

2024 Connected Wealth Report:

AI & the Next-Gen Advisor

A survey of 300 next-gen financial advisors that explores their perspectives on AI and its impact on the wealth management industry.

Welcome

In virtually every industry, curiosity and concern have permeated the discourse around Artificial Intelligence (AI) and its impact on companies and career paths—and wealth management is no exception.

As part of our ongoing research for the *Connected Wealth Report* series, we conducted a survey of 300 financial advisors to gauge their views on various AI-related themes, including their current use of AI in client interactions, the need for specific AI regulations, and whether AI is seen as a positive or negative force in wealth management.

To some extent, humans have always feared being displaced by technology. The so-called lump of labor fallacy has been well documented—yet there are more jobs today than ever in human existence. Yes, jobs will shift over time based on advancements like AI, but new ones will be created. I think of the job market as a pie that is not a fixed size; AI will help grow the pie, not shrink it. Based on the results of our survey, many advisors agree with that assessment.

Even as more of us learn to trust AI, these technologies will require human tuning and configuration; think of these technologies as “co-pilots.” For example, if you are an advisor using ChatGPT or Bard, it is unlikely that you would have it compose communications that are sent to your clients without your close review. While advanced use cases are still emerging, we expect AI to continue to grow and become more commonplace at the advisor level.

Aside from advisor oversight, regulators also have some work to do. As has been the case before in the financial services industry, regulatory bodies that govern broker-dealers and RIAs are consistently late to the party. It is reasonable to expect that forthcoming regulations will impact how advisors operate and use AI to serve clients.

Ultimately, this report offers an early and important glimpse into the desires and expectations of next-gen advisors, and posits some thought-provoking and sometimes unexpected findings about how AI should be integrated into the technological infrastructure of their firms.



Sincerely,

Darren Tedesco
President, Advisor360°

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Research concept

Advisor360° surveyed 300 financial advisors and executives at enterprise wealth management firms in the U.S. to get their perspective on the impact that AI has on their business. These questions were fielded as part of a larger telephone- and email-based survey conducted during September and October 2023 of financial advisors and wealth executives, approximately 37 years old on average, at firms with an average of approximately \$9 billion in assets under management and more than 1,000 employees.

The survey was conducted by Coleman Parkes Research on behalf of Advisor360°. Advisor360° and Coleman Parkes are separate and unaffiliated organizations.

About the respondents

Figure 0.1

JOB ROLE



- Advisor
- Executive (e.g. Head of Wealth Management, etc.)
- Trust Officer

Average assets under management:

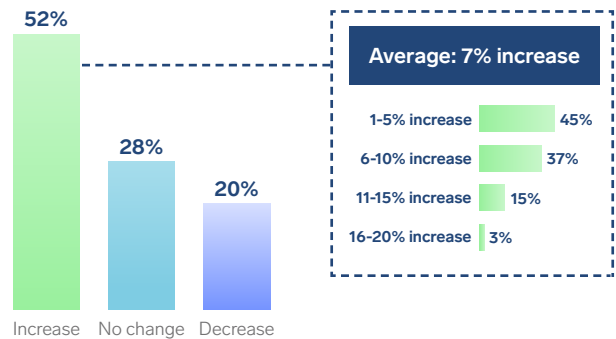
\$40 million

Average age of respondents:

36 years, 7 months

CHANGE IN NEW CLIENT ASSETS

Thinking about your own book of business, what was the percentage change in your inflow of new client assets under management in the last financial year?

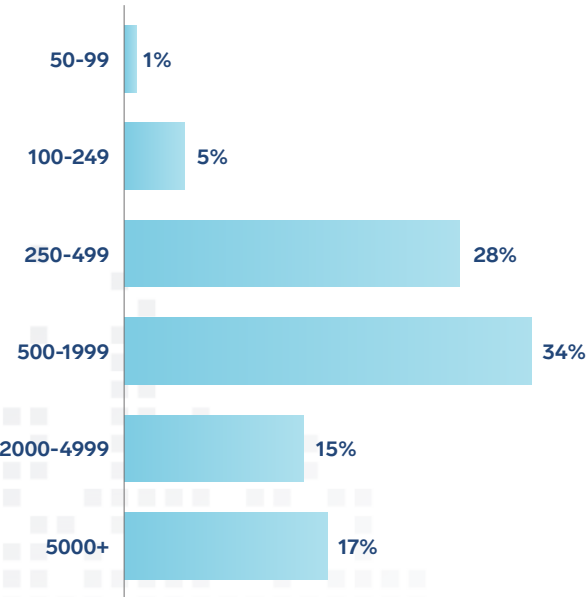


About their firms

Figure 0.2

NUMBER OF ADVISORS EMPLOYED

How many advisors are employed at your broker-dealer/RIA/bank overall (not just in your individual office)?



VALUE OF FIRMWIDE ASSETS UNDER MANAGEMENT

What is the total value of assets under management at your firm?

