
Bloom surpasses \$2 billion in advised assets

By Editorial Staff Thu, Jan 25, 2018

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Bloom, the robo-advisor that aims to help 401(k) participants manage their accounts more efficiently, said this week that it has doubled its assets under management to over \$2 billion less than six months after reaching the \$1-billion milestone. According to CEO and co-founder Chris Costello, bloom now has more than 16,000 clients.

The company claims that its median client will save \$41,456 in investment fees over their working careers. That figure is based on median bloom client 401(k) balance of \$47,131, contributing \$5,000 each year, with 30 years until retirement and an average annual expense ratio reduction, based on bloom recommendations, of 34 basis points.

Bloom has also discovered via an analysis of its accounts:

- 79% of 401(k) participants pay hidden investment fees
- 53% of 401(k) asset allocations were improperly aligned with retirement goals
- 39% of 401(k) participants were invested in one or more target-date funds with an average fee 45% higher than alternative investments.

Bloom charges each participant \$10 a month and is indifferent to the investment selections it recommends. Once hired, bloom picks the optimal funds in the clients' existing 401(k)s and reallocates on their behalf.