



Raymond A. Mason School of Business

WILLIAM & MARY

LEADERSHIP & BUSINESS PODCAST

EPISODE 77: RHIAN HORGAN – CHANGING FINANCIAL WELLNESS IN RETIREMENT

Ken White

From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening, starting a company. Being the founder and CEO of a new venture is the goal for many professionals. In fact, one in four of the country's current MBA students plans to start a business at some point. Well, some entrepreneurs manage to start companies that not only fill a need but also align with their personal goals and interests. That's what happened to Rhian Horgan after a successful 17-year career with JP Morgan advising families on their investment portfolios. Horgan decided to focus on her passions of technology, health, and wealth and start Kindur, an innovative startup that reimagines financial wellness during retirement. Horgan visited William & Mary recently for the Women's Leadership Summit and Stock Pitch Competition. During a break, she sat down with us to discuss her new startup, how it began, and how it intends to change the way retirees manage their money. Here's our conversation with Rhian Horgan, founder, and CEO of Kindur.

Ken White

Welcome back to William & Mary. Nice to have you here.

Rhian Horgan

Thanks so much, Ken. It's great to be here for the weekend.

Ken White

And you were here last year. You were at the inaugural, so we got you back. So you must have had a good experience.

Rhian Horgan

Yeah, I know, and it'll be interesting. We've got some return stock, picking teams. That's interesting to see how they've evolved over the course of the last 12 months.

Ken White

Yeah. What's the general feel when you're meeting so many young women, really motivated, really bright? What you sort of take away as you're walking around the halls.

Rhian Horgan

Well, first, I'm glad I got a job 20 years ago because I don't think I could compete with these women today. They're exceptionally bright, much more, I think, prepared for the real world than I was. But a real curiosity and eagerness to learn, and you know the purpose of today's event is all around the first piece is around financial markets and stock picking competition so exciting to hear them really trying to roll up their sleeves and understand companies and also to see the companies they pick. So sometimes it's out of a personal passion, and you kind of get a sense of, well, you know, these are the types of companies that actually the millennial generation are really interested in.

Ken White

Yeah.

Rhian Horgan

But we've had some good stalwarts like Honeywell and others that were pitched today too.

Ken White

Yeah great. It is interesting you hear a lot of criticism about millennials, and anyone who's criticizing, I just say come on over here and hang out for a day and see what you see.

Rhian Horgan

It's pretty impressive, and it's been great because it's a, you know, the group that's here today is from, I guess, probably about 15 different schools. And when you see that, what you also see is that like it's, you know, it's a grueling process to get into college, but you know these women all are doing well wherever they've landed, and they're able to kind of pursue different passions along the way which is great.

Ken White

Yeah. And speaking of that and pursuing passions, let's talk about your career you. Did you start with JP Morgan right out of school?

Rhian Horgan

I did. I interned at JP Morgan between my junior and senior year at William & Mary. Interned in New York City. I was recounting to one student yesterday that my mom had my parents live in Colorado. My mom had been telling me for a while how dangerous

Washington, D.C. was because she assumed that's where I was going to go live. And all of a sudden, I got a job offer in New York, and it was too late to change anything. So yes, I started there, and then I spent the next 17 years at JP Morgan, half the time in London half in New York.

Ken White

And what did you do there?

Rhian Horgan

I was predominantly in the private bank and always was in a kind of a product, and sales role with a real focus on taking what I would say was more complex investments and really helping design them to make sure that they actually solve the problems that our customers had. But I loved that business because it was very human. We were dealing with families who had either been built companies and had charitable endeavors, and you could see how the impacts the impact of the decisions you were making in their investment portfolio actually shaped in what they did outside of their investment portfolio also.

Ken White

Yeah, and then you were there a long time, 17 years.

Rhian Horgan

It was it went by fast.

Ken White

Yeah, and then and now, you've become a CEO, and this is your startup.

Rhian Horgan

Yes, I started. I left JP Morgan a little bit under a year ago because I got inspired by what I was seeing in financial technology. I started working with a number of financial technology companies in my last two years at JP Morgan was really inspired, in particular, with how they were making investments more accessible for investors. I had always thought about technology as that kind of cost center behind the scenes but started to learn how design, user interfaces could really help coach people through more complex decisions while sectors like retail, etc., had been innovated on a long time ago. Financial services is still catching up.

Ken White

Yeah.

Rhian Horgan

So kind of exciting to see how that space will change, and I also took a view that I have a two-year-old and a four-year-old. I don't know how they're going to bank in the future, but I know it's not going to be the same as how I transact with financial services.

Ken White

No doubt.

Rhian Horgan

And so, to be able to learn about how it evolves seems like a really exciting adventure.

Ken White

Yeah, and the name Kindur where'd it come from?

Rhian Horgan

Well, are our focus is on families and retirement. So think about kin, family, and really creating a durable retirement for our customers.

Ken White

Nice. So tell us about the company. What are you doing?

Rhian Horgan

So I was inspired to build this company actually from several conversations with my parents as they were entering into retirement, and I was I have to say I was, on one hand, really amazed with how prudent my father had been saving for retirement. On the other hand, I was very surprised by the complexity of his retirement. He had worked for six different hospitals, which we all think about millennials as having a lot of jobs. The average baby boomer today post who's gone to college. Post-aged at 25 has had six different jobs, so they probably have six different retirement accounts.

Ken White

Yup.

Rhian Horgan

He had a couple different insurance contracts. He had a couple different bank accounts. He had his probably Schwab account. All of a sudden, there were ten different accounts that he was managing to keep track of it in his head. But when I started digging and asking him questions about his equity exposure or another kind of market, really trying to suss out his risk tolerance, I realized that it was very difficult to pull all that information together, and I started thinking about well the tools that I'm using for my retirement or my

savings I use Mint to manage my budget, I use betterment for my 401K and I realized that a lot of these tools were really focused on what I would call as wealth accumulation. Helping people get on the path to financial wellness early in life. Helping them learn how to save, how to smartly and prudently take out that first mortgage, how to pay for their kid's college tuition, and to prepare for retirement. But the reality is in the U.S., 83 percent of the capital is controlled by people that are over the age of 50, and actually, the decisions you have to make when you start spending down are very different from the decisions you make as your accumulating wealth. And so I realized with my dad, there was two things. One was that I couldn't send them to the providers I was using because they were targeted towards a younger customer. The second thing I realized was that we, as a family needed a tool that we could communicate through, and we had just gone through my both. My parent mothers had passed away recently, and my parents had been the secondary caregiver.

Ken White

Yeah.

Rhian Horgan

And so I had seen kind of this impact also as parents age.

Ken White

Yes.

Rhian Horgan

how children get pulled into lots of different aspects, and again when you think about technology, there's a great ability to think about how we can simplify communication organization, and that was really the root of Kindur was solve for my parents and selfishly solve for me knowing that I don't live next to my parents. But at some point would probably need to be involved in helping them with some of their financial affairs.

Ken White

And wow, does that affect a lot of people.

Rhian Horgan

It does, it does. It's, again, 83 percent of the money is held by people over the age of 50. 40 to 50 percent of Americans we're kind of above the age of 40 are acting as caregivers for their family members, and that's, you know, it's kind of given all the discussion in Washington the last couple of days the impact of health on wealth actually in retirement is pretty significant. But there is still a view. I think in the market that only millennials know how to use technology. So as I say, my customer is not the Snapchat Generation.

Ken White

Right.

Rhian Horgan

But they were on the first computers. They used the first iPod. They used the first iPhone and the first iPad, like they have shown an ability to evolve with technology. We just need to create a solution that actually solve their problems.

Ken White

Yeah. So you use the term financial wellness. What is that? How do you define that?

Rhian Horgan

So it's interesting. I think it evolves over time as far as where you are in your own life. One of the big learnings I had when we went out to start doing our customer research last fall was that in retirement, health and wealth are actually really linked. So when we talk about financial wellness, it's actually in retirement. It's really you think about, for example, the cost of a nursing home. Eighty thousand dollars a year that's more than double what one year for most one year's tuition at a university.

Ken White

Oh yeah.

Rhian Horgan

It's probably along the lines of what most people put down, or many people put down for a down payment for a house. Pretty significant, but when you look at the financial planning community, most financial planning community doesn't include any long-term care estimates and any of their projections. But when you talk to retirees, what they'll tell you over and over again is if their health care is a huge portion they're ongoing and then that, let's call it, end of life is a huge financial cost for them. And so in retirement, financial wellness is actually truly the linkage of health and wealth, and are you, you know, are you financially prepared for what the financial costs of health care will be and what your options are? You know, earlier in life, it might be getting that right balance between making sure that you're not overspending. I think what was intriguing to me is that I maybe I should I don't think every day about my health impacting my finances.

Ken White

Right, right.

Rhian Horgan

But I think if you talk to anyone above the age of 65, that will come up in the conversation.

Ken White

Well, it and my mother is 93. So talk about affecting your retirement, right? And my father died when he was in his 70s. Who expected that? So and having talked to a lot of other families, in some instances, the money runs out, and I'm sure you've seen that.

Rhian Horgan

Yeah, I mean, look, that is like the crux of the problem we're trying to solve, which is maybe your mother, either through her own or through your dad, has access to a pension but as a generation that had Social Security and had pensions they had income for life.

Ken White

Yes.

Rhian Horgan

And if you were really lucky, not only did you have income for life, that was a benefit for your spouse, and you also had inflation protection.

Ken White

Yeah.

Rhian Horgan

In this 401K generation, not only have we pushed the responsibility of saving to the individual, but once you retire, you have your nest egg. Let's say you've been a really prudent saver. You've put away a million dollars for retirement. Now the big question is how much can I spend.

Ken White

Yeah.

Rhian Horgan

Well, the most aside from knowing your spending habits, the most important variable and to answer that question, is, well, how long do you plan to live? Well, I don't know. I really don't know.

Ken White

Yeah.

Rhian Horgan

I mean, who, who do you know that with conviction can tell you exactly how long they're going to live?

Ken White

No.

Rhian Horgan

And so the irony is that in the pension world, we shifted this kind of longevity or mortality risk back to an institution. But with the innovation of the 401K, we've shifted all of that to the individual.

Ken White

Yes.

Rhian Horgan

So what we're really focusing on in Kindur actually in the early days is building our retirement paycheck, which would shift back that longevity risk back to an institution and allow a retiree to take this, you know, 401K they've been saving and swap it into a paycheck that would be paid out for life. So that you live to 70, you live to 90, you live to 100, you know that you've got peace of mind in retirement because there will always be cash that's being paid on a monthly basis.

Ken White

Interesting. And how do you do that?

Rhian Horgan

There is a lot of science behind the scenes, but I think if you go back to the basics of the insurance industry, it's really about how do you pull a group of people together and think about that that group's mortality risk, their longevity as in a totality and we're what we're really working on is you know I think the insurance industry rightly or wrongly has gotten a bit of a rap for being fairly opaque, fairly expensive, hard to understand, but the core of what the insurance industry does which is take away that mortality risk and give you a predictable paycheck actually is what most people want.

Ken White

Yeah.

Rhian Horgan

So what we're really focused on is how do you unbundle and get back to the roots of what it was supposed to do without maybe all the bells and whistles that have been added on over time.

Ken White

We'll continue our conversation with Rhian Horgan, founder, and CEO of Kindur, in just a minute. Our podcast is brought to you by the Center for Corporate Education at the College of William & Mary. The Center for Corporate Education can help you, and your organization get to the next level with a leadership development program specifically designed for your organization and delivered by our world-class business school faculty. If you're interested in learning more about the opportunities at the Center for Corporate Education, check out our website at wmleadership.com. Now back to our conversation with Rhian Horgan, founder, and CEO of Kindur.

Ken White

So the sons, the daughters, the caregivers how do they benefit? What role do they play other than, I think, the obvious knowing what mom or dad has?

Rhian Horgan

So it's an interesting evolution, and I think part of this is just based on family dynamics, and part of this is based on events that are happening in life. You know, when we did our research, we found that people that were entering into retirement, the person they really wanted to share their financial information with and get on the same page with, typically their spouse or partner. Talking to their children still felt a little too early. They're like. I'm 60. I'm going out and playing a round of golf tomorrow. I don't need to be telling my 30-year-old kids don't even have a full-time job yet. Why should I be filling them in on all my finances?

Ken White

Or is living at home?

Rhian Horgan

Yeah, exactly. I have not gotten them off the payroll yet.

Ken White

Yeah, yeah.

Rhian Horgan

So that felt like it was too early interesting. On the other end, you get the scenario where something dramatic has happened, and the adult child, typically in their 40s and 50s, is brought in because mom has fallen, dad passed away. Typically the men are dying first.

Ken White

Sure.

Rhian Horgan

And all of a sudden, you know, the child is trying to figure out, you know, what our mom and dad's health care options do they have enough money to spend on X, Y, and Z. And there is this well, I would say almost like a fire sale which is people are trying to figure out what do Mom and Dad have. And by the way, probably not surprisingly, you know it's typically it's either in mom or dad's head, or there might be a magic folder somewhere or and I learned when I went out to Kansas people keep it in their gun box, but there is this like in series of paperwork that family members haven't typically shared. And then there becomes this emergency situation, and I think what's scary to me about that is that emergency situation typically then requires fair. You know, I would say probably the least effective decisions being made quickly. And so you know, one of the questions for us is, we know this baton passing that happened during retirement. It typically happens between spouses. Maybe there's that maybe there's getting everyone on the same page at retirement, then one spouse dies or gets ill, the baton passes, then the children get involved with another baton passing. How do you do that in a way that preserves the independence of the retiree yet at the same time gets them the support they need? I think the you mentioned your mom being 93. So we have this in the last 60-70 years. Americans are living about ten years longer than they used to.

Ken White

Yeah.

Rhian Horgan

Amazing outcome of Public Health. The challenge, though, is if you look at the statistics around dementia as people age, you know the really elderly population has pretty high frequencies of dementia. And so we have this aging population who are living on their own who are drawing down sums of money every month, and all of a sudden they're losing their cognitive abilities, and that I think it worries their children. But in a DIY world of manage your own money, that actually becomes much harder as someone's cognitive abilities decline.

Ken White

No question.

Rhian Horgan

When you have that pension, that paycheck coming in, you knew you knew the money was coming in. But what if mom is starting to lose some of her capabilities and doesn't understand the financial decisions that she's making?

Ken White

Right, and what I've experienced is at least in our little world, the older one gets decisions become really difficult to make something that you and I wouldn't even think twice about becomes there's a lot of anxiety.

Rhian Horgan

Well, I think I think about do my own taxes. So I've kind of gotten to the rhythm of it now, but when I hit 65, there's gonna be a whole new set of paperwork I gotta fill out because there's a whole bunch of new stuff that starts happening when I had 70 I've gotta do all the minimum distribution requirement calculations for my 401K. So there's actually in the financial world a lot of new stuff that retirees have to figure out.

Ken White

Yeah.

Rhian Horgan

And it might be that your mom or dad typically have split decision-making. Maybe one of one is not doing the finances and is doing something else in the family, so they haven't been involved in finances for 40 or 50 years. Maybe they pay the bills, or they know much they can spend, but they haven't really been involved. That's a lot of catch-up to do. I'm intrigued when we think about the baton passing that it seems like the traditional financial advisory community hasn't quite figured out how to talk to families. So 80 percent of women move their financial up change financial advisors when their spouse dies. Women, on average, live for about nine or ten years after their spouse. Two-thirds of kids move the money. If they inherit money, they move it away from the financial adviser that advised their parents. It says to me that we're not, as a financial services community, actually really thinking about the family. We're thinking about that one person who we're talking to. But it's actually a family unit that is ultimately making the decisions.

Ken White

And all kinds of dynamics there.

Rhian Horgan

Yeah.

Ken White

We don't live in the same neighborhood anymore. The whole the whole the whole thing. Yeah absolutely. So what do you like about being an entrepreneur? Being a CEO.

Rhian Horgan

Yeah. It's been a wild ride. What I love is, frankly, how much I'm learning every day. I hope to inspire my children. I was saying to someone earlier that I have a 2-year-old and a 4-year-old. I know that how they're going to interface with financial services is different to me, and I'm not saying whether they're going to buy stocks versus bonds. They may never use cash and so I could either be that person told them what banking used to be like, or I can bring my kids. My son, who's 4, is like obsessed with Legos. He's obsessed with playing class right now, and his sister is learning all of it along the way. Like if I could have them in my office to teach them how to code like, hopefully, I'll be pretty cool, mom, right?

Ken White

Yeah.

Rhian Horgan

And also would be part of how this industry is evolving, and so I think that for me is fascinating to be part of. I think when you when you get in the mindset of building something new, you also start seeing problems that are out there and thinking of there's always a way you can solve something. I think I've been really inspired by the different townspeople I'm meeting right now. So I don't have a development background. I don't have a design background, and I'm meeting all these really inspiring people who are different types of projects are really focused on how do you create. How do you solve problems and do it in a way that is really easy for the customer? And that's super exciting.

Ken White

Yeah. Was it, I assume, extremely frightening to take on the role as well as exciting?

Rhian Horgan

Yeah, I think. Look, I went into this knowing that there was gonna be a long ride. So my husband and I said, look, we've got kind of we need to make some changes to how many ubers I take and how many times a week we go out to eat. So we need to be like maybe a little more fiscally conservative, but we have like a five-year runway which is I can pursue this. And then, after five years, we've got to really re-evaluate. And so I think I had enough

of a safety net to be able to take this risk. Give myself the runway to try to make it successful. I think what's been probably challenging but exciting for me is I never used to be the type of person would walk into a room of people and feel comfortable just introducing myself, and you just have to. When you're starting your own business, no shame you network. You ask for favors, and I've been really pleasantly but surprised by how open everyone has been to helping me. And now after a year at it, I'm starting to be able to give back, which is really great. So I'm starting finding another group of people who are now starting their own businesses, and I've kind of been at it for a year, so I can say, oh here's a great designer or here's a great web developer, or here is someone who's really good about thinking about this and that's really fun now to be able to give back to the community that gave so much to me.

Ken White

For someone who had your background been with a company or in an industry for a long time but just has an entrepreneurial itch. They've got to scratch. What kind of advice do you have for them.

Rhian Horgan

I think it's good to chit chat with people who've made the transition already. And so I actually went out and talked with a number of people who used to work at JP Morgan actually typically were a lot younger than me. They were analysts and associates that have worked for JP Morgan, gone to business school, and then gone into entrepreneurial activities. So to kind of connect with them and really understand how the skillset transitioned finding a mentor or someone who believes in you, I found early on a venture capitalist firm that really valued the domain expertise that I brought to the table and have been real champions of me since the beginning. And so knowing that I had these really smart investors who valued me gave me the confidence to get out there and then I did a little bit of homework. I took a bunch of courses on web development on, APIs on digital marketing from a company called General Assembly and just tried to get myself try to lose a little bit of the banking lingo and learn a bit of the tech lingo so that I could really make sure that I understood how this world might interface with me.

Ken White

And then advice for those who are either approaching retirement age or sons and daughters and family who have someone is leading to that position in their life what kind of advice do you have for them?

Rhian Horgan

It can very very easily become overwhelming. And that's our goal is how to make the overwhelming feel less overwhelming. I say probably my very first piece of advice is really around Social Security today, and I would say, if possible, delay the Social Security is an

amazing paycheck for life. Inflation protection but you get you your Social Security paycheck is 50 to 60 percent higher if you take it at the age of 70 versus taking at the age of 62. And it's amazing how many people take it early. While you might have a scenario whereas you know, for example, in your father's situation where he died early. The reality is your mom is still alive and she may be getting benefits from his elections. And so there's a lot of decisions that we make in our 60s that actually impact our spouse, and too many of us are making them individually and not thinking about our spouse. So I think as you enter into retirement, it's a great time to really sit down together, whether it's just you and your spouse and partner or potentially with a trusted child. Think about, you know, what are those benefits that are that the government gives you that you can afford to wait a little while to let them accrue but also make the right decisions for the two of you, not just for you.

Ken White

That's our conversation with Rhian Horgan of Kindur and that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you, and your organization get to the next level with business and leadership development programs that specifically fit your needs and get results. If you're interested in learning more about the opportunities at the Center for Corporate Education for you or your organization, visit our website at wmleadership.com. Finally, if you have a suggestion or comment pertaining to our podcast, we'd love to hear from you. Please connect with us via email. The address is podcast@wm.edu. Thanks to our guest this week, Rhian Horgan, and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.