

Dollar-Cost Averaging: A Practical Guide for Crypto Investors

October 13, 2026 • Document #413 • bip39-pharse.com



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Dollar-cost averaging (DCA) means buying a fixed dollar amount of an asset on a fixed schedule — weekly, biweekly, or monthly — regardless of what the price is doing. The point is not to beat the market. It is to replace a single timing decision with a repeating rule, so that headlines, drawdowns, and the fear of buying a cycle top stop driving execution.

How the Mechanics Work

A \$100 weekly purchase of bitcoin buys 0.00167 BTC at \$60,000 and 0.00333 BTC at \$30,000. Because the same dollar amount buys more units when prices are low, the average cost per coin drifts below the simple average of the prices paid — mathematically it approaches the harmonic mean of those prices rather than the arithmetic mean. Most major exchanges support recurring buys through a scheduled-purchase feature, and fractional units mean there is no minimum ticket size beyond the exchange's own limit. Fees differ in shape: some venues charge a flat commission, others take a percentage spread. Both erode returns on small orders, which is why a weekly \$25 buy carrying a 2% spread is materially worse than a monthly \$100 buy on the same spread.

What It Protects Against, and What It Does Not

Crypto drawdowns are extreme by the standards of any other asset class. Bitcoin has fallen more than 70% from its highs on several occasions, and most altcoins have lost 90% or more. An investor who committed a lump sum near a cycle top may wait years to break even. DCA spreads entry across those cycles, lowering the chance of funding a full position at the worst possible moment. It is insurance, not outperformance. In equity research, lump-sum investing has historically beaten DCA roughly two-thirds of the time, because markets rise more often than they fall; the same logic applies to crypto, with wider error bars. DCA also does nothing for an asset that never recovers: averaging down into a failing token converts a small loss into a large one.

Costs, Taxes, and Risks to Manage

Two operational details matter more than most guides admit. First, every purchase is a separate tax lot with its own cost basis and holding-period clock. In the United States, sales are matched under FIFO by default unless specific identification is elected, and gains realized inside a year are taxed as ordinary income. Tracking this without dedicated software is genuinely painful. Second, recurring buys normally sit on an exchange until withdrawn. Exchange failures — FTX is the clearest recent example — can wipe out balances never moved to self-custody, so a common practice is to accumulate on the venue and withdraw to a hardware wallet once a threshold such as 0.01 BTC is reached.

Variations are worth knowing. Value averaging adjusts the contribution size to steer the portfolio toward a target value. Dip buying adds extra on large drops. DCA-out sells fixed fractions on the way up to lock in gains. All are refinements of the same underlying idea.

The honest case for DCA is behavioral and logistical: it makes a volatile asset class survivable for people who cannot or will not watch charts every day.

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MNEMONIC SEED PHRASES

The following pages list 60 example seed phrases assembled from the 2048-word BIP39 dictionary.

- tornado away cube alone knee property torch loan sphere urban release spend
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MNEMONIC SEED PHRASES

- elevator jump push spider galaxy soldier priority hundred fox comfort trouble weather
- brush elegant blouse intact gloom gesture bean broccoli smart educate tape force
- reunion cry mechanic balcony practice awkward arrange pave chronic spider arena sing
- fury cupboard blast find mechanic patient phrase october spike process front chimney
- only lake bleak trophy monitor stand reason book hold water bacon phone
- shift huge violin decline tree better wave address bring pave purse despair
- search change main waste good jacket bag salt merge mushroom powder fit
- obtain swallow vicious essence once stem famous cram fix famous stage oval
- attend raise slush leg rail hard improve tomato edit must creek tobacco
- eagle velvet diagram debate cloth bleak defy crop trophy win dose antique
- valid dignity split tower rail corn interest aerobic token assist people foster
- unusual legend panic fantasy tent case hockey asthma other destroy harvest plunge
- lab advice egg ladder door pioneer budget civil swim lazy awful result
- awkward paper fox next patient envelope worry ghost inspire jewel local night
- math satisfy hamster ozone vocal smooth fantasy valley gown there uphold amused
- humor roast network shield inmate moral mean goddess sport plastic universe crash
- struggle note bulk menu extra word slice husband burden short wild candy
- portion yellow moral climb bid truth cream broken ostrich casino feed girl
- frozen desk slight junk parrot stand scissors radio axis earth hotel scan
- shield fiber ability nose army penalty sell analyst someone spawn surround tiny
- run fringe spring knife govern fiction gaze insane monkey worth fat affair
- female garage detect ensure trophy rent mansion rose fame ticket boring kidney
- grant multiply access merge public digital spray spice hollow wink hire slush
- shy rule gauge tent pupil magnet spike rhythm excuse work parrot country
- verify left eager bone piano wasp pupil net airport maid type junk
- depart want dose dice empty market adult genre usual female ready body
- female smooth welcome confirm million cupboard erode blue blind gun aware digital
- excuse push prefer resource neck kiwi cake flush device miss pipe chunk
- fancy auction cool divert inherit music agent bar tag craft yard remind
- govern coral cabbage wink october mass reveal vanish once shed duty arctic

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MNEMONIC SEED PHRASES

- tissue inmate soup steel banana actor fire connect over broken nature ketchup
- school catalog legend share prosper credit whisper net select found crisp lumber
- afford gallery more voyage inject napkin piece cigar hope keep sun extra
- excuse measure twice siege sibling entry distance carpet bean balcony chat require
- pilot spawn rose art crane bulk uphold biology situate theme amazing real
- trim insect half into auction raw ladder chunk genre ocean basket problem
- enemy poverty social add winter world public hotel subway spoil stamp choice
- blast kiss bounce future green raise voyage lobster sunset punch shiver electric
- world few link leopard crawl theory grass divert hub region love flag
- sure home country shoe chair slot obscure stay april merit short time
- guide crop design match crop tunnel name cloud unknown glare nerve disorder
- gorilla august fee material hurt cool inspire cart humble language inner street
- trick meadow assault they minute kiss earth bottom desk order pattern enter
- combine enough miss lecture kick purity home enough bulk shield decrease switch
- pool tree sound bachelor space betray clog twice random light patient route
- indicate luggage flavor spell spot shaft sound slam belt fly corn tank
- glow hundred street buyer timber fee define brisk swing pulse only obey
- alone supreme rare dignity what toddler faculty october retreat bulk orient industry
- spin mercy leader silk place fee husband dose young night bench ability
- outer duty owner grant foot beach drive curious example pluck thank radio
- welcome banner meat bird quote isolate bright chat village sense smile wear
- best disease width funny purity domain impose thrive turn cake always unknown
- innocent green elbow peasant valley pave offer develop glory start diet baby
- click correct piano talk annual fossil cinnamon equip bench punch claw only
- eye current true alpha decade open amused net biology buffalo choice aspect
- cable bacon trick seed expire accuse slight party strategy either knife wrap
- pear hazard electric echo rapid luxury race canvas stone avoid narrow leg
- stadium hold planet puzzle install suit bracket cradle endless essence suggest pepper
- ozone elite increase december human shell harsh slot become fantasy annual hope

SEE ALSO

- [How Whale Movements Affect Crypto Prices — BIP39 Seed Phrases \(June 24, 2026\) \(2026-06-24\)](#)
- [The Rise of Play-to-Earn Crypto Games: Revolutionizing Digital Entertainment — BIP39 Seed Phrases \(April 13, 2026\) \(2026-04-13\)](#)
- [what-is-infura-bip39-phrase_2025-11-12.pdf \(bip39-phrase_2025-11\)](#)
- [seed-phrases-2025-05-14-en.pdf \(2025-05-14\)](#)

Educational examples only. Randomly generated, not valid wallet phrases - never use them to store funds. Details: [bip39-phrase.com/security/](#)
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