
Financial Engines, Betterment will leverage new Social Security data

By Editorial Staff *Thu, Jul 16, 2015*

At the White House Conference on Aging this week, the Social Security Administration announced that it would make benefit information available through transferable data files for use in robo-advice platform calculators.

Financial Engines, the managed accounts provider will incorporate the Social Security Administration's new Social Security data file in the Financial Engines Social Security planner. The data file was introduced at the White House Conference on Aging this week.

The transferable data file contains the information found in users' Social Security benefit statements regarding the amount they can expect to receive in Social Security each month in retirement. Financial Engines introduced its Social Security planner to the public at no charge in June 2014.

Retirement plan participants with access to Financial Engines' Social Security planner through their employer can generate a personalized retirement income plan, based on Financial Engines' patented Income+ methodology.

The comprehensive plan includes multiple income sources, such as part-time work and pensions, and shows how retirement savings in a 401(k) or IRA can be converted into income to help defer claiming Social Security to maximize benefits.

Betterment, the automated investing service that manages \$2.4 billion for 98,000 customers, said it too would update its advice engine to use newly available Social Security data, the robo-advice firm announced at the White House Conference on Aging this week.

Betterment will integrate the information—a digital version of the information in their monthly Social Security benefit statement—into RetireGuide, an advice engine that informs customers whether or not they are “invested correctly for a comfortable retirement.”

RetireGuide builds a savings and investing plan that encompasses all of an investor's accounts, including those with other providers, and his or her spouse's holdings. It uses Betterment's globally diversified portfolio of index-tracking ETFs and asset allocation advice.

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