

The Five Year Stellar Stock Index vs. The Dow Industrials 30

by Stephen Fleckenstein

The Dow Industrials 30 is a diverse group of 30 prominent “blue chip” large capitalization companies that intend to reflect the value and direction of the stock market and the U.S economy in general.

According to Investopedia.com:

“There are no firm guidelines for including a company in the Dow 30 or for dropping it. A committee of S&P Dow Jones Indices and *Wall Street Journal* executives decides which companies make the cut. The only criteria are that those included must have an “excellent reputation,” demonstrate “sustained growth,” and be “of interest to a large number of investors.”

The share price average of this collection of stocks is referred to the Dow Industrial Average. Dow companies are usually older “mature” companies that yield a dividend.

The Five Year Stellar Stock Index (FYSSI) was developed using a proprietary formula that considers both 5 and 10 year total return, dividend increases, and earnings record.

Investors purchase shares of a company in the hope that they will share in the profitability of that company. This profit sharing generally comes in the form of a dividend or an increase in share price or a combination of both.

Dating back to 1957 through 2000, there had been some debate about whether high yield dividend stocks resulted in a greater total return than low yield dividend stocks. Michael O’Higgins and John Downes authored a book entitled “*Beating the Dow*”. They found that the 10 highest dividend yielding stocks outperformed the 10 lowest yielding stocks. They termed the high dividend stocks as the “Dogs of the Dow”. They realized however, that there was a trend to add low dividend stocks whenever a replacement was added to the Dow index.

Low dividend stocks in the Dow, like Microsoft (MSFT) and Sales Force(CRM), tend to be growth oriented, investing a greater degree of profits into growing the company rather than returning it to shareholders in the form of dividends. High dividend stocks tend to be the older “mature” companies (ie. Exxon, AT&T). This is not a steadfast rule, it is a general “rule of thumb”.

Investor sentiment, and economic cycles have much to do with stock share prices, and share price determines the % dividend yield. As share price decreases the % dividend yield increases. The inverse occurs when share price increases.

This article will illustrate the following:

- Comparison between high and low dividend stocks of the Dow 30 and the Five Year Stellar Stock Index (FYSSI) for 3, 5, and 10 year total returns (with dividends reinvested).
- Compare the 5 year dividend increases of the stocks that make up the above defined categories.
- Compare the 5 year earnings increases of the stocks that make up the defined categories.
- Compare the trailing 12 months (TTM) volatility of all stocks included in the defined categories.

Note: Volatility is often referred to as a measure of “risk”. In general, high volatility implies greater risk. However, there is a premise that greater risk could very well result in greater return. Companies with consistent positive earnings records and dividend increases might have higher volatility, but they

are likely to have greater total returns than companies that have a poor or negative earnings record, have no dividend, or do not raise dividends.

Table notes:

- Current Dividend and the 3, 5, and 10 year Total Return numbers, taken from SeekingAlpha.com, were determined as of Jan. 30, 2026, with dividends reinvested.
- Volatility was determined as historical volatility of the previous 52 weeks or trailing twelve months (TTM), starting back from Feb.6, 2026.
- Earnings and dividend increases spanned the past five full years ending Dec. 31, 2025. The 2020 full year earnings and dividends served as the starting amount for the 5 year period.

Dow Industrials 30 High Dividend Stocks

Symbol	Current % Dividend	3 Yr %Tot. Return	5 Yr %Tot. Return	10 Yr %Tot. Return	5 Yr % Earnings Increase	5 Yr %Div Increase	% Volatility
VZ	6.2	33	10	51	- 5.6	9.9	24
DOW	5.08	- 43	- 30	271	- 326	- 50	96
CVX	4.02	15	157	214	961	38	38
MRK	3.08	14	76	210	161	31	67
UNH	3.08	- 38	- 6.7	192	- 18.5	77	158
Average	4.3	- 3.8	41	188	154	21	77

VZ-Verizon, DOW-Dow Chemical, CVX-Chevron, MRK-Merk, UNH-United Health

Five Year Stellar Stock Index (FYSSI) High Dividend Stocks

Symbol	Current % Dividend	3 Yr %Tot. Return	5 Yr %Tot. Return	10 Yr %Tot. Return	5 Yr % Earnings Increase	5 Yr %Div Increase	% Volatility
FBP	3.45	90	157	952	370	260	43
CIX	9.7	59	146	273	89	450	81
NECB	3.39	69	249	658	340	533	32
PGR	6.68	63	167	803	99	90	48
PAG	3.52	36	194	543	111	517	41
Average	5.33	63	183	646	202	370	49

FBP-First BanCorp, CIX-CompX, NECB-N.E.Comm.Bank, PGR-Progressive
PAG-Penske Automotive

- Average dividend after 5 years: DOW = 5.203%, **FYSSI = 25.05% (WOW!)**
- Average Total Return in \$, with \$1000 initial investment:
DOW: 3yr = \$620, 5yr = \$1,410, 10yr = \$2,880
FYSSI: 3yr = **\$1,680**, 5yr = **\$2,830**, 10yr = **\$7,460**
- FYSSI stocks scored a lower volatility average. A little uncommon for less “mature” companies.

Dow Industrials 30 Low Dividend Stocks

Symbol	Current % Dividend	3 Yr %Tot. Return	5 Yr %Tot. Return	10 Yr %Tot. Return	5 Yr % Earnings Increase	5 Yr %Div Increase	% Volatility
APPL	0.4	84	102	1,082	126	3	71
CRM	0.78	30	- 4.74	216	419	4	80
WMT	0.82	161	172	546	39	31	65
V	0.83	44	73	363	108	109	26
MSFT	0.85	81	93	792	135	63	61
Average	0.74	80	87	600	165	42	61

APPL-Apple, CRM-Sales Force, WMT-Walmart, V-Verizon, MSFT-Microsoft

Five Year Stellar Stock Index (FYSSI) Low Dividend Stocks

Symbol	Current % Dividend	3 Yr %Tot. Return	5 Yr %Tot. Return	10 Yr %Tot. Return	5 Yr % Earnings Increase	5 Yr % Div Increase	% Volatility
HWM	0.23	423	758	1,586	497	2,100	116
FIX	0.38	879	2,009	4,204	475	358	345
EME	0.22	400	730	1,543	932	213	143
ASA	0.09	299	209	773	252	200	227
WWD	0.35	196	193	635	92	114	167
Average	0.254	439	780	1,748	450	597	200

HWM-Howmet, FIX- Comfort Sys., EME-EMCOR, ASA-ASA Gold, WWD-Woodward Inc.

- Average dividend after 5 years: DOW = 1.05%, **FYSSI: = 1.77%**
- Average Total Return in \$, with \$1,000 initial investment:
 DOW: 3yr = \$1,800, 5yr = \$1,870, 10yr = \$7,000
 FYSSI; 3yr = **\$5390**, 5yr = **\$8,800**, 10yr = **\$18,480 (WOW!)**
- As might be expected the more growth oriented FYSSI stocks scored a much higher volatility average. As long as dividends and earnings are solid, higher volatility can result in (much) greater returns.
 in greater returns

In summation: It is clear from the above tables that a comparable selection of stocks from the Five Year Stellar Stock Index is far more superior to the Dow 30, in both total return and dividend pay out.