



4-28-2014

Apple Issues Debt to Buyback Stock

Steven D. Dolvin
sdolvin@butler.edu

Follow this and additional works at: <https://digitalcommons.butler.edu/jmdallchapters>



Part of the [Finance and Financial Management Commons](#)

Recommended Citation

Dolvin, Steven D., "Apple Issues Debt to Buyback Stock" (2014). *All Chapters*. 100.
<https://digitalcommons.butler.edu/jmdallchapters/100>

This Blog Post is brought to you for free and open access by the JMD Investments Supplement at Digital Commons @ Butler University. It has been accepted for inclusion in All Chapters by an authorized administrator of Digital Commons @ Butler University. For more information, please contact digitalscholarship@butler.edu.

JMDinvestments

Monday, April 28, 2014

Apple Issues Debt to Buyback Stock

Apple has \$150 Billion in cash, yet it has decided to issue \$17 Billion in new debt to fund its stock repurchases. Why not just use cash on hand? One reason is that almost 90% of the cash is held outside the US, and repatriating the cash would trigger significant tax liabilities. Another reason is that interest rates are so low, and if Apple can earn a higher return than the cost, the added financial leverage will be a benefit to shareholders. ([See article here, CNBC.](#))

Related Chapters: Chapter 17