First Quarter 2014 Sees Record Number of Dividend Increases

Dividend Rate Increases $17.8 Billion

NEW YORK, April 9, 2014 /PRNewswire/ -- S&P Dow Jones Indices announced today that dividend net increases (increases less decreases) rose $17.8 billion during the first quarter of 2014 for U.S. domestic common stock compared to a $14.5 billion increase in the first quarter of 2013 – equating to a 22.9% quarter over quarter increase. 1,078 dividend increases were reported during the quarter, displacing the prior first quarter record of 1,069 set in 1979. Q1 2014 is 14.2% higher than the 944 increases in Q1 2013.

Of the approximately 10,000 U.S. traded issues, 102 companies decreased dividends (defined as either a decrease or suspension) in Q1 2014 compared to 139 in Q1 2013 and 35 in Q1 2012.

"Dividend increases were strong in Q1, as a record number of issues increased for the period," says Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices. "Increases outnumbered decreases more than 10-to-1, as $17.8 billion in net increases were declared by U.S. domestic issues. Payments for the first quarter are estimated to have increased 15% over the first quarter of last year. Payout rates, which historically average 52%, continue to remain near their low at 36%."

The percentage of non-S&P 500® domestic common issues (ASE, NYSE, NASD) paying a dividend decreased in the first quarter to 47.0% from 47.7% in the fourth quarter, 47.4% in Q3, and 47.3% in Q2 2013, but remained higher than the 46.1% recorded in Q1 2013. The Q1 2014 decline was driven by the number of trading issues outpacing the number of paying issues. Silverblatt determined that the weighted dividend yield slightly increased to 2.48% at the end of the first quarter from 2.44% at the end of 2013. Silverblatt attributes this increase to the strong dividend market with a moderate first quarter stock performance. "Dividend payments continue to increase, and remain one of the few income generating alternatives available to investors."

Within the large-cap S&P 500, 421 issues (84.2%) currently pay a dividend, the most since September 1998. All 30 members of the Dow Jones Industrial Average pay a dividend. Silverblatt found that 66.3% and 49.5% of issues within the S&P MidCap 400 and S&P SmallCap 600 currently pay a dividend. In addition, the dividend yield for paying issues of the S&P MidCap 400 and S&P SmallCap 600 is currently near the S&P 500 dividend yield levels.

In a review of the 5-year anniversary of the Bear market bottom in March 2009, Silverblatt noted the significant progress of dividends. "Dividends have not only recovered from their bottom, but are setting new records. Two observations that have become apparent: the risk-reward trade-off and the yields. For the S&P indices, the larger the market values, the more issues pay a dividend, with more issues increasing year-after-year. On a risk-reward note, the S&P 500 offers a higher yield with a richer history of increases. However, that security of income has come at the cost of capital appreciation, with the small- and mid-caps having returned significantly more in stock price."

For the remainder of 2014 (regardless of their index membership), Silverblatt notes that at the current declared dividend rate, companies could easily set a record payment for 2014. "The strong rate of Q1 increases, coupled with the number of issues that have a demonstrated history of annual increases, could translate into a strong year for 2014."

"Companies are being pressured to use their available cash, resulting in near record levels of total shareholder returns from public companies from both cash dividends and buybacks. The continuation of this trend indicates the potential for a strong year for dividends."

To download the S&P Indices Dividend Report, please visit www.spdji.com/indices/equity/sp-500 and click on "S&P 500 Monthly Dividend Report" from the "Additional Info" drop down box.

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

YEAR	POSITIVE DIVIDEND ACTIONS	NEGATIVE DIVIDEND ACTIONS	DIVIDEND BREADTH
Q1 2014	1078	102	10.57
Q1 2013	944	139	6.79
Q1 2012	677	35	19.34
Q1 2011	510	30	17.00

Q1 2010	**399**	**8.31**
Q1 2009	**283**	**367**
Q1 2008	**598**	**83**
Q1 2007	**740**	**19**
Q1 2006	**736**	**17**
Q1 2005	**695**	**15**
Q1 2004	**595**	**17**

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**
Q1 2013	**$15,413**	**$1,405**	**-$1,844**	**-$445**
Q1 2014	**$16,693**	**$3,037**	**-$1,807**	**-$65**

	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**
Q1 2013	**$19,107**	**$14,528**	**$16,817**	**-$2,290**
Q1 2014	**$21,601**	**$17,858**	**$19,730**	**-$1,871**

**Absolute changes

A 5-YEAR LOOKBACK ON DIVIDENDS

	S&P 500	**S&P MIDCAP 400**	**S&P SMALLCAP 600**
AVG YIELD	**1.87%**	**1.41%**	**1.09%**
AVG YIELD 3/09	**2.72%**	**2.62%**	**1.87%**
PAYERS	**84.20%**	**66.25%**	**49.50%**
PAYERS 3/09	**73.00%**	**56.25%**	**40.17%**
PAYERS YIELD	**2.22%**	**2.10%**	**2.21%**
PAYERS YIELD 3/09	**3.73%**	**4.67%**	**4.64%**
5-YEAR RETURN	**134.67%**	**181.90%**	**201.72%**
5-YEAR TOTAL RETURN	**161.07%**	**203.48%**	**220.28%**
ISSUES INCREASING AT LEAST 5 YEARS IN A ROW	**136**	**69**	**44**

Source: S&P Dow Jones Indices
Data from March 2009 – March 2014

About S&P Dow Jones Indices
S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average™, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC, a part of McGraw Hill

Financial. Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to S&P Dow Jones Indices LLC. It is not possible to invest directly in an index. S&P Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.

SOURCE S&P Dow Jones Indices

---

https://press.spglobal.com/2014-04-09-First-Quarter-2014-Sees-Record-Number-of-Dividend-Increases