Why isn't Passive Management Better Promoted?

Why isn't passive management better promoted? Few have an economic interest in a full promotion of the superiority of passive management over active management. Livelihoods are at stake. A new business model would be needed. Advice would still have value and a new method for paying for the value would need creation. (It exists. The client pays the advisor directly instead of through the product.) Even the Vanguards and Blackrocks, two companies heavily invested in the passive investment management industry, tread carefully promoting passive management. Most savings in Canada is managed through an advisor. Product providers consider the advisor to be a client in addition to the underlying client. Product providers want advisors to recommend their products. Even firms with the largest market share of retail passively managed products like Vanguard and Blackrock don't want to anger advisors by questioning high fees and therefore advisor's livelihood too much. They need the advisor. Online brokers benefit when clients become do-it-yourself-advisors and open online brokerage accounts. But their ideal client is a frequent trader. The more the client trades, the greater the revenue to the online broker. Passive investment management is largely a buy and hold strategy and generates a low level of revenue for the online broker. The online broker welcomes the accounts of those following a buy and hold strategy, but they won't be their most profitable accounts.

Other than you, it isn't in anyone's massive interest for you to be your own financial advisor and invest in broad market, passively managed financial products. You are slashing cost and the cost centres aren't thrilled.