

Q1 2012 Dividend Increases Reach Record \$24.2 Billion; Dividend Rate Increases \$55.5 Billion Over 12 Months

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NEW YORK, April 3, 2012 /[PRNewswire](#)/ -- S&P Indices announced today that dividend net increases (increases less decreases) reached \$24.2 billion in the first quarter of 2012, a 27.6% rise over the \$19.0 billion posted in the first quarter of 2011. S&P Indices reported 677 dividend increases during the first quarter of this year, a 32.7% jump over the 510 increases reported in during the first quarter of 2011. Thirty-one companies, of the approximately 7000 that report dividend information to S&P Indices, decreased their dividend in the first quarter of this year.

"Dividends had another great quarter, with actual cash payments increasing over 11% and the forward indicated dividend rate reaching a new all-time high, with or without Apple," says Howard Silverblatt, Senior Index Analyst at S&P Indices. "Payout rates, which historically average 52%, remain near their lows at under 30%. At this point, we expect to see double-digit growth in actual dividend payments for the remainder of 2012, which would equate to a 16% gain over 2011."

The percentage of issues paying a dividend increased in the first quarter with 41.7% of the 7000 issues paying a cash dividend, up slightly from 41.4% at the end of the fourth quarter of 2011. Silverblatt also determined that yields for paying issues decreased to 2.58% at the end of the first quarter, down from 2.80% at the end of the fourth quarter.

"Yields still remain relatively high, with the quarterly yield declines due to the 12% price increase in Q1 and the 11.5% equity gain in Q4," notes Silverblatt. "The first quarter advance in dividend increases was supported by slow economic growth. While the dollars being paid out have reached a record, the number of issues increasing still lags the 2007 period. Part of the reason is top-heavy dividend increases, such as the record setting Apple increase. Mid-and-smaller sized issues, while increasing, are still lagging the big-caps; however, we expect this gap to slowly close."

Additionally, Silverblatt reports that individual investors will have saved \$358 billion on qualified dividend tax cuts from 2003 through the 2012 expiration date. "At this point taxes are the main concern for dividends. Under current legislation, taxes on dividends to individuals almost triples in 2013, going from 15% to 43.4%. From a planning perspective, this will force corporations to re-examine their return to shareholders policy, potentially pull back on dividend increases and increase share buybacks. From an individual investor's prospective, the risk-return ratio shifts significantly since you would now be keeping less than 57 cents on the dollar compared to the current 85 cents."

"For 2012, S&P Indices expects to see dividend increases continue across the board for all sectors with another double-digit gain in actual cash payments. Given underlying fundamentals, low payouts and cash reserves, we expect 2012 to set a record high for cash dividend payments, 16% above that of 2011, even as lingering concerns remain over the economy."

To download S&P Indices Dividend Report, please visit the following web address:

www.marketattributes.standardandpoors.com and click on "S&P Dividend Report". For more information about S&P Indices, please visit www.standardandpoors.com/indices.

YEAR	POSITIVE DIVIDEND ACTIONS	NEGATIVE DIVIDEND ACTIONS	DIVIDEND BREADTH
Q1 2012	677	31	21.84
Q1 2011	510	30	17.00
Q1 2010	399	48	8.31
Q1 2009	283	367	0.77
Q1 2008	598	83	7.20
Q1 2007	740	19	38.95

2011	1,953	101	11.92
2010	1,729	145	11.92
2009	1,191	804	1.48
2008	1,874	606	3.09
2007	2,513	110	22.85
2006	2,617	87	30.08
2005	2,518	84	29.98
2004	2,298	62	37.06
2003	2,162	104	20.79
2002	1,756	135	13.01
2001	1,668	205	8.14
2000	1,886	137	13.77
1999	2,125	144	14.76

Source: S&P Indices

U.S. DOMESTIC COMMON MARKET (ASE, NYSE, NGM, NNM, NSC)

\$ CHANGE-MIL	INCREASES	INITIALS	DECREASES	SUSPENSIONS
Q1 2009	\$2,559	\$1,423	-\$45,288	-\$2,466
Q1 2010	\$5,287	\$1,745	-\$467	-\$136
Q1 2011	\$16,388	\$3,335	-\$418	-\$303
Q1 2012	\$13,781	\$12,335	-\$1,425	-\$452

	ACTIONS**	CHANGE	POSITIVE	NEGATIVE
Q1 2009	\$51,736	-\$43,773	\$3,982	-\$47,754
Q1 2010	\$7,635	\$6,430	\$7,032	-\$602
Q1 2011	\$20,443	\$19,002	\$19,723	-\$721
Q1 2012	\$27,994	\$24,239	\$26,117	-\$1,877

**Absolute changes

S&P Indices

U.S. domestic public common stock

Values in \$ billions, includes 2012 estimate

TOTAL

SAVINGS BASED

	DIVIDEND	ON DIRECT
	PAYMENTS	QUALIFIED OWNERSHIP

2003-2012

S&P 500	\$2,180.60	\$183.46
Non-500	\$1,496.80	\$174.90
Total	\$3,677.41	\$358.36

The above estimates assume levels of direct S&P 500 ownership and dividend qualifications based on historical data.

The assumptions for non-S&P 500 are based on broader indicators and not as well documented.

About S&P Indices

S&P Indices, a leading brand of the McGraw-Hill Companies (NYSE: MHP), maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Over \$1.45 trillion is directly indexed to our indices, which includes the S&P 500, the world's most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry's most closely watched commodities index, and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit: www.standardandpoors.com/indices.

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