

U.S. Companies Slow Pace of Dividend Net Increases

Energy, Materials Cuts Worst Since 2009 While SmallCap Issues Buck the Trend by Paying More

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NEW YORK, April 1, 2015 /PRNewswire/ -- S&P Dow Jones Indices announced today that **dividend net increases (increases less decreases) rose \$12.6 billion** during the first quarter of 2015 for U.S. domestic common stock, down from the \$17.9 billion increase during the first quarter of 2014. The dollar amount decline equates to a 30.0% year-over-year slowdown in dividend increases. For the 12 months ending March 2015, dividend net increases fell 17.7% to \$49.6 billion compared to an increase of \$60.1 billion for the corresponding period in 2014.

To download and view additional dividend data not found within this release, please click [here](#).

Additional findings from S&P Dow Jones Indices' quarterly analysis of the dividend activity of approximately 10,000 U.S. traded issues include:

Dividend Increases (defined as an increase in dividend payments)

- For the 12-month period ending March 2015, 3226 issues increased their payments from the 3029 issues that increased their payments during the prior 12-month period, a 6.5% increase.
- 996 dividend increases were reported during the first quarter of 2015 compared to 1,078 increases reported during the first quarter of 2014, a 7.6% decrease.

Dividend Decreases (defined as either a decrease or suspension)

- 172 companies decreased dividends in Q1 2015 compared to 67 in Q4 2014 and 102 in Q4 2013.
- For 12-month period ending March 2015, 361 companies decreased their dividend payments compared to 262 decreases in the prior 12-month period.

Non-S&P 500 domestic common issues (ASE, NYSE, NASD) paying a dividend

- The percentage of non-S&P 500 domestic common issues (ASE, NYSE, NASD) paying a dividend was up slightly to 48.6% during Q1 2015 compared to the 48.5% rate in Q4 2014, and up compared to the 47.0% at the end of the first quarter last year.
- The weighted dividend yield increased to 2.51% from last quarter's 2.45%, and the 2.48% seen at the end of the first quarter of 2014.

"Unfortunately, our concern expressed last quarter with respect to energy and energy related dividends played out," says **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "Half of the cuts for the quarter were in energy or materials, which amounted to over \$3.5 billion or 80% of the cuts as lower oil and commodity prices depressed earnings and cash-flow. While prices have stabilized recently, confidence has been reduced with companies cutting back on expenditures, including dividends."

Large-, Mid-, and Small-Cap Dividends

According to Silverblatt: "The good news for dividends is that more small-cap issues are initiating a cash dividend policy to the tune of a 10.5% increase in payers from the end of 2013. While the yield between indices based on size is significant (large, mid and small), on an issue basis size was not a significant differentiator, with small-cap payers paying on par with large-cap ones."

Within the large-cap S&P 500[®], 420 issues (83.7%) currently pay a dividend. All 30 members of the **Dow Jones Industrial Average[®]** pay a dividend.

Silverblatt found that 69.3% and 54.2% of issues within the S&P MidCap 400 and S&P SmallCap 600, respectively, pay dividends. These figures are higher than the 68.0% and 52.7% which paid at the end of Q4 2014 and the Q1 2014 levels of 66.3% and 49.5%.

Yields at the index level continued to vary greatly, with large-caps hitting 2.04%, mid-caps at 1.47% and small-caps landing at 1.33%. For paying issues, the yields across market-size classifications were very compatible, with large-caps coming in at 2.38%, mid-caps at 2.10% and small-caps at 2.20%.

2015

"At this point the overall 2015 dividend picture is still very positive, as increases remain strong, even as energy remains concerning," adds **Silverblatt**. "Given the current policies and payouts, 2015 is well on its way to another record year; however, extending the four-year run of double-digit growth in actual payments will take a bit more energy."

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

About S&P Dow Jones Indices

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