

# Putnam Social Advisor Survey 2023

## Key findings

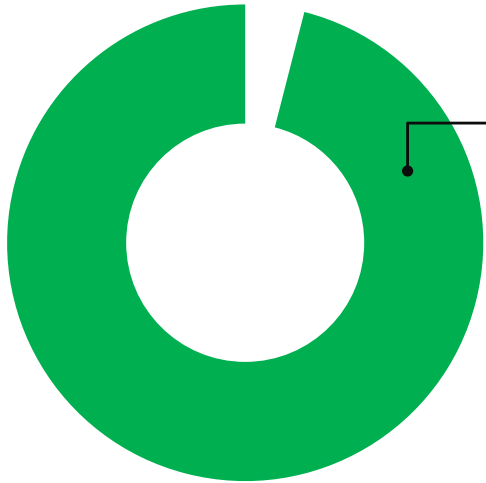
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February 2023

# Background and methodology

- 1,043 U.S. financial advisors surveyed who have been advising retail clients for more than 2 years, conducted online from October 2022 to January 2023
- Respondents included proportional representation of the U.S. financial advisor population reflecting gender, age, tenure, and channel
- This is the eighth iteration of the Putnam survey, conducted in partnership with NMG Consulting
  - Two smaller pulse surveys were conducted in 2020 and 2021 to bridge pre- and post-pandemic results
- A brief follow-up questionnaire was fielded among a subset of 100 respondents in January 2023 to corroborate specific findings

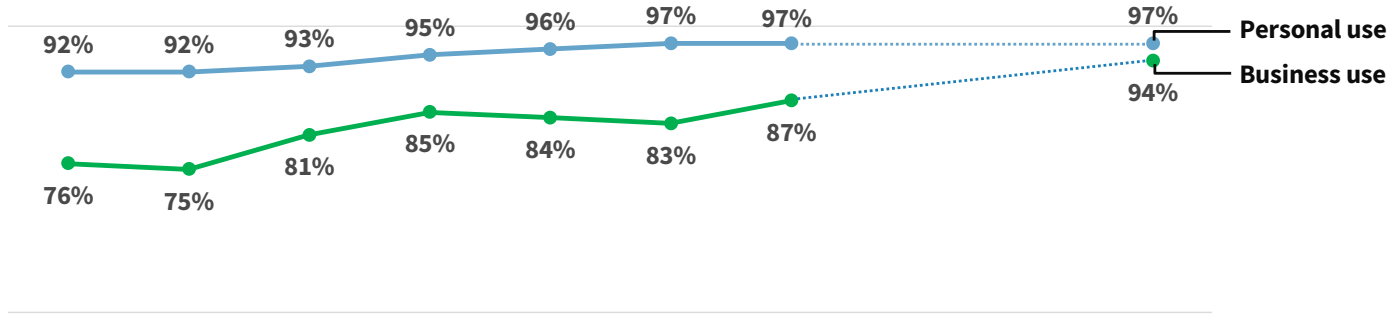
**Advisors' use of  
social media  
increased during  
the pandemic** 👍



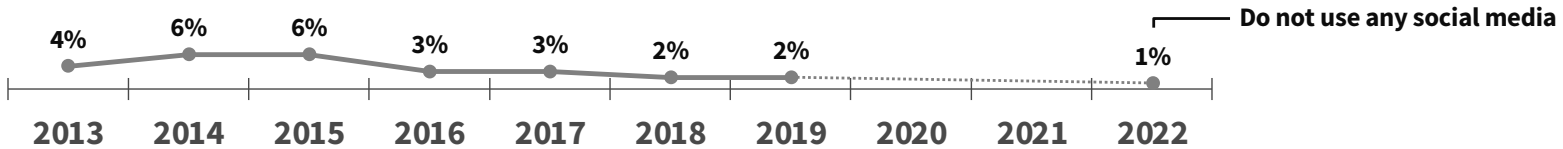
**94%** of financial advisors  
are using social media  
for business 🙌

# More advisors are using social media for business than ever

## Advisors using social media



**Business use**  
↑ 18%  
since 2013



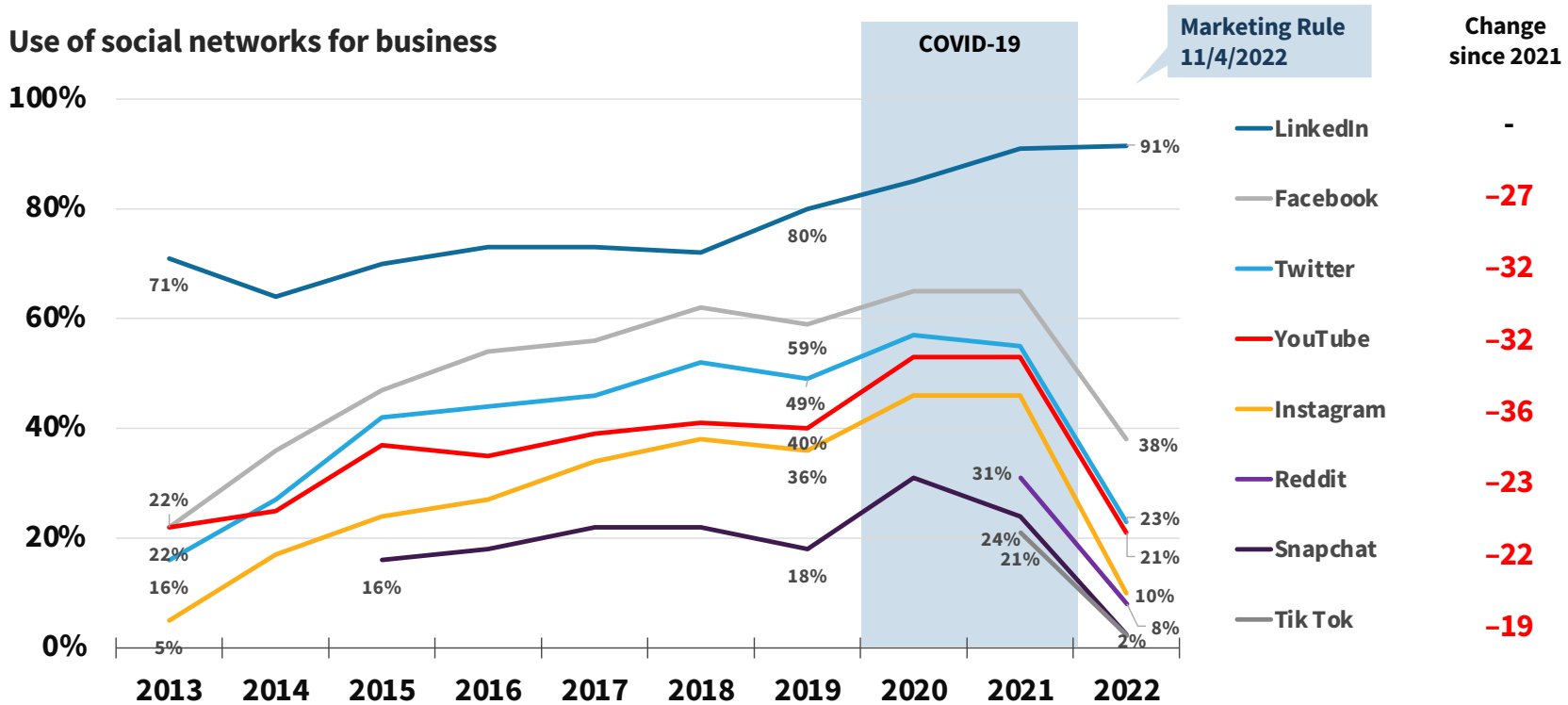
2.01 Which, if any, of the following social networks have you utilized by active participation, or by passively consuming content, for business and/or personal purposes during the past year?

\*2020 and 2021 studies did not measure the overall percentage of advisors using social media for business

**LinkedIn** has affirmed its position as the network of preference

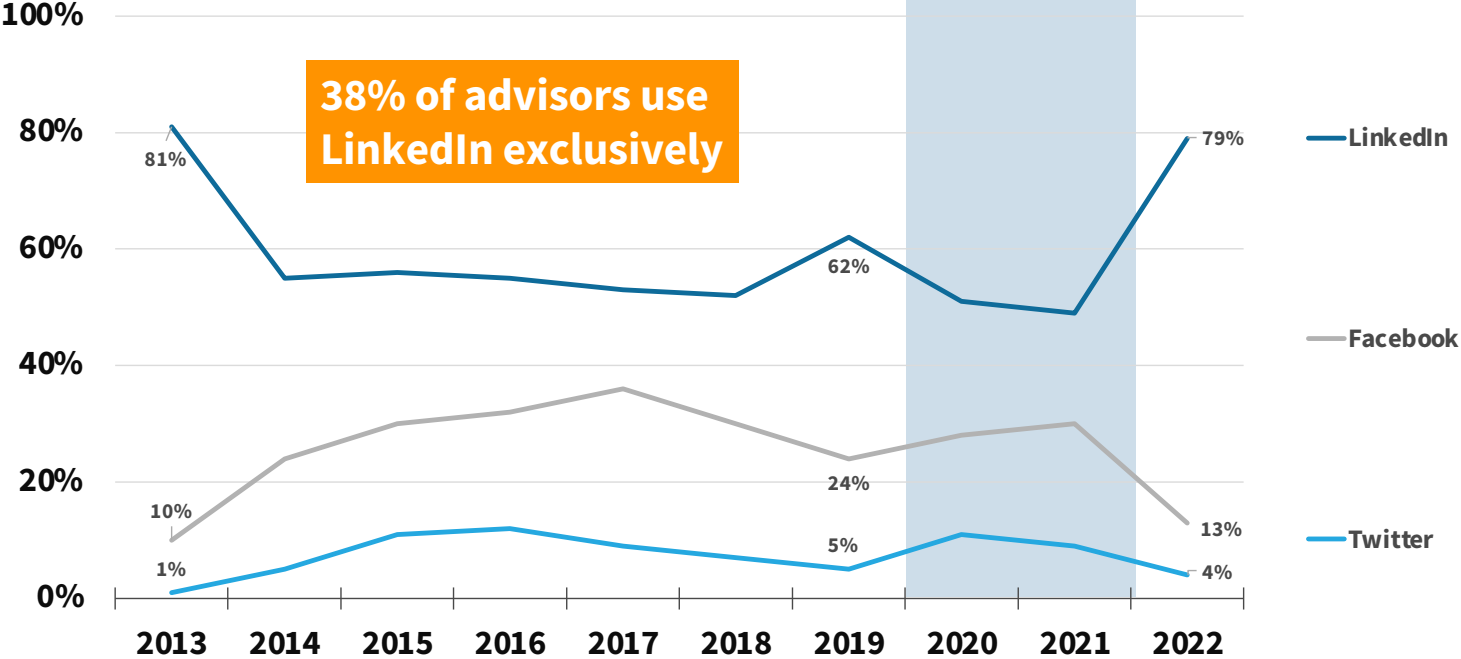
Advisors have all but abandoned **Facebook** and **Twitter**, a trend that began at the start of the pandemic. 💡

# Many advisors have stopped using Facebook, Twitter, and other social networks for business



# As a result, LinkedIn has become the primary network for 4 out of 5 advisors

Primary social network for business

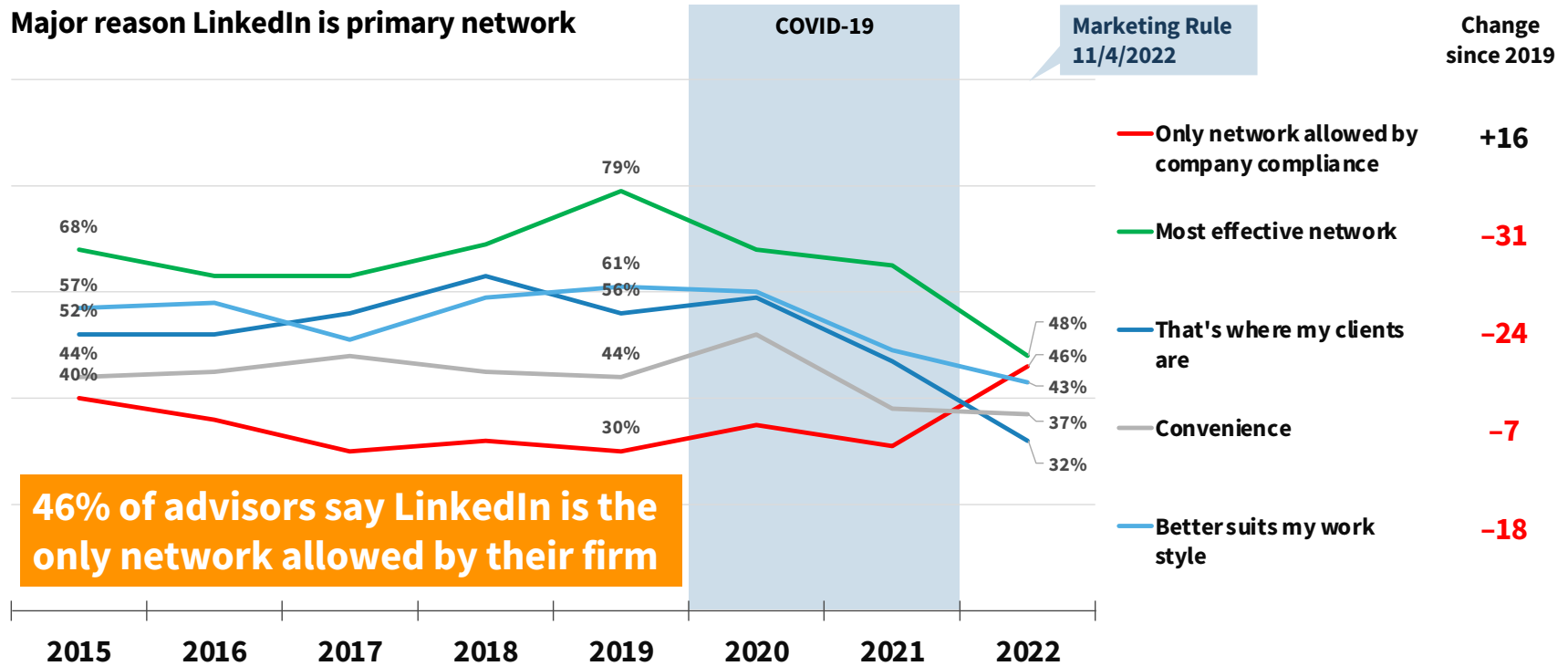




But it's not because  
**LinkedIn** is the most  
effective network.  
**Compliance** is the  
driver. 🤔

# Compliance – not effectiveness – is driving the use of LinkedIn

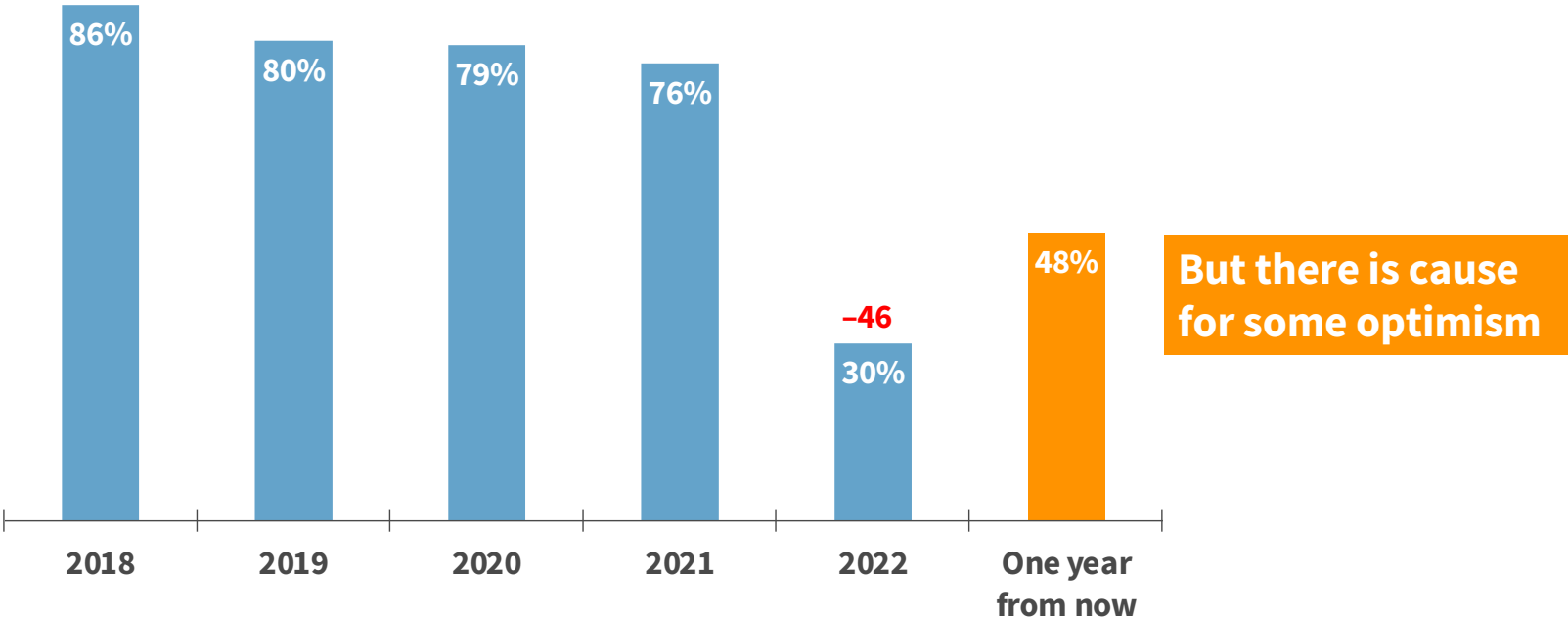
## Major reason LinkedIn is primary network



**Advisors are seeing  
social media  
differently  
post-pandemic and  
post-Marketing Rule** 🤔

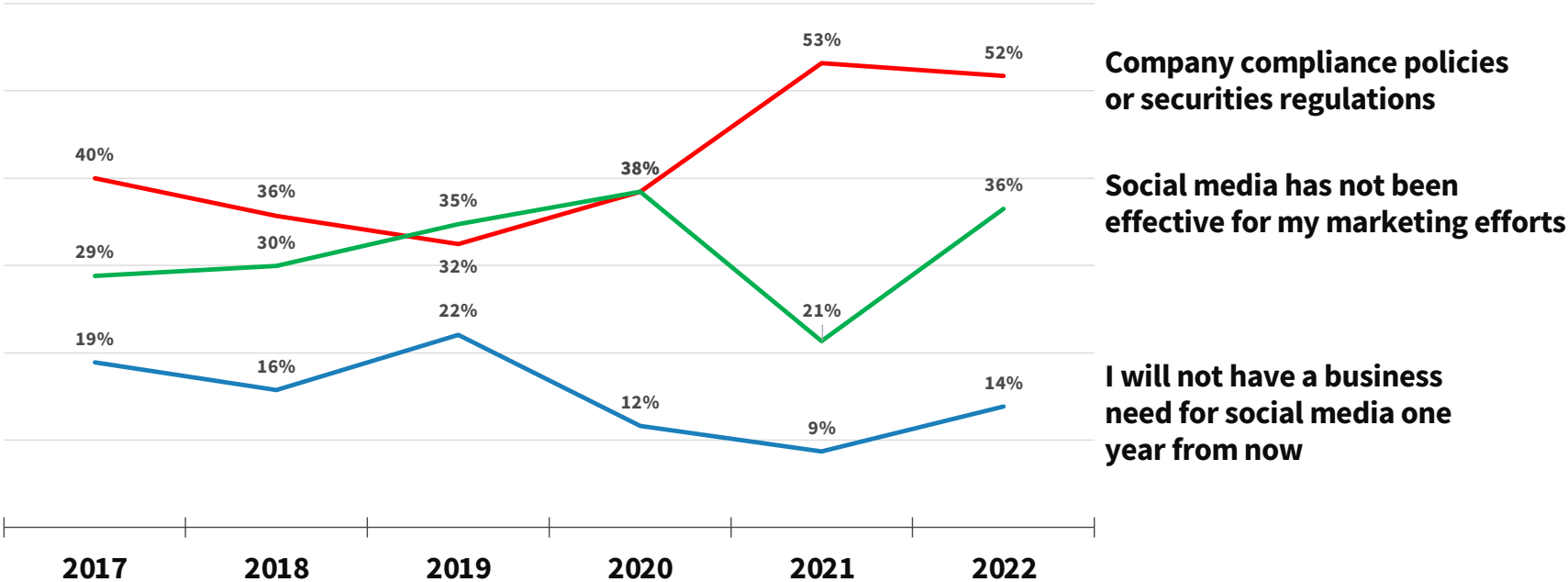
# The significance of social media in marketing efforts has declined

Advisors saying social media plays a significant role in their overall marketing efforts



# And compliance policies are a driver

Reasons advisors are not expecting social media to play a significant role in marketing



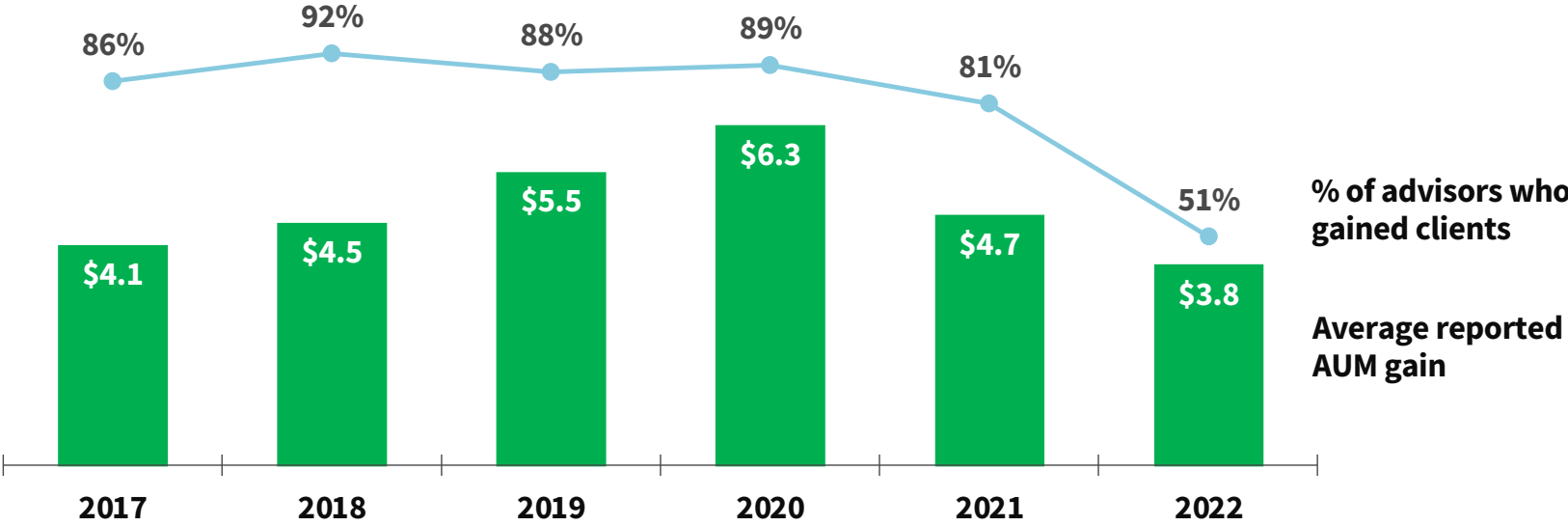
**“Much more restrictive with what we can send directly to clients and/or post on social media.”**

**“Limiting the type of content we can post and actions we can take with other posts.”**

**“We can only use firm monitored systems for LinkedIn and Facebook.”**

**Far fewer** advisors  
are seeing success  
from social media  
today

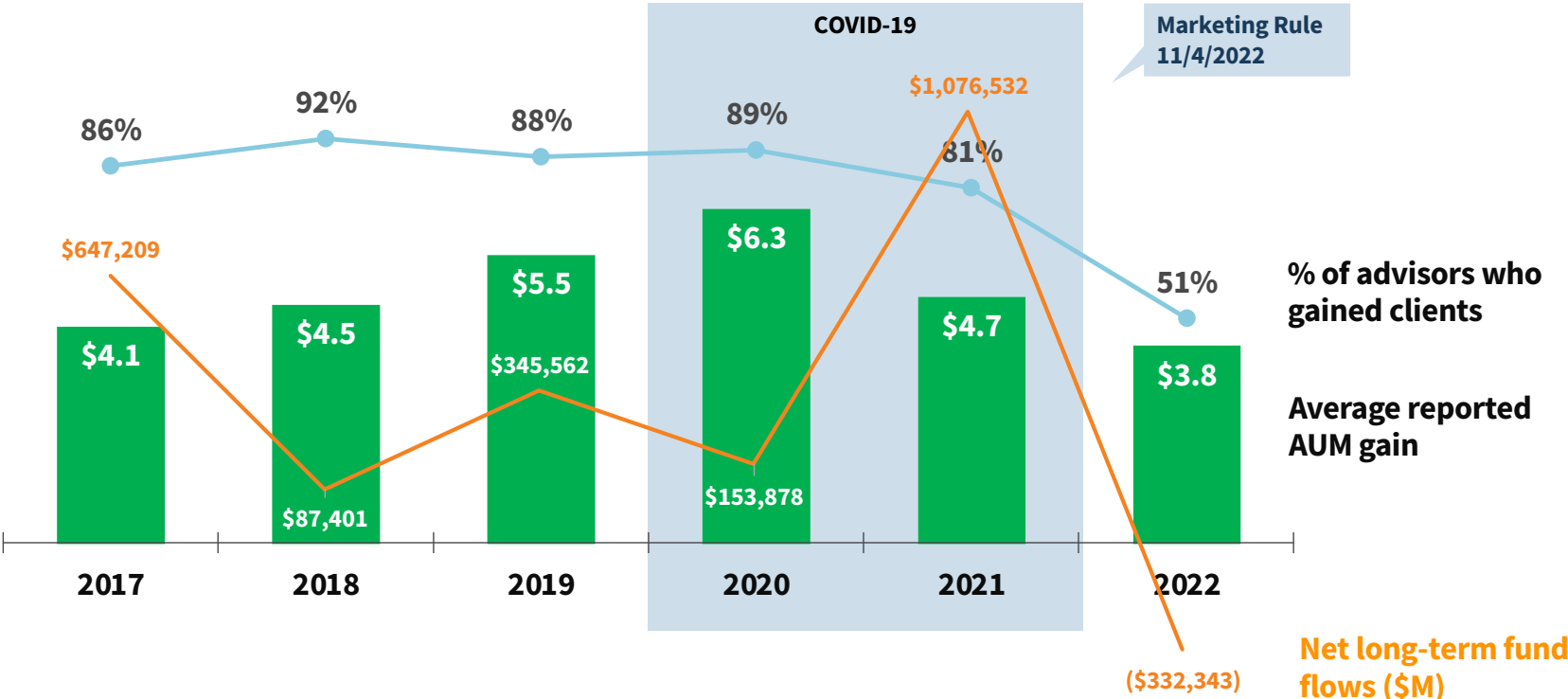
# After several years of finding success gaining clients through social media, fewer advisors say it is helping them today



Note: Annual market fund flows into long-term mutual funds, ETFs, and managed accounts from ISS Market Intelligence Simfund, 2022

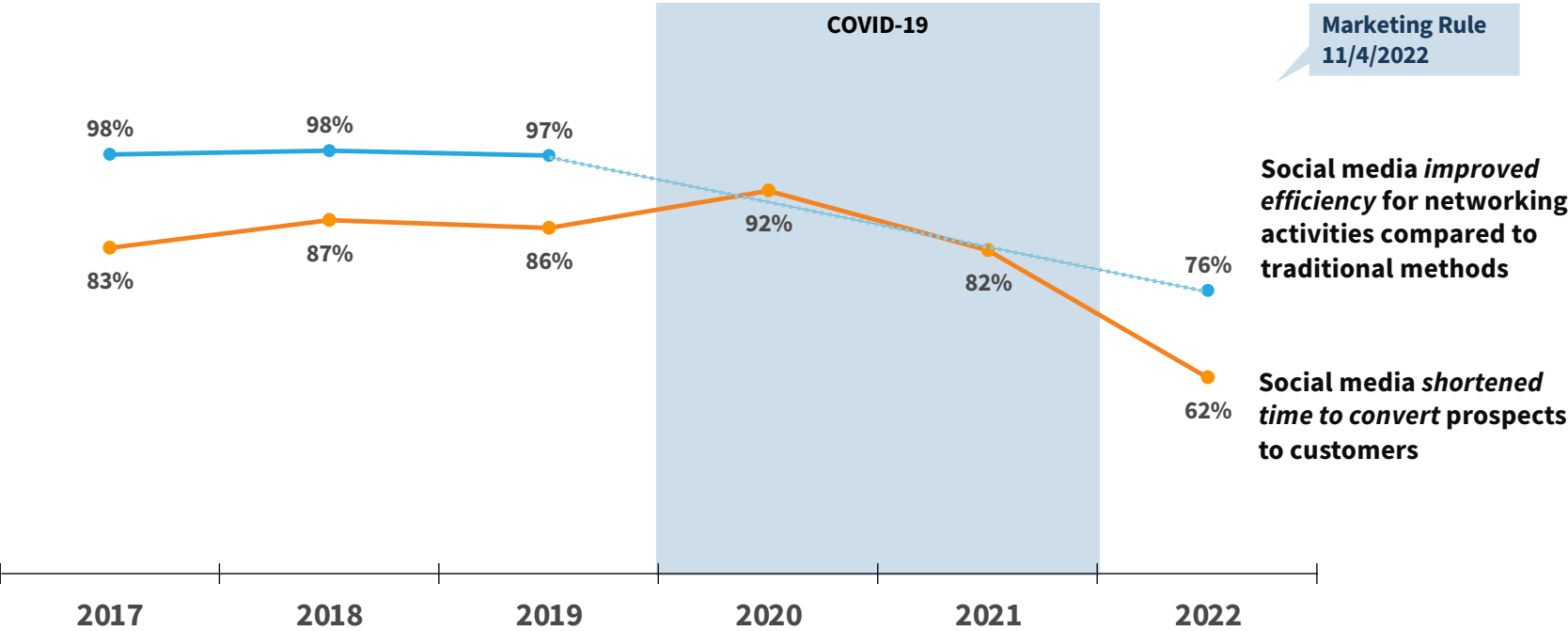


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Note: Annual market fund flows into long-term mutual funds, ETFs, and managed accounts from ISS Market Intelligence Simfund, 2022  
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# Advisors are not seeing the efficiencies they once did from social media compared with traditional prospecting



Note: Annual market fund flows into long-term mutual funds, ETFs, and managed accounts from ISS Market Intelligence Simfund, 2022

**The market is down  
and the regulatory  
environment has  
changed.**

## Advisors playing defense



S&P down 20% in 2022

\$332.3B in fund outflows

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## Wirehouses fined

\$1.1B



FINRA imposed fines on 16 firms totaling \$1.1B for using text messaging on personal devices for business

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## SEC marketing rule went into effect

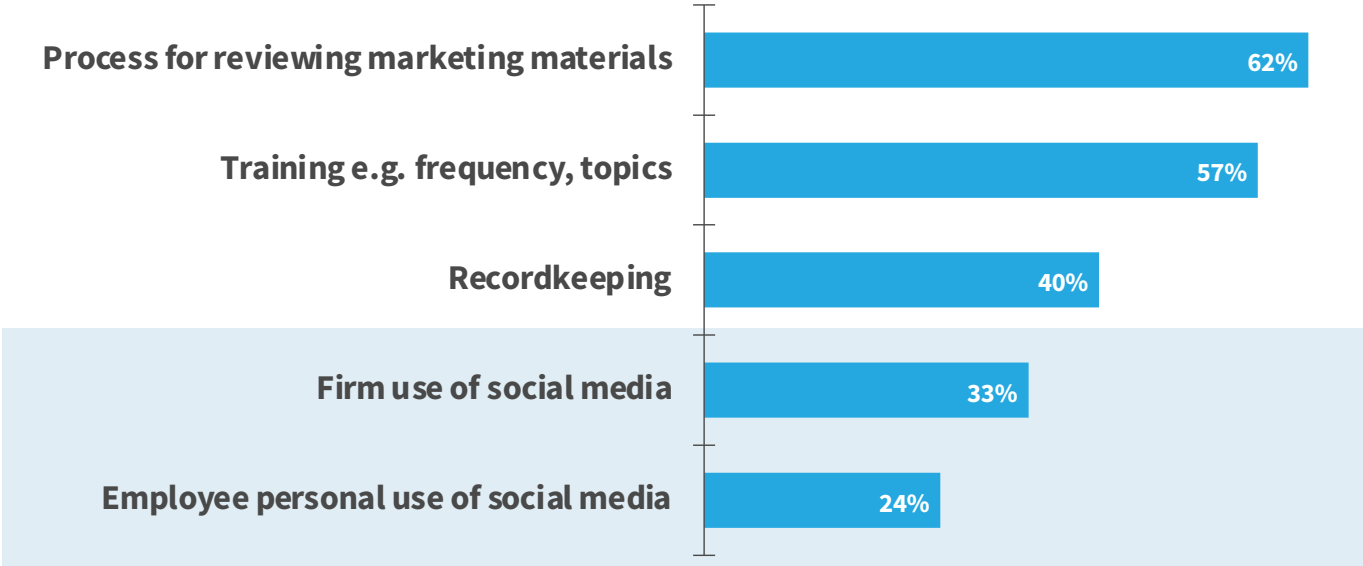


92% of compliance professionals reported they did not see their using more social media for marketing purposes in light of the new Marketing Rule\*

\* Hearts & Wallets Investor Quantitative Database.

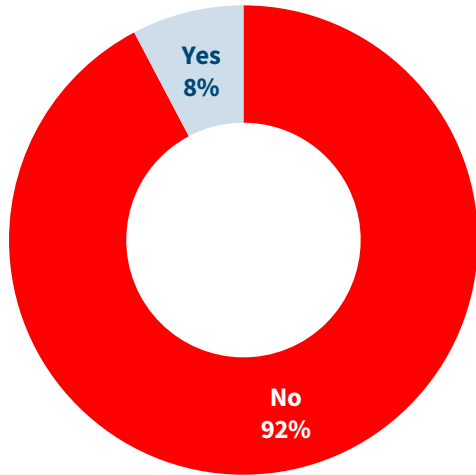
# The Marketing Rule prompted a meaningful number of firms to revise their social media policies

Policies and procedures revised due to new marketing rule



# The majority of advisor firms do not anticipate using more social media for marketing

Firms using more social media after new Marketing Rule



**“More restrictions on what can be posted to social accounts. Limited inventory of firm approved content.”**

**“Further oversight of LinkedIn activities. Compliance review of all activities on the site.”**

**Advisors can – and do – grow  
their business using social  
media, but it takes **action** and  
**attitude.****

## 2022 success stories

**“In the case of a large client, I was able to stop them from cashing out their investments near the market bottom.**

**This led to nearly a dozen referrals from the client to family and friends and resulted in several new clients.”**

Use of social media messaging



## 2022 success stories

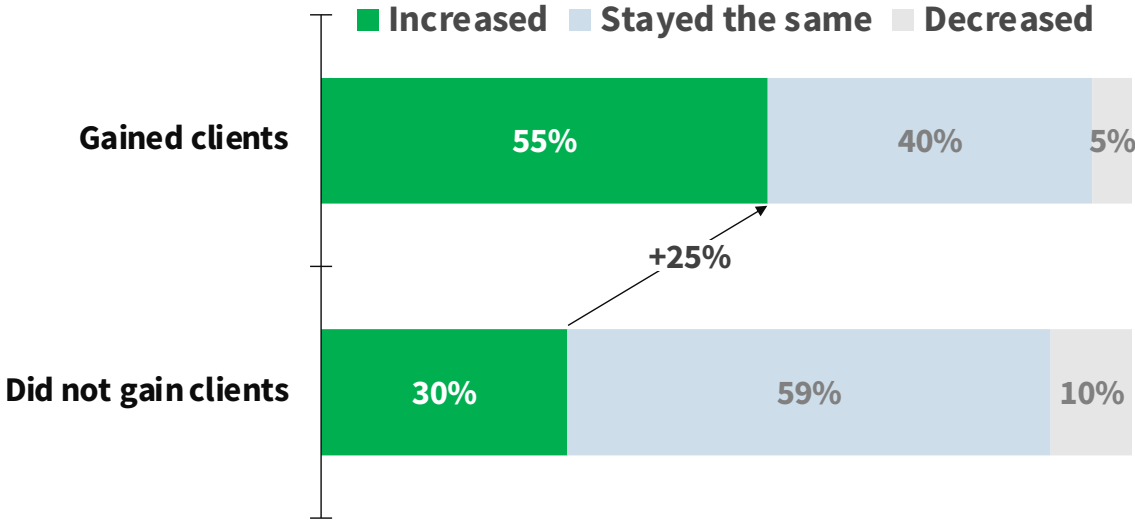
**“I was able to get information out to a greater portion of folks to calm fears and encourage long-term thinking.**

**I had clients reach out with their thanks, and pass along my commentary to friends, which resulted in new clients.”**

Advisor-authored network updates  
Use of social media messaging

# Advisors who leaned into LinkedIn gained clients during the pandemic

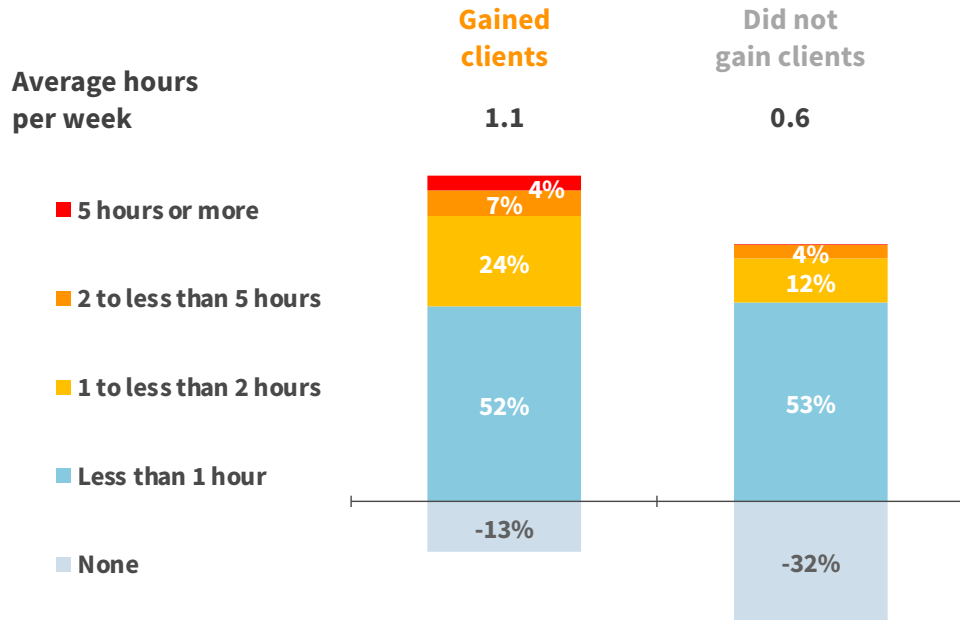
LinkedIn use since February 2020  
(Advisors using LinkedIn for business)



**Overall, 62% of advisors who gained clients say they have increased their use of social media since the start of the pandemic.**

# Those who focus on resonant content are seeing success

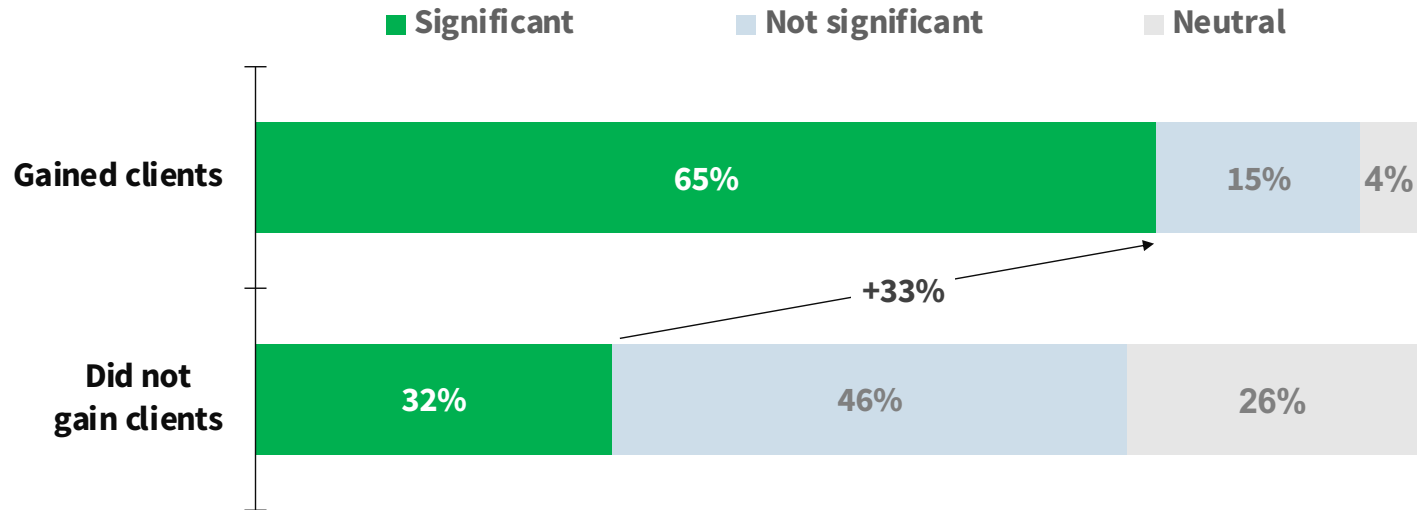
## Time spent per week creating/sourcing original content






**68% of advisors who gained clients created their own, original content, vs. 46% of advisors who did not see success**

# Being bullish pays off

Expectations of social media's significance to marketing efforts one year from now



# Profile: The successful social advisor

	Gained clients	Did not gain clients	Difference	
Median age	41	43	-2	
Average AUM (\$M)	\$149	\$145	+3%	
Using a LinkedIn premium membership like sales navigator	33%	13%	+20	
<b>Times per month using social media for business</b>	<b>35 times</b>	18 times	+94%	
Time spent on social media/week	1.8 hours	1.0 hour	+80%	
Increased use since pandemic	62%	34%	+28	
<b>Time spent on content/week</b>	<b>1.1 hours</b>	0.6 hours	+83%	
Created own content	68%	46%	+22	
<b>Expect social media to be significant one year from now</b>	<b>65%</b>	32%	+33%	

The 2023 Putnam Investments Survey of Financial Advisors' Use of Social Media, conducted online in conjunction with NMG Consulting, included 1,043 financial advisors across the United States who have advised retail clients for at least two years or more. Respondents included proportional representation of the U.S. financial advisor population reflecting gender, age, tenure, and channel from independent and regional broker-dealers to nationwide planning firms, wirehouses, insurance firms, and RIAs. Advisors were queried about AUM and assets gained via social marketing in ranges; median and average samples are based on range midpoints

Financial advisors: Consult with your firm's compliance department and be fully aware of its policies and procedures before you engage in any social media activities or alter your public profile.



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Putnam Retail Management

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