S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increase of $9.5 Billion in Q3 2024 As Dividend Growth Slows

- **Q3 2024 U.S. common dividend increases were $14.1 billion, down 31.1% from $20.4 billion in Q2 2024 and down 21.9% from $18.0 billion in Q3 2023.**
- **Q3 2024 U.S. common dividend decreases were $4.6 billion, up 3.9% from $4.4 billion in Q2 2024, and down 50.5% from $9.2 billion in Q3 2023.**
- **Q3 2024 net indicated dividend rate change increased $9.5 billion.**
- **For the 12-months ending September 2024, U.S. common dividend increases were $74.7 billion up 16.9% from the 12-month September 2023 period's $63.9 billion; decreases were down 26.4% to $19.5 billion compared to $26.4 billion for the prior 12-month period.**
- **The net 12-month September 2024 indicated dividend increase was $55.3 billion compared to $37.5 billion for the prior 12-month September 2023 period.**

NEW YORK, Oct. 9, 2024 /PRNewswire/ -- S&P Dow Jones Indices today announced the indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased $9.5 billion** during Q3 2024, compared to the $16.0 billion increase in Q2 2024 and the $8.8 billion increase in Q3 2023. Increases were $14.1 billion versus $20.4 billion for Q2 2024 and $18.0 billion in Q3 2023. Decreases were $4.6 billion compared to $4.4 billion in Q2 2024 and $9.2 billion in Q3 2023.

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For the 12-months ending September 2024, the net dividend rate increased $55.3 billion compared to the net $37.5 billion for the 12-months ending September 2023. For 2023, it was up $36.5 billion compared to 2022's $68.2 billion and 2021's $69.8 billion; with the 2020 net change negative as 43 S&P 500 issues suspended their dividends at $40.8 billion. Increases for the 12-month September 2024 period were $74.7 billion versus the previous $63.9 billion, and decreases were $19.5 billion compared to $26.4 billion.

"Dividends continued to grow in Q3, but at a slower rate. Q3 lacked the big-name initiation of the first half of the year when Brookings, Meta Platforms, Salesforce and Alphabet started to pay at a $16.4 billion rate, compared to Intel's $2.1 billion dividend suspension this quarter. Companies remained shy of larger dividend commitments due to economic uncertainty," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.

Silverblatt continued: "Given the FOMC's interest rate reduction start and record earnings for Q2, and projected record earnings for both Q3 and Q4, companies may be more at ease to commit funds to larger dividend increases. For the rest of 2024, the continued uncertainty over the economy and the size of the expected interest rate cuts will likely damper the amount of dividend increases. However, dividend growth is expected to selectively continue, which would permit an increased payout. S&P 500 large caps performed better than most in the first three quarters of this year, with their record earnings, and an expected record dividend payment for 2024. In addition, S&P 500 large caps are expected to post a 6% increase in dividend payments for 2024 compared to its 5.1% increase in 2023 and the 10.8% increase seen in 2022."

Silverblatt concluded: "The notable conclusion is that many companies have the ability and cash-flow to increase their dividend payments, but remain concerned over the economy, government spending and taxing policy. Given the continued economic

growth with lower interest rates and the relatively low unemployment rate, a clearer picture of potential policy should emerge after the election; at which time companies can better evaluate their future commitment."

S&P 500® Dividends

On a per share basis, S&P 500 Q3 2024 dividend payments set a record, as payments increased 2.2% to $18.68 per share from Q2 2024's $18.28 and were up 8.3% from Q3 2023's $17.26 payment. Year-to-date, the index paid $55.02 per share, up from $51.93 for the same period in 2023. For the 12-months ending September 2024, the index paid a record $73.40 per share, up from $69.31 for the prior 12-month period.

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

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

- 480 dividend increases were reported during Q3 2024 compared to 448 during Q3 2023, a 7.1% year-over-year increase.
- Total dividend increases were $14.1 billion for the quarter, down from $18.0 billion in Q3 2023.
- For the 12-months ending in September 2024, 2,522 issues increased their payments, a decrease of 3.8% compared to the 2,621 issues for the 12-months ending in September 2023.
- Total dividend increases for the 12-month period were $74.7 billion, up from $63.9 billion in the prior 12-month period.

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

- 27 issues decreased dividends in Q3 2024, a 56.5% year-over-year decrease compared to 62 issues in Q3 2023.
- Dividend decreases were $4.6 billion in Q3 2024, compared to $9.2 billion in Q3 2023.
- For the 12-months ending in September 2024, 140 issues decreased their dividend payments, a 70.8% decrease compared to the 479 decreases within the prior 12-month period.
- Dividend decreases were $19.5 billion for the current 12-month period, a 26.4% decrease from prior 12-month period's $26.4 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% from Q2 2024's 20.3% and were flat compared to Q3 2023's 20.4%.
- The weighted indicated dividend yield for paying issues was 2.69% in Q3 2024, down from 2.92% in Q2 2024 and down from 3.14% in Q3 2023. The average indicated yield decreased to 3.18% in Q3 2024 compared to Q2 2024's 3.37% and was down from 3.50% in Q3 2023.

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

- 404 issues or 80.3% within the **S&P 500** currently pay a dividend, up from 403 in Q2 2024 and up from the 401 which paid in Q3 2023; 27 of the 30 constituents within the **Dow Jones Industrial Average®** pay a dividend with an average yield of 2.03% for all issues and 2.25% for the paying issues.
- 66.6% of **S&P MidCap 400®** issues pay a dividend, up from 65.8% in Q2 2024 and up from 65.3% in Q3 2023. 58.0% of **S&P SmallCap 600®** issues pay a dividend, down from 59.1% in Q2 2024 and up from 57.1% in Q3 2023.
- Yields mostly decreased for Q3 2024, as large-cap yields decreased (as their prices increased significantly more) to 1.29% (1.35% for Q2 2024 and 1.63% for Q3 2023), mid-caps decreased to 1.42% (1.52% for Q2 2024 and 1.71% for Q3 2023), and small-caps decreased to 1.60% (1.81% for Q2 2024 and 1.95% for Q3 2023).
- The yields across **dividend-paying** market-size classifications varied with large-caps declining to 1.55% for Q3 2024 (1.61% in Q2 2024 and 2.11% in Q3 2023), mid-caps decreasing to 2.11% (2.26% in Q2 2024 and 2.54% in Q3 2023), and small-caps decreasing to 2.70% (3.06% in Q2 2024 and 3.34% in Q3 2023).

For more information about S&P Dow Jones Indices, please visit https://www.spglobal.com/spdji/en/.

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