

Using Bonds Instead of Stocks for Portfolio Income

This week's AAI **Weekly Digest** highlights these “must-read” AAI articles:



Interest Rate Sensitivity and Bond Pricing

How can it be that there are times when “safe” assets such as high-quality corporate bonds or U.S. Treasuries exhibit levels of price volatility that normally may be associated with the stock market? This article outlines a set of easy-to-calculate formulas that could reveal how much a bond’s price will change in reaction to an increase or decrease in yield.

Using Bonds Instead of Stocks for Portfolio Income

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Maximizing consistent and predictable cash flow is key for meeting retirement objectives. By taking a savvy approach to bond buying, you can minimize your taxes, limit your expenses, reduce your risk and increase your predictable cash flow. Municipal bonds can help investors accomplish this.

Be Wary of Offers for High-Yield CDs



The Financial Industry Regulatory Authority (FINRA) warns about advertisements promoting high-yielding certificates of deposit (CDs). While some of these promotions may be legitimate marketing efforts by banks and credit unions, many others are “bait-and-switch” ploys to sell a different, high-commission product.

Defining Yield: A Word of Many Meanings



The term “yield” is thrown about often by the financial press and others. The trouble is that yield has many different meanings and implications for investors. This article will try and sort out some of the major differences.

Our [Member Question](#) for this week is:

Have you received a phone call this tax season claiming to be from the IRS regarding supposed fraud and misconduct on your federal tax return? [Note: The IRS never discusses personal tax issues through unsolicited emails, calls or texts or over social media.]

[Vote Now »](#)

Vote to answer this week's Special Question: *What steps do you take to try and protect yourself from financial fraud and scams?*

Last Week's Results:

Do you or have you ever traded on margin?

No : 77% - Votes: 1614



Yes : 23% - Votes: 476



Poll results are as of 9 a.m. (Central) on Monday. 2,240 respondents.



[AAll Survey: Vast Majority of Readers Don't Trade on Margin, Citing Risks & Unfamiliarity](#)

Borrowing money through a margin account to purchase securities can be a profitable and wise investment strategy. But debt creates financial leverage, which magnifies both gains and losses. In short, buying stock on margin is riskier, and individuals who want to use this strategy should know the ins and outs of trading on margin. We asked our readers whether they trade on margin as well as what they see are the advantages and disadvantages of trading on margin.

[AAII Bond Investing Resources](#)



Think of the bond market as a mystery wrapped in an enigma? You are not alone. But AAII offers a collection of resources to help you navigate the bond analysis, selection and purchasing process.

The AAII Weekly Digest is one of the many **benefits** of AAII membership. To learn more, consider a **30-day Trial AAII Membership** to start becoming an effective manager of your own assets.