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401(k) Champion® Award Winners Advocate for Retirement Savings Education

Are you the next 401(k) Champion®? 401(k) Champions® not only take the time to learn about their 401(k)s for retirement security, but also encourage their peers to do so as well.

Each year, 401(k) participants can compete to win a 401(k) Champion® Award. The award is the only one of its kind to recognize 401(k) participants who are optimizing their 401(k) plans and, in the process, inspiring others to do the same. Launched in 2018 by Julie Jason, a financial columnist, author and personal portfolio manager, the 401(k) Champion® Award honors those who play a critical role helping participants achieve their long-term retirement savings goals. Jason and her firm, Jackson, Grant Investment Advisers, Inc., sponsor the award.

Winners have one thing in common: they mentor and motivate others toward a successful retirement. In fact, their winning essays offer interesting insights and tips that retirement savers can use.

Following are the winning essays. 401(k) investors interested in learning more about the 401(k) Champion® Award can go to 401kchampion.com.

Steven Dibble, Stratford Schools

If you were to advise co-workers about why they should contribute to (and/or maximize) their 401(k)s, what would you say?

If I were to advise co-workers about contributing to our 401(k), which I have done, by the way, I always tell them it is a must. At the minimum, you must contribute the percentage that our employer matches, which is 6 percent. But that's just a start! I tell them that once they see how little it actually affects their paycheck, they are going to want to do more and more. I am currently contributing 25 percent of my gross pay to my 401(k), but on my salary as a teacher at a private school, I still don't max out by the end of the year. I've been told by the younger teachers that they can't afford to contribute, and I always reply that they can't NOT afford to! They are throwing money away if they don't start with at least the 6 percent needed to maximize the employer match. I wish someone had had this talk with me when I was much younger. I didn't join a 401(k) until I was almost 40 years old, and that 401(k) is now a rollover IRA. When I rolled it over, it only had about $20,000 in it, but in the fifteen years that I have let it grow, it now has over $115,000! That's the next conversation I have with my young coworkers - watching your money grow.

There are so many more reasons to join a 401(k)! One of the most exciting reasons is seeing your money grow through the magic of compound interest. I can track my portfolio's performance on the easy-to-use website that my employer has set up through ADP. It even tells me what my monthly expected distribution will be when I turn 67! And speaking of portfolios, you can manage your own portfolio or
seek the advice of a consultant whose services are offered by my employer. Be careful of fees, however, as they can be hidden and not easy to track. I also remind my coworkers about the tax benefits of contributing to their 401(k). You pay yourself first with your contribution, and then the remainder of your gross pay is taxed, which puts you into a lower tax bracket, saving you even more money.
Lastly, I warn them to not count on Social Security being around when they retire, and if it still is, their benefit won't be enough for them to retire on. Clearly, a 401(k) is the way to go!

What would you be willing to do to inspire non-participants to participate in the 401(k)?

I would be willing to do just about anything to spread the word. I am a confident public speaker, so I would be willing to attend seminars or speak at staff meetings. I would also be willing to record videos or participate in webinars. With a little help from a technical expert, I would even create PowerPoint presentations that include showing how compounding interest works so that people could view it at their own pace and when it is most convenient for them. I would even dress up in a silly costume if it would attract attention to the cause! I've done it before, and I'll do it again! if that doesn't show my passion and dedication, I don't know what does!

Laura Dobbins, Magellan Health

If you were to advise co-workers about why they should contribute to (and/or maximize) their 401(k)s, what would you say?

I remember the day clearly. It was the summer of 2002, and I was sitting in the company conference room beginning to lose focus. At the end of the table was the representative from the company 401k plan, and he was there to encourage the latest new hires to sign up. One of those new hires was me.

The rep went into his well-rehearsed bullet points, mentioning the company would match 50 cents for every dollar we contributed, up to 6% of our salary, and the earlier we started contributing, the better. And that if we really wanted to get serious about investing in our future, that we should enroll in what they called “Auto-Acceleration”; a program that automatically increased contributions by an additional 1% each year.

I sat in that conference room playing a mental game of ping-pong back and forth in my mind, “Is it worth it? Will anything come out of this? Am I going to miss that money not being in my paycheck? I'm only 23, why should I worry about something so far in the distant future, like retirement?"

I was a little uneasy about investing in this "plan", this mysterious "401k" they spoke of. It sounded as foreign to me as French at the time.

But even with my reservations, I did it. I opened my 401k account that day, and chose to put away 6% of my salary, to take full advantage of the company match, just as the rep suggested. I even enrolled in Auto-Accelerate. Then I crossed my fingers, and waited. Anticipating the pain of that first paycheck where I'd see 6% of my salary go to my 401k instead of my checking account.

To my shock and complete surprise, I didn't feel the difference in my paycheck at all. My check only went down by $60. So I carried on, letting the contributions continue, and soon I even upped the contribution rate to 10%. Still didn't feel it much. Over time, as my salary continued to increase, and my Auto-Accelerate bumped my contribution rate by 1% each year, I eventually reached the yearly maximum contribution, and I just continued maxing it out each year after that.

Now I'm 41. I look back to that day in 2002, and wish I could give my 23-year-old self a high five. I wish I could tell the younger me that I had just made one of the best decisions of my life.

That little account I was so unsure about starting 18 years ago, now has over $300,000 in it. And because I started slow and gradually increased my contributions over time, I never felt the pinch. Not once. And even if I stopped contributing right now, my 401k is on track to reach nearly $2 million by the time I reach retirement. At 59 ½, I'll be able to access that money penalty-free, and enjoy the kind of retirement I see in my mind.

I picture leisurely days at home reading and relaxing, splurging occasionally on good food and wine, spending time with friends and traveling to destinations near and far. Resting in the knowledge that money will not be a source of stress.

But it pains me to think about what would have happened if I hadn't started my 401k that day. I've imagined that too. What would that retirement look like?

Well, not good. More than likely I'd be working well into my 70s, living in a small apartment on a fixed income with no room to splurge on things I enjoy. No money to travel or dine out with friends and family.

That's not living my friend, that's existing. And I don't know about you, but I want that time of my life to be my best years, not my worst.

Now imagine your future self. You're looking back in time, thankful and grateful that you contributed to your 401k so many years before, while time was on your side. The cake has been cut, the "Happy Retirement" banner is coming down and you're packing up your desk into a cardboard box, tingling with excitement for life's next chapter. And it will be everything you hoped for.

What would you be willing to do to inspire non-participants to participate in the 401(k)?

Several years ago, convinced of how powerful a well-funded 401k account could be, I started a personal finance blog, MyShinyNickels.com. I've helped hundreds of readers change their financial outcome and reach savings and 401k milestones of their own. I've appeared on several podcasts, sharing my own 401k and finance success story, and I plan on continuing to motivate others to contribute to their retirement plans, even if I'm not selected as a 401k Champion®!

Bari Scheinbach, Moveo

If you were to advise co-workers about why they should contribute to (and/or maximize) their 401(k)s, what would you say?

Around the office, if you ask anyone for advice on finances, fitness, and fabulous food, I'm the go-to woman. With this informal role of influence, I have taken it upon myself to offer the more junior associates advice (when asked, of course) on how to improve their financial lives, and a key component of our discussions is always the pillar of a 401k. The financial stability I am fortunate to have in my life is in large part due to learning important principles early in my career, and applying those learnings consistently. I want to be sure I'm sharing the wealth so to say, and encouraging others to utilize tax advantaged vehicles as much as possible to leverage the free money, compound interest, and time in market.

I am fortunate that the company I work for has a generous 25% match on all contributions, which for me equates to a $4,875 addition to my max contribution of $19,500. In just 4 years, it's an additional year of contributions that I never worked for! Even without a match I would be participating as much as I could afford to make sure I had money in tax advantaged accounts, but the match just sweetens the pot exponentially. There is no reason not to contribute and set myself up for later in life – who doesn't want a comfortable retirement? Because of my experience managing money for myself and setting others up for success, I'm able to point out the key differentiators that a 401k can offer, and ensure this foundational financial element is maxed to my co-workers' greatest potential.

My "elevator pitch" typically goes something like this when we begin the discussions:

Let's talk about your goal of financial independence and stability in your life to be able to travel the world/send your kids to college without debt/take care of your parents in their old age/own and enjoy nice things in life and not have to worry about how to afford it. There are a few financial principles I recommend solidifying, and in this game of money, earlier is always better. Let's focus on the 401k
piece first, as this is the only tax advantaged vehicle available to you that actually gives you free money! For every dollar you put in, we're getting a bonus of $0.25. That may not sound like much, but when you extrapolate it across all the contributions and years you work here, it could add up to hundreds of thousands of dollars toward your financial goals in retirement because you not only get to take

advantage of money you didn't have to work for, but you get to have the market do its job to grow that money further as the economy grows, and plenty of time in your career to ride out downturns. This means you get compound interest and growth in the market on free money! The only catch is that the money is either taxed now or taxed later, and we should talk about which makes sense for you at this
time of your career. Typically I recommend a Roth 401k because you'll only pay taxes at your (presumed) lower bracket now, and then never pay taxes again. So all that money in your account is yours at retirement! Just wait until retirement and you can enjoy all the hard work you did to earn that money, and all that free money you amassed just because you contributed something. And did I mention it's free money just for participating?? I definitely love my 401k for that and you will too.

What would you be willing to do to inspire non-participants to participate in the 401(k)?

Of course I would be happy to inspire non-participants to start contributing to our 401k! I'm incredibly passionate about money and building a stable and rewarding financial life, and already have my coworkers' ears on this topic, so I see being a 401k Champion® as a natural extension. During open enrollment for our insurance benefits, I would recommend having a financial training session for
interested participants to ask questions about their contributions, funds within the account, and strategies they can employ. Leading a session like this with prepared materials (I'm one of those planners who creates presentations for her friends to outline trip itineraries) could make a compelling case for participation. I would detail financial implications of waiting longer to contribute, the rate of growth in the market over time, and other interesting financial metrics while also broadly educating the team on reaching their financial goals.

I would also talk to the partners of the company and see if they'd be willing to throw in a little bonus amount for anyone who's not contributing, or contributing under a certain percentage of their income to see if we can encourage more participants/increased contributions. Sometimes a little extra incentive is all people need to do what they already know they should be doing. This could be handed out as a 401k additional match, or for those close to maxing it out already, it could be a cash bonus for achieving that amount. If someone is already maxing, the financial reward to not exclude them could be the same bonus but either in cash or in our HSA accounts. This way we're showing coworkers that the company and partners care about their financial well-being and want to be sure they're going to be taken care of.

Lastly, I would offer one-on-one Q&A sessions with anyone who isn't comfortable sharing within a group or has individualized questions. Things like looking at their fund allocation, how much they can afford to contribute based on their budget, or more understanding of the difference between a Roth and Traditional 401k could be more helpful outside of a group setting.