Adv

Financial Review / Volume 36, Issue 3 / pp. 19-38

Factors Influencing Dividend Policy Decisions of Nasdaq Firms

H. Kent Baker, E. Theodore Veit, Gary E. Powell

First published: 09 March 2005

https://doi.org/10.1111/j.1540-6288.2001.tb00018.x

Abstract

This study reports the results of a 1999 survey of Nasdaq-listed firms. Respondents provided information about the importance of 22 different factors that influence their dividend policy. Our results suggest that many managers of Nasdaq firms make dividend decisions consistent with Lintner's (1956) survey results and model. The results also show significant differences between the manager responses of financial and non-financial firms on nine of the 22 factors. This finding implies the presence of industry effects on dividend policy decisions. In general, the same factors that are important to Nasdaq firms are also important to NYSE firms.

References

Alli, Kasim L., A. Qayyum Khan, and Gabriel G. Ramirez, 1993. Determinants of Corporate Dividend Policy: A Factorial Analysis, *Financial Review* **28**:4 (November), 523–547.

Google Scholar

Ang, J. S., 1987. *Do Dividends Matter? A Review of Corporate Dividend Theories and Evidence*. Monograph Series in Finance and Economics, New York , Salomon Brothers Center for the Study of Financial Institutions, New York University.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Baker, H. Kent, 1988. Relationship Between Industry Classification and Dividend Policy, *Southern Business Review* **14**:1 (Spring), 1–8.

Google Scholar

Baker, H. Kent and Gail E. Farrelly, 1988. Dividend Achievers: A Behavioral Look, *Akron Business and Economic Review* **19**:1 (Spring), 79–92.

CAS | Web of Science® | Google Scholar

Baker, H. Kent, Gail E. Farrelly, and Richard B. Edelman, 1985. A Survey of Management Views on Dividend Policy, *Financial Management* **14**:3 (Autumn), 78–84.

Web of Science® | Google Scholar

Baker, H. Kent and Gary E. Powell, 2000. Factors Influencing Dividend Policy Decisions, Financial Practice and Education Forthcoming in Spring/Summer issue.

Google Scholar

Benartzi, Shlomo, Roni Michaely, and Richard Thaler, 1997. Do Changes in Dividends Signal the Future or the Past *Journal of Finance* **52**:3 (July), 1007–1034.

Web of Science® | Google Scholar

Benesh, Gary A., Authur J. Keown, and John M. Pinkerton, 1984. An Examination of Market Reaction to Substantial Shifts in Dividend Policy, *Journal of Financial Research* **7**:2 (Summer), 131–140.

Google Scholar

Bond, Michael T. and Mbodja Mougoue, 1991. Corporate Dividend Policy and the Partial Adjustment Model, *Journal of Economics and Business* **43**:2 (May), 165–178.

Web of Science® | Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Google Scholar

Damodaran, Aswath, 1999. *Applied Corporate Finance*. (John Wiley & Sons, Inc., New York , NY).

Google Scholar

DeAngelo, Harry, Linda DeAngelo, and Douglas J. Skinner, 1992. Dividends and Losses, *Journal of Finance* **47**:5 (December), 1837–1863.

Web of Science® | Google Scholar

Dobson, John, W. Tawarangkoon, and Uric Dufrene, 1996. The Pricing of Dividend Consistency, *Journal of Economics and Finance* **20**:2 (Summer), 47–61.

Google Scholar

Fama, Eugene F. and Harvey Babiak, 1968. Dividend Policy: An Empirical Analysis. *Journal of the American Statistical Association* **63**:324 (December), 1132–1161.

Web of Science® | Google Scholar

Farrelly, Gail E., H. Kent Baker, and Richard B. Edelman, 1986. Corporate Dividends: Views of the Policymakers, *Akron Business and Economic Review* **17**:4 (Winter), 62–74.

Web of Science® | Google Scholar

Farrelly, Gail E. and H. Kent Baker, 1989. Corporate Dividends: Views of Institutional Investors, *Akron Business and Economic Review* **20**:2 (Summer), 89–100.

Web of Science® | Google Scholar

Frankfurter, George M, 1999. What is the Puzzle in 'the Dividend Puzzle' *Journal of Investing* **8**:2 (Summer), 76–85.

Google Scholar

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Web of Science® | Google Scholar

Healy, Paul M. and Krishna G. Palepu, 1988. Earnings Information Conveyed by Dividend Initiations and Omissions, *Journal of Financial Economics* **21**:2 (May/September), 149–176.

Web of Science® | Google Scholar

Impson, Michael, 1997. Market Reaction to Dividend-Decrease Announcements: Public Utilities vs. Unregulated Industrial Firms, *Journal of Financial Research* **20**:3 (Fall), 407–422.

Google Scholar

Lauenstein, Milton C., 1987. A New Look at Dividend Strategy, *Journal of Business Strategies* **8**:1 (Summer), 80–88.

Google Scholar

Lease, Ronald C., Kose John, Avner Kalay, Uri Loewenstein, and Oded H. Sarig, 2000, *Dividend Policy: Its Impact on Firm Value*, (Harvard Business School Press, Boston , MA).

Google Scholar

Lintner, John, 1956. Distribution of Incomes of Corporations Among Dividends, Retained Earnings and Taxes, *American Economics Review* **46**:2 (May), 97–113.

Web of Science® | Google Scholar

Michaely, Roni, Richard H. Thaler, and Kent L. Womack, 1995. Price Reactions to Dividend Initiations and Omissions: Overreaction or Drift *Journal of Finance* **50**:2 (June), 573–608.

Web of Science® | Google Scholar

Michel, Allen, 1979. Industry Influence on Dividend Policy, *Financial Management* **8**:3 (Autumn), 22–26.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

Pruitt, Stephen W. and Lawrence J. Gitman, 1991. The Interactions between the Investment, Financing, and Dividend Decisions of Major U.S. Firms, *Financial Review* **26**:3 (August), 409–430.

Google Scholar

Rozeff, Michael, 1982. Growth, Beta and Agency Costs as Determinants of Dividend Payout Ratios, *Journal of Financial Research* **5**:3 (Fall), 249–258.

Google Scholar

Woolridge, J. Randall, 1983. Dividend Changes and Security Prices, *Journal of Finance* **38**:5 (December), 1607–1615.

Web of Science® Google Scholar

Citing Literature

Download PDF

ABOUT WILEY ONLINE LIBRARY

Privacy Policy
Terms of Use
About Cookies
Manage Cookies
Accessibility
Wiley Research DE&I Statement and Publishing Policies

HELP & SUPPORT

Contact Us
Training and Support

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences
Accept All
Reject Non-Essential

Copyright © 1999-2025 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential