

BLOOMBERG TERMINAL AND DIVIDEND GROWTH FOR STOCK VALUATION MODEL

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ABSTRACT

We use data from the Bloomberg Terminal and estimate the implied perpetual dividend growth of all dividend-paying stocks in the S&P500 index cross-sectionally and over time. We show that we can use the computed implied growth rate for a stock valuation model in an Excel spreadsheet. Our new approach to growth rate estimation can help to enhance students' technological and quantitative skills and their knowledge of stock valuation applications.

Keywords: Dividend growth, stock price, Bloomberg terminal, financial education