

Investment Project Report: March 2012

Latest action: Invest another \$1000 in our “lifecycle fund.” Also set up automatic investing.

Invested so far: \$3000.00

Balance: \$3054.00

Details: Another \$1000 invested. I was planning to get around to this near the beginning of the month, but I procrastinated. Then I heard on the radio that the stock market was up and I thought “maybe I should wait until I hear the market is down.” After paying attention to the radio for a few days I gave up on trying to second-guess the market and just bought the #\$\$%&*! stock. Another lesson re-learned.

Since my plan is to invest a total of \$10000, I have only seven more investments to make at this rate. However, I don't feel like annoying myself seven times, so I set up an automatic transfer. Near the end of each month (as I type this it is March 25), for the next seven months, another \$1000 will be transferred to this account from my personal money market account. I set it up to shut off after seven months. It took only a few mouse clicks, once I figured out where to click.

Commentary: The oft-stated advantage of **automatic investing** of a constant amount of money on a regular basis is that, if the price is low, you buy more shares than if the price is high. I don't know how much this matters (feel free to Google it—there is lots to read on the subject), but it does have the advantage of being a non-annoying way to invest. It is also a *very* good way to invest over the long term. Personally, I have my paycheck direct-deposited into a checking account. I then automatically invest money from that account into a money-market account every month. The money market account (a fancy name for a savings account) serves as my rainy-day fund and as the source of funds for investments, such as the one described above. When I enter my paycheck into my checkbook register I simply subtract off the automatic investment. That is, I pretend the investment-money was never in my checking account in the first place and plan my cash flow accordingly.