



# Advisor Wealthtech Survey

March 2024  
0376-OAS-2/20/2024



# Contents

Methodology	3
Key Findings	5
Optimism and Growth in 2024	7
Tech Trends and Future Investment	14
Tech Stack Utilization	17
Advisors' Time and Outsourcing	22
Appendix	28

# Methodology

# Methodology

Orion partnered with Logica Research to conduct the second annual Advisor Wealthtech Survey to highlight drivers and roadblocks impacting technology adoption and wealth management opportunities.

The 542 advisors surveyed were recruited using Orion and Redtail internal databases as well as independent, third-party sample. Participation in the survey was voluntary and was fielded during January 2024.

Logica Research is neither affiliated with, nor employed by, Orion Advisor Solutions.

542

Participants  
Surveyed

10  
minutes

Length of Survey

Jan 9 –  
Jan 21, 2024

Survey field  
dates

# Key Findings

# Key findings



## Advisors are optimistic for continued growth in 2024

- Advisors have seen strong growth in the past 3 years and expect this trend to continue in 2024. 90% expect their firm to grow in 2024.
- Growth will be primarily fueled by generational wealth transfer and two investor segments (high-net-worth and baby boomers)
- Behavioral finance is another key area to drive growth, with further adoption expected to strengthen client relationships and trust.



## Advisors' #1 technology pain point is disconnected tech, with many realizing they have room to grow in their tech usage

- On average, advisors are only utilizing 62% of the tech they have, which is only ~50% integrated.
- Only one in ten say they have all the technology their firm needs.



## Advisors are spending 1/3 of their day on low impact tasks, which can be helped by better tech usage and outsourcing

- Technology would most often help advisors take care of operational/administrative tasks.
- Many advisors are already using outsourcing to take tasks like compliance/regulatory reporting off their plate.
- One fifth say that market volatility makes them more interested in outsourcing their portfolio management.

# Optimism and Growth in 2024

# Advisors have seen considerable growth in the last 3 years, driven by increased personalization for clients

## OVERALL GROWTH & REASONS WHY



Q16. Thinking about your overall firm's growth in the last 3 years, how did your firm's net new assets under management (AUM) change (i.e., not including growth due to performance)?  
 Q17. Which of the following are reasons your firm grew in net new assets under management in the last 3 years, if any?



# Advisors are optimistic for continued growth in 2024, with expectations remaining steady from 2023

## OVERALL EXPECTED GROWTH



# Generational wealth transfer is a top area of opportunity for advisors

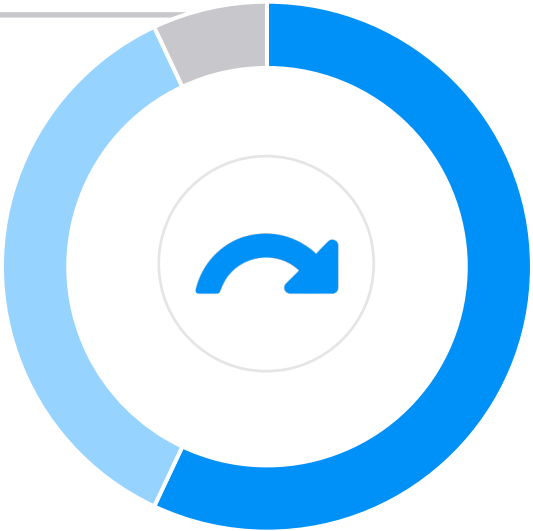
## AREAS OF OPPORTUNITY FOR GROWTH – GENERATIONAL WEALTH TRANSFER

7%

Not an area of focus in next three years

36%

An area expect to focus on in next three years



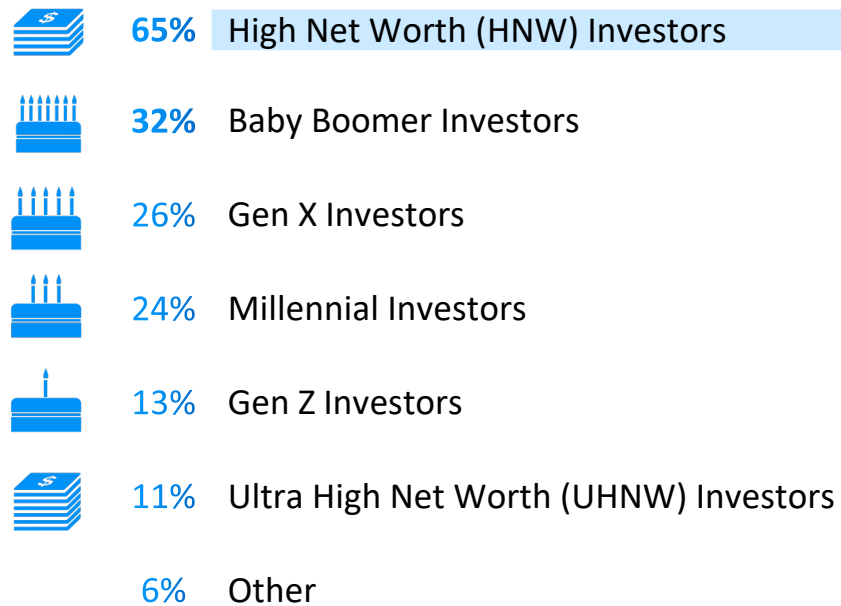
57%

Already an area we are focusing on

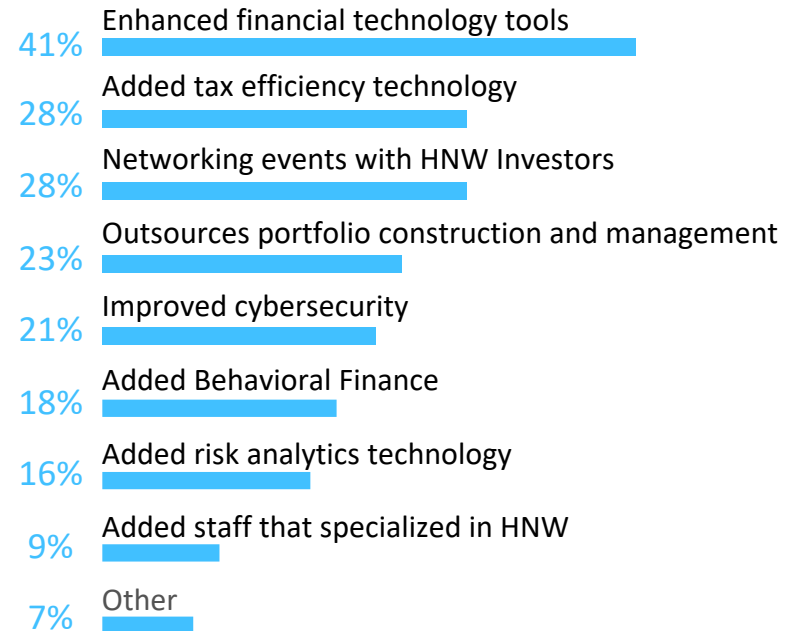
# Given the opportunity of generational wealth transfer, advisors are targeting HNW & Baby Boomer investors

## SEGMENTS FOR GROWTH & PLANS FOR TARGETING HNW INVESTORS

### SEGMENTS



### WAYS OF TARGETING HNW INVESTORS

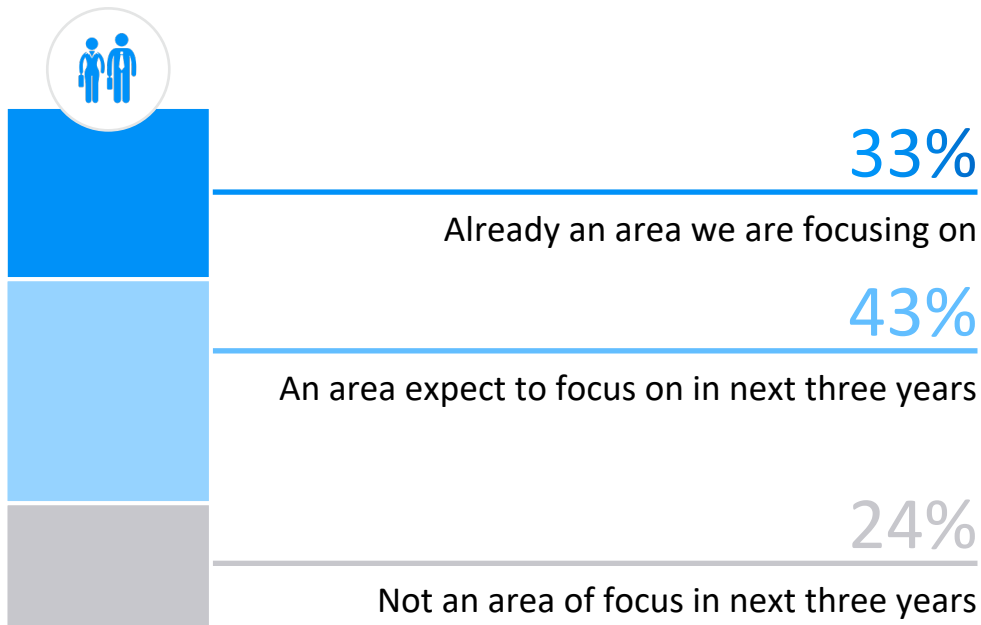


Q14. Which of the following segments is your firm's biggest target for growth in the coming year, if any?

Q15. Which of the following steps have you taken to attract and retain high net worth (HNW) clients (\$1M+ in investable assets), if any?

# Advisors are already using or planning to use behavioral finance to strengthen client relationships and trust

## AREAS OF OPPORTUNITY FOR GROWTH – BEHAVIORAL FINANCE



## BENEFITS OF BEHAVIORAL FINANCE

Strengthening client relationships	83%
Deepening client trust	79%
Enhanced client confidence during market volatility	74%
Knowing your client deeply	70%
Improving client outcomes	63%
Driving client referrals	46%
Decrease in biased decision-making	43%

# Alternative investments and values-based investing are areas advisors are targeting less frequently

## AREAS OF OPPORTUNITY FOR GROWTH – ALTERNATIVE INVESTMENTS & VALUES-BASED INVESTING

### ALTERNATIVE INVESTMENTS

30%

Already an area we are focusing on

28%

An area expect to focus on in next three years

42%

Not an area of focus in next three years



### VALUES-BASED INVESTING

30%

Already an area we are focusing on

22%

An area expect to focus on in next three years

48%

Not an area of focus in next three years

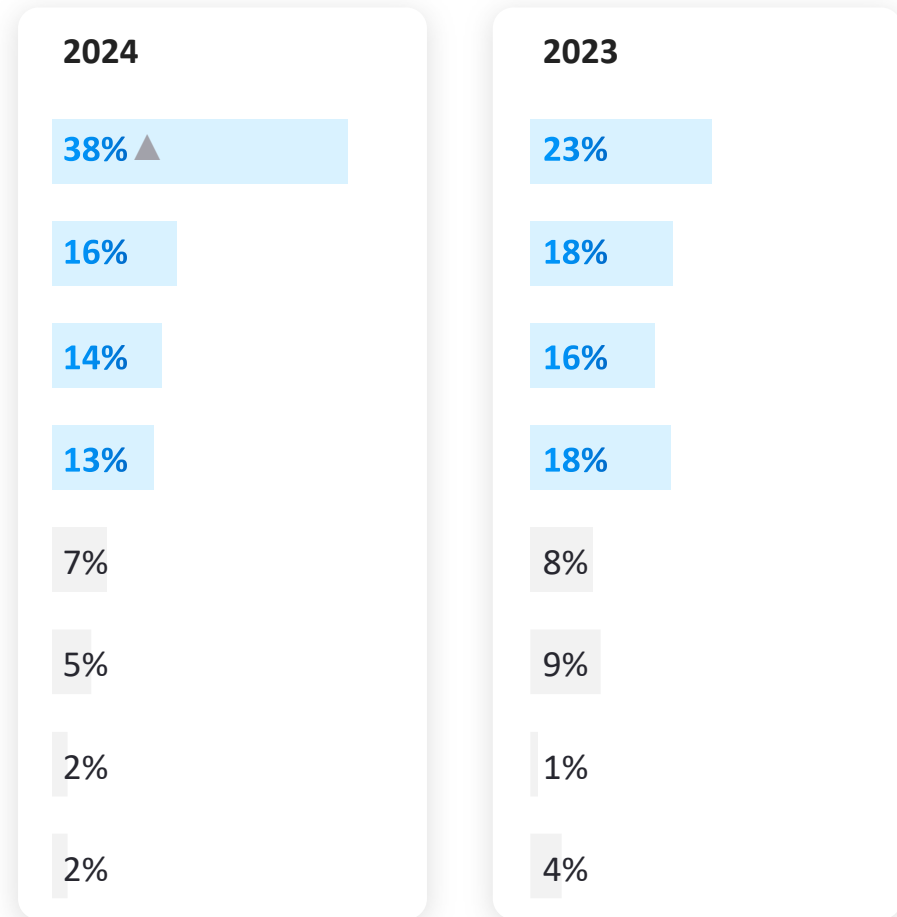


# Tech Trends and Future Investment

# Artificial Intelligence is seen as the most disruptive tech trend in the wealth management industry

## DISRUPTIVE TECH TRENDS

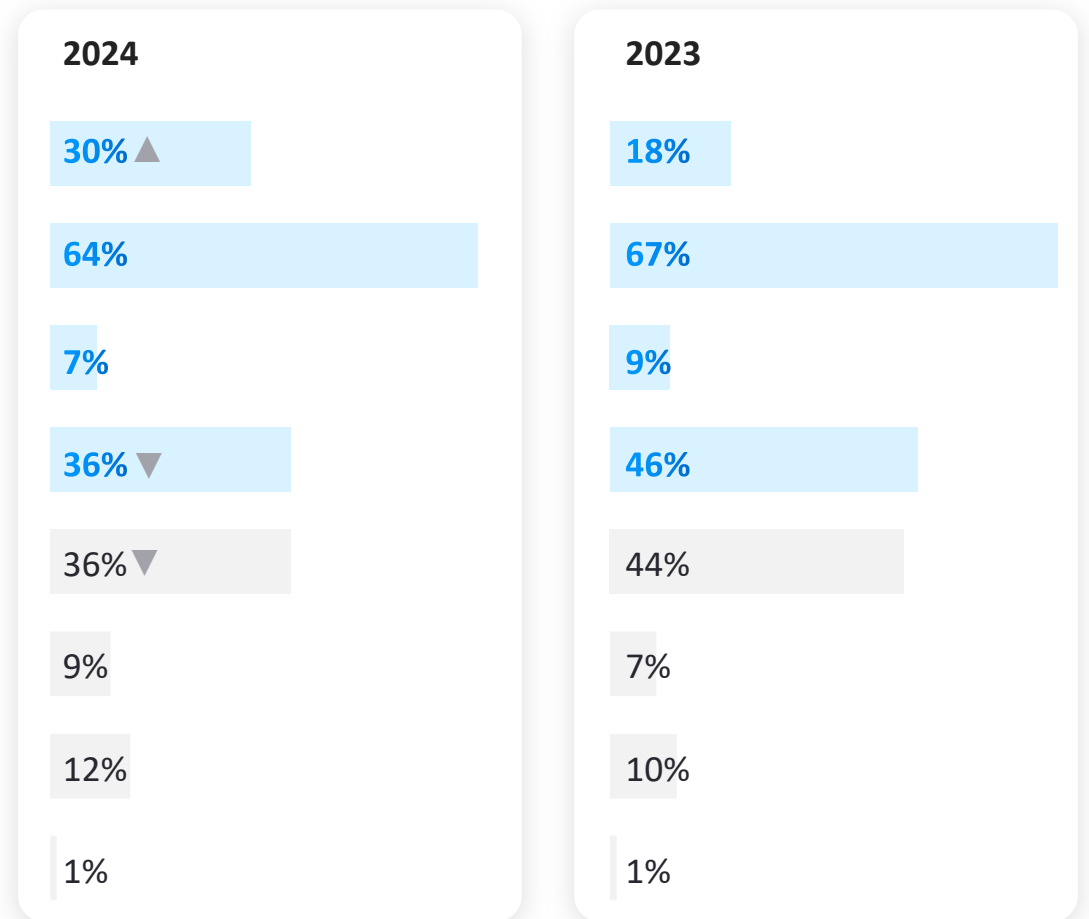
<p><b>Artificial intelligence (AI) and machine learning (ML)</b> Improvement of firm's performance across a variety of functions through AI and ML</p>
<p><b>Personalized and customized client experience</b> Delivery of personalized and customized client experience through investment management, relationship management and service</p>
<p><b>Robo-advice platforms or digital investment platforms</b> Use of inexpensive, sophisticated automation for investment management for clients</p>
<p><b>Higher client expectations for technology</b> Higher expectations, multi-channel touchpoints using different technologies (including mobile)</p>
<p>Personalized and customized asset management delivery for clients Differentiated in-house asset management solutions providing a tailored investor experience</p>
<p>Alternative and digital investment opportunities Investments in collectibles, token-based economies, digital assets</p>
<p>Big data and advanced capability analytics Use of macro data to predict market trends, investor preferences</p>
Other technology trend



# Personalized client experiences are where most are investing, but expected investment in AI grows from 2023

## DISRUPTIVE TECH TRENDS – FUTURE INVESTMENT

<p><b>Artificial intelligence (AI) and machine learning (ML)</b> Improvement of firm's performance across a variety of functions through AI and ML</p> <p><b>Personalized and customized client experience</b> Delivery of personalized and customized client experience through investment management, relationship management and service</p> <p><b>Robo-advice platforms or digital investment platforms</b> Use of inexpensive, sophisticated automation for investment management for clients</p> <p><b>Higher client expectations for technology</b> Higher expectations, multi-channel touchpoints using different technologies (including mobile)</p> <p>Personalized and customized asset management delivery for clients Differentiated in-house asset management solutions providing a tailored investor experience</p> <p>Alternative and digital investment opportunities Investments in collectibles, token-based economies, digital assets</p> <p>Big data and advanced capability analytics Use of macro data to predict market trends, investor preferences</p> <p>Other technology trend</p>
--



Q2. Which of the following technology trends, if any, are you planning to leverage for the strategic direction of your firm in the next three years?

▲ ▼ indicates higher/lower than 2023 at 95% confidence



# Tech Stack Utilization

# Only one in ten say their firm has all the technology solutions they need

## CURRENT TECH STACK

9%

We have all the solutions we need

53%

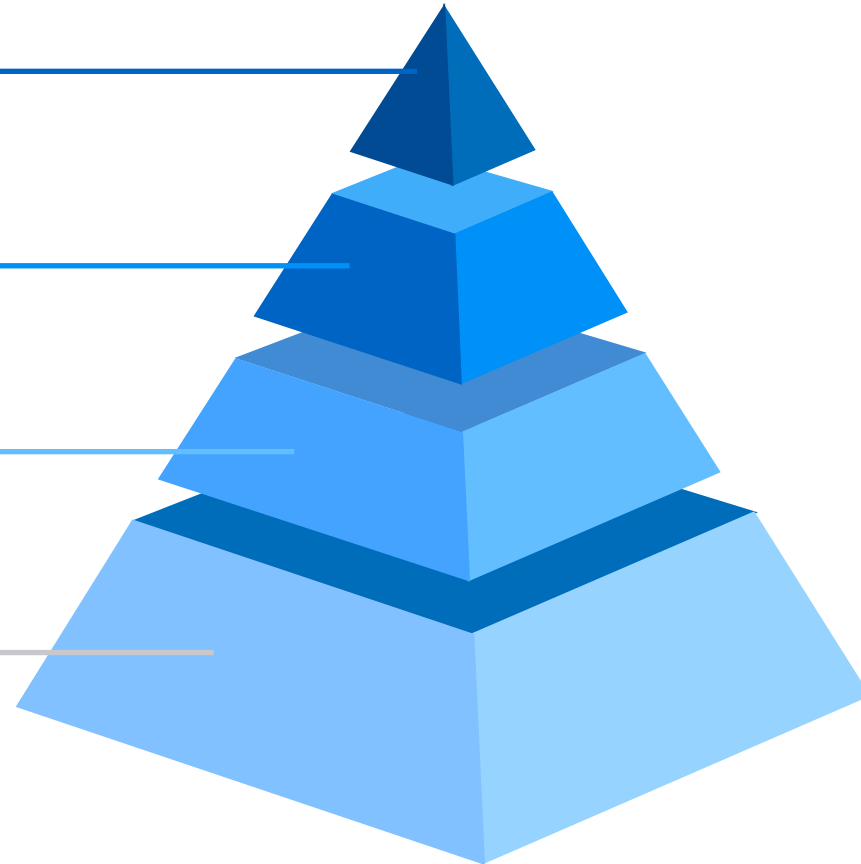
We have most of the solutions we need

37%

We have some of the solutions we need

1%

We do not have any of the solutions we need



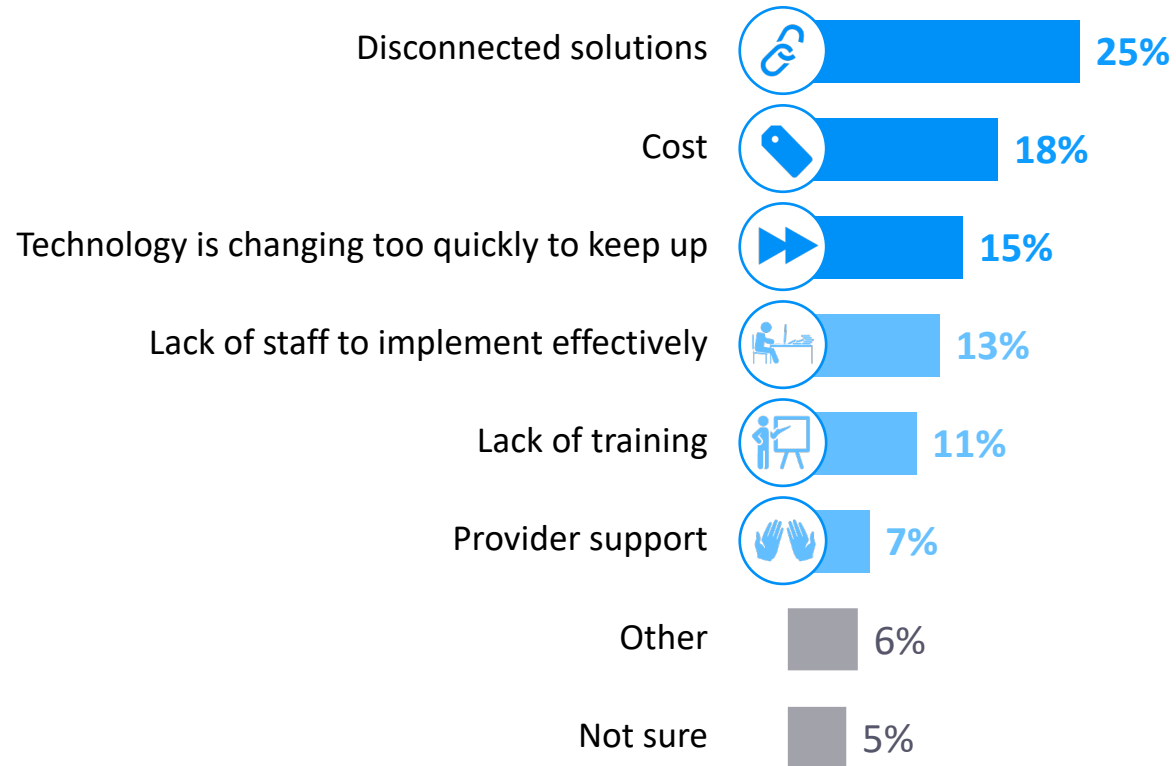
# Advisors expect technology spending to grow by 8% in the next year

## EXPECTED GROWTH – TECHNOLOGY INVESTMENT



# Advisors' #1 technology pain point is disconnected tech

## TECHNOLOGY PAIN POINTS



# Advisors see opportunity to better utilize and integrate the technology they have

## TECHNOLOGY UTILIZATION & INTEGRATION



62%

Average Tech Utilization



56%

Average Tech Integration

# Advisors' Time and Outsourcing

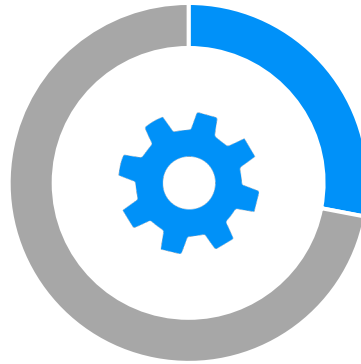
# Advisors spend most of their days engaging with clients or on operations/administrative tasks

## AVERAGE TIME ALLOCATION PER DAY BY TASKS



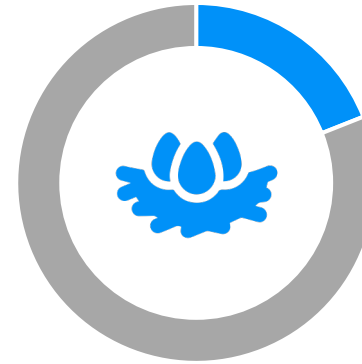
36%

Client  
Engagement



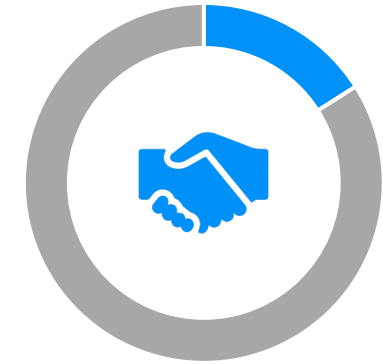
28%

Operations and  
Administrative Tasks



19%

Investment  
and Trading

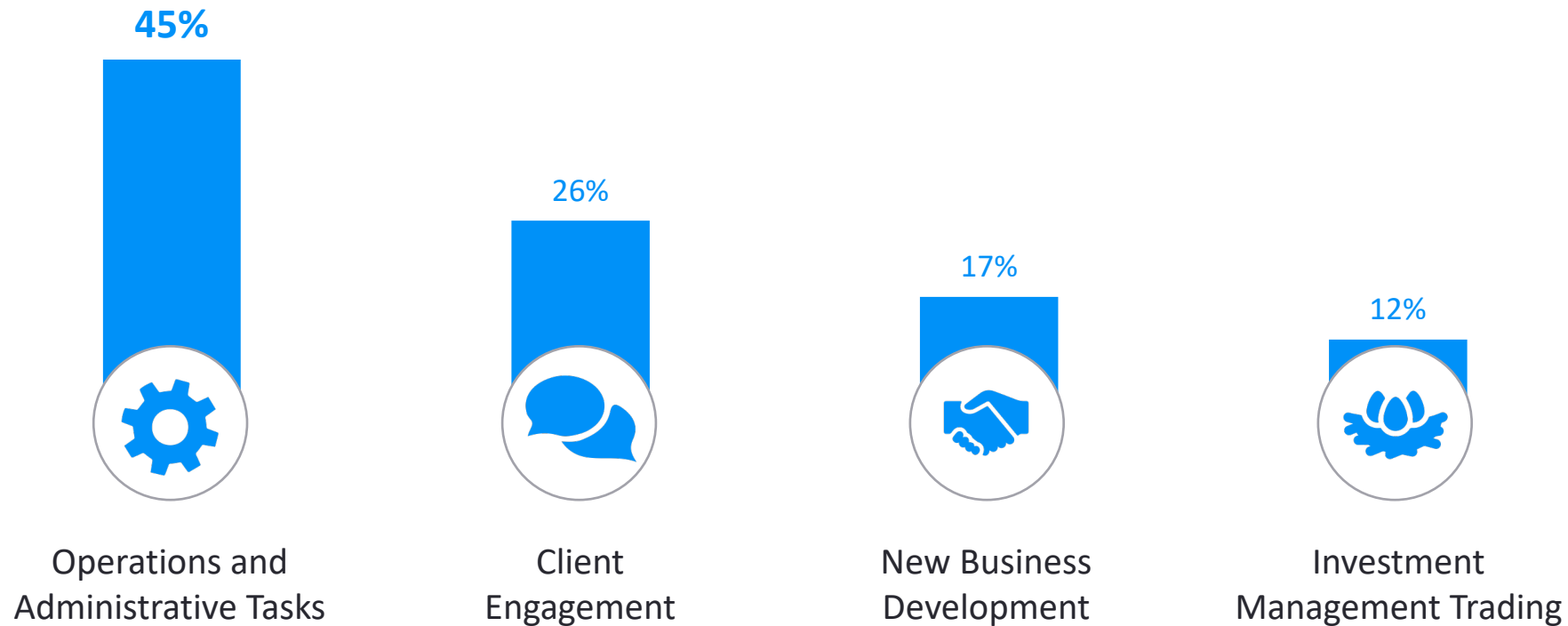


16%

New Business  
Development

# Technology could help give advisors time back, especially with operations and administration

WHERE TECHNOLOGY COULD SAVE THEM THE MOST TIME

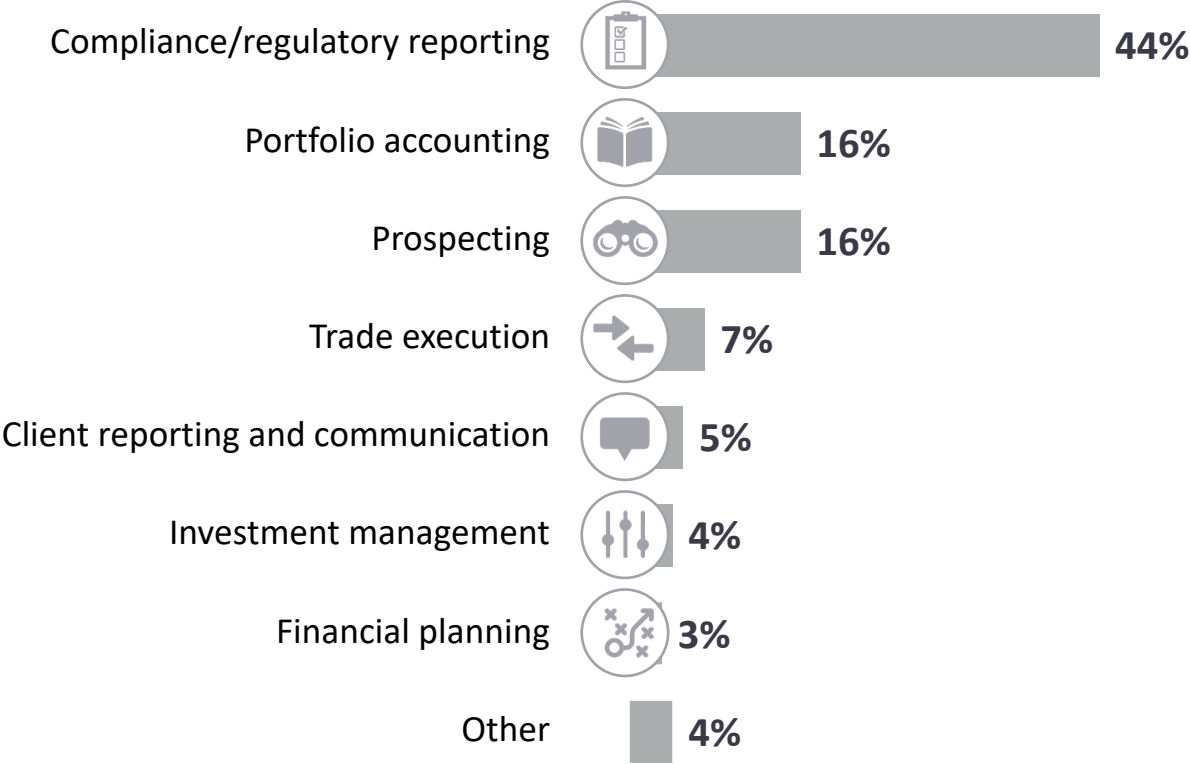


Q4. Where could technology save you the most time?



# Compliance and regulatory reporting is the top area advisors would prefer to not spend any time

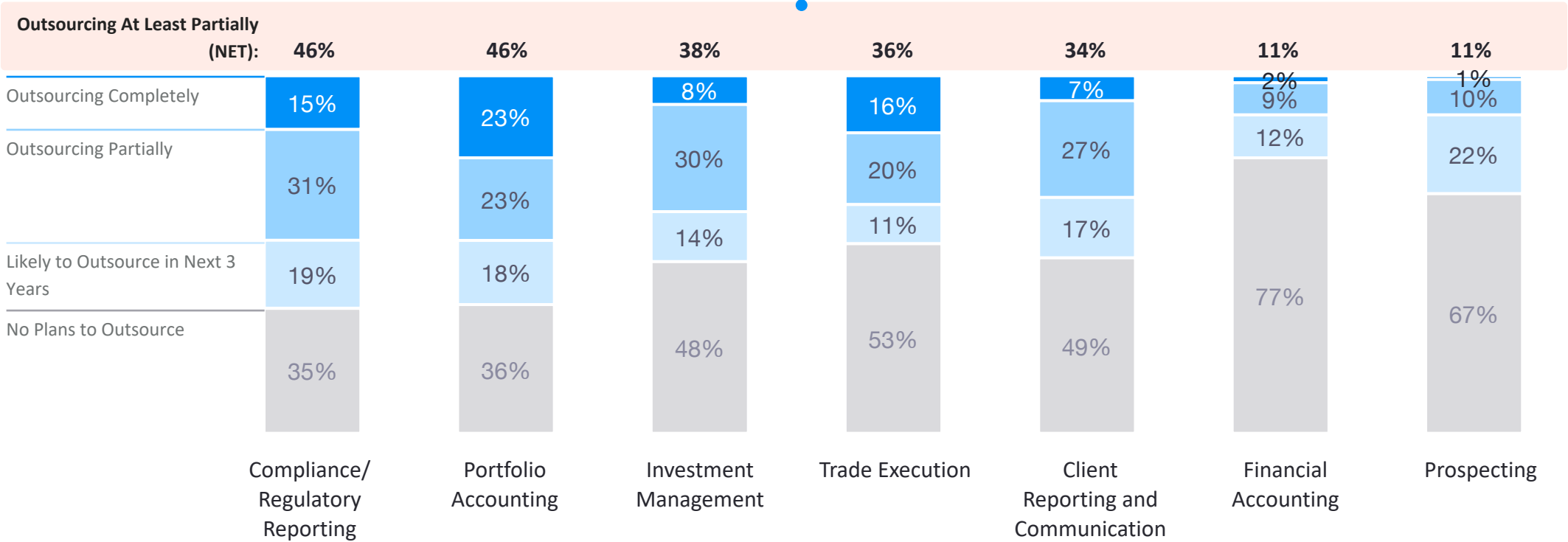
## TASKS PREFER TO NOT SPEND TIME ON



# Advisors are using outsourcing to help take tasks off their plate and plan to continue to do so

## OUTSOURCING BY TASK

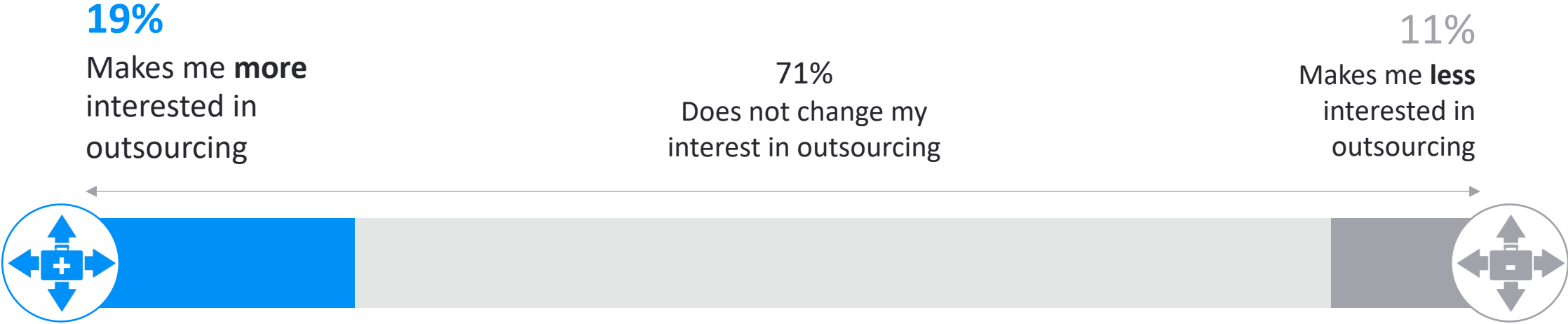
On average, firms expect investment in outsourcing to grow by 4%.



Q10. Which of the following tasks do you outsource, if any?  
 Q20. Thinking about your overall firm's investment in outsourcing in 2024, do you expect it will...?

# One fifth of advisors say that market volatility makes them more interested in outsourcing portfolio management

## AFFECT OF MARKET VOLATILITY ON OUTSOURCING PORTFOLIO MANAGEMENT



Q11. How does market volatility impact your interest in outsourcing portfolio management for your firm?

# Appendix

# Firmographic Snapshot



## ADVISOR AGE

52

Years old (mean)

3%

18-39

64%

30-59

30%

60+



## # OF EMPLOYEES

24

Mean

4

Median



## ROLE

Principal 51%

Portfolio Manager 12%

Chief Operating Officer 6%

Operations Staff 5%

Compliance/Risk Management 1%

Other 22%



## ASSETS UNDER MANAGEMENT

\$328M

Mean

\$175M

Median



## YEARS AT FIRM

8

Years at firm (mean)

41%

10 years or less

58%

Over 10 years