Dividends and buybacks: cash back to shareholders

Dividends and buybacks is a free 50-minute high school lesson on the two main ways a company sends cash back to its shareholders. Students trace each one at Apple, Coca-Cola, Berkshire Hathaway and Snap, using figures from each company's Form 10-K and 10-Q.

5-minute prep

- Print: one worksheet per student (2 pages, black and white). Print the answer key for yourself.
- Project: the slides (13 slides). The four companies start on slide 5.
- Read: "Teacher background in 2 minutes" below, then the Snap puzzle guidance.

Grade	High school, grades 9–12
Time	50 minutes (splits into two 25-minute blocks)
Edition	2026–27 first edition v1.0
Lesson page	cityfort.co/teachers/who-owns-the-company/dividends-and-buybacks

Objective

Students can explain the difference between a dividend and a share buyback and find each in a company's filings. They can work out the percent change in a dividend per share over several years.

Standards the lesson supports

- 7.RP.A.3 (Common Core states)
- Investing 12-2a (Jump$tart / CEE National Standards), in part
- CCSS.ELA-Literacy.RH.11-12.7 (Common Core states)

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Timing

Minutes	Step	What happens
0–7	**Warm-up**	A made-up juice stand with ten owners has spare cash. Two ways to send it back: pay every owner, or buy back one owner's share.
7–15	**Two words**	Dividend and buyback, and where each sits in a 10-K: the dividend note and Item 5, and the financing section of the cash flow statement.
15–30	**Four companies**	Pairs fill in a table for Apple, Coca-Cola, Berkshire Hathaway and Snap, and work out the percent change in two dividends.
30–40	**The Snap puzzle**	Snap spent cash on buybacks every year, yet its share count rose. Pairs use one clue from the 10-K to explain why.
40–46	**Discussion**	What does each kind of payout give a shareholder who keeps the shares? Describe, don't judge.
46–50	**Exit ticket**	Exit ticket (4 questions).

Materials

- The slides (projected) or the printed worksheet.
- One worksheet per student. It prints in black and white on two pages.
- A calculator for the percent-change questions.
- No accounts, no logins and no internet access are required. The student page is optional.

Discussion questions

1. A shareholder keeps all their shares. What do they receive from a dividend? What changes for them after a buyback?
2. Berkshire Hathaway paid no dividend in these years but bought back stock in most of them. What did its filings show instead of a dividend?
3. How can Snap buy back shares and still end up with more shares than before?
4. Apple's 10-K says it intends to raise its dividend every year, subject to board approval. Is that a promise or a plan? How would you check what happened later? (Describe it. Do not judge it.)

Adapting the lesson

English language learners: ELL: a picture of coins handed to each owner for "dividend" and a hand taking back a ticket for "buyback," a word bank and sentence frames.

IEP and 504 plans: IEP: the Part C table with Apple filled in as a worked example, a percent-change formula card and a calculator.

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Advanced students: Advanced: students compare Apple's dividend with its diluted earnings per share (the payout ratio) and explain what the percent shows, without judging it.

Extension: Meta and Alphabet paid their first dividends in 2024. Students look up each company's dividends per share for FY2024 and FY2025 on its Cityfort page. They work out the percent change and describe it in one sentence. Read Cityfort's Learn entry What are stock buybacks?

Teacher background

Dividend

A dividend is cash a company pays to every shareholder, usually each quarter. The board decides each one, and the 10-K reports dividends per share for the year.

Buyback

A buyback (share repurchase) is the company buying its own shares. Only the holders who sell get cash. The remaining holders each own a slightly bigger slice, if the share count falls.

Where they are in a 10-K

Dividends per share appear in the notes to the financial statements and, for many companies, in Item 5. Cash paid for dividends and buybacks sits under financing activities in the cash flow statement.

Why a share count can still rise

Companies also create new shares, mainly to pay employees in stock (stock-based compensation). If they create more shares than they buy back, the count rises.

Apple

Apple's dividend per share rose from $0.85 in FY2021 to $1.06 in FY2026. It bought back $85.8 billion of stock in FY2026, 297 million shares.

Berkshire Hathaway

Berkshire Hathaway has paid no cash dividend since 1967. It bought back stock in FY2021 to FY2024, none in FY2025, and restarted on Mar 4, 2026.

Snap

Snap has never declared or paid a cash dividend. It bought back Class A shares each year from FY2022. Even so, its shares plus stock awards rose from 1,825.7 million to 1,931.7 million between Dec 31, 2024 and Sep 30, 2026.

If your class runs a stock-market simulation, these lessons can come before it: they explain what a company does and how it reports results. They do not suggest which companies to choose, and Cityfort does not run, rank or judge simulation picks.

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Teaching notes

- Students often think a buyback pays every shareholder. Only the holders who sell get cash. Use the juice stand to make that concrete.
- Keep the talk on what each company did. If students say one choice is smarter, ask what the filing shows happened.

Standards supported

This lesson supports these outcomes. It does not cover all of any standard.

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- Common Core 7.RP.A.3 (used as review): percent change in dividends per share and in a share count.
- National Standards for Personal Financial Education (2021), Investing 12-2a: "Describe the different types of annual cash flows that can be received by investors." Partial: dividends only, compared with buybacks.
- Common Core RH.11-12.7: a cash flow figure plus a written clue solve the Snap puzzle.

Teacher background in 2 minutes

- Dividend: cash paid to every shareholder, the same amount per share. The board declares each one.
- Buyback: the company buys its own shares. Sellers get cash; the remaining holders own a bigger slice only if the count falls.
- Both appear as cash paid under financing activities in the cash flow statement. Dividends per share are in the notes and often in Item 5.
- Share counts also rise when a company pays employees in stock. A buyback can simply soak up those new shares.
- Coca-Cola's Q3 FY2026 10-Q says it expects its 2026 buybacks to offset dilution from stock-based pay. That is a company plan, quoted as such.
- Apple's FY2026 10-K says it intends to raise its dividend every year, subject to board approval.

Materials

- Slides (PowerPoint, 13 slides). Every table is a real table, not a picture.
- Student worksheet with exit ticket (2 pages).

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- Answer key.
- Calculators.
- Optional: the student page link, for classes with devices.

0–7 minutes: Warm-up (slides 1–2)

- Show the juice stand. The numbers are made up, and the slide says so.
- Choice A pays each of 10 owners $5. Choice B pays one owner $50 for their share, so 9 owners remain, each with one-ninth.
- Ask: "Under Choice B, who got cash?" Only the owner who sold.

7–15 minutes: Two words (slides 3–4)

- Define dividend and buyback. Students copy them into Part B.
- Show where each appears in a 10-K: dividends per share in the notes and Item 5; cash paid for both under financing activities.

15–30 minutes: Four companies (slides 5–8)

- Pairs fill in the Part C table from the cards.
- Then they work out the percent change in Apple's and Coca-Cola's dividends per share, using the formula on the worksheet.
- Point out that the fiscal years differ: Apple's ends in late September.

30–40 minutes: The Snap puzzle (slides 9–10)

- Show Snap's buybacks and its rising share count. Let pairs think for 2 minutes before showing the clue.
- Reveal the clue on slide 10: stock-based compensation. New shares for employees outnumbered the shares Snap bought back.
- Add: Snap said on Nov 4, 2026 that it aims for a stable fully diluted share count in 2027. That is the company's stated aim, not a forecast.

40–46 minutes: Discussion (slides 11–12)

- Use the discussion questions below.
- Steer away from verdicts. Each company made a different choice, and the lesson describes them.

46–50 minutes: Exit ticket (slide 13)

- Students answer the four exit-ticket questions on page 2 of the worksheet.

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Splitting into two 25-minute blocks

Block 1 covers minutes 0–25, ending after Apple and Coca-Cola. Block 2 opens with a 3-minute recap, then Berkshire Hathaway, the Snap puzzle, discussion and the exit ticket.

Guidance for the discussion questions

Question 1. A dividend pays them cash for each share. A buyback pays them nothing directly; if the share count falls, each of their shares is a slightly bigger slice.

Question 2. Its cash flow statements show cash spent on buybacks in FY2021 to FY2024 and in 2026, and no dividends.

Question 3. Snap also creates new shares to pay employees. When it creates more than it buys back, the count rises.

Question 4. It is a stated plan, subject to board approval. Students can check later 10-Ks for the dividend per share. Accept descriptions; do not accept "good" or "bad."

Sentence frames

- "In FY____, ____ paid $____ per share in dividends and spent $____ on buybacks."
- "____'s dividend per share changed by ____% from FY____ to FY____."
- "Snap's share count rose because ____."

Differentiation: ELL

- Pictures: coins handed to each owner for "dividend," a hand taking back a ticket for "buyback."
- Word bank: dividend, buyback, repurchase, per share, shareholder, cash flow, financing, employee, stock-based compensation, percent change.
- Sentence frames (above). Pair ELL students with a partner for Part C.

Differentiation: IEP

- Apple's row of the Part C table filled in as a worked example.
- A formula card: percent change = (new − old) ÷ old × 100.
- Calculator allowed. Large print: enlarge the worksheet when printing (tabloid paper works well).
- Shorter exit ticket: questions 1 and 2 only.

Differentiation: Advanced

- The payout ratio is dividends per share ÷ diluted earnings per share × 100. It shows how much of each dollar of earnings per share went out as dividends.

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- Apple's FY2026 payout ratio was 11.8% (Cityfort calculation from the FY2026 10-K).
- Ask students to explain in one sentence what that percent means, with no judging words. Read Cityfort's Learn entry What is the dividend payout ratio?

student page

Scan the code or type: **cityfort.co/class/payouts**

Sources

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