

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
Year 1: \$220-420 **\$20-40**

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: $5K\text{account} = \text{unprofitable}$ | $100K+ = \text{profitable}$