A steady investment strategy may help put you in the lead

Sure, there are some lucky people who get rich quickly. People win lotteries, hit the jackpot on the slot machine, and even pick the "right" stock at the "right" time, turning their investment into a potential fortune overnight.

But, these fairy tales rarely come true. More often, we achieve our financial and personal goals when following the principle at the heart of *Aesop's Fable, The Tortoise and The Hare* — that "slow and steady wins the race" or more specifically that consistent, effective effort leads to success. In the investment world, this is more likely to be true.

Stick to a consistent plan

In the simplest terms, if you start early and consistently stick to an ongoing savings schedule where you set aside money on a regular basis, you should start to see your savings accumulate over the long term. However, just as in the Fable, (where the turtle used "smarts" — not just time — to his advantage), when investing, there are time-tested strategies that can help you reach your goal.

Stay ahead of inflation

For the same reason you wouldn't stash your cash under your mattress, when saving for the long term, most professionals wouldn't recommend "banking" all of your money. While it's true that investments with a fixed rate of return, such as CDs (certificates of deposit), offer principal protection that others do not, they may not provide the growth you need when you factor in inflation.

Inflation refers to a general rise in prices of goods and services. Even low inflation reduces purchasing power over time, because as prices rise, a dollar buys less. For example, the inflation rate has averaged 1.86 percent over the last ten years (2007 – 2016). This is the primary reason people invest in stocks or equities. Over the long term, stocks historically have been an investment choice for some to outpace inflation.

Diversify

No one can control or predict the performance of the stock market, let alone a single equity. That's why it's important to diversify your portfolio across major asset classes to help you pursue optimal returns for the risk level that you're willing to take. In addition, you'll want to diversify within each asset class to take advantage of different styles and market sectors so strong performance in one area may be able to minimize downturns in another.

The goal is what professionals call "non-correlation." That just means all of your investments are unlikely to move the same way at the same time. On any given day, some may be up and others may be down in value. In a well-diversified portfolio, you can realize the profit on the gains without losing too much on the losses. It all goes back to the age-old adage — don't put all your eggs in one basket.

Dollar cost averaging

Another popular strategy is called "dollar cost averaging."[1] It works like this... Say you decide to invest $10 every week in a mutual fund. On weeks when the price of the fund is up, your $10 may buy a few shares. On weeks when the price is down, $10 will buy you more shares. Over time that will keep your average purchase price low. That's good because the lower your average purchase price, the more you'll profit from any price gains.

Make it as easy as possible

Whenever possible you should consider setting up an automatic investment plan.

For example, if you invest in an employer-sponsored 401(k), you can set up automatic investments for each pay period. The percentage of your total pay (up to the maximum permitted) is taken out of your paycheck before any taxes and invested in the mutual funds or the asset allocation strategy you choose. Your employer might even match a portion of your contribution. Not only do your savings accumulate, but the taxes on any investment gains you may realize are deferred until you retire and begin taking distributions.[2] Other types of investment accounts, such as brokerage accounts, also may offer automatic investment plans and may provide additional flexibility in investment choices and access to your money, otherwise known as liquidity. However, unless they are in an individual retirement account, they may not provide any tax advantages.

Be consistent — and smart

Consistency is the name of the game — as well as making a plan and sticking with it.

Invest whatever you can afford regularly in a well-diversified portfolio and reinvest all your gains and dividends along the way. Whether you're saving for retirement, a new home or college education, slow and steady investing can help you win the race. Turning to a financial professional who understands your financial needs and can offer the right combination of product solutions may also play an important part in your investing success.

This material does not constitute a recommendation to engage in or refrain from a particular course of action. The information within has not been tailored for any individual.

[1] Dollar Cost Averaging does not assure a profit or protect against loss in a declining market, and involves continuous investment in securities regardless of fluctuating prices. An investor should consider his/her ability to continue investing through periods of low price levels. See the product prospectus for complete details.

[2] Taxable withdrawals are subject to income tax and, if made prior to age 59½, may be subject to a 10 percent federal income tax penalty.

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