ICMARC
BUILDING PUBLIC SECTOR RETIREMENT SECURITY

INVESTING FOR YOUR FUTURE THROUGH DOLLAR-COST AVERAGING

By saving on a regular basis through automatic contributions into your 457 or 401 plan, you are investing for your future through dollar-cost averaging.[1] This strategy can be particularly savvy during a volatile market, when fund prices vary widely from month to month.

Investing with every paycheck into your investment portfolio, means you are buying more shares when stock or fund prices are low and fewer when the prices are high — meaning your average cost during a period of volatility is typically less than the average price of the shares during the period. You can also sign up to make monthly investments into your IRA. See a hypothetical example of dollar-cost averaging below.

Dollar-Cost Averaging: Investing $2,400 Over Four Months

Month	Amount Invested	Price/Share	Shares Purchased
January	$600	$30	20
February	$600	$20	30
March	$600	$24	25
April	$600	$40	15
TOTAL	$2,400		90

Average share price = $28.50

Your average cost per share = $26.67

Because your $600 purchased more shares when the price was low, you pay an average of $26.67 per share, rather than the average share price of $28.50.

Learn more about investing, including strategies to manage a diversified portfolio, determine your risk tolerance, and navigate market volatility at www.icmarc.org/invest.

[1] *Dollar-cost averaging does not assure profit or protect against loss in a declining market. Since it involves continuous investment, investors must consider their ability to continue to invest during low price levels.*

AC: 38191-0618

ICMA RETIREMENT CORPORATION | 777 NORTH CAPITOL STREET, NE | WASHINGTON, DC 20002-4240
TEL: 202-962-4600 | FAX: 202-962-4601 | TOLL FREE: 800-669-7400 | WWW.ICMARC.ORG