

Keep Investing

When you invest a fixed amount regularly, you are employing a strategy known as dollar-cost averaging (DCA). Doing so means you'll potentially buy more shares of stocks or stock funds when their prices are low than when they're high.

DCA happens automatically when you arrange for a set percentage of each paycheck to be deposited in your workplace retirement account. In accounts such as Individual Retirement Accounts (IRAs), you can dollar-cost average by setting up direct deposit transfers from your bank account, spreading out contributions on a monthly basis instead of making them in one lump sum. Ask your advisor about other DCA opportunities in your portfolio.

Dollar-cost averaging does not assure profit or protect against losses in a declining market. It involves continuous investing, regardless of fluctuating price levels, so you should consider your financial ability to continue investing during periods of low prices.

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