

The Oldest Dividend Paying Stocks in America - Part 1

With July 4th rapidly approaching, I started wondering which dividend paying stocks are the oldest companies in America. I also tried to sort out which ones have the best history of paying and increasing dividends, and, just as important, which ones might be healthy enough to actually invest in.

This "Old Timer's Club" has a mixed membership, in more ways than one:

3 banks, 3 industrial giants, 2 insurance companies, 1 consumer goods manufacturer, 1 publisher, and 1 water utility.

There may be additional old companies that are still around, but here are the ones I came up with, the years they were founded, and their industries:

LORILLARD - 1760 - Consumer Goods

BANK OF NY – 1784 - Bank

CIGNA - 1792 - Insurance

WASHINGTON TRUST - 1800 - Bank

DUPONT - 1802 - Industrial Diversified

COLGATE-PALMOLIVE - 1806 - Consumer Goods

VALSPAR - 1806 - Industrial

JOHN WILEY & SONS - 1807 - Publishing

HARTFORD GROUP - 1810 - Insurance

CITIGROUP - 1812 - Bank

YORK WATER - 1816 - Utility

OLDEST COMPANY: Lorillard (LO) Founded in 1760, by entrepreneur Pierre Lorillard in New York City. America's oldest tobacco company, now known as Lorillard Inc., is the oldest continuously operating tobacco company in the United States. As of July 2, 2009, it yields 5.42%.

OLDEST INSURANCE COMPANY: Cigna CP (CI) Initially formed in 1792 as

the Insurance Company of North America (INA), it was the first marine insurance firm in the U.S., and remains this country's oldest shareholder-owned insurer.

They issued their first life insurance policy in 1794, insuring a sea captain against death during a voyage, AND, this policy even had a clause promising benefits if he got captured by Barbary Coast pirates...Aargh Matey! Cigna pays a measly dividend of \$.04/share, and has been struggling with losses for some time.

OLDEST DIVIDEND: Citigroup (C) Aargh, indeed. This current basket case financial company actually paid its first dividend in 1813. So much for being older and wiser. It opened for business in New York in 1812, starting with paid-in capital of \$800,000.

They initially serviced a group of New York merchants in the old days, and eventually were acquired by First National City Corp., and then merged with the Travelers Group in 1998. This ward of the state is only allowed to pay \$.04/share in dividends, a paltry 1.39%. Makes you wonder how much they paid back in 1813...

OLDEST BANK: Founded in 1784, the Bank of New York is the oldest bank in the U.S. Alexander Hamilton wrote the new bank's constitution, and became its chief organizer, guiding it through its early stages. The bank opened for business at the Walton House in lower Manhattan shortly after British troops left American soil. Its opening capitalization was \$500,000.

The Bank merged with Mellon Corp. in 2007, and is now known as The Bank of New York Mellon, (BK). It currently trades at \$27.57 and yields 1.3%. Like many U.S. banks, its had a load of troubles in the past year. However, it was the first bank to pay back the TARP money.

OLDEST COMMUNITY BANK: Founded in Rhode Island in 1800, Washington Trust (WASH), is the oldest community bank in the nation. It's a subsidiary of Washington Trust Bancorp, Inc., a \$2.9 billion corporation headquartered in Westerly, Rhode Island. It's currently at \$17.60, and has a 4.77% dividend yield.

OLDEST CONSECUTIVE DIVIDEND: Even though CitiGroup paid its first dividend 4 years earlier, in 1812, the prize for consecutive dividends paid goes to York Water, the oldest investor-owned utility company in America. York has paid 553 consecutive dividends during the 193 years since it was founded in 1816. it's now at \$14.57, with a 3.43% yield, and is a stock that I've

written about before, due to its strong position within the steadily consolidating water utility industry.

MOST CONSECUTIVE DIVIDEND INCREASES: Our group's winner in this category is Colgate-Palmolive, (CL), a well-known Dividend Aristocrat which has increased its dividends for 46 consecutive years.

Colgate was founded in 1806 by William Colgate as a starch, soap and candle business on Dutch Street in New York City, and has paid uninterrupted dividends since 1895. It's currently at \$72.08 and yields 2.44%, which is not as high as other historic Consumer Goods companies.

I'd beware of Bank of New York Mellon, Citigroup, Hartford Group, and Cigna at present, but in Part 2 of this series, I'll investigate some of the other more promising stocks on this list, plus some other historic American stocks that might interest my fellow American dividend investors.

(There's some controversy over when JP Morgan Chase began, which is why it's not on this list. More to come...)

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