

# Dividends

Financial Literacy





# Dividend

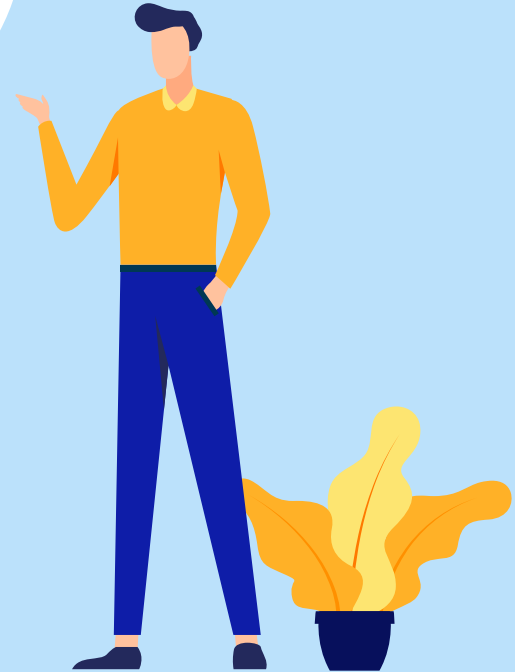
[Di-va-dend]

The Distribution of corporate profits to qualified shareholders

# What are Dividends?

A dividend is a reward paid to the shareholders for their investment in a company's equity, and it usually originates from the company's net profits.

- Dividends are a form of distribution of profits to shareholders
- Dividends can provide a steady income stream for investors.



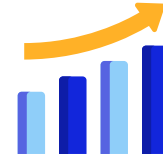
# Benefits Of Dividends



## Cash Flow

Dividends provide a steady income stream for investors.

By investing in dividend-paying stocks, investors can receive regular cash payments .



## Growth

Dividends provide a steady income stream for investors.

By investing in dividend-paying stocks, investors can receive regular cash payments that can supplement their income or be reinvested for future growth.

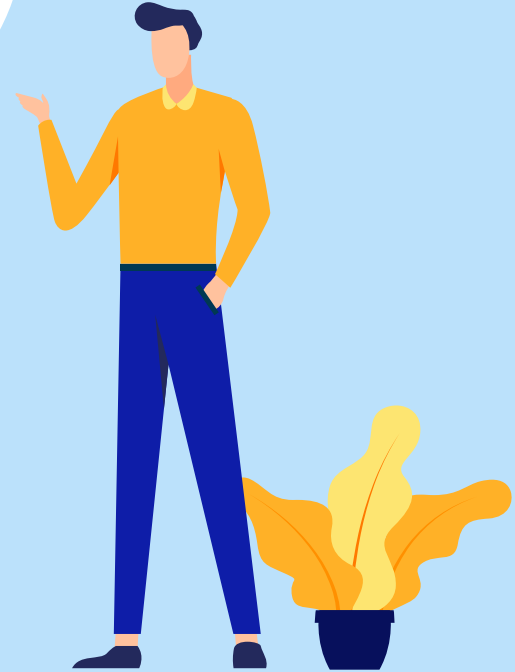
# Types of Dividends



# Cash Dividends

Cash dividends are the most common type of dividend. They are paid out in the form of cash directly to shareholders.

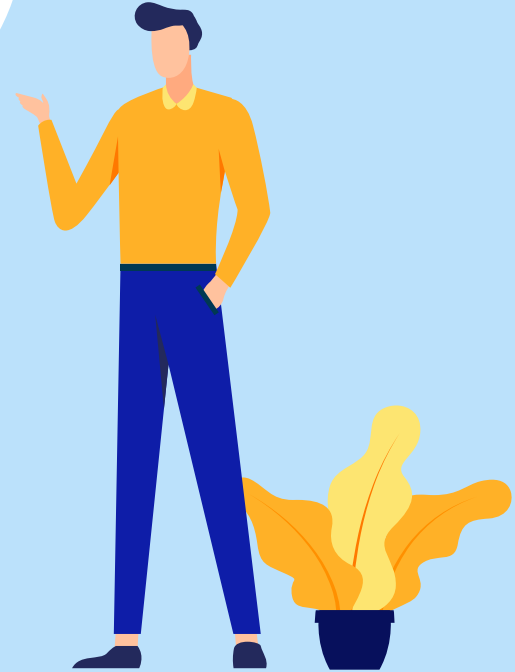
- Cash dividends provide investors with immediate income that can be used for personal expenses or reinvested.



# Stock Dividends

In addition to cash dividends, companies may also issue stock dividends. Instead of paying cash, shareholders receive additional shares of stock in proportion to their existing holdings..

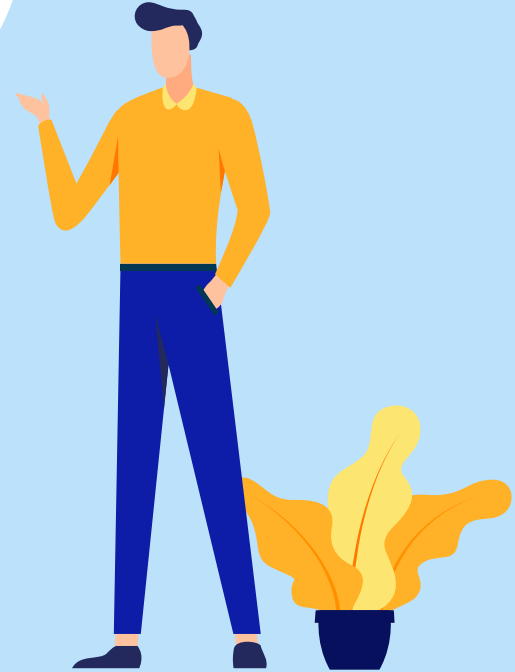
- If a company declares a 10% stock dividend, shareholders receive 10 additional shares for every 100 shares they own.



# Special Dividends

These dividends are usually declared when a company has excess cash or experiences exceptional financial success.

- Special dividends can be larger than regular dividends and provide an extra boost of income to shareholders.





# More Resources

[Dividends: Definition in Stocks and How Payments Work \(investopedia.com\)](#)

[Stock Dividend: What It Is and How It Works, With Example \(investopedia.com\)](#)

[What Is a Dividend and How Do They Work? - NerdWallet](#)  
[What are dividends | BDC.ca](#)

[Investing in Dividend Stocks | TD Direct Investing](#)

[What are dividends? What you need to know about the different types and taxes | Fortune Recommends](#)