Route Print Bookmark

Friday, September 08, 2017

Betterment's Chief Gathers Experts for 401k Day

By *Chelsea Tyson*

In light of 401(k) day, **Betterment for Business**, the retirement savings arm of the New York-based roboadvisor, hosted a panel featuring the industry experts that sit on their advisory board. **Jon Stein**, CEO of Betterment, opened the discussion reiterating why he felt it is important to be in the DC space. The roboadvisor launched their 401(k) specific services less than two years ago.

Acknowledging the retirement savings crisis facing America, Stein said they wanted to provide a solution that reassures American workers that they will have income in retirement.

"We would like to bring back the feeling of defined benefits in a defined contribution world," Stein said.

Stein went on to moderate the panel diving into various challenges and trends the industry is facing today from coverage to participation rates to the fiduciary rule.

In going over closing the gap on coverage, **Judy Mares** pointed out how this is not a new challenge in the industry. In 1979, former President Jimmy Carter issued a commission on retirement which found that people who were in smaller firms or were in lower income brackets, were not covered by what was then pension plans. This problem continues to exist in the digital age we live in as small business owners and remote workers are increasing, which is why Mares calls for an emphasis on making retirement savings more portable.

"Portability is more important today than it was in 1979," Mares said.

Addressing the various challenges the industry faces in getting more Americans into retirement savings vehicles, **John Casey**, director of global benefits at **Google**, says

CLICK TABS FOR MOST ...
MOST RECENT | MOST EMAILED | TOP READ | RELATED STORIES

1. An Industry Vet Joins Neuberger [9/8/2017]
2. From Aon to Alight [9/8/2017]
3. Betterment's Chief Gathers Experts for 401k Day [9/8/2017]
4. Judge Orders Final Price Tag on Tibble vs. Edison [9/8/2017]
5. Industry Leaders Prep for Hurricane Irma [9/7/2017]
6. Irma Pushes PlanAdviser Conference Back a Month [9/7/2017]
7. California Secures a Consultant for Its SARP [9/7/2017]
8. A Garden State Benefits Shop Joins Pensionmark [9/7/2017]
9. Methodist Hospital Onboards a 316 Service Provider [9/7/2017]

More From Past 30 Days »

to learn from what other countries are doing and study the trends around the world.

Google's 401(k) auto-enrolls participants at a 10 percent contribution rate, and does not have an auto-escalation feature due its high default savings rate.

Technology was a common topic throughout this morning's discussion as **Laraine McKinnon**, founder of Silicon Valley-based **LMC17**, said technology is best used to help provide "guardrails" for participants giving them reminders and nudges that keep them on track as they make their contribution and investment decisions.

The panelists also shared their thoughts on the fiduciary rule. They all agreed that regardless of what happens to the reg, there's no going back. **Thomas Clark**, partner at **The Wagner Law Group**, says that the main goal of the rule was to expand the definition of fiduciary, and that, with or without the BIC Exemption and other measures under review, has already happened. Now, as a result, he said that we have an industry that "polices" itself.

"Nobody wants to be affiliated with the first person who gets slammed," Clark said. "So, everybody is policing everybody else."

"The train has already left the station," Mares added. She spent years working on the reg with her former colleagues in the DoL.

The overall message all four panelists seemed to convey this morning is that, while the industry may still be facing problems like participation and coverage that are decades old, there are solutions that are being actively implemented today. Between new technology and policies such as the fiduciary rule, the industry today is constantly evolving.

"I am here because this business has changed," Mares said.

Route Print Bookmark

Ratings

Would you recommend this story?

Not at all **1 - 2 - 3 - 4 - 5** *Highly*

GO TO: 401kWire.com Back to Top

40 Wall Street | 28th Floor | New York, NY 10005 | P: 212-331-8968 | F: 212-331-8998