

# Dividends Then and Now Are the Answer

I learned from Ben Graham nearly six decades ago that there's no better way to assess an investment than the cold hard cash it returns to you in the form of dividends or interest. In September of 2012 I wrote:

*While at Babson College, I studied Ben Graham's Security Analysis. I still return to it regularly. In Chapter 35, Ben Graham writes, "For the vast majority of common stocks, the dividend record and prospects have always been the most important factor controlling investment quality and value.... In the majority of cases, the price of common stocks has been influenced more markedly by the dividend rate than by the reported earnings. In other words, distributed earnings have had a greater weight in determining market prices than have retained and reinvested earnings." Graham concludes with, "Since the market value in most cases has depended primarily upon the dividend rate, the latter could be held responsible for nearly all the gains ultimately realized by investors."*

## ***Always Keep It Simple***

*Made sense to me in the sixties and continues to make sense to me today. In fact, I attribute most of the success I have had in the investment industry to what I learned from Ben Graham nearly five decades ago.*

If you haven't already included dividends and interest as central planks of your investment strategy, I suggest you do so today.