

## Kindur, a young robo-advice firm, is growing up

By Editorial Staff      Thu, Oct 24, 2019

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*'Our core value is to be human in a world that often just sees numbers,' said Kindur founder and CEO Rhian Horgan. The firm launched its SmartDraw income distribution tool this week.*

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Kindur, a robo-advice startup based in New York, has introduced SmartDraw, an automated service that creates retirement income streams by withdrawing funds from multiple retirement accounts tax-efficiently, [Kindur](#) founder and CEO Rhian Horgan said this week.

No matter how much they've saved or how financially-literate they are, many baby boomers are expected to be perplexed and daunted by the number of decisions about Social Security, Medicare, and required distributions from retirement accounts that they will face at retirement or soon after.



Rhian Horgan

Even as a relatively late arrival in the fintech market, Horgan still sees ample opportunity there. "When the stakes are this high, customers need to move past using rules of thumb and make sure they are creating a retirement income plan that specifically addresses their circumstances," Horgan told *RIJ* this week. (See our December 2018 [article](#) about Kindur.)

The SmartDraw service is available for a subscription fee to Kindur clients, whether they have savings under Kindur's management or not. There are three service levels: Select (\$99/year), Premium (\$149.99/year), and Concierge (\$299.99/year) packages that may

include:

- Automated Withdrawal Recommendations. This service helps customers minimize taxes by analyzing their retirement accounts and spending needs and delivers recommendations on which account to make withdrawals from first.
- Automated RMD Calculations. The system reports customers' annual required minimum distributions from tax-deferred accounts, starting the year after the year in which they reach age 70½. The service is intended to help clients avoid the potential tax penalty of 50% of any unpaid RMD.
- Medicare Surcharge Concierge Service. This handles the filing of high income customers' Medicare surcharges. If the clients experience a sharp reduction of income, the service will make sure their Medicare premium shrinks accordingly.
- Federal and State IRA Withholding Strategy. This helps customers avoid tax penalties and high year-end tax bills by recommending the right monthly withholding strategy for state and federal taxes when one makes withdrawals from their IRA accounts.
- Access to a licensed financial adviser. The adviser will create a custom plan for each retiree.

For a household with \$1 million in savings, SmartDraw could save as much as \$61,000 over the course of retirement, a Kindur release said.

"Our software runs five different withdrawal strategies," she told *RIJ*. "We take in the client's age, the spouse's age, filing status, federal and state tax rates, and look at where their assets are held. Then our software runs five different withdrawal strategies.

"The first strategy is taxable money out first, then tax-deferred, then tax-exempt," she added. "The second is taxable money out first, then tax-exempt, then tax-deferred. We also run three variations of tax bracket management where we measured amounts from each type of account. We've found that, for someone with \$1 million, the difference between the best and worst strategies is about \$61,000 over the retirement period."

"We have about 10,000 users who have created retirement plans with us or engaged with our calculator, and we've created \$5 billion worth of retirement plans," Horgan told *RIJ* this week. "We'll release new growth numbers next year when we've been live for a year. We also expect another round of financing in 2020."

Private equity investors don't have as steep a learning curve as they once did, she said. "Three years ago, we had to explain to a lot of investors," Horgan added. "We had to show what the [retirement] opportunity set was. Today the investor community understands it. An ecosystem is building that recognizes the opportunity to bring technology to the [boomer

retirement] challenge.”

Kindur’s core technology is homegrown. “We’ve built all our own software rather than buy it,” Horgan said. “We found that most software is built for one narrow task or another. We also found that a lot of software is designed for advisers, not for the average human. Our core value is to be human in a world that often just sees numbers.”

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