
A robo-advisor aims at the 401(k) market

By Editorial Staff *Thu, Sep 25, 2014*

"Our goal is to 'fix' the epidemic of inappropriately invested 401(k) plans with a simple, scalable, professional service," said Chris Costello, co-founder of bloom, in a release.

"Bloom," a new robo-advisory firm, has launched what it calls "the country's first low-cost online tool created exclusively to help improve the way average Americans manage their 401(k) retirement plans."

"Our goal is to 'fix' the epidemic of inappropriately invested 401(k) plans we see every day with a simple, scalable, professional service," said Chris Costello, co-founder of bloom, in a release.

Bloom was one of 71 companies to present recently at Finovate New York, a financial technology conference. Any plan participant can access bloom, regardless of their plan's investment line-up, employer, or 401(k) custodian.

Bloom is an online Registered Investment Advisory (RIA) firm co-founded by Costello, Kevin Conard and Randy Auf Der Heide. Costello and Conard co-manage another traditional RIA firm that manages over \$500 million of client portfolios.

According to the release, "In five minutes, the prospective bloom client can access the patent-pending user interface to assess the 401(k) options available in their 401(k) plan." Bloom's algorithm runs more than 100,000 calculations to identify the ideal dollar amount to invest in each fund. The cost is \$1/month for those with less than \$5,000 invested and \$10/month for accounts more than \$5,000.

Bloom is also announcing a partnership with voluntary benefits-exchange company Connected Benefits, a private benefits marketplace.

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