
Young guns want to eat your lunch

By Editor Test Wed, Aug 29, 2012

Seattle-based FutureAdvisor just raised \$5 million in new venture capital. The high-tech startup already ‘analyzes’ \$4 billion in client assets and claims to offer guidance to 11 million 401(k) participants.

Don’t look now, but a group of former MicroSoft techies and math geeks want to take over the mass-affluent financial advice market.

FutureAdvisor, the “online investment advisor for the everyday investor,” has raised \$5 million in Series A funding from Sequoia Capital, according to the company.

The firm now analyzes—but does not manage—\$4 billion in assets and claims to save its users, including 11 million 401(k) participants, a combined \$50 million over a lifetime.

The young firm, which RIJ first [wrote](#) about last March, has just launched what it calls the industry’s first personalized 401(k) fee analysis and recommendation features, designed to help people save on fees in their 401(k) portfolios. This feature can be found at www.futureadvisor.com/401k.

“FutureAdvisor promises to democratize access to financial advice, save consumers thousands of dollars on annual fees, and enable customers to retire more comfortably,” said Warren Hogarth, a partner at Sequoia Capital, in a release.

Sequoia Capital has invested an additional \$5 million in FutureAdvisor, completing its Series A round. The founding team includes financial industry veterans, top software engineers from Microsoft and math PhDs from top universities. In addition, FutureAdvisor is backed by angel investors, Square’s Chief Operating Officer, Keith Rabois and Yelp founder Jeremy Stoppelman.

A company release said, “Built on research-backed algorithms, FutureAdvisor’s free Web service gives everyday investors personalized recommendations to reduce fees, maximize tax efficiency, and select the right assets in their portfolios. Unlike traditional advisers, FutureAdvisor is free and requires no minimum assets. The founding team includes financial industry veterans, top software engineers from Microsoft and several math PhDs from top universities.”

© 2012 RIJ Publishing LLC. All rights reserved.