

S&P Dow Jones Indices Reports \$19.2 Billion Increase in U.S. Dividends for Q3 2018

- Indicated dividend payments are up \$55.5 billion year-over-year
- S&P 500 quarterly dividend payments set record at \$13.66 per share
- Average Q3 2018 dividend increase in the S&P 500 was 17.15%, up from 13.55% during Q2 2018

NEW YORK, October 4, 2018: S&P Dow Jones Indices today announced that the indicated **dividend net increases (increases less decreases) for U.S. domestic common stocks increased \$19.2 billion** during Q3 2018, up from the increase of \$13.0 billion for Q2 2018 and up from \$15.0 billion for Q3 2017.

For Q3 2018, aggregate increases amounted to \$20.1 billion, up from \$15.5 billion for Q3 2017. Aggregate dividend cuts increased to \$0.9 billion, up from \$0.5 billion for Q3 2017, but this pales in comparison to the \$3 billion level posted for the Q3 periods of 2016 and 2015.

For the 12-month period ending September 2018, net dividend increases rose \$55.5 billion, compared to a gain of \$51.3 billion in Q2 2017 and \$41.5 billion for the 12-month period ending September 2017.

“There were record earnings for the first two quarters of 2018, with forward street estimates and corporate guidance indicating records for both Q3 and Q4,” said **Howard Silverblatt, Senior Index Analyst, S&P Dow Jones Indices**. “Though record amounts have been paid in dividends and buybacks, buybacks appear to be favored, as dividend payouts (dividends as a percentage of as-reported GAAP earnings) have declined, and are estimated to tick down.”

“Q3 2018 dividend payments for the S&P 500 set a record at \$13.66 per share, a 4.3% increase from the Q2 2018 record of \$13.10 per share, and up 11.0% year-over-year. On an aggregate basis, payments also set a record; index components paid a record \$115.7 billion this quarter, up from \$111.6 billion for Q2 2018 and up from \$105.4 billion for Q3 2017.”

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):

- 460 dividend increases were reported during Q3 2018, compared to 438 during Q3 2017, a 5.0% year-over-year increase.
- For the 12-month period ending September 2018, 2,782 issues increased their payments, compared to 2,625 issues for the 12-month period ending September 2017, a 6.0% year-over-year increase.
- Total dividend increases were \$67.1 billion for the 12-month period ending September 2018, up from \$48.4 billion for the corresponding 2017 time period.

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

- 67 issues decreased dividends during Q3 2018, compared to 93 during Q3 2017, a 28.0% year-over-year decrease.
- For the 12-month period ending September 2018, 440 issues decreased their dividend payments, compared to 465 decreases during the 12-month period ending September 2017, a 5.4% year-over-year decrease.
- Dividend decreases were \$11.6 billion for the 12-month period ending September 2018, up from \$6.9 billion for the corresponding 2017 time period, a comparison affected by the **General Electric (GE)** \$4.2 billion decrease in November 2017.

Non-S&P 500 domestic common issues:

- The percentage of non-S&P 500 domestic dividend-paying common issues increased to 55.7%, up from 55.6% for Q2 2018.
- The weighted dividend yield for paying issues was 2.51%, down from 2.53% for Q2 2018. The average yield increased to 3.03%, up from 2.98% for Q2 2018.

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

- 411 issues, or 81.4%, within the **S&P 500** currently pay a dividend, down from 413 (81.8%) for Q2 2018. All 30 members of the **Dow Jones Industrial Average®** pay a dividend.
- 70.3% of **S&P MidCap 400®** issues pay a dividend, up from 69.8% for Q2 2018; 51.9% of **S&P SmallCap 600®** issues pay a dividend, up from 50.8% for Q2 2018.
- Yields across market-cap sizes declined from Q2 2018 as the market rose quicker than dividends were increased. Large-cap yields declined to 1.88% (1.96% for Q2 2018), mid-caps to 1.51% (1.55% for Q2 2018), and small-caps to 1.30% (1.32% for Q2 2018).
- The yields across **dividend-paying** market-size classifications varied, with large-caps at 2.33% (2.41% for Q2 2018), mid-caps at 2.12% (2.14% for Q2 2018) and small-caps at 2.43% (2.44% for Q2 2018).

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“The forward indicators continue to be positive and are increasing, as the declared Q4 2018 payments point to another record quarter payment. Using the current declared dividend rates for the S&P 500, 2018 year-to-date has seen an 8.9% increase in the dividend rate over the actual 2017 payment, up from 7.2% at the end of Q2 2018 and from 5.5% at the end of Q1 2018,” said Silverblatt.

“The record-setting earnings levels posted during Q2 2018 and expected records for the rest of the year support the dividends, and permit the continued growth of corporate shareholder return, as **2018 is closing in on its seventh consecutive year of record dividend payments.** At this point, the full year actual dividend payment appears to be in the low-to-mid 9% range, up from 7.0% posted in 2017 and 5.4% in 2016.”

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

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the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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