

Man and Machine: Hybrid advising model benefits investors

A synergistic approach to financial planning

A severe market meltdown earlier this year left do-it-yourself investors unable to reach their automated advisors, showcasing the limits of so-called “robo-advising” platforms. Investors reported issues with big name platforms such as Betterment, Wealthfront, TD Ameritrade, and Vanguard, and T. Rowe Price suffered a complete, albeit temporary, outage.

“You pay for what you get, and that holds true for investing ... Those risks fall into what we saw two weeks ago when the world’s largest robo-advisor shut their phones off and these people had no one to talk to,” said Anthony M. Calabrese, CFP®, PPC, a partner and senior vice president at Beacon Wealth Management Group, LP. Calabrese maintained that there is “validity” in using robo-advisors to manage money, but that Beacon Wealth

Management Group’s automated tools include access to a human advisor.

Based in both Parsippany and Union, N.J., Beacon provides high-touch, customized wealth management solutions to high net worth individuals, small business owners, and corporate clients. The firm requires a \$100,000 minimum to sign on as a client, but makes exceptions for prospective investors who fit well with the advising team’s philosophy and working style, Calabrese said.

The sort of “hybrid advising” model used by Beacon may provide better results, a human touch, and leverages the asset allocation and calculation power robo-advisors can bring to the table, Calabrese said during a recent interview with “Advisors Magazine.”

Hybrid advising allows Beacon Wealth Management Group to create better, stronger relationships with



clients. The firm also works to build trust with clients through financial education and open availability, what Calabrese described as a “whole new experience” for investors accustomed to working with larger, more impersonal wealth management providers.

“We’re changing the status quo of the industry. It’s high-touch, it’s relationship building and we genuinely enjoy building relationships with our clients,” he said.

Strong client relationships allow Beacon to give straight advice when needed. Calabrese said the straight-talk approach is needed more now as some investors forget the lessons of the 2008 financial crisis.

“There’s an economic cycle that has never failed ... [Investors] want to chase returns, and if they’re not getting the returns they think they should be getting they’re going to move down the street. And there’s plenty of advisors who are investing their money without regard for risk,” Calabrese said. “We take a conservative

approach. This cycle will eventually end.”

Beacon Wealth Management Group develops tailored financial plans based on clients’ financial goals, but uses proven tools to help investors make sure their money is working for them.

“We tailor it to the clients’ specific needs and what their goals and objectives are, and their risk tolerance,” Calabrese said. “But at the same time we’re not trying to reinvent the wheel, and I don’t think clients want that. They want something that’s been proven to work and something that they’re not the guinea pig on.”

For more information on Beacon Wealth Management Group, visit: bwmgpl.com



Anthony Calabrese is a registered representative with and securities offered through LPL Financial, member FINRA/SIPC.

