S&P Dow Jones Indices Reports U.S. Indicated Dividend Payments Increased $9.5 Billion in Q4 2020, a reversal from Q3's $2.3 billion decline

- Q4 2020 U.S. common dividend increases were $13.9 billion, up from $8.4 billion in Q3 2020, $6.7 billion in Q2 2020, and $12.0 billion in Q4 2019.
- Q4 2020 U.S. common dividends decreases were $4.3 billion, down from $10.8 billion in Q3 2020, $49.2 billion in Q2 2020 and up from $1.3 billion in Q4 2019.
- Net indicated dividend rate change increased $9.5 billion, compared to -$2.3 billion in Q3 2020, Q2 2020's $42.5 billion decline and Q4 2019's $10.6 billion increase.
- The median Q4 2020 dividend increase in the S&P 500 was 6.56%, up from Q3 2020's 4.17, 4.84% in Q2 2020 and down from the 9.09% in Q4 2019.

NEW YORK, Jan. 6, 2021 /PRNewswire/ -- S&P Dow Jones Indices announced today that indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased $9.5 billion** during Q4 2020, compared to a decline of $2.3 billion in Q3 2020, and a gain of $10.6 billion in Q4 2019.

For Q4 2020, aggregate increases amounted to $13.9 billion, up 64.2% from the $8.4 billion increase of Q3 2020 and up 15.7%, from Q4 2019's $12.0 billion. Aggregate dividend cuts decreased 59.8% to $4.3 billion from Q3 2020's $10.8 billion in cuts, and was up 221% from the $1.3 billion in cuts for Q4 2019.

For 2020, the net dividend rate fell $40.5 billion, compared to a gain of $45.4 billion for 2019, as increases were $41.4 billion versus $56.6 billion, and decreases were $82.2 billion compared to $11.1 billion for 2019.

"Many companies have stabilized their operations and sales and are returning cash flow to the dividend market," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.** Silverblatt continued, "some issues which had suspended their payments after the start of COVID, have resumed payments. The $13.9 billion in Q4 increases represented a 15.7% increase over the pre-COVID Q4 2019 period. For the year, the $82.2 billion in cuts and suspensions took their toll but now appear to have mostly abated as increases of $41.4 billion helped limit the damage. Looking ahead to 2021, absent a failure on the COVID treatment side, dividends should be impressive with the S&P 500 expected to post a new record payment."

S&P 500 Dividends

On a per share basis, S&P 500 Q4 2020 dividend payments for the S&P 500 increased 4.8% to $14.64 from Q3 2020's $13.97 and down 3.8% from Q4 2019's $15.21 payment. On an aggregate basis, index components paid $121.6 billion in dividends in the quarter, up from $115.5 billion in Q3 2020 and down from $126.4 billion of Q4 2019. For 2020, the index set a record payment of $58.28 per share, slightly up from the prior record of 2019's $58.24, with an aggregate $483.2 billion to shareholders, compared to $485.5 billion.

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

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

- 620 dividend increases were reported during Q4 2020 compared to 686 during Q4 2019, a 9.6% year-over-year decline.
- Total dividend increases were $13.9 billion for the period, up from $12.0 billion for Q4 2019.
- For the full 2020 period, 1,901 issues increased their payments, the lowest since 2010, compared to 2,381 issues for the prior period, a 20.2% decrease.
- Total dividend increases for 2020 were $41.4 billion for the year, down from $56.6 billion for 2019.

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

- 57 issues decreased dividends during Q4 2020, compared to 74 during Q4 2019, a 23.0% year-over-year decrease.
- Dividend decreases were $4.3 billion for the period, down from $1.3 billion for Q4 2019.
- For the full 2020 period, 932 issues decreased their dividend payments, compared to 338 decreases during the prior

period, a 176% increase.
- Dividend decreases were $82.2 billion for 2020, up from $11.1 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 22.8% in Q4 2020, down from 23.4% in Q3 2020, and down from 28.0% in Q4 2019.
- The weighted indicate dividend yield for paying issues was 2.58% in Q4 2020, down from 2.76% in Q3 2020, and down from 3.30% for Q4 2019. The average indicated yield decreased to 2.98% for Q4 2020, down from Q3 2020's 3.29%, and matching the 2.98% for Q4 2019.

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

- 385 issues, or 76.2%, within the **S&P 500** currently pay a dividend, up from 383 in Q3 2020, as 27 of the 30 members of the **Dow Jones Industrial Average®** pay a dividend.
- 60.0% of **S&P MidCap 400®** issues now pay a dividend, up from 59.0% for Q3 2020; 46.9% of **S&P SmallCap 600®** issues pay a dividend, up from 45.4% in Q3 2020.
- Yields across market-cap sizes decreased from Q3 2020, as prices continued to set record highs. Large-cap yields decreased to 1.51% (1.68% for Q3 2020 and 1.86% for Q4 2019), mid-caps to 1.27% (1.55% for Q3 2020 and 1.68% for Q4 2019), and small-caps to 1.19% (1.47% for Q3 2020 and 1.56% for Q4 2019).
- The yields across **dividend-paying** market-size classifications were closer, but varied, with large-caps down to 2.06% (2.26% for Q3 2020 and 2.28 for Q4 2019), mid-caps at 2.20% (2.63% for Q3 2020 and 2.38% for Q4 2019) and small-caps at 2.44% (2.97% for Q3 2020 and 2.64% for Q4 2019).

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

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