Boring is Better: The Power of Dividends At All Life Stages

Transcript

Live Event with Kelly Green – Recorded October 22, 2025

Kelly Green:

Okay, yeah, we've got some people popping in. So I do have some, we will have some time for some questions, so if you've got some questions, go ahead and you can start throwing them in the chat. If you want to just chat and say hi to everybody, if you want to say where you're from, that's always cool to see where everybody's from.

I am streaming at you from Memphis, Tennessee in my loft here. That's where I'm stationed for a little bit, hiding out. If you know me. I like to hide out in different places. So super excited to be here. We've got about two more minutes till our official start time. I know the dead air on YouTube, but again, we wanted to make sure that we had this technology. We've only tested it once, but we're excited to be able to do more stuff live on Zoom and on YouTube together. We got more people joining us right now. We already got a question in the Zoom chat. I'm fighting with technology. Okay, let's see. We got about 200 people registered on Zoom. We've got a portion of them in right now. I know some of them just wanted the replay as well, so we might not have all of them, but we'll give everybody another 30 seconds and then we'll kick this off. Again, if you've got questions for me, toss them in the chat. We will have some time for questions.

Okay, 201. Oh, we got another surge of people in the waiting room. We will get this started. We got some people on YouTube. This is, again, super exciting. We've never done one of our events on YouTube before. We used to do them in our community space and now we've switched to Zoom. So I'm super excited that we are able to do this on different platforms now. I get excited about technology, even basic stuff. I don't do that much of it. Where am I? Here we go. Speaker volume is a bit low. Maybe I should bring the mic close to my face. Is that better? Let me make sure it's actually coming through my fancy mic. Oh, it's better. That should be better. Yeah, that's the problem. I always forget that I have a mic now. Previously you were just getting it through my webcam mic, so this is definitely an improvement. Again, we're always trying to improve over here.

Okay. So let's get started here. I got too many things now that I have YouTube going as well. I get overwhelmed. There we go. Okay. Now I can see my... Someone on YouTube says, "Most YouTubers use a little shirt mic." I have those, but they just don't work well. So our video production guy here at Mauldin Economics made sure that I have pretty decent sound. I just sometimes forget to actually put the microphone in front of my face. So welcome. I'm super excited to be here today. So our live event today is really focused on how to position your portfolio, whether you're going to go portfolio ratings, or sorry, portfolio weightings or if you're going to look at how much income you need.

So we're going to go through two different ways that you could set up the dividend part of your portfolio. So before we get started, I know most of you are familiar with my work. If you're not, my name is Kelly Green. I am the person who's in charge of all things dividends over here at Mauldin

Economics. I have a free weekly newsletter called Dividend Digest and I have a premium service called Yield Shark. So that's what I do. And then you also find me on social media. What is my background? I graduated with a degree in Mathematical Economics. My special topics were game theory, econometrics, econ law, and I got a series seven and worked for an insurance company and they wanted me to sell annuities to my dad's friends. My dad is a diesel mechanic and they're all union and they did not want to buy stocks from somebody with a purple faux-hawk who was 20 years old. So I ended up writing about the stock market.

And I quickly found that I loved dividend stocks and anything that generated income. So we're going to talk about, we have dividend stocks, preferreds exchange traded notes. I don't do a lot of actual bond selling. I generally tend to go with those bond funds or those exchange traded bonds because they're easier to get in and out of. And I do like covered calls. I like selling puts. And the reason that I like income generating options is because you get so much more than just the dividend, you are freeing up your time and time is something that is so valuable to us. So what I like about dividend stocks is they are generally boring. So I don't have to watch the market all day looking for that perfect buy and sell. I get in, I'm planning on holding for years to come and I'm collecting my dividends. Excuse me.

So that's a little bit about where I come from. And since some of you may not be familiar with my work, I'm going to just tell you the ground rules or where I'm coming from when I talk about stocks. So I believe that you're investing dollars, I'm talking about your investing dollars. So you get your paycheck, you pay Uncle Sam, you pay your bills, you've got some money left over, right? You might put some in a fun money bucket. So your investing dollars, I believe they can only do two things. You can use those investing dollars to generate more income for yourself today or you can use those investing dollars to build wealth for you in the future. Now I'm not talking about your speculative investing, right? It's a little different bucket when I think about it, but I do like to speculate with dividends as well.

So it's not completely outside of the conversation. But when I talk about your portfolio as this investment, this is the solid part of your portfolio. It's not looking for the moonshots, it's not looking for the next best AI company and do that. That stuff is cool. I'm talking about this investing this safe side of your portfolio. So again, we have those two goals. You can generate more income for yourself today or you can build wealth for your future. And to make it easy, when I recommend a stock, I put them in two baskets that correspond with those goals. So for wealth building, I call these stocks bedrock income stocks and these are stocks that you could hold for decades, right? So this is the money that if you're young you want it to be building so that it becomes that retirement money that you turn into generating income. Or it becomes the part of your portfolio that you pass down to children, grandchildren, in my case, my brother has three young sons.

So if I don't spend all of my money, right? The part that I will touch last when I start spending is going to be this wealth retaining part of my portfolio. So that's the bedrock income and to really make that part of the portfolio work for you, we want to reinvest those dividends. Now, that's compounding, most of us can understand if you have a credit card, right? You have a credit card, the bill comes in, you have what you spent and the interest, the next month you have what you spent the interest, and then you're also paying interest on the interest, right? This is actually using that to work for us. So by reinvesting our dividends, we'll start to earn dividends on our dividends. When we reinvest dividends, our broker allows us to buy fractional shares. So again, I'm not going really deep into this in this live event, I've got tons of that content out there. If you are looking for that specific content, let me know. I can shoot it to you.

But that's just a general overview of how my bedrock income section works. Now the current yield section are my short-term holdings. Now I want to be very clear, I'm a dividend investor. So short-term for me is less than decades, right? So when I say short-term, people like to make fun of me because short-term for me means it could be months. Occasionally I do recommend something and the stock, if the stock pops 30 or 40%, I'm going to sell it and I'm going to go to the next investment. But generally when I talk about short-term holdings, I'm talking about two, three, four, five years. And again, that's what makes this a lot different than other investors, right? If short-term is days, maybe even intraday.

Now the difference. Again, we've got bedrock income, these are the really boring things that we could hold for decades and we have current yield. Now these are going to be a little bit higher yields generally, and that's why there are shorter term holding because there's a catalyst for why we can hold them right now and why we're getting a higher yield. Okay? So to calculate yield, we take our annualized dividends and divide it by the price we paid that gives us our annualized yield that lets us compare our different stocks. Again, I'm just doing a brief overview and we'll get into the meat and potatoes of how to set up your portfolio. Okay? So that's a number that's really important to us dividend investors is what is our annualized yield. Now, that yield is separate from share price gain.

So I look at yield as our primary goal of investing. We're going to talk about how the yield... Reinvesting the dividends creates this wealth will also get wealth building and more money from the share price gains. But that's secondary. Okay? And again, that's different when you talk about my strategy versus other investors, but even other dividend folks. Okay? So we've got bedrock income, we've got current yield, we've got our annualized yield. Again, those current yield are generally higher. Bedrock income are generally going to be lower. We got one more ground rule if you know me, you know that generally, generally I will make exceptions. Generally I do not recommend or want to hold anything that has a yield less than 3.5%. And sometimes I've had people ask me where that number comes from. Back when I started in the industry, which was 2011, we were in ZERP, right?

So we use a 3% threshold. Now I use 3.5% because I still think that is a great yield on some of these boring companies and I don't believe you should hold... You deserve to get paid. You're an investor. You deserve to get paid for putting your money with that company, for believing in that company. Now, some people want to go a little higher, right? You could go four, you could actually take whatever the current CD rate is, like certificate of deposit, and you could use that as your threshold because the alternative, you could have that money in a FDIC protected account. But the difference is the CD rates are going to move eventually. So even a 3.5%, if I'm going to go 3.5%, I want a company that's like a dividend aristocrat or a dividend king.

If you're not familiar, dividend aristocrat has paid 25 years, or sorry, increased its dividend. So not just paid but increased its dividend for 25 years and a dividend king is at 50 years. So if I go for those lower yields, I want that track record, that track record that that company continues to value its investors for years no matter what's going on in the economy. Okay. So that was like Kelly's theory down and dirty in 12 minutes. Okay? So we've got these two baskets of stocks, we've got these two goals. How can we create a portfolio? Okay? So I'm going to go through two different ways that you could do this. The first one is going to be math heavy. Don't worry, I'm going to pull up the math so you can see it if you're a visual person. The second one is way simpler, right? We're going to start with portfolio weightings and we'll adapt.

So stick with me if you're not super math heavy. Stick with me because as we go through and think about this, this is going to help you figure out how you can take dividends and use them to improve your life. And how do we do that? By freeing up time, right? Making more money, freeing up time. That's what we're looking for. Hopefully you're all with me. Chat's super quiet today. I think you guys are with me. We check on YouTube. Okay. So, oh, I got some thumbs up. Perfect. I have to check on YouTube separately. So let me share my screen. So if you're a visual person, I did go through this before, right? Oh, can you guys see the Zoom stuff now? Hold please. There we go. Okay, so I did go through this... Hold on a second. I just want to check that I'm sharing the right screen. You guys can see the formula?

Yes? Sorry. Zoom is not letting me see what you're actually seeing. Yes. Okay, so you guys can see the formula. I don't know why Zoom doesn't want me to know.

Okay. As long as you can't see my mess of another desktop, because you would... I mean the other screen looks like what the inside of my brain looks like. So there's about a thousand things open because I'm always looking for a pattern here or there. Okay, so here we go. Got it. So this was the formula that I talked about, but previously, right? Yield equals the annual dividends paid divided by our entry price and then we're going to multiply by 100, right? Because our yield percent we need to put in a decimal, right? Or sorry, we will get a decimal. So yield percent equals annual dividends paid divided by entry price. You're going to get a decimal here and you need to multiply by 100 to get your yield percent. Okay? So this is important, because this tells us what we're actually making. Okay? No, just recap.

Okay, before I get to that. So the first... Let's see if I can do this, switch in and out. Yeah, I got this. So the first way that we can look at our portfolio is by how much money do you need today? Okay? So again, if I say that there's only two different goals, right? We can build wealth and we can generate income. The first way to set up your portfolio is to figure out how much income that you want today, and then set up that part of the portfolio to generate the income you need today. And then the remainder of the portfolio is set for wealth building and that's how it really should always be. If you are not actively using the money today, that money should be compounding. Okay? So let's see if I can do this. Okay, so let's look. Let's say that you want to pay your mortgage and maybe I'm disclosing that the last house I bought, I bought at a really good interest rate. Because my mortgage was $2,000 of the house in Florida too.

So let's say the mortgage is $2,000 and we want our investments to give us $2,000 a month. Well, the first thing we're going to need to do is annualize that. Okay? Because again, we just figured out, we looked at the formula for annualized yield. The other thing is your dividends are not going to pay you monthly, they'll probably pay you quarterly. So you want to annualize this,, so everything's annualized. So you're taking your monthly annualizing it, you've got your quarterly dividends and annualizing it, and that's how they can work together. So let's say our mortgage is $2,000, that's 24,000 annually. Now here's the formula that you would need. Okay. So the money needed to generate your desired income, right? So money needed will equal your desired income divided by your annual yield percent, and then we also have to put that percent into a decimal. Okay? So that's the formula.

So below it you can see that I filled in... That I filled in the yield percent and I use 7%. And a lot of you might be like, "That is very high." Now, I don't think it's high and I'll tell you why. Because if I look at our open Yield Shark portfolio, right? Our bedrock income part, the boring wealth building, our average is around 5.5% for our yield. And if you look at the current yield part, which is where you would be using those stocks here. Our average for that part of the portfolio right now, we have an effective yield of 8.5% and a current yield of 10.2%,, because we have some positions down right now, which means we can get a better yield. And again, if we have time, we can talk about what's going on in the market and why I'm not necessarily concerned about stocks that are down right now, especially in the dividend sector, but that's a little bit outside of what we're doing today.

Okay. But the average part of the yield chart, current yield part of the portfolio is 10.2. I wasn't going to do this math with 10, 10 is high, but there are opportunities for double-digit yield that is safe if you know where to look. So I use 7% here and if we want to generate $24,000 annually, that means that in our investing account at 7% yield, we're going to need $342,000, right? And I would bet that a lot of you have that in your retirement account. Okay? But that being said, it might not be in all of your retirement accounts. So what if you want to start smaller? Okay? So if we wanted to start smaller. Let's talk about just paying our phone bill annually. My phone bill's about 60 bucks. I'm on Google Fi. I'm sure we probably range from 50 to a hundred, maybe 120, 150 if you're paying for a family plan. But my $60 phone bill on Google Fi is $720 annually. Okay?

Now, the money needed, again, I want to figure out how much money I have to invest at, we're going to use 7% again to generate my desired income of 720. We do our math, $10,285.71. That's a lot more manageable, right? And again, remember what we're doing, this is yield. So I'll get my quarterly dividend checks, right? They're actually going to be deposits in your account, but we call them dividend checks, because they used to come in the mail. This is from the dividends. So at the end of the year I've used my dividends to pay my phone bill, but guess what? This money is still in my account. It could be a little higher, it could be a little lower because share prices change. But to me, I know that money's going to fluctuate slightly, but I'm just going to leave it there, because guess what?

The next year I'm going to generate my $720 to pay my phone bill, and then guess what? My shares are still there, and then I can keep doing that until one day maybe I do cash out this money. But again, we're talking about the yield while saving that principle for maybe for retirement, maybe for some other future goal. Okay? I can't see the chat. I'm trying to figure out. Okay. Let me double check for questions. Hopefully that makes sense. Cool, no questions. Okay, so start small. Start with what you have. You could pay your phone bill, maybe your phone and your internet bill, right? With double that. So start small. Generate income to take away a bill. You could even get creative about it. Maybe you buy shares of Verizon and use their, their dividend was a six something the other day when I looked. And you can use their six something to pay your phone bill with Verizon, right? So you could get cheeky about it too.

Okay. So when we use this kind of way of thinking about our portfolio, right? So we could take our $10,000 and now that's paying our phone bill, and then the rest of the money would be wealth building. Okay? Paul asked, "Where did the 7% come from?" So the 7% I made up, not really. So in our Yield Shark portfolio, our current income stocks, our actual average in there right now is 10.2%, which is on the high side. Generally I use the portfolio average of that part of the Yield Shark portfolio for my examples, but even I will admit that that is high right now. But a lot of the stocks that we have in that part of the portfolio, a lot of stocks that I recommend as current yield would hit 7%. That's what I'm comfortable with as almost as a guarantee. So if I was doing this myself, if you want to be more conservative, you could use 5%, but I have a lot of double-digit yields in my short term portfolio. So again, my short term is a couple years, but 7% for me is conservative for those types of stock.

If you had a favorite stock, right? So if you had a favorite stock, if you really wanted to pay your phone bill with Verizon, you would use Verizon's current yield in there to figure out how many shares of Verizon. So that's 7% or whatever percent you put in you are putting in and it could be based off of because you already have your eye on certain stocks. But here I just use seven because I'm comfortable with that because I have enough in the portfolio that we have that. Adam says, "So in order to pay the bills with dividend income, you would not reinvest?" Right. So these would be your current yield. So these would be the ones that are actively generating money for you now, and then whatever money you have left should be reinvested. So that's building wealth for you.

Tom, I'm not going to really speak on payout ratio because it doesn't factor into these calculations. Payout ratio would factor into whether or not something should be seen as a bedrock or a current yield. So if you don't know payout ratio is how much of a company's earnings it's paying out as a dividend. So we talk about that when we talk about dividend safety, so if you are trying to pay your bills with dividends, you probably don't want to pick super risky stocks. So that's how payout ratio factors in, but it doesn't specifically factor into these calculations, if that makes sense. That factors into the stock picking process and whether we think it's safe enough for our goals. Okay. Let me switch to YouTube, see if they got any questions. Somebody asked, "If we can watch this later?" I'm pretty sure, but this is the first time I've done this, so I think it will be on YouTube. I think it'll live there forever, if not, I will edit it and then upload it. So hopefully it'll be on YouTube.

Okay. Hopefully that answers our questions. Now, we could take this one step further. Isn't this like the age-old question you guys? I mean, I'm not that old, right? It's kind of obvious, I'll be 36 in a couple months, but even when I got out of college, people were starting to question whether or not you could retire with a million dollars, right? That used to be like the staple. Financial advisor would tell you, "You got to make sure you've got a million dollars in your retirement account and that's when you can retire and live off of the dividends." So can you retire with million dollars? So let's plug it into our equation here. So instead this time we're going to put the million dollars into our money needed, because that's what we have and we're going to be solving for our desired income, which I changed here to income generated. I'm going to keep it at 7% and again multiply by our decimal to get this into a decimal. So $1 million at 7% will generate $70,000, which is just above the average salary in the U.S. in 2024, which was 63,795.

So could you retire with a million dollars? Probably if you can live on the average salary in the U.S. Now, I'm not saying that's what we should be aiming for. There's a bigger conversation in this and if you start to try and figure out how much you need. What's the next slide? Okay. So if you are wondering what that magic number is that you can retire, then this is the formula for you, right? So again, we could go back here, okay, we're going back here. Instead of my phone bill, I put all my expenses in. Don't forget to annualize it, right? So you figure out your monthly expenses. So write it all down and you might quickly realize that you've got a lot of little piddly stuff. How many streaming services do you have, right? But you'll start to realize how much you need annually, and then you can put it into this equation and figure out if you need more than a million dollars.

But a million dollars is going to give you about 70,000. And again, I use that 7%. The 7% is based off of our short-term holdings. That means you are still going to have to be a active trader. Now again, I say active trader because you're going to want to cycle through those stocks every couple of years. Adam put in the chat, "The safe withdrawal rate might be 3%." 3% is what people like to use. I think that's super low because of the stocks that I look for. So if you look in our, again, I'm using my track record, our Yield Shark portfolio, the average for our bedrock income, so the boring part of our portfolio is 5.5%. So I think that you could very easily set up a portfolio that is 4.5, 5% and not have to look at it. But yes, most people say the 3% would be, and again, this isn't withdrawal rate either, so this is just dividends that's not touching your million dollars, right?

So you'd be able to at a 7% if you're watching your stocks, which looking at our current income, I'm confident that if you were yield track reader, you'd be able to get your 7% and your million dollars would move with the market. We're not pulling those shares out. Okay? So this is the complicated way. Told you I'd do a complicated way and not complicated way. So if you really want to start digging into your own personal finances, which you should, if you haven't, it's a good thing to do. List out all of your expenses. First off, you will probably find some places that you can save money, and then you can really start to design a plan. How much do I need to retire? And if the amount of money you need to retire is a lot bigger than you thought, then I would not focus on generating income with your portfolio right now.

You really want to get your money compounding for you, right? You want to get paid dividends on your dividends the same way as if you have a credit card, you're paying interest on your interest. Let's make that work for you. Dividends on your dividends around year seven to 12, that graph really starts to hockey stick up, right? So again, it's hard to say what your portfolio should look like without knowing your goals and your life stage and what you want out of your money. But mathematically, this is how you would start to break it down. Okay. Now, what if you're like, "Kelly, that is too much for me. I just want to start a portfolio." Okay, I got you. If I knew nothing about you, you did not want to hear my spiel, this is what I would recommend. This is where I would recommend you start. Okay?

Now let's go through this a little bit. And again, please remember that this is the boring part of your portfolio. I am not talking about any money that you want to put in penny stocks, you want to put in speculating. This is your investment part of your portfolio. Robert, I'm going to get to BDCs. I love BDCs right now for all of the reasons that people hate them. We'll get there. We're going to start at consumer staples, and then we're going to start boring and we'll get more exciting. Okay? And there's also, I just did a podcast on BDCs too, so remind me to mention that. Okay. So again, if you wanted to get started, this is just your investing part, have your speculative money.

I personally, every once in a while when I'm in Maryland, my mom will be like, "What do you want to do?" And I'll say, "Let's go up to the casino and put a hundred dollars in the slot machines." I like that stuff. So I like speculative investing too, but I know when I walk into the casino that I may not walk out with a hundred dollars, but that's not the part of your portfolio we're talking about, right? So this is your safe investing money. Okay? So we're going to start here with consumer staples, boring preferreds. Now the first thing I want to mention is when I talk about consumer staples in this part of the portfolio, I'm not talking about their official sector, right? I'm talking about anything that you can look around in your world and say, "The world won't exist without that."

So when we think about traditional consumer staples, which I actually wrote about consumer staples in today's dividend digest. Kimberly Clark, toilet paper, last year I stood at a live speaking event in Vegas and it was a packed room and I was like, "Did you all get bidets during COVID?" And people looked at me, I was like, "No," it's a weird question, right? But people are going to still buy toilet paper. People are still going to need diapers. And I know we don't really want to talk about this, but it's important to remember that diapers happen at both ends of our lives, right? And also feminine hygiene products, Kleenexes, those things are going to be bought, right?Those are traditional consumer staples, bleach, food, products.

Now, food products you have to be careful about because there's this transition out of the middle part of the grocery store right now. But consumer staples, some people think of McDonald's as a consumer staple, right? That's officially a consumer discretionary. But even as someone who doesn't really, I probably haven't had McDonald's in 20 years. Every time I drive by, there's a line, right? So consumer staples are these things that we look around and we're like, "They're not going anywhere." I'll give you some of my favorite tickers for that part. The other thing is preferreds, if you've never invested in preferred stocks, you are missing out on a great part of income generation in your portfolio. Preferreds are kind of this hybrid. They're somewhere between a bond and a stock, right? They're technically like a preferred stock, so they're an elevated type of stock.

If the company were to go bankrupt, you would be in line before the common shareholders. But the interesting part of preferreds is they have a set payment, right? So they're not at the mercy of the board of directors. They have to pay out the percentage that they say they're going to pay out. Again, that's very oversimplified. If you want to start looking at preferreds, Fidelity has the best screener that I've found. You can just Google Fidelity preferred screener. You do not have to have an account with Fidelity. I'm not affiliated with Fidelity. I don't have any accounts with Fidelity, but I really like their stock screener for preferreds. So we got 25% boring, boring, boring, boring stuff that we want to reinvest and just let it build our wealth. Okay?

Next I would go oil. You need oil exposure in your portfolio. If you're familiar with me, you know I love pipelines. I love pipelines. Pipelines can have a tricky tax situation. So if you're not super comfortable with adding pipelines, get a pipeline ETF or oil producers or some oil exposure. I like oil rig companies, but I don't know if I'd put that as them is super safe. But have an oil producer, oil pipelines, right? Oil's not going anywhere. And utilities, have utility. Have a fund. Pick your local utility if it pays a decent dividend. If you want, you could go... I've talked about utilities in Iowa and other areas that are going to have AI exposure. That would be the Virginia area, Texas, Iowa, where else? Where I am, Tennessee's a little bit tricky because the TVA is not public, but yeah, utilities. So this is actually a half-and-half, right? Half bedrock and half current. So this is a half-and-half very simple portfolio to create. Okay? So that's going to be your boring stuff. I would recommend reinvesting this half of the pie.

Now, other things that I like to have exposure to, tech, you got to have tech exposure. Now, tech exposure is hard in a dividend portfolio because tech companies don't really pay dividends and that's by design, right? Because if I'm paying out a dividend, that's less money that I have to reinvest back into the business. But if you stick around, I will give you some tickers and one of them is tech exposure and has a very high dividend. Okay? REITs, you got to have some real estate exposure. I have owned houses. I was a landlord. I have been burned by physical real estate too many times. I am currently in the middle of, it's a long story, but I don't like owning real estate. But I like REITs. They're a trusts. You can look for lots of different objectives. You could do industrial. Industrial is an interesting place to be right now because warehouses, tons of stuff is still being shipped. Manufacturing, there are companies bringing their manufacturing back to the U.S. and they need to rent industrial spaces.

If you want to do cannabis real estate, there's IIPR. I'm not recommending IIPR. We've had it before. It's got its challenges right now. You could do mortgage REITs, you could own the apartment complex, you could own healthcare buildings, right? So there are lots of different objectives. So you can search for a REIT, and then whatever you're looking for. I like experiential REITs right now and I also like travel. I know hotel is down right now, but I do think that's going to recover. BDCs, I love business development corporations. So BDCs were created so that the individual investor could invest in lots of different, in smaller and medium-sized companies, right? They were only accessible to rich people.

Now, if you really want to hear me talk for 20 some minutes on BDCs, I just did a podcast with Jeremy over at Dividend Stockpile on YouTube. We had a great conversation about BDCs. The issue that people are seeing with BDCs right now is the NAVS are going down the net asset value. So the share prices are going down. The reason that that's happening is because of this crunch that's happening in private equity, it's important to realize that BDCs are more than just giving out money, right? So they're different than a traditional private equity firm when you're buying shares. A BDC has to invest in small, medium-sized businesses and it has to help the management as well. So it's providing that managerial support. What's happening right now is we have the people paying off their debt because the interest rates got higher, the BDCs are seeing more payoffs and not enough new originations to keep the net asset value the same. So their net asset value is going down and BDCs generally trade close to their NAV.

I'm not worried about that, because if you look at the companies who are not taking out money right now, instead what they're doing is they're just shoring up their balance sheet and they're waiting for cheap money or cheaper money. So as interest rates trickle through the economy, we're going to see more lending and private equity and specifically in BDCs. Okay? So I like BDCs right now. If you buy shares and they go down slightly, like don't panic, remember this is a short-term hold of a year, two years. I think we're definitely going to see BDCs recover in the second half of 2026. Okay? And then you see I have current trend one and current trend two. I think your dividend portfolio even the, this is the safe part of your portfolio, should have exposure to what's happening, if that makes sense.

So what is a trend that you like and figure out a way to get a dividend from it. Whether that's like maybe you like Brazil, I don't know. I haven't really looked at what's been going on in Brazil. Maybe you like another part of the world. Go buy an ETF that pays out a dividend that invests in that part of the world, right? Maybe you like gold right now, right? Somebody asked about precious metals. I don't usually keep precious metals as a core part of my portfolio because they're hard to find dividends. I like to have currency. I personally like to have currency instead of gold. I've been trying to figure out what currency I think is going to stay stable if the U.S. dollar is not the global currency in the future and I am more on that.

But if you want gold, it's hard to get a dividend. There are ways to do it. They are generally very short term. Unfortunately the gold producers right now, they're making a lot of money and they're not passing it through to their investors. So if that changes, I'm going to get some gold, but I don't generally keep it. If you got a gold producer at a great price and you're getting a great effective yield, do it, keep it. But the opportunity is not there right now because it's not paying to consumers or paying through to the investors. How do you feel about that? So if I was going to say... If somebody was going to be like, "Tell me your portfolio weightings," this is what I would tell them.

And now, as a general rule, this right half of the pie I would reinvest. Now, caveat, I told you I'll be 36 in a couple months. I generally reinvest most of my portfolio. Because I don't have any of a generating income right now, right? So even if I'm only going to hold something for a couple years, I like the little bit of compounding that I get. But note that if you're only going to compound for two, three years, it's not really building your wealth like that. So again, because generally if you're younger, you're working, so your income's coming from your paycheck or almost all of your money should just be building wealth, right? Yes. So as Brett said, "As you get older you're going to shift from building to income only." Now, what you want to do, obviously, there is probably a point where you're going to want to just live off of your dividends not work.

If that's your goal, you would want to keep your building wealth as long as possible to get the most money, right? So that you can have a higher number, right? So that this number's not a million, it's two million, it's five million, so that this number is higher. So income only, I would say you should only be income only if you have to be. I would make sure that you've gone through, I don't have the slide. I had a slide where I wrote out all the expenses but then I was like, "It doesn't add a whole lot." But I would write out your expenses and try to get those expenses down right, right? Between now and retirement get those expenses as low as possible, pay off the mortgage, pay off the house, or pay off the mortgage, pay off the cars, right? So then you can still have part of your portfolio building wealth. Does that make sense?

I know people want a solid answer from me. They really want portfolio weightings, but unfortunately that's hard to do, right? It would be hard for me to tell you about your specific tax situation without asking you some questions, right? It would be hard for me to tell you what your portfolio should look like, but these are the things you should think about. How much money do I need now? How am I building my wealth? And once you have it set up, reevaluate once a year. Don't go crazy, don't be reevaluating once week, then you're going to be trading in and out. You're not going to see the compounding. So yeah, Robert posted in our Zoom chat, "MLP can be a C Corp or a K-1." Yeah, I don't mind K-1s. Most people know that enterprise products partners, EPD, is my favorite stock, but you can get an ETF instead.

So let's switch over. So we've answered a bunch of questions, right? The BDC question was one I wanted to get to. So we've answered a bunch of questions. If you've got a question, drop it in the chat. We've got about 12 more minutes and I did promise you some tickers. I do have some tickers for you. And actually I think we answered most of the questions that were submitted as we went through, right? We talked about BDCs, and again, if you should check out that podcast over on Dividend Stockpile. Specifically, somebody asked a best dividend strategy for people in their 60s. Again, that's a hard thing to just answer like that because, are you in your 60s and still working? Are you doing something you love and you're going to keep working forever? Are you in your 60s and you're ready to make that jump to living off of your dividends?

And again, it's just going to matter how much of that nest egg that you have. Yep. So someone did ask me about LYB, I won't forget. So LYB, LyondellBasell, if you're not familiar with my work, you might not be familiar with the stock. It's a company that is plastic recycling and it makes resins or polypropylenes that are in different products. So if you've had a Wendy's Frosty in the last 30 years, you might have noticed that Wendy's changed from paper cups to plastic cups. Now that doesn't seem very intuitive. Why would we go from paper to plastic? Now those paper, those yellow, they're part of my childhood, right? My grandparents loved to take us to get frosties. That yellow paper cup was lined with plastic, and then they couldn't separate the paper from the plastic so they could not be recycled. Now, I think it was Barry when Barry's merged with someone now, but Barry worked with LyondellBasell a couple years ago to create this new plastic cup that you're frosties in. Okay? And that plastic is recyclable.

And LyondellBasell is at the forefront of this technology and they're just so hated by the market right now because they've had some declines in revenue and they're going through this big transformation right now. Now, I recommended this stock to readers and it's down because of this transformational plan, but I don't think that's a bad thing. I still like LyondellBasell. They just announced last week that they are releasing a new poly. Is it polypropylene or polyethylene? I am not a chemist, but they just announced a new resin that is going to be able to be used in patio furniture and other things. So I don't have a specific update on LYB because they haven't reported this quarter yet.

So it's always hard when you guys ask me in between earnings, because I don't have a lot of new information, but in their earnings that's coming up, these are things that I want to know. They did divest some U.S. assets that I was a little bit shocked at because they said they were only divesting European assets. I want to hear what the management says about it, but I'm not really worried. And then I want to hear about the customers with this new resin. So I'm still optimistic on LyondellBasell, but yes, we are down on our shares officially. Yeah, Roger said, "Asset location, taxable versus tax deferred." This is hard for me to discuss because I keep everything in a taxable account. I don't want a tax advantaged account. I personally don't see the benefit. And there's a couple reasons why.

I don't really work a traditional career and I don't plan on traditionally retiring. And every time I've had a retirement account, I've cashed it out because I've wanted to spend the money and paid the penalty and I don't have kids, right? So I don't have a traditional lifestyle. But if your assets are in a tax advantaged account, a retirement account, that means that you can't touch it until you meet the criteria. I'm not even sure what the age is right now, I should know that, but the age has changed. That should play into your strategy. So that you would want it to be wealth building heavy because it's stuck. You can't take it out. I think you could take it out if you're buying a house, change that during COVID, but that is important.

If you were in a tax advantaged account, if you have money that you cannot touch, wealth building, right? Wealth building. You could even go with the current income and it depends if your tax advantaged account lets you pick individual stocks or funds. But if I was picking funds, I would still go towards that pie chart, right? I'd want to make sure I had consumer staples. I would probably go with some muni bonds, I would go with oil, I would go with utilities. So I would have the same segments and I would reinvest them. Any Roth, you can take out at any time with no penalty, not for earnings just to contribute? Yeah. Again, I keep everything in a taxable account. I pay my taxes every year. I like to have my money there. I'm a spender, not a saver, but that's one of the reasons I like dividend investing because it forces me to save some money for the future.

No, not munis, but you could do some muni bond funds just to have that exposure. I'm just saying they're a safer, they're a safer, but have a better payoff ,again if you're going to do funds. But yeah, munis would be better in your taxable account. I don't do a lot of munis, but I like funds for their exposure. That's the other issue. When I've had these retirement accounts, my options were limited. I was only stuck with the funds. So I had bond funds, you had those, the what year you're going to retire or the 2050 fund or whatever. And those trade very flat generally because they're hedged, right? They don't want them to go down too much. So they're hedged, so they don't go up a whole lot. Again, I don't like retirement accounts, but some of you have them, some of you like them. If your company's matching the money, do it. Get that free money.

Again, I know I'm a weirdo and I don't take advantage of the tax advantage accounts. I know I'm a weirdo in that way. They're talking about Kenvue over on YouTube. Kenvue is interesting, right? Kenvue is so hated right now because the Tylenol issue and now the white powder, the baby powder, they had the issue here in the U.S. and now they're being sued in the UK. So it's going to be interesting to see what goes on with Kenvue, but at the end of the day, they have so many brands that people don't realize,, they're not just Tylenol, they're not just baby powder. They're just so hated right now by the market because of the uncertainty. I wouldn't buy Kenvue right now, but if you hold it, I would hold Kenvue, right? So I wouldn't be out there like, "This is a great deal," scooping it up. I would let some things settle before you scoop up shares. If you're not already in, I wouldn't just jump into the uncertainty, but if you're in the uncertainty, I would not panic sell. I wouldn't panic sell. Again, I think looking at the end of 2026.

Somebody in here said, "I can't imagine a world without Walmart." Unfortunately, Walmart's a hard dividend stock right now because its yield is just so low because the stock is up so high. So anyway, depending on how you feel about Target, Target is again another one of those stocks that's hated right now. So you can get a pretty good price. But again, Target is... People feel strongly one way or the other about Target. I don't because I don't really shop there. I like it as a stock. So how about some other tickers? So let's talk about some tickers that I like. So if you're going to do a BDC, I still like BDCs. I like the whole sector. If you watch the podcast, you'll see that I drop a couple tickers in there too. My favorite one is Hercules Growth Corp. I think that's what they're going by now. They went by something Hercules Tech Growth Corp. I think it's just Hercules Growth now. Hercules Capital.

But the ticker is HTGC and that is one of my favorite BDCs. It has been for a while. It has a current yield of 10.7%. It's one of my favorite BDCs because they focus a lot on tech and a lot on life sciences. So that would go in the BDC part of your pie or it would be considered a current yield stock, right? And I do think that BDCs are about a two to three year hold. I've personally been holding Hercules for way longer. I still like it, but I would say you were definitely looking holding it that through 2026. And then I'll give you another current yield. This is the tech one I told you I'd give you. This is a preferred. Okay? And I don't think I've given this in Dividend Digest yet. So first to get this ticker, right? My Yield Shark people have already gotten in, right?

So Yield Shark members get all of my official recommendations with a buy up to price. And then occasionally I do give some tickers and dividend digest. But if you want all of the tickers, those are in my Yield Shark premium service. And I do think our marketing team's going to send you a sweet deal that they've been working on as well. So my favorite tech exposure is Digital Bridge Group, and these are the 7.125 Series J perpetual preferred share. So the ticker is DBRG-J or your broker might have them as some weird format, it might be PRJ, but when you're looking for a preferred in your broker, it's better to just type in the company Digital Bridge. And then in the drop-down when things like populate, look for those Series J, right? And they have a current yield of 8.2%, right? Their interest that they have to pay is 7.125, but they're trading at a discount to their face value. So you can get 8.2%.

They own a lot of companies that are invested in data centers, right? So they're one of my favorite tech plays right now. I know 8.2% from tech. I got you. I'm looking for that stuff. And then we'll talk about the boring stuff, right? Our bedrock, I said Kimberly Clark, right? I wrote about today in Dividend Digest, Kimberly Clark and Clorox, both of those. Clorox is an interesting one. Clorox actually has a lot more brands than you would think. And bleach is one of those things that people will not buy the store brand of. Years and years and years they ask consumers and they don't want to go generic on their bleach. I'll give you another preferred that I like that we consider bedrock income and that's Public Storage. Now, the Public Storage shares, they're fairly safe. They pay decent dividend. I like the preferreds because Public Storage is one of those companies that always has preferred offerings.

They have tons of different issuances. I like the Series F as in Frank, but you could buy any of them. But Public Storage is another one. So there's some there. How are you guys feeling? I know somebody just asked me about Hercules, but we're running out of time. Adam, are you a Yield Shark subscriber or a Dividend Digest subscriber? Because I will be writing about it in Yield Shark once Hercules announces its next earnings. But I can also write about that in Dividend Digest too. So once I have Hercules most recent earnings, I can go through all those numbers and that's what I'm going to write to myself. That when Hercules comes out, we're going to talk about it in digest so we can revisit that BDC story and look at a specific BDC and see how we are. We're faring Cool.

So sweet. This has a fun time. Hopefully this one was way more succinct and more focused than our last live event. If you were here on Zoom, you'll be getting a recording email from the team, that magic happens outside of me. And then, like I said, I think our marketing team put together a really cool promo for you or an offer for you guys where you can actually try out Yield Shark for a, I don't even know. They do the deals. So they'll send you a deal, and then maybe you'll try out Yield Shark and see if you like it. So yeah, if you, well, let's see what we got here. Cool. I was just checking to make sure we didn't miss anyone. So yeah, they're going to send out a cool deal for Yield Truck so you can try it for a lower price point. And I think that you're probably going to want to stick around. I might be biased, right? I really like Yield Shark and I really do try to find the best stocks.

Yield Shark does have a new monthly recommendation every month, that was redundant, but it's the fourth Tuesday of the month. So if you got into Yield Shark now, you would get our next issue, which would be next Tuesday, right? So that comes out Tuesday, right when the market closes. And I'm really excited about the stock that we've got. It's interesting. It's a dividend company with a really long history of paying, but they've done a lot of stuff in the last two years and it's not priced into the market. So it's a cool, these are things I like to find where we're going to get our solid dividend, but there's also a catalyst for the share price accumulation bonus there. So cool. Yep. So the team will send out a recording transcript, an offer for you guys. This should also be on YouTube.

If you didn't ask a question, right? Yield Shark, we have our community area, you can shoot me questions there. You can go over to my YouTube channel, which is DownDogsandDividends, right? Yoga and dividends are kind of my jam. You can write into our customer service team. So there's ways to find me. So let's keep talking about dividends. So see you guys soon.