

# The 2024 WealthStack Study

Technology and the Growth of  
Wealth Management Firms

Produced by:

**WealthStack** | Part of  
WealthManagement  
**EDGE**

Wealth  
Management 

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# Introduction and Highlights

Two years ago, WealthManagement.com inaugurated a survey of advisors, c-suite executives and others across the industry to better understand wealth managers' views on technology. The survey was intended to set a benchmark for ongoing research, the results of which would reveal how those views change over time.

The results of that survey indicated that firms generally describe their approach to technology in one of three ways. One group consisted of firms that invest in technology to differentiate themselves in the market and provide the best possible customer experience. That group was labeled "Innovators." A second group invests in technology largely to improve operations and increase internal efficiency. Those are the "Operators." Finally, there were firms that said they did not prioritize technology or leverage it effectively. That group was labeled "Laggards."

Using the same questions in 2023, the survey again asked firms for a self-description, enabling results about technology usage, budgets, personnel, return on investment, and plans for the future to be presented for each self-defined group. That enabled firms in each group to compare themselves to other groups as well as to all advisors in a way that indicated trends or patterns.

The results of this year's research, in response to the same questions asked in all three surveys, offer unique insights into how advisor and firm attitudes and practices vis-à-vis technology have changed — or haven't.

## The following are some of the highlights of this year's research:



57%

Firms describing themselves as Operators — those that invest in technology largely to improve operations and internal efficiency — still account for more than half of respondents (57%). Innovators, who invest to differentiate themselves from the competition and to enhance the client experience, account for a third. Laggards, who don't prioritize technology or leverage it effectively, account for 10% of respondents, down slightly from 12% last year and 13% in 2022.



44%

Satisfaction with technology has increased substantially, with the percentage of all respondents saying they are very satisfied rising to 44% from 37% last year, and those saying they are dissatisfied dropping from 8% to 4%.



79%

Respondents were even more likely to predict an increase in the coming year's technology budget (79%) than were respondents in the 2023 study (68%).



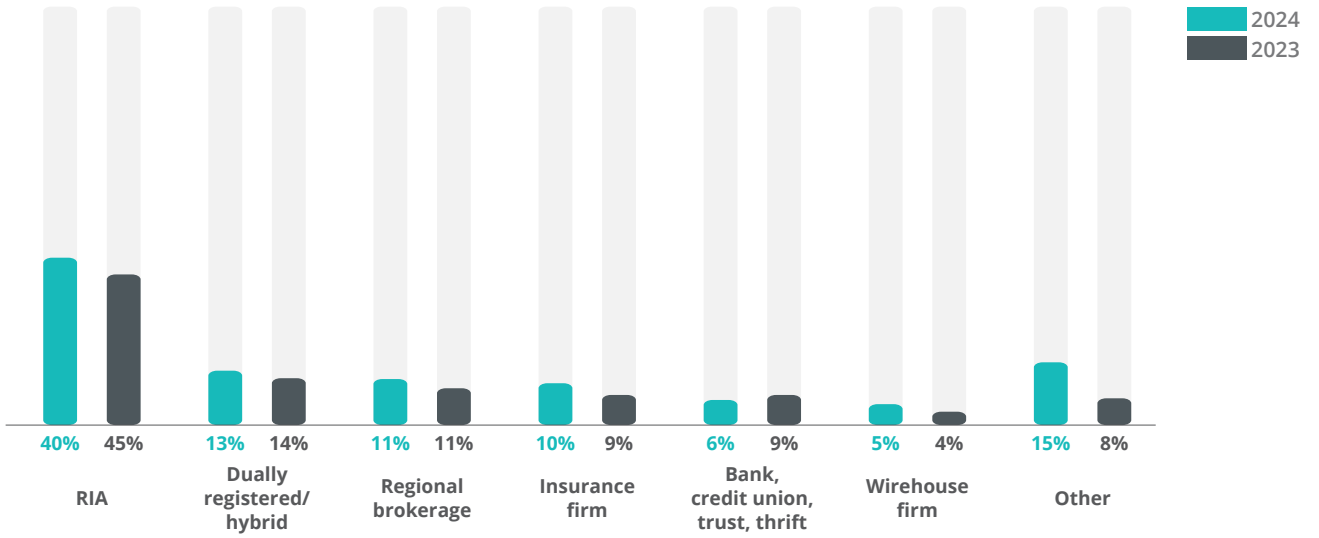
75%

When asked to identify three technology areas that will have the greatest impact on the wealth management industry in the next five years, 75% of respondents noted artificial intelligence, 52% said regulatory compliance and cybersecurity solutions, 25% said access to centralized data, 22% said consolidation via mergers and acquisitions, and 19% noted blockchain.

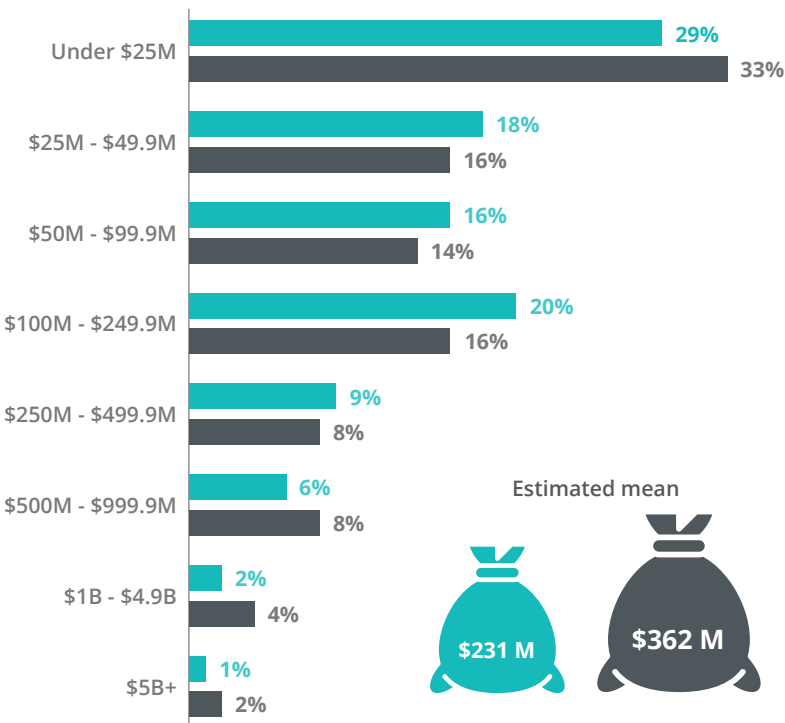


# Respondents at a Glance

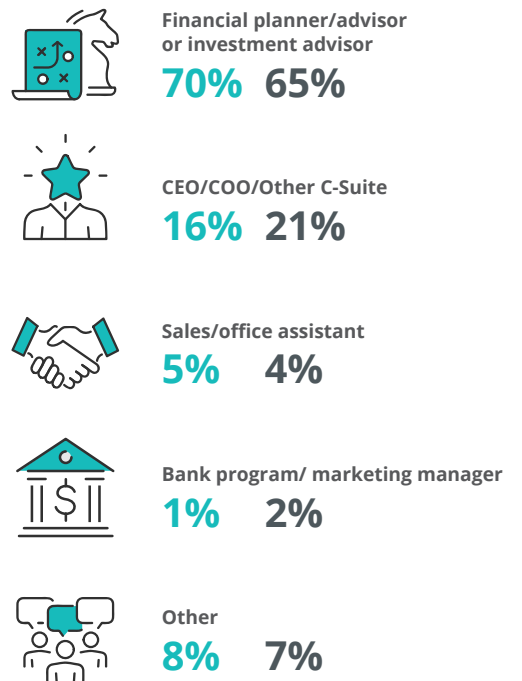
## Firm Type



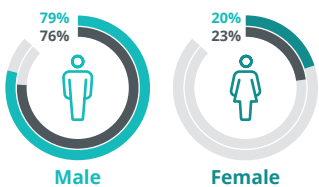
## Total Assets Personally Managed



## Primary Role

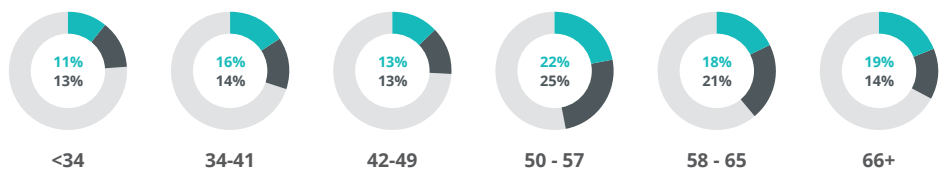


## Respondent Gender



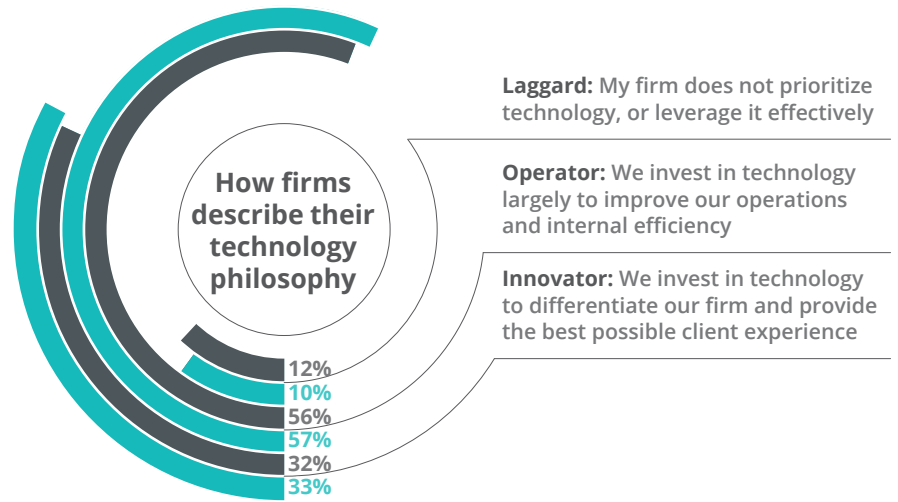
Prefer not to answer 2024 1% 2023 1%

## Respondent Age

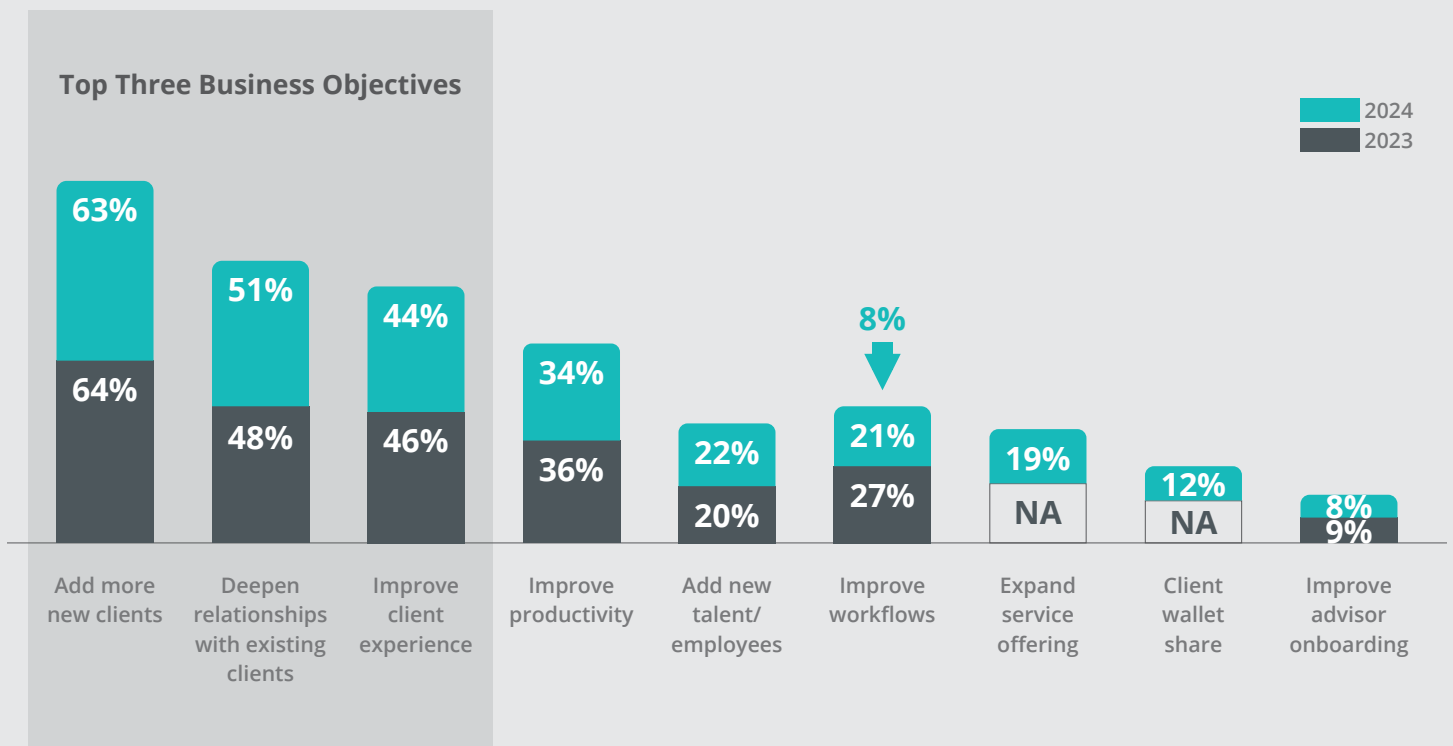


# Philosophy, Goals and Objectives

As in previous WealthStack surveys, respondents this year were asked to identify their firm's philosophy or approach to technology. The past three years have seen subtle shifts in responses, with self-described Innovators increasing from 28% to 33% of respondents. A majority of respondents, now 57%, down two percentage points since the first survey, continue to describe themselves as Operators. Respondents whose firms don't prioritize technology, the group we have labeled Laggards, has continually declined — from 13% of respondents in the first survey to 10% this year.



Over the course of the three surveys, respondents have remained consistent in their choice of top-three business objectives for the coming year: adding more clients, deepening relationships with existing clients, and improving the client experience.



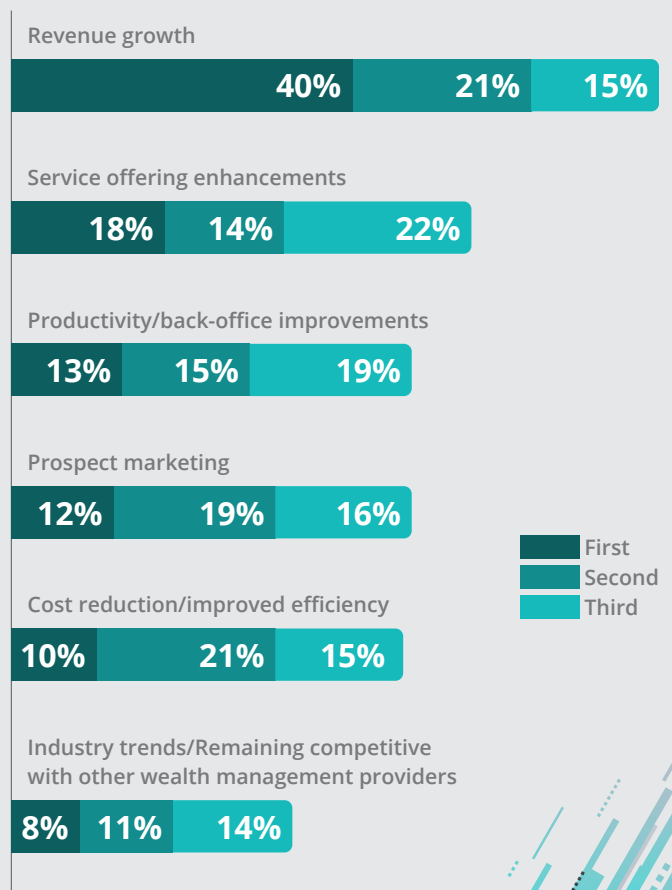


This year, other objectives cited were improving productivity (34%), adding new talent/employees (22%), improving workflows (21%), expanding service offerings (19%), and expanding client wallet share (12%). Innovators, Operators and Laggards expressed similar views regarding their objectives with the biggest differences being that Innovators and Operators expressed a wider range of top business objectives for the coming year in comparison to Laggards, who more heavily concentrated on the top-three.

Ranking first in importance when respondents evaluate their firm's business technology needs is revenue growth, cited by 40% of respondents. The most popular second-ranked consideration was a tie, at 21%, for revenue growth and cost reduction/improved efficiency. Revenue growth is a bigger consideration among Laggards and Operators than among Innovators, who place greater emphasis on service offering enhancements.

When asked about their primary objectives for investing in technology, the order of respondents' objectives remained consistent with earlier surveys. What is different, however, is that preferences are now more evenly distributed across the broad array of responses. For example, efficiency/cost reduction remains the top aim when investing in technology, cited by 64% of respondents, followed by client acquisition and retention (48%), and expanding service offerings (46%). Last year, however, that trio was cited by 73%, 57% and 54% of respondents, respectively.

## Ranked Considerations in Evaluating Technology Needs



# Using Technology

Mirroring their categorization of their firm as either an Innovator, Operator or Laggard, respondents offered their assessments of how their firm rates as a technology user.

Among those working at Innovator firms, 82% of respondents gave their firm either an “A”, saying it embraces technology and maximizes its technology investments, or a “B”, agreeing that it is committed to technology and uses it effectively. That level of support is down somewhat from the 86% of respondents who gave their firm a top grade in 2023.

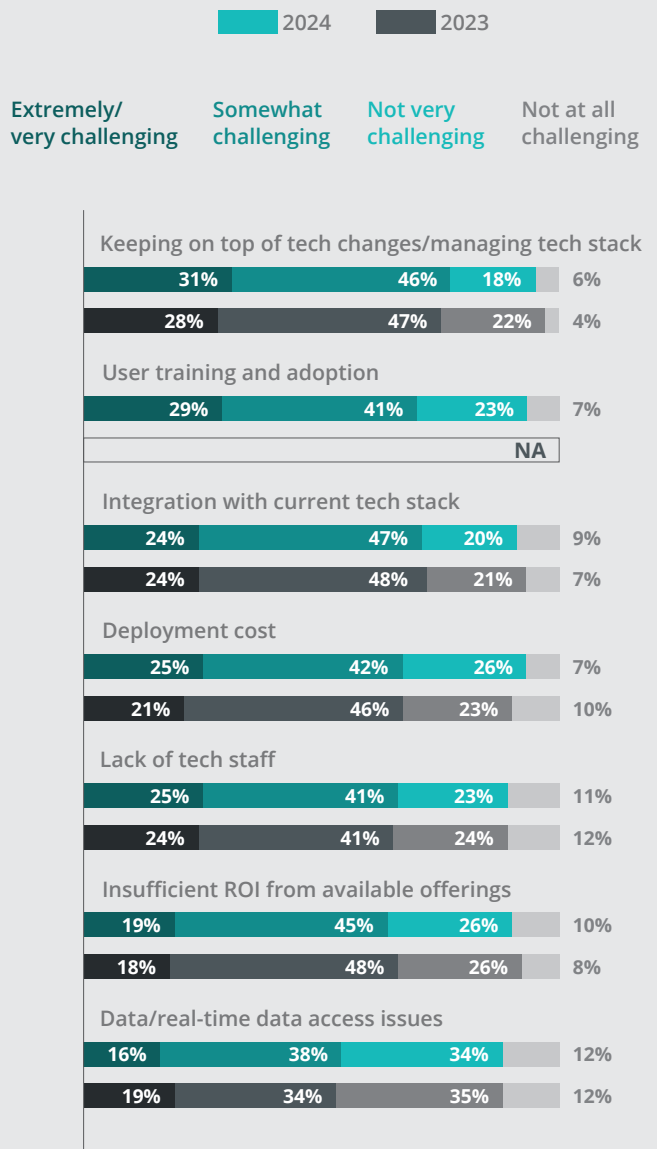
Operators, however, feel more positive about their firm’s technology use this year. More than half — 52% — gave their firm an “A” or a “B”, compared with 46% who felt that way in 2023.

As they did last year, just 5% of those at Laggards gave their firm a top grade as a technology user.

The perceived importance of technology in a firm’s ability to grow over the next five years remained largely stable over time. Predictably, the more technologically advanced the firm, the greater the perceived importance. Among Innovators, for example, 89% said technology was either critical or very important for growth, while 71% of Operators and 69% of Laggards expressed a similar opinion.

Respondents were also asked about the extent to which several technology-related considerations represented challenges for their firm. The challenges posed by technology-related considerations have remained stable over time, but the 2024 addition of “user training and adoption” as a consideration emerged as a key challenge.

## Challenges Posed by Technology-Related Considerations

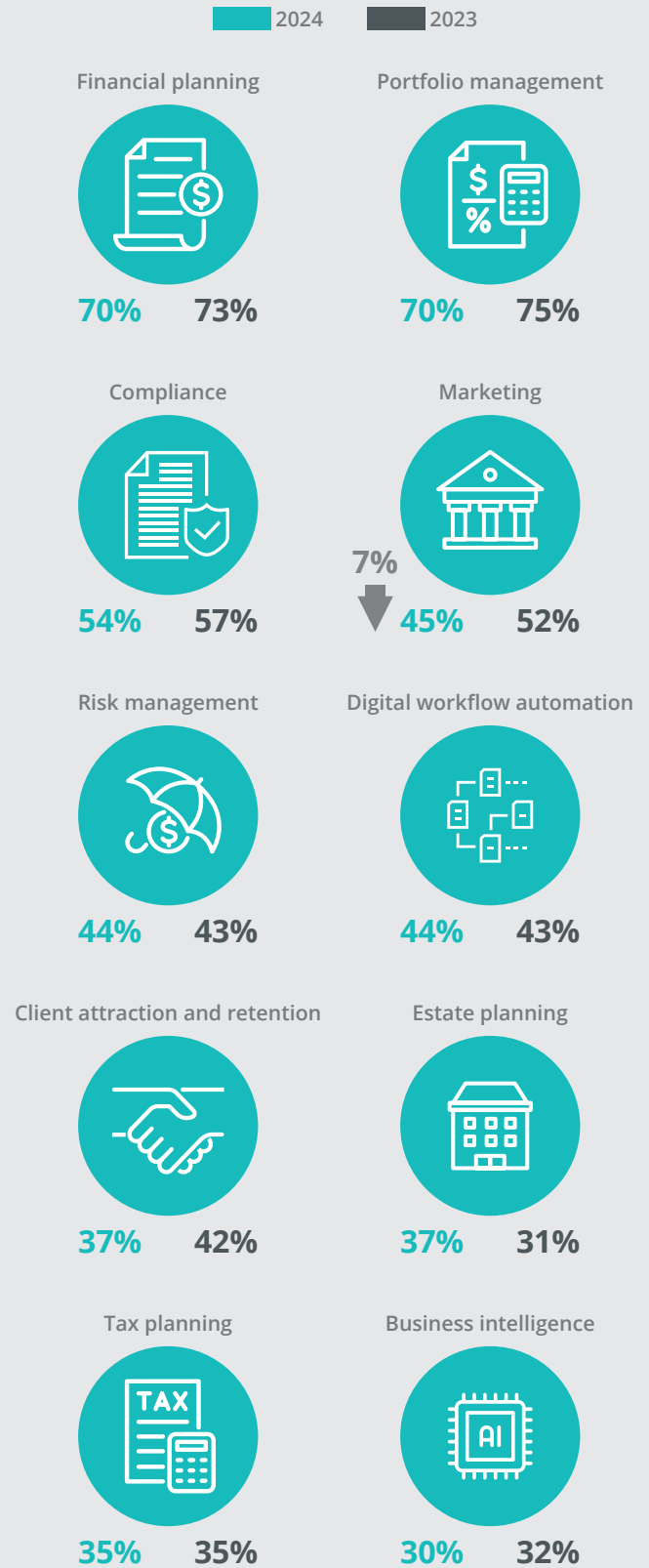


When asked about the business areas their technology supports, respondents in both 2024 and 2023 were most likely to use technology tools to support financial planning and portfolio management, followed by compliance. The only significant differences in responses over the two years was a decline in the use of marketing and client retention-related tech tools and a modest uptick in estate planning technology.

Business intelligence software, which is being used by 30% of respondents, typically provides information about revenue per client, revenue per producing advisor, AUM per client, AUM per advisor, and client profitability.

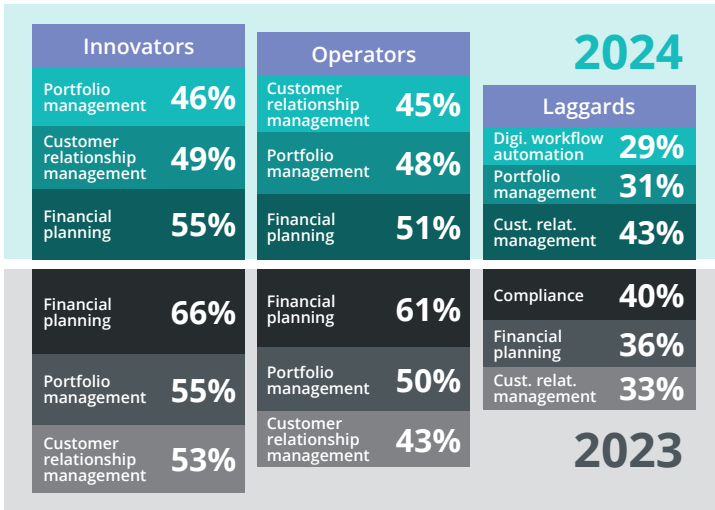


## Business Areas Supported Using Technology Tools

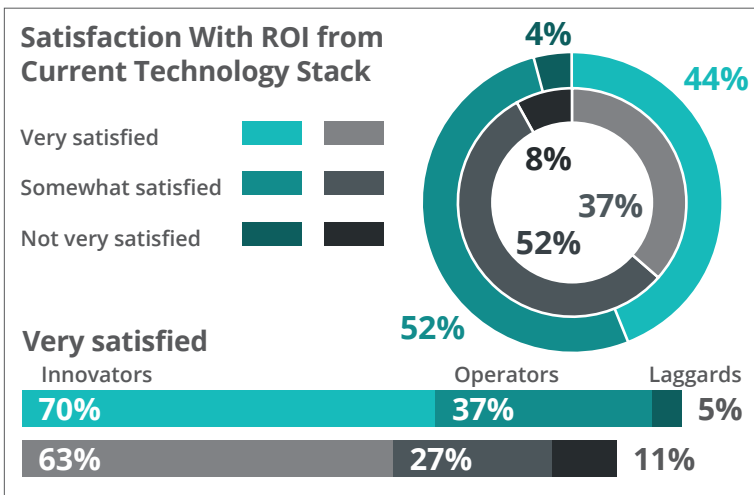


# Delivering Value

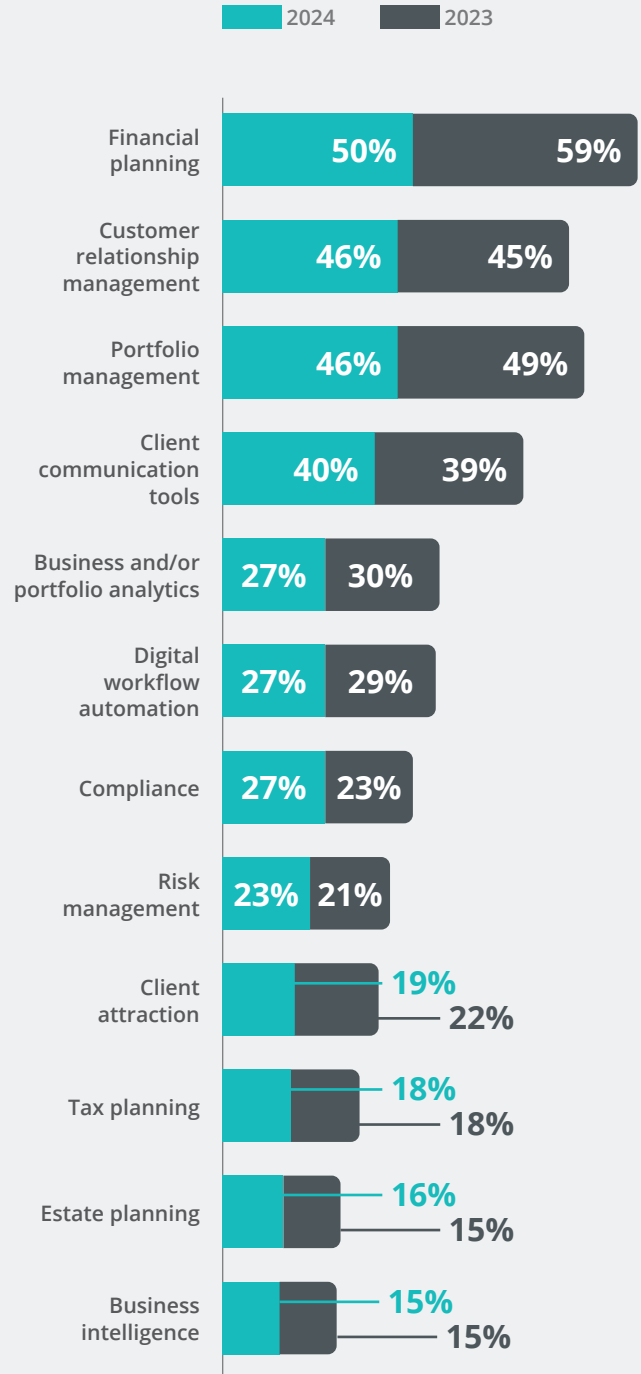
Which technology solutions really deliver value? Those seen as providing the best return on investment (ROI) have remained consistent over time: financial planning, portfolio management, customer relationship management (CRM), and client communication tools.



This year, the order of the top three changed somewhat, with financial planning solutions still considered to offer the best ROI, but by fewer respondents — 50%, versus 59% last year. Tied for second place at 46% were CRM and portfolio management, with the latter declining from a clear second-place spot at 49% in 2023. Only among Laggards did the top-three choices for delivering the best ROI deviate from those of respondents generally. Laggards differ in another way. Unlike Innovators or Operators, whose satisfaction with the overall ROI from their current tech stack has increased somewhat over time, Laggards have become less satisfied with their tech ROI.



## Technology Solutions Delivering the Best ROI

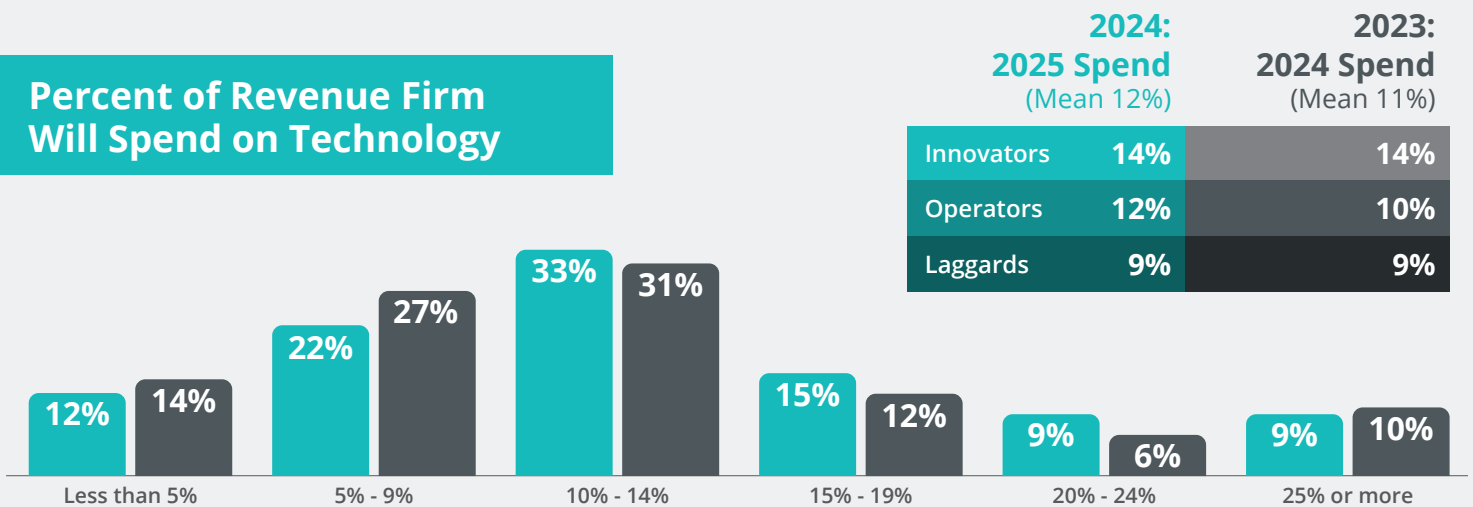


# Looking Ahead

As in the 2023 survey, the vast majority of 2024 respondents (91%) plan to adopt new technology in the next year. Despite slight variations over time, no significant differences emerged in the software they plan to add. The most popular additions this year involve cybersecurity (34%), client attraction (33%), digital workflow automation (29%), business and/or portfolio analytics (26%), and financial planning (26%).

Similarly, little difference emerged in the percentage of revenue that firms will spend on technology in the coming year. The largest single percentage of respondents, 33%, said their firm would spend 10% to 15% more on technology in 2025. Regarding the coming year's technology budget, respondents were even more likely to predict an increase (79%) than were those in the 2023 study (68%).

## Percent of Revenue Firm Will Spend on Technology



	2024: 2025 Spend (Mean 12%)	2023: 2024 Spend (Mean 11%)
Innovators	14%	14%
Operators	12%	10%
Laggards	9%	9%





In the area of human resources devoted to technology, in both this year and last, 61% of respondents said they expect their tech support staff headcount to remain flat in the coming year, with roughly a quarter saying it would increase. Roughly one-third of respondents in the 2024 and 2023 surveys said they do not employ any full-time tech staff, while 29% said their firm employs a full-time in-house tech staff. The remainder either employ or plan to a full-time, part-time, staff or contract tech support staff.

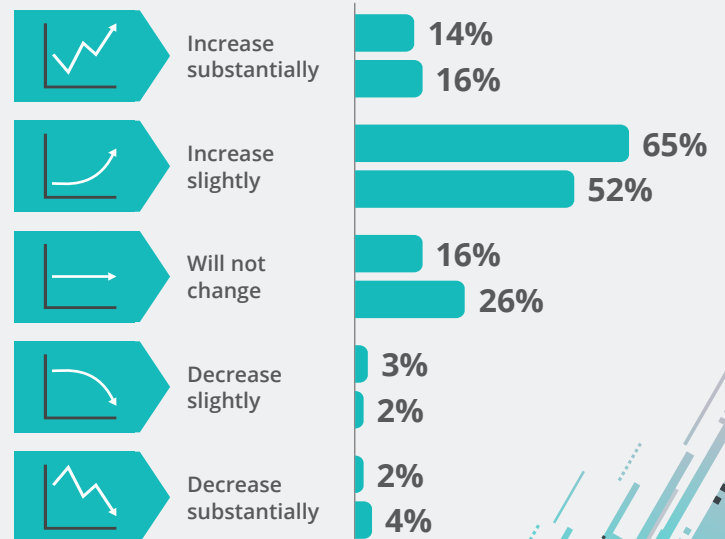
Over the next five years, 75% of respondents say that artificial intelligence (AI) will be the technology trend with the biggest impact on the wealth management industry, down from 82% in 2023. Another 52% say the greatest impact will come from regulatory compliance and cybersecurity solutions, 25% from access to centralized data, 22% as a result of consolidation via M&A, and 19% saying it will be the blockchain.

## Change in Firm's Technology Budget in Coming Year

**2024:**  
**2025 Change**  
(NET Increase 79%)

**2023:**  
**2024 Change**  
(NET Increase 68%)

Innovators	82%	77%
Operators	79%	64%
Laggards	62%	84%





# Lessons of the Innovators

The one-third of firms that invest in technology to differentiate themselves and provide the best possible client experience — firms we have labeled “Innovators” — seem to have found ways to maximize the benefits of technology. Depending on other firms’ resources and motivation, the following are some lessons that may be gleaned from the experiences of Innovators:



## Reaping the rewards of technology requires a commitment of resources.

Innovators tend to invest more in technology on an on-going basis than other firms. They also invest in people who understand technology and can support firmwide efforts.



## Process-improvement delivers on technology’s promise.

Technology can greatly enhance efficiency by reducing costs, time, and errors in firm operations. But those improvements can only happen if all firm members are willing to take a new, step-by-step look at how the work of a firm gets done and then be willing to restructure and tackle that work in a new way with the help of technology.



## Technology requires becoming comfortable with the unfamiliar.

New technologies and new approaches to doing a familiar job often seem peculiar or unnecessary at first. But overcoming that discomfort often has benefits. Having a mindset open to understanding and perhaps adopting new technologies can help make a wealth management firm a leader rather than a left-behind.



## Dare to be different.

From the perspective of many potential clients, most wealth management firms or practices seem very similar — if not indistinguishable. Technology can help a firm stand out. Whether through its support of marketing, customer service, investment functions or customer service, technology enables firms to focus on their unique value proposition and deliver a high level of customer service. Whatever specialty niche a firm wishes to occupy, technology can help wealth managers dominate that niche and build a growing business no longer bound by geography or traditional media cost constraints.

# Research Methodology

Methodology, data collection and analysis by WealthManagement.com. Methodology conforms to accepted marketing research methods, practices and procedures.

Beginning on June 12, 2024, WealthManagement.com emailed invitations to participate in an online survey to active users. By July 16, 2024, WealthManagement.com had received 416 completed responses. Surveys conducted in August-September 2023 and October-November 2022 yielded 371 and 409 completed responses, respectively.

To encourage prompt response and increase the response rate overall, email invitations and survey materials were branded with the WealthManagement.com name and logo to capitalize on user affinity for this valued brand.

The first 200 respondents to the most recent survey were afforded the opportunity to receive a \$10 Starbucks gift card as a token of appreciation for their participation in the survey.



## About SS&C Black Diamond Wealth Platform



The SS&C Black Diamond® Wealth Platform is at the heart of SS&C's wealth management offerings. An award-winning, cloud-native solution, Black Diamond is designed to meet the complex business needs of wealth management professionals and their clients. Complete with performance reporting, portfolio rebalancing, a purpose-built CRM, an immersive client portal, and more, the platform also connects to a vast ecosystem of smart integrations. Proactive, personalized attention from a dedicated service team ensures advisors receive access to an elite combination of technology and service.

Financial management firms of all sizes and structures leverage Black Diamond's flexibility, infrastructure, and power to streamline operations, deliver business insights, and connect with both prospects and clients to build long-lasting relationships.

# About WMIQ

Wealth Management IQ is a dedicated division of Informa Connect that provides research, content creation and marketing services to the wealth and asset management communities.

**WMIQ has a truly unique combination of:**

- Deep research and analytical capabilities
- Extensive knowledge of the financial advice industry
- Content strategy and direct distribution to over 400K wealth management professionals

**Our mission** is to educate and inform financial advisors with our research content — and provide the companies that support and empower them with unparalleled access, intelligence and understanding of the wealth management market.

Through the audiences of **WealthManagement.com**, Trust & Estates and WMRE, WMIQ has the ability to tap into some of the most influential communities of financial advisors to conduct targeted surveys, focus groups and one-to-one interviews to inform our research projects. Our audiences of RIAs, IBDs and wirehouse advisors — and their affinity for our brands — positions WMIQ to access more engaged advisors than any other industry research provider. This reach across the entire wealth management ecosystem is a unique differentiator of WMIQ — and allows us to discover the true drivers of change, behaviors and influence throughout the industry.

