

# Dollar-cost averaging vs. lump-sum investing

## RISING MARKET SCENARIO

	9/1/24	10/1/24	11/1/24	12/1/24	1/1/25	2/1/25
<b>Mutual fund price</b>	\$50	\$42	\$47	\$53	\$51	
<b>Dollar-cost averaging approach:</b> Total shares purchased with \$500 monthly over 6 months (\$3,000 total)	10	11.90	10.64	9.43	9.80	10
<b>Total shares owned</b>	10	19.09	27.86	37.29	45.91	54.11
<b>Lump-sum investment approach:</b> Total shares purchased if investing \$3,000 at once	60	0	0	0	0	0
<b>Total shares owned</b>	60	60	60	60	60	60

## SUDDEN DROP MARKET SCENARIO

	9/1/24	10/1/24	11/1/24	12/1/24	1/1/25	2/1/25
<b>Mutual fund price</b>	\$50	\$35	\$34	\$37	\$40	
<b>Dollar-cost averaging approach:</b> Total shares purchased with \$500 monthly over 6 months (\$3,000 total)	10	14.29	14.70	13.51	12.5	12.82
<b>Total shares owned</b>	10	24.29	38.99	52.50	65	77.82
<b>Lump-sum investment approach:</b> Total shares purchased if investing \$3,000 at once	60	0	0	0	0	0
<b>Total shares owned</b>	60	60	60	60	60	60

The information in the tables is purely for illustrative purposes and does not imply any particular strategy, counsel, recommendation, or real-world example. The market value of securities fluctuates, and you may incur a profit or a loss. This analysis does not include transaction costs, which would reduce an investor's return. Sources: [forbes.com](https://www.forbes.com); [cnn.com](https://www.cnn.com); [etrade.com](https://www.etrade.com); [ndvr.com](https://www.ndvr.com); [aarp.org](https://www.aarp.org)