

## Macro Roundup Article

**Headline:** [Data Update 7 for 2023: Dividends, Buybacks and Cash Flows](#)

**Article Link:** <https://aswathdamodaran.substack.com/p/data-update-7-for-2023-dividends>

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**Tweet:** [. @AswathDamodaran](#) notes that firms that buy back stock have lower debt levels than firms that don't, as measured by both the debt to capital ratio and the debt to EBITDA multiple.

**Summary:** I looked at companies in the US (because this critique seems to be directed primarily at them), broken down by whether they did buybacks in 2022, and then examined debt loads within each group. You can be the judge, using both the debt to capital ratio and the debt to EBITDA multiple, that companies that buy back stock have lower debt loads than companies that don't buy back stock, at odds with the "debts fund buybacks" story. Are there firms that are using debt to buy back stock and putting their survival at risk? Of course, just as there are companies that choose other dysfunctional corporate finance choices. In the cross section, though, there is little evidence that you can point to that buybacks have precipitated a borrowing binge at US companies.

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