

PERSONAL CAPITAL REVIEW - IS BILL HARRIS' SOFTWARE THE FUTURE OF ONLINE MONEY MANAGEMENT?

by [SUSAN LYON](#) on APRIL 19, 2013



Launched in September 2011, [Personal Capital](#) is the most recent endeavor of finance veteran Bill Harris – former CEO of PayPal and Intuit. Personal Capital's wealth management platform aims to create a next generation, highly integrated financial planning website rivaling and perhaps surpassing the more well known ones such as Mint and Wealthfront. Do they succeed?

NerdWallet provides an overview of the company's offerings and breaks down the pros and cons. Our takeaway: it's like "Mint.com on steroids," and Personal Capital is a great option for an investor with assets looking to ramp up their investing know-how by getting professional advice online.

Overview: What Personal Capital Offers

Personal Capital offers an integrated investment platform with multiple options and levels of involvement, from free analysis software to financial advisor services (for those with over \$100,000 in investable assets). It provides account linking so you can monitor your finances all in one place, alongside several free tools and an integrated dashboard from which users can:

- Monitor asset allocation
- Identify potential portfolio risks
- Calculate their mutual fund fees over time
- Understand how 401k fees may impact their retirement goals
- Personal Capital also brags award-winning mobile apps, including a newly released iPad app, allowing users to easily manage their money from anywhere.

NerdWallet spoke with Personal Capital CEO Bill Harris to get a sense of why he started Personal Capital:

"I've spent twenty plus years in the business, building pieces of financial technology to improve the financial lives of consumers. Personal Capital is my opportunity to bring the entire puzzle together. Our technology enhances the personal financial experience, and it is necessary to also have personal attention from an objective financial advisor to provide a human touch so they can build and maintain a strategy that works for them."

Personal Capital has tried to combine the best of both worlds when it comes to merging online money management with personalized, case-by-case guidance.

Personal Capital Vs. Mint Vs. Wealthfront

While similar to Mint in that their integrated dashboard allows users to link all of their accounts to see their entire financial picture, Personal Capital goes a step further to help investors navigate their personal financial data to make more informed decisions. Mint is well known for helping people learn how to save, budget, and track their consumption, but it is less robust when it comes to providing useful investing advice.

There are online advisors out there like Wealthfront, FutureAdvisor, Betterment, and Jemstep, but these sites forgo the financial advisor in favor of technology and algorithms.

Advantages and Benefits of Personal Capital:

- They provide top tier and highly personalized service at a fraction of the cost of most big banks' financial advisors
- Personal Capital provides a lot of the benefits to investors at a much lower price point than you would typically see at a high end broker – it's ok if you don't have millions to spare
- Even if you do not yet have \$100,000, their free software and Dashboard feature are available for users of all investment expertise levels to monitor their progress
- Personal Capital adds a personalized element rather than relying entirely upon a predetermined equation to tell people how to invest

Downsides of Personal Capital:

- To get one-on-one guidance from their team of advisors in crafting a personalized strategy, investors must be willing to commit \$100,000 in investable assets, at which point there is one all-inclusive fee regardless of additional trades and customer service needs
- Many of the types of investment planning tools offered by Personal Capital are also available elsewhere for free

Is This The Future of Financial Management?

Personal Capital is growing fast. Even though it's still under two years old, the company presently has more than \$100 million assets under management through its RIA business and has nearly 200,000 people currently using their free software, tracking their assets on the Dashboard.

Note: Personal Capital is not a broker; rather they are a Registered Investment Advisor (RIA) with the SEC and offer users with at least \$100,000 in investable assets the opportunity to work with personal financial advisors.