

Corporate Finance Briefing: NIPA vs. S&P 500 Dividends

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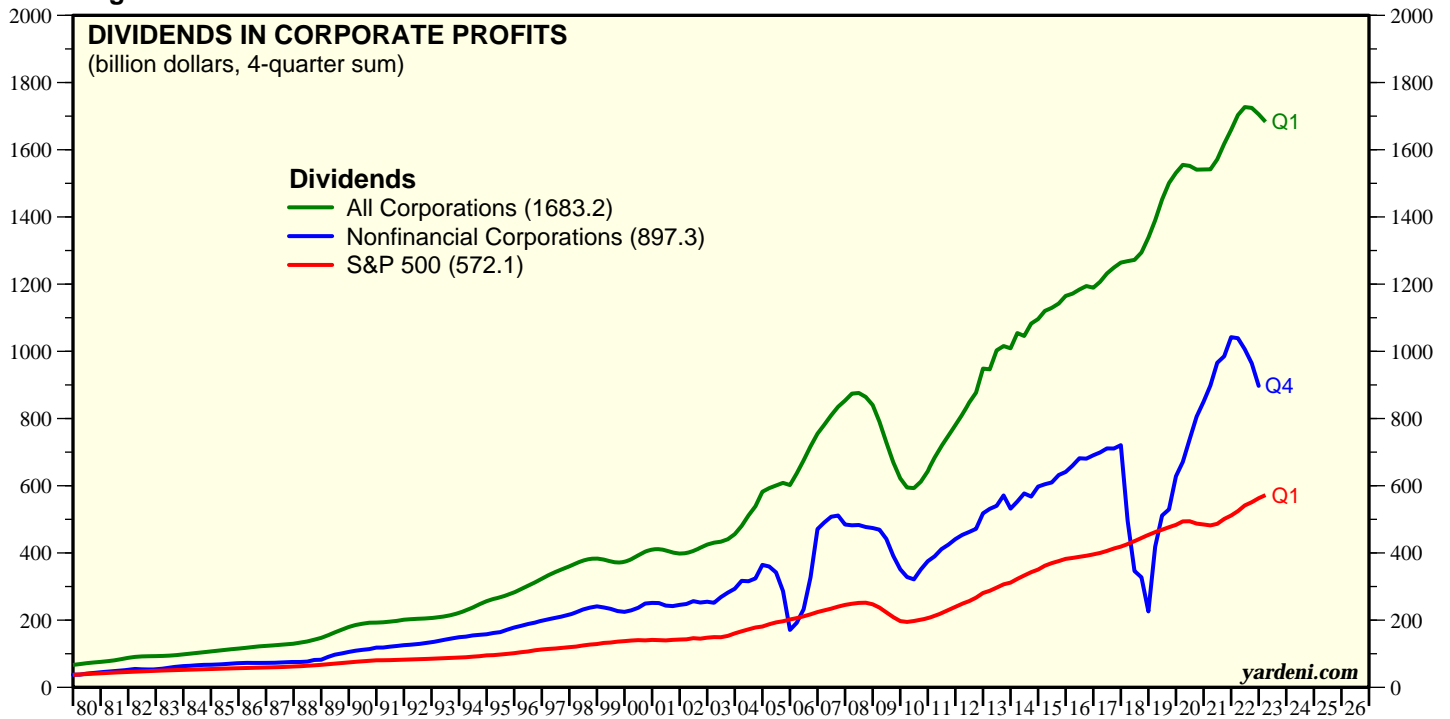
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thinking outside the box

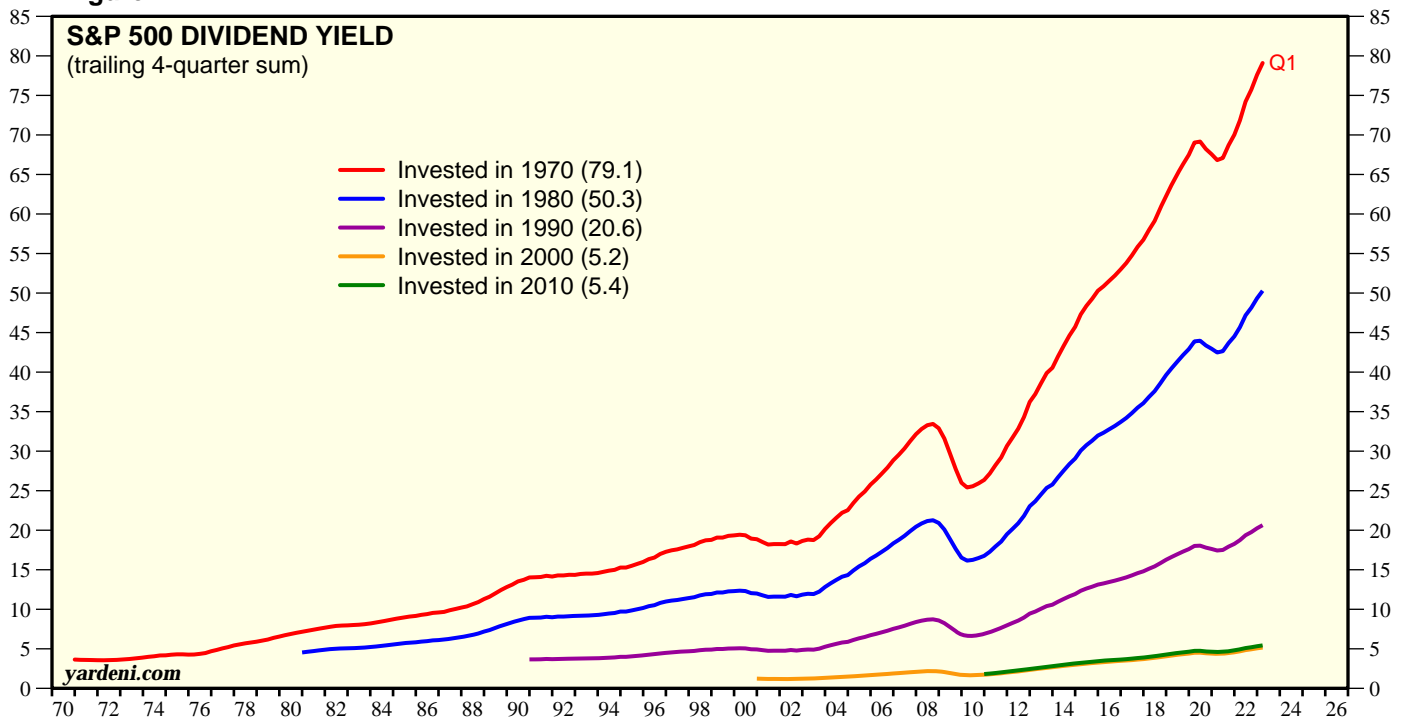
Dividends

Figure 1.



Source: Federal Reserve Board, Financial Accounts of the United States, Standard & Poor's and Bureau of Economic Analysis.

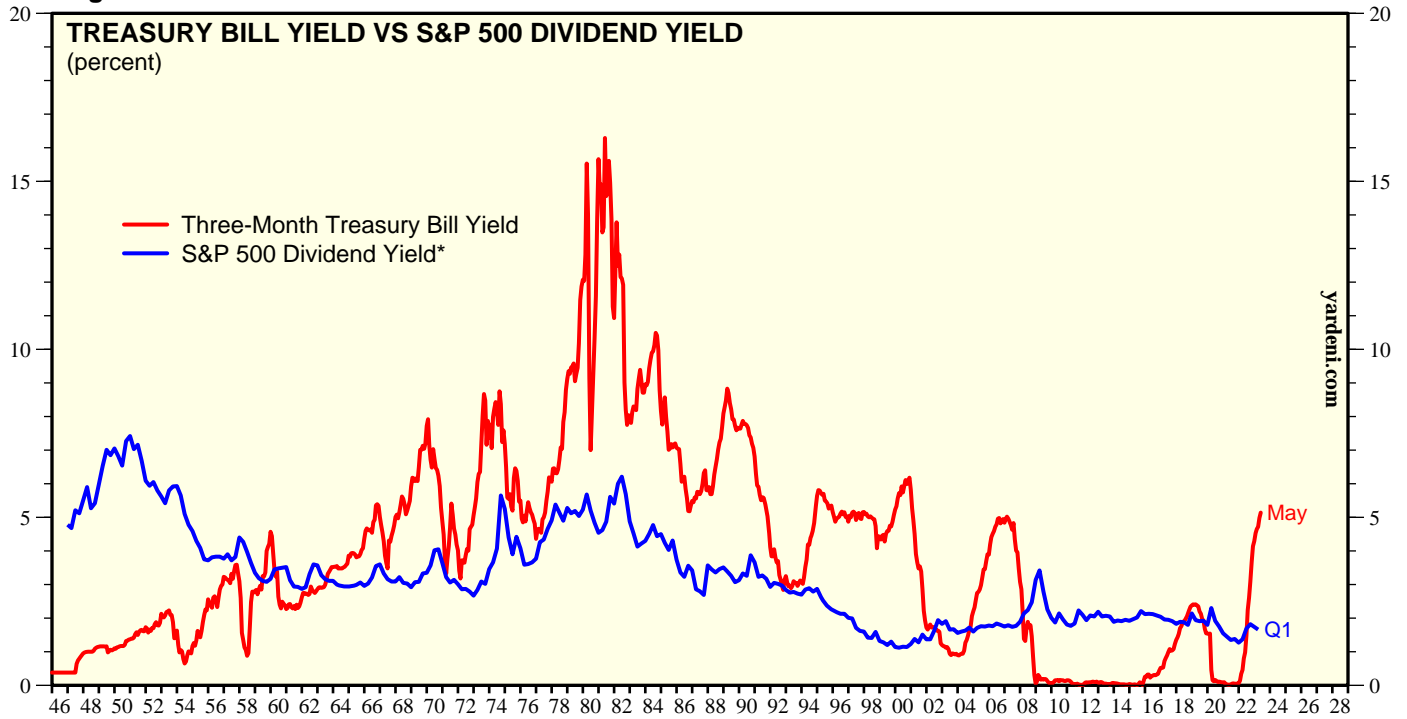
Figure 2.



Source: Standard & Poor's Corporation.

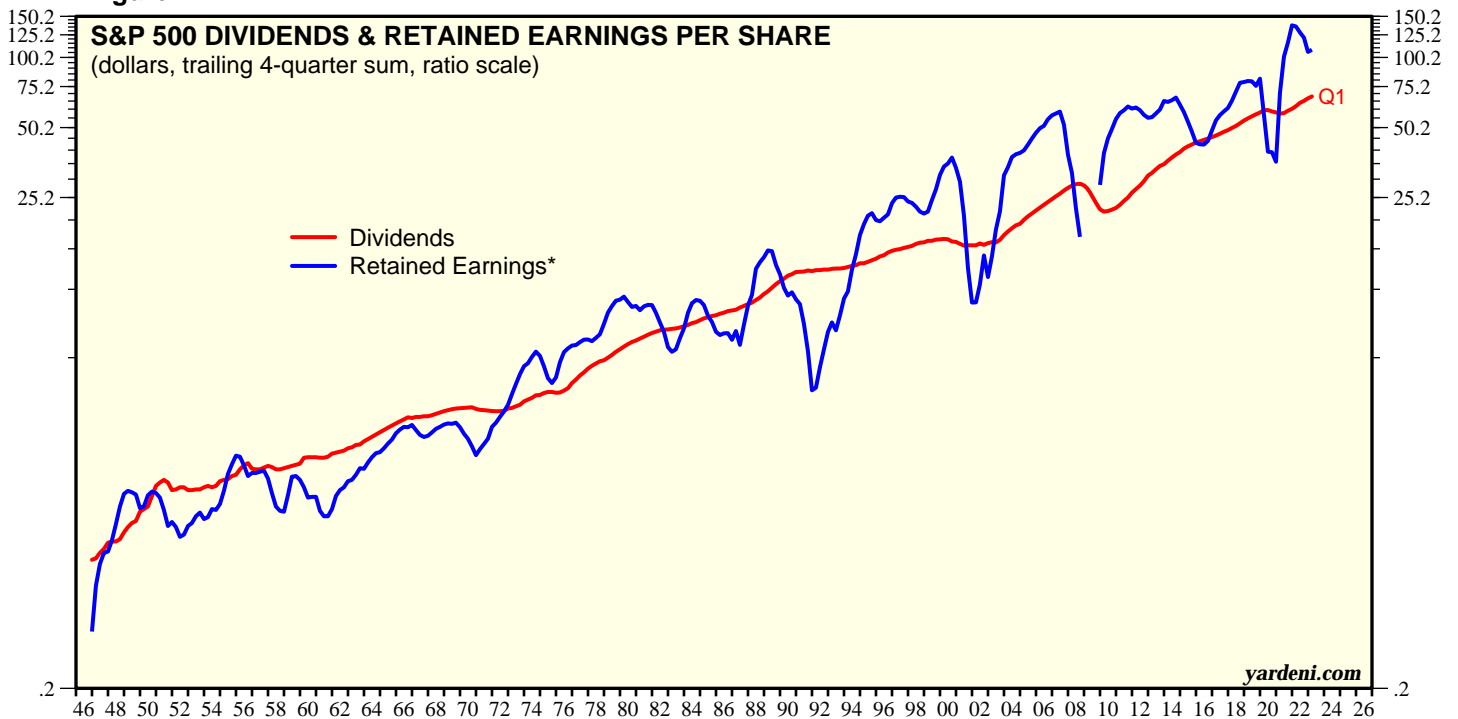
Dividends

Figure 3.



* S&P 500 four-quarter trailing dividends per share divided by quarterly closing value of the S&P 500 index.
Source: Standard & Poor's and Federal Reserve Board.

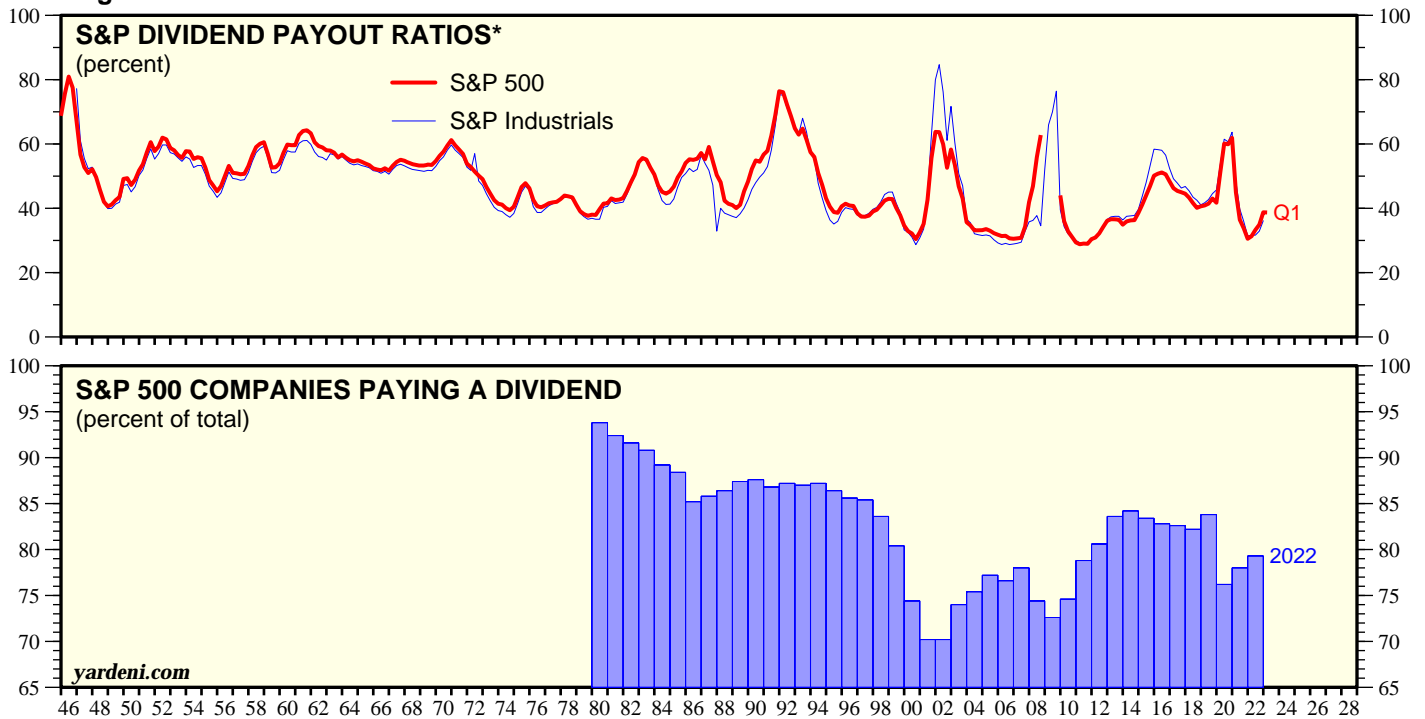
Figure 4.



* Reported earnings minus dividends per share.
Source: Standard & Poor's.

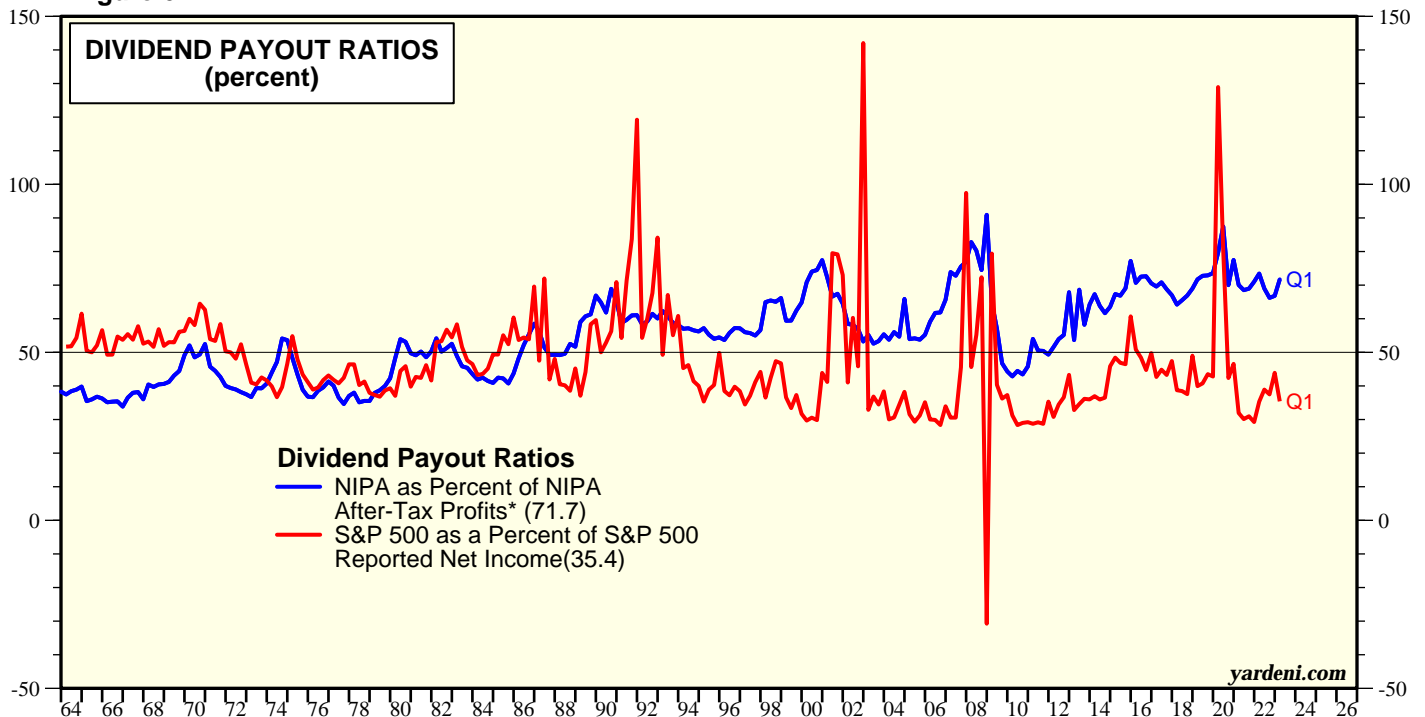
Dividends

Figure 5.



* Four-quarter trailing dividends per share divided by four-quarter trailing reported earnings.
Source: Standard & Poor's Corporation and FactSet.

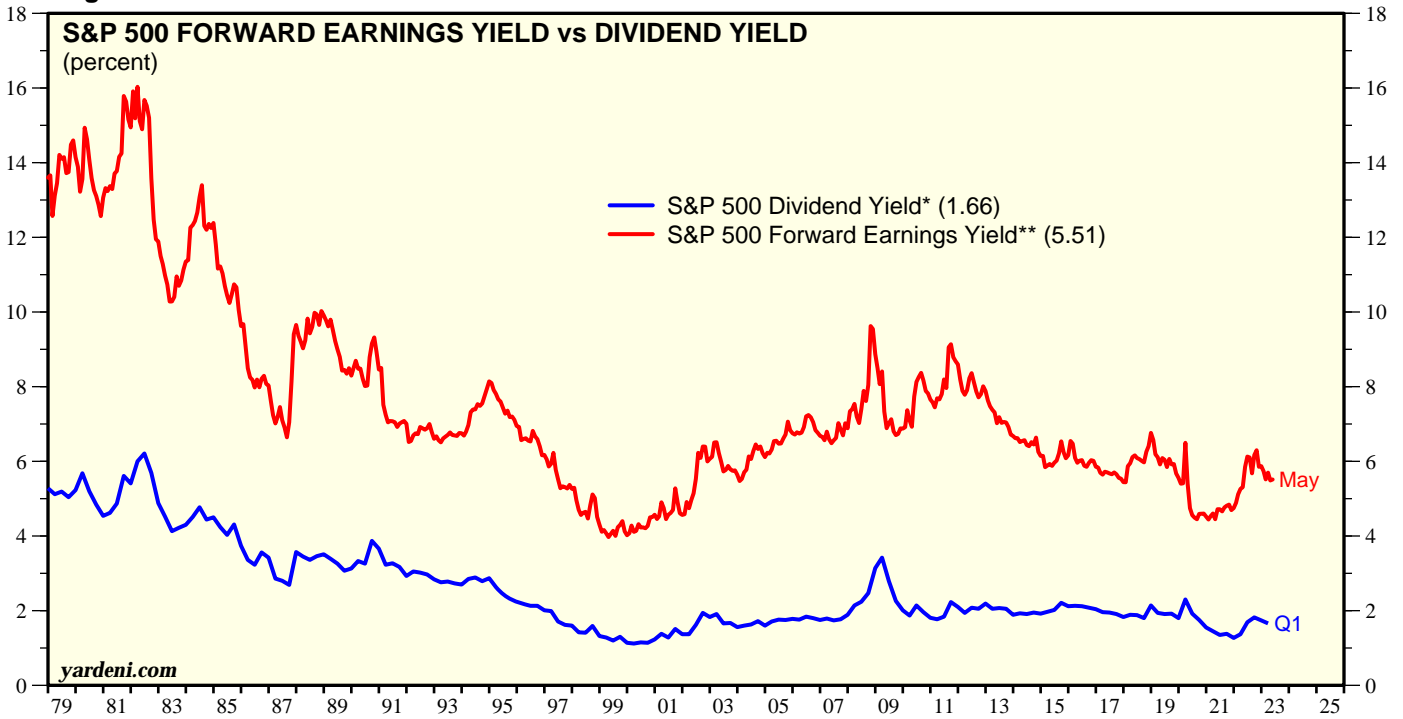
Figure 6.



* From Current Production. Including IVA & CCadj. These two adjustments restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.
Source: Federal Reserve Board, Financial Accounts of the United States, Standard & Poor's and Bureau of Economic Analysis.

Dividends

Figure 7.

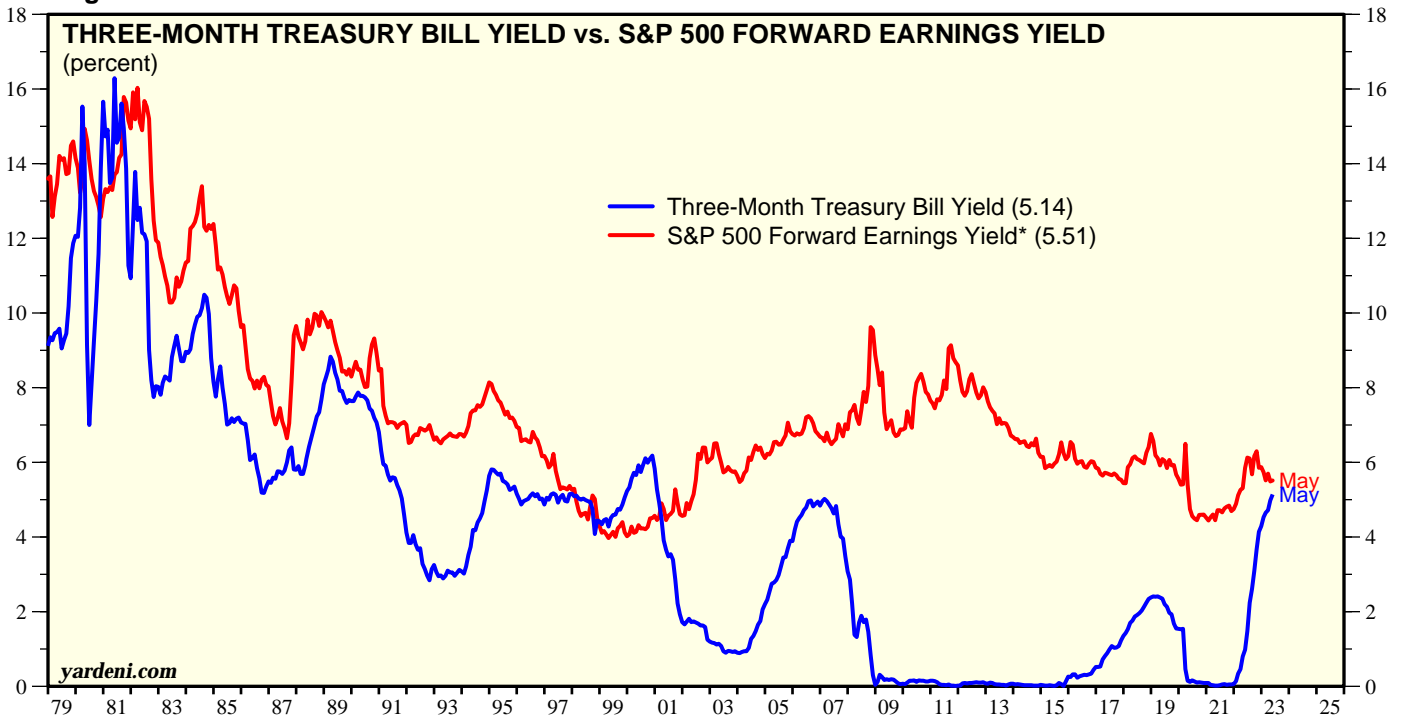


* S&P 500 four-quarter trailing dividends per share divided by quarterly closing value of the S&P 500 index.

** S&P 500 12-month forward consensus expected operating earnings divided by S&P 500 stock price index.

Source: Standard & Poor's and Federal Reserve Board.

Figure 8.

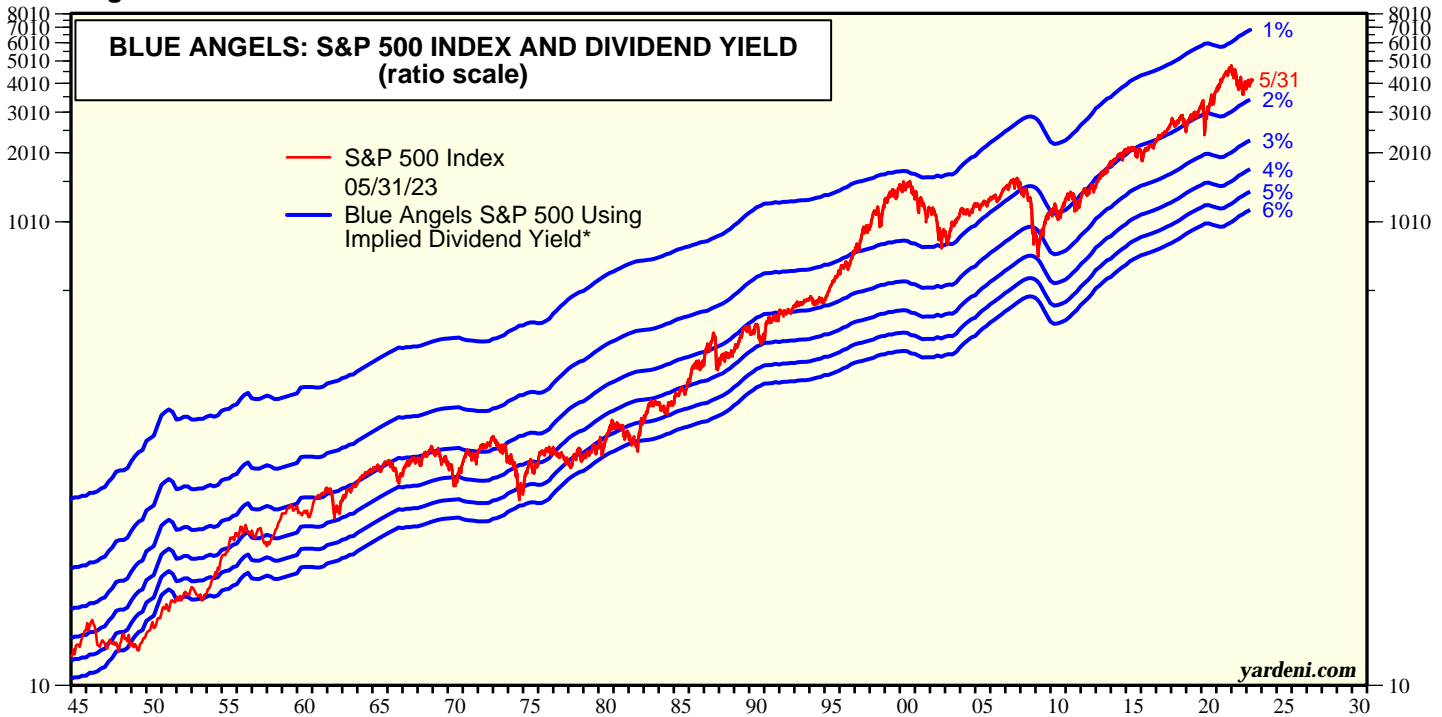


* S&P 500 12-month forward consensus expected operating earnings divided by S&P 500 stock price index.

Source: Standard & Poor's and Federal Reserve Board.

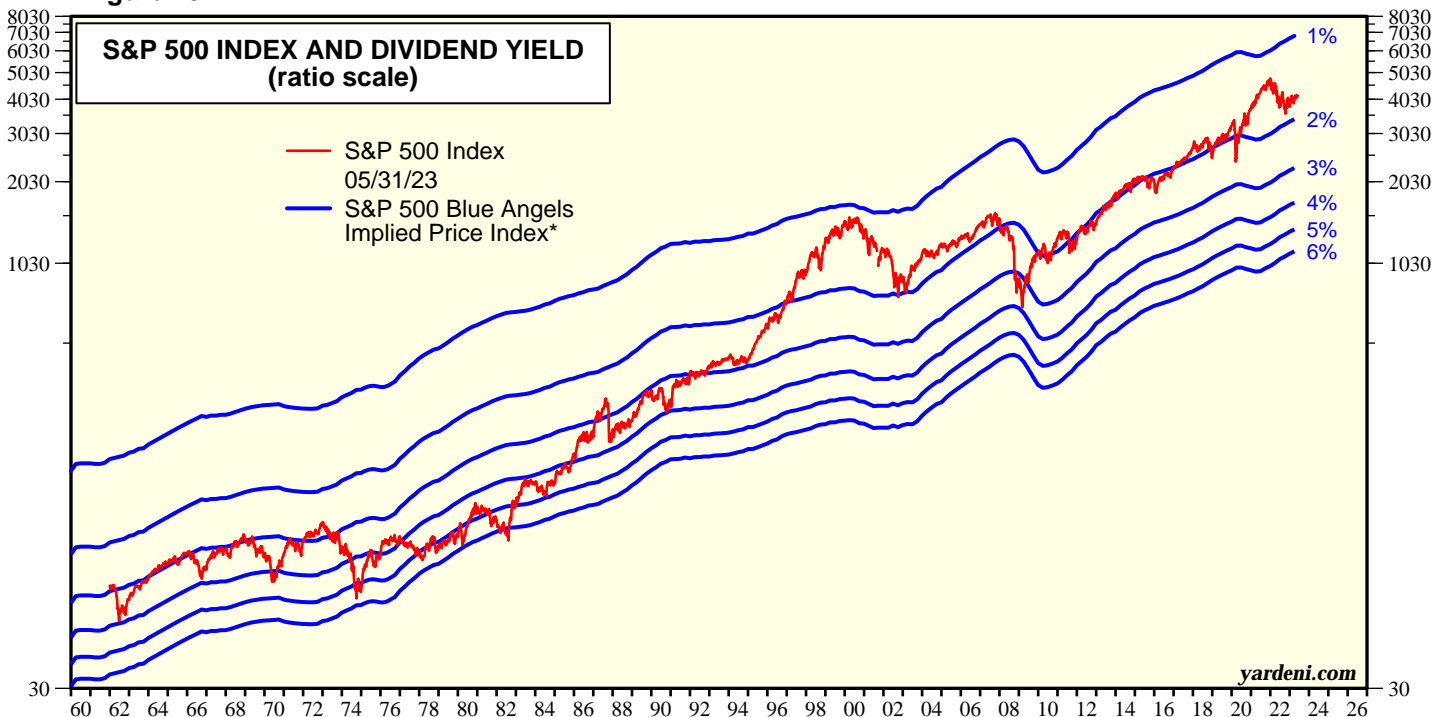
Dividends

Figure 9.



* Blue lines show hypothetical values of S&P 500 stock price index using actual S&P 500 dividend (4-quarter trailing sum) divided by dividend yields from 1.0% to 6.0%.
Source: Standard & Poor's.

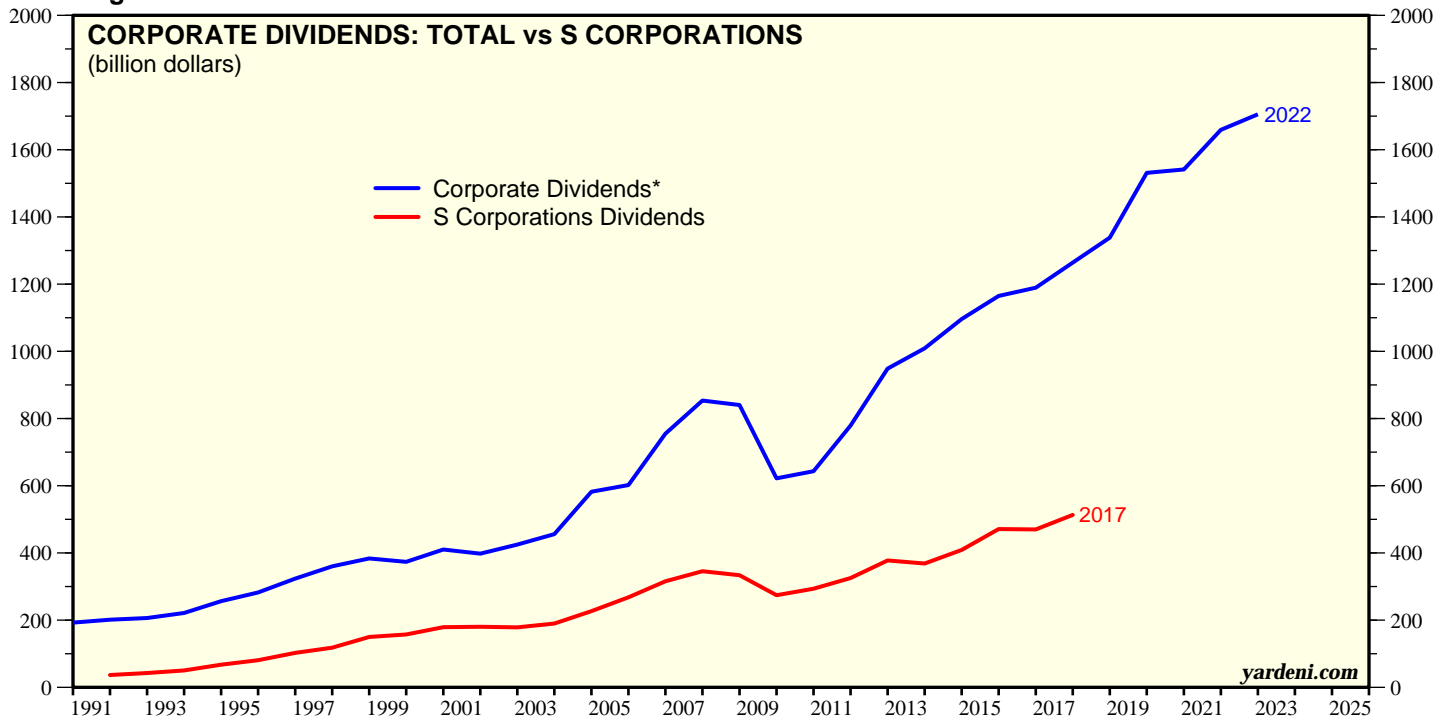
Figure 10.



* Blue lines show hypothetical values of S&P 500 stock price index using actual S&P 500 dividend (4-quarter trailing sum) divided by dividend yields from 1% to 6%.
Source: Standard & Poor's.

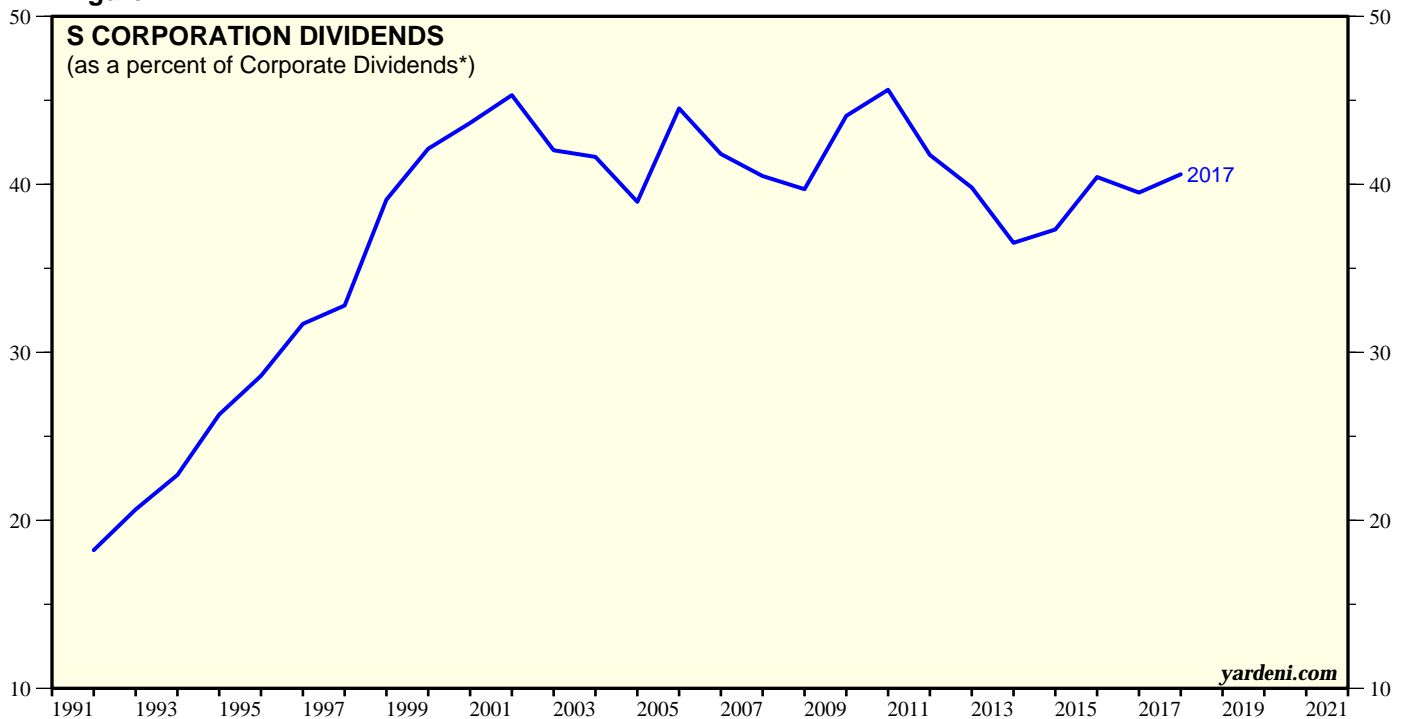
Dividends

Figure 11.



* Annual sum of quarterly data.
 Source: Bureau of Economic Analysis and IRS Statistics of Income.

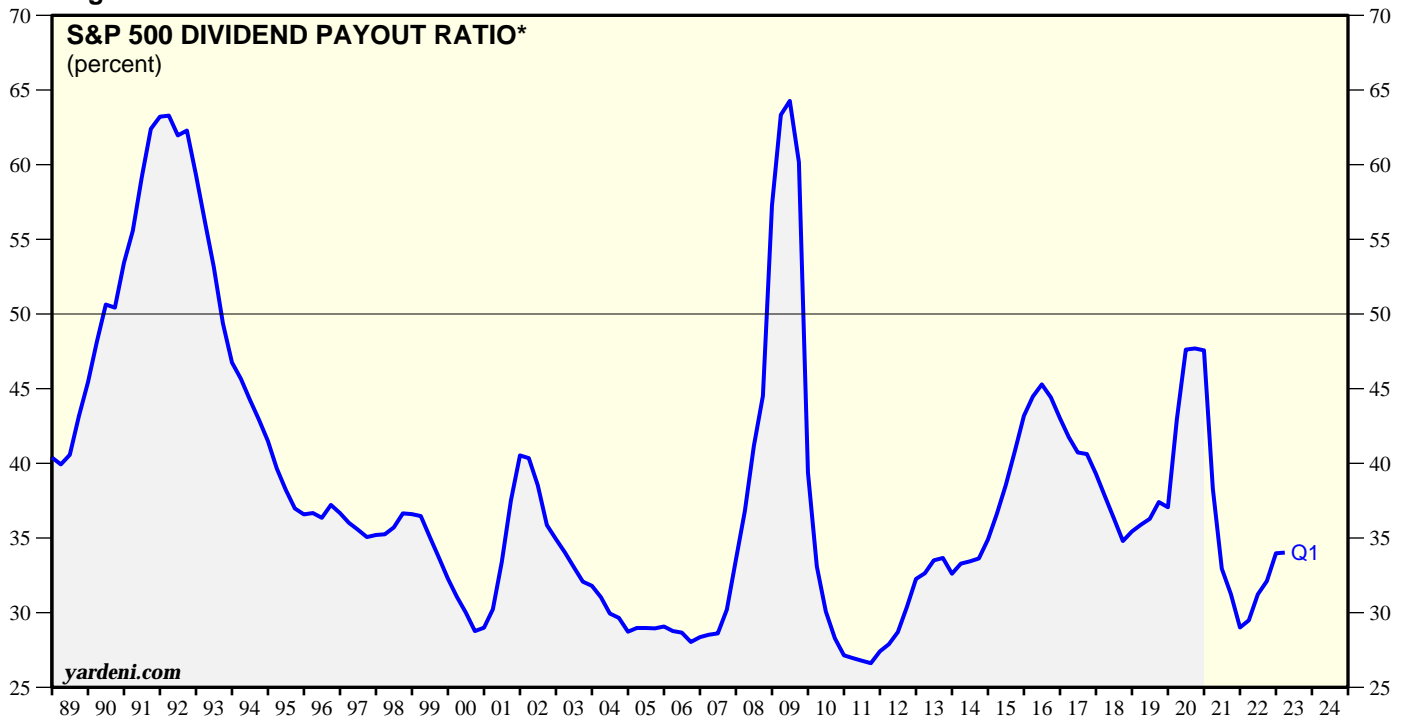
Figure 12.



* Annual sum of quarterly data.
 Source: Bureau of Economic Analysis and IRS Statistics of Income.

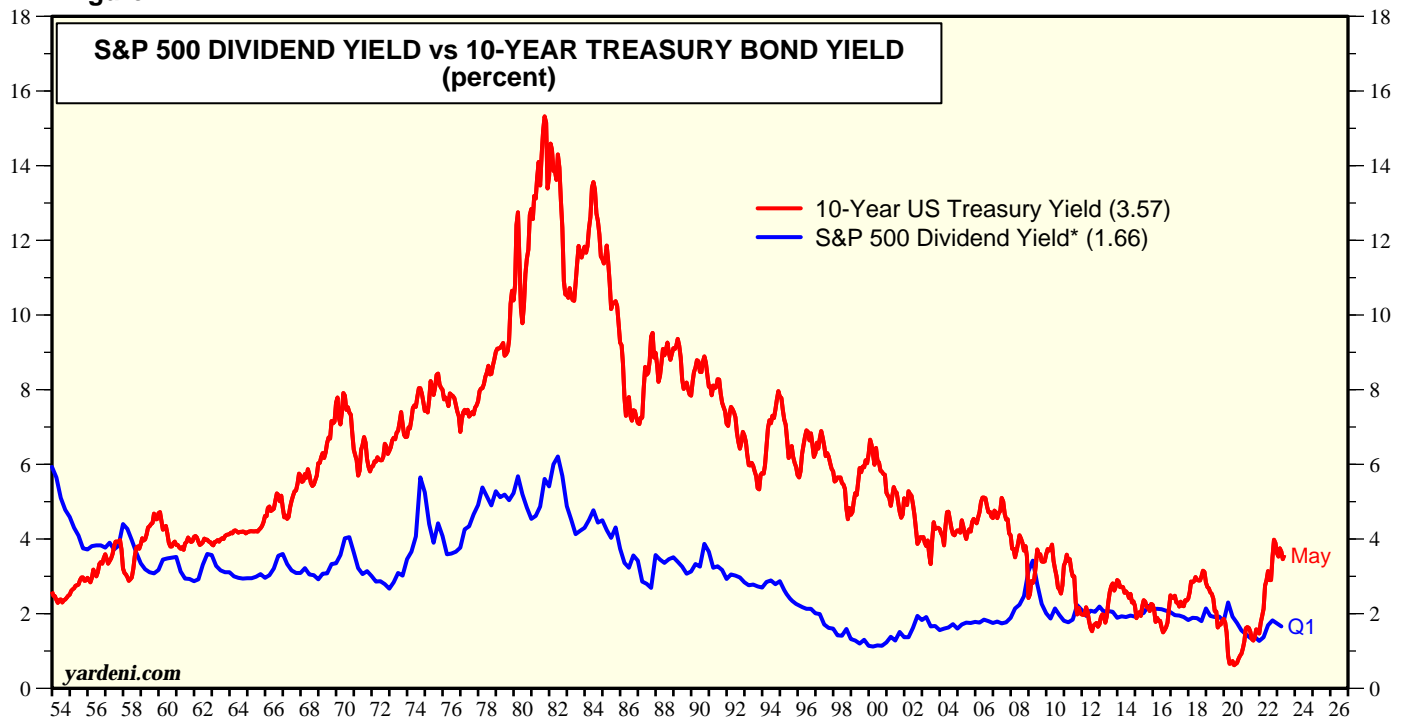
Dividends

Figure 13.



* Four-quarter trailing total dividends divided by four-quarter aggregate operating earnings.
Source: Standard & Poor's.

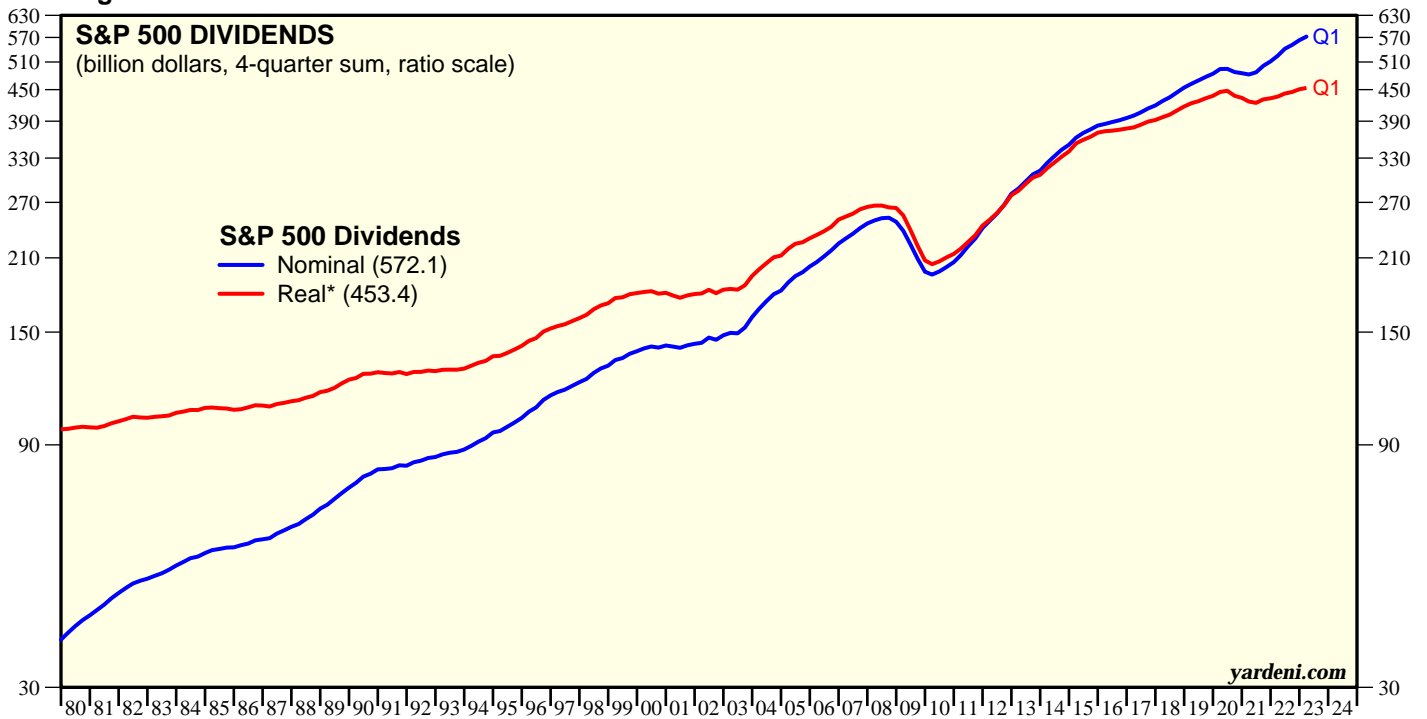
Figure 14.



* S&P 500 four-quarter trailing dividends per share divided by quarterly closing value of the S&P 500 index.
Source: Standard & Poor's and Board of Governors of the Federal Reserve System.

Dividends

Figure 15.



* Deflated by GDP Personal Consumption Expenditures Deflator.
Source: Federal Reserve Board, Financial Accounts of the United States, Standard & Poor's and Bureau of Economic Analysis.

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