2023 T3/Inside Information Software Survey

By Joel Bruckenstein, CFP®, and Bob Veres
2023 T3/Inside Information Software Survey

By Joel Bruckenstein, CFP®, and Bob Veres

Editor’s note: This is an edited excerpt from the “2023 T3/Inside Information Software Survey Report.” Reprinted with permission from the authors.

The goal of the annual T3/Inside Information Software Survey is, and has always been, to help advisors and members of the fintech community answer their most basic and important questions about technology in the financial advisory space. What are the different categories of fintech solutions and the competing solutions in each category? Which are the most popular programs in each category and how much market share does each of them enjoy? What are the average user ratings of each of these solutions?

We also ask about which programs advisory firms are considering for the future as well as other programs that firms are using that we didn’t ask about.

Pulling data from the previous survey, we can also measure which software/solutions are gaining market share and track changes in user satisfaction ratings.

We believe that this data is especially important to the people who make software decisions at advisory firms—the consumers who are charged with creating and maintaining a functional tech stack in an ever-shifting marketplace.

**Methodology**

Every survey is, at best, a snapshot of the recent past. Our 2023 survey collected data from advisory firm participants, anonymously, during December 2022 and January, February, and part of March 2023. The survey resulted in 3,309 complete and valid responses. This is a slight decrease from our 2022 survey, but we believe that it provides us with a broad sampling of virtually every part of the advisor world across all demographic categories with the exception of wirehouse brokers.

**Market penetration.** For the total category market penetration figures, i.e., the percentage of all firms that are using a category’s software or service, we add up every respondent who reported using one or more of the software or solutions in each category and whether they were using one, two, or more. Then we divided that number by the total number of survey respondents, which we believe gives us a good indicator of how many advisory firms are using each category of software or service.

To get the “average category rating” number, we totaled all the category ratings and divided by the number of entrants in each category that achieved more than a 0.5–percent market share overall. This was not a weighted average of the ratings. We believe our methodology offers a better contrast between the average rating and the ratings of any individual program because the firms with the highest ratings stand out. The downside, of course, is that sometimes one or two solutions with a market share between, say, 0.5 percent and 1.0 percent and a low (or high) average rating will pull down (or up) the ratings as a whole.

Some of the firms that are low in market share received some of the survey’s highest average ratings. This data allows advisory firms reading this report to identify less-popular, perhaps up-and-coming solutions that are rated highly by users and include them in their searches. It also helps identify quality software solutions that might
otherwise be overlooked in the marketplace, which we regard as an important function of this survey.

In addition to these analyses, we further examined three software categories: customer relationship management (CRM), financial planning, and portfolio management. Specifically, we looked at the market share data and, separately, average user ratings for the leading solutions broken down by users’ years of experience, firm size, and business models.

Finally, the ratings themselves deserve a word of explanation. We believe that any rating of 7.0 or above represents a high degree of user satisfaction, and any figure above 8.0 should be considered remarkable.

Some readers might find this odd. Isn’t 70 percent merely a passing grade, and 80 percent a low B on normal grading scales?

Our experience with this survey is that a surprising number of advisors are chronically dissatisfied with their software; indeed, some will give a consistent set of 1, 2, or 3 ratings across their entire software stack. Others will never give a grade higher than a 7, even if they are highly satisfied with the software.

When we normalize all the results over all the categories, we find that the most popular programs typically achieve scores of 7.0 or above, and a very few receive scores above 8.0. Our interpretation may look like grading on a curve, but the curve seems to be consistent across the advisor tech landscape.

DEMOGRAPHY OF THE SURVEY PARTICIPANTS

The 2023 T3/Inside Information software survey collected 3,309 valid responses. This is fewer than each of the two previous years but still represents the largest population of survey participants, by several orders of magnitude, of any tech survey in the advisory space. Invitations were sent to the Inside Information and T3 readerships, the AICPA PFP Section membership, and the memberships of the Financial Planning Association, the National Association of Personal Financial Advisors, and the Investments & Wealth Institute.

The key question, year over year, is: How representative is the survey sample of the marketplace at large? Figures 1, 2, and 3 illustrate the demographics of this year’s participants.

Figure 1 shows a breakdown of the size of the firms that the participants represented, ranging from startups and lifestyle practices with less than $500,000 in annual revenues up to firms with more than $8 million in revenues. In 2023, 10.24 percent of the respondents work with the largest firms in the advisor space, and another 13.21 percent are affiliated with firms with $3 million–$8 million in revenues. Another 11.36 percent of the respondents work in firms with revenues of $1.5 million–$3 million and roughly a third fall in the $500,000–$1.5 million range.

Our survey attracted participants of every size firm in the marketplace, with significant representation at each level.

Figure 2 shows that the survey is weighted toward advisors who have more than 20 years of experience (48.75 percent). But a significant cohort of respondents have worked in the business for 11–20 years (25.14 percent), 6–10 years (12.93 percent), and 1–5 years (13.18 percent). Our survey statistics include data from advisors of all experience levels, and where we felt it relevant, we broke down market share based on this information.

Figure 3 shows the business models of the survey participants: Respondents are weighted toward fee-only advisors.
There is obviously a lot of overlap here; indeed, more than one might expect. Nearly a third (29.80 percent) of FPA members are also NAPFA members, and more than half (50.89 percent) of NAPFA members belong to the FPA. Indeed, 6.29 percent of our survey participants belong to three or more organizations. Meanwhile, note that fewer than half of respondents, and, by reasonable extension, less than 50 percent of all advisors, belong to any organization.

**TOTAL MARKET PENETRATION: SELECTED CATEGORIES**

Table 1 ranks the most popular software solutions from highest to lowest, excluding many categories where the total market share was below 25 percent. Our analysis also captured the difference in total advisor adoption from 2022 to 2023 (see table 2).

We doubt any reader will be surprised that the four categories of software most often found in an advisor office are CRM, financial planning, portfolio management, and document processing. Each year we expect that CRM adoption will reach 100 percent, but the data shows a small number of firms are not using the client tracking and office management capabilities that have made CRM the hub of most advisor offices.

We also expect (and hope) that most firms will have adopted financial advisors (NAPFA). We also collected input and data from members of the XY Planning Network (6.08 percent), the AICPA PFP Section (3.37 percent), the Investments & Wealth Institute (2.92 percent), Kingdom Advisors (2.76 percent), the Alliance of Comprehensive Planners (0.92 percent), the Garrett Planning Network (0.52 percent), and the Association of African-American Financial Advisors (0.47 percent).

(55 percent), but significant numbers are dually registered advisors with an independent broker-dealer affiliation (40.01 percent). A smaller percentage of our respondent population (4.99 percent) is affiliated with brokerage firms and wirehouses. This is hardly a representative sample of the brokerage industry, but it does represent a significant cohort of brokerage teams, which may represent a reasonable sample of the small number of teams that have permission to shop for solutions beyond their firms’ in-house software.

Figure 4 shows which advisor associations the survey participants belong to. Roughly a quarter of respondents are members of the Financial Planning Association (FPA) and another 13 percent belong to the National Association of Personal Financial Advisors (NAPFA).
planning software. But, despite an increase this year over last, the market penetration rate from our respondents is yet again below 85 percent. One possible explanation is some advisors call themselves planners but do not actually provide detailed planning analysis.

The portfolio management adoption rate seems a bit low based on anecdotal evidence. But we can hypothesize that about one-third of advisory firms are relying on increasingly feature-rich custodial software to handle trading, rebalancing, and client reporting, or that they outsource those functions to a turnkey asset management program (TAMP).

The document processing category includes form-filling software and increasingly important e-signature functionality that is replacing the traditional wet signature. Adoption is growing, albeit slower than we might have predicted.

In table 2, the same data shown in table 1 was organized from the highest to lowest increases in adoption rates. Table 2 shows that tax planning had the greatest positive change in adoption, which illustrates how one new program can energize and transform an individual category.

In 2022, we wondered why trading/rebalancing services were not achieving high adoption rates. However, this past year they saw a dramatic increase in market share.

Our survey provides evidence that a growing number of advisory firms are now giving Social Security advice to clients (software market penetration is a plausible proxy for service offer), which seems to be due to the growing sophistication of the Social Security modules embedded in mainstream financial planning programs.

In tables 1 and 2, note the two digital marketing categories with an incomplete grade. This year, our survey split the broad digital marketing category into its two (very different) functionalities: creating content for advisors and capturing leads via automated marketing campaigns. Because of this split, the market share data from 2022 to 2023 instantly became apples to oranges.

Perhaps the most striking feature is how nearly every software category gained market penetration this year over last. The question is why?

The answer is undoubtedly different for every category, but overall, advisory firms are becoming more sophisticated in their software usage and are more aware of options than perhaps they have been in the past. We’ve seen this trend building in the most recent surveys and it seems to be accelerating.

**USE RATES BY ASSOCIATION MEMBERSHIP**

We asked our survey respondents to share with us which organizations they belong to. This gave us the opportunity to open up a new trove of data, summarized in table 3, where we correlated what advisors told us they were using in the office with which organizations they belong to.

Were there significant differences in the use of different software categories between, say, the members of NAPFA compared with members of the Investments & Wealth Institute? Or between FPA members and advisors who belong to the AICPA’s PFP Section?

As you can see, for the most part, the differences among members of the professional organizations were relatively minimal; a financial planner from one organization tends to use pretty much the same toolkit as a financial...
planner from another. This is almost certainly due, in part, to the aforementioned overlap in professional memberships, but also to the fact that advisory firms have normalized service offerings and many internal processes.

But the data turned up a handful of interesting cultural differences across the organizations. Table 3 shows that members of the Investments & Wealth Institute were much more likely to use solutions from the investment data/analytics category than NAPFA or FPA-affiliated advisors. They were less likely to use CRM software and more likely to adopt one or more of the retirement distribution planning tools.

Members of the AICPA PFP Section—planners with training in accounting and tax issues—were the most likely to use tax planning tools than members of the Financial Planning Association, the Investments & Wealth Institute, and Kingdom Advisors.

XYPN members were the most likely to use college planning software, possibly because they are more likely to work with younger clients who are dealing with student loan debt or in the early stages of planning for children’s educations.

XYPN members are also far less likely to be interested in either of the digital marketing categories, unlike the AICPA PFP members, who were the most likely to rely on the content providers. Another contrast: The accounting-trained planners were the most likely to use one of the profession-focused cybersecurity data protection solutions and XYPN members were the least likely to report using these them.

This disparity in cyber protection has been a trend for the past several years, and we’ve wondered why the XYPN community seems, based on the data, to be less concerned about cyberthreats than their peers.

Another interesting cultural difference is found in portfolio management adoption, which is dramatically lower for Kingdom Advisors members and members of the AICPA PFP Section than for the FPA, NAPFA, XYPN, and Investments & Wealth Institute communities. The former may be more reliant on the custodial software and TAMP platforms, and the tax/accounting-oriented professionals might be more focused on a technical advice service model than on the management of client assets. The surprise is that the Investments & Wealth Institute membership is not using portfolio management software at a higher percentage than NAPFA or XYPN members.

What do we make of all this? Overall, the similarities across each category are far more significant than the differences. There are undeniable cultural differences among the different association memberships. But when it comes to the tools they use to serve clients—and perhaps,
by extension, the services they provide to clients—the differences have, over time, blended into a common culture across the profession. We are more the same, perhaps, than we realize, the survey data would suggest.

One final note: Take a moment to notice that these adoption rates are, in general, higher than the market penetration rates overall in virtually every category. This fits with our hypothesis that advisors who join one or more association, and participate more fully in the profession, tend to be more sophisticated in how they run their businesses and tend to offer more services to clients in a more comprehensive way.

Why would that be? We have noticed that advisors who attend local meetings and national conferences, who routinely compare notes with their peers, and who consume curated conference presentations are exposed to the best ideas and service models in the profession as they evolve. Association membership, simply put, seems to be a vector of individual and professional improvement.

CATEGORY SATISFACTION RATES
We believe that any user rating of 7.0 or better indicates a high degree of satisfaction. Table 4 ranks the different program categories by overall user satisfaction rates, starting with extraordinary average ratings for cybersecurity and document processing. Overall, this is the second consecutive year that the rankings were generally higher (see table 5) and every one of the most popular software categories surpassed the 7.0 mark for the first time since we began the survey.

This may reflect ongoing improvements in functionality and integration, but it also may be due partly to a calculation change we made this year. In the past, we would average every user rating for each category, which, of course, doesn’t provide a weighted average of overall satisfaction in the marketplace. We were concerned that this scoring system gave too much weight to the programs with very low market share, where three or five respondents would have the same weighting as thousands who are using a more popular program.

The solution, which may not be entirely satisfactory, was to exclude from the aggregate ratings any program that failed to achieve a 0.5-percent market share.

Table 4

<table>
<thead>
<tr>
<th>Highest Total Category Ratings</th>
<th>2023</th>
<th>2022</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cybersecurity</td>
<td>8.25</td>
<td>7.79</td>
<td>0.46</td>
</tr>
<tr>
<td>Document Processing</td>
<td>8.06</td>
<td>7.78</td>
<td>0.28</td>
</tr>
<tr>
<td>Economic Analysis</td>
<td>7.95</td>
<td>7.67</td>
<td>0.28</td>
</tr>
<tr>
<td>Document Management</td>
<td>7.88</td>
<td>7.81</td>
<td>0.07</td>
</tr>
<tr>
<td>Investment Data/Analytics</td>
<td>7.83</td>
<td>7.88</td>
<td>-0.05</td>
</tr>
<tr>
<td>Social Security Analysis</td>
<td>7.82</td>
<td>7.95</td>
<td>-0.13</td>
</tr>
<tr>
<td>Trading/Rebalancing</td>
<td>7.68</td>
<td>7.43</td>
<td>0.25</td>
</tr>
<tr>
<td>Tax Planning</td>
<td>7.64</td>
<td>7.64</td>
<td>0.00</td>
</tr>
<tr>
<td>All-in-One Programs</td>
<td>7.62</td>
<td>7.75</td>
<td>-0.13</td>
</tr>
<tr>
<td>CRM</td>
<td>7.62</td>
<td>7.26</td>
<td>0.36</td>
</tr>
<tr>
<td>College Planning</td>
<td>7.58</td>
<td>7.70</td>
<td>-0.12</td>
</tr>
<tr>
<td>Portfolio Management</td>
<td>7.58</td>
<td>7.62</td>
<td>-0.04</td>
</tr>
<tr>
<td>Risk Tolerance</td>
<td>7.53</td>
<td>7.71</td>
<td>-0.18</td>
</tr>
<tr>
<td>Financial Planning</td>
<td>7.50</td>
<td>7.40</td>
<td>0.10</td>
</tr>
<tr>
<td>Digital Marketing (Content)</td>
<td>7.41</td>
<td>7.19</td>
<td>0.22</td>
</tr>
<tr>
<td>Estate Planning</td>
<td>7.39</td>
<td>6.83</td>
<td>0.56</td>
</tr>
<tr>
<td>Retirement Dist. Planning</td>
<td>7.27</td>
<td>7.25</td>
<td>0.02</td>
</tr>
<tr>
<td>Digital Marketing (Lead Capture)</td>
<td>7.04</td>
<td>6.98</td>
<td>0.06</td>
</tr>
</tbody>
</table>

The solution, which may not be entirely satisfactory, was to exclude from the aggregate ratings any program that failed to achieve a 0.5-percent market share. We hesitate to label the programs near the bottom of table 4 as in any way weak or unpopular, given their above-7.0 ratings, but it seems clear that advisors, overall, have been less thrilled with the results of the lead capture experience than with some of the other categories in their tech stacks.

YEAR OVER YEAR CHANGES IN CATEGORY RATINGS
In table 5, we present the same data as in table 4, but this time the categories are ranked by the amount that they did, or did not, have improved overall satisfaction scores.

We see that estate planning—which has achieved persistently low market share in the advisor profession—received significantly higher user grades this year over last. The same is true for cybersecurity,
which is slowly gaining market share ground, though perhaps not as quickly as the market is evolving the threats that they protect advisory firms against.

We referenced the digital marketing/lead capture category earlier; this year, we broke the digital marketing providers into two separate groupings. The first is solutions that are designed to capture leads and automate the marketing process, and the second is content providers that make it easier for advisors to create blogs and other messaging to clients and prospects. The point here is that the change in rankings for these two categories may not perfectly reflect an actual shift in user experience. But with that caveat, notice that both seem to be more popular this year than last.

The user rating declines all came in categories that posted unusually high ratings in the previous survey and still have solid satisfaction scores in this year’s survey. We can linger a moment on risk tolerance, which experienced the most significant, yet still small, ratings decline. The category as a whole seems to be undergoing an evolutionary shift from producing a single two-digit risk tolerance number to a more comprehensive and nuanced assessment of client portfolio preferences.

It is hard to look at table 5 and see anything but good news for and about the fintech world—and the advisory firms that rely on it.

SOFTWARE ALL STARS
We want to recognize and highlight some of the solutions that stand out—specifically those that finished in the top five of their categories in market penetration and also achieved an extraordinary (8.0+) average user rating.

**Tax Planning:** Holistiplan (9.04); Drake Tax Planner (8.18)

**Social Security:** SSAnalyzer (8.14); Horsesmouth Savvy SS (8.70)

**College Planning:** College Aid Pro (8.36)

**All-In-One Programs:** Advyzon (8.77)

**Trading/Rebalancing:** iRebal (free version) (8.38)

**Investment Data/Analytics:** YCharts (8.52); Kwanti (8.57); Bloomberg Terminal (8.54)

**Economic Analysis/Stress Testing:** YCharts (8.24); DFA Returns (8.01); Kwanti (8.41)

**SRI/ESG Analysis:** YourStake (8.40)

**Automated Cash Management:** Flourish Cash (8.06)

**Insurance Analysis/Buying Services:** Low-Load Insurance Services (8.22)

**Account Aggregation:** eMoney (8.11)

**Risk Tolerance Instruments:** StratiFi (8.34)

**Document Management:** OneDrive (8.31); Citrix Sharefile (8.33); Google Drive (8.22); Microsoft SharePoint (8.13); Dropbox Business (8.10)

**Document Processing:** DocuSign (8.73); Adobe Sign (8.02); Citrix ShareFile (8.39)

**Customized Client Billing/Payment:** AdvicePay (8.04); Envestnet BillFin (8.34)

**Cybersecurity:** Smarsh Entreda Unify (8.05); KnowBe4 (8.57); WebRoot (8.64); Erado (8.10); AdvisorArmor (8.03)

**Social Media Archiving:** Smarsh (8.11); MyRepChat (8.02); Global Relay (8.32); XY Archive (8.12)
**Final Thoughts**

Advisory firms are blessed and cursed with the wide range and deep depth of solutions for their business needs. The blessing is that there are so many, which means that each category probably contains something relatively well-suited to most firms, and that more categories offer solutions and conveniences that were not available in the past.

The curse is how do you keep up with it all? Not just the introduction of new programs (and categories), but the upgrades and additional features of the many hundreds of programs in the advisor fintech landscape. Our guess is that virtually everyone reading this report has been missing out on one or more tools that would be truly useful, because they either are not aware of them or are too busy to research this broad and extensive marketplace.

The second observation is one that we make every year: The best solutions may not be the ones with the highest market share. In a crude way we demonstrate this, with the higher user ratings of programs that are down the market share list. A more refined way to determine the best is to look at how the variety of feature sets in the programs in each category mesh with your firm’s current needs.

For the second year in a row, we were surprised to see that aggregate user ratings were consistently higher this year than last. There is no obvious explanation for why, on average, the respondents of this year’s survey were more satisfied with their tech stacks than they were last year. Were they noticing and appreciating incremental improvements in usability and feature sets? Were they responding to the fact that integrations get better and deeper every year?

Also notable is the rise in aggregate market penetration. This was surprisingly consistent across nearly every software solution category.

One possible explanation is that this year’s respondents included a higher percentage of fee-only professionals, who may have to research more categories because they don’t have a broker–dealer home office supplying some of their tech solutions.

Another possible explanation is that the survey itself is having an impact on the marketplace that it covers. We never anticipated that the software survey would become a sales vector, but its readership is almost universally broad within the profession, which means it might be making the advisor profession as a whole aware of more solutions, which may be leading to more purchases and adoption in more solution categories.

---

**Digital Marketing—Content Providers:** Clearnomics (8.36)

**Remote Transcription Services:** Mobile Assistant (8.24)

**Miscellaneous Tools:** fpPathfinder (8.17)

**Custodial Platforms:** SEI (8.23)

**MIGHTY MITES**

Here we recognize solutions that were not market share leaders but whose user ratings stand out—specifically solutions that achieved an extraordinary (8.0+) average user rating.

**CRM:** Concenter Services/XLR8 (8.85)

**Financial Planning:** FP Alpha (8.13)

**Tax Planning:** CCH ProSystem (8.22)

**Social Security:** Covisum Social Security Timing (8.26); Social Security Solutions (8.29)

**Portfolio Management:** Advyzon (8.52); SEI (8.05); Altruist (8.41); Panoramix (9.15); YourStake (8.19)

**All-In-One Programs:** CircleBlack (8.00); RBC Black (8.31)

**Trading/Rebalancing:** Altruist (8.27); SEI (8.45); Rebal (standalone version) (8.45); BlackRock 55ip (8.37); Panoramix Pro (9.14); Smartleaf (9.00)

**Investment Data/Analytics:** FactSet (8.31); Clearnomics (8.40); Zephyr/Informa Fin’l Intelligence (8.27); Steele Mutual Funds (8.50)

**Economic Analysis/Pressure Testing:** Portfolio Visualizer (8.20); Bloomberg Terminal (8.43); StratiFi (8.29); Zacks Research System (8.20); Andes Wealth (9.09)

**TAMP Service Providers:** First Ascent Asset Management (8.48)

**Online Portfolio Management:** TradePMR (8.58); First Ascent Asset Management (9.00)

**Risk Tolerance Instruments:** Tolerisk (8.17); Andes Wealth (9.14)

**Document Management:** Box.com (8.26); Advyzon (8.04); Egnyte (8.59)

**Document Processing:** Dropbox (8.08); Box.com (8.34)

**Cybersecurity:** V CIS (8.29); FCI (8.46); cleverDome (8.00)

**Social Media Archiving:** Proofpoint SocialPatrol (8.56); Message Watcher (8.07)

**Digital Marketing—Lead Capture:** Wealhtender (8.21)

**Digital Marketing—Content Providers:** Catchlight Systems (8.40)

**Miscellaneous Tools:** VRGL Wealth (8.50)

**Custodial Platforms:** Altruist (8.23); Shareholders Service Group (8.64); TradePMR (8.35); APEX Clearing (8.10)
The survey also has identified new frontiers to conquer. The new client communication power tools category offers some exciting client service and practice management possibilities. As advisory firms explore the middle market of consumers, the market share for customized billing solutions will continue to expand. As insurance companies roll out fiduciary-friendly life and annuity contracts, the life insurance analysis/buying services category will inevitably expand, and the automated cash management services solutions, in this age of rising rates, offer too much value not to catch the eyes of advisors who want higher returns on clients’ cash holdings. The SRI/ESG solutions gained market share from last year, more advisors are offering tax planning, and we expect that as more clients approach or reach retirement age we will see more adoption of retirement-income planning tools. More advisor services mean more software.

Overall, this survey succeeds only if the data compiled here proves helpful to fintech providers and consumers of advisor fintech solutions: the advisor community itself. We hope that this report will serve as a guide to the many possible ways that advisors can leverage technology to better serve clients and enhance office efficiency.


Joel P. Bruckenstein, CFP®, is an expert on technology for financial professionals and publisher of Technology Tools for Today (T3). He is producer of the annual T3 Advisor Conference for independent financial advisors and the annual T3 Enterprise Conference for top executives from independent broker-dealers and large RIAs. Contact him at joelbruckenstein@outlook.com.

Bob Veres is editor and publisher of the Inside Information interactive guide to trends and innovations and is a contributor to Advisor Perspectives. He co-produces the Insider’s Forum conference for independent financial advisory firms. Contact him at bob@bobveres.com.