

# Press Release



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## **BNY Mellon's Pershing Advisor Solutions' Study Finds Many Financial Advisors Using Social Media to Drive Growth, Connect with Clients**

JERSEY CITY, N.J., July 21, 2010 – Pershing Advisor Solutions LLC, a BNY Mellon company, announced today the availability of a new independent study entitled *Creating Growth: The Increased Use of Social Media by Independent Advisors*, that explores social media usage and general trends among registered investment advisors (RIAs) to support their business development and client management efforts.

The growth of social media, especially social networking sites like Facebook, LinkedIn and Twitter, has exploded and fueled the development of entirely new models for how companies interact with their customers. The financial industry has been slow to adopt the use of social media, largely due to regulatory and compliance concerns and policies. Yet, advisors are developing ways to use social media and as a result have seen significantly more growth and expansion of their client bases.

*Creating Growth: The Increased Use of Social Media by Independent Advisors*, developed in conjunction with Aite Group, was designed to measure advisors' use of social media to attract business and engage clients and to provide guidance on how advisors can incorporate social media effectively into their practices. The study included feedback from 144 U.S.-based RIAs, with one-third of the respondents employed at firms with more than \$1 billion in assets under management and 37% working for firms with less than \$100 million under management.

Key findings include:

- *Social media activity pays off* – Among RIAs using social media, 42% said it has helped them reach new prospects, while for 31% it has helped to generate awareness of their business and 27% credit social media with helping them differentiate themselves from their competition. Social media has produced tangible financial results as well. One in five attributes increased revenue or fees from existing clients due to their social media-related efforts.
- *RIAs that use social media outperform other advisors* – Although RIAs who use social media on average manage less assets and advise fewer clients than other RIAs, the survey found that they have experienced higher growth in terms of revenue, assets, and clients advised.
- *LinkedIn tops Facebook, other tools for RIAs* – The clear favorite is LinkedIn which is used by 53% of advisors who use at least one social media tool, while 39% use Facebook and 27% use Twitter. One in five advisors who use social media have a professionally-oriented blog.

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- *Social Media is not limited to younger RIAs* – While just over half of RIAs under the age of 30 use social media on a professional basis, almost as many in their 30s (48%) and their 40s (42%) are using social media for business.
- *Many firms remain hesitant to endorse social media* – Financial services firms’ attitudes and policies toward social media may be discouraging its use among advisors. Nearly half of RIAs work for a firm that has a written policy governing the use of social media tools. Moreover, among those firms, 81% prohibit or limit the use of social media. Among RIAs not currently using social media tools on a professional basis, just 16% are likely or very likely to start using LinkedIn in the next year. The percentage of RIAs that plan to start using other social media tools is even lower.

Mark Tibergien, chief executive officer of Pershing Advisor Solutions, said, “Social media is a juggernaut, and RIAs can’t afford to dismiss the opportunity it affords them to engage clients and enhance their visibility with prospects. When developing a strategic marketing communications plan, RIAs need to consider the benefits of incorporating social media into an integrated marketing communications plan. They also need to understand the risks – regulatory and otherwise – of making social media a tool in their public positioning.”

Ron Shevlin, senior analyst at Aite Group added, “Considering the benefits and business impact they have experienced, it is not surprising that RIAs who use social media on a professional basis are more likely than other advisors to consider social media important for the future. Still, many advisors will be challenged by their firms’ decisions to limit or prohibit the use of social media because of regulatory and compliance concerns, as well as other factors.”

To receive a copy of the study, please contact Pershing Advisor Solutions at (800) 445-4467 or via e-mail at [pasinformation@pershing.com](mailto:pasinformation@pershing.com).

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