JEFFERSONIAN GROUP
CHAMPIONS OF FREEDOM AND SELF RELIANCE

Every 1% in Fees Cost You 10-Years of Retirement Income

August 28, 2019

Ben Stein, Tony Robbins, and John Bogle, founder of Vanguard, all agreed that mutual fund and advisory fees can easily "cost you [at least] 10 years' worth of retirement income." As Rick Ferri wrote, Forbes Personal Finance, May 27, 2013, "The thought of giving up 40% per year in investment return to pay for portfolio management and advice would cause most people to walk away." Unfortunately, many investors have no idea that they are paying upwards of 40% of their return each year in fees; and, the people who understand this believe they have no alternative.

The solution offered by Tony Robbins was to hire his firm and pay just 1%; Ben Stein and John Bogle, of course, believed that Index Funds are the answer. In my last blog, *Index Funds Are No Match for DRIP Stocks*, I illustrated a real-life example of one DRIP stock, The Coca-Cola Company (KO), that gained 21.94 times the original investment in 25-years compared to the S&P 500 Index Fund that gained only 9.82 times the original investment after 40-years, i.e., the Index Fund grew to only 44.76% of the value of the DRIP stock AND, it took an additional 15-years!

In fact, based upon my computations, for every $1,000 in fees paid each year for 16-years and not invested using our DRIP strategy, cost you at least $567,000. For example, if you start paying $1,000 in money management fees at age 25 and continue to do so through age 40, you would have lost at least $567,000 by the time you reach 66-years old.

Let's say by the age of 35 you become much more successful and are paying $4,000 in money management fees each year through your 50th birthday instead of investing in DRIP's, you would lose over $2,268,000 in DRIP stock value when you turn 76-years old.

You would lose much more than illustrated above because as your portfolio increases, so does the amount you pay in management fees each year.

Our DRIP Strategy works regardless of what is happening in the stock market because it takes advantage of Einstein's Theory of Compound Interest; in fact, market declines and crashes work to our advantage since the dividends reinvested purchase more shares at less cost and, other great DRIP stocks drop in value and meet our buying requirements!

And finally, the beauty of this DRIP STRATEGY is that you can do it yourself! Just read our newsletters, which are free; and, buy The Best Kept Secret to Financial Freedom and/or *Unlock the 4-Doors to Financial Independence*; both are available from Amazon starting at $4.99.

Spread the word and avoid the charlatans on Wall Street!

Dum Spiro Spero—While I breathe, I hope.

Slainte mhath,

Robert G. Beard Jr., C.P.A., C.G.M.A., J.D., LL.M.