

S&P Dow Jones Indices Reports U.S. Dividend Activity for Q4 2017 and Full-Year 2017

- Q4 2017 indicated payments increased by \$4.5 billion
- Dividend decreases fall significantly
- Regular cash payments of \$419.8 billion sets full-year record

NEW YORK, JANUARY 3, 2018: S&P Dow Jones Indices today announced that the indicated **dividend net increases (increases less decreases) for U.S. domestic common stocks increased \$4.5 billion** during Q4 2017, down from \$15.0 billion for Q3 2017 and \$8.9 billion for Q4 2016.

General Electric's (GE) \$4.2 billion reduction from November 2017 affected the quarter's overall dividend activity. Q3 2017 saw large-cap financial institutions increase payments after regulatory approval, which accounted for more than 45% of Q3 2017's increase.

For Q4 2017, aggregate increases amounted to \$12.4 billion, up from \$11.3 billion for Q4 2016. Dividend decreases surged to \$7.9 billion, up from \$2.3 billion for Q4 2016.

For full-year 2017, net dividend increases rose 56.9% to \$37.1 billion, compared to a \$23.6 billion increase for full-year 2016. Total dividend increases were \$49.6 billion, up from \$43.9 billion; dividend decreases were \$12.5 billion, down from \$20.2 billion for full-year 2016.

"Q4 2017 dividend payments for the S&P 500 were a record \$109.5 billion," said **Howard Silverblatt, Senior Index Analyst, S&P Dow Jones Indices.** "Full-year 2017 saw a record \$419.8 billion returned to shareholders via regular cash payments, climbing up from \$397.2 billion for 2016. It was the eighth consecutive year of higher payments and the sixth consecutive year of record payments."

Additional findings from S&P Dow Jones Indices' quarterly analysis of the dividend activity of U.S. traded issues include:

Dividend Increases (defined as an increase in dividend payments):

- 801 dividend increases were reported for Q4 2017, compared to 784 increases for Q4 2016, a 2.2% year-over-year increase.
- For 2017, 2,642 issues increased their payments, compared to 2,634 issues for 2016, a 0.3% year-over-year increase.

Dividend Decreases (defined as either a decrease or suspension in dividend payments):

- 114 issues decreased dividends during Q4 2017, compared to 134 during Q4 2016, a 14.9% year-over-year decrease.
- For 2017, 445 issues decreased their dividend payments, compared to 659 decreases during 2016, a 32.5% decrease.

Non-S&P 500® domestic common issues paying a dividend:

- The percentage of non-S&P 500 domestic common issues paying a dividend declined to 55.2%, down from 55.3% for Q3 2017 and up from 54.7% for Q4 2016.
- The weighted dividend yield for paying issues was 2.36%, down from 2.48% for Q3 2017 and 2.59% for Q4 2016.

Large-, Mid-, and Small-Cap Dividends:

417 issues, or 82.6%, within the **S&P 500®** currently pay a dividend, unchanged from Q3 2017. All 30 members of the **Dow Jones Industrial Average®** pay a dividend.

Silverblatt found that 70.0% of **S&P MidCap 400®** issues pay a cash dividend, up from 69.3% for Q3 2017; 51.1% of **S&P SmallCap 600®** issues pay a dividend, down from 51.6% for Q3 2017.

Yields continued to vary, with large-caps at 1.87% (1.97% for Q3 2017), mid-caps at 1.49% (1.54% for Q3 2017) and small-caps at 1.23% (flat from Q3 2017).

The **yields across dividend-paying** market-size classifications remain competitive, with large-caps at 2.24% (2.37% for Q3 2017), mid-caps at 2.06% (2.15% for Q3 2017) and small-caps at 2.25% (2.12% for Q2 2017).

2017

Silverblatt calculated that within the S&P 500, the average dividend increase during Q4 2017 was 10.4%, down from 14.4% during Q3 2017 and 11.7% during Q4 2016. The median increase was 8.2%, down from 9.8% during Q3 2017 and 9.1% during Q4 2016.

For all of 2017, Silverblatt notes that the median increase rose to 8.7%, up from 8.2% for 2016; the rise breaks a five-year trend of declining increases.

2018

“Using the current declared dividend rates for the S&P 500, 2018 has a 2.3% increase of dividend payments before any announced increases,” said Silverblatt. “328 issues increased their dividends 356 times for 2017 and conditions are favorable for 2018 to be a record year for dividends.”

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

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