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Factors Influencing Dividend Policy Decisions of Nasdaq Firms

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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.

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