

# Why All My Investments Are With Vanguard

**Matt Becker, CFP®**



My wife and I have all our investments with [Vanguard](#).

IRAs. College savings accounts. Regular investment accounts. They're all there and they're all invested in Vanguard funds.

Now, to be clear, there are plenty of good investment options out there and I don't believe that Vanguard is always the right choice for everyone. Depending on your specific goals and needs, you may be better off somewhere else.

But there are some specific reasons I chose Vanguard for my family's investment needs, and I'd like to share them here so that you can make a more informed decision when choosing your own investments.

**Quick note:** *I have no affiliation with Vanguard, they are not paying me for this, and honestly they have no idea I'm even writing it. This is 100% my personal opinion based on my research and experience*

## Vanguard's big advantage

*"Through Vanguard's ownership structure, John Bogle has to be one of the biggest philanthropists of all time -- without writing a check." -[Morgan Housel](#)*

Vanguard has a number of advantages that I'll talk about below, but they all stem from what sounds on the surface like the driest, most boring topic imaginable:

Ownership structure.

Most investment companies, like most big companies around the world, are owned by shareholders and those shareholders naturally want to make money. So from a business perspective, the investment company's incentive is to charge higher fees in order to maximize the profit they pass on to their shareholders.

But Vanguard is different.

When John Bogle founded Vanguard in 1974, he set it up so that **Vanguard was owned by its customers.**

When you buy shares in a mutual fund, you become a part owner of that fund. And at Vanguard [the entire company is owned by its mutual funds](#), meaning that you as an individual investor also become a part owner of the entire company when you invest in a Vanguard fund.

So, what does that mean?

It means that there are no outside owners to appease. It means that business decisions are made for the benefit of Vanguard's customers. It means that profits are distributed to customers in the form of lower fees.

No other mutual fund provider works this way. And that difference leads to some pretty big advantages.



## Rock-bottom fees

Cost is an indicator of quality with many things. If you want a better car, or better clothes, or a better laptop, you generally have to pay more money.

And it turns out that cost is also the single best predictor of future investment returns. It's just that it's the LOWER cost investments that turn out to be the highest quality.

The less an investment costs, the more likely it is to produce superior returns.

So while it's not the only factor I consider, keeping costs to a minimum is one of the most important parts of my personal investment plan.

And the fact of the matter is that Vanguard has continually set the standard for reducing the amount of money investors have to pay.

Other companies offer low-cost investments here and there, and those are absolutely worth considering as you put your plan together. But Vanguard is the only company I've seen that consistently minimizes fees across the board, no matter what type of fund you're talking about.

It's a big part of their company mission, and the reason for that comes back to the ownership structure. When the customers own the company, the incentive is to minimize fees. Without external shareholders to pay, there are minimal conflicts of interest.

So I not only appreciate the low-cost funds that Vanguard offers today, but I trust that they will continue to be the leader in reducing costs going forward. Which should lead to better returns for me and my family.

## They basically invented index funds

I'm a huge fan of index investing, both because it's incredibly simple and because the best research we have says that it's the most effective way to invest.

And while Vanguard technically [didn't invent the index fund](#), John Bogle did create the first index fund ever available to the public in 1975, and Vanguard is largely responsible for the incredible growth of high-quality, low-cost index funds available today.

In other words, Vanguard pioneered index investing and they continue to lead the way. There's a reason that the biggest independent robo-advisors build their portfolios primarily with Vanguard's index funds. It's because they're good.

Other investment companies have followed suit and plenty of them now offer high-quality index funds as well. But my money's with the company that's been doing it for decades.

## Simplicity

Having all of my investments with Vanguard makes my life simpler.

I only have to log in to one website to check on my portfolio.



I don't have to worry about trading fees because there are no trading fees when I use Vanguard's funds.

They offer every account type I've needed so far (and can foresee needing).

They even offer a number of all-in-one funds, just in case I want to keep things *really* simple.

All of that makes investing as easy as possible, which means that I can spend less time sweating the details and more time on things I genuinely enjoy.

## **It all comes back to trust**

I like working with companies I trust to do right by me. And when it comes down to it, that's the main reason I like investing with Vanguard.

Yes, the funds are good. Yes, the fees are low. And yes, I get to have everything in one place. All of that is important.

But more than anything, I trust that those things will continue to be true going forward. And that makes me confident that my investments are on the right track.



## Want More Guidance?

I know how hard it can be to balance all the financial responsibilities that come with starting a family. From paying your bills, to saving for the future, to trying to enjoy yourself in the meantime, it's not easy figuring out what to prioritize and how to find room for everything.

As a fee-only CERTIFIED FINANCIAL PLANNER™ who specializes in working with new parents, I work every day with other parents who want to make the right financial decisions for their families. And as a dad with two young boys myself, my wife and I are going through many of the same things you are.

It's not easy. And that's why I offer a range of options for you to get more guidance.



If you'd like more help with your financial questions, here are a few different ways you can get it:

- The [Jump Start Session](#) allows us to work together to craft a personalized financial plan for your specific goals and situation. And it's pay-what-you-can so that you can get the advice you need at a price you can afford.
- If you're more of a DIYer, I offer a variety of [financial guides](#) designed to walk you step-by-step through the most important parts of your financial plan..
- Please feel free to email me any time with any questions that are on your mind. I'd love to hear from you and I'm always happy to help. My email address is [matt@momanddadmoney.com](mailto:matt@momanddadmoney.com).