

Happy Memorial Day!



An Alternative Approach to Investing when Markets are Down

In 2008, when investing seemed like an exercise in futility to many investors, I explained an alternative approach. This approach has worked for me now for over five decades. I learned this method from the teachings of Ben Graham, and have successfully employed it my entire career. Here's what I wrote:

Concentrate on Shares, Not Price...

The stocks and funds you own pay you dividends based on the number of shares you own, not on the price of those shares. Unless you are fortunate enough to be Gandalf redux, it is likely that the price of most of the shares you own in 2008 is down hard, to be kind. I sure know I'm in that boat. The number of shares I own, however, is not down. In fact, the dividends I will be paid in 2008 (despite Depression-era pricing) will be up. And if you have invested along with me, the number of shares you own and your flow of dividend cash will be up as well.

All Pay Interest—No Defaults

As for my fixed-income investments (advised for you monthly in these strategy reports), each (100%) continues to pay interest at just the level promised and on time. I own no defaulted issues, nor do you—if you have followed my advice to a T.

Invest for Dividends & Interest

I invest—as should you—to receive dividends and interest for compounding. I do not invest to sell my shares to someone else at a higher price, nor should you. If you invest to finance a comfortable retirement cash flow, your 100% concentration must be on dividends and interest, not on price action. My baseline advice for conservative, retired and soon-to-be retired baby boomers is 50% intermediate and short fixed income (investment-grade only), 45% dividend-paying blue-chip equities and/or funds, and 5% gold (NYSE-listed ETF GLD). I do not offer advice for non-conservative investors and those with a trading or speculative mentality.

Today investors around the world are again facing a struggle to preserve their lifelong accumulated wealth. A dividend-centric portfolio focused on income is still my preferred strategy for

conservative, retired, or soon-to-be-retired investors.

In April, I explained that [I see some dividend suspensions coming](#), but that the coronavirus-assisted drop in stock prices may be a great time to accumulate stable long-term dividend payers. I also explained my recent [three-week-long investing program](#).

For those looking for a more in-depth view of some strategies my family-run investment counsel firm is using, I encourage you to [read the latest client letter](#) from my son Matt, President and CEO of [Richard C. Young & Co., Ltd.](#)

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