

ABSTRACT

The objective of the study was to know the factors that are influenced the dividend payout ratio. The independent variables used in the study are profitability, debt to equity ratio, firm size, innovation, and time discount, while dividend payout as dependent variable.

This research used secondary data with population consists of 154 manufacturing companies listed in Indonesia Stock Exchange in the period of 2012-2017. The purposive sampling method used was used in selecting the research sample and 22 manufacturing companies that consistently distributed dividends during the research period. Multiple regression technique are chosen for this research statistic analysis.

The result of this research showed that firm size and innovation has a positive significant effect on the dividend payout ratio, but debt to equity ratio and time discounting has a negative significant effect on the dividend payout ratio. Meanwhile, the profitability ratios have no significant effect on the dividend payout ratio.

Keywords: *dividend payout ratio, profitability, debt to equity ratio, firm size, innovation, time discounting, and regression analysis.*