

Title: More on Stock Dividend VS Stock Split

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Url: <https://i.redd.it/ruk8p4e6ksq81.jpg>

# Differences

A stock dividend is issued to keep earnings in the company and make the company more valuable in the future. When a company is considered more valuable, stock prices rise.

A stock split is performed because a company's stock is outperforming the company's goals.

Because a company does not want to encourage speculative bubbles that cannot be sustained by the market, it uses a stock split to decrease the price of stock and bring it into a more acceptable price range.