Wall Street wealth management firms have billion-dollar budgets for their technology. Large tech budgets help firms compete with fintech for talent and consumers. Insider spoke with six executives about the innovation at their firms like digital assistants.

Meet 6 people driving tech innovation at wealth giants like Merrill Lynch and Charles Schwab to help gain an edge in the $40 trillion industry

James Faris

- Wall Street wealth management firms have billion-dollar budgets for their technology.
- Large tech budgets help firms compete with fintech for talent and consumers.
- Insider spoke with six executives about the innovation at their firms like digital assistants.

Wall Street’s wealth management firms are pumping billions of dollars into their technology budgets. JP Morgan dedicated $1 billion of its $12 billion annual technology budget to its asset and wealth management division. UBS spent $3.9 billion last year on its technology and is shelling out $1.4 billion to acquire robo-advisor Wealthfront.

Even custodians that support breakaway financial advisors like RIAs have backed robust tech projects. Charles Schwab bet its $26 billion acquisition of TD Ameritrade would bring the technological innovation it needs to stay on top. BNY Mellon Pershing spent $1.4 billion last year on its tech.

The high budgets are for steep competition for clients in what McKinsey estimates is a $40 trillion industry. Clients are demanding more digital capabilities, as are wealth managers themselves.

Banks that depend on the steady cash flow that their wealth management units provide are also competing against well-funded, venture capital-backed startup fintechs. Insider talked to six major players about how they are upgrading their tech to gain an edge against the competition.
JP Morgan Private Bank is rolling out new ‘on-call’ digital assistants

Karen Donnelly leads JPMorgan’s digital tech team for its private bank business, a unit that caters to high-net-worth and ultra-high-net-worth clients, including family offices.

The bank’s US digital team made its customer relationship management software more accessible through a mobile app, a feature that unchains advisors from their desk, in 2019. And it’s working to add an on-demand call assistant that will monitor calls with clients and suggest documents and information in real-time based on what’s mentioned.

Donnelly, who has been with the firm for 16 years and is a former private banker, said David Frame, the private bank’s CEO asked her to take on the role to accelerate the technology improvements the wealth management unit needed at the end of 2020.

“I have such a good starting point in terms of the things that are going to make a difference versus the things that are not,” she told Insider.

She’s hired other wealth managers, making up a quarter of the 40-person digital team she oversees, to keep a pulse on what advisors need and want in their technology stacks. The rest of the team are design and product managers from other financial services companies such as McKinsey, UBS, and Goldman Sachs.

Donnelly has built out a task force focused on innovation and fintech partnerships. The group researches what areas the firm can develop next and whether they can build it in-house or offer the solution through a fintech company. Though JPMorgan Chase has made multiple investments in fintech companies, its private bank unit has yet to partner with its first fintech.

“We have great partnerships and capabilities on our technology platform side. So a lot ends up being solved internally. But, certainly, we’ll look at partnerships external if we think it can accelerate certain things we’re trying to solve for,” said Donnelly.

JPMorgan Chase oversees $3.7 trillion client assets through its asset and wealth management businesses. Out of the $12 billion-tech budget, the company pumps more than $1 billion annually into upgrading the services and products that support those businesses, according to a presentation from its investor day.