

S&P Dow Jones Indices Reports Increased Growth in U.S. Dividend Activity for Q3 2017

- Q3 2017 indicated dividends increased \$15.0 billion, up from \$6.0 billion for Q3 2016
- 85.1% drop in dividend dollar decreases enable gains

NEW YORK, Oct. 3, 2017 /PRNewswire/ -- **S&P Dow Jones Indices** today announced that the indicated **dividend net increases (increases less decreases) for U.S. domestic common stocks increased \$15.0 billion** for Q3 2017. **This is a 152% increase from Q3 2016**, which netted a \$6.0 billion gain.

For Q3 2017, aggregate increases amounted to \$15.5 billion, up 69.5% from \$9.1 billion for Q3 2016. Dividend decreases declined to \$0.5 billion, an 85.1% reduction from \$3.2 billion for Q3 2016.

For the 12-month period ending September 2017, net dividend increases were up 99.9%, to \$41.5 billion, compared to \$20.8 billion for the 12-month period ending September 2016.

Total dividend increases were up 15.8% to \$48.4 billion for the 12-month period ending September 2017, compared to \$41.8 billion for the 12-month period ending September 2016.

Dividend decreases declined 67.1% to \$6.9 billion, from \$21.1 billion, for the corresponding 2016 period.

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

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

- 438 dividend increases were reported for Q3 2017, compared to 427 increases for Q3 2016.
- For the 12-month period ending September 2017, 2,625 issues increased their payments, compared to 2,605 issues for the 2016 period.

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

- 93 issues decreased dividends for Q3 2017, compared to 115 for Q3 2016, a 19.1% year-over-year decrease.
- For the 12-month period ending September 2017, 465 issues decreased dividend payments, compared to 667 decreases for the 12-month period ending September 2016, a 30.3% 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 55.3%, down from 55.6% for Q2 2017.
- The weighted dividend yield for paying issues was 2.48%, down from 2.51% for Q2 2017 and 2.67% for Q3 2016; the average yield is 3.00%, down from 3.04% for Q2 2017.

"Dividend growth accelerated this quarter due to fewer cuts and higher increases," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "With a more stable dividend base, and interest rates expected to increase, the rate of dividend growth may pick up. At this point the lack of negative dividend news remains the key catalyst. That could change, however, if we get income tax reform or repatriation, both of which are now going through Congress."

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

417 issues, or 82.6%, within the **S&P 500** currently pay a dividend, up from 82.2% for Q2 2017. All 30 members of the **Dow Jones Industrial Average®** pay a dividend.

Silverblatt found that 69.3% of **S&P MidCap 400®** issues pay a cash dividend, up from 67.8% for Q2 2017; 51.6% of **S&P SmallCap 600®** issues pay a dividend, down from 51.2% for Q2 2017.

Yields continued to vary, with large-caps at 1.97% (1.99% for Q2 2017), mid-caps at 1.54% (1.53% from Q2 2017) and small-caps at 1.23% (1.30% for Q2 2017).

The **yields across dividend-paying** market-size classifications remain competitive, with large-caps at 2.37% (2.39% for Q2 2017), mid-caps at 2.14% (2.19% for Q2 2017) and small-caps at 2.22% (2.30% for Q2 2017).

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Silverblatt notes that within the S&P 500, the average dividend increase for Q3 2017 was 14.4%, up from 10.5% for Q2 2017 and 10.1% for Q3 2016. The median increase was 9.8%, up from 8.2% for Q2 2017 and 8.1% for Q3 2016.

"Q3 2017 dividend payments for the S&P 500 were a record \$105.4 billion, but it may be short lived as initial Q4 numbers are trending higher," said Silverblatt. "For full-year 2017 dividends are on track to post a 7% gain, compared to a 5.6% gain for 2016, and income tax reductions could increase payments. At this point, Street estimates call for continued gains in earnings and cash flow, as well as the potential for repatriation, all of which traditionally stimulate dividend growth."

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

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