

New Spectrem Report Highlights Rising Popularity of Robo-Advisors Among Sophisticated and Wealthy Investors

Younger Investors More Likely to Use Emerging Market Entrants Than Established Leaders

CHICAGO, USA, February 6, 2019 /EINPresswire.com/ -- A new Spectrem Group study reveals increasing use of Robo-advisors across all classes of investors, as technology-based advisory services continue to grow in popularity following more than a decade of use. It also identifies ways investors are utilizing both Robo-advisors and their human counterparts in tandem to achieve superior returns while managing risk.

The report, [Robo-Advisors 3.0](#), reveals that 41 percent of investors still believe human advisors can achieve a better overall return vs. 36 percent who believe Robo-advisors can bring a better overall return.

However, nearly a quarter (24 percent) of investors believe there is not a material difference between a human financial advisor and a Robo-advisor when it comes to overall return.

According to the report, investors are more likely to believe Robo-advisors are better than human advisors when it comes to picking investments to best meet risk tolerance, but believe human advisors still have an edge in picking investments to meet financial goals, selecting investments for a retirement plan, adjusting investments for life changes and establishing a financial plan. The greatest disparity is in establishing a financial plan, with 59 percent of investors indicating a human advisor is preferable.

The research was conducted between September and November of 2018 through an online survey of affluent U.S. households with between \$100,000 and \$25 million in net worth (not including primary residence).

Additional findings include:

- Nearly half of investors under the age of 38 believe a Robo-advisor would be better than a human advisor in adjusting investments as a result of major life changes.
- Younger, wealthier, more aggressive and more knowledgeable investors are embracing emerging Robo-advisors rather than established providers such as Fidelity, Schwab and Vanguard.
- More than half (53 percent) of investors seek access to a human advisor aligned with their Robo-advisor, suggesting a hybrid model could be a popular offering for providers seeking to capture existing Robo-advisor users.
- Approximately half (51 percent) of investors believe a Robo-advisor should be able to outperform the market. Investors under the age of 37 and investors with a net worth between \$5 million and \$14.9 million have the highest expectations in relation to Robo-advisors' ability to outperform the market.



“Since Robo-advisors were introduced in 2008, they’ve become a mainstream financial advisory tool used by many types of investors,” said Spectrem President George H. Walper, Jr. “The future of investing appears to be one in which most investors will utilize both technology-based advisory services and traditional financial advisors as part of their overall wealth management and investment strategy. To remain competitive with emerging players, large, traditional advisors should continue to enhance their technology and personal communications with clients during periods of increased market volatility, such as what we experienced in 2018.”

Additional information on Robo-Advisors 3.0 and other Spectrem studies can be found at Spectrem.com.

About Spectrem Group: Spectrem Group (www.spectrem.com) strategically analyzes its ongoing primary research with investors to assist financial providers and advisors in understanding the Voice of the Investor.

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