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SEI Survey: Majority of Advisors Cautiously Optimistic About Economic Growth

Technology Upgrades a Focus to Improve Business Operations

OAKS, PA -- (Marketwired) -- 06/04/14 -- While few advisors see an economic boom coming, a majority remain cautiously optimistic that the economy will continue to grow through the rest of 2014 according to a survey released today by SEI (NASDAQ: SEIC). Nearly 4 out of 5 (79 percent) advisors polled said they see slow and steady growth ahead for the U.S. economy. More specifically, 93 percent anticipated a modest level of growth for the Dow Jones Industrial Average. More than three quarters (76 percent) thought growth would be between zero and 10 percent this year, while an additional 17 percent thought growth would be between 11 and 20 percent. The results point to a significant shift in advisor sentiment. In a survey conducted by SEI one year ago, only 41 percent of advisors anticipated slow and steady growth, while 40 percent thought the economy was headed for a short-term correction. The survey was conducted by SEI at its recent National Strategic Advisor Conference attended by more than 170 top financial advisors. This year's conference was built around the theme of "The Integrated Advisor."

"It seems like the psychological after-effects of the recession are finally starting to wear off and advisors are becoming more optimistic about the market," said Steve Onofrio, Senior Vice President, Sales and Service, SEI Advisor Network. "They may not be ready to predict huge returns but even anticipating slow growth is an improvement over where most advisors were a year ago. It will be critical for advisors to now start communicating that optimism to their clients."

When looking at threats and obstacles that may still hinder economic growth, respondents pinpointed two main concerns. More than half (59 percent) said the economic factor they were most worried about was geo-political issues. Meanwhile, 1 in 5 (20 percent) said they were most worried about Federal debt. In descending order, other advisors said social security (9 percent), the state of the Chinese economy (6 percent), and unemployment (5 percent) were their biggest worries.

Advisors were also asked a number of questions which indicate that improving their technology may be a primary focus in the year ahead. When asked the most important role of technology as it relates to their business, three-quarters of those polled (75 percent) said it creates efficiencies that allow them to be more productive from a business standpoint. An additional 15 percent said technology created new opportunities to communicate with clients, while 9 percent said it gives clients a better view of their wealth.

More than half of those polled (56 percent) said they do not have integrated technology or processes in place to deliver a consistent client experience across their firm. As a potential cause for this, another half of respondents (54 percent) said that their focus on daily operations was keeping them from staying up to date with the latest technology tools. Meanwhile, only 5 percent of respondents said their biggest barrier to integrated technology was a lack of financial resources. These statistics point to the fact that advisors have the financial resources but not the time to make necessary improvements.

The importance of technology in managing client relationships was evident in the fact that nearly half of advisors polled (44 percent) said they spend the most time in their CRM tool. About 1 in 5 (21 percent) said they spend the most time in a financial planning application or their custodial platform (20 percent). Another 13 percent said they spend the most time in a web browser.

When it comes to using social media to communicate with clients, an overwhelming number of advisors polled (82 percent) said that LinkedIn has been the most effective channel in helping them build their business. More than 1 in 10 (12 percent) said a blog has been the most effective, while only a combined 5 percent listed Facebook and Twitter. Advisors remain conservative in their use of social media, as a majority (56 percent) said that legal restrictions and regulations are their biggest challenge in using the various platforms.

The group of advisors surveyed at the SEI national conference was evenly distributed from across the country. Half have been financial advisors for more than 20 years and 71 percent manage more than $150 million in assets.

About The SEI Advisor Network
The SEI Advisor Network provides financial advisors with turnkey wealth management services through outsourced investment strategies, administration and technology platforms, and practice management programs. It is through these services that SEI helps advisors save time, grow revenues, and differentiate themselves in the market. With a history of financial strength, stability, and transparency, the SEI Advisor Network has been serving the independent financial advisor market for more than 20 years, has over 5,700 advisors who work with SEI, and $42.8 billion in advisors' assets under management (as of March 31, 2014). The SEI Advisor Network is a strategic business unit of SEI. For more information, visit www.seic.com/advisors.

About SEI
SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of March 31, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $582 billion in mutual fund and pooled or separately managed assets, including $239 billion in assets under management and $343 billion in client assets under administration. For more information, visit www.seic.com.

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