

# Common Stock Dividends: What Are They Worth?



## Evaluating Dividend Safety With the Free-Cash-Flow Payout Ratio

“Cash is king” is a common refrain in investing and investment analysis. Just because a company generates positive earnings doesn’t mean it will succeed. It still needs to generate cash to survive. Thus, whether a company can generate sufficient cash is what matters to stakeholders.

## Closed-End Bond Funds Versus Individual Bonds: A Case Study

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Closed-end bond funds may look attractive based on their yields and discounts to net asset value, but there are a few pitfalls to watch out for.



## Bond Terminology

Here is a brief primer of some of the common bond terminology.

## Common Stock Dividends: What Are They Worth?



There are a series of dividend issues facing the individual investor, and they are worth discussing. However, ultimately the question of dividends reduces to expected return and risk, and the question: How should a stock be valued when significant dividends are paid?

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Our Member Question for this week is:

*There is no reader question this week due to the Thanksgiving holiday.*

Last Week's Results:

**In the aftermath of the midterm elections, do you feel more or less confident about the prospects for the U.S. stock market over the next six to 12 months?**

My outlook hasn't changed : 46% - Votes: 814



I am feeling less confident : 42% - Votes: 736



I am feeling more confident : 12% - Votes: 207



*Poll results are as of 9 a.m. (Central) on Monday. 1,878 respondents.*

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AAII Survey: Has Investor Sentiment Changed Following the Midterm Elections?



In the aftermath of the midterm elections, we asked our readers whether their outlook for the stock market has changed and whether they have modified their asset allocation or investment strategy.

### [AAII Investor Classroom: Investing in Bonds](#)



Think of the bond market as a mystery wrapped in an enigma? You are not alone. But this AAI classroom—a member exclusive—pulls back the curtain so that you can analyze individual bonds with confidence.

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