S&P Dow Jones Indices Reports $5.5 Billion Decrease in U.S. Indicated Dividend Payments for Q1 2020; Worst Quarter since Q1 2009

- The Good: Total S&P 500® Q1 2020 dividend payments set a record, increasing 8.2% over Q1 2019 to $127.0 billion, up from Q1 2019's $117.3 billion.
- The Bad: Thirteen issues decreased or suspended their forward rate by $13.9 billion in March with additional cuts on the way.

NEW YORK, April 9, 2020 /PRNewswire/ -- S&P Dow Jones Indices announced today that indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks declined $5.5 billion** during Q1 2020, compared to a gain of $11.8 billion in Q1 2019. This is the first quarterly decline since Q2 2009's $4.9 billion and the worst since Q1 2009's $43.8 billion decrease, $38.7 billion of which was in the S&P 500, when big-banks and General Electric reduced their payments.

For Q1 2020, aggregate increases amounted to $12.4 billion, down 24.7%, from Q1 2019's $16.5 billion. Aggregate dividend cuts increased 278% to $17.96 billion from $4.75 billion for Q1 2019.

For the 12-months ending in March 2020, net dividends rose $28.2 billion, compared to a gain of $51.3 billion for the 2019 period, as increases were $52.5 billion versus $63.1 billion, and decreases were $24.4 billion compared to $11.8 billion for the prior period.

"Dividends had a good run, culminating with a record payment in Q1 2020, as shareholders reaped the benefits of a ten-year bull market," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.** "March, however, gave a glimpse of what Q2 may be like as dividend cuts and suspensions started to be announced. For 2020, liquidity and cost control are now the top priority, with dividends lowered and buybacks an endangered species."

Silverblatt continued, "The full impact of these cuts will soon be felt as fewer and smaller dividend checks are sent out. At this point, the depth of the cuts is dependent on the COVID-19 economic impact. Until we understand its full extent, companies may be forced to take prudent measures."

Silverblatt concluded, "At the start of the year, projections were for a double-digit dividend payment gain – now the concern is for a double-digit decline. The bottom-line is that it was a good run, and eventually we'll get back to it; we just have to hang on until then."

S&P 500 Dividends

On a per share basis, S&P 500 Q1 2020 dividend payments for the S&P 500 increased 9.6% to a record $15.32, up from the prior record in Q4 2019 of $15.21, and up from Q1 2019's $13.98. On an aggregate basis, index components paid $127.0 billion in dividends in the quarter, up from the $117.3 billion in Q1 2019. For the 12-month period ending in March 2020, the index paid a record $59.58 per share, up from the 2019 period's $54.94, with an aggregate $495.1 billion to shareholders, compared to $464.5 billion.

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

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

- 728 dividend increases were reported during Q1 2020, compared to 777 during Q1 2019, a 6.3% year-over-year decline.
- Total dividend increases were $12.42 billion for the period, down from $16.51 billion for Q1 2019.
- For the 12-month period, 2,332 issues increased their payments, compared to 2,597 issues for the prior period, a 10.2% decrease.
- Total dividend increases were $52.51 billion for the 12-month period, down from $63.13 billion for the prior period.

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

- 134 issues decreased dividends during Q1 2020, compared to 108 during Q1 2019, a 24.1% year-over-year increase.

- Dividend decreases were $17.96 billion for the period, up from $4.75 billion for Q1 2019.
- For the 12-month period, 364 issues decreased their dividend payments, compared to 344 decreases during the prior period, a 5.8% year-over-year increase.
- Dividend decreases were $24.35 billion for the 12-month period, up from $11.84 billion for the prior period.

Non-S&P 500 domestic common issues (for issues yielding 10% or less):

- The percentage of non-S&P 500 domestic dividend-paying common issues decreased to 27.0% in Q1 2020 from 28.0% in Q4 2019.
- The weighted dividend yield for paying issues was 3.68%, up from 3.30% for Q4 2019. The average yield increased to 3.62%, up from 2.98% for Q4 2019.

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

- 413 issues, or 81.8%, within the **S&P 500** currently pay a dividend, down from 423 in Q4 2020. All 30 members of the **Dow Jones Industrial Average®** pay a dividend.
- 68.0% of **S&P MidCap 400®** issues now pay a dividend, down from 68.9% for Q4 2019; 52.4% of **S&P SmallCap 600®** issues pay a dividend, down from 52.9% in Q4 2019.
- Yields across market-cap sizes increased from Q4 2019, as prices declined. Large-cap yields increased to 2.31% (1.86% for Q4 2019), mid-caps to 2.32% (1.68% for Q4 2019), and small-caps to 2.20% (1.56% for Q4 2019).
- The yields across **dividend-paying** market-size classifications were closer, but varied, with large-caps up to 2.91% (2.28 for Q4 2019), mid-caps at 3.40% (2.38% for Q4 2019) and small-caps at 3.72% (2.64% for Q4 2019).

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

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