
Financial Engines keeps growing

By Editorial Staff Thu, Apr 25, 2019

The 401k investment advice firm added hundreds of plans. Phyllis C. Borzi, who led the Obama administration's fiduciary rule effort, has joined the Edelman Financial Engines board of directors.

Financial Engines, the largest independent registered investment advisor (RIA) in the U.S. and a pioneer in the provision of “fintech” investment advice to retirement plan participants, added more than 900 new plan sponsors and more than 430,000 new plan participants in 2018, a release from Edelman Financial Engines said this week.

The new plans included six Fortune 500 companies, while Ford Motor Company, Henry Schein Inc., and Structure Tone, Inc. renewed their relationships with Financial Engines.

The company attributed the gains to its strategic relationship with ADP, which offers Financial Engines’ advisory services to its Retirement Services clients. According to the release, Edelman Financial Engines now has more assets under management than all other managed account providers combined.

In other news, Edelman Financial Engines said that Phyllis Borzi had joined its board of directors, a move intended to emphasize the company’s commitment to unbiased investment advice.

As the chief of the Department of Labor’s Employee Benefit Security Administration in the Obama administration, Borzi led a successful effort to pass a “fiduciary rule” that made financial advisors legally accountable for failing to act in the “best interests” of their clients and increased scrutiny of the sale of indexed and variable annuities. The rule was later reversed by the Trump administration.

All participants with access to Financial Engines services receive a personalized Retirement Evaluation, the release said. Almost half of all employees who have access to Financial Engines services use online advice, planning tools, or discretionary account management, and attend an educational seminar or meet with an advisor.

When compared to participants not using Financial Engines, within the first year of using Financial Engines’ services users were:

- 27% more likely to have increased their plan contribution rate
- Two-and-a-half times more likely to have improved their retirement income score

- Five times more likely to have improved their risk and diversification score

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