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An Investment Strategy for Financial Independence

Author(s): Carlos Spaht, Harvey Rubin

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Abstract:

This paper investigates achieving financial independence by using the Dividend Reinvestment Plan (DRIP) in conjunction with dollar cost averaging to purchase stocks of quality companies that pay increasing dividends over the 15 year period of 1993 – 2007. To do this, it looks at two portfolios, each containing initially the same stocks, but the second replacing some of its stocks during the last five years of this 15 year period with stocks exhibiting a higher percent dividend increase.