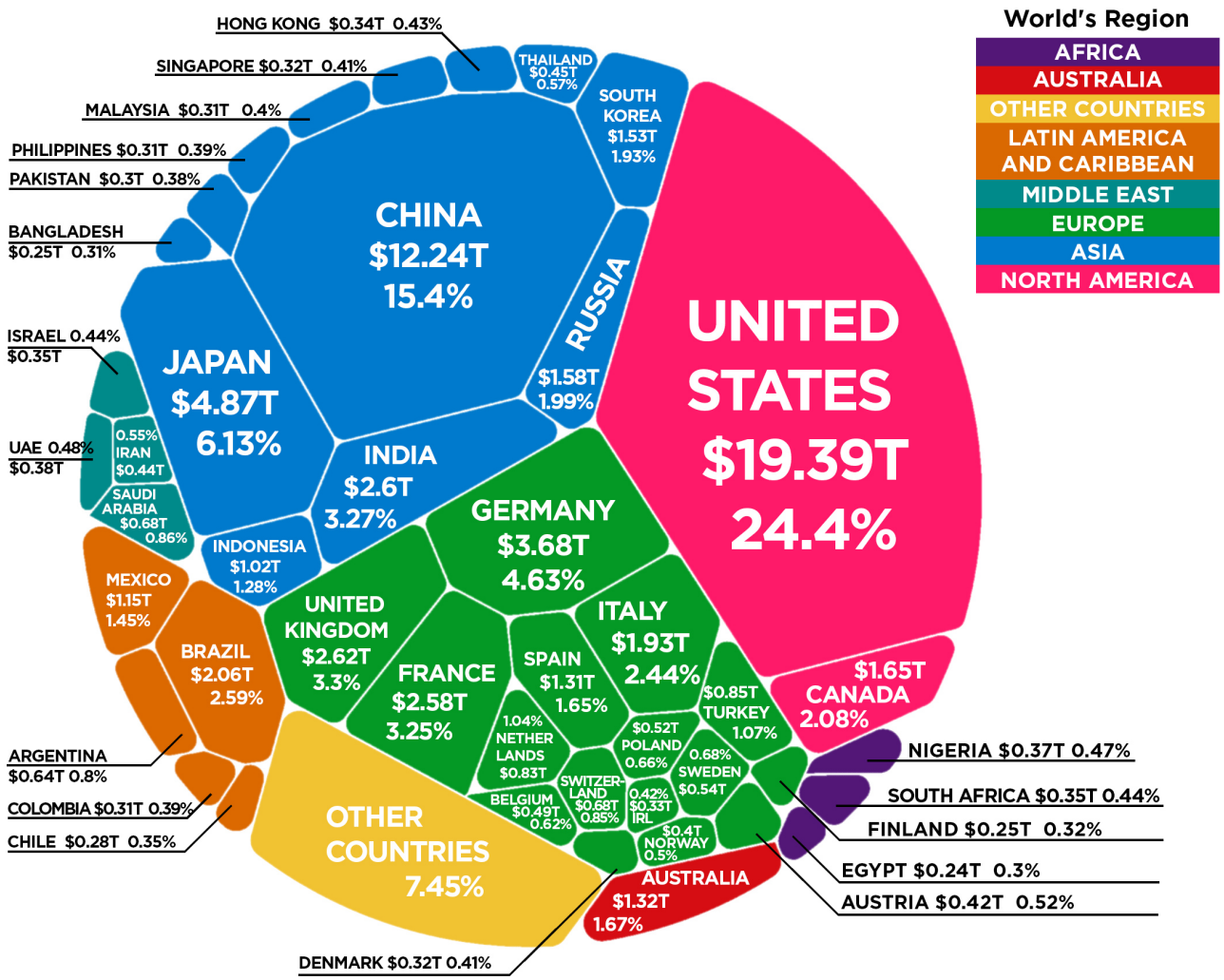
The $80 Trillion World Economy in One Chart

visualcapitalist.com/80-trillion-world-economy-one-chart

By Jeff Desjardins



The latest estimate from the World Bank puts global GDP at roughly $80 trillion in nominal terms for 2017.

Today's chart from HowMuch.net uses this data to show all major economies in a visualization called a Voronoi diagram – let's dive into the stats to learn more.

The World's Top 10 Economies

Here are the world's top 10 economies, which together combine for a whopping two-thirds of global GDP.

Rank	Country	GDP	% of Global GDP
#1	United States	$19.4 trillion	24.4%
#2	China	$12.2 trillion	15.4%
#3	Japan	$4.87 trillion	6.1%
#4	Germany	$3.68 trillion	4.6%
#5	United Kingdom	$2.62 trillion	3.3%
#6	India	$2.60 trillion	3.3%
#7	France	$2.58 trillion	3.3%
#8	Brazil	$2.06 trillion	2.6%
#9	Italy	$1.93 trillion	2.4%
#10	Canada	$1.65 trillion	2.1%

In nominal terms, the U.S. still has the largest GDP at $19.4 trillion, making up 24.4% of the world economy.

While China's economy is far behind in nominal terms at $12.2 trillion, you may recall that the Chinese economy has been the world's largest when adjusted for purchasing power parity (PPP) since 2016.

The next two largest economies are Japan ($4.9 trillion) and Germany ($4.6 trillion) – and when added to the U.S. and China, the top four economies combined account for over 50% of the world economy.

Movers and Shakers

Over recent years, the list of top economies hasn't changed much – and in a similar visualization we posted 18 months ago, the four aforementioned top economies all fell in the exact same order.

However, look outside of these incumbents, and you'll see that the major forces shaping the future of the global economy are in full swing, especially when it comes to emerging markets.

Here are some of the most important movements:

India has now passed France in nominal terms with a $2.6 trillion economy, which is about 3.3% of the global total. In the most recent quarter, Indian GDP growth saw its highest growth rate in two years at about 8.2%.

Brazil, despite its very recent economic woes, surpassed Italy in GDP rankings to take the #8 spot overall.

Turkey has surpassed The Netherlands to become the world's 17th largest economy, and Saudi Arabia has jumped past Switzerland to claim the 19th spot.

Markets

Who are the Dividend Aristocrats in 2021?

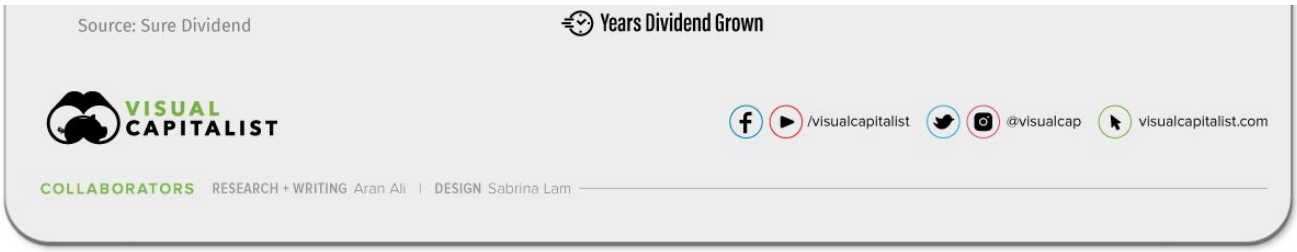
Dividend Aristocrats are stocks that have grown their dividend for at least 25 years. These stocks carry a stellar reputation in providing steady and predictable returns to shareholders

June 28, 2021
By

Aran Ali

Who are the **Dividend Aristocrats** in 2021?

The S&P 500 Dividend Aristocrats is a basket of 65 U.S. stocks that have grown their dividend per share for at least 25 years. These stocks are considered some of the safest on Wall Street because of their track records in providing steady and predictable returns to shareholders.



The Dividend Aristocrats in 2021

Legendary investor George Soros once said, "Good investing should be boring". But an increase in volatile themes today suggests this maxim has gone ignored by at least some market participants.

From a high level, we can view investments on a spectrum. Volatile assets like cryptocurrencies and SPACs are more on the exciting side of things. The boring side is likely where Dividend Aristocrat stocks lie.

The data above, from Sure Dividend, looks at all 65 Dividend Aristocrats, ranking them by their yield, sector, and years of growth.

What are Dividend Aristocrats?

The U.S. Dividend Aristocrats are a basket of 65 stocks in the S&P 500 index. These companies have been growing their dividend per share consecutively, for a minimum of **25 years**.

This is easier said than done, since companies often distribute dividends quarterly. To pay and grow a dividend in the long run implies a business model that can withstand varying economic environments, including setbacks like market crashes.

Though dividend stocks may not carry the same excitement as other investments, studies show that dividends represent over 50% of total S&P 500 market returns.

Company	Dividend Yield	Years Dividend Grown	Sector
AT&T, Inc.	6.9%	36	Communication Services
Exxon Mobil Corp.	6.1%	38	Energy
Chevron Corp.	5.1%	33	Energy
International Business Machines Corp.	4.9%	25	Technology
Abbvie Inc	4.8%	49	Healthcare

Company	Dividend Yield	Years Dividend Grown	Sector
Realty Income Corp.	4.2%	26	Real Estate
People`s United Financial Inc	4.1%	28	Financial Services
Federal Realty Investment Trust	4.0%	53	Real Estate
Consolidated Edison, Inc.	4.0%	47	Utilities
Amcor Plc	3.9%	36	Consumer Cyclical

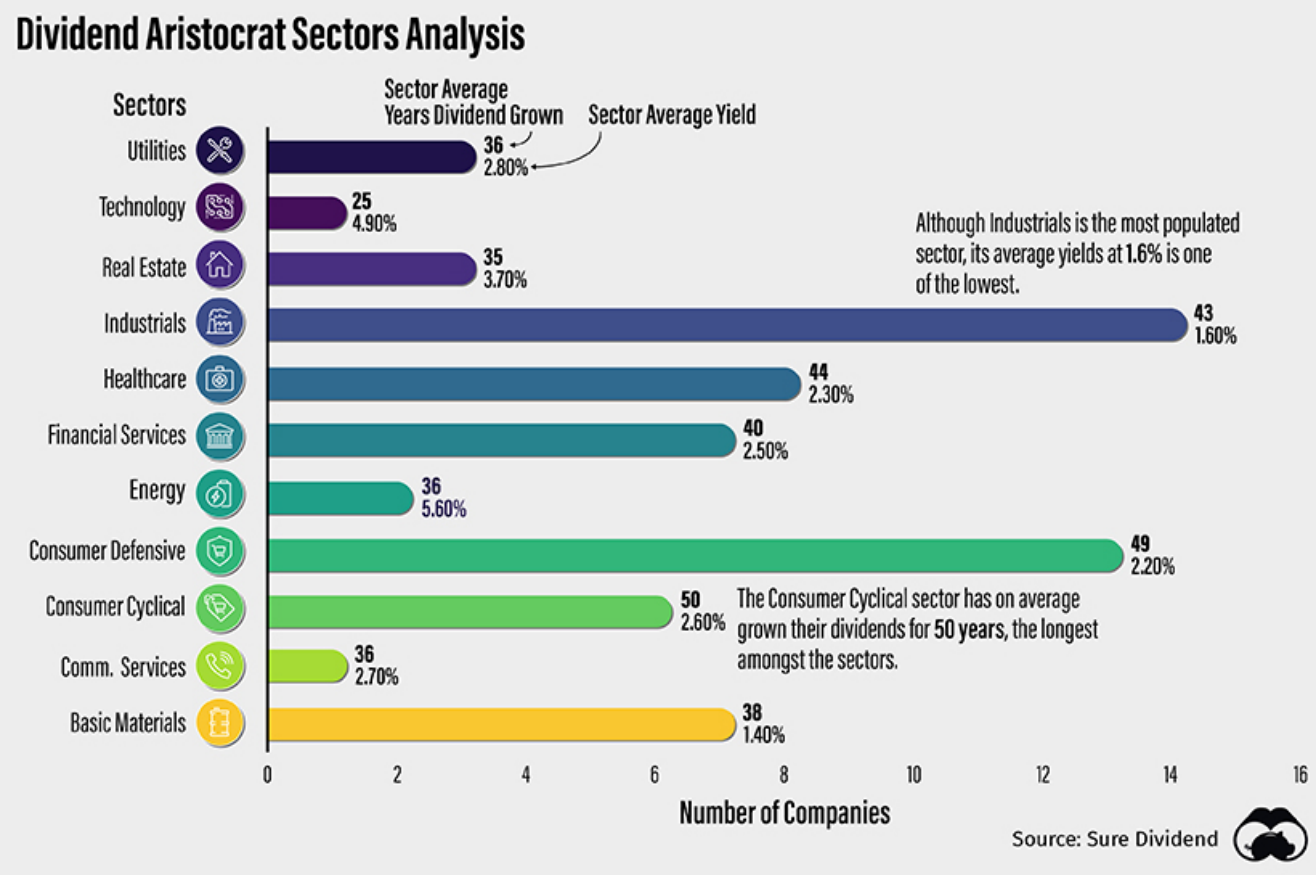
Showing 1 to 10 of 65 entries

PreviousNext

Numerous companies on this list have brand value that stretches all over the globe—including the likes of McDonald's, Coca-Cola, and Walmart.

Vast global recognition and branding power is in part why these companies can generate cash flows to pay dividends for decades on end. For instance, 94% of the world population recognizes Coca-Cola's logo.

Zooming In



The 65 Dividend Aristocrat stocks break down into 11 sectors. Across sectors, Industrials is the most crowded, consisting of **14 companies**, with an average yield of 1.6% and a dividend growth duration of 43 years. Popular stocks in this sector include 3M and Caterpillar.

Next is the Consumer Defensive sector, containing 13 companies like Clorox, Target, Pepsi, and Procter & Gamble. The average yield is 2.2%, with an average growing duration of 49 years.

The highest yield by sector belongs to Energy, at **5.5%**, but is only made up of only Chevron and Exxon Mobil. Their dividend track record may falter in the years to come, due to transitions away from the oil business. Just last year, Big Oil firms reported record net income losses, and Exxon was booted from the Dow Jones Industrial Average (DJIA).

The Consumer Cyclical sector has been increasing their dividend for an average of **50 years**, the longest of any sector. Lowe's and McDonald's are involved in this category.

Businesses for Today and Tomorrow

Although the Dividend Aristocrats list is published every year, the companies on the list are a stable bunch, meaning changes are fairly infrequent.

In a market climate in part shaped by low rates and compressed yields in the fixed income space, Dividend Aristocrats might be a particularly attractive alternative for investors with a longer-term outlook.

Continue Reading

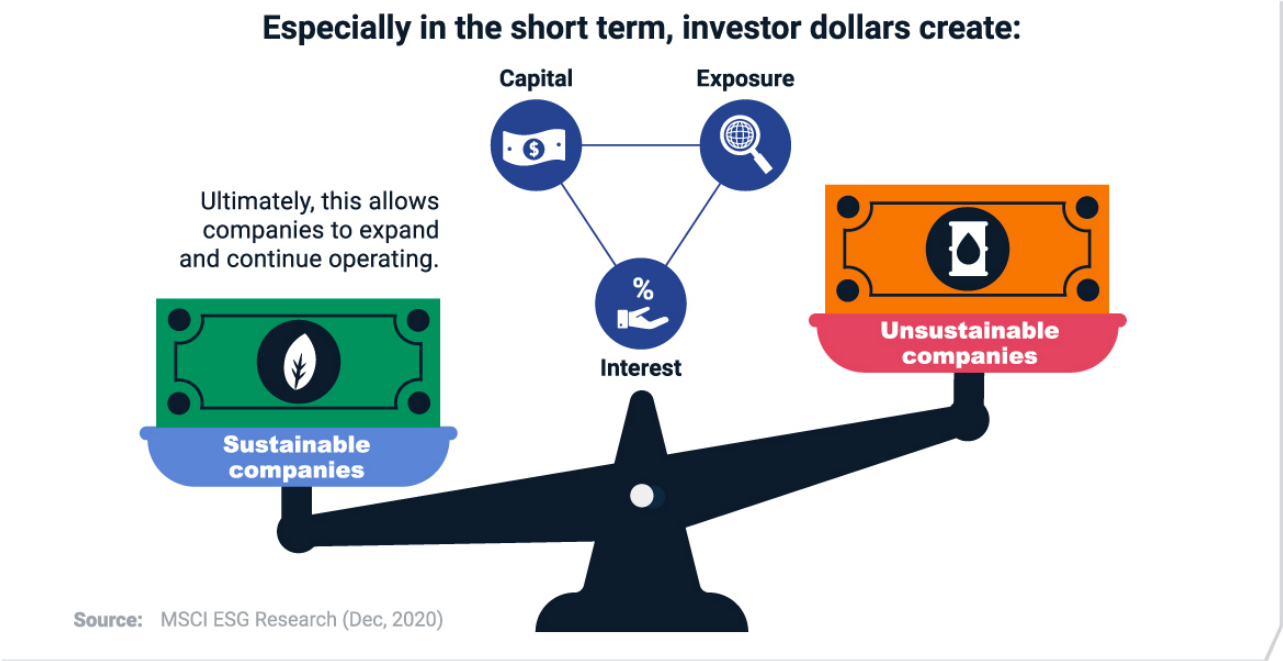
Green

Visualized: The Power of a Sustainable Investment Dollar

Do sustainable investments make a difference? From carbon emissions to board diversity, we break down their impact across three industries.

June 17, 2021
By

Dorothy Neufeld



Visualizing the Power of a Sustainable Investment Dollar

Sustainable investments are booming.

Between January and November 2020 alone, investments in sustainable ETF and mutual funds grew **96%**. The UN Principles of Responsible Investment now has over 3,000 signatories representing over $100 trillion in assets. The U.S. Commodity Futures Trading

Commission established a Climate Risk Unit to analyze climate risk across derivative markets, and as of March 2021, new sustainability disclosures have come into effect in Europe.

But how do we know if sustainable investments have made a difference?

To answer this question, the above infographic from MSCI examines the effect of a sustainable investment dollar by looking at real-world examples.

A Sustainable vs. Unsustainable Dollar

To start, investing legend Benjamin Graham has compared the stock market to a "voting machine." Just as consumers vote with their purchasing decisions, investors vote with their investment dollars. Especially in the short term, as more dollars flow to sustainable companies, this builds their exposure and access to capital.

In the long term, meanwhile, the market can be compared to a weighing machine. The market recognizes companies with profitable business models that improve their intrinsic value over time. Ultimately, this allows sustainable companies to expand and continue operating.

Given the rising momentum in both green assets and climate targets, here is how investment dollars have influenced and driven change across three industries.

1. Clean Energy vs. Fossil Fuel

Over the last several years, the energy sector has been associated with many of the problems causing climate change. For this reason, many investors are seeking out greener energy alternatives. But how does moving investment dollars from an ESG laggard to an ESG leader support the environment and society?

First, here is a brief explainer of ESG laggards and leaders:

- **ESG laggards:** companies with the weakest environmental, social, and governance (ESG) performance in their sector.
- **ESG leaders:** companies with the strongest environmental, social, and governance (ESG) performance in their sector.

Industry laggard: U.S. oil & gas company	Industry leader: U.S. utilities company
Scale of carbon-intensive business lines equal to **73%** of its operation	**47%** lower CO_2 emissions than the industry average

Industry laggard: U.S. oil & gas company	Industry leader: U.S. utilities company
This is the equivalent of adding **26 million cars** on the road annually	This is the equivalent of removing **9.9 million cars** off the road annually
1 of 20 oil and gas companies are responsible for contributing to one third of GHG emissions since 1965	Uses **3X** as many renewable sources than industry average
3X fewer jobs are created vs. energy efficient sector, resulting in lower productivity	This is roughly the same as saving over **9 million pounds** of coal burned
MSCI ESG Rating: CCC	**MSCI ESG Rating:** AAA

Source: MSCI ESG Research

Based on the above example, investors have the ability to finance powerful green initiatives that reduce emissions by almost half, relative to their peers.

2. Safe vs. Unsafe Working Conditions

Weak safety protocols are a key sustainability issue for the industrial sector. Here's how two companies compare:

Industry laggard: South African mining company	Industry leader: U.S. mining company
11 fatalities in 2019	**Zero** fatalities in 2019
Faced lawsuits from miners surrounding lung diseases contracted from dust exposure in gold mines Settlement cost: **$350 million**	Board-level oversight monitors health and safety performance
Lags behind peers in high incident rates	Leads peers in low incident rates
Lags behind peers in setting incident reduction targets	Leads industry in lost time incident rate & total recordable injury rate
MSCI ESG Rating: CCC	**MSCI ESG Rating:** A

Source: MSCI ESG Research

Despite the risks involved in the sector, investors can choose to support companies that take greater precautions to protect their workers.

3. Building Trust vs. Losing Trust

Over the last several years, the financial sector has faced increased scrutiny over fraudulent activities. Moving investment dollars from an ESG laggard to ESG leader may make a difference:

Industry laggard: U.S. bank	**Industry leader: Dutch bank**
$3 billion settlement in creating fictitious accounts to meet aggressive sales targets	Sustainable finance portfolio valued at over **$20 billion**
Drop in top-tier bank ratings	**13%** annual increase in climate finance
Board effectiveness questioned	Includes over 60 green loans, mobilizing environmentally friendly projects
Resignation of board members	Over 55% of board is female
MSCI ESG Rating: CCC	**MSCI ESG Rating:** A

Source: MSCI ESG Research

From board diversity to green loans, a sustainable investment dollar supports companies that are actively advancing society and the environment.

Sustainable Investment: The Time to Act

Recently, investor dollars and shareholder activism have been closely linked.

Between 2018 and 2020, large institutional investors filed **217** shareholder proposals on climate change alone, putting increased pressure on companies. Meanwhile, 270 proposals were filed on corporate political activity and 228 on fair labor and equal employment opportunity over the same timeframe. Across all ESG proposals, **$2 trillion** in assets were pushing for more equitable corporate action.

Through the power of a dollar, investors can send a clear signal to companies: the time for sustainable investing is now.