

S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increased \$17.6 Billion During Q2 2022; Indicated Dividend Gain was \$74.8 Billion for the 12 months Ending June 2022

- Q2 2022 U.S. common dividend increases were \$19.3 billion, down 30.4% from \$27.7 billion in Q1 2022 and up 25.1% from \$15.4 billion in Q2 2021.
- Q2 2022 U.S. common dividend decreases were \$1.7 billion, down 82.3% from \$9.5 billion in Q1 2022, down 32.6% from \$2.5 billion in Q2 2021.
- Net indicated dividend rate change increased \$17.6 billion in Q2 2022, compared to \$18.2 billion in Q1 2022, and \$12.9 billion in Q2 2021.
- For the 12-month period ending June 2022, U.S. common dividend increases were \$89.8 billion, up 54.7% from June 2021's \$58.1 billion; decreases fell 24.5% to \$15.1 billion in the 12-month period ending June 2022, compared to \$20.0 billion during the same time period in 2021.
- The net indicated dividend gain in the 12-month period ending June 2022 was \$74.8 billion net, compared to \$38.1 billion in the same period ending June 2021.

NEW YORK, July 7, 2022 /PRNewswire/ -- S&P Dow Jones Indices announced today that indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$17.6 billion** during Q2 2022, compared to \$18.2 billion in Q1 2022 and \$12.9 billion in Q2 2021.

For the 12-month period ending June 2022, the net dividend rate increased \$74.8 billion, compared to net \$38.1 billion in the 12-month period ending June 2021. Increases were \$89.8 billion versus \$58.1 billion, and decreases were \$15.1 billion compared to \$20.0 billion in the same period in 2021.

S&P Dow Jones Indices

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"Dividend increases continue to accelerate despite the market retreat from its January 3, 2022 opening high, and we expect Q3 dividends to set another quarterly dividend payment record," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "The risk-reward tradeoff has significantly changed so far in 2022, as the market turmoil has moved risk- and growth-oriented investors to more secure, less volatile equity dividend producers, as the dividend acts like an anchor, slowing the decline.

"History shows us that, at some point, with or without a recession, the market will likely start to trade and price past the downturn and focus on the upside, meaning those same dividend payers will experience some selling, leaving the core dividend investors," Silverblatt added. "Historically, the process typically leaves more investors in dividends, as each new generation of market participants experiences a market decline for the first time."

Within the S&P 500, Q2 cash dividends were up 14.1% over Q2 2021, setting a quarterly record.

Buybacks, which set a record in Q1 2022 and are expected to set another in Q2 2022, still appear to be favored over dividends, as the dividend payout ratio is historically low. Dividends are expected to increase through the year, with 2022 dividends expected to post a record payment.

"As far as the rest of 2022, the forecast remains uncertain due to several factors: high inflation, rising interest rates and the beginning of a consumer pull back. Despite consumers continuing their post-COVID summer

spending spree, Q4 spending, and therefore profits, is a concern," Silverblatt concluded.

S&P 500 Dividends

On a per share basis, S&P 500 Q2 2022 dividend payments set a record, increasing 2.3% to \$16.63 from Q1 2022's \$16.25, up 14.1% from Q2 2021 \$14.58 payment. On an aggregate basis, index components paid a record \$140.6 billion in dividends in the quarter, up from \$137.6 billion in Q1 2022 and up from \$123.4 billion in Q2 2021. For the 12-month period ending June 2022, the index paid a record \$64.02 per share, up from \$57.93 in the 12-month period ending June 2021, with an aggregate \$542.1 billion to shareholders, compared to \$484.5 billion in 2021.

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):

- 555 dividend increases were reported during Q2 2022 compared to 568 during Q2 2021, a 2.3% year-over-year decrease.
- Total dividend increases were \$19.3 billion for the period, up from \$15.4 billion for Q2 2021.
- For the 12-month period ending June 2022, 2,954 issues increased their payments, compared to 2,403 issues for the prior period, a 22.9% increase.
- Total dividend increases for the 12-month June 2022 period were \$89.8 billion, up from \$58.1 billion in the 12-month period ending June 2021.

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

- 51 issues decreased dividends in Q2 2022, compared to 29 during Q2 2021, a 75.1% year-over-year increase.
- Dividend decreases were \$1.7 billion in Q2 2022, down from \$2.5 billion in Q2 2021.
- In the 12-month period ending June 2022, 199 issues decreased their dividend payments, compared to 252 decreases in the 2021 period, a 21.0% decrease.
- Dividend decreases were \$15.1 billion in the 12-month period ending June 2022, a 24.6% decline from a \$20.0 billion decrease in the same period in 2021.

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 increased to 20.0% in Q2 2022, compared to 19.8% in Q1 2022, a decrease from 21.0% in Q2 2021.
- The weighted indicated dividend yield for paying issues was 2.98% in Q2 2022, up from 2.62% in Q1 2021 and up from 2.46% in Q2 2021. The average indicated yield increased to 3.20% in Q2 2022, compared to Q1 2021's 2.92% and 2.76% in Q2 2021.

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

- 398 issues, or 79.1%, within the **S&P 500** currently pay a dividend, up from 394 issues, or 78.0% in Q1 2022, and up from 386 (76.4%) in Q2 2021; 27 of the 30 members of the **Dow Jones Industrial Average®** pay a dividend.
- 65.3% of **S&P MidCap 400®** issues now pay a dividend, up from 64.5% in Q1 2022 and up from 63.3% in Q2 2021; 51.2% of **S&P SmallCap 600®** issues pay a dividend, unchanged from Q1 2022 and up from 50.4% in Q2 2021.
- Yields varied and were higher than Q1 2022, as markets declined for Q2 2022 and dividends increased. Large-cap yields increased to 1.72% (1.40% for Q1 2022 and 1.38% for Q2 2021), mid-caps increased to 1.71% (1.41% for Q1 2022 and 1.20% for Q2 2021), and small-caps increased to 1.56% (1.32% for Q1 2022 and 1.12% for Q2 2021).
- The yields across **dividend-paying** market-size classifications also varied, with large-caps at 2.18% (1.85% in Q1 2022 and 1.88% in Q2 2021), mid-caps at 2.56% (2.17% in Q1 2022 and 1.94% in Q2 2021) and small-caps at 2.82% (2.38% in Q2 2021 and 2.14% in Q2 2021).

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

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the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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