



Advisors Trusted Advisor

private asset *management*
The pipeline to the affluent

Wealth Advisors Fear Social Networking

09/15/2009

--Kristen Oliveri

Wealth advisors who are looking to bolster their businesses and establish formalized marketing plans are avoiding using social networking in marketing and prospecting. According to a survey conducted by **Advisors Trusted Advisor**, 58% of those wealth advisors surveyed say they don't use social media at all in marketing or client communication.

Mike Slemmer, managing director, said that most advisors believe that their compliance groups would not let them engage in social networking, despite the fact that there are no such prohibitions. "If you look at advisors getting involved in blogging and putting things on **LinkedIn**, they have so much that they can talk about [outside giving direct investment advice] that if there are compliance stoppers, they're really the exception rather than the rule," said Slemmer. Out of those advisors who use social networking, 18% use LinkedIn and just 5% use **Facebook**.

Slemmer also noted that advisors are wary of diving into social networking as a form of advertising and communication because the medium is still unfamiliar to most, and suggests firms should look into creating niche focused training programs on how to use social networking properly. "People think it's so new. You can see social networking is in the same stage that the telephone was in the 1920s and '30s," said Slemmer.

The study surveyed 354 advisors from 335 wealth management firms.