



Money & Finance

## Digital apps make investing accessible to do-it-yourselfers

BY MELISSA WESTPHAL

If the thought of investing your money conjures confusion and anxiety, a little technology can start to ease those fears. Digital investing apps can be helpful for individuals looking to dip their toes into stocks and bonds and managing financial portfolios. There are plenty of affordable, downloadable options that offer FAQs and even online support through their websites.

Financial advisers in the Rockford area say digital investment apps are best for do-it-yourself investors and younger people looking to learn more about the process when they're just starting. Investing is a common practice — a Gallup poll in 2016 reported that more than half

of Americans say they currently have money in the stock market.

"Many apps cut through some of the complexities of investing or budgeting to provide easily accessible tools available to everyone," said Grant W. Moore with Savant Capital Management.

The downside, Moore said, is that they typically offer a one-size-fits-all approach. "Individuals are unique and sometimes are better served by more tailored financial advice specific to their situation," he said.

Kurt Berry, a financial health coach with Regal Financial Group, said the costs are fairly low and apps offer a "set it and forget it" mindset, if the user chooses. Among his concerns are that the apps seem limited to



Grant W. Moore



Kurt Berry

only exposing people to stocks and bonds.

"I find that when I meet with a client for the first time, they really have no concrete ideas as to what they should be doing, what tools or strategies are available, what the real goals are or should be for their financial and insurance planning," Berry said. "That is why they come see someone like me."

Here are some popular financial apps that are on the market today.

**Acorns:** Links your credit and debit card purchases and automatically rounds up your purchases to the nearest dollar, Moore said. Excess money is then invested into one of six investments depending on one's risk tolerance. A benefit is that it forces consumers to save a small amount of money toward the future for each purchase they make. "As

this account builds, a consumer will take a more disciplined approach toward saving for retirement," Moore noted.

**Betterment:** Berry likes the simplicity and ease of helping people get started. "That seems to be some of the biggest hurdles for people to overcome," he said. The signup starts by asking your age, income level and your goals of establishing a safety net, saving for retirement or doing general investing. Then makes suggestions of percentage of stocks and bonds to invest in from there.

**Stash:** Start investing with as little as \$5 in themes managed by such experts as Vanguard, State Street and BlackRock. Also offers financial education and an automatic investment option. Sample profiles on the website include "The Trendsetter," who might invest in social media sites such as Facebook, Twitter and Pandora.

**Robinhood:** Winner of a 2015 Apple Design Award. Free download that allows people to buy and sell stocks for free. The company earns revenue on interest from uninvested cash, and there's no minimum balance required.

**Kapital:** Part video game, part investment app. Trade as much or a little as you want, according to the website, for a flat commission of \$7.95 per trade. The company has swapped out ticker symbols for logos you'll recognize and uses drag-and-drop trading.

Berry is also a big proponent of discussing the insurance side of planning and how insurance and investments fit together. Important questions to ask are "What if I get sick or hurt or lose my/our job" and "What if we get in an accident or get sued?"

"None of those issues are being addressed by an investment app or robo-adviser, yet that is the advice that people really need, though most do not even know it," he noted.