

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

Yardeni Research, Inc.

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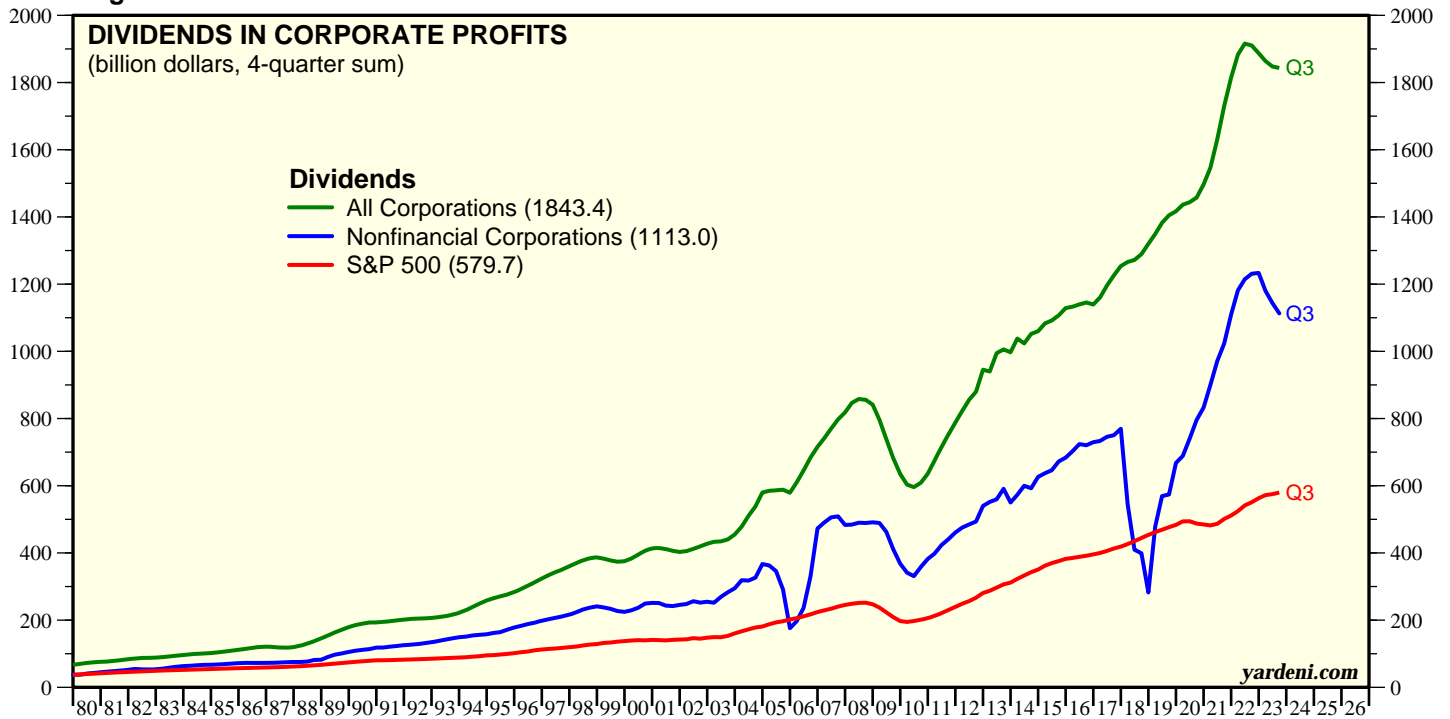
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*thinking outside the box*

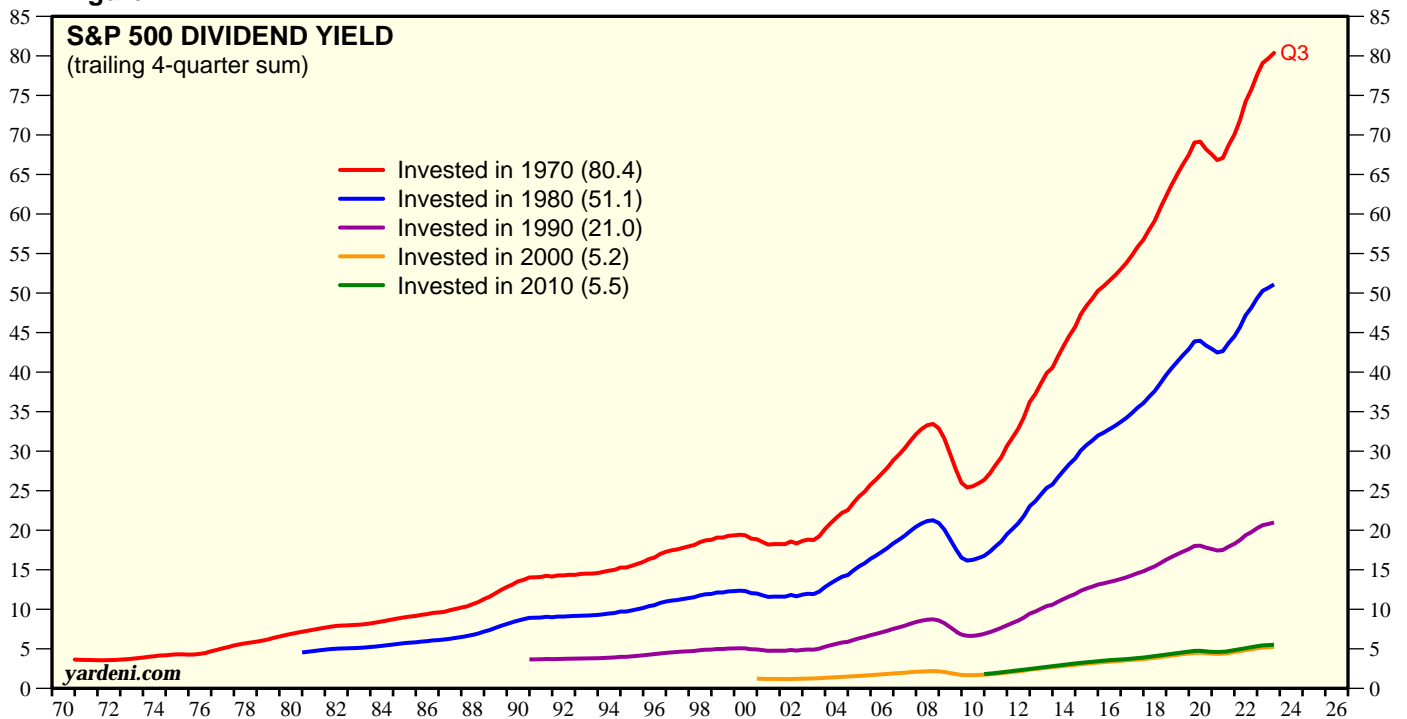
# Dividends

Figure 1.



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

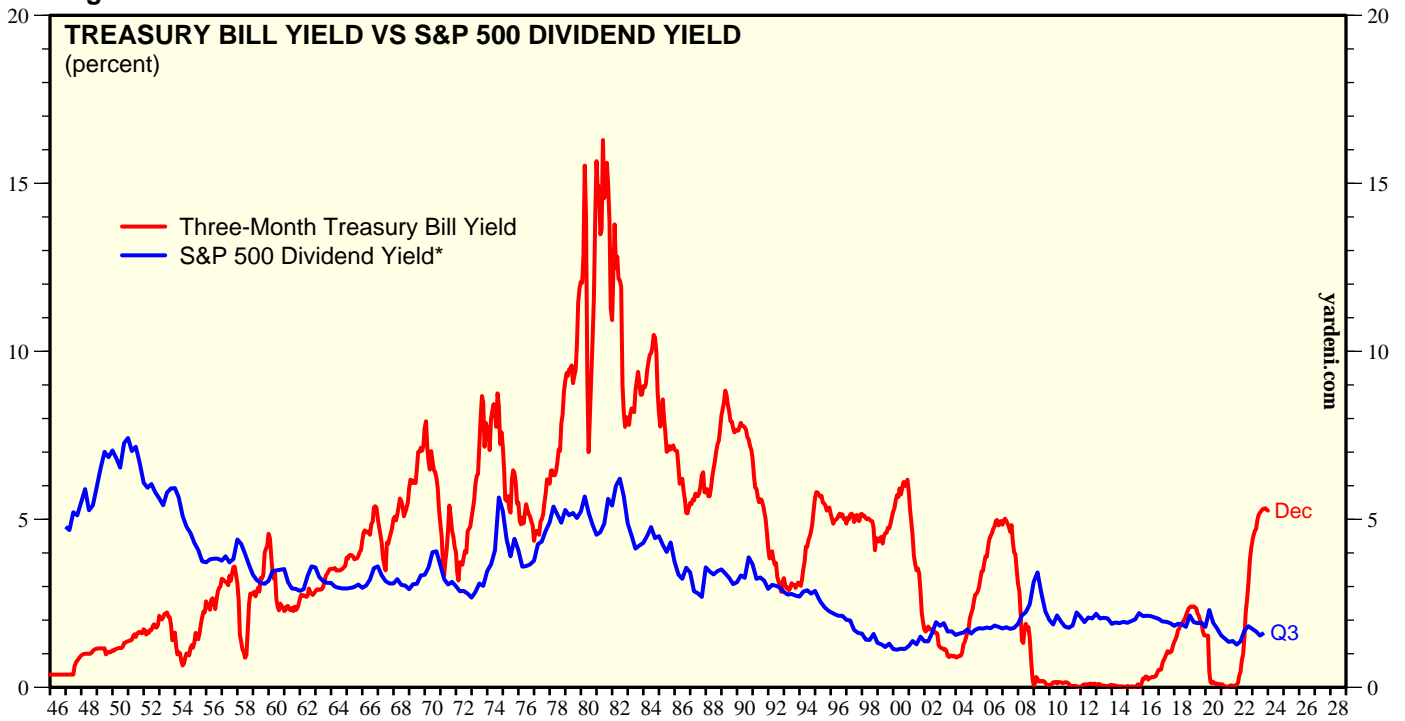
Figure 2.



Source: Standard & Poor's Corporation.

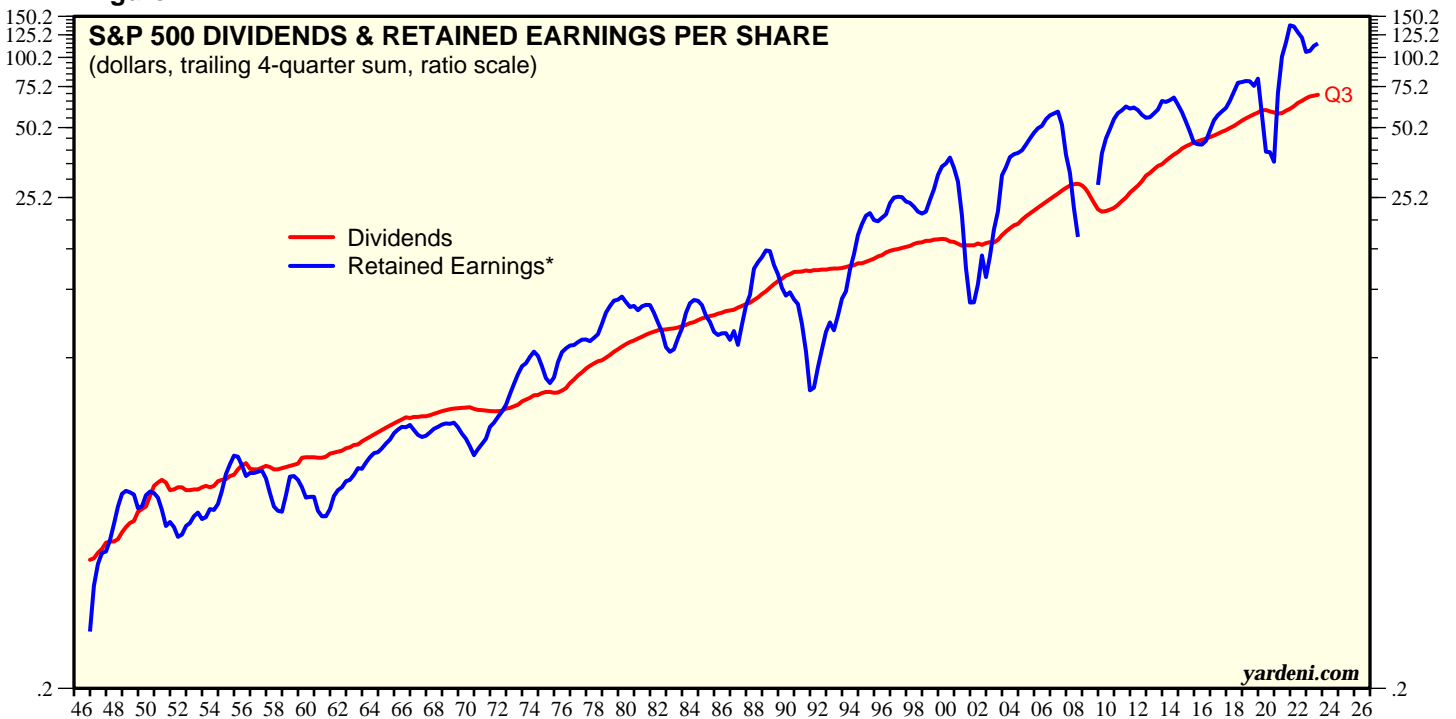
# Dividends

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.

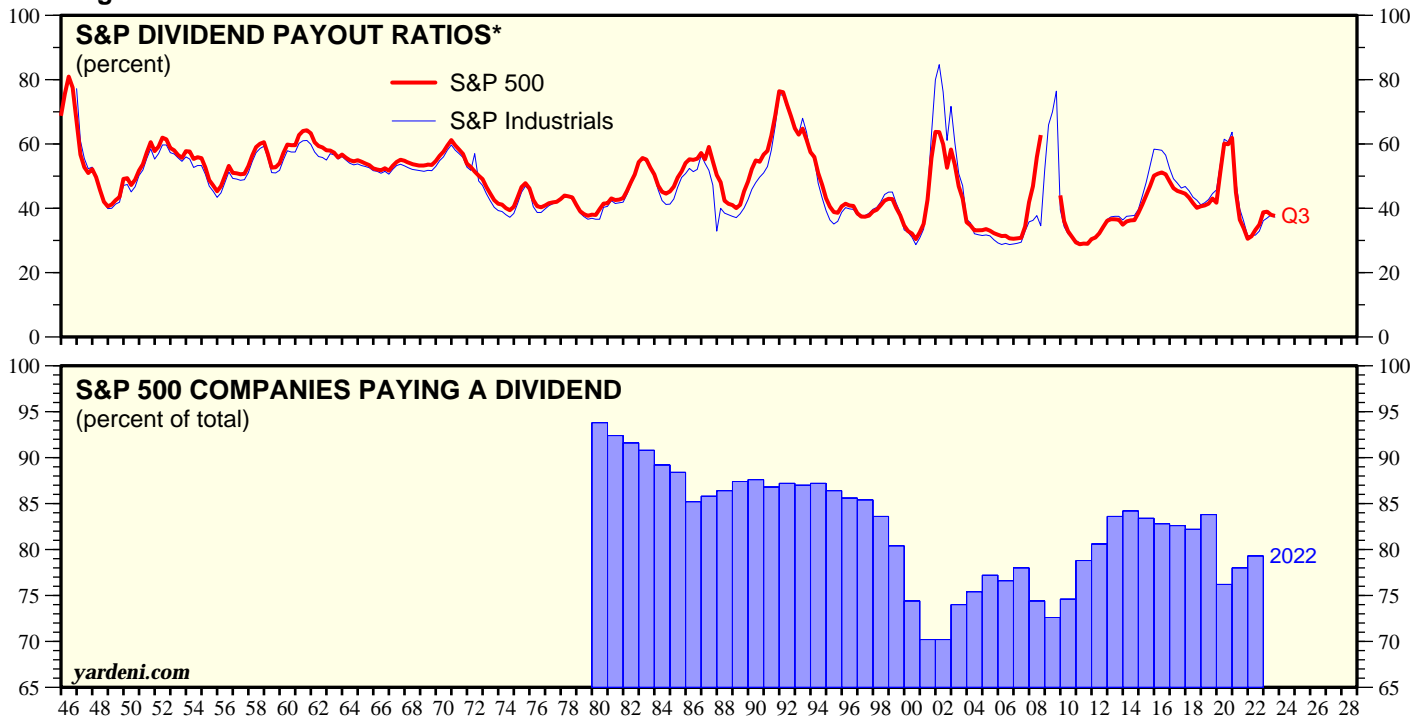
Figure 4.



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

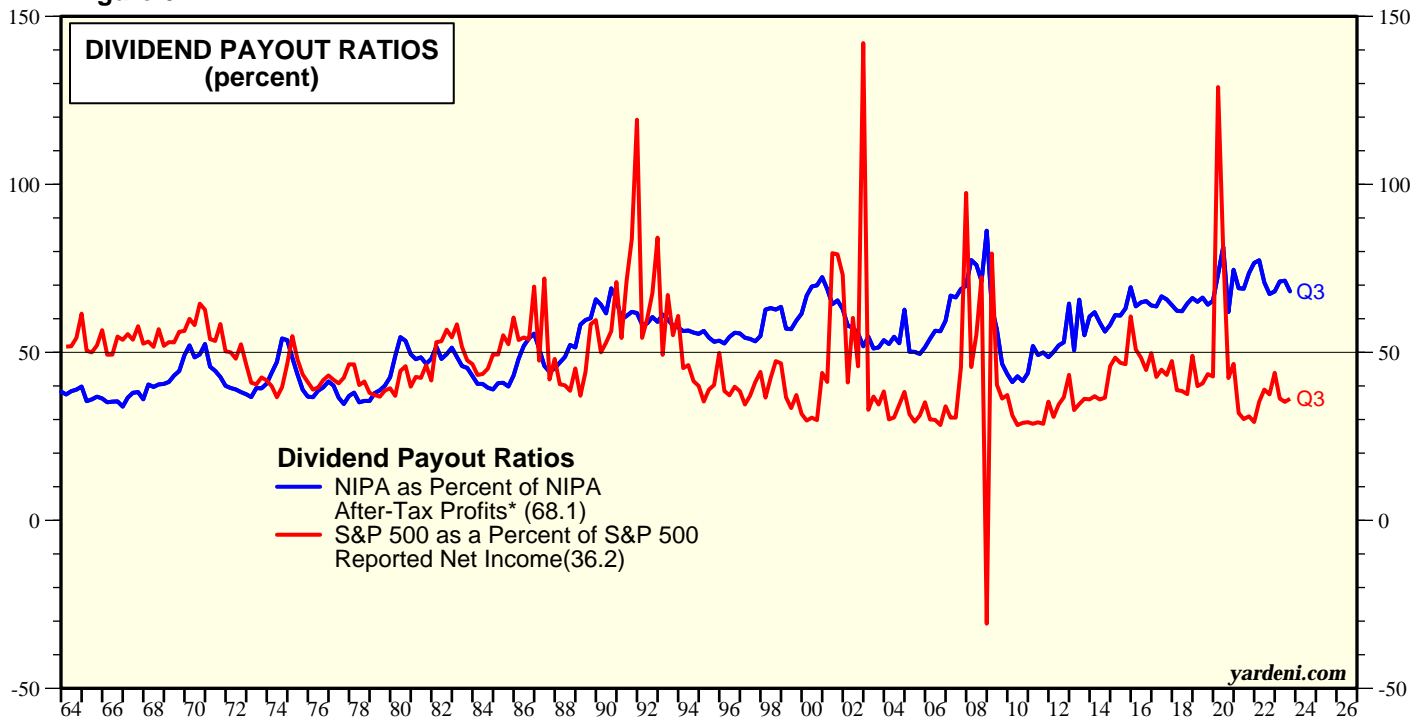
# Dividends

Figure 5.



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

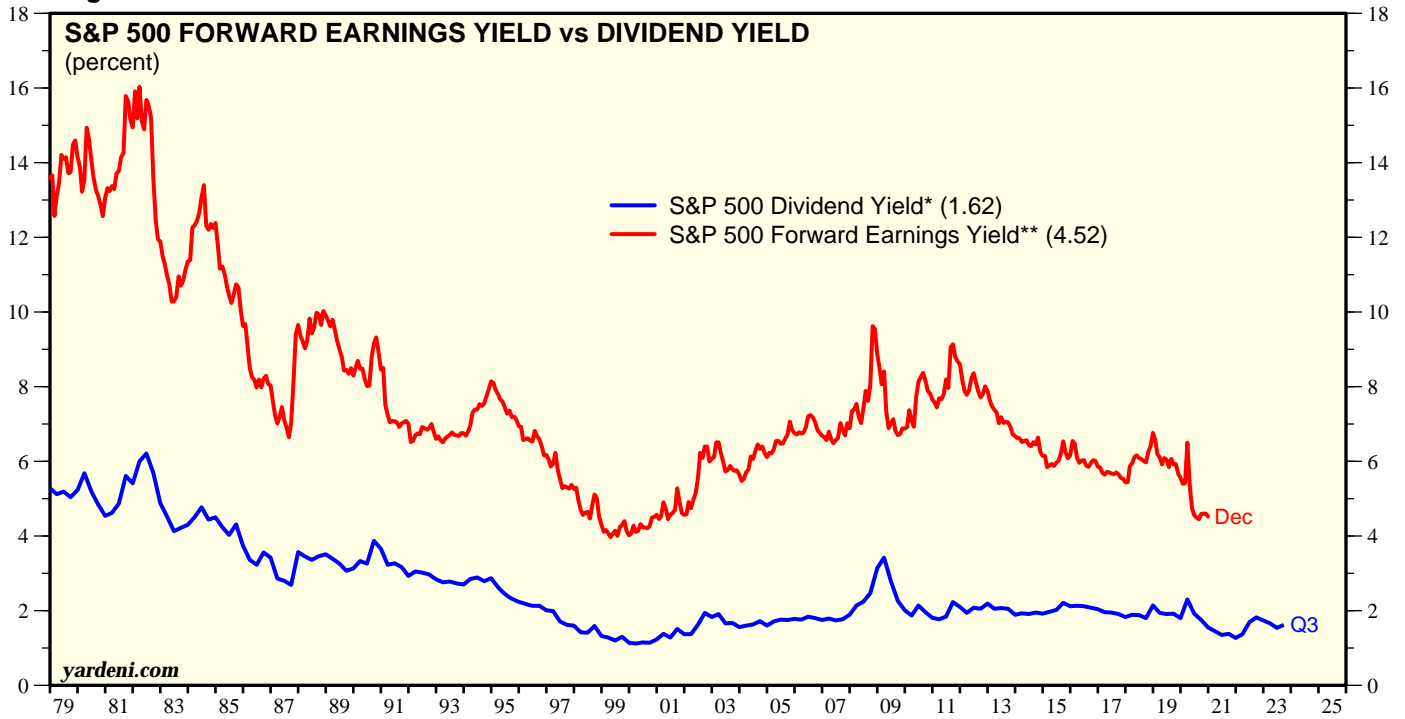
Figure 6.



\* 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.

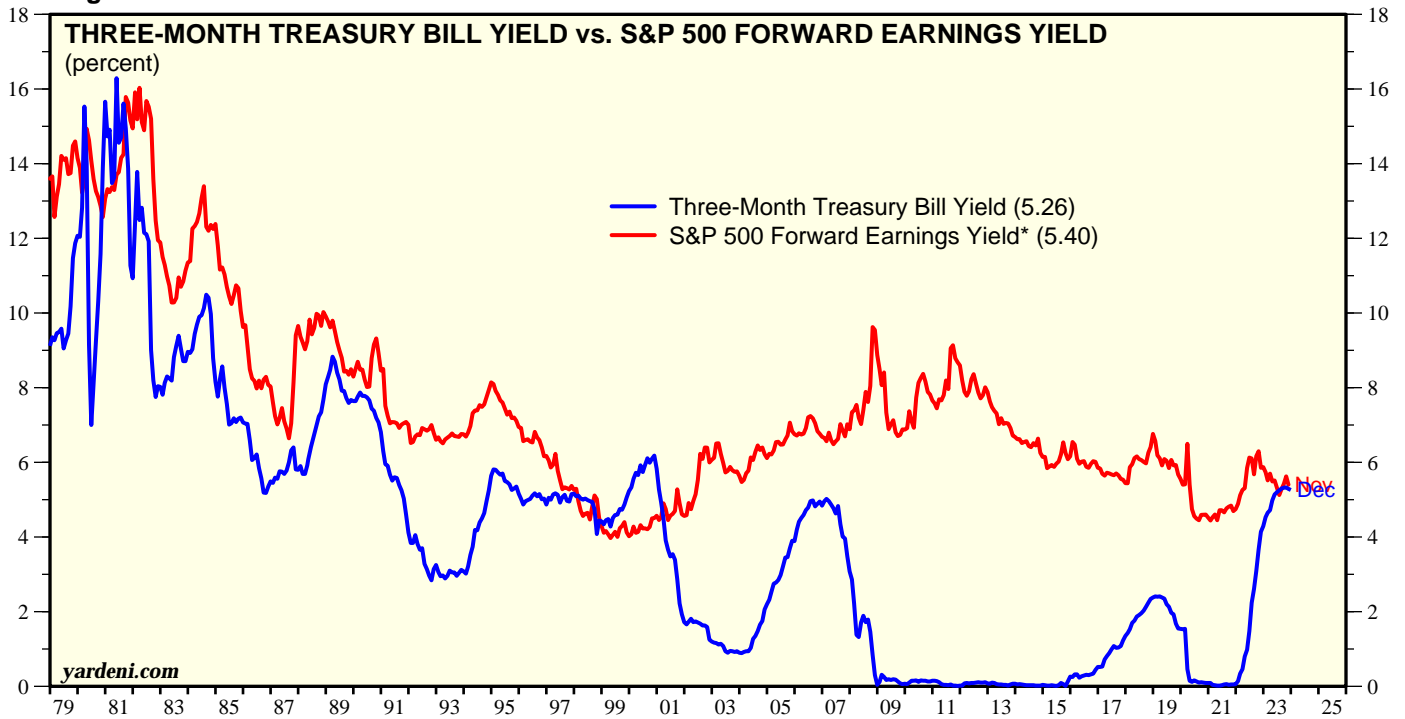


\* S&P 500 four-quarter trailing dividends per share divided by quarterly closing value of the S&P 500 index.

\*\* 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.

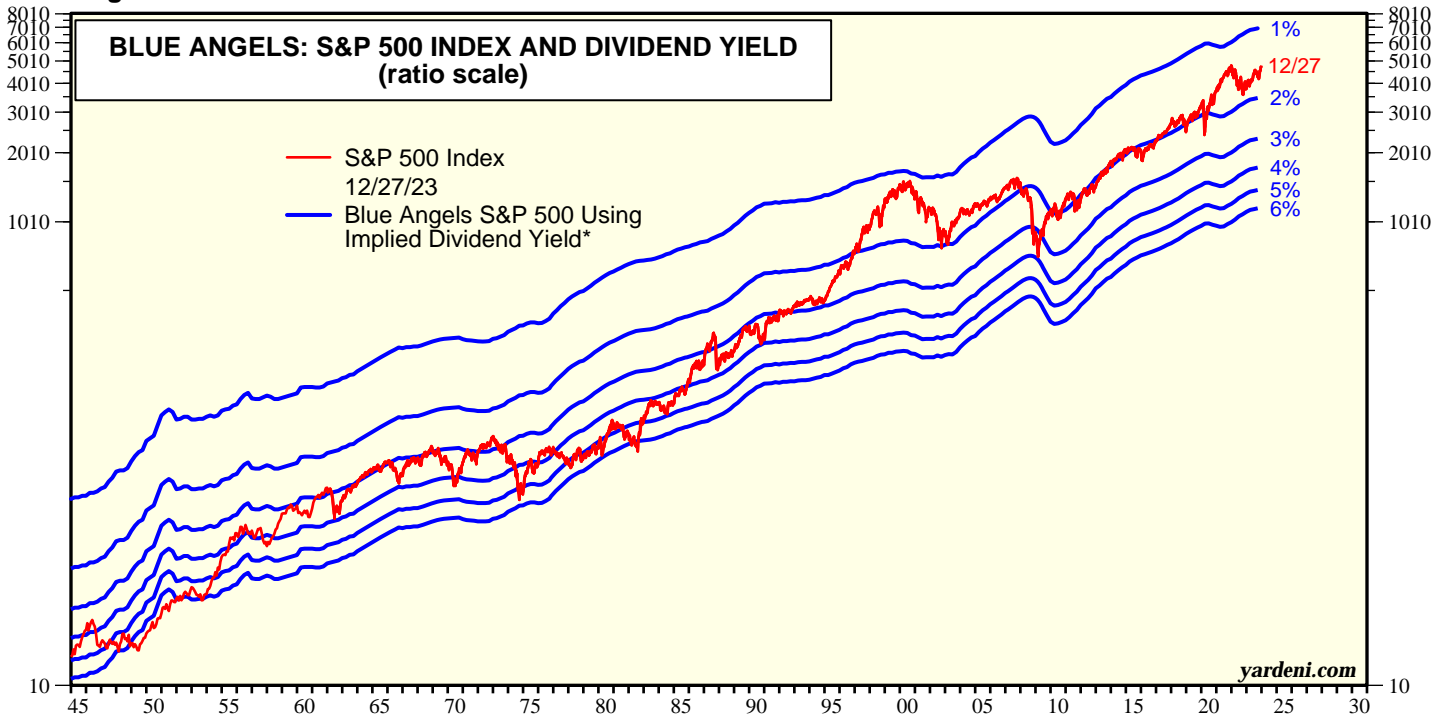


\* S&P 500 12-month forward consensus expected operating earnings divided by S&P 500 stock price index.

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

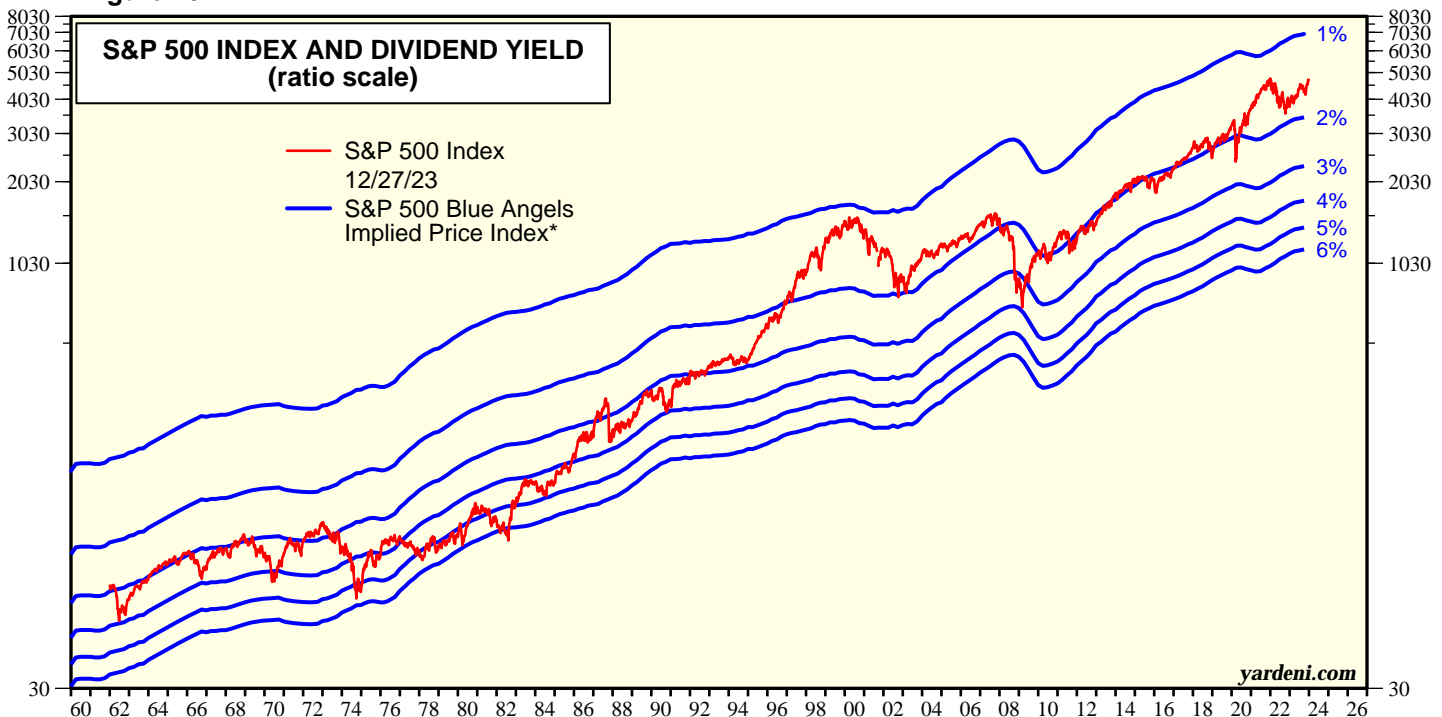
# Dividends

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.

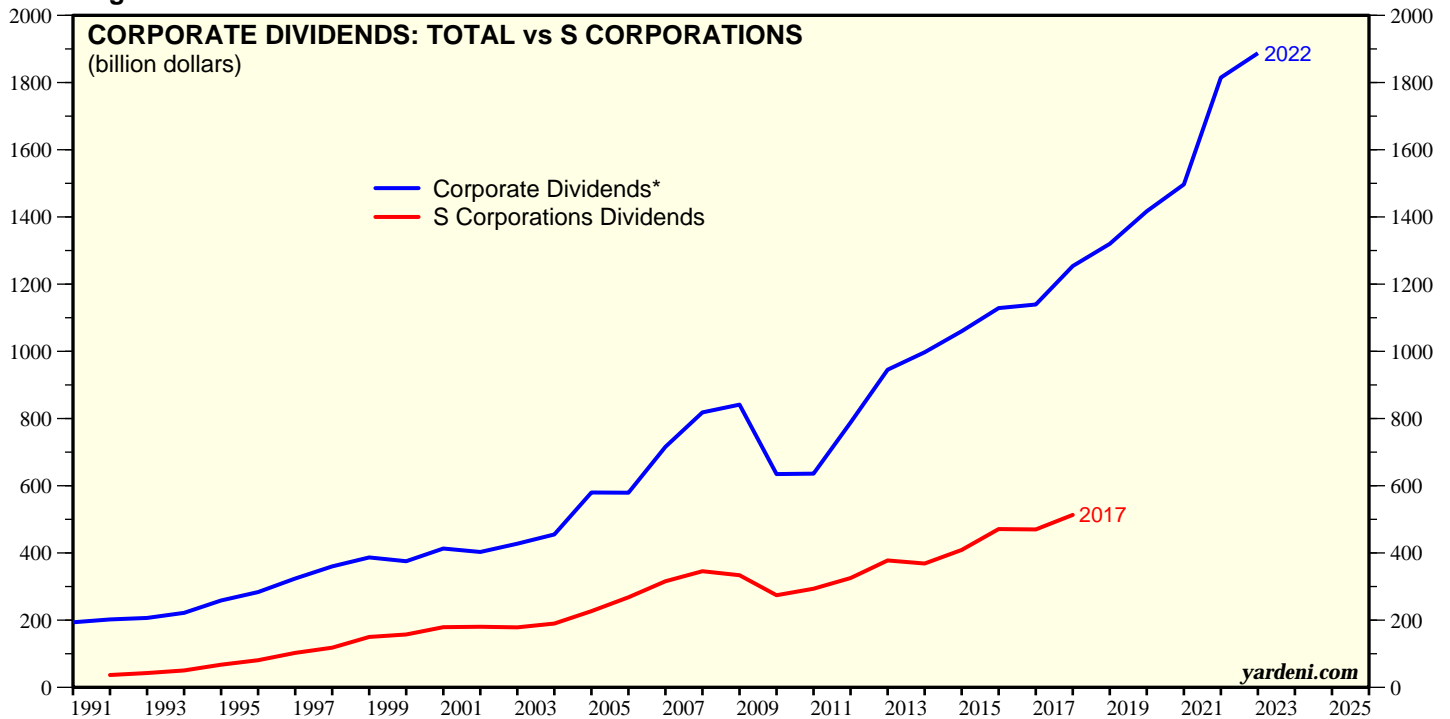
Figure 10.



\* 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.

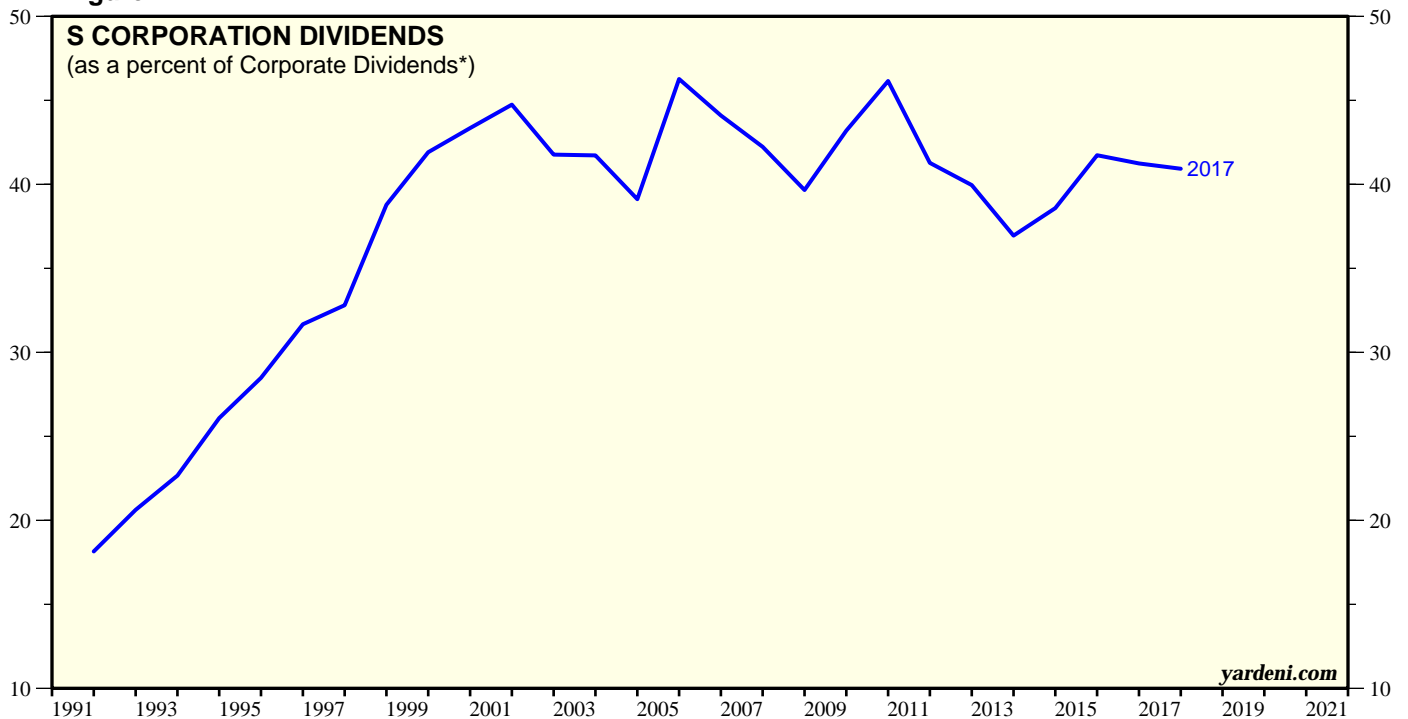
# Dividends

Figure 11.



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

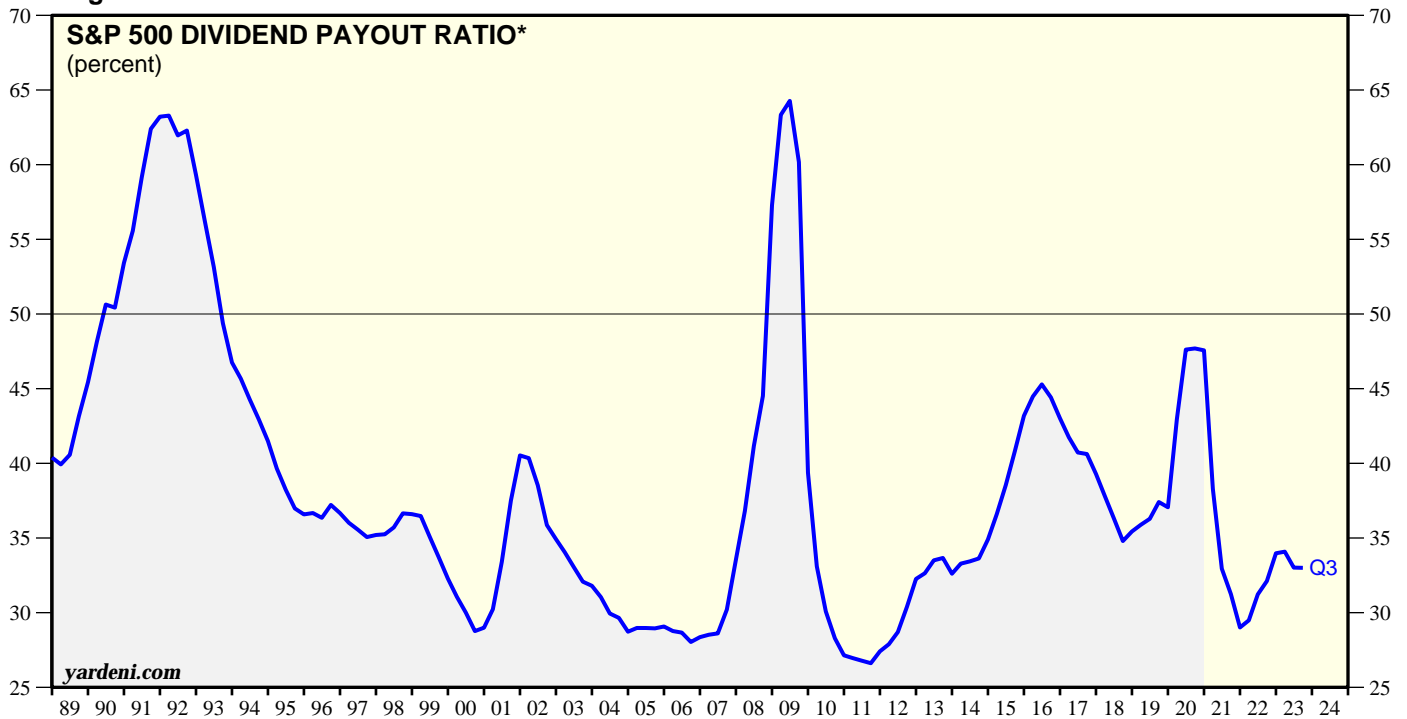
Figure 12.



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

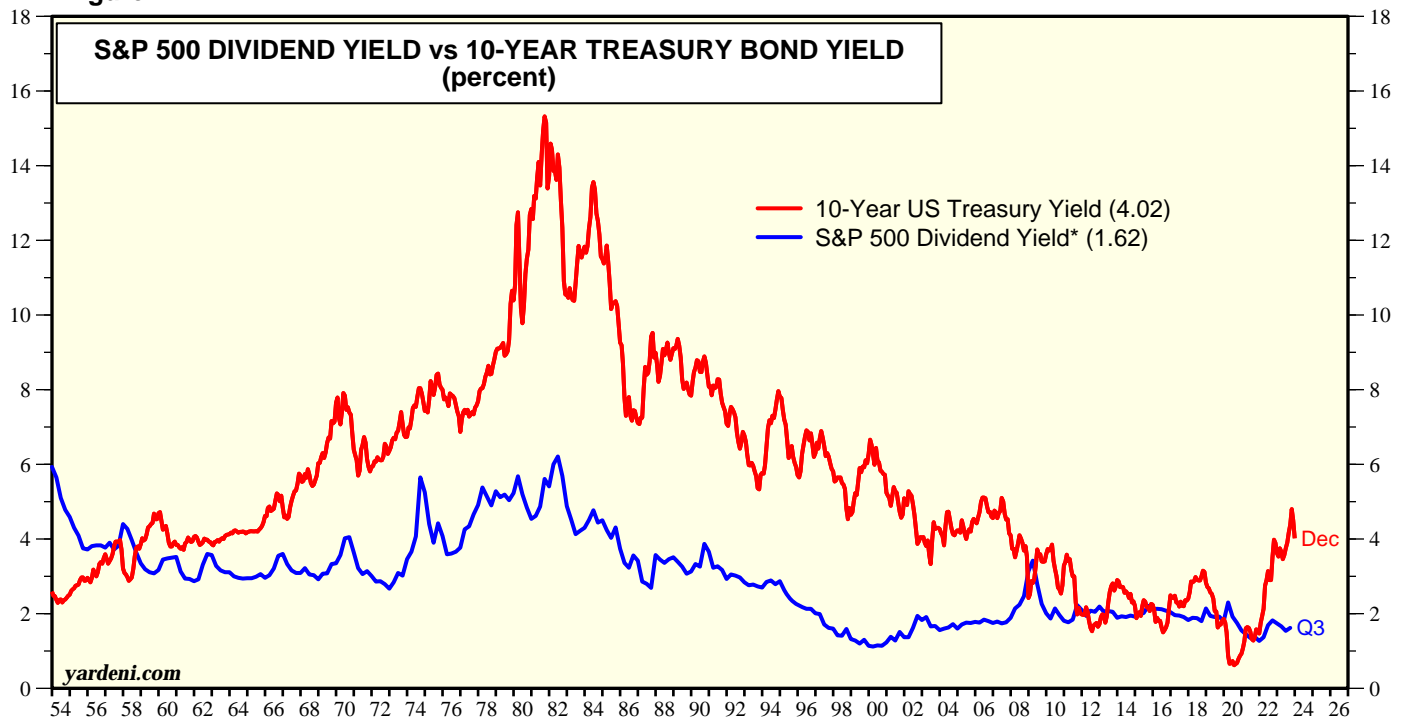
# Dividends

Figure 13.



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

Figure 14.

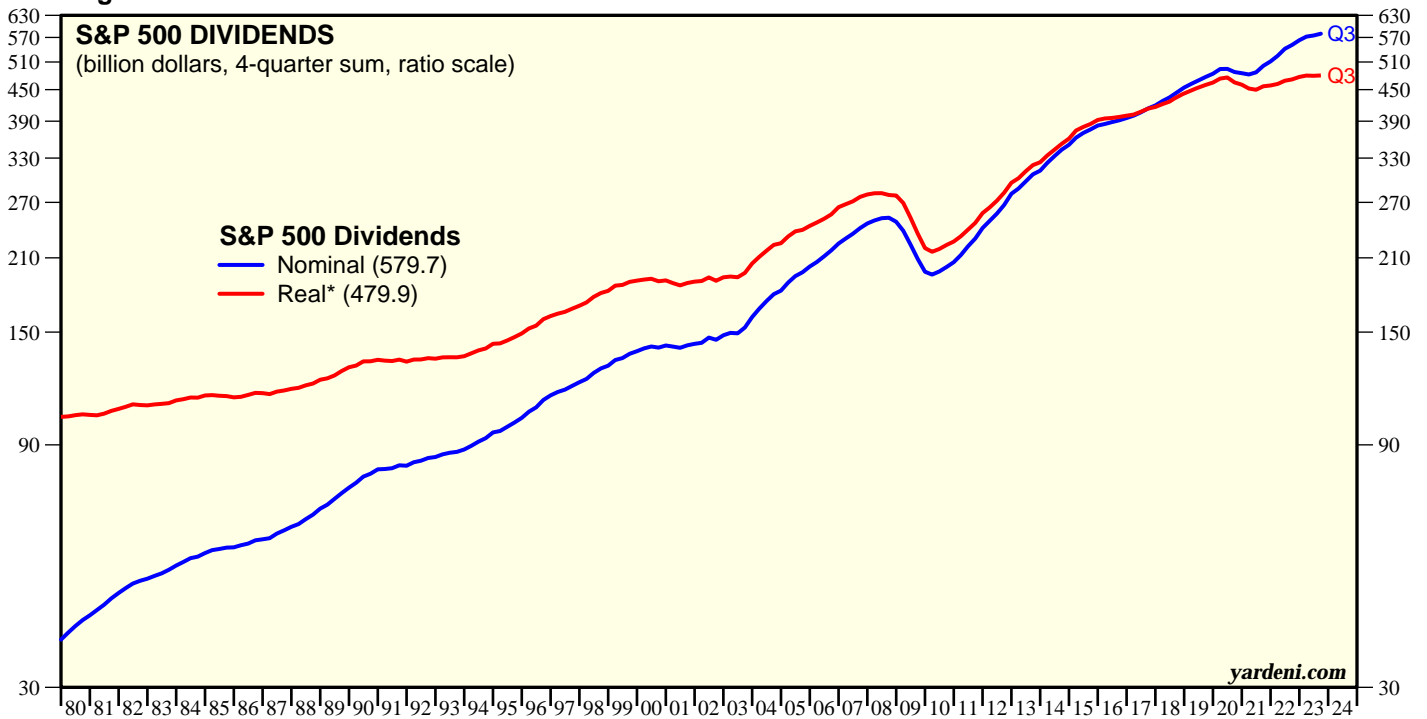


\* S&P 500 four-quarter trailing dividends per share divided by quarterly closing value of the S&P 500 index.  
Source: Standard & Poor's and Board of Governors of the Federal Reserve System.



# 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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