Investing Regularly

What regular investing does, and what it does not.

Money

Regular investing

- Fixed amount at fixed intervals
- Buys more units when prices are low
- Removes the decision of when
- Reduces regret risk
- Matches how salaries arrive

Lump sum

- Everything invested at once
- Historically higher average outcome
- Because markets rise more often than not
- But: higher regret if it falls immediately
- Requires having the lump sum

THE DIFFERENCE THAT MATTERS

Lump sum has usually done better on average; regular investing is easier to stick to. The plan you keep beats the optimal one you

General education, not financial advice.