



I Had No Idea: Did You Know That Corporate Profits Often End Up In Your Pocket?

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Most corporations are not owned by rich tycoons, but by investors—and those same investors manage your pensions, retirement funds, and college savings accounts.

When companies make more money than they spend they end up with a surplus called a profit. Those profits are either invested back into the company to buy more products and equipment, do research, or hire more people—or they are distributed to shareholders like you.

Americans who own stocks or mutual funds benefit from those dividends because they help your investments or retirement accounts grow.

So the next time you hear about a big company reporting millions of dollars in profit, know that you may be getting a share of those profits as your retirement investment grows.

learn more about how profits affect you.