

S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increase \$8.8 Billion in Q3 2023, as the 12-month Gains \$37.5 Billion

- Q3 2023 U.S. common dividend increases were \$18.0 billion, up 84.0% from \$9.8 billion in Q2 2023 and down 5.7% from \$19.1 billion in Q3 2022.
- Q3 2023 U.S. common dividend decreases were \$9.2 billion, up 66.5% from \$5.5 billion in Q2 2023, and up 552% from \$1.4 billion in Q3 2022.
- Q3 2023 net indicated dividend rate change increased \$8.8 billion, compared to \$4.3 billion in Q2 2023, and \$17.7 billion in Q3 2022.
- For the 12-month period ending in September 2023, U.S. common dividend increases were \$63.9 billion, down 26.3% from the comparable September 2022 period's \$86.7 billion; decreases were up 74.1% to \$26.4 billion, compared to \$15.2 billion for the same September 2022 period.
- The net 12-month September 2023 indicated dividend gain was \$37.5 billion, compared to \$71.5 billion ending in September 2022.

NEW YORK, Oct. 4, 2023 /PRNewswire/ -- S&P Dow Jones Indices announced today that the indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$8.8 billion** during Q3 2023, compared to a \$4.3 billion increase in Q2 2023 and \$17.7 billion increase in Q3 2022. Increases were \$18.0 billion versus \$9.8 billion for Q2 2023, and decreases were \$9.2 billion compared to \$5.5 billion in the previous quarter.

For all 12-months ending in September 2023, the net dividend rate increased \$37.5 billion, compared to the net \$71.5 billion ending in September 2022. Increases were \$63.9 billion versus \$86.7 billion, and decreases were \$26.4 billion compared to \$15.2 billion.

S&P Dow Jones Indices

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"Dividend payments picked up in the third quarter as increases bounced back from their Q2 decline. However, dividend decreases significantly picked up, which reduced the net gain to shareholders," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices. "The increases were supported by T-Mobile's \$3.1 billion dividend initiation, which was only second to Apple's \$9.9 billion initiation in March 2012, and Microsoft's \$2.1 billion increase - its largest annual increase since it initiated dividends in January 2003. Absent these two, the quarterly increases portray a cautious corporate approach to longer-term dividend commitments."

Silverblatt continued: "Given the acceptance of higher-for-longer interest rates, the impact on consumer spending, and the uncertainty surrounding the economy, a more cautious level of dividend commitments seems justified for the short-term. For Q4 2023, the dollar aggregate of dividends are expected to increase. Absent an economic event, they could even set a dividend payment record for the S&P 500 Q4 period as large caps appear to be weathering the uncertainties better than others. This result would make 2023 the 14th consecutive year of dividend increases for the index, and the 12th consecutive record year. For 2024, we expect companies to remain cautious over both consumer and government spending, and consider any impact of the political environment. This could result in restrained net dividend increases, posting a 3.5%-4.5% increase in actual cash payments for 2024 over 2023."

S&P 500 Dividends

On a per share basis, S&P 500 Q3 2023 dividend payments increased 0.7% to \$17.26 per share, from the Q2 2023's \$17.13 and were up 3.6% from Q3 2022's \$16.66 payment. On an aggregate basis, index constituents

paid \$144.2 billion in dividends for the quarter, up from the \$143.2 billion paid in Q2 2023 and up from \$140.3 billion in Q3 2022. For the 12-month September period, the index paid a record \$69.31 per share, up from \$65.32 for the 12-month September 2022 period, with an aggregate record \$580.2 billion payment to shareholders compared to the comparable 2022 period's \$552.4 billion.

The Q3 increase comes after a 2.3% decline in Q2 2023 over Q1 2023, which followed seven consecutive quarters of record dividend payments for the S&P 500.

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):

- 448 dividend increases were reported during Q3 2023 compared to 529 during Q3 2022, a 15.3% year-over-year decrease.
- Total dividend increases were \$18.0 billion for the period, down from \$19.1 billion for Q3 2022.
- For the 12-month September 2023 period, 2,621 issues increased their payments, a decrease of 9.6% compared to the 2,899 issues for the 12-month September 2022 period.
- Total dividend increases for the 12-month September 2023 period were \$63.9 billion, down from \$86.7 billion for the 12-month September 2022 period.

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

- 62 issues decreased dividends in Q3 2023, a 3.3% year-over-year increase compared to 60 issues in Q3 2022.
- Dividend decreases were \$9.2 billion in Q3 2023, up from \$1.4 billion in Q3 2022.
- For the 12-month September 2023 period, 479 issues decreased their dividend payments, a 106% increase compared to the 232 decreases in the 12-month September 2022 period.
- Dividend decreases were \$26.4 billion for the 12-month September 2023 period, a 74.1% increase from the prior 12-month September 2022 period of \$15.2 billion.

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 20.4% in Q3 2023, compared to 20.1% in Q2 2023 and up from 19.4% in Q3 2022.
- The weighted indicated dividend yield for paying issues was 3.14% in Q3 2023, up from 3.09% in Q2 2022 and down from 3.17% in Q3 2022. The average indicated yield increased to 3.50% in Q3 2023, compared to Q2 2023's 3.42% and up from 3.34% in Q3 2022.

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

- 401 issues or 79.7% within the **S&P 500** currently pay a dividend, the same as Q2 2023 and up from the 399 issues of Q3 2022; 27 of the 30 members of the **Dow Jones Industrial Average®** pay a dividend (average yield 2.75% for all issues and 3.05% for the paying issues).
- 65.3% of **S&P MidCap 400®** issues pay a dividend, up from 64.6% in Q2 2023 and up from 64.3% in Q3 2022; 57.1% of **S&P SmallCap 600®** issues pay a dividend, up from 55.4% in Q2 2023 and up from 52.1% in Q3 2022.
- Yields increased for Q3 2023 as prices declined. Large-cap yields were 1.63% (1.56% for Q2 2023 and 1.85% for Q3 2022), mid-caps increased to 1.71% (1.63% for Q2 2023 and 1.81% for Q3 2022), and small-caps increased to 1.95% (1.73% for Q2 2023 and 1.75% for Q3 2022).
- The yields across **dividend-paying** market-size classifications varied, with large-caps at 2.11% (2.01% in Q2 2023 and 2.38% in Q3 2022), mid-caps at 2.54% (2.47% in Q2 2023 and 2.76% in Q3 2022) and small-caps at 3.34% (3.11% in Q2 2023 and 3.13% in Q3 2022).

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