

RIA Economic Outlook Index Overview

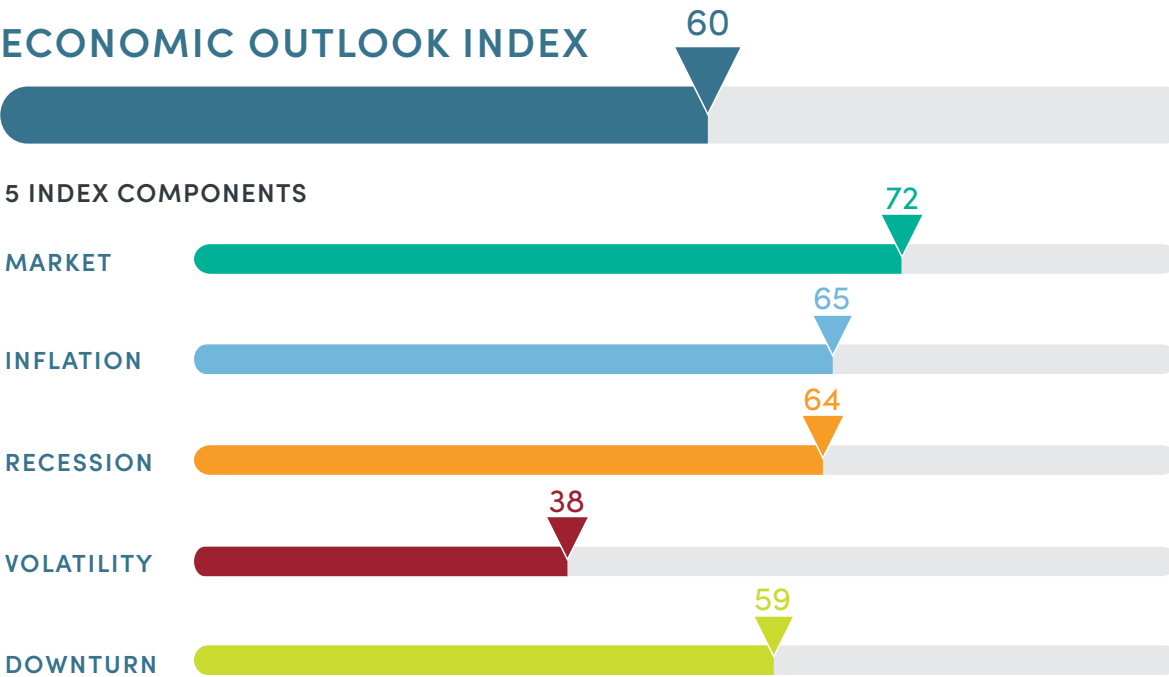
2ND QUARTER 2025

Summary

The RIA Economic Outlook Index offers a snapshot of how Registered Investment Advisors (RIAs) are feeling about the economy and markets over the next year. It’s based on five key indicators: expectations for the S&P 500®, inflation, the chance of a recession, market volatility, and the risk of a major downturn. In the second quarter of 2025, the index climbed to 60, reflecting a more optimistic outlook compared to earlier this year. While advisors are still keeping an eye on recession risks and volatility, many are feeling more confident, especially with inflation easing and steady expectations for market growth. Overall, it’s a sign that RIAs are growing more hopeful, but they’re still approaching the rest of the year with a sense of caution.

Approach

The index is constructed from responses to five questions, each representing a significant economic aspect affecting investment strategies and market perceptions. Responses are quantitatively scaled from 0 (most pessimistic) to 100 (most optimistic), allowing for an understanding of RIAs’ economic expectations. The resulting index score, averaging individual responses, captures the overall economic sentiment among RIAs. This analysis is based on a survey of 100 financial professionals, evenly split between pure and hybrid RIAs, to ensure a comprehensive view of the current market outlook. This information was gathered in May of 2025.



Source: Information gathered in May 2025 for the 2nd Quarter 2025 Security Benefit RIA Economic Outlook Index, conducted by Greenwald & Associates.

Key Insights

- **Index Score and Sentiment:** The RIA Economic Outlook Index rose to 60 in the second quarter of 2025, showing a clear shift toward optimism. That's up from 55 in the first quarter and is the highest level we've seen in over a year. Advisors are starting to feel more confident about where things are heading, even though they're still keeping an eye on some risks. Hybrid RIAs continue to be a bit more upbeat than pure RIAs, especially when it comes to the market and the economy overall.
- **Market Performance:** Most advisors, around 59%, still expect the S&P 500 to grow between 6 and 9% over the next year. That's the same as last quarter, which tells us that RIAs are holding steady in their outlook and are getting more comfortable with the current market conditions.
- **Inflation Expectations:** There's been a big shift in how advisors are viewing inflation. This quarter, 60% believe it will stay under 3 percent in the next year. That's twice as many as last quarter and shows a growing sense that inflation is finally settling down.
- **Recession Probability:** Even with the rise in optimism, concerns about a possible recession have increased. Now, 45% of advisors think there's at least a moderate chance we'll see a recession in the next year. That's up from 29% last quarter and suggests that while advisors feel better overall, they're still being cautious.
- **Volatility and Downturn Concerns:** Fewer advisors expect a big spike in market volatility compared to last quarter. About 56% think volatility will go up, down from 62% in the first quarter. Concern about a major market downturn has also eased. Only 13% say they're very or extremely worried, which is the lowest level in more than a year.

Additional Findings

- **Changes in Portfolio Strategies:** Many RIAs are adjusting their portfolios this quarter. About 47% are increasing international equities, and 29% are adding more to U.S. equities. Around 25% are putting more into downside protection products like structured notes and annuities with guarantees. At the same time, 53% say client interest in these protective strategies has grown since the start of the year.
- **What Clients Are Asking About:** Client conversations are also shifting in focus. Advisors say the most common questions they're getting are about geopolitical risks, Social Security, and potential tax law changes. Pure RIAs, in particular, are hearing more about Medicare and taxes, which suggests an opportunity to add value through more personalized planning support.
- **Impact of the Trump Administration:** This quarter also provides the first full view of advisor sentiment under the new presidential administration. Forty-five percent of RIAs say their economic outlook has improved since President Trump took office, with hybrid RIAs and those with more than 20 years of experience showing the most optimism.

Conclusion

The second quarter of 2025 shows a mixed but improving outlook for RIAs. Optimism is rising, especially around inflation and market performance, but concerns about a possible recession are also growing. Advisors are staying cautious, taking a balanced approach by adding to growth positions while also building in more protection.

This overall increase doesn't mean advisors are ignoring risk. Instead, it shows they're facing it head-on and adjusting their strategies. As RIAs navigate political changes, market uncertainty, and shifting client expectations, the Index continues to be a useful way to understand how confident and prepared they feel.

Please consider this overview for strategic planning and as an early indicator of possible economic turning points.

We're here to help your clients
To and Through Retirement®.

Call us for more information at 800.747.5164, option 3,
or visit SecurityBenefit.com.

FINANCIAL PROFESSIONAL USE ONLY

Annuities are insured by Security Benefit Life Insurance Company in all states except New York. SBL is a subsidiary of SBL Holdings, Inc. (Security Benefit).



One Security Benefit Place | Topeka, KS 66636 | SecurityBenefit.com
SB-10046-84 | 2025/06/24