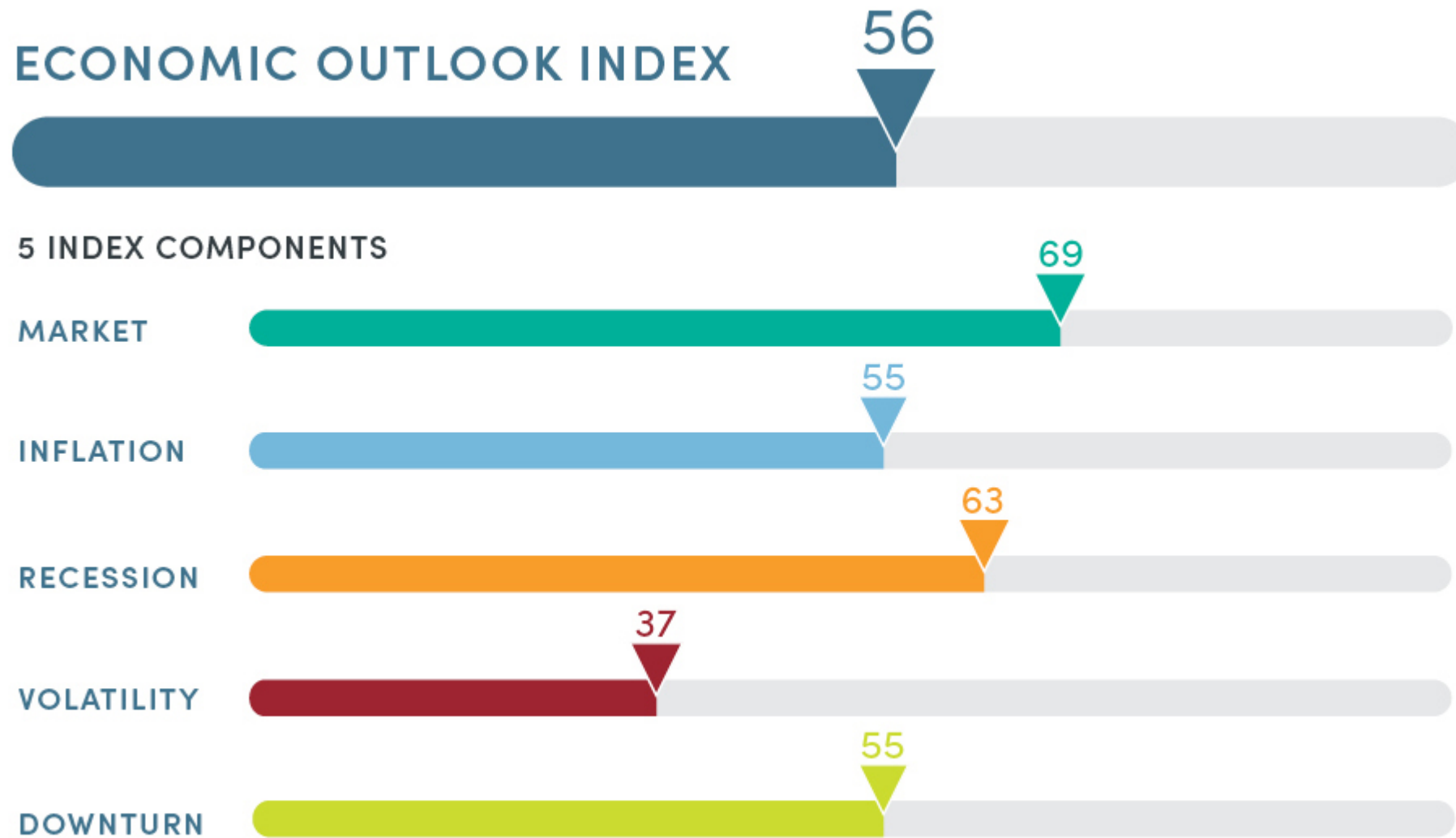


RIA Economic Outlook Index

What It Is: A predictive tool created to measure the expectations of Registered Investment Advisors (RIAs) for the upcoming year's economy and market movements.

How It Works: The index is based on responses to five critical questions related to key economic indicators such as the S&P 500 performance, inflation rates, recession probability, market volatility, and potential equity market downturns from over 100 RIAs around the country.

4TH QUARTER 2024



Source: Information gathered in November 2024 for the 4th Quarter 2024 Security Benefit RIA Economic Outlook Index, conducted by Greenwald & Associates.

Key Insights

- **Index Score and Sentiment:** The index score ticked up to 56 this quarter, compared to 53 in Q3, showing a slight boost in optimism. Hybrid RIAs are feeling a bit more upbeat with a score of 57, while pure RIAs are slightly more reserved at 54.
- **Market Performance:** Nearly 70% of RIAs believe the S&P 500® will gain at least 3% over the next year, and 25% are predicting growth of 10% or more. This reflects growing confidence in the market compared to earlier quarters.
- **Inflation Expectations:** Over 60% of RIAs expect inflation to exceed 3% in the next 12 months, a noticeable increase from 40% in Q1. Inflation concerns have steadily grown throughout the year.
- **Recession Probability:** RIAs remain divided on the risk of a recession. Around 45% think there's a moderate to high chance of one in the next year, while 55% believe the risk is relatively low, showing a mix of caution and optimism.
- **Volatility and Downturn Concerns:** Just over half (52%) expect higher market volatility compared to 2023, which is slightly down from Q3. Meanwhile, concerns about a major equity market downturn have eased, with only 12% expressing significant worry, down from 22% last quarter. This suggests growing confidence in the market's ability to hold steady.

Why It Matters:

- **Strategic Planning:** Offers an early signal of potential economic shifts, aiding in better strategic planning for RIAs and their clients.
- **Advisor and Client Confidence:** Reflects a collective stance of cautious optimism, providing reassurance in the face of potential market challenges.

