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## **RIAs recognize “robo-advisers” as threats: Scottrade**

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By Editorial Staff    *Thu, Oct 2, 2014*

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*Many registered investment advisers say robo-advice will put downward pressure on fees, force RIAs to appeal to younger investors, and cause investors to “expect newer ways of interacting with advisers.”*

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A large majority (88%) of RIAs believe that “robo-advising” will transform the financial advice and wealth management industries, according to a new survey by Scottrade Advisor Services.

Of those 88%, nearly 60% say robo-advice will put downward pressure on fees, nearly half believe it will force RIAs to appeal to younger investors, and 46% believe investors will “expect newer ways of interacting with advisers.”

Robo-advising was defined as online services that use analytical tools to create financial plans or investment portfolios for investors.

But two out of every three RIAs polled said these online tools lack obvious benefits. Eighty percent believed the “lack of human interaction” is the biggest issue for robo-advisors, while 46% said they lack “knowledge transfer” and 46% said they lack “service.”

When asked about the benefits of working with a financial advisor, 95% percent of the respondents said “investors would say their advisor has their best interests at heart,” followed by “clients reach their financial goals” at 84%.

The Scottrade RIA Study polled 224 registered investment advisers in a proprietary online survey from May 30 to June 30, 2014. ScottradeAdvisor Services is a unit of brokerage Scottrade, Inc.

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