

Robo-Advisor Unit Economics

(Per \$100K AUM Account)

REVENUE

Management fee (0.25%)	\$250/year
Premium tier (if)	+\$100-200
Cash sweep interest	+\$50-100

Total: \$300-450/year

COSTS

Customer acquisition	\$150-300
Tech infrastructure	\$30-50
Compliance/regulatory	\$20-30
Customer support	\$20-40
Year 1: \$220-420	

PROFITABILITY

Year 1:	Break-even to loss
Year 2:	Marginally profitable
Year 3+:	\$150-250/year profit
LTV:CAC:	3-5x (target)

Key Insight: Profitability requires scale (\$50B+ AUM) and customer retention (5+ years)
Average account size matters: 5Kaccount = unprofitable|100K+ = profitable