MaxDividends

The 5 Timeless Rules of Dividend Investing

How to Build Growing Passive Income, Live Off Dividends, Retire Early and Leave a Legacy

Table of Contents

1. My High-Yield Dividend Growth Journey

Retire Early and Live Off Dividends: $12,000 Monthly for 120 Months

Hi, I'm Max—an entrepreneur, father of three, and private stock investor. I focus on finding high-yield dividend growth stocks to build a lifestyle where I can live off dividends and retire early.

The idea of creating passive income usually hits us as we move past our twenties. For me, it happened around age 35. I realized I didn't want to run a business forever—I had other dreams to pursue. I enjoy writing, blogging, and sharing my journey. Retiring early, before 50, has become my main mission.

Today (at my age of 40) I can ALREADY start living off dividends right now, the level of expenses is lower than my passive income from stock dividends, but I still actively reinvest dividends.

I like the idea of living off dividends while my passive income grows and allow myself to continue to regularly invest additional funds.

About a decade ago, I started investing in growth stocks. Over time, those investments, combined with my savings, gave me the foundation to start following my plan.

Initially, I focused heavily on growth stocks, but in recent years, and especially recently, I've transitioned toward high-yield, dividend growth stocks.

At this stage in my life, predictable, growing passive income is more valuable to me than long-term stock price appreciation. My focus is on living off dividends rather than waiting for stock prices to rise.

To truly focus on what we love, we need to stop stressing about daily expenses. For me, building a growing stream of passive income through dividend stocks was the solution.

As the creator of the MaxDividends Strategy, I use it to identify high-yield dividend growth stocks that help me achieve my goal of retiring early and living off dividends. I share my journey and the steps I take to reach this dream.

MaxDividends Key Concept

Predictability in life's essentials is the foundation of peace of mind. Peace of mind is the cornerstone of financial security. At its core, MaxDividends is about creating that peace of mind.

2. Living Off Dividends and Retiring Early

Here's how I see the path for any investor and their ultimate goal. I find it hard to imagine any purpose for investing other than creating a reliable source of income—whether it's by selling assets or earning dividends.

Selling assets might make sense mathematically, but how do you prepare yourself mentally for that? To me, it feels like setting an endpoint to your financial life and methodically counting down to it, wondering each year what happens when the money runs out. That doesn't feel like carefree financial freedom to me.

Instead, I've chosen the path of passive income. It makes sense. Your assets stay intact, which means, as a responsible parent, I can leave a legacy. Leaving a legacy is important to me.

I've always loved the idea of passive income from the assets I've accumulated. I've mastered the skill of saving, just like many of you probably have, too.

But do you know what truly inspires me? Wealth growth. I love seeing my capital grow, and I enjoy managing that process. I'm an independent investor, and I want to decide for myself how to handle and use my money.

For me, wealth growth is a fantastic goal. Maybe it is for you too? One thing, however, became clear to me over time: as I get older, I've become less sensitive to market fluctuations.

I want to see growth, but I don't want to stress about which direction the stock market is heading today. I like the idea of success in any market condition—simple and clear. I enjoy life, my passions, and the fact that each year I grow wealthier.

That's when I discovered the idea of growing passive income. It's not a new concept, and there are different ways to achieve it. For instance, reinvesting part of the income you receive to grow both your capital and your passive income.

But the real magic lies in the growth within the stock market. Hundreds of brands I grew up with are now helping me build stable income. And all it takes is a couple of clicks. Thank you, Internet!

That's the real miracle I've discovered, and my only regret is not learning about it sooner. What about you? Who introduced you to the amazing world of investing in the stock market?

Johnson & Johnson—thank you for my kids' essentials. PepsiCo and Coca-Cola—thank you for Christmas forever! These iconic brands allow us to buy shares, own a piece of their business, and earn income!

Reading about these great companies made a huge impression on me. I realized that truly wealthy people have been using this "miracle" for ages and thriving because of it.

These big companies reward their shareholders—decade after decade. They sell products worldwide, grow their businesses, and, with that growth, their stock prices and dividend payouts increase. It's incredibly simple, yet incredibly impressive.

The stock market is a fantastic way to grow wealth while enjoying the process. Beloved brands, growing passive income—each year, we become wealthier and more at ease. For me, it's a perfect plan, and a great path to follow.

This is how my dream was born—to build growing passive income through dividends from stock market investments and live off dividends. I love watching my wealth grow each year, managing my savings, tracking the process, and choosing companies I trust. I love that I'll leave a legacy. And I love that this journey is free of anxiety about the end result.

3. Why I Believe Starting with a Community of Like-Minded People is the Best Way

I was no older than 20 when I first thought about investing. But where to start? Back then, I would've given anything to be part of a community like MaxDividends. It could've made everything happen so much faster.

But times were different. The internet was just starting out, and investment groups or communities were almost unheard of. Today, it's the opposite—there's an overwhelming amount of information. Threads, forums, social media—it's everywhere.

And you know what? That's a problem in itself. It's confusing. There's so much noise, and often no one to ask. You feel like you're navigating it all alone.

If I could choose, I'd pick a community filled with people who've already achieved the dream or are well on their way to it. That would be my choice. To leave the noise behind and join true like-minded people—not empty talkers with no skin in the game.

Why do I put so much emphasis on community? Because that's where the answers are. The right answers. No endless Googling for advice, no double-checking if what you've read is reliable. Instead, you get solid, time-tested advice directly from someone who's already achieved what you're striving for. Clear, proven, and to the point.

There's a strategy in cycling that's considered unsportsmanlike. I finished an Ironman and spent a lot of time on a road bike, so I know this well. It's called drafting—riding directly behind another cyclist.

The rider in front takes all the wind resistance, while you follow in the slipstream, exerting far less effort. It's easier for you but tougher for them, which is why it's frowned upon in competition.

Here's the good news: in investing, this tactic isn't banned. Experienced dividend investors know this—and so do you. Following in the footsteps of those ahead of you isn't just allowed; it's one of the smartest moves you can make. Imagine being in a community alongside Warren Buffett and Charlie Munger. Now you get it, right? I'm sure you do.

That's why I believe being part of a strong community is essential. It's about more than just learning; it's about positioning yourself for success with guidance from those who've already paved the way.

4. On the Path to Living Off Dividends: Self-Education

I'm sure you love reading—I know I do. I read a lot, and books have been a huge source of knowledge and experience for me. They're full of lessons and stories that teach you so much. I've got a few favorite books, and I'll share their titles here:

- Built to Last
- The Richest Man in Babylon
- How to Turn $5 into Billions
- The Intelligent Investor
- Cashflow Quadrant

Investing is like having your own small business, but one designed to set you free. It's your own world, something you can build exactly how you want. You're in control of this dream, and with the right strategy and the right people around you, you'll reach your goals. It's an amazing feeling.

You've got support around you, you know exactly where you're headed, and you're following the path of success already taken by others in your community. Your own business of growing passive income keeps delivering more profits through dividends every year.

Business schools don't teach you much about investing, and they don't share the most important secrets. Why? Because it's too simple. Because anyone can do it. But think about it—what would fund managers and advisors do if you took charge of your own dividend growth business and enjoyed every part of the process?

How would they make money from their advice fees, management fees, and all those other charges for buying, selling, and managing your money? They wouldn't—because you'd be in control. You'd follow the key rules, keep your costs low, and reach your goals without unnecessary stress.

That's why self-education is so important. Think about it—your banker doesn't care if you retire early or build a steady stream of passive income.

The only one who cares about that is you. This is your money, your future, and your life. Your passive income is a result of your efforts, and it's a reflection of your success.

For me, learning about investing through self-education was the key to making my dream of living off dividends a reality. I realized how empowering it is to take control of your savings and use them to create your future. That's how I built my growing dividend business. That's when I set my goal: to retire early and live off dividends by building a growing stream of passive income from stocks.

But honestly, I don't even think of it as "retiring." For me, it's about freedom—freedom to choose what I do and how I use my talents. We're all talented in our own way, but nurturing those talents takes time, and time always seems to be in short supply.

But there's a solution, and I've found it. Now, I'm sharing it with you.

5. Why I Love the Idea of Investing in Stocks

For me, there are three types of investments: investing in yourself, investing in real estate, and investing in businesses.

Real estate has a high barrier to entry, requires large upfront investments, and ties you to a specific location. I've never had the time or savings to start down that path, and I don't now.

Investing in yourself—through education, self-improvement, or building your own business—is something I've done. It worked for me, and it taught me how to save and manage money. That's how I planted my own financial tree.

Your active income and savings today are the seeds for planting your financial tree. By following a few simple rules, which I'll share with you, you can create a growing stream of passive income and reach your goal of retiring early and living off dividends.

Stocks, on the other hand, are incredibly liquid. You can buy or sell shares in a matter of minutes. You could invest millions of dollars in just five minutes—from your favorite café or the comfort of your home, thanks to the internet.

Stocks have also historically been the most profitable asset class compared to others.

And finally, stocks represent businesses—and behind every business are people. Talented founders, skilled managers, and hardworking teams. These people work every day to create value for society. By supporting the most talented businesses, we're helping build a better world. Isn't it amazing to grow your passive income while contributing to a better future?

When you invest, you get to choose the companies you believe in—the ones you think are the best and most deserving. That's a powerful idea. You decide who to support and where to put your money by investing in their stocks.

By building a growing stream of passive income through dividends, you're not only working toward financial freedom, but you're also backing companies that make the world a better place. These companies help you live off dividends and retire early. It's a win-win!

6. Built to Last

Great companies grow and thrive for centuries. Perfect examples include Coca-Cola, Colgate-Palmolive, York Water, and slightly younger giants like McDonald's, L'Oréal, and Nestlé.

MaxDividends
by BeatMarket team

These 12 Companies Together Own 550+ Consumer Brands

Revenue by Company (2023):

- Nestlé **$111B**
- PepsiCo **$91B**
- Procter & Gamble **$84B**
- Unilever **$66B**
- The Coca-Cola Company **$46B**
- Mars **$47B*** 2022
- Mondelez **$36B**
- Danone **$30B**
- Kraft-Heinz **$27B**
- Associated British Foods **$24B**
- General Mills **$20B**
- Colgate-Palmolive **$19B**

Enjoy the reading? Gift me a coffee ☕

Interesting Fact: York Water (YORW): 👑 The Oldest Dividend Payer

- Sector: Utilities
- Year Founded: 1816
- Dividends Paid Since: 1816

"That good York water"
SINCE 1816

York Water has been delivering clean water for over 205 years, making it the oldest dividend-paying company in America. Water is essential, and York's consistent performance proves that simplicity and necessity are the ultimate business models.

A Century of Business Legacy

Back in 1816, York, Pennsylvania, had a major issue—fires were constantly devastating the town. With no reliable water supply, there was chaos. That's when a group of determined locals decided to take action.

They founded York Water, the nation's first private water company, to deliver water directly to homes and fire hydrants. But they faced a unique challenge—they had to build a wooden pipeline (yes, wooden pipes!) to get the water where it was needed.

It worked. York Water didn't just help the town grow; it laid the foundation for modern infrastructure. Over 200 years later, it's still providing clean water and protecting the community. Now that's staying power!

These companies are shining examples of successful, sustainable growth. Partnering with businesses like these offers tremendous benefits. You're not only helping create a better world, but you're also growing your wealth and building a strong, reliable stream of passive income.

Consider Walmart's Example

The longer you stay invested in stocks, the less money you need upfront. For example, in 1970, just $1,650 invested in Walmart would have bought you 204,800 shares. To buy the same 204,800 shares today, you'd need to invest $32,286,720.

Why I Believe Stocks Are the Best Way to Build Growing Passive Income with Dividends

The very nature of business is to grow. Businesses are created to make money, and entrepreneurs are always striving to expand and bring more value to society through their products and ideas. Growth is fundamental to business.

When a business grows, its sales increase. As sales grow, so do profits. Dividends are paid from those profits.

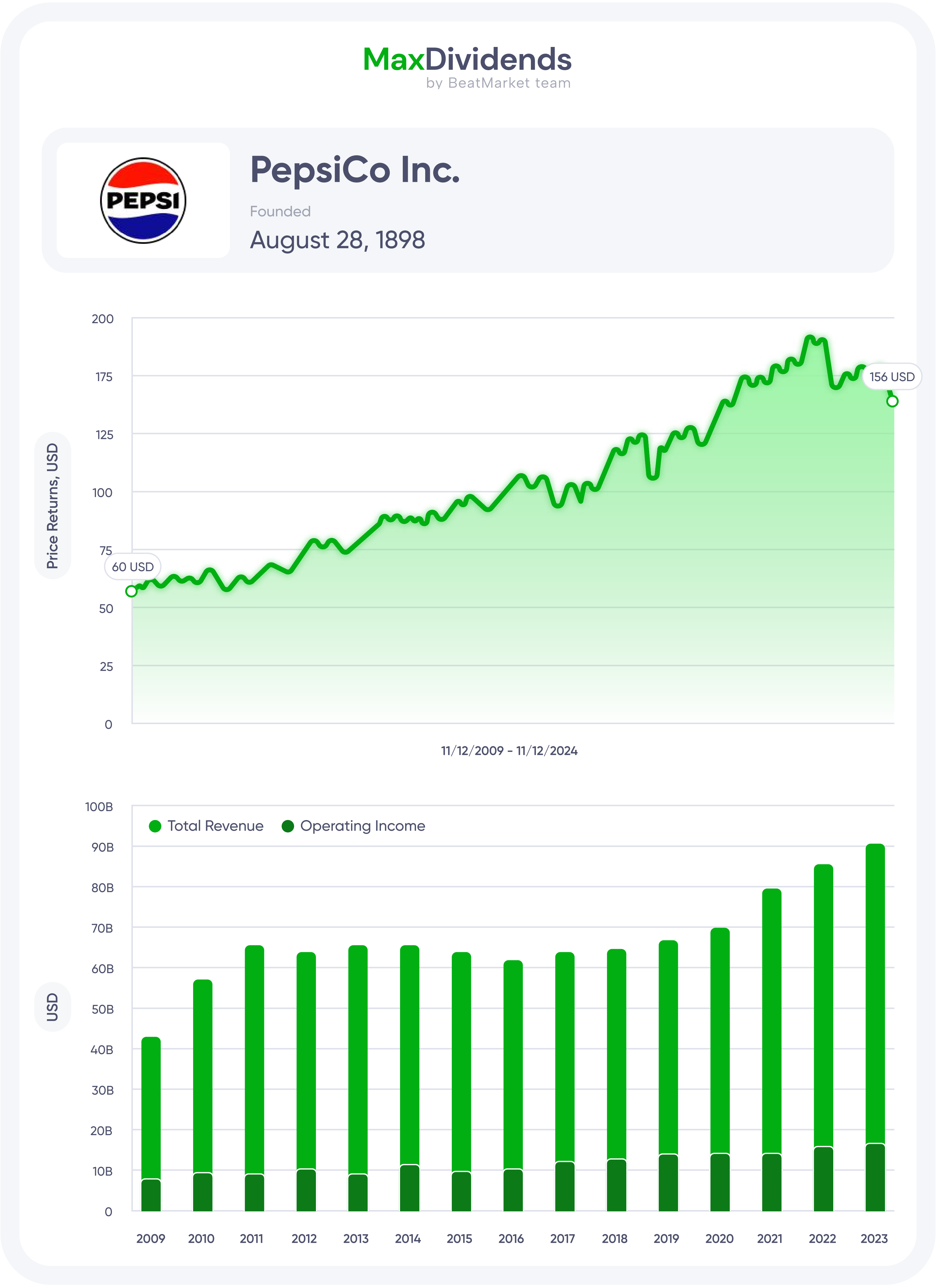
When you invest in a business, you're investing in its growth. As the business grows and earns more profit, it shares that profit with you through dividends.

The essence of business is growth. Business growth leads to higher profits. Higher profits lead to an increase in your dividend income. That's how your passive income from dividends continues to grow.

Enjoy the reading? Gift me a coffee ☕

7. Talented People Are the Eighth Wonder of the World

Stable dividend growth is the result of talented people at the helm. They run the business, generate profits, and drive dividend growth. The most talented businesses are so well-managed that their profits grow not just for years, but for decades—even centuries!



Enjoy the reading? Gift me a coffee ☕

By choosing high-quality businesses led by talented leaders, we ensure a steady and growing income through dividends.

On my journey toward my dream, I've learned—through self-education and managing my own investments—how to identify the most talented companies. These are the businesses that are taking me closer to living off dividends and leaving a lasting legacy.

I'll share with you how to identify these exceptional companies in just a few steps, so you can always feel confident that you're on the right path.

Your passive income is growing, and you know exactly when you'll reach your goal. From there, you can sit back, enjoy life, focus on your hobbies, and let your chosen companies—led by talented managers—continue working for you, increasing your income and building your wealth.

8. The Double Advantage

As an entrepreneur, I've always known that one key factor drives the future of any business: sales. If a business knows how to sell, everything else can be adjusted and built upon.

But without sales, the business fails. It's bankrupt. This is a simple truth I've learned over 20 years of running my own businesses.

For years now, I've been applying my entrepreneurial experience to analyzing other businesses I invest in. Stocks represent businesses, and the only things that matter are their performance metrics and the talents of their management teams.

A business's metrics reflect its strength, and the most important metric is sales.

A talented team guarantees success, especially in tough times. Strong leaders always find brilliant solutions to complex challenges and identify the steps needed to take their business to new heights.

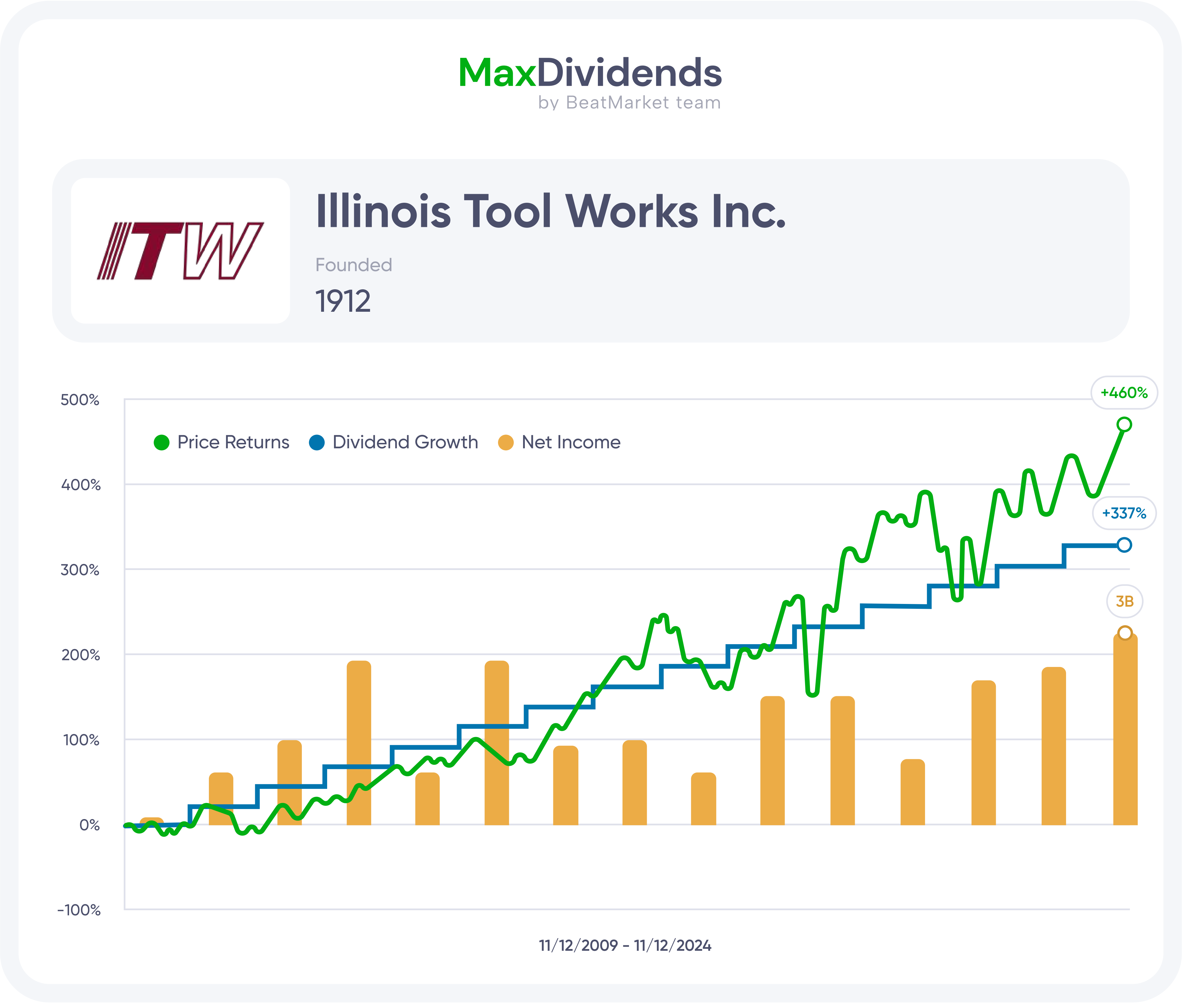
I focus on companies with talented management teams and strong business fundamentals. I've spent a lot of time developing a simple system to identify businesses "built to last" with outstanding leaders.

These are the companies I trust with my money. These are the businesses driving me toward success.

But wait—why did I mention a "double advantage" earlier? Here's the secret: A talented team running a business built to last will provide me with growing passive income for life. And it will also leave a legacy for my children.

Here are a few more examples of companies whose sales are growing, driving increases in both dividends and stock prices (the legacy). Let's take a look at two or three of these businesses.

Enjoy the reading? Gift me a coffee ☕



I'll share with you my simple, time-tested, and effective methods for selecting the best built-to-last companies led by generations of talented leaders.

These companies will provide you with ever-growing passive income while you focus on what you love and spend time with the people who matter most. It's a great deal.

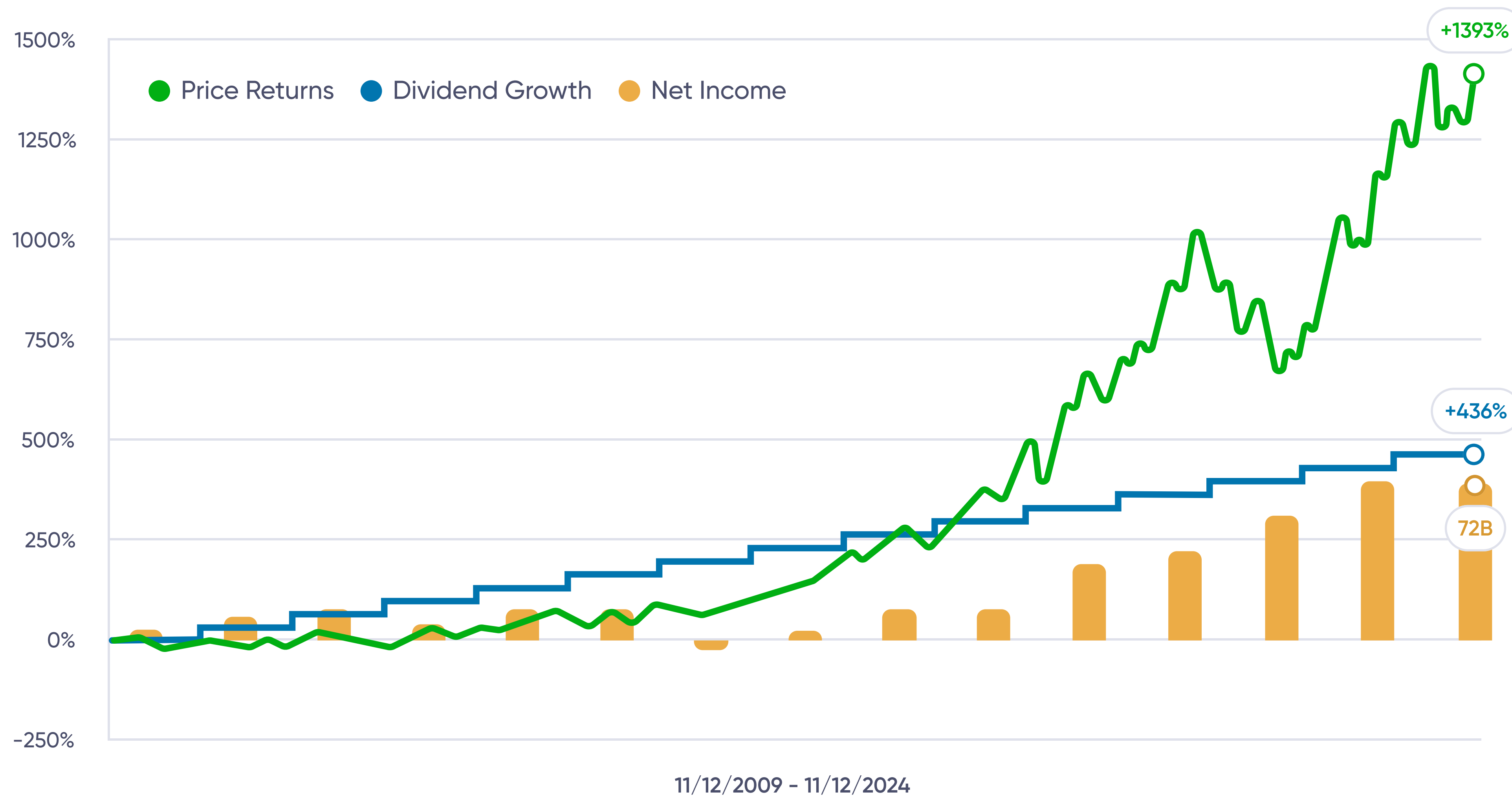
Enjoy the reading? Gift me a coffee ☕

MaxDividends
by BeatMarket team

Microsoft Corporation

Founded

April 4, 1975



9. Simple Rules for Building a Reliable, Growing Passive Income with Dividends

These are basic business rules—clear, straightforward, and effective. They serve as a solid shield for my family's capital and for every independent investor seeking steady growth in passive income from dividend stocks.

The first priority is ensuring my capital is in safe hands. I trust it to talented teams of entrepreneurs managing companies built to last. Now, you'll also know how to apply these simple business principles to invest in the best businesses.

Year after year, even month after month, your capital will be managed by smart, talented, and successful people who are passionate about what they do. You'll rely on the best entrepreneurs on the planet while you focus on enjoying your life and spending quality time with your loved ones.

Just imagine for a moment:

- You're trusting your capital to someone with an MBA from the Booth School of Business, the world's top institution for producing economic Nobel laureates.
- Your dividend income is growing under the guidance of graduates from the University of California at Berkeley and other leading business schools, experts in economics, technological innovation, and sustainability.

You can feel at ease knowing you're building your growing dividend income alongside some of the most talented business leaders in the world.

At the same time, you'll have a clear set of criteria for the companies these talented managers run. You'll maintain control over the quality of management with just one hour of effort per year!

These simple rules will help you create a reliable source of passive income growth and leave a substantial legacy for your family.

By following these principles, I've stopped worrying about market events entirely. I enjoy the process and spend time with my family while my passive income grows. There's no need to stress over stock prices or daily news. I have a clear, simple, and effective roadmap in hand.

I know exactly when I'll reach the point where I can live off dividends, and my passive income will keep growing even after that. This legacy will provide invaluable support for my children as they carve their own paths in life. It's an incredible feeling of peace and ease, something only those on the journey toward growing passive income for early retirement truly understand.

Together with my team, we've created a simple yet highly effective formula for success on this path. Just a few steps are all it takes to build the best passive income alongside great businesses built to last, led by talented entrepreneurs at the helm.

With this approach, you'll always be part of a winning team and stop viewing the future as an uncertainty. Worry will fade, replaced by confidence and peace of mind. You'll focus on doing what you love while your passive income continues to grow.

10. Time-Tested Rules for Successful Dividend Investing

When I think about which businesses I'm willing to invest my hard-earned savings in, a few questions always come to mind. It's not just about securing a happy future for myself—I want that for my children too.

But I also know that simply passing on money without knowledge can do more harm than good. The most important legacy isn't the money—it's the knowledge. Capital is valuable and can be a great support, but knowledge is what truly matters.

As I reflected on this, I wasn't just thinking about my children but about future generations as well. I wanted a system they could rely on no matter where they live or how the world changes.

The rules of business have stayed constant for centuries, and the formula for identifying great businesses should be just as timeless.

That's how "built-to-last" companies are created. And you can gain this knowledge too—the knowledge of how to build an ever-growing stream of passive income. This is a legacy you can use for yourself and pass on to the next generation.

So, what do built-to-last businesses look like? How can we easily identify the most talented entrepreneurial teams behind the world's greatest companies?

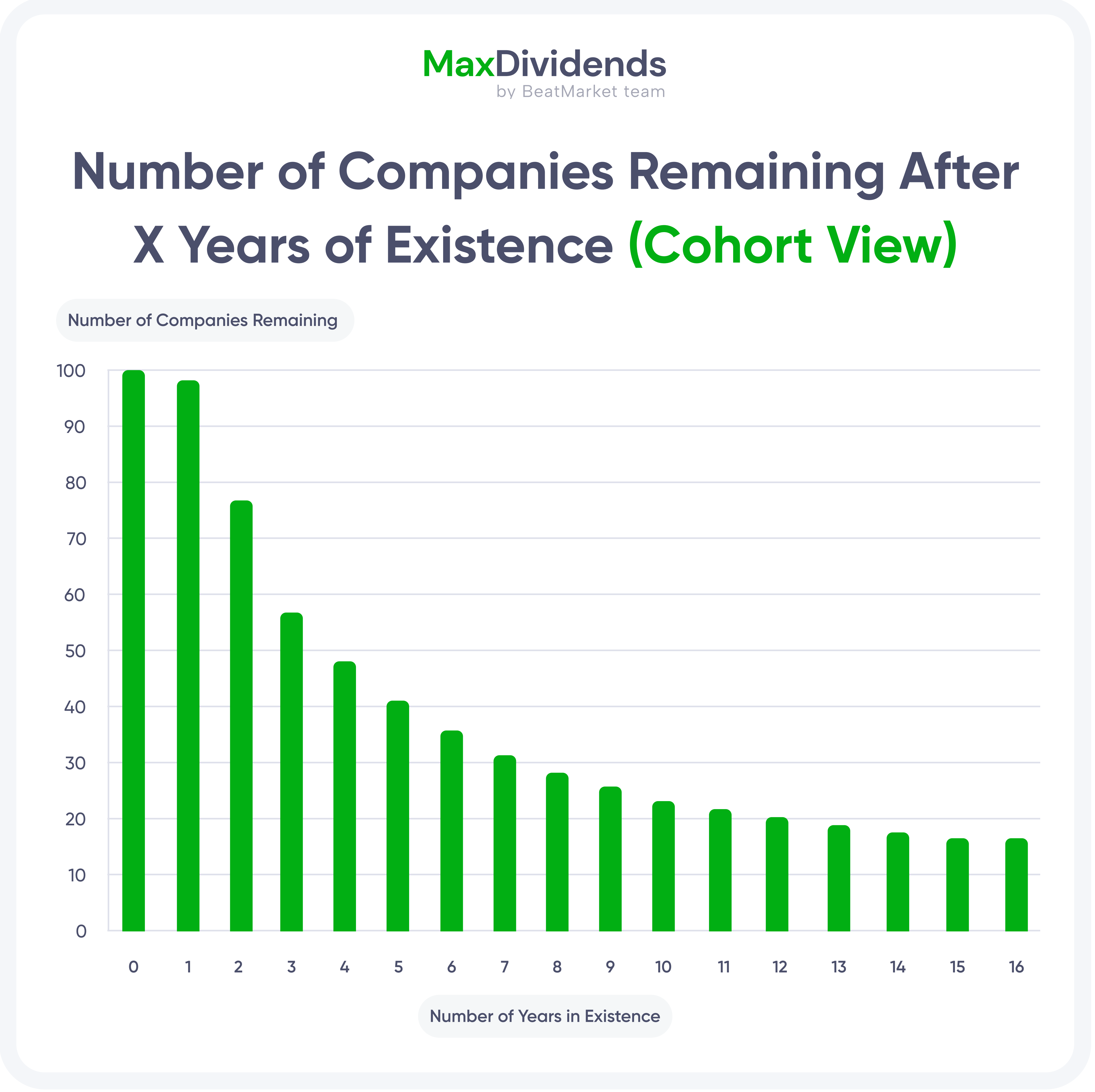
I've found my answer in a few simple rules, and today, I'm going to share them with you.

Here are five straightforward rules I use to build my own growing passive income through investments in great companies with talented leadership.

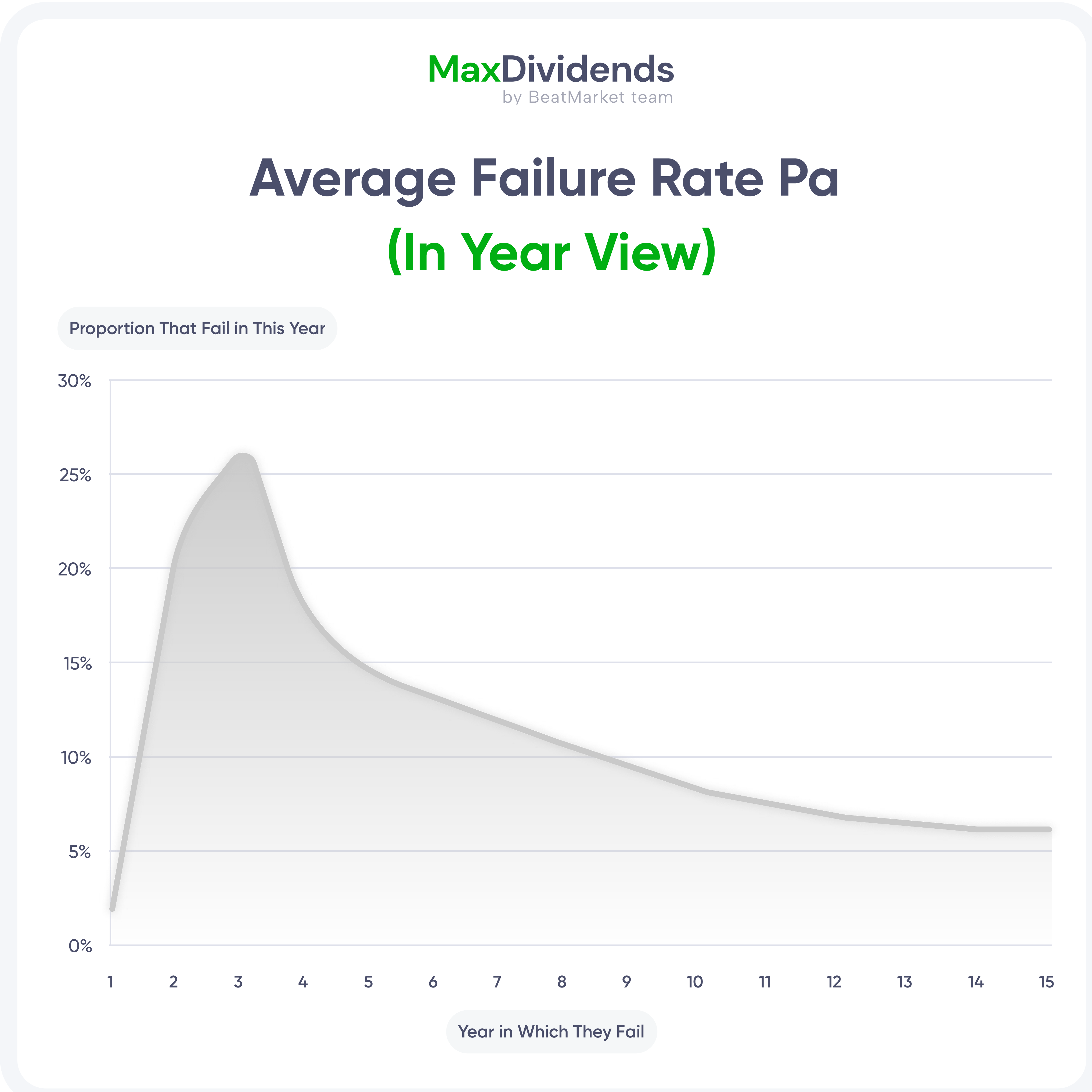
Enjoy the reading? Gift me a coffee ☕

1. The company has been around for at least 30 years.

I want to be confident that the businesses I invest in have already navigated the key stages of growth. As an entrepreneur, I understand how unpredictable the early years of a business can be and the challenges companies face at the 10-, 12-, and 15-year marks. Each phase comes with unique obstacles.



While many young businesses succeed, and it can be a great idea to invest in them early, an even greater number fail within the first 3–5 years.



I trust mature businesses that have already proven themselves but still have ambitious plans for the future. These companies have demonstrated their strength and resilience over time.

Plus, this is a very simple metric—it's easy to check anytime.

Enjoy the reading? Gift me a coffee ☕

2. The company's sales are growing.

Sales are the lifeblood of any business. With steady sales, a company can build out the rest of its operations. Without sales, the business shuts down. Tracking sales is a straightforward and reliable way to measure a company's health.

MaxDividends
by BeatMarket team

Interesting Fact

50% of all failed startups cite lack of sales as the main reason for their failure

It's crucial to me that the business is growing because growth is the foundation for increasing income and capital—both for me and the company I'm investing in.

MaxDividends
by BeatMarket team

mastercard

Mastercard Inc.

Founded

November 3, 1966

Financials MA

Year | Quarter

1 year 3 years 5 years 10 years 15 years

Results	31.12.2020	31.12.2021	31.12.2022	31.12.2023	Dynamics
Total Revenue	15 301 000 000 USD	18 884 000 000 USD	22 237 000 000 USD	24 367 000 000 USD	
Operating Income	8 081 000 000 USD	10 082 000 000 USD	12 264 000 000 USD	13 820 000 000 USD	

To evaluate this, I look at a 10-year period and check: Are this company's sales increasing, declining, or staying flat?

Enjoy the reading? Gift me a coffee ☕

But wait, there’s more

We conducted our own internal research. Every year for the past 20 years (2003–2023), we analyzed 3,000 publicly traded U.S. companies listed on NASDAQ and NYSE.

By reviewing the financial reports of these companies over the last 15 years, we identified approximately 200 companies each year with sales that have consistently grown for 10 or more years.

Here are the results of investing in such companies.

MaxDividends
by BeatMarket team

The Results of Companies with Growing Sales

Statistics	Total Return	Annualized Return	Max Drawdown
● Companies	661.94%	10.30%	-57.29%
● Russell 3000 (IWV:USA)	626.03%	10.05%	-55.61%

- The companies simulates holding stocks in equal weights at the beginning of each rebalance period.
- Dividends are included in the price data, therefore they are accounted for in the backtest.

Enjoy the reading? Gift me a coffee ☕

We also identified around 70–120 companies each year whose sales had been consistently declining over the past 10 years. Here are the results for those companies.

MaxDividends
by BeatMarket team

The Results of Companies with Falling Sales

Statistics	Total Return	Annualized Return	Max Drawdown
Companies	463.75%	8.71%	-65.77%
Russell 3000 (IWV:USA)	626.03%	10.05%	-55.61%

- The companies simulates holding stocks in equal weights at the beginning of each rebalance period.
- Dividends are included in the price data, therefore they are accounted for in the backtest.

For clarity, we've compiled the results into a single, easy-to-read chart, so you can clearly see the difference in performance between companies with growing sales and those with declining sales. (Chart illustrating the difference based on the data above.)

MaxDividends
by BeatMarket team

Growing Sales vs Falling Sales

Statistics	Total Return	Annualized Return	Max Drawdown
Companies with growing sales	661.94%	10.30%	-57.29%
Companies with falling sales	463.75%	8.71%	-65.77%

This is a simple and obvious business metric. Any store, any venture, any business can easily be evaluated by looking at sales as the first indicator of its health. Are sales growing? Great!

3. Profitability.

It’s pretty obvious that the ultimate goal of any business is to generate profit. A business that consistently earns profits year after year is a clear indicator of stability and reliability.

It’s a hallmark of great champions. Greatness isn’t just about talent—it’s about systematic effort and delivering steady, predictable results.

A company’s profitability is my guarantee as an investor and the foundation for its continued growth.

Young companies may operate at a loss while developing their products, capturing market share, or ramping up advertising. This phase is always dynamic and unpredictable.

MaxDividends
by BeatMarket team

Interesting Fact

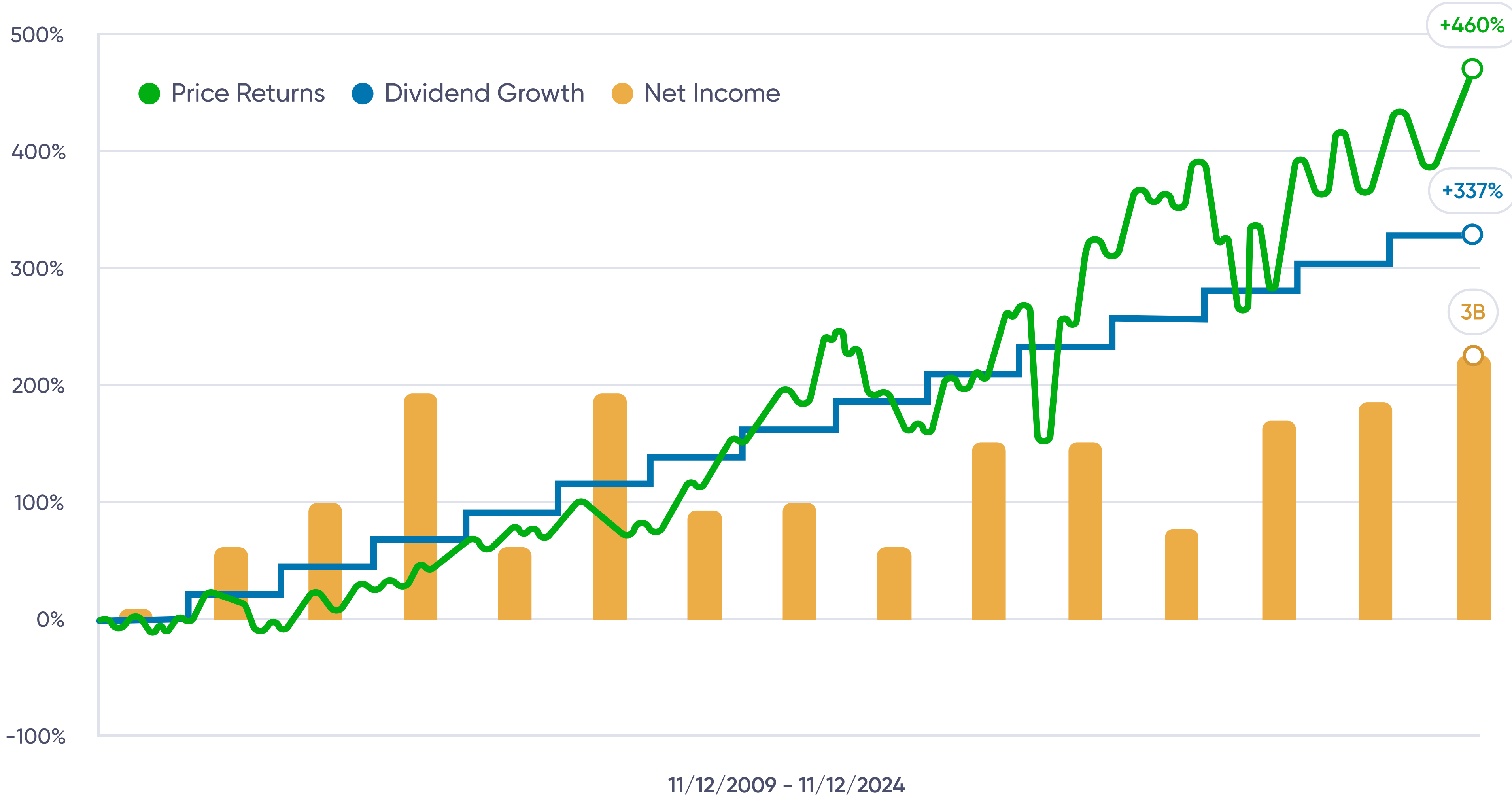
In 2024, 127 companies listed on the Nasdaq filed for delisting.
95% of these companies were unprofitable.

That’s why I prioritize more stable companies—those that have been profitable for 10+ consecutive years.

MaxDividends
by BeatMarket team

Illinois Tool Works Inc.

Founded
1912



For me, this is a signal that the company knows how to consistently generate income, no matter the circumstances. This means my dividends will arrive on time, regardless of external events. It's another indicator of quality. I'm looking for flexible reliability, choosing great businesses.

Enjoy the reading? Gift me a coffee ☕

MaxDividends
by BeatMarket team

Interesting Fact

Companies with growing sales that have been profitable for the past 10 or more years, paying dividends for 15 consecutive years strictly from profits, are significantly more resilient to severe crises. **During the 2008 crisis, at the peak of the downturn, the broad market index dropped by -55%, whereas these companies only declined by -37%.**

But wait, let me show you something to back this up. These are findings from our research on company performance.

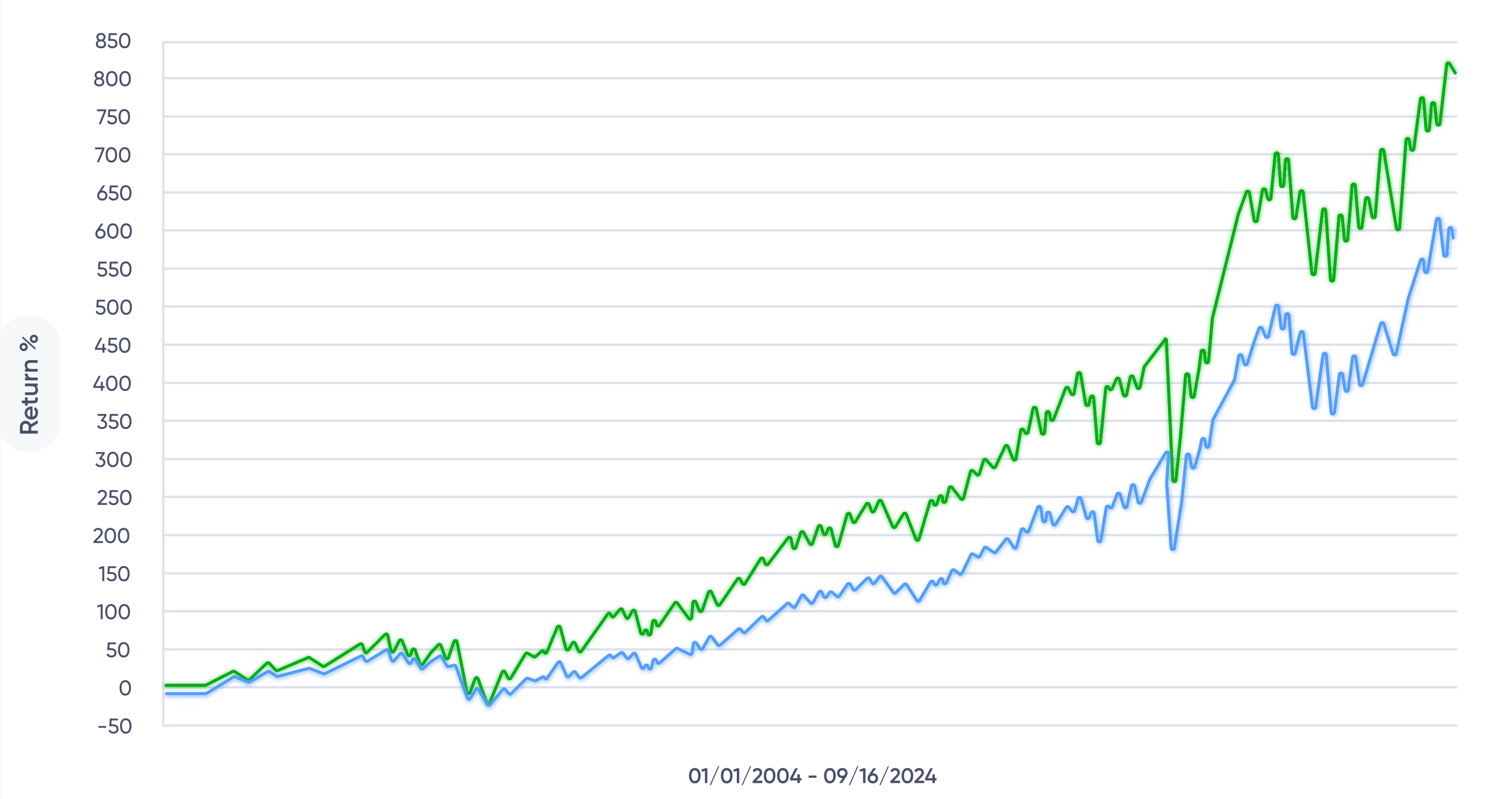
We conducted internal studies and analyzed 3,000 U.S. companies each year from 2004 to 2024. Then, we compared the performance of companies that were profitable for the last 10 years with those that had been unprofitable for the same period.

Here's what we found: Companies that were profitable for 10 consecutive years.

MaxDividends
by BeatMarket team

Companies Have Been Profitable for 10 Years in a Row

Statistics	Total Return	Annualized Return	Max Drawdown
Companies	811.29%	11.26%	-52.20%
Russell 3000 (IWV:USA)	626.03%	10.05%	-55.61%



Enjoy the reading? Gift me a coffee ☕

Companies that were unprofitable for 10 consecutive years.

MaxDividends
by BeatMarket team

Companies Have Been Unprofitable for 10 Years in a Row

Statistics	Total Return	Annualized Return	Max Drawdown
Companies	464.09%	8.71%	-63.77%
Russell 3000 (IWV:USA)	626.03%	10.05%	-55.61%

Enjoy the reading? Gift me a coffee ☕

To make things clearer, we've compiled the data from our research into a single chart. Take a look at the difference in performance between companies that have been profitable and those that have been unprofitable for the past 10 years.

MaxDividends
by BeatMarket team

Profitable vs Unprofitable

Statistics	Total Return	Annualized Return	Max Drawdown
● Profitable Companies	811.29%	11.26%	-52.20%
● Unprofitable Companies	464.09%	8.71%	-63.77%

Additionally, we've observed that profitable companies, on average, deliver higher returns compared to all companies. The difference is approximately 1.20% annually.

4. Consistent Dividends

Dividends are my primary source of income, and I want to see them grow over time. I love when my dividend income increases, as it's a critical metric for my goal of living off dividends while watching my passive income grow.

This idea resonates deeply with me, which is why I take a strict approach to this criterion. I only choose companies that have paid dividends consistently for the past 15+ years without reducing them.

In other words, these are businesses that have been paying regular dividends for over 15 years, increasing them over time, and not cutting them even during challenging economic periods. A 15-year history of consistent dividend payments is a strong indicator of a business's reliability and maturity.

Economic cycle theory suggests that crises of varying magnitudes occur at different intervals. Small crises often happen every 2–3 years, moderate ones every 7–11 years, and major ones every 15–20 years.

By choosing companies with a 15+ year history of dividend payments, I'm highly likely to find great businesses that have successfully weathered multiple crises. These companies prove their stability and resilience during tough times, ensuring that my passive income not only remains intact but continues to grow.

Such stability reassures me that even during the darkest times, my income is in the capable hands of great businesses. My dividends will arrive on time—morning, noon, or night, whether it's raining, snowing, or sunny. Always.

But there's more

We conducted internal research and analyzed over 5,000 U.S. companies over the past 30 years (1995–2024).

Our focus was on how companies with a 15+ year history of dividend payments compared to those that paid dividends for just 3 or 5 consecutive years without reductions.

MaxDividends
by BeatMarket team

Research

We Conducted an Internal Study, Analyzing Over 5,000 Companies From the u.s. Stock Market Over the Past 30 Years (1995–2024).

We were particularly interested in how companies that have paid dividends for 15 or more consecutive years behave compared to companies that have paid dividends for 3 or 5 consecutive years without reductions.

For the Period 2007–2024 (Including the 2008–09 Crisis):

- **~16.5%** of companies that have paid dividends for 3 consecutive years without reductions stopped increasing or discontinued payments in the future.
- **~13.5%** of companies that have paid dividends for 5 consecutive years without reductions stopped increasing or discontinued payments in the future.
- **~6.5%** of companies that have paid dividends for 15 consecutive years without reductions stopped increasing or discontinued payments in the future.

Enjoy the reading? Gift me a coffee ☕

Interesting Fact

From 2007 to 2024 (including the 2008–09 crisis): Only ~4.5% of companies with growing sales and consistent profitability over the past 10+ years, and a 15+ year history of dividend payments without reductions, stopped increasing or discontinued payments in the future.

MaxDividends
by BeatMarket team

Interesting Fact

For the Period 2007–2024
(Including the 2008–09 Crisis):

Only about 4.5% of companies, whose sales have grown and remained profitable for the past 10 or more years and that have paid dividends for 15 consecutive years without reductions, stopped increasing or ceased dividend payments in the future.

5. Dividend Payout Safety

Dividends are a portion of a company's profit paid to me as a shareholder. By purchasing shares, I gain the right to a share of the company's profits. My approach is rooted in complete protection and full confidence in the greatness of the companies I choose—their safety, reliability, and predictability.

Because of this, it's essential for me to clearly see that my passive income is well-protected. I always make sure that the company is paying me dividends out of the profits it earns from its operations.

I ensure that dividends have been paid strictly from profits for at least the past 10 years. For me, this is a clear signal that the business combines talented management with reliability. Why is this important?

Enjoy the reading? Gift me a coffee ☕

Interesting Fact

From 2007 to 2024, including the 2008–09 crisis, only about 3.90% of companies each year—those with growing sales and consistent profitability over the past 10+ years, paying dividends for 15 consecutive years strictly from profits without cuts—stopped increasing or discontinued dividend payments over the next 10 years.

MaxDividends
by BeatMarket team

Interesting Fact

For the Period 2007–2024 (Including the 2008–09 Crisis):

Only about 3.90% of companies annually, whose sales grow and remain profitable for the past 10 or more years, that pay dividends for 15 consecutive years strictly from profits, without reducing or cutting dividends, stopped increasing or ceased dividend payments within the next 10 years.

Interesting Fact

Companies with growing sales, consistent profitability for 10+ years, and a 15-year track record of paying dividends strictly from profits are far more resilient during severe crises. During the 2008 crisis, when the broad market index dropped by -55%, these companies declined by only -37%.

Conclusion

The five simple rules listed above can be applied to any business, anywhere in the world, today or even 100 years from now. They represent my personal experience from 20 years of successful entrepreneurship, 15 years of investing, and thousands of hours of research. This legacy, along with my financial assets, is something I will pass on to my children.

Knowledge is the foundation. And now you have a strong, reliable foundation.

Interesting Fact

At the beginning of 2007, 67 companies met the simple rules of a reasonable dividend investor. Over the next four years (2007–2010):

- 97.5% of these companies continued paying dividends.
- 82% (55 companies) increased their dividends every year during this period.
- 9.5% (4 companies) increased dividends, but not every year.
- 2.5% (3 companies) kept dividend payments unchanged.
- 2.5% (3 companies) reduced dividend payments by an average of 25%.
- 2.5% (2 companies) partially or fully discontinued dividend payments.

Companies that meet all five criteria of the simple rules I've outlined are what I call Dividend Eagles. These are businesses built to last, ones that allow me to sleep well at night while enjoying the growth of my passive income. They can do the same for you. Use these simple rules to achieve your own success, retire early, and live without stress or worry.

It's now easier than ever to start your journey toward living off dividends. You have a clear set of criteria and a reliable system of simple rules for growing passive income from dividend-paying stocks.

Today, you've gained knowledge that empowers you to invest in great, built-to-last companies without fear for your future. Your passive income will grow, your capital will be managed by some of the most talented entrepreneurs in the world, and you'll have more time to focus on what you love and spend with the people who matter most.

Soon, you'll reach the point where you can live off dividends, and your passive income will continue to grow. Guiding you on this journey are the simple rules and built-to-last companies led by the most talented entrepreneurs on the planet.

Enjoy the reading? Gift me a coffee ☕

11. How to Easily Find Dividend Eagles

Let me briefly remind you of the five rules I use to build a growing passive income for myself and my family. These rules are simple to follow and highly effective in identifying built-to-last businesses from great companies:

1. The company has been around for more than 30 years.
2. The company's sales have been growing for the past 10+ years.
3. The company has been profitable every year for the past 10+ years.
4. The company has paid dividends every year for at least 15 years, steadily increasing them without any cuts.
5. Dividends are paid out strictly from the company's profits.

Currently, there are over 20,000 companies traded on stock markets globally, and over 4,000 publicly traded in the U.S.

To find great companies, I examine the financial reports of each one—quarterly, semi-annually, and annually. I save this information and identify built-to-last Dividend Eagles.

Now, you might be thinking, "That sounds like an enormous amount of work." And you'd be right.

I want to ensure I'm selecting the very best companies so I can sleep peacefully while my passive income grows, knowing my capital is managed by the most talented leaders and that my children will inherit a strong legacy.

But no, I'm not crazy. Along with my team and like-minded investors, we've automated this process.

Now, at any given moment, I have a ready, vetted list of built-to-last Dividend Eagles in front of me—great businesses led by talented entrepreneurial managers.

You don't need to do all the heavy lifting that we do daily, analyzing 20,000 companies worldwide.

Instead, you can focus on your favorite brands and check them against The 5 Rules of Timeless Dividend Investing.

Enjoy the reading? Gift me a coffee ☕

You can do this using financial data from popular online platforms. I won't name specific ones here because these platforms and their access levels can change over time.

However, we regularly share updated tools and resources for analyzing financial reports in the MaxDividends community.

The most important takeaway

You can evaluate any company against The 5 Rules of Timeless Dividend Investing by reviewing its financial reports.

At MaxDividends, we use a special dividend scanner to simplify this process. It consolidates all the key checks in one place, making it easy to quickly determine whether a company meets the criteria.

This tool compiles data for over 20,000 companies with financial reports spanning the past 20 years, all presented in a clear and easy-to-read format.

This is how I evaluate companies I like. It's also how I uncover more fascinating insights about the built-to-last companies on the **Dividend Eagles List.**

At MaxDividends, we've created and continually updated a complete list of all built-to-last **Dividend Eagles**. This comprehensive and regularly updated list is available in the MaxDividends App.

12. 3 Dividend Investing Strategies Using Dividend Eagles

We're all at different points in our investment journey, each with our own goals and expectations. The strategies outlined here aren't meant to be the only way to invest but can serve as an excellent roadmap for any long-term investor looking to build a growing passive income stream from dividend stocks.

1. Capital Growth Strategy with Dividend Eagles
Criteria for Selecting Companies:

- Companies meet the 5 rules of Timeless Dividend Companies (Dividend Eagles).
- Companies have outperformed the market by 2x or more in stock price growth over the last 10 years.

The ideal portfolio includes 20-30 companies with the strongest results over the last decade. Typically, these businesses pay low dividends (0.10%–1.5%) but increase payouts at a strong pace while delivering impressive stock price growth year after year—maximizing capital appreciation.

These companies have outperformed the market for decades, and a portfolio of such businesses gives you ownership of the world's top-growing companies, backed by proven growth and solid financials to continue delivering results.

If you're just starting out, these companies can be a fantastic foundation or complement to grow your capital while reinvesting dividends for compounding.

Currently, there are over 50 such companies in the U.S. and more than 80 worldwide that fit the Dividend Eagles' criteria for capital growth.

At MaxDividends, we maintain and update this list every quarter, providing full business insights and future prospects. You can also use these criteria to select your own ideas—there are no limits. The rules are flexible and universal.

Note:

This strategy is the core of my investment approach for my children. As a father of three, I want to help them get started by sharing knowledge and building a foundation of capital.

My children won't need these companies or their growth anytime soon, so I simply buy shares every month in equal amounts for each of them and do nothing else. When they turn 21, I'll pass the shares along, ensuring they're ready to take over. This will be their decision and my legacy.

2. Dividend Growth Strategy with Dividend Eagles
Criteria for Selecting Companies:

- Companies meet the 5 rules of Timeless Dividend Companies (Dividend Eagles).
- Companies have the best MaxRatio score.

The ideal portfolio includes 20-30 companies with the highest results over the last 10 years.

What is MaxRatio?

MaxRatio emerged naturally as a key metric for identifying the best companies to invest in for dividend growth. It's calculated by multiplying the current dividend yield by the average dividend growth rate over the past 10 years. At MaxDividends, we project this metric 10 years forward.

This helps determine which companies will deliver the greatest future income for every dollar invested today.

Example:

Imagine I'm investing in dividend growth companies. What matters to me is: Which company will generate the most dividend income over the long term?

Enjoy the reading? Gift me a coffee ☕

Here's a comparison (as of December 2024):

- **UPS** – Dividend Yield: 4.50%
- **NXST** – Dividend Yield: 4.00%
- **LRCX** – Dividend Yield: 1.20%
- **MSFT** – Dividend Yield: 0.80%

Using MaxRatio, we factor in the average dividend growth over the last 10 years to estimate the future yield on cost. Over 10 years, the optimal choices for dividend growth would be:

- **UPS** – 4.50%
- **NXST** – 4.00%
- **LRCX** – 1.20%

These companies, based on current yields and projected dividend growth, will deliver the most income in 5, 10, or 15 years.

At MaxDividends, we automatically calculate MaxRatio for 19,000 companies worldwide, including all Dividend Eagles.

Note:

This is my primary dividend strategy. I invest globally in dividend growth stocks, using Dividend Eagles and MaxRatio to identify the most effective companies.

This strategy balances current dividends with future dividend growth. It identifies companies that will grow dividend income far above average, ensuring rapid growth in passive monthly income.

It also filters out companies with strong dividend growth but yields too low to matter even 10–15 years down the line.

3. High Passive Income Strategy with Passive Income Stocks - Eagles

Criteria for Selecting Companies:

- Companies meet the 5 rules of Timeless Dividend Companies (Dividend Eagles).
- Companies are sorted by highest to lowest dividend yield.

This strategy focuses on 10-20 companies offering the highest current dividend payouts. It's perfect for investors looking to receive significant dividend income right now with their first purchase.

At the same time, these companies continue to increase dividends at a moderate pace. Initial yields can range from 5%–10%, and those payouts grow over time.

At MaxDividends, we maintain and update the top Dividend Eagles for this high-yield strategy, but you can also search for opportunities on your own using our framework.

Note:

I see this strategy as ideal for later in life when maximizing monthly passive income becomes my priority. Currently, I've shifted from a capital growth strategy to growing my dividend income.

Today, I can already live off dividends while my passive income continues to grow. However, I still actively invest in dividend growth stocks and manage businesses and projects that I love.

What to Do After Buying: Iron Sales, Skinny Sales, Lazy Sales

Eventually, every investor asks: When should I sell? Here's how I handle it:

3 Simple Sell Strategies:

- **Iron Sales:** If a company cuts or cancels its dividend.
- **Skinny Sales:** If a company cuts its dividend by 25% or more.
- **Lazy Sales:** If a company cuts its dividend by 50% or more.

Enjoy the reading? Gift me a coffee ☕

My Selling Criteria:

I use the Lazy Sales rule for my portfolio and my kids' portfolios—selling only if a company cuts its dividend by 50% or cancels it completely.

I also rely on a Financial Score to track company health. At MaxDividends, we developed this score by combining the 5 rules of dividend investing with debt metrics, profitability, and other financial indicators. Scores range from 20 (low) to 99 (high).

If a company's score drops below 80, I sell. I invest in strong businesses and let go of those struggling to grow.

We track the Financial Score for 19,000 companies worldwide in the MaxDividends app.

Conclusion:

Each strategy has its strengths and weaknesses. What matters most is understanding the big picture and knowing where you stand right now.

No matter which path you choose, I wish you success in building reliable, growing wealth for you and your family.

13. MaxDividends – The Most Dividend-Focused Community on Earth

I love the world of stock investing because it always offers the chance to buy your favorite businesses at a discount. And guess what?
I focus on finding built-to-last dividend companies on sale!

And yes, the Dividend Eagles List, available exclusively to members of the MaxDividends community, provides all the essential details about which great businesses are currently trading at a discount.

But that's not all!

Within the community, I show how to buy built-to-last companies at a discount while reaping double the benefits. The list of Dividend Eagles is always up-to-date, giving you a reliable and complete overview of all these dividend-paying stars.

I also share insights into how once-great businesses start to fail. You'll get straightforward guidance on spotting the first signs of trouble and the rules for exiting companies if their performance begins to decline.

But wait, there's more!

I share all my personal stock purchases and take you along my journey to living off dividends. You'll see my Dividend Eagles portfolio, my trades, and my list of top Dividend Eagles favorites.

My goal is to reach $12,000 in monthly dividends within 120 months. I've already made significant progress, and now I'm showing the results I've achieved so far.

Additionally, my team and I analyze interesting ideas for dividend investing, sharing insights and our experiences with successful dividend strategies.

And yes, there's still more!

In any journey, you need a compass and a map to stay on course and reach your destination. That's why, together with a team of like-minded individuals, we've created a specialized app for passive income and dividend enthusiasts.

The MaxDividends App makes the journey simple, enjoyable, and efficient. With it, you'll always know your plan, see where you stand, and track the growth of your passive income alongside full details about your Dividend Eagles.

P.S.

If I could choose my past, I'd have joined a community like this much earlier—one filled with people who've already achieved their dreams and are on the successful path to living off dividends. That would have been my choice: leaving behind the noise and joining true like-minded individuals, not aimless talkers with no results.

Why do I place such importance on a community? Because that's where you'll find answers. Real answers. Not endless Google searches looking for information and then trying to confirm it. Instead, you get clear, time-tested answers from those who've already achieved their goals.

Here's a metaphor: in cycling, there's a banned tactic. As someone who's finished an Ironman and spent a lot of time on a racing bike, I know this well. The tactic involves riding directly behind your opponent. They take the brunt of the wind resistance while you ride in their slipstream, making it much easier for you. In cycling, it's considered unsportsmanlike.

But here's the good news

In investing, this isn't banned at all. Experienced dividend investors already know this, and now you do too. Follow those ahead of you. Join communities where success has already been achieved and is continually being achieved. Leverage this advantage.

Enjoy the reading? Gift me a coffee ☕

This could be one of the best steps you'll ever take. Imagine being part of a community alongside Warren Buffett and Charlie Munger. Now do you understand? I'm sure you do. That's why I say community is so important.

MaxDividends is the most dividend-focused community on Earth

Our mission at MaxDividends is simple: Help & Support Everyone on the journey to building a growing passive income through dividends, so you can Retire Early and Live Off Dividends.

Choosing the right environment is critical to achieving extraordinary results. Surround yourself with people who dream even bigger than you, and you'll dramatically increase your chances of reaching new heights.

Choose to surround yourself with those who will truly support you on your path to success.

Join the MaxDividends community

With respect for your well-being, Max