



**"WE DON'T CARE IF THE MARKET CLOSES FOR THE NEXT FIVE YEARS. WE CARE HOW MUCH COCA-COLA HAS SOLD FIVE YEARS FROM NOW."**

~ Warren Buffett, 1997 Berkshire Hathaway Annual Meeting

What if the stock market was closed for five or ten years? The only information you could get about your investments was the amount of dividends you were receiving each year.

Robert G. Kirby introduced the idea of the "Coffee Can Portfolio" in an article in 1984...

“FOR MANY YEARS, I HAVE BEEN INTRIGUED WITH AN IDEA THAT I CALL THE “COFFEE CAN PORTFOLIO.” THE COFFEE CAN PORTFOLIO CONCEPT HARKENS BACK TO THE OLD WEST, WHEN PEOPLE PUT THEIR VALUABLE POSSESSIONS IN A COFFEE CAN AND KEPT IT UNDER THE MATTRESS.”

~ Robert G. Kirby, Journal of Portfolio Management—Fall 1984

Let's consider an example.

- 1) You invest \$1 million in SCHD on 12/31/2011. SCHD is an index fund holding 100 high quality, high dividend stocks. It is the largest holding in our client accounts.
- 2) You took the share certificate (can't do that today as everything is electronic) and put it under your mattress.
- 3) Each quarter, a dividend check is mailed to you.
- 4) The stock market shuts down so you have no idea what the shares are worth.

The yearly dividends you would have collected would have been as follows:

## DIVIDENDS COLLECTED

YEAR	AMOUNT	YEAR	AMOUNT
2012	\$ 30,940	2019	\$ 65,859
2013	34,523	2020	77,479
2014	39,989	2021	85,905
2015	43,797	2022	97,842
2016	48,052	2023	101,528
2017	51,402	2024	113,946
2018	54,977		

Refer back to the Warren Buffett quote at the beginning of this article. Here is my version:

“WE DON’ T CARE IF THE MARKET CLOSES FOR THE NEXT TWENTY YEARS.  
WE CARE HOW MUCH SCHD AND OUR OTHER HIGH QUALITY STOCKS ARE  
PAYING IN DIVIDENDS FIVE, TEN, AND TWENTY YEARS FROM NOW.”

~ Keith Sechler, May 2025

## How can you develop this Coffee Can Portfolio mentality?

- Quit watching the news and financial programs. Their business model is to get you to watch by scaring you. Did you ever notice how every story is “BREAKING NEWS” in big, bold red letters?
- Quit watching the value of your portfolio. Mentally tuck it under the mattress.
- And most importantly...

