

*Put It On Automatic!*

You do not need to reinvent the wheel. There are a number of simple actions you can take that will increase your chances for a successful retirement outcome. Let's discuss one strategy that you can begin to incorporate into your life:

**Put it on automatic.** Do not trust yourself to remember to make a contribution to your Roth IRA\* or Financial Fortress account. By setting up an automatic payment to these accounts from your checking or savings account, you are increasing the likelihood that you will build wealth over time to support your future retirement. Benjamin Graham, widely recognized as the "Father of Value Investing," advocated this principle years ago when he said, *"Systematic investing will pay off ultimately, regardless of when it is begun, provided that it is adhered to conscientiously and courageously under all market conditions."*

While I am not advocating a "set it and forget it" attitude, I am very aware that some of us lack financial discipline. If you can set up a structure that does the work for you, you can benefit from the periodic transfers to your retirement accounts while not having to remember to take action. Ask the personnel at your bank or credit union to help you set up an automatic monthly transfer. Your financial institution will generally give you the ability to change the amount or stop it at any time.

It might be nice to invest several thousand dollars each month; however, few of us are in a position to do so. With an automatic investment strategy in place, you can invest small amounts each month. Let's say you invest \$250 per month into whatever investment your financial planner may have recommended. By investing the same amount each month, you are, in effect, *"dollar cost averaging."* Very simply, when prices in the marketplace are low, your monthly investment of \$250 purchases more shares. When prices are higher, you will be purchasing fewer shares. But the idea is that this will average out over a long period of time. The last thing you want to do is to try to time each investment. I do not want you watching CNBC or any of the talking heads on competing cable channels. Keep it simple. Let compounding and time be your friend by investing regularly and periodically. You might decide to have funds transferred from your checking account to your Roth IRA on the 15<sup>th</sup> of each month, for example. You might also transfer a similar amount to your Financial Fortress monthly. The dollar amounts are not as important as instilling the behavior so that it becomes a routine. You can always increase the amounts over time, which I highly recommend. Let me say that again: do not choose a dollar amount and forget it. Actively seek to raise the amount of dollars you are contributing. You do not want five years to pass by and realize that you have not increased your contributions.

Remember, automatic investing is an easy and proven strategy to aid in accumulating assets necessary for a financially secure retirement.

\*Opinions expressed are those of Rodger Alan Friedman. All opinions are as of this date and are subject to change without notice. Dollar-cost averaging does not guarantee a profit or protect against a loss, you should consider your financial ability to continue purchases through periods of low price levels. Investing involves risk, investors may incur a profit or loss regardless of the strategy or strategies employed.