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Noel Swain: Family Superhero

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During the recent volatility in the equity markets, some brave souls have been buying with

intention. They believe that, when we get to the other side of the COVID-19 pandemic, those purchases will look really smart, even though they may appear risky today. In my experience, most investors find it hard to invest when the stock market is falling. But many have been buying without really thinking about the risk. And there are millions of these fearless investors.

Who are they? Well, they look a lot like you and me. They live in houses that look a lot like your house and my house. I doubt any of them have their own bat cave or came from the planet Krypton. But you'd never know it because they have every bit of the fearlessness of a Batman or Superman. They're not what you'd call rich, but they do live full lives. Some of them are married. In fact, I'd say that most of them are married, and their kids go to public school. These people still go to work every day. They still collect a regular paycheck. They go to church most Sundays, or at least they will when their church opens back up. And what's most interesting of all is that you are probably one of these people.

Let me explain.

Most people still have their jobs. And they still contribute to their 401-k's every time they get paid. Most people who invest in their 401-k's buy mutual funds of some type. Mutual Funds invest in the stock and bond markets. Sometimes the stock market goes down like it did in March. So when the market does go down, these fearless stock market investing hero's like you, well ... they buy their shares at a discount.

Through the last six or eight pay periods, you have continued to contribute to your retirement plan. In so doing, you have unleashed a mysterious superpower on your retirement plan called Dollar Cost Averaging. Dollar Cost Averaging is buying when prices are high and buying when prices are low, knowing that eventually, the stock market has always gone up. You see, years from now, when you are ready to plan your retirement, and this COVID 19 pandemic is just a blip on history, you will have truly achieved hero status in the eyes of your family