

Comparing Investment Yields in a Financial Portfolio

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I have been given a spreadsheet with a list of ten common stock holdings including market price of the shares, current position (number of shares), and expected dividend or interest on that position. The scenario is that a friend of mine who recently inherited these stocks has come to me requesting help understanding these assets and asking for advice as to what to do with them.

A table showing the stock holdings and the calculated current market value, estimated current yield, weighted average factor, and weighted average yield is included at the end of this paper. I will now explain how these values were calculated.

The current market value is the product of the current market price of the stock and its position, or number of shares. The total market value is the sum of all ten current market values in the portfolio. (Jonick, 2017, p. 114).

The estimated current yield of each stock is the ratio of its estimated dividend and its current market value. (Chen, 2025). The weighted average factor of each of these is the ratio of its current market value and the total market value. It captures the percentage of the total market value represented by each stock, so these values should add up to one, or one hundred percent. (Ganti, 2026).

The average rate of return for the portfolio as a whole is calculated by multiplying the weighted average factor of each stock with its current yield, and then taking the sum of all of these products. (Chen, 2026).

In the portfolio presented in the table of stocks my friend inherited, the weighted average yield for the portfolio is 3.18%, with the individual stocks ranging from a high yield of 5.65% for AT&T to a low of 1.58% for McDonalds.

These values are computed using the current market value of the stocks, not the purchase price, but since they are being inherited no tax on capital gains will need to be paid on the capital

gains made during the time my friend's relative held them. Instead, the cost value of the stock for my friend will be its market value at the time it was inherited (Bloomenthal, 2025).

Regarding the advice I would give to my friend about what to do with these stocks, after laughing with them and saying they should know what is coming by asking me in the first place, I would tell them that all the companies in their portfolio do harm to our world, and assuming my friend even remotely shares my values, I would tell them to get rid of all of them. I would mention that their relative appears to have engaged in the "buy, burrow, die strategy" that author Ray D. Madoff describes in her book about how the rich have used the tax code to create an American aristocracy (2025, pp. 35-36).

Finally, I would remind my friend that I am an anti-capitalist public school teacher living what I have long described as the socialist dream, who at 65 years of age has actively avoided my whole life learning anything about stocks, bonds, and other rich people's things until I took a financial management class at the University of the People. If after that they still want my advice, I might suggest that the two of us investigate the possibility of making investments that actually do good in some way. I might suggest we look into an exchange-traded fund (Chen, 2025b) like the Adasina Social Capital fund (2026) to see if it is legitimate or if it is a shame, and if it is truly driven by a commitment to the ethical standards its website purports it to be, perhaps they should consider moving their investments there.

## References

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**Table: Friend's Stock Portfolio**

| <u>Type of Investment</u> | <u>Company Name</u> | <u>Stock Symbol</u> | <u>Portfolio Position (# of shares)</u> | <u>Current Market Price</u> | <u>Current Market Value</u> | <u>Estimated Dividend/Interest</u> | <u>Estimated Current Yield</u> | <u>Weighted Average Factor</u> | <u>Weighted Average Yield</u> |
|---------------------------|---------------------|---------------------|---|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------------------|-------------------------------|
| Common stock              | Altria              | MO                  | 119                                     | 50.04                       | \$5,954.76                  | \$247.00                           | 4.15%                          | 0.11                           | 0.47%                         |
| Common stock              | AT&T                | T                   | 173                                     | 32.09                       | \$5,551.57                  | \$325.00                           | 5.85%                          | 0.10                           | 0.61%                         |
| Common stock              | Chevron             | CVX                 | 26                                      | 125.82                      | \$3,271.32                  | \$111.00                           | 3.39%                          | 0.06                           | 0.21%                         |
| Common stock              | Coca Cola           | KO                  | 59                                      | 54.33                       | \$3,205.47                  | \$77.00                            | 2.40%                          | 0.06                           | 0.15%                         |
| Common stock              | Duke Energy         | DUK                 | 65                                      | 87.68                       | \$5,699.20                  | \$206.00                           | 3.61%                          | 0.11                           | 0.39%                         |
| Common stock              | Johnson & Johnson   | JNJ                 | 31                                      | 128.84                      | \$3,994.04                  | \$86.00                            | 2.15%                          | 0.08                           | 0.16%                         |
| Common stock              | McDonalds           | MCD                 | 52                                      | 214.31                      | \$11,144.12                 | \$176.00                           | 1.58%                          | 0.21                           | 0.33%                         |
| Common stock              | Pepsi Cola          | PEP                 | 17                                      | 130.74                      | \$2,222.58                  | \$44.00                            | 1.98%                          | 0.04                           | 0.08%                         |
| Common stock              | Philip Morris Intl  | PM                  | 70                                      | 86.75                       | \$6,072.50                  | \$280.00                           | 4.61%                          | 0.11                           | 0.53%                         |
| Common stock              | Proctor & Gamble    | PG                  | 52                                      | 113.85                      | \$5,920.20                  | \$133.00                           | 2.25%                          | 0.11                           | 0.25%                         |
|                           |                     |                     |   |                             |                             |                                    |                                | 1.00                           |                               |
|                           |                     |                     | Total Portfolio Market Value            |                             | \$53,035.76                 |                                    |                                |                                |                               |
|                           |                     |                     |   |                             |                             |                                    | Weighted Average Yield:        |                                | 3.18%                         |