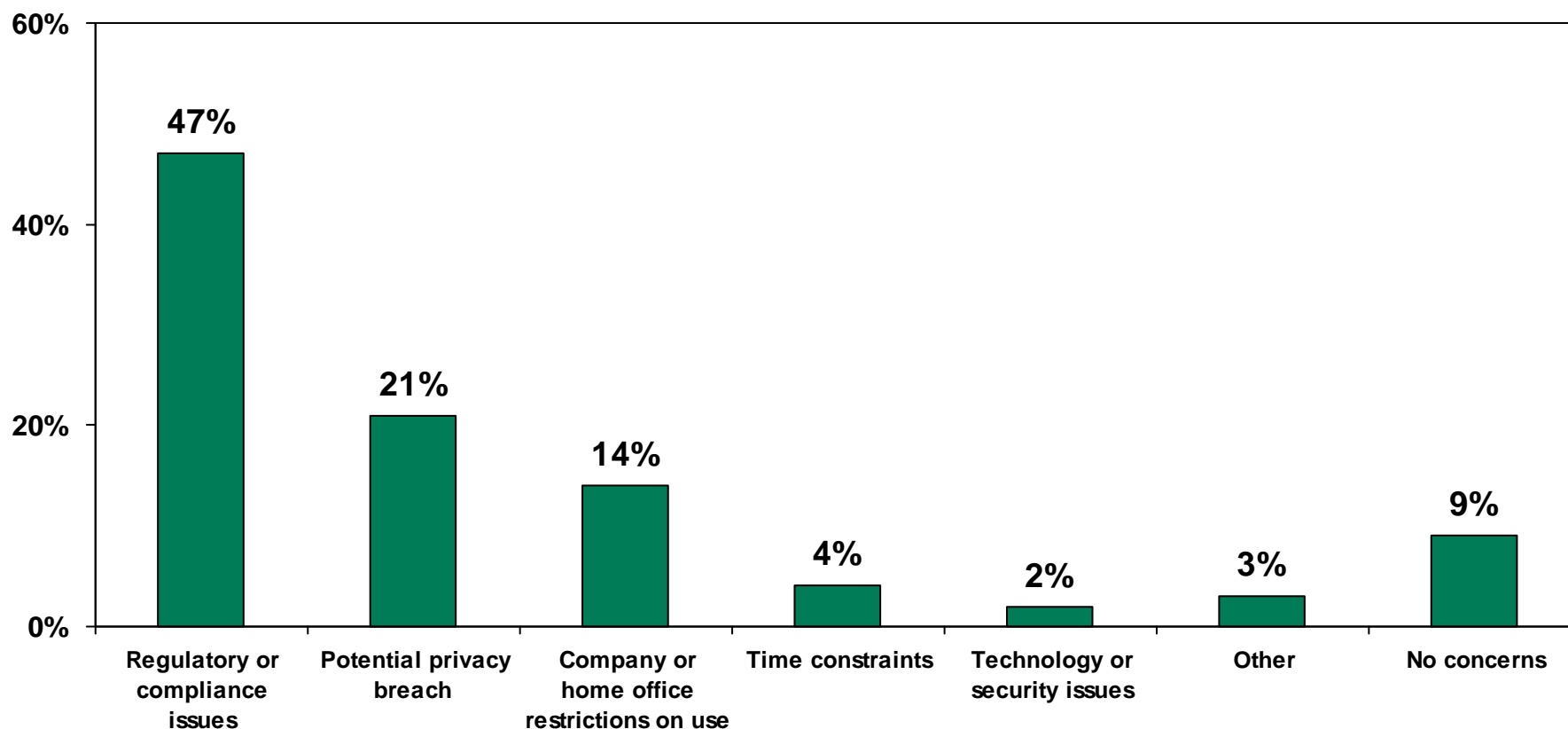


n=138

Q5 How often do you use social media for business purposes?

General Findings – Concerns

Almost half (47%) of the respondents indicated that their single biggest concern about using social media for business purposes had to do with concerns regarding regulatory or compliance issues.



n=303

Q6 Which of the following is your SINGLE biggest concern about using social media for business purposes?



General Findings – Utility as Business Tool

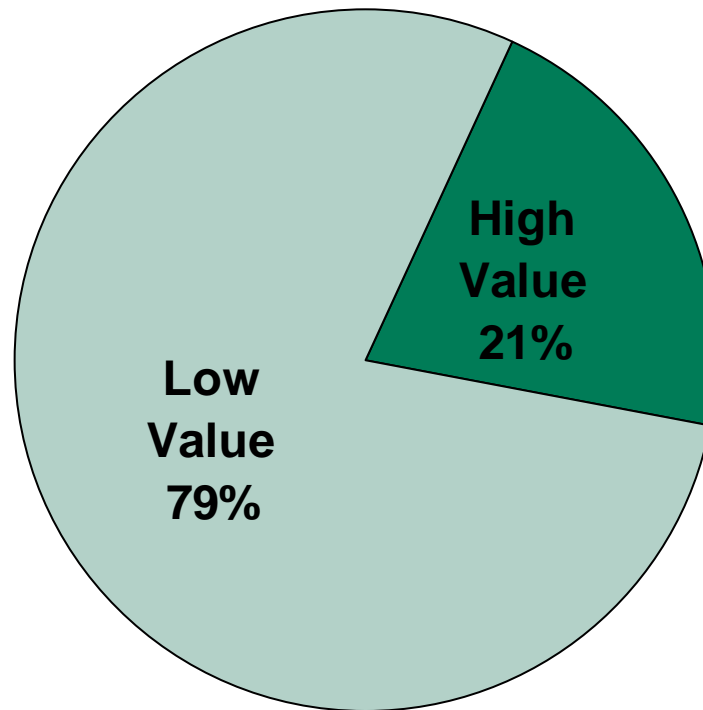
When respondents were asked how they would describe their attitude toward social media as a tool to grow their businesses, a wide range of opinions were expressed.

- Over 40% expressed an opinion with some level of optimism or positive feelings toward social media as a tool to grow their business while approximately one quarter expressed the opposite (negative/not optimistic) type of opinion.
 - When asked about their attitude toward social media as a tool to grow their business, positive comments mentioned by respondents included attitudes/opinions such as: “Positive,” “very useful,” “important” and “good tool.”
 - Negative comments mentioned by respondents included attitudes/opinions such as: “Negative,” “not interested,” “not important” and “not helpful.”
- Several respondents mentioned concerns regarding compliance, legal, regulatory and/or privacy issues. These responses were peppered across all 3 opinion groupings – positive, negative and neutral/no opinion.
- Almost one-third of the respondents expressed no opinion or were neutral on the topic of social media for their business.

Q7 How would you describe your attitude toward social media as a tool to grow your business? (open ended question)

General Findings – Value to FAs’ Business

On a scale of 1 to 10 where 1 represented “lowest value” and 10 represented “highest value,” respondents were asked to rate the overall value of social media to the success of their business. While a majority of respondents ranked the current value at a 5 or less, 21% rated it as 6 or greater.

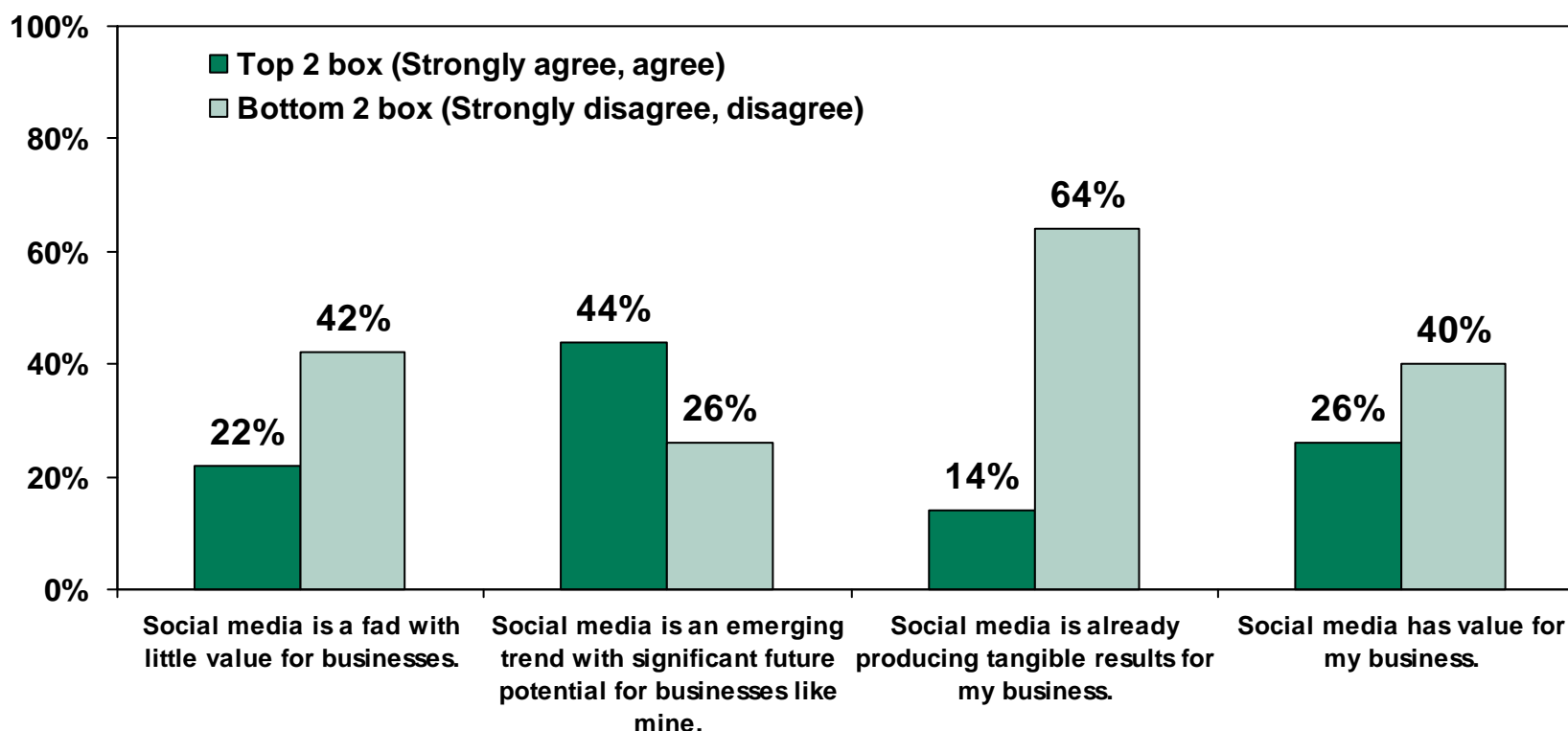


n=303

Q8 Rank the overall value of social media to the success of your business.

General Findings – Emerging Trend

Forty-four percent agree (top 2 box) that social media is an “emerging trend with significant potential future potential” for businesses like theirs and 42% disagree (bottom 2 box) with the statement that “social media is a fad with little value for business.” However, only 14% agree (top 2 box) that social media is “already producing tangible results” for their business.



n=303

Q9 How accurately do you believe each statement describes your opinions of business use of social media.



General Findings – Use by Asset Managers

When the respondents were asked about their attitude toward asset management firms using social media to engage clients, the responses were almost equally divided between positive, negative and neutral/no attitudes/opinions.

- Positive comments about asset management firms using social media to engage clients included attitudes/opinions such as: “Good idea,” “useful,” “cost effective,” “cheap” and “great”
- Negative comments communicated included attitudes/opinions such as: “Unprofessional,” “not useful,” “don’t like it” and “negative”
- Several respondents representing all 3 categories (positive, negative, and neutral/no opinion) voiced concerns regarding legal/regulatory, privacy and/or compliance issues.

Q10 How would you describe your attitude toward asset management firms using social media to engage clients? (open end question)



General Findings – Use by Asset Managers

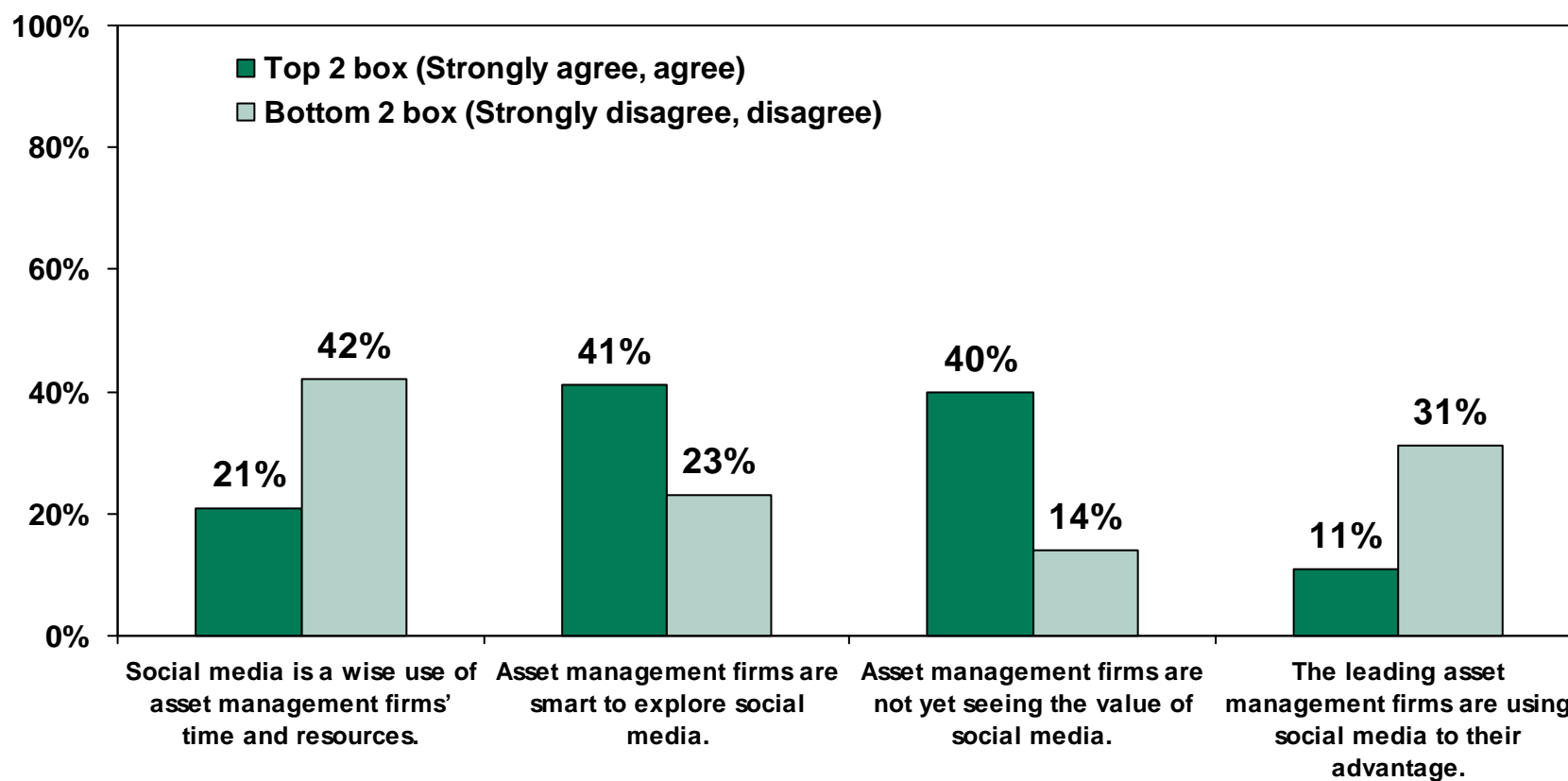
When asked what kinds of information the respondents would like to receive from asset managers via social media, several broad categories emerged.

- The category of information mentioned most often as something of interest by respondents was “general information” described as news (industry and/or market), updates, content, articles, trends and/or projections.
- Other categories of information that were mentioned often by respondents were “commentary,” “insights and/or expert opinions,” “company information” (like strategy, products, updates, and general information) and “general updates.”
- Almost one-fourth of the respondents responded with comments like “nothing,” “none” and “no use” when asked about the kind of information they would like to receive while almost 10% indicated they just didn’t know what they wanted.

Q11 What types of information would you want to get from asset managers via social media? (e.g. updates when new content is available, insights, etc.) (open ended question with multiple responses coded)

General Findings – Use by Asset Managers

Although 42% of the respondents reported that they disagree (bottom 2 box) with the statement “Social media is a wise use of asset management firms’ time and resources” 41% agree (top 2 box) that “asset management firms are smart to explore social media” and 40% agree (top 2 box) that “asset management firms are not yet seeing the value of social media.” Only 11% agree (top 2 box) that “the leading asset management firms are using social media to their advantage.”

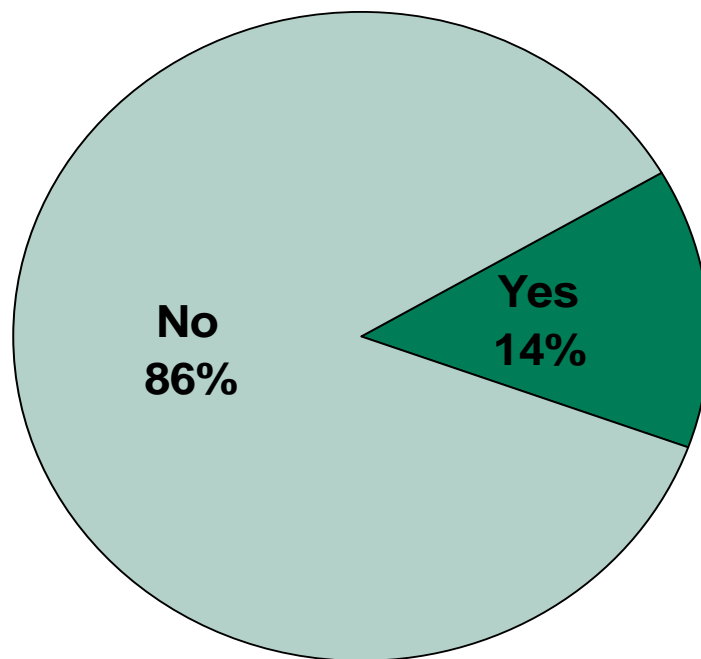


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Q12 How accurately do you believe each statement describes your opinions of asset management firms use of social media.

General Findings – Use by Asset Managers

A majority of advisors (86%) are unfamiliar with efforts by asset management firms to engage clients via social media.



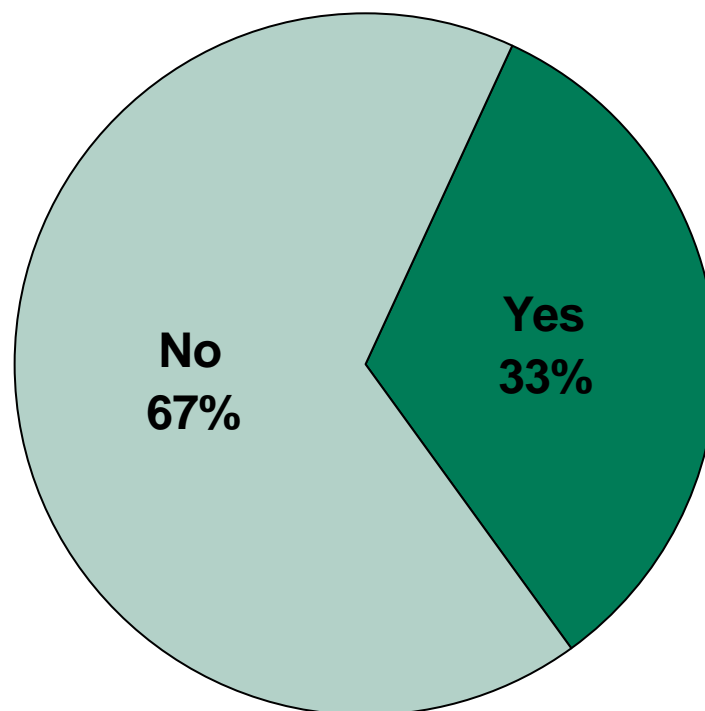
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Q13 Are you familiar with any asset management firms that use social media to communicate with clients?

General Findings – Use by Asset Managers

Do you follow any asset management firms that use social media to communicate with clients? (Q14)*

Only 1/3 follow at this point, but asset management firms have room to grow.



n=42

***Asked of those who indicated familiarity with firms who use social media in Q8.**



Conclusions

- While FAs are still in the early stages of adopting social media as a viable tool to build their business, many recognize its long-term potential.
- Understanding how to navigate compliance guidelines and/or industry regulations on social media use could bring peace of mind to FAs and spur adoption.
- Findings suggest there's an opportunity for asset management firms to communicate with clients (financial professionals) about their social media strategy.

Demographics

Category	Overall	Users of Social Media	Non-Users of Social Media
Gender	n=303	n=220	n=83
Male	73%	70%	78%
Female	27%	30%	22%
Average years in the business	14	12	17
Type of financial advisor	n=282	n=201	n=81
Wirehouse Broker	10%	10%	10%
Regional Broker	13%	13%	11%
Independent Broker	55%	53%	59%
Other (Specify)	17%	17%	17%
Don't know	2%	3%	1%
Refused	2%	3%	1%
Percentage of business in mutual funds	n=303	n=220	n=83
Less than 25%	31%	32%	28%
25% to less than 50%	30%	28%	37%
50% to less than 75%	21%	21%	20%
75% to 100%	15%	15%	13%
Refused	2%	2%	0%
Don't know	1%	1%	1%
Total amount of assets personally managed	n=303	n=220	n=83
Less than \$15 million	39%	40%	35%
\$15 million to less than \$30 million	15%	15%	14%
\$30 million to less than \$45 million	10%	9%	12%
\$45 million to less than \$60 million	5%	5%	4%
\$60 million to less than \$100 million	7%	8%	5%
\$100 million or more	14%	10%	22%
Refused	8%	8%	6%
Don't know	3%	3%	2%
Average age	46	44	52