Sara Sladky (00:11)
Welcome back to The Accel Advantage podcast where we discuss insurance and financial services for business leaders. I'm your host, Sara Sladky, and here today I am with Stacie Brass, Partner, Managing Director, and Chief Compliance Officer at Accel Wealth Management, to dive into all things 401(k), retirement planning, financial planning, and wealth management. So, here's an interesting statistic to get us started.

In a March 2024 Bankrate survey, it stated that 47 % of U.S. adults said money has a negative impact on their mental health, including causing stress. At Accel Wealth Management, our purpose is to positively impact those we encounter by turning complexity into clarity with wisdom, insight, and meticulous care.

So, Stacie is gonna share more today about her passion for guiding both business leaders and individuals towards confidence when it comes to their finances. But first, let's get to know Stacie a little bit. So Stacie, over to you.

Stacie Brass (01:14)
As Sara said, my name is Stacie Brass.

Appreciate the opportunity to be here and for those of you listening, I hope that this is valuable for you. I've been in this Industry for 30 years and have had the opportunity to work with both business owners and individuals - plan for their own financial success along with helping my team grow and serve their clients effectively. So it's honestly a little bit depressing when I hear statistics like that because we are so passionate about helping people

and it is just frustrating that we're still in a situation where almost 50 % of Americans are stressed out about their money.

I was thinking about why that is. Why is mental health of nearly 50 % of Americans negatively affected by money? I have a few theories. First of all, I think it's around financial literacy. We just simply don't teach it in school. So unless they're getting it at home, kids and young adults get very little exposure to financial planning and education, which is also why we're continuing to see employers take on more of almost a parental role when it comes to attracting and retaining talent,

especially as it pertains to benefits. Some of our more popular education sessions cover topics like how to read a paycheck or understanding payroll taxes. If we can teach these foundational habits early in someone's career, it makes such a huge impact long-term. You make financial decisions every single day, and part of what we do here at Accel Wealth Management is help educate and inform our 401(k) participants to make them well.

Sara Sladky (02:43)
Yeah, Stacie, that's so interesting. And you mentioned employers taking a little bit on more of that parental role. So talk to me about that shift over time. You kind of mentioned your years in the industry. So I can imagine that maybe you've seen that shift take place before your eyes.

Stacie Brass (02:57)
Yeah, that's exactly right. And in fact, really, I think has been monumental over the last 10 to 15 years in the evolution of and the emphasis on financial wellness programs. It's no longer enough to just have a good 401 (k) plan with a good employer contribution. You have to help people understand and appreciate the plan. You've got to help them make a transition from, my employer offers a 401(k) plan to, I have access to a 401(k) plan at work,

and I know how it's going to help me retire successfully someday. It sounds simple enough, but the shift in ownership of the plan is huge. Not only are they going to be much more likely to be successful, but that stress level we talked about is going to be lower. And studies also have shown that that translates into job performance, lower absenteeism, and just generally happier employees. We've also seen a significant shift in workplace culture when an employer not only sponsors a plan,

but invests in it making sure people know how to use it and have the tools available to help them address their primary financial concerns, which may not be retirement.

Sara Sladky (04:02)
Right? And when you talk about that culture piece, that's just music to my ears as someone in the HR space. Nonetheless, you talked a little bit about the changing role for an employer from just a benefit sponsor to more of an educator. So what other changes are you seeing in company sponsored retirement plans that you're interested in and/ or excited about?

Stacie Brass (04:22)
Yeah, that's actually an easy one. And it is the evolution of multiple and pooled employer plans, which are commonly referred to as MEPs and PEPs. Our industry does love a good acronym. ,Åì, Employers can often get bogged down by the administrative complexity and cost associated with sponsoring a 401(k) plan. And so we're excited about the possibility of pooled employer plans in particular as a fantastic way to change that.

Sara Sladky (04:32)
Yeah.

Yeah, and tell me a little bit more about what that looks like and what that means.

Stacie Brass (04:53)
Sure. Let's start by defining some terms. A single employer plan is just what it sounds like. It's a retirement plan like a 401(k) that's sponsored and maintained by a single employer. The employer is responsible for plan administration, compliance, investments, you name it. Now with a pooled employer plan or a PEP, it's a newer model created under the Secure Act of 2019, and it allows unrelated employers to band together and participate in a single 401(k) plan

that's managed by a pooled plan provider or a PPP. Think of it as rideshare for retirement plans. You share the cost, the responsibility, and the administration.

Sara Sladky (05:31)
Man, that's really intriguing for a lot of our business owners.

Stacie Brass (05:34)
For a single employer plan, your company's on the hook for all the administrative tasks, right? I mentioned that. Filing the 5500, the non-discrimination testing, annual audits if your plan is over 100 participants, and the ongoing compliance. In a PEP, the pooled plan provider, that pooled plan sponsor, takes on most of that burden. So you're essentially outsourcing the heavy lifting. It really is a game changer for particularly small and mid-sized businesses

that maybe don't have dedicated staff or a dedicated retirement plan administrator, they're likely taking on those functions along with a variety of hats that they wear.

Sara Sladky (06:10)
I'm sure that can be challenging for a lot of our listeners and maybe speaks true to some folks even hearing this today. So I often hear your team talk about fiduciary risk. Does a pooled employer plan help out in that area?

Stacie Brass (06:25)
Yeah, absolutely. In a single employer plan or a SEP, the employer carries the fiduciary liability. In a PEP, the pooled plan provider acts as the named fiduciary, which means there is less legal exposure for the business owner. So if they're worried about making maybe bad decisions with their investment lineup or missing a compliance deadline, a pooled employer plan can definitely offer some additional built-in risk management.

Sara Sladky (06:50)
What about the cost though? That almost sounds too good to be true. They have to be more expensive, right?

Stacie Brass (06:55)
Yeah, it's actually funny that you say that because almost every conversation we start with a prospective client has those words. It sounds too good to be true. And it's actually that's not the case with PEPs and multiple because again, keep in mind, multiple employers are coming together to pool their assets, which can actually lead to lower fees for investment management, record keeping and advisory services.

Sara Sladky (07:03)
Hmm.

Stacie Brass (07:17)
It's especially attractive for that small business competing for talent. So, you get to offer a retirement plan that looks and feels lot like a Fortune 500 company. And Sara, I can give you an example from my own

practice. I have a long time manufacturing client. They've been a client for 20 plus years. They've got 200 employees, and we've managed their 401(k) plan for very long time. We actively manage the fund lineup. We benchmark expenses every two to three years. We've made a vendor change to...

get a more competitive arrangement over time. In other words, I know that the work has been getting done. And even in that instance, we were able to reduce their administrative expenses by about 30%, eliminate their 5500 audit, which saves them about a month of work, and give their participants a better experience. It really has been very exciting. And I truly believe that if the retirement plan industry had created pooled employer plans before single employer plans, they would

outnumber them today.

Sara Sladky (08:16)
Yeah, that is so fascinating, and it'll be, really interesting to see how it evolves over the next 10 to 15 years. Just kind of what you said, if PEP had come first, where would we be at today? So a 401(k) or retirement plan is just one piece of the financial puzzle, right? Could we circle back a little bit about, financial planning and how to choose the right advisor?

Is it expensive? Is it worth it? Right? And from my experience, it's something many people wonder about or misunderstand. Is it just for the rich? Can we really DIY it with some YouTube videos? What's the truth behind all of that?

Stacie Brass (08:52)
I think before we decide on whether you need one, let's make sure clear what a financial advisor actually does. A good advisor is going to help you do more than just manage your investments. They are going to help you create a financial plan. They are going to help you get clear about your goals and develop a timeline to meet them. So things like buying your first home or saving for your kids' college education,

along with managing investments based on your tolerance for risk and your timeline, and navigate complex decisions like taxes, insurance, or estate planning. Not all financial professionals work the same way. Some just sell products, others are fiduciaries, and it's not that one is bad and the other is good, they're just different. A fiduciary means that they are legally obligated to put your interest first. So I think it's important to be clear about what kind of help you're looking for

and making sure that your advisor is aligned with what you need before you even decide that you wanna go there.

Sara Sladky (09:49)
Yeah, so enlightening, can you tell about how you've seen this in your career over the last couple of years or examples of kind of how folks have navigated this?

Stacie Brass (09:57)

Yeah, absolutely. I think this comes up all the time and it changes over time. Again, I've seen it in my own practice. Just recently, had a couple that both happened to work for companies where we manage the 401(k) plan and they've been DIYers. They've been doing it on their own during the accumulation stage. But now that they're getting closer to retirement, they have both, they've accumulated a substantial nest egg and now they're concerned about outliving their money. They feel like they are ready for some

professional financial planning support in a relationship. When you start thinking about things like social security and what about long-term care insurance and what about longevity risk and you know, I know how to save money but I'm not sure I know how to distribute that money over the next 30 years. It can get overwhelming and in this particular case, was now time to engage with a professional.

Sara Sladky (10:45)
That's so interesting. You maybe feel like, I've missed the boat, or I'm in my 30s now, and it's time... I've got kids or a house or assets. So, I love that you're telling a story of maybe folks who've DIY-ed for a number of years and they're approaching this new life season. I think just something to highlight there is that there's really never,

not a great time to work with an advisor on that.

Stacie Brass (11:07)
Right.

would also say in our practice, we support both, right? For our 401(k) clients, we're all often coaching participants to accomplish their goals without necessarily having a one-on-one relationship with them. We're passionate about helping people make smart decisions with their money. But then again, when it's time to engage individually, we also support that model as well.

Sara Sladky (11:12)
Yeah.

Sure. Yeah.

Yeah, love that. And again, just knowing our listeners are a wide array of folks at different backgrounds. So again, just highlighting how you really can meet anyone in that... any time or any season or any financial picture So maybe, Stacie, could you talk about some benefits of working with an advisor?

Stacie Brass (11:47)
Sure, absolutely. You know, I think the first one is obviously experience. There's no doubt you can do it yourself. You can take the time. The information is out there. You can learn how to invest. You can learn how to manage your taxes. You can learn how to optimize your 401(k). But if you're busy with your life, a financial advisor might be able to bring that training to the table for you. They live and breathe

it every day. Because not only you have to learn it upfront, but you've got to make sure you

Sara Sladky (12:11)
Right.

Stacie Brass (12:15)
stay on top of it, right? Because things change. Yeah, so it's like, yes, theoretically I could learn how to build a house, but in the end, am I going to get the product that I'm looking for? Maybe, maybe not. I think we also, I like to refer to it as your accountability partner. For our clients, it's helping them again get clear on their goals. Sometimes partners are not aligned. They sometimes want different things. Sometimes it's...

Sara Sladky (12:16)
Right, maintain. Yeah, sure, sure.

Sure.

Stacie Brass (12:39)
part counseling to get us to the middle and agree on our goals, but then holding you accountable to what you said was important for you. Checking in, keeping you on track, and helping you adjust course if needed. I think the other thing is avoiding the expensive mistakes, right? Take this market volatility we've had recently. You know, helping people not panic and not sell at the bottom of a market or withdraw money too early,

not take out too much money in any one given year and therefore maybe end up paying more in income tax than they should. So it's the kinds of things like that that can really add up over time that I think we help people with. And then I guess I would say the fourth thing is reassurance. You know, I think at the end of the day, it's just that checking in. It's kind of like an annual physical, right? Yeah, you're good. You're in good shape. Everything's good. Or, you know, here's some things that are a little bit off,

and what do we need to do to make adjustments because it's so much easier to fix it when you have time to fix it than to, you know, sort of get yourself into a situation where you may not be able to. And that ability to just have confidence in where you're going and what you're doing is, meaningful for people.

Sara Sladky (13:49)
Yeah, so maybe let's talk about the opposite side of the coin. Maybe the downside or the challenging situations or situations in which you may not need an advisor.

Stacie Brass (14:00)
Yeah, everything has pros and cons, right? We know that. That's part of life. You know, I suppose the biggest one is cost, right? We don't work for free. You know, many advisors may charge 1 % or so of your assets under management, maybe less if you have more. Other advisors work on a flat fee or a planning fee. So there is going to be a cost associated

with it. And I think you need to understand for sure what you're paying and what does that fee structure look like and what are you getting in return?

You've got to feel good about that value proposition. And so that's, I think, the biggest hurdle for folks to get past. I, the second one is just making sure you understand any potential conflicts of interest. Not all financial professionals are fiduciaries all of the time. And again, that isn't necessarily a bad thing, but I think it's important to understand how your financial professional is compensated and if they have identified any conflicts of interest.

DIY is more accessible than ever. And that is a great thing, I mean, you truly, there's some great resources out there, apps like our own Accelerate financial planning app can be an amazing tool, especially for people that are just getting started. You know, I need to know how much to save in my 401(k) and how much to save for my first home and how much life insurance do I need? You know, it's very possible you can do that on your own

and at least start out that way until you get to the point where you feel like you might need to engage a professional.

Sara Sladky (15:23)
Yeah, that's interesting. I'm glad you brought both the pros or cons to the table. And I think that, you, you identified cost or conflict of interest, DIY, but again, just, you know, becoming more aware of like what's out there. Maybe those are just barriers that are keeping you from doing it in the first place, but maybe you don't have the full picture or full understanding. So maybe that's just my nudge to like, even if they're presented to you as downside or challenges to do the research, to maybe confirm what you think is true. Like when you talk about,

the charge or the conflict of interest. A lot of those, I think, could be resolved in maybe doing your due diligence or research too. So let's maybe ask this question. When do you know if it's the right move?

Stacie Brass (15:57)
Absolutely. Absolutely.

Yeah.

Yeah, no, it's going to be different for everyone. Obviously, there is no one size fits all here, but I think life events can do it. You get married, you get divorced, maybe you inherited some money. You've got a new baby on the way. Change jobs.

I think if you're just to the point where you're feeling uneasy, right? You're just thinking, this is a bigger decision that I feel confident making on my own. If you're five to ten years away from retirement, if you don't know what that looks like and if you're gonna be able to retire successfully, I highly encourage you to either dig in and DIY it with some tools or get in front of a professional and find out.

Ideally you do it much sooner than that because it gets harder to fix it five to ten years out, but you still do have some time. I also see it when people have accumulated that nest egg, you know, they get to the point where they've saved significant dollars and that one or two percent move in the market might be 10, 20, 30, 40, 50 thousand dollars in any given day. That can be pretty scary on your own. I think if you're feeling overwhelmed or anxious about money, that's a pretty good indicator you need some help.

And you just feel like you're at the point where you're in over your head, you just simply can't DIY it anymore.

Sara Sladky (17:09)
For sure, yeah. These things, they can feel so relatable for so many listeners. So you know, you've given a couple examples, life events, retirement, you've kind of accumulated what you think is enough, or you want some help. So you thought through those things, and maybe it's, if you decide to hire an advisor, maybe give some insight on

Stacie Brass (17:12)
Mm-hmm.

Sara Sladky (17:28)
how to find a good one? How would you search to find an advisor?

Stacie Brass (17:33)
You know, I don't think it's different than finding any other professional. Talk to your friends, talk to your family, find out who they work with, especially if you see someone that is successful financially. That might be a great place to start. We do recommend looking for a fiduciary. We're fiduciary advisors and making sure that... asking the question, are you a fiduciary 100 % of the time?

Again, it's not necessarily the end of the world if they're not. There are places in a financial plan for other financial products, but it's just making sure you're clear about the relationship that you're engaging in. And a fiduciary is someone who's legally bound to act in your best interest, prioritizing your needs ahead of their own with a high degree of responsibility and accountability. So again, it's not that...

Another financial professional is not a good one, but I think just ask the question and how that translates into where your comfort level sits. Obviously a good idea, know, references, experience, credentials, CERTIFIED FINANCIAL PLANNER®, the CFP® designation, we have two or three of them here at our office.

But certainly somebody that has pursued that level of education, passed the rigorous exams and ethic checks, is going to give you some good advice.

Sara Sladky (18:44)
That's awesome. What about fees and finding your best fit with an advisor?

Stacie Brass (18:50)
Yeah, again, ask... It's okay to ask. A transparent advisor will explain how they get paid. And if they're unable to explain that, I would be wary or maybe uneasy about that. And just simply test for fit. The relationship should feel collaborative, not transactional. Are they listening to you? Are they explaining things to you in a way that you understand? Or do you feel like you're being sold?

something that they think is the right fit for you.

Sara Sladky (19:18)
Those are really great things to keep in mind. I think that's so helpful. I've heard from peers, you know, it's kind of hard to get in a relationship with an advisor because, it feels like a huge commitment or, you know, maybe you've selected an advisor and then 10 years down the road, you want to make a change. That feels scary. So.

Do you have to start over if you do that? Or what does that look like if you are with an advisor and you decide you want to make a change down the road?

Stacie Brass (19:44)
The simple answer is no. Your plan and the financial products you have in place should carry over to your new advisor. We all use the same tools. Whether it's transferring to a new custodian or updating an agent of record, it doesn't necessarily have to affect your underlying program or your plan.

It does bring up a good point though. I think it's important for you to understand any financial product that someone is recommending to you and specifically the portability of it should you decide to make a change.

I'm comfortable having the conversation with my client about the value proposition and what we deliver, what it means to engage in a relationship with us, and what it means should you be dissatisfied for some reason. And it isn't always that you're necessarily unhappy. It's, you know, I've had clients move across the country or...

just simply life changes. So I think it is okay to ask the question, if for some reason I would decide to change advisors, tell me about what happens to the things that we have in place. That is an absolutely reasonable question to ask.

Sara Sladky (20:45)
And this is great, Stacie, you have given us so much information. So maybe, what would you encourage us or would you leave with our listeners today, whether you're listening from the 401(k) lens, individual lens, what's the encouragement that you would leave with us?

Stacie Brass (20:59)
Yeah, from an individual perspective, since that's where we were, it's what's keeping you up at night? Are you worried about paying your bills? Maybe you're feeling suffocated by debt or you're just anxious whether you're ever going to be able to retire. I think the key is to be willing

to lean into that, to face that and get some help or make a commitment to learn enough to make improvements on your own. It's not going away.

Sara Sladky (21:22)
Mm-hmm.

Stacie Brass (21:22)
And

the longer you ignore it, the more pain and aggravation it's going to cause. So lean into it, figure out a way to work through it. Building wealth comes from good financial decisions. Good financial decisions come from knowledge and knowledge, at least in part, comes from developing good habits early and avoiding financial pitfalls. It does not have to be overwhelming. And you're not going to get it all done in one day. You didn't get into the situation you're in overnight, and you're not going to get out of it overnight.

But you do need to sort of lean into it and take that next step. From an employer or a plan sponsor perspective, I would say the 401(k) industry is changing rapidly, most of it for the better. If you're a plan sponsor and you haven't evaluated your plan in the last two to three years, I would highly recommend that you do so. Not only do you have a fiduciary obligation to ensure that your plan is competitive, but you might be surprised at the additional value that's out there for you and your employees.

We offer a complementary benchmark analysis for our clients and prospective clients, and I always like it because you can't lose either way. You either confirm that you're doing everything you can, or you learn that you've got an opportunity to make improvements in your current plan.

Sara Sladky (22:28)
I love that. That is really great encouragement, Stacie. Just to quote kind of what you mentioned in the beginning, you're making financial decisions every day. I just think that just resonated and rang true as we started this conversation of like, this is not going away. This is something that is in your life and you are making decisions every day that pertain to your finances. So, this has just been such an important and fun conversation.

I'm really appreciative of you joining us today, Stacie. Thanks so much.

Stacie Brass (22:56)
Yeah, thank you, Sara. I hope our listeners are able to gain some value.

Sara Sladky (23:00)
Well, yes, like Stacie said, hopefully you were able to grab some insights.

Sara Sladky (23:04)
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Sara Sladky (23:38)