

S&P Dow Jones Indices Reports U.S. Indicated Dividend Payments Increased \$20.9 Billion in Q3 2021, Best Gain Since Q1 2012

- Q3 2021 U.S. common dividend increases were \$22.2 billion, up 44.1% from \$15.4 billion in Q2 2021 and up 163.5% from \$8.4 billion in Q3 2020.
- Q3 2021 U.S. common dividend decreases were \$1.3 billion, down 48.3% from \$2.5 billion in Q2 2021, and down 88.1% from \$10.8 billion in Q3 2020.
- Net indicated dividend rate change increased \$20.9 billion, compared to \$12.9 billion in Q2 2021, and \$-2.3 billion in Q3 2020.
- The median Q3 2021 dividend increase in the S&P 500 was 9.68%, up from 8.28% in Q2 2021, and 4.17% in Q3 2020.

NEW YORK, Oct. 5, 2021 /PRNewswire/ -- S&P Dow Jones Indices announced today that indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$20.9 billion** during Q3 2021, the largest increase since Q1 2012 (\$24.2 billion), compared to \$12.9 billion in Q2 2021, and a decline of \$2.3 billion in Q3 2020 (the COVID-inspired Q2 2020 was -\$42.5 billion).

For the 12-month September 2021 period, the net dividend rate increased \$61.4 billion, compared to a net decline of \$39.7 billion for 12-month September 2020 period, as increases were \$71.8 billion versus \$39.5 billion, and decreases were \$10.5 billion compared to \$79.2 billion for 2020 period.

"Dividends are back as record earnings, sales, and margins have permitted companies to return to the business of returning shareholder wealth," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "Larger dividend increases and a lack of cuts produced a record payment to S&P 500 shareholders in Q3 2021. Based on current indicated dividend rates and schedules, Q4 2021 appears set to replace both that quarterly record and set a new annual record for payments in 2021."

Silverblatt continued, "Potential headwinds are changes to the dividend treatment or tax rate, which is now being discussed in Washington. Similar to prior historical changes, any confirmed change could lead to accelerated Q1 2022 payments in Q4 of 2021 or the use of extras paid in 2021."

S&P 500 Dividends

On a per share basis, S&P 500 Q3 2021 dividend payments for the S&P 500 set a record, increasing 5.4% to \$15.36 from Q2 2021's \$14.58 and were up 9.9% from Q3 2020 \$13.97 payment. On an aggregate basis, index components paid a record \$130.0 billion in dividends in the quarter, up from \$123.4 billion in Q2 2021 and up from \$115.5 billion in Q3 2020. For the 12-month September 2021 period, the index paid \$59.25 per share, up from the prior period's \$58.85, with an aggregate \$498.9 billion to shareholders, compared to \$487.9 billion in the 12-month September 2020 period.

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):

- 584 dividend increases were reported during Q3 2021 compared to 309 during Q3 2020, an 89.0% year-over-year increase.
- Total dividend increases were \$22.2 billion for the period, up from \$8.4 billion for Q3 2020.
- For the 12-month September 2021, 2,678 issues increased their payments, compared to 1,967 issues for the prior period, a 36.1% increase.
- Total dividend increases for the 12-month September 2021 period were \$71.8 billion for the period, up

from \$39.5 billion for the prior period.

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

- 27 issues decreased dividends during Q3 2021, compared to 102 during Q3 2020, a 73.5% year-over-year decrease.
- Dividend decreases were \$1.3 billion for the period, down from \$10.8 billion for Q3 2020.
- For the 12-month September 2021 period, 177 issues decreased their dividend payments, compared to 949 decreases during the prior period, an 81.3% decrease.
- Dividend decreases were \$3.3 billion for the 12-month 2021 period, an improvement from \$43.5 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 20.0% in Q3 2021 from 21.0% in Q2 2021, and down from 23.4% in Q3 2020.
- The weighted indicated dividend yield for paying issues was 2.52% in Q3 2021, up from 2.46% in Q2 2021, and down from 2.76% for Q3 2020. The average indicated yield increased to 2.86% for Q3 2021, from Q2 2021's 2.76%, and decreased from the 3.29% for Q3 2020.

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

- 391 issues, or 77.4%, within the **S&P 500** currently pay a dividend, up from 386 for Q2 2021 (76.4%) and up from the 383 (75.8%) which were paying in Q3 2020; 27 of the 30 members of the **Dow Jones Industrial Average®** pay a dividend.
- 63.5% of **S&P MidCap 400®** issues now pay a dividend, up from 63.3% in Q2 2021 and up from 59.0% in Q3 2020; 51.1% of **S&P SmallCap 600®** issues pay a dividend, up from 50.4% in Q2 2021 and up from 45.4% in Q3 2020.
- Yields across market-cap sizes increased from Q2 2021 and remained significantly lower than Q3 2020. Large-cap yields increased to 1.41% (1.38% for Q2 2021 and 1.68% for Q3 2020), mid-caps increased to 1.28% (1.20% for Q2 2021 and 1.55% for Q3 2020), and small-caps increased to 1.22% (1.12% for Q2 2021 and 1.47% for Q3 2020).
- The yields across **dividend-paying** market-size classifications were closer, but varied, with large-caps at 1.93% (1.88% for Q2 2021 and 2.26% for Q3 2020), mid-caps at 2.06% (1.94% for Q2 2021 and 2.63% for Q3 2020) and small-caps at 2.25% (2.14% for Q2 2021 and 2.97% for Q3 2020).

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