
A well-financed Seattle start-up aims to spread cheap financial advice

By Editor Test *Wed, Mar 28, 2012*

"We envision a world where old school financial advisers are obsolete, except for the very wealthy," said Bo Lu, co-founder of FutureAdvisor.

[FutureAdvisor](#), a Seattle company started by young computer whizzes, has begun offering a free online financial service with the same name, that will help investors "reduce fees, maximize on tax efficiency and select the right investments," the company said in a release.

The founding team includes financial industry veterans, software engineers from Microsoft and several math PhDs. Based in Seattle and a Y Combinator funded company, FutureAdvisor is backed by Sequoia Capital and angel investors Keith Rabois, chief operating officer of Square, and Jeremy Stoppelman, founder of Yelp.

"We started with the vision that high quality advice should be available to everyone," co-founder Bo Lu told *RIJ*. "If you don't already have wealth accumulated, it's hard to get high quality advice. When I started looking for advisors for my friends, I found either fee-based advisors, who took one percent of the assets and wanted at least \$500,000 in investments, or brokers who tried to sell them annuities or life insurance.

"After helping our friends with their finances, we created FutureAdvisor," he said. "You can think of it as an encoding of the entire body of index-investing knowledge. Our team is half finance people and half engineers. We monetize by having a small percentage of users sign up for our Gold or Platinum Plan. We only make money from one direction. We won't carry advertising.

"Advisors love us, because they see this unmet need as clearly as we do. They're recommending us to the [adult] children of their clients. We built FutureAdvisor with younger people in mind, but we're being used by people across the age spectrum." Lu estimates that, in a country with only about 250,000 advisors, a lot of people won't be able to get personal financial advice.

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FutureAdvisor's release said that its online service includes:

- *Free basic automated service, with optional upgrades.* The services that require no human intervention are free. Optional Gold and Platinum plans, priced at \$49 and \$195 a year, respectively, allow clients to schedule consultations with live financial advisers.
- *Help with allocation.* FutureAdvisor provides recommendations for future investment selections based on age, risk tolerance as well as current portfolio mix.
- *Tips on re-balancing.* FutureAdvisor reminds its clients to rebalance regularly.
- *Advice on saving.* FutureAdvisor tells clients how much they need to save per year to stay on track toward their retirement goals and calculates how much they need to save overall to retire

comfortably.

- *An objective viewpoint.* FutureAdvisor translates proven investment principles into a web application that “everyone can understand, without being swayed by human emotions.”

The Gold Plan includes 24/7 portfolio monitoring, coupled with rebalancing alerts and an annual scheduled video call with an on-staff adviser. The Platinum Plan provides a face-to-face connection of a real-life adviser and includes everything from the Gold Plan plus unlimited video calls with an investment adviser. FutureAdvisor is launching with a promotion whereby people who refer three others to FutureAdvisor receive the Gold Plan free.

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