
Charles Schwab offers hybrid-robo with \$25k minimum

By Editorial Staff Thu, Dec 15, 2016

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Charles Schwab has launched Schwab Intelligent Advisory, a hybrid, low-cost financial and investment planning advisory service that combines live licensed Certified Financial Planners (CFP) and algorithm-driven technology. The service is expected to launch in the first half of 2017.

The service, according to a Schwab news release this week, is designed for “an emerging or mass affluent investor focused on keeping costs low who doesn’t have a highly complex financial situation.” There will be a \$25,000 investment minimum.

New clients will complete a self-guided online planning tool focused on their specific financial situation and goals including both Schwab and non-Schwab accounts, followed by a one-to-one conversation with a credentialed Planning Consultant.

Clients will have access via phone or videoconference to a team of CFPs who can answer questions and make recommendations about financial goals and saving targets, retirement planning, college savings, long-term care planning, and budgeting. Check-ins with CFPs will typically occur annually, but clients also have access to live 24/7 service support via phone, chat, and email.

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Investors will have access to up to 20 globally diversified asset classes in each portfolio including equities, fixed income, real estate, commodities, and an FDIC-insured cash allocation to manage volatility and risk. Clients can activate automated tax-loss harvesting for each account starting at \$50,000.

Advisory fees under Schwab Intelligent Advisory are 0.28% of a client’s managed assets with a \$900 quarterly fee maximum. The service will charge no trading commissions or account service fees. The weighted average operating expense ratios for the portfolios currently range from 0.08% for a conservative portfolio, 0.19% for a moderate portfolio, and

0.24% for an aggressive portfolio.

Every aspect of the service is designed to be paperless, to allow desktop and mobile access, and to allow automated account funding on a recurring basis, as well as fund accounts using mobile check deposit.

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