Robo-Advisers Gain Attention

INVESTING

TARA SIEGEL BERNARD

Since the last major stock market plunge, back in 2008 and 2009, a new type of investment adviser has arrived on the scene.

Robo-advisers, as they are commonly known, hold a lot of promise. They may save investors from themselves in volatile markets by providing access to professionally managed portfolios of low-cost investments. They run on autopilot, cost just a fraction of traditional advisers' fees and are typically available to small investors.

But in most cases, investors won't be assigned to a professional who will be on call should markets plummet. Instead, customers may receive a video message via email from an adviser, though they can also reach someone at the company via online chat or phone.

The robo-advisers have attracted a growing number of investors and have caught the attention of established financial players. Digitally driven investment providers were estimated to hold \$53 billion at the end of 2015, according to the Aite Group. That's up from \$2 billion in 2013, though at least half of the growth is from existing firms like Vanguard.

With few exceptions, these services share the same widely established investing philosophies: Create a low-cost diversified portfolio for the long run; don't ever time the market; and focus on meeting goals.

But the services can vary in

their overall approach. Some view your financial life more holistically, taking into account money held elsewhere. And while the actual investment recommendations should be relatively easy, the suggested portfolios differ widely enough to warrant closer inspection. What really matters is whether investors are comfortable sticking with a particular recommendation when the markets sour. There could be a significant difference in how much risk the robots believe you can afford to take — and what your stomach can truly handle. Here's a look inside four:

Betterment

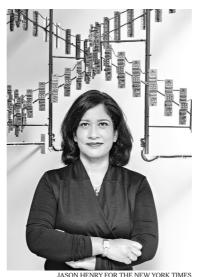
This is probably among the more comprehensive. Its RetireGuide tool factors in all of your retirement accounts, expected Social Security benefits and where you want to re-

The service's tool will estimate how much an individual may need to spend in retirement each year, and thus how much users will need to save, which accounts to save in and how to improve tax efficiency.

Wealthfront

While the service builds and manages portfolios for the long term in all types of accounts, some of its most sophisticated automated services are tailored for investors with taxable money.

Users with more than \$100,000 in taxable investments can sign up for its direct indexing service, which enables investors to directly own the stocks and harvest any losses to offset capital gains. Withdrawing



AUTOMATED PORTFOLIOS Naureen Hassan of Charles Schwab said a tool that alerts investors when they fall off track helps calm jitters.

money is also done in a tax-efficient manner. Its Portfolio Review tool will evaluate portfolios held elsewhere.

Vanguard

Vanguard's Personal Adviser Services combine a technology-driven program with the guidance of a human adviser. Investors who must have at least \$50,000 to invest - can create a comprehensive plan involving a number of goals. It also takes into account money held outside of Vanguard and can build recommendations for your finances.

The company's Intelligent Portfolios have a goal tracker that lets investors set up different accounts for a specific purpose. Instead of focusing solely on performance, it shows how well investors are doing relative to their goals. The tool will alert investors when they fall off track, and suggest how to address the issue. "I think that really helps

Robo-Advisers' Differing Approaches

Automated investing services, commonly known as robo-advisers, can build and rebalance low-cost portfolios of exchange-traded funds or similar investments. But the services take different paths to reach their goals.

Recommended portfolios for a 50-year-old investor with a moderate risk tolerance and \$500,000 in tax-deferred investments who plans to retire at about age 65:

Betterment

STOCKS		BONDS	
U.S.	INT'L	U.S. INT'L	
36.2%	39.8	12.2 11.8	

Charles Schwab

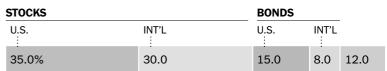


Vanguard

STOCKS		BONDS	
U.S.	INT'L	U.S.	INT'L :
42.0%	28.0	21.0	9.0

GOLD AND PRECIOUS METALS

Wealthfront



REAL ESTATE

THE NEW YORK TIMES

Source: The companies

people keep calm," said Naureen Hassan, an executive vice president of Schwab.

Before selecting an investment mix at any of these services, investors should consider how a particular portfolio might feel if this latest downturn - or the next one were to become a replay of 2008 and 2009.

Out of the Funeral Parlor

PERSONAL

CLAIRE MARTIN

New services offer at-home options for coping with a death.

When people call Undertaking LA, they might ask a question like: "My mom just died of cancer in our home. We want to keep her until noon tomorrow. Is that legal? Is that O.K.?

The answer to both questions is yes, says Amber Carvaly, who founded Undertaking LA with Caitlin Doughty. They are part of a group that is encouraging more family involvement in end-of-life rituals, including home funerals and cremations that loved ones can watch, called witness cremations.

Since opening their funeral business in Los Angeles, the two women have taught people how to wash and dress bodies, and when necessary, stem the flow of bodily fluids. They have conducted cremations in which customers decorated coffins and even pushed a button to start the cremation.

Home funerals aren't new. "Your very own family back in the late 19th century, they were doing this," says Joshua Slocum of the Funeral Consumers Alliance and a co-author of "Final Rights: Reclaiming the American Way of Death."

The practice of embalming bodies and applying makeup came about after the Civil War; now many people consider an outsourced funeral to be the only option, he said. In fact, home funerals are legal everywhere, and no states require embalming.

In the last decade, a small but growing segment of the funeral industry has begun catering to those who want a more natural, intimate end-of-life experience. Home funeral advocates link their movement to the home birth, hospice and environmental movements.

"It goes right along with the whole green movement," says Kat-



HOME FUNERALS Caitlin Doughty, left, and Amber Carvaly of Undertaking LA assist families that want to be more involved in end-of-life rituals.

eyanne Unullisi of the National Home Funeral Alliance, a nonprofit educational group. "It's more natural. It's also about reducing cost, but more than anything, it's the need to be more hands-on.'

According to the National Funeral Directors Association, the national median cost of a funeral and burial arranged through a funeral home for an adult in 2014 was \$8,508. This includes a vault; a coffin; embalming and other services; and a service fee, about \$2,000. It does not include a headstone or any cemetery charges.

By contrast, the cost of a do-ityourself home funeral can be \$100 or less, according to the home funeral alliance. In states where it is legal to bury bodies outside of cemeteries, family members or friends can dig the grave.

Undertaking LA charges \$996 for its home funeral service, which includes a three-hour home visit. supplies, assistance washing and dressing the body, and guidance on cremation and burial options - but not the burial, cremation or

cemetery plot. It charges \$340 for a three-hour consultation on how to care for the body and complete the necessary paperwork, and \$1,470

for a witness cremation. The website for A Sacred Moment, a Seattle funeral home founded in 2007, includes links to several low-cost coffin options and has information on how to build a coffin yourself. It offers home-funeral consultations and webinars.

Another newcomer to home funerals is Amy Cunningham, who started Fitting Tribute Funeral Services in Brooklyn. It offers green burials, witness cremations and postcremation memorial services.

An agreement with a traditional funeral home gives her access to a meeting room and the option of hiring its employees to help her transfer bodies. But she anticipates most of her work will involve house calls.

"More funeral directors like me are on the road in their cars and going into people's homes, going to hospitals," she says. "We're taking it out of the old parlor and bringing it into real life.'

Free Help For Tax Returns

YOUR MONEY ANN CARRNS

Taxpayers have several options for getting free help to prepare and send their income tax return.

The Internal Revenue Service and the Free File Alliance, a coalition of tax software companies, make free tax preparation programs available online. Software is available from more than a dozen providers, including Jackson Hewitt, TaxSlayer and H&R Block.

In general, taxpayers whose income was less than \$62,000 in 2015 can use the free online programs. which take users through their returns step by step. Some companies, however, set different thresholds for using their free software. TurboTax, for instance, makes its free software available to those with adjusted gross income of \$31,000 or less, while TaxAct sets its threshold at \$50,000. (Both programs are available to active-duty military personnel with income of up to \$62,000.)

In addition, some software has limits based on the filer's age, or is available only to filers in specific states. Details are available on the I.R.S. website.

Filers who made more than \$62,000 last year can use the I.R.S.'s "fillable forms," electronic versions of paper tax forms that let filers prepare and send their returns online. The forms perform mathematical calculations, but provide limited tax guidance.

If you want help in person without paying a professional preparer, you may have some options. The I.R.S. Volunteer Income Tax Assistance program offers in-person help from trained volunteers, generally to those with incomes of \$54,000 or less. You can search for a location by ZIP code.

Q & A

¶ Are there any fees for using the I.R.S. Free File program? Eligible filers won't be charged anything to prepare and send their federal tax return electronically. (Obtain access to the software through the I.R.S. website to avoid potential charges.) Some programs do charge a fee for state tax return programs, so make sure to check the details. Also, if you owe taxes, some payment options — like using a credit card — may result in a fee.

¶ Can I call the I.R.S. to ask tax questions?

Yes, but be prepared to wait. The I.R.S. has said that added funding for customer service should help reduce telephone waiting times from last year, when the agency was able to answer only 37 percent of calls, and callers who managed to get through waited an average of 23 minutes.

Anthony M. Reardon of the National Treasury Employees Union said taxpayers "should still brace themselves for dropped calls, extended hold times and long lines."

¶ How can I use my refund to begin saving?

This year, you can use part or all of your refund to set up a myRA account, the new savings program established by the federal government. The accounts are intended for people who don't have a retirement plan at work.

You can also use your refund to buy United States savings

In addition, AARP Foundation Tax-Aide offers free tax help in all states. This year, some 35,000 trained volunteers will work at 5,000 locations. Tax-Aide volunteers can help prepare and file most returns, with some exceptions, like those involving rental income. The program is geared to older filers with low to moderate incomes.

Listen to the Guessers, Then Stick to the Plan

SKETCH GUY

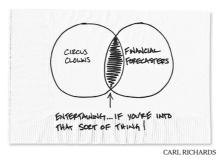
CARL RICHARDS

Every year, the big brokerage firms, economists and banks predict what they think will happen next in the financial world. Especially prominent in the news has been the Royal Bank of Scotland warning that people should "sell everything" and prepare for a "fairly cataclysmic

Hearing news like this is disconcerting. You feel like you should

be doing something, but what? Fast-forward a few days. You tune in to the news again to see what RBS is suggesting. Instead, you get an update from Goldman Sachs. Goldman Sachs — they're smart too reports that they see an 11 percent upside in the "S.&P. 500 after

an 'emotional' sell-off." "Whipsawed" is the only word I can come up with to describe this feeling. One day you're told to sell everything, the next you're supposed to buy. There are many reasons having a financial plan is valu-



able, but maybe the most significant is that it can help you understand how to react to this kind of news.

When I say financial plan, what I mean is that you have clearly articulated your values. You've taken a guess at your goals, and you've built a reasonable plan to get there. Out of that process should naturally flow an investment plan, which will explain how you divide your money to give you the greatest likelihood of meeting your goals.

Any well-designed financial plan will consider two important realities. First, the market will go up and down. Second, we don't know when the market is going to go up or down, and neither does Goldman or

RBS. Any attempt to guess and trade accordingly amounts to market timing. Few people have the skill to guess right repeatedly, and fewer still can predict who the good guessers will be.

Instead why not use your financial plan as a touchstone? Every time you're tempted to follow the advice of someone who sounds really smart, go back to your plan. Remind yourself that it reflects some reasonable assumptions about how markets are going to behave. But, perhaps most important, your financial plan is built upon the understanding that there are going to be good years and bad years, and that nobody can predict what kind of year the coming one will be.

By using your financial plan, you get to let go of all the anxiety that can come from listening to these forecasts. Sure, you can listen to them if you want. But tune in for entertainment, not advice.

Think of these forecasters like circus clowns. They are perfectly harmless over in the corner trying to attract attention juggling flaming bowling pins. Just keep a safe distance, and enjoy the show.