



HEALTH.
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Presented by John J. Higgins, CFP®, AIF®, CFS®
Retirement Plan Consultant
jhiggins@commonwealthnj.com



Take Advantage of Dollar-Cost Averaging

Have you heard the saying that little things can add up to big things over time? Well, this adage rings especially true when it comes to saving for retirement. There are many small savings actions you can take today that could add up to big benefits in the long run.

Here, we'll consider the advantages of dollar-cost averaging. It's one of the easiest and most effective ways to save and invest for retirement.

What Is Dollar-Cost Averaging?

The principle behind dollar-cost averaging is simple: place a fixed amount of money into an investment at regular intervals (such as every pay period). By systematically investing the same amount each period, you spread your purchases over time. Your average cost per share should be lower than if you had invested the money all at once.

Dollar-cost averaging takes much of the emotion and guesswork out of investing. Without these two major roadblocks, you could potentially get better results from your investments.

What Are the Benefits of Dollar-Cost Averaging?

Dollar-cost averaging puts several key principles of investing to work:

- It's a long-term strategy that can help you invest on a regular basis over time.
- It helps you avoid trying to time the market—a common mistake that many retirement savers make. When the market is rising, it's tempting to jump in, and when the market is taking a tumble, many investors choose to sell instead of waiting it out.
- It can keep you on track toward meeting your long-term goals.

Although dollar-cost averaging won't guarantee a profit or prevent a loss, it may help reduce investment risk—and it's a simple and easy way to build your retirement savings.

How Does Dollar-Cost Averaging Work?

The chart below illustrates how putting \$100 per month into the same investment may result in a better average share price.

Dollar-Cost Averaging Example			
Month	Invest	Share Price	# of Shares Purchased
January	\$100	\$20	5
February	\$100	\$25	4
March	\$100	\$20	5
April	\$100	\$16	6.25
May	\$100	\$16	6.25
	\$500	\$19.40 average price	26.50

Average cost per share = \$18.87 (\$500/26.50 shares)

Please note: This chart is hypothetical and for illustrative purposes only and is not intended to be a projection of future values of any product. The investment return and principal value of an investment will fluctuate, and an investor's interest, when redeemed, may be worth more or less than the principal value. Actual results will vary. Past performance does not guarantee future results. Dollar-cost averaging is not a foolproof investment technique. It does not assure a profit or protect against loss in declining markets. It involves continuous investment in variably priced units, regardless of price fluctuations. Investors contemplating the use of dollar-cost averaging should consider their ability to continue purchases over a period of time even when prices are low.



Adopt These 3 Habits of Highly Effective Savers

You're probably keenly aware that saving money is a habit well worth investing time and energy in. Yet, forming habits that affect our well-being—whether financial, physical, mental, or spiritual—is often easier said than done. If saving were easy, the median savings balance in the U.S. would be far more than \$7,000, and a greater number of Americans would have more than \$1,000 in their savings accounts. As with any resolution (like shedding a few pounds or improving your chops on the piano), saving money for retirement takes practice, dedication, and focus. To get you started—or back on track—let's zero in on three habits of highly effective savers that you can put into practice *today*.

1) Pay yourself first. Paying bills is a fact of life. And making sure you have enough to cover your essential living expenses makes common financial sense. But there is an essential expense you may be overlooking: *yourself*. Paying yourself is just as important as paying your rent, mortgage, or phone bill. Why? Because the dollars you pay yourself now are an investment in the future you. To be clear, paying yourself means contributing to a retirement plan, IRA, or savings account instead of overspending on things like a new pair of designer shoes or the latest must-have technology. People who are good at saving embrace this habit, making saving repetitive. In your next monthly expense list, try writing in a line item to pay yourself. You'll soon be watching valuable savings dollars add up.

2) Practice frugality. Here are some eye-opening [statistics](#): the average American carries credit card debt of more than \$9,300, and Americans owe more than \$1 trillion in credit card debt. What lesson can be gleaned from this data? Most of us simply outspend the amount of money we earn! In contrast, highly effective savers are supremely disciplined at living within their means. The concept of being frugal often has negative connotations—in short, people think they'll have to cut out the things that give them joy. That's simply not true—if you love an occasional fancy coffee drink or evening at the movies, keep enjoying them! But if you have a choice between an expensive, brand-new car with all the bells and whistles and a reliable but unspectacular preowned vehicle, perhaps the latter choice would be more prudent. Frugality, if measured and well-thought-out, can be a terrific catalyst for your short- and long-term savings efforts.

3) Avoid lifestyle inflation. Success in our jobs often means we'll be rewarded with an increase in pay. And although it makes sense to treat yourself reasonably for a job well done, you should resist boosting your spending habits. The urge to increase your spending to match your new income level—known as lifestyle inflation—is something effective savers are masters at tempering. The next time you earn a raise, revel in your accomplishment, but curb the desire to spend your new income. Instead, allocate that new income to a retirement account.



Make Water Your Beverage of Choice

What's your go-to beverage? Do you opt for drinks like soda, juice, and energy drinks—which are often loaded with sugar and chemicals—before reaching for a glass of H_2O ? If so, you should know that daily water consumption can boost energy levels, combat fatigue, promote weight loss and cardiovascular health, and lubricate sore muscles and joints. To make water your beverage of choice, try a few of these thirst-quenching tips:

- Gradually replace one soda, juice, or energy drink per day with a glass of water. Forming positive habits takes time, so start small and build up to a maximum water intake of 8 to 10 glasses per day.
- Drink water when you wake up in the morning and before bedtime. Placing a glass on your nightstand will serve as a great reminder.
- Each time you eat a meal, or even a snack, have a glass of water.
- Make a water bottle one of your must-have accessories—keep one at the office, at home, and in your car. Water bottles have even become a fashion statement, so pick a bottle that reflects your personal style!
- To give water a little more flavor, try adding berries, sprigs of fresh mint, or some lemon, cucumber, or fruit slices.



John Higgins CFP®, AIF®, CFS®
Wealth Manager / Retirement Plan Consultant

Commonwealth Financial Network • 3 Elm Street, Suite 201 • Morristown, NJ 07960

Tel: (855)860-401K/(973) 326-9318 • Fax: (888) 469-1922
jhiggins@commonwealthnj.com www.commonwealthnj.com

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